



Annual Comprehensive Financial Report

For the Fiscal Years Ended September 30, 2023 and 2022



SAN ANTONIO, TEXAS
VIAINFO.NET



San Antonio, Texas

Annual Comprehensive Financial Report

Years Ended September 30, 2023

Prepared by the Fiscal Management Division

Steven J. Lange
Vice President Fiscal Management / CFO

VIA Metropolitan Transit
San Antonio, Texas

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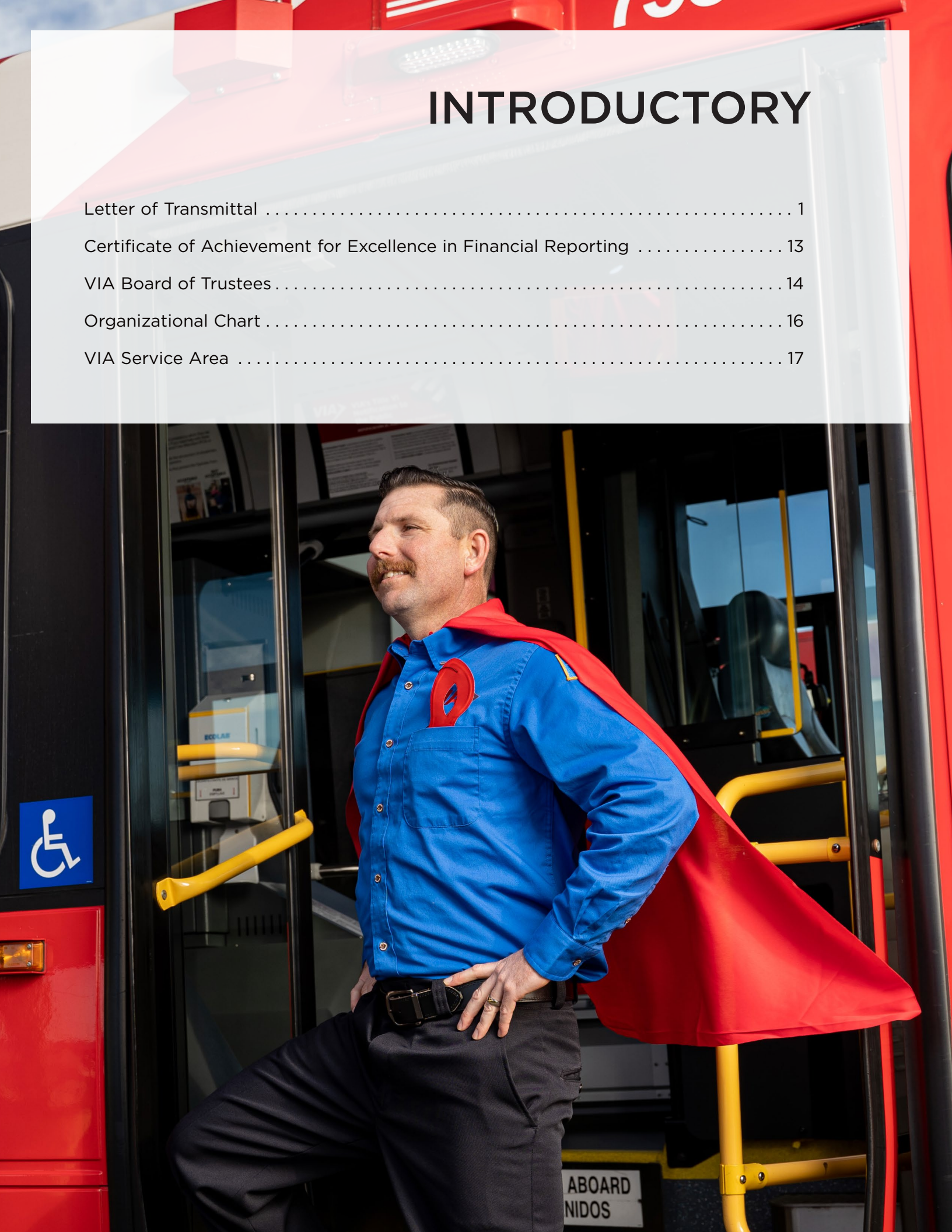
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March 7, 2023

Citizens of the VIA Metropolitan Transit Service Area:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of VIA Metropolitan Transit for the fiscal year ended September 30, 2023. The ACFR is prepared annually to satisfy Texas statute and Federal Single Audit Act requirements to have an annual audit of our basic financial statements. The audit is to be performed by an independent certified public accountant or a firm of independent certified public accountants. This report is published and respectfully submitted to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The internal control is designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of VIA in accordance with accounting principles generally accepted in the United States of America (GAAP) for local government units. All disclosures necessary to enable the reader to gain an understanding of VIA's financial affairs have been included.

This report is presented in three parts:

1. The **Introductory Section** includes this letter of transmittal, the 2022 Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, an organizational chart and a listing of the Board of Trustees.
2. The **Financial Section** presents the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), and the basic financial statements with accompanying notes.
3. The **Statistical Section** provides unaudited financial, economic and other miscellaneous information that is useful for indicating trends for comparative fiscal periods.

VIA's independent auditor, Baker Tilly, has rendered an unmodified opinion on VIA's financial statements for the year ended September 30, 2023. The

independent auditors' report is presented as the first item in the financial section of this report.

Management's discussion and analysis immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

VIA is a Metropolitan Transit Authority established on March 1, 1978, under the provisions prescribed in Article 1118x, Revised Civil Statutes of Texas (now codified as Ch. 451, Texas Transportation Code) to provide public transportation services for the citizens of Bexar County, which includes the City of San Antonio, Texas. The system's legal name is VIA Metropolitan Transit.

A confirmation election was held in Bexar County in 1977 and voters approved the creation and funding of VIA through a one-half cent sales tax levied in San Antonio and seven other incorporated municipalities. In March of 1978, VIA purchased transit system assets from the City of San Antonio and began operations. Today, VIA's service area consists of the unincorporated area of Bexar County and 13 municipalities including the City of San Antonio.

On November 2, 2004, the voters of San Antonio approved the creation of an Advanced Transportation District (ATD) for mobility enhancement and advanced transportation. The ATD is authorized to impose sales and use tax of one-fourth of one percent to be allocated 50% to VIA Metropolitan Transit, 25% to the City of San Antonio, and 25% as a local share to be leveraged with state and federal grants (the local share has gone to the Texas Department of Transportation and Bexar County). The funds are used for "advanced transportation" and "mobility enhancement," which includes items such as transportation services, operations, transportation amenities, equipment, construction, improvements to streets and sidewalks, and, the local share for state and federal grants for ATD-related capital projects, such as improving highways and transportation infrastructure.

On November 3, 2020, the voters of San Antonio approved a measure that will rededicate a 1/8-cent share of local sales tax for public transit, beginning in 2026. This is not a new tax. It reallocates a portion of an existing 1 cent of local sales tax made available for transit use by the Texas legislature. The additional funding will be used to fund VIA's Keep SA Moving Plan, designed to connect more people to jobs and economic opportunity through improved and expanded VIA services.

VIA is governed by an eleven-member Board of Trustees appointed to staggered two-year terms. Five members are appointed by the San Antonio City Council, three members are appointed by the Bexar County Commissioners and two are named by the Suburban Council of Mayors. The Chair is elected by the VIA Board of Trustees.

The Board determines policy and directs VIA, with the President serving as the Chief Executive Officer. Subject to policy direction from the Board, the President is responsible for daily operations of VIA.

Service

The service area is comprised of approximately 1,210 square miles, almost all of which are in Bexar County. This represents 97% of Bexar County. In FY23, VIA transported 24.9 million passengers, provided 2.1 million hours of service over 31.6 million miles, and carried an average of 77,968 passengers on weekdays. In the prior year, VIA transported 22.1 million passengers, provided 2.0 million hours of service over 30.6 million miles, and carried an average of 68,607 passengers on weekdays.

Service is currently available seven days a week, from 4:00 a.m. until 1:00 a.m., with a fleet of approximately 500 buses and 139 Paratransit vans (excluding contract service) maintained by an around-the-clock maintenance department.

Budget

The State of Texas requires that transit authorities, such as VIA Metropolitan Transit, adopt an annual operating budget before the start of a new fiscal year. VIA establishes a budget that is appropriately monitored through the accounting system to ensure effective budgetary control and accountability. It is the responsibility of each division to administer its operation in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Trustees and that the total approved budget is not exceeded. The Board receives and reviews budget performance reports, in a summarized format, at the monthly board meeting.

Local Economy

The Federal Reserve Bank of Dallas, in their January 25, 2024 *San Antonio Economic Indicators* publication, noted that the San Antonio Business-Cycle Index increased from November to December at an annualized 6.3 percent growth rate, faster than the 5.5 percent rise from October to November. The report noted that San Antonio's unemployment rate remained stable in December (at 3.8 percent), retail sales tax revenue fell (year-over-year, the 6-month moving average for sales tax revenue fell 1.2% in December), and existing home sales declined (down 4.3 percent in December).

The business-cycle index produced by the Federal Reserve Bank of Dallas is the broadest and most current measure of the local economy. It is a composite index consisting of changes in the unemployment rate, nonagricultural employment, inflation-adjusted wages, and inflation-adjusted retail sales for the metropolitan area.

In September 2023, Moody's Analytics reported that the San Antonio-New Braunfels economy will advance at a slow pace over the coming year, as high interest rates keep housing subdued. They note that the large military presence faces some near-term risk but will generally be a source of stability for the local economy, and that manufacturing will see an uptick. Moody's Analytics also states that longer term, the metro area's robust population gains and low costs of doing business should contribute to above-average overall performance.

Long-Term Financial Planning

VIA has a five-year financial and capital plan that is updated annually, as well as a VIA Vision 2040 Long-Range Plan that will be updated every five years. A key purpose of these plans is to guide staff and inform the public and other stakeholders of the means by which community transit needs will be met. The five-year financial projections are developed by analyzing historical data, trends, planned service changes, known revenue and expense factors, and other pertinent information. Some of the key information developed includes five-year schedules of annual: 1) revenues and expenses, 2) cash requirements and cash and investment balances, 3) replacement of revenue vehicles, 4) proposed expenditures on capital facilities and equipment, 5) projected availability and use of federal transit grants, and 6) projected debt financing.

Relevant Financial Policies

Basis of Accounting

VIA prepares its financial statements using the accrual basis of accounting, treating VIA Metropolitan Transit as an enterprise fund. The financial statements of VIA Metropolitan Transit have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Cash and Investments

State law permits VIA to invest in: fully secured or fully insured certificates of deposit ("CDs") of state and national banks or savings and loan associations located within the State of Texas; direct obligations of the United States of America and its agencies; obligations of the State of Texas and its municipalities, school districts, or other political subdivisions; and, obligations guaranteed as to both principal and interest by the United States of America. VIA's investment policy conforms to the regulations of the Texas Public Funds Investment Act.

Risk Management

VIA is self-insured and self-administered for public liability and property damage claims. Claims are paid from general operating revenues. Extensive cost containment efforts, such as an aggressive subrogation recovery program and medical invoice audits, are employed to help minimize the cost of these programs.

VIA has fire and extended coverage on scheduled buildings, contents, buses and vans. The purchased coverage is to cover catastrophic losses in excess of the \$500,000 deductible carried. Contractors who perform services for VIA are required to carry adequate insurance coverage and to add VIA as an additional insured. These requirements are monitored carefully to protect VIA's insurable interests.

Healthcare costs are a significant expense for VIA, and to limit exposure to large-dollar medical claims, VIA has contracted with a stop-loss insurer. The cap on claims for any one individual per year is \$175,000 (this also includes pharmacy claims). VIA does not incur any expense in connection with claims above the cap.

Key Budget Objectives

Focus areas for the FY24 budget are guided by the Keep SA Moving Plan goals and include ongoing employee/rider health and safety initiatives, as well as projects in progress, such as system rebalancing, and service delivery improvements to retain and recover ridership.

VIA will be accelerating key elements of the KSAM plan, particularly those that enhance mobility for economic opportunity, provide diverse, high-quality transit options, and improve the customer experience. Federal funding and additional ATD sales tax revenue beginning in January 2026 have made funding of the KSAM program possible.

Looking ahead, VIA will be making a variety of strategic investments to help better meet the transit needs of the community.

- Enhanced revenue vehicle fleet
 - Purchase of 192 buses in FY24-28 (this includes 30 Primo buses for ART)
 - Purchase of 97 new paratransit vans
- Pursue additional Advanced Rapid Transit funding and commence final design
 - Begin Preliminary Engineering and NEPA for Silver Line Corridor
 - Pursue FTA Capital Investment Grants Program next steps for both Green Line and Silver Line Corridors
- Move Projects into Final Design & Construction
 - Randolph Transit Center
 - Eastside Mobility Hub
- Advance Programming and Conceptual Design
 - 2nd Fixed Route Maintenance/Operations Facility
 - Site Selection/Acquisition
- Other Planning Initiatives
 - Mobility-on-Demand Expansion
 - Facility Master Planning

➤ Update of Long-Range Plan

For the past several years, VIA has engaged the community in developing a plan to provide the San Antonio region a truly multimodal transit system. VIA has asked for the public to imagine a different VIA, a VIA that offers a greater variety of transportation choices, a VIA that invests in technology and infrastructure to bring transit into the 21st century. Acceleration of the KSAM plan and a budget that helps build on a more mobile future puts us on that path.

Progress on Key Projects Underway

VIA will make significant progress on new facilities and other projects in FY24. Key projects underway are noted in the section below, and the transit technologies included in VIA's Long-Range Comprehensive Transportation Plan will continue to be explored, even as that plan undergoes an update in the coming year.

Green Line Project – The KSAM Green Line Project (formerly known as ART N/S) is in the second year in the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) Program. Since entering the Project Development phase of the program, the Green Line has received a preliminary rating of "Medium-High;" has been recommended for a \$158M grant via the President's FY 2023 Budget; has been addressed in two rounds of Public Meetings with the community; has been assigned a Project Management Oversight Consultant (PMOC) from the FTA; and has completed the National Environmental Policy Act (NEPA) documentation with a Categorical Exclusion. The Green Line project has also finalized 30% of engineering plans and has been reviewed through the FTA and PMOC risk workshop. As a result of the risk workshop in June 2023, the FTA recommended the Green Line project cost estimate, excluding finance charges, to be \$423M Year of Expenditure (YOE), an addition of \$34M YOE. When financing charges of \$23.3M are added, the total project cost is \$446.3M.

Silver Line Project – The KSAM Silver Line project (formerly known as ART E/W) is in the first year in the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) Program. Since entering the Project Development phase of the program, VIA has submitted a Ratings Package to the FTA. The project team has developed high-level conceptual plans to serve as the basis for the initial cost estimate included in the Ratings Package. During this period, staff has also begun coordinating with the City of San Antonio and other agency stakeholders to ensure a successful project.

As of August 2023, and as a result of additional study, the preliminary project cost for ART East/West Silver Line is estimated at \$289.2M YOE. VIA submitted a Small Starts rating package, including an updated financial plan, in August 2023.

2nd Fixed-Route Operations and Maintenance (O&M) Facility – VIA's current maintenance facility, located at 1720 N Flores, supports all VIA's fixed-route buses (over 500) and support vehicles (approximately 200). The facility was built in 1947 for a much different and smaller fleet. While the building has seen many minor

modifications over the years, no full-scale renovation has occurred, and many of the original systems remain in place. As VIA continues to grow and the existing facility continues to age, VIA must invest in infrastructure that allows for the continued maintenance and operations of the fleet, along with the ability to support new vehicle technologies most efficiently. In 2020, VIA began studying the feasibility of a 2nd fixed-route O&M facility, looking at preliminary space and site requirements and developing phasing plans that would allow VIA to pursue Federal funding.

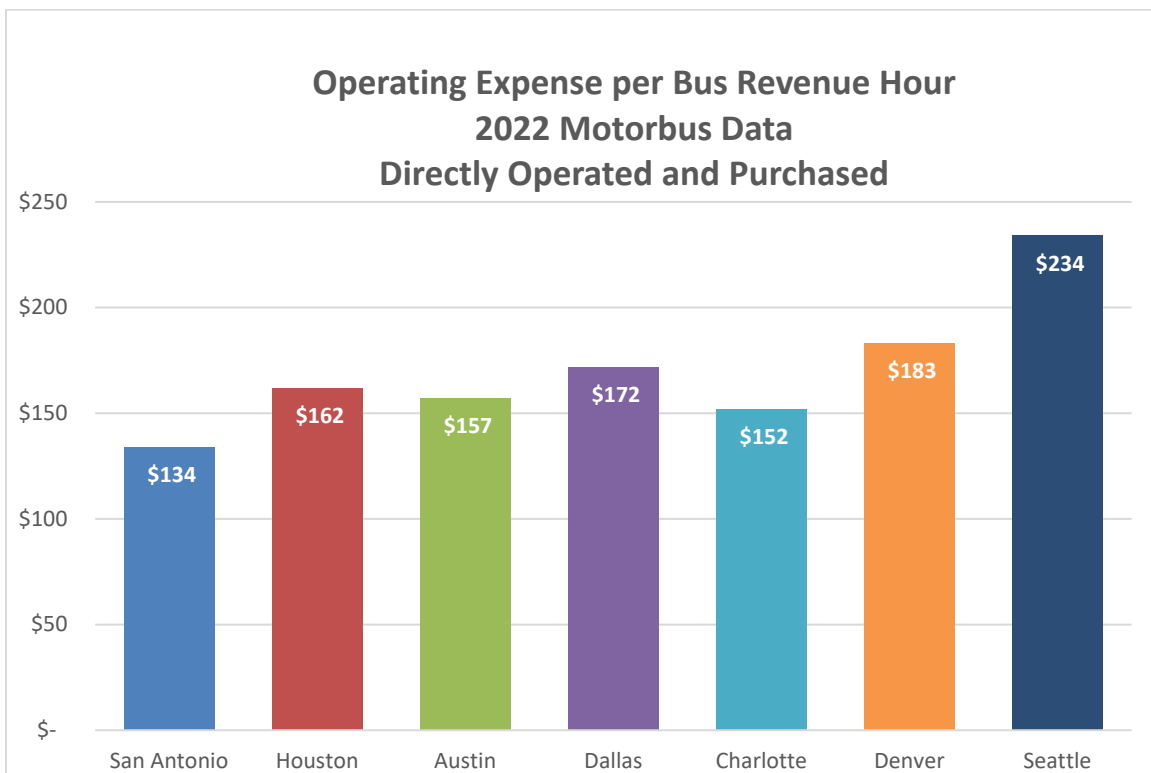
Randolph Transit Center – The reconstruction of the Randolph Transit Center is currently in the solicitation stage as interested construction teams review the final design plans and submit a proposal to execute the project. The existing facility is located at the interchange of Loop 410 and I-35. A brand-new Transit Center will be constructed on site to replace this 20-year-old facility. Improvements include new boarding platform and exterior waiting areas, interior customer lobby and waiting area, restrooms, customer service, real-time arrival information, public art, landscaping, passenger pick up/drop off and overall improved site circulation.

Naco Pass Mobility Hub – The Naco Pass Mobility Hub project completed construction and subsequent investigation of a pavement failure. Advertising for the reconstruction is currently underway. The location serves three bus routes and is a hub for the northeast VIA Link service.

I-10 Park & Pool – This project is in the far edge of northwest Bexar County and is in partnership with Alamo College District. This park & pool provides a parking and a meet-up area for car/vanpool users with direct connection to future I-10 HOV lanes. Bus service is planned to be introduced in future years. Construction activities began in August 2022, and the park & pool opened in January 2024.

Eastside Mobility Hub – This project includes a customer service and passenger waiting area, an off-street layover and transfer area for two eastside routes as well as future VIA Link services. This project is nearing 60% design with final design anticipated by mid-2024.

In summary, FY24 will be a year of significant progress for VIA, as the vision of a multimodal transit system for the San Antonio region continues to develop, and investments are made in transit system assets and improvements throughout the region. VIA remains fiscally sound with Stabilization Fund (“Rainy Day” Fund) and working capital balances at Board policy levels (60 days each).



For bus service efficiency measures, VIA’s cost per hour is the lowest of the peer group of the largest Texas agencies by a significant margin, and VIA’s operating expenses per vehicle revenue mile are also by far the lowest of the peer group of the largest Texas agencies (at \$9.59 for VIA, compared to a range of \$12.57 to \$14.09 for the other largest Texas transit agencies). Against that peer group, VIA also has the best performance for bus service effectiveness measures of unlinked trips per vehicle revenue hour (VIA is highest), and operating expenses per unlinked passenger trip and passenger mile (VIA is lowest). VIA receives fewer operating dollars than those other agencies. Houston, Dallas and Austin all have a full one-cent sales tax available to support operations, while VIA currently has 5/8ths of one cent (VIA will receive an additional 1/8-cent tax beginning in January 2026). Additionally, Austin receives funding through property tax dedicated to Project Connect. In FY22, sales tax revenues for the peer group of large Texas agencies were the following: Houston (METRO), \$969.5M; Dallas (DART), \$791.8M; Austin (Cap Metro), \$366.9M; and San Antonio (VIA), \$250.8M. As VIA grows into a larger system of transit choices, the organization must constantly seek out ways to do even more with less, enabling investment in new and enhanced services.

VIA is currently in sound financial position, and some noteworthy items that will help ensure VIA’s continued fiscal sustainability in the future include:

Additional Sales Tax. San Antonio voters said “yes” to a ballot measure that will rededicate a 1/8-cent share of local sales tax for public transit, beginning in 2026. The funds will be used to fund VIA’s Keep SA Moving Plan (KSAM), designed to connect people to jobs and economic opportunity through improved and expanded

VIA services. VIA is now working to accelerate certain elements of the KSAM plan and is exploring a variety of funding and financing options.

Fixed Route Service Refinements – VIA continues to evaluate opportunities for improvements in service efficiency and effectiveness. VIA evaluates its bus network by analyzing ridership and service levels to ensure it is providing service that meets productivity standards. VIA performs detailed service analysis, using its route performance index, to identify opportunities to match service levels with ridership.

Federal Grant Awards – The U.S. Department of Transportation selected VIA as a recipient of technical assistance through the Thriving Communities Program. This is an exciting and important victory that will better position VIA and the community to attract more federal dollars back home, adding fuel to our pursuit of making San Antonio a better place to live.

VIA partnered with the City of San Antonio, Bexar County and Local Initiatives Support Coalition-San Antonio (LISC) in the pursuit of this USDOT grant. The successful partnership underscores the symbiotic relationship between strong transit and housing.

In this program, VIA will join more than a dozen communities in the Complete Transit Oriented Neighborhoods Cohort. The federal program is designed to assist under-resourced communities to better access federal funds from the Bipartisan Infrastructure Law (BIL) for transportation projects that will create jobs, improve safety, and strengthen local economies.

The program “provides two years of no-cost intensive technical assistance” that will help ensure VIA has the best-possible opportunity to win federal support for its planned Advanced Rapid Transit E/W corridor, to be called the “Silver Line,” which was recognized by the Federal Transit Administration this year as a new project. VIA’s application for the Thriving Communities Program notes the historical redlining, racial discrimination, and inequities, which still persist today, in the East and West Side communities that would be linked by the project. VIA sought the technical assistance program to ensure that the project and the City of San Antonio’s \$17M bond investment in affordable housing for the East and West sides are equitable and provide meaningful community engagement.

There are four categories of communities, including “Complete Transit-Oriented Neighborhoods,” in which VIA was grouped. That category will focus on urban and suburban communities in metropolitan areas that are working to advance equitable transit-oriented development and improve safe, reliable, and accessible transit services, according to a news release from the U.S. Transportation Department.

For KSAM ART Silver Line, VIA was awarded \$8.1M to fund advanced project development.

VIA will continue to aggressively pursue grant opportunities to further transit projects.

Revenue Fleet Vehicles – VIA has replaced approximately 80% of its fleet with new CNG buses – approximately 400 new vehicles. Replacing diesel-powered buses with CNG vehicles has resulted in significant fuel savings. VIA will continue to seek grant funding opportunities that can be used to replace additional diesel-powered buses with CNG buses.

Business Process Improvements – VIA is currently working on implementation of a new Enterprise Resource Planning (ERP) System. The new ERP system is expected to result in significantly improved processes and automation.

Cost Reviews – VIA will continue to monitor key cost drivers and seek to take prudent measures to improve financial sustainability. Some of VIA's significant costs include wages, fuel, healthcare, pension and workers compensation. Over the past decade, VIA has taken various actions to control these key costs and has been able to operate very cost efficiently. VIA's exceptional performance in this area is reflected in the above chart showing cost efficiency compared to peer transit agencies.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to VIA Metropolitan Transit Authority for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2022. This was the thirty-third consecutive year that VIA Metropolitan Transit has received this award. In order to be awarded a Certificate of Achievement, VIA is required to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. VIA's Fiscal Management Division prepares that report in conformity with the Certificate of Achievement Program requirements and submits it to the GFOA on an annual basis, no later than March 31st of each year.

VIA's efforts have earned welcome recognition from local, state, and national organizations who have commended the dedication and commitment of VIA employees. Recent commendations include:

- The Texas Transit Association (TTA) named VIA Metropolitan Transit President/CEO Jeffrey C. Arndt as its 2023 Outstanding Public Transportation General Manager in recognition of his work and contributions to transform transportation in our region.

- VIA Vice President of Communications and Strategy Rachel Benavidez was named “PR Professional of the Year” by the Public Relations Society of America-San Antonio.
- Office of Management and Budget received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- The Department of Employee Services and Benefits received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- VIA Metropolitan Transit was recognized by the Texas Workforce Commission and “We Hire Vets” program for its commitment to actively recruit and hire vets of the U.S. Armed Forces (19% of the VIA workforce is composed of veterans).
- The VIA Thrive Program was recognized by the Mayor’s Fitness Council and Fit City SA as part of the Healthy Workplace Recognition Program.
- VIA received the Rosa Parks Diversity Award from WTS for the San Antonio Region for the Advanced Rapid Transit Network project.
- The San Antonio Chapter of the Public Relations Society of America awarded the La Plata Award of Excellence for Internal Communications for VIA’s Operation Top Give United Way campaign.
- The San Antonio Chapter of the Public Relations Society of America awarded the La Plata Award for Merit of Public Service for VIA’s series of public meetings focused on the Rapid Green Line.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Fiscal Management division. We would also like to recognize the Administration and Public Engagement Group staff that contributed their time and efforts in preparing this document. Finally, special appreciation is extended to the Board of Trustees for providing the leadership and support necessary to prepare this report.

Sincerely,



Jeffrey C. Arndt
President/CEO



Steven J. Lange
Vice President Fiscal Management/CFO

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**VIA Metropolitan Transit
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

**VIA Metropolitan Transit
Board of Trustees**

Appointed by:

Fernando Reyes Chair (Effective 2021)	Elected by VIA Board of Trustees
Laura Cabanilla (Appointed 01/14/21) Vice Chair (Effective 2023)	City of San Antonio Appointee
Athalie Malone (Appointed 9/12/19) Secretary (Effective 2022)	City of San Antonio Appointee
Louis R. Cooper (Appointed 11/15/17) Assistant Board Secretary (Effective 2023)	Greater Bexar County Council of City Appointee
Kevin Wolf (Appointed 1/19/22) Executive Committee	Greater Bexar County Council of City Appointee
Ayda Gonzalez (Appointed 1/25/22) Member	Bexar County Appointee
Javier Paredes (Appointed 1/14/21) Member	City of San Antonio Appointee
Melanie Tawil (Appointed 1/14/21) Member	City of San Antonio Appointee
Paul Basaldua (Appointed 5/24/22) Member	Bexar County Appointee
Akeem Brown (Appointed 5/8/18) Member	Bexar County Appointee
Robert "Bob" Comeaux (Appointed 6/30/16) Member	City of San Antonio Appointee

VIA
Board of Trustees



Fernando Reyes
Chair

Electoral by VIA Board of Trustees



Laura Cabanilla
Vice Chair

City of San Antonio Appointee



Athalie Malone
Secretary

City of San Antonio Appointee



Louis R. Cooper
Assistant Board Secretary

Greater Bexar County
Council of Cities Appointee



Kevin Wolff
Executive Committee

Greater Bexar County
Council of Cities Appointee



Ayda Gonzalez
Member

Bexar County Appointee



Javier Paredes
Member

City of San Antonio Appointee



Melanie Tawil
Member

City of San Antonio Appointee



Paul Basaldua
Member

Bexar County Appointee



Akeem Brown
Member

Bexar County Appointee

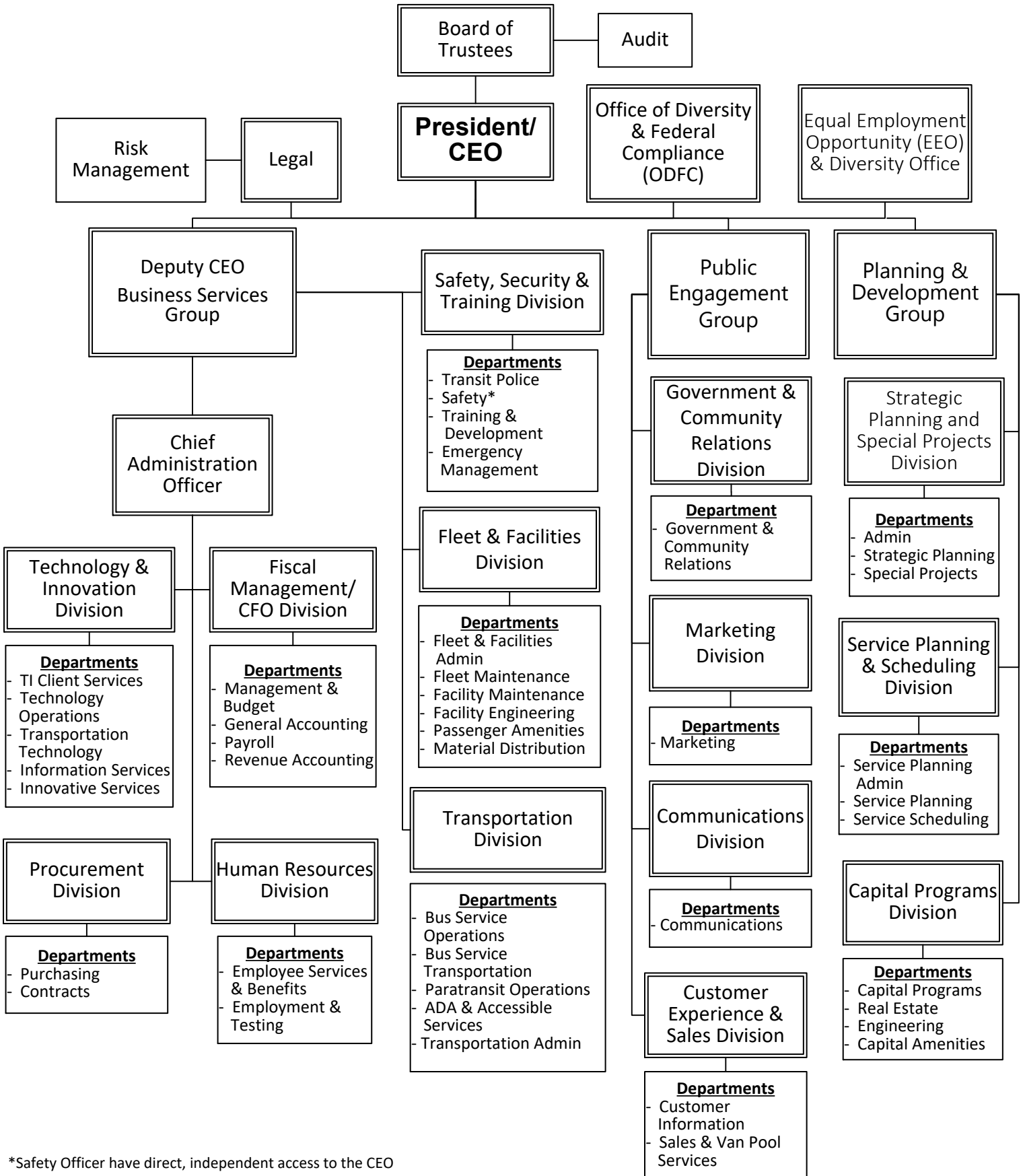


Robert "Bob" Comeaux
Member

City of San Antonio Appointee

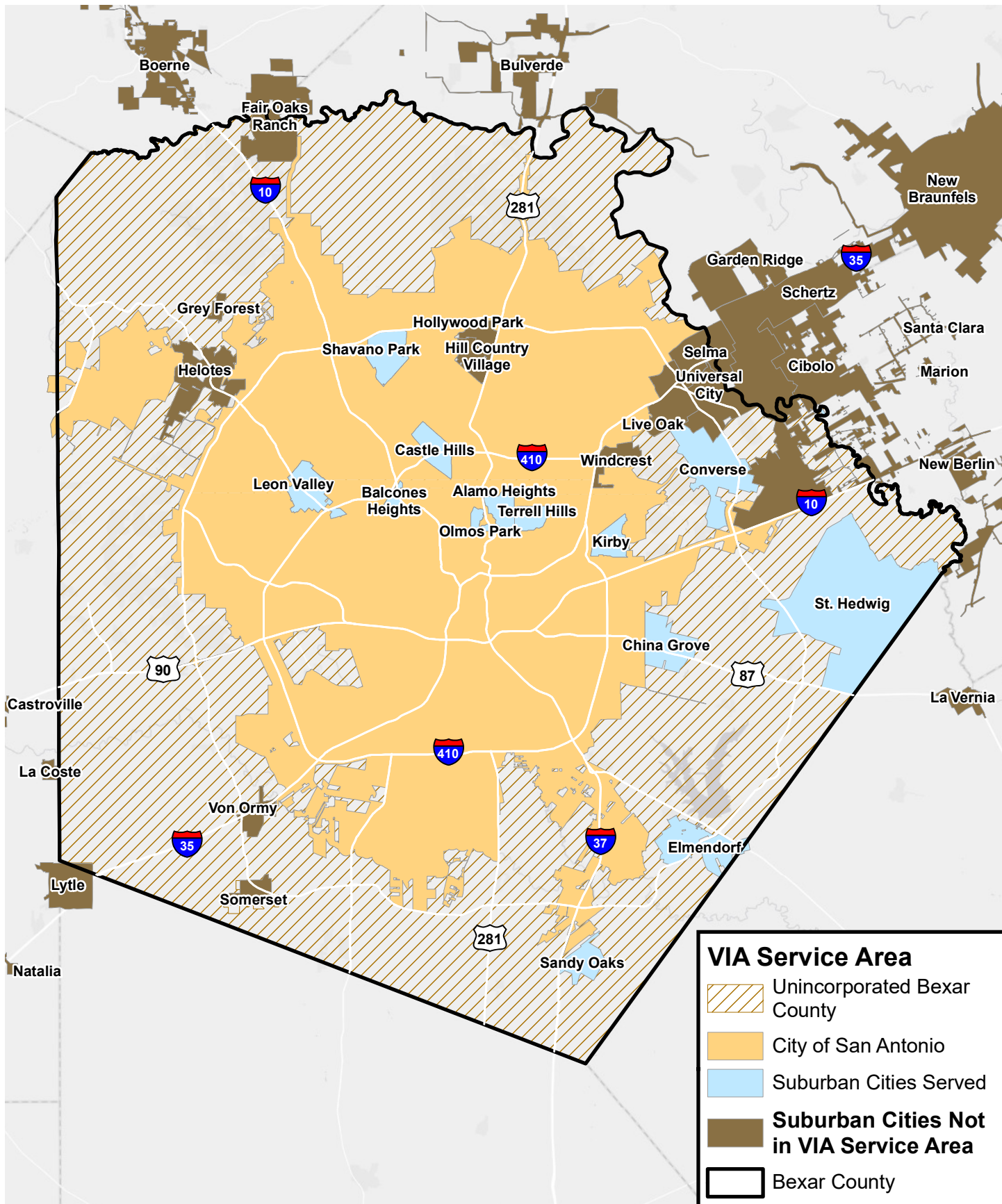
VIA METROPOLITAN TRANSIT ORGANIZATIONAL CHART

October 1, 2023 – September 30, 2024



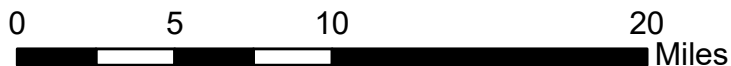
*Safety Officer have direct, independent access to the CEO

VIA Service Area



VIA Service Area

- Unincorporated Bexar County
- City of San Antonio
- Suburban Cities Served
- Suburban Cities Not in VIA Service Area
- Bexar County



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Independent Auditors' Report

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Independent Auditors' Report

To the Board of Trustees of
VIA Metropolitan Transit

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, and fiduciary activities of VIA Metropolitan Transit (VIA), as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise VIA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, and fiduciary activities of VIA as of September 30, 2023 and 2022, and the changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, VIA adopted the provisions of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*, effective October 1, 2022. Accordingly, the accounting changes have been retroactively applied to the prior period presented. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VIA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical information as identified in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024 on our consideration of VIA'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 solely 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 effectiveness of VIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VIA's internal control over financial reporting and compliance.



Austin, Texas
February 23, 2024

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**Required Supplementary Information -
Unaudited**

Management's Discussion and Analysis

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022 – unaudited

Management’s Discussion and Analysis

The following Management’s Discussion and Analysis of VIA Metropolitan Transit’s (“VIA”) activities and financial performance are provided as an introduction to the financial statements for the fiscal year (“FY”) ending September 30, 2023 and 2022. Readers are encouraged to consider the information presented here in conjunction with information contained in the financial statements that follow this section.

Financial Highlights

- As of September 30, 2023 and 2022, VIA’s total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$596.4M and \$583.0M respectively.

Financial results for FY23 have been restated for implementation of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This new GASB was implemented by VIA in FY23. Comparisons of FY23 to FY22 in this Management’s Discussion and Analysis section are all based on restated FY22 results.

The net position of VIA increased by \$13.4M in FY23, and net position increased by \$110.8M in FY22. The net impact of restating FY22 for GASB 96 was a \$0.1M increase in net position as of September 30, 2022. The current year increase in net position can be attributed to revenues exceeding expenses. In the prior year the increase was mainly due to federal stimulus funds, as VIA recognized \$57.9M of American Rescue Plan (ARP) revenue, which was the remainder of a \$117.1M award of ARP funds in FY21.

