NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: S&P: "AAA"
Moody's: "Aa3"
Fitch: "AA"
See "RATINGS"

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See "TAX MATTERS."

$47,625,000
REGIONAL TRANSPORTATION DISTRICT
(Colorado)
Sales Tax Revenue Refunding Bonds
Series 2010A

Dated: Date of Delivery **Due: November 1, as shown below**

Principal and the final installment of interest on the Bonds are payable upon presentation and surrender thereof to, and all other interest (due May 1, 2010 and each November 1 and May 1 thereafter) is payable by, The Bank of New York Mellon Trust Company, N.A., as paying agent, by check or draft to the registered owners of the Bonds.

The Bonds are issuable in registered form and are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, as securities depository for the Bonds. Purchases by beneficial owners of the Bonds are to be made in book-entry form in the principal amount of $5,000 or any integral multiple thereof. Beneficial owners are not to receive certificates evidencing their interests in the Bonds. See "THE BONDS—Book-Entry Form."

The Bonds mature, bear interest and are priced to yield as follows:

MATURITY SCHEDULE
(CUSIP© 6-digit issue number: 759136)

Maturity	Principal Amount	Interest Rate	Yield[1]	CUSIP©[2]	Maturity	Principal Amount	Interest Rate	Yield[1]	CUSIP©[2]
2011	$ 3,290,000	3.000%	0.680%	QD9	2015	$6,130,000	5.000%	2.200%	QH0
2012	3,385,000	4.000	0.960	QE7	2016	6,480,000	5.000	2.520	QJ6
2013	11,860,000	5.000	1.290	QF4	2017	6,725,000	5.000	2.770	QK3
2014	9,755,000	5.000	1.740	QG2					

(1) This information is not provided by RTD.
(2) Neither RTD nor the Underwriters take any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of the owners of the Bonds.

The Bonds are not subject to optional redemption prior to maturity.

The Bonds are issued for the purpose of refunding, paying and discharging certain of the District's outstanding sales tax revenue bonds. See "USE OF PROCEEDS."

The Bonds are special and limited obligations of the District payable solely from and secured by a first (but not necessarily an exclusive first) lien upon the revenues received by the District from its 0.6% sales and use tax and the moneys and investments held in certain accounts under the Bond Resolution. The Bonds do not constitute a general obligation of the District within the meaning of any constitutional or statutory debt limitation or provision and are not payable in whole or in part from the proceeds of ad valorem property taxes. See "SECURITY FOR THE BONDS."

The purchase and ownership of the Bonds involve investment risk. Prospective purchasers should give particular attention to the matters discussed under "RISK FACTORS" herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors should read this entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if executed and delivered and accepted by the Underwriters and subject to the approving legal opinion of Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, and to certain other conditions. Sherman & Howard L.L.C., Denver, Colorado, and GCR, LLP, Denver, Colorado, also acted as special counsel to the District in connection with the Official Statement. Certain legal matters will be passed upon for the District by its General Counsel, Marla Lien, Esq., and for the Underwriters by Hogan & Hartson LLP, Denver, Colorado. It is expected that the Bonds in book-entry form will be available for deposit with The Depository Trust Company and delivery in New York, New York, on or about January 5, 2010.

MORGAN STANLEY

GEORGE K. BAUM & COMPANY JACKSON SECURITIES J.P. MORGAN RBC CAPITAL MARKETS

The date of this Official Statement is December 15, 2009.

REGIONAL TRANSPORTATION DISTRICT
1600 Blake Street
Denver, Colorado 80202

BOARD OF DIRECTORS

Directors	Director Districts
Lee Kemp, Chairman	District I
Christopher Martinez, First Vice Chairman	District B
Noel Busck, Second Vice Chairman	District K
Bruce Daly, Secretary	District N
John L. Tayer, Treasurer	District O
Kent Bagley	District H
Barbara Brohl	District D
Juanita Chacon	District C
William M. Christopher	District J
Matt Cohen	District M
Bill James	District A
William G. McMullen	District E
Jack O'Boyle	District G
Wallace Pulliam	District L
Tom Tobiassen	District F

Interim General Manager
Phillip A. Washington

General Counsel to Board of Directors and the District
Marla Lien, Esq.

Bond Counsel
Sherman & Howard L.L.C.
Denver, Colorado

No dealer, salesman or other person has been authorized to give any information or to make any representation with respect to the Bonds that is not contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the underwriters listed on the cover hereof (collectively, the "Underwriters"). The information contained in this Official Statement is subject to change, and neither the delivery of this Official Statement nor any sale made after any such delivery creates any implication that there has been no change since the date of this Official Statement. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there is to be no sale of any of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been furnished by the District and includes information obtained from other sources, all of which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Bonds is made only by means of this entire Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

In connection with the offering of the Bonds, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of such Bonds at levels above those which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: HTTP://WWW.MERITOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT

$47,625,000
REGIONAL TRANSPORTATION DISTRICT
(Colorado)
Sales Tax Revenue Refunding Bonds
Series 2010A

INTRODUCTION

This Official Statement, which includes the cover page and the appendices, provides certain information in connection with the offering of $47,625,000 aggregate principal amount of Sales Tax Revenue Refunding Bonds, Series 2010A (the "Bonds"), of the Regional Transportation District ("RTD" or the "District"), a public body politic and corporate and political subdivision of the State of Colorado (the "State"), organized and existing under the terms of the Regional Transportation District Act, Section 32-9-101 et seq., Colorado Revised Statutes, as amended (the "Act"). The Bonds are being issued by the District pursuant to a Sales Tax Revenue Bond Resolution, adopted October 27, 1977, as amended and supplemented (the "Master Bond Resolution"), and the Sixteenth Supplemental Sales Tax Revenue Bond Resolution, adopted November 17, 2009 (the "Sixteenth Supplemental Resolution"). For purposes of this Official Statement, the Master Bond Resolution and the Sixteenth Supplemental Resolution are collectively referred to as the "Bond Resolution."

The Bonds are issued for the purpose of refunding, paying and discharging certain of the District's outstanding sales tax revenue refunding bonds (the "Refunded Bonds") described herein under "USE OF PROCEEDS—Refunding Escrow."

The Bonds are special and limited obligations of the District payable solely from and secured by a first (but not necessarily an exclusive first) lien upon the revenues received by the District from its 0.6% Sales Tax (the "Pledged Sales Tax Revenues") and the moneys and investments in certain accounts created under the Bond Resolution, held by The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee"), and subject only to the provisions of the Bond Resolution permitting application of such funds for the purposes described in the Bond Resolution. **The District is prohibited from issuing securities having a lien upon the Pledged Sales Tax Revenues superior to that of the Bonds and is also prohibited from issuing non-refunding securities on a parity with that of the Bonds. See "SECURITY FOR THE BONDS—Additional Securities."**

On November 2, 2004, voters in the District approved a ballot referendum allowing for an increase in the RTD Sales Tax rate from 0.6% to 1.0% effective January 1, 2005. **The revenues generated by this additional 0.4% Sales Tax rate (the "Unpledged Sales Tax Revenues") do not secure the Bonds.** Collectively, the Pledged Sales Tax Revenues and Unpledged Sales Tax Revenues are hereinafter referred to as the "Sales Tax Revenues." The Bonds do not constitute a general obligation of the District within the meaning of any constitutional or statutory debt limitation or provision, and are not payable in whole or in part from the proceeds of ad valorem property taxes. See "SECURITY FOR THE BONDS" herein.

This Official Statement includes financial, demographic and other information about the District. Prospective purchasers are encouraged to read this Official Statement and the appendices hereto in their entirety. This Official Statement also contains descriptions of the Bonds, the Bond Resolution and other documents and information pertaining to the Bonds. The description of the Bonds, the Bond Resolution and such other documents do not purport to be definitive or comprehensive, and all references to those documents are qualified by reference to those documents. Copies of the above-mentioned documents may be obtained from Teresa Sedmak, Manager of Debt and Investments, Regional Transportation District, 1600 Blake Street, Denver, Colorado 80202 (303) 299-2313.

CHANGES FROM PRELIMINARY OFFICIAL STATEMENT

This Official Statement contains changes made to the Preliminary Official Statement dated December 8, 2009. Such changes reflect (i) pricing information; (ii) revision of the description of Refunded Bonds under "USE OF PROCEEDS – Refunding Escrow" herein; and (iii) disclosure of the decision by the District's Board of Directors on December 15, 2009 to enter into contract negotiations with Phillip A. Washington, the District's current Interim General Manager, to serve as the District's General Manager. See "RTD – Principal Officials."

THE BONDS

Authority

The Bonds are issued pursuant to the Bond Resolution, the Act and Section 11-57-201 et seq., Colorado Revised Statutes, as amended. Pursuant to Art. X, § 20(4)(b) of the State Constitution, the Bonds may be issued without voter approval for the purpose of refunding the Refunded Bonds at a lower interest rate. See "CONSTITUTIONAL REVENUE, SPENDING AND DEBT LIMITATIONS."

Description

The Bonds are dated, mature and bear interest and are subject to the other terms and conditions as described on the cover page hereof.

Debt Service Requirements

The Debt Service Requirements of the Bonds and all outstanding obligations payable from the Pledged Sales Tax Revenues on a parity with the Bonds under the Bond Resolution following the refunding (the "Outstanding Parity Bonds") are set forth in the following table:

TABLE I

Year	Debt Service Requirements of the Outstanding Parity Bonds	Debt Service Requirements of the Bonds: Principal	Interest	Total	Total Debt Service Requirements
2010	$32,861,746.50	--	$1,875,982.22	$ 1,875,982.22	$34,737,728.72
2011	29,872,315.50	$ 3,290,000.00	2,281,600.00	5,571,600.00	35,443,915.50
2012	29,874,675.50	3,385,000.00	2,182,900.00	5,567,900.00	35,442,575.50
2013	14,864,362.50	11,860,000.00	2,047,500.00	13,907,500.00	28,771,862.50
2014	17,563,062.50	9,755,000.00	1,454,500.00	11,209,500.00	28,772,562.50
2015	21,674,812.50	6,130,000.00	966,750.00	7,096,750.00	28,771,562.50
2016	21,628,562.50	6,480,000.00	660,250.00	7,140,250.00	28,768,812.50
2017	21,565,813.00	6,725,000.00	336,250.00	7,061,250.00	28,627,063.00
Total	$189,905,350.50	$47,625,000.00	$11,805,732.22	$59,430,732.22	$249,336,082.72

Source: The District and the Underwriters.

No Optional Redemption

The Bonds are not subject to optional redemption prior to maturity.

Payment and Registration

The Bonds are issuable in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as securities depository for the Bonds (the "Securities Depository"). Purchases by beneficial owners ("Beneficial Owners") of the Bonds are to be made in book-entry form in the principal amount of $5,000 or any integral multiple thereof. Principal of and final installment of interest on the Bonds are payable upon presentation and surrender thereof to, and all other interest is payable by, the Trustee, by check or draft mailed to the registered owners at the addresses appearing on the registration books of the Trustee on the date 20 days next preceding such interest payment date. Payments to Beneficial Owners are to be made as described below under "THE BONDS - Book-Entry Form."

Neither the District nor the Trustee has any responsibility or obligation for the payment to the participants of the Securities Depository ("Participants"), any Beneficial Owner or any other person of the principal of or interest on the Bonds.

Neither the District nor the Trustee has any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or its Participants regarding any ownership interest in the Bonds or the delivery to any Participant, Beneficial Owner or any other person of any notice with respect to the Bonds.

Transfer and Exchange

The Bonds are transferable only upon the registration books of the District, which are to be kept for such purposes at the principal corporate trust office of the Trustee, by the registered owner or his, her or its duly authorized attorney. The registered owner of any Bond or Bonds may also exchange such Bond or Bonds for another Bond or Bonds of authorized denominations. The Trustee may require the payment, by the owner of any Bond requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer. In the case of every transfer or exchange, the Trustee is to authenticate and deliver to the new registered owner a new Bond or Bonds of the same aggregate principal amount, maturing in the same year and bearing interest at the same per annum interest rate as the Bond or Bonds surrendered. Transfers by Beneficial Owners are to be made as described below under "THE BONDS - Book-Entry Form."

Neither the District nor the Trustee has any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or its Participants regarding any ownership interest in the Bonds or transfers thereof.

Book-Entry Form

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of interest and other payments on the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions is based solely on information furnished by DTC.

DTC acts as securities depository for the Bonds. The Bonds are to be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate is to be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and is to be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's Participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners are not to receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transactions. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners are not to receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the underlying documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the District as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal, interest and redemption payments on the Bonds are to be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and are the responsibility of such Participants and not of DTC, its nominee, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriters take any responsibility for the accuracy thereof.

SECURITY FOR THE BONDS

The Bonds are special and limited obligations of the District payable solely from and secured by a first (but not necessarily an exclusive first) lien upon the Pledged Sales Tax Revenues, the moneys and investments in a reserve fund (the "Bond Reserve Account") and certain other accounts created under the Bond Resolution, held by the Trustee, and subject only to provisions of the Bond Resolution permitting application of such funds for purposes described in the Bond Resolution. The Bonds are not general obligations of RTD. The Bonds are not payable in whole or in part from the proceeds of general property taxes, nor is the full faith and credit of RTD pledged to pay the Bonds. **The Bonds are not secured by the Unpledged Sales Tax Revenues.** See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

Flow of Funds

The Bond Resolution provides for payments, in the sequence described below, into and out of the following accounts held by the Trustee and for the stated purposes. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

Bond Service Account. Pledged Sales Tax Revenues are to be deposited each month in the Bond Service Account to the extent necessary to maintain a balance in the Bond Service Account equal to the accrued aggregate debt service on the Bonds and the Outstanding Parity Bonds and any other parity securities.

Bond Reserve Account. The Bond Resolution requires the District to retain in the Bond Reserve Account an amount equal to one-half of the maximum amount of principal and interest due on the Bonds, the Outstanding Parity Bonds and any other parity securities in any fiscal year (the "Debt Service Reserve Requirement"). Subject to the payment required to be made into the Bond Service Account, the Bond Resolution provides that there shall be credited to the Bond Reserve Account the amount, if any, required to maintain therein the Debt Service Reserve Requirement. The amounts on deposit in the Bond Reserve Account are to be maintained as a reserve against deficiencies in the Bond Service Account. If monies on deposit in the Bond Reserve Account are withdrawn to remedy such deficiencies, Pledged Sales Tax Revenues are to be deposited in the Bond Reserve Account in an amount sufficient to reaccumulate the Debt Service Reserve Requirement. RTD is permitted to substitute certain financial undertakings or guarantees for the deposit required to be maintained in the Bond Reserve Account, provided that any such substitution does not cause the then-current ratings on the Bonds to be adversely affected.

Moneys in the Bond Reserve Account are invested and reinvested by the Trustee in Investment Securities (as defined in APPENDIX E). As of December 1, 2009, the Bond Reserve Account contained Investment Securities valued at $17,861,516.07. This amount meets the Debt Service Reserve Requirement.

Rebate Account. Any amounts that are subject to federal arbitrage rebate requirements on account of investment earnings in certain accounts under the Bond Resolution are to be deposited in the Rebate Account free and clear of the lien of the Bonds and are to be paid to the federal government when due.

Subordinate Securities. To the extent that the required payments have been made into the Bond Service Account, the Bond Reserve Account and the Rebate Account, any Pledged Sales Tax Revenues remaining may be used to pay debt service requirements of any subordinate securities.

Remaining Revenues. To the extent that all of the foregoing requirements have been met in any month, any remaining Pledged Sales Tax Revenues are to be returned to the District.

Debt Service Coverage

The following tables set forth historical debt service coverage on obligations secured by the Pledged Sales Tax Revenues under the Bond Resolution for the past five years:

TABLE II
Historical Debt Service Coverage

Year	Pledged Sales Tax Revenue	Total Debt Service Pledged Sales Tax Revenue Requirements	Coverage
2004	$221,275,911	$31,781,035	7.0
2005	233,645,016	28,912,300	8.1
2006	239,734,200	33,076,929	7.2
2007	251,044,088	31,578,540	8.0
2008	247,694,525	38,289,927	6.5

Source: District 2008 Comprehensive Annual Financial Report; The District.

The District has budgeted Pledged Sales Tax Revenues of $223,915,851 in 2009. Based upon the combined Debt Service Requirements of the Bonds and the Outstanding Parity Bonds, the District's maximum annual debt service coverage for such obligations after the issuance of the Bonds is set forth in the following table:

TABLE III

Year	Budgeted Pledged Sales Tax Revenues	Maximum Annual Outstanding Parity Bonds Debt Service Requirements	Coverage
2010	$223,915,851	$35,443,915	6.3

Source: The Underwriters (with respect to debt service requirements) and the District.

Additional Securities

The Bond Resolution prohibits the issuance of securities having a lien upon the Pledged Sales Tax Revenues superior to the Bonds and permits the issuance, upon certain conditions, of securities having a lien upon the Pledged Sales Tax Revenues on a parity with that of the Bonds (the "Additional Parity Bonds"), provided that all of the following conditions are met: (a) RTD certifies that it is not in default under any provisions of the Bond Resolution; (b) during 12 consecutive calendar months of the 18 calendar months next preceding the issuance of the proposed Additional Parity Bonds, the Pledged Sales Tax Revenues, including any estimated revenues which would have been received during said 12-month period from additional sales and use taxes imposed during said 18-month period, were at least equal to 130% of the combined maximum annual debt service requirements of the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds (including any reimbursement obligations to providers of collateral security); and (c) the proceedings authorizing the proposed Additional Parity Bonds must provide for the deposit of moneys or a reserve fund credit facility to the Bond Reserve Account to maintain the Bond Reserve Account at the minimum amount required by the Bond Resolution.

The Bond Resolution also provides that the District may issue refunding bonds without satisfying the above conditions provided that aggregate debt service for the current and each future fiscal year is not increased and a deposit, if required, is made to the Bond Reserve Account to maintain the Bond Reserve Account at the minimum amount required by the Bond Resolution. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION.”

The District is additionally restricted in its ability to issue Additional Parity Bonds as a result of a covenant it made in connection with the issuance of its Sales Tax Revenue Bonds (FasTracks Project), Series 2006A (the “Series 2006A Subordinate Bonds”) which are secured by (a) a first (but not necessarily an exclusive first) lien on the Unpledged Sales Tax Revenues and (b) a non-exclusive lien upon the Pledged Sales Tax Revenues subordinate to the lien thereon of the Bonds and the Outstanding Parity Bonds (collectively, the “Senior Debt”). The Board has covenanted in the Indenture securing the Series 2006A Subordinate Bonds (the “Series 2006A Indenture”) that no additional securities are to be issued by the District with a pledge of and lien on the Pledged Sale Tax Revenues that is superior or senior to the lien thereon of the Series 2006A Subordinate Bonds, except for obligations issued by the District to refund the Bonds or the Outstanding Parity Bonds, provided that after the issuance of such refunding bonds, the debt service payable on all Senior Debt outstanding after the issuance of such refunding bonds in each Bond Year shall not exceed the debt service payable on Senior Debt outstanding prior to the issuance of such refunding bonds in each Bond Year. The Bond Resolution also provides that no Additional Parity Bond may be issued except as permitted by the Series 2006A Indenture. The Series 2006A Indenture also permits the District to enter into Senior Financial Products Agreements and Senior Credit Facility Obligations in connection with the Senior Debt (as such terms are defined in APPENDIX E herein).

Events of Default

The following events are declared by the Bond Resolution to constitute Events of Default:

(a) if default shall be made in the due and punctual payment of the principal or redemption price of any bond delivered pursuant to the Bond Resolution when and as the same shall become due and payable, whether at maturity, or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any bond delivered pursuant to the Bond Resolution or the unsatisfied balance of any sinking fund installment therefor (except when such installment is due on the maturity date of such bond), when and as such interest installment or sinking fund installment shall become due and payable;

(c) if default shall be made by RTD in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Bond Resolution or in the bonds delivered thereunder, and such default shall continue for a period of 60 days after written notice thereof to RTD by the Trustee or to RTD and to the Trustee by the holders of not less than 10% in principal amount of the outstanding bonds delivered pursuant to the Bond Resolution;

(d) if there shall occur the dissolution or liquidation of RTD or the filing by RTD of a voluntary petition in bankruptcy, or the commission by RTD of any act of bankruptcy, or adjudication of RTD as a bankrupt, or assignment by RTD for the benefit of its creditors, or the entry by RTD into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to RTD in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or

(e) if an order or decree shall be entered, with the consent or acquiescence of RTD, appointing a receiver or receivers of the Pledged Sales Tax Revenues, or any part thereof, or of the rents, fees, charges, income or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of RTD, shall not be vacated or discharged or stayed within 90 days after the entry thereof.

See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

Bondholders' Remedies

The Bond Resolution provides for specific remedies to be exercised by the Trustee or by the holders of not less than 25% of the Bonds outstanding and any other parity securities that might be outstanding in the event of a default by RTD, including acceleration of all indebtedness represented by the Bonds, subject to the right of RTD to cure a payment default by paying all principal then due (except such principal as has become due by acceleration), all interest then due (including interest on overdue interest at the rate of 8% per annum) and all reasonable and proper charges, expenses and liabilities of the Trustee. Neither the Trustee nor the bondholders may foreclose on RTD property or sell such property in order to pay the principal of or interest on the Bonds. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

In addition, the opinion of Bond Counsel is expected to state that the enforceability of the rights of the owners of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally. See "LEGAL MATTERS" and "APPENDIX D – FORM OF BOND COUNSEL OPINION." Bankruptcy or other legal proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

RISK FACTORS

THE PURCHASE OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, INCLUDING ALL APPENDICES HERETO. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW, WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF PRINCIPAL

OF AND INTEREST ON THE BONDS AND WHICH COULD ALSO AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

Special and Limited Obligations

The Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds are special and limited obligations of the District payable solely from and secured solely by the Pledged Sales Tax Revenues and the moneys and investments held in certain accounts under the Bond Resolution and are not to be deemed or construed as creating a debt or indebtedness of the District within the meaning of any constitutional or statutory limitation. Therefore, the payment of the principal of and interest on the Bonds is dependent on the District's receipt of its Pledged Sales Tax Revenues. Bondholders may not look to any general or other revenues of the District, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of and interest on the Bonds, and the Bonds do not constitute general obligations of the District. **The Bonds are not secured by the Unpledged Sales Tax Revenues.**

Economic Conditions

Collections of Sales Tax Revenues are subject to the elastic nature of consumer spending. This causes Sales Tax Revenues to increase along with the higher prices brought about by inflation, but also causes receipts to be vulnerable to adverse economic conditions and reduced consumer confidence, which may result in reduced consumer spending. The United States is currently experiencing a severe recession, with declining household spending and employment rates. Although Colorado employment rates and personal income levels have generally exceeded those experienced on a national basis, retail sales in Colorado and the Denver metropolitan area have experienced a drop from pre-recession years. Future drops in Sales Tax Revenues would negatively affect the level of debt service coverage if consumer spending levels continue to decline. See APPENDIX C – AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA.

Effect of Internet Sales

The future level of taxable retail sales that occurs within the District may be affected by the level of internet sales (also known as e-commerce). Such e-commerce vendors may compete with local retail businesses and may reduce the taxable retail sales which otherwise would occur within the District. Currently, such internet sales are not subject to taxation. The ultimate impact of internet sales on the level of taxable retail sales which occurs within the District cannot be determined at this time, but such impact could be material.

Powers Subject to Change by Legislature

RTD is an entity created by statute. See "RTD—Organization." All of RTD's powers are statutorily-derived and accordingly may be changed by amendment to the Act approved by the State General Assembly or initiated by the voters. In particular, the transactions upon which RTD may levy its sales tax are limited by statute, with certain exceptions, to those transactions upon which the State imposes its sales tax. The State General Assembly has in the past created new exemptions from the State-imposed sales tax reducing RTD's sales tax base and may do so again in the future. See "RTD—Powers."

USE OF PROCEEDS

Generally

The following table sets forth the estimated sources and uses of funds in connection with the execution and delivery of the Bonds:

TABLE IV
Sources and Uses of Funds

Sources	
Principal Amount	$47,625,000
Bond Service Accounts (Refunded Bonds)	554,741
Premium	6,505,915
Total	$54,685,656
Uses	
Refunding Escrow Deposit	$54,337,757
Costs of Issuance(1)	347,899
Total	$54,685,656

(1) Includes Underwriters' discount. See "UNDERWRITING."

Refunding Escrow

The District is undertaking a refunding and defeasance of the Refunded Bonds in order to realize economic savings. The Bond Resolution authorizes the execution and delivery of an Escrow Agreement, dated as of the date of delivery of the Bonds (the "Escrow Agreement"), between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"). The Escrow Agreement directs that net proceeds of the Bonds be deposited in the Escrow Account in an amount sufficient, together with any earnings on such deposit, to pay the principal of, interest on and redemption premiums due in connection with the prior redemption or payment at maturity of the Refunded Bonds. The Refunded Bonds in the total aggregate principal amount of $49,005,000 consist of $14,480,000 aggregate principal amount of the District's Sales Tax Revenue Bonds, Series 2000A (the "Series 2000A Bonds") that mature on November 1, 2011 through 2014 (each bearing interest at the rate of 5.00%), $75,000 aggregate principal amount of the District's Sales Tax Revenue Bonds, Series 2002B (the "Series 2002B Bonds") that mature on November 1, 2013 (bearing interest at the rate of 4.40%), $55,000 aggregate principal amount of the Series 2002B Bonds that mature on November 1, 2014 (bearing interest at the rate of 4.50%), $30,000 aggregate principal amount of the Series 2002B Bonds that mature on November 1, 2015 (bearing interest at the rate of 4.60%), $75,000 aggregate principal amount of the Series 2002B Bonds that mature on November 1, 2016 (bearing interest at the rate of 4.75%), $8,260,000 aggregate principal amount of the Series 2002B Bonds that mature on November 1, 2013 (bearing interest at the rate of 5.50%) and $26,030,000 aggregate principal amount of the District's Sales Tax Revenue Bonds, Series 2004A (the "Series 2004A Bonds") that mature on November 1, 2014 through 2017 (each bearing interest at the rate of 5.00%). The refunded Series 2000A Bonds are to be redeemed on

November 1, 2010. The refunded Series 2002B Bonds are to be redeemed on November 1, 2012. The refunded Series 2004A Bonds are to be redeemed on November 1, 2013. An independent certified public accountant will verify that the deposit made to the Escrow Account, together with the earnings thereon, will be sufficient to pay all principal, interest and redemption premiums on such Refunded Bonds as the same become due. See "VERIFICATION OF CERTAIN CALCULATIONS."

Amounts on deposit in the Escrow Account may not be used to pay debt service requirements on the Bonds.

THE SALES TAX

Pursuant to the Act, in September 1973, District voters authorized RTD to issue bonds for the purpose of developing a public multi-modal mass transportation system for RTD, such bonds to be payable from District-wide sales taxes imposed at the rate of 0.5% upon every taxable transaction. Effective May 1, 1983, after the State General Assembly eliminated food and utilities from the sales tax base of RTD, the Act was amended to empower RTD to impose the sales tax at the rate of 0.6% throughout RTD. On November 2, 2004, District voters approved a ballot measure authorizing RTD to increase the rate of the Sales Tax to 1.0% in connection with financing a transit expansion plan known as FasTracks. **The revenues generated by this additional 0.4% Sales Tax rate do not secure the Bonds.**

The sales tax, which has been imposed and collected in the District since January 1, 1974, is imposed upon every transaction or other incident with respect to which the State imposes a sales tax, except sales tax levied on vending machine sale of food, purchase of machinery or machine tools and sales of low-emitting motor vehicles, power sources for such motor vehicles, or parts used for converting such power sources. Reference is made to Article 26 of Title 39, Colorado Revised Statutes, as amended (the "Sales Tax Act") for a complete description of the transactions subject to or exempt from the State sales tax. The sales tax must be collected at the time of the transaction. One exception to the sales tax being collected at the time of sale applies to the purchase of used automobiles from private parties. If the buyer and seller both live within the District, the sales tax is collected by the county motor vehicle registrar in the county in which the buyer resides at the time that the vehicle is registered. If one or more parties live outside the District, no sales tax is collected. For discussion about the boundaries of the District in which the Sales Tax is levied, see "RTD—Organization."

In 1989, the Colorado Supreme Court held that the Act implicitly authorized RTD to impose a use tax. Under Colorado law, a use tax is considered supplementary to, and not separate from, a sales tax. Reference is made to the Sales Tax Act for a complete description of the transactions subject to or exempt from the State use tax. The components of use tax liability to RTD are (1) tangible personal property (2) purchased at retail (3) without prior payment of sales or use tax and (4) use or consumption in the District. Beginning in April 1989, the State Department of Revenue began collecting a use tax for RTD. The sales tax and use tax imposed by RTD are collectively referred to herein as the "Sales Tax."

Manner of Collection of the Sales Tax

The Sales Tax. The collection, administration and enforcement of the District's sales tax are performed by the Executive Director of the Colorado Department of Revenue (the "Executive Director") in the same manner as the collection, administration and enforcement of the State sales tax. Legislation enacted in 1987 requires the Executive Director to charge RTD for the cost of collection, administration and enforcement after crediting RTD with interest earnings on amounts collected.

Any person engaged in the business of selling at retail must obtain a license therefor from the State. The State license is in force and effect until December 31 of the year following the year in which it is issued. Each individual vendor in the District is liable for the amount of tax due on all taxable sales made by him. Before the twentieth day of each month, the vendor, if reporting monthly, must make a return and remit the amount due for the preceding calendar month to the Executive Director. Some small businesses are permitted to remit sales tax collections quarterly. The Executive Director may extend the time for making a return and paying the taxes due. The vendor is entitled to withhold an amount equal to 3-1/3% of the total amount to be remitted to the Executive Director each month in order to cover the vendor's expenses. If any vendor is delinquent in remitting the tax, other than in unusual circumstances shown to the satisfaction of the Executive Director, the vendor will not be allowed to retain any amounts to cover the vendor's expenses. The State has temporarily suspended the right of vendors to withhold the monthly amount described above until June 2011, thereby increasing sales tax revenues to the District during such suspension.

The Executive Director is required to furnish the District a monthly listing of all returns filed by retailers in the District. The District must notify the Executive Director within 90 days of any retailers omitted from the listing or thereafter will be precluded from making any further claims based upon such omission. The District receives sales taxes so collected in the form of monthly distributions made to the District by the Executive Director. Historically, RTD has received Sales Tax proceeds about the fifth business day of the second month following receipt thereof by the State Department of Revenue.

The Use Tax. All vehicles must be licensed in each county. Consequently, the motor vehicle use tax is collected by each county during its licensing process and is then remitted to the District periodically pursuant to agreements entered into between such counties, the District and the Executive Director. Other use taxes are collected by the State Department of Revenue and distributed to the District on a monthly basis.

Remedies for Delinquent Taxes

Failure by a retailer to pay the appropriate sales and use taxes collected is punishable pursuant to State law. A statutorily prescribed rate of interest is due on deficiencies from the first date prescribed for payment. Further, if any part of the deficiency is due to negligence or intentional disregard of the regulations with knowledge thereof, but without intent to defraud, 10% of the total amount of the deficiency, plus interest, is to be added to the amount due. If the deficiency is due to fraud with intent to evade the tax, 100% of the total amount of the deficiency is to be added to the amount due, with an additional 3% per month added from the date the return was due until paid. In both instances, the additional amount and interest become due and payable 10 days after written notice and demand by the Executive Director.

The sales tax imposed constitutes a first lien upon the goods and business fixtures of or used by any retailer under lease, title retaining contract or other contract arrangement, except for the stock of goods sold or for sale in the ordinary course of business. Such lien takes precedence over other liens or claims of whatsoever kind or nature. Exempted from the lien are identifiable real or personal property leased to a retailer if the lessee has no right to become the owner and properly registered motor vehicles to the extent an interest is not credited to the lessee.

If any tax, penalty or interest imposed and shown due by returns filed by the taxpayer, or shown as assessments duly made, are not paid within five days after the same are due, the Executive Director issues a notice of the amount due, including a statement as to the lien claimed by the District on the property. If such amount remains unpaid, the Executive Director then issues a warrant to any authorized revenue collector or to the County sheriff commanding him to levy upon, seize and sell sufficient property of the tax debtor to satisfy the amount due, subject to valid preexisting claims or liens. A statutory limitation provides that except in the case of the filing of a false or fraudulent return with the intent to evade tax, no action to collect sales and use taxes due may be commenced more than three years after the date on which the tax is payable.

Any vendor receiving a deficiency notice regarding the payment of sales and use taxes to the District has the right to request the Executive Director to conduct a hearing on the deficiency, and may thereafter appeal the decision to the district court. Conviction of a violation of any of the State's sales tax statutory provisions is punishable by a fine of no more than $300, or imprisonment for no more than 90 days, or both. Violations also are subject to prosecution and punishment by the State for the violation of State law.

Sales Tax Data

The following table sets forth the District's Pledged Sales Tax Revenue collections for the past five years and the nine month period ended September 30, 2009:

TABLE V
Historical Pledged Sales Tax Revenue

Year	Collections	Percent Change
2004	$221,275,911	5.1%
2005	233,645,016	5.6
2006	239,734,200	2.6
2007	251,044,088	4.7
2008	247,694,525	(1.3)
2009(1)	160,834,901	--

(1) Reflects collections through September 30, 2009.

Source: District 2008 Comprehensive Annual Financial Report and the District.

The District has budgeted and continues to expect that it will collect $223,915,851 of Pledged Sales Tax Revenues in 2009, representing a 9.6% decrease from 2008.

The following table of the District's principal Sales Tax generators by category is based on Pledged Sales Tax Revenues remittances to the District for 2008. Because of the confidential nature of the gross sales of the individual entities, the identity of vendors may not be divulged under State law.

TABLE VI
Fifteen Largest Categories of Generators of
Sales Tax 2008

Type of Business	Percent of Total Sales and Use Tax Collections
Food and Drinking Services	11.8%
Retail Motor Vehicles and Auto Parts	10.4
Retail General Merchandisers/Warehouse Stores	9.9
Wholesale Trade	6.7
Information Producers/Distributors	6.4
Retail Building Materials/Home Improvements/Nurseries	6.0
Retail Food and Beverage Stores	5.2
Retail Clothing/Accessory Stores	4.6
Public Utilities	4.4
Manufacturing	4.0
Real Estate/Rental and Leasing Services	3.8
Hotel and Other Accommodation Services	3.2
Retail Sporting Goods/Hobby/Book/Music Stores	3.0
Retail Electronics and Appliance Stores	3.0
Retail Furniture and Home Furnishings	2.8
Other	14.6
Total	100.0%

Source: State of Colorado, Department of Revenue.

Certain counties, municipalities and special districts located within the District also impose sales taxes. Two statutorily created special districts, the Scientific and Cultural Facilities District and the Denver Metropolitan Football Stadium District, cover generally the same geographical area as RTD. Each is empowered to levy a 0.1% sales tax. The total sales tax levy, including the State sales tax, RTD sales tax and any locally imposed sales tax, ranges in the District from 4.00% in Weld County to 8.25% in the City and County of Broomfield.

The following table shows taxable retail sales within RTD for the years 1999 through 2008:

TABLE VII
RTD Net Taxable Retail Sales
In Millions of Dollars)

Year	City and County of Denver	Boulder County	Jefferson County	Adams County(1)	Arapahoe County(1)	Douglas County(1)	City and County of Broomfield(2)	Other(3)	Total Taxable Transactions	Percent Annual Increase or Decrease
1999	$ 8,431	$3,022	$5,234	$3,540	$6,545	$ 785	$ 0	$ 863	$28,419	11.0%
2000	9,375	3,514	5,715	3,931	7,206	952	0	1,109	31,802	11.9
2001	9,278	3,620	5,622	3,947	7,061	1,265	166	961	31,920	0.4
2002	8,827	3,002	5,436	3,915	6,649	1,275	828	664	30,596	(4.1)
2003	8,364	2,965	5,548	3,891	6,694	1,270	858	659	30,250	(1.1)
2004	8,841	3,079	5,659	4,151	6,720	2,143	902	558	32,053	6.0
2005	9,429	3,248	5,823	4,471	6,851	2,463	891	609	33,785	5.4
2006	9,793	3,336	5,952	4,577	6,889	2,562	902	572	34,583	2.4
2007	10,751	3,538	6,185	4,804	7,294	2,616	934	592	36,714	6.2
2008	11,057	3,491	6,043	4,785	7,098	2,524	901	666	36,565	(0.4)

(1) Only a portion of each of these counties lies within RTD.
(2) Broomfield became a separate city and county on November 15, 2001. Prior to that date, retail sales for Broomfield were included in Boulder, Adams, and Jefferson county totals.
(3) Represent taxable transactions that occur within RTD's service area but sales tax collections that occur outside RTD's service area.

Source: Colorado Department of Revenue, Statistical Section.

RTD

General Information

RTD is empowered to develop, maintain and operate a mass transportation system within its boundaries. The RTD service area encompasses portions of an eight-county region comprising the Denver metropolitan area. Over one-half of the population of the State currently resides in the Denver metropolitan area.

Organization

RTD was created in 1969 by the State General Assembly as a mass transportation planning agency for the Denver metropolitan area. RTD is a public body politic and corporate and a political subdivision of the State, organized and existing under the terms of the Act. In 1974, the Act was amended, and RTD became an operating entity charged with the responsibility for developing, maintaining and operating a mass transportation system (the "System") for the benefit of the inhabitants in its service area.

Pursuant to the Act, in September 1973, the voters of RTD authorized RTD to issue bonds for the purpose of developing a public multi-modal mass transportation system for RTD, such bonds to be payable from the proceeds of a District-wide sales tax. Thereafter, RTD began negotiations for the acquisition of the existing public and private transit operations throughout the District. By the end of 1976, RTD had consolidated seven public and private transit systems into a single system. The largest of these systems, Denver Metro Transit, owned by the City and County of Denver, was acquired in 1974. RTD's area consists of the City and County of Denver, most of the City and County of Broomfield, the Counties of Boulder and Jefferson, the western portions of Adams and Arapahoe Counties, the southwestern portions of Weld County, and the northeastern and Highlands Ranch areas of Douglas County. RTD currently services 2,337 square miles and 40 cities and towns. Periodically, the legislature provides for elections within RTD's boundaries that, if successful, add territory to RTD. Territory may also be added to the District in certain circumstances by petition of the owners of the land sought to be included in the District or by a petition followed by an election held in the area sought to be included in the District. See "RTD SERVICE AREA MAP."

Powers

As described under "THE SALES AND USE TAX," the District has the power to impose the Sales Tax. Under the Act, RTD's use of Sales Tax Revenues is restricted to paying the costs of operations of RTD, to defraying the cost of capital projects and to paying the principal and interest on securities of RTD.

Because RTD is an entity created by statute, its powers are susceptible to changes in statute. In particular, because the State General Assembly requires the Sales Tax imposed by RTD to be imposed upon the same transactions or incidents with respect to which the State imposes a sales tax, with certain exceptions, RTD is unable to prevent the State from enacting exemptions that would diminish its tax base. However, when the State enacted significant new sales tax exemptions in 1983, it also increased RTD's sales tax rate. Legislation that has broadened State sales tax exemptions has allowed RTD to continue to collect Sales Tax on such transactions.

RTD, with voter approval, also has the power to levy and cause to be collected general ad valorem taxes not to exceed one-half of one mill on all taxable property within RTD whenever RTD anticipates a deficit in operating or maintenance expenses. See "FINANCIAL INFORMATION CONCERNING RTD—Major Revenue Sources" and "CONSTITUTIONAL REVENUE, SPENDING AND DEBT LIMITATIONS." Although the Act allows RTD to levy this tax, RTD has not exercised its power to levy a general ad valorem property tax since 1976, and has no present intention of doing so in the reasonably foreseeable future.

RTD also has the power to increase or decrease the fares for services and facilities provided by RTD; sue and be sued; purchase, trade, maintain and dispose of its real property and personal property; condemn property for public use; accept grants and loans from the Federal Government; and establish, maintain and operate a mass transportation system and all the necessary facilities relating to such system.

RTD's address is 1600 Blake Street, Denver, Colorado 80202, and its telephone number is (303) 628-9000.

Board of Directors

RTD is governed by a fifteen-member elected Board of Directors with each member elected from one of the fifteen districts (the "Director Districts") comprising RTD's geographical area. Each Director District currently has approximately 180,000 residents and most Director Districts cross county boundaries. After each federal census the fifteen Director Districts are apportioned so that each Director District represents, to the extent practicable, one-fifteenth of the total population of RTD.

The regular term of office for each Director is four years, with approximately one-half of the Directors being elected every two years. If a vacancy arises in the Board, which vacancy can occur if a Director from one Director District changes his or her residence to a place outside the Director District, or if a Director resigns, or if a Director is recalled from office by the electors of the Director District, the vacancy is to be filled by appointment for the balance of the term by the board of county commissioners of the county where the Director District is located or, in the case of a Director elected in Denver, by the Mayor of the City and County of Denver with the approval of the City Council of the City and County of Denver. If the vacancy occurs in a Director District that crosses county boundaries, the vacancy is to be filled by an appointee of the board of county commissioners of the county wherein the largest number of registered electors of the Director District reside; however, if the largest number of registered electors reside in the City and County of Denver, the Mayor of the City and County of Denver, with the approval of the City Council of the City and County of Denver, is to appoint someone to fill the vacancy.

The Board has the authority to exercise all the powers, duties, functions, rights and privileges vested in RTD, including the power to delegate executive and administrative powers to officers and employees of RTD. Most actions of the Board require the affirmative vote of a majority of the Board. Legislation enacted in the 1990 session of the State General Assembly requires an affirmative vote of two-thirds of the Board to approve any action relating to the authorization of the construction of a fixed-guideway mass-transit system and prohibits the Board from taking any such action until such systems have been approved by the metropolitan planning organization, currently the Denver Regional Council of Governments.

The Board of Directors and the current principal officials are as follows:

Board of Directors

Name	Expiration of Present Term (December 31)	Occupation
Lee Kemp, Chairman	2012	Self-employed
Christopher Martinez, First Vice Chairman	2010	Senior Account Manager, Federal Reserve Bank
Noel Busck, Second Vice Chairman	2010	Retired Mayor, City of Thornton
Bruce Daly, Secretary	2010	Retired Bus Operator
John L. Tayer, Treasurer	2010	Public Affairs Manager
Kent Bagley	2012	Urban Planner and Real Estate Consultant
Barbara J. Brohl	2012	Attorney
Juanita Chacon	2010	Real Estate Broker/Associate
William M. Christopher	2010	Retired City Manager, City of Westminster
Matt Cohen	2012	Realtor
Bill James	2012	President, James Real Estate Services, Inc.
William G. McMullen	2012	Operations Manager
Jack O'Boyle	2012	Former Mayor, City of Lone Tree
Wallace Pulliam	2010	Owner of Governmental Affairs Company
Tom Tobiassen	2012	Senior Systems Engineer

Principal Officials

The following is a list of the current administrative and management personnel most involved in the management of RTD, their background and experience, and a description of their jobs:

Mr. Phillip A. Washington – Interim General Manager. Mr. Washington, appointed to the position of Interim General Manager, in June 2009, holds a Bachelor of Arts degree in Business Administration and a Masters Degree in Management from Webster University. Mr. Washington was a highly decorated 24-year military professional, having attained the highest military noncommissioned officer rank, that of Command Sergeant Major, E-9, before retiring from service in June 2000. He began his military career in Air Defense Artillery units and served in virtually every noncommissioned officer leadership role. He has also been a distinguished project manager, strategic planner, contract representative, human resource director, trainer and budget technician. Prior to being appointed Interim General Manager, Mr. Washington was appointed Assistant General Manager, Administration in 2000, in which capacity he directed the activities of the following divisions: Finance, Materials Management, Human Resources, Information Technology, Treasury, and the Small Business Opportunity Office.

The District conducted a national search to fill the General Manager position. On December 15, 2009, the Board unanimously voted to enter into contract negotiations with Mr. Washington to serve as the District's General Manager.

Ms. Marla Lien – General Counsel. Ms. Lien was appointed General Counsel for the District in May 2005 after having served as Acting General Counsel since November 2004. Ms. Lien has a Bachelor of Arts degree in History and a Juris Doctor degree from the University of Colorado. Prior to taking on the responsibilities of Acting General Counsel, Ms. Lien's concentration at RTD had been in real estate, federal regulatory compliance, local government law and issues related to Colorado's Taxpayers' Bill of Rights (TABOR). Ms. Lien has been with the District since 1990.

Mr. Terry L. Howerter – Acting Assistant General Manager, Administration and Chief Financial Officer. Mr. Howerter was appointed to the position of RTD Chief Financial Officer on June 30, 2008 and has filled the position of Acting Assistant General Manager, Administration since June 29, 2009. He holds a Bachelor of Arts in Accountancy degree from the University of Illinois at Springfield and is member in good standing of the American Institute of Certified Public Accountants. Mr. Howerter has over twenty-five years of progressive accounting and financial experience in both the public and private sector. He has held senior level finance and accounting positions with the C&NW Transportation Company, Union Pacific Railroad, and The Denton County Transportation Authority. As the RTD Acting Assistant General Manager, Administration, he directs the activities of the following divisions: Finance, Materials Management, Human Resources, Information Technology, Treasury, and the Small Business Opportunity Office.

Mr. Bill Van Meter - Acting Assistant General Manager, Planning. Mr. Van Meter was appointed to the position of Acting Assistant General Manager, Planning for the District in September 2008. Mr. Van Meter has over 20 years experience in the transportation planning field, with extensive experience in public transit and roadway planning, managing multi-modal transportation studies, and Federal Transit Administration New Starts funding processes. Mr. Van Meter has been with RTD since 1991, and prior to his appointment to his current position, he held progressively responsible positions at RTD, most recently in the position of Senior Manager of Systems Planning. Prior to his employment with RTD, Mr. Van Meter was employed as a transportation planner with the South Central Regional Council of Governments in Connecticut. He holds Bachelor's and Master's degrees in Economic Geography from the University of Illinois at Urbana-Champaign.

Mr. Michael J. Gil – Acting Assistant General Manager, Bus Operations. Mr. Gil was appointed to the position of Acting Assistant General Manager, Bus Operations in August 2009, and has over 26 years experience in public transit, primarily with RTD. Mr. Gil started his career as a bus operator, working through the ranks serving as a Street Supervisor, Bus Dispatcher, Lead Street Supervisor, Relief Assistant Transportation Manager, Manager of Dispatch and Street Supervision and General Superintendent of Street Operations. Mr. Gil is responsible for the day-to-day operations of RTD's fixed route system.

Mr. Bruce Abel – Assistant General Manager, Customer and Contracted Services. Mr. Abel joined RTD in 2001 as Manager of Special Services and was appointed Assistant General Manager, Contracted Services in August of 2003. Customer Services functions (marketing and service development) were added to Mr. Abel's responsibilities in 2007. Mr. Abel holds a Bachelor of Arts degree in Economics from Wake Forest University and a Masters of Business Administration degree with a concentration in marketing from the University of North Carolina-Greensboro. Mr. Abel has more than 30 years of public transportation management and consulting experience in both the public and private sector, including positions in North Carolina, Texas, South Dakota and Colorado. Mr. Abel is responsible for overseeing the provision of RTD's contracted services including ADA paratransit service, traditional fixed-route services and non-traditional services including general public paratransit, vanpooling and special event services. Mr. Abel also oversees RTD's marketing and service development functions.

Mr. Richard Clarke – Acting Assistant General Manager, FasTracks/Engineering). Mr. Clarke was appointed Acting Assistant General Manager, FasTracks/Engineering in September of 2008. Mr. Clarke is responsible for corridor implementation. He previously served as RTD's Project Director for the Transportation Expansion (T-REX) project. T-REX was a $1.7 billion, multi-modal (highway/light rail) project that included 19 miles of new light rail and 13 stations. It was completed ahead of schedule and under budget. He has previous transit project experience in Dallas, New York, Boston, Cleveland and Philadelphia. Mr. Clarke has Bachelors and Masters Degrees in transportation engineering from the University of Pennsylvania.

Mr. Calvin 'Cal' L. Shankster – Acting Assistant General Manager, Rail Operations. Mr. Shankster was appointed to the position of Acting Assistant General Manager, Rail Operations in July of 2008. Mr. Shankster is responsible for the day to day operations of RTD's light rail system. His duties also include light rail coordination on all expansion projects to ensure that all operational concerns are met. Mr. Shankster has been employed with the District for over 25 years, 16 of those years in the Light Rail Department. Mr. Shankster began his career with RTD in bus maintenance and has since held managerial positions in Maintenance of Way and light rail vehicle maintenance.

Mr. David A. Genova – Assistant General Manager, Safety, Security and Facilities. Mr. Genova was appointed Assistant General Manager, Safety, Security and Facilities in May 2007. Mr. Genova has a Bachelor of Arts degree in Geology from the University of Colorado and a Masters Degree in Business Administration from Regis University. Mr. Genova has over 23 years of safety and environmental experience, and 16 years of transit experience including the start up of four RTD light rail projects and participation in a number of transit industry peer reviews. He is a certified hazardous materials manager and certified safety and security director for bus and rail transit. Mr. Genova is active in APTA safety and security committees, served as the Vice Chair of the APTA Bus Safety Committee, served as Vice President and Board Director of the FBI InfraGard Denver Members Alliance, and is on the Board of Directors of Colorado Operation Lifesaver. He is also a Senior Associate Staff Instructor for the Transportation Safety Institute. Mr. Genova directs the Safety and Environmental Compliance Division, the Security and Emergency Management Division, and the Facilities Division. He has been with RTD since 1994.

Mr. Scott Reed – Assistant General Manager, Public Affairs. Mr. Reed was promoted to Assistant General Manager in 2006, having previously served as Director of Public Affairs. The official spokesperson for the agency, he is responsible for managing all media relations efforts, the Government Relations unit, the Customer Information division including the Telephone Information Center and Pass Sales outlets, and the public outreach and public information programs for the FasTracks project. He also administers the Equal Employment Opportunity and Internal Audit units. Mr. Reed has been with RTD since 1991, and his nearly 30-year professional career in public affairs includes work as a newspaper reporter and assistant editor, Conference and Events Coordinator at the University of Colorado, and Director of Special Events for the Cystic Fibrosis Foundation in Colorado Springs. He holds a Bachelor's degree in Journalism and a Master's of Public Administration degree, both from the University of Colorado.

Employee and Labor Relations

RTD employs approximately 2,526 persons of whom about 1,903 are represented by Local 1001 of the Amalgamated Transit Union (the "Union"), which bargains collectively on behalf of these employees. In November 2009, RTD and the Union arbitrated and entered into a collective bargaining agreement which expires on February 28, 2012.

Retirement Plans

Pension/retirement plans have been established covering substantially all of RTD's employees. Union-represented employees participate in a pension trust, established through a collective bargaining agreement, and administered by a Board of Trustees representing both the Union and RTD. Both RTD and the employees contribute to this plan (the "Represented Plan"). Under the Represented Plan, the contract required RTD to contribute 8% (and the employees to contribute 3%) of eligible employees' qualifying wages each year through expiration of the collective bargaining agreement on February 28, 2012. RTD's obligations under the Represented Plan are limited to its defined contributions. RTD has no liability for unfunded pension benefits and is current with respect to its obligation to pay such defined contributions.

Non-represented salaried personnel hired prior to January 1, 2008 are covered under a non-contributory defined benefit plan to which RTD contributes a percentage of payroll costs annually computed on an actuarial basis (the "Salaried Pension Plan"). For the year ending December 31, 2008, RTD contributed 8.8% of payroll to the Salaried Pension Plan. The Salaried Pension Plan provides for actuarially determined periodic contributions at rates so there are sufficient assets to pay benefits when due. Non-represented salaried personnel hired on or after January 1, 2008 are covered under a non-contributory defined contribution plan providing a 9.0% contribution based on the employee earnings. RTD closed the defined benefit plan and initiated the defined contribution plan to ensure long-term fiscal soundness of both plans while controlling the cost of pension benefits.

These plans are qualified with the Internal Revenue Service with the plan costs to RTD for the Represented Plan and Salaried Pension Plan of $8,942,525 and $4,077,915, respectively, for the year ended December 31, 2008. As of January 1, 2009, the actuarial value of liabilities in excess of the actuarial accrued assets for the Salaried Pension Plan was approximately $4.8

million. The pension benefit obligation is based on the most recent actuarial valuations dated January 1, 2009. All actuarial valuations are performed by The Segal Company.

RTD also has a deferred compensation plan, created in accordance with §457 of the Internal Revenue Code of 1986, as amended, which is available to substantially all employees and permits employees to defer a portion of their compensation to future years.

Other Postemployment Benefits

Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends. As the name suggests, Other Postemployment Benefits ("OPEBs") are postemployment benefits other than pensions

Although OPEBs may not have the same legal standing as pensions in some jurisdictions, the Governmental Accounting Standards Board ("GASB") believes that OPEBs are a part of the compensation that employees earn each year, even though these benefits are not received until after employment has ended. Therefore, the cost of these future benefits is part of the cost of providing public services today.

In 2004, the GASB issued two new standards—GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and GASB Statement No. 45, Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions. The purpose of these new standards is to ensure that governments recognize and report information about the size of their long-term financial obligations and commitments related to OPEBs. The District adopted GASB Statement No. 45 for its audited financial statements from the fiscal year beginning January 1, 2007.

The District is not presently obligated to contribute funds towards OPEBs for any of its employees and therefore does not have an unfunded liability relating to OPEBs.

Insurance

Under the provisions of the State Governmental Immunity Act, the maximum liability to RTD for a personal injury claim is $150,000 per individual, or $600,000 per incident beginning July 1, 1992. RTD, however, may be unable to rely upon the defense of governmental immunity and might be subject to liability in excess of the maximum limits established by the State Governmental Immunity Act in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violation of the anti-trust laws by RTD in the exercise of its delegated powers. See "GOVERNMENTAL IMMUNITY" herein.

RTD also holds excess liability insurance for bodily injury, personal and advertising injury, public officials' liability, and property damage. The limits are $25,000,000 less RTD's self-insured retention of $250,000 per claim. Additionally, RTD carries property insurance on buildings and other physical assets.

RTD's policy is to recognize claims as they arise, not when they are resolved. RTD anticipates claims by budgeting the expected losses in the current year; such amounts are reflected as liabilities in RTD's financial statements. No fund or pool of money is segregated or restricted by RTD for the payment of such claims. For 2009, RTD budgeted $2,000,000 for anticipated liability and $3,889,763 for workers' compensation claims arising in 2008. RTD maintains reserve funds for existing (as of December 31, 2008) liability in the amount of $1,806,672 and workers' compensation claims in the amount of $1,379,928.

Under State law, the insurer of a private motor vehicle has a cause of action for benefits actually paid by the insurer against the owner or operator of a nonprivate motor vehicle responsible for the accident. There is an exception, however, for accidents involving motor vehicles of RTD. The insurer of a private motor vehicle or a nonprivate motor vehicle is precluded from having any cause of action or right of reimbursement for any no-fault benefit, which does not include collision damages, paid by the insurer as a result of a vehicle accident involving a vehicle owned or operated by RTD, except a maintenance or service vehicle owned or operated by RTD. Effective July 1, 2003 the Colorado No Fault Insurance Act was repealed. RTD will have potential no-fault liability only for claims arising prior to that date.

Cross-Border Lease and U.S. Leveraged Lease Transactions

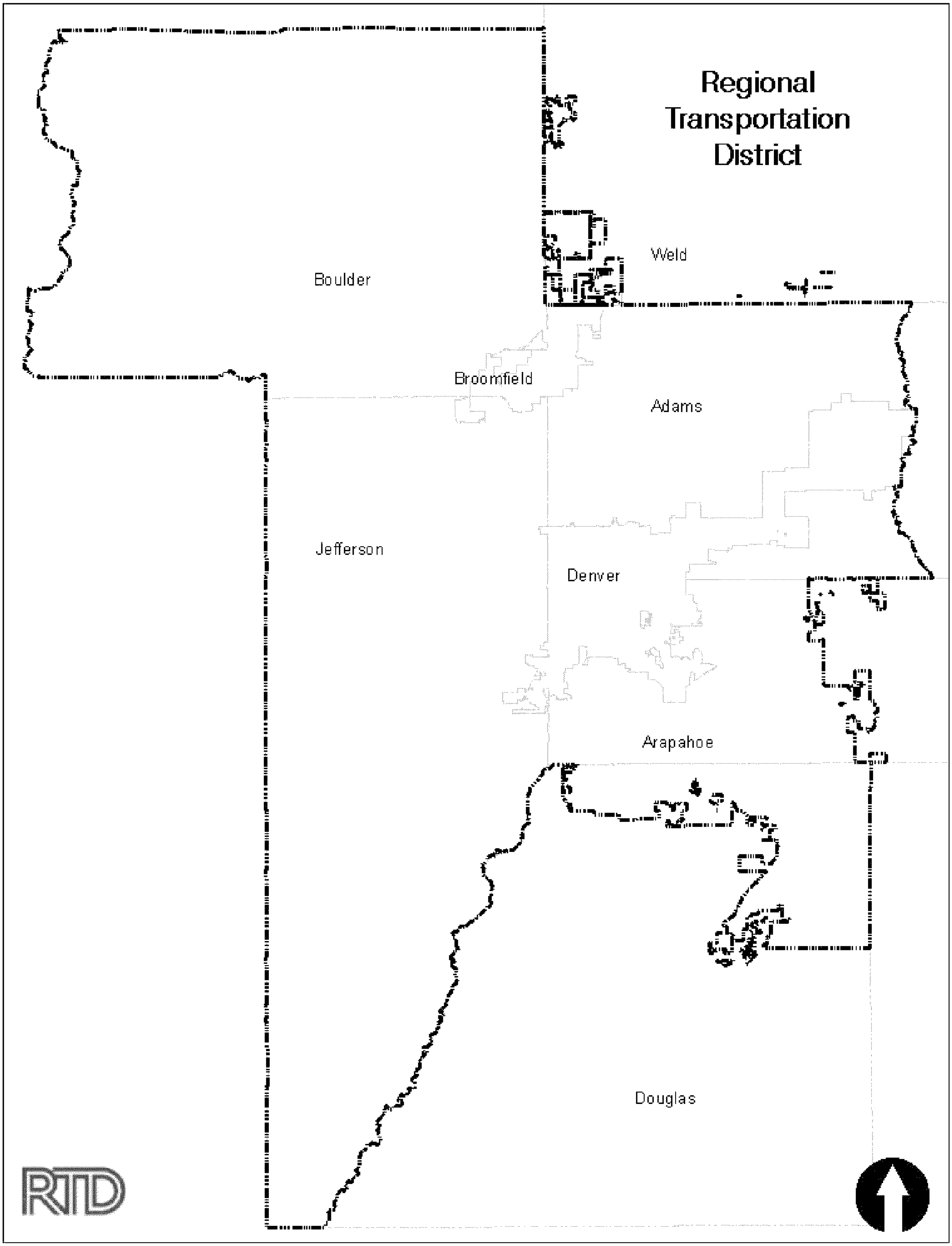
RTD has entered into a number of transactions in which certain of its buses and light rail vehicles have been leased to and subleased back from certain U.S. and foreign companies and has entered into a transaction in which its maintenance facilities have been sold to and leased back from one of these companies. As part of each of these transactions, RTD irrevocably set aside certain moneys (which were received from each counterparty as payment for its leasing of the buses, light rail vehicles and the real property) with a third party trustee. The moneys held by such trustees will be utilized to make the lease payments owed by RTD with respect to its leasing of these assets and the lease payments owed by the RTD under the transactions are therefore considered fully funded and economically defeased. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF RTD FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 and 2007—Note H."

Intergovernmental Agreements

Under State law, intergovernmental relationships and agreements are permitted among political subdivisions, agencies, departments of the United States, the State and any political subdivision of an adjoining state. Governments may cooperate or contract with one another for the provision of any function, service or facility that each of them is authorized to provide separately. At any given time, RTD has numerous intergovernmental agreements ("IGAs") for various purposes with municipalities, the State or its agencies such as the Department of Transportation, and the federal government, particularly the Federal Transit Administration ("FTA"). The various agreements cover areas including, but not limited to, RTD support for the provision of additional bus service in the City of Boulder through the HOP Agreement with Boulder; construction and/or maintenance of joint facilities such as roads, bridges or bike paths; and jointly funded studies such as MIS corridor studies. Agreements with FTA usually involve grant funding and application of grant funds. Other than full funding grant agreements with FTA and annual grant agreements with FTA for Section 5307 funds, no other financially or operationally significant IGAs exist at this time.

RTD SERVICE AREA MAP

The following map shows the service area of the District.


Regional
Transportation
District
Boulder
Weld
Broomfield
Adams
Jefferson
Denver
Arapahoe
Douglas
RTD

THE SYSTEM

Regional Transportation Plan

The long-term goals and policies of RTD are incorporated in a plan known as the Metro Vision Regional Transportation Plan (the "Regional Plan"). The Regional Plan is mandated by the United States Department of Transportation which has recognized the Denver Regional Council of Governments ("DRCOG"), a voluntary association of Denver metropolitan area county and municipal governments, as the entity charged with preparing the Regional Plan. DRCOG, in coordination with CDOT, RTD and local governments, has developed the Regional Plan to provide a coordinated system of transit and roadway improvements to meet the transportation needs of the Denver metropolitan area through the year 2030 within projected available revenues. By inclusion in the Regional Plan, RTD's capital projects may become eligible for federal assistance.

The Regional Plan includes those regional transportation facilities that can be provided through the year 2030, based on reasonably expected revenues. The Regional Plan focus is on improving facilities for a variety of transportation modes; improving the intermodal connections between the various transportation modes; and providing programs and services to support the transportation system. The Regional Plan consists of a network of highways of various roadway classifications, high occupancy vehicle and rail rapid transit facilities, bus service, specialized services for the elderly and disabled, airports of various classifications, provisions for freight travel, a regional bicycle network, sidewalks for pedestrians, and intermodal facilities to provide connections among and between transportation modes.

Fleet Composition

As of October 15, 2009, the District owned 1,051 fixed-route transit buses, 122 light rail vehicles, 325 Access-a-Ride paratransit vehicles and 36 call-n-Ride vehicles. The RTD fleet includes 22-, 30- and 40-foot transit coaches, 60-foot articulated coaches, over-the-road coaches, specially designed low-floor coaches for use on the Sixteenth Street Mall, 85-foot articulated light rail vehicles and vans and buses used for Access-a-Ride paratransit service mandated by the Americans with Disabilities Act of 1990. As of December 31, 2008, the System had a peak fleet requirement of 862 fixed-route buses and 88 light rail vehicles.

The following table shows the composition of RTD's active vehicle fleet as of October 15, 2009:

TABLE VIII
RTD Active Fleet as of October 15, 2009

Fixed Route Bus Fleet	Number
RTD Owned – Fixed Route Buses	
40' Transit Coaches	577
Articulated Buses	119
Intercity Coaches	160
Mall Shuttles	36
30' Transit Buses	142
22' Cutaway Buses	14
Total RTD-Owned Fixed Route Buses	1,051
Access-a-Ride Fleet(1)	325
call-n-Ride Fleet(2)	36
Light Rail Vehicle Fleet	122
TOTAL ACTIVE FLEET	1,534

(1) All paratransit vehicles are owned by RTD and operated by private operators under contract to RTD.
(2) call-n-Ride vehicles are owned by RTD and operated by private operators under contract with RTD.

Source: The District.

Transit Services

In order to meet the needs of the residents of RTD, RTD provides eleven types of service on 165 routes, including those operated by private contractors:

1. ***Local*** - routes operating along major streets within the Denver metropolitan area and the cities of Boulder and Longmont, making frequent stops for passengers.

2. ***Limited*** - routes serving high-density corridors with less frequent stops than local routes.

3. ***Circulator*** - routes serving neighborhoods or specific areas.

4. ***Express*** - routes providing non-stop service from suburban areas to downtown Denver and other employment centers.

5. ***Regional*** - routes connecting outlying areas of RTD to downtown Denver, Boulder, and other employment centers.

6. ***SkyRide*** - routes serving Denver International Airport.

7. ***Light Rail*** - rail service in the Southeast Corridor and between Mineral Avenue in Littleton to either 30th and Downing Streets in Denver or Denver Union Station.

8. ***Mall Shuttle*** - a free shuttle service operating along the Sixteenth Street Mall in downtown Denver.

9. ***Access-a-Ride*** - door-to-door paratransit service for people with disabilities provided under the requirements of the Americans with Disabilities Act of 1990.

10. ***call-n-Ride*** – curb-to-curb service that responds to passenger requests. Typically operated in lieu of fixed route service with small vehicles in areas and/or times of low demand.

11. ***Special*** – for example, SeniorRide – pre-scheduled trips in off-peak hours to recreational events for elderly persons in the Denver metropolitan area, Boulder and Longmont, seven days a week; BroncoRide – shuttle service from the Auraria campus, Federal Boulevard and selected park-n-Rides to Denver Broncos home games; RockiesRide – shuttle service from selected park-n-Rides to Colorado Rockies home games.

State law requires that RTD contract with private operators for the provision of at least 50% of its vehicular services. RTD is in compliance with this requirement.

RTD may, but currently does not, provide charter service to the extent that such service cannot be provided by private operators. Pursuant to federal regulations, charter service operated by RTD cannot interfere with its regularly scheduled services, and the rate charged by RTD must recover the fully allocated cost of operating the service.

The following table shows additional operating data concerning the System as of October 15, 2009:

TABLE IX
Operating Data

Total Miles(1)	49,947,763
Active bus stops	10,199
Number of routes	165
Local	72
Express	24
Regional	18
SkyRide	5
City of Boulder Local	15
City of Longmont Local	7
Limited	13
Miscellaneous	11
Ridership average weekday, revenue service	291,408
Ridership average weekday, all services	339,905
Total annual boardings, revenue service	87,763,344
Daily miles operated (average weekday), including Sixteenth Street Mall(2)	152,848
Daily miles operated (average weekday), including Sixteenth Street Mall and Light Rail(2)	163,987
Annual diesel fuel consumption, gallons(2)	6,000,000
Total active buses	1,051
Wheelchair lift equipped buses	1,039
Number of employees (actual staff)(3)	
Salaried	623
Represented (includes part-time drivers)	1,903
Fleet requirements (during peak hours)	862
Operating facilities(3)	6

(1) Reflects total miles estimated for 2009 (including Light Rail).
(2) Excludes special services.
(3) Exclude purchased transportation services.

Source: Financial records of RTD.

Passenger, Maintenance and Administrative Facilities

Patrons using RTD service may park at no charge in park-n-Ride lots. By providing the park-n-Ride lots, RTD provides express and regional services in low-density areas and more frequent long-haul services for patrons. As of January 1, 2009, RTD had 74 park-n-Ride lots providing a total of 26,813 parking spaces.

RTD currently owns four bus maintenance facilities. RTD also owns two light rail maintenance facilities, two administrative buildings and four passenger terminals located throughout the District.

FasTracks

General. On November 2, 2004, voters in the District approved a ballot referendum allowing for an increase in the RTD Sales Tax rate from 0.6% to 1.0% effective January 1, 2005. **The revenues generated by this additional 0.4% Sales Tax rate do not secure the Bonds.** In connection therewith, the ballot referendum also authorizes RTD to issue up to $3.477 billion of additional debt obligations to finance the District's twelve-year $6.9 billion comprehensive transit expansion plan known as FasTracks. FasTracks contemplates the addition of 122 miles of new light rail and diesel-powered commuter rail transit, 18 miles of new bus rapid transit, 57 additional rapid transit stations, over 21,000 new parking spaces at existing and new park-n-Ride lots and improvements to the centralized intermodal facility at Denver Union Station. Under FasTracks, construction of rapid transit in six new corridors and enhancements and extensions to existing rapid transit in three corridors is planned.

In April 2004, CDOT and RTD executed an intergovernmental agreement that is intended to establish a coordinated process to facilitate the implementation of the FasTracks plan and preserve the ability to pursue planned highway and transit improvements in corridors where both highway and transit improvements are likely to occur. The Board has formally resolved to analyze the FasTracks plan annually to determine both local and federal sources and adjust the corridor improvements accordingly. The Board has further resolved that construction of FasTracks improvements within a corridor is not to start until there is a firm commitment of all required funding sources and intergovernmental agreements are in place with local governments concerning permits, design and plan review.

As a result of decreases in anticipated Unpledged Sales Tax Revenues and larger-than-anticipated increases in the costs of the FasTracks program, RTD is evaluating strategies with affected local governments on how to finance the program, including potentially requesting an increase to the sales tax rate underlying the Unpledged Sales Tax Revenues and financing parts of the program through public-private partnerships.

Denver Union Station. Under the FasTracks program, the existing Denver Union Station will be developed into a multimodal transportation hub, integrating light rail, commuter rail and intercity rail (Amtrak) as well as regional, express and local bus service, the 16th Street Mall shuttle, and intercity buses, taxis, shuttles, vans, limousines, bicycles and pedestrians. In August 2001, the District completed the acquisition of Denver Union Station and certain adjacent land. The District, in cooperation with the City and County of Denver, DRCOG, and CDOT, worked together to prepare a Master Plan and an environmental impact statement for the Denver Union Station property. The Master Plan and EIS work began in May 2002 and the Master Plan components were approved by all four agency partners in the fall of 2004. The Record of Decision was issued by the FTA on October 17, 2008. The project also includes rezoning of the 19.85-acre site to Denver's new transit mixed use district and designation of the historic structure as a Denver historic landmark.

In 2006, the agency partners solicited proposals for, and selected, a master developer to enter into a public-private partnership to develop the public transportation infrastructure and the vertical, private, transit-supported development on the site. Construction at Denver Union Station started in 2009 under a limited Notice to Proceed with full financing anticipated to be in place by early 2010. These improvements are expected to support RTD's current and future rapid transit corridor construction plans for the West, East, Gold Line, US 36 and North Metro Corridors.

A case has been filed in the U.S. District Court by the Colorado Rail Passenger Association against the FTA challenging the Record of Decision for the Denver Union Station project. RTD is not a party to the suit. If the court determines that the preparation of the environmental impact statement pursuant to the National Environmental Policy Act ("NEPA") was flawed and additional analysis under NEPA is required, the Denver Union Station project could be delayed or modified. RTD believes that such a determination by the court is unlikely.

Commuter Rail Maintenance Facility. In February 2008, the District entered into a contract for the purchase of 55 new light rail vehicles to be delivered for FasTracks between 2009 and 2012. A commuter rail maintenance facility is being designed to service the four planned commuter rail corridors (East Corridor, Gold Line, North Metro and Northwest Corridor) included in the FasTracks program.

West Corridor. The West Corridor line is to be a 12.1-mile light rail transit corridor between Denver Union Station and the Jefferson County Government Center in Golden, serving Denver, Lakewood, the Denver Federal Center, Golden and Jefferson County. In June 2001, the District began preliminary engineering and an environmental impact statement for the West Corridor. The final environmental impact statement was issued in October 2003 with a Record of Decision from the FTA received in April 2004. In 2005, the District began final design for the West Corridor. In January 2009, the District was awarded a full funding grant agreement through the FTA's New Starts program for the West corridor. Under the award, the District is expected to receive approximately $308.68 million over several years. The funds are to be expended on the light rail line approved as part of the District's FasTracks program. Major construction commenced in the West Corridor in 2009.

East Corridor. The East Corridor is designed to be a 22.8-mile commuter rail transit corridor extending from Denver Union Station to Denver International Airport. The District has completed an environmental impact statement for the East Corridor, covering rapid transit improvement and a Record of Decision was signed in November 2009. Final design of the East Corridor is scheduled to begin in 2010 and construction is scheduled to begin in 2011 with completion scheduled for 2015.

U.S. 36 Bus Rapid Transit Corridor. The U.S. 36 Bus Rapid Transit Corridor is designed to deliver 18 miles of bus rapid transit service between downtown Denver and Boulder along U.S. Highway 36. The District and CDOT are jointly conducting an environmental impact statement for the U.S. 36 corridor in the general area between downtown Denver and Boulder. A final environmental impact statement was released in 2009. Final design is scheduled to begin in 2010.

Northwest Rail Corridor. The Northwest Rail Corridor is a proposed 41-mile rail transit corridor between Denver Union Station and Longmont. An environmental evaluation is currently being prepared for this corridor.

North Metro Corridor. The North Metro Corridor is a proposed 18-mile transit corridor between Denver Union Station and 162nd Avenue passing through Denver, Commerce City, Thornton, Northglenn and unincorporated Adams County. The District is proceeding with the preparation of an environmental impact statement for rapid transit corridor improvements in the North Metro Corridor.

Gold Line Rail Corridor. The Gold Line is a proposed 11.2-mile commuter rail corridor from Denver Union Station passing through northern Denver, unincorporated Adams County, Arvada and Wheatridge. The District has completed a Final Environmental Impact Statement for the Gold Line, with a Record of Decision was signed in November 2009.

I-225 Corridor. The I-225 Corridor is a proposed 10.5-mile light rail transit extension which would connect the existing Southeast Corridor with the planned East Corridor and would include eight stations. The I-225 Corridor was approved by the Board in October 2009. Once funding is in place, construction will be able to commence in this corridor.

Corridor Extensions. The Southwest Corridor extension is designed to add 2.5 miles of light rail to an existing 6.7-mile light rail line. The Southeast Corridor extension is designed to add 2.3 miles of light rail to an existing 19.1-mile line. Environmental evaluation studies of the Southwest and Southeast Corridor Extensions are underway, with completion scheduled in early 2010. These studies include basic engineering design as well as planning and environmental evaluations. The Central Corridor extension is designed to connect the existing 5.3-mile downtown light rail service to a station on the planned East Corridor. A draft environmental evaluation is anticipated to be released in December 2009.

Transit Development Program

The Transit Development Program ("TDP") is RTD's six-year capital and operating plan adopted annually by the Board in connection with the District's estimated capital and operational expenditures for all programs other than FasTracks. Planning and coordination of FasTracks expenditures are described above under "THE SYSTEM—FasTracks."

The TDP includes projections of annual service levels, the capital requirements to maintain these service levels, and the funding mechanisms through which the operating and capital program are to be achieved. In addition, the TDP is a component of the comprehensive six-year Transportation Improvement Program (the "TIP") adopted biennially by DRCOG for the Denver metropolitan area, as required by federal regulations. An RTD capital project must be included in the TIP in order to be eligible for federal funds. The six-year TDP is revised annually by the Board in response to factors such as changes in RTD's goals and objectives, changes in demographics and development in RTD's service area, or unforeseen circumstances affecting forecast revenues. As a result, the six-year TDP may include substantial changes from year to year, with projects being added, deleted and modified on a regular basis.

A TDP was adopted in September 2009, and covers the period from 2010 through 2015. The 2010-2015 TDP contemplates that over such six year period. RTD intends to replace a total of 303 transit buses, 119 articulated buses, 49 intercity buses, 65 medium buses, 36 mall shuttle vehicles, 14 cut-away buses and 80 call-n-Ride vehicles as they reach the end of their useful lives.

DEBT STRUCTURE OF RTD

Subject to certain exceptions, including refinancing at a lower interest rate, the State Constitution provides that local governmental entities such as RTD may not issue bonds or other multiple-fiscal year financial obligations without the approval of the voters at an election called to approve the debt. See "CONSTITUTIONAL REVENUE, SPENDING AND DEBT LIMITATIONS." The Act does not provide any limitation as to the amount of debt which may be issued by RTD. Lease purchase agreements subject to annual termination are not debt or other multiple-fiscal year financial obligations for purposes of State law and therefore do not require voter approval. The following tables summarize the District's outstanding Sales Tax Revenue Bonds and Lease Purchase Agreements as of November 3, 2009:

TABLE X
Statement of Obligations
As of November 3, 2009

Sales Tax Revenue Bonds (0.6% Sales Tax)(1)	Outstanding(2)
RTD Sales Tax Revenue Bonds, Series 2000A(4)	$20,770,000
RTD Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series 2001A	22,000,000
RTD Sales Tax Revenue Bonds, Series 2002B(4)	38,005,000
RTD Sales Tax Revenue Refunding Bonds, Series 2003A	7,050,000
RTD Sales Tax Revenue Bonds, Series 2004A(4)	52,175,000
RTD Sales Tax Revenue Refunding Bonds, Series 2005A	99,665,000
RTD Sales Tax Revenue Refunding Bonds, Series 2007A	69,825,000
RTD Sales Tax Revenue Refunding, Series 2008A	15,930,000
TOTAL	$325,420,000
Sales Tax Revenue Bonds (FasTracks - 0.4% Sales Tax)(3)	
RTD Sales Tax Revenue Bonds (FasTracks Project), Series 2006A	$235,735,000
RTD Sales Tax Revenue Refunding Bonds (FasTracks Project), Series 2007	363,120,000
TOTAL	$598,855,000
Lease Purchase Agreements(5)	
Lease Purchase Agreement II (Fixed Rate Certificates of Participation, Series 1998A)	$ 12,415,000
Lease Purchase Agreement II (Fixed Rate Certificates of Participation, Series 2001A)	19,040,000
Adjustable Rate Certificates of Participation (2002A Transit Vehicle Project), Series 2002A(6)	132,400,000
Lease Purchase Agreement II (Fixed Rate Certificates of Participation 2004A Refunding Project), Series 2004A	45,935,000
Certificates of Participation, Series 2005A	65,970,000
Lease Purchase Agreement II (Taxable Refunding Certificates of Participation, Series 2007A)	15,375,000
TOTAL	$291,135,000

(1) Secured by a first lien on the Pledged Sales Tax Revenues and any additional revenues legally available to RTD which the Board in its discretion pledges by supplemental resolution to the payment of such Bonds. The Board has not pledged any additional revenues to secure these outstanding Sales Tax Revenue Bonds.
(2) RTD is current on its outstanding obligations.
(3) Secured by first lien on Unpledged Sales Tax Revenues and a subordinate lien on the Pledged Sales Tax Revenues.
(4) The Bonds will refund (a) $14,480,000 aggregate principal amount of Series 2000A Bonds, (b) $8,420,000 aggregate principal amount of Series 2002B Bonds and (c) $19,990,000 aggregate principal amount of Series 2004A Bonds. See "USE OF PROCEEDS—Refunding Escrow."*
(5) Paid with annually appropriated lease payments by the District. Not secured by Sales Tax Revenues.
(6) The interest on these certificates has been converted to a fixed rate.

Source: The District.

* Preliminary, subject to change.

On November 2, 1999, the electors of the District authorized the District to incur $457,000,000 of indebtedness, with no new taxes, exclusively to finance the Southeast Corridor light rail project. The full amount of this authorized indebtedness has been issued or incurred.

On November 3, 2004, the electors of the District authorized the District to incur $3.477 billion of indebtedness to finance FasTracks. See "THE SYSTEM—FasTracks." The District has issued $600,000,000 of bonds pursuant to such authorization.

Additional certificates of participation may also be executed and delivered to fund future procurements.

On December 13, 2006, the District entered into interest rate swap agreements with JP Morgan Chase Bank, N.A. ("JP Morgan"), The Royal Bank of Canada ("RBC") and UBS AG, Stamford Branch ("UBS"). The notional amount of each of the swaps is $200 million and the original termination date for each swap was February 1, 2010. As of December 7, 2009, the termination values of the District swaps were $10,441,981.03, $16,820,895.28 and $16,821,411.27, respectively, for the JP Morgan swap, the RBC swap and the UBS swap. Such amounts represent a payment that would have been required from RTD to its respective counterparties to terminate the swaps on December 7, 2009. Such termination values may increase or decrease significantly prior to the respective termination dates of the swaps.

The District Board has authorized the Interim General Manager to negotiate new terms for the swaps or replace such swaps, within certain parameters. The District has already negotiated an extension of the termination date for the JP Morgan swap to February 1, 2011 and is in the process of negotiating terms with both the remaining counterparties and new potential counterparties that might enter into swaps in the event such negotiations are not successful. See Note D in APPENDIX B – AUDITED FINANCIAL STATEMENTS OF RTD FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 AND 2007."

FINANCIAL INFORMATION CONCERNING RTD

Budget Policy

RTD annually prepares and adopts an official budget in accordance with the State Local Government Budget Law. RTD's Fiscal Year begins on January 1 and ends on December 31 (the "Fiscal Year"). Prior to October 15 of each Fiscal Year, the General Manager submits an operating and capital budget for the ensuing Fiscal Year to the Board for its approval. The Board may accept the budget with a majority vote or may vote to override all or any part of the proposed budget. After the budget is approved (on or before December 31), in conjunction with an appropriation resolution by the Board, which must also approve subsequent amendments thereto, the General Manager is empowered to administer the operating and capital budget. If the Board fails to adopt a budget by the required date, RTD has authority to begin making expenditures limited to 90% of the prior year's approved appropriation.

RTD also maintains budgetary controls. These controls ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The budget sets forth proposed outlays for operation, planning, administration, development, debt service, and capital outlays. The level of budgetary control (that is, the level at which expenditures may not legally exceed the appropriated amount) is established at the fund level.

Unused appropriations lapse at year-end, except that the Board has the authority, as stated in the adopted appropriation resolution, to carry-over the unused portions of the funds for capital projects not completed for a period, not to exceed three years. RTD's policy also authorizes the General Manager to approve certain line-item transfers within the budget.

RTD administration utilizes multi-year planning and forecasting methods for budgeting and for capital projects planning. They are believed to be effective in more accurately forecasting RTD's financial needs and in programming the capital improvements program to meet its infrastructure requirements. The use of six-year operating and capital improvement forecasts in financial planning has enabled RTD to plan necessary revenue measures to meet future operational needs. See "THE SYSTEM—Transit Development Program."

Major Revenue Sources

According to its audited financial statements for the year ended December 31, 2008, RTD derived 67.5% of its combined operating and non-operating income from Sales Tax Revenues, 15.1% from transit operating revenues, 8.3% from federal operating assistance, 8.6% from interest income and 0.5% from other sources. RTD has not levied any ad valorem taxes since 1976, although it has the power to do so, subject to certain State constitutional restrictions. See "CONSTITUTIONAL REVENUE, SPENDING AND DEBT LIMITATIONS."

The following table summarizes certain information relating to RTD's primary sources of revenue, including Sales Tax Revenues, for the years 2000 to 2008 and nine months ended September 30, 2009:

TABLE XI
Revenues by Source(1)
(In Thousands of Dollars)

Year	Operating Revenues(2)	Sales Tax Revenues(3)	Federal Operating Assistance	Interest Income	Other	Total Revenue
2000	$48,921	$224,182	$27,554	$23,867	$3,221	$327,745
2001	50,641	224,648	30,204	20,614	2,481	328,588
2002	52,613	213,668	35,096	18,815	3,493	323,685
2003	54,547	210,447	37,803	10,095	3,550	316,442
2004	61,023	221,276	39,649	9,439	3,621	335,008
2005	62,741	386,427(4)	41,322	15,624	3,484	509,508
2006	69,521	399,557	42,805	29,936	4,032	545,852
2007	81,510	418,407	47,041	57,471	4,706	609,135
2008	92,329	412,824	50,813	52,456	3,106	611,530
2009(5)	74,064	268,058	54,432	18,413	2,266	417,233

(1) Data is taken from the financial records of RTD and is presented on the accrual basis.
(2) Comprised almost entirely of passenger fare revenues and advertising revenues.
(3) Includes Pledged Sales Tax Revenues and Unpledged Sales Tax Revenues.
(4) The District began collecting the 0.4% Sales Tax Revenues in 2005.
(5) As of September 30, 2009.

Source: District Comprehensive Annual Financial Reports for the years ended December 31, 2000-2008; The District.

Sales Tax

Both the Sales Tax and property tax are subject to legislative control in that both the tax bases and the tax rates are prescribed by statute and may only be changed by amendments to the Act approved by the State General Assembly or initiated by the voters. See "THE SALES TAX" for a detailed discussion of the Sales Tax.

Fare Structure

Passenger fare revenues are derived from fares charged to the users of the RTD system. Fares may be paid in exact change, by tokens, by prepaid tickets, by using a monthly pass valid for unlimited rides during the month for the level of service purchased, or by using an annual pass sold to employers for use by all employees ("Eco Pass"). Income from the purchase of tokens is recognized at the time the token is used for service on the system. The RTD fare structure includes free transfers between routes in the same or lower fare classes. Discounted fares also are available for youth, students, seniors, and the disabled; RTD also sells tokens to social service agencies at a discounted rate. RTD does not refund or replace lost or stolen ticket books or passes. Most RTD prepaid fare media are available through various outlets throughout RTD at no charge to RTD. Eco Pass annual passes are sold directly to participating employers, and each participating employee is given a photo ID pass.

RTD may adjust fares on the system without the approval or consent of any other body or entity. As a recipient of federal grants, RTD is obligated to consider comments arising from a public involvement process prior to implementing any fare increases. The current TDP assumes future fare increases corresponding to the projected increase in the Denver-Boulder Consumer Price Index. The District implemented a fare increase on March 3, 2002, which was the first major change in the fare structure since 1997. Fares were adjusted further on January 1st of 2003, 2004, 2006, 2008 and 2009. On July 1, 2006, RTD initiated a new fare system for light rail based upon the number of zones a passenger travels in for each one-way trip.

The following tables show the current RTD fares:

TABLE XII
Single Trip Fares

	Fare	**Senior/Disabled/ Student(1)**
Mall Shuttle	Free	Free
Denver, Boulder, Longmont Local	$2.00	$1.00
Light Rail		
1 Zone	2.00	1.00
2 Zones	2.00	1.00
3 Zones	3.50	1.75
4 Zones	4.50	2.25
Express	3.50	1.75
Regional	4.50	2.25
SkyRide		
Zone 1	12.00	6.00
Zone 2	10.00	5.00
Zone 3	8.00	4.00

(1) Seniors include age 65 and older.

Source: The District.

TABLE XIII
Multiple Trip Fares

	Regular 10-Ride	**Other 10-Ride**	**Regular Monthly**	**Other Monthly(1)**
Denver, Boulder and Longmont Local	$18.00	$ 9.00	$70.00	$35.00
Express	31.50	15.75	128.00	64.00
Regional	40.50	20.25	164.00	82.00

(1) Includes monthly fares for youth, student, disabled and senior patrons. Youth patrons include children ages 6-19. Student includes any student with a school identification card. Seniors include age 65 and older.

Source: The District.

The following table summaries RTD's ridership and fare revenue for the years 2000 to 2008 and nine months ended September 30, 2009:

TABLE XIV
RTD Annual Ridership and Fare Revenue

Year	Revenue Boardings(1)	Fare Revenue	Percent Change in Fare Revenue
2000	61,814,535	$45,214,000	3.5%
2001	65,515,890	46,766,000	3.4
2002	64,167,068	49,967,000	6.8
2003	61,235,476	50,459,000	1.0
2004	64,720,552	55,441,942	9.9
2005	67,994,101	57,638,160	4.0
2006	69,866,850	66,210,654	14.9
2007	81,713,675	77,127,717	16.5
2008	89,253,820	88,205,312	14.4
2009(2)	63,418,384	70,801,813	--

(1) Totals for 2002-2009 include vanpool. Totals for 2007-2009 include Southeast Corridor light rail.
(2) As of September 30, 2009.

Source: District Comprehensive Annual Financial Reports for the years ended December 31, 2000-2008; The District.

Advertising and Ancillary Revenues

RTD receives additional operating revenue from advertising on its buses. RTD sells signs on the exterior and interior of its vehicles, and allows advertisers to paint buses with advertising themes. RTD also receives ancillary non-operating revenue from parking fees and charges, rent received pursuant to an air right lease at its Civic Center facility, leases of retail space at facilities, cross border leases, and other sources.

The following table shows RTD's advertising income and ancillary revenues for the years 2000 to 2008 and nine months ended September 30, 2009:

TABLE XV
RTD Advertising and Ancillary Revenues

Year	Advertising Revenue	Ancillary Revenues
2000	$3,385,288	$3,220,722
2001	3,411,418	2,469,052
2002	2,419,458	3,493,236
2003	2,886,414	3,549,675
2004	3,047,019	3,620,647
2005	3,196,367	3,483,827
2006	2,800,000	4,031,586
2007	3,194,351	4,705,717
2008	2,853,823	3,106,167
2009(1)	2,086,985	2,266,007

(1) As of September 30, 2009.

Source: District Comprehensive Annual Financial Reports for the years ended December 31, 2000-2008; The District.

Federal Funding

RTD is a designated recipient of federal funds from the FTA. These grants are reserved for capital, planning, technical assistance or operating assistance projects. The following table shows RTD's grant receipts from FTA for the years 2000 to 2008 and nine months ended September 30, 2009:

TABLE XVI
RTD Federal Grant Receipts

Year	Federal Capital	Other Local Contributions	Operations, Planning and Other
2000	$ 56,420,068	--	$27,553,599
2001	87,334,494	$13,293,150	30,204,129
2002	46,983,096	3,587,484	35,096,035
2003	135,917,027	4,019,585	37,802,656
2004	54,446,175	17,309,134	39,649,222
2005	86,522,551	10,861,504	41,321,873
2006	57,413,215	4,123,742	42,804,571
2007	107,577,186	7,555,894	47,040,532
2008	39,219,769	169,465	50,813,465
2009(1)	91,070,275	2,500,000	54,431,733

(1) As of September 30, 2009

Source: District Comprehensive Annual Financial Reports for the years ended December 31, 2000-2008; The District.

As a condition of receipt of FTA grants, RTD is typically required to augment these grants with certain amounts of its own locally generated funds. As of December 31, 2008, RTD had a commitment to provide $19,081,109 in local funds in order to receive $52,554,427 in federal grant funds. RTD will be required to provide approximately $97,936,057 in local funds to match 2008 federal appropriations of $148,203,348. FTA operating assistance is allocated nationally on a formula basis, and cannot exceed 50% of an agency's total operating budget.

As a designated recipient, RTD must comply with prevailing statutes, regulations, administrative requirements, executive orders, and FTA guidance. These include, but are not limited to, requirements in the areas of labor, seniors and disabled, civil rights, charter bus service, financial reporting, privatization, public participation, and environmental regulations. The grant agreements contain substantial conditions and limitations concerning the payment of federal funds, and such payments also may be subject to continuing appropriations by the United States Congress.

Investment Income

For the year ended December 31, 2006, RTD earned investment income in the amount of $29,936,306, representing approximately 5.5% of 2006 revenues. For the year ended December 31, 2007, RTD earned investment income in the amount of $57,470,842 representing approximately 9.3% of 2007 revenues. For the year ended December 31, 2008, RTD earned investment income in the amount of $52,455,696, representing approximately 8.6% of 2008 revenues. The significant increases in investment income in 2007 and 2008 are primarily attributable to interest earned on unexpended proceeds of bonds issued to fund the FasTracks program.

Financial Summary

The following tables summarize certain financial information obtained from RTD's audited financial statements for the four years ended December 31, 2008 and unaudited financial statement for the nine months ended September 30, 2009. The data for the four years ended December 31, 2008 has been prepared by RTD from its audited financial statements. The data for the nine months ended September 30, 2009 has been prepared from its unaudited financial records. For detailed financial information, see APPENDIX B – AUDITED FINANCIAL STATEMENTS OF RTD FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 AND 2007.

TABLE XVII

Summary of Statements of Revenues and Expenses and Changes in Net Assets/Retained Earnings
For the Years Ended December 31, 2005-2008(1) and For the Nine Months Ended September 30, 2009

	Years ended December 31				
	2005	**2006**	**2007**	**2008**	**Nine Months Ended September 30, 2009**
Operating Revenues:					
Passenger Fares	$57,638,160	$66,210,654	$77,127,717	$88,205,312	$70,801,813
Other	5,102,775	3,310,845	4,381,834	4,123,573	3,262,558
Total Operating Revenues	62,740,935	69,521,499	81,509,551	92,328,885	74,064,371
Operating Expenses:					
Salaries, wages, fringe benefits	130,370,664	136,732,680	150,560,206	155,799,098	114,206,986
Materials and supplies	39,869,193	43,708,793	49,157,225	61,056,058	42,245,547
Services	22,344,187	29,864,651	30,653,898	36,834,760	25,393,599
Utilities	7,169,764	7,529,674	8,678,120	10,574,996	6,264,084
Insurance	6,569,237	5,722,527	5,090,298	5,332,836	2,617,158
Purchased transportation	86,329,804	93,003,355	97,818,474	102,743,468	76,240,643
Leases and rentals	1,567,705	1,758,168	2,194,533	2,464,299	1,739,716
Miscellaneous	2,347293	3,143,872	2,389,715	2,618,515	1,575,562
	296,567,847	321,463,720	346,542,469	377,424,030	270,283,284
Operating loss before depreciation	(233,826,912)	(251,942,221)	(265,032,918)	(285,095,145)	(196,218,913)
Depreciation	58,923,681	67,525,830	103,302,317	102,251,719	79,995,126
Operating Loss	(292,750,593)	(319,468,051)	(368,335,235)	(387,346,864)	(276,214,039)
Nonoperating Income (expense):					
Sales Tax revenues	386,427,388	399,556,999	418,406,813	412,824,208	268,058,173
Federal operating assistance	41,321,873	42,804,571	47,040,532	50,813,465	54,431,733
Interest income	15,624,019	29,936,306	57,470,842	52,455,696	18,412,722
Other income	3,483,827	4,031,586	4,705,718	3,106,167	2,266,007
Gain/loss capital assets	1,450,073	1,929,568	1,055,695	1,385	15,661
Interest expense	(21,162,978)	(29,689,199)	(52,272,289)	(56,273,059)	(41,801,727)
Other expense	(790,015)	(805,485)	(861,301)	(976,998)	(663,335)
Total Nonoperating Income	426,354,187	447,764,346	475,546,010	461,950,864	300,719,234
Net income before capital grants and location contributions	133,603,594	128,296,295	107,210,775	74,604,000	24,505,195
Federal capital grants and local contributions	97,384,055	61,536,957	115,133,080	39,389,234	93,570,275
Increase in Net Assets	230,987,649	189,833,252	222,343,855	113,993,234	118,075,470
Net Assets at Beginning of Year	1,140,841,063	1,366,240,084	1,556,073,336	1,778,417,191	1,892,410,425
Prior Period Adjustment	(5,588,628)	--	--	--	
Net Assets at June 30					
Net Assets at End of Year	$1,366,240,084	$1,556,073,336	$1,778,417,191	$1,892,410,425	$2,010,485,895

(1) The financial data for the years ended December 31, 2005–2008 is from the audited financial statements of the District. The financial data for the nine months ended September 30, 2009 is from the District's unaudited financial records.