- Operating revenues are \$16.3M in FY23, up \$1.0M from the prior year, and in the prior year, operating revenues increased by \$1.5M. In both years, the increase is due to higher passenger revenues due to higher ridership.
- Net nonoperating revenues are \$317.3M, down \$36.8M from the prior year. This is attributable to the \$57.9M of ARP revenue recognized in FY22 (zero in FY23), partially offset by higher sales tax revenue and investment income. In the prior year, net nonoperating revenues were \$354.2M, down \$24.9M, driven by lower federal stimulus funds, down \$61.2M, partially offset by higher sales tax revenue, up \$30.6M (net VIA sales taxes, after remittances to ATD parties).
- VIA’s net sales tax revenue, which is the largest component of nonoperating revenue, is \$259.2M in FY23 and \$250.9M in FY22. In the current year, total sales taxes are \$306.9M, of which \$47.6M is for ATD entities other than VIA, and in the prior year, total sales taxes were \$297.1M, of which \$46.2M is for ATD entities other than VIA. ATD sales taxes returned to the community through the City of San Antonio (CoSA), the Texas Department of Transportation (TxDOT), and Bexar County are used for street improvements and to complete highway projects in the local area more quickly. Bexar County and TxDOT have used ATD funds to accelerate highway projects such as on Loop 1604 and U.S. 281.
- Operating expenses (including depreciation and amortization) are \$325.2M in FY23, an increase of \$50.7M (18.4%), and in the prior year, operating expenses decreased by \$0.2M (0.07%). In the current year, \$38.2M (75.4%) of the increase is due to the combined impact of higher wages, higher pension expense, and higher other post-employment benefits (OPEB) expense. FY23 pension expense increased mainly because it includes a \$17M impact of lower FY22 pension investment returns, and FY23 OPEB expense increased mainly because FY22 expense included a \$8.9M favorable one-time impact (a credit) due to a plan design change – VIA’s offering a Medicare Advantage Plan.

VIA Metropolitan Transit

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- Total capital/cash reserves and working capital (which equals cash, cash equivalents, and investments) increased by \$25.1M in the current year and \$112.2M in the prior year. As of September 30, 2023 and 2022, the balances were \$440.8M and \$415.7M, respectively. The current year increase was driven by the change in assets and deferred outflows slightly exceeding the change in liabilities and deferred outflows. The prior year increase was driven by \$119.5M of federal stimulus fund draws (\$2.4M of CRRSAA funds, and \$117.1M of ARP Act funds).
- As of September 30, 2023, VIA's stabilization fund and working capital reserve are each at Board policy level, which is to have a balance adequate to cover 60 days of operating expenses. The year-end balance in each reserve is \$43.1M. At the end of the prior year, the stabilization fund and working capital reserves were both fully funded also, with balances of \$42.6M in each.
- VIA spent \$42.7M on capital projects in FY23 and \$38.8M in FY22. In FY23, the largest spending categories were buildings and shelters (\$12.7M), revenue and service vehicles (\$11.1M), and equipment (\$10.7M). In FY22, the largest spending categories were building and shelters (\$18.0M) and revenue and service vehicles (\$16.2M).

Overview of the Financial Statements

The financial statements consist of two parts: Management's Discussion and Analysis prepared by VIA, and the Financial Statements, notes and required supplementary information audited by the external audit firm. VIA uses accounting methods similar to those used by private sector companies. Note 1 in the Financial Statements gives details concerning the use of proprietary fund accounting for governmental entities.

Required Financial Statements

The Statement of Net Position includes all of the assets and liabilities of VIA, and the deferred inflows and outflows of resources. The residual measure is net position. The Statement of Net Position provides information about the nature of the resources (assets), obligations to creditors (liabilities), and deferred outflows and inflows. The assets and liabilities are presented in a format that distinguishes between current and long-term categories. Over time, changes in net position may be a useful indicator of whether the financial position of VIA is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position analyze VIA's operations over the past year and provides comparative information for the previous fiscal year. The statements illustrate VIA's ability to cover operating expenses with revenues received during the same year.

The Statements of Cash Flows are the final required financial statements. These statements provide information on the cash receipts, cash payments, and net changes in cash resulting from operating, financing and investing activities.

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The Statements of Fiduciary Net Position present information on single-employer postretirement benefit plans' assets and liabilities, with the difference between the two reported as net position held in trust for pension and postretirement benefits. Fiduciary Funds Statements of Changes in Fiduciary Net Position present information showing how the fiduciary funds' net position changed during the years presented on an accrual basis.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes can be found in the section following the Statements of Cash Flows.

Financial Analysis

The Basic Financial Statements discussed above report information about VIA's financial activities in a way that helps the reader determine if VIA is better off or worse off as a result of the fiscal year's activities. The statements show the difference between assets, deferred outflows, liabilities and deferred inflows over time and are one way to measure the financial health of the system. Other nonfinancial factors such as changes in economic conditions, population growth, regulations and new or revised government legislation must also be taken into consideration when attempting to assess the financial condition of VIA.

A condensed Statement of Net Position is found below. The statements are condensed. To see more detail, refer to the basic financial statements which follow this section.

Condensed Statement of Net Position Information (in Millions of Dollars)

	<u>2023</u>	<u>Restated 2022</u>	<u>2021</u>
Current assets	\$ 516.2	\$ 496.2	\$ 390.9
Capital assets	436.0	384.7	395.3
Other noncurrent assets	22.2	32.0	50.0
Total assets	<u>974.4</u>	<u>912.9</u>	<u>836.2</u>
Deferred outflows of resources	<u>71.8</u>	<u>42.8</u>	<u>49.3</u>
Total assets and deferred outflows of resources	<u>1,046.2</u>	<u>955.7</u>	<u>885.5</u>
Current liabilities	70.3	60.8	63.2
Long-term liabilities	369.5	257.4	332.7
Total liabilities	<u>439.8</u>	<u>318.2</u>	<u>395.9</u>
Deferred inflows of resources	<u>10.0</u>	<u>54.5</u>	<u>17.4</u>
Total liabilities and deferred inflows of resources	<u>449.8</u>	<u>372.7</u>	<u>413.3</u>
Net position:			
Net investment in capital assets	255.8	248.5	240.5
Restricted	20.2	29.5	45.5
Unrestricted	<u>320.4</u>	<u>305.0</u>	<u>186.2</u>
Total	<u>\$ 596.4</u>	<u>\$ 583.0</u>	<u>\$ 472.2</u>

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Total net position may serve, over time, as a useful indicator of an entity's financial position. At the end of FY23, VIA's net position was \$596.4M. A significant portion of VIA's net assets in all years reported is represented by capital assets (revenue vehicles, passenger stations and shelters, service vehicles, land and equipment). These capital assets are used by VIA to provide public transportation services.

Net position increased by \$13.4M in FY23. Net investment in capital assets is up \$7.3M, restricted net position is down \$9.3M, and unrestricted net position is up \$15.4M. The increased investment in net assets resulted from capital spending and the reduction in bonds payable exceeding depreciation expense. Restricted net position decreased mainly due to spending of TxDOT grant funds for eligible projects. Unrestricted net position increased due to favorable operating results.

In FY22, net position increased by \$110.8M. Net investment in capital assets was up \$8.0M, restricted net position was down \$16.0M, and unrestricted net position was up \$118.8M. The increased investment in net assets resulted from capital spending and the reduction in bonds payable exceeding depreciation expense. Restricted net position decreased due to spending of bond funds for vehicle purchases, and spending of TxDOT grant funds for eligible projects. Unrestricted net position increased primarily due to federal stimulus grant funds.

Net capital assets increased by \$51.3M in FY23, going from \$384.7M to \$436.0M. This resulted from asset acquisitions of \$112.7M, depreciation and amortization of \$61.4M, and net deletions of zero.

In FY22, net capital assets decreased by \$10.6M, going from \$395.3M to \$384.7M. This resulted from asset acquisitions of \$42.5M, depreciation and amortization of \$53.1M, and net deletions of zero.

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Revenues, Expenses and Changes in Net Position Information

Condensed information on revenues, expenses, and changes in net position provides additional information on the changes in VIA's financial position and is presented below:

Revenues, Expenses and Changes in Net Position (in Millions of Dollars)

	2023	Restated 2022	2021
Operating revenues:			
Passenger revenues	\$ 14.3	\$ 13.0	\$ 11.4
Bus advertising and other	2.0	2.3	2.3
Total operating revenues	<u>16.3</u>	<u>15.3</u>	<u>13.7</u>
Operating expenses:			
Line service	208.7	179.6	188.4
Line disaster relief	0.0	0.0	0.5
Robert Thompson Terminal	0.9	0.4	0.0
Other special events	0.4	0.3	0.1
VIAtrans	36.7	29.5	27.4
VIAtrans disaster relief	0.0	0.0	0.7
VIA Link	2.2	1.8	0.2
Vanpool	0.5	0.4	0.3
Promotional service	0.0	0.0	0.1
Business development and planning	15.9	9.9	6.5
Real estate development	0.0	0.0	0.0
Depreciation	43.1	40.4	39.0
Amortization expense	16.8	12.2	11.5
Total operating expenses	<u>325.2</u>	<u>274.5</u>	<u>274.7</u>
Operating loss	(308.9)	(259.2)	(261.0)
Nonoperating revenues /(expenses):			
Sales taxes	306.9	297.1	261.0
CARES, CRRSA, ARP revenue – VIA	0.0	57.9	119.1
CARES, CRRSAA, ARP – pass-through	0.3	1.1	1.1
CARES, CRRSAA, ARP – pass-through remitted to subrecipients	(0.3)	(1.1)	(1.1)
Grants revenue – VIA	46.5	36.1	40.7
Grants revenue – pass-through	1.5	0.9	0.9
Less pass-through funds remitted to subrecipients	(1.5)	(0.9)	(0.9)
Investment income/(loss)	16.5	0.2	0.1
CoSA intergovernmental agreements expense	0.0	10.0	10.0
TxDOT Intergovernmental agreements expense	0.0	(1.7)	0.0
Intergovernmental expense	0.0	0.0	0.0
Bond interest and issuance costs	(3.2)	(3.5)	(4.0)
Lease interest expense	(1.7)	(0.3)	(0.6)
SBITA interest expense	0.0	0.0	0.0
Gain/(loss) on sale of assets	0.0	4.6	(6.5)
Less amounts remitted to CoSA and Bexar County	(47.6)	(46.2)	(40.7)
Total nonoperating revenues/(expenses)	<u>317.4</u>	<u>354.2</u>	<u>379.1</u>
Loss before capital contributions	8.5	95.0	118.1
Capital contributions	4.9	15.8	19.3
Change in net position	13.4	110.8	137.4
Net position at beginning of year	583.0	472.2	334.8
Net position at end of year	<u>\$ 596.4</u>	<u>\$ 583.0</u>	<u>\$ 472.2</u>

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As shown on the statement of Revenues, Expenses, and Changes in net position, VIA's net position increased by \$13.4M in FY23. Capital contributions, which include grant funds received from the Federal Transit Administration (FTA) for capital projects, were \$4.9M.

In FY22, VIA's net position increased by \$110.8M. Capital contributions were \$15.8M.

Operating Revenues

In FY23, operating revenues are \$16.3M, up \$1.0M (6.8%) from the prior year. This result is due to higher fare revenues resulting from higher ridership. Bus and paratransit ridership have each been trending upwards.

In FY22, operating revenues were \$15.3M, up \$1.6M (11.7%) from the prior year. This result is also due to higher fare revenues resulting from higher ridership.

Net Nonoperating Revenues

In FY23, VIA's net nonoperating revenues decreased by \$36.8 M (10.4%). The line item causing the decrease is American Rescue Plan (ARP) revenue, which went from \$57.9M in FY22 to zero in FY23 (all of the \$117.1M ARP award to VIA had been recognized as of FYE22). This decrease was partially offset by higher investment income, up \$16.3M, reflecting higher interest rates, and higher sales tax revenue, up \$8.3M (3.3%). Sales tax figures cited here are net of remittances to CoSA and Bexar County.

In FY22, VIA's net nonoperating revenues/(expenses) decreased \$24.9M (6.7%). Federal stimulus grant funds were down \$60.8M, with Coronavirus Response and Relief Supplemental Appropriations Act (CRSSAA) and American Rescue Plan (ARP) revenue totaling \$58.6M in FY22, compared to \$119.1M in FY21. In FY22, almost all remaining federal stimulus funds were used, and no additional federal stimulus funds were awarded. Sales tax revenue was up \$30.6M (13.9%), increasing from \$220.3M in FY21 to \$250.9M in FY22 (again, figures cited here are net of remittances to CoSA and Bexar County).

Operating Expenses

In FY23, operating expenses are \$325.2M, an increase of \$50.7M (18.5%). Wages are up \$12.7M, pension expense is up \$16.8M, and OPEB expense is up \$8.6M. Wages are up due to a 3% base wage increase, a 3.5% one-time payment made to employees to help offset the impact of exceptionally high inflation, and an increase in FTEs. Pension expense is up due to investment returns falling \$85M short of the 7% actuarially-assumed investment return amount. In accordance with GASB requirements, that difference is recognized as expense over the five-year period following the year in which the difference in investment returns occurs. Therefore, the FY23 pension expense impact was \$17M unfavorable. The FY23 OPEB expense increase is primarily attributable to FY22 benefitting from a \$7.5M one-time impact resulting from an OPEB plan design change -- VIA's offering of a Medicare Advantage Plan. This OPEB plan design change resulted in a lower liability for VIA, which reduces OPEB expense, and is recognized in the year of the design change in accordance with GASB requirements.

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In FY22, operating expenses were \$274.5M, a decrease of \$0.2M (0.1%). The largest decreases were in pension expense, down \$11.6M, and OPEB expense, down \$8.8M. The decrease in pension expense was attributable to higher FY21 investment turns, and the decrease in OPEB expense was mainly due to the one-time impact of a plan design change (the offering of a Medicare Advantage Plan). The largest increases were professional and technical services, up \$4.8M, and fuel and lubricants, up \$3.9M. Professional and technical services were up due to spending on the Keep San Antonio Moving (KSAM) plan. Fuel and lubricants were up due to higher fuel prices. Various other line items, such as materials and supplies, were impacted by high inflation in FY22.

Long-Term Debt

In FY23, VIA did not issue any new debt. In FY22, VIA spent the remaining \$1.8M of bond proceeds from an \$11.0M issuance of 2020 Contractual Obligation Bonds via private placement. Those remaining funds were spent on an air purification system for all active VIA vehicles. The bond spending in prior years was for the purchase of new vans.

Additional information on VIA's debt can be found in Note 12 of VIA's financial statements.

Capital Assets

At the end of FY23, VIA has \$436.0M in net capital assets, up \$51.3M from the prior fiscal year-end balance. Gross capital assets increased by \$82.6M, accumulated depreciation and amortization increased by \$11.6M, and CIP decreased by \$19.7M.

The \$82.6M increase in gross capital assets is mainly due to intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, up \$48.0M, and buildings and shelters, up \$34.8M. Of the increase in the intangible lease and SBITA assets category, \$51.9M is attributable to a new contract for purchased paratransit service and \$15.1M is attributable to increased VIA Link (mobility on demand) service. These increases were partially offset by deletions for expiring leases. Buildings and shelters increased by \$34.9M, of which \$33.4M is for VIA's new paratransit facility.

The decrease in CIP is mainly due to VIA paratransit facility. The capital spending for this facility was transferred from CIP to fixed assets when the facility opened.

VIA's investment in capital assets includes land, buildings, revenue vehicles, service vehicles, communications technology, information technology, maintenance equipment, other miscellaneous equipment, and intangible right-to-use lease and SBITA assets. The assets have been purchased with federal and local funds.

At the end of FY22, VIA had \$384.7M in net capital assets, a decrease of \$10.7M from the prior fiscal year-end balance. The decrease is due to depreciation and amortization expense exceeding the asset additions.

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Readers of this document that desire a more detailed overview of capital asset activity should refer to the notes to the financial statements section of this report. Note 1.G defines the accounting policies related to capital assets and note 6 gives details of the components of capital asset categories.

Capital Assets (in Millions of Dollars)

	<u>2023</u>	<u>Restated 2022</u>	<u>2021</u>
Land	\$ 43.4	\$ 35.2	\$ 33.5
Building and shelters	323.4	288.5	270.4
Revenue vehicles	300.2	294.7	309.8
Service vehicles	6.8	7.3	7.0
Equipment	48.1	61.6	59.9
Intangible right-to-use and SBITA assets	<u>78.3</u>	<u>30.3</u>	<u>26.7</u>
Subtotal	<u>800.2</u>	<u>717.6</u>	<u>707.3</u>
Less accumulated depreciation and amortization	<u>402.7</u>	<u>391.1</u>	<u>367.6</u>
Net capital assets before construction in progress	<u>397.5</u>	<u>326.5</u>	<u>339.7</u>
Construction in progress:			
Buildings and improvements	21.2	45.7	48.0
Revenue and service vehicles	1.1	4.7	0.4
Equipment	<u>16.2</u>	<u>7.8</u>	<u>7.2</u>
Total construction in progress	<u>38.5</u>	<u>58.2</u>	<u>55.6</u>
Net capital assets	<u>\$ 436.0</u>	<u>\$ 384.7</u>	<u>\$ 395.3</u>

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Intangible Lease and Subscription-Based Information Technology Arrangements (SBITA)

Assets

At the end of FY23, VIA has \$59.0M of net intangible right-to-use lease and SBITA assets, an increase of \$52M compared to the balance at the end of FY22. The increase is mainly due to a new VIAtrans (paratransit) services contract that was awarded for the period January 1, 2023 to December 31, 2026, which has a gross asset value of \$51.9M.

A comparison of FY22 to FY21 is not available since FY21 results were not restated for GASB 96. The software that VIA uses for GASB 96 accounting only provides for restatement of one year prior to the year of implementation.

Intangible Right-to-Use Lease and SBITA Assets (in Millions of Dollars)

	<u>2023</u>	<u>Restated 2022</u>
Gross intangible right-to-use lease assets:		
Land	\$ 0.5	\$ 0.4
Building and shelters	2.1	2.3
Revenue and service vehicles	69.9	21.5
Equipment	3.7	4.5
Subtotal	76.2	28.7
Gross intangible SBITA assets	2.1	1.6
Total gross intangible assets	78.3	30.3
Accumulated amortization on lease assets:		
Land	0.3	0.2
Building and shelters	0.6	0.4
Revenue and service vehicles	15.8	19.1
Equipment	1.7	3.2
Subtotal	18.4	22.9
Accumulated amortization on SBITA assets	0.9	0.4
Total accumulated amortization	19.3	23.3
Net intangible right-to-use lease assets:		
Land	0.2	0.2
Building and shelters	1.5	1.9
Revenue and service vehicles	54.1	2.4
Equipment	2.0	1.3
Net right-to-use lease assets	57.8	5.8
Net intangible SBITA assets	1.2	1.2
Total net intangible right-to-use lease and SBITA assets	<u>\$ 59.0</u>	<u>\$ 7.0</u>

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FY22 results were restated for implementation of GASB 96, which was implemented in FY23. Readers of this document that desire a more detailed overview of lease and SBITA asset activity should refer to the notes to the financial statements section of this report. Note 1 provides information on lease and SBITA accounting, note 14 provides details on lease commitments, and note 15 provides details on SBITAs.

Economic Factors and Outlook for Fiscal Year 2024

Ridership is expected to continue to improve in FY24, as VIA focuses on retaining and recovering ridership. Economic factors are generally favorable for the local economy.

Economic Factors

VIA has been affected by changes in the economic activity and conditions of VIA's service area. Farebox revenue continues to be below historical averages, as ridership continues to be down compared to pre-COVID levels. This pre/post COVID ridership performance is consistent with national results for the transit industry. Sales tax revenue has been strong.

VIA's financial results are significantly impacted by sales taxes, since this is VIA's largest source of revenue. VIA sales tax revenue was \$259.3M in FY23, up 3.3% from the prior year. VIA budgeted FY24 sales tax revenue at \$272.1M, which was up 3.3% from the forecasted FY23 sales taxes of \$263.5M. Subsequently, actual results for FY23 came in \$4.2M lower than forecast (\$259.3M vs. \$263.5M) as year-over-year results in the last half of FY23 were not as favorable as in the first half of the year.

According to Moody's Analytics, in a September 2023 analysis, the San Antonio-New Braunfels economy will advance at a slow pace over the coming year, as high interest rates keep housing subdued. They note that the large military presence faces some near-term risk but will generally be a source of stability for the local economy, and that manufacturing will see an uptick. Moody's Analytics also states that longer term, the metro area's robust population gains and low costs of doing business should contribute to above-average overall performance.

FY24 Initiatives

Focus areas for the FY24 budget are guided by the Keep San Antonio Moving (KSAM) plan goals and include ongoing employee/rider health and safety initiatives, as well as projects in progress, such as the reconstruction of the Randolph Transit Center, system rebalancing, and service delivery improvements to retain and recover ridership.

VIA will be accelerating key elements of the KSAM plan, particularly those that enhance mobility for economic opportunity, provide diverse, high-quality transit options, and improve the customer experience. Federal funding and additional ATD sales tax revenue beginning in January 2026 have made funding of the KSAM program possible.

Looking ahead, VIA will be making a variety of strategic investments to help better meet the transit needs of the community. These investments include enhancing the revenue vehicle fleet, pursuing additional Advanced Rapid Transit (ART) project funding and commencing final design, moving other projects into final design and construction (Randolph Transit Center and Eastside Mobility Hub), advance programming and conceptual design for a 2nd fixed route maintenance/operations facility, site selection and acquisition for that facility, other planning initiatives (such as mobility-on-demand expansion, facility master planning, and updating of VIA's long-range plan), and various other projects.

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The budget supports plans to accelerate the “Keep San Antonio Moving” (KSAM) plan. Key goals of the KSAM acceleration plan include:

- Building a Better Bus System through improvements to our core transit network.
- Expanding innovative programs like mobility on demand and contactless boarding options.
- Planning for an Advanced Rapid Transit (ART) system to run high-occupancy, high-frequency vehicles in transit-only lanes.

The KSAM Plan was endorsed by more than two-thirds of voters in the Advanced Transportation District who approved Proposition A in November 2020, to advance transit improvements in the region through reallocation of a 1/8-cent local sales tax. The dedicated share of taxes will transfer to the Advanced Transportation District (ATD) starting on January 1, 2026.

The Green Line Project (formerly known as ART N/S, and part of the KSAM Plan) is in the second year in the Federal Transit Administration’s (FTA) Capital Investment Grants (CIG) Program. Since entering the Project Development phase of the program, the Green Line has received a preliminary rating of “Medium-High;” has been recommended for a \$158M grant via the President’s FY 2023 Budget; has been addressed in two rounds of Public Meetings with the community; has been assigned a Project Management Oversight Consultant (PMOC) from the FTA; and has completed the National Environmental Policy Act (NEPA) documentation with a Categorical Exclusion. The Green Line project has also finalized 30% of engineering plans and has been reviewed through the FTA and PMOC risk workshop. As a result of the risk workshop in June 2023, the FTA recommended the Green Line project cost estimate, excluding finance charges, to be \$423M Year of Expenditure (YOE), an addition of \$34M YOE. When financing charges of \$23.3M are added, the total project cost is \$446.3M.

The Silver Line project (formerly known as ART E/W, and also part of the KSAM Plan) is in the first year in the FTA CIG Program. Since entering the Project Development phase of the program, VIA has submitted a Ratings Package to the FTA. The project team has developed high-level conceptual plans to serve as the basis for the initial cost estimate included in the Ratings Package. During this period, staff has also begun coordinating with the City of San Antonio and other agency stakeholders to ensure a successful project.

As of August 2023, and as a result of additional study, the preliminary project cost for ART East/West Silver Line is estimated at \$289.2M YOE. VIA submitted a Small Starts rating package, including an updated financial plan, in August 2023.

VIA’s KSAM Plan also includes a 2nd fixed route operations and maintenance (O&M) facility. VIA’s current maintenance facility, located at 1720 N Flores, supports all VIA’s fixed-route buses (over 500) and support vehicles (approximately 200). The facility was built in 1947 for a much different and smaller fleet. While the building has seen many minor modifications over the years, no full-scale renovation has occurred, and many of the original systems remain in place. As VIA continues to grow and the existing facility continues to age, VIA must invest in infrastructure that allows for the continued maintenance and operations of the fleet, along with the ability to support new vehicle technologies most efficiently. In 2020, VIA began studying the feasibility of a 2nd fixed-route O&M facility, looking at preliminary space and site requirements and developing phasing plans that would allow VIA to pursue Federal funding.

VIA’s approved operating budget for FY24 is \$262.5M (excludes depreciation and amortization expense). In FY24, VIA’s budgeted bus services levels are 2.7% higher than the FY23 forecast (1,505,459 hours compared to 1,466,001 hours). Total service hours are up 6.6% (total for bus, van, and VIA Link service, with FY24 at 2,318,104 hours compared to 2,174,244 hours estimated for FY23).

For VIA’s VIA Link service – a mobility-on-demand service that was first offered in FY19 – as of FYE23 VIA has three zones in operation. A fourth zone is scheduled to open in October 2023, with more planned to open in high-demand areas in the future.

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VIA will continue its focus on implementing strategic technology programs to better meet the needs of our customers and to improve system operations. For example, VIA has implemented the goMobile+ app with a new cash-loading option that enhances the usability of VIA goMobile+ for customers who do not have a credit card or bank account, or who prefer to pay with cash rather than through an online transaction. The app also offers the ability to do integrations with mobility partners to better serve the multi-modal needs of the San Antonio region. Also, VIA integrated B Cycle with Transit App, for more complete trip planning (customers can now unlock “B Cycle” bicycles with Transit App). Additionally, VIA launched a NaviLens Wayfinding Technology Pilot program that will help blind and low-vision riders find bus stops and learn of arrival times. An integral part of VIA’s technology strategy is a strong focus on cybersecurity with a commitment on the implementation of strong security practices and tools to ensure that as VIA rolls out modern technology, it is done securely from the start.

VIA’s approved Five-Year Capital Plan of \$1.122B includes a variety of strategic investments that will be made to help better meet the transit needs of the community. KSAM projects account for \$789.1M (70%) of the five-year capital spending plan. These projects include the Advanced Rapid Transit Green Line Project, the Silver Line Project, and a second Operations & Maintenance Facility, as discussed earlier in this section.

The Five-Year Capital Plan also includes the purchase of new revenue vehicles, passenger facility projects, and many other improvement projects. Over FY24-28, VIA’s budgeted capital spending total for revenue vehicles is \$201.7M. This includes the purchase of 176 buses and 97 paratransit vans. Additionally, there are 30 Primo buses (for \$50.5M total) included in the KSAM project spending.

The objective of VIA’s passenger facility capital projects is to build a better transit system to benefit the community. VIA’s spending plan for this infrastructure includes the following key projects: I10 Park & Pool, Randolph Transit Center, Eastside Mobility Hub, and other KSAM-related improvements.

FY24 will be a year of significant progress for VIA, as the vision of a multimodal transit system for the San Antonio region continues to develop, and investments are made in transit system assets and improvements throughout the region. VIA is in sound financial position as of the end of FY23, with the Stabilization Fund (“Rainy Day” Fund) and working capital both at the Board policy level of 60 days. Projections over the next five years show that VIA will remain in sound financial condition as the agency continues to make investments to improve the transportation system in San Antonio. Longer term, with the recent approval of an additional 1/8-cent funding for transit beginning in January 2026, the agency will be able to make significant additional improvements to San Antonio’s transportation system that were not previously possible due to limited funding.

Requests for Information

This financial report is designed to provide our patrons and other interested parties with a general overview of the financial condition of VIA. If you have questions about this report or need additional financial information, please contact VIA’s Public Affairs Division at (210) 362-2370.

Basic Financial Statements

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Statements of Net Position

	2023	Restated 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 82,518,324	\$ 33,236,022
Investments	337,287,993	352,044,715
Accounts receivable:		
Federal government	28,821,540	41,958,227
State of Texas - sales taxes	43,060,679	43,279,801
Sales tax receivable - CoSA & Bexar County	8,009,455	7,939,097
Interest	85,571	85,571
Lease interest receivable	10,681	10,710
Lease receivable	219,482	141,341
Other, net	4,427,397	6,898,597
Inventory	8,750,407	7,778,413
Prepaid expenses and other current assets	38,662	15,513
Restricted assets:		
Restricted cash - debt service	2,980,776	2,844,667
Total current assets	516,210,967	496,232,674
Noncurrent assets:		
Restricted cash - TxDOT grant	15,107,271	11,670,630
Restricted cash - bond reserve fund	2,927,724	2,927,724
Restricted cash - construction account	8	1
Restricted investments - TxDOT grant	-	12,941,108
Lease receivable	4,255,851	4,348,060
Capital assets:		
Land	43,383,465	35,214,548
Buildings and shelters	323,388,309	288,550,982
Revenue vehicles	300,171,076	294,724,111
Service vehicles	6,809,997	7,262,204
Equipment	48,133,982	61,556,953
Intangible right-to-use lease and SBITA assets	78,259,597	30,316,547
Total capital assets	800,146,426	717,625,345
Less accumulated depreciation and amortization	402,732,137	391,071,634
Construction in progress	38,546,208	58,180,864
Net capital assets	435,960,497	384,734,575
Total noncurrent assets	458,251,351	416,622,098
Total assets	974,462,318	912,854,772
Deferred outflows of resources		
Pension	48,759,802	18,247,093
Other postemployment benefits	17,839,426	19,028,751
Bond refund	5,157,728	5,505,440
Total deferred outflows of resources	71,756,956	42,781,284
Total assets and deferred outflows of resources	\$ 1,046,219,274	\$ 955,636,056

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

	2023	Restated 2022
Liabilities		
Current liabilities:		
Accounts payable	\$ 13,937,096	\$ 17,992,205
Payable to CoSA & Bexar County	8,009,455	7,939,097
Retainage payable	729,581	286,906
Accrued liabilities	24,082,744	12,709,705
Unearned revenue	2,717,669	2,948,222
Claims payable	8,951,713	7,885,021
Current liabilities payable from unrestricted assets	58,428,258	49,761,156
Current liabilities payable from restricted assets:		
Interest payable	795,585	870,897
Bonds payable	11,095,000	10,095,000
Total current liabilities	70,318,843	60,727,053
Noncurrent liabilities:		
Net pension liability	166,778,759	85,414,330
Net other postemployment benefits (OPEB) liability	42,829,046	42,319,219
Long-term liabilities	159,931,930	129,708,052
Total noncurrent liabilities	369,539,735	257,441,601
Total liabilities	439,858,578	318,168,654
Deferred inflows of resources		
Pension	1,806,697	47,702,618
Postemployment benefits other than pension	3,964,990	2,540,552
Leases	4,218,873	4,259,727
Total deferred inflow of resources	9,990,560	54,502,897
Total liabilities and deferred inflows of resources	449,849,138	372,671,551
Net Position		
Net investment in capital assets	255,814,182	248,518,064
Restricted debt service	2,185,191	1,973,770
Restricted TxDOT grant	15,107,271	24,611,738
Restricted bond reserve fund	2,927,724	2,927,724
Unrestricted	320,335,768	304,933,209
Total Net Position	596,370,136	582,964,505
Total liabilities, deferred inflows and net position	\$ 1,046,219,274	\$ 955,636,056

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

Years Ended September 30, 2023 and 2022

Statements of Revenues, Expenses and Changes in Net Position

	2023	Restated 2022
Operating revenues:		
Line service	\$ 12,478,110	\$ 11,398,655
Robert Thompson Terminal	56,644	26,534
Other special events	36,428	58,647
VIAtrans	1,663,636	1,448,826
VIA Link	49,986	21,099
Bus advertising	1,357,359	1,591,811
Parking lot revenue	58,948	90,521
Real estate development	212,926	232,099
Miscellaneous	391,251	392,289
Total operating revenues	<u>16,305,288</u>	<u>15,260,481</u>
Operating expenses:		
Line service	208,707,356	179,636,401
Robert Thompson Terminal	883,836	354,399
Other special events	351,139	285,627
Promotional service	17,723	6,833
VIAtrans	36,709,332	29,409,941
VIA Link	2,172,444	1,817,805
Vanpool	509,564	444,968
Real estate development	14,047	1,169
Business development and planning	15,847,708	9,933,175
Total operating expenses before depreciation and amortization	<u>265,213,149</u>	<u>221,890,318</u>
Depreciation on capital assets:		
Acquired with VIA equity	22,061,416	21,789,425
Acquired with grants	21,035,878	18,628,991
Amortization on right-to-use lease assets and SBITAs:		
Amortization expense	16,862,060	12,172,638
Total operating expenses after depreciation and amortization	<u>325,172,503</u>	<u>274,481,372</u>
Operating loss	<u>(308,867,215)</u>	<u>(259,220,891)</u>
Nonoperating revenues (expenses):		
Sales taxes	306,870,786	297,129,934
City of San Antonio intergovernmental agreement	-	10,000,000
TXDOT intergovernmental agreements expense	-	(1,700,000)
Grants revenue - VIA	46,464,314	94,097,813
Grants revenue - pass-through	1,467,336	889,711
CARES, CRRSA, ARP -subrecipient pass-through	270,472	1,117,738
CARES, CRRSA, ARP -subrecipient disbursement pass-through	(270,472)	(1,117,738)
Investment income	16,528,411	183,540
Bond interest and issuance costs	(3,167,169)	(3,500,049)
Lease interest expense	(1,707,509)	(310,096)
Subscription-based IT arrangements interest expense	(35,513)	(38,989)
Gain (loss) on sale of assets	18,688	4,553,165
Less pass-through funds remitted to subrecipients	(1,467,336)	(889,711)
Less amounts remitted to CoSA and Bexar County	(47,634,302)	(46,246,506)
Total nonoperating revenues (expenses) - net	<u>317,337,706</u>	<u>354,168,812</u>
Income before capital contributions	<u>8,470,491</u>	<u>94,947,921</u>
Capital contributions	4,935,140	15,801,251
Change in net position	<u>13,405,631</u>	<u>110,749,172</u>
Net position at beginning of year	582,964,505	472,215,333
Net position at end of year	<u>\$ 596,370,136</u>	<u>\$ 582,964,505</u>

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

For the Years Ended September 30, 2023 and 2022

Statements of Cash Flows

	2023	Restated 2022
Cash flows from operating activities		
Cash received from customers	\$ 15,194,653	\$ 14,979,650
Cash payments to vendors for goods and services	(69,484,934)	(66,065,002)
Cash payments for employee services, including salaried fringe benefits	(159,411,083)	(150,525,175)
Cash payments for MTA employee services	(28,135,261)	(22,558,559)
Net cash provided by (used in) operating activities	<u>(241,836,625)</u>	<u>(224,169,086)</u>
Cash flows from noncapital financing activities		
Sales taxes	307,019,550	292,521,348
Grants revenue received	45,703,936	132,830,395
Payments to TxDOT, CoSA and Bexar County	(47,563,944)	(45,556,516)
CoSA interlocal agreement	-	10,000,000
Local assistance payments	-	(1,700,000)
Net cash provided by (used in) noncapital financing activities	<u>305,159,542</u>	<u>388,095,227</u>
Cash flows from capital and related financing activities		
Proceeds from capital grants	18,832,205	8,892,896
Principal payments on bonds	(10,095,000)	(9,090,000)
Lease payments	(15,946,340)	(11,700,626)
Subscription-based IT arrangements payments	(579,510)	(475,421)
Premium, interest and financing fees	(4,553,560)	(4,873,543)
Proceeds from sale of assets	60,673	718,150
Purchase of capital assets	(42,412,596)	(35,211,182)
Net cash provided by (used in) capital and related financing activities	<u>(54,694,128)</u>	<u>(51,739,726)</u>
Cash flows from investing activities		
Sale of investment securities	537,973,830	99,637,739
Purchase of investment securities	(508,181,012)	(447,366,010)
Interest earnings	14,433,452	1,297,858
Net cash provided by (used in) investing activities	<u>44,226,270</u>	<u>(346,430,413)</u>
Net increase (decrease) in cash and cash equivalents	<u>52,855,059</u>	<u>(234,243,998)</u>
Cash and cash equivalents at beginning of year	<u>50,679,044</u>	<u>284,923,042</u>
Cash and cash equivalents at end of year	<u>\$ 103,534,103</u>	<u>\$ 50,679,044</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (308,867,215)	\$ (259,220,891)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation on capital assets:		
Acquired with VIA equity	22,061,416	21,789,425
Acquired with grants	21,035,878	18,628,991
Amortization on right-of-use lease assets	16,347,739	11,752,111
Amortization on subscription-based IT arrangements assets	514,321	420,527
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(838,288)	(2,104,278)
Decrease (increase) in inventory	(970,769)	(1,343,644)
(Decrease) increase in prepaid expenses and other current assets	(20,818)	32,557
Decrease (increase) in prepaid pension	(30,512,709)	5,513,235
Decrease (increase) in prepaid other postemployment benefits	1,189,325	695,004
(Decrease) increase in inter-fund receivable	-	378
(Decrease) increase in accounts payable	(1,023,930)	239,899
(Decrease) increase in accrued liabilities	39,248,425	(20,572,400)
Net cash provided by (used in) operating activities	<u>\$ (241,836,625)</u>	<u>\$ (224,169,086)</u>
Reconciliation of cash and cash equivalents to the statements of net position		
Cash and cash equivalents at end of year:		
Unrestricted	\$ 82,518,324	\$ 33,236,022
Restricted - mandated purpose	21,015,779	17,443,022
Total cash and cash equivalents	<u>\$ 103,534,103</u>	<u>\$ 50,679,044</u>
Noncash Investing and Financing Activities		
Change in fair value of investments reported as cash equivalents	\$ 459,910	\$ (2,861,630)
Lease and SBITA assets	69,935,471	30,526,878
Amortization on premium, discount and loss	1,619,800	1,077,264

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Statements of Fiduciary Net Position

	Total Fiduciary Funds	
	2023	2022
Assets		
Cash and cash equivalents	\$ 13,149,039	\$ 9,679,310
Receivables:		
Contributions:		
Employee	303,029	636,673
Employer	1,047,260	2,259,221
Accrued interest and other dividends	247,941	26,794
Investment trades pending receivable	189,453	1,247,526
Total receivables	1,787,683	4,170,214
Investments:		
Corporate bonds and other	14,982,527	15,780,906
United States government and agency	14,303,266	12,649,069
Common stock	112,281,931	104,694,849
Pooled common stock fund	23,134,391	20,751,634
Pooled international fund	76,543,433	66,153,244
Pooled fixed income	66,697,516	65,069,096
Pooled real estate	38,014,212	43,819,504
Total investments	345,957,276	328,918,302
Total assets	360,893,998	342,767,826
Liabilities		
Accounts payable	3,037,609	5,428,018
Investment trades pending payable	222,776	145,287
Total liabilities	3,260,385	5,573,305
Net position held in trust for retiree benefits: restricted	\$ 357,633,613	\$ 337,194,521

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

Years Ended September 30, 2023 and 2022

Statements of Changes in Fiduciary Net Position

	Total Fiduciary Funds	
	2023	2022
Additions:		
Contributions:		
Employee	\$ 3,692,436	\$ 3,748,353
Employer	16,740,530	18,294,864
Total contributions	20,432,966	22,043,217
Investment income (loss):		
Interest and dividend income	3,269,999	2,400,878
Net appreciation in fair value of investments	32,154,353	(59,967,627)
Investment expenses	(1,569,777)	(1,595,178)
Total investment income (loss)	33,854,575	(59,161,927)
Total additions -- net	54,287,541	(37,118,710)
Deductions:		
Benefit payments	33,681,262	32,979,758
Administrative expenses	167,187	186,318
Total deductions	33,848,449	33,166,076
Change in net position	20,439,092	(70,284,786)
Net position held in trust for retiree benefits: restricted, at beginning of year	337,194,521	407,479,307
Net position held in trust for retiree benefits: restricted, at end of year	\$ 357,633,613	\$ 337,194,521

The accompanying notes are an integral part of these statements

Notes to the Financial Statements

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies

The financial statements of VIA Metropolitan Transit (VIA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of VIA's accounting policies are described below.