TABLE XVIII
Comparison of Budgeted and Actual Revenues and Expenses(1)
2005-2009

	2009 Amended Budget	2008 Budget	2008 Actual(2)	2007 Budget	2007 Actual	2006 Budget	2006 Actual	2005 Budget	2005 Actual
Operating Revenues:									
Passenger fares	$ 93,449,427	$ 85,786,061	$ 88,205,312	$ 68,633,000	$ 77,127,717	$ 63,841,453	$ 66,210,654	$ 56,116,333	$57,638,160
Other	4,101,986	4,041,518	4,123,573	3,750,729	4,381,834	3,992,407	3,310,845	4,863,141	5,102,775
Total operating revenues	97,551,413	89,827,579	92,328,885	72,423,729	81,509,551	67,833,860	69,521,499	60,979,474	62,740,935
Operating Expenses:									
Salaries, wages, fringe benefits	149,969,279	151,991,150	155,799,098	145,578,427	150,560,206	136,734,557	136,732,680	129,721,721	130,370,664
Materials and supplies	59,769,821	65,664,990	61,056,058	52,510,979	49,157,225	46,779,526	43,708,793	37,057,427	39,869,193
Services	57,330,872	46,827,420	36,834,760	45,460,370	30,653,898	37,436,024	29,864,651	30,101,609	22,344,187
Utilities	9,804,642	10,160,324	10,574,996	10,024,381	8,678,120	8,256,916	7,529,674	6,419,434	7,169,764
Insurance	5,863,338	7,392,858	5,332,836	7,243,393	5,090,298	6,930,000	5,722,527	7,528,000	6,569,237
Purchased transportation	105,727,199	103,353,971	102,743,468	98,842,177	97,818,474	91,508,274	93,003,355	87,205,549	86,329,804
Leases and rentals	2,981,967	4,001,247	2,464,299	4,234,175	2,194,533	6,121,489	1,758,168	6,138,573	1,567,705
Miscellaneous	2,361,663	844,156	2,618,515	522,855	2,389,715	2,027,996	3,143,872	1,591,557	2,347,293
Total Operating Expenditures	393,808,781	390,236,116	377,424,030	364,416,757	346,542,469	335,794,782	321,463,720	305,763,870	296,567,847
Operating Loss	--	(300,408,537)	(285,095,145)	(291,993,028)	(265,032,918)	(267,960,922)	(251,942,221)	(244,784,396)	(233,826,912)
Nonoperating revenue (expense):									
Sales and Use Tax	373,193,084	427,690,407	412,824,208	425,796,000	418,406,813	407,327,968	399,556,999	387,682,291	386,427,388
Federal operating assistance	89,274,346	53,865,000	50,813,465	53,438,968	47,040,532	4,811,942	42,804,571	42,714,650	41,321,873
Investment income	23,077,636	37,705,630	52,455,696	26,457,056	57,470,842	20,007,142	29,936,305	13,196,359	15,624,019
Other income	2,590,116	3,272,000	3,106,167	3,649,950	4,705,718	3,736,548	4,031,586	3,645,413	3,483,827
Gain/loss on capital assets	--	--	1,385	--	1,055,695	--	1,929,568	--	1,450,073
Interest expense	64,167,812	(65,467,440)	(56,273,059)	(68,379,053)	(52,272,289)	(47,688,492)	(29,689,199)	(35,130,320)	(21,162,978)
Other expense	--	--	(976,998)	--	(861,301)	--	(805,485)	--	(790,015)
Total Nonoperating Revenue	552,302,994	457,065,597	461,950,864	440,962,921	475,546,010	432,195,108	447,764,346	412,008,393	426,354,187
Proceeds from debt	62,697,570	200,842,688	17,694,908	--	471,151,329	594,855,081	627,945,268	84,377,347	187,388,378
Capital Outlay:									
Capital expenses	965,592,736	646,086,799	282,758,380	480,535,904	156,784,742	474,684,849	208,361,494	519,992,070	273,843,172
Less capital grants	(267,571,736)	(81,589,482)	(39,389,234)	(138,218,023)	(115,133,080)	(80,723,413)	(61,536,957)	(119,192,046)	(97,384,055)
Long-term debt principal payment	63,860,587	63,040,000	63,020,000	55,695,000	55,695,000	31,340,000	31,340,000	27,225,000	128,758,747
Excess (deficit) of revenue and nonoperating income over (under) expenses, capital outlay and debt principal payments	$(146,881,023)	$(270,037,569)	(111,838,522)	$(249,042,988)	584,317,759	$333,787,831	645,602,856	$(176,423,680)	74,697,789
Increases (decreases) to reconcile budget basis to GAAP basis:									
Capital expenditures			282,758,380		156,784,742		208,361,494		273,843,172
Long-term debt proceeds			(17,694,905)		(471,151,329)		(627,945,268)		(187,388,378)
Long-term debt principal			63,020,000		55,695,000		31,340,000		128,758,747
Depreciation			(102,251,719)		(103,302,317)		(67,525,830)		(58,923,681)
INCREASE IN NET ASSETS			$113,993,234		$222,343,855		$189,833,252		$230,987,649

(1) The District's annual budget is prepared on the same basis as that used for accounting except that the budget also includes proceeds of long-term debt and capital grants as revenues, and expenditures include capital outlays and bond principal payments, and exclude depreciation and gains and losses on disposition of property and equipment.
(2) Actual unaudited revenues and expenses for the nine months ended September 30, 2009 is provided in Table XIX.

Source: RTD Comprehensive Annual Financial Reports for the years ended December 31, 2004-2008; The District.

Management's Discussion and Analysis of Financial Trends

An overview and analysis of the District's financial activities is provided under "FINANCIAL SECTION—Management's Discussion and Analysis" in APPENDIX B. Additional discussion from the District's management is provided below.

By the last quarter of 2008, the economy had entered into a recession. RTD has successfully managed its expense and capital expenditures, resulting in no significant financial upset nor reduction in operation. The District continues to manage financial activities ensuring the sound financial position of RTD.

As of September 30, 2009 and September 30, 2008, total assets of the District exceeded total liabilities $2,012,074,000 and $1,886,397,000, respectively.

The net assets of the District increased by $118,075,470 during the first three quarters of 2009 and $113,993,000 during 2008. The increases in both years are due to higher combined sales and use tax revenues, operating revenues, grant revenue and investment income, net of increases in operating expenses and non-operating expenses.

The District's total debt decreased $63,225,000 (4.85%) and $57,345,000 (4.21%) in 2008 and 2007, respectively. The decreases in both years are primarily due to scheduled payments for commercial paper and other debt obligations.

The District's sales and use tax revenue decreased $42,435,000 (13.5%) in third quarter 2009 after an increase of $3,873,000 (1.25%) in the previous year third quarter.

Capital grants and local contributions increased $56,526,000 (152.5%) in 2009 after an increase of $53,596,000 (87.1%) in the previous year third quarter. The increase in 2009 is due to a receipt of grant funds and local contributions for the West Corridor project.

For the third quarter 2009 year, total operating expenses exceeded total operating revenues resulting in a loss before non-operating revenue and expenses of $276,214,000 compared to $278,488,000 third quarter for 2008. The District anticipates operating losses, as these losses are subsidized by non-operating sales and use tax and grant revenues.

ECONOMIC AND DEMOGRAPHIC OVERVIEW

APPENDIX C contains an economic and demographic overview of the Denver Metropolitan Area as of November 2009 (the "Overview"). The Overview has been prepared at the request of RTD by Development Research Partners which has consented to the inclusion of the Overview in this Official Statement. Neither RTD nor the Underwriters intends to assume responsibility for the accuracy, completeness or fairness of the information contained in the Overview. The information in APPENDIX C – AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER-METROPOLITAN AREA has been included in this Official Statement in reliance upon the authority of Development Research Partners as experts in the preparation of economic and demographic analyses. Potential investors should read the Overview in its entirety for information with respect to the economic and demographic status of the Denver Metropolitan Area.

FORWARD LOOKING STATEMENTS

This Official Statement, and particularly the information contained under the caption, "THE SYSTEM—FasTracks" and "—Transit Development Program," contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

CONSTITUTIONAL REVENUE, SPENDING AND DEBT LIMITATIONS

On November 3, 1992, the voters of the State approved an amendment to the State Constitution (the "Amendment") that limits the powers of public entities to borrow, tax and spend.

The Amendment requires voter approval prior to the imposition by RTD of a new tax, tax rate increase, mill levy increase, valuation for assessment ratio increase, tax extension or other change in tax policy that results in a net gain of tax revenues or the creation by RTD of any multiple-fiscal year direct or indirect debt or other financial obligation, subject to certain exceptions, including refinancing at a lower interest rate. Elections for such voter approval may be held only at a State general election or on the first Tuesday of November of odd-numbered years.

In the absence of voter approval, the Amendment also limits, with certain adjustments, annual percentage increases in RTD property tax revenues and total revenues, subject to certain exceptions, to the total of inflation plus changes in the actual value of real property within its boundaries. Revenues collected by RTD in excess of the limit are required to be refunded during the next calendar year. In addition, in the absence of voter approval, the Amendment limits, with certain adjustments, annual percentage increases in RTD spending, subject to certain exceptions, to the total of inflation plus the changes in the actual value of real property within its boundaries. If revenues fall in any calendar year, the lower total becomes the new RTD base for computing the next year's limits. In addition, on November 2, 1999, the voters of the District voted to exempt RTD from the revenue and spending limitations of the Amendment for the purpose of repaying any debt incurred to finance the Southeast Corridor light rail project or operating such project, for as long as any such debt remains outstanding, but in no event beyond December 31, 2026. On November 4, 2004, the voters of the District also exempted the District from any revenue and spending limitations on the Unpledged Sales Tax Revenues and related investment income.

In the opinion of Bond Counsel, the Bonds may be issued without voter approval for the purpose of refinancing the Refunded Bonds at a lower interest rate.

LITIGATION

There is no litigation pending or threatened in writing relating in any manner to the authorization, execution or delivery or the legality of the Bonds or the power of RTD to apply Pledged Sales Tax Revenues under the Bond Resolution.

The District is involved in various claims and lawsuits arising in the ordinary course of the District's business. The District believes that its insurance coverage is adequate and that any liability assessed against the District as a result of claims or lawsuits that are not covered by insurance would not materially adversely affect the financial condition of the District or its ability to perform its obligations under the Bond Resolution.

GOVERNMENTAL IMMUNITY

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, Colorado Revised Statutes, as amended (the "Governmental Immunity Act"), provides in part, that public entities are immune from liability in all claims for injury which lie in tort or could lie in tort (regardless of the type of action of the form of relief chosen by the claimant), except to the extent specifically excluded by the Governmental Immunity Act. These exclusions include claims resulting from: (a) the operation, by a public employee during the course of his or her employment, of a motor vehicle that is owned or leased by a public entity; (b) the operation by a public entity of a public hospital, correctional facility or jail; (c) a dangerous condition of a public building or public facility operated by a public entity, including a public water, gas, sanitation, electrical, power or swimming facility; (d) a dangerous condition of a public highway, road or street which physically interferes with the movement of traffic, a dangerous condition caused by a failure to realign traffic signs turned without authorization in a manner which reassigns the right-of-way on intersecting public highways, roads or streets or by a failure to repair traffic control signals on which conflicting directions are displayed or a dangerous condition caused by an accumulation of snow and ice which interferes with access to public buildings when a public entity has actual notice of such condition, has a reasonable time to act and fails to use existing means available to it for removal or mitigation; or (e) the operation and maintenance by a public entity of any public water, gas, sanitation, electrical, power or swimming facility. The Governmental Immunity Act defines "dangerous condition" as a physical condition or use which constitutes an unreasonable risk to the health or safety of the public which is or should have been known to exist and which is proximately caused by the negligent act or omission of the public entity. The maximum amount that may be recovered in any single occurrence on a claim based on one of the exclusions of the Governmental Immunity Act is limited to $150,000 for injury to one person in a single occurrence and $600,000 for an injury to two or more persons in a single occurrence, except that no person may recover in excess of $150,000. The Governmental Immunity Act also specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable either directly or by indemnification for punitive or exemplary damages or for damages for outrageous conduct, except as may be otherwise determined by a public entity pursuant to the Governmental Immunity Act.

RTD may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, RTD may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any action brought against a public entity or a public employee in any Colorado state court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Pursuant to the Governmental Immunity Act, a public entity may prospectively waive its immunity. RTD has waived sovereign immunity for certain types of claims. Specifically, RTD has waived immunity for claims arising from its negligent operation of light rail vehicles and for claims arising from the construction of the Southwest Corridor light rail line, up to the limits of its insurance policy covering such claims. See "RTD—Insurance" and "THE SYSTEM—Transit Development Program."

CONTINUING DISCLOSURE AGREEMENT

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) ("Rule 15c2-12"), RTD has agreed in a Continuing Disclosure Agreement, dated January 5, 2010 (the "Continuing Disclosure Agreement"), between RTD and the Trustee, as dissemination agent, to provide certain financial information, other operating data and notices of material events for the benefit of the owners of the Bonds. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX A. A failure by RTD or the Trustee to comply with the Continuing Disclosure Agreement does not constitute an Event of Default under the Bond Resolution. Nevertheless, such a failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. RTD has not failed to comply with any continuing disclosure agreement under Rule 15c2-12.

LEGAL MATTERS

Legal matters relating to the execution and delivery of the Bonds are subject to the approving opinion of Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, which is to be delivered with the Bonds.

Certain legal matters will be passed upon for RTD by Marla Lien, Esquire, General Counsel for the District, and for the Underwriters by Hogan & Hartson LLP.

Sherman & Howard L.L.C., Denver, Colorado and GCR, LLP, Denver, Colorado have been retained to assist the District in the preparation of this Official Statement.

The legal fees to be paid to Sherman & Howard L.L.C. in connection with the execution and delivery of the Bonds are contingent upon the sale and delivery of the Bonds. The legal fees to be paid to Sherman & Howard L.L.C. and GCR, LLP in connection with the preparation of this Official Statement are also contingent upon the sale and delivery of the Bonds.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The District will covenant and represent in the Bond Resolution that it will take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the Bonds) to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based upon existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to any pending or proposed legislation. Amendments to federal and Colorado tax laws may be pending now or could be proposed in the future which, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income, Colorado alternative minimum taxable income or any combination thereof from the date of issuance of the Bonds or any other date, or which could result in other adverse federal or Colorado tax consequences. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the District as the taxpayer and the owners may have no right to participate in such procedures. The District has covenanted in the Bond Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Underwriters or Bond Counsel is responsible for paying or reimbursing any registered owner or Beneficial Owner for any audit or litigation costs relating to the Bonds.

RATINGS

S&P, Moody's and Fitch Ratings ("Fitch") have assigned the ratings shown on the cover page hereof to the Bonds.

Such ratings reflect only the views of the rating agencies and are not a recommendation to buy, sell or hold the Bonds. Any explanation of the procedures and methods used by each rating agency and the significance of their respective ratings may be obtained from Moody's at

99 Church Street, New York, New York 10007, from Fitch at 44 Montgomery Street, Suite 500, San Francisco, California 94101 and from S&P at 55 Water Street, New York, New York 10041. Generally, a rating agency bases it rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

VERIFICATION OF CERTAIN CALCULATIONS

The Arbitrage Group, Inc., independent certified public accountants, will verify from the information provided to them the mathematical accuracy of the computations contained in the provided schedules as of the delivery date of the Bonds to determine that the anticipated receipts from the securities and cash deposits to be held in escrow will be sufficient to pay, when due, the principal, interest and redemption premium, if any, with respect to the Refunded Bonds. The independent certified public accountants will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

UNDERWRITING

The Bonds were purchased by the Underwriters at a price equal to $53,923,265.56 (consisting of the principal amount of the Bonds, plus premium of $6,505,915.00 less underwriting discount of $207,649.44).

Morgan Stanley, parent company of Morgan Stanley & Co. Incorporated, an underwriter of the Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

J.P. Morgan Securities, Inc., one of the underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services, Inc. for the retail distribution of certain municipal securities offerings, including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, J.P. Morgan Securities, Inc. will share a portion of its underwriting compensation with respect to the Bonds with UBS Financial Services, Inc. J.P. Morgan Securities, Inc. currently serves as an advisor to RTD in connection with the FasTracks public-private partnerships under consideration by RTD as described in "THE SYSTEM—FasTracks."

FINANCIAL STATEMENTS

The financial statements of RTD for the years ended December 31, 2008 and 2007, included herein as APPENDIX B have been audited by Bondi & Co. LLC, independent certified public accountants, as stated in their report appearing herein. Such financial statements represent the most current audited financial information for the District. Bondi & Co. LLC has consented to the use of their name and the audited financial report for the District in this Official Statement.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from RTD's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and resolution provisions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolution provisions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. The authorization, agreements and covenants of RTD are set forth in the Bond Resolution, and neither this Official Statement nor any advertisement of the Bonds is to be construed as a contract with the owners of the Bonds.

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of the Official Statement.

REGIONAL TRANSPORTATION DISTRICT

By: /s/ Lee Kemp
Chair, Board of Directors

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APPENDIX A
FORM OF CONTINUING DISCLOSURE AGREEMENT

Continuing Disclosure Agreement, dated January 5, 2010 (this “Agreement”), is between the Regional Transportation District (the “District”) and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”).

Section 1. Purpose of Agreement. This Agreement is being executed and delivered by the District and the Dissemination Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“*Board*” means the Board of Directors of the District.

“*Bond Resolution*” means the Master Sales Tax Revenue Bond Resolution adopted by the Board on October 27, 1977, and all amendments and supplements thereto as of the date hereof, including but not limited to the Sixteenth Supplemental Sales Tax Revenue Bond Resolution, adopted by the Board on November 17, 2009.

“*Bonds*” means the Sales Tax Revenue Refunding Bonds, Series 2010A, in the aggregate principal amount of $47,625,000 issued pursuant to the Bond Resolution.

“*Dissemination Agent*” means, initially, The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Material Events*” means any of the events listed in Section 5 of this Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

“*Official Statement*” means the final Official Statement dated December 15, 2009, together with any supplements thereto, delivered in connection with the original issuance and sale of the Bonds.

“*Participating Underwriter*” means the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time (17 C.F.R. Part 240 § 240.15c2-12).

"*SEC*" means the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The District shall provide an Annual Report to the Dissemination Agent not later than five (5) business days prior to the end of the ninth (9^{th}) month following the end of the District's fiscal year of each year, commencing with the ninth (9^{th}) month following the end of the District's fiscal year ending December 31, 2010. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report. The District shall include with each submission of the Annual Report to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that such Annual Report is the Annual Report required by this Agreement and that it complies with the requirements of Section 4 of this Agreement.

(b) The Dissemination Agent shall provide the Annual Report to the MSRB in electronic format as prescribed by the MSRB within four (4) business days of its receipt from the District.

(c) If the District is unable to provide to the Dissemination Agent an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice in substantially the form attached as Exhibit A to the MSRB.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) send written notice to the District at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) file a report with the District certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided and listing all the entities to which it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements shall be provided as part of the Annual Report and audited financial statements shall be provided to the Dissemination Agent when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

Section 5. Reporting of Material Events. The District shall provide or cause to be provided, in a timely manner, to the Dissemination Agent, if such event is material, and the Dissemination Agent shall thereafter promptly provide notice, as instructed by the District, of any of the following events with respect to the Bonds, to the MSRB:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(g) modifications to rights of Bond holders;

(h) Bond calls;

(i) defeasances;

(j) release, substitution or sale of property securing repayment of the Bonds; or

(k) rating changes.

Section 6. Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's and the Dissemination Agent's obligations under this Agreement shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the District shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds, which determination shall be evidenced by an opinion of nationally recognized bond counsel selected by the District.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the District and the Dissemination Agent may amend this Agreement and may waive any provision of this Agreement, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the

Rule, but taking into account any subsequent change in or official interpretation of the Rule, as evidenced by an opinion of nationally recognized bond counsel selected by the District and delivered to the Dissemination Agent. The Dissemination Agent shall provide notice of such amendment or waiver to the MSRB.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Agreement shall be an action to compel performance. The Dissemination Agent shall have no power or duty to enforce this Agreement, nor shall the Dissemination Agent have any responsibility for the content of any report, disclosure or notice provided by the District. The Dissemination Agent shall have no liability to any person, including any holder or beneficial owners of the Bonds, with respect to any reports, notices or disclosures provided to it by the District hereunder.

Section 11. Resignation or Removal of Dissemination Agent. The present or any future Dissemination Agent may resign at any time upon 30 days' prior written notice to the District. The District may remove the present or any future Dissemination Agent upon 30 days' prior written notice to the Dissemination Agent. Such resignation or removal shall take effect upon the appointment by the District of a successor Dissemination Agent or upon execution by the District of a written undertaking in which the District agrees to assume all of the obligations of the Dissemination Agent hereunder, but in no event earlier than 30 days after such written notice of resignation or removal has been given. If the Dissemination Agent also serves as the Trustee under the Bond Resolution, the Dissemination Agent may resign or be removed under this Agreement without also resigning or being removed as Trustee under the Bond Resolution. The new Dissemination Agent or the District, as the case may be, shall forthwith give notice thereof to the MSRB.

Section 12. Compensation. As compensation for its services under this Agreement, the Dissemination Agent shall be compensated or reimbursed by the District for its reasonable fees and expenses (including without limitation, legal fees and expenses) in performing the services specified under this Agreement.

Section 13. Miscellaneous Provisions. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the District. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the District.

The Dissemination Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Dissemination Agent. None of the provisions of this Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Dissemination Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Dissemination Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Dissemination Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Any bank, corporation or association into which the Dissemination Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Dissemination Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Dissemination Agent shall be the successor of the Dissemination Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

Section 14. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the District and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

REGIONAL TRANSPORTATION DISTRICT

By ____
Name:
Title:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Dissemination Agent

By:____
Name: _____________________________________
Title: ______________________________________

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Regional Transportation District (the "District").

Name of Bond Issue: Regional Transportation District (Colorado), Sales Tax Revenue Refunding Bonds, Series 2010A, dated as of their date of delivery, in the aggregate principal amount of $47,625,000(the "Bonds").

Date of Issuance: January 5, 2010.

CUSIP No. 759136 _______.

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the Bonds as required by the Sixteenth Supplemental Sales Tax Revenue Bond Resolution adopted by the Board of Directors of the District on November 17, 2009 and the Continuing Disclosure Agreement, dated as of January 5, 2010, between the District and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent. The District has represented that the Annual Report will be filed by [date]______________.

Dated: _____________ ____, 20___.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Dissemination Agent

By:_____________________________________
Name: __________________________________
Title: __________________________________

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

Table Number	Table Title
Table II –	Historical Debt Service Coverage
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Table IX –	Operating Data
Table X –	Statement of Obligations
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Table XVIII –	Comparison of Budgeted and Actual Revenues and Expenses

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF RTD FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 AND 2007

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BONDI & Co. LLC
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

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(303) 799-6926 FAX

Board of Directors
Regional Transportation District
Denver, Colorado

Independent Auditors' Report

We have audited the accompanying basic financial statements of the Regional Transportation District (District) as of and for the years ended December 31, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the District as of December 31, 2008 and 2007, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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

Board of Directors
Regional Transportation District
Denver, Colorado

audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, on pages 23 through 38, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying introductory section, statistical tables, debt disclosure tables, and schedule of expenses and revenue – budget and actual – budgetary basis are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenses and revenue – budget and actual – budgetary basis has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, statistical tables, and debt disclosure tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Bondi & Co. LLC

May 7, 2009

BONDI & Co. LLC

The management of the Regional Transportation District (RTD or District) offers users of our financial statements this narrative overview and analysis of the financial activities for the years ended December 31, 2008 and 2007. This discussion and analysis is designed to assist the reader to focus on significant financial activities and identify any significant changes in the financial position of RTD. It should be read in conjunction with the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

As of December 31, 2008 and 2007, total assets of the District exceeded total liabilities $1,892,410 and $1,778,417, respectively. The amount of unrestricted net assets as of December 31, 2008 was $132,885 compared to $174,550 in 2007.

The net assets of the District increased by $113,993 during the current year compared to an increase of $222,344 in the previous year. The increases in both years are due to higher combined sales and use tax revenues, operating revenues, grant revenue and investment income, net of increases in operating expenses and non-operating expenses.

The District's total debt decreased $65,400 (4.8%) and $69,330 (4.9%) in 2008 and 2007, respectively. The decreases in both years are primarily due to scheduled payments for commercial paper and other debt obligations.

The District's sales and use tax revenue decreased $5,583 (1.3%) in 2008 after an increase of $18,850 (4.7%) in the previous year.

Capital grants and local contributions decreased $75,744 (65.8%) in 2008 after an increase of $53,596 (87.1%) in the previous year. The decrease in 2008 is due to a reduction in receipt of grant funds and local contributions for the Southeast Corridor multimodal project also known as the Transportation Expansion Project (T-REX) as the project neared completion.

For the 2008 year, total operating expenses exceeded total revenues resulting in a loss before non-operating revenue and expenses of $387,347 compared to $368,335 for 2007. The loss in 2008 is more than 2007 due to increased expenses which were partially offset by increased operating revenue. The District anticipates operating losses, as these losses are subsidized by non-operating sales and use tax and grant revenues.

Basic Financial Statements

Management's Discussion and Analysis serves as an introduction to the District's basic financial statements. The District's financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded when incurred. The basic financial statements are comprised of four components: statements of net assets; statements of revenues, expenses and changes in net assets; statements of cash flows; and notes to the financial statements.

The statements of net assets present information on the assets and liabilities, with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of revenues, expenses, and changes in net assets present information on operating revenues and expenses and non-operating revenues and expenses of the District for the fiscal year with the difference, the net income or loss, combined with any capital grants to determine the change in assets for the year. That change combined with the previous year-end total net assets reconciles to the net asset total at the end of the respective fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows.

The statement of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital, and related financing activities, noncapital and related financing activities and investing activities. The result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year. The statement of cash flows, along with the related notes and information in other financial statements, can be used to assess the following: the District's ability to generate positive future cash flows and pay its debt as the debt matures; the reasons for differences between the District's operating cash flows and operating income (loss); and the effect of investing, capital, and financing activities on the District's financial position.

The notes to the financial statements provide additional information that is essential to fully understand the data provided in the statements of net assets, statements of revenues, expenses, and changes in net assets, and statements of cash flows.

The District provides bus, paratransit, and light rail service in a 2,337 square mile area in and around Denver, Colorado. The activities of the District are supported by a .6% and .4% sales and use tax collected within the district. The .6% sales and use tax is used to fund the base operations of the District. The base system operations provide the bus and current light rail services in the Denver area. The .4% sales tax funds the FasTracks build out program and provides for enhanced transit services in the District. Additional revenue sources include fare collections, federal, state, and local financial assistance, interest income, and other receipts such as advertising and rental income.

Financial Analysis

Condensed Financial Information - Condensed financial information from the statements of net assets and statements of revenues, expenses, and changes in net assets is presented below.

Statements of Net Assets - As of December 31, 2008 and 2007, total assets of the District exceeded total liabilities $1,892,410 and $1,778,417, respectively. The largest portion of this excess, 70.6% in 2008 and 65.3% in 2007, was invested in capital assets, net of related debt. The District uses these capital assets to provide public transportation services to customers; consequently, these assets are not available for future spending. Although the District investment in capital assets is reported net of related debt, it should be noted that funding required to repay this debt will be obtained from other sources such as sales and use tax, since the capital assets themselves cannot be used to pay the related debt. The amount of unrestricted net assets as of December 31, 2008 was $132,885 compared to $174,550 in 2007. Substantially all of the unrestricted net assets, although not legally restricted, have been appropriated or reserved by the District's Board for future capital acquisition, operating reserve policy, and debt liquidation during the budget process.

Condensed Summary of Assets, Liabilities, and Net Assets
(Amounts in thousands)

	2008	2007	2006
Assets:			
Current assets	$ 326,097	$ 476,175	$ 339,989
Current assets - restricted	613,517	664,147	752,452
Capital assets (net of accumulated depreciation)	2,095,135	1,914,674	1,862,898
Other noncurrent assets	278,471	189,228	122,996
Total assets	3,313,220	3,244,224	3,078,335
Liabilities:			
Current liabilities	191,523	202,245	213,828
Noncurrent liabilities	1,229,287	1,263,562	1,308,434
Total liabilities	1,420,810	1,465,807	1,522,262
Net assets:			
Invested in capital assets, net of related debt	1,340,672	1,161,449	1,167,666
Restricted	418,853	442,418	247,781
Unrestricted	132,885	174,550	140,626
Total net assets	$ 1,892,410	$ 1,778,417	$ 1,556,073

Current assets decreased $150,078 (31.5%) in 2008 due to the use of cash and investments to service debt and fund the acquisition of capital assets, land, construction in progress for operations, and components of the District's FasTracks program.

In 2008, capital assets net of accumulated depreciation increased $180,461 (9.4%) primarily due to the acquisition of revenue equipment, land, and construction in progress for the FasTracks program.

The District's net assets increased $113,993 in 2008. The investments in capital asset, net of related increased $179,223 (15.4%) primarily due to design and construction cost related to the FasTracks programs. This increase was offset by a decrease of $23,565 (5.3%) and $41,665 (23.9%) in the restricted and unrestricted net assets.

Statements of Revenue, Expenses, and Changes in Net Assets – The following summary of revenues, expenses, and changes in net assets shows the activities of the District resulted in an increase in net assets. The net assets of the District increased by $113,993 during the current year compared to an increase of $222,344 in the previous year. The increases in both years were due to higher combined sales and use tax revenues, operating revenues, grant revenue and investment income, net of increases in operating expenses and non-operating expenses. The key elements of the changes in net assets for the fiscal years ended December 31, 2008 and 2007 with comparative information for 2006 are shown in the following table.

Summary of Revenues, Expenses, and Changes in Net Assets
(Amounts in thousands)

	2008	2007	2006
Operating revenue:			
Passenger fares	$ 88,205	$ 77,128	$ 66,211
Advertising and other	4,124	4,382	3,311
Total operating revenue	92,329	81,510	69,522
Operation expenses:			
Salaries and wages	118,417	113,742	103,872
Fringe benefits	37,382	36,818	32,860
Materials and supplies	61,056	49,157	43,709
Services	36,835	30,654	29,865
Utilities	10,575	8,678	7,530
Insurance	5,333	5,090	5,723
Purchased transportation	102,743	97,818	93,003
Leases and rentals	2,464	2,195	1,758
Miscellaneous	2,619	2,391	3,144
Depreciation	102,252	103,302	67,526
Total operating expenses	479,676	449,845	388,990
Operating loss	(387,347)	(368,335)	(319,468)
Non-operating revenues (expenses):			
Sales and use tax	412,824	418,407	399,557
Federal operating assistance	50,813	47,041	42,805
Investment income	52,456	57,471	29,936
Other income / Gain on sale of assets	3,108	5,761	5,961
Interest expense	(56,273)	(52,272)	(29,689)
Other expense	(977)	(862)	(806)
Net nonoperating revenue (expenses)	461,951	475,546	447,764
Income before capital contribution, grants and contribution	74,604	107,211	128,296
Capital grants and local contributions	39,389	115,133	61,537
Increase in net assets	$ 113,993	$ 222,344	$ 189,833

The information contained in the condensed information table is used as the basis for the revenue and expense discussion presented below; surrounding the District's activities for the fiscal years ended December 31, 2008, 2007, and 2006.

Revenues

Passenger fares – Passenger fares provided 14% and 11% of the District's total revenues in 2008 and 2007, respectively. Farebox receipts, monthly and annual pass revenue, and special event fares for bus and rail services are included in the passenger fares. Passenger fares increased by $11,077 (14.4%) in 2008 compared to a $10,917 (16.5%) in 2007. The increase in 2008 was due to an 8.0% increase in ridership and a fare increase effective January 1, 2008. The increase in 2007 was due to a 10.6% increase in ridership and the first full year of light rail service on the Southeast Corridor which went into service in November 2006. In addition, higher fuel prices in both years have increased the demand for service.

Advertising and other – Advertising income includes revenues from advertisements primarily on and inside of the District's buses. Advertising and other income decreased $258 (5.9%) in 2008 compared to a $1,071 (32.3%) increase in 2007. The decrease in 2008 was primarily due to a reversing and accrual entry understating 2008 and overstating 2007.

Sales and Use Tax – Sales and use tax provides 63% and 58% of the District's total revenues in 2008 and 2007 respectively. Sales and use tax is a dedicated 1% tax imposed on certain sales within the service area. Sales and use tax decreased $5,583 (1.3%) in 2008 compared to an increase of $18,850 (4.7%) in 2007. The District experienced an economic downturn in 2008 resulting in a decrease in sales and use revenue compared to slowing economic growth in 2007.

Federal operating assistance – Federal operating assistance increased $3,772 (8.0%) in 2008 compared to an increase of $4,236 (9.9%) in 2007. The operating assistance is a federal grant revenue program used to perform capital maintenance and maintain the District's revenue fleet of bus, paratransit, and rail vehicles. The increase in both years is due to the growth in service levels provided by the District and an increase in the funds made available by the Federal Transit Administration (FTA).

Investment Income – Investment income decreased $5,015 (8.7%) in 2008 compared to a $27,535 (92.0%) increase in 2007. The decrease in 2008 was due to lower interest rates and a smaller investment balance. The 2007 increase was due to higher interest rates and an increase in the investment balance.

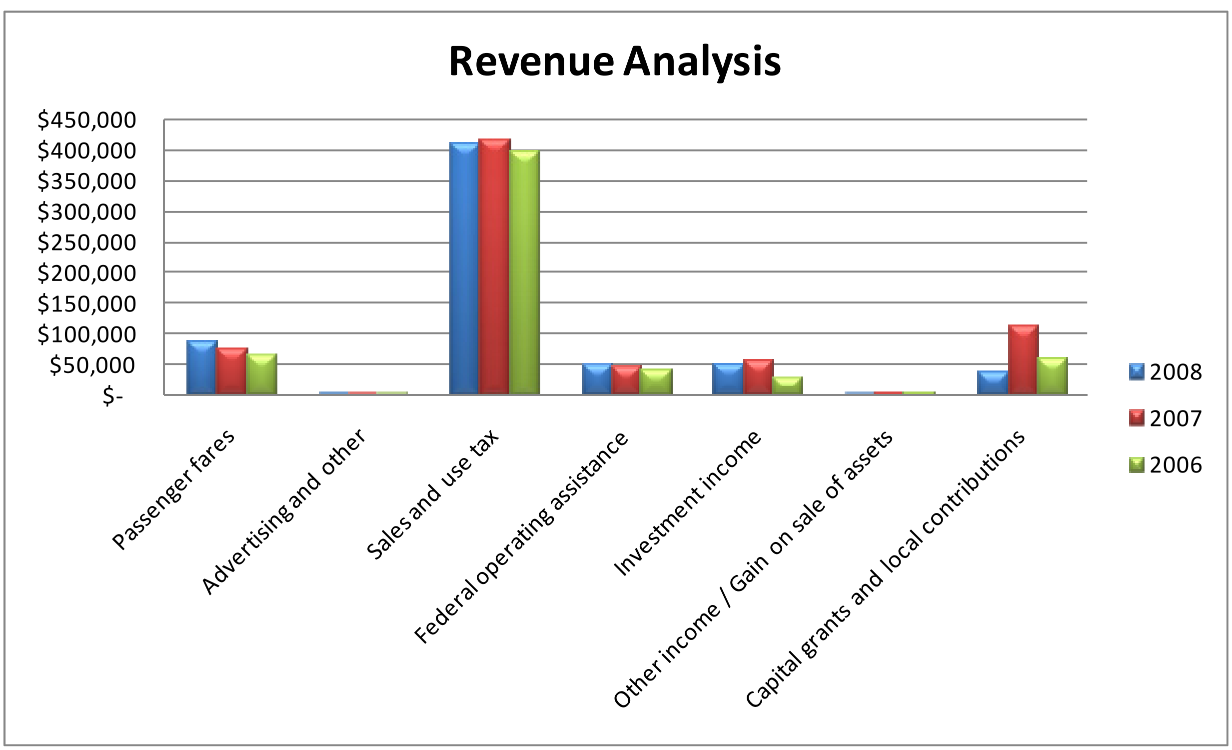
Other Income / Gain on sale of assets – Other income decreased $2,653 (46.1%) in 2008 compared to a $200 (3.4%) decrease in 2007. Other income includes rental income from retail space, parking, air-rights, and miscellaneous other items. Gain on sale of assets includes revenue from asset disposition. In 2008, the District did not dispose of material assets compared to a gain on disposition of $2,762 in 2007.

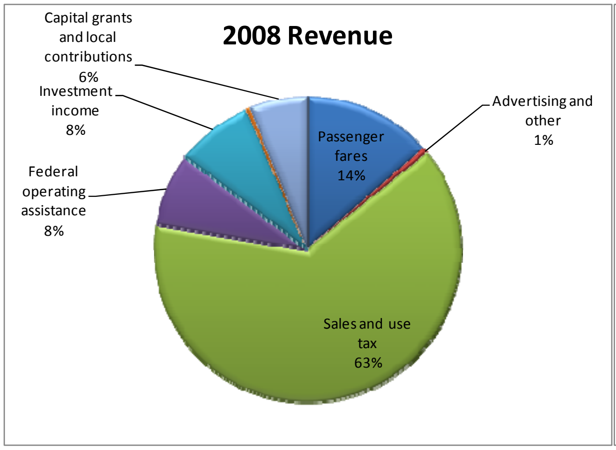
Capital grants and local contributions – Capital contribution provided 6% and 16% of the District's total revenues in 2008 and 2007, respectively. Capital grants and local contributions include federal and local contributions. Capital contributions decreased $75,744 (65.8%) in 2008 compared to an increase of $53,596 (87.1%) in 2007. The decrease in 2008 and increase in 2007 were due to a decrease in the activities related to a full funding grant agreement for the Southeast Corridor in 2008 and an increase in the same full funding grant agreement in 2007.

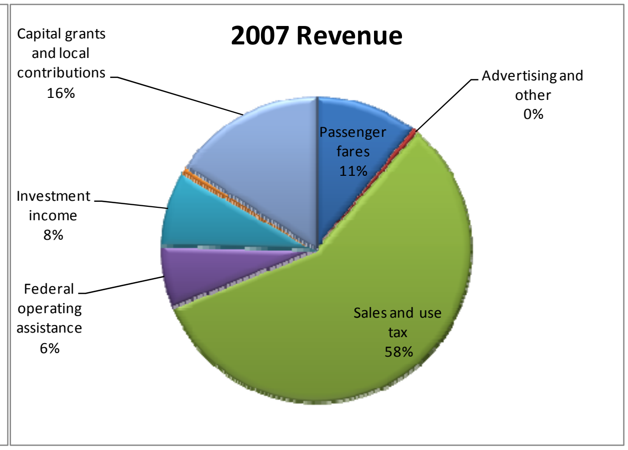
The following schedule and charts show the major sources of operating revenue for the years ended December 31, 2008, 2007, and 2006.

Revenue Analysis
(Amounts in thousands)

	2008	2007	2006
Revenues			
Passenger fares	$ 88,205	$ 77,128	$ 66,211
Advertising and other	4,124	4,382	3,311
Sales and use tax	412,824	418,407	399,557
Federal operating assistance	50,813	47,041	42,805
Investment income	52,456	57,471	29,936
Other income / Gain on sale of assets	3,108	5,761	5,961
Capital grants and local contributions	39,389	115,133	61,537
Total Revenues	$ 650,919	$ 725,323	$ 609,318





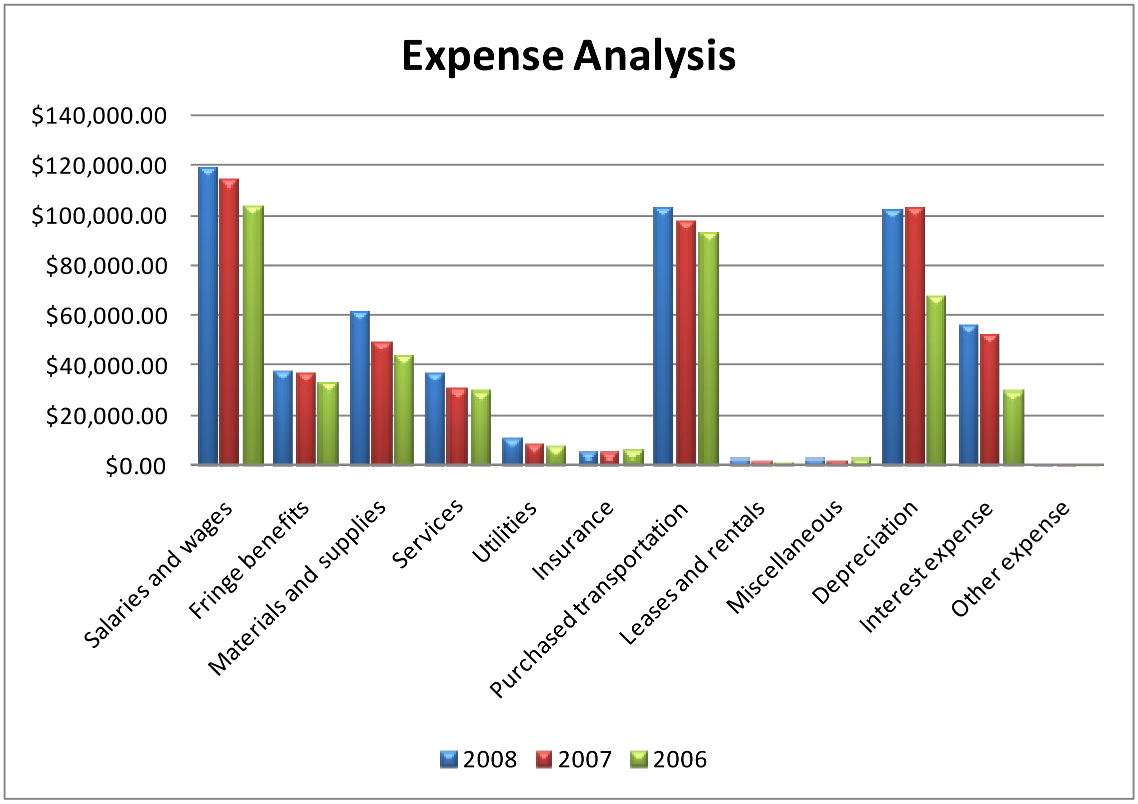


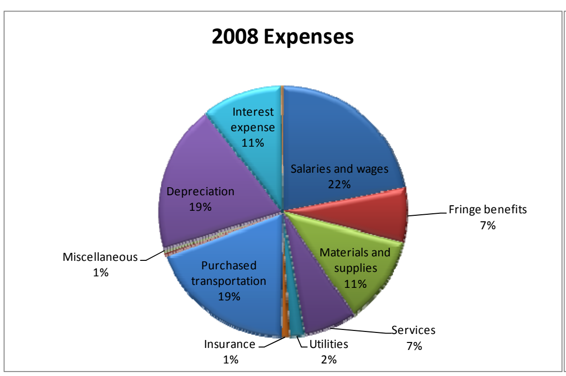
Expenses

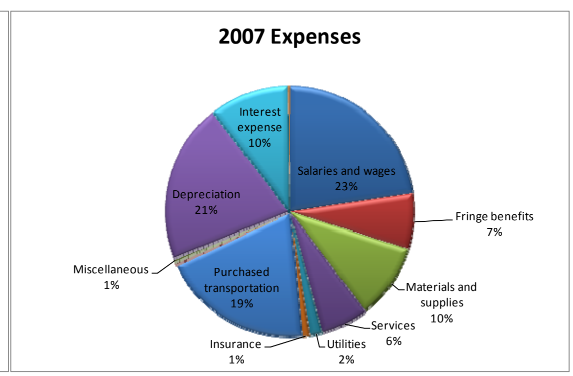
The following schedule and charts shows the major sources of operating expenses for the years ended December 31, 2008, 2007, and 2006.

Expense Analysis
(Amounts in thousands)

	2008	2007	2006
Expenses			
Salaries and wages	$118,417.00	$113,742.00	$103,872.00
Fringe benefits	37,382	36,818	32,860
Materials and supplies	61,056	49,157	43,709
Services	36,835	30,654	29,865
Utilities	10,575	8,678	7,530
Insurance	5,333	5,090	5,723
Purchased transportation	102,743	97,818	93,003
Leases and rentals	2,464	2,195	1,758
Miscellaneous	2,619	2,391	3,144
Depreciation	102,252	103,302	67,526
Interest expense	56,273	52,272	29,689
Other expense	977	862	806
Total Expenses	$ 536,926.00	$ 502,979.00	$ 419,485.00







Salaries and wage expense accounted for 22% and 23% of the District's total expenses in 2008 and 2007 respectively and were the largest expense category in operating expenses. This is common in the public transportation industry as the provision of service is extremely labor intensive. Unlike many other transit districts, RTD has a substantial portion of its transit vehicle service contracted to private providers. In 2008, approximately 55.7% of the District's transit services, fixed route, and demand response ADA service were operated by private contractors and categorized as purchased transportation expenses. Due to the large investments the District has in capital assets, depreciation continues to be a large operating expense.

Salary and wages – Salary and wage expense is the largest expense category accounting for 22% and 23% of the total District expenses in 2008 and 2007 respectively. Salary and wage expenses increased by $4,675 (4.1%) in 2008 compared to $9,870 (9.5%) in 2007. Increases over previous years are largely due to labor contract increases and merit increases. In addition, the Southeast rail corridor went into service in November 2006 with the first full year of service in 2007 creating a larger than usual increase over the prior year.

Benefits – Fringe benefits increased by $564 (1.5%) in 2008 compared to $3,958 (12%) in 2007. The increase in fringe benefit costs is related to an increase in payroll taxes as a result of an increase in the salary and wage cost offset by a favorable decrease in salaried employee insurance cost in 2008. The increase in 2007 fringe benefits is related to an increase in payroll taxes as a result of an increase in salary and wage cost and an increase in non-salaried employee health and welfare insurance cost.

Materials and supplies – The materials and supplies expense category accounted for 11% and 10% of the total District expenses in 2008 and 2007 respectively. Materials and supplies expense increased $11,899 (24.2%) in 2008 compared to $5,448 (12.5%) in 2007. The increases are largely due to the increase in the price of diesel fuel. The average diesel fuel prices for the District's internal operations were $3.20 per gallon in 2008 compared to $2.06 per gallon in 2007.

Services – Service expense includes contracted services such as security services; vehicle, equipment and right of way maintenance services; advertising and marketing services, and legal services. Service expense increased $6,181 (20.2%) in 2008 compared to $789 (2.6%) in 2007. The increase in 2008 service expense was primarily due to increased cost of data processing services, software maintenance agreements, and engineering, planning and financial consultants. The 2007 increase was due to additional security required for the new Southeast rail operations and buildings and grounds maintenance for additional snow removal.