A. Reporting Entity

VIA Metropolitan Transit Authority (MTA)

VIA Metropolitan Transit Authority (MTA) was established on March 1, 1978, under the provisions prescribed in Article 1118x, Revised Civil Statutes of Texas (now codified as Chapter 451, Texas Transportation Code). As a public transit authority, VIA is to develop, maintain, and operate a public mass transportation system for the San Antonio Metropolitan Area, principally within Bexar County, Texas.

VIA is governed by an 11-member Board of Trustees (the "Board"), which has governance responsibilities over all activities related to VIA. Representatives of the Board are appointed by the City of San Antonio (CoSA), Bexar County Commissioners Court, and Suburban Council of Mayors. However, since members of the Board have the authority to make decisions, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters, VIA is not included in any other governmental "reporting entity", as defined by GASB codification in section 2100, *Defining the Financial Reporting Entity*.

Advanced Transportation District (ATD) Operations

ATD was approved by voters in November 2004 and began collecting sales taxes in April 2005. ATD's enabling legislation is Texas Transportation Code, Section 451, Subchapter O. CoSA voters also authorized ATD's imposition and collection of a sales and use tax in the amount of $\frac{1}{4}$ of 1% within CoSA (the "ATD Tax"), to be used for "Advanced Transportation" and "Mobility Enhancement" (as defined in Subchapter O) within its boundaries. One-half of the proceeds (1/8 of 1%) go to VIA (The "ATD Share"), one-fourth of the proceeds (1/16 of 1%) go to CoSA, and one-fourth of the proceeds (1/16 of 1%) go to "the Texas Department of Transportation (TxDOT), a county or municipality in which ATD is located, or a local government corporation created under Chapter 431 as the local share of a state or federal grant;" this third share has gone to TxDOT and Bexar County.

In accordance with Subchapter O, the ATD share must be for "Advanced Transportation", defined as follows:

"Advanced transportation" means light rail, commuter rail, fixed guideways, traffic management systems, bus ways, bus lanes, technologically advanced bus transit vehicles and systems, bus rapid transit vehicles and systems, passenger amenities, transit centers, stations, electronic transit-related information, fare and operating systems, high occupancy vehicle lanes, traffic signal prioritization and coordination systems, monitoring systems, and other advanced transportation facilities, equipment, operations, systems, and services, including planning, feasibility studies, operations, and professional and other services in connection with such facilities, equipment, operation, systems, and services.

VIA Metropolitan Transit

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ATD is a financing vehicle, designed and existing to support and enhance the operations of and services provided by VIA. In accordance with Subchapter O, ATD does not have any employees, nor does it own or operate any property or assets. Section 451.707 states “The business of the district is conducted through its governing body and by the employees of the authority acting under the control and direction of the general manager of the authority.” Section 451.708 states that “an asset of the district shall be held in the name of the authority.”

ATD makes payments for VIA employee services rendered but has no employees. ATD bus routes are designated as those which are either limited stop or express routes. Bus operator time for limited stop and express bus routes is charged to an ATD cost center (ATD Line service). Additionally, related bus service costs such as fuel, bus parts, and materials and supplies are charged to ATD using bus service miles, along with various indirect costs allocated based on labor and fringes. ATD then reimburses MTA each month for these ATD expenses. Other ATD cost centers include Vanpool, ATD Business Planning & Development, and Transit Technology.

ATD has debt, but no assets. When MTA acquires assets funded with ATD debt, the asset is recorded on MTA’s books, but the cash payment comes from ATD; the offset for each entity is an equity transfer account.

The operations of ATD are not proprietary functions for any purpose, including the application of Chapter 101 of the Civil Practice and Remedies Code. In accordance with the governance of ATD, the Board of VIA shall act as the governing body of ATD and is responsible for the management, operations, and control of ATD. The business of ATD is conducted through its governing body and by the employees of MTA acting under the control and direction of the President/Chief Executive officer of MTA. Accordingly, the ATD is reported as a blended component unit of MTA.

ATD may enter into contracts with MTA, or other private or public entities, to conduct the business of ATD. ATD is presented as a blended component unit in accordance with GASB Codification Section 2100. The accompanying financial statements include the accounts and operations of ATD. All significant intercompany balances have been eliminated.

The following are condensed financial statements for ATD:

Condensed Statements of Net Position

	2023	2022
Current assets	\$ 58,100,271	\$ 51,251,511
Deferred outflows of resources	1,907,282	2,035,863
Total assets and deferred outflows of resources	<u>\$ 60,007,553</u>	<u>\$ 53,287,374</u>
Liabilities		
Payable to MTA	\$ 3,691,704	\$ 3,545,517
Other current liabilities	9,611,451	9,495,480
Total current liabilities	<u>13,303,155</u>	<u>13,040,997</u>
Total long-term liabilities	<u>27,249,730</u>	<u>29,053,138</u>
Total liabilities	<u>\$ 40,552,885</u>	<u>\$ 42,094,135</u>

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	<u>2023</u>	<u>2022</u>
Net position		
Net deficit investment in capital assets	\$ (26,822,448)	\$ (30,478,138)
Restricted	247,773	237,503
Unrestricted	46,029,343	41,433,874
	<u> </u>	<u> </u>
Total net position	<u>\$ 19,454,668</u>	<u>\$ 11,193,239</u>

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>
Operating revenues – line service	\$ 2,562,345	\$ 2,171,981
Operating expenses	43,120,691	37,154,559
	<u> </u>	<u> </u>
Operating loss	(40,558,346)	(34,982,578)
Nonoperating revenues (expenses):		
Sales taxes	95,268,604	92,493,013
Less amounts remitted to CoSA and Bexar County	(47,634,302)	(46,246,506)
Other nonoperating revenues (expenses)	1,185,473	(459,862)
	<u> </u>	<u> </u>
Total nonoperating revenues (expenses) – net	48,819,775	45,786,645
Change in net position	8,261,429	10,804,067
Net position at beginning of year	11,193,239	389,172
	<u> </u>	<u> </u>
Net position at end of year	<u>\$ 19,454,668</u>	<u>\$ 11,193,239</u>

Condensed Statements of Cash Flows

	<u>2023</u>	<u>2022</u>
Net cash provided by (used in) operating activities	\$ (40,412,159)	\$ (34,224,313)
Net cash provided by (used in) financing activities	47,563,944	45,556,516
Net cash provided by (used in) capital and related financing activities	(2,213,301)	(2,216,510)
Net cash provided by (used in) investing activities	(5,055,821)	(23,304,510)
	<u> </u>	<u> </u>
Net increase (decrease) in cash and cash equivalents	(117,337)	(14,188,817)
Cash and cash equivalents at beginning of year	11,903,354	26,092,171
	<u> </u>	<u> </u>
Cash and cash equivalents at end of year	<u>\$ 11,786,017</u>	<u>\$ 11,903,354</u>

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Fiduciary Funds

The fiduciary financial statements include two fiduciary funds related to the VIA Metropolitan Transit employee benefits plans: the Defined Benefit Retirement Plan and the Other Pension Employment Benefit (OPEB) Plan. Both plans are governed by the Board, which may amend plan provisions and which is responsible for the management of plan assets. Both the Defined Benefit Retirement and the OPEB plan are single-employer pension plans and are tax-qualified plans under Section 401 (a) of the Internal Revenue Code. Plan assets are held in a trust established under the provisions of Internal Revenue Code of 1986 Section 115. The VIA Defined Benefit Retirement plan was closed to new participants in 2012. New employees participate in a Defined Contribution Retirement plan, which is not considered a fiduciary fund by VIA.

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

The statements of net position and the statements of revenues, expenses, and changes in net position report information on all non-fiduciary activities of VIA Metropolitan Transit. VIA Metropolitan Transit operates as a proprietary fund and applies all applicable GASB pronouncements and presents its financial statements in accordance with the GASB Codification of Governmental Accounting and Financial Reporting Standards.

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues in the period in which the underlying sales transaction that generated the sales tax occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and qualifying expenditures have been incurred. Capital grant funds used to acquire, or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met.

In May 2020, the GASB issued Statement No. 96 on *Subscription-based Information Technology Arrangements* (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in conjunction with tangible capital assets, as specified in the contract for a period of time. Like GASB 87 on Leases, this Statement requires the government to recognize a right-to-use subscription intangible asset, and a corresponding subscription liability. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. VIA adopted this statement effective October 1, 2022 and the accounting change has been applied to the prior period presented. For additional information see note 15.

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Future GASB Statements

In June 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This pronouncement changes the way accounting changes and error corrections are presented in Required Supplementary Information and Other Supplementary Information. This pronouncement will be effective for VIA in the fiscal year ended September 30, 2024.

In June 2023, the GASB also issued Statement No. 101, *Compensated Absences*. This pronouncement clarifies the reporting of liabilities for leave that has not been used by employees. This Statement is effective for VIA in the fiscal year ended September 30, 2025.

In December 2023, the GASB also issued Statement No. 102, *Certain Risk Disclosures*. This pronouncement clarifies the reporting of certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This Statement is effective for VIA in the fiscal year ended September 30, 2025.

C. Use of Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and deferred outflows, liabilities and deferred inflows, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

D. Accounts Receivable

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the inability to collect a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance recorded as of September 30, 2023 is \$262,520 and the allowance at September 30, 2022 is \$44,548.

E. Sales Tax

VIA recognizes sales tax revenue based on a methodology that equates to accruing approximately two months of sales tax receipts from the state of Texas. Generally, the sales taxes on sales made in any given month are reported and paid to the State Comptroller's Office the following month. VIA receives the sales taxes from the Comptroller based on a two-month lag. Sales tax revenues and the related receivable are recognized when the underlying sales transaction that generated the sales tax occurs.

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F. Inventory

Inventory, comprised primarily of fuel and repair parts, is carried at cost. Inventory is carried at cost using the average-cost method.

G. Capital Assets

Capital assets are recorded on the basis of cost. VIA's policy is to capitalize purchases of assets if the asset has a useful life of more than one year and an individual value of \$5,000 or greater. Donated capital assets are valued at their estimated acquisition value at date of donation. VIA provides for depreciation on assets using the straight-line method to amortize costs of assets over their estimated useful lives. The following estimated useful lives are used in providing for depreciation:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and shelters	10-20 years
Revenue vehicles	2-12 years
Service vehicles	4 years
Equipment	2-10 years
Leases and SBITAs	

VIA reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairment losses on capital assets that will continue to be used by the organization are measured using the method that best reflects the diminished service utility of the capital asset. Impairment of capital assets with physical damage are generally measured using a restoration cost approach. In Fiscal Years 2023 and 2022, there were no impairment losses for long lived assets.

H. Leases

VIA is a lessor because it leases capital assets to other entities, such as buildings and access to land. As a lessor, VIA reports a lease receivable and corresponding deferred inflow of resources in the financial statements. VIA continues to report and depreciate the capital assets being leased as capital assets.

VIA is a lessee because it leases capital assets from other entities, such as vehicles, buildings, land, communications equipment and other equipment. As a lessee, VIA reports a lease liability and an intangible right-to-use capital asset (known as a lease asset) in the financial statements.

I. SBITAs

VIA enters into certain arrangements to lease software from other entities. As a lessee, VIA reports a SBITA liability and a SBITA intangible right-to-use capital asset in the financial statements.

J. Compensated Absences

VIA accrues employee vacation leave as earned. Sick leave is not accrued since terminated employees are not paid for accumulated sick leave. The amounts expected to be utilized in the next 12 months are carried as a current liability and the remainder, up to the capped number of hours, is reported as a long-term liability. The amounts are shown in note 11.

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K. Estimated Liabilities

Estimated liabilities include amounts provided for:

- Claims made against VIA involving public injuries and damages related to transit operations. Refer to note 11.
- Claims made against VIA involving employee injuries that are work related. Refer to note 11.
- Claims incurred but unpaid, and claims incurred but not reported, as of year-end against VIA's self-insured employees' health program where measurement is based on key actuarial assumptions. Refer to note 11.
- Pension and OPEB, where measurement is based on key actuarial assumptions. Refer to note 8 related to the defined benefit retirement plan and note 10 for other postemployment benefits.

L. Unearned Revenues

VIA sells fare through various channels, including VIA operated transit centers, through outside retail operations, a mobile ticket application, as well as on the bus. Fare is defined as a ticket or pass, at a stated value, valid for the period of the ticket or pass. Tickets are valid for one trip. Passes are valid for their stated period: one day, seven days, or 31 days. That period begins with the first use. Fare purchased in advance of the provided service by VIA is considered deferred revenue. Revenue is taken as fare is presented for use and the transportation service is provided. Revenue is taken for multi-period passes, defined as semester and annual passes, ratably over the life of the pass.

VIA is working with the City of San Antonio under an interlocal agreement to increase services along select corridors within the City of San Antonio. The City of San Antonio is funding this through advance payments. VIA takes revenue as those services occurred. The agreed upon services were provided by the end of the fiscal year, such that no unearned revenue existed under this agreement at year end.

M. Long-Term Liabilities

Long-term debt and other obligations are reported as long-term liabilities. Bond premiums and discounts are amortized over the life of the bonds using straight line, which approximates the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss is shown as a deferred outflow of resources in the statement of net position.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that point.

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In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

O. Operating and Nonoperating Revenues and Expenses

VIA classifies operating revenues as all revenue earned from the operation of the various transportation services offered and those revenues generated by the capital assets owned by VIA. Included in this category are fare revenue, revenue from placement of advertisements on the bus and van system, operation of park and rides, and miscellaneous revenue earned by the operation of various capital assets. Non-operating revenues include sales tax receipts collected from the community to support transit, grant revenue from all sources, investment income, and other revenues not meeting the definition of operating revenues. All expenses related to operating the bus and van system are reported as operating expenses and all other expenses are reported as non-operating.

P. Operating Revenues

VIA's operating revenues are classified into the following categories.

- Line Service includes revenues related to all regularly scheduled bus routes available to the general public for a fare.
- Robert Thompson Terminal includes revenues related to the operation and maintenance of the Robert Thompson Terminal, which provides services for various Alamodome events.
- Other Special Events include revenues from services provided to various community events throughout the year.
- VIAtrans includes revenues from transportation services provided to the mobility-impaired who are unable to ride the regular line buses.
- VIA Link is a shared on-demand transit service that offers riders the option to be picked up and dropped off at specific locations within a defined zone rather than riding fixed bus routes.
- Real Estate Development includes revenues from the rental of the Sunset Depot Complex, the Amtrak facility, and office space.
- Parking Lot Revenue includes revenues related to the collection of parking fees at the Ellis Alley Park and Ride facility, and revenues from other parking lot facilities (such as towing contract revenue).
- Bus Advertising includes revenues related to the placement of advertisements on the bus and van system.
- Miscellaneous includes a variety of disparate revenues such as Alamodome facility, station concessions, and sale of scrap material.

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Q. Operating Expenses

VIA's operating expenses, excluding depreciation and amortization, are classified in the following cost centers.

- Line Service includes expenses related to all regularly scheduled bus routes available to the general public for a fare.
- Disaster relief is the cost of service provided by VIA after a formal declaration has been made at the federal level to declare a catastrophe either an emergency or major disaster. All authority for disaster relief operations descends from the president, through the Federal Emergency Management Agency (FEMA), and down to other agencies engaged in relief operations. First established in 1979, FEMA coordinates federal efforts related to natural disaster planning, preparedness, response, and recovery. FEMA funds emergency programs and works closely with state and local governments. Services provided by VIA may be line service and/or paratransit in nature. Throughout the COVID pandemic VIA has operated bus and van service to provide internet access to unserved populations allowing students and others in the community to access internet resources during lock down. That cost is recorded to this category.
- Robert Thompson Terminal includes expenses related to the operation and maintenance of the Robert Thompson Terminal, which provides services for various Alamodome events.
- Other Special Events include expenses related to services provided for various community events throughout the year.
- VIAtrans includes expenses related to transportation services provided to the mobility-impaired who are unable to ride the regular line buses.
- VIA Link is a shared ride on-demand transit service that offers riders the option to be picked up and dropped off at specific locations within a defined zone instead of riding fixed bus routes.
- Vanpool includes expenses related to the provision of shared-ride service used generally for work commute trips.
- Promotional Service includes expenses related to community related charters, including school education programs.
- Real Estate Development includes expenses related to the operations and maintenance of the Sunset Depot Complex, the Amtrak facility, and office space.
- Business Development and Planning includes expenses related to planning, designing, constructing, opening, and implementing new capital projects related to new modes of service or new operating facilities.

R. Statements of Cash Flows

For purposes of the statements of cash flows, and in accordance with VIA's policy, VIA considers all highly liquid investments, including restricted assets with an initial maturity of 90 days or less, to be cash equivalents.

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S. Reclassifications

Certain reclassifications have been made in the prior year's financial statements to conform to the current year's presentation.

T. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the VIA Metropolitan Transit Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

U. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability deferred outflow of resources and deferred inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the VIA Metropolitan OPEB Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Note 2 – Budget

VIA is required by state law to adopt an annual operating budget prior to the commencement of a fiscal year. Before the budget is adopted, VIA's Board is required to conduct a public hearing, and the proposed budget must be made available to the public at least 14 days prior to the hearing.

VIA may not incur operating expenses in excess of the total budgeted operating expenses unless the Board amends the budget by order after public notice and hearing. VIA's operating budget is prepared on a GAAP budgetary basis. Appropriations lapse at year-end.

Note 3 – Cash and Investments

State law and VIA's investment policy permit VIA to invest in fully secured certificates of deposit (CDs) of state and national banks or savings and loan associations located within the state of Texas, or to invest in direct obligations of the United States of American and its agencies, obligations of the state of Texas and its municipalities, school districts, or other pollical subdivisions, and obligations guaranteed as to both principal and interest by the United States of America, and Texas Local Government Investment Pools TexPool, TexPool Prime and TexSTAR.

The investments of the Pension Plan and Other Postemployment Benefits (OPEB) Plan are held in trust and managed by independent investment managers with oversight from financial advisors. An investment policy for each Plan, approved by the Board, is used to provide a clear understanding between the Board and the Plan's managers regarding the objectives of the plans. The policies may be changed from time to time by the Board after consideration of the advice and recommendations of Plan professionals. All policy modifications shall be in writing and approved by the Board.

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VIA Cash and Investments (Exclusive of the Fiduciary Funds)

Deposits

As of September 30, 2023, the carrying amount of VIA's cash and cash equivalents on the statement of net position was \$103,534,103 (\$50,679,044 in 2022). All deposits are insured by federal depository insurance and/or collateralized with securities held by VIA's agent in VIA's name. VIA's deposits are held at Frost Bank, which qualifies as a public depository under Texas law, and are deemed to be insured and not subject to classification by credit risk. VIA's deposits also include funds deposited with TexPool.

Investments

VIA invests in United States Treasury and agency securities.

VIA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; or other observable inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities, and credit spreads; or market-corroborated inputs.
- Level 3 inputs are significant observable inputs.

United States Treasury and agency securities in the amount of \$337,287,993 (\$364,985,823 in 2022) are held in safekeeping by VIA's custodial bank, Principal Custody Solutions and are registered as accounts of VIA. Securities with an original maturity of less than one year are carried at amortized cost. VIA held \$298,268,673 in these securities as of fiscal year-end 2023 (\$326,426,413 in 2022). Securities in the amount of \$39,019,320 (\$38,559,410 in 2022) with an original maturity of greater than one year are carried at fair value and are considered level 2 and are measured at the most recent closing price reported on the market on which these securities are traded.

TexPool investments consist exclusively of United States government securities, repurchase agreements collateralized by United States government securities, and AAA-rated no-load money market mutual funds. TexPool Prime investments include a diverse array of securities, including U.S. agency securities (fixed and variable rate obligations), commercial paper, certificates of deposit, and repurchase agreements that are fully collateralized and contracted with high-quality counterparties. The Comptroller of the Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the "Trust Company") which is authorized to operate the TexPool portfolios. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. VIA believes that TexPool operates as required under GASB Statement 79, *Certain External Investment Pools and Pool Participants*, to be valued at amortized cost. VIA's investment in TexPool is reported under the "cash and cash equivalents" on the statements of net position.

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The following tables show VIA's investments and their days to maturity as of September 30:

Investments	2023 Investment Maturities					Carrying Amount
	Less Than 90 Days	From 91 to 180 Days	From 181 Days to 364 Days	From 365 Days to 5 Years	Equal to or Greater Than 5 Years and Less Than 10 Years	
United States Treasury notes	\$ -	\$ -	\$ -	\$ 39,019,320	\$ -	\$ 39,019,320
Federal Home Loan Bank agency securities	207,097,424	91,171,249	-	-	-	298,268,673
Total United States Treasury and agency securities	207,097,424	91,171,249	-	39,019,320	-	337,287,993
TexPool	81,793,151					81,793,151
TexPool Prime	4,382,195					4,382,195
Total investments	<u>\$ 293,272,770</u>	<u>\$ 91,171,249</u>	<u>\$ -</u>	<u>\$ 39,019,320</u>	<u>\$ -</u>	<u>\$ 423,463,339</u>

Investments	2022 Investment Maturities					Carrying Amount
	Less Than 90 Days	From 91 to 180 Days	From 181 Days to 364 Days	From 365 Days to 5 Years	Equal to or Greater Than 5 Years and Less Than 10 Years	
United States Treasury notes	\$ -	\$ -	\$ -	\$ 38,559,410	\$ -	\$ 38,559,410
Federal Home Loan Bank agency securities	102,082,331	109,219,269	115,124,813	-	-	326,426,413
Total United States Treasury and agency securities	102,082,331	109,219,269	115,124,813	38,559,410	-	364,985,823
TexPool	25,272,841	-	-	-	-	25,272,841
TexPool Prime	6,169,712	-	-	-	-	6,169,712
Total investments	<u>\$ 133,524,884</u>	<u>\$ 109,219,269</u>	<u>\$ 115,124,813</u>	<u>\$ 38,559,410</u>	<u>\$ -</u>	<u>\$ 396,428,376</u>

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At September 30, 2023 and 2022, VIA had the following deposits and investments:

Cash, Cash Equivalents and Investments

	<u>Carrying Amount 2023</u>	<u>Carrying Amount 2022</u>
Deposits:		
Cash on hand	\$ 293,307	\$ 262,289
Cash in bank	<u>17,065,450</u>	<u>18,974,202</u>
Total deposits	17,358,757	19,236,491
Investments:		
TexPool	81,793,151	25,272,841
TexPool Prime	4,382,195	6,169,712
United States agency securities	<u>337,287,993</u>	<u>364,985,823</u>
Total cash, cash equivalents and investments	<u>\$ 440,822,096</u>	<u>\$ 415,664,867</u>

Custodial Credit Risk on Deposits – Custodial credit risk is the risk that, in the event of a bank failure, VIA’s deposits might not be recovered. All deposits as of September 30, 2023 and September 30, 2022, to the extent not insured by the Federal Deposit Insurance Corporation, were collateralized by securities held by a third-party independent custodian.

Custodial Credit Risk on Investments – Collateralization of investment balances is not required by VIA’s investment policy. Investments are held by VIA’s name and not that of the designated custodian. Maturing investment proceeds are deposited to a money market account, carrying custodial credit risk, until reinvestment or transfer out per VIA’s investment policy.

Interest Rate Risk – Interest rate risk, the risk that changes with market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value changes to the market interest rates. As a means of limiting its exposure to fair value losses due to rising interest rates, VIA’s investment policy limits its investment maturities to no more than ten years. Currently, 91% of VIA’s investment portfolio is invested in maturities less than one year (90% in 2022). Investment maturities are as follows:

<u>Maturity</u>	<u>Percentage of Portfolio</u>	
	<u>September 30, 2023</u>	<u>2022</u>
Less than 90 days	69 %	34 %
From 91 days to 180 days	22	27
From 181 days to 364 days	0	29
From 365 days to 5 years	9	10
Equal to or greater than 5 years and less than 10 years	0	0

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Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, investments issued or explicitly guaranteed by the United States government are excluded from this requirement.

Presented below is the minimum rating required (where applicable) by VIA’s investment policy and the Public Funds Investment Act and the actual rating for each investment as of September 30:

Credit Risk Ratings as of September 30, 2023			
Investments	Minimum Legal Rating	Investment Rating	Rating Organization
United States Treasury Notes	N/A	N/A	N/A
Federal Home Loan Bank agency securities	A-1	Aaa	Moody's
TexPool	AAA	AAAm	Standard & Poor's
TexPool Prime	AAA	AAAm	Standard & Poor's

Credit Risk Ratings as of September 30, 2022			
Investments	Minimum Legal Rating	Investment Rating	Rating Organization
United States Treasury Notes	N/A	N/A	N/A
Federal Home Loan Bank agency securities	A-1	Aaa	Moody's
TexPool	AAA	AAAm	Standard & Poor's
TexPool Prime	AAA	AAAm	Standard & Poor's

Concentration of Credit Risk – As a means of limiting its exposure to a concentration of credit risk, VIA’s investment policy limits the maximum percentage allowed in each type of investment. Direct obligations such as United States Treasury Notes are limited to 95% of VIA’s investment portfolio. Indirect obligations, such as Federal Home Loan Mortgage Bank Agency Securities, Freddie Mac Agency Securities, and Fannie Mae Agency Securities, are limited to 85% of VIA’s investment portfolio. There is no limit for TexPool or TexPool Prime, which are diversified pools of investments.

As of September 30, 2023 and 2022, concentration of credit risk is summarized in the following table, which shows the percentage amount invested in each issuer as a percentage of the portfolio.

Investments	Percentage of Portfolio	
	September 30, 2023	2022
United States Treasury Notes	10 %	10 %
Federal Home Loan Bank agency securities	70	82
TexPool	19	6
TexPool Prime	1	2

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Fiduciary Fund Investments

The following disclosures relate to VIA's Fiduciary Funds. VIA's Retirement Plan and Other Postemployment Benefits (OPEB) Plan are presented separately for greater transparency. The Plans categorize their fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; or other observable inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities, and credit spreads; or market-corroborated inputs.
- Level 3 inputs are significant observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets measured at fair value:

- Money market fund – Valued at the quoted net asset value (“NAV”) of shares held by the Plan at year-end.
- Pooled, common, and collective funds – Valued at the most recent closing price reported on the market on which the securities are traded.
- Mutual funds – Valued at the daily closing price as reported by the fund.

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The following tables set forth by level, within the fair value hierarchy, the Retirement Plan's assets at fair value as of December 31, 2023 and 2022:

Description	September 30, 2023			Amount
	Level 1	Level 2	Level 3	
Debt Securities:				
U.S. Treasury Securities	\$ 3,970,254	\$ -	\$ -	\$ 3,970,254
Other Fixed Income	-	25,315,539	-	25,315,539
Total Debt Securities	3,970,254	25,315,539	-	29,285,793
Equity Securities:				
Common Stocks & EFTs	112,281,931	-	-	112,281,931
Total Equity Securities	112,281,931	-	-	112,281,931
Total	\$ 116,252,185	\$ 25,315,539	\$ -	\$ 141,567,724

Investments Measured at Net Asset Value:

Pooled Real Estate Funds	\$ 38,014,212
Commingled Collective Funds	154,659,625
Money Market Investments	5,525,858
Total	\$ 339,737,419

Description	September 30, 2022			Amount
	Level 1	Level 2	Level 3	
Debt Securities:				
U.S. Treasury Securities	\$ 2,891,886	\$ -	\$ -	\$ 2,891,886
Other Fixed Income	-	25,538,089	-	25,538,089
Total Debt Securities	2,891,886	25,538,089	-	28,429,975
Equity Securities:				
Common Stocks & EFTs	104,694,849	-	-	104,694,849
Total Equity Securities	104,694,849	-	-	104,694,849
Total	\$ 107,586,735	\$ 25,538,089	\$ -	\$ 133,124,824

Investments Measured at Net Asset Value:

Pooled Real Estate Funds	\$ 43,821,493
Commingled Collective Funds	141,704,231
Money Market Investments	6,127,454
Total	\$ 324,778,002

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The following tables set forth by level, within the fair value hierarchy, the OPEB Plan's assets at fair value as of September 30, 2023 and 2022:

Description	September 30, 2023			Amount
	Level 1	Level 2	Level 3	
Money Market Fund Pooled, Common and Collective Funds	\$ 7,623,181	\$ -	\$ -	\$ 7,623,181
Mutual Funds	11,715,715	-	-	11,715,715
Total	\$ 19,338,896	\$ -	\$ -	\$ 19,338,896

Description	September 30, 2022			Amount
	Level 1	Level 2	Level 3	
Money Market Fund Pooled, Common and Collective Funds	\$ 3,551,856	\$ -	\$ -	\$ 3,551,856
Mutual Funds	4,050,717	6,219,026	-	4,050,717
Total	\$ 7,602,573	\$ 6,219,026	\$ -	\$ 13,821,599

Investment Policies

Pension Plan and OPEB Plan investments are held in separate trusts and managed by independent investment managers with oversight from financial advisors. Separate investment policies are established by the Board and are used to provide a clear understanding between the Board and Plan managers regarding the objectives of the plans. The policies may be changed from time to time by the Board after consideration of the advice and recommendations of Plan professionals. All modifications to the policies shall be in writing and approved by the Board.

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Cash and Investments

Fiduciary fund cash, cash equivalents, and investment balances as of September 30, 2023 and September 30, 2022 are the following:

	September 30, 2023		
	Retirement Plan	OPEB Plan	Total Fiduciary Funds
Cash and cash equivalents	\$ 5,525,858	\$ 7,623,181	\$ 13,149,039
Investments:			
Corporate bonds and other	14,982,527	-	14,982,527
United States government agency	14,303,266	-	14,303,266
Common stock	112,281,931	-	112,281,931
Pooled/mutual funds	192,673,837	11,715,715	204,389,552
Total investments	334,241,561	11,715,715	345,957,276
Total cash, cash equivalents and investments	\$ 339,767,419	\$ 19,338,896	\$ 359,106,315
	September 30, 2022		
	Retirement Plan	OPEB Plan	Total Fiduciary Funds
Cash and cash equivalents	\$ 6,127,454	\$ 3,551,856	\$ 9,679,310
Investments:			
Corporate bonds and other	15,780,906	-	15,780,906
United States government agency	12,649,069	-	12,649,069
Common stock	104,694,849	-	104,694,849
Pooled/mutual funds	185,523,735	10,269,743	195,793,478
Total investments	318,648,559	10,269,743	328,918,302
Total cash, cash equivalents and investments	\$ 324,776,013	\$ 13,821,599	\$ 338,597,612

Custodial Credit Risk — Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Retirement Plan's deposits and OPEB Plan's deposits might not be recovered. All deposits as of September 30, 2023 and 2022, to the extent not insured by the Federal Deposit Insurance Corporation, were collateralized by securities held by a third-party independent custodian, in the Trust's name, under a joint custody agreement giving the Trust unconditional rights and claims to collateral.

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Custodial Credit Risk — Investments

Custodial credit risk is the risk that, in the event of failure of the counterparty, the Retirement Plan and OPEB Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The assets of the Retirement Plan may be held in the name of agents, nominees, depository trust companies, or other entities designated by the Plan. As of September 30, 2023 and September 30, 2022, all investments are registered in the Trust's name or in the name of the Trust's custodian, which was established through a trust agreement, and are held by the Trustee for the benefit of the Plan. As of September 30, 2023, the Plan had \$5,528,858 of money market funds that were subject to custodial credit risk. As of September 30, 2022, the Plan had \$6,127,454 of money market funds that were subject to custodial credit risk.

For the OPEB Plan, at year end, all investments of the Plan were held in the name of VIA's plan. As of September 30, 2023, the Plan had \$7,623,181 of money market funds that were subject to custodial credit risk. As of September 30, 2022, the Plan had \$3,551,856 of money market funds that were subject to custodial credit risk.

For the OPEB Plan, all of VIA's investments with the exception of money market mutual funds, which by design provide ownership of shares within the fund, are registered in the name of VIA's plan as of September 30, 2023 and September 30, 2022.

VIA's investment policies for both the Pension Plan and the OPEB Plan help mitigate custodial credit risk by requiring that assets of the Plan shall be invested in a manner consistent with fiduciary standards, namely: with the care, skill, prudence, and diligence that a prudent expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; in accordance with the Plan Agreement and the Policy; all transactions undertaken on behalf of the Trust must be for the sole interest of the Trust; and the investments should be diversified to achieve objectives and minimize the risk of large losses.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments issued or explicitly guaranteed by the United States Government are excluded from this requirement.

The investment policies for the Retirement Plan and the OPEB Plan manage credit risk by the following general limitations and requirements: the majority of corporate fixed income investments, other than short-term paper, shall be limited at purchase to investment grade (rating), as established by one or more of the nationally recognized bond rating services. Below investment grade and non-dollar denominated foreign bonds are allowable up to 10% of the fixed income portfolio, at market. In no event should the debt securities of any single corporate entity exceed 3% (1% for below-investment-grade and foreign), at market, of the fixed income assets under management. The average quality rating of each manager's portfolio shall be equal to A or better.

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For the Retirement Plan and OPEB Plan, no individual securities are owned by the Plans directly. Indirect ownership of securities is 100% through mutual funds, pooled, common and collective funds. Therefore, the Plan's credit risk is favorably impacted by the benefits of diversification.

For the Retirement Plan, as of September 30, 2023, the Plan had \$14,982,527 of bond fund investments subject to credit risk. Ratings range from AAA (highest) to NR (not rated). As of September 30, 2022, the Plan had \$15,780,906 of bond fund investments subject to credit risk. Ratings range from AAA (highest) to NR (not rated).

For the OPEB Plan, as of September 30, 2023, the Plan had \$3,047,741 of bond fund investments subject to credit risk. Ratings range from AAA (highest) to NR (not rated). As of September 30, 2022, the Plan had \$2,979,365 of bond fund investments subject to credit risk. Ratings range from AAA (highest) to NR (not rated).

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policies for the Retirement Plan and the OPEB Plan do not address interest rate risk. However, the fixed income managers manage their portfolio within a tight range (+/- 10%) around their benchmark's average duration.

As of September 30, 2023, VIA's fiduciary account investments exposed to interest rate risk are as follows:

Investment Type	Fair Value	Maturity in Years		
		Less Than 1 Year	1-5 Years	Greater Than 5 Years
Pension Plan:				
Money Market Fund	\$ 5,525,858	\$ 5,525,858	\$ -	\$ -
Corporate Bonds and Other	14,982,527	977,997	6,652,045	7,352,485
United States Government and Agency	14,303,266	-	1,474,145	12,829,121
Pooled Fixed Income	63,649,775	-	-	63,649,775
Total	98,461,426	6,503,855	8,126,190	83,831,381
OPEB Plan:				
Money Market Fund	7,623,181	7,623,181	-	-
Fixed Income Mutual Fund	3,047,741	-	-	3,047,741
Total	10,670,922	7,623,181	-	3,047,741
Total Fiduciary Accounts	\$ 109,132,348	\$ 14,127,036	\$ 8,126,190	\$ 86,879,122

Note: The fair values shown here do not include accrued income, pending cash, or uninvested cash.

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As of September 30, 2022, VIA's fiduciary account investments exposed to interest rate risk are as follows:

Investment Type	Fair Value	Maturity in Years		
		Less Than 1 Year	1-5 Years	Greater Than 5 Years
Pension Plan:				
Money Market Fund	\$ 6,127,454	\$ 6,127,454	\$ -	\$ -
Corporate Bonds and Other	15,780,906	174,692	4,810,484	10,795,730
United States Government and Agency	12,649,069	-	334,660	12,314,409
Pooled Fixed Income	62,089,731	-	-	62,089,731
Total	96,647,160	6,302,146	5,145,144	85,199,870
OPEB Plan:				
Money Market Fund	3,551,856	3,551,856	-	-
Fixed Income Mutual Fund	2,979,365	-	-	2,979,365
Total	6,531,221	3,551,856	-	2,979,365
Total Fiduciary Accounts	\$ 103,178,381	\$ 9,854,002	\$ 5,145,144	\$ 88,179,235

Note: The fair values shown here do not include accrued income, pending cash, or uninvested cash.

Foreign Currency Risk

Foreign currency risk is the risk of losses arising from changes in exchange rates. As a means of mitigating the risk of loss due to exchange rates, the Retirement Plan's investment policy limits the amount of foreign investments to 25% of total investments, and the OPEB Plan's investment policy limits the amount of foreign investments to 30% of total investments. At September 30, 2023 and 2022, 22.2% and 20.0% of the Retirement Plan's investments were in the Pooled International Fund, and 6.4% and 10.4% of the OPEB Plan's investments were in an international mutual fund. The Plans are subject to currency risk as currency exposures are unhedged. As international currencies gain or lose value in relation to the US dollar, the funds will gain or lose value.

As of September 30, 2023, the Retirement Plan had \$75,300,839 of investments in the Pooled International Fund, and as of September 30, 2022, the Retirement Plan had \$65,081,892 of investments in the Pooled International Fund.

As of September 30, 2023, the OPEB Plan had \$1,242,594 of investments in an international mutual fund, and as of September 30, 2022, the OPEB Plan had \$1,071,352 of investments in an international mutual fund.

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Note 4 – Restricted and Unrestricted Cash and Investments

VIA's cash, cash equivalents, and investments are restricted and unrestricted for the following purposes:

Restricted

- **Bond Construction Fund** – the restricted construction account represents bond proceeds and interest to be used for capital expenditures.
- **Bond Fund** – Debt service or principal and interest due on bonds is used for setting aside funds for upcoming principal and interest payments on outstanding bonds.
- **Bond Reserve Fund** – Reserve funds specifically required at bond issuance and documented in the bond agreement. This item is cleared when bonds have been paid off.
- **TxDOT Grant** – represents assets to provide for the enhancement of visual, operational, and structural vehicle right-of-way improvements.

Unrestricted

- **Stabilization Fund** – represents assets to provide a level of financial resources to protect against revenue shortfalls or unpredicted one-time expenditures.
- **Working Capital** – represents assets designated to provide VIA with sufficient operating funds to pay its day-to-day operational obligations.
- **Keep San Antonio Moving (KSAM) Reserve** – funds can be used to cover any operating and capital spending for the KSAM project.
- **Unrestricted Cash Reserve** – funds can be used to cover any operating or capital spending of the agency.
- **Retainage** – represents assets equal to the liability payable to contractors for retainage withheld from periodic payments, plus interest earnings.
- **Capital Grant Local Share** – represents assets to provide for VIA's matching share of Federal Transit Administration (FTA) grants.

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Components of restricted and unrestricted cash and investments are summarized as follows:

	<u>Cash & Cash Equivalents</u>	<u>Investments</u>	<u>2023 Total</u>	<u>2022 Total</u>
Restricted deposits and investments				
Bond construction fund	\$ 8	\$ -	\$ 8	\$ 1
Bond fund – principal and interest due	2,980,776	-	2,980,776	2,844,667
Bond reserve fund	2,927,724	-	2,927,724	2,927,724
TxDOT grant	15,107,271	-	15,107,271	24,611,738
	<hr/>			
Total restricted deposits and investments	21,015,779	-	21,015,779	30,384,130
Unrestricted deposits and investments				
Board approved purposes:				
Stabilization fund	1,160,000	41,990,000	43,150,000	42,650,000
Keep San Antonio Moving (KSAM) reserve	-	177,122,000	177,122,000	177,122,000
Unrestricted cash reserve	20,494,067	108,140,745	128,634,812	113,453,062
Working capital:				
MTA	35,430,000	-	35,430,000	36,090,000
ATD	7,720,000	-	7,720,000	6,560,000
Retainage	31,630	-	31,630	30,427
Capital grants local share	17,682,627	10,035,248	27,717,875	9,375,248
	<hr/>			
Total unrestricted deposits and investments	82,518,324	337,287,993	419,806,317	385,280,737
	<hr/>			
Total deposits and investment balances	<u>\$ 103,534,103</u>	<u>\$ 337,287,993</u>	<u>\$ 440,822,096</u>	<u>\$ 415,664,867</u>

Note 5 – Capital Contributions

Capital contributions consist of funds received through various grants to assist in the acquisition of capital assets. A major portion of these contributions is through the annual and discretionary capital grants provided by FTA, as well as past grant contributions received from the state of Texas. Generally, an FTA grant will provide 80% of the total project cost, and VIA will match the grant funds by paying the remaining 20%. The capital contribution accounts record the funds received through these various grants.

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Note 6 – Capital Assets

Components of capital assets are summarized as follows for September 2022 to September 2023 and September 2021 to September 2022:

	Restated Balance at September 30, 2022	Additions**	Deletions	Transfers	Balance at September 30, 2023
Land*	\$ 35,214,548	\$ 8,168,917	\$ -	\$ -	\$ 43,383,465
Buildings and shelters	288,550,982	(58,104)	(147,573)	35,043,004	323,388,309
Revenue and service vehicles	301,986,315	23,199	(9,881,912)	14,853,471	306,981,073
Equipment	61,556,953	226,806	(17,707,836)	4,058,059	48,133,982
Intangible right-to-use lease and SBITA assets	30,316,547	69,935,471	(21,992,421)	-	78,259,597
Total gross capital assets	717,625,345	78,296,289	(49,729,742)	53,954,534	800,146,426
Accumulated depreciation and amortization:					
Buildings and shelters	171,429,690	16,303,575	(147,573)	-	187,585,692
Revenue and service vehicles	144,522,031	23,057,431	(9,881,912)	-	157,697,550
Equipment	51,820,430	4,005,079	(17,707,835)	-	38,117,674
Intangible right-to-use lease and SBITA assets	23,299,483	18,014,745	(21,983,007)	-	19,331,221
Total accumulated depreciation and amortization	391,071,634	61,380,830	(49,720,327)	-	402,732,137
Net capital assets before construction in progress	326,553,711	16,915,459	(9,415)	53,954,534	397,414,289
Construction in progress:					
Buildings and shelters	45,713,450	12,794,033	-	(37,300,284)	21,207,199
Revenue and service vehicles	4,700,634	11,093,023	-	(14,624,254)	1,169,403
Equipment	7,766,780	10,432,822	-	(2,029,996)	16,169,606
Total construction in progress	58,180,864	34,319,878	-	(53,954,534)	38,546,208
Net capital assets	\$ 384,734,575	\$ 51,235,337	\$ (9,415)	\$ -	\$ 435,960,497

* Capital assets not being depreciated.

** Includes a reclassification of \$2,865,343 from equipment to vehicles for gross intangible lease assets, and reclassification of \$2,129,837 for related accumulated amortization.

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	Restated Balance at September 30, 2021	Additions	Deletions	Transfers	Restated Balance at September 30, 2022
Land*	\$ 33,514,806	\$ -	\$ -	\$ 1,699,742	\$ 35,214,548
Buildings and shelters	270,374,054	-	-	18,176,928	288,550,982
Revenue and service vehicles	316,732,270	155,032	(28,681,859)	13,780,872	301,986,315
Equipment	59,935,911	-	(785,027)	2,406,069	61,556,953
Intangible right-to-use lease and SBITA assets	28,124,257	2,402,621	(210,331)	-	30,316,547
Total gross capital assets	708,681,298	2,557,653	(29,677,217)	36,063,611	717,625,345
Accumulated depreciation and amortization:					
Buildings and shelters	157,601,886	13,827,804	-	-	171,429,690
Revenue and service vehicles	150,394,263	22,809,627	(28,681,859)	-	144,522,031
Equipment	48,180,486	4,424,971	(785,027)	-	51,820,430
Intangible right-to-use lease and SBITA assets	11,457,025	12,052,789	(210,331)	-	23,299,483
Total accumulated depreciation and amortization	367,633,660	53,115,191	(29,677,217)	-	391,071,634
Net capital assets before construction in progress	341,047,638	(50,557,538)	-	36,063,611	326,553,711
Construction in progress:					
Buildings and shelters	48,028,455	18,002,465	-	(20,317,470)	45,713,450
Revenue and service vehicles	421,611	16,093,764	-	(11,814,741)	4,700,634
Equipment	7,177,310	4,520,870	-	(3,931,400)	7,766,780
Total construction in progress	55,627,376	38,617,099	-	(36,063,611)	58,180,864
Net capital assets	\$ 396,675,014	\$ (11,940,439)	\$ -	\$ -	\$ 384,734,575

* Capital assets not being depreciated.

The following is a summary of depreciation and amortization expense:

Description	Years Ended September 30,	
	2023	2022
Capital assets paid for with VIA equity	\$ 22,505,566	\$ 33,962,063
Capital assets paid for with grants	37,453,788	18,628,991
Total depreciation and amortization expense	\$ 59,959,354	\$ 52,591,054

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Note 7 – Sales Taxes

Sales taxes are a significant revenue source for VIA, accounting for 76.6% of VIA's revenue in FY23 (66.9% in FY22). These revenues are reported as non-operating revenues in the statements of revenues, expenses, and changes in net position. Included below is a summary of sales tax revenues:

Sales Tax Revenues

Description	Years Ended September 30,	
	2023	2022
MTA	\$ 211,602,182	\$ 204,636,921
ATD	95,268,604	92,493,013
Less ATD Amounts Remitted to CoSA and Bexar County	(47,634,302)	(46,246,506)
Net VIA Sales Taxes	<u>\$ 259,236,484</u>	<u>\$ 250,883,428</u>

VIA's sales taxes increased by \$8,353,056 in FY23, due to higher sales and higher prices. In FY22, sales taxes increased by \$30,630,848 as the economy improved following several years significantly impacted by COVID. In FY23, MTA sales taxes increased by \$6,965,261, and VIA's 50% share of ATD sales taxes increased by \$1,387,796. In FY22, MTA sales taxes increased by \$25,096,768 and VIA's 50% share of ATD sales taxes increased by \$5,535,080. ATD sales taxes are allocated 50% to VIA and 25% each to the City of San Antonio (CoSA) and Bexar County.

Sales Tax Receivable from State of Texas

Description	Years Ended September 30,	
	2023	2022
MTA	\$ 35,051,224	\$ 35,340,704
ATD-VIA	8,009,455	7,939,097
ATD-Other (CoSA and Bexar County)	8,009,455	7,939,097
	<u>\$ 51,070,134</u>	<u>\$ 51,218,898</u>

VIA recognizes sales tax revenue based on a methodology that equates to accruing approximately two months of sales tax receipts from the state of Texas. Generally, the sales taxes on sales made in any given month are reported and paid to the State Comptroller's Office the following month. VIA receives the sales taxes from the Comptroller the next month. Sales tax revenues and the related receivables are recognized when the underlying sales transaction that generated the sales tax occurs.

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Note 8 – Defined Benefit Retirement Plan

A. Plan Description

VIA's defined benefit pension plan, VIA Metropolitan Transit Retirement Plan (the "Plan") provides pensions for all full time VIA employees who were hired prior to January 1, 2012 and completed 1 year of continuous service prior to July 1, 2013. The Plan is a single-employer defined benefit retirement plan administered by VIA. Amendments to the Plan may be made by VIA at any time. There is a separate plan audit. An audit report is issued that includes financial statements and required supplementary information of the Plan. That report may be obtained by writing to VIA Metropolitan Transit, P.O. Box 12489, San Antonio, Texas 78212-0489, or by calling (210) 362-2000.

B. Benefits Provided

Benefit provisions are established by VIA and can be amended at any time; however, no amendment shall authorize any part of the net position to be used for purposes other than benefit payments or administrative expenses. Employees retiring at age 65 or at age 55 with 25 years or more of credited service shall, upon application to the Plan administrator, receive a monthly retirement pension based on the higher of the following two methods:

- Career Average Method - For each year or fraction of year of credited service between April 1, 1965 and February 1, 1973, 1.5% of the monthly base salary as of February 1, 1973, plus 2.0% of the excess, if any, of such salary over \$300; plus for each year or fraction of year of credited service between February 1, 1973 and September 30, 1989, 1.5% of the monthly base salary at the beginning of each plan year, plus 2.0% of the excess, if any, of such salary over \$300; plus for each year beginning October 1, 1989 and after, 1/12th of 2.0% of the compensation earned during each plan year. Compensation is defined as base salary or base wage plus overtime, bonuses, and employee deferrals under Internal Revenue Service Code, Sections 125 or 457, but excluding "sold" vacation pay and sick pay, and certain other amounts.
- Final Average Method - With 25 years or more of credited service, 2.00%, or with less than 25 years of credited service, 1.75% of the final average monthly compensation for each year or fraction of year of credited service. Final average monthly compensation is defined as the average monthly base salary or base wage during 36 consecutive months of highest compensation prior to termination or retirement.

C. Disability Benefits

If service is terminated because of total and permanent disability, the participant may retire and receive an immediate monthly income equal to the accrued benefit at the date of disability. If the participant recovers, the above benefit may be reduced by 2/12% for each of the first 36 months; 3/12% for each of the next 24 months; 4/12% for each of the next 24 months; and actuarially for each additional month from date of recovery until age 62.

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D. Pre-Retirement Death Benefits

If service is terminated because of death prior to attaining age 65, the spouse will receive the actuarial value of the participant's accrued benefit paid over a 120-month period. If the beneficiary is a non-spouse, the beneficiary will receive the actuarial value of the spouse's benefit, as previously described, and the amount will be paid over a 60-month period.

E. Early Retirement Benefits

If service is terminated at an early retirement date, the participant will receive a monthly income equal to the accrued benefit at the date of early retirement, reduced by 2/12% for each of the first 36 months; 3/12% for each of the next 24 months; and 4/12% for any additional months by which the participant's early retirement date precedes the first of the month coinciding with or next following the participant's attainment of age 62.

F. Pension Supplement

Effective July 1, 2015, the pension plan provides the retirees (and beneficiaries) a one-time supplement (non-cumulative or compounding benefit) once every two years based on the following table by service at retirement.

<u>Service at Retirement</u>	<u>Supplement (One-Time)</u>
10 Years	\$ 175.00
0-24 Years	350.00
5+ Years	700.00

G. Retiree Health Benefits

For members with retirement dates prior to March 31, 2007: \$8 times credited service (whole years only) paid monthly to retired and disabled participants for life.

For members with retirement dates after March 31, 2007: a monthly supplement based on the following table (by service at retirement and current age):

<u>Service at Retirement</u>	<u>Benefits Payable Before Age 65</u>	<u>Benefits Payable After Age 65</u>
<10 Years	\$ -	\$ -
10-14 Years	100.00	75.00
15-19 Years	150.00	112.50
20-24 Years	200.00	150.00
25+ Years	250.00	187.50

Effective July 1, 2013, the Plan was closed for participation to new employees. All new employees are eligible for a defined contribution plan described in Note 9.

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H. Employees Covered by Benefit Terms

The following table summarizes the number of participants with a benefit in the Plan as of the valuation dates of October 1, 2021 and 2020, the dates used to develop the pension accounting information that is reported for the fiscal years ending September 30, 2023 and 2022, respectively.

	<u>FY2023</u>	<u>FY2022</u>
Inactive Plan members or beneficiaries currently receiving benefits	1,221	1,179
Inactive Plan members entitled to, but not yet receiving, benefits	143	143
Active Plan members	<u>783</u>	<u>851</u>
Total Plan members	<u>2,147</u>	<u>2,173</u>

I. Contributions

VIA follows the policy of funding the Plan through employer and employee contributions. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year. As of January 1, 2017, participants contribute 6% of their wage base (1/3 of the taxable wage base under the old age, survivors, and disability insurance program) plus 9% of the amount of their monthly compensation in excess of the wage base. Prior to January 1, 2017 – effective July 1, 2015 – participants contributed 5% of their wage base (1/3 of the taxable wage base under the old age, survivors, and disability insurance program) plus 8% of the amount of their monthly compensation in excess of the wage base.

J. Net Pension Liability

VIA's net pension liability reported for September 30, 2023 was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021 and rolled forward to the September 30, 2022 measurement date. VIA's net pension liability reported for September 30, 2022 was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020 and rolled forward to the September 30, 2021 measurement date.

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Changes in Net Pension Liability

	<u>2023</u>	<u>2022</u>
Total Pension Liability		
Service Cost	\$ 6,585,063	\$ 6,879,319
Interest	33,788,802	33,317,752
Difference between expected and actual experience	1,107,216	(3,484,862)
Benefit payments	(30,115,982)	(28,800,748)
Refunds	(568,955)	(649,986)
	<hr/>	<hr/>
Net change in total pension liability	10,796,144	7,261,475
Total pension liability - beginning	478,102,378	470,840,903
Total pension liability - ending	<u>488,898,522</u>	<u>478,102,378</u>
Plan Fiduciary Net Position		
Contributions - employer	13,549,455	14,253,181
Contributions - employee	3,748,353	3,824,273
Pension plan net investment income	(57,018,394)	73,736,180
Benefit payments	(30,115,982)	(28,800,748)
Refunds	(568,955)	(649,986)
Pension plan administrative expense	(162,762)	(137,671)
	<hr/>	<hr/>
Net change in Plan Fiduciary net position	(70,568,285)	62,225,229
Plan fiduciary net position - beginning	392,688,048	330,462,819
Plan fiduciary net position - ending	<u>322,119,763</u>	<u>392,688,048</u>
Total Net Pension Liability	<u>\$ 166,788,759</u>	<u>\$ 85,414,330</u>

K. Actuarial Assumptions

The total pension liability reported for September 30, 2023 was determined by an actuarial valuation as of October 1, 2021 and rolled forward to the measurement date of September 30, 2022, and the total pension liability reported for September 30, 2022 was determined by an actuarial valuation as of October 1, 2020 and rolled forward to the measurement date of September 30, 2021, using the following actuarial assumptions:

Inflation	2.75%
Salary Increases	3.75%-5.75%, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Cost of Living	None
Mortality Rates	Gender-distinct RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected on a fully generational basis by scale BB, multiplied by 109% for male table and 103% for female table

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L. Discount Rate

The discount rate used to measure the total pension liability as of the measurement dates of September 30, 2022 and September 30, 2021 was 7.25%. The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that VIA contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

M. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of VIA, calculated using the discount rate of 7.25% for 2023 and 2022, as well as what VIA's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

Discount Rate Sensitivity – September 30, 2023

1.0% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1.0% Increase 8.25%
\$217,787,690	\$166,778,759	\$123,352,235

Discount Rate Sensitivity – September 30, 2022

1.0% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1.0% Increase 8.25%
\$135,991,538	\$85,414,330	\$42,189,271

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N. Long-Term Expected Rate of Return

The long-term expected rate of return on retirement plan investments was determined using a building block method in which best-estimate expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2023 and 2022 are summarized in the tables below:

Fiscal Year ended September 30, 2023

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
Domestic Equity – Large Cap	8.66 %	22 %	1.91 %
Domestic Equity – Small Cap	7.95	13	1.03
Global Equity	7.26	25	1.81
Fixed Income	0.36	30	0.11
Real Estate	5.31	10	0.53
Total Expected Arithmetic Real Return			5.39
Inflation Assumption			2.58
Total Expected Arithmetic Nominal Return			7.97 %

Fiscal Year ended September 30, 2022

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
Domestic Equity – Large Cap	8.30 %	22 %	1.83 %
Domestic Equity – Small Cap	8.17	13	1.06
Global Equity	6.98	25	1.75
Fixed Income	0.63	30	0.19
Real Estate	6.96	10	0.70
Total Expected Arithmetic Real Return			5.52
Inflation Assumption			2.60
Total Expected Arithmetic Nominal Return			8.12 %

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O. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense

For the year ended September 30, 2023, VIA recognized pension expense of \$17,517,043. For the year ended September 30, 2022, VIA recognized pension expense of \$1,409,549.

Schedule of Pension Expense

	2023	2022
Total service cost	\$ 6,585,063	\$ 6,879,319
Interest on the total pension liability	33,788,802	33,317,752
Employee contributions (reduction of expense)	(3,748,353)	(3,824,273)
Projected savings on plan investments (reduction of expense)	(27,978,700)	(23,541,282)
Administrative expense	162,762	137,671
Recognition of outflow (inflow) of resources due to liabilities	3,713,742	3,501,873
Recognition of outflow (inflow) of resources due to assets	4,993,727	(15,061,511)
	<u>\$ 17,517,043</u>	<u>\$ 1,409,549</u>

At September 30, 2023 and 2022, VIA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Fiscal Year Ended September 30, 2023		
1. Differences between expected and actual experience	\$ 877,360	\$ 1,806,697
2. Net differences between projected and actual earning on Plan investments	35,310,225	-
3. Assumption changes	5,103	-
4. Contributions paid subsequent to the measurement date	12,567,114	-
	<u>\$ 48,759,802</u>	<u>\$ 1,806,697</u>
Fiscal Year Ended September 30, 2022		
5. Differences between expected and actual experience	\$ 432,103	\$ 3,009,474
6. Net differences between projected and actual earning on Plan investments	-	44,693,144
7. Assumption changes	4,259,665	-
8. Contributions paid subsequent to the measurement date	13,555,325	-
	<u>\$ 18,247,093</u>	<u>\$ 47,702,618</u>

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Contributions subsequent to the measurement date are recognized in the following period. September 30, 2023 amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Net Deferred Outflows/Inflows of Resources
2024	\$ 6,026,544
2025	4,302,757
2026	7,057,271
2027	16,999,419
2028	-
Thereafter	-
Total	\$ 34,385,991

P. Pension Plan Components of Net Pension Liability

The following table summarizes the components of the net pension liability as of September 30, 2023 and 2022 for the pension plan included in VIA's Fiduciary Fund Statements in accordance with GASB 67, Financial Reporting for Pension Plans – An Amendment of GASB Statement 25.

	September 30,	
	2023	2022
Total pension liability	\$ 512,509,726	\$ 488,898,522
Plan fiduciary net position	338,073,463	322,119,763
Net pension liability	\$ 174,436,263	\$ 166,778,759
Plan fiduciary net position as a percentage of the total pension liability	66.0%	65.9%

The net pension liability measured as of September 30, 2023 used the actuarial valuation dated October 1, 2022 rolled forward to September 30, 2023 using the following actuarial assumptions:

Inflation	2.75%
Salary Increases	3.85%-5.75%, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Cost of Living	None
Mortality Rates	Gender-distinct RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment, projected on a fully generational basis by scale BB, multiplied by 109% for male table and 103% for female table

The actuarial assumptions used in the October 1, 2022 valuation were based on the results of the experience study performed in 2022. The period covered was September 30, 2016—September 30, 2021.

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Note 9 – Defined Contribution Retirement Plan

A. Plan Description

VIA Metropolitan Transit Defined Contribution Retirement Plan is a “money purchase” pension plan and trust. This is an account-type plan, in which all benefits received come directly from participant accounts in the plan. VIA Metropolitan Transit Defined Contribution Retirement Plan is a “public retirement system” under the laws of Texas and a “government plan” under the Internal Revenue Code. As a result, it is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

B. Eligibility and Benefits

All full-time VIA employees hired after January 1, 2012 are eligible to participate after the first of the month following 30 days of service. Employees who retire on or after their 65th birthday and who have completed 5 years of service are entitled to 100% of their employer contribution account balance, as well as 100% of the mandatory employee contribution amount. The plan may also provide benefits in the event of death, disability, or other termination of employment.

C. Funding Policy

VIA follows the policy of funding the plan through mandatory employee contributions at the rate of 6% of compensation. VIA’s contributions to the Employer Contribution Account will be made at 6% of compensation. Together, mandatory employee contributions and VIA employer contributions will equal 12% of compensation. VIA’s contribution for the fiscal year ended September 30, 2023 totaled \$4,648,418 (\$3,925,662 in 2022).

Note 10 – Postemployment Benefits Other Than Pension

General Information about the OPEB Plan

D. Plan Description and Benefits Provided

VIA administers a single-employer defined benefit plan that is used to provide post-retirement benefits other than pensions (OPEB) for all retirees of VIA. VIA’s OPEB trust was approved/adopted by the Board on February 26, 2008, for the purpose of accumulating assets to fund OPEB costs in future years.

Governance of the Plan is vested in the eleven-member Board, which has governance responsibilities over all activities related to VIA. Representatives of the Board are appointed by the City of San Antonio (CoSA), Bexar County Commissioner’s Court, and the Suburban Council of Mayors.

In addition to providing pension benefits, VIA provides certain healthcare and life insurance benefits to retired employees. For healthcare, VIA indirectly subsidizes the medical insurance premiums paid by retirees, since premiums are calculated with active workers and retirees pooled together. As of October 1, 2022, the most recent valuation date, there are 247 retirees and dependents receiving VIA healthcare benefits and 937 participating in the VIA life insurance program. As of October 1, 2021, the next most recent valuation date, there are 258 retirees and dependents receiving VIA healthcare benefits and 904 participating in the VIA life insurance program. VIA provides, at no cost, base coverage for life insurance of \$10,000 or \$20,000, based on age, for retirees at a premium rate paid to a life insurance company. Any additional premium to provide coverage in excess of the base amount is shared by VIA and the retirees.

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Employees covered by benefit terms. Employees are eligible for OPEBs if they fall into one of the two groups noted below:

- Employees who are eligible to retire either for an early or normal retirement benefit from the VIA Metropolitan Transit Retirement Plan and have at least ten years of full-time service with VIA (all who meet this requirement would have been hired prior to January 1, 2012, the effective date for closing the defined benefit retirement plan to any new hires).
- Employees hired after January 1, 2012 who participated in the VIA Metropolitan Transit Defined Contribution Retirement Plan must meet normal retirement age as defined by the Defined Contribution Retirement Plan (age 65) and have at least ten years of full-time service with VIA.

At September 30, OPEB plan membership consisted of the following:

	<u>2023</u>	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefit payments	968	931
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	<u>1,997</u>	<u>1,887</u>
Total	<u><u>2,965</u></u>	<u><u>2,818</u></u>

E. Funding Policy

Employer contributions to the Plan are the actuarially-determined amounts that VIA needs to make to fund the Plan over a closed amortization period (23 years remaining as of the last valuation date of October 1, 2022). Employer contributions also include payments for benefits as they come due that were not reimbursed using OPEB plan assets, which for VIA are the implicit subsidies related to the life insurance benefit. VIA's funding policy is to fund 100% of the actuarially determined contribution by the end of each fiscal year. OPEB funding is handled through a Section 115 trust. As a result, the OPEB Plan's fiduciary net position is expected to be available to make all future projected benefit payments of current plan members.

Net OPEB Liability

VIA's net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was based on actuarial assumptions in an actuarial valuation report as of October 1, 2021.

Actuarial assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefits costs between the employer and plan members to that point.

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For the fiscal year ended September 30, 2023 (the measurement date of September 30, 2022), the actuarial valuation date was October 1, 2021. The total OPEB liability in the October 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.75%
Salary Increases	3.75%-5.75%, including inflation, plus an overtime adjustment varying from 1.25% of pay for office workers to 17.50% for operators
Demographic Assumptions	Based on VIA's experience study for the Retirement Plan for the six-year period ending on September 30, 2016
Mortality Assumptions	For healthy retirees, the gender-distinct RP 2000 Combined Health Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by a scale to BB to account for future mortality improvements.
Healthcare Trend Rates	Initial trend rate of 6.50% for pre-65 retirees and 6.00% for post-65 retirees, declining to ultimate rates of 4.25% for both pre-65 retirees and post-65 retirees after 10 years
Participation Rates	Rates of 40% for pre-65 retirees and 20% for post-65 retirees, with 50.0% assumed to discontinue at age 65

For the fiscal year ended September 30, 2022 (the measurement date of September 30, 2021), the actuarial valuation date was October 1, 2020. The total OPEB liability in the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.75%
Salary Increases	3.75%-5.75%, including inflation, plus an overtime adjustment varying from 1.25% of pay for office workers to 17.50% for operators
Demographic Assumptions	Based on VIA's experience study for the Retirement Plan for the six-year period ending on September 30, 2016
Mortality Assumptions	For healthy retirees, the gender-distinct RP 2000 Combined Health Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by a scale to BB to account for future mortality improvements.
Healthcare Trend Rates	Initial trend rate of 6.75% for pre-65 retirees and 6.10% for post-65 retirees, declining to ultimate rates of 4.25% for both pre-65 retirees and post-65 retirees after 11 years
Participation Rates	Rates of 40% for pre-65 retirees and 20% for post-65 retirees, with 50.0% assumed to discontinue at age 65

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Projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB Plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The long-term rate expected rate of return by asset class as of September 30, 2023 is shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Benchmark</u>	<u>Long-Term Mean Nominal Return</u>	<u>Long-Term Mean Real Rate of Return</u>
Domestic equity	50 %	S&P 1500	10.9 %	8.3 %
International equity	15	MSCI ACWI Ex-US	8.4	5.8
Fixed income	35	Aggregate Index	2.9	0.4
Total	<u>100 %</u>			

Note: For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of nominal returns and reduced by 2.6% to adjust to real terms. The expected rate of inflation is 2.6%.

The long-term expected rate of return being used for OPEB plan investments is 7.00% for FY23 and 7.25% for FY22. When this actuarial assumption was last updated in 2022, the municipal bond rate was 4.40% (based on the daily rate closest to but not later than the measurement date of Fidelity "20-Year Municipal GO Index"), and the resulting Single Discount Rate was 7.00%. The discount rate was 7.25% as of the beginning of the measurement period.

The long-term rate expected rate of return by asset class as of September 30, 2022 is shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Benchmark</u>	<u>Long-Term Mean Nominal Return</u>	<u>Long-Term Mean Real Rate of Return</u>
Domestic equity	50 %	S&P 1500	10.5 %	7.9 %
International equity	15	MSCI ACWI Ex-US	8.3	5.7
Fixed income	35	Aggregate Index	3.2	0.6
Total	<u>100 %</u>			

Note: For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of nominal returns and reduced by 2.6% to adjust to real terms. The expected rate of inflation is 2.6%.

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Changes in the Net OPEB Liability

Changes in the net OPEB liability for fiscal year 2023 are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at 9/30/22(*)	\$ 57,110,478	\$ 14,791,259	\$ 42,319,219
Service cost	1,354,744	-	1,354,744
Interest on the total OPEB liability	4,106,432	-	4,106,432
Difference between expected and actual experience	(2,373,029)	-	(2,373,029)
Employer contributions	-	4,745,409	(4,745,409)
Net investment income	-	(2,143,533)	2,143,533
Benefit payments	(2,294,821)	(2,294,821)	-
Administrative expense	-	(23,556)	23,556
	<u>793,326</u>	<u>283,499</u>	<u>509,827</u>
Net changes			
Balances at 9/30/23 (*)	<u>\$ 57,903,804</u>	<u>\$ 15,074,758</u>	<u>\$ 42,829,046</u>

(*) Balances for dates shown are as of the measurement date one year prior.

Changes in the net OPEB liability for fiscal year 2022 are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at 9/30/21(*)	\$ 60,285,396	\$ 11,254,661	\$ 49,030,735
Service cost	1,508,435	-	1,508,435
Interest on the total OPEB liability	4,321,106	-	4,321,106
Changes of benefit terms	(8,870,654)	-	(8,870,654)
Difference between expected and actual experience	2,742,490	-	2,742,490
Employer contributions	-	4,930,564	(4,930,564)
Net investment income	-	1,522,095	(1,522,095)
Benefit payments	(2,876,295)	(2,876,295)	-
Administrative expense	-	(39,766)	39,766
	<u>(3,174,918)</u>	<u>3,536,598</u>	<u>(6,711,516)</u>
Net changes			
Balances at 9/30/22 (*)	<u>\$ 57,110,478</u>	<u>\$ 14,791,259</u>	<u>\$ 42,319,219</u>

(*) Balances for dates shown are as of the measurement date one year prior.

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The changes in benefits terms figure reflects the fact that the plan was amended to add a fully-insured Medicare Advantage plan option for Medicare retirees. Because retirees pay 100% of the Medicare Advantage premiums, VIA has no liability for retirees who choose the Medicare Advantage plan.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of VIA reported as of September 30, 2023 calculated with a Single Discount Rate of 7.25%, as well as what VIA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	<u>1% Decrease 6.25%</u>	<u>Current Single Discount Rate Assumptions</u>	<u>1% Increase 8.25%</u>
Net OPEB liability (asset)	\$50,977,892	\$42,829,046	\$36,156,763

The following presents the net OPEB liability of VIA reported as of September 30, 2022 calculated with a Single Discount Rate of 7.25%, as well as what VIA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	<u>1% Decrease 6.25%</u>	<u>Current Single Discount Rate Assumptions</u>	<u>1% Increase 8.25%</u>
Net OPEB liability (asset)	\$50,351,347	\$42,319,219	\$35,751,675

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of VIA reported as of September 30, 2023 calculated using the assumed trend rates, as well as what VIA's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumptions</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$37,107,122	\$42,829,046	\$49,947,293

The healthcare cost trend rates assumption is initial rates of 7.00% for pre-65 and 6.20% for post-65 retirees, declining to ultimate rates of 4.25% after 11 years for pre-65 and 12 years for post-65.

The following presents the net OPEB liability of VIA reported as of September 30, 2022 calculated using the assumed trend rates, as well as what VIA's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumptions</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$37,392,078	\$42,319,219	\$48,441,023

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The healthcare cost trend rates assumption was initial rates of 7.25% for pre-65 and 6.30% for post-65 retirees, declining to ultimate rates of 4.25% after 12 years for pre-65 and 13 years for post-65.

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position can be found under the Required Supplementary Information section of this document.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended year ended September 30, 2023, VIA recognized OPEB expense of \$7,252,569. At September 30, 2023, VIA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Difference between expected and actual experience	\$ 9,949,162	\$ 3,964,990	\$ 5,984,172
Change in assumptions	1,994,624	-	1,994,624
Net difference between projected and actual experience, assets	2,375,274	-	2,375,274
Contributions subsequent to the measurement date	3,520,366	-	3,520,366
Total	<u>\$ 17,839,426</u>	<u>\$ 3,964,990</u>	<u>\$ 13,874,436</u>

For the year ended year ended September 30, 2022, VIA recognized OPEB expense of -\$1,347,340. The net expense credit resulted from the impact of a change in benefits; VIA began offering a Medicare Advantage plan. At September 30, 2022, VIA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows / (Inflows) of Resources
Difference between expected and actual experience	\$ 12,366,580	\$ 2,233,662	\$ 10,132,918
Change in assumptions	2,525,375	-	2,525,375
Net difference between projected and actual experience, assets	-	306,890	(306,890)
Contributions subsequent to the measurement date	4,136,796	-	4,136,796
Total	<u>\$ 19,028,751</u>	<u>\$ 2,540,552</u>	<u>\$ 16,488,199</u>

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The amount reported as deferred outflows of resources resulting from contributions made subsequent to the measurement date are recognized as a reduction in the net pension liability in the subsequent year. Other than for contributions subsequent to the measurement date, amounts reported as of September 30, 2023 as deferred outflows of resources and deferred inflows or resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30:</u>	<u>Net Deferred Outflows (Inflows)</u>
2023	\$ 2,926,997
2024	2,866,284
2025	2,235,456
2026	2,023,917
2027	649,176
Thereafter	<u>(347,760)</u>
Total	<u>\$ 10,354,070</u>

As of September 30, 2023 and September 30, 2022, VIA had a payable of zero for the outstanding amount of contributions to the OPEB Plan required for the years ended September 30, 2023 and September 30, 2022, respectively. VIA made the required contribution prior to year-end in each of those years.

OPEB Plan

The following discloses for the VIA OPEB Plan are provided in accordance with GASB Statement No. 74 since the plan is a single-employer OPEB and included in VIA's fiduciary fund statements.

The components of the Net OPEB liability for the VIA OPEB Plan at September 30, 2023 and 2022 were as follows:

	<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>
Total OPEB liability	\$ 37,202,329	\$ 57,903,804
Plan fiduciary net position	<u>19,560,150</u>	<u>15,074,758</u>
Net OPEB liability	<u>\$ 17,642,179</u>	<u>\$ 42,829,046</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>52.6%</u>	<u>26.0%</u>

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The net liability measured as of September 30, 2023 used the actuarial valuation date of October 1, 2022 using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Single Discount rate	7.00%
Inflation	2.75%
Salary Increases	3.75%-5.75%, including inflation, plus an overtime adjustment varying from 1.25% of pay for office workers to 17.50% for operators
Demographic Assumptions	Based on VIA's experience study for the Retirement Plan for the five-year period ending on September 30, 2021
Mortality Assumptions	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements.
Healthcare Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 14 years.
Participation Rates	It was assumed that 40% of pre-65 retirees would choose to receive retiree health care coverage through VIA. All retirees were assumed to discontinue coverage at age 65 or elect the Medicare Advantage plan.

The financial information for VIA's OPEB Plan is reported in the fiduciary financial statements. VIA's OPEB Plan does not issue stand-alone financial statements. A summary of the plan's financial statements for the years ended September 30, 2023 and 2022 is presented in the following tables:

VIA Metropolitan Transit
Net Position Restricted for Other Post-Employment Benefits
As of September 30, 2023 and 2022

	OPEB Plan	
	2023	2022
Assets:		
Cash and cash equivalents	\$ 7,623,181	\$ 3,551,856
Receivables	221,254	1,253,159
Investments	11,715,715	10,269,743
Total assets	19,560,150	15,074,758
Liabilities	-	-
Net position held in trust for retiree benefits: restricted	\$ 19,560,150	\$ 15,074,758

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VIA Metropolitan Transit
Changes in Net Position Restricted for Other Post-Employment Benefits
For the Years Ended September 30

	OPEB Plan	
	2023	2022
Additions:		
Contributions:		
Employee	\$ -	\$ -
Employer	4,173,443	4,745,409
Total contributions	4,173,443	4,745,409
Investment income (loss):		
Interest and dividend income	325,236	136,761
Net appreciation in fair value of investments	1,330,882	(2,280,294)
Investment expenses	-	-
Total investment income (loss)	1,656,118	(2,143,533)
Total additions - net	5,829,561	2,601,876
Deductions:		
Benefit payments	1,340,763	2,294,821
Administrative expenses	3,406	23,556
Total deductions	1,344,169	2,318,377
Change in net position	4,485,392	283,499
Net position held in trust for retiree benefits: restricted, at beginning of year	15,074,758	14,791,259
Net position held in trust for retiree benefits: restricted, at end of year	\$ 19,560,150	\$ 15,074,758

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Note 11 – Risk Management

VIA is exposed to various risks or torts; theft of, damage to, and destruction of assets; injuries to employees, patrons, and the general public; and natural disasters. During the fiscal year, VIA was self-funded for workers' compensation, unemployment compensation, employee health coverage, and public liability coverage.

There were no significant reductions in insurance coverage from the prior year by major category of risk. In addition, there were no insurance settlements exceeding insurance coverage in any of the past three years.

Competitive bids are solicited through VIA's Procurement Department to obtain the required insurance coverages at the lowest possible cost. The requirements specify only insurance carriers with a current Best's rating of A- or better will be considered for award. Sealed bids are accepted by the due date and time specified and presented to the Board for approval.

Detailed information on the major categories of risk is as follows.

A. Property and Casualty Coverage

VIA purchases fire and extended coverage on buildings and building contents. Fire, lightning, and windstorm insurance coverage is purchased for its revenue vehicles. VIA self-insures for the deductible amount of \$500,000.