Utilities – Utility expense includes electric, telecommunications, water and sewer, and natural gas for facilities and rail service. Utility expense increased $1,897 (21.9%) in 2008 compared to $1,148 (15.2%) in 2007. The increase in both years was due to higher unit cost and increased rail usage with the southeast rail operations and additional third rail vehicle added to train consists to accommodate an increased number of riders.

Insurance – Insurance expense includes the District's self insured cost for general liability and workers' compensation claims. In addition, the District purchased insurance in its efforts to protect assets and control and prevent losses. Insurance expense increased $243 (4.8%) in 2008 compared to a decrease of $633 (11.1%) in 2007. The change in both years was primarily due to higher and lower claims loss history.

Purchased transportation – The purchased transportation expense category accounted for 19% of the total District expenses in 2008 and 2007. Purchased transportation represents the costs of contracted transportation services for bus, access-a-Ride, and call-n-Ride services. Purchased transportation costs increased $4,925 (5.0%) in 2008 compared to $4,815 (5.2%) in

2007. The increase in both years was primarily due to negotiated contract increases and an increase in the hours of service provided.

Leases and rentals – Leases and rentals includes lease expense for office space, office equipment, park-n-Ride facilities, and use of communication towers. The lease and rentals expense increased $269 (12.3%) in 2008 compared to $437 (24.9%) in 2007.

Miscellaneous – Miscellaneous expense includes other incidental operating expenses not included in other defined categories. Miscellaneous expenses increased $228 (9.5%) in 2008 compared to a decrease of $753 (24.0%) in 2007.

Depreciation – The depreciation expense category accounted for 19% and 21% of the total District expenses in 2008 and 2007 respectively. Depreciation expense is a non-cash systematic allocation of the cost of capital assets over the estimated useful life of the assets. Depreciation expense decreased $1,050 (1.0%) in 2008 compared to an increase of $35,776 (53.0%) in 2007. The decrease in 2008 was due to asset retirements and reduced allocation for assets that had reached the end of the life based on the accounting depreciation period. The increased depreciation costs in 2007 can be attributed to the full year initial depreciation costs associated with the rail vehicles and other assets of Southeast light rail corridor which were placed in service in November 2006.

Interest expense – The interest expense category accounted for 11% and 10% of the total District expenses in 2008 and 2007 respectively. Interest expense increased $4,001 (7.7%) in 2008 compared to $22,583 (76.1%) in 2007. The increase in interest expense in 2008 was primarily due a lower amount of interest capitalized during construction resulting in higher interest expense offset by reduced principal balances and interest expense related to outstanding commercial paper obligations. The increase in 2007 was primarily due to the issuance of sales tax revenue bonds to finance the FasTracks construction costs.

Other expense – Other expense includes miscellaneous non-operating expenses not classified in other expense categories. Other expense increased $115 (13.3%) in 2008 compared to $56 (6.9%) in 2007.

Capital Assets

Capital assets – Investments in capital assets include: land and rights-of-way; buildings and improvements; leasehold improvements; revenue and non-revenue vehicles; shop and service equipment; security and surveillance equipment; Computer equipment; and furniture. The District's investment in capital assets, net of accumulated depreciation, in 2008 was $2,095,135 compared to $1,914,674 in 2007. The net increase in capital assets during the current year is $180,461 (9.4%) compared to an increase of $51,776 (2.8%) in 2007. The District acquires its assets with sales and use tax revenues, farebox revenue, federal capital grants, and proceeds from the sale of revenue bonds, certificates of participation and commercial paper.

The increases during 2008 and 2007 were primarily due to the cost of planning, design and construction of FasTracks rail corridors.

The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2008 and 2007 with comparative information for 2006.

Capital Assets (Net of Depreciation)
(Amounts in thousands)

	2008	2007	2006
Land	$ 182,680	$ 182,517	$ 184,073
Land improvements	973,710	1,003,025	1,025,584
Buildings	109,882	116,007	123,698
Revenue earning equipment	309,966	326,098	331,920
Shops, maintenance and other equipment	22,270	17,950	17,726
Construction in progress	496,627	269,077	179,897
Total	$ 2,095,135	$ 1,914,674	$ 1,862,898

Major capital asset events during the current 2008 fiscal year included the following:

Base System Southeast Corridor – The Southeast Corridor light rail project was substantially completed and put into service in November 2006, with final contract acceptances in 2007. In 2008, additional amenities such as the pedestrian bridge at Park Meadows Mall were completed. Expenditures in 2008 were approximately $4,025.

FasTracks Denver Union Station - RTD, with assistance from the City and County of Denver (CCD), the Denver Regional Council of Governments (DRCOG), and the Colorado Department of Transportation (CDOT) acquired historic Denver Union Station (DUS) in August 2001. DUS and the surrounding property will be developed as a mixed-use, multi-modal transportation center located at and in the vicinity of the original Denver Union Station. The master plan was adopted by all the participating agencies in September and October 2004. In addition, RTD acquired approximately 2 acres of property to relocate light rail tracks adjacent to the Consolidated Mainline. In 2008, expenditures related to the DUS project were $16,559.

FasTracks West Corridor - The West Corridor is a 12.1 mile light rail transit corridor between the Auraria Campus in downtown Denver and Jefferson County Government Center in Golden, serving Denver, Lakewood, the Denver Federal Center, Golden and Jefferson County. It will be the first corridor completed in the FasTracks program. In 2007, RTD submitted an initial Full Funding Grant Agreement (FFGA) application to FTA. In 2008, expenditures related to the West Corridor were approximately $42,500.

FasTracks East Corridor - The East Corridor is a 23.6-mile commuter rail transit corridor between Denver Union Station and Denver International Airport. The corridor was approved for inclusion in FTA Public-Private Partnership Pilot Program (Penta-P). In 2008, expenditures related to the East Corridor were $6,279.

FasTracks Gold Line Corridor - The Gold Line Corridor is an 11.2 mile rail transit corridor between Denver Union Station to the vicinity of Ward Road, passing through northwest Denver, unincorporated Adams County, Arvada, and Wheat Ridge. This corridor was also approved for inclusion in FTA Public-Private Partnership Pilot Program (Penta-P). In 2008, expenditures related to the Gold Line were $2,702.

FasTracks North Metro Corridor - The North Metro Corridor is an 18 mile rail transit corridor between Denver Union Station and 162nd Avenue, passing through Denver, Commerce City, Thornton, Northglenn and unincorporated Adams County. In 2008, expenditures related to the North Metro Corridor were $2,085.

FasTracks Northwest Rail Corridor - The Northwest Rail Corridor is a 41 mile rail transit corridor between Denver Union Station and Longmont, passing through Denver, Westminster, Broomfield, Louisville, Boulder, Longmont, unincorporated Adams County, and unincorporated Boulder County, was constituted as a project separate from the ongoing environmental work in the US 36 BRT corridor. In 2008, expenditures related to the Northwest Rail Corridor were $3,439.

FasTracks Commuter Rail Maintenance Facility – The commuter rail maintenance facility is being designed to service the four planned commuter rail corridors (East Corridor, Gold Line, North Metro, and Northwest Rail) included in the FasTracks plan. The facility was approved for inclusion in FTA Public-Private Partnership Pilot Program (Penta-P). In 2008, expenditures related to the Commuter Rail Maintenance Facility were $1,194 million.

In addition, the District has made progress payments of $9,844 on twenty-nine light rail vehicles for the FasTracks program.

Additional information on the RTD's capital assets can be found in note C on pages 56 and 57 of this report.

Debt Administration

Outstanding debt – Outstanding debt includes sales tax revenue bonds, certificates of participation, and commercial paper. The 2008 outstanding principal was $1,257,750 compared to $1,321,390 in 2007. Outstanding debt decreased by $63,640 (4.8%) in 2008 and $61,560 (4.5%) in 2007. The decrease in both years is due to scheduled principal payments.

Sales tax revenue bonds – The District issues sales tax revenue bonds to fund the acquisition and construction of assets. The sales tax revenue bonds were $902,275 and $924,400 as of December 31, 2008 and 2007, respectively. The sales tax revenue bonds decreased $22,125 (2.4%) in 2008 compared to a decrease of $21,665 (2.3%) in 2007. The decrease in both years was due to scheduled principal payments. The sales tax revenue bonds are payable from the District's sales and use tax revenue. The District is required to maintain certain minimum deposits, as defined in bond resolutions, to meet debt service requirements. The bonds may be redeemed prior to maturity, at a price equal to the principal amount plus accrued interest thereon to the date of redemption and a premium. In 2008, the District issued sales tax revenue refunding bonds, Series 2008A, in the par amount of $15,930 for the purpose of refunding Series 1997 Bonds maturing between November 1, 2008 and November 1, 2012. This refunding was undertaken to reduce total debt service payments by $660,455.03 and resulted in a net present value cash flow savings of $609,614.07.

Certifications of participation - Certifications of participation relate to financial obligations issued by Regional Transportation District Asset Acquisition Authority, Inc. (Authority), a nonprofit corporation. The Authority issued Certificates of Participation (Certificates) with the proceeds being used to acquire certain equipment and facilities to be used by the District. The District leases the equipment acquired with the proceeds from the Certificates under two separate Master Lease Purchase Agreements. For financial reporting purposes, the District accounts for the Certificates as its own debt. Certificates outstanding were $309,475 and $326,990 as of December 31, 2008 and 2007, respectively. The certificates outstanding decreased $17,515 (5.4%) in 2008 compared to a decrease of $17,395 (5.1%) in 2007. The decrease in both years was due to scheduled debt payments.

Commercial Paper - The District has issued commercial paper (CP) in order to provide bridge financing for the federal share of the Southeast Corridor light rail project. In August 2001, the District was authorized to issue up to $118.5 million of commercial paper for this purpose. The final principal reduction is planned to take place between 2009 and 2010. CP outstanding was $46,000 and $70,000 as of December 31, 2008 and 2007, respectively. The CP decreased $24,000 (34.3%) in 2008 compared to a decrease of $22,500 (24.3%) in 2007. The decrease in both years was due to planned payments per the amortization schedule.

In 2009, the District expects to retire $24,000 of the current outstanding balance of $46,000 and does not anticipate any additional issuances of outstanding principal under this program.

The following table summarizes outstanding debt obligations as of December 31, 2008 and 2007 with comparative information for 2006.

Outstanding Debt
(Amounts in thousands)

	2008	2007	2006
Bonds payable:			
Sales Tax Revenue Bonds	$ 902,275	$ 924,400	$ 946,065
Certificates of Participation	309,475	326,990	344,385
Commercial Paper	46,000	70,000	92,500
Total Principal	1,257,750	1,321,390	1,382,950
Less unearned amounts:			
Issuance premiums and discounts	43,941	46,416	53,290
Unearned loss on refunding	(10,890)	(11,605)	(10,709)
Debt net of issuance and refunding	$ 1,290,801	$ 1,356,201	$ 1,425,531

The District maintains credit ratings from Standard & Poor Corporation, Moody's Investor Services, and Fitch Ratings. Credit ratings vary based on the type of debt and the source of funds used for repayment. The District's ratings are presented in the following table:

Rating Agency	Senior Bonds Base System .6% Sales Tax	FasTracks Bonds .4% Sales Tax	Certificates of Participation
Standard & Poor's	AAA	AA+	A
Moody's	Aa3	Aa3	A1
Fitch	AA	AA-	A+

Additional information on the District's debt can be found in note D on pages 58 through 65 of this report.

Economic Factors and Subsequent Events after the adoption of the 2008 Budget

Sales and use tax is the largest source of revenue for the District, representing 63% and 58% of the total revenues in 2008 and 2007 respectively. Sales and use tax revenues are affected by the changes in the local economy. The Districts sales and use tax revenue has grown an average of 4.3% each year from 2004 through 2007 as the Colorado economy expanded. However in the fourth quarter of 2008 sales and use tax fell below those of the prior year, resulting in an annual decrease $5,583 (1.3%) from 2007. The District continues to experience an economic downturn in 2009 as consumer and business optimism has reached record low levels and unemployment continues to move upward further depressing consumer spending. Actual sales and use tax revenue for 2008 was $412,824. Based on current projections from the Colorado Legislative Council, the District is estimating that 2009 revenues may be $14,242 or 3.45% less than those of 2008.

Increases in expenditures are expected in future years due to expansion of the District's FasTracks program. The FasTracks program is a 12-year plan to build a comprehensive, integrated region-wide transit network that will provide a reliable and safe system, enhance mobility and respond to the growing transportation needs within the eight-county Regional Transportation District by 2017. The FasTracks program includes 122 miles of new light rail and commuter rail, 18 miles of bus rapid transit infrastructure, 57 new stations, 31 new park-n-Rides, and redevelopment of Denver Union Station. Funding for the FasTracks program will be secured through Federal Transit Administration (FTA) grants, sales tax and other revenues, issuance of long term debt, and public-private partnerships. The 2009 FasTracks Annual Program Evaluation estimates that the cost to implement FasTracks by 2017 will be $6.9 billion - $1 billion less than the cost projection in 2008. However, due to the continuing recession, sales tax revenues have also declined significantly and are projected over the long-term to leave a $2.2 billion gap in funding necessary to complete the program by 2017. RTD will continue to evaluate any possible new revenue sources to help close the budget gap.

January 16, 2009 the District was awarded a full funding grant agreement (FFGA) from FTA for the West Corridor Light Rail Transit Project. This corridor is the first of the FasTracks program to receive an FFGA. The total project cost is estimated to be $709,830 with $308,680 being funded by the New Starts funds and $9,500 from Congestion Mitigation and Air Quality Improvement Program grants. The balance of the corridor cost of $391,650 will be funded by the District and other local funds.

The "American Recovery and Reinvestment Act, 2009" (ARRA), was signed into law by President Barack Obama on February 17, 2009 and includes $8.4 billion for transit capital improvements. This law implements the transit formula program related provisions of the ARRA and provides program and grant application requirements for these funds, to be made available through Federal Transit Administration (FTA) assistance programs. On March 5, 2009 the District was awarded, through ARRA, $72,845 for various capital projects.

The labor agreement between the District and ATU, Local 1001 expired on March 1, 2009. As of the date of this report an agreement has not been reached and negotiations are ongoing. Currently ATU, Local 1001 is operating without a contract.

Requests for Information

This financial report is intended to provide an overview of the District's finances for those with an interest in this organization. Questions concerning any information contained in this report may be directed to the Chief Financial Officer.

BASIC FINANCIAL STATEMENTS

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF NET ASSETS
Year Ended December 31,

	2008	2007
ASSETS		
Current Assets:		
Marketable interest bearing investments (note B)	$ 216,681,864	$ 360,908,085
Receivables:		
Sales tax	68,066,075	75,339,233
Other, less allowance for doubtful accounts of $148,269 and $365,444 in 2008 and 2007, respectively	14,743,950	12,703,078
Grants	5,170,570	14,217,929
Inventories	15,603,855	11,726,940
Other current assets	5,831,218	1,279,888
Cash and cash equivalents - restricted (note B)	57,045,928	15,631,292
Marketable interest bearing investments - restricted (note B)	556,470,581	648,515,289
Total current assets	939,614,041	1,140,321,734
Noncurrent Assets:		
Capital Assets (note C):		
Land	182,679,682	182,517,492
Land improvements	1,270,650,133	1,254,282,630
Buildings	256,966,652	254,901,428
Revenue earning equipment	553,336,951	531,674,287
Shop, maintenance and other equipment	85,261,443	70,533,781
Construction in progress	496,627,061	269,075,926
Total Capital Assets	2,845,521,922	2,562,985,544
Less accumulated depreciation	(750,387,044)	(648,311,459)
Net capital assets	2,095,134,878	1,914,674,085
Other Noncurrent Assets:		
Long-term marketable interest bearing investments (note B)	267,138,282	177,106,082
Long-term receivable	305,934	392,204
Other	11,027,244	11,730,480
Total other noncurrent assets	278,471,460	189,228,766
Total noncurrent assets	2,373,606,338	2,103,902,851
Total assets	$ 3,313,220,379	$3,244,224,585

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF NET ASSETS (CONTINUED)
Year Ended December 31,

	2008	2007
LIABILITIES		
Current Liabilities		
Accounts and contracts payable	$ 56,545,148	$ 49,426,542
Commercial paper (note D)	46,000,000	70,000,000
Current portion of long-term debt payable from restricted assets (note D)	38,770,000	39,040,000
Accrued compensation (note E)	15,930,797	13,104,226
Accrued interest payable from restricted assets	8,494,294	9,048,136
Other accrued expenses	25,696,016	21,546,966
Unearned revenue (note G)	86,270	79,439
Total current liabilities	191,522,525	202,245,309
Noncurrent Liabilities (note D)		
Long-term debt, net	1,206,031,348	1,247,161,529
Arbitrage liability	9,478,492	5,824,595
Other liabilities (note E)	13,471,655	10,183,757
Unearned revenue (note G)	305,934	392,204
Total noncurrent liabilities	1,229,287,429	1,263,562,085
Total liabilities	1,420,809,954	1,465,807,394
NET ASSETS		
Invested in capital assets, net of related debt	1,340,671,772	1,161,449,159
Resticted tabor reserve	16,821,449	16,828,955
Restricted	402,031,857	425,589,135
Unrestricted	132,885,347	174,549,942
Total net assets	$ 1,892,410,425	$ 1,778,417,191

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year ended December 31,

	2008	2007
OPERATING REVENUE		
Passenger fares	$ 88,205,312	$ 77,127,717
Advertising, rent, and other	4,123,573	4,381,834
Total operating revenue	92,328,885	81,509,551
OPERATING EXPENSES		
Salaries and wages	118,416,893	113,741,713
Fringe benefits	37,382,205	36,818,493
Materials and supplies	61,056,058	49,157,225
Services	36,834,760	30,653,898
Utilities	10,574,996	8,678,120
Insurance	5,332,836	5,090,298
Purchased transportation	102,743,468	97,818,474
Leases and rentals	2,464,299	2,194,533
Miscellaneous	2,618,515	2,389,715
Depreciation	102,251,719	103,302,317
Total operating expenses	479,675,749	449,844,786
OPERATING LOSS	(387,346,864)	(368,335,235)
NONOPERATING REVENUE (EXPENSES)		
Sales and use tax	412,824,208	418,406,813
Federal operating assistance	50,813,465	47,040,532
Investment income	52,455,696	57,470,842
Other income	3,106,167	4,705,718
Gain/Loss Capital Assets	1,385	1,055,695
Interest expense	(56,273,059)	(52,272,289)
Other expense	(976,998)	(861,301)
Net nonoperating revenue (expenses)	461,950,864	475,546,010
INCOME BEFORE CAPITAL GRANTS AND LOCAL CONTRIBUTIONS	74,604,000	107,210,775
Federal capital grants and local contributions (note A)	39,389,234	115,133,080
INCREASE IN NET ASSETS	113,993,234	222,343,855
NET ASSETS, beginning of year	1,778,417,191	1,556,073,336
NET ASSETS, end of year	$ 1,892,410,425	$ 1,778,417,191

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOW
Year ended December 31,

	2008	2007
Cash flows from operating activities		
Receipts from customers	$ 94,277,936	$ 81,458,284
Payments to suppliers	(219,840,749)	(190,781,181)
Payments to employees	(152,972,527)	(149,245,559)
Other receipts	3,106,167	4,075,718
Net cash used in operating activities	(275,429,173)	(254,492,738)
Cash provided from noncapital financing activities		
Federal operating assistance	50,813,465	47,040,532
Sales and use tax collections	420,097,365	412,819,930
Net cash provided by noncapital financing activities	470,910,830	459,860,462
Cash flows from capital and related financing activities		
Principal paid on long-term debt	(63,020,000)	(55,695,000)
Proceeds from issuance of debt	17,694,905	471,151,329
Capital grant funds and other contributions received	48,522,863	103,697,644
Proceeds from sale of assets	47,254	2,761,984
Acquisition and construction of capital assets	(280,771,345)	(146,128,095)
Payment to defease debt	(16,421,189)	(478,087,502)
Interest paid on long-term debt	(58,813,936)	(64,782,612)
Net cash used in capital and related financing activities	(352,761,448)	(167,082,252)
Cash flows from investing activities		
Purchases of investments	(332,600,190)	(551,195,396)
Proceeds from sales and maturities of investments	483,055,739	444,370,546
Interest and dividends on investments	48,238,876	52,040,842
Net cash used in investing activities	198,694,425	(54,784,008)
DECREASE IN CASH AND CASH EQUIVALENTS	41,414,634	(16,498,536)
Cash and cash equivalents - January 1	15,631,294	32,129,830
Cash and cash equivalents - December 31	$ 57,045,928	$ 15,631,294

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
Year ended December 31,

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	2008	2007
Operating loss	$ (387,346,864)	$ (368,335,235)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation expense	102,251,719	103,302,317
Amortization expense	(897,312)	(896,510)
Other revenue	3,106,167	4,075,718
Bad debt expense	(79,687)	35,202
Changes in operating assets and liabilities:		
(Increase)/Decrease in other accounts receivable	(2,040,872)	(3,017,266)
Increase in inventories	(3,876,915)	(438,560)
Increase/(Decrease) in other current assets	(4,551,330)	469,829
Increase / (Decrease) in accounts payable	10,406,504	4,965,289
Increase in accrued compensation and expenses	2,826,571	1,314,647
(Increase) / Decrease in long-term other assets	703,236	1,101,034
Decrease in deferred revenue	(79,439)	(73,148)
Increase in other accrued expenses	4,149,049	3,003,945
Net cash used in operating activities	$ (275,429,173)	$ (254,492,738)

Noncash investing activities

The District had unrealized gains (losses) on investments of ($61,792) and $114,224 for 2008 and 2007, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Organization*

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

The District is governed by a publicly elected board of directors consisting of 15 members. Each board member is elected to serve a term of four years by the constituents of the district in which the board member resides. As required by generally accepted accounting principles, these financial statements present the District and its component unit. The component unit discussed in note A.2 is included in the District's reporting entity because of the significance of its operational or financial relationship with the District.

In 1988, a Senate Bill was enacted (privatization legislation) requiring the District to implement by March 31, 1989, a plan to competitively bid contracts for the provision of at least 20% of the District's bus service by private contractors. In 1999, the Bill was amended requiring RTD to increase this provision to 35% of fixed route bus service. In 2003, the Bill was amended to require that 50% of the District's vehicular service be operated by private transit companies.

2. *Financial Reporting Entity – Blended Component Unit*

The Regional Transportation District Asset Acquisition Authority, Inc. (the Authority) was formed in 1987 as a nonprofit corporation on behalf of the District for the purpose of issuing certificates of participation in a public offering collateralized by an installment purchase agreement with the District. The District's General Manager appoints the Board of Directors of the Authority. The Authority serves as a financing mechanism for various financing arrangements for the District. The activity related to the underlying financial obligations has been included in the District's financial statements for the years ended December 31, 2008 and 2007. No separately audited financial statements are prepared for the Authority.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Basis of Accounting*

The accounts of the District are reported as a Proprietary Fund. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses. It is the District's policy to apply all applicable GASB pronouncements and all FASB statements and interpretations, Accounting Principle Board (APB) Opinions and Accounting Research Bulletins (ARBs) issued prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

4. *Cash Equivalents*

The District considers all highly liquid investments, both restricted and unrestricted, with an original maturity of three months or less when purchased to be cash equivalents.

5. *Interest Bearing Investments*

Investments with a maturity date, when purchased, of less than one year are recorded at cost or amortized cost. Investments with a maturity date of more than one year from the date of purchase are recorded at fair value.

6. *Inventories*

Inventories consist primarily of materials and supplies used in the ordinary course of operations. Materials and supplies are stated at cost using the FIFO (first-in, first-out) method.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. *Restricted Assets*

Restricted assets are assets restricted by the covenants of long-term financial arrangements.

8. *Capital Assets*

Property and equipment are stated at historical cost. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Maintenance and repairs are charged to current period operating expenses and improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in nonoperating revenue and expenses. A pro rata share of the proceeds from the sale of property and equipment, which were acquired with federal funds, is required to be invested in a similar asset.

Interest is capitalized on assets financed with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on investment proceeds over the same period.

Total interest cost of the District consisted of the following as of December 31:

	2008	2007
Interest Expense	$ 56,273,059	$ 52,272,289
Capitalized Interest	1,987,035	10,656,647
Total Interest Cost	$ 58,260,094	$ 62,928,936

9. *Depreciation*

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Land improvements	5–30 years
Buildings	30 years
Revenue earning equipment	8–25 years
Shop, maintenance and other equipment	3–10 years

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fully depreciated assets, which are still in use, are included in the asset balances in the accompanying financial statements. The cost of fully depreciated assets was approximately $140,334,685 and $132,910,915 at December 31, 2008 and 2007, respectively.

10. *Compensated Absences*

Substantially all employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on length of service. Compensated absences, which have been earned but not paid, have been accrued in the accompanying financial statements.

11. *Self-Insurance*

Liabilities for property damage and personal injury are recognized as incurred on the basis of the estimated cost to the District.

12. *Revenue Recognition*

Passenger Fares

Passenger fares are recorded as revenue at the time services are performed and revenue passes through the farebox. Sales of Ten Ride tickets are recorded initially as unredeemed fares (unearned revenue) and recognized as income upon passage through the farebox. Sales of monthly passes are recorded initially as unredeemed fares (unearned revenue) and recognized as income at the end of the month for which the pass is used.

Sales of University based passes, which are valid for a specific academic semester, are recorded initially as unredeemed fares (unearned revenue). Sales are recognized as income at the end of each month, with the amount recognized in each month determined by prorating the total contract amount over the number of academic calendar days in each month of the contract. Sales of Eco Pass and Neighborhood Pass, which are valid through December 31 of a given year, are recorded initially as unredeemed fares (unearned revenue). Sales are recognized as income at the end of each month, with the total contract amount prorated evenly over the number of months of the contract.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales and Use Taxes

Under the provisions of the Act, as amended, the District levies a sales tax of 1% on net taxable sales made within the District and a use tax of 1% on items purchased for use inside the District. As described in Note D, under the terms of the Sales Tax Revenue Bonds, Series 1997, Series 2000A, Series 2002A, Series 2002B, Series 2003A, Series 2004A, Series 2005A, and Series 2007A bond resolutions, and the commercial paper resolution, sales tax revenue is pledged for payment of debt service. Sales taxes are collected by the State of Colorado, Department of Revenue and are remitted to a trustee who satisfies debt service from the collections, as required under the District's bond and commercial paper resolutions, and remits the balance to the District. Sales and use taxes are recorded as revenue by the District in the month collected by the merchant.

Grants and Assistance

The federal government, through the Federal Transit Administration (the FTA), provides financial assistance and makes grants directly to the District for operations and acquisition of property and equipment. The amount recorded as federal capital grant and local contribution revenues was $39,389,234 and $115,133,080 in 2008 and 2007, respectively.

13. *Use of Estimates*

The preparation of financial statements in accordance with US GAAP involves the use of management's estimates. These estimates are based upon management's best judgments, after considering past and current events and assumptions about future events. Actual results may differ from estimates.

14. *Reclassification of Prior Year Amounts*

Invested in Capital Assets net of related debt has been regrouped and prior year financial statements have been reclassified to conform to current year presentation.

NOTE B – DEPOSITS AND INVESTMENTS

Deposits

The District's deposits are subject to the State of Colorado's Public Deposit Protection Act (the PDPA). Under this act, all uninsured deposits are fully collateralized. The eligible collateral pledge shall be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held shall be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and shall at all times be entitled to collect and retain all income derived from those investments without restrictions.

On October 3, 2008, as part of the Economic Stabilization Act, Congress temporarily increased FDIC insurance from $100,000 to $250,000 per depositor through December 31, 2009.
At December 31, 2008 the bank balance was $57,725,139. Of the total bank balance, $750,000 was covered by federal depository insurance and $56,975,139 was covered by PDPA.
At December 31, 2007, the bank was $15,631,292. Of the total bank balance, $300,000 was covered by federal depository insurance and $15,331,292 was covered by PDPA.

Investments

At December 31, 2008, the Regional Transportation District's investments consisted of the following:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1-5 Years
U.S. Agency Securities	$348,793,029	$ 98,954,711	$ 57,816,926	$ 192,021,392
U.S Treasury Securities	27,617,743			27,617,743
Commercial Paper	-	-		
Corporate bonds	94,096,963	6,990,670	22,286,903	64,819,390
Repurchase agreements	528,222,970	528,222,970		
Total	998,730,705	634,168,351	80,103,829	284,458,525
Money market funds-(not categorized)	41,560,022	41,560,022		
Total:	$1,040,290,727	$ 675,728,373	$ 80,103,829	$ 284,458,525

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2007, the Regional Transportation District's investments consisted of the following:

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1-5 Years
U.S. Agency Securities	$ 386,900,202	$ 109,224,304	$ 123,929,104	$ 153,746,794
Commercial Paper	67,141,858	67,141,858		
Corporate bonds	71,532,871	20,482,995	16,070,588	34,979,288
Repurchase agreements	620,319,418	620,319,418		
Total	1,145,894,349	817,168,575	139,999,692	188,726,082
Money market funds- (not categorized)	40,635,107	40,635,107		
Total:	$ 1,186,529,456	$ 857,803,682	$ 139,999,692	$ 188,726,082

Investments (Continued)

***Repurchase Agreements*:** U.S. Bank, as Trustee on the District's Fixed Rate Certificates of Participation, Series 2005A, entered into a tri-party repurchase agreement with Citigroup Global Markets, dated as of June 1, 2005. This repurchase agreement is collateralized with obligations of the United States, GNMA, FNMA or FHLMC. The repurchase agreement matures on July 15, 2009, pays an interest rate of 3.735% and allows withdrawals, for purposes specified pursuant to the Certificate documents, with one business day's notice.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits maturities of individual investment securities to 5 years, unless otherwise authorized by the District's board of directors. Restricted accounts, consisting mainly of proceeds from issuance of District securities, are invested as permitted by the documents governing those securities transactions and are not considered in the duration-managed portion of the overall portfolio.

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. Investment transactions are made in accordance with the Colorado Revised Status (CRS) 24-75-601, 32-9-119 and 32-9-163.

The types of investments, which are authorized by the District's internal investment policy, include the following:

1. Obligations of the United States government.
2. Obligations of the United States government agencies and United States government sponsored corporations.
3. Municipal notes or bonds that are an obligation of any state of the United States.
4. Prime commercial paper.
5. Prime banker's acceptances.
6. Repurchase agreements.
7. Reverse repurchase agreements.
8. Money market funds.
9. Securities of the District.

Credit ratings of the District's portfolio, as of December 31, 2008 and 2007, are exhibited in the table below. While all portfolio holdings adhere to the District's investment policy and applicable statute, not all investment holdings are rated by the nationally recognized statistical rating organizations. Investments rated AAA, AA and A are from the Fitch rating service. Investments rated A-1+/P-1 are from the Standard & Poor's and Moody's rating services, respectively. The securities falling within the non-rated categories below are either: Money market funds which seek their returns through investments in high-quality short-term debt obligations, securities issued by U.S. government agencies, or repurchase agreements collateralized with securities issued by the U.S. government and government sponsored enterprises (U.S. agencies).

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2008, the Regional Transportation District's credit ratings consisted of the following:

Investment Ratings	Market Value	Summary
AAA	$340,935,368	
AA	22,000,178	
A	20,999,420	
A-1+/P-1		
Non-rated Money Market Funds	41,560,022	Money market funds investing in high-quality short-term debt obligations.
Non-rated Agency Securities: Although these securities are Non-rated, they are obligations issued by federal agencies and/or the US government sponsored enterprises.	86,572,768	Securities issued by FHLB (rated Aaa Moody's), FMLMC (rated Aaa Moody's and AAA Fitch) and FNMA (rated Aaa Moody's and AAA Fitch).
Non-rated Repurchase Agreements	528,222,971	Repurchase agreement collateralized with securities issued by U.S. government agencies.
Total:	1,040,290,727	

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2007, the Regional Transportation District's credit ratings consisted of the following:

Investment Ratings	Market Value	Summary
AAA	$ 272,015,553	
AA	44,412,221	
A-1+/P-1	67,141,858	
Non-rated Money Market Funds	40,635,107	Money market funds investing in high-quality short-term debt obligations.
Non-rated Agency Securities: Although these securities are Non-rated, they are obligations issued by federal agencies and/or the US government sponsored enterprises.	136,936,549	Securities issued by FHLB (rated Aaa Moody's), FMLMC (rated Aaa Moody's and AAA Fitch) and FNMA (rated Aaa Moody's and AAA Fitch).
Non-rated Repurchase Agreements	625,388,168	Repurchase agreement collateralized with securities issued by U.S. government agencies.
Total:	$ 1,186,529,456	

Concentration of Credit Risk. It is the policy of the District to diversify its investment portfolio. Assets held in the investment funds shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issue or a specific class of securities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the securities markets.

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

The District's investment policy outlines the following maximum exposure limits for unrestricted investments. As of December 31, 2008, and as of December 31, 2007 the District was in compliance with these limits.

	Maximum limits RTD investments
U.S. Treasury Securities	100%
Federal Agencies and instrumentalities	100%
Certificates of Deposits	20%
U.S. Corporate/Bank Debt	30%
Municipal Notes	30%
Commercial Paper	30%
Bankers Acceptance	40%
Repurchase Agreements	100%
Reverse Repurchase Agreements	20%
Money Market Funds	20%
Local Government Investment Pools	20%
District Securities	100%

Proceeds from the issuance of District securities do not fall under the maximum limits listed above. Rather, the investment securities related to restricted accounts are invested in accordance with the related operative legal documents.

At December 31, 2008 and 2007, the District had $613,516,509 and $664,146,581 of cash and investments restricted under the provisions of bond agreements.

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balances 1/1/2008	2008 Additions	2008 Deletions	Balances 12/31/2008
Capital Assets not being depreciated:				
Land	$ 182,517,492	$ 162,190		$ 182,679,682
Construction in progress	269,075,926	282,758,380	55,207,245	496,627,061
Total Capital Assets not being deprecieated	451,593,418	282,920,570	55,207,245	679,306,743
Capital Assets being depreciated:				
Land improvements	1,254,282,630	16,367,503		1,270,650,133
Buildings	254,901,428	2,065,224		256,966,652
Revenue earning equipm	531,674,287	21,716,404	53,740	553,336,951
Shop,maintenance and other equipment	70,533,781	14,895,923	168,261	85,261,443
Total capital assets being depreciated	2,111,392,126	55,045,054	222,001	2,166,215,179
Less accumulated depreciation:				
Land improvements	251,257,287	45,682,867		296,940,154
Buildings	138,894,042	8,190,628		147,084,670
Revenue earning equipm	205,576,153	37,803,626	8,873	243,370,906
Shop,maintenance and other equipment	52,583,977	10,574,598	167,261	62,991,314
Total accumulated depreciation	648,311,459	102,251,719	176,134	750,387,044
Total capital assets being depreciated, net	1,463,080,667	(47,206,665)	45,867	1,415,828,135
Capital assets, net	$ 1,914,674,085	$ 235,713,905	$ 55,253,112	$ 2,095,134,878

NOTE C – CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2007 was as follows:

	1/1/2007	2007 Additions	2007 Deletions	Balances 12/31/2007
Capital Assets not being depreciated:				
Land	$ 184,072,781		$ 1,555,289	$ 182,517,492
Construction in progress	179,896,527	156,784,741	67,605,342	269,075,926
Total Capital Assets not being deprecieated	363,969,308	156,784,741	69,160,631	451,593,418
Capital Assets being depreciated:				
Land improvements	1,230,020,357	24,262,273		1,254,282,630
Buildings	254,372,497	528,931		254,901,428
Revenue earning equipm	520,954,921	38,798,171	28,078,805	531,674,287
Shop,maintenance and other equipment	66,856,006	4,015,966	338,191	70,533,781
Total capital assets being depreciated	2,072,203,781	67,605,341	28,416,996	2,111,392,126
Less accumulated depreciation:				
Land improvements	204,436,736	46,820,551		251,257,287
Buildings	130,674,357	8,219,685		138,894,042
Revenue earning equipm	189,034,446	44,471,013	27,929,306	205,576,153
Shop,maintenance and other equipment	49,129,601	3,791,067	336,691	52,583,977
Total accumulated depreciation	573,275,140	103,302,316	28,265,997	648,311,459
Total capital assets being depreciated, net	1,498,928,641	(35,696,975)	150,999	1,463,080,667
Capital assets, net	$ 1,862,897,949	$ 121,087,766	$ 69,311,630	$ 1,914,674,085

NOTE D – LONG-TERM DEBT

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

	2008	2007
Sales Tax Revenue Refunding Bonds, Series 1997, due serially on November 1 of each year to 2012, interest increasing from 4.60% to 5.00%, payable semiannually on May 1 and November 1 each year; net of unearned loss from refunding of ($0) and ($223,150) for 2008 and 2007 and premium of $0 and $17,564 for 2008 and 2007, respectively.	$ -	$ 18,284,414
Sales Tax Revenue Bonds, Series 2000A, due serially on November 1 of each year to 2020, with interest varying from 4.5% to 5.0%, payable semiannually on May 1 and November 1 each year.	20,770,000	23,715,000
Sales Tax Revenue Refunding Bonds, Series 2002A, due serially on November 1 of each year to 2008, with interest of 5.00%, payable semiannually on May 1 and November 1 of each year; including net unearned loss from refunding of ($0) and ($31,446) for 2008 and 2007 and premium of $0 and $47,099 for 2008 and 2007 respectively.	-	1,735,653
Sales Tax Revenue Bonds, Series 2002B, due serially on November 1 of each year from 2004 to 2021, with interest varying from 3.625% to 5.50%, payable semiannually on May 1 and November 1 of each year; including premium of $1,900,323 and $2,142,918 for 2008 and 2007, respectively.	39,905,323	46,687,918
Sales Tax Revenue Refunding Bonds, Series 2003A, due serially on November 1 of each year through 2010, with interest of 5.00%, payable semiannually on May 1 and November 1 of each year; including net unearned loss from refunding of ($186,576) and ($288,344) for 2008 and 2007 and premium of $493,654 and $762,919 for 2008 and 2007, respectively.	7,357,078	10,794,575
Sales Tax Revenue Bonds, Series 2004A, due serially on November 1 of each year through 2024, with interest of 5.00%, payable semiannually on May 1 and November 1 of each year; including premium of $2,410,791 and $2,683,711 for 2008 and 2007, respectively.	54,585,791	59,363,711
Sales Tax Revenue Bonds, Series 2005A, due serially on November 1 of each year through 2021, with interest varying from 3.50% to 5.00%, payable semiannually on May 1 and November 1 of each year; including net unearned loss from refunding of ($5,980,517) and ($6,446,531) for 2008 and 2007, and premium of $7,360,945 and $7,934,525 for 2008 and 2007 respectively.	101,045,429	101,332,994

NOTE D – LONG TERM DEBT (CONTINUED)

	2008	2007
Sales Taxes FasTracks Revenue Bonds, Series 2006A, due serially on November 1 of each year through 2036, with interest varying from 4.375% to 5.0%, payable semiannually on May 1 and November 1 of each year; including premium of $10,292,931 and $10,662,737 for 2008 and 2007, respectively.	$246,027,931	$246,397,737
Sales Taxes FasTracks Revenue Refunding Bonds, Series 2007A, due serially on November 1 of each year through 2036, with interest varying from 4.00% to 4.50% payable semiannually on May 1 and November 1 of each year; including net unearned gain from refunding of $799,803 and $828,538 for 2008 and 2007, and discount of ($1,428,414) and ($1,479,735) for 2008 and 2007, respectively.	362,491,388	362,873,803
Sales Taxes Revenue Refunding Bonds, Series 2007A, due serially on November 1 of each year through 2024, with interest rate of 5.25%, payable semiannually on May 1 and November 1 of each year; including net unearned loss of ($2,128,111) and ($2,262,518) for 2008 and 2007, and premium of $8,848,836 and $9,407,710 for 2008 and 2007, respectively.	76,545,725	76,970,192
Sales Taxes Revenue Refunding Bonds, Series 2008A, due serially on November 1 of each year through 2012, with interest rate of 4.50% to 5.00%, payable semiannually on May 1 and November 1 of each year, including net unearned loss of ($622,469) for 2008, and premium of $931,161.	16,238,692	-
Certificates of Participation Obligations, Series 1998A, under a lease agreement for acquisition of transit buses, payments are due semiannually on June 1 and December 1 to 2012 with interest varying from 4.00% to 4.50%; including premium of $67,620 and $87,411 for 2008 and 2007, respectively.	16,997,620	21,352,411
Certificates of Participation Obligations, Series 2000A, under a lease agreement for acquisition of transit buses and vehicles, payments are due semiannually on June 1 and December 1 to 2009, with interest of 5.00%.	7,480,000	14,595,000
Certificates of Participation Obligations, Series 2001A, under a lease agreement for acquisition of transit buses and vehicles, payments are due semiannually on June 1 and December 1 to 2021, with interest varying from 4.00% to 5.00%; including premium of $105,373 and $113,859 for 2008 and 2007, respectively.	20,390,373	21,593,859

NOTE D – LONG TERM DEBT (CONTINUED)

Certificates of Participation Refunding Obligations, Series 2004A, under a lease agreement for acquisition of transit buses and vehicles, payments are due semiannually on June 1 and December 1 to 2014; with interest varying from 4.00% to 5.00%, including net unearned loss from refunding of ($2,126,897) and ($2,486,373) for 2008 and 2007 and premium of $1,919,085 and $2,243,438 for 2008 and 2007, respectively.	$ 45,957,188	$ 46,142,065
Certificates of Participation Obligations, Series 2005A, under a lease agreement for acquisition of light rail vehicles, payments are due semiannually on June 1 and December 1 to 2025; with interest varying from 4.00% to 5.00%, including premium of $3,645,004 and $3,867,035 for 2008 and 2007, respectively.	73,595,004	77,627,035
Certificates of Participation Taxable Refunding Obligations, Series 2007A, under a lease agreement for acquisition of transit buses and vehicles, payments are due semiannually on June 1 and December 1 to 2021; with interest of 5.535%, including net unearned loss from refunding of ($645,001) and ($694,937) for 2008 and 2007, respectively.	15,619,999	16,410,063
Certificates of Participation Obligations, Amended and Restated Series 2002A, under a lease agreement for acquisition of transit vehicles and facilities, payments are due semiannually on June 1 & December 1 to 2022; with interest varying from 4.00% to 5.00%, including premium of $7,393,807 and $7,925,099 for 2008 and 2007, respectively.	139,793,807	140,325,099
	1,244,801,348	1,286,201,529
Less current portion	(38,770,000)	(39,040,000)
	$1,206,031,348	$1,247,161,529

NOTE D – LONG TERM DEBT (CONTINUED)

The Sales Tax Revenue Bonds are payable from and collateralized by the District's sales tax revenue. The District is required to maintain certain minimum deposits, as defined in the bond resolution, to meet debt service requirements. The bonds may be redeemed in inverse order of maturity, at a price equal to the principal amount plus accrued interest thereon to the date of redemption and a premium. Sales Tax Revenue Bonds debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2009	$ 20,430,000	$ 42,941,939	$ 63,371,939
2010	21,420,000	41,960,139	63,380,139
2011	22,835,000	40,918,108	63,753,108
2012	23,975,000	39,772,918	63,747,918
2013	18,505,000	38,571,169	57,076,169
2014-2018	106,690,000	177,886,465	284,576,465
2019-2023	89,015,000	149,953,539	238,968,539
2024-2028	111,425,000	133,927,600	245,352,600
2029-2033	294,820,000	84,399,425	379,219,425
2034-2036	193,160,000	16,737,900	209,897,900
	$ 902,275,000	$ 767,069,202	$1,669,344,202

Certifications of participation relate to debt issued by Regional Transportation District Asset Acquisition Authority, Inc., a nonprofit corporation. The Authority issued Certificates of Participation (Certificates) with the proceeds being used to acquire certain equipment and facilities to be used by the District. The District leases the equipment acquired with the proceeds from the Certificates under two separate Master Lease Purchase Agreements. For financial reporting purposes, the District accounts for the Certificates as its own debt. Annual debt service requirements on the Certificates to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2009	$ 18,340,000	$ 14,589,816	$32,929,816
2010	26,725,000	13,693,931	40,418,931
2011	28,030,000	12,380,077	40,410,077
2012	29,395,000	11,012,217	40,407,217
2013	25,405,000	9,710,066	35,115,066
2014-2018	96,565,000	33,549,470	130,114,470
2019-2023	77,285,000	11,294,225	88,579,225
2024-2025	7,730,000	391,250	8,121,250
	$ 309,475,000	$ 106,621,052	$ 416,096,052

NOTE D – LONG TERM DEBT (CONTINUED)

Commercial Paper

The District is authorized to issue up to $92.5 million of Commercial Paper. For 2008, interest rates range from .90% to 3.50%. As of December 31, 2008, the District has outstanding Commercial Paper in the amount of $46 million, which matures at various dates during 2009. For 2009, the district will retire principal of $24 million of the outstanding $46 million Commercial Paper. The $46 million is considered a current liability but the District will rollover $22 million to 2010.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Sales Tax Revenue Bonds	$924,400,000	$15,930,000	$38,055,000	$902,275,000	$20,430,000
Certificates of Participation	326,990,000	-	17,515,000	309,475,000	18,340,000
Commercial Paper	70,000,000	-	24,000,000	46,000,000	46,000,000
Less unearned amounts:					
Issuance premiums and discounts	46,416,290	1,113,345	3,588,519	43,941,116	-
Unearned loss on refunding	(11,604,761)	(744,256)	(1,459,249)	(10,889,768)	-
Total Bonds Payable	1,356,201,529	16,299,089	81,699,270	1,290,801,348	84,770,000
Arbitrage	5,824,594	3,755,810	101,913	9,478,491	-
Other Liabilities*	10,183,758	3,287,897	-	13,471,655	-
Unearned Revenue	471,643	-	79,439	392,204	86,276
Total long-term liabilities	$1,372,681,524	$23,342,796	$81,880,622	$1,314,143,698	$ 84,856,276

NOTE D – LONG TERM DEBT (CONTINUED)

Long-term liability activity for the year ended December 31, 2007, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Sales Tax Revenue Bonds	$946,065,000	$433,550,000	$455,215,000	$924,400,000	$21,525,000
Certificates of Participation	344,385,000	18,255,000	35,650,000	326,990,000	17,515,000
Commercial Paper	92,500,000	-	22,500,000	70,000,000	70,000,000
Less unearned amounts:					
Issuance premiums and discounts	53,290,055	16,594,509	23,468,274	46,416,290	-
Unearned loss on refunding	(10,708,620)	(2,259,217)	(1,363,076)	(11,604,761)	-
Total Bonds Payable	1,425,531,435	466,140,292	535,470,198	1,356,201,529	109,040,000
Arbitrage	306,846	5,655,028	137,280	5,824,594	-
Other Liabilities*	7,379,406	2,804,352	-	10,183,758	-
Unearned Revenue	544,791	-	73,148	471,643	79,439
Total long-term liabilities	$1,433,762,48	$474,599,672	$535,680,626	$1,372,681,524	$109,113,429

*Other liabilities consist of Net Pension Obligation liability reflecting the cumulative differences between pension cost and employer's contributions to the plan.

In 2008, the District issued its Sales Tax Revenue Refunding Bonds, Series 2008A, in the par amount of $15,930,000 for the purpose of refunding Series 1997 Bonds maturing between November 1, 2008 and November 1, 2012. The final maturity of the 2008A Refunding Bonds is November 1, 2012. This refunding was undertaken to reduce total debt service payments by $660,455.03 and resulted in a net present value cash flow savings of $609,614.07.

In 2007, the District issued $363,725,000 Sales Tax (FasTracks Project) Revenue Refunding Bonds Series 2007A for the purpose of refunding a portion of its Sales Tax Revenue Bonds (FasTracks Project) Series 2006A. Proceeds from the sale of these bonds were used to purchase securities that were placed in an irrevocable trust for the purpose of generating the revenue required to fund future debt service payments on the Refunded Bonds. As a result of this refunding, the Refunded Series 2006A Bonds are considered to be defeased and the associated liabilities have been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 30 years by $20.588 million and resulted in a present value cash flow savings of $11.368 million and net present value savings of $11.372 million.

NOTE D – LONG TERM DEBT (CONTINUED)

Also during 2007, the District issued $69,825,000 Sales Tax Revenue Refunding Bonds Series 2007A (the 2007A Bonds) for the purpose of refunding, paying and discharging certain portions of (a) the District's outstanding Sales Tax Revenue Bonds, Series 2000A' (b) the District's outstanding Sales Tax Revenue Bonds, Series 2002B; and (c) the District's outstanding Sales tax Revenue Bonds, Series 2004A (collectively, the Refunded Bonds). Proceeds from the sale of the 2007A Bonds were used to purchase securities that were placed in an irrevocable trust for the purpose of generating the revenue required to fund future debt service payments on the Refunded Bonds. As a result of this refunding, the Refunded Bonds are considered to be defeased and the associated liabilities have been removed from the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by $6.078 million and resulted in a net present value savings of $3.614 million.

Further, during 2007, the District issued its $132,400,000 Amended and Restated Certificates of Participation (2002A Transit Vehicles Project) Series 2002A (the 2002A Certificates). In this financing, the District converted the interest rate mode on the outstanding 2002A Certificates from the "Note Mode" (variable rate) to the "Fixed Mode" (fixed rate). The final maturity of the 2002A Certificates is December 1, 2022.

Finally, during 2007, the District issued its Taxable Refunding Certificates of Participation, Series 2007A in the par amount of $18,255,000 for the purpose of refunding its outstanding Certificates of Participation, Series 2001B. The 2001B Certificates were issued to finance a portion of the purchase price of Denver Union Station. Due to the impending development in and around Denver Union Station and associated private use of the station and surrounding acreage, and in order to stay in compliance with U.S. Treasury regulations related to tax-exempt securities, the 2001B Certificates were refunded as taxable securities. The final maturity on the 2007A Certificates is December 31, 2021.

On December 13, 2006, the District entered into interest rate swap agreements with JP Morgan Chase Bank, N.A., The Royal Bank of Canada and UBS AG, Stamford Branch in order to hedge against significantly increased interest rates on a financing which is expected to occur on or before February, 2010. The terms of these three swap agreements are identical and are summarized below:

1.	Notional Amount of Swap (each):	$200,000,000
2.	Effective Date:	December 13, 2006
3.	Termination Date:	February 1, 2010
4.	RTD Pays:	4.0518%
5.	Counterparties Pay:	SIFMA

NOTE D – LONG TERM DEBT (CONTINUED)

Risks Associated with Swap Agreements:

Credit Risk – Credit risk is the risk that the counterparty becomes unable to fulfill its financial obligations as dictated by the swap contract. The District measures the extent of this risk based upon the credit ratings of the counterparties and the fair value of the swap agreements. As of December 31, 2008, the credit ratings of the District's counterparties were as follows:

Counterparty	Standard & Poor's Corporation	Moody's Investors Service	Fitch Ratings
JP Morgan Chase Bank, NA	AA-	Aaa	AA-
The Royal Bank of Canada	AA-	Aaa	AA
UBS AG, Stamford Branch	A+	Aa2	A+

In the event of deterioration in the credit ratings of either the District or its counterparties, the posting of collateral may be required to secure obligations under the contract.

Termination Risk – Termination risk is the risk the swaps may be terminated for certain credit events or if any party to the swaps fails to perform under the terms of the contract. Additionally, RTD has the option to terminate its swap agreements at any time, in its sole discretion, should it prove advantageous for it to do so. As of December 31, 2008, the termination values of the District's swaps were as follows:

Counterparty	Notional Amount	Termination Value
JP Morgan Chase Bank, NA	$200,000,000	($26,935,272)
The Royal Bank of Canada	$200,000,000	($26,933,047)
UBS AG, Stamford Branch	$200,000,000	($26,935,272)

In each case, a payment would have been required from RTD to its counterparties in order to terminate the swaps on December 31, 2008.

Market Access Risk – The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swaps.

Basis Risk – Basis risk is the risk arising from imperfectly correlated movements in the variable rate indexes under a swap agreement. This imbalance in variable rate payments may create a cost differential resulting in a net cash outflow to the counterparty.

NOTE E – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS

The District maintains two single-employer defined benefit pension plans for substantially all full-time employees. The Regional Transportation District Salaried Employees' Pension Plan (the RTD Plan) covers all non-union, full-time salaried employees who have reached the age of 21. The Regional Transportation District and Amalgamated Transit Union Division 1001 Pension Plan (the Union Plan) was established pursuant to collective bargaining agreements between RTD and the Union. This plan covers substantially all full-time union represented employees in accordance with the union agreement. The Board of Directors of each plan has the authority for establishing and amending benefits and funding policy. Each plan is administered by a pension board and issues audited financial statements, which include financial information for that plan. Those financial statements may be obtained from the plan:

Regional Transportation District
Salaried Employees Pension Trust
7000 North Broadway, Building 106
Denver, Colorado 80221

RTD ATU 1001 Pension Plan
2821 S. Parker Road
Aurora, Colorado 80014-2602

The RTD Pension Plan provides retirement benefits to District salaried employees who retire at or after age 55 with at least five years of service. These employees are entitled to an annual retirement benefit, payable monthly for life. The normal retirement benefit is a monthly amount equal to 2½% of average final compensation to which a participant is entitled on the day the participant retires, multiplied by the number of years of credited service.

RTD board adopted amendment No. 8 effective January 1, 2008 salaried employee new hires shall not be eligible to participate in the salaried RTD Plan. New salaried employees will be eligible to participate in the new RTD defined contribution plan (the RTD DC Plan). The District contributes 9% of the employee's qualifying wages, 2008 contributions totaled $153,207. District employees cannot contribute to the RTD DC Plan. Membership as of December 31, 2008 was 49 active employees.

The Union Plan provides retirement benefits to employees who retire at or after a certain age with at least a specified number of years of service. These employees are entitled to a percentage of their final average earnings based on age and credited service at retirement.

The following schedule (derived from the most recent actuarial valuation reports) reflects membership for the plans as of January 1, 2008:

	RTD Plan	Union Plan
Active employees	546	1,686
Pensioners	159	1,051
Inactive vests	97	775
	802	3,512

NOTE E – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS (CONTINUED)

Funding Status and Annual Pension Cost

Contributions to the RTD Plan are actuarially determined. District employees are not required to contribute to the RTD Plan. Contributions to the Union Plan are made in accordance with the Union agreement. This agreement requires the District to contribute 8% and the employee 3% of the employee's qualifying wages. RTD has no liability to the Union Plan beyond its contributions.

Based on actuarial valuations performed as of January 1, 2008, the RTD Plan had no unfunded actuarial accrued liabilities, and the Union Plan had unfunded actuarial accrued liabilities of $39,461,146. The actuarial value of assets for both plans is determined by spreading gains and losses over a five-year period.

Schedule of Funding Progress – Salaried

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funding Excess (Deficiency)	Funding Ratio	Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
1/1/06	$86,742,278	$78,068,242	$8,674,036	111.1%	$30,699,171	N/A
1/1/07	93,636,580	84,585,508	9,051,072	110.7%	34,076,377	N/A
1/1/08	102,494,477	93,497,801	8,996,676	109.62%	38,034,435	N/A

Schedule of Funding Progress – Union

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funding Excess (Deficiency)	Funding Ratio	Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
1/1/06	$226,349,663	$254,158,482	(27,808,820)	89.06%	$67,936,211	(40.9%)
1/1/07	230,255,100	264,462,322	(34,207,222)	87.07%	69,806,525	(49.0%)
1/1/08	243,016,146	282,477,292	(39,461,146)	86.03%	75,898,207	(52.0%)

NOTE E – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS (CONTINUED)

Three-year Trend Information

	Annual pension cost (APC)	Percentage of APC contributed	Net Pension Obligation
RTD Pension Plan			
Year end December 31,			
2006	$3,194,420	94%	$ -
2007	3,410,253	97%	-
2008	3,924,708	87%	-
RTD DC Plan			
Year end December 31,			
2008	$153,207	100%	$ -
ATU 1001 Pension Plan			
Year end December 31,			
2006	$8,082,626	65%	$2,804,352
2007	9,344,116	65%	3,287,897
2008	8,942,525	68%	2,839,619

ATU 1001 Pension Plan NPO Liability Disclosure	2008	2007	2006
Actuarially Determined Contribution (ARC)	$ 9,008,397	$ 9,423,512	$ 8,140,158
Interest on NPO	1,077,733	814,701	590,352
Adjustment	(1,143,605)	(894,097)	(647,885)
Annual Pension Cost (APC)	8,942,525	9,344,116	8,082,626
Contribution Made	6,102,906	6,056,219	5,278,274
Increase/Decrease NPO	2,839,619	3,287,897	2,804,352
NPO Beginning of year	13,471,665	10,183,758	7,379,406
NPO Ending of year	$ 16,311,284	$ 13,471,655	$ 10,183,758

NOTE E – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS (CONTINUED)

RTD annual pension cost for the current year, based on actuarial valuation plans performed as of January 1, 2008, and related information for each plan, is as follows:

	RTD Pension Plan	ATU 1001 Pension Plan
Contribution rates:		
RTD	9.01%	8%
Employees	-	3%
Annual pension cost	$ 3,924,708	$ 8,942,525
Contributions made	$ 3,425,979	$ 6,102,906
Actuarial valuation date	January 1, 2008	January 1, 2008
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level-dollar; open	Level percentage of payroll; closed
Remaining amortization period	30 Years	15 years
Asset valuation method	Market	Market
Actuarial assumptions:		
Inflation Rate/Payroll Growth	3%	3%
Investment rate of return	8%	8%
Projected salary increases	Age based table	3-7%
Cost-of-living adjustments	-	-

Amalgamated Transit Union Division 1001 Health and Welfare Trust

The Amalgamated Transit Union Division 1001 Health and Welfare Trust was formed pursuant to a Trust Agreement effective July 1, 1971, between Amalgamated Transit Union Division 1001 (ATU 1001) and an agent of a transit enterprise owned by the City and County of Denver, through July 3, 1974, and the Regional Transportation District (RTD) thereafter. In addition to the original Denver Metro Division, employees of other RTD divisions have been approved for participation in the Trust benefits. The Trust agreement shall continue in full force and effect in all its terms and provisions so long as there continues to be a collective bargaining agreement between the Union and the District.

NOTE E – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS (CONTINUED)

Amalgamated Transit Union Division 1001 Health and Welfare Trust (Continued)

The Trust provides health benefits (hospital, medical, dental, vision, life and short-term disability) for represented employees of the RTD and certain officers of ATU 1001 and health care benefits for retired employees. The District's contribution was $11,409,296 and $11,222,530 for the years ended December 31, 2008 and 2007, respectively. The Trust also provides insurance coverage for felonious assault for each employee and funds the Amalgamated Transit Union Division 1001 Legal Services Trust. The Trust self-insures part of its health benefits, life insurance coverage and short-term disability. The plan issues audited financial statements, which include financial information for the plan. The financial statements may be obtained from the plan.

RTD ATU 1001 Health and Welfare Trust
2821 S. Parker Road, Suite 1005
Aurora, Colorado 80014-2602

Unearned Compensation Plan

The District offers its employees a unearned compensation plan (the Plan), created in accordance with Internal Revenue Code Section 457, which is available to substantially all employees and permits them to defer a portion of their compensation to future years. Under the terms of the Plan, the unearned compensation is available to participants upon termination, retirement, death or in the event of an unforeseeable emergency or other financial hardship.

Compensated Absences

The table below shows the amount of compensated absences due within one year of December 31, 2008 and 2007, and the change between the two years. The District considers all accrued compensated absences as due within one year.

	12/31/07 Balance	2008 Accruals	2008 Payments	12/31/08 Balance
Represented Employees	$ 1,875,385	$ 958,472	$ 908,308	$ 1,925,549
Salaried Employees	7,090,426	3,363,663	3,227,004	7,227,085
Total compensated absences due	$ 8,965,811	$4,322,135	$4,135,312	$9,152,634

NOTE E – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS (CONTINUED)

The accrued compensation liabilities of $15,930,797 and $13,104,226 as of December 31, 2008 and December 31, 2007, include $6,778,163 and $4,138,415 of accrued wages, salaries, and fringe benefits in addition to accrued compensated absences.

NOTE F – OPERATING LEASES – LESSOR

Air Rights Lease

In 1982, the District entered into an agreement with a real estate partnership to lease the air space above the District's Civic Center transfer facility located in downtown Denver for the purpose of constructing, leasing and operating a 21-story office building for a period of 65 years. Under the terms of the lease agreement, the District began receiving minimum annual rental income of approximately $400,000 beginning in 1987. In addition, the District is entitled to receive 38% of the annual net cash flow proceeds, as defined in the lease agreement, from the rental of space in the office building. This amount totaled approximately $400,000 in 2008. At the end of the lease term, the District acquires title to the office building. Future minimum rentals are approximately $400,000 annually until the lease expires in 2046. The air space is carried at a zero basis by the District.

NOTE G – UNEARNED REVENUE

During 1987, the District entered into an out-of-court settlement with an architect, a contractor and a supplier of materials for the design, construction and materials supplied on the Sixteenth Street Mall. The settlement provided for the District to receive a cash payment each year for 25 years. The actual payments will come from an annuities contract (rated AAA by Moody's Investment Services), which is maintained by a local insurance company. The District's revenue is an amount equal to the net present value of the future cash flows ($2,156,262) at the time of the settlement based on an interest rate of 8.6%. The District received an initial payment of $350,000. The next four payments were for $300,000 a year. The remaining payments are for $120,000 per year. As of December 31, 2008 and 2007, $392,204 and $471,643 respectively, of the initial deferral of $2,156,262 remains, which is recognized as repairs to the Mall are incurred.

NOTE H – COMMITMENTS AND CONTINGENCIES

Commitments

Operating Lease

In 1976, the District entered into an operating lease for a portion of the land on which the Civic Center transfer facility is located in downtown Denver. As collateral for the lease, the District must maintain an account balance with a minimum market value of $1,500,000 in an escrow account, the interest on which accrues to the District until the lease expires. This amount in escrow is included in restricted assets in the accompanying financial statements. Fixed rental commitments under the lease in years subsequent to December 31, 2008, are as follows:

Year ending December 31,	
2009	$241,990
2010	244,409
2011	246,854
2012	249,322
2013-2017	1,284,511
2018-2022	1,350,034
2023-2027	1,418,899
2028-2032	1,491,278
2033-2037	1,567,348
2038-2042	1,647,298
2043-2047	1,731,327
2048-2052	1,819,642
2053-2057	1,912,462
2058-2062	2,010,017
2063-2067	2,112,548
2068-2072	2,220,309
2073-2075	1,386,186
	$ 22,934,434

Rental expense relating to this lease amounted to $239,594 and $237,221 for the years ended December 31, 2008 and 2007, respectively.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Leases (Continued)

RTD has entered into a number of transactions in which certain of its light rail have been leased to and subleased back from certain U.S. and foreign companies and has entered into a transaction in which its maintenance facilities have been leased to and subleased back. As part of these transactions, RTD irrevocably set aside certain moneys (which were received from each counterparty as payment for its leasing of light rail vehicles and real property) with a third party trustee. The moneys held by such trustees will be utilized to make the lease payments owed by the RTD under the transactions are therefore considered fully funded and economically defeased.

Cross Border Leases

In December 1996, the District entered into an 18-year cross border lease agreement and other related agreements with DB Export-Leasing GmbH for the sale and leaseback of six light rail vehicles. The District has made investment arrangements to meet all of its payment obligations throughout the term of the lease.

In December 1994, the District entered into an 18-year cross border lease agreement and other related agreements with DB Export-Leasing GmbH for the sale and leaseback of eleven light rail vehicles. The District has made investment arrangements to meet all of its payment obligations throughout the term of the lease.

U.S. Leveraged Lease

In July and December 1997, the District entered into two U.S. leverage lease agreements with Pitney Bowes Credit Corporation for the lease and leaseback of 17 light rail vehicles and four transportation and maintenance facilities. The District has made investment arrangements to meet all its payment obligations throughout the terms of the leases.

Southeast Corridor Transportation Project

The District is a party to an intergovernmental agreement with the State of Colorado Department of Transportation (CDOT) dated September 9, 1999, that shares the cost of highway and mass transit improvements along an area known as the Southeast Corridor. Under the terms of the agreement, the District has committed to fund improvements primarily composed of the light rail transit portion of the project of up to $879 million. Federal funding has been approved under a Full Funding Grant Agreement with the U.S. Department of Transportation to cover up to $525 million of these improvements with the remaining $354 million to be funded by the District through a combination of existing reserves, funding from local entities, and borrowings.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Southeast Corridor Transportation Project (Continued)

Under the intergovernmental agreement, the District has agreed to a payment plan whereby it would cash flow the underlying design/build contract at predetermined annual amounts through 2005, and to liquidate the related accrual in 2006. Amounts expended under the contract for the District's benefit in excess of the predetermined cash payments were reflected as current capital expenditures and an accrued liability to CDOT.

Capital Projects

As of December 31, 2008, the District has contracts for the construction of various capital projects and the purchase of buses and light rail vehicles. Costs to complete these projects and the purchases of buses/light rail vehicles total $261,669,562 and $120,941,117 in 2008 and 2007, respectively.

Federal Grant Match Requirements

Under the provisions of current FTA grants, the District is obligated to satisfy certain matching requirements of these grants. At December 31, 2008, the District had a commitment to provide $19,081,109 in matching funds in order to receive $52,554,427 in future federal grant funds.

Privatization Contracts

In response to the privatization legislation (Note A), the District has awarded contracts for specific groups of routes, not to exceed 58% as required by law for vehicular services.

ADA Paratransit Service

With the passage of the Americans with Disabilities Act of 1990 (ADA), the District was mandated to provide paratransit service to the disabled individuals unable to use the District's fixed route buses, operating the same days and hours of service as the fixed route service. This service, called access-a-Ride, is a curb-to-curb (with door-to-door assistance upon special request) transportation system offered to disabled individuals who cannot functionally use the District's regular fixed route system. Passengers eligible for access-a-Ride service must originate their trip within 3/4 of a mile of a District non-commuter fixed route. Since September 1996, the District has been in full compliance with the Americans with Disabilities Act of 1990 requirement to provide paratransit service to the disabled individuals unable to use District fixed route buses.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future Commitments under Service Contracts

The fixed commitments under the Privatization and ADA Paratransit Service contracts in the years subsequent to 2008 are as follows:

Year ending December 31,		
	2009	$ 125,306,714
	2010	104,992,336
	2011	95,879,985
	2012	85,163,825
	2013	28,129,562
Total		$ 439,472,422

Diesel Fuel Contract

RTD contracts with Suncor Energy (U.S.A.) Inc for diesel fuel. The contract is structured as a base year with four year options to renew. RTD is on the second option for 2009. The fixed commitment under the Suncor contract in subsequent year 2009 is $18,400,000. RTD estimates usage of 6 million gallons at unit cost of $3.10 per gallon between RTD and the Private Carriers.

Contingencies

Federal Grants

The District receives federal grants for capital projects and operating assistance, which are subject to audit by FTA. Although the outcome of any such audit cannot be predicted, it is management's opinion these audits will not result in liabilities to such an extent that they would materially affect the District's financial position.

Self-Insurance

The District is self-insured for general liability and Workers' Compensation claims. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The District does not carry excess liability insurance for personal injury and property damage. Under the provisions of the Colorado Government Immunity Act, the maximum liability, with certain exceptions as defined in the Act, to the District for claims involving personal injury and property damage is $150,000 per individual and $600,000 per incident. For

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Workers' Compensation, an excess coverage insurance policy covers individual claims in excess of $2,000,000. The amount of settlements has not exceeded insurance coverage in any of the past three years.

Self-Insurance (Continued)

The District's liability for unpaid claims includes an amount for claims that have been incurred but not reported (IBNR). This amount is included in other accrued expense in the statement of net assets. Changes in the balances of claims liabilities for both general liability and Workers' Compensation during the past year are as follows:

	General Liability	Workers' Compensation	Total
Unpaid claims, January 1, 2007	$1,433,475	$1,539,875	$2,973,350
Incurred claims (including IBNR)	1,737,578	2,444,274	4,181,852
Claims payments	(1,510,046)	(2,753,607)	(4,263,653)
Unpaid claims, December 31, 2007	$1,661,007	$1,230,542	$2,891,549
Incurred claims (including IBNR)	1,731,547	2,269,477	4,001,024
Claims payments	(1,585,882)	(2,120,091)	(3,705,973)
Unpaid claims, December 31, 2008	$1,806,672	$1,379,928	$3,186,600

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

Contract Disputes and Legal Proceedings

The District is party to a number of pending or threatened lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. The District's attorney estimates that the ultimate outcome of these matters is either sufficiently covered by the District's general liability and Workers' Compensation reserves or would not materially affect the financial statements of the District. As of December 31, 2008, the District has no outstanding judgments payable within one year.

NOTE I – NET ASSETS

	December 31, 2008	December 31, 2007
Invested in capital assets, net of related debt	$1,340,671,772	$1,161,449,159
Restricted net assets		
Restricted debt service and project related	70,883,940	69,877,135
Tabor emergency	16,821,449	16,828,955
FasTracks related	331,147,917	355,712,000
Total restricted net assets	418,853,306	442,418,090
Unrestricted assets net assets[1]	132,885,347	174,549,942
Total net assets	$1,892,410,425	$1,778,417,191

[1] Substantially all of the unrestricted net assets, although not legally restricted, have been appropriated or reserved by the District's Board for future capital acquisition, operating reserve policy, and debt liquidation during the budget process.

NOTE J – BUDGETARY DATA

The District's annual budget is prepared on the same basis as that used for accounting except that the budget also includes proceeds of long-term debt and capital grants as revenue and expenditures include capital outlays and bond principal payments, and excludes TABOR rebates under Amendment One, extraordinary loss and depreciation on, as well as gains and losses on disposition of, property and equipment. The budget sets forth all proposed outlays for operations, planning, administration, development, debt service, and capital outlays for the calendar year. Prior to October 15, the General Manager submits to the Board of Directors a proposed operating and capital budget for the fiscal year commencing the following, January 1, which is made available for public inspection and comment. On or before December 31, the budget is adopted in conjunction with an appropriation resolution by the Board of Directors, who must also approve subsequent amendments thereto. In the absence of such adoption, the District has authority to begin making expenditures limited to 90% of the prior year's approved appropriation. The District's policy on budget transfers authorizes the General Manager to approve certain transfers within the budget.

NOTE J – BUDGETARY DATA (CONTINUED)

A reconciliation of the annual budget, as amended, to actual revenue and expenses is as follows:

	Year ended December 31, 2008	Year ended December 31, 2007
Revenue, actual	$611,529,806	$610,189,151
Proceeds from debt	17,694,905	471,151,329
Less: Proceeds from refunding debt	(16,421,189)	(478,087,502)
Federal capital grants and local contributions	39,389,234	115,133,080
Revenue, actual (budgetary basis)	652,192,756	718,386,058
Revenue, budget	1,154,271,000	982,138,420
Expenses, actual	536,925,806	502,978,376
Capital outlays	282,758,379	156,784,742
Depreciation, amortization, other	(103,227,332)	(103,302,317)
Long-term debt principal payment	63,020,000	55,695,000
Expenses, actual (budgetary basis)	779,476,853	612,155,801
Appropriations	1,197,223,998	1,004,700,199
Unused appropriations	$417,747,145	$392,544,398

Unused appropriations lapse at year-end, except the Board of Directors has the authority, as stated in the adopted appropriation resolution, to carry over the unused portion of funds for capital projects not completed, for a period not to exceed three years. As of December 31, 2008, there were approximately $358.5 million of unused 2008 appropriations for capital outlays available for carryover to 2009.

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) that limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded to the taxpayers unless voters approve retention of these revenues. In addition, the amendment mandates that reserves equal to 3% of fiscal year spending be established for declared emergencies.

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On November 7, 1995, the voters of the District exempted the Regional Transportation District from the revenue and spending limitations concerning the Amendment through December 31, 2005. On November 2, 1999, the voters of the District further exempted the District from the revenue and spending limitations outlined in the Amendment for the purpose of paying any debt incurred to finance the Southeast Corridor light rail project or to operate such project for as long as any debt remains outstanding, but in no event beyond December 31, 2026.

On November 2, 2004, the voters of the District authorized an increase in the District's sales and use tax rate from 0.6% to 1.0%, effective January 1, 2005, to finance the FasTracks transit improvement program. This authorization also exempted the District from any revenue and spending limitations on the additional tax and on any investment income generated by the increased tax revenue, and allowed the District to incur debt to finance the capital improvements included in the FasTracks program. At the time that all FasTracks debt is repaid, the District's sales and use tax rate will be reduced to a rate sufficient to operate the rapid transit system financed through FasTracks.

As of December 31, 2007, the District has $3.477 billion in authorized debt, of which $600 million have been issued, subject to the Amendments' limitations. This debt was authorized by the voters of the District in 2004 to pay for the FasTracks rapid transit improvement program, and is scheduled to be issued between 2006 and 2014. Based on estimated fiscal year spending for 2008, $16,821,449 of year-end net assets has been reserved for emergencies. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment based on the interpretations of the Amendment's language available at year-end.

NOTE L – SUBSEQUENT EVENTS (Dollars in Thousands)

Sales and use tax is the largest source of revenue for the District. In the fourth quarter of 2008 sales and use tax fell below those of the prior year, resulting in an annual decrease $5,583 (1.3%) from 2007. The District continues to experience an economic downturn in 2009.

January 16, 2009 the District was awarded a full funding grant agreement (FFGA) from FTA for the West Corridor Light Rail Transit Project. This corridor is the first of the FasTracks program to receive an FFGA. The total project cost is estimated to be $709,830 with $308,680 being funded by the New Starts funds and $9,500 from Congestion Mitigation and Air Quality Improvement Program grants. The balance of the corridor cost of $391,650 will be funded by the District and other local funds.

As a result of the downturn in the U.S. investment markets in the first quarter of 2009, the District's investments decreased in fair value by 2.6 million.

NOTE L – SUBSEQUENT EVENTS (CONTINUED)

On March 5, 2009 the District was awarded, through the American Recovery and Reinvestment Act, 2009, a $72,845 grant for various projects.

The labor agreement between the District and ATU, Local 1001 expired on March 1, 2009. As of the date of this report an agreement has not been reached and negotiations are ongoing. Currently ATU, Local 1001 is operating without a contract.

SUPPLEMENTARY INFORMATION

REGIONAL TRANSPORTATION DISTRICT
Schedule of Expense and Revenue
Budget and Actual - Budgetary Basis
Year ended December 31, 2008

	Original and Final Budget	Actual	Variance - positive (negative)
Operating revenue			
Passenger fares	$ 85,786,061	$ 88,205,312	$ 2,419,251
Other	4,041,518	4,123,573	82,055
Total operating revenue	89,827,579	92,328,885	2,501,306
Operating expenses			
Salaries, wages and fringe benefits	151,991,150	155,799,098	(3,807,948)
Materials and supplies	65,664,990	61,056,058	4,608,932
Services	46,827,420	36,834,760	9,992,660
Utilities	10,160,324	10,574,996	(414,672)
Insurance	7,392,858	5,332,836	2,060,022
Purchased transportation	103,353,971	102,743,468	610,503
Leases and rentals	4,001,247	2,464,299	1,536,948
Miscellaneous	844,156	2,618,515	(1,774,359)
Total operating expenses	390,236,116	377,424,030	12,812,086
Operating loss	(300,408,537)	(285,095,145)	15,313,392
Nonoperating revenue (expenses)			
Sales and use tax	427,690,407	412,824,208	(14,866,199)
Federal operating assistance	53,865,000	50,813,465	(3,051,535)
Investment income	37,705,630	52,455,696	14,750,066
Other income	3,272,000	3,106,167	(165,833)
Gain/Loss on Capital Assets	-	1,385	1,385
Interest expense	(65,467,440)	(56,273,059)	9,194,381
Other expense	-	(976,998)	(976,998)
Total nonoperating revenue (expenses)	457,065,597	461,950,864	4,885,267
Proceeds from debt	200,842,688	17,694,905	(183,147,783)
Capital outlay			
Capital expenses	646,086,799	282,758,380	363,328,419
Less capital grants	(81,589,482)	(39,389,234)	(42,200,248)
	564,497,317	243,369,146	321,128,171
Long-term debt principal payment	(63,040,000)	(63,020,000)	20,000
Excess (deficiency) of revenue and nonoperating income over (under) expenses, capital outlays and debt principal payments	$ (270,037,569)	(111,838,522)	$ 158,199,047
Increases (decreases) to reconcile budget basis to GAAP basis			
Capital expenses		282,758,380	
Proceeds from debt		(17,694,905)	
Long-term debt principal payment		63,020,000	
Depreciation		(102,251,719)	
INCREASE IN NET ASSETS		$ 113,993,234	

STATISTICAL SECTION

This part of the Regional Transportation District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the government's overall financial health.

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REGIONAL TRANSPORTATION DISTRICT
NET ASSETS BY COMPONENT (1) (In Thousands)

Table 1

	2008	2007	2006	2005	2004	2003	2002 (2)
Invested in capital assets, net of related debt (Note I)	$ 1,340,672	$ 1,161,449	$ 1,167,667	$ 1,027,361	$ 835,035	$ 803,738	$ 758,399
Restricted (Note I)							
Emergencies	16,821	16,829	15,078	14,048	8,860	8,359	8,657
FasTracks Reserves	402,032	425,589	232,702	120,653	-	-	-
Unrestricted (Note I)	132,885	174,550	140,626	204,176	296,945	269,944	200,839
Total net assets	$ 1,892,410	$ 1,778,417	$ 1,556,073	$ 1,366,238	$ 1,140,840	$ 1,082,041	$ 967,895

(1) Data is taken from the financial records of the District and is presented on the accrual basis.

(2) Data is presented from 2002 when RTD implemented GASB Statement No. 34.

REGIONAL TRANSPORTATION DISTRICT
SUMMARY OF STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET ASSETS

Table 2

	2008	2007	2006	2005	2004	2003	2002 (1)
Operating Revenues:							
Passenger Fares	$ 88,205,312	$ 77,127,717	$ 66,210,654	$ 57,638,160	$ 55,441,942	$ 50,459,259	$ 49,967,139
Other	4,123,573	4,381,834	3,310,845	5,102,775	5,581,183	4,087,828	2,645,773
Total Operating Revenues	92,328,885	81,509,551	69,521,499	62,740,935	61,023,125	54,547,087	52,612,912
Operating Expenses:							
Salaries, wages, fringe benefits	155,799,098	150,560,206	136,732,680	130,370,664	127,333,577	130,435,304	129,250,827
Materials and supplies	61,056,058	49,157,225	43,708,793	39,869,193	27,835,390	25,421,959	22,953,218
Services	36,834,760	30,653,898	29,864,651	22,344,187	20,126,562	21,499,084	17,925,654
Utilities	10,574,996	8,678,120	7,529,674	7,169,764	5,548,075	5,330,589	4,602,691
Insurance	5,332,836	5,090,298	5,722,527	6,569,237	7,451,312	8,216,789	9,531,334
Purchased transportation	102,743,468	97,818,474	93,003,355	86,329,804	76,758,829	66,970,267	64,973,864
Leases and rentals	2,464,299	2,194,533	1,758,168	1,567,705	1,460,293	1,654,816	1,586,949
Miscellaneous	2,618,515	2,389,715	3,143,872	2,347,293	2,814,842	2,247,038	2,338,754
Total Operating Expenses	377,424,030	346,542,469	321,463,720	296,567,847	269,328,880	261,775,846	253,163,291
Operating loss before depreciation	(285,095,145)	(265,032,918)	(251,942,221)	(233,826,912)	(208,305,755)	(207,228,759)	(200,550,379)
Depreciation	102,251,719	103,302,317	67,525,830	58,923,681	58,832,905	58,566,887	59,749,848
Operating Loss	(387,346,864)	(368,335,235)	(319,468,051)	(292,750,593)	(267,138,660)	(265,795,646)	(260,300,227)
Nonoperating income (expense):							
Sales and use tax revenues	412,824,208	418,406,813	399,556,999	386,427,388	221,275,911	210,447,233	213,667,505
Federal operating assistance	50,813,465	47,040,532	42,804,571	41,321,873	39,649,222	37,802,656	35,096,035
Interest income	52,455,696	57,470,842	29,936,306	15,624,019	9,438,656	10,095,155	18,815,177
Other income	3,106,167	4,705,718	4,031,586	3,483,827	3,620,646	3,549,675	3,493,236
Gain/Loss on Capital Assets	1,385	1,055,695	1,929,568	1,450,073	(50,016)	(1,310,683)	(779,575)
Interest expense	(56,273,059)	(52,272,289)	(29,689,199)	(21,162,978)	(18,384,645)	(19,786,381)	(20,208,472)
Other expense	(976,998)	(861,301)	(805,485)	(790,015)	(1,367,580)	(793,646)	(591,943)
Total Nonoperating Income	461,950,864	475,546,010	447,764,346	426,354,187	254,182,194	240,004,009	249,491,963
Net income before capital grants and local contributio	74,604,000	107,210,775	128,296,295	133,603,594	(12,956,466)	(25,791,637)	(10,808,264)
Federal capital grants and local contributions	39,389,234	115,133,080	61,536,957	97,384,055	71,755,309	139,936,612	50,570,580
Increase in Net Assets	113,993,234	222,343,855	189,833,252	230,987,649	58,798,843	114,144,975	39,762,316
Net Assets at Beginning of Year	1,778,417,191	1,556,073,336	1,366,240,084	1,140,841,063	1,082,042,220	967,897,245	928,134,929
Prior Period Adjustment				(5,588,628)			
Net Assets at End of Year	$ 1,892,410,425	$ 1,778,417,191	$ 1,556,073,336	$ 1,366,240,084	$ 1,140,841,063	$ 1,082,042,220	$ 967,897,245

(1) Data is presented from 2002 when RTD implemented GASB Statement No. 34.

REGIONAL TRANSPORTATION DISTRICT

Table 3

OPERATING AND OTHER EXPENSES AND CAPITAL OUTLAYS (1)

Last Ten Years (Unaudited)

(In Thousands)

Year	Transit Operating Expenses (2)	Planning, Administrative and Development	Depreciation	Interest Expense (2)	Other Nonoperating Expenses	Capital Outlays (2)	Total
1999	$160,909	$24,296	$32,491	$8,304	$325	$84,573	$310,898
2000	189,505	30,977	34,532	12,084	178	209,674	476,950
2001	211,390	28,802	56,256	15,982	728	326,490	639,648
2002	224,231	28,932	59,750	20,208	1,372	164,954	499,447
2003	235,011	26,765	58,567	19,786	2,104	277,944	620,177
2004	242,176	27,153	58,833	18,385	1,418	217,201	565,166
2005	264,840	31,728	58,924	21,163	790	273,843	651,288
2006	284,360	37,104	67,526	29,689	805	208,361	627,845
2007	302,626	43,916	103,302	52,272	861	156,785	659,762
2008	324,162	53,262	102,252	56,273	976	282,758	819,683

(1) Data is taken from the financial records of the District and is presented on the accrual basis.
(2) The District capitalizes certain interest costs, which are included in capital outlays.

REGIONAL TRANSPORTATION DISTRICT

Table 4

REVENUE BY SOURCE (1)

Last Ten Years (Unaudited)

(In Thousands)

Year	Operating Revenues	Sales/Use Tax(2)	Federal Operating Assistance	Interest Income	Other	Total Revenue	Federal Capital Grants	Local Capital Contributions	Total Revenue and Federal Capital Grants
1999	$47,626	$202,303	$19,440	$8,286	$1,251	$278,906	$52,044	$ -	$330,950
2000	48,921	224,182	27,554	23,867	3,220	327,744	56,420	-	384,164
2001	50,641	224,648	30,204	20,614	2,481	328,588	87,335	13,293	429,216
2002	52,613	213,668	35,096	18,815	3,493	323,685	46,984	3,587	374,256
2003	54,547	210,447	37,803	10,095	3,550	316,442	135,917	4,019	456,378
2004	61,023	221,276	39,649	9,439	3,621	335,008	54,446	17,309	406,763
2005	62,741	386,427	41,322	15,624	3,484	509,598	86,523	10,861	606,982
2006	69,521	399,557	42,805	29,936	4,032	545,851	57,413	4,123	607,387
2007	81,510	418,407	47,041	57,471	4,706	609,135	107,577	7,556	724,268
2008	92,332	412,824	50,813	52,455	3,106	611,530	39,220	169	650,919

(1) Data is taken from the financial records of the District and is presented on the accrual basis.
(2) The Districts Sales/Use Tax increased from .6% to 1% effective January 1, 2005.

REGIONAL TRANSPORTATION DISTRICT
SALES TAX REVENUE BOND COVERAGE RATIOS (1)

Table 5

LAST TEN YEARS (UNAUDITED)

	Series 1990A (2) Debt Service Requirements			Series 1992A (3,4) Debt Service Requirements			Series 1993A (5) Debt Service Requirements			Series 1997A (9) Debt Service Requirements		
Year	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
1999	265,963	1,835,000	2,100,963	1,008,860	1,850,000	2,858,860	2,094,281	2,590,000	4,684,281	1,557,141	185,000	1,742,141
2000	142,100	1,960,000	2,102,100	906,185	2,000,000	2,906,185	1,977,731	2,705,000	4,682,731	1,549,741	195,000	1,744,741
2001	0	0	0	792,185	2,080,000	2,872,185	1,849,244	4,935,000	6,784,244	1,541,746	200,000	1,741,746
2002	0	0	0	672,585	2,185,000	2,857,585	1,608,663	5,180,000	6,788,663	1,533,446	210,000	1,743,446
2003	0	0	0	0	0	0	1,356,138	2,660,000	4,016,138	1,524,521	2,820,000	4,344,521
2004	0	0	0	0	0	0	0	0	0	1,401,851	2,950,000	4,351,851
2005	0	0	0	0	0	0	0	0	0	1,239,601	3,100,000	4,339,601
2006	0	0	0	0	0	0	0	0	0	1,069,101	1,790,000	2,859,101
2007	0	0	0	0	0	0	0	0	0	988,551	1,875,000	2,863,551
2008	0	0	0	0	0	0	0	0	0	91,180	1,940,000	2,031,180

	Series 2000A (8) Debt Service Requirements			Series 2002A (4) Debt Service Requirements			Series 2002B (8) Debt Service Requirements			Series 2003A (5) Debt Service Requirements		
Year	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
1999	0	0	0	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0	0	0	0
2001	3,063,918	2,145,000	5,208,918	0	0	0	0	0	0	0	0	0
2002	3,235,206	2,250,000	5,485,206	103,968	225,000	328,968	3,971,976	0	3,971,976	0	0	0
2003	3,122,706	2,360,000	5,482,706	438,825	1,365,000	1,803,825	7,943,953	0	7,943,953	251,206	0	251,206
2004	3,016,506	2,470,000	5,486,506	377,400	1,425,000	1,802,400	7,943,953	5,490,000	13,433,953	1,004,825	2,790,000	3,794,825
2005	1,739,875	2,580,000	4,319,875	313,275	1,495,000	1,808,275	3,438,353	2,370,000	5,808,353	921,125	2,870,000	3,791,125
2006	1,623,775	2,695,000	4,318,775	246,000	1,560,000	1,806,000	3,333,153	5,985,000	9,318,153	806,325	2,985,000	3,791,325
2007	1,266,250	2,815,000	4,081,250	168,000	1,640,000	1,808,000	2,534,045	6,265,000	8,799,045	672,000	3,120,000	3,792,000
2008	1,139,575	2,945,000	4,084,575	86,000	1,720,000	1,806,000	2,259,226	6,540,000	8,799,226	516,000	3,270,000	3,786,000

	Series 2004A (8) Debt Service Requirements			Series 2005A(6) Debt Service Requirements			Series 2006A (FT)(7) Debt Service Requirements			Series 2007A (8) Debt Service Requirements		
Year	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
1999	0	0	0	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0	0	0	
2004	2,911,500	0	2,911,500	0	0	0	0	0	0	0	0	0
2005	5,823,000	0	5,823,000	3,022,071	0	3,022,071	0	0	0	0	0	0
2006	5,823,000	0	5,823,000	4,990,575	170,000	5,160,575	0	0	0	0	0	0
2007	2,834,000	0	2,834,000	4,985,475	175,000	5,160,475	21,376,708	0	21,376,708	2,240,219	0	2,240,219
2008	2,834,000	4,505,000	7,339,000	4,979,350	180,000	5,159,350	11,286,750	0	11,286,750	3,665,813	0	3,665,813

	Series 2007A (FT)(7) Debt Service Requirements			Series 2008A (9) Debt Service Requirements			Total Debt Service Requirements			Sales Tax	Coverage
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total	Collections	Ratio
1999	0	0	0	0	0	0	4,926,245	6,460,000	11,386,245	202,302,780	17.77
2000	0	0	0	0	0	0	4,575,757	6,860,000	11,435,757	224,182,274	19.60
2001	0	0	0	0	0	0	7,247,093	9,360,000	16,607,093	224,647,782	13.53
2002	0	0	0	0	0	0	11,125,844	10,050,000	21,175,844	213,667,505	10.09
2003	0	0	0	0	0	0	14,637,349	9,205,000	23,842,349	210,447,233	8.83
2004	0	0	0	0	0	0	16,656,035	15,125,000	31,781,035	221,275,911	6.96
2005	0	0	0	0	0	0	16,497,300	12,415,000	28,912,300	386,427,388	13.37
2006	0	0	0	0	0	0	17,891,929	15,015,000	32,906,929	399,556,997	12.14
2007	8,171,163	200,000	8,371,163	0	0	0	45,236,411	16,090,000	61,326,411	418,406,813	6.82
2008	16,334,325	405,000	16,739,325	413,424	0	413,424	43,605,643	21,505,000	65,110,643	412,824,208	6.34

(1)
(2)
(3)
(4)
(5)
(6) A portion of the Series 2000 and 2002B Bonds were refunded with the new proceeds of the Series 2005A in March 2005.
(7) A portion of the Series 2006A (FT) were refunded with the new proceeds of the Series 2007A (FT) in May 2007.
(8) A portion of the Series 2000, 2002B and 2004A Bonds were refunded with the new proceeds of the Series 2007A in March 2007.
(9) A portion of the Series 1997A Bonds were refunded with the new proceeds of the Series 2008A in April 2008.

REGIONAL TRANSPORTATION DISTRICT

PASSENGER FARE REVENUE-BACKED DEBT COVERAGE RATIOS (1)

Table 6

Last Ten Years (Unaudited)

	Series 1989A Debt Service Requirements		
Year	Interest	Principal	Total
1999	58,882	3,850,000	3,908,882
2000	-	-	-
2001	-	-	-
2002	-	-	-
2003	-	-	-
2004	-	-	-
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-

	Total Debt Service Requirements			Passenger Fare	Coverage
Year	Interest	Principal	Total	Collections	Ratio
1999	58,882	3,850,000	3,908,882	43,674,214	11.17
2000	-	-	-	40,601,659	N/A
2001	-	-	-	46,765,874	N/A
2002	-	-	-	49,967,139	N/A
2003	-	-	-	50,459,259	N/A
2004	-	-	-	55,441,942	N/A
2005	-	-	-	57,638,160	N/A
2006	-	-	-	66,210,654	N/A
2007	-	-	-	77,127,717	N/A
2008	-	-	-	88,205,312	N/A

(1) Source: The financial records of the District and the Official Statements of the respective bond issues.

REGIONAL TRANSPORTATION DISTRICT
DEMOGRAPHIC AND OPERATING DATA (1) Last Ten Years (Unaudited)

Table 7

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
January 1 population within RTD service area	2,760,000	2,700,000	2,619,000	2,598,000	2,545,000	2,525,900	2,510,000	2,467,300	2,400,570	2,252,103
Cities and towns served	40	40	39	40	40	40	40	42	42	41
Square miles in service area	2,337	2,331	2,329	2,327	2,327	2,326	2,410	2,406	2,406	2,406
Total miles	49,947,763	50,706,993	49,167,392	49,167,392	49,053,000	48,399,000	47,000,000	49,165,000	43,683,500	42,308,600
Passenger stops	10,199	10,329	10,596	10,366	10,237	10,352	10,348	10,408	10,739	10,109
Number of routes (3)	165	170	166	174	177	175	181	182	180	181
Local	72	73	73	67	67	66	66	66	65	60
Express	24	25	24	37	38	37	41	42	44	50
Regional	18	18	16	20	20	20	20	20	20	20
Skyride	5	5	5	5	5	5	5	5	15	5
Circulator	-	-	-	1	1	1	3	3	2	4
Boulder City	15	15	15	15	16	16	16	16	15	14
Longmont City	7	8	8	8	8	8	8	8	7	7
Limited	13	15	15	15	16	16	15	16	15	13
Miscellaneous	11	11	10	6	6	6	7	6	7	8
Ridership average weekday, without Mall and LRT	224,918	207,734	198,629	194,077	180,467	168,712	178,012	186,798	183,916	180,941
Ridership average weekday, including Sixteenth Street Mall	273,737	255,987	246,992	254,928	243,395	229,776	237,067	243,265	238,102	233,919
Ridership average weekday, including Sixteenth Street Mall, LRT, ADA, and Van Pool	344,954	320,311	294,791	292,407	279,101	267,389	273,924	274,688	259,695	250,039
Total annual boardings without Mall, LRT and ADA	67,910,015	62,007,583	57,662,038	56,736,687	53,963,199	50,079,765	53,199,492	55,987,810	54,888,045	54,101,476
Total annual boardings, including Sixteenth Street Mall	82,727,534	76,620,488	74,637,863	75,100,270	72,221,606	67,652,418	70,354,789	72,483,296	70,906,920	69,567,380
Total annual boardings, including Sixteenth Street Mall and LRT	103,362,667	95,275,984	85,915,718	85,557,899	82,250,065	78,302,600	80,784,361	81,563,874	77,352,968	74,313,628
Total annual boardings, including Sixteenth Street Mall, LRT, ADA service, and Van Pool	104,071,339	96,326,580	86,842,675	86,371,859	82,978,959	78,911,922	81,322,400	81,988,849	77,704,986	74,675,628
Daily miles operated (average including Sixteenth Street Mall	152,848	155,153	154,078	158,464	158,188	155,795	156,561	152,833	148,921	135,746
Daily miles operated (average weekday), including Sixteenth Street Mall and Light Rail	163,987	166,571	165,666	163,398	163,057	160,634	161,488	156,307	150,625	137,045
Diesel fuel consumption, gallons (2)	6,000,000	6,000,000	6,100,000	6,100,000	6,000,000	6,400,000	7,100,000	7,900,000	7,700,000	7,207,738
Total active buses	1,039	1,071	1,071	1,071	1,074	1,064	1,127	1,122	1,069	933
Wheelchair lift equipped buses	1,039	1,071	1,071	1,071	1,074	1,064	1,127	1,122	1,058	918
Number of employees (authorized										
Salaried	623	611	613	591	553	544	561	551	487	478
Represented (includes part-time	1,903	1,923	1,907	1,919	1,893	1,885	2,000	2,093	2,295	1,995
Fleet requirements (during peak hours)	862	862	851	880	863	855	856	842	797	757
Operating facilities (2)	6	6	6	6	6	6	6	6	6	6

* Not available
(1) Source: Population is based on estimates provided by the Denver Regional Council of Governments. All other data comes from the financial records of the District.
(2) Excludes purchased transportation services.
(3) Reflects fixed route service realignment as of November 2006 for the opening of the Southeast Light Rail Corridor service.