B. Public Liability Coverage

VIA is self-insured for public liability claims and maintains a reserve for estimated liabilities to fund such claims. VIA estimates the liabilities on a case-by-case basis based on historical claims experience. A liability for a claim is established if information indicates it is probable a liability has been incurred at the date of the financial statements and the amount of loss is reasonably estimable. Reserves are adjusted monthly based on the latest information available for each case. VIA's limits under the Texas Tort Claim Act are \$100,000 per person and \$300,000 per occurrence. A reconciliation of changes in aggregate liabilities for public liability claims for the current year is presented in section D of this note.

C. Workers' Compensation

VIA is self-insured for all workers' compensation coverage and maintains a reserve for estimated liabilities to fund such claims. VIA estimates the liabilities on a cumulative basis using a formula based on historical claims experience. Reserves are adjusted monthly based on the latest information. A reconciliation of changes in the aggregate liabilities for workers' compensation claims for the current year is presented in section D of this note.

D. Employee Health Coverage

VIA offers health insurance coverage through its self-insured program VIAcare. As of January 1, 2016, Aetna is the third-party administrator for this program; prior to that, VIA self-administered the program. On an annual basis, an actuarial valuation is performed to establish the level of reserves, determine appropriate funding levels for the medical benefits for the calendar year, and establish the monthly premiums for VIAcare. Claims adjudication is administered in accordance with the benefit provisions, exclusions, and limitations, as stipulated in the VIAcare plan document. A reconciliation of changes in the aggregate liabilities for medical claims for the current year follows.

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At September 30, 2023, VIA had recorded claims payable of \$8,951,714 (\$7,885,021 at September 30, 2022) for its self-insured programs based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. The statement requires a liability for claims to be reported if it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claim payable amounts for the most recent period are presented below.

	Property and Casualty and Public Liability	Workers' Compensation	Employee Health Coverage	Total
Claims payable at September 30, 2021	\$ 4,850,409	\$ 1,274,964	\$ 2,266,702	\$ 8,392,075
Current period claims and charges in estimates	1,179,016	761,708	22,282,228	24,222,952
Claim payments	(894,225)	(1,185,668)	(22,650,113)	(24,730,006)
Claims payable at September 30, 2022	5,135,200	851,004	1,898,817	7,885,021
Current period claims and charges in estimates	1,976,090	1,184,464	23,959,235	27,119,789
Claim payments	(957,140)	(1,110,214)	(23,985,742)	(26,053,096)
Claims payable at September 30, 2023	\$ 6,154,150	\$ 925,254	\$ 1,872,310	\$ 8,951,714

Note 12 – Long-Term Debt

A. MTA Farebox Revenue and Refunding Bonds, Series 2013

On November 13, 2013, MTA issued a par amount of \$39,965,000 of Series 2013 MTA Farebox Revenue and Refunding Bonds. Proceeds have been used to: pay a portion of the costs of capital projects, primarily projects defined as VIA’s SmartMove program, as well as new bus purchases, and property for a new paratransit facility; refund VIA’s Series 2012-1 MTA Farebox Revenue Bonds; fund the Reserve Fund for the bonds; and pay the costs of issuance of the bonds. VIA’s SmartMove program includes high-capacity transit projects and various passenger facilities projects. The bonds are dated October 1, 2013 and have an interest rate varying between 1.00% and 5.25%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing February 15, 2014. Principal payments are due and payable on August 1 of each year from 2014 through 2038.

The primary source of security for the bonds is provided by a first and prior lien on and pledge of VIA “net revenues.” VIA “net revenues” mean, generally, all revenues (including income, receipts, and increment) received by VIA, from time to time, as a result of its ownership and operation of the Transit Authority System, that remain after the payment of expenses necessary for the operation and maintenance of the Transit Authority System. “Transit Authority System” means any and all VIA real and personal property that is owned, rented, leased, controlled, operated, or held for mass transit purposes.

On December 9, 2020, MTA refunded \$24,875,000 of the \$39,965,000 principal amount of the MTA Farebox Revenue and Refunding Bonds, Series 2013, to take advantage of lower interest rates (see details below).

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B. ATD Sales Tax Revenue and Refunding Bonds, Series 2014

On July 30, 2014, ATD issued a par amount of \$32,925,000 of Series 2014 ATD Sales Tax Revenue and Refunding Bonds. VIA has used proceeds to: pay a portion of the costs of capital projects, primarily projects defined as VIA's SmartMove program, as well as new bus purchases and VIA's new automated fare collection system; refund VIA's Series 2012-3 ATD Sales Tax Revenue Bonds; and pay the costs of issuance of the bonds. VIA's SmartMove program includes high-capacity transit projects and various passenger facilities projects. The bonds are dated July 1, 2014 and have an interest rate varying between 2% and 5%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing August 1, 2015. Principal payments are due and payable on August 1 of each year from 2015 through 2038.

VIA ATD imposes and collects within its boundaries a sales and use tax equal to $\frac{1}{4}$ of 1% (the ATD Tax), the proceeds from which are divided three ways: one-half of the proceeds of the ATD Tax are retained by ATD (the "ATD Share") and used for projects including advanced transit services, passenger amenities, equipment, and other Advanced Transportation (as defined by statute) purposes; one-fourth of the proceeds of the ATD Tax are delivered to CoSA, as the only "participating unit" (defined by statute) within the ATD, and used thereby to construct, improve, and maintain streets, sidewalks, and related infrastructure designed to improve mobility and other Advanced Transportation or Mobility Enhancement (as defined by statute) within ATD; and the remaining $\frac{1}{4}$ of the proceeds of the ATD Tax are for use as the local share for state and federal grants for improved highways, transportation infrastructure designed to improve mobility, and other Advanced Transportation or Mobility Enhancement purposes within ATD.

The primary source of security for the bonds is provided by a first and prior lien on and pledge of the revenues derived by VIA ATD from the ATD Share.

C. MTA Contractual Obligation Bonds, Series 2017

On February 15, 2017, MTA issued a par amount of \$81,995,000 of Series 2017 MTA Contractual Obligation Bonds. VIA will use proceeds to pay a portion of the costs of capital projects, including (specifically) the purchase rolling stock, and to pay the costs of issuance of the bonds. The bonds are dated January 1, 2017 and have an interest rate varying between 3% and 5%. Interest on the bonds is payable on January 15 and July 15 of each year, commencing July 15, 2017. Principal payments are due and payable on July 15 of each year from 2018 through 2029.

The primary source of security for the obligations is provided for by a first and prior lien on the pledge of VIA "sales tax revenues". VIA "sales tax revenues" means the revenues derived by VIA from its imposition and collection within its boundaries of a sales and use tax equal to $\frac{1}{2}$ of 1%, the purpose of which is to support VIA's ownership, operation, and maintenance of the Transit Authority System, as provided and in accordance with Chapter 451, as amended, Texas Transportation Code. "Transit Authority System" means any and all VIA real and personal property that is owned, rented, leased, controlled, operated, or held for mass transit purposes pursuant to Chapter 451, together with all future extensions, improvements, replacements and additions thereto.

D. MTA Contractual Obligation Bonds, Series 2020

On May 7, 2020, MTA issued a par amount of \$11,000,000 of Series 2020 MTA Contractual Obligations. VIA will use proceeds to purchase paratransit vans and to pay costs of issuance. The interest rate is 1.05%, and the stated final maturity is July 15, 2025. Interest on the bonds is payable on January 15 and July 15 of each year, commencing July 15, 2020. Principal payments are due and payable on July 15 of each year from 2021 through 2025.

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The primary source of security for the obligations is provided for by a first and prior lien on the pledge of VIA “sales tax revenues”. VIA “sales tax revenues” means the revenues derived by VIA from its imposition and collection within its boundaries of a sales and use tax equal to $\frac{1}{2}$ of 1%, the purpose of which is to support VIA’s ownership, operation, and maintenance of the Transit Authority System, as provided and in accordance with Chapter 451, as amended, Texas Transportation Code. “Transit Authority System” means any and all VIA real and personal property that is owned, rented, leased, controlled, operated, or held for mass transit purposes pursuant to Chapter 451, together with all future extensions, improvements, replacements and additions thereto.

E. MTA Farebox Revenue Refunding Bonds, Taxable Series 2020

On December 29, 2020, MTA issued \$28,940,000 of Farebox Revenue Refunding Bonds, Taxable Series 2020, with an average interest rate of 2.42% to advance refund \$24,875,000 of outstanding bonds with an average interest rate of 5.06%. A portion of the proceeds of the bonds were used to purchase U.S. government securities, which together with an initial cash deposit, were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, that portion of the old bonds are considered defeased and the liability has been removed from the statement of net position.

The refunding bonds issued consist of \$21,655,000 Serial Bonds and a \$7,285,000 Term Bond due August 1, 2038. The bonds are dated December 1, 2020 and have an interest rate varying between 0.461% and 2.52%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing February 1, 2021. Principal payments are due and payable on August 1 of each year from 2021 through 2038.

The primary source of security for the obligations is provided for by a first and prior lien on the pledge of VIA “sales tax revenues”. VIA “sales tax revenues” means the revenues derived by VIA from its imposition and collection within its boundaries of a sales and use tax equal to $\frac{1}{2}$ of 1%, the purpose of which is to support VIA’s ownership, operation, and maintenance of the Transit Authority System, as provided and in accordance with Chapter 451, as amended, Texas Transportation Code. “Transit Authority System” means any and all VIA real and personal property that is owned, rented, leased, controlled, operated, or held for mass transit purposes pursuant to Chapter 451, together with all future extensions, improvements, replacements and additions thereto.

F. ATD Sales Tax Revenue Refunding Bonds, Taxable Series 2020

On December 29, 2020, ATD issued \$23,790,000 of Sales Tax Revenue Refunding Bonds, with an average interest rate of 2.31% to advance refund \$19,700,000 of outstanding bonds with an average interest rate of 5.00%. A portion of the proceeds of the bonds were used to purchase U.S. government securities, which together with an initial cash deposit, were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, that portion of the old bonds are considered defeased and the liability has been removed from the statement of net position.

The refunding bonds consist of \$17,485,000 Serial Bonds and a \$6,305,000 Term Bond due August 1, 2039. The bonds are dated December 1, 2020 and have an interest rate varying between 0.349% and 2.673%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing February 1, 2021. Principal payments are due and payable on August 1 of each year from 2021 through 2038.

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VIA ATD imposes and collects within its boundaries a sales and use tax equal to ¼ of 1% (the ATD Tax), the proceeds from which are divided three ways: one-half of the proceeds of the ATD Tax are retained by ATD (the “ATD Share”) and used for projects including advanced transit services, passenger amenities, equipment, and other Advanced Transportation (as defined by statute) purposes; one-fourth of the proceeds of the ATD Tax are delivered to CoSA, as the only “participating unit” (defined by statute) within the ATD, and used thereby to construct, improve, and maintain streets, sidewalks, and related infrastructure designed to improve mobility and other Advanced Transportation or Mobility Enhancement (as defined by statute) within ATD; and the remaining ¼ of the proceeds of the ATD Tax are for use as the local share for state and federal grants for improved highways, transportation infrastructure designed to improve mobility, and other Advanced Transportation or Mobility Enhancement purposes within ATD.

The primary source of security for the bonds is provided by a first and prior lien on and pledge of the revenues derived by VIA ATD from the ATD Share.

Changes in long-term obligations for the year ended September 30, 2023 are as follows:

	Interest Rate Payable	Original Issue	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Series 2013 MTA Farebox Revenue and Refunding Bonds	1.00-5.25 %	\$ 39,965,000	\$ 5,560,000	\$ -	\$ (1,290,000)	\$ 4,270,000	\$ 1,355,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00-5.00	32,925,000	6,005,000	-	(1,085,000)	4,920,000	1,140,000
Series 2017 MTA Sales Tax Revenue Bonds	3.00-5.00	81,995,000	55,465,000	-	(4,790,000)	50,675,000	5,640,000
Series 2020 MTA Contractual Obligations	1.05	11,000,000	6,670,000	-	(2,200,000)	4,470,000	2,225,000
Series 2020 MTA Farebox Revenue and Refunding Bonds	0.46-2.52	28,940,000	27,905,000	-	(390,000)	27,515,000	395,000
Series 2020 ATD Sales Tax Revenue and Refunding Bonds	0.35-2.67	23,790,000	22,910,000	-	(340,000)	22,570,000	340,000
Total bonds		218,615,000	124,515,000	-	(10,095,000)	114,420,000	11,095,000
Bond premium		N/A	9,783,451	-	(1,619,800)	8,163,651	-
Leases		N/A	5,973,976	69,491,607	(14,540,100)	60,925,483	16,127,740
SBITAs		N/A	1,162,617	443,864	(541,155)	1,065,326	586,732
Compensated absences			6,601,546	2,874,547	(2,465,329)	7,010,764	3,859,953
Other		N/A	7,625	8,505	-	16,130	-
Total		\$ 218,615,000	\$ 148,044,215	\$ 72,818,523	\$ (29,261,384)	\$ 191,601,354	\$ 31,669,425

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Changes in long-term obligations for the year ended September 30, 2022 are as follows:

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Total bonds	\$ 133,605,000	\$ -	\$ (9,090,000)	\$ 124,515,000	\$ 10,095,000
Bond premium	11,403,251	-	(1,619,800)	9,783,451	-
Leases	15,578,216	2,135,764	(11,740,004)	5,973,976	4,173,256
SBITAs	1,391,352	266,858	(495,593)	1,162,617	478,056
Compensated absences	6,545,605	2,583,485	(2,527,544)	6,601,546	3,589,852
Other	6,130	1,495	-	7,625	-
Total	<u>\$ 168,529,554</u>	<u>\$ 4,987,602</u>	<u>\$ (25,472,941)</u>	<u>\$ 148,044,215</u>	<u>\$ 18,336,164</u>

The schedule of the required payments for VIA's bonds (MTA and ATD combined) is as follows:

Years Ending September 30:	Principal	Interest	Total Requirements
2024	\$ 11,095,000	\$ 4,128,342	\$ 15,223,342
2025	13,700,000	3,691,214	17,391,214
2026	12,080,000	3,124,498	15,204,498
2027	12,630,000	2,563,059	15,193,059
2028	13,180,000	2,012,763	15,192,763
2029-2033	29,650,000	4,653,364	34,303,364
2034-2038	22,085,000	1,808,804	23,893,804
Total	<u>\$ 114,420,000</u>	<u>\$ 21,982,044</u>	<u>\$ 136,402,044</u>

Note 13 – Commitments and Contingencies

A. Grants

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although VIA's management expects such amounts, if any, to be immaterial.

B. Public-Injury Lawsuits

VIA is a defendant in various public-injury lawsuits. The probability of adverse decisions was evaluated by management, and a provision for potential losses is included in estimated liabilities.

C. Pending Claims and Litigation

There are several other pending claims and litigation against VIA. While the result of any pending claims and litigation contains an element of uncertainty, VIA's management believes the amount of any liability and costs which might result would not have a material adverse effect on the financial statements.

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D. Construction Commitments

VIA discloses significant outstanding construction commitments greater than \$5,000,000 separately. All other construction commitments are grouped together. VIA does not have any outstanding construction commitments greater than \$5,000,000 each. There are no other construction projects with commitments on September 30, 2023.

VIA has other outstanding commitments of \$12,719,294 as of September 30, 2023, to include one significant contract to purchase engine replacements for \$10,123,278. Other commitments less than \$5,000,000 each total \$2,596,016.

Our remaining contracts are indefinite-delivery indefinite-quantity contracts for goods and services.

Note 14 – Leases

In FY 2022, VIA implemented GASB Statement 87 to account for leases. The statement improves the usefulness of financial statements by recognizing certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on payment provisions of the lease agreement. GASB Statement 87 is based on the principle that leases are financings of the right to use an underlying asset. Short-term leases of 12 months or less are exempt from GASB 87 requirements.

During the course of operations, VIA enters into some lease arrangements as a lessor. For leases which VIA is the lessor, in accordance with GASB 87, VIA recognizes a lease receivable and a deferred inflow at the beginning of the lease term. The lease receivable is valued at the present value of the lease payments expected to be paid during the lease term. A deferred inflow is valued at the amount of the lease receivable.

For leases for which VIA is the lessee, in accordance with GASB 87, VIA recognizes a lease liability and a lease asset at the beginning of the lease term. The lease liability is valued at the present value of lease payments expected to be made during the lease term. The lease asset is valued at the amount of the initial measurement of the lease liability.

Components of VIA's intangible right-to-use lease assets are summarized as follows for September 2022 to September 2023 and for September 2021 (restated) to September 2022:

	Balance at September 30, 2022	Additions/Reclass (*)	Deletions	Balance at September 30, 2023
Land	\$ 416,603	\$ 88,743	\$ -	\$ 505,346
Buildings and shelters	2,252,507	-	(197,222)	2,055,285
Revenue and service vehicles	21,483,632	69,881,410	(21,483,577)	69,881,465
Equipment	4,505,595	(478,546)	(311,622)	3,715,427
	<u>28,658,337</u>	<u>69,491,607</u>	<u>(21,992,421)</u>	<u>76,157,523</u>
Accumulated amortization:				
Land	203,766	111,727	-	315,493
Buildings and shelters	382,988	388,891	(187,808)	584,071
Revenue and service vehicles	19,096,560	18,227,873	(21,483,577)	15,840,856
Equipment	3,195,642	(1,228,067)	(311,622)	1,655,953
	<u>22,878,956</u>	<u>17,500,424</u>	<u>(21,983,007)</u>	<u>18,396,373</u>
Net right-to-use assets	<u>\$ 5,779,381</u>	<u>\$ 51,991,183</u>	<u>\$ (9,414)</u>	<u>\$ 57,761,150</u>

(*) Includes a reclassification of \$2,865,343 from equipment to vehicles for gross assets, and a reclassification of \$2,129,837 for related accumulated amortization.

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	Balance at September 30, 2021	Additions/Reclass	Deletions	Balance at September 30, 2022
Land	\$ 433,912	\$ 58,115	\$ (75,424)	\$ 416,603
Buildings and shelters	1,512,024	740,483	-	2,252,507
Revenue and service vehicles	21,483,632	-	-	21,483,632
Equipment	3,303,337	1,337,165	(134,907)	4,505,595
	<u>26,732,905</u>	<u>2,135,763</u>	<u>(210,331)</u>	<u>28,658,337</u>
Accumulated amortization:				
Land	133,269	145,921	(75,424)	203,766
Buildings and shelters	163,462	219,526	-	382,988
Revenue and service vehicles	9,548,280	9,548,280	-	19,096,560
Equipment	1,612,014	1,718,535	(134,907)	3,195,642
	<u>11,457,025</u>	<u>11,632,262</u>	<u>(210,331)</u>	<u>22,878,956</u>
Net right-to-use assets	<u>\$ 15,275,880</u>	<u>\$ (9,496,499)</u>	<u>\$ -</u>	<u>\$ 5,779,381</u>

For leases for which VIA is the lessee, the lease terms, amortization expense, interest expense, total liability and current liability are shown below:

Lease Description	Inception Date	Maturity Date	Interest Rate	FY23 Amortization Expense	FY23 Lease Interest	FYE23 Total Lease Liability	FYE23 Current Lease Liability
Customer Information							
Center -211 W. Commerce Private Drive, Bus Access - 630 NW Loop 410	09/01/20	08/31/25	3.25 %	\$ 51,780	\$ 3,943	\$ 107,415	\$ 54,644
Antenna Tower Land - 150 Arrid Rd	03/01/10	02/28/30	3.25	2,099	437	13,523	2,088
Automatic Blood Pressure Kiosks	09/03/20	09/02/27	3.25	35,472	5,013	151,760	35,257
VIATrans Vans	10/01/17	09/30/25	3.25	19,128	1,590	38,868	19,117
Pilot Mobility-On-Demand Ride Share	01/01/19	12/31/22	3.25	2,387,064	6,470	-	-
Central Circuit and Related Services	05/01/20	04/30/23	3.25	3,095,703	472,463	13,271,372	3,073,062
On-Site Copy Center	03/01/21	02/28/22	3.25	101,135	704	-	-
Multifunction Copiers	01/10/17	09/30/23	3.25	510,399	7,291	1,077,848	522,123
Office Space, Transguide - 3500 NW Loop 410	02/01/20	12/31/23	3.25	4,991	110	1,302	1,301
Data Center - 1110 Richland Hills	03/31/21	03/31/23	3.25	36,665	259	-	-
Park-n-Ride - Land - 12002 Jones Maltsburger	09/01/21	08/31/23	3.25	103,861	29,641	874,573	86,366
Bus Storage - 103 Manchaca St	02/16/22	02/16/23	3.25	1,355	-	-	-
Radio Tower - 4501 Medical Drive	02/22/20	02/22/22	3.25	54,539	1,549	22,886	22,886
Community Center - 7067 San Pedro	11/30/21	11/30/23	3.25	26,966	560	4,617	4,617
Storage - 5115 Port Entry Rd	07/01/22	11/30/28	3.00	105,531	21,026	605,755	99,685
VIATrans Vans	04/01/22	03/31/24	3.35	29,058	948	14,855	14,855
Central Circuit and Related Services	01/01/23	12/31/26	3.25	9,732,403	1,149,382	43,987,118	11,992,978
				<u>49,590</u>	<u>6,123</u>	<u>753,591</u>	<u>198,761</u>
Total FY23				<u>\$ 16,347,739</u>	<u>\$ 1,707,509</u>	<u>\$ 60,925,483</u>	<u>\$ 16,127,740</u>

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For leases for which VIA is the lessee, required payments to be made by VIA are as follows:

<u>Years Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 16,127,740	\$ 1,746,577	\$ 17,874,317
2025	17,617,616	1,199,005	18,816,621
2026	18,951,365	609,630	19,560,995
2027	7,574,681	101,138	7,675,819
2028	252,135	17,608	269,743
2029-2033	401,946	19,018	420,964
Total	<u>\$ 60,925,483</u>	<u>\$ 3,692,976</u>	<u>\$ 64,618,459</u>

Variable payments made to above lease vendors, which are not subject to GASB 87 accounting and therefore were not included in the measurement of the lease liability, were \$6,147,733 in FY23 (\$3,204,830 in FY22). Of this amount, \$6,039,105 of payments were made to VIA's VIAtrans service provider for service levels above the guaranteed minimum (\$3,160,571 in FY22), and \$108,628 of payments were made to VIA's copier vendor for specialty printing jobs (\$44,259 in FY22).

For leases for which VIA is the lessor, the lease terms, revenue, interest income, total receivable and current receivable are summarized below:

<u>Lease Description</u>	<u>Inception Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>FY23 Lease Revenue</u>	<u>FY23 Interest Income</u>	<u>FYE23 Total Lease Receivable</u>	<u>FYE23 Current Lease Receivable</u>
Amtrak Station - 350 Hoefgen	08/18/98	07/01/25	3.25 %	\$ 33,439	\$ 2,373	\$ 63,472	\$ 35,442
Office - 210 Chestnut	04/05/04	10/31/24	3.25	20,896	1,084	23,600	21,755
Sunset Station - 1174 E. Commerce	07/31/98	08/14/53	3.25	137,497	132,484	4,356,904	130,928
Megabus Access - 151 Crossroads Lot	10/01/22	09/30/24	3.35	30,469	1,502	31,357	31,357
Total FY23				<u>\$ 222,301</u>	<u>\$ 137,443</u>	<u>\$ 4,475,333</u>	<u>\$ 219,482</u>
Total FY22				<u>\$ 232,099</u>	<u>\$ 136,140</u>	<u>\$ 4,489,401</u>	<u>\$ 141,341</u>

For leases for which VIA is the lessor, required payments to be received by VIA are as follows:

<u>Years Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 219,482	\$ 131,714	\$ 351,196
2025	165,144	125,288	290,432
2026	105,900	121,150	227,050
2027	97,792	118,208	216,000
2028	100,446	115,554	216,000
2029-2033	551,372	528,628	1,080,000
2034-2038	640,525	439,475	1,080,000
2039-2043	744,095	335,905	1,080,000
2044-2048	864,322	215,678	1,080,000
2049-2053	986,255	75,745	1,062,000
Total	<u>\$ 4,475,333</u>	<u>\$ 2,207,345</u>	<u>\$ 6,682,678</u>

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There are no residual value guarantees or termination penalties under any of VIA's leases. Also, there are no commitments under leases prior to commencement of the lease term, there are no leasing transactions with related parties, and VIA does not have any subleases.

Note 15 – Subscription-Based Information Technology Arrangements (SBITAs)

In FY 2023, VIA implemented GASB Statement 96 to account for subscription-based information technology arrangements (SBITAs). The Statement notes that it improves financial reporting by establishing a definition of SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. The Statement will also enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and liability for a SBITA and to disclose essential information about the arrangement.

The impact that adoption of GASB 96 had on the Statement of Net Position beginning net position in FY23 was the following:

	As Previously Reported, Year Ended September 30, 2022	Adjustment for GASB 96	Other Adjustment	As Restated, Year Ended September 30, 2022
Assets and Deferred Outflow of Resources:				
Intangible right-to-use lease and SBITA assets	\$ 28,658,337	\$ 1,658,210	\$ -	\$ 30,316,547
Accumulated depreciation and amortization	390,651,107	420,527	-	391,071,634
Liabilities, Deferred Inflows and Net Position:				
Accrued liabilities	12,211,478	498,227	-	12,709,705
Long-term liabilities	129,023,490	684,562	-	129,708,052
Net investment in capital assets	246,694,042	-	1,824,022	248,518,064
Unrestricted net position	306,702,337	54,894	(1,824,022)	304,933,209
	As Previously Reported, Year Ended September 30, 2022	Adjustment for GASB 96	Other Adjustment	As Restated, Year Ended September 30, 2022
Operating expenses before depreciation and amortization	\$ 222,404,728	\$ (514,410)	\$ -	\$ 221,890,318
Amortization expense	11,752,111	420,527	-	12,172,638
SBITA Interest expense	-	38,989	-	38,989
Change in net position	110,694,278	54,894	-	110,749,172
Net position at end of year	582,909,611	54,894	-	582,964,505

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Components of VIA's intangible SBITA assets are summarized as follows for September 2022 to September 2023 and for September 2021 (restated) to September 2022:

	Balance at September 30, 2022	Additions	Deletions	Balance at September 30, 2023
SBITA intangible assets	\$ 1,658,210	\$ 443,864	\$ -	\$ 2,102,074
SBITA accumulated amortization	420,527	514,321	-	934,848
Net SBITA intangible assets	\$ 1,237,683	\$ (70,457)	\$ -	\$ 1,167,226
	Balance at September 30, 2021	Additions	Deletions	Balance at September 30, 2022
SBITA intangible assets	\$ 1,391,352	\$ 266,858	\$ -	\$ 1,658,210
SBITA accumulated amortization	-	420,527	-	420,527
Net SBITA intangible assets	\$ 1,391,352	\$ (153,669)	\$ -	\$ 1,237,683

For VIA's SBITAs, the terms, amortization expense, interest expense, total subscription liability, and current subscription liability are summarized below:

	Inception Date	Maturity Date	Interest Rate	FY23 Amortization Expense	FY23 Interest Expense	FYE23 Total Subscription Liability	FYE23 Current Subscription Liability
Remix Software	06/01/22	05/30/26	3.25 %	\$ 66,714	\$ 5,808	\$ 133,352	\$ 65,588
Swiftly, Inc.	10/01/21	01/24/25	3.25	294,799	14,438	329,142	329,143
Microsoft Office 365	10/01/21	06/30/27	3.25	50,564	7,279	178,601	57,601
Swiftly - Operator Reports Module	10/01/21	01/31/24		52,926	1,776	43,466	43,466
TransTrack	04/01/23	09/30/27	3.35	49,318	6,213	380,765	90,934
Total FY23				\$ 514,321	\$ 35,514	\$ 1,065,326	\$ 586,732
				FY22 Amortization Expense	FY22 Interest Expense	FYE22 Total Subscription Liability	FYE22 Current Subscription Liability
Total FY22, Restated				\$ 420,527	\$ 38,989	\$ 1,162,617	\$ 586,732

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For SBITAs, required payments to be made by VIA are as follows:

<u>Years Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 586,732	\$ 28,859	\$ 615,591
2025	217,790	15,816	233,606
2026	158,005	8,604	166,609
2027	102,799	3,393	106,192
Total	<u>\$ 1,065,326</u>	<u>\$ 56,672</u>	<u>\$ 1,121,998</u>

There were no variable payments made to the above vendors for software noted, which are not subject to GASB 96 accounting and therefore not included in the measurement of the SBITA liability.

**Required Supplementary Information -
Unaudited**

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For the Fiscal Year Ending September 30

Schedules of Required Supplementary Information Schedules of Changes in Net Pension Liability and Related Ratios (Unaudited)

Fiscal Year Ending September 30,	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 6,182,770	\$ 6,585,063	\$ 6,879,319	\$ 7,521,860	\$ 7,956,865
Interest	34,496,924	33,788,802	33,317,752	32,461,552	31,348,296
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,937,665	1,107,216	(3,484,862)	(903,472)	896,495
Changes of assumptions	13,334,344	-	-	-	-
Benefit payments	(31,953,419)	(30,115,982)	(28,800,748)	(24,111,522)	(24,572,598)
Refunds	(387,080)	(568,955)	(649,986)	(335,774)	(237,912)
Net change in total pension liability	23,611,204	10,796,144	7,261,475	14,632,644	15,391,146
Total pension liability—beginning	488,898,522	478,102,378	470,840,903	456,208,259	440,817,113
Total pension liability—ending (a)	<u>\$ 512,509,726</u>	<u>\$ 488,898,522</u>	<u>\$ 478,102,378</u>	<u>\$ 470,840,903</u>	<u>\$ 456,208,259</u>
Plan fiduciary net position					
Contributions—employer	\$ 12,567,087	\$ 13,549,455	\$ 14,253,181	\$ 14,346,139	\$ 14,729,284
Contributions—member	3,692,436	3,748,353	3,824,273	4,101,795	4,257,833
Net investment income	32,198,457	(57,018,394)	73,736,180	33,587,049	10,587,602
Benefit payments	(31,953,419)	(30,115,982)	(28,800,748)	(24,111,522)	(24,572,598)
Refunds	(387,080)	(568,955)	(649,986)	(335,774)	(237,912)
Administrative expense	(163,781)	(162,762)	(137,671)	(137,824)	(145,051)
Net change in plan fiduciary net position	15,953,700	(70,568,285)	62,225,229	27,449,863	4,619,158
Plan fiduciary net position—beginning	322,119,763	392,688,048	330,462,819	303,012,956	298,393,798
Plan fiduciary net position—ending (b)	<u>\$ 338,073,463</u>	<u>\$ 322,119,763</u>	<u>\$ 392,688,048</u>	<u>\$ 330,462,819</u>	<u>\$ 303,012,956</u>
Net pension liability—ending (a) – (b)	<u>\$ 174,436,263</u>	<u>\$ 166,778,759</u>	<u>\$ 85,414,330</u>	<u>\$ 140,378,084</u>	<u>\$ 153,195,303</u>
Plan fiduciary net position as a percentage of the total pension liability	66.0%	65.9%	82.1%	70.2%	66.4%
Covered payroll	\$ 49,668,960	\$ 52,515,461	\$ 54,786,319	\$ 59,888,154	\$ 63,152,166
Employer's net pension liability as a percentage of covered payroll	351.2%	317.6%	155.9%	234.4%	242.6%

See accompanying notes to the required supplementary information

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Schedules of Required Supplementary Information
Schedules of Changes in Net Pension Liability and Related Ratios
(Unaudited)

2018	2017	2016	2015	2014	Fiscal Year Ending September 30,
					Total pension liability
\$ 7,308,154	\$ 7,611,616	\$ 7,905,267	\$ 7,885,706	\$ 8,053,350	Service cost
29,771,656	28,782,752	27,529,518	26,126,424	25,024,697	Interest
-	-	-	2,722,757	-	Changes of benefit terms
638,833	(687,692)	2,205,382	1,469,523	-	Differences between expected and actual experience
21,277,913	-	-	-	-	Changes of assumptions
(22,706,442)	(21,397,792)	(19,443,391)	(19,222,937)	(17,386,120)	Benefit payments
(255,118)	(379,738)	(346,216)	-	-	Refunds
36,034,996	13,929,146	17,850,560	18,981,473	15,691,927	Net change in total pension liability
404,782,117	390,852,971	373,002,411	354,020,938	338,329,011	Total pension liability—beginning
<u>\$ 440,817,113</u>	<u>\$ 404,782,117</u>	<u>\$ 390,852,971</u>	<u>\$ 373,002,411</u>	<u>\$ 354,020,938</u>	Total pension liability—ending (a)
					Plan fiduciary net position
\$ 12,480,240	\$ 13,308,001	\$ 12,907,774	\$ 12,143,694	\$ 9,798,508	Contributions—employer
4,420,649	4,486,984	4,121,628	4,236,620	4,227,570	Contributions—member
29,240,374	33,570,332	21,792,138	2,675,221	22,741,162	Net investment income
(22,706,442)	(21,397,792)	(19,443,391)	(19,222,937)	(17,386,120)	Benefit payments
(255,118)	(379,738)	(346,216)	-	-	Refunds
(120,506)	(255,612)	(143,808)	(236,158)	(215,172)	Administrative expense
23,059,197	29,332,175	18,888,125	(403,560)	19,165,948	Net change in plan fiduciary net position
275,334,600	246,002,425	227,114,300	227,517,860	208,351,912	Plan fiduciary net position—beginning
<u>\$ 298,393,797</u>	<u>\$ 275,334,600</u>	<u>\$ 246,002,425</u>	<u>\$ 227,114,300</u>	<u>\$ 227,517,860</u>	Plan fiduciary net position—ending (b)
<u>\$ 142,423,316</u>	<u>\$ 129,447,517</u>	<u>\$ 144,850,546</u>	<u>\$ 145,888,111</u>	<u>\$ 126,503,078</u>	Net pension liability—ending (a) – (b)
					Plan fiduciary net position as a percentage of the total pension liability
67.7%	68.0%	62.9%	60.9%	64.3%	
\$ 65,166,072	\$ 67,512,908	\$ 69,482,896	\$ 70,477,214	\$ 71,690,366	Covered payroll
218.6%	191.7%	208.5%	207.0%	176.5%	Employer's net pension liability as a percentage of covered payroll

See accompanying notes to the required supplementary information

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Schedules of Required Supplementary Information Schedule of Employer's Pension Contributions (Unaudited)

<u>FY Ending September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
2023	\$ 12,567,114	\$ 12,567,087	\$ 27	\$ 49,668,960	25.30%
2022	13,555,325	13,549,455	5,870	52,515,461	25.80%
2021	14,253,181	14,253,181	-	54,786,319	26.02%
2020	14,346,139	14,346,139	-	59,888,154	23.95%
2019	14,729,284	14,729,284	-	63,152,166	23.32%
2018	12,480,239	12,480,240	(1)	65,166,072	19.15%
2017	13,307,801	13,308,001	(200)	67,512,908	19.71%
2016	12,907,775	12,907,774	1	69,482,896	18.58%
2015	11,901,186	12,143,694	(242,508)	70,477,214	17.23%
2014	13,555,866	9,798,508	3,757,358	71,690,366	13.67%
2013	11,498,776	10,639,132	859,644	74,276,531	14.32%
2012	8,185,552	8,258,760	(73,208)	69,947,664	11.81%
2011	7,320,891	7,320,891	-	69,772,318	10.49%

Notes to Schedule of Employer's Contributions

Valuation Date The actuarially-determined contribution for plan year ending September 30, 2023 was developed in the October 1, 2021 valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	19 years as of September 30, 2023
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	3.85% to 5.75%, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the October 1, 2017 funding valuation pursuant to a five-year experience study through 2016.
Mortality Assumptions	For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Other Information	VIA's funding policy is to contribute the plan's normal cost and an amortization payment to fund the unfunded actuarially accrued liability. The amortization payment is determined as a level percentage of payroll (assuming a 3.25% payroll growth), which included the payroll of employees who earn benefits in the defined contribution plan.

See accompanying notes to the required supplementary information

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Schedules of Required Supplementary Information
Return on Pension Plan Investments (Net of Investment Fees)
(Unaudited)

FY Ending September 30	Annual Return
2023	10.22%
2022	-14.66%
2021	22.53%
2020	11.75%
2019	3.17%
2018	10.48%
2017	13.66%
2016	9.53%
2015	1.23%
2014	10.99%

See accompanying notes to the required supplementary information

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Schedules of Required Supplementary Information
Schedules of Changes in Net OPEB Liability and Related Ratios
For the Fiscal Year Ending September 30
(Unaudited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 1,417,373	\$ 1,354,744	\$ 1,508,435	\$ 1,562,768	\$ 1,220,151	\$ 1,099,372	\$ 832,570
Interest on the total OPEB liability	4,200,803	4,106,432	4,321,106	4,301,263	3,126,006	2,952,287	2,412,291
Changes of benefit terms	(23,772,754)	0	(8,870,654)	0	0	0	0
Difference between expected and actual experience	(4,160,642)	(2,373,029)	2,742,490	(2,915,322)	11,256,554	630,393	5,788,320
Changes of assumptions	2,954,508	0	0	65,649	2,803,150	0	1,633,830
Benefit payments	(1,340,763)	(2,294,821)	(2,876,295)	(2,550,681)	(2,182,794)	(2,509,834)	(1,976,355)
Net change in total OPEB liability	\$ (20,701,475)	\$ 793,326	\$ (3,174,918)	\$ 463,677	\$ 16,223,067	\$ 2,172,218	\$ 8,690,656
Total OPEB liability - beginning	\$ 57,903,804	\$ 57,110,478	\$ 60,285,396	\$ 59,821,719	\$ 43,598,652	\$ 41,426,434	\$ 32,735,778
Total OPEB liability - ending (a)	37,202,329	57,903,804	57,110,478	60,285,396	59,821,719	43,598,652	41,426,434
Plan fiduciary net position							
Employer contributions	4,173,443	4,745,409	4,930,564	3,313,597	3,209,295	2,302,233	2,139,796
Employee contributions	0	0	0	0	0	0	0
OPEB plan net investment income	1,656,118	(2,143,533)	1,522,095	615,964	352,107	579,606	683,082
Benefit payments	(1,340,763)	(2,294,821)	(2,876,295)	(2,550,681)	(2,182,794)	(2,509,834)	(1,976,355)
OPEB plan administrative expense	(3,406)	(23,556)	(39,766)	(17,192)	(31,921)	(11,819)	(2,250)
Net change in fiduciary net position	4,485,392	283,499	3,536,598	1,361,688	1,346,687	360,186	844,273
Plan fiduciary net position - beginning	15,074,758	14,791,259	11,254,661	9,892,973	8,546,286	8,186,100	7,341,827
Plan fiduciary net position - ending (b)	\$ 19,560,150	\$ 15,074,758	\$ 14,791,259	\$ 11,254,661	\$ 9,892,973	\$ 8,546,286	\$ 8,186,100
Net OPEB liability - ending (a) - (b)	\$ 17,642,179	\$ 42,829,046	\$ 42,319,219	\$ 49,030,735	\$ 49,928,746	\$ 35,052,366	\$ 33,240,334
Plan fiduciary net position as a percentage of total OPEB liability	52.58%	26.03%	25.90%	18.67%	16.54%	19.60%	19.76%
Covered employee payroll	\$ 134,949,485	\$ 122,831,631	\$ 120,098,452	\$ 123,774,622	\$ 119,344,686	\$ 112,718,602	\$ 104,967,899
Net OPEB liability as a percentage of covered-employee payroll	13.07%	34.87%	35.24%	39.61%	41.84%	31.10%	31.67%

Notes:

2023 - New demographic assumptions were adopted as a result of the 2021 Experience Study, including a reduction to the single discount rate from 7.25% to 7.00%. Additionally, the healthcare trend rates were updated to better reflect the Plan's anticipated experience. Changes in benefit terms reflect the addition of a monthly subsidy provided to retirees on the VIAcare Base, Buy-Up, and Grandfathered plans, and the closing of the Grandfathered post-65 plan to new enrollments.

2021 - Changes of benefit terms reflects adding a fully-insured Medicare Advantage plan option for Medicare retirees.

2020 - The participation and lapse assumptions were updated.

2019 - The participation assumptions for both Medicare and non-Medicare retirees were updated.

2017 - New demographic and OPEB-specific assumptions were adopted as the result of a 2016 Experience Study, including a reduction to the discount rate from 7.50% to 7.25%.

The benefit payments lines include expected benefits due to the implicit life insurance subsidy, which were paid by VIA as they came due. There is an implicit subsidy for the medical benefits as well, and VIA uses the trust to pay those amounts. VIA does not use the trust to reimburse itself for the implicit subsidy in the life insurance. However, the implicit subsidy in the life insurance, which is paid by the employer, needs to be included (and is included) in the employer contribution and benefit payment lines above.

See accompanying notes to the required supplementary information

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San Antonio, Texas

September 30, 2023 and 2022

Schedules of Required Supplementary Information Schedule of Employer's OPEB Contributions (Unaudited)

<u>FY Ending September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Actual Contribution as a % of Covered Employee Payroll</u>
2023	\$ 4,173,443	\$ 4,173,443	\$ -	\$ 134,949,485	3.09%
2022	4,745,409	4,745,409	-	122,831,631	3.86%
2021	4,930,564	4,930,564	-	120,098,452	4.11%
2020	3,313,597	3,313,597	-	123,774,622	2.68%
2019	3,209,295	3,209,295	-	119,344,686	2.69%
2018	2,302,233	2,302,233	-	112,718,602	2.04%
2017	2,224,380	2,139,796	84,584	104,967,899	2.04%

Notes to Schedule of Employer's Contributions

Valuation Date The actuarially-determined contribution for plan year ending September 30, 2023 was developed in the October 1, 2020 valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years as of the calculation of the FY23 ADC
Asset Valuation Method	Market value
Inflation	2.75%
Salary Increases	3.75% to 5.75%, including inflation, plus an overtime adjustment varying from 1.25% of pay for office workers to 17.50% for operators
Investment Rate of Return	7.25%, net of OPEB plan investment expense, including inflation
Demographic Assumptions	Based on VIA's experience study for the Retirement Plan for the six-year period ending on September 30, 2016
Mortality Assumptions	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Healthcare Cost Trend Rates	Pre-65 retirees: initial rate of 6.75% declining to an ultimate rate of 4.25% after 10 years. Post-65 retirees: initial rate of 6.10% declining to an ultimate rate of 4.25% after 11 years.
Participation Rates	Rates of 40% for pre-65 retirees and 20% for post-65 retirees, with 50% assumed to discontinue at age 65 or elect the Medicare Advantage plan.

See accompanying notes to the required supplementary information

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Schedules of Required Supplementary Information Return on OPEB Plan Investments (Net of Investment Fees) (Unaudited)

<u>FY Ending September 30</u>	<u>Annual Return</u>
2023	11.53%
2022	-15.28%
2021	14.10%
2020	6.66%
2019	5.12%
2018	7.52%
2017	11.03%

See accompanying notes to the required supplementary information

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Notes to Schedules of Required Supplementary Information

Note 1 – Trend Information

GASB Statement No. 67, *Financial Reporting for Pension Plans*, requires that schedules in the RSI section be presented for a ten-year period. The plan adopted GASB Statement No. 74 in fiscal year 2014, therefore all ten years are presented.

GASB Statement No. 74, *Financial Reporting for Post-Employment Benefits Other than Pension*, requires that the schedules in the RSI section be presented for a ten-year period. The Plan adopted GASB Statement No. 74 in the fiscal year 2017, therefore, only seven years are presented. The full trend information will be accumulated over the next four years.

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Other Supplementary Information

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Combining Statements of Net Position – Fiscal Year 2023

	MTA	ATD	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 71,102,076	\$ 11,416,248	\$ -	\$ 82,518,324
Investments	306,992,649	30,295,344	-	337,287,993
Accounts receivable:				
Federal government	28,821,540	-	-	28,821,540
State of Texas - sales taxes	35,051,224	8,009,455	-	43,060,679
Sales tax receivable - CoSA & Bexar County	-	8,009,455	-	8,009,455
Interest	85,571	-	-	85,571
Lease interest receivable	10,681	-	-	10,681
Lease receivable	219,482	-	-	219,482
Receivable from ATD	3,691,704	-	(3,691,704)	-
Other	4,427,397	-	-	4,427,397
Inventory	8,750,407	-	-	8,750,407
Prepaid expenses and other current assets	38,662	-	-	38,662
Restricted assets:				
Restricted cash - debt service	2,611,007	369,769	-	2,980,776
Total current assets	461,802,400	58,100,271	(3,691,704)	516,210,967
Noncurrent assets:				
Lease receivable	4,255,851	-	-	4,255,851
Restricted cash - TxDOT grant	15,107,271	-	-	15,107,271
Restricted cash - bond reserve fund	2,927,724	-	-	2,927,724
Restricted cash - construction account	8	-	-	8
Capital assets:				
Land	43,383,465	-	-	43,383,465
Buildings and shelters	323,388,309	-	-	323,388,309
Revenue vehicles	300,171,076	-	-	300,171,076
Service vehicles	6,809,997	-	-	6,809,997
Equipment	48,133,982	-	-	48,133,982
Intangible right-to-use lease and SBITA assets	78,259,597	-	-	78,259,597
Total capital assets	800,146,426	-	-	800,146,426
Less accumulated depreciation and amortization	402,732,137	-	-	402,732,137
Construction in progress	38,546,208	-	-	38,546,208
Net capital assets	435,960,497	-	-	435,960,497
Total noncurrent assets	458,251,351	-	-	458,251,351
Total assets	920,053,751	58,100,271	(3,691,704)	974,462,318
Deferred outflows of resources				
Pension	48,759,802	-	-	48,759,802
Other postemployment benefits	17,839,426	-	-	17,839,426
Bond refund	3,250,446	1,907,282	-	5,157,728
Total deferred outflows of resources	69,849,674	1,907,282	-	71,756,956
Total assets and deferred outflows of resources	\$ 989,903,425	\$ 60,007,553	\$ (3,691,704)	\$ 1,046,219,274

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

	MTA	ATD	Eliminations	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 13,937,096	\$ -	\$ -	\$ 13,937,096
Payable to MTA	-	3,691,704	(3,691,704)	-
Payable to CoSA & Bexar County	-	8,009,455	-	8,009,455
Retainage payable	729,581	-	-	729,581
Accrued liabilities	24,082,744	-	-	24,082,744
Unearned revenue	2,717,669	-	-	2,717,669
Claims payable	8,951,713	-	-	8,951,713
Current liabilities payable from unrestricted assets	50,418,803	11,701,159	(3,691,704)	58,428,258
Current liabilities payable from restricted assets:				
Interest payable	673,589	121,996	-	795,585
Bonds payable	9,615,000	1,480,000	-	11,095,000
Total current liabilities	60,707,392	13,303,155	(3,691,704)	70,318,843
Noncurrent liabilities:				
Net pension liability	166,778,759	-	-	166,778,759
Net other postemployment benefits (OPEB) liability	42,829,046	-	-	42,829,046
Long-term liabilities	132,682,200	27,249,730	-	159,931,930
Total noncurrent liabilities	342,290,005	27,249,730	-	369,539,735
Total liabilities	402,997,397	40,552,885	(3,691,704)	439,858,578
Deferred inflows of resources				
Pension	1,806,697	-	-	1,806,697
Postemployment benefits other than pension	3,964,990	-	-	3,964,990
Leases	4,218,873	-	-	4,218,873
Total deferred outflows of resources	9,990,560	-	-	9,990,560
Total liabilities and deferred inflows of resources	412,987,957	40,552,885	(3,691,704)	449,849,138
Net Position				
Net investment in capital assets	282,636,630	(26,822,448)	-	255,814,182
Restricted debt service	1,937,418	247,773	-	2,185,191
Restricted TxDOT grant	15,107,271	-	-	15,107,271
Restricted bond reserve fund	2,927,724	-	-	2,927,724
Unrestricted	274,306,425	46,029,343	-	320,335,768
Total Net Position	576,915,468	19,454,668	-	596,370,136
Total liabilities, deferred inflows and net position	\$ 989,903,425	\$ 60,007,553	\$ (3,691,704)	\$ 1,046,219,274

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Combining Schedule of Revenues, Expenses and Changes in Net Position Fiscal Year 2023

	MTA	ATD	Total
Operating revenues:			
Line service	\$ 9,915,765	\$ 2,562,345	\$ 12,478,110
Robert Thompson Terminal	56,644	-	56,644
Other special events	36,428	-	36,428
VIATrans	1,663,636	-	1,663,636
VIA Link	49,986	-	49,986
Bus advertising	1,357,359	-	1,357,359
Parking lot revenue	58,948	-	58,948
Real estate development	212,926	-	212,926
Miscellaneous	391,251	-	391,251
Total operating revenues	<u>13,742,943</u>	<u>2,562,345</u>	<u>16,305,288</u>
Operating expenses:			
Line service	166,376,371	42,330,985	208,707,356
Disaster relief	-	-	-
Robert Thompson Terminal	883,836	-	883,836
Other special events	351,139	-	351,139
Promotional service	17,723	-	17,723
VIATrans	36,709,332	-	36,709,332
VIA Link	2,172,444	-	2,172,444
Vanpool	-	509,564	509,564
Real estate development	14,047	-	14,047
Business development and planning	15,847,708	-	15,847,708
Total operating expenses before depreciation and amortization	<u>222,372,600</u>	<u>42,840,549</u>	<u>265,213,149</u>
Depreciation on capital assets:			
Acquired with VIA equity	22,061,416	-	22,061,416
Acquired with grants	21,035,878	-	21,035,878
Amortization expense:			
Amortization on leases and SBITAs	16,581,918	280,142	16,862,060
Total operating expenses after depreciation and amortization	<u>282,051,812</u>	<u>43,120,691</u>	<u>325,172,503</u>
Operating loss	<u>(268,308,869)</u>	<u>(40,558,346)</u>	<u>(308,867,215)</u>
Nonoperating revenues (expenses):			
Sales taxes	211,602,182	95,268,604	306,870,786
CARES, CRRSA, ARP - subrecipient disbursement pass-through	(270,472)	-	(270,472)
CARES, CRRSA, ARP - subrecipient pass-through	270,472	-	270,472
Grants revenue - VIA	46,464,314	-	46,464,314
Grants revenue - pass-through	1,467,336	-	1,467,336
Investment income	14,758,852	1,769,559	16,528,411
Bond interest and issuance costs	(2,583,083)	(584,086)	(3,167,169)
Lease interest expense	(1,707,509)	-	(1,707,509)
Subscription-based IT arrangements interest expense	(35,513)	-	(35,513)
Gain (loss) on sale of assets	18,688	-	18,688
Less pass-through funds remitted to subrecipients	(1,467,336)	-	(1,467,336)
Less amounts remitted to CoSA and Bexar County	-	(47,634,302)	(47,634,302)
Total nonoperating revenues (expenses) - net	<u>268,517,931</u>	<u>48,819,775</u>	<u>317,337,706</u>
Income before capital contributions	<u>209,062</u>	<u>8,261,429</u>	<u>8,470,491</u>
Capital contributions	4,935,140	-	4,935,140
Change in net position	<u>5,144,202</u>	<u>8,261,429</u>	<u>13,405,631</u>
Net position at beginning of year, as restated	571,771,266	11,193,239	582,964,505
Net position at end of year	<u>\$ 576,915,468</u>	<u>\$ 19,454,668</u>	<u>\$ 596,370,136</u>

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Combining Schedule of Cash Flows – Fiscal Year 2023

	MTA	ATD	Total
Cash flows from operating activities			
Cash received from customers	\$ 12,643,269	\$ 2,551,384	\$ 15,194,653
Cash payments to vendors for goods and services	(54,656,652)	(14,828,282)	(69,484,934)
Cash payments for employee services, including salaried fringe benefits	(159,411,083)	-	(159,411,083)
Cash payments for MTA employee services	-	(28,135,261)	(28,135,261)
Net cash provided by (used in) operating activities	<u>(201,424,466)</u>	<u>(40,412,159)</u>	<u>(241,836,625)</u>
Cash flows from noncapital financing activities			
Sales taxes	211,891,662	95,127,888	307,019,550
Grants revenue received	45,703,936	-	45,703,936
Payments to TxDOT, CoSA and Bexar County	-	(47,563,944)	(47,563,944)
Net cash provided by (used in) noncapital financing activities	<u>257,595,598</u>	<u>47,563,944</u>	<u>305,159,542</u>
Cash flows from capital and related financing activities			
Proceeds from capital grants	18,832,205	-	18,832,205
Principal payments on bonds	(8,670,000)	(1,425,000)	(10,095,000)
Premium, interest and financing fees	(3,765,259)	(788,301)	(4,553,560)
Lease payments	(15,946,340)	-	(15,946,340)
Subscription-based IT arrangements payments	(579,510)	-	(579,510)
Proceeds from sale of assets	60,673	-	60,673
Purchase of capital assets	(42,412,596)	-	(42,412,596)
Net cash provided by (used in) capital and related financing activities	<u>(52,480,827)</u>	<u>(2,213,301)</u>	<u>(54,694,128)</u>
Cash flows from investing activities			
Sale of investment securities	488,253,809	49,720,021	537,973,830
Purchase of investment securities	(451,769,593)	(56,411,419)	(508,181,012)
Interest earnings	12,797,875	1,635,577	14,433,452
Net cash provided by (used in) investing activities	<u>49,282,091</u>	<u>(5,055,821)</u>	<u>44,226,270</u>
Net increase (decrease) in cash and cash equivalents	<u>52,972,396</u>	<u>(117,337)</u>	<u>52,855,059</u>
Cash and cash equivalents at beginning of year	<u>38,775,690</u>	<u>11,903,354</u>	<u>50,679,044</u>
Cash and cash equivalents at end of year	<u>\$ 91,748,086</u>	<u>\$ 11,786,017</u>	<u>\$ 103,534,103</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating loss	\$ (268,308,869)	\$ (40,558,346)	\$ (308,867,215)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation on capital assets:			
Acquired with VIA equity	22,061,416	-	22,061,416
Acquired with grants	21,035,878	-	21,035,878
Amortization on right-of-use lease assets	16,347,739	-	16,347,739
Amortization on subscription-based IT arrangements assets	514,321	-	514,321
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(838,288)	-	(838,288)
Decrease (increase) in inventory	(970,769)	-	(970,769)
(Decrease) increase in prepaid expenses and other current assets	(20,818)	-	(20,818)
Decrease (increase) in prepaid pension	(30,512,709)	-	(30,512,709)
Decrease (increase) in prepaid other postemployment benefits	1,189,325	-	1,189,325
(Decrease) increase in inter-fund receivable	(146,187)	146,187	-
(Decrease) increase in accounts payable	(1,023,930)	-	(1,023,930)
(Decrease) increase in accrued liabilities	39,248,425	-	39,248,425
Net cash provided by (used in) operating activities	<u>\$ (201,424,466)</u>	<u>\$ (40,412,159)</u>	<u>\$ (241,836,625)</u>
Reconciliation of cash and cash equivalents to the statements of net position			
Cash and cash equivalents at end of year:			
Unrestricted	\$ 71,102,076	\$ 11,416,248	\$ 82,518,324
Restricted - mandated purpose	20,646,010	369,769	21,015,779
Total cash and cash equivalents	<u>\$ 91,748,086</u>	<u>\$ 11,786,017</u>	<u>\$ 103,534,103</u>
Noncash Investing and Financing Activities			
Change in fair value of investments reported as cash equivalents	\$ 459,910	\$ -	\$ 459,910
Lease and SBITA assets	69,935,471	-	69,935,471
Amortization on premium, discount and loss	1,619,800	-	1,619,800

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual (GAAP Basis) – MTA 2023

	MTA		
	Unaudited Budget	Actual	Variance
Operating revenues:			
Line service	\$ 9,408,859	\$ 9,915,765	\$ 506,906
Robert Thompson Terminal	18,442	56,644	38,202
Other special events	64,944	36,428	(28,516)
VIAtrans	1,396,849	1,663,636	266,787
VIA Link	61,705	49,986	(11,719)
Real estate development	288,564	212,926	(75,638)
Parking lot revenue	60,000	58,948	(1,052)
Bus advertising	1,624,998	1,357,359	(267,639)
Miscellaneous	387,000	391,251	4,251
Total operating revenues	13,311,361	13,742,943	431,582
Operating expenses (excluding depreciation):			
Line service	164,460,818	166,376,371	1,915,553
Disaster relief	-	-	-
Robert Thompson Terminal	482,116	883,836	401,720
Other special events	423,439	351,139	(72,300)
Promotional service	4,550	17,723	13,173
VIAtrans	47,089,095	36,709,332	(10,379,763)
VIA Link	5,781,860	2,172,444	(3,609,416)
Real estate development	4,789	14,047	9,258
Business development and planning	20,708,633	15,847,708	(4,860,925)
Total operating expenses before depreciation and amortization	238,955,300	222,372,600	(16,582,700)
Operating loss excluding depreciation and amortization	(225,643,939)	(208,629,657)	17,014,282
Non-operating revenues (expenses):			
Sales taxes	211,080,208	211,602,182	521,974
City of San Antonio intergovernmental agreement	5,000,000	-	(5,000,000)
CRRSA Act subrecipient		126,830	126,830
CRRSA Act subrecipient disbursement	-	(126,830)	(126,830)
ARP Act subrecipient	-	143,642	143,642
ARP Act subrecipient disbursement	-	(143,642)	(143,642)
Grants revenue - VIA	51,591,634	46,464,314	(5,127,320)
Grants revenue - pass-through	1,198,808	1,467,336	268,528
Investment income	3,600,000	14,758,852	11,158,852
Bond interest and issuance costs	(2,836,360)	(2,583,083)	253,277
Lease interest expense	-	(1,707,509)	(1,707,509)
Subscription-based IT arrangements interest expense	-	(35,513)	(35,513)
Gain (loss) on sale of assets	-	18,688	18,688
Less pass-through funds remitted to subrecipients	(1,198,808)	(1,467,336)	(268,528)
Total non-operating revenues (expenses) - net	268,435,482	268,517,931	82,449
Income before depreciation and amortization	42,791,543	59,888,274	17,096,731
Less depreciation (*)		43,097,294	
Less amortization (*)		16,581,918	
Income (loss) after depreciation and amortization		\$ 209,062	

(*) VIA does not budget for this non-cash item.

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2023 and 2022

Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual (GAAP Basis) – ATD 2023

	ATD		
	Unaudited Budget	Actual	Variance
Operating revenues:			
Line service	\$ 2,495,502	\$ 2,562,345	\$ 66,843
Robert Thompson Terminal	-	-	-
Other special events	-	-	-
VIATrans	-	-	-
Real estate development	-	-	-
Parking lot revenue	-	-	-
Bus advertising	-	-	-
Total operating revenues	<u>2,495,502</u>	<u>2,562,345</u>	<u>66,843</u>
Operating expenses (excluding depreciation):			
Line service	42,470,830	42,330,985	(139,845)
Robert Thompson Terminal	-	-	-
Other special events	-	-	-
VIATrans	-	-	-
Vanpool	651,340	509,564	(141,776)
Promotional service	-	-	-
Real estate development	-	-	-
Business development and planning	-	-	-
Transit Technology	-	-	-
Total operating expenses before depreciation and amortization	<u>43,122,170</u>	<u>42,840,549</u>	<u>(281,621)</u>
Operating loss excluding depreciation and amortization	<u>(40,626,668)</u>	<u>(40,278,204)</u>	<u>348,464</u>
Non-operating revenues (expenses):			
Sales taxes	95,069,824	95,268,604	198,780
Grants revenue - VIA	-	-	-
Grants revenue - pass-through	-	-	-
Investment income	300,000	1,769,559	1,469,559
Bond interest and issuance costs	(584,086)	(584,086)	-
Less pass-through funds remitted to sub-recipients	-	-	-
Less local assistance program	-	-	-
Less amounts remitted to CoSA and Bexar County	(47,534,912)	(47,634,302)	(99,390)
Total non-operating revenues (expenses) - net	<u>47,250,826</u>	<u>48,819,775</u>	<u>1,568,949</u>
Income before depreciation	<u>6,624,158</u>	<u>8,541,571</u>	<u>1,917,413</u>
Less depreciation (*)		-	
Less amortization (*)		280,142	
Income (loss) after depreciation and amortization		<u>\$ 8,261,429</u>	

(*) VIA does not budget for this non-cash item.

VIA Metropolitan Transit
San Antonio, Texas

Schedule of Operating Expenses by Expense Category and Cost Center

Year Ended September 30, 2023

	Metropolitan Transit Authority									
	11	16	17	13	20	25	21	31	35	55
	Line Service	Robert Thompson Terminal	Other Special Event	VIA Link	VIAtrans	Purchased Transportation	Van Disaster Relief	Disaster Relief-Bus	Promotional Service	Real Estate Development
Labor	\$ 72,682,520	\$ 358,532	\$ 157,410	\$ -	\$ 12,340,969	\$ 777,107	\$ -	\$ -	\$ 7,822	\$ -
Fringe Benefits	-	-	-	-	-	-	-	-	-	-
Services	2,506,225	30,574	2,755	118,184	512,473	486,930	-	-	20	8,714
Materials & Supplies	16,410,533	54,239	24,533	-	1,966,020	960,548	-	-	838	-
Utilities	1,428,951	24,983	924	-	479,539	37,695	-	-	44	4,798
Casualty & Liability	1,552,594	2,677	2,148	-	56,563	-	-	-	94	535
Taxes	54,510	156	39	-	10,967	78,319	-	-	3	-
Purchased Transportation	-	-	-	1,739,438	-	6,336,710	-	-	-	-
Miscellaneous Expenses	206,992	88	188	314,822	7,616	5,198	-	-	2	-
Leases & Rentals	159,202	296	3,050	-	64	-	-	-	5	-
Expense Transfer to Capital	-	-	-	-	-	-	-	-	-	-
Fringe Dist. Other	41,689,823	254,520	90,092	-	6,889,862	413,320	-	-	5,603	-
Expense Transfers	29,998,998	157,771	70,000	-	5,031,914	317,518	-	-	3,292	-
Sub-Total	166,690,348	883,836	351,139	2,172,444	27,295,987	9,413,345	-	-	17,723	14,047
Sub-Total less Indirect/Fringe Amort. Expense	166,576,927	883,240	350,874	2,172,444	27,276,962	9,412,145	-	-	17,711	14,047
Depreciation on capital assets:										
Direct Depreciation	29,699,616	46,692	25,447	-	4,769,252	-	-	-	1,084	-
Indirect Depreciation	2,469,576	3,948	1,981	-	387,411	-	-	-	90	-
Fringe Depreciation	-	-	-	-	-	-	-	-	-	-
Sub-Total Depreciation	32,169,192	50,640	27,428	-	5,156,663	-	-	-	1,174	-
Amortization expense:										
Lease Amortization Indirect Allocation	-	-	-	-	-	-	-	-	-	-
Lease Amortization Fringe Allocation	-	-	-	-	-	-	-	-	-	-
Lease Amortization	255,910	696	210	2,996,607	15,662	12,140,424	-	-	26	-
SBITA Amortization Indirect Allocation	113,421	596	265	-	19,025	1,200	-	-	12	-
SBITA Amortization	268,471	672	-	-	-	-	-	-	25	-
Sub-Total Amortization Expense	637,802	1,964	475	2,996,607	34,687	12,141,624	-	-	63	-
Total Operating Expenses	\$ 199,383,921	\$ 935,844	\$ 378,777	\$ 5,169,051	\$ 32,468,312	\$ 21,553,769	\$ -	\$ -	\$ 18,948	\$ 14,047

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Operating Expenses by Expense Category and Cost Center
 Year Ended September 30, 2023

Metropolitan Transit Authority		Advanced Transportation District		Combined					
56	65	12	14	70	72	81-89*			
Leases	Business Development and Planning	Line Service	Vanpool	Sub-Total	MTA Indirect	ATD Indirect	Combined MTA & ATD Fringe	Total	
\$ -	\$ 2,487,585	\$ 18,195,971	\$ 58,458	\$ 107,066,374	\$ 27,563,112	\$ -	\$ 1,951,718	\$ 136,581,204	Labor
(15,075)	-	-	-	(15,075)	12,313	-	58,759,491	58,756,729	Fringe Benefits
39,546	10,838,241	382,865	-	14,926,527	10,051,457	25,364	664,903	25,668,251	Services
-	9,458	5,201,269	-	24,627,438	1,916,234	-	3,130	26,546,802	Materials & Supplies
-	-	324,852	-	2,301,786	1,243,821	-	-	3,545,607	Utilities
-	-	491,663	150,150	2,256,424	138,977	-	-	2,395,401	Casualty & Liability
-	-	17,675	-	161,669	-	-	-	161,669	Taxes
-	-	-	241,660	8,317,808	-	-	-	8,317,808	Purchased Transportation
-	107,394	14,971	-	657,271	2,619,112	-	14,903	3,291,286	Miscellaneous Expenses
(171,852)	-	(38,469)	-	(47,704)	327,134	-	-	279,430	Leases & Rentals
-	-	-	-	-	-	-	(331,038)	(331,038)	Expense Transfer to Capital
-	1,399,041	10,286,445	34,401	61,063,107	-	-	(61,063,107)	-	Fringe Dist. Other
-	1,005,989	7,453,743	24,895	44,064,120	(44,038,756)	(25,364)	-	-	Expense Transfers
(147,381)	15,847,708	42,330,985	509,564	265,379,745	(166,596)	-	-	265,213,149	Sub-Total
(147,381)	15,843,905	42,302,804	509,470	265,213,148	1	-	-	265,213,149	Sub-Total less Indirect/Fringe Amort. Expense
-	-	5,253,700	-	39,795,791	3,301,503	-	-	43,097,294	Depreciation on capital assets:
-	-	438,498	-	3,301,504	(3,301,504)	-	-	-	Direct Depreciation
-	-	-	-	-	-	-	-	-	Indirect Depreciation
-	-	-	-	-	-	-	-	-	Fringe Depreciation
-	-	5,692,198	-	43,097,295	(1)	-	-	43,097,294	Sub-Total Depreciation
-	-	-	-	-	-	-	-	-	Amortization expense:
-	-	-	-	-	-	-	-	-	Lease Amortization Indirect Allocation
-	-	-	-	-	-	-	-	-	Lease Amortization Fringe Allocation
736,618	-	201,586	-	16,347,739	-	-	-	16,347,739	Lease Amortization
-	3,803	28,181	94	166,597	(166,597)	-	-	-	SBITA Amortization Indirect Allocation
-	-	78,556	-	347,724	166,597	-	-	514,321	SBITA Amortization
736,618	3,803	308,323	94	16,862,060	-	-	-	16,862,060	Sub-Total Amortization Expense
\$ 589,237	\$ 15,847,708	\$ 48,303,325	\$ 509,564	\$ 325,172,503	\$ -	\$ -	\$ -	\$ 325,172,503	Total Operating Expenses

VIA Metropolitan Transit

San Antonio, Texas

As of September 30, 2023 and 2022

Combining Statements of Fiduciary Net Position

	Retirement Plan		OPEB Plan		Total Fiduciary Funds	
	2023	2022	2023	2022	2023	2022
Assets						
Cash and cash equivalents	\$ 5,525,858	\$ 6,127,454	\$ 7,623,181	\$ 3,551,856	\$ 13,149,039	\$ 9,679,310
Receivables:						
Contributions:						
Employee	303,029	636,673	-	-	303,029	636,673
Employer	1,047,260	2,259,221	-	-	1,047,260	2,259,221
Accrued interest and other dividends	216,140	21,161	31,801	5,633	247,941	26,794
Other receivables	-	-	189,453	1,247,526	189,453	1,247,526
Total receivables	1,566,429	2,917,055	221,254	1,253,159	1,787,683	4,170,214
Investments:						
Corporate bonds and other	14,982,527	15,780,906	-	-	14,982,527	15,780,906
United States government and agency	14,303,266	12,649,069	-	-	14,303,266	12,649,069
Common stock	112,281,931	104,694,849	-	-	112,281,931	104,694,849
Pooled common stock fund	15,709,011	14,532,608	7,425,380	6,219,026	23,134,391	20,751,634
Pooled international fund	75,300,839	65,081,892	1,242,594	1,071,352	76,543,433	66,153,244
Pooled fixed income	63,649,775	62,089,731	3,047,741	2,979,365	66,697,516	65,069,096
Pooled real estate	38,014,212	43,819,504	-	-	38,014,212	43,819,504
Total investments	334,241,561	318,648,559	11,715,715	10,269,743	345,957,276	328,918,302
Total assets	341,333,848	327,693,068	19,560,150	15,074,758	360,893,998	342,767,826
Liabilities						
Accounts payable	3,037,609	5,428,018	-	-	3,037,609	5,428,018
Investment trades pending payable	222,776	145,287	-	-	222,776	145,287
Total liabilities	3,260,385	5,573,305	-	-	3,260,385	5,573,305
Net position held in trust for retiree benefits: restricted	\$ 338,073,463	\$ 322,119,763	\$ 19,560,150	\$ 15,074,758	\$ 357,633,613	\$ 337,194,521

VIA Metropolitan Transit

San Antonio, Texas

For the Years Ended September 30, 2023 and 2022

Combining Statements of Changes in Fiduciary Net Position

	Retirement Plan		OPEB Plan		Total Fiduciary Funds	
	2023	2022	2023	2022	2023	2022
Additions:						
Contributions:						
Employee	\$ 3,692,436	\$ 3,748,353	\$ -	\$ -	\$ 3,692,436	\$ 3,748,353
Employer	12,567,087	13,549,455	4,173,443	4,745,409	16,740,530	18,294,864
Total contributions	16,259,523	17,297,808	4,173,443	4,745,409	20,432,966	22,043,217
Investment income (loss):						
Interest and dividend income	2,944,763	2,264,117	325,236	136,761	3,269,999	2,400,878
Net appreciation in fair value of investments	30,823,471	(57,687,333)	1,330,882	(2,280,294)	32,154,353	(59,967,627)
Investment expenses	(1,569,777)	(1,595,178)	-	-	(1,569,777)	(1,595,178)
Total investment income (loss)	32,198,457	(57,018,394)	1,656,118	(2,143,533)	33,854,575	(59,161,927)
Total additions -- net	48,457,980	(39,720,586)	5,829,561	2,601,876	54,287,541	(37,118,710)
Deductions:						
Benefit payments	32,340,499	30,684,937	1,340,763	2,294,821	33,681,262	32,979,758
Administrative expenses	163,781	162,762	3,406	23,556	167,187	186,318
Total deductions	32,504,280	30,847,699	1,344,169	2,318,377	33,848,449	33,166,076
Change in net position	15,953,700	(70,568,285)	4,485,392	283,499	20,439,092	(70,284,786)
Net position held in trust for retiree benefits: restricted, at beginning of year						
	322,119,763	392,688,048	15,074,758	14,791,259	337,194,521	407,479,307
Net position held in trust for retiree benefits: restricted, at end of year						
	\$ 338,073,463	\$ 322,119,763	\$ 19,560,150	\$ 15,074,758	\$ 357,633,613	\$ 337,194,521

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STATISTICAL

This part of VIA's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about VIA's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how VIA's financial performance and well-being have change over time.

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Changes in Net Position.....	130

Revenue Capacity

These schedules contain information to help the reader asses VIA's most significant local revenue source, the sales tax.

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Debt Capacity

Schedule of Outstanding Debt and Public Debt Coverage Ratios	136
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which VIA's financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in VIA's financial report as it relates to the services VIA provides and the activities it performs.

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VIA Metropolitan Transit

San Antonio, Texas

Net Position Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020 ¹	2021 ²	2022 ³ (Restated)	2023
Net Investment in Capital Assets	\$171,241,292	\$177,325,265	\$181,356,296	\$211,516,797	\$245,849,541	\$252,726,157	\$232,554,048	\$240,550,347	\$248,518,064	\$255,814,182
Restricted	101,174,318	100,721,318	102,233,683	91,923,793	78,585,541	55,148,690	51,659,833	45,468,715	29,513,232	20,220,186
Unrestricted	123,167,778	2,428,152	(6,471,436)	(13,328,420)	(48,258,266)	(37,510,764)	50,627,119	186,196,271	304,933,209	320,335,768
Total Net Position	\$395,583,388	\$280,474,735	\$277,118,543	\$290,112,170	\$276,176,816	\$270,364,083	\$334,841,000	\$472,215,333	\$582,964,505	\$596,370,136

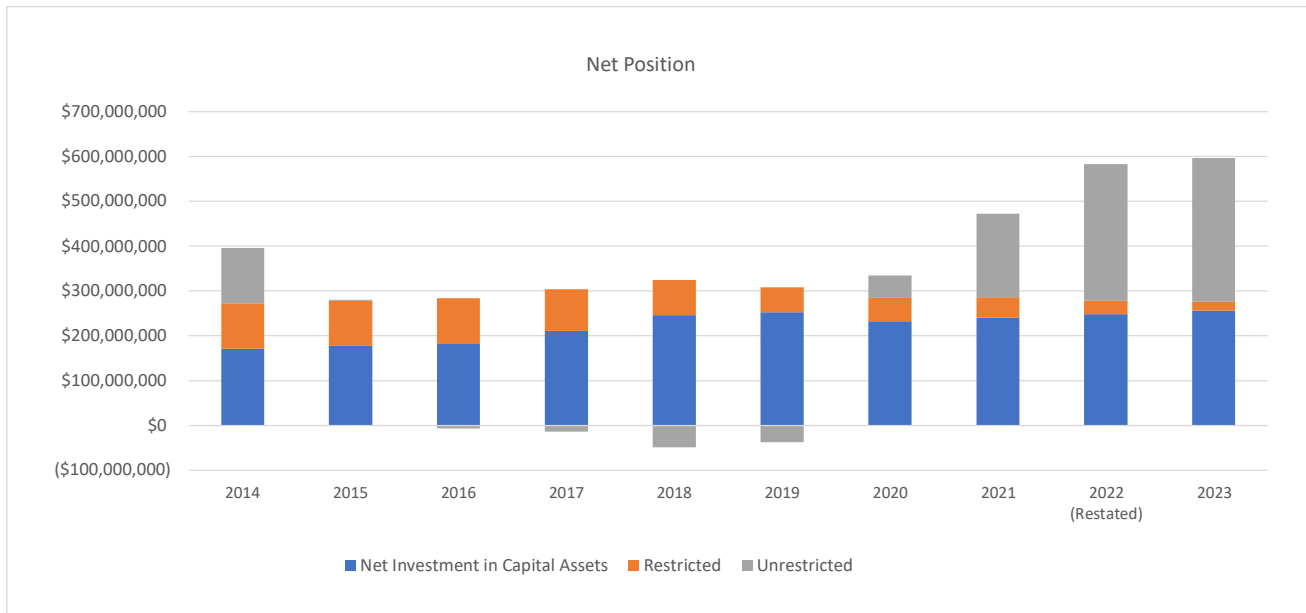
Source: VIA's Annual Audited Financial Statements

Notes:

1 VIA's FY20 net position increase of \$64.4M was driven by \$90.4M of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) revenue that VIA recognized in FY20 (excluding amount that went to a subrecipient). CARES Act funds were drawn down based on the cost of service provided, which freed up local funds.

2 VIA's FY21 net position increase of \$137.4M was driven by \$61.2M of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and \$57.9M of American Rescue Plan (ARP) revenue that VIA recognized in FY21 (excluding amount that went to a subrecipient). CRRSAA Act and ARP funds were drawn down based on the cost of service provided, which freed up local funds.

3 VIA's FY22 net position increase of \$110.8M was driven by \$57.9M of ARP revenue, and higher sales tax revenue, up \$30.6M. FY22 was restated for VIA's implementation of GASB 96 (Subscription-Based Information Technology Arrangements).