REGIONAL TRANSPORTATION DISTRICT

Table 8

LARGEST PRIVATE EMPLOYERS-DENVER METRO AREA
Current Year and Nine Years Ago

	2008		1999	
	Employees	**Rank**	**Employees**	**Rank**
King Soopers, Inc.	10,900	1	8,960	4
Wal-Mart	10,600	2		
Qwest Communications	9,000	3	14,501	1
HealthOne	8,500	4		
Lockheed Martin Astronautics	8,200	5	7,382	6
Exempla Healthcare	7,100	6		
Safeway Inc.	6,600	7	5,000	10
University of Denver	5,900	8		
Target Corporation	5,600	9		
Centura Health	5,600	10	9,000	3
Columbia			10,059	2
United Airlines			7,700	5
Lucent Technologies			6,000	7
IBM Corporation			5,050	8
Coors Brewing Company			5,000	9

Source: Development Research Partners, June 2008

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DEBT DISCLOSURE TABLES

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Debt Disclosure Tables for 2008 CAFR

CAFR Table	1998A OS Table	Table Title
9	I	TDP Operations Program
10	II	TDP Capital Program
11	IV	Additional Operating Data
12	V	RTD Statement of Debt
13	XI	RTD Annual Ridership and Fare Revenue
14	XII	RTD Advertising and Ancillary Revenues
15	XIII	RTD Federal Grant Receipts
16	XIV	Five-Year Summary of Rev/Exp Statements
17	XV	Five-Year Summary of Budget/Actuals
18	XVII	RTD 2006 and 2007 Budget

Debt Disclosure Tables Updated in Body of 2008 CAFR

1998A OS Table	Table Title	Location in CAFR
VI	RTD Revenues by Source	Statistical Section – Table 4
XVI	Summary Balance Sheet	Statement of Net Assets – pp. 38–39

REGIONAL TRANSPORTATION DISTRICT

Table 9

2009-2014 TDP OPERATIONS PROGRAM - 2008 DOLLARS

Program	2009	2010	2011	2012	2013	2014	Total Cost
Interest Payments[1,2]	$16,146,678	$16,756,718	$15,615,614	$14,235,529	$12,927,516	$12,097,642	$87,779,697
Bus Operations – Current RTD	125,805,198	130,767,243	130,767,243	130,767,243	132,522,643	131,792,343	782,421,913
Bus Operations – Private Carrier through Contract[1]	87,812,007	57,511,875	41,525,760	29,232,896	22,637,884	22,637,884	261,358,306
Bus Operations – Private Carrier after Contract[1]	2,000,000	39,020,522	57,758,964	73,006,821	81,553,458	86,244,722	339,584,487
Bus Operations - call-n-Ride[1]	4,849,865	4,910,495	4,910,495	4,910,495	4,910,495	4,910,495	29,402,340
Private Contract Administration Costs	1,268,814	1,268,814	1,268,814	1,268,814	1,268,814	1,268,814	7,612,884
Service Increases – RTD-Operated	-	-	-	-	-	-	-
Service Increases – Private Contractor[1]	-	-	-	-	-	-	-
FasTracks Service Allocation - 2006/2007 Service Increase	(4,606,025)	(4,606,025)	(4,606,025)	(4,606,025)	(4,606,025)	(4,606,025)	(27,636,150)
Cost Sharing Agreements - Bus Service[1]	1,875,425	1,875,425	1,875,425	1,875,425	1,875,425	1,875,425	11,252,550
Van Pool Program	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	6,090,000
Section 5011 Local Match	542,482	542,482	542,482	542,482	542,482	542,482	3,254,892
LRT Operations	37,614,277	38,364,277	38,364,277	38,364,277	38,364,277	38,364,277	229,435,662
ADA Operating Costs[1]	34,690,147	35,115,503	35,172,014	35,230,492	35,296,866	35,365,431	210,870,453
Facilities Maintenance – Base	(4,449,217)	(4,449,217)	(4,449,217)	(4,449,217)	(4,449,217)	(4,449,217)	(26,695,302)
Facilities Maintenance - Additional Costs	20,318,323	20,318,323	20,318,323	20,318,323	20,318,323	20,318,323	121,909,938
Direct Costs - Other Departments	5,564,500	2,551,000	2,324,000	1,423,000	421,000	321,000	12,604,500
Indirect Costs - Other Departments	26,376,565	26,376,565	26,376,565	26,376,565	26,376,565	26,376,565	158,259,389
Denver Union Station Costs	35,102,406	35,102,406	35,102,406	35,102,406	35,102,406	35,102,406	210,614,437
Planning - LRT and Other	1,411,528	1,411,528	1,411,528	1,411,528	1,411,528	-	7,057,640
Additional Costs - Other Departments	356,239	570,000	70,000	95,000	-	-	1,091,239
Passthrough Grants[1]	250,000	640,000	640,000	1,190,000	1,358,000	1,423,000	5,501,000
Grand Total	$393,944,212	$405,062,934	$406,003,668	$407,311,054	$408,847,440	$410,600,567	$2,431,769,875

[1]Interest payments, private carrier operations costs, call-n-ride, ADA operations costs, and passthrough grants are presented in year of expenditure dollars.

[2] Interest payments on bonds and certificates of participation issued for purposes other than Southeast Corridor or FasTracks.

REGIONAL TRANSPORTATION DISTRICT

Table 10

2009-2014 TDP CAPITAL PROGRAM - 2008 DOLLARS

Program	2009	2010	2011	2012	2013	2014	Total Cost
Long Term Debt[1]	$ 19,705,000	$ 25,600,000	$ 27,670,000	$ 29,045,000	$ 18,390,000	$ 25,315,000	$ 145,725,000
Southeast Corridor Debt Service[2]	53,076,271	50,001,821	27,012,165	27,012,225	27,011,813	19,476,463	$ 203,590,758
Existing Corridors	5,873,898	1,968,474	-	-	1,132,756	4,529,714	$ 13,504,842
Fleet Modernization and Expansion							$ -
Transit Buses	-	-	-	-	48,375,000	49,342,500	$ 97,717,500
LRT Vehicles	-	-	-	-	-	-	$ -
ADA Vehicles	5,423,814	1,095,720	1,095,720	7,834,398	5,423,814	1,095,720	$ 21,969,186
Major Spares	-	-	-	-	119,025	357,075	$ 476,100
Passenger Infrastructure							$ -
Bus Infrastructure	1,100,000	750,000	750,000	800,000	800,000	850,000	$ 5,050,000
Transfer Stations	-	-	-	-	12,000,000	-	$ 12,000,000
Park-n-Rides	310,000	256,000	399,000	-	1,082,943	1,779,516	$ 3,827,459
Capital Support Equipment							$ -
Vehicles and Bus Maintenance Equipment	1,453,134	1,190,717	1,246,561	1,261,788	3,630,736	5,081,013	$ 13,863,949
Treasury	11,300,000	-	-	-	2,690,925	-	$ 13,990,925
Information Systems, Computer Equipment for Operations	43,959,800	2,010,000	1,100,000	1,100,000	1,300,000	640,000	$ 50,109,800
Security Equipment	25,000	25,000	3,525,000	25,000	25,000	7,603,650	$ 11,228,650
Bus Maintenance Facilities							$ -
Boulder	-	-	-	-	-	950,000	$ 950,000
District Shops	321,360	2,952,500	-	-	-	726,000	$ 3,999,860
East Metro	-	-	-	-	-	1,900,000	$ 1,900,000
Platte	-	-	-	-	-	-	$ -
Light Rail Maintenance Facilities							$ -
Mariposa	-	-	53,232	-	-	-	$ 53,232
Facilities District-wide	-	-	-	-	-	-	$ -
Discretionary Capital	200,000	200,000	200,000	200,000	200,000	200,000	1,200,000
Grand Total	$142,748,277	$86,050,232	$63,051,678	$67,278,411	$122,182,012	$119,846,652	$601,157,262

[1]Principal payments are set at the time the bonds are issued and do not change with inflation.

[2]Southeast Corridor debt service costs include principal and interest payments on bonds, COPs, and commercial paper, and are presented in year of expenditure dollars.

REGIONAL TRANSPORTATION DISTRICT

Table 11

ADDITIONAL OPERATING DATA - 2008

Total miles (1)	49,947,763
Active bus stops	10,199
Number of routes (4)	165
Local	72
Express	24
Regional	18
SkyRide	5
City of Boulder Local	15
City of Longmont Local	7
Limited	13
Miscellaneous	11
Ridership average weekday, revenue service	296,135
Ridership average weekday, all services	344,954
Total annual boardings, revenue service	89,253,820
Total annual boardings, all services	104,071,339
Daily miles operated (average weekday), including Sixteenth Street Mall (2)	152,848
Daily miles operated (average weekday), including Sixteenth Street Mall and Light Rail (2)	163,987
Diesel fuel consumption, gallons (3)	6,000,000
Total active buses	1,039
Wheelchair lift equipped buses	1,039
Number of employees (actual staff) (3)	
Salaried	623
Represented (includes part-time drivers)	1,903
Fleet requirements (during peak hours)	862
Operating facilities (3)	6

(1) Reflects total miles (including Light Rail).
(2) Excludes special services.
(3) Excludes purchased transportation services.
(4) Reflects fixed route service realignment as of November 2006 for the opening of the Southeast Light Rail Corridor service.

REGIONAL TRANSPORTATION DISTRICT

Table 12

STATEMENT OF DEBT
as of December 31, 2008

Sales Tax Bonds		Outstanding[2]
RTD Sales Tax Revenue Bonds, Series 2000A[1]		20,770,000
RTD Sales Tax Revenue Bonds, Series 2002B[1]		38,005,000
RTD Sales Tax Revenue Refunding Bonds, Series 2003A[1]		7,050,000
RTD Sales Tax Revenue Bonds, Series 2004A[1]		52,175,000
RTD Sales Tax Revenue Bonds, Series 2005A[1]		99,665,000
RTD Sales Tax Revenue Bonds, Series 2006A[1] - FasTracks		235,735,000
RTD Sales Tax Revenue Refunding Bonds, Series 2007A[1] - FasTracks		363,120,000
RTD Sales Tax Revenue Refunding Bonds, Series 2007A[1]		69,825,000
RTD Sales Tax Revenue Refunding Bonds, Series 2008A[1]		15,930,000
TOTAL	$	902,275,000

Commercial Paper		Outstanding[2]
RTD Subordinate Lien Sales Tax Revenue Commercial Paper, Series 2001A	$	46,000,000

Lease Purchase Agreements		Outstanding[2]
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 1998A	$	16,930,000
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2000A		7,480,000
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2001A		20,285,000
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2004A		46,165,000
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2005A		69,950,000
Master Lease Purchase Agreement II Fixed Rate Taxable Certificates of Participation, Series 2007A		16,265,000
Amended and Restated Certificates of Participation, Series 2002A		132,400,000
TOTAL	$	309,475,000

[1] The Bond Resolution pursuant to which the RTD Sales Tax Revenue Bonds are issued provides that pledged for the payment of such Bonds are the Sales Tax Revenues and "any additional revenues legally available to RTD which the Board in its discretion may hereafter by Supplemental Resolution pledge to the payment of the Bonds".

[2] RTD is current on its obligations under all such debt.

RTD ANNUAL RIDERSHIP AND FARE REVENUE - 1999-2008

Table 13

Year	Revenue Boardings[1]	Fare Revenue	Percent Change in Fare Revenue
1999	59,139,232	$ 43,674,000	5.5%
2000	61,814,535	45,214,000	3.5%
2001	65,515,890	46,766,000	3.4%
2002	64,167,068	49,967,000	6.8%
2003	61,235,476	50,459,000	1.0%
2004	64,720,552	55,441,942	9.9%
2005	67,994,101	57,638,160	4.0%
2006	69,866,850	66,210,654	14.9%
2007	81,713,675	77,127,717	16.5%
2008	89,253,820	88,208,310	14.4%

[1] Revenue boarding totals for 1997 do not include access-a-Ride boardings. Totals for 1998-2007 include access-a-Ride boardings. Totals for 2002-2008 include vanpool boardings.

RTD ADVERTISING AND ANCILLARY REVENUES - 1999-2008

Table 14

Year	Advertising Revenue	Ancillary Revenues
1999	$ 3,444,055	$ 1,251,392
2000	3,385,288	3,220,722
2001	3,411,418	2,469,052
2002	2,419,458	3,493,236
2003	2,886,414	3,549,675
2004	3,047,019	3,620,647
2005	3,196,367	3,483,827
2006	2,800,000	4,031,586
2007	3,194,351	4,705,717
2008	2,853,823	3,036,436

RTD FEDERAL GRANT RECEIPTS - 1999-2008

Table 15

Year	Federal Capital	Other Local Contributions	Operations, Planning, and Other
1999	$ 52,043,748	$ -	$ 19,440,181
2000	56,420,068	-	27,553,599
2001	87,334,494	13,293,150	30,204,129
2002	46,983,096	3,587,484	35,096,035
2003	135,917,027	4,019,585	37,802,656
2004	54,446,175	17,309,134	39,649,222
2005	86,522,551	10,861,504	41,321,873
2006	57,413,215	4,123,742	42,804,571
2007	107,577,186	7,555,894	47,040,532
2008	39,219,769	169,465	50,813,465

REGIONAL TRANSPORTATION DISCTRICT

Table 16

FIVE-YEAR SUMMARY OF STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET ASSETS

	Years ended December 31				
	2008	2007	2006	2005	2004
Operating Revenues:					
Passenger Fares	$ 88,205,312	$ 77,127,717	$ 66,210,654	$ 57,638,160	$ 55,441,942
Other	4,123,573	4,381,834	3,310,845	5,102,775	5,581,183
Total Operating Revenues	92,328,885	81,509,551	69,521,499	62,740,935	61,023,125
Operating Expenses:					
Salaries, wages, fringe benefits	155,799,098	150,560,206	136,732,680	130,370,664	127,333,577
Materials and supplies	61,056,058	49,157,225	43,708,793	39,869,193	27,835,390
Services	36,834,760	30,653,898	29,864,651	22,344,187	20,126,562
Utilities	10,574,996	8,678,120	7,529,674	7,169,764	5,548,075
Insurance	5,332,836	5,090,298	5,722,527	6,569,237	7,451,312
Purchased transportation	102,743,468	97,818,474	93,003,355	86,329,804	76,758,829
Leases and rentals	2,464,299	2,194,533	1,758,168	1,567,705	1,460,293
Miscellaneous	2,618,515	2,389,715	3,143,872	2,347,293	2,814,842
Total Operating Expenses	377,424,030	346,542,469	321,463,720	296,567,847	269,328,880
Operating loss before depreciation	(285,095,145)	(265,032,918)	(251,942,221)	(233,826,912)	(208,305,755)
Depreciation	102,251,719	103,302,317	67,525,830	58,923,681	58,832,905
Operating Loss	(387,346,864)	(368,335,235)	(319,468,051)	(292,750,593)	(267,138,660)
Nonoperating income (expense):					
Sales and use tax revenues	412,824,208	418,406,813	399,556,999	386,427,388	221,275,911
Federal operating assistance	50,813,465	47,040,532	42,804,571	41,321,873	39,649,222
Interest income	52,455,696	57,470,842	29,936,306	15,624,019	9,438,656
Other income	3,106,167	4,705,718	4,031,586	3,483,827	3,620,646
Gain/Loss on Capital Assets	1,385	1,055,695	1,929,568	1,450,073	(50,016)
Interest expense	(56,273,059)	(52,272,289)	(29,689,199)	(21,162,978)	(18,384,645)
Other expense	(976,998)	(861,301)	(805,485)	(790,015)	(1,367,580)
Total Nonoperating Income	461,950,864	475,546,010	447,764,346	426,354,187	254,182,194
Net income before capital grants and local co	74,604,000	107,210,775	128,296,295	133,603,594	(12,956,466)
Federal capital grants and local contributions	39,389,234	115,133,080	61,536,957	97,384,055	71,755,309
Increase in Net Assets	113,993,234	222,343,855	189,833,252	230,987,649	58,798,843
Net Assets at Beginning of Year	1,778,417,191	1,556,073,336	1,366,240,084	1,140,841,063	1,082,042,220
Prior Period Adjustment				(5,588,628)	
Net Assets at End of Year	$ 1,892,410,425	$ 1,778,417,191	$ 1,556,073,336	$ 1,366,240,084	$ 1,140,841,063

REGIONAL TRANSPORTATION DISTRICT

FIVE-YEAR SCHEDULE OF EXPENSES AND REVENUES - BUDGET AND ACTUAL - BUDGETARY BASIS*

Table 17

	2008		2007		2006		2005		2004	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating Revenues:										
Passenger Fares	$ 85,786,061	$ 88,205,312	$ 68,633,000	$ 77,127,717	$ 63,841,453	$ 66,210,654	$ 56,116,333	$ 57,638,160	$ 54,688,240	$ 55,441,942
Other	4,041,518	4,123,573	3,790,729	4,381,834	3,992,407	3,310,845	4,863,141	5,102,775	3,743,488	5,581,183
Total Operating Revenues	89,827,579	92,328,885	72,423,729	81,509,551	67,833,860	69,521,499	60,979,474	62,740,935	58,431,728	61,023,125
Operating Expenses:										
Salaries, wages, fringe benefits	151,991,150	155,799,098	145,578,427	150,560,206	136,734,557	136,732,680	129,721,721	130,370,664	128,082,020	127,333,577
Materials and supplies	65,664,990	61,056,058	52,510,979	49,157,225	46,779,526	43,708,793	37,057,427	39,869,193	26,081,531	27,835,390
Services	46,827,420	36,834,760	45,460,370	30,653,898	37,436,024	29,864,651	30,101,609	22,344,187	26,160,908	20,126,562
Utilities	10,160,324	10,574,996	10,024,381	8,678,120	8,256,916	7,529,674	6,419,434	7,169,764	6,543,772	5,548,075
Insurance	7,392,858	5,332,836	7,243,393	5,090,298	6,930,000	5,722,527	7,528,000	6,569,237	9,070,000	7,451,312
Purchased transportation	103,353,971	102,743,468	98,842,177	97,818,474	91,508,274	93,003,355	87,205,549	86,329,804	77,025,118	76,758,829
Leases and rentals	4,001,247	2,464,299	4,234,175	2,194,533	6,121,489	1,758,168	6,138,573	1,567,705	1,678,492	1,460,293
Miscellaneous	844,156	2,618,515	522,855	2,389,715	2,027,996	3,143,872	1,591,557	2,347,293	2,088,230	2,814,842
Total Operating Expenses	390,236,116	377,424,030	364,416,757	346,542,469	335,794,782	321,463,720	305,763,870	296,567,847	276,730,071	269,328,880
Operating loss	(300,408,537)	(285,095,145)	(291,993,028)	(265,032,918)	(267,960,922)	(251,942,221)	(244,784,396)	(233,826,912)	(218,298,343)	(208,305,755)
Nonoperating revenue (expense):										
Sales and use tax	427,690,407	412,824,208	425,796,000	418,406,813	407,327,968	399,556,999	387,582,291	386,427,388	225,030,000	221,275,911
Federal operating assistance	53,865,000	50,813,465	53,438,968	47,040,532	48,811,942	42,804,571	42,714,650	41,321,873	39,830,660	39,649,222
Interest income	37,705,630	52,455,696	26,457,056	57,470,842	20,007,142	29,936,306	13,196,359	15,624,019	10,102,500	9,438,656
Other income	3,272,000	3,106,167	3,649,950	4,705,718	3,736,548	4,031,586	3,645,413	3,483,827	3,591,540	3,620,646
Gain/Loss on Capital Assets	-	1,385	-	1,055,695	-	1,929,568	-	1,450,073	-	(50,016)
Interest expense	(65,467,440)	(56,273,059)	(68,379,053)	(52,272,289)	(47,688,492)	(29,689,199)	(35,130,320)	(21,162,978)	(31,372,535)	(18,384,645)
Other expense	-	(976,998)	-	(861,301)	-	(805,485)	-	(790,015)	-	(1,367,580)
Total Nonoperating Revenue	457,065,597	461,950,864	440,962,921	475,546,010	432,195,108	447,764,346	412,008,393	426,354,187	247,182,165	254,182,194
Proceeds from issue of long-term debt	200,842,688	17,694,905	-	471,151,329	594,855,081	627,945,268	84,377,347	187,388,378	122,458,217	169,865,759
Capital outlay										
Capital expenses	646,086,799	282,758,380	480,535,904	156,784,742	474,684,849	208,361,494	519,992,070	273,843,172	343,560,663	217,201,391
Less capital grants	(81,589,482)	(39,389,234)	(138,218,023)	(115,133,080)	(80,723,413)	(61,536,957)	(119,192,046)	(97,384,055)	(76,040,215)	(71,755,309)
	564,497,317	243,369,146	342,317,881	41,651,662	393,961,436	146,824,537	400,800,024	176,459,117	267,520,448	145,446,082
Long-term debt principal payment	63,040,000	63,020,000	55,695,000	55,695,000	31,340,000	31,340,000	27,225,000	128,758,747	26,470,000	74,431,450
Excess (deficit) of revenue and nonoperating income over (under) expenses, capital outlay and debt principal payments	$ (270,037,569)	(111,838,522)	$ (249,042,988)	584,317,759	$ 333,787,831	645,602,856	$ (176,423,680)	74,697,789	$ (142,648,409)	(4,135,334)
Increases (decreases) to reconcile budget basis to GAAP basis										
Capital expenditures		282,758,380		156,784,742		208,361,494		273,843,172		217,201,391
Long-term debt proceeds		(17,694,905)		(471,151,329)		(627,945,268)		(187,388,378)		(169,865,759)
Long-term debt principal		63,020,000		55,695,000		31,340,000		128,758,747		74,431,450
Depreciation		(102,251,719)		(103,302,317)		(67,525,830)		(58,923,681)		(58,832,905)
Net Income		$ 113,993,234		$ 222,343,855		$ 189,833,252		$ 230,987,649		$ 58,798,843

* The District's annual budget is prepared on the same basis as that used for accounting except that the budget also includes proceeds of long-term debt and capital grants as revenues, and expenditures include capital outlays and bond principal payments, and exclude depreciation and gains and losses on disposition of property and equipment.

REGIONAL TRANSPORTATION DISTRICT — Table 18

FY 2008 and 2009 Budget Summary (Dollars in Thousands)

	2008 Adopted	Aug-08 Amended	2009 Adopted
BEGSIGNATED WORKING CAPITAL BALANCE	**$1,257,727**	**$1,219,416**	**$1,164,953**
Drawdown from Working Capital	5,600	5,600	2,830
Local Capital Carryforward	99,770	63,830	60,186
Drawdown from Capital Acquisition Reserve	20,372	35,006	17,250
Southeast Corridor - Prior Year Revenues	0	0	30,254
FasTracks - Prior Year Revenues	127,994	99,974	649,123
NET WORKING CAPITAL	**1,003,990**	**1,015,007**	**405,309**
REVENUES			
Current Operating	392,853	390,878	407,186
Current Capital	82,950	84,193	111,512
Federal Capital Carryforward	16,988	18,828	35,154
Current FasTracks	471,679	455,962	446,714
Drawdown from COP Debt Service Reserve	5,600	5,600	2,830
Drawdown from Working Capital	99,770	63,830	60,186
Local Capital Carryforward	20,372	35,006	17,250
Drawdown from Capital Acquisition Reserve	0	0	0
Southeast Corridor - Prior Year Revenues	0	0	30,254
FasTracks - Prior Year Revenues	127,994	99,974	649,123
TOTAL REVENUES	**1,218,207**	**1,154,271**	**1,760,209**
EXPENDITURES			
Current Operating	458,439	455,704	473,705
Current Capital	388,545	404,342	832,659
Inventory Increase	0	0	1,600
Capital Carryforward	354,396	304,785	426,020
TOTAL EXPENDITURES	**1,201,380**	**1,164,830**	**1,733,984**
ENDING DESIGNATED WORKING CAPITAL BALANCE	**1,020,818**	**1,004,448**	**431,535**
RESERVES INCLUDED IN WORKING CAPITAL			
5.0% Operating Reserve	19,145	19,512	20,039
TABOR Reserve	17,749	16,731	16,999
Southeast Corridor Prior Year Revenues[1]	46,000	43,500	22,000
Capital Acquisition Reserve[2]	60	5,375	6,754
FasTracks Future Construction Reserve[3]	807,336	782,602	212,571
Other Designated Reserves[4]	95,526	104,334	114,013
Fastrcks Contingency Reserve[5]	30,000	30,000	30,000
TRANSIT DEVELOPMENT RESERVE	**$ 5,000**	**$ 2,394**	**$ 9,158**

[1] These represent revenues received for the Southeast Corridor project that are designated to be spent in current or future years.

[2] The Capital Acquisition Reserve is intended to fund major vehicle replacements or other new capital to be cash-financed during the term of the Transit Development Program.

[3] These represent revenues that are designated to be spent in current or future years for the construction of the FasTracks capital

[4] Other designated reserves included in the Designated Working Capital balance include funds legally restricted by bond covenants, other contracts, Board designation and policy guidelines.

[5] The FasTracks Contingency Reserve is an appropriated reserve which is available to fund future year expenditures for the FasTracks program which must be accelerated into the current year after the adoption of the annual budget.

APPENDIX C

AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER-METROPOLITAN AREA

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INTRODUCTION

In December 2007, the nation's economy entered what now appears to be one of the most severe recessions in the postwar period. While gross domestic product (GDP) growth, retail sales, and labor market indicators weakened throughout 2008, most indicators did not decline significantly until a financial crisis developed in the fall. By December 2008, U.S. GDP was contracting at a 6.1 percent rate and unemployment rates had already risen to 7.1 percent from 4.8 percent in the prior year.

Because a collapse in over-heated housing markets was a primary cause of the recession, consumers and businesses related to the household sector – banks, brokers, retail stores, and others – suffered some of the deepest and most immediate impacts. In the fourth quarter of 2008, for example, household spending was contracting at the fastest rate since the early 1980s while foreclosures were rising rapidly. World markets are highly interconnected and housing markets had overheated in many nations, so economic malaise spread quickly. In response, governments rushed to implement broad fiscal and monetary stimulus measures. As 2009 began, U.S. government leaders were working to stabilize the financial system and revive economies through investments in infrastructure and social programs.

While Colorado is not immune to weakness in the national and international economies, the state's economy tends to outperform national trends. Between 2006 and 2007, Colorado nonfarm job growth ranked ninth fastest in the nation. Even as the nation's economy entered recession, Colorado job growth remained comparatively strong. The state's employment growth between 2007 and 2008 reached 0.8 percent and ranked 10th fastest nationwide. High personal income, strong population growth, a diverse economy, and a milder-than-average housing downturn have stabilized Colorado's economy and established a foundation for strong recovery.

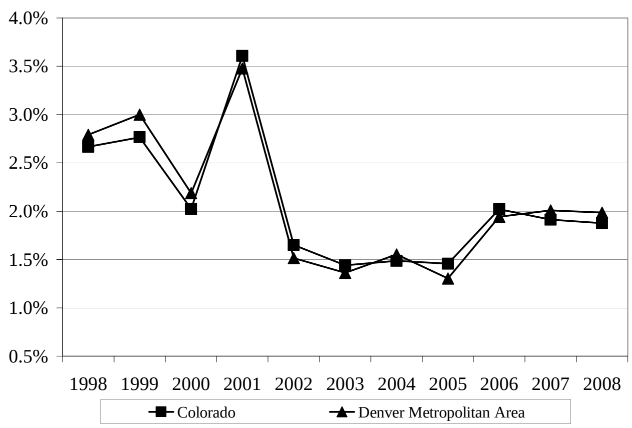
The Denver metropolitan area is comprised of seven counties – Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson – and continues to be an important driver in Colorado's economy, accounting for 56 percent of the state's population and 60 percent of its jobs. The Regional Transportation District (RTD) operates as a public transportation system whose 2,337 square mile service area includes all or parts of eight counties: the City and County of Denver, the City and County of Broomfield, the counties of Boulder and Jefferson, the western portions of Adams and Arapahoe Counties, the northeastern portion of Douglas County, and portions of Weld County annexed by Longmont and Erie. RTD serves 40 municipalities within six counties and two city/county jurisdictions. RTD operates 1,051 buses on 165 fixed routes and 122 light rail vehicles on 35 miles of track. This report describes economic activity in the region using mostly annual statistics for the Denver metropolitan area. The most recent monthly or quarterly data are provided where annual figures are not yet available.

POPULATION

Colorado

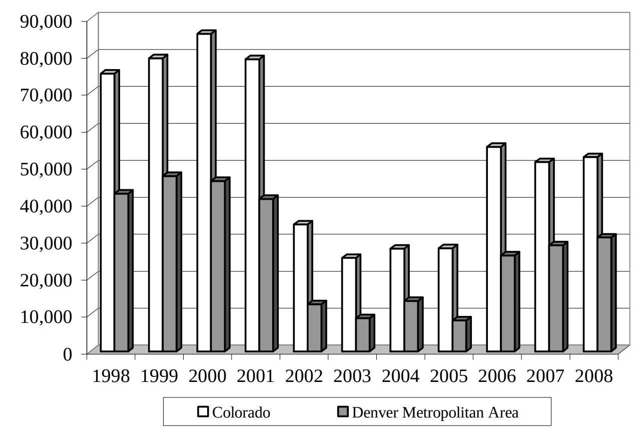
Colorado is the 22nd most populous state in the nation with 5,011,400 residents as of July 2008. The state's 2008 population increase of 92,200 residents represented a 1.9 percent growth rate, or twice the rate of nationwide population growth. According to the U.S. Census Bureau, Colorado was the fifth fastest-growing state in 2008.

POPULATION GROWTH RATES



Source: Colorado Division of Local Government, State Demography Office.

NET MIGRATION



Source: Colorado Division of Local Government.

Two factors drive population growth – natural increase and net migration. Natural increase, or births less deaths, typically follows a stable trend. Net migration, or the number of people moving into the state minus the number leaving, tends to be more volatile and reflects structural factors including job growth and quality of life. The natural increase of Colorado's population averaged over 39,000 residents per year between 1998 and 2008. Viewed another way, natural increase accounted for 43 percent of the state's total population gain over the ten-year period. Colorado net migration averaged nearly 51,900 residents over the same period and accounted for 57 percent of the state's ten-year population change.

Because net migration is strongly correlated with job growth, migration patterns tend to fluctuate with the business cycle. For example, net migration accounted for as much as 70 percent of Colorado's annual population gain during the rapid economic expansion of the late 1990s. Through the 2001 recession, net migration represented as little as 41 percent of total population growth as poor labor market conditions restricted mobility. More recently, Colorado's better-than-average economic performance has kept net migration at a relatively stable 57 percent of total population change.

Denver Metropolitan Area

Roughly half of Colorado's new residents settle in the Denver metropolitan area. With an average of 26,400 net new residents per year between 1998 and 2008, the region accounted for 51 percent of Colorado's total net migration over the ten-year period. Again, net migration is highly correlated with job growth, so recent counts of net migration in the Denver metropolitan area have declined from those of the late 1990s.

Annual natural increase in the Denver metropolitan area averaged 24,400 between 1998 and 2008. Combining natural increase and net migration, the Denver metropolitan area population grew an average of two percent per year over the ten-year period. That rate combines a faster annual average growth rate (2.3 percent) through 2003 and a slower annual growth rate (1.8 percent) through the five years following the region's 2002-2003 recession.

In 2008, population in the Denver metropolitan area reached an estimated 2,788,800 people, representing a nearly two percent increase from the prior year. The area's population is fairly well-distributed across age groups but is still slightly younger than the national average. According to the U.S. Census Bureau, the median age in the Denver metropolitan area is 35.6 compared to the national median of 36.7.

**COUNTY POPULATION
(in thousands)**

Area	1998	2003	2008	Avg. Annual %Change 1998-03	Avg. Annual %Change 2003-08
Adams	344,024	380,985	434,762	2.1%	2.7%
Arapahoe	472,399	519,007	562,009	1.9%	1.6%
Boulder	274,115	285,355	298,685	0.8%	0.9%
Broomfield	N/A	45,181	54,796	N/A	3.9%
Denver	533,406	570,954	611,509	1.4%	1.4%
Douglas	144,354	223,645	283,951	9.2%	4.9%
Jefferson	512,483	530,884	543,053	0.7%	0.5%
Denver Metropolitan Area	**2,280,781**	**2,556,011**	**2,788,765**	**2.3%**	**1.8%**
Colorado	**3,968,967**	**4,595,132**	**5,011,390**	**3.0%**	**1.7%**

*Note: The City & County of Broomfield was established in 2001.
Sources: Colorado Division of Local Government,
U.S. Census Bureau.*

Within the Denver metropolitan area, Douglas, Broomfield, and Adams counties reported the strongest population growth rates between 2003 and 2008. According to the U.S. Census Bureau, Douglas County was the fastest-growing county in the nation during the 1990s. While the county's population is still growing quite rapidly, the growth rate has slowed as the county matures. A recent Census Bureau analysis shows, for example, that Douglas County population growth between 2000 and 2008 ranked 10th fastest among growth rates for 100 U.S. counties with 10,000 or more residents.

EMPLOYMENT

The U.S. Department of Labor prepares two monthly reports on employment. The first is a survey of households used to estimate employment by place of residence. This "household survey" is the source of estimates for labor force, employment (including self-employment), and unemployment by county.

The second report is a survey of businesses known as the Current Employment Statistics (CES) data series. This "establishment survey" does not count the self-employed, but survey data are still some of the most closely watched and widely used economic indicators.

Industry employment data in the CES series are grouped according to North American Industry Classification System (NAICS) codes. This coding structure includes 11 industry "supersectors" which can be further divided into 20 broad industry groups.

Colorado

According to the CES data, Colorado nonfarm employment growth averaged 3.7 percent per year between 1988 and 1998. In some years during that time, annual employment growth approached and even exceeded five percent. By contrast, the state's 1.9 percent rate of job loss in 2002 – the peak year for job losses related to the 2001 recession – represented the sharpest drop in employment since the 1940s.

While Colorado job growth rates following the 2001 recession did not return to the highs of the 1990s, the state's job growth rates were still some of the fastest reported nationwide. Between 2006 and 2007, Colorado nonfarm job growth ranked ninth fastest in the nation. Even as the nation's economy entered recession in late 2007, Colorado job growth remained comparatively strong. The state's employment growth between 2007 and 2008 reached 0.8 percent and ranked 10th fastest nationwide.

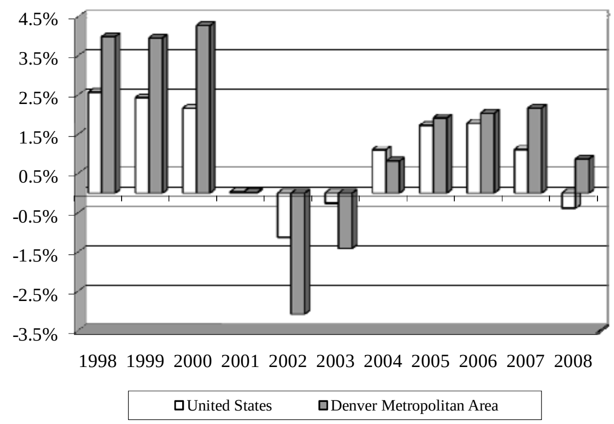
Denver Metropolitan Area

Current Employment Statistics data are also available for a number of the Metropolitan Statistical Areas (MSAs) defined by the U.S. Office of Management and Budget. The Denver-Aurora-Broomfield MSA includes ten counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties. The following data are for the Denver-Aurora-Broomfield MSA and Boulder MSA (Boulder County) combined, or an 11-county area that best represents the seven-county Denver metropolitan area discussed in the rest of this report.

The 11-county Denver metropolitan area has a nonfarm employment base of more than 1.4 million workers. The area's total nonfarm wage and salary employment growth reached near and above four percent in the decade before the 2001 recession, and the technology boom drove even faster double-digit growth rates in the region's information sector.

Because the ensuing 2001 recession was particularly hard on high-tech employers, Denver metropolitan area employment contracted. Specifically, the region's annual job decline measured 3.1 percent when losses peaked in 2002. Partly because of these heavy losses, the region's employment growth lagged the statewide growth rate until 2008. That year, annual job growth in the Denver metropolitan area (0.9 percent) was slightly faster than the 0.8 percent rate reported statewide.

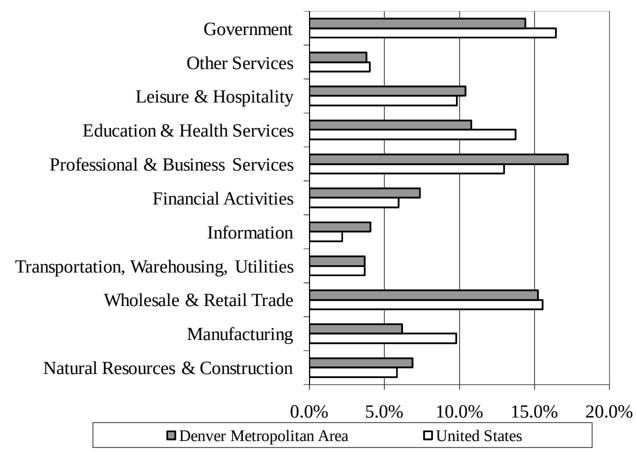
NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT GROWTH RATES



Sources: U.S. Department of Labor, Bureau of Labor Statistics; Colorado Department of Labor and Employment.

Three major industry sectors – professional and business services, wholesale and retail trade, and government – represent about 47 percent of the jobs in the Denver metropolitan area. The professional and business services sector is the largest of the three industries and includes temporary employment services, facilities services, and a wide variety of technical firms specializing in accounting, engineering, and other professions. Because many of the workers in the sector are employed as consultants or contractors, the sector's employment trends tend to reflect business activity across the entire industry base.

2008 EMPLOYMENT BY INDUSTRY



Sources: U.S. Department of Labor, Bureau of Labor Statistics; CO Department of Labor & Employment.

Eight of the Denver metropolitan area's 11 supersectors reported employment growth between 2007 and 2008. Employment declined in financial activities, manufacturing, and natural resources and construction, largely because of the ongoing corrections in credit and real estate markets. The broader international impacts of the U.S. recession also kept downward pressure on exports, so the already-declining manufacturing sector suffered a further blow in 2008. Combined, the three sectors lost roughly 6,300 jobs over the year.

Among the remaining supersectors, over-the-year employment growth ranged from 0.2 percent in wholesale and retail trade to 4.2 percent in education and health services. In absolute terms, education and health services ranked first for jobs added with an increase of 6,200 positions over-the-year, followed by government (+4,900 jobs) and professional and business services (+2,900 jobs).

LABOR FORCE & UNEMPLOYMENT

Following the 2001 recession, the U.S. unemployment rate peaked at six percent in 2003. The rate declined each year through 2006 but began rising in 2007 as the nation's economy again entered recession. The U.S. unemployment rate averaged 5.8 percent in 2008 and rose considerably higher during the first nine months of 2009.

Colorado

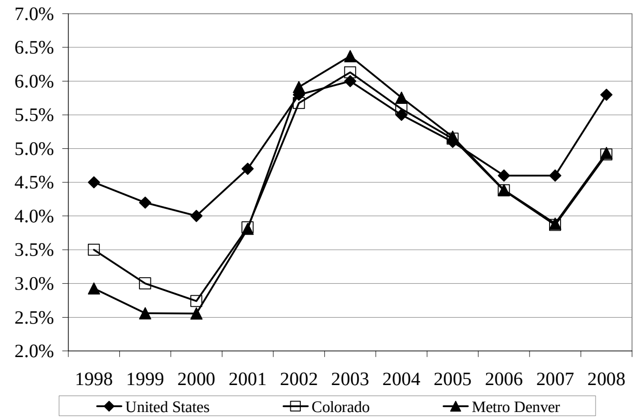
Colorado's unemployment rate also peaked in 2003 and tracked the U.S. rate downward over the next two years. The state's unemployment rate fell below the U.S. average in 2006 and 2007, partly because of strong job growth in natural resources and professional and business services. These factors and a milder-than-average housing correction helped Colorado's labor market remain stronger than many other markets through the early months of the current nationwide recession, but the state's unemployment rate rose through late 2008. The Colorado unemployment rate averaged 4.9 percent for all twelve months of that year, one percentage point above the 2007 rate and about one percentage point below the 2008 nationwide average.

Denver Metropolitan Area

The Denver metropolitan area has a similar unemployment rate history, although the region's rate was considerably lower than the state and national averages prior to the 2001 recession and remained somewhat higher afterward. The Denver metropolitan area unemployment rate fell below the national average in 2006 and tightened further in 2007 before the recession weakened labor markets. Like the statewide unemployment rate, the Denver metropolitan area 2008 unemployment rate rose one percentage point from 2007 to 4.9 percent, but the rate remained roughly one percentage point below the national average.

A highly-educated workforce is one factor behind this advantage, because capable workers attract businesses even in challenging economic times. According to the U.S. Census Bureau's 2008 American Community Survey, Colorado has the second-highest percentage of college graduates among the 50 states. Educational attainment is also high in the Denver metropolitan area, where 89.0 percent of the adult population has graduated high school and 39.5 percent has a bachelor's or advanced degree.

UNEMPLOYMENT RATES



Sources: U.S. Department of Labor, Bureau of Labor Statistics; CO Department of Labor & Employment.

MAJOR EMPLOYERS

Colorado's labor market is dominated by small business. According to the U.S. Small Business Administration, 97.8 percent of the Colorado employer firms counted in 2006 were classified as small businesses. Self employment is also on the rise in Colorado, as the number of firms classified as non-employers – typically unincorporated businesses with no paid employees – increased over five percent to 426,000 in 2007.

While self-employment and small business are also key players in the Denver metropolitan area economy, large firms have a significant presence. Over 120 firms with 1,000 or more employees were operating in Colorado in 2007 according to the latest *County Business Patterns* by the U.S. Census Bureau. The majority of these large businesses were located in the Denver metropolitan area. The following list ranks the region's 20 largest private employers.

LARGEST PRIVATE EMPLOYERS

	Company	Products/Services	Employees
1.	Wal-Mart	General Merchandise	11,050
2.	King Soopers Inc.	Grocery	10,850
3.	HealthONE Corporation	Healthcare	9,180
4.	Lockheed Martin Corporation	Aerospace & Defense-Related Systems	8,200
5.	Qwest Communications	Telecommunications	7,500
6.	Safeway Inc.	Grocery	6,500
7.	Exempla Healthcare	Healthcare	6,230
8.	Centura Health	Healthcare	5,830
9.	Kaiser Permanente	Healthcare	5,570
10.	Target Corporation	General Merchandise	5,200
11.	Denver Health	Healthcare	5,100
12.	United Airlines	Airline	5,000
13.	Frontier Airlines	Airline	4.500
14.	IBM Corporation	Computer Systems & Services	4,300
15.	DISH Network	Satellite TV & Equipment	4,150
16.	United Parcel Service	Parcel Delivery	4,000
17.	University of Denver	University	4,000
18.	Children's Hospital	Healthcare	3,850
19.	University of Colorado Hospital	Healthcare, Research	3,800
20.	Wells Fargo Bank	Financial Services	3,800

Source: Development Research Partners, April 2009.

Thirteen companies headquartered in Colorado are part of the 2009 *Fortune 1,000* list. The companies are Qwest Communications (197th), DISH Network (231st), Liberty Global (257th), Liberty Media (265th), First Data (295th), Ball (336th), Newmont Mining (400th), ProLogis (426th), CH2M Hill (436th), Western Union (451st), Molson Coors Brewing (487th), Level 3 Communications (526th), and Cimarex Energy (908th).

Five other Colorado businesses were recognized on *Forbes'* October 2009 list of the 200 best small public companies. Dynamic Materials ranked 56th, followed by Air Methods (61st), Berry Petroleum (74th), Royal Gold (83rd), and Rocky Mountain Chocolate Factory (126th). To qualify for the list, companies must have 12-month sales between $5 million and $750 million and a stock price of at least $5 per share. Overall rankings were based on companies' return on equity plus several measures of profit and sales growth in the past 12 months and over the past five years.

Royal Gold was also named in the 2009 edition of the *Fortune Small Business* "FSB 100." The list identifies the nation's 100 fastest-growing small businesses. Two other Colorado companies – Mesa Laboratories and Ramtron International Corporation – were also recognized. Fourteen more Colorado companies made the 2009 *Inc*. list of the 500 fastest-growing private companies nationwide and an additional 133 companies made the 2009 *Inc.* list of the 5,000 fastest-growing private companies. The companies included on the list represent a cross-section of industries, from clean energy to financial services, construction, and logistics.

These and other private sector businesses account for a majority of employment in the Denver metropolitan area, but the public sector also represents a sizeable portion of the area's job base. As the capital of Colorado, the City and County of Denver has a large concentration of government employees. Specifically, public sector employment in Denver includes 14,700 federal government employees, 23,200 state government employees, and 31,800 employees in local government entities including the City and County of Denver (13,100 employees) and Denver Public Schools (11,300 employees).

INTERNATIONAL TRADE

Denver International Airport links the Denver metropolitan area to businesses nationwide and around the world. The airport offers daily, non-stop service to more than 150 domestic and international locations including London, Frankfurt, and several major cities in Canada, Mexico, and Central America. The airport currently ranks as the fifth-busiest in the U.S. and the 10th busiest worldwide.