VIA Metropolitan Transit

San Antonio, Texas

Changes in Net Position Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Operating Revenues					
Line Service	\$ 22,103,715	\$ 20,880,726	\$ 20,051,622	\$ 18,980,613	\$ 18,369,534
Robert Thompson Terminal	187,785	145,337	94,787	82,050	77,468
Other Special Events	181,786	169,079	144,402	140,491	178,001
VIATrans	1,882,687	1,899,614	1,996,240	2,033,653	1,999,596
VIA Link	-	-	-	-	-
Charter	195,052	86,526	-	-	-
Promotional	-	-	-	-	-
Real Estate Development	263,360	281,072	330,799	446,352	577,989
Parking Lot Revenue	6,491	23,918	12,582	10,201	7,752
Bus Advertising	749,530	814,530	894,530	939,642	950,635
Miscellaneous	759,723	436,382	441,677	473,160	416,518
<i>Total Operating Revenues</i>	<u>26,330,129</u>	<u>24,737,184</u>	<u>23,966,639</u>	<u>23,106,162</u>	<u>22,577,493</u>
Operating Expenses					
Line Service	147,478,417	161,181,992	167,351,942	165,746,945	165,548,929
Bus Disaster Relief ¹	-	-	-	163,268	-
Robert Thompson Terminal	733,305	657,286	630,944	465,271	499,523
Other Special Events	592,886	618,448	552,244	534,207	670,088
VIATrans	34,330,772	37,375,783	40,922,470	40,055,752	42,097,730
VIA Link	-	-	-	-	-
Van Disaster Relief ¹	-	-	-	2,685	-
Vanpool	547,806	558,689	608,055	611,149	597,442
Starlight Service	-	-	-	-	-
Charter	239,325	175,609	-	-	-
Promotional	-	-	99,753	89,541	65,106
Real Estate Development	4,334	613	1,678	539	801
Business Development and Planning	5,858,692	6,588,687	6,453,239	6,685,076	6,468,225
Transit Technology	694,331	685,274	637,751	492,167	-
<i>Total Operating Expenses before Depreciation, Amortization and Asset Impairment</i>	<u>190,479,868</u>	<u>207,842,381</u>	<u>217,258,076</u>	<u>214,846,600</u>	<u>215,947,845</u>
Depreciation on Capital Assets	22,804,973	22,275,368	22,200,678	24,012,602	34,362,524
Amortization on Right-to-Use Lease Assets and SBITA's	-	-	-	-	-
Loss on asset impairment	4,882,000	4,918,000	8,579,632	-	-
<i>Total Operating Expenses</i>	<u>218,166,841</u>	<u>235,035,749</u>	<u>248,038,386</u>	<u>238,859,202</u>	<u>250,310,369</u>
<i>Operating Loss</i>	<u>(191,836,712)</u>	<u>(210,298,565)</u>	<u>(224,071,747)</u>	<u>(215,753,040)</u>	<u>(227,732,876)</u>
Non-Operating Revenues (Expenses)					
Sales Taxes	189,964,334	197,645,249	201,407,198	207,873,339	220,294,591
Grants Reimbursement	26,045,513	27,047,155	28,773,370	29,032,637	30,500,898
Grants Revenue - Pass-Through	212,062	1,327,755	1,463,234	1,553,833	815,948
Investment Income	577,720	853,433	1,839,616	1,357,966	1,861,966
CARES Act - VIA	-	-	-	-	-
CRRSA Act - VIA	-	-	-	-	-
ARP Act - VIA	-	-	-	-	-
CoSA Intergovernmental Revenue	-	-	-	-	4,300,000
TXDOT Intergovernmental Agreement	-	-	-	-	-
Lease Interest Expense	-	-	-	-	-
Bond Interest and Issuance Costs	(3,542,815)	(3,000,034)	(3,237,107)	(5,619,099)	(5,774,084)
Net Gain(Loss) on Sale of Assets	40,839	(1,252)	(117,056)	2,633,990	218,743
Less Pass-Through Funds to Subrecipients	(212,062)	(1,327,755)	(1,400,626)	(1,452,788)	(897,060)
Less amount remitted to ATD, CoSA, TxDOT, and Bexar Co.	(29,541,042)	(30,637,238)	(31,427,566)	(32,413,170)	(34,311,703)
Local Assistance	-	-	(461,513)	(40,000)	-
<i>Net Non-Operating Revenues (Expenses)</i>	<u>183,544,549</u>	<u>191,907,313</u>	<u>196,839,550</u>	<u>202,926,708</u>	<u>217,009,299</u>
Capital Contributions	14,028,533	21,974,093	23,876,005	25,819,959	24,967,580
Change in Net Position	\$ 5,736,370	\$ 3,582,841	\$ (3,356,192)	\$ 12,993,627	\$ 14,244,003

Source: VIA's Annual Audited Financial Statements

¹VIA is occasionally asked to provide transportation services for communities that are impacted by hurricanes. These citizens are transported from the coastal areas to relief centers in San Antonio.

VIA Metropolitan Transit

San Antonio, Texas

Changes in Net Position Last Ten Fiscal Years

2019	2020	2021	2022 (Restated)	2023	
					Operating Revenues
\$ 18,096,588	\$ 11,740,521	\$ 10,291,078	\$ 11,398,655	\$ 12,478,110	Line Service
71,168	28,569	2,734	26,534	56,644	Robert Thompson Terminal
106,386	15,897	10,336	58,647	36,428	Other Special Events
1,912,340	1,175,591	1,091,265	1,448,826	1,663,636	VIATrans
11,869	28,171	14,977	21,099	49,986	VIA Link
-	-	-	-	-	Charter
-	-	-	-	-	Promotional
557,273	269,407	362,449	232,099	212,926	Real Estate Development
13,805	4,839	57,650	90,521	58,948	Parking Lot Revenue
1,021,564	1,313,119	1,560,834	1,591,811	1,357,359	Bus Advertising
455,673	334,719	353,757	392,289	391,251	Miscellaneous
22,246,666	14,910,833	13,745,080	15,260,481	16,305,288	Total Operating Revenues
					Operating Expenses
179,874,538	188,445,007	188,396,245	179,636,401	208,707,356	Line Service
-	13,660	506,119	-	-	Bus Disaster Relief ¹
710,668	305,276	47,296	354,399	883,836	Robert Thompson Terminal
495,404	131,703	60,972	285,627	351,139	Other Special Events
45,611,738	39,832,398	27,415,583	29,409,941	36,709,332	VIATrans
375,020	995,067	221,936	1,817,805	2,172,444	VIA Link
-	-	695,355	-	-	Van Disaster Relief ¹
604,486	641,848	317,352	444,968	509,564	Vanpool
-	-	-	-	-	Starlight Service
-	-	-	-	-	Charter
70,002	25,597	63,171	6,833	17,723	Promotional
1,051	892	954	1,169	14,047	Real Estate Development
6,598,704	6,305,032	6,464,140	9,933,175	15,847,708	Business Development and Planning
-	-	-	-	-	Transit Technology
234,341,611	236,696,480	224,189,123	221,890,318	265,213,149	Total Operating Expenses before Depreciation, Amortization and Asset Impairment
36,702,975	39,884,886	38,979,912	40,418,416	43,097,294	Depreciation on Capital Assets
-	-	11,516,051	12,172,638	16,862,060	Amortization on Right-to-Use Lease Assets and SBITA's
-	-	-	-	-	Loss on asset impairment
271,044,586	276,581,366	274,685,086	274,481,372	325,172,503	Total Operating Expenses
(248,797,920)	(261,670,533)	(260,940,006)	(259,220,891)	(308,867,215)	Operating Loss
					Non-Operating Revenues (Expenses)
232,542,350	230,619,498	260,964,006	297,129,934	306,870,786	Sales Taxes
39,285,411	25,794,461	40,663,346	94,097,813	46,464,314	Grants Reimbursement
2,071,336	1,569,027	1,960,357	2,007,449	1,737,808	Grants Revenue - Pass Through
4,008,706	2,919,432	128,528	183,540	16,528,411	Investment Income
-	90,437,617	-	-	-	CARES Act - VIA
-	-	61,224,865	-	-	CRRSA Act - VIA
-	-	57,918,494	-	-	ARP Act - VIA
10,000,000	7,000,000	10,000,000	10,000,000	-	CoSA Intergovernmental Revenue
-	-	-	(1,700,000)	-	TXDOT Intergovernmental Agreement
-	-	(588,697)	(349,085)	(1,743,022)	Lease Interest Expense
(5,539,802)	(5,429,955)	(4,028,879)	(3,500,049)	(3,167,169)	Bond Interest and Issuance Costs
(912,121)	4,412	(6,494,550)	4,553,165	18,688	Net Gain(Loss) on Sale of Assets
(2,071,336)	(1,569,027)	(1,960,357)	(2,007,449)	(1,737,808)	Less Pass-Through Funds to Subrecipients
(36,224,798)	(35,790,181)	(40,711,427)	(46,246,506)	(47,634,302)	Less amount remitted to ATD, CoSA, TxDOT, and Bexar Co.
-	(568,301)	-	-	-	Local Assistance
243,159,746	314,986,983	379,075,686	354,168,812	317,337,706	Net Non-Operating Revenues (Expenses)
(174,559)	11,160,467	19,238,653	15,801,251	4,935,140	Capital Contributions
\$ (5,812,733)	\$ 64,476,917	\$ 137,374,333	\$ 110,749,172	\$ 13,405,631	Change in Net Position

Source: VIA's Annual Audited Financial Statements

¹VIA is occasionally asked to provide transportation services for communities that are impacted by hurricanes. These citizens are transported from the coastal areas to relief centers in San Antonio.

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VIA Metropolitan Transit

San Antonio, Texas

Direct and Overlapping Sales Tax Rates As of September 30, 2023

City	Direct Rates			Overlapping Rates ¹			Total Sales Tax Rate
	Metropolitan Transit Authority (MTA)	Advanced Transportation District (ATD)	Total Direct Rate	State	Local City	Special Purpose District	
Alamo Heights	0.50%		0.50%	6.25%	1.500%		8.25%
Balcones Heights	0.50%		0.50%	6.25%	1.000%	0.500%	8.25%
Castle Hills	0.50%		0.50%	6.25%	1.250%	0.250%	8.25%
China Grove	0.50%		0.50%	6.25%	1.250%		8.00%
Converse	0.50%		0.50%	6.25%	1.500%		8.25%
Elmendorf	0.50%		0.50%	6.25%	1.500%		8.25%
Kirby	0.50%		0.50%	6.25%	1.250%	0.250%	8.25%
Leon Valley	0.50%		0.50%	6.25%	1.375%	0.125%	8.25%
Olmos Park	0.50%		0.50%	6.25%	1.500%		8.25%
Saint Hedwig	0.50%		0.50%	6.25%	1.500%		8.25%
Sandy Oaks	0.50%		0.50%	6.25%	1.500%		8.25%
Shavano Park	0.50%		0.50%	6.25%	1.250%	0.250%	8.25%
Terrell Hills	0.50%		0.50%	6.25%	1.250%		8.00%
San Antonio	0.50%	0.25% ²	0.75%	6.25%	1.250%		8.25%
Unincorporated (Bexar County)	0.50%		0.50%	6.25%			6.75%

Source: State of Texas Comptroller of Public Accounts

Note: The Texas state sales and use tax rate is 6.25%. Local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may also impose sales and use tax up to 2% for a total maximum combined rate of 8.25%. Transit authority rates are limited to between 0.25% and 1% and may be increased only by a majority vote of the city's residents.

¹Overlapping rates are other state and local rates that apply to taxable sales in cities with direct MTA and ATD rates.

²VIA Metropolitan Transit retains 1/2 of the 0.25% ATD tax collected and remits 1/4 to the City of San Antonio and 1/4 to Bexar County.

VIA Metropolitan Transit

San Antonio, Texas

Estimated MTA/ATD Sales Tax Receipts by City Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Alamo Heights	\$ 473,443	\$ 471,080	\$ 505,166	\$ 509,808	\$ 562,564
Balcones Heights	701,787	732,556	716,374	703,907	750,609
Castle Hills	458,501	491,947	508,528	516,192	515,510
China Grove	77,598	83,033	74,519	69,503	68,974
Converse	906,675	984,923	1,039,386	1,050,920	1,206,952
Elmendorf	54,865	87,361	196,823	260,351	428,878
Kirby	115,451	132,692	153,993	147,530	154,672
Leon Valley	1,084,454	1,102,355	1,139,132	1,132,195	1,190,943
Olmos Park	224,911	235,966	226,460	239,283	244,562
Saint Hedwig	36,134	33,307	35,461	40,060	24,393
San Antonio (MTA)	123,682,950	128,985,691	130,857,440	135,134,156	143,122,099
San Antonio (ATD) ¹	29,541,044	30,637,237	31,427,566	32,413,171	34,311,703
Sandy Oaks	-	3,057	16,611	18,845	26,839
Shavano Park	334,104	189,886	194,475	218,223	206,614
Terrell Hills	113,730	109,504	116,658	145,085	134,152
Other ²	2,617,645	2,727,415	2,771,040	2,860,940	3,033,424
Total Sales Tax Receipts	\$ 160,423,292	\$ 167,008,010	\$ 169,979,632	\$ 175,460,169	\$ 185,982,888

Source: VIA's Fiscal Management Department

Note: VIA does not receive MTA sales tax receipt details by individual member city from the Texas Comptroller. Gross sales tax receipts for the MTA are allocated by city based on the ratio of the MTA sales tax rate to the total city sales tax rate. Cities within Bexar County, Texas can elect to join or leave the metropolitan transit authority by majority vote.

On November 2, 2004, voters in San Antonio approved the formation of the Advanced Transportation District (ATD). The ATD provides funding for transportation projects carried out by VIA, the City of San Antonio, and the Texas Department of Transportation. The ATD sales tax are not allocated as they are collected from a single city.

¹This amount does not include the portion of ATD sales tax receipts that VIA remits to the City of San Antonio and Bexar County.

²This line represents the unincorporated areas within Bexar County, as well as those communities that have withdrawn from the MTA.

VIA Metropolitan Transit

San Antonio, Texas

Estimated MTA/ATD Sales Tax Receipts by City Last Ten Fiscal Years

2019	2020	2021	2022	2023	
\$ 595,886	\$ 647,129	\$ 727,434	\$ 849,100	\$ 834,120	Alamo Heights
820,950	753,216	905,955	921,534	957,231	Balcones Heights
556,900	598,266	667,844	699,643	759,849	Castle Hills
71,545	68,126	92,296	110,076	138,083	China Grove
1,255,494	1,428,587	1,666,940	1,906,638	2,085,131	Converse
272,902	179,560	138,171	117,517	127,868	Elmendorf
155,040	177,426	228,743	253,637	294,777	Kirby
1,210,371	1,209,876	1,430,494	1,599,586	1,644,475	Leon Valley
259,704	239,594	288,600	333,659	339,945	Olmos Park
42,256	70,994	98,762	134,877	145,842	Saint Hedwig
151,238,207	150,006,728	169,136,996	192,988,093	199,409,433	San Antonio (MTA)
36,224,798	35,790,181	40,711,426	46,246,507	47,634,302	San Antonio (ATD) ¹
38,606	45,217	51,675	52,304	55,062	Sandy Oaks
229,318	259,494	309,008	330,884	329,406	Shavano Park
143,720	174,140	207,412	246,635	248,916	Terrell Hills
3,201,855	3,180,783	3,590,823	4,092,738	4,232,044	Other ²
\$ 196,317,552	\$ 194,829,317	\$ 220,252,579	\$ 250,883,428	\$ 259,236,484	Total Sales Tax Receipts

Source: VIA's Fiscal Management Department

Note: VIA does not receive MTA sales tax receipt details by individual member city from the Texas Comptroller. Gross sales tax receipts for the MTA are allocated by city based on the ratio of the MTA sales tax rate to the total city sales tax rate. Cities within Bexar County, Texas can elect to join or leave the metropolitan transit authority by majority vote.

On November 2, 2004, voters in San Antonio approved the formation of the Advanced Transportation District (ATD). The ATD provides funding for transportation projects carried out by VIA, the City of San Antonio, and the Texas Department of Transportation. The ATD sales tax are not allocated as they are collected from a single city.

¹This amount does not include the portion of ATD sales tax receipts that VIA remits to the City of San Antonio and Bexar County.

²This line represents the unincorporated areas within Bexar County, as well as those communities that have withdrawn from the MTA.

VIA Metropolitan Transit
Schedule of Outstanding Debt and Coverage Ratios

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
OUTSTANDING DEBT					
Private Placement Bond Issues:					
MTA Contractual Obligations Series 2012	2,325,000	1,880,000	1,425,000	960,000	485,000
MTA Contractual Obligations Series 2020	-	-	-	-	-
Public Bond Issues:					
MTA Farebox Revenue Bonds Series 2013	38,860,000	37,955,000	37,010,000	36,030,000	35,010,000
ATD Sales Tax Revenue Bonds Series 2014	32,925,000	32,140,000	31,335,000	30,495,000	29,625,000
MTA Contractual Obligations Series 2017	-	-	-	81,995,000	76,835,000
MTA Farebox Revenue Refunding Bonds, Taxable Series 2020	-	-	-	-	-
ATD Sales Tax Revenue Refunding Bonds, Taxable Series 2020	-	-	-	-	-
Total Bonds	74,110,000	71,975,000	69,770,000	149,480,000	141,955,000
Bond Premium	6,358,751	6,051,227	5,832,883	18,258,044	16,922,920
Total Debt Outstanding	80,468,751	78,026,227	75,602,883	167,738,044	158,877,920
Gross Revenues (a)	213,417,493	219,645,783	224,621,865	231,691,969	241,060,876
Ratio of Total Debt to Gross Revenues	0.38	0.36	0.34	0.72	0.66
# of Riders (b)	44,346,565	42,218,985	39,635,173	37,807,626	36,276,136
Debt Per Rider	1.81	1.85	1.91	4.44	4.38

COVERAGE RATIOS FOR DEBT OUTSTANDING AS OF 9/30/20

MTA Contractual Obligations

MTA Sales Tax Revenue	128,894,914	136,251,947	136,634,249	142,993,108	150,703,656
Less: Obligations Similarly Secured Debt Service (c)	(494,471)	(490,803)	(492,036)	(2,132,865)	(9,589,412)
Net Sales Tax Revenues Available for Authority	128,400,443	135,761,144	136,142,213	140,860,243	141,114,244
Debt Service Coverage Ratio on Obligations Similarly Secured (d)	260.7x	277.6x	277.7x	67.0x	15.7x

MTA Farebox Revenue Bonds

Maintenance & Operating (M&O) Expenses	(185,886,928)	(208,843,385)	(212,471,574)	(212,330,576)	(223,841,761)
Net Sales Tax Revenues (Per Above)	128,400,443	135,761,144	136,142,213	140,860,243	141,114,244
Available ATD Sales Tax (e)	29,108,126	28,249,607	28,593,844	29,976,854	31,756,920
Grants Available to Pay Maintenance and Operating Expenses (f)	34,590,137	22,376,436	32,448,605	27,041,045	30,087,557
Contributions Available to Pay Maintenance and Operating Expenses (g)	-	-	(461,513)	(40,000)	4,300,000
Net M&O Expenses Remaining Before Application of Operating Revenues	6,211,778	(22,456,198)	(15,748,425)	(14,492,434)	(16,583,040)
Operating Revenue	26,444,828	25,002,383	24,880,247	23,272,287	23,143,989
Less: Remaining Maintenance and Operating Expenses	6,211,778	(22,456,198)	(15,748,425)	(14,492,434)	(16,583,040)
Net Operating Revenue Available for Farebox Revenue Bonds	32,656,606	2,546,185	9,131,822	8,779,853	6,560,949
Debt Service on Farebox Revenue Bonds	2,480,104	2,812,700	2,816,500	2,813,700	2,814,500
Farebox Revenue Bond Debt Service Coverage Ratio (d)	13.2x	0.9x	3.2x	3.1x	2.3x

ATD Sales Tax Revenue Bonds

ATD Sales Tax Revenue	29,541,043	30,637,238	31,427,566	32,413,171	34,311,703
Less District Debt Service	(63,750)	(2,370,743)	(2,370,650)	(2,373,450)	(2,369,850)
Net ATD Sales Tax Revenue	29,477,293	28,266,495	29,056,916	30,039,721	31,941,853
Debt Service Coverage Ratio (d)	463.4x	12.9x	13.3x	13.7x	14.5x

Note: VIA implemented GASB 96 in FY23 and restated FY22 for comparative purposes (net position impact was +\$54,894; refer to Note 15 in FY23 Audit Report).
For a description of pledged revenues associated with the above bonds, please refer to the Long-Term Debt footnote in VIA's audited financial statements.

- (a) Total operating revenue, plus nonoperating revenue from sales taxes, grants reimbursement, investment income and asset sales.
- (b) Total systemwide passengers (includes all bus service and paratransit service).
- (c) This reflects debt service on MTA contractual obligations (Series 2020, 2017, and 2012).
- (d) Coverage ratios shown are slightly different than those in VIA's public debt continuing disclosure documents due to rounding (the latter ratios are based on figures rounded to \$0.01 million).
- (e) ATD sales taxes less debt service on ATD bonds.
- (f) Available to the extent permitted by the applicable grant agreement.
- (g) In FY18-FY22, the City of San Antonio provided VIA funding for bus service improvements. Contributions out are for local assistance that VIA has provided (such as to TxDOT's Transportation Alternatives Program).

**VIA Metropolitan Transit
Schedule of Outstanding Debt and Coverage Ratios**

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Restated 2022</u>	<u>2023</u>	
-	-	-	-	-	OUTSTANDING DEBT
-	11,000,000	8,845,000	6,670,000	4,470,000	Private Placement Bond Issues:
					MTA Contractual Obligations Series 2012
					MTA Contractual Obligations Series 2020
					Public Bond Issues:
33,950,000	32,835,000	6,790,000	5,560,000	4,270,000	MTA Farebox Revenue Bonds Series 2013
28,710,000	27,755,000	7,055,000	6,005,000	4,920,000	ATD Sales Tax Revenue Bonds Series 2014
70,730,000	66,410,000	59,370,000	55,465,000	50,675,000	MTA Contractual Obligations Series 2017
-	-	28,295,000	27,905,000	27,515,000	MTA Farebox Revenue Refunding Bonds, Taxable Series 2020
-	-	23,250,000	22,910,000	22,570,000	ATD Sales Tax Revenue Refunding Bonds, Taxable Series 2020
133,390,000	138,000,000	133,605,000	124,515,000	114,420,000	Total Bonds
15,587,796	14,252,672	11,403,251	9,783,451	8,163,651	Bond Premium
148,977,796	152,252,672	145,008,251	134,298,451	122,583,651	Total Debt Outstanding
261,858,335	328,896,072	393,797,214	364,978,427	338,553,185	Gross Revenues (a)
0.57	0.46	0.37	0.37	0.36	Ratio of Total Debt to Gross Revenues
36,147,067	27,961,018	20,175,672	22,094,252	24,863,495	# of Riders (b)
4.12	5.45	7.19	6.08	4.93	Debt Per Rider
					COVERAGE RATIOS FOR DEBT OUTSTANDING AS OF 9/30/20
					MTA Contractual Obligations
158,791,830	158,643,607	174,560,863	201,408,316	211,891,662	MTA Sales Tax Revenue
(10,380,255)	(7,878,317)	(12,631,000)	(9,141,373)	(9,833,285)	Less: Obligations Similarly Secured Debt Service (c)
148,411,575	150,765,290	161,929,863	192,266,943	202,058,377	Net Sales Tax Revenues Available for Authority
15.3x	20.1x	13.8x	22.0x	21.5x	Debt Service Coverage Ratio on Obligations Similarly Secured (d)
					MTA Farebox Revenue Bonds
(237,526,334)	(229,243,988)	(235,235,783)	(251,324,783)	(273,557,128)	Maintenance & Operating (M&O) Expenses
148,411,575	150,765,290	161,929,863	192,266,943	202,058,377	Net Sales Tax Revenues (Per Above)
33,528,663	33,309,756	37,406,528	43,340,006	45,421,001	Available ATD Sales Tax (e)
43,338,067	110,112,747	98,148,293	132,830,395	45,703,936	Grants Available to Pay Maintenance and Operating Expenses (f)
10,000,000	6,531,785	10,000,000	10,000,000	-	Contributions Available to Pay Maintenance and Operating Expenses (g)
(2,248,029)	71,475,590	72,248,901	127,112,561	19,626,186	Net M&O Expenses Remaining Before Application of Operating Revenues
22,338,868	15,226,712	13,512,708	14,979,650	15,194,653	Operating Revenue
(2,248,029)	71,475,590	72,248,901	127,112,561	19,626,186	Less: Remaining Maintenance and Operating Expenses
20,090,839	86,702,302	85,761,609	142,092,211	34,820,839	Net Operating Revenue Available for Farebox Revenue Bonds
2,813,700	2,815,700	2,566,162	2,566,672	2,562,984	Debt Service on Farebox Revenue Bonds
7.1x	30.8x	33.4x	55.4x	13.6x	Farebox Revenue Bond Debt Service Coverage Ratio (d)
					ATD Sales Tax Revenue Bonds
36,224,798	35,790,181	40,711,426	46,246,507	47,634,302	ATD Sales Tax Revenue
(2,371,350)	(2,374,750)	(2,216,377)	(2,216,510)	(2,213,301)	Less District Debt Service
33,853,448	33,415,431	38,495,049	44,029,997	45,421,001	Net ATD Sales Tax Revenue
15.3x	15.1x	18.4x	20.9x	21.5x	Debt Service Coverage Ratio (d)

Note: VIA implemented GASB 96 in FY23 and restated FY22 for comparative purposes (net position impact was +\$54,894; refer to Note 15 in FY23 Audit Report).
For a description of pledged revenues associated with the above bonds, please refer to the Long-Term Debt footnote in VIA's audited financial statements.

- (a) Total operating revenue, plus nonoperating revenue from sales taxes, grants reimbursement, investment income and asset sales.
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- (c) This reflects debt service on MTA contractual obligations (Series 2020, 2017, and 2012).
- (d) Coverage ratios shown are slightly different than those in VIA's public debt continuing disclosure documents due to rounding (the latter ratios are based on figures rounded to \$0.01 million).
- (e) ATD sales taxes less debt service on ATD bonds.
- (f) Available to the extent permitted by the applicable grant agreement.
- (g) In FY18-FY22, the City of San Antonio provided VIA funding for bus service improvements. Contributions out are for local assistance that VIA has provided (such as to TxDOT's Transportation Alternatives Program).

VIA Metropolitan Transit

San Antonio, Texas

Demographic and Economic Statistics for the City of San Antonio Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Population 25 Years and over - Percent high school Graduate or Higher	School Enrollment	Average Yearly Unemployment Rate
2013	1,383,194	30,752,552	22,233	33.2	80.8	397,500	5.8%
2014	1,409,019	31,581,326	22,414	33.0	80.7	407,047	4.8%
2015	1,436,697	32,790,329	22,823	33.2	*	401,771	3.7%
2016	1,469,824	34,905,380	23,748	33.1	81.0	403,558	3.8%
2017	1,492,494	35,701,948	23,921	33.5	80.9	401,867	3.2%
2018	1,511,913	37,230,858	24,625	33.6	83.3	410,625	3.3%
2019	1,532,212	37,821,121	24,684	33.7	82.3	411,539	3.1%
2020	1,547,250	41,506,529	26,826	34.4	82.7	411,357	7.3%
2021	1,529,133	40,259,014	26,328	33.8	82.7	410,917	5.3%
2022	1,451,863	41,900,766	28,860	34.1	83.4	372,075	3.6%
2023	1,472,904	45,350,714	30,790	34.1	85.9	380,736	3.1%

* Data unavailable.

Sources: Population, personal income, per capita income, median age and school enrollment information provided by the U.S. Census Bureau (<https://data.census.gov>).
Unemployment rate provided by the San Antonio Bureau of Labor Statistics.

VIA Metropolitan Transit San Antonio, Texas

Principal Employers

	2022	
Employer	Employees	Rank
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph	82,639	1
H.E.B. Food Stores	20,000	2
United Services Automobile Association	19,000	3
City of San Antonio	13,420	4
Northside Independent School District	12,206	5
Methodist Healthcare System	12,000	6
North East Independent School District	8,208	7
San Antonio Independent School District	7,500	8
University of Texas Health Science	7,200	9
Baptist Health Systems	6,490	10

Source: <https://www.sanantonio.gov/Portals/0/Files/Finance/FY2022-AnnualComprehensiveFinancialReport.pdf>

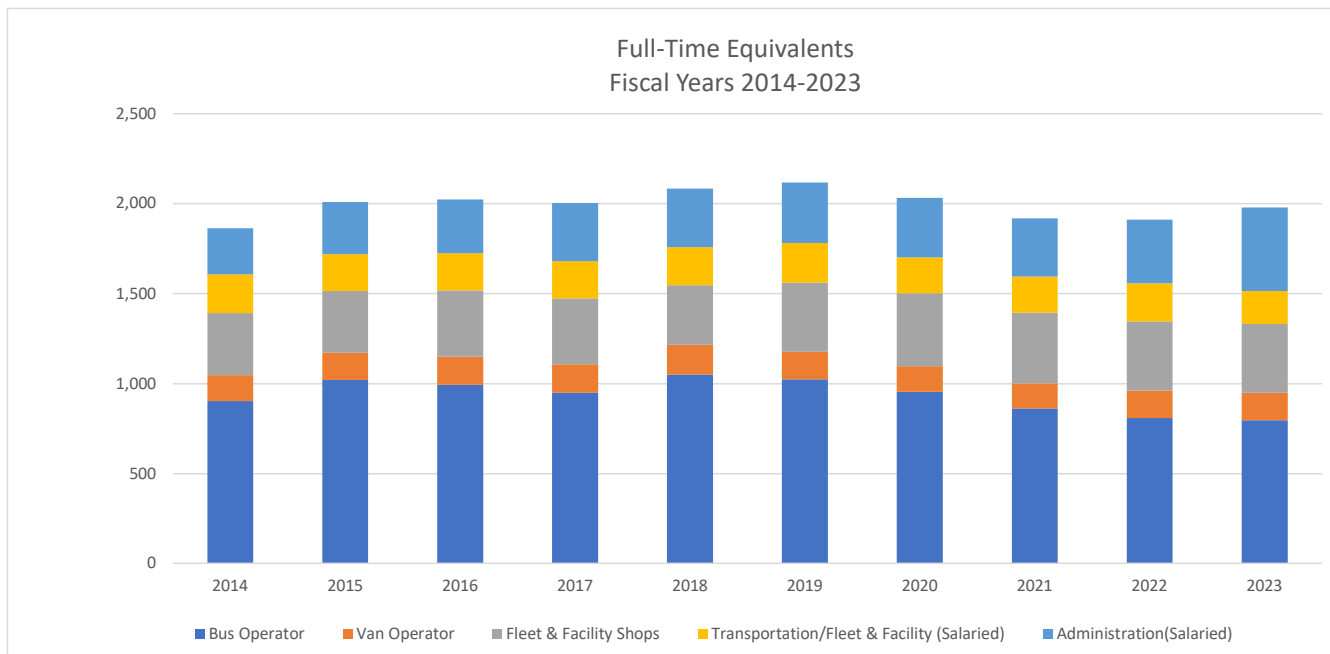
VIA Metropolitan Transit

San Antonio, Texas

Full-Time Equivalents Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Full-Time Employees										
Bus Operator	795	943	882	876	954	966	906	816	767	760
Van Operator	140	150	156	158	164	153	142	140	154	153
Fleet & Facility Shops	345	344	368	366	332	384	405	392	383	382
Transportation/Fleet & Facility (Salaried)	201	191	195	197	202	209	191	193	209	182
Administration(Salaried)	244	278	286	309	320	330	326	320	351	460
Subtotal	1,725	1,906	1,887	1,906	1,972	2,042	1,970	1,861	1,864	1,937
Part-Time (Full-Time Equivalents)										
Bus Operator	107.6	77.9	111.7	74.0	97.4	58.7	49.5	45.4	41.3	36.7
Van Operator	4.2	0.6	0.6	-	-	-	-	-	-	-
Fleet & Facility Shops	-	-	-	-	-	-	-	-	-	-
Transportation/Fleet & Facility (Salaried)	15.0	12.9	11.0	9.0	9.0	10.5	8.3	8.3	2.3	0.8
Administration(Salaried)	11.3	11.3	13.5	14.3	4.5	6.0	4.5	3.8	3.0	3.8
Subtotal	138.1	102.7	136.8	97.2	110.9	75.2	62.2	57.4	46.6	41.2
Grand Total										
Bus Operator	902.6	1,020.9	993.7	950.0	1,051.4	1,024.7	955.5	861.4	808.3	796.7
Van Operator	144.2	150.6	156.6	158.0	164.0	153.0	142.0	140.0	154.0	153.0
Fleet & Facility Shops	345.0	344.0	368.0	366.0	332.0	384.0	405.0	392.0	383.0	382.0
Transportation/Fleet & Facility (Salaried)	216.0	203.9	206.0	206.0	211.0	219.5	199.3	201.3	211.3	182.8
Administration(Salaried)	255.3	289.3	299.5	323.3	324.5	336.0	330.5	323.8	354.0	463.8
Grand Total	1,863.1	2,008.7	2,023.8	2,003.2	2,082.9	2,117.2	2,032.2	1,918.4	1,910.6	1,978.2

Source: VIA's Monthly Personnel Report



VIA Metropolitan Transit

San Antonio, Texas

Fare History

Last Ten Fiscal Years

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bus Service¹										
Regular Bus Service	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30
Regular Half Fare	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Express Bus Service	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Express Half Fare	1.25	1.25	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Bus Transfer	0.15	0.15	0.15	0.15	0.15	0.15	-	-	-	-
Bus Transfer Half Fare	0.07	0.07	0.07	0.07	0.07	0.07	-	-	-	-
VIA Link Service										
VIA Link Service	-	-	-	-	-	1.30	1.30	1.30	1.30	1.30
VIA Link Service Half Fare	-	-	-	-	-	0.65	0.65	0.65	0.65	0.65
VIA Link Transfer	-	-	-	-	-	0.15	-	-	-	-
VIA Link Transfer Half Fare	-	-	-	-	-	0.07	-	-	-	-
VIAtrans Service²										
VIAtrans Service	1.95	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
VIAtrans Taxi Subsidy	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Special Event Service	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.30	1.30
Special Event Half Fare	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.65	0.65
Passes										
31-Day Pass	35.00	35.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00
31-Day Half Fare	17.50	17.50	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Semester Pass	35.00	35.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00
7-Day Pass	-	-	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
7-Day Pass Half Fare	-	-	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Day Pass	4.00	4.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Day Pass Half Fare	-	-	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35

Source: VIA's Fiscal Management Division

Note:

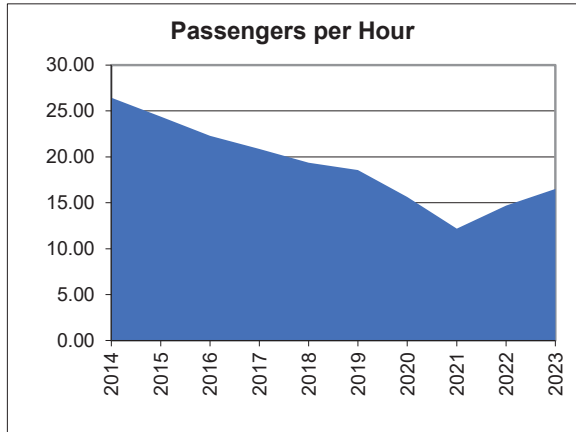
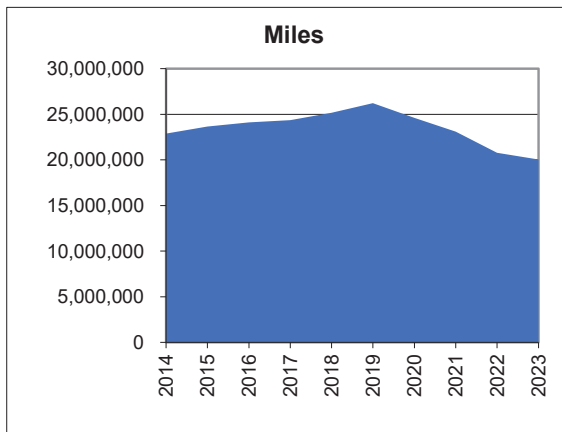
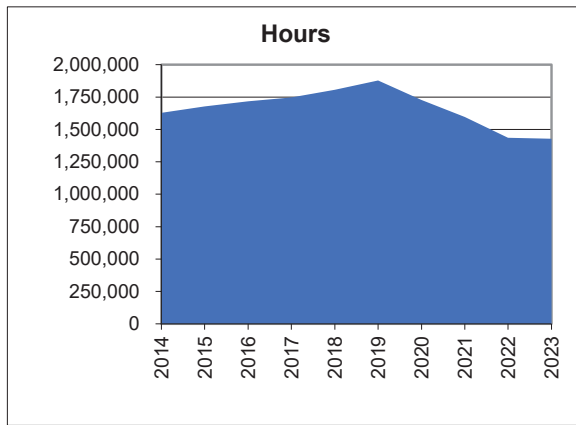
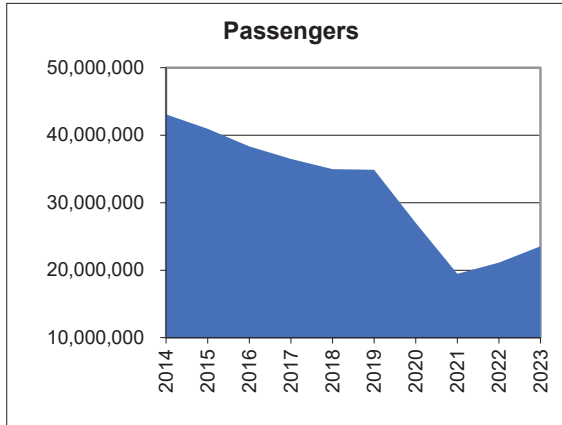
¹ Limited additional service without charge to the service recipient is provided to identified categories of riders, including (but not limited to) VIA employees/board members and spouses, police and fire personnel in uniform, VIAtrans patrons and one companion/attendant, and senior citizens within specific timeframes, for which VIA realizes operational value or expense offset. VIA has also, due to community or emergency needs (including in response to natural catastrophe, pandemic, and civil unrest and social justice), provided limited, periodic ridership service where the charges were satisfied from other sources (such as disaster recovery funding, COVID-19 federal relief funding, advertising revenue and investment income that were undesignated and otherwise uncommitted) and whose impact was determined to not be financially material to VIA's operations or

² Occasionally, due to community or emergency needs, provisions noted above (in Note 1) apply to paratransit services also.

VIA Metropolitan Transit

San Antonio, Texas

Line Service Statistics Last Ten Fiscal Years



Fiscal Year	Passengers	Hours	Miles	Passengers Per Hour
2014	43,085,594	1,629,262	22,877,589	26.44
2015	40,938,967	1,678,728	23,654,868	24.39
2016	38,334,650	1,718,037	24,097,912	22.31
2017	36,493,890	1,747,733	24,351,329	20.88
2018	34,984,740	1,804,870	25,153,738	19.38
2019	34,864,333	1,877,679	26,214,747	18.57
2020 ⁽¹⁾	27,020,133	1,727,776	24,603,469	15.64
2021 ⁽¹⁾	19,449,634	1,595,112	23,079,355	12.19
2022 ⁽¹⁾	21,100,561	1,436,158	20,793,937	14.69
2023	23,537,751	1,427,238	20,053,312	16.49

Source: VIA's Revenue Accounting Statistical Records
VIA's Miles and Hours Report

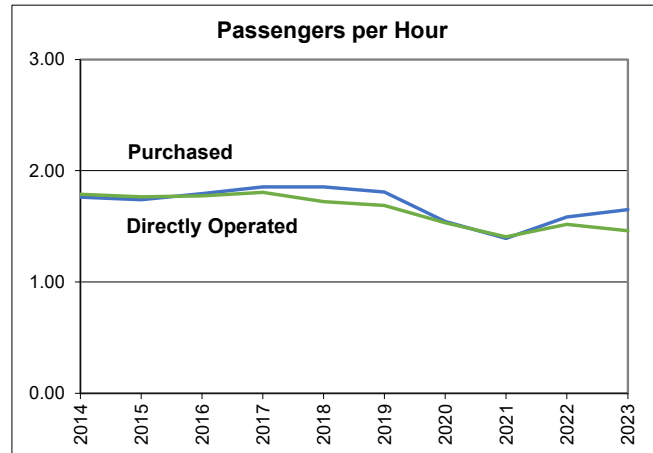
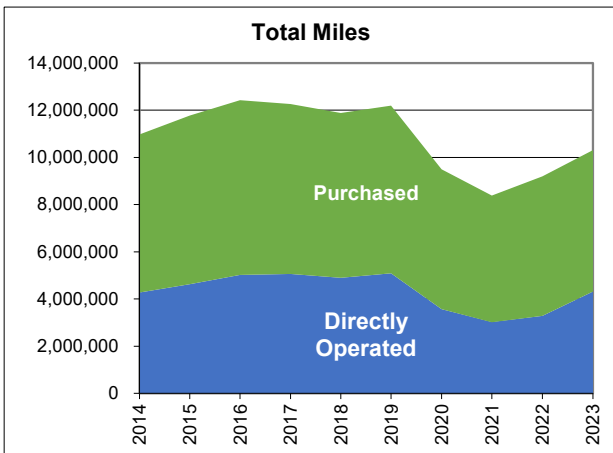
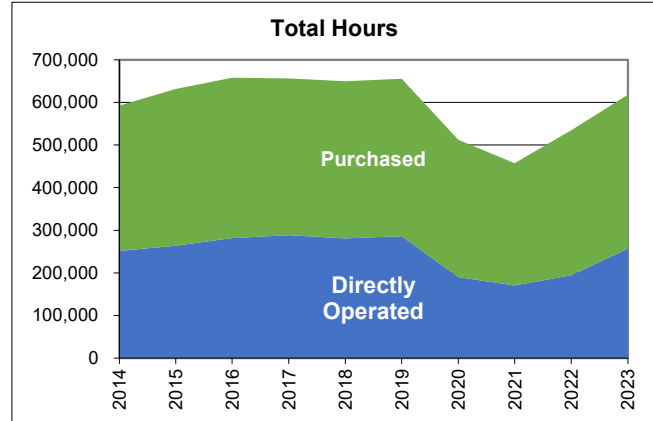
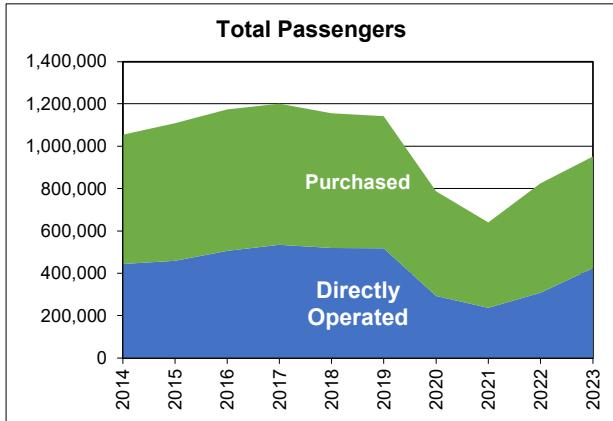
⁽¹⁾ Results impacted by COVID-19

VIA Metropolitan Transit

San Antonio, Texas

VIAtrans Service Statistics

Last Ten Fiscal Years



Fiscal Year	Total Passengers		Total Hours		Total Miles		Passengers per Hour	
	Directly Operated	Purchased	Directly Operated	Purchased	Directly Operated	Purchased	Directly Operated	Purchased
2014	443,678	609,869	251,695	340,939	4,269,252	6,709,623	1.76	1.79
2015	458,282	650,131	263,343	368,139	4,620,731	7,152,795	1.74	1.77
2016	505,815	668,289	281,861	376,680	5,018,275	7,405,518	1.79	1.77
2017	535,285	665,547	288,551	368,234	5,062,700	7,199,213	1.86	1.81
2018	520,167	634,589	280,663	368,708	4,900,387	6,983,577	1.85	1.72
2019	518,184	623,135	286,328	369,238	5,085,099	7,112,376	1.81	1.69
2020 ⁽¹⁾	292,783	493,446	189,732	322,244	3,573,238	5,921,147	1.54	1.53
2021 ⁽¹⁾	237,471	403,332	170,463	286,577	3,019,230	5,360,790	1.39	1.41
2022 ⁽¹⁾	308,316	515,981	194,587	339,897	3,286,255	5,906,495	1.58	1.52
2023	424,159	527,532	256,846	361,173	4,312,964	6,001,952	1.65	1.46

Source: VIA's Revenue Accounting Statistical Records.

VIA's Miles and Hours Report and Procurement's Contract Administrator for purchased service contracts.

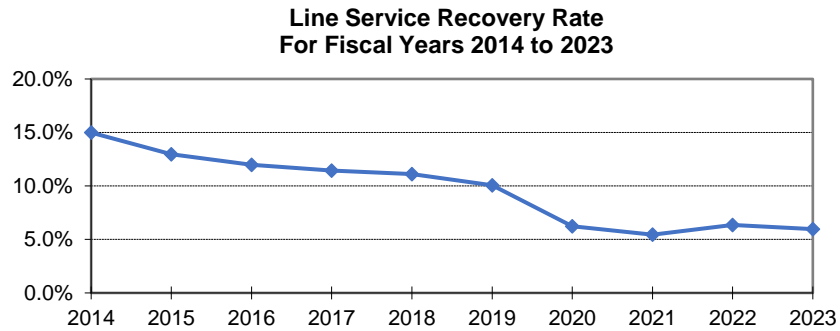
⁽¹⁾ Results impacted by COVID-19

VIA Metropolitan Transit

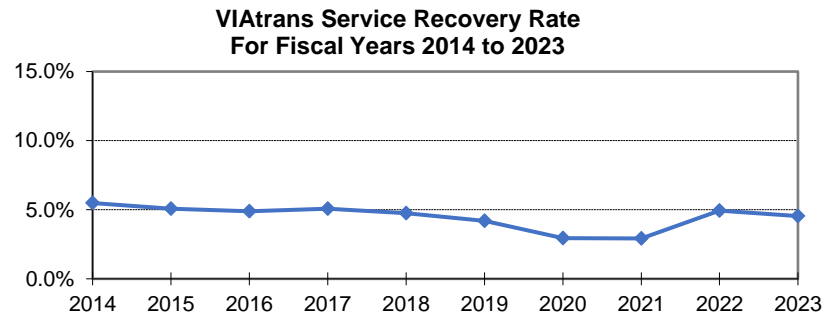
San Antonio, Texas

Line and VIAtrans Service Recovery Rate Last Ten Fiscal Years

Fiscal Year	Recovery Rate
2014	15.0%
2015	13.0%
2016	12.0%
2017	11.5%
2018	11.1%
2019	10.1%
2020	6.2%
2021	5.4%
2022	6.3%
2023	6.0%



Fiscal Year	Recovery Rate
2014	5.5%
2015	5.1%
2016	4.9%
2017	5.1%
2018	4.7%
2019	4.2%
2020	3.0%
2021	2.9%
2022	4.9%
2023	4.5%



Source: VIA's Annual Audited Financial Statements.

Note: Recovery rate is fare revenue divided by total expenses excluding depreciation.

VIA Metropolitan Transit

San Antonio, Texas

Service Miles by Cost Center Last Ten Fiscal Years

Fiscal Year	Line Service	Special Event	Promotional Service	Disaster Relief	VIA Link	VIATrans		Total
						Direct	Purchased	
2014	22,877,589	143,754	27,242	-	-	4,269,252	6,709,623	34,027,460
2015	23,654,868	129,111	15,225	-	-	4,620,731	7,152,795	35,572,730
2016	24,097,912	115,500	8,151	-	-	5,018,275	7,405,518	36,645,356
2017	24,351,329	92,095	6,752	9,219	-	5,062,700	7,199,213	36,721,308
2018	25,153,738	114,367	4,718	-	-	4,900,387	6,983,577	37,156,787
2019	26,214,747	91,572	4,523	-	132,697	5,085,099	7,112,376	38,641,014
2020	24,603,469	34,793	10,131	3,921	395,377	3,573,238	5,921,147	34,542,076
2021	23,079,355	3,384	21,097	-	317,784	3,019,230	5,360,790	31,801,640
2022	20,793,937	29,215	3,025	-	613,799	3,286,255	5,906,495	30,632,726
2023	20,053,312	64,476	1,020	-	1,160,743	4,312,964	6,001,952	31,594,467

Service Hours by Cost Center Last Ten Fiscal Years

Fiscal Year	Line Service	Special Event	Promotional Service	Disaster Relief	VIA Link	VIATrans		Total
						Direct	Purchased	
2014	1,629,262	10,996	2,906	-	-	251,695	340,939	2,235,798
2015	1,678,728	10,093	1,930	-	-	263,343	368,139	2,322,233
2016	1,718,037	8,602	1,322	-	-	281,861	376,680	2,386,502
2017	1,747,733	7,067	1,179	1,797	-	288,551	368,234	2,414,561
2018	1,804,870	9,079	877	-	-	280,663	368,708	2,464,197
2019	1,877,679	8,153	903	-	12,388	286,328	369,238	2,554,689
2020	1,727,776	2,818	2,590	630	29,455	189,732	322,244	2,275,245
2021	1,595,112	324	6,117	-	24,322	170,463	286,577	2,082,915
2022	1,436,158	3,553	1,140	-	52,307	194,587	339,897	2,027,642
2023	1,427,238	7,286	209	-	88,530	256,846	361,173	2,141,282

Source: VIA's Miles and Hours Report and Procurement's Contract Administrator for purchased service contracts.

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VIA Metropolitan Transit
San Antonio, Texas

Revenues by Source Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Non-Operating Revenues					Contributed Capital	Total
		Sales Tax ¹	Grant Revenues	Investment Income/(Loss)	Federal Stimulus Funds ²	Misc Income		
2014	26,330,129	160,423,292	26,045,513	577,720	-	40,839	14,028,533	227,446,026
2015	24,737,184	167,008,011	27,047,155	853,433	-	-	21,974,093	241,619,876
2016	23,966,639	169,979,632	28,835,978	1,839,616	-	-	23,876,005	248,497,870
2017	23,106,162	175,460,169	29,133,682	1,357,966	-	2,633,990	25,819,959	257,511,928
2018	22,577,493	185,982,888	30,419,786	1,861,966	-	4,518,743	24,967,580	270,328,456
2019	22,246,666	196,317,552	39,285,411	4,008,706	-	10,000,000	(174,559)	271,683,776
2020	14,910,833	194,829,317	25,794,461	2,919,432	90,437,617	7,004,413	11,160,467	347,056,540
2021	13,745,080	220,252,579	40,663,346	128,528	119,143,359	10,000,000	19,238,653	423,171,545
2022 ³	15,260,481	250,883,428	36,145,744	183,540	57,952,069	14,553,165	15,801,251	390,779,677
2023	16,305,288	259,236,484	46,464,314	16,528,411	-	18,688	4,935,140	343,488,325

**Expenses by Cost Center (Including Depreciation and Amortization)
Last Ten Fiscal Years**

Fiscal Year	Line Service	Special Event	Charter/Promotional Service	VIAtrans	VIA Link	Vanpool	Other Operating Expenses	Disaster Relief Van/Bus	Amortization	Total Operating Expenses	Non-Operating Expenses	Total Expenses
2014	167,004,628	1,807,553	162,317	36,908,809	-	551,133	11,732,401	-	-	218,166,841	3,542,815	221,709,656
2015	180,567,404	1,365,037	187,014	40,040,010	-	561,930	12,314,354	-	-	235,035,749	3,001,286	238,037,035
2016	186,842,126	1,258,534	105,340	43,478,439	-	608,055	15,745,892	-	-	248,038,386	3,815,676	251,854,062
2017	187,217,217	1,067,195	94,276	42,443,538	-	612,716	7,248,400	175,859	-	238,859,202	5,659,099	244,518,301
2018	197,334,643	1,289,167	70,183	42,378,161	-	599,124	8,639,091	-	-	250,310,369	5,774,085	256,084,454
2019	215,355,760	1,312,152	75,339	46,644,213	375,020	606,633	6,675,470	-	-	271,044,586	6,451,923	277,496,510
2020	227,328,045	478,094	34,327	40,718,761	995,067	643,780	6,364,934	18,358	-	276,581,366	5,998,256	282,579,623
2021	226,530,565	115,119	86,243	28,231,251	221,936	317,352	6,465,094	1,201,474	11,516,051	274,685,086	11,112,126	285,797,212
2022 ³	216,784,733	675,931	10,115	32,640,837	1,817,805	444,968	9,934,344	-	12,172,638	274,481,372	5,549,133	280,030,504
2023	246,568,746	1,313,043	18,897	41,865,995	2,172,444	509,564	15,861,755	-	16,862,060	325,172,503	4,910,191	330,082,694

Source: VIA's Annual Audited Financial Statements.

- Notes: 1. Sales tax excludes amounts remitted to CoSA and Bexar County.
 2. Includes VIA's portion of funds from: Coronavirus Aid, Relief, and Economic Security Act (CARES Act); Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act); and, American Rescue Plan (ARP).
 3. FY2022 results were restated for implementation for GASB 96, Subscription-Based Information Technology Arrangements, which was implemented in FY2023 (see Amortization column).

VIA Metropolitan Transit

San Antonio, Texas

Operating Expenses by Object Class Last Ten Fiscal Years

	Fiscal Year				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Operator	\$ 42,947,778	\$ 47,142,668	\$ 48,017,399	51,056,596	\$ 55,778,595
Garage	13,435,740	14,443,230	15,426,170	16,309,026	16,469,534
Salaried	22,054,983	24,170,612	26,825,279	27,795,474	29,373,615
<i>Total Labor</i>	<u>78,438,501</u>	<u>85,756,510</u>	<u>90,268,847</u>	<u>95,161,096</u>	<u>101,621,745</u>
Fringe Benefits	49,087,760	55,068,428	61,828,682	59,108,167	56,583,203
<i>Total Labor and Fringe Benefits</i>	<u>127,526,261</u>	<u>140,824,938</u>	<u>152,097,529</u>	<u>154,269,263</u>	<u>158,204,948</u>
Advertising Fees	868,797	590,285	202,540	344,039	559,265
Prof. & Tech Fees	5,575,998	6,487,853	5,994,215	6,712,151	6,382,451
Temporary Help	-	-	52,107	166,871	150,390
Contract Maintenance	2,727,184	2,917,234	3,283,320	3,341,287	3,989,942
Custodial Services	-	-	-	-	-
Security Services	1,668,227	2,019,443	2,107,951	2,023,186	2,311,541
Other Services	545,909	722,178	770,920	1,022,580	1,109,390
IT Licenses & Subscription Services	-	-	-	-	-
<i>Total Services</i>	<u>11,386,115</u>	<u>12,736,993</u>	<u>12,411,053</u>	<u>13,610,114</u>	<u>14,502,979</u>
Fuel & Lubricants	22,148,972	21,327,903	18,039,638	12,151,290	7,302,290
Tires & Tubes	1,200,905	1,226,545	1,367,306	1,489,717	1,702,636
Other Materials & Supplies	9,478,859	10,679,662	11,425,533	10,299,360	9,839,658
<i>Total Materials & Supplies</i>	<u>32,828,736</u>	<u>33,234,110</u>	<u>30,832,477</u>	<u>23,940,367</u>	<u>18,844,584</u>
Utilities	2,223,969	2,432,041	2,792,929	3,019,717	3,305,183
Casualty & Liability	885,038	1,706,027	1,015,344	2,549,143	2,388,207
Taxes	1,480,347	1,497,985	1,389,149	1,225,911	584,150
Purchased Transportation	12,405,128	13,630,089	14,800,400	14,798,855	15,622,172
Dues & Subscriptions	405,648	382,293	473,051	405,119	511,733
Training & Meetings	494,390	528,531	482,994	446,958	353,685
Fines & Penalties	294	-	33,342	-	-
Bad Debt Expense	8,858	1,040	148,593	17,962	30,255
Advertising/Promotion Media	929,762	477,899	329,205	233,129	721,060
Miscellaneous Expense	727,381	873,733	896,811	806,063	1,068,144
<i>Total Miscellaneous Expense</i>	<u>2,566,333</u>	<u>2,263,496</u>	<u>2,363,996</u>	<u>1,909,231</u>	<u>2,684,877</u>
Interest Expense	-	-	-	-	-
Leases & Rentals	247,471	445,654	258,837	334,583	324,013
Expense transfer to Capital Program	(1,069,530)	(928,952)	(703,638)	(810,585)	(513,269)
<i>Total Operating Expense Before Depreciation & Capitalized Amounts</i>	<u>190,479,868</u>	<u>207,842,381</u>	<u>217,258,076</u>	<u>214,846,599</u>	<u>215,947,844</u>
Depreciation	22,804,973	22,275,368	22,200,678	24,012,603	34,362,525
Amortization	-	-	-	-	-
Allowance	4,882,000	4,918,000	8,579,632	-	-
Indirect Expense (Capitalized)	-	-	-	-	-
Fringe Expense (Capitalized)	-	-	-	-	-
<i>Total Operating Expenses</i>	<u>\$ 218,166,841</u>	<u>\$ 235,035,749</u>	<u>\$ 248,038,386</u>	<u>\$ 238,859,202</u>	<u>\$ 250,310,369</u>

Source: VIA's Annual Audited Financial Statements

VIA Metropolitan Transit
San Antonio, Texas

Operating Expenses by Object Class
Last Ten Fiscal Years

Fiscal Year						
	2019	2020	2021	2022¹	2023	
\$	58,805,412	\$ 56,730,903	\$ 55,662,531	\$ 53,803,109	\$ 58,375,564	Operator
	17,896,920	20,010,861	19,555,124	19,487,267	22,701,970	Garage
	31,572,377	33,218,343	32,283,105	34,155,190	39,635,688	Salaried
	108,274,710	109,960,107	107,500,760	107,445,566	120,713,222	<i>Total Labor</i>
	60,002,531	69,290,179	66,585,307	48,676,953	74,624,711	Fringe Benefits
	168,277,241	179,250,286	174,086,066	156,122,519	195,337,933	<i>Total Labor and Fringe Benefits</i>
	1,898,900	568,222	1,357,971	2,551,878	1,822,017	Advertising Fees
	7,011,781	5,020,618	5,628,032	10,380,476	14,516,008	Prof. & Tech Fees
	135,056	95,810	176,662	403,805	485,607	Temporary Help
	4,473,270	4,925,465	7,049,972	7,595,636	5,293,804	Contract Maintenance
	-	-	-	-	-	Custodial Services
	2,959,408	3,066,466	3,209,261	2,812,648	1,322,269	Security Services
	1,671,749	1,982,807	2,032,028	1,516,016	454,834	Other Services
	-	-	-	20,400	1,773,712	IT Licenses & Subscription Services
	18,150,164	15,659,388	19,453,927	25,280,859	25,668,251	<i>Total Services</i>
	7,606,705	(189,760)	4,535,097	8,481,913	7,057,202	Fuel & Lubricants
	1,795,781	1,591,270	1,174,646	1,147,368	1,212,395	Tires & Tubes
	11,448,235	13,268,207	14,145,567	15,777,332	18,277,204	Other Materials & Supplies
	20,850,721	14,669,717	19,855,310	25,406,613	26,546,802	<i>Total Materials & Supplies</i>
	3,601,087	3,387,453	3,509,978	3,720,840	3,545,607	Utilities
	2,377,519	1,660,606	1,347,707	1,575,140	2,395,401	Casualty & Liability
	436,838	383,939	273,847	238,047	161,669	Taxes
	17,631,858	15,356,298	14,057,322	6,923,788	8,317,808	Purchased Transportation
	381,458	380,603	361,726	389,026	372,370	Dues & Subscriptions
	471,756	313,217	331,763	344,615	853,920	Training & Meetings
	60	-	67	-	-	Fines & Penalties
	(1,549)	148,799	(44,565)	(15,631)	86,106	Bad Debt Expense
	1,105,256	4,611,323	1,766,904	658,760	1,482,350	Advertising/Promotion Media
	1,068,656	841,016	1,008,190	1,321,420	496,539	Miscellaneous Expense
	3,025,637	6,294,958	3,424,085	2,698,191	3,291,286	<i>Total Miscellaneous Expense</i>
	-	-	-	-	-	Interest Expense
	352,449	374,082	282,950	173,704	279,430	Leases & Rentals
	(361,903)	(340,247)	(337,258)	(249,382)	(331,038)	Expense transfer to Capital Program
	234,341,611	236,696,480	235,953,934	221,890,318	265,213,149	<i>Total Operating Expense Before Depreciation & Capitalized Amounts</i>
	36,702,975	39,884,886	38,979,912	40,418,416	43,097,294	Depreciation
	-	-	-	12,172,638	16,862,060	Amortization
	-	-	-	-	-	Allowance
	-	-	-	-	-	Indirect Expense (Capitalized)
	-	-	-	-	-	Fringe Expense (Capitalized)
\$	271,044,586	\$ 276,581,366	\$ 274,933,846	\$ 274,481,372	\$ 325,172,503	Total Operating Expenses

Source: VIA's Annual Audited Financial Statements

Notes: 1. FY2022 results were restated for implementation for GASB 96, Subscription-Based Information Technology Arrangements, which was implemented in FY2023.

VIA Metropolitan Transit
San Antonio, Texas

Capital Assets
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land	\$ 31,812,673	\$ 32,841,276	\$ 33,891,182	\$ 33,094,493	\$ 33,334,256	\$ 33,334,256	\$ 33,522,689	\$ 33,514,806	\$ 35,214,548	\$ 43,383,465
Revenue Vehicles										
Bus	161,102,879	163,792,050	165,240,017	282,101,388	278,303,551	285,554,230	285,750,606	283,072,418	271,856,830	280,542,315
Van	13,062,931	12,390,028	12,531,053	12,560,208	14,250,641	14,349,729	14,349,729	26,676,910	22,867,281	19,628,762
Total Revenue Vehicles	174,165,810	176,182,078	177,771,070	294,661,596	292,554,191	299,903,960	300,100,336	309,749,328	294,724,111	300,171,076
Service Vehicles										
Trucks	2,500,468	3,007,261	3,073,640	3,073,640	4,181,082	4,225,311	5,514,895	5,595,934	5,933,692	6,049,420
Automobiles	897,848	990,916	1,033,832	1,033,832	1,005,447	1,005,447	1,005,447	702,647	680,379	297,874
Other Service Vehicles	701,175	714,009	730,539	730,537	735,839	735,839	735,839	684,361	648,133	462,702
Total Service Vehicles	4,099,491	4,712,186	4,838,011	4,838,009	5,922,368	5,966,597	7,256,181	6,982,942	7,262,204	6,809,997
Buildings and Structures										
Transit Way Facilities	38,948,550	39,422,162	39,487,969	44,458,346	45,543,988	45,557,046	46,178,140	12,651,134	12,651,134	13,465,379
Passenger Stations	71,174,228	80,689,459	82,536,760	113,333,160	123,384,288	126,659,333	148,971,336	146,612,078	163,438,962	163,882,443
Passenger Parking Stations	2,618,686	2,618,686	2,618,686	2,618,686	22,237,701	23,427,785	23,454,947	23,364,714	23,387,814	23,387,814
Operating Yards and Stations	18,010,568	18,131,642	18,226,057	18,410,821	31,558,093	31,669,509	32,507,576	32,631,210	32,777,814	66,203,654
Vehicle Maintenance Shops and Garages	18,623,635	18,805,095	19,024,906	20,018,060	20,602,770	20,878,169	20,967,357	20,885,177	21,374,482	21,413,821
Other General Administration Facilities	18,953,212	21,551,971	21,714,105	23,704,819	25,166,015	25,804,447	27,137,747	27,798,936	28,489,972	28,604,394
Stadium/Depot Complex	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,430,804	6,430,804	6,430,804
Total Buildings and Structures	174,765,995	187,656,130	190,045,598	228,981,007	274,929,969	280,433,405	305,654,219	270,374,054	288,550,982	323,388,309
Equipment										
Passenger Stations	3,249,984	3,258,088	3,258,088	3,290,084	3,290,084	3,280,374	3,280,374	3,280,374	3,393,105	2,638,233
Operating Yards and Stations	323,809	436,506	462,309	510,985	1,940,144	1,951,561	2,540,490	2,529,051	2,859,984	4,784,901
Vehicle Maintenance Shops and Garages	3,088,946	3,342,263	3,499,320	3,508,734	3,623,239	3,616,680	3,606,840	2,933,313	4,260,783	4,458,338
Other General Administration Facilities	611,740	651,360	652,535	607,566	660,345	571,884	723,233	584,375	640,429	698,446
Revenue Vehicle Movement Control	15,493,408	15,244,418	15,206,752	15,206,752	15,202,277	15,162,593	15,162,593	14,916,567	14,961,065	778,020
Revenue Collection and Processing	340,268	9,244,995	9,330,962	9,415,460	10,826,024	13,025,244	13,059,507	13,056,051	12,279,051	13,001,592
Data Processing	17,455,993	17,996,076	17,965,381	18,654,577	21,858,449	13,350,840	14,601,978	9,328,113	9,765,455	8,420,075
Communication	4,152,708	4,188,880	4,748,407	5,229,837	6,920,625	7,979,783	11,868,910	11,856,099	11,945,113	11,902,408
Office Equipment	396,880	495,958	578,918	576,352	1,720,123	1,434,339	1,456,967	1,451,967	1,451,967	1,451,967
Total Equipment	45,113,736	54,858,544	55,702,672	57,000,347	66,041,310	60,373,297	66,300,892	59,935,911	61,556,952	48,133,982
Total Capital Assets Before Depreciation	429,957,705	456,250,214	462,248,533	618,575,452	672,782,095	680,011,514	712,834,317	680,557,041	687,308,798	721,886,829
Accumulated Depreciation										
Revenue Vehicles	(116,038,273)	(125,114,295)	(134,259,461)	(146,152,107)	(106,564,215)	(123,737,826)	(143,944,953)	(144,715,047)	(138,757,852)	(152,040,651)
Service Vehicles	(3,393,392)	(3,735,614)	(4,079,811)	(4,427,497)	(4,660,131)	(4,738,987)	(5,513,218)	(5,679,217)	(5,764,179)	(5,656,899)
Buildings and Structures	(129,193,302)	(136,386,968)	(144,210,994)	(151,740,938)	(159,559,202)	(168,709,647)	(181,206,243)	(157,601,886)	(171,429,690)	(187,585,692)
Equipment	(35,130,813)	(38,909,956)	(42,886,132)	(46,638,339)	(50,307,622)	(45,239,527)	(51,602,759)	(48,180,486)	(51,820,430)	(38,117,674)
Total Accumulated Depreciation	(283,755,779)	(304,146,833)	(325,436,398)	(348,958,881)	(321,091,169)	(342,425,987)	(382,267,173)	(356,176,635)	(367,772,151)	(383,400,916)
Allowance for Capital Projects										
Allowance for Capital Projects	(9,800,000)	-	-	-	-	-	-	-	-	-
Total Allowance for Capital Projects	(9,800,000)	-	-	-	-	-	-	-	-	-
Work In Progress										
Revenue Vehicles	2,279,032	108,277	8,983,042	16,479,450	1,847,937	131,013	12,029,674	302,008	4,680,768	1,169,402
Service Vehicles	-	116,670	-	-	119,625	48,043	17,410	119,602	19,866	-
Buildings and Structures	42,838,973	55,874,682	53,233,428	63,447,824	41,618,794	55,378,986	35,553,055	48,028,456	45,713,449	21,207,198
Equipment	9,687,289	2,721,347	4,740,012	12,499,858	9,450,179	8,560,384	6,639,438	7,177,310	7,766,781	16,169,607
Total Work In Progress	54,805,294	58,820,976	66,956,482	92,427,132	53,036,535	64,118,426	54,239,577	55,627,376	58,180,864	38,546,208
Net Capital Assets	\$ 191,207,221	\$ 210,924,358	\$ 203,768,618	\$ 362,043,704	\$ 404,727,462	\$ 401,703,954	\$ 384,806,721	\$ 380,007,782	\$ 377,717,511	\$ 377,032,121

Source: VIA's Annual Audited Financial Statements

VIA Metropolitan Transit Retirement Plan
Changes in Net Position
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Additions										
Member Contributions	\$ 4,227	\$ 4,236	\$ 4,122	\$ 4,487	\$ 4,421	\$ 4,258	\$ 4,102	\$ 3,824	\$ 3,748	\$ 3,692
Employer Contributions	9,799	12,144	12,908	13,308	12,480	14,729	14,346	14,253	13,549	12,567
Investment Income (net of expenses)	22,741	2,675	21,792	33,716	29,240	10,588	33,587	73,736	(57,018)	32,198
Total additions to plan net position	36,767	19,055	38,822	51,511	46,141	29,575	52,035	91,813	(39,721)	48,457
Deductions										
Benefit Payments	17,168	18,877	19,424	21,398	22,706	24,573	24,111	28,800	30,115	31,953
Refunds	218	346	366	380	255	238	336	650	569	387
Administrative Expenses	215	236	144	255	121	145	138	138	163	164
Total Deductions from plan net position	17,601	19,459	19,934	22,033	23,082	24,956	24,585	29,588	30,847	32,504
Change in net position	\$ 19,166	\$ (404)	\$ 18,888	\$ 29,478	\$ 23,059	\$ 4,619	\$ 27,450	\$ 62,225	\$ (70,568)	\$ 15,953

VIA Metropolitan Transit Retirement Plan
Benefit and Refund Deductions from Net Position by Type
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Type of Benefit										
Age and service benefits	\$ 14,630	\$ 16,049	\$ 16,330	\$ 18,060	\$ 19,254	\$ 20,676	\$ 20,395	\$ 24,854	\$ 26,034	\$ 27,848
Disability benefits	1,076	1,233	1,346	1,470	1,625	1,655	1,692	1,698	1,733	1,760
Beneficiaries	1,462	1,595	1,748	1,868	1,827	1,839	2,024	2,248	2,348	2,345
Total benefits	17,168	18,877	19,424	21,398	22,706	24,170	24,111	28,800	30,115	31,953
Type of Refund										
Separation	218	346	366	380	255	238	336	650	569	387
Death										
Total refunds	\$ 218	\$ 346	\$ 366	\$ 380	\$ 255	\$ 238	\$ 336	\$ 650	\$ 569	\$ 387

VIA Metropolitan Transit Retirement Plan
 Retired Members by Type of Benefit
 As of September 30, 2023

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement ¹					
		1	2	3	4	5	6
\$1 - \$500	106	5	42	30	10	18	1
501 - 1,000	241	21	118	40	39	14	9
1,001 - 1,500	181	23	81	28	33	5	11
1,501 - 2,000	123	34	44	11	26	5	3
2,001 - 2,500	137	63	34	16	21	2	1
2,501 - 3,000	157	98	30	19	10	0	0
Over 3,000	352	251	27	26	46	0	2
Total	1,297	495	376	170	185	44	27
Deferred	72						
Total w/Deferred	1,369						

Option Selected ²						
1	2	3	4	5	6	
29	2	2	18	16	56	
63	17	9	11	62	92	
32	8	7	9	49	83	
27	7	3	11	39	57	
21	4	3	7	33	54	
30	3	5	8	43	47	
80	7	14	18	89	122	
282	48	43	82	331	511	1,297
						Deferred
						72
						Total w/Deferred
						1,369

¹ Type of retirement:

- 1 - Normal Retirement for age and service
- 2 - Early Retirement
- 3 - Disability Retirement
- 4 - Late Retirement
- 5 - Vested Termination Retirement
- 6 - Beneficiary, all types except death in service plus alternate payees

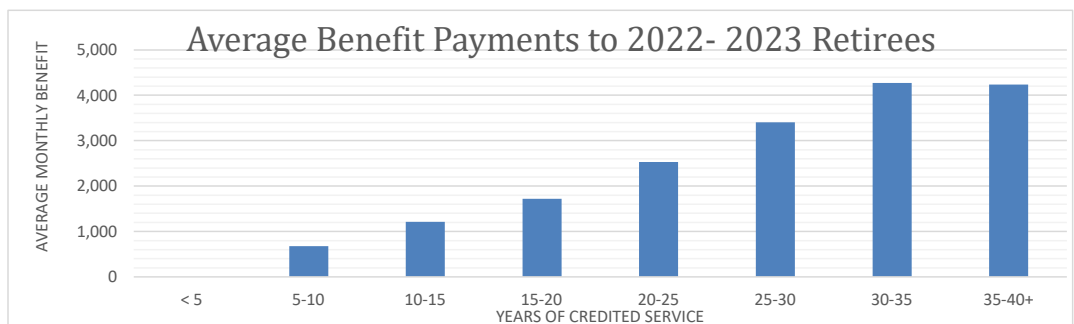
² Option Selected:

- Option 1 - Life only
 - Option 2 - 5 year certain and life
 - Option 3 - 10 year certain and life
 - Option 4 - 15 year certain and life
 - Option 5 - Joint and 50% survivor
 - Option 6 - Joint and 100% survivor
- (Excludes 3 death in service term certain options)

**VIA Retirement Plan
Average Benefit Payments
Last Ten Years**

Years Credited Service

Retirement Effective Dates	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40+
2012 - 2013								
Average Monthly Benefit	\$ -	\$ 430	\$ 718	\$ 982	\$ 1,156	\$ 2,516	\$ 2,731	\$ 4,226
Average Final Average Salary	\$ -	\$ 40,461	\$ 39,314	\$ 38,714	\$ 43,209	\$ 58,176	\$ 56,142	\$ 72,406
Number of Active Retirants	-	10	6	7	6	6	17	14
2013 - 2014								
Average Monthly Benefit	\$ -	\$ 425	\$ 562	\$ 1,040	\$ 1,657	\$ 2,865	\$ 3,246	\$ 3,771
Average Final Average Salary	\$ -	\$ 35,020	\$ 29,016	\$ 40,021	\$ 48,571	\$ 62,333	\$ 60,134	\$ 61,360
Number of Active Retirants	-	5	4	5	7	12	15	10
2014 - 2015								
Average Monthly Benefit	\$ -	\$ 445	\$ 983	\$ 1,045	\$ 1,249	\$ 2,454	\$ 3,282	\$ 4,081
Average Final Average Salary	\$ -	\$ 45,108	\$ 45,206	\$ 48,027	\$ 45,431	\$ 58,958	\$ 64,250	\$ 62,905
Number of Active Retirants	-	9	4	8	6	12	11	5
2015 - 2016								
Average Monthly Benefit	\$ -	\$ 508	\$ 602	\$ 1,489	\$ 1,310	\$ 2,779	\$ 2,875	\$ 3,253
Average Final Average Salary	\$ -	\$ 48,569	\$ 41,885	\$ 69,995	\$ 48,461	\$ 64,777	\$ 60,476	\$ 85,724
Number of Active Retirants	-	2	7	9	4	11	10	4
2016 - 2017								
Average Monthly Benefit	\$ -	\$ 529	\$ 862	\$ 1,300	\$ 1,880	\$ 2,734	\$ 3,472	\$ 3,621
Average Final Average Salary	\$ -	\$ 47,126	\$ 50,559	\$ 64,050	\$ 56,463	\$ 68,405	\$ 70,017	\$ 65,143
Number of Active Retirants	-	6	12	5	8	9	12	11
2017 - 2018								
Average Monthly Benefit	\$ -	\$ 635	\$ 889	\$ 1,065	\$ 1,923	\$ 2,943	\$ 4,025	\$ 5,049
Average Final Average Salary	\$ -	\$ 67,963	\$ 55,617	\$ 42,716	\$ 56,179	\$ 64,458	\$ 76,753	\$ 89,949
Number of Active Retirants	-	4	5	10	9	12	10	12
2018 - 2019								
Average Monthly Benefit	\$ -	\$ 470	\$ 766	\$ 1,315	\$ 2,017	\$ 2,904	\$ 3,812	\$ 4,384
Average Final Average Salary	\$ -	\$ 40,259	\$ 51,425	\$ 56,105	\$ 66,431	\$ 66,787	\$ 71,995	\$ 75,274
Number of Active Retirants	-	6	10	11	7	11	9	7
2019 - 2020								
Average Monthly Benefit	\$ -	\$ 763	\$ 1,510	\$ 1,025	\$ 1,703	\$ 2,553	\$ 3,452	\$ 4,670
Average Final Average Salary	\$ -	\$ 52,262	\$ 85,313	\$ 49,289	\$ 56,169	\$ 62,137	\$ 66,501	\$ 78,237
Number of Active Retirants	-	1	12	9	8	16	22	10
2020 - 2021								
Average Monthly Benefit	\$ -	\$ -	\$ 1,025	\$ 1,126	\$ 1,759	\$ 2,989	\$ 4,561	\$ 5,350
Average Final Average Salary	\$ -	\$ -	\$ 52,218	\$ 54,273	\$ 60,422	\$ 71,650	\$ 81,392	\$ 86,590
Number of Active Retirants	-	-	12	6	9	13	8	16
2021 - 2022								
Average Monthly Benefit	\$ -	\$ -	\$ 976	\$ 1,261	\$ 1,753	\$ 3,199	\$ 3,496	\$ 4,079
Average Final Average Salary	\$ -	\$ -	\$ 58,094	\$ 57,298	\$ 61,374	\$ 73,218	\$ 72,810	\$ 72,915
Number of Active Retirants	-	-	18	4	12	16	7	7
2022 - 2023								
Average Monthly Benefit	\$ -	\$ 675	\$ 1,209	\$ 1,720	\$ 2,533	\$ 3,406	\$ 4,274	\$ 4,238
Average Final Average Salary	\$ -	\$ 54,222	\$ 59,532	\$ 64,715	\$ 66,465	\$ 74,873	\$ 77,661	\$ 71,424
Number of Active Retirants	-	1	12	8	1	10	6	5



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