While the Denver metropolitan area is easily accessible by air, the region's central location also makes it a strategic site for warehousing and overland shipping. Because the region is located on the 105th meridian – the exact midpoint between

Tokyo and Frankfurt – local companies can contact businesses in both countries in the same business day. The Denver metropolitan area is also located midway between Canada and Mexico, which are partners under the North American Free Trade Agreement (NAFTA).

Shipments to Canada and Mexico accounted for 41 percent of Colorado's total exports in 2008. By comparison, exports to the two countries accounted for a smaller 32 percent of all U.S. shipments in the same year. While Canada and Mexico are key trading partners for Colorado, several other countries including China, Japan, the Netherlands, and Germany also receive considerable shares of the state's exports.

Overall growth in Colorado exports has lagged nationwide growth in exports since 2004. The disparity arises largely because Colorado's export portfolio relies heavily on computers, electronics, and semiconductors, all goods that are increasingly likely to be manufactured overseas. In years prior to the 2001 recession, for example, the computers and electronics manufacturing industry accounted for as much as 60 percent of Colorado's total exports to the world. That share had declined to 34 percent in 2008 but was still considerably larger than the comparable U.S. share of 15 percent.

The following industries account for more than two-thirds of Colorado's total exports:

- Computers and electronic products (34 percent of total export value; down 13 percent between 2007 and 2008).
- Processed foods (13 percent of total export value; up 16 percent in 2008).
- Chemicals (10 percent of total export value; up 21 percent in 2008).
- Machinery (10 percent of total export value; up 13 percent in 2008).

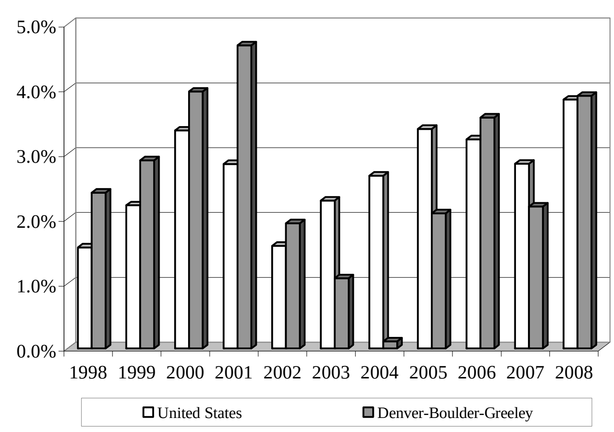
Despite the considerable decline in computers and electronics, the total value of Colorado exports still increased 4.9 percent in 2008. Total U.S. export values increased 12.1 percent as domestic businesses benefitted from what was then a weak dollar and strong global demand.

INFLATION

Inflation in the Denver metropolitan area has often exceeded inflation at the national level, particularly in periods of stronger-than-average local job growth. In the years before the 2001 recession, for example, Denver metropolitan area inflation – as measured by the Denver-Boulder-Greeley Consumer Price Index (CPI) – reached and even exceeded four percent. After the recession, however, local job growth has occurred at a more restrained pace and the local inflation rate has more closely tracked the U.S. average. In 2008, a dramatic spike in oil prices had an equalizing influence on price pressures around the country, and the Denver metropolitan area inflation rate (3.9 percent) was essentially the same as the U.S. average (3.8 percent).

While overall inflation rates in both areas were roughly equal in 2008, price changes for the eight major categories of goods used to construct the CPI were somewhat different. Specifically, Denver metropolitan area prices for medical care, recreation, and transportation increased at a faster rate than they did nationwide in 2008. Local prices for apparel, education and communications, food and beverages, housing, and other goods and services rose at a slower-than-average rate that year.

INFLATION RATES



Source: U.S. Department of Labor, Bureau of Labor Statistics.

INCOME

Colorado

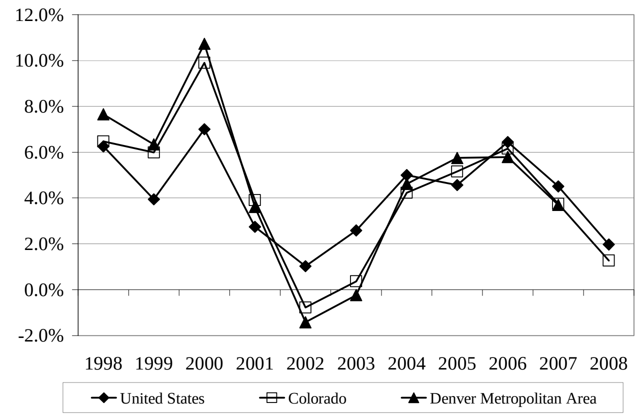
Colorado total personal income grew at an average annual rate of 5.8 percent between 2003 and 2008. That rate was about one-half percentage point higher than the U.S. average growth rate over the same period and ranked 22nd fastest in the nation. Annual personal income growth rates between 2003 and 2008 were fastest in 2005 and 2006, when total Colorado income growth exceeded six percent per year. An increasingly unstable national economy contributed to slower Colorado income growth in 2007 and 2008, when rates measured 5.7 percent and 3.3 percent, respectively.

The state's per capita personal income has followed a similar trend at a lower level, partly because Colorado has reported some of the fastest population growth rates in the nation over the past several years. In 2008, weaker economic conditions meant slower per capita income growth for nearly every state, and Colorado's growth rate declined to 1.3 percent from 3.7 percent in 2007. Even after slower growth, Colorado's 2008 per capita personal income of $42,985 still represented 107 percent of the U.S. average and ranked 12th highest in the nation.

Denver Metropolitan Area

Local-level income data are available through 2007, and they show per capita personal income in the Denver metropolitan area increased 3.7 percent from 2006. That year's growth rate fell below the national income growth rate of 4.5 percent and was the same as the statewide growth rate of 3.7 percent. Despite the slower growth rate, 2007 per capita personal income in the Denver metropolitan area ($47,327) was 120 percent of the national average.

PER CAPITA PERSONAL INCOME GROWTH RATES



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

RETAIL TRADE

During the 2001 recession, the U.S. household sector helped stabilize the economy with strong investment in housing and swift retail sales. By contrast, a steep downturn in housing and dramatic pullback in consumer spending were key triggers of a nationwide recession that began in December 2007.

Data from the U.S. Census Bureau suggest the slowdown in nationwide retail sales began as early as 2006. In 2007, nationwide retail sales increased 3.3 percent after adjustment for inflation. By the end of 2008, the combination of rapid inflation and declining consumer purchases produced a 4.0 percent real decline in U.S. retail trade sales. Sales declines were particularly extreme for durable goods including automobiles, furniture, and home furnishings.

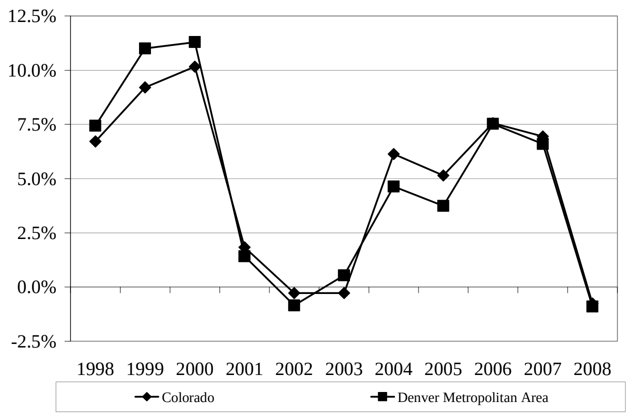
Colorado

Colorado's per capita personal income is consistently above the national average, and statewide job growth also tends to exceed the national average. Both of these factors support stronger-than-average retail sales, although the nationwide recession has noticeably affected recent sales volumes. Growth in Colorado retail trade sales slowed through 2007, but the over-the-year change in sales did not turn negative until the latter months of 2008. That year, Colorado retail sales declined 0.8 percent from 2007, which amounts to a 4.7 percent drop in sales after adjustment for inflation.

Denver Metropolitan Area

Retail trade sales in the Denver metropolitan area have generally followed the statewide trend over the past year, although statewide sales were slightly stronger thanks to rapid economic expansion in northern and western Colorado. Total 2008 retail trade sales for the Denver metropolitan area declined 0.9 percent from 2007, which amounts to a 4.8 percent decline when adjusted for inflation.

RETAIL TRADE SALES GROWTH



Source: Colorado Department of Revenue.

Retail trade sales are a subset of total retail sales that includes consumer purchases from retailers and from food and drink establishments. Partly because of food price inflation and a nationwide downturn in auto sales, food and beverage stores surpassed sellers of automobiles and parts as the largest source of Denver metropolitan area retail sales in 2008. General merchandisers, warehouse clubs, restaurants, and drinking places were the next largest contributors to the region's total retail trade sales.

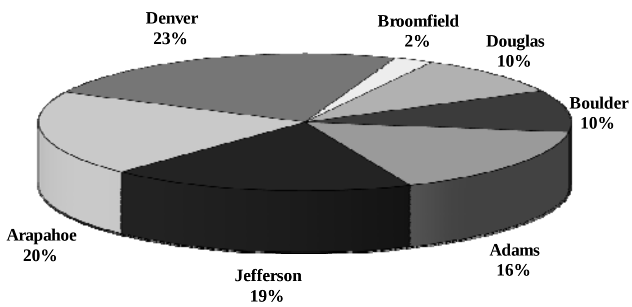
Sales in the region's non-store retail category – which can include Internet retailers, kiosks, and other formats – rose the most between 2007 and 2008 (+18.4 percent), followed by sales at food and beverage stores (+7.6 percent) and gas stations (+4.2 percent). Consistent with national trends, the region's automobile sales declined considerably (-15.6 percent) over-the-year, and sales of furniture (-8.4 percent) and building materials (-6.7 percent) also declined.

**DENVER METROPOLITAN AREA
RETAIL TRADE SALES BY CATEGORY
(in $millions)**

Industry	2007	2008	Change
Retail Trade:			
Motor Vehicle and Auto Parts	$8,563	$7,229	-15.6%
Furniture and Furnishings	$1,656	$1,516	-8.4%
Electronics and Appliances	$1,360	$1,295	-4.8%
Building Materials / Nurseries	$3,157	$2,947	-6.7%
Food/Beverage Stores	$6,951	$7,482	7.6%
Health and Personal Care	$1,278	$1,315	2.9%
Service Stations	$2,729	$2,844	4.2%
Clothing and Accessories	$2,108	$2,086	-1.0%
Sporting/Hobby/Books/ Music	$1,536	$1,457	-5.1%
General Merchandise/ Warehouse	$5,887	$5,987	1.7%
Misc. Store Retailers	$1,457	$1,453	-0.3%
Non-Store Retailers	$2,829	$3,348	18.4%
Total Retail Trade	$39,511	$38,959	-1.4%
Food / Drinking Services	$4,717	$4,869	3.2%
TOTAL	$44,228	$43,828	-0.9%

Source: Colorado Department of Revenue.

DISTRIBUTION OF 2008 RETAIL TRADE SALES BY COUNTY



Source: Colorado Department of Revenue.

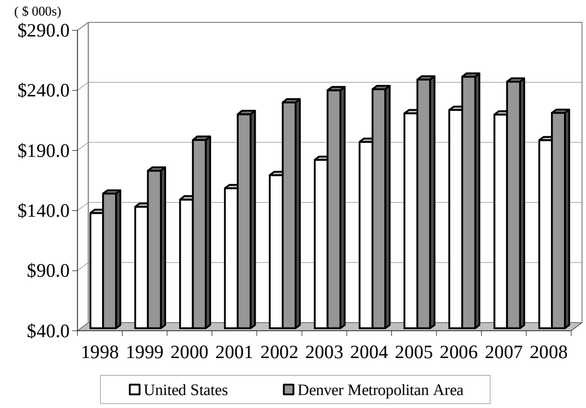
RESIDENTIAL REAL ESTATE

A nationwide housing correction has caused homeownership rates in many states – including Colorado – to decline over the past five years. Specifically, the Colorado rate fell from 71.3 percent in 2003 to 69 percent in 2008 as foreclosures caused some owners to lose their homes and a difficult lending environment thwarted potential buyers. Still, Colorado's 2008 homeownership rate was slightly higher than the national average rate of 67.8 percent.

While Colorado has certainly experienced a housing downturn, the contraction has been comparatively mild thanks to strong population and job growth and relatively stable home prices. Between 2000 and 2005, for example, the U.S. median home price appreciated an average of 8.3 percent per year. By contrast, median home prices in the Denver metropolitan area appreciated an average of 4.7 percent per year over the same period.

The Denver metropolitan area and national median home prices have depreciated at roughly the same rates over the past two years, with each down between 10 and 11 percent between 2007 and 2008. While price declines have placed a large burden on homeowners, declines over the past five years have increased the affordability of Denver metropolitan area housing. Specifically, the 2008 Denver median home price of $219,300 was roughly 112 percent of the national median, compared to 132 percent of the national median in 2003.

MEDIAN HOME PRICES



Source: National Association of REALTORS.

While median home price data suggest that home prices in the Denver metropolitan area have fallen considerably, other price measures show a different trend. The Federal Housing Finance Agency's Home Price Index (HPI), for example, suggests that second quarter 2009 home prices in the Denver metropolitan area had declined just 0.3 percent over-the-year. This figure varies considerably from the depreciation evident in the median home price series, partly because the price measures themselves are fundamentally different and partly because they focus on different properties.

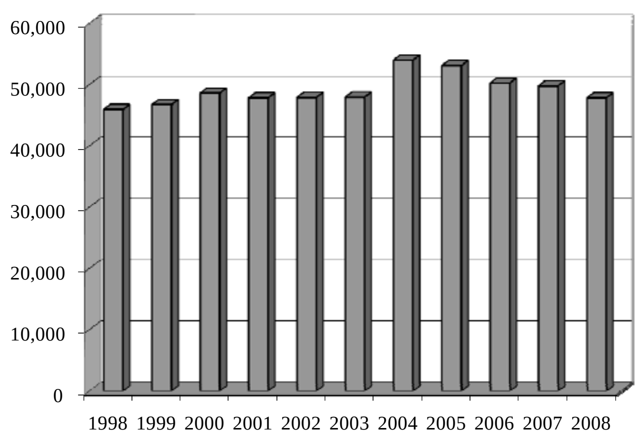
The HPI, for example, considers both sales and refinances for conforming loans while median price data consider sales of all homes. Because distressed properties and unconventional loans account for a large portion of recent sales, some analysts have suggested that home price measures based on sales alone – including median home price data – may not necessarily reflect the actual value of many properties.

Whether or not median and average home price measures accurately describe most properties, they do suggest that foreclosures and other distressed properties still have a considerable presence in the marketplace. While foreclosure activity remains elevated in the Denver metropolitan area, the region's overall foreclosure trend appeared to be maturing in 2008. The region's public trustees reported a total of 24,821 filings for the year, representing a 6.4 percent decline from 2007 filings.

Notably, public trustees for the counties that had contributed most to the region's total filings in recent years – Adams County, Arapahoe County, and the City and County of Denver – reported the largest declines in 2008 foreclosure activity. Specifically, foreclosures in the City and County of Denver declined 17 percent over the year, and filings in Adams and Arapahoe Counties declined 8.6 percent and 6.1 percent, respectively.

The Denver metropolitan area foreclosure trend will also improve as the home sales market strengthens. In 2008, total existing home sales in the Denver metropolitan area numbered 47,837 in an 11.4 percent decline from the 2004 peak and a 3.9 percent decline from 2007. Because lower-priced homes and distressed sales dominated the marketplace, total sales volume fell 14.8 percent from more than $14 billion in 2007 to roughly $12 billion in 2008.

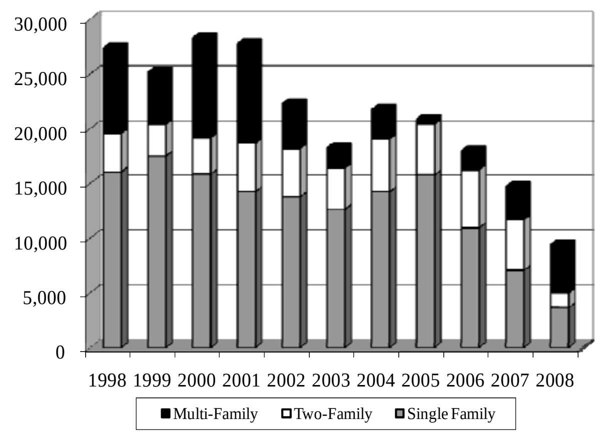
DENVER METROPOLITAN AREA HOME SALES



Source: Metrolist Inc.

The dramatically slower home sales market also curtailed Denver metropolitan area home construction over the past two years. In 2008, the region's counties and municipalities issued roughly 9,400 building permits in a 36 percent decline from 2007 and a 57 percent decline from permits issued in 2004. Construction activity in 2008 increased from the prior year in only five Denver metropolitan area communities, including the City and County of Denver.

NEW HOME CONSTRUCTION



Source: Home Builders Association of Metro Denver.

While the region-wide decline in permits for single-family detached homes far exceeded the decline in permits for attached homes – duplexes, townhomes, and condominiums – in 2007, the opposite was true as the construction downturn steepened in 2008. That year, permits for single-family attached homes fell 71.3 percent from 2007, while permits for detached homes fell 48 percent. Because permits for single-family attached homes rose much higher than detached home permits in 2004 and fell at considerably slower rates in the years that followed, the attached homes market likely has more excess inventory to clear.

While weak construction and financing trends have also affected the Denver metropolitan area multifamily (apartment) market, the market has clearly outperformed other property types. In 2008, the region's total permits for apartment construction surpassed 4,400 and represented the largest number of apartment permits issued since 2001.

Relatively stable vacancy rates have been a driving factor behind the region's growing apartment stock. According to the *Denver Metro Apartment Vacancy and Rent Survey*, the region's 12-month average vacancy rate was 6.6 percent in 2008, an increase of roughly half of a percentage point from 2007. Those rates represented a considerable tightening from the prior recessionary period, when the region's vacancy rates rose as high as 13.1 percent. A more dramatic decline in the nation's economy in late 2008 contributed to an increase in the region's vacancy rate, which rose to 7.9 percent in the fourth quarter.

Even with an increase in vacancy, the Denver metropolitan area average apartment rental rate ended 2008 at $889 per month, a 3.3 percent increase from the prior year. Rates increased the most over-the-year in Arapahoe County (+6.3 percent), the City and County of Denver (+5 percent), Adams County (+3.4 percent), and Boulder and Broomfield Counties (+2.7 percent).

COMMERCIAL REAL ESTATE

The Denver metropolitan area's reputation for relatively inexpensive commercial real estate attracted large numbers of investors and developers following the 2001 recession. Declining vacancy and rapidly rising lease rates were the hallmarks of 2006, when investors spent a record $5 billion on the region's commercial real estate.

Development, sales, and leasing activity moderated in 2007, but the region's commercial markets did not show sustained signs of weakness until 2008. By the end of the year, direct vacancy rates for most property types in the Denver metropolitan area had increased roughly one percentage point from the prior year. Financial market uncertainty clearly affected both the need for space and the ability to obtain loans for many businesses.

Despite these weaker trends, commercial markets in the Denver metropolitan area are poised to make a strong recovery when business demand revives and credit conditions improve. The region ranks favorably in measures of market supply and demand, largely because local markets were not as overbuilt prior to the 2007 recession as they were before the 2001 downturn. The Denver metropolitan area also continues to attract venture capital investment, and the region's high quality of life and well-educated workforce are key enticements for relocating businesses. Combined, these factors are expected to mitigate market weakness throughout the recession and accelerate the region's recovery afterward.

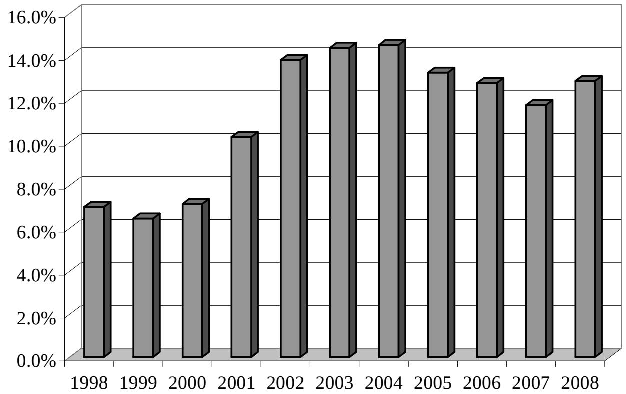
Office Activity

The housing and financial crises had almost immediate impacts on office markets as banks and brokerages downsized. As the crises evolved, it affected outlooks for a broader range of industries including aviation, telecommunications, and professional services. In short, the economic events of 2008 trimmed demand for both existing and new office space.

Data from CoStar Realty Information, Inc. confirm that the Denver metropolitan area's office market weakened throughout 2008. The region's direct vacancy rate increased slightly each quarter and ended the year at 12.9 percent, or over one percentage point higher than the 11.7 percent rate from the fourth quarter of 2007. Slower market activity essentially reversed gains in lease rates that occurred in the second and third quarters, and average rates ended the year at $21.31 per square foot.

Despite changing fundamentals, 2008 still proved to be a year of solid office market construction activity. More than two million square feet of space in 63 buildings was completed throughout the year, with major projects including the Palazzo Verdi building in Arapahoe County and 1400 Wewatta in Denver. As developers and property owners face financial challenges and poor sales conditions, though, the pace of building activity has slowed as the development pipeline empties. By the fourth quarter of 2008, office property under construction totaled two million square feet, compared to 3.4 million square feet under construction in the prior year.

OFFICE DIRECT VACANCY RATE



Sources: CB Richard Ellis (1998); CoStar Realty Information, Inc. (1999-2008).

Industrial Activity

The industrial market in the Denver metropolitan area maintained momentum through much of 2008 but finally weakened in the fourth quarter. According to CoStar Realty Information, Inc., the direct vacancy rate rose to 6.7 percent from 6.3 percent in the third quarter while average lease rates remained essentially steady at $5.13 per square foot. The region's flex market showed similar trends as vacancy rose from 12.7 percent in the third quarter to 13.7 percent in the fourth quarter. Like rental rates in the industrial market, flex market rental rates were essentially stable as 2008 ended.

The industrial market's earlier strength supported a considerable amount of new construction in 2008, as nearly 2.5 million square feet was completed in 41 buildings including the Whirlpool facility in Adams County and the Digicomm building in Arapahoe County. Building activity nearly halted in the fourth quarter, though, as only 170,000 square feet in three buildings remained under construction.

The industrial and flex markets have also benefitted from better-than-average growth prospects for energy, bioscience, and aerospace. ConocoPhillips is proceeding with plans to redevelop the former 432-acre Storage-Tek campus in Brighton into a renewable energy center to research hydrogen fuel cells, solar, wind power, and clean diesel fuel. The new manufacturing facility for Vestas Wind Systems A/S will also support construction activity in Brighton and south of Denver in Pueblo. In short, organic growth in the Denver metropolitan area's dynamic industries and the region's growing reputation in the global marketplace should help to soften the impacts of a weak economy.

Construction activity for hospital and medical properties remains to be finished. Work continues on the new St. Anthony Central Hospital in Lakewood, and spokespeople say construction will be completed in 2011. The 100-year-old Lutheran Medical Center in Wheat Ridge is undergoing a $224 million expansion, and work on the $113 million HealthONE Rocky Mountain Hospital for Children is also ongoing. Planned development activity for medical facilities includes the redevelopment of the former Children's Hospital location into a new building for St. Joseph Hospital and the construction of a new Veterans Affairs Hospital. The $548 million VA hospital will be part of the Colorado Science+Technology Park in the Fitzsimons Life Science District in Aurora and is scheduled to open in 2011.

Redevelopment Activity

The Fitzsimons Life Science District – a decommissioned army medical center – is the site of some of the most concentrated redevelopment activity in the Denver metropolitan area. The $4.3 billion renovation project will ultimately create one square-mile of health and life science research facilities and includes two parts, the Anschutz Medical Campus and the Colorado Science + Technology Park.

Development work is ongoing at the Anschutz Medical Campus, which is home to the University of Colorado Hospital and academic and research facilities for the University of Colorado Denver School of Medicine. The adjacent Colorado Science

+ Technology Park already includes 80,000 square feet of bioscience incubator space in two buildings and will ultimately include office space, a hotel and conference center, and other facilities. Now that the former University of Colorado Denver campus at Colorado Boulevard and East Ninth Avenue is essentially vacant, plans are underway for a mixed-use redevelopment including a hotel, retail and grocery store, and residential space.

Several other redevelopment projects across the Denver metropolitan area are also following a mixed-use model. The $110 million, mixed-use redevelopment of the former Buckingham Square Mall in Aurora will include a pedestrian-oriented retail center with almost one million square feet of space plus large-format retail, office, and – eventually – residential space. Developers are also working to convert the former Southglenn Mall in Centennial to a mixed-use town center with apartments and retail space. Many retailers have already opened at the new development and more grand openings are scheduled.

Other mixed-use projects in the region are considered transit-oriented developments and are centered around FasTracks, the $6.9 billion transit expansion project approved by voters in 2004. According to the Denver Regional Council of Governments, 65 projects located within one-half mile of a transit station will be built within the next five years. The largest of those projects are related to the Fitzsimons Life Science District and Union Station redevelopment. Most recently, construction began on the West Corridor connecting downtown Denver and the Jefferson County Government Center in Golden, serving the Denver Federal Center, Lakewood, and the surrounding Jefferson County. Combined, projects to be completed over the next five years will add more than 1,270 acres of transit-oriented development throughout the Denver metropolitan area.

Retail Activity

The Denver metropolitan area offers 19 retail and lifestyle centers of 500,000 square feet or more and numerous smaller shopping districts. These retail centers are geographically dispersed throughout the region, ranging from the Colorado Mills "shoppertainment" regional mall in Lakewood to FlatIron Crossing in Broomfield and Park Meadows Retail Resort in Douglas County. These suburban malls complement the one million-square-foot Cherry Creek Shopping Center located within the City and County of Denver. Several of the region's retail centers – including Park Meadows and the Denver Pavilions shopping center in downtown Denver – have undergone or will soon begin expansions and renovations.

A considerable portion of Denver metropolitan area retail space delivered early in 2008 was still vacant in the fall, and retail markets near distressed housing developments were particularly weak. According to CoStar Realty Information, Inc., the Denver metropolitan area retail market vacancy rate averaged 8.3 percent as 2008 ended, over one percentage point higher than the 7.1 percent rate from the fourth quarter of 2007. Average lease rates also declined through the second half of the year, although the fourth quarter average of $17.37 per square foot remained above the $16.29 average from the fourth quarter of 2007.

TRANSPORTATION

The Denver metropolitan area's central location and thriving economy have combined to make it one of the nation's most important transportation hubs. All modes of transportation – except water – converge in the region and provide for easy national and international travel.

Highways

The Denver metropolitan area is at the crossroads of three major interstate highways. Motorists can access I-25 for north-south travel and both I-70 and I-76 for east-west routes. More than three-quarters of the Denver metropolitan area beltway – E-470, C-470, and the Northwest Parkway – has been completed, and the final beltway segment in Jefferson County is in the planning stages.

Other major roadways throughout the Denver metropolitan area have also benefited from careful planning and improvements. T-REX, the Transportation Expansion Project, was Colorado's largest public works project since the construction of Denver International Airport. T-REX included the widening of Interstates 25 and 225 and the construction of a 19-mile light rail line in the southeast metropolitan area. The project ended in 2006 – 19 months ahead of schedule – and has received high ratings from commuters as well as a National Achievement Award from the National Partnership for Highway Quality.

Roadways and pedestrian facilities throughout the Denver metropolitan area will also be improved with funding from the American Recovery and Reinvestment Act (ARRA). Numerous resurfacing projects, bridge rehabilitation, and safety improvements will occur with more than $100 million in ARRA funds to be distributed by the Colorado Department of Transportation. The Denver Regional Council of Governments will manage a separate disbursement of more than $60 million, and projects include new interchanges on I-225 and I-70, improvements for bike lanes and access bridges throughout the region, and renovations to Denver's intermodal Union Station.

Mass Transit

The Regional Transportation District (RTD) serves the mass transit needs of the Denver metropolitan area. RTD operates 1,051 buses on 165 fixed routes and 122 light rail vehicles on 35 miles of track. The District operates 74 free parking lots (Park-N-Rides) for commuters using any of its 37 light rail stations and 10,199 bus stops. RTD also operates 36 free hybrid-electric buses that transport visitors from one end of downtown Denver's 16th Street Mall to the other.

As it continues to provide mass transit services throughout the Denver metropolitan area, the RTD network is also in transition. In November 2004, Colorado voters approved FasTracks, a $6.9 billion buildout plan for the Denver metropolitan area's multi-modal transit network. Prior to FasTracks, light rail in the Denver metropolitan area consisted of the Central, Central Platte Valley, and Southwest Corridors. Parts of the new Southeast Corridor were added under T-REX in 2006, and light rail service now extends 19 miles south from downtown Denver along I-25 to Lincoln Avenue in Douglas County.

At completion, FasTracks will add transit connectivity in 10 corridors throughout the region. The project will add 122 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, more than 21,000 parking spaces at transit facilities, and additional suburban bus service. In addition to the 37 transit stations that are currently operational or under construction, FasTracks will also add 57 new stations throughout the Denver metropolitan area.

Like many major infrastructure projects, FasTracks faces the challenges of fluctuating commodity prices and a weak economy. Still, the project is moving forward with progress on a number of corridor projects. In 2009, RTD began construction on the West Corridor, a 12.1-mile line between Denver's Union Station and Golden. The District is also moving forward with pre-construction analysis for the North Metro and East Corridors. Additionally, Union Station began preliminary construction and utility relocation on the site. At completion, Union Station will join light rail lines with bus rapid transit, commuter rail, and office, retail, and residential space.

Air

Located approximately 23 miles northeast of downtown Denver, Denver International Airport is a 53-square-mile facility with six runways, three concourses, and 92 gates plus 16 gates in a regional jet facility. Denver International Airport is the only major U.S. airport built within the last 25 years and was the nation's first airport to receive ISO 14001 certification for its environmental management system.

Denver International Airport averaged more than 1,700 flight operations and roughly 140,400 passengers every 24 hours in 2008. Total enplaned and deplaned passenger traffic at the airport was 51.2 million in 2008, up 2.8 percent from 2007. With that volume of traffic, Denver International Airport ranks fifth-busiest in North America and 10th busiest in the world.

Denver International Airport serves as a major hub for United and Frontier Airlines. Southwest Airlines began flights from Denver in January 2006, and competition among the carriers has increased air traffic and reduced average travel costs for Denver passengers. Denver International Airport is home to about 17 commercial carriers, the largest of which are United Airlines, Frontier Airlines, and Southwest Airlines offering nonstop Denver flights to more than 150 domestic and international destinations including London, Frankfurt, and several major cities in Canada, Mexico, and Central America.

About 25 all-cargo airlines and major and national carriers provide an extensive freight network between Denver and other cities. Economic pressures and longer-term structural changes in the freight industry have reduced cargo traffic, however. Denver International Airport handled 553 million pounds of cargo from both cargo airlines and passenger airlines in 2008, which represents a 6.1 percent decline from cargo loads in 2007. Of the 2008 shipments, about 95 percent were freight and express while five percent were classified as mail.

While cargo activity at Denver International Airport has slowed, the airport exceeded the passenger capacity it was built to handle in 2008. As a result, airport officials are working on expansion plans. Denver International Airport continues to set several records for monthly traffic, even as the recession curtailed business and leisure travel slowed nationwide. Considering that projected enplaned and deplaned passenger traffic is expected to increase to 62 million by 2020, Denver International Airport is preparing for expansion that will likely include a seventh runway and terminal hotel, a FasTracks commuter rail station and rail plaza, expansion of public parking and rental-car facilities, six new gates on existing concourses, and upgrades to the baggage system.

Denver International Airport is planning a series of information technology systems improvements, environmental and energy management studies, and upgrades to light and equipment storage facilities. Specifically, the Federal Aviation Administration will begin a Denver International Airport airspace study – a key consideration for locating a seventh runway – in late 2009, and airport officials are currently considering several alternatives for concourse expansion.

TOURISM

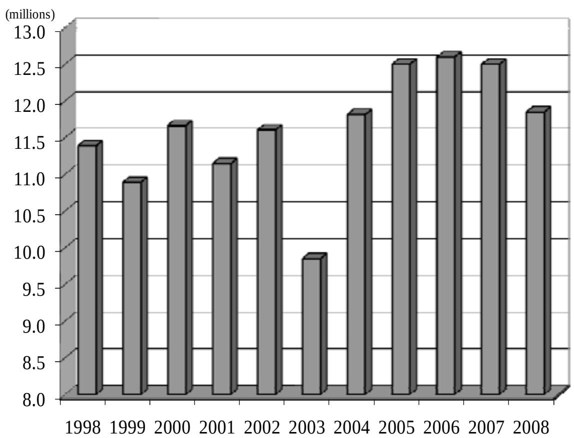
According to a recent study by Longwoods International, 2008 tourism activity in Denver remained healthy despite weaker national trends. The total number of overnight visitors to Denver was unchanged from 2007 at 12.2 million, but visitor spending rose nine percent to a record $3.1 billion. Top attractions for visitors in 2008 included 16th Street Mall and the Cherry Creek Shopping District as well as the Denver Zoo and numerous other cultural facilities.

Like the region's cultural destinations, Denver sports venues also attract visitors. Denver is one of only five U.S. cities with seven professional sports franchises – the NFL Denver Broncos, the NBA Denver Nuggets, the MLB Colorado Rockies, the NHL Colorado Avalanche, the MLS Colorado Rapids, the NLL Colorado Mammoth, and the MLL Denver Outlaws.

These sports teams have a significant economic impact on the Denver metropolitan area and have led to large investments in sports venues. Coors Field – a 76-acre, $215 million ballpark – hosted two sold-out games of the 2007 World Series. Nearby, the $360 million, 76,125-seat Invesco Field at Mile High football stadium hosts Denver Broncos football games as well as large public events. Dick's Sporting Goods Park opened in spring 2007 and hosts the Colorado Rapids soccer team. This innovative park is considered the largest and most state-of-the-art professional stadium and field complex in the world. Finally, the $180 million Pepsi Center hosts four professional sports teams and numerous sporting and special events throughout the year.

Professional athletics in the Denver metropolitan area are well complemented by abundant opportunities for year-round recreation. The nearby Rocky Mountains attract hikers and climbers during warmer months, and winter visitors consistently rate Colorado ski resorts among the best in North America. While a difficult economy affected Colorado ski resorts in the 2008/2009 season, favorable snow conditions and an increase in visitors from the Front Range helped resorts avoid a dramatic slowdown. The total number of Colorado skier visits – or the count of persons skiing or snowboarding for any part of one day – declined 5.5 percent from the 2007/2008 season to approximately 11.9 million in the 2008/2009 season.

COLORADO SKIER VISITS



S
ource: Colorado Ski Country USA.

A weak economy has also placed pressure on businesses and leisure travel in the Denver metropolitan area, but the region's convention schedule remains full. Convention officials estimate that the entire 2008 convention season brought 75 out-of-town meetings and events to the Colorado Convention Center that attracted 265,509 visitors and generated $528.9 million in local spending.

According to the Denver Metro Convention and Visitors Bureau, 2008 was Denver's strongest-ever convention year.

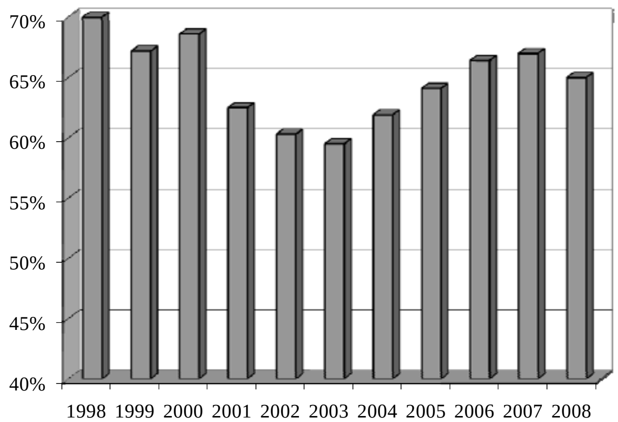
Part of the region's success is attributable to high-profile events including the 2008 Democratic National Convention. The convention attracted an estimated 50,000 delegates, dignitaries, and members of the media to the Denver metropolitan area, and tourism officials say the convention is a key factor behind record visitor spending reported for 2008. According to a report by Development Research Partners, visitor spending associated with the convention generated direct and indirect economic impacts valued at $127.1 million throughout the region.

In addition to immediate economic impacts, the Democratic National Convention gave the Denver metropolitan area international exposure that will support convention activity for years to come. In 2009, high-profile convention events have taken place including the U.S. Hispanic Chamber of Commerce Annual National Convention and International Business Expo and the National School Boards Association Technology and Learning Conference.

Strong convention and visitor activity continues to support hospitality development throughout the Denver metropolitan area. Along Colorado Boulevard, Stonebridge Cos. is working to redevelop the former Four Points by Sheraton Hotel. The new facility – called the Cherry Creek Hotel – will include additional rooms and retail space. Spokespeople say construction on various phases of the project will be completed between 2009 and 2012. Construction on the Four Seasons Hotel and Residences continues in downtown Denver, and boutique hotel brand Aloft recently opened two Denver area locations.

While the Denver metropolitan area hospitality market remains generally strong, weaker leisure and business travel trends have dampened occupancy levels throughout the recession. The Democratic National Convention created a noticeable spike in the region's hotel occupancy rates in the summer of 2008, but the unfolding national recession limited guest volumes through the rest of the year. According to the *Rocky Mountain Lodging Report*, the Denver metropolitan area hotel occupancy rate declined to 65 percent in 2008 from 67 percent in 2007. Across the region, 2008 occupancy rates ranged from 60.1 percent in the Midtown market to 69.4 percent in the Downtown market.

HOTEL OCCUPANCY RATES



Source: Rocky Mountain Lodging Report.

Despite the 2008 decline in occupancy, the overall Denver metropolitan area average room rate increased to $118.27 from $111.21 in 2007. This increase reflected the changing mix of accommodations available throughout the region, as well as an increase in rates tied to the Democratic National Convention.

SUMMARY

While Denver metropolitan area layoffs, foreclosures, and retail sales declines confirm the region is not immune to the nationwide recession, the region's economy is in many ways stronger than other metropolitan area economies.

The region's 2008 unemployment rate was roughly one percentage point below the national average, and local commercial real estate markets are burdened with less excess inventory than other national markets. Foreclosures still pose a risk to the local housing market, but the Denver metropolitan area's foreclosure trend is more mature than foreclosure trends elsewhere and has shown key signs of improvement.

In short, many of the region's economic fundamentals remain stronger-than-average despite the ongoing nationwide recession. These factors – combined with continued interest from relocating businesses and strong population growth – will help the region recover more quickly than many of its counterparts as the nation's economy improves.

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DATA APPENDIX

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
POPULATION (July 1)											
United States (thousands)	275,854	279,040	282,172	285,040	287,727	290,211	292,892	295,561	298,363	301,290	304,060
Colorado	4,102,491	4,215,984	4,301,261	4,456,408	4,529,927	4,595,132	4,663,404	4,731,275	4,826,843	4,919,187	5,011,390
Denver Metropolitan Area	2,280,781	2,349,188	2,400,580	2,484,048	2,521,644	2,556,011	2,595,704	2,629,526	2,680,647	2,734,483	2,788,765
POPULATION GROWTH RATE											
United States	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	0.9%
Colorado	2.7%	2.8%	2.0%	3.6%	1.6%	1.4%	1.5%	1.5%	2.0%	1.9%	1.9%
Denver Metropolitan Area	2.8%	3.0%	2.2%	3.5%	1.5%	1.4%	1.6%	1.3%	1.9%	2.0%	2.0%
NET MIGRATION											
Colorado	75,124	79,306	85,912	79,061	34,330	25,281	27,810	27,927	55,338	51,220	52,567
Denver Metropolitan Area	42,690	47,456	46,093	41,287	12,765	9,011	13,644	8,384	25,965	28,694	30,823
NONAGRICULTURAL EMPLOYMENT											
United States (millions)	125.9	129.0	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6	137.1
Colorado (thousands)	2,057.6	2,132.6	2,213.8	2,226.9	2,184.2	2,152.8	2,179.6	2,226.0	2,279.1	2,331.3	2,349.3
Denver Metropolitan Area (thousands)	1,268.4	1,318.6	1,374.9	1,375.2	1,332.8	1,314.0	1,324.7	1,350.1	1,377.5	1,407.4	1,419.6
NONAGRICULTURAL EMPLOYMENT GROWTH RATE											
United States	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.8%	1.1%	-0.4%
Colorado	3.9%	3.6%	3.8%	0.6%	-1.9%	-1.4%	1.2%	2.1%	2.4%	2.3%	0.8%
Denver Metropolitan Area	4.0%	4.0%	4.3%	0.0%	-3.1%	-1.4%	0.8%	1.9%	2.0%	2.2%	0.9%

2008 EMPLOYMENT DISTRIBUTION BY INDUSTRY

	United States	Colorado	Denver Metropolitan Area
Natural Resources & Construction	5.8%	8.1%	6.9%
Manufacturing	9.8%	6.1%	6.2%
Wholesale & Retail Trade	15.6%	15.0%	15.2%
Transportation, Warehousing, Utilities	3.7%	3.3%	3.7%
Information	2.2%	3.3%	4.1%
Financial Activities	5.9%	6.6%	7.4%
Professional & Business Services	13.0%	14.9%	17.3%
Education & Health Services	13.8%	10.7%	10.8%
Leisure & Hospitality	9.8%	11.6%	10.4%
Other Services	4.0%	4.0%	3.8%
Government	16.4%	16.4%	14.4%

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
UNEMPLOYMENT RATE											
United States	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%
Colorado	3.5%	3.0%	2.7%	3.8%	5.7%	6.1%	5.6%	5.1%	4.4%	3.9%	4.9%
Denver Metropolitan Area	2.9%	2.6%	2.6%	3.8%	5.9%	6.4%	5.8%	5.2%	4.4%	3.9%	4.9%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)											
United States	163.0	166.6	172.2	177.1	179.9	184.0	188.9	195.3	201.6	207.3	215.3
Denver-Boulder-Greeley	161.9	166.6	173.2	181.3	184.8	186.8	187.0	190.9	197.7	202.0	209.9
INFLATION RATE											
United States	1.6%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.8%	3.8%
Denver-Boulder-Greeley	2.4%	2.9%	4.0%	4.7%	1.9%	1.1%	0.1%	2.1%	3.6%	2.2%	3.9%
TOTAL PERSONAL INCOME (millions, except as noted)											
United States (billions)	$7,519	$7,906	$8,555	$8,879	$9,055	$9,369	$9,929	$1,048	$1,126	$1,188	$1,223
Colorado	$120,100	$130,663	$147,056	$156,469	$157,753	$159,919	$168,588	$179,698	$194,393	$205,548	$212,320
Denver Metropolitan Area	$74,553	$81,469	$92,478	$98,091	$97,913	$98,521	$104,178	$111,632	$120,261	$127,242	N/A
TOTAL PERSONAL INCOME GROWTH RATE											
United States	7.5%	5.1%	8.2%	3.8%	2.0%	3.5%	6.0%	-89.4%	7.4%	5.5%	2.9%
Colorado	9.1%	8.8%	12.5%	6.4%	0.8%	1.4%	5.4%	6.6%	8.2%	5.7%	3.3%
Denver Metropolitan Area	10.2%	9.3%	13.5%	6.1%	-0.2%	0.6%	5.7%	7.2%	7.7%	5.8%	N/A
PER CAPITA PERSONAL INCOME											
United States	$27,258	$28,333	$30,318	$31,149	$31,470	$32,284	$33,899	$35,447	$37,728	$39,430	$40,208
Colorado	$29,174	$30,919	$33,979	$35,305	$35,032	$35,160	$36,649	$38,539	$40,912	$42,444	$42,985
Denver Metropolitan Area	$32,499	$34,560	$38,269	$39,650	$39,090	$38,999	$40,799	$43,143	$45,641	$47,327	N/A
PER CAPITA PERSONAL INCOME GROWTH RATE											
United States	6.3%	3.9%	7.0%	2.7%	1.0%	2.6%	5.0%	4.6%	6.4%	4.5%	2.0%
Colorado	6.5%	6.0%	9.9%	3.9%	-0.8%	0.4%	4.2%	5.2%	6.2%	3.7%	1.3%
Denver Metropolitan Area	7.7%	6.3%	10.7%	3.6%	-1.4%	-0.2%	4.6%	5.7%	5.8%	3.7%	N/A
RETAIL TRADE SALES											
United States (Billions)	$2,860	$3,092	$3,290	$3,386	$3,467	$3,614	$3,833	$4,078	$4,294	$4,436	$4,404
Colorado (millions)	$48,173	$52,609	$57,955	$59,014	$58,850	$58,689	$62,288	$65,492	$70,437	$75,329	$74,760
Denver Metropolitan Area (millions)	$28,458	$31,590	$35,159	$35,657	$35,355	$35,548	$37,197	$38,589	$41,491	$44,228	$43,828

DATA APPENDIX

RETAIL TRADE SALES GROWTH RATE											
United States	4.6%	8.1%	6.4%	2.9%	2.4%	4.2%	6.1%	6.4%	5.3%	3.3%	-0.7%
Colorado	6.7%	9.2%	10.2%	1.8%	-0.3%	-0.3%	6.1%	5.1%	7.6%	6.9%	-0.8%
Denver Metropolitan Area	7.4%	11.0%	11.3%	1.4%	-0.8%	0.5%	4.6%	3.7%	7.5%	6.6%	-0.9%
MEDIAN HOME PRICE											
United States (thousands)	$136.0	$141.2	$147.3	$156.6	$167.6	$180.2	$195.2	$219.0	$221.9	$217.9	$196.6
Denver Metropolitan Area (thousands)	$152.2	$171.3	$196.8	$218.3	$228.1	$238.2	$239.1	$247.1	$249.5	$245.4	$219.3
EXISTING HOME SALES											
Denver Metropolitan Area	45,951	46,742	48,611	47,832	47,919	47,966	54,012	53,106	50,244	49,789	47,837
NEW RESIDENTIAL UNITS DENVER METROPOLITAN AREA											
Single Family	16,058	17,523	15,873	14,262	13,793	12,656	14,260	15,778	10,952	7,082	3,686
Two-Family	3,527	2,883	3,321	4,442	4,425	3,755	4,843	4,642	5,311	4,632	1,330
Multi-Family	7,794	4,784	9,116	9,090	4,085	1,858	2,681	459	1,727	3,015	4,413
Total Units	27,379	25,190	28,310	27,794	22,303	18,269	21,784	20,879	17,990	14,729	9,429
OFFICE VACANCY RATE											
Denver Metropolitan Area	7.0%	6.5%	7.1%	10.3%	13.8%	14.4%	14.5%	13.3%	12.8%	11.7%	12.9%
HOTEL OCCUPANCY RATE											
Denver Metropolitan Area	70.0%	67.2%	68.6%	62.5%	60.3%	59.5%	61.9%	64.1%	66.4%	67.0%	69.0%
SKIER VISITS	**98/99**	**99/00**	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**	**06/07**	**07/08**	**08/09**
Colorado (millions)	11.4	10.9	11.7	11.1	11.6	9.9	11.8	12.5	12.6	12.5	11.9

N/A: Not Available

Sources: U.S. Department of Commerce, Bureau of the Census; Colorado Division of Local Government, Demography Section; U.S. Department of Labor, Bureau of Labor Statistics; Colorado Department of Labor and Employment, Labor Market Information; U.S. Department of Commerce, Bureau of Economic Analysis; Colorado Department of Revenue; National Association of REALTORS; Metrolist, Inc.; Home Builders Association of Metro Denver; CB Richard Ellis; CoStar Realty Information, Inc.; Rocky Mountain Lodging Report; Colorado Ski Country USA; and Colorado Convention and Visitors Bureau.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

January 5, 2010

Regional Transportation District
1600 Blake Street
Denver, Colorado 80202

$47,625,000
Regional Transportation District (Colorado)
Sales Tax Revenue Refunding Bonds
Series 2010A

Ladies and Gentlemen:

We have acted as bond counsel to the Regional Transportation District (the "District"), in the State of Colorado, in connection with its issuance of the above-captioned bonds (the "Bonds") pursuant to Resolution No. 28, Series of 2009, adopted by the Board of Directors of the District on November 17, 2009 (the "Sixteenth Supplemental Resolution"), which amends and supplements Resolution No. 9, Series 1977, adopted on October 27, 1977 (the "Master Resolution"), as previously amended and supplemented (the Master Resolution and all amendments and supplements thereto through and including the Sixteenth Supplemental Resolution are herein collectively referred to as the "Bond Resolution"). In such capacity, we have examined the District's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the District's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Bond Resolution and are entitled to the benefits of the Bond Resolution and of the Act.

2. The Bonds are valid and binding, special, limited obligations of the District payable solely from the Pledged Income and from funds and accounts pledged therefor under the Bond Resolution.

3. The District has the right and power under the Act to adopt the Bond Resolution, and the Bond Resolution has been duly and lawfully adopted by the District, is in full force and effect and constitutes a valid and binding obligation of the District, enforceable in accordance with its terms, and no other authorization for the Bond Resolution is required.

4. The Bond Resolution creates the valid pledge and assignment of the Pledged Income, moneys, securities and funds held or set aside under the Bond Resolution which it purports to create for the benefit of the Bonds on a parity with the pledge and assignment thereof for the benefit of the outstanding 2000A Bonds, 2002B Bonds, 2003A Bonds, 2004A Bonds, 2005A Bonds, 2007A Bonds and 2008A Bonds, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution. Except as described in this paragraph, we express no opinion regarding the priority of the pledge and assignment of the Pledged Income, moneys, securities and funds held or set aside under the Bond Resolution.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the District's certified proceedings and in certain other documents or certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In expressing the opinions above, we are relying, in part, on a report of an independent certified public accountant verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the 2010A Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds, and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the 2010A Escrow Account.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following description is intended as a summary only and is qualified in its entirety by reference to RTD's Sales Tax Revenue Bond Resolution, adopted October 27, 1977, as amended and supplemented by the First Supplemental Sales Tax Revenue Bond Resolution, adopted June 25, 1985, the Second Supplemental Sales Tax Revenue Bond Resolution, adopted April 26, 1988, the Third Supplemental Sales Tax Revenue Bond Resolution, adopted July 10, 1990, the Fourth Supplemental Sales Tax Revenue Bond Resolution adopted June 23, 1992, the Fifth Supplemental Sales Tax Revenue Bond Resolution, adopted May 25, 1993, the Sixth Supplemental Sales Tax Revenue Bond Resolution, adopted July 22, 1997, the Seventh Supplemental Sales Tax Revenue Bond Resolution, adopted November 14, 2000, the Eighth Supplemental Sales Tax Revenue Bond Resolution, adopted July 24, 2001, the Ninth Supplemental Sales Tax Revenue Bond Resolution, adopted December 18, 2001, the Tenth Supplemental Sales Tax Revenue Bond Resolution, adopted on April 16, 2002, the Eleventh Supplemental Sales Tax Revenue Bond Resolution, adopted on June 17, 2003, the Twelfth Supplemental Sales Tax Revenue Bond Resolution adopted on April 22, 2004, the Thirteenth Supplemental Resolution, adopted on February 22, 2005 (the "Thirteenth Supplemental Resolution"), the Fourteenth Supplemental Resolution, adopted on February 20, 2007 (the "Fourteenth Supplemental Resolution"), the Fifteenth Supplemental Resolution, adopted on February 19, 2008 (the "Fifteenth Supplemental Resolution"), and the Sixteenth Supplemental Resolution adopted on November 17, 2009 (the "Sixteenth Supplemental Resolution") all of which, collectively, are referred to as the "Bond Resolution." Certain provisions of the Bond Resolution are summarized under the captions, "INTRODUCTION" and "THE BONDS" in the body of this Official Statement and are not summarized in this APPENDIX E. For purposes of this APPENDIX E the term "Bonds" means: RTD's Sales Tax Revenue Refunding Bonds, Series 2010A (the "Series 2010A Bonds"), RTD's Sales Tax Revenue Bonds, Series 2000A (the "Series 2000A Bonds"), RTD's Sales Tax Revenue Refunding Bonds, RTD's Sales Tax Revenue Bonds, Series 2002B (the "Series 2002B Bonds"), RTD's Sales Tax Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), RTD's Sales Tax Revenue Bonds, Series 2004A (the "Series 2004A Bonds"), RTD's Sales Tax Revenue Refunding Bonds, Series 2005A (the "Series 2005A Bonds"), RTD's Sales Tax Revenue Refunding Bonds, Series 2007A (the "Series 2007A Bonds") and RTD's Sales Tax Revenue Refunding Bonds, Series 2008A (the "Series 2008A Bonds") (together, the "Outstanding Parity Bonds"), and any Additional Parity Bonds, as described in this APPENDIX E (the "Additional Parity Bonds").

Certain Definitions

The following are definitions in summary form of certain terms contained in the Bond Resolution and used herein:

"*Accrued Aggregate Debt Service*" means, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all series of Bonds payable from the Pledged Income, calculating the accrued Debt Service with respect to each series of such Bonds at an amount equal to the sum of (a) interest on the Bonds of such series accrued and unpaid and to accrue to the end of the then current calendar month, and (b) Principal Installments due and unpaid and that portion of the Principal Installment for such series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month.

"*Act*" means part 1 of Article 9 of Title 32, Colorado Revised Statutes, as amended from time to time.

"*Aggregate Debt Service*" for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all series of Bonds payable from the Pledged Income.

"*Beneficial Owner*" means the beneficial owner of Series 2010A Bonds registered in the name of the Securities Depository or its nominee.

"*Bond Insurer*" means, with respect to the Series 2000A Bonds, Financial Guaranty Insurance Company; with respect to the Series 2002B Bonds, the Series 2004A Bonds and the Series 2005A Bonds, Ambac Assurance Corporation; and with respect to the Series 2003A Bonds, Financial Security Assurance Inc.

"*Code*" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2008A Bonds.

"*Debt Service*" for any period means, as of any date of calculation and with respect to any series, an amount equal to the sum of (a) interest accruing during such period on Bonds of such series, except to the extent that such interest is to be paid from deposits in the Bond Service Account (as described below in "Application of Pledged Income") made from Bond proceeds and (b) that portion of each Principal Installment for such series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such series, whichever date is later). Such interest and Principal Installment for such series shall be calculated on the assumption that no Bonds of such series outstanding at the date of calculation will cease to be outstanding except by reason of the payment of each Principal Installment on the due date thereof.

For the purposes of this calculation with respect to the issuance of Additional Parity Bonds pursuant to the Bond Resolution, it shall be assumed that (a) any Bonds which bear interest at a variable rate outstanding at the time of such calculation will bear interest during any period (i) if the interest rate that such variable rate Bonds bear or shall bear during such period has not been determined, at the fixed interest rate estimated by the remarketing agent for such variable rate Bonds and approved by RTD or, if there is no such remarketing agent, by RTD that, having due regard for prevailing financial market conditions, is necessary, but does not exceed the interest rate necessary, to sell such variable rate Bonds at 100% of the principal amount thereof in an open market transaction, assuming the variable rate Bonds had a term equal to the then remaining term of the variable rate Bonds (taking into account any mandatory redemption for such variable rate Bonds) or (ii) if the interest rate that such variable rate Bonds bear or shall bear during such period has been determined and is not subject to fluctuation, at such interest rate thus determined; and (b) any Bonds which are subject to tender by the registered owners thereof outstanding at the time of such determination shall mature at the date of maturity or mandatory redemption date or dates thereof. Variable rate Bonds, if any, hereafter issued shall be subject to a maximum rate as determined by the Board. Notwithstanding anything else in this definition for the purposes of this calculation with respect to the issuance of Additional Parity Bonds pursuant to the Bond Resolution, so long as any Series 2008A Bonds are insured by the Bond Insurer, and so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, it shall be assumed that any Bonds which bear interest at a variable rate outstanding at the time of such calculation will bear interest during any period at the greater of (i) the rate determined above or (ii) a fixed rate of interest equal to 9.2%, unless the total amount of Bonds which bear interest at a variable rate outstanding exceeds 20% of the total principal amount of outstanding Bonds in which case that portion of the variable rate Bonds outstanding which were issued latest in time which cause the 20% limit to be exceeded shall be assumed to bear interest at the maximum rate permitted by a supplemental resolution pursuant to which such Bonds are issued unless otherwise approved by the Bond Insurer. Notwithstanding anything else in this definition and for the purposes of this calculation in determining the amount that needs to be deposited to the Bond Reserve Account upon the issuance of Additional Parity Bonds, so long as any Series 2008A Bonds are insured by the Bond Insurer and so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, variable rate Bonds outstanding shall be assumed to bear interest at the greater of (A) the rate determined above or (B) a fixed rate of 9.2% or such other rate as approved by the Bond Insurer.

"*Debt Service Reserve Requirement*" means, as of any date of calculation, an amount equal to one-half of the greatest amount of Aggregate Debt Service for the then current or any future Fiscal Year.

"*District Sales Tax Area*" means the geographic area comprising RTD as described in the Act as amended to October 27, 1977, plus any other area within which RTD has been thereafter or is hereafter authorized by law to levy the Sales and Use Tax, and excluding any area which may have been thereafter or may hereafter be deleted by law from the geographic area comprising RTD, provided, however, that so long as any Bonds payable from the Pledged Income remain outstanding under the Bond Resolution, the District Sales Tax Area will at least be comprised of the Primary Sales Tax Area.

"*Escrow Agreement*" means the Escrow Agreement between the District and the Trustee, as Escrow Agent.

"*Facilities*" means any land or other properties, or any interest therein, pertaining to the multi-modal mass transportation system of RTD.

"*Fiscal Year*" means the then current annual accounting period adopted by RTD for its general accounting purposes which period, at the time of the adoption of the Bond Resolution, is the calendar year.

"*Investment Securities*" means any securities or other obligations which at the time of their purchase by the Trustee on behalf of RTD are legal for investment of RTD's funds;

provided that so long as any Bonds are insured by the Bond Insurer and so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, for the purpose of the investment of funds held to the credit of the Bond Reserve Account “Investment Securities” shall be those specified below, to the extent permitted by law:

(a) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee (“Direct Obligations”);

(b) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (“FHLMCs”); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association (“FNMAs”); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association (“GNMAs”); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.

(c) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, “A” or better by Moody’s and “A” or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, “A” or better by Moody’s and “A” or better by S&P;

(d) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, “P-l” by Moody’s and “A-1” or better by S&P;

(e) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term “Bank Deposit” rating of “P-l” by Moody’s and a “Short-Term CD” rating of “A-1” or better by S&P.

(f) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(g) Investments in money-market funds rated "AAAm" or "AAAm-G" by S&P;

(h) Repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's, and "A-1" or "A-" or better by S&P, provided:

(i) a master repurchase agreement or specific written repurchase agreement governs the transaction; and

(ii) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent ("Agent") for the Trustee, and such third party is (A) a Federal Reserve Bank, (B) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $50 million or (C) a bank approved in writing for such purpose by the Bond Insurer, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee; and

(iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; and

(iv) the repurchase agreement has a term of 180 days or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

(v) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(i) Investment Agreements, the issuer, form and substance of which are approved by the Bond Insurer.

(j) Any other investments approved in writing by the Bond Insurer.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, if it then maintains a rating on the Bonds, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by RTD.

"*Participants*" means participating underwriters, securities brokers or dealers, banks, trust companies, closing corporations, or other persons or entities for which the Securities Depository holds Series 2010A Bonds.

"*Paying Agent*" means, with respect to the Series 2010A Bonds, The Bank of New York Mellon Trust Company, N.A., and with respect to any other Series of Bonds, any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the bonds of such series, and its successor or successors appointed in the manner provided in the Bond Resolution.

"*Pledged Income*" means the Sales and Use Tax Revenues and any additional revenues as may be pledged by supplemental resolution.

"*Primary Sales Tax Area*" means the area within the District Sales Tax Area described in the Bond Resolution, together with such additional area or areas within the District Sales Tax Area which shall be added thereto pursuant to the Bond Resolution as the Board of RTD shall from time to time determine by supplemental resolution to be necessary to provide further security for the Bonds issued or to be issued under the Bond Resolution or to enable RTD to sell and issue Additional Parity Bonds. The description of the Primary Sales Tax Area will be amended by said supplemental resolution so as to add thereto such additional area or areas and such Primary Sales Tax Area as so amended will thereafter be deemed to be the Primary Sales Tax Area for all purposes of the Bond Resolution.

"*Principal Installment*" means, as of any date of calculation and with respect to any series of Bonds payable from the Pledged Income, so long as any Bonds thereof are outstanding, (a) the principal amount of Bonds of such series due on a certain future date for which no sinking fund installments have been established; or (b) the unsatisfied balance of any sinking fund installments due on a certain future date for Bonds of such series, plus the amount of the sinking fund redemption premiums, if any, which would if applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such sinking fund installments; or (c) if such future dates coincide as to different Bonds of such series, the sum of such principal amount of Bonds and of such unsatisfied balance of sinking fund installments due on such future date plus such applicable redemption premiums, if any.

"*Refunded Bond Requirements*" means the principal of, premium, if any, and interest on the Refunded Bonds as the same become due prior to and at the maturity or prior redemption thereof.

"*Refunded Bonds*" means the bonds to be refunded with proceeds of the Series 2010A Bonds as designated in the Sale Certificate.

"*Reserve Fund Credit Facility*" means a surety bond, insurance policy or letter which meets certain requirements, described in the Bond Resolution, to the satisfaction of the Bond Insurer.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, if it then maintains a rating on the Bonds, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by RTD.

"*Sale Certificate*" means the certificate executed by the Interim General Manager (or the General Manager, as the case may be) or any member of the Board of the District dated on or before the date of delivery of the Series 2010A Bonds setting forth certain information concerning the Series 2010A Bonds the determination of which is delegated by the Sixteenth Supplemental Resolution.

"*Sales and Use Tax*" means a sales tax levied uniformly throughout the District Sales Tax Area at a rate of one-half of 1% upon every transaction or other incident with respect to which a sales tax was levied by the State pursuant to the provisions of Article 26 of Title 39, Colorado Revised Statutes, on the date the Act first became effective, plus the increase in such tax levied uniformly throughout the District Sales Tax Area, which increase is levied at the rate of one-tenth of 1% upon which every transaction or other incident with respect to which a sales tax was levied by the State pursuant to the provisions of Article 26 of Title 39, Colorado Revised Statutes, on May 1, 1983.

In 1989 the Colorado Supreme Court interpreted RTD's taxing authority to include both sales and use taxes. Beginning in 1989, and in all subsequent years, the term "Sales Tax" has included both sales tax and use tax.

"*Sales and Use Tax Revenues*" means the proceeds received by RTD, or by the Trustee as assignee of RTD, from the levy and collection of the Sales and Use Tax and from the levy and collection of any additional sales tax the proceeds of which have been added to Pledged Income in accordance with the provisions of the Bond Resolution.

"*Securities Depository*" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, or its successors and assigns.

"*2010A Bonds*" means the Regional Transportation District, Sales Tax Revenue Refunding Bonds, Series 2010A.

"*2010A Escrow Account*" means the account established pursuant to the Escrow Agreement.

"*2010A Rebate Account*" means the special account described under the caption "2009A Rebate Account" in this APPENDIX E.

Pledge Effected by Bond Resolution

The payment of the principal and redemption price of, and interest on all Bonds payable from the Pledged Income is secured by (a) the Pledged Income and (b) all funds established by the Bond Resolution, excluding the 2010A Rebate Account and certain other accounts created with respect to the Outstanding Parity Bonds, including any investment thereof, subject only to the express provisions of the Bond Resolution permitting application of such funds for the purposes and on the terms and conditions described in the Bond Resolution.

Assignment to Trustee

RTD has assigned its rights to receive payment of the Sales and Use Tax Revenues to the Trustee for the benefit of the bondholders and has directed the Executive Director of the Colorado Department of Revenue to pay the Sales and Use Tax Revenues collected by such Director directly to the Trustee.

Trustee

The Bank of New York Mellon Trust Company, N.A., a banking association organized and existing under the laws of the United States, is Trustee under the Bond Resolution.

Additional Parity Bonds

One or more series of additional sales tax revenue bonds ("Additional Parity Bonds") may be issued for the purpose of paying all or a portion of the cost of acquiring or developing the Facilities or for the purpose of paying interim notes of RTD issued pursuant to the Act or for the purpose of securing such interim notes in the manner contemplated by the Act, subject to, among others, the following conditions:

(a) RTD delivers a certificate to the Trustee to the effect that the amounts of Sales and Use Tax Revenues from the Primary Sales Tax Area received by RTD or the Trustee (including the revenues received by the Trustee from any additional sales tax collected in the Primary Sales Tax Area and pledged to payment of the Bonds), in any 12-consecutive-month period out of the 18 months next preceding delivery of such series of Additional Parity Bonds, is at least equal to 130% of the maximum Aggregate Debt Service for the current or any future fiscal year (excluding funded interest in any future year) with respect to all Bonds payable from the Pledged Income to be outstanding immediately after the authentication and delivery of such series of Additional Parity Bonds, including the maximum Aggregate Debt Service for the current or any future fiscal year with respect to amounts then due and payable as the result of the acceleration upon default of any Bonds, other than annual servicing or premium fees, under any reimbursement agreement or other arrangement for the repayment of any provider of a letter of credit, surety bond, insurance policy, agreement guaranteeing payment or other undertaking. If an additional sales tax has been in effect for only a portion of the 12-month period referred to above, so long as revenues from such additional sales tax have been received by RTD or the Trustee for at least 12 consecutive months preceding authentication and delivery of such series of Additional Parity Bonds, estimates of additional sales tax revenues may include estimated amounts of such revenues which would have been received by RTD or the Trustee during such a 12-month period had such additional sales tax been in effect for the entire period.

(b) The deposit in the Bond Reserve Account of an amount so that such fund shall equal the Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such series of Additional Parity Bonds.

(c) RTD certifies that it is not in default under any provisions of the Bond Resolution.

(d) RTD delivers to the Trustee an approving opinion of nationally–recognized bond counsel with respect to the validity and binding effect of the Bond Resolution, the pledge and lien created thereby and the Additional Parity Bonds to be issued thereunder.

(e) RTD delivers to the Trustee a written order as to the delivery of such Additional Parity Bonds and a supplemental resolution authorizing the issuance of such series of Bonds and providing for certain other matters described in the Bond Resolution.

Any variable rate Bonds issued by RTD must be subject to a maximum interest rate determined by the Board.

In addition, no Additional Parity Bonds may be issued except as permitted by and in accordance with the District's Indenture of Trust, dated as of October 1, 2006, between the District and the Trustee (the "2006A FasTracks Indenture"), relating to the District's Sales Tax Revenue Bonds (FasTracks Project), Series 2006A, and as permitted by and in accordance with any resolutions, indentures or other documents authorizing the issuance of bonds payable on a parity with such 2006A FasTrack Bonds.

Refunding Bonds

One or more series of Bonds payable from the Pledged Income may be issued to refund all such outstanding Bonds of one or more series or one or more maturities within a series ("Refunding Bonds"). The issuance of Refunding Bonds to refund such outstanding Bonds is subject to the condition that (a) the Aggregate Debt Service for the current and each future Fiscal Year will not be increased, and (b) there is deposited in the Bond Reserve Account the amount required, if any, so that such fund shall equal the Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such series of Refunding Bonds; provided, however, a series of Refunding Bonds may also be issued upon fulfilling the conditions and tests required for Additional Parity Bonds described under the caption "Additional Parity Bonds" in this APPENDIX E.

In addition, no Refunding Bonds may be issued except as permitted by and in accordance with the 2006A FasTracks Indenture, as it may be amended from time to time, and as permitted by and in accordance with any resolutions, indentures or other documents authorizing the issuance of bonds payable on a parity with the FasTrack Bonds.

Subordinated Debt

RTD may, at any time, or from time to time, issue subordinated indebtedness ("Subordinated Indebtedness") payable out of, and which may be secured by a pledge of Pledged Income as may from time to time be available to RTD for the purpose of payment thereof pursuant to the Bond Resolution, provided, however, that such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of the Pledged Income, moneys, securities and funds created by the Bond Resolution as security for the Bonds. The issuance of Subordinated Indebtedness is subject to the Bond Insurer's consent.

Application of Bond Proceeds

The net proceeds of the Series 2010A Bonds will be applied simultaneously with the delivery thereof as follows:

(a) There will be deposited in the 2010A Escrow Account an amount, which is described in an Accountant's Certificate delivered on the date of delivery of the Series 2010A Bonds as being sufficient, together with other available moneys of the District and the known investment yield on Investment Securities in which such amounts will be invested, to pay the Refunded Bond Requirements; and

(b) There will be transferred to the District the balance of the net proceeds of the Series 2010A Bonds to be applied to the payment of the costs of issuing the Series 2010A Bonds.

Application of Pledged Income

The Bond Resolution establishes the Bond Service Account and the Bond Reserve Account, to be held by the Trustee. The Trustee shall forthwith upon receiving the Pledged Income each month, deposit in the Bond Service Account and the Bond Reserve Account in the following order, the following amounts:

(a) for credit to the Bond Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service; and

(b) for credit to the Bond Reserve Account, the amount, if any, required so that such Account shall equal the Debt Service Reserve Requirement.

In each month after making such deposits and fulfilling all obligations with respect to Subordinated Indebtedness, the Trustee shall pay over the remaining Pledged Income to RTD for use by RTD for any lawful purpose.

Bond Service Account

The Trustee will pay out of the Bond Service Account to the respective Paying Agents (a) on or before each interest payment date for any of the Bonds payable from the Pledged Income the amount required for the interest payable on such date; (b) on or before each Principal Installment payment date for any of the Bonds the amount required for the Principal Installment payable on such due date; and (c) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. The Trustee will also pay out of the Bond Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

Bond Reserve Account

Amounts in the Bond Reserve Account are to be applied to make up any deficiency in the Bond Service Account.

Whenever the moneys on deposit in the Bond Reserve Account exceed the aggregate of the Debt Service Reserve Requirements, such excess will first be deposited in the Bond Service

Account, if and to the extent necessary to make the amount in such Account equal to the amount then required to be in such Account, and any balance of such excess shall be forthwith paid over to RTD free and clear of the lien of the Bond Resolution.

Whenever the amount in the Bond Reserve Account, together with the amount in the Bond Service Account, is sufficient to pay in full all outstanding Bonds in accordance with their terms, the funds on deposit in the Bond Reserve Account will be transferred to the Bond Service Account, and no further deposits will be required to be made into such Accounts.

Nothing in the Bond Resolution will be construed as limiting the right of RTD to augment the Bond Reserve Account with any other moneys which are legally available therefor or to substitute for the deposit required to be maintained under the Bond Resolution a letter of credit, surety bond, insurance policy, agreement guaranteeing payment or other undertaking by a financial institution to ensure that the amount otherwise required to be maintained under the Bond Resolution will be available to RTD as needed, provided that any such substitutions will be submitted to Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P, and shall not cause the then-current ratings to be adversely affected**;** provided that so long as any Series 2008A Bonds are insured by the Bond Insurer and so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy relating to the Series 2008A Bonds, any such letter of credit, surety bond, insurance policy, agreement guaranteeing payment or other undertaking by a financial institution must be a Reserve Fund Credit Facility or be approved by the Bond Insurer. Any such determination will be evidenced in such manner as the Trustee may require.

2010A Rebate Account

The Bond Resolution creates a special and a separate account to be held by the Trustee and to be known as the "Regional Transportation District Sales Tax Revenue Bonds, Series 2010A Rebate Account." There is to be transferred by the Trustee, as directed by RTD, into the 2010A Rebate Account from Pledged Income after making in full the monthly deposits described in the caption "Application of Pledged Income" in this APPENDIX E and in "SECURITY FOR THE BONDS—Flow of Funds—Bond Service Account" and "—Bond Reserve Account," but prior to the transfer of any Pledged Income to the payment of Subordinated Indebtedness, such amounts as are required to be deposited therein to meet RTD's obligations under its tax covenant, in accordance with Section 148(f) of the Code. Amounts in the 2010A Rebate Account will be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Code. Any amounts in the 2010A Rebate Account in excess of those required to be on deposit may be withdrawn therefrom and used for any lawful purpose of RTD.

Amounts on deposit in the 2010A Rebate Account are not subject to the lien and pledge of the Bond Resolution to the extent such amounts are required to be paid to the United States Treasury. RTD will verify at least annually from the date of delivery of the Series 2010A Bonds that (a) all of requirements described under this caption have been met on a continuing basis, (b) the proper amounts are deposited into the 2010A Rebate Account, and (c) the timely payment of all amounts due and owing to the United States Treasury from the 2009A Rebate Account have been made.

Sinking Fund Installment Credits

In the event RTD, or the Trustee on behalf of RTD, purchases or redeems (other than a purchase or redemption of bonds to satisfy sinking fund installments) Bonds of any series and maturity for which sinking fund installments shall have been established, there shall be credited toward each such sinking fund installment thereafter to become due (other than the next due) an amount bearing the same ratio to such sinking fund installment as the total principal amount of such Bonds so purchased or redeemed and canceled bears to the total amount of all such sinking fund installments to be credited. The portion of the sinking fund installment remaining after the deduction of any such amounts credited toward the same shall constitute the unsatisfied balance of such sinking fund installment.

Investment of Certain Accounts

Moneys held in the Bond Service Account and the other accounts created under the Indenture may be invested and reinvested by the Trustee in any securities or other obligations which at the time of their purchase by the Trustee on behalf of the District are legal for the investment of the District funds; provided, however, that so long as any Bonds are insured by the Bond Insurer, moneys held in the Bond Reserve Account may be invested and reinvested by the Trustee only in those Investment Securities that are described in paragraphs (a) through (j) of the definition of "Investment Securities" set forth above. The Trustee shall make all such investments of moneys held by it in accordance with instructions received from RTD.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned on any moneys or investments in the Bond Service Account or the Bond Reserve Account shall be credited to the Account from which the investment was made that generated such interest. Interest earned on any moneys or investments in a separate Sub-Account in the Construction Account shall be held in such Sub-Account for the purposes thereof.

Payment of Bonds

RTD covenants in the Bond Resolution that it will duly and punctually pay or cause to be paid, but solely from the Pledged Income and the proceeds of the Bonds pledged therefor by the Bond Resolution, the principal of, redemption premium, if any, of every Bond and the interest thereon, at the dates and places and in the manner mentioned in the Bonds.

Extension of Payment of Bonds

RTD covenants in the Bond Resolution that it will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest will not be entitled, in case of any default under the Bond Resolution, to the benefit of the Bond Resolution or to any payment out of Pledged Income or Accounts established by the Bond Resolution, including the investments, if any, thereof, pledged under the Bond Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Bond Resolution) held by the Trustee except subject to the prior payment of the principal of all Bonds outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in the Bond Resolution shall be deemed to limit the right of the District to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Power to Issue Bonds and Pledge the Pledged Income and Other Funds

RTD covenants in the Bond Resolution that it is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Bond Resolution and to pledge and assign the Pledged Income and other moneys, securities and funds purported to be subjected to the lien of the Bond Resolution in the manner and to the extent provided in the Bond Resolution. Except to the extent otherwise provided in the Bond Resolution, the Pledged Income and other moneys, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the Bond Resolution, and all corporate or other action on the part of RTD to that end has been and will be duly and validly taken. The Bonds and the provisions of the Bond Resolution are and will be the valid and legally enforceable obligations of RTD in accordance with their terms and the terms of the Bond Resolution. Subject to the provisions of the Bond Resolution, RTD will at all times, to the extent permitted by law, defend, preserve and protect the pledge and assignment of the Pledged Income and other moneys, securities and funds pledged under the Bond Resolution and all the rights of the bondholders under the Bond Resolution against all claims and demands of all persons whomsoever.

Power to Levy and Collect Pledged Income

RTD covenants in the Bond Resolution that it has, and will have so long as any Bonds are outstanding, good right and lawful power to levy, establish and collect the Pledged Income.

Creation of Liens

RTD covenants in the Bond Resolution that it will not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, except those issued under the Bond Resolution, payable out of or secured by a pledge or assignment of the Pledged Income or other moneys, securities or funds held or set aside under the Bond Resolution nor will it create or cause to be created any lien or charge on the Pledged Income, or such moneys, securities or funds other than (a) evidences of indebtedness payable out of, or secured by a pledge and assignment of, Pledged Income to be derived on and after such date as the pledge of the Pledged Income provided in the Bond Resolution shall be discharged and satisfied or (b) Subordinated Indebtedness as described under the caption "Subordinated Debt" in this APPENDIX E.

Primary Sales Tax Area

For purposes of the Bond Resolution, the Primary Sales Tax Area is defined to mean the following described area:

The entire geographical area of RTD as described in Section 32-9-106, Colorado Revised Statutes, as amended prior to October 27, 1977, excepting therefrom the following described areas:

(a) that portion of Adams County lying east of the center line of Range 65 West of the 6th Principal Meridian; and

(b) that portion of Boulder County lying west of the East line of the westerly most sections of Range 71 West of the 6th Principal Meridian; and

(c) those portions of Douglas and Jefferson Counties lying south of the center line of Township 7 South.

provided, however, that if the Board of RTD shall from time to time determine in a supplemental resolution that in order to provide further security for the Bonds issued or to be issued under the Bond Resolution or to enable RTD to sell and issue Additional Parity Bonds it shall be necessary to add to the aforesaid described Primary Sales Tax Area an additional area or areas within District Sales Tax Area, and the description of said Primary Sales Tax Area shall be amended by said supplemental resolution so as to add thereto such additional area or areas, such Primary Sales Tax Area as so amended shall thereafter be deemed to be the Primary Sales Tax Area for all purposes of the Bond Resolution.

RTD determines in the Bond Resolution that the levy of the Sales and Use Tax throughout the Primary Sales Tax Area as described pursuant to the provisions of the Bond Resolution is necessary and material to the rights and security of the holders of the Bonds issued under the Bond Resolution.

Tax Covenant

RTD covenants in the Sixteenth Supplemental Resolution for the benefit of the owners of the Series 2010A Bonds that it will not take any action or omit to take any action with respect to the Series 2010A Bonds, the proceeds thereof, any other funds of RTD or any Facilities refinanced with the proceeds of the Series 2010A Bonds if such action or omission (a) would cause the interest on the Series 2010A Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (b) would cause interest on the Series 2010A Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (c) would cause interest on the Series 2010A Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2010A Bonds until the date on which all obligations of RTD in fulfilling the above covenant under the Code and Colorado law have been met.

Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Series 2010A Bonds authorized to be issued under the Bond Resolution by those who shall hold the same from time to time, the Bond Resolution is to be deemed to be and shall constitute a contract among RTD, the Trustee and the holders from time to time of RTD's Bonds; and the pledge and assignment made in the Bond Resolution and the covenants and agreements therein set forth to be performed on behalf of RTD shall be for the equal benefit, protection and security of the holders of any and all of RTD's Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, are of equal rank without preference, priority or distinction of any of RTD's Bonds over any other thereof except as expressly provided in or permitted by the Bond Resolution.

Protection of Bondholders' Rights and Security Against Impairment

RTD covenants in the Bond Resolution that it will continue to levy the Sales and Use Tax in accordance with the provisions of the Bond Resolution within the District Sales Tax Area as such area shall exist from time to time and that it promptly will take all steps, including any and all action permitted by law, necessary to enforce the collection of Sales and Use Tax Revenues by the Executive Director of the State Department of Revenue and to enforce the assignment of such Sales and Use Tax Revenues to the Trustee.

RTD covenants in the Bond Resolution that it will not take any action, including, without limitation, any action in respect of the Act, its Resolution No. 19, Series of 1973, adopted on October 25, 1973, pursuant to which the Sales and Use Tax is levied, the diminution of the Primary Sales Tax Area, the reduction of the rate of the Sales and Use Tax or any other sales tax which becomes part of Sales and Use Tax Revenues in accordance with the Bond Resolution, or the elimination of transactions to which the Sales and Use Tax or such other sales tax applies, which would result in a material impairment of the rights of the bondholders or the security for the Bonds.

It is recognized that certain areas, other than the Primary Sales Tax Area, may be deleted by law from the District Sales Tax Area, and that such deletion is permitted under the terms of the Bond Resolution and shall not result in any impairment of bondholders' rights under the Bond Resolution.

Accounts and Reports

RTD covenants in the Bond Resolution to keep or cause to be kept proper records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged Income and each account and subaccount established under the Bond Resolution and which shall at all times be subject to the inspection of the Trustee, and the holders of an aggregate of not less than 5% in principal amount of the Bonds then outstanding or their representatives duly authorized in writing.

The Trustee will advise RTD promptly after the end of each month of the respective transactions during such month relating to each account and subaccount held by it under the Bond Resolution and the Pledged Income.

RTD will annually, within 150 days after the close of each Fiscal Year, file with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an accountant's certificate. RTD will also file with said annual financial report, a report with respect to each account and subaccount established under the Bond Resolution of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal Year and of the receipts and disbursements of Pledged Income, accompanied by an accountant's certificate. Such accountant's certificate accompanying the report of accounts and subaccounts will state whether or not, to the knowledge of the signer, RTD is in default with respect to the aforesaid information required to be contained in such report, and if so, the nature of such default.

RTD will file with the Trustee (a) forthwith upon becoming aware of any default under any covenants of the Bond Resolution, a certificate specifying such default, and (b) within 150 days after the end of each Fiscal Year, a certificate stating whether RTD is in default under any covenants or obligations of the Bond Resolution. Likewise, the Trustee shall provide the Bond Insurer notice of any event of default under the Bond Resolution within five business days of the Trustee's knowledge of such default.

The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Bond Resolution will be available for the inspection of bondholders at the office of the Trustee and will be mailed to each bondholder who shall file a written request therefor with RTD. RTD may charge each bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Payment of Taxes and Charges

RTD covenants in the Bond Resolution that it will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the rights, revenues, income, receipts, and other moneys, property, securities and funds transferred, assigned or pledged under the Bond Resolution when the same shall become due, except those taxes, assessments, charges or claims which RTD shall in good faith contest by proper legal proceedings if RTD shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

Corporate Existence

RTD covenants in the Bond Resolution that it will preserve its corporate status and its existence as a multimodal mass transportation district, and will not be dissolved or lose its right to exist as such a district or lose any rights necessary to enable the District to levy and receive the benefit from the collection of Pledged Income to the extent and in the manner provided in the Bond Resolution and in the Act.

Remedies on Default

As described in "SECURITY FOR THE BONDS—Bondholders' Remedies" in the body of this Official Statement, upon the happening and continuance of any such event of default, the Trustee or the holders of not less than 25% in principal amount of the Bonds outstanding under the Bond Resolution may declare the principal and accrued interest on such Bonds immediately due and payable (subject to a rescission of such declaration upon the curing of such event of default).

Upon occurrence of an event of default, which shall not have been remedied, RTD will, if demanded by the Trustee, (a) account as trustee of an express trust, for all Pledged Income, moneys, securities and funds pledged under the Bond Resolution, and (b) pay over to the Trustee all moneys, securities and funds held in any fund or account under the Bond Resolution and, as promptly as practicable after receipt thereof, all Pledged Income, which the Trustee will apply after payment of certain expenses to the payment of interest on and principal of and redemption premium, if any, then due and payable or declared due and payable on all the Bonds then outstanding under the Bond Resolution.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by RTD under the Bond Resolution, including the principal of, redemption premium, if any, and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of RTD, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bond Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee will pay over to RTD all moneys, securities, and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Bond Resolution to be deposited or pledged, with the Trustee), and thereupon RTD and the Trustee will be restored, respectively, to their former positions and rights under the Bond Resolution. No such payment over to RTD by the Trustee or such restoration of RTD and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Bond Resolution or impair any right consequent thereon.

If an event of default has occurred and has not been remedied, the Trustee may, or on request of the holders of not less than 25% in principal amount of Bonds outstanding, shall take such steps by a suit or suits in equity or at law, whether for the specific performance of any covenants of the Bond Resolution or in aid of the execution of any powers granted in the Bond Resolution or any remedy granted under the Act, or for an accounting against RTD, or in the enforcement of any other legal or equitable right as the Trustee shall deem most effectual to enforce any of its rights or to perform any of its duties under the Bond Resolution.

The holders of not less than a majority in principal amount of the Bonds then outstanding under the Bond Resolution may direct the time, place and method of conducting any proceeding for any remedy available to the Trustee, subject to the right of the Trustee in certain circumstances to decline to conduct such proceeding as directed.

In case an event of default shall occur (which shall not have been cured) the Trustee will be required to use the degree of care of a prudent man in the conduct of his affairs.

No bondholder will have any right to institute any suit, action or proceeding for the enforcement of any provisions of the Bond Resolution or the execution of any trust under the Bond Resolution or for any remedy under the Bond Resolution, unless such bondholder shall have previously given the Trustee written notice of an event of default, and the holders of at least 25% in principal amount of the Bonds then outstanding under the Bond Resolution shall have filed a written request with the Trustee and shall have afforded the Trustee a reasonable opportunity to exercise its powers or institute such action, suit or proceedings, and unless there shall have been offered to the Trustee adequate security and indemnity against its costs, expenses and liability to be incurred and the Trustee shall have refused to comply with such request within

60 days. Nothing in the Bond Resolution or the Bonds issued thereunder affects or impairs RTD's obligation to pay the Bonds when due or the right of any bondholder to enforce such payment.

Regardless of the happening of an Event of Default, the Trustee will have power to, but unless requested in writing by the holders of a majority in principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, will be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Bond Resolution by any acts which may be unlawful or in violation of the Bond Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the bondholders.

No remedy by the terms of the Bond Resolution conferred upon or reserved to the Trustee or the bondholders is intended to be exclusive of any other remedy, but each and every such remedy is cumulative and is in addition to every other remedy given under the Bond Resolution or existing at law, including under the Act, or in equity or by statute on or after the date of execution and delivery of the Sales Tax Revenue Bond Resolution.

No delay or omission of the Trustee or any bondholder to exercise any right or power arising upon the happening of an Event of Default will impair any right or power or will be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by Article VIII of the Bond Resolution to the Trustee or to the bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the bondholders.

Prior to the declaration of maturity of the Bonds as described in the first paragraph under this caption, the holders of not less than 66–2/3% in principal amount of the Bonds at the time outstanding, or their attorneys–in–fact duly authorized, may on behalf of the holders of all of the Bonds waive any past default under the Bond Resolution and its consequences, except a default in the payment of interest on or principal of or premium, if any, on any of the Bonds. No such waiver will extend to any subsequent or other default or impair any right consequent thereon.

The Trustee will promptly mail written notice of the occurrence of any Event of Default (a) to each registered owner of Bonds then outstanding at his address, if any, appearing upon the registry books of RTD, (b) to each holder of any Bond payable to bearer who shall have filed with the Trustee within two years preceding such mailing an address for notices and (c) to the Bond Insurer as provided in the caption "Bond Insurer's Rights" in this APPENDIX E.

Bond Insurer's Rights

So long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, each bondholder of the Bonds insured thereby shall be deemed to have irrevocably consented to the Bond Insurer being deemed to be the bondholder of all of the Bonds insured thereby for the purpose of receiving notice of, consent to, approve, direct or control any actions, restrictions, rights, remedies, waivers or accelerations pursuant to the Bond Resolution except that notice of any event of default (as defined in the Bond Resolution) shall also be given to the bondholders. Upon the occurrence of an Event of Default concerning the payment of principal or interest, the Bond Insurer or its designee will be provided with access to the registration records maintained by the Bond Registrar. The Trustee will provide the Bond Insurer immediate notice of the occurrence of any payment related Event of Default and notice of any other Event of Default within 30 days after the Trustee becomes aware of such Event of Default. The Trustee will not consider the existence of the Bond Insurance Policy in determining whether rights of holders of the Bonds are adversely affected by actions taken pursuant to the terms and provisions of the Bond Resolution. Payments made by the Bond Insurer under the Bond Insurance Policy will not be deemed paid for the purposes of determinations with respect to Events of Default, remedies for the same, or defeasance of the Bonds and will continue to be due and owing until paid by the District in accordance with the provisions of the Bond Resolution. The Bond Insurer will be furnished with written notice of the resignation or removal of the Trustee, Paying Agent and the Bond Registrar and the appointment of any successor thereto.

Notwithstanding any other provision of the Bond Resolution to the contrary, no consent or approval of or notice to the Bond Insurer will be required under any other provision of the Bond Resolution nor will the Bond Insurer have any right to receive notice of, consent to, approve, direct or control any actions, restrictions, rights, remedies, waivers or accelerations pursuant to any provision of the Bond Resolution during any time which the Bond Insurer is in default of its payment obligations under the Bond Insurance Policy. During the existence of such an event, only the holders of the Bonds or the Trustee or both, as the Bond Resolution provides, will have the right to receive notice of, consent to, approve, direct or control any actions, restrictions, rights, remedies, waivers or accelerations pursuant to the Bond Resolution.

If it is determined pursuant to the Sixteenth Supplemental Resolution and the Sale Certificate that a Bond Insurance Policy will be obtained with respect to the Series 2010A Bonds, the Interim General Manager (or the General Manager, as the case may be) or any member of the Board of the District may determine the terms of any agreement with the Bond Insurer for the Series 2010A Bonds as necessary to satisfy the Bond Insurer's commitment requirements to issue its Bond Insurance Policy.

Financial Qualifications of Trustee; Removal of Trustee

The Trustee and any successor to the Trustee shall be a bank or trust company or national banking association having a capital stock and surplus aggregating at least $10,000,000, or, so long as any of the Series 2008A Bonds are insured by the Bond Insurer and so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, having a capital stock and surplus aggregating at least $50,000,000, unless the Bond Insurer otherwise approves an amount not less than $10,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

The Trustee may be removed by (a) written request or consent of the holders of a majority in principal amount of Bonds payable from the Pledged Income then outstanding, excluding any Bonds held by RTD; (b) by written request of RTD, if RTD is not then in default under the Bond Resolution; or (c) at the request of the Bond Insurer for any breach of the trust set forth in the Bond Resolution. No resignation or removal of the Trustee shall become effective until a successor acceptable to the Bond Insurer, has been appointed and has accepted the duties of the Trustee.

Powers of Amendment; Supplemental Resolutions

Any of the provisions of the Bond Resolution may be amended by RTD, by a supplemental resolution, upon the consent of the holders of at least two-thirds in principal amount in each case of (a) all Bonds payable from the Pledged Income then outstanding and (b) if less than all of the outstanding Bonds are affected, the Bonds of each affected series, and (c) if the amendment changes the terms of any sinking fund installment the Bonds of the series and maturity for which such sinking fund installment was established; excluding in each case, from such consent, and from the outstanding Bonds (i) the Bonds of any specified series and maturity, if such amendment by its terms will not take effect so long as any of such Bonds remaining outstanding, and (ii) any Bonds owned or held by or for the account of RTD, the State or any political subdivision thereof; provided that any such amendment shall not, with respect to any outstanding Bond, permit a change in the terms of redemption or maturity or any installment of interest or make any reduction in principal, redemption premium or interest without the consent of the affected holder, or reduce the percentages of consents required for a further amendment, without the consent of the holder of such Bond.

RTD may adopt (without the consent of any holders of the Bonds) supplemental resolutions to authorize Additional Parity Bonds, to close the Bond Resolution against or limit or restrict the issuance of Additional Parity Bonds, to add to the restrictions contained in the Bond Resolution, to add to the covenants of RTD contained in the Bond Resolution, to confirm any pledge under the Bond Resolution of Pledged Income or other moneys, to add an additional area or areas to the Primary Sales Tax Area, to add to Pledged Income additional revenues of RTD; and otherwise to modify any of the provisions of the Bond Resolution (but no such other modification may be effective while any of the Bonds of any series theretofore issued are outstanding), or to cure any ambiguity or to correct any defect or clarify any matters in the Bond Resolution (provided that the Trustee shall consent thereto).

Copies of any amendment to the Bond Resolution are to be sent to the Bond Insurer, S&P and Moody's at least 10 days in advance. Notwithstanding any other provision of the Bond Resolution to the contrary, no amendment or supplement to the Bond Resolution which adversely affects the Bond Insurer shall be effective without the prior written consent of the Bond Insurer.

Defeasance

All outstanding Bonds of a series, or of any maturity within a series, shall prior to the maturity or redemption date thereof be deemed to have been paid and shall cease to be entitled to any lien, benefit or security under the Bond Resolution if the following conditions are met: (a) in the case of Bonds to be redeemed prior to their maturity, RTD shall have given to the Trustee irrevocable instructions to publish the notice of redemption therefor; (b) there shall have been deposited with the Trustee in trust either moneys in an amount which shall be sufficient, or, Investment Securities (which shall consist of direct obligations of the United States of America or securities fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America or any interest in any of the foregoing, and which shall not be subject to redemption prior to their maturity) the principal of and the interest on which, when due, will provide moneys which, together with any moneys also deposited, shall be sufficient to pay when due the principal of, redemption premium, if applicable, and interest due or to become due on such Bonds; (c) RTD delivers to the Trustee and the Bond Insurer a report of an independent certified public accountant (acceptable to the Bond Insurer) which indicates that the moneys and the Investment Securities, including the known investment yield thereof, deposited with the Trustee shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the applicable Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (d) in the event such Bonds are not subject to redemption within the next succeeding 60 days, RTD shall have given the Trustee irrevocable instructions to publish, as soon as practicable, a notice to the holders of such Bonds that the above deposit has been made with the Trustee, that such Bonds are deemed to be paid, and stating the maturity or redemption date upon which moneys are to be available to pay the principal and, redemption premium, if applicable, of such Bonds;

Continuing Disclosure Covenant

RTD covenants for the benefit of the owners of the Series 2010A Bonds to comply with the terms of the Continuing Disclosure Agreement, dated as of the date of delivery of the Series 2010A Bonds, between RTD and the Trustee which enables the participating Underwriters to comply with Rule l5c2-12 promulgated by the Securities and Exchange Commission. Failure of the District to comply with the Continuing Disclosure Agreement does not constitute an Event of Default under the Bond Resolution. See “CONTINUING DISCLOSURE AGREEMENT” in the body of this Official Statement.

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