



Annual Comprehensive Financial Report



For the Fiscal Years Ended
September 30, 2022 and 2021

SAN ANTONIO, TEXAS
VIAINFO.NET

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San Antonio, Texas

Annual Comprehensive Financial Report

For the Fiscal Years Ended
September 30, 2022, and 2021
Prepared by the Fiscal Management Division

Steven J. Lange
Vice President Fiscal Management / CFO

VIA Metropolitan Transit
San Antonio, Texas

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INTRODUCTORY

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March 16, 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, 2022. 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 2021 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 Auditor's 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, 2022. The

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

Management's discussion and analysis immediately follows the independent auditor's 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 FY22, 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. In the prior year, VIA transported 20.2 million passengers, provided 2.1 million hours of service over 31.8 million miles, and carried an average of 62,046 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, 2023 *San Antonio Economic Indicators* publication, noted that the San Antonio Business-Cycle Index declined slightly in December, registering a 7.1 percent annualized growth rate. The report noted that San Antonio job growth declined in December, while the unemployment rate was unchanged. Restaurant spending and wages increased, and home sales continued to fall.

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 January 2023, Moody's Analytics reported that the San Antonio-New Braunfels economy will outpace the national economy in 2023, and that private services, manufacturing and multifamily construction will lead the way. They also noted that

the large military presence will be a stabilizing force. Moody's stated 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) disposition/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 FY23 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 the Scobey Redevelopment, 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 120 buses in FY23-27 (this includes 17 Primo buses for ART N/S)
 - Purchase of 154 new paratransit vans (15 in FY23, 62 in FY26, and 77 in FY27)
- Pursue Advanced Rapid Transit funding and begin design
 - Begin Preliminary Engineering and NEPA for N/S Corridor
 - Pursue FTA Capital Investment Grants Program
 - Advanced project definition and FTA Project Development for E/W Corridor
 - Corridor schematic development
 - Environmental Fatal Flaw Analysis
 - Ridership Model + Service Plans
- Move Projects into Final Design & Construction
 - Randolph Transit Center
 - I-10 Park & Pool (construction began September 2022)
 - Alamo Ranch Park & Ride
 - Eastside Mobility Hub
- Advance Programming and Conceptual Design
 - Second Maintenance/Operations Facility
 - Site Selection/Acquisition
- Other Planning Initiatives

- Mobility-on-Demand Expansion
- Facility Master Planning
- Update of Long-Range Plan
- Development Initiatives
 - Scobey Complex

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 FY23. 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.

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 replacing 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 is under construction, but nearing completion in December 2022. The location serves three bus routes and is a hub for the northeast VIA Link service. This project will modify and improve the on-street passenger amenities for passengers transferring at this location.

I-10 Park & Pool – This project is in the far edge of northwest Bexar County and is in partnership with Alamo College District. Once complete it will provide a parking and a meet-up area for car/vanpool users with direct connection to I-10 HOV lanes. Bus service is planned to be introduced in future years. Construction activities began in August 2022, and it is anticipated to be operational in spring 2023.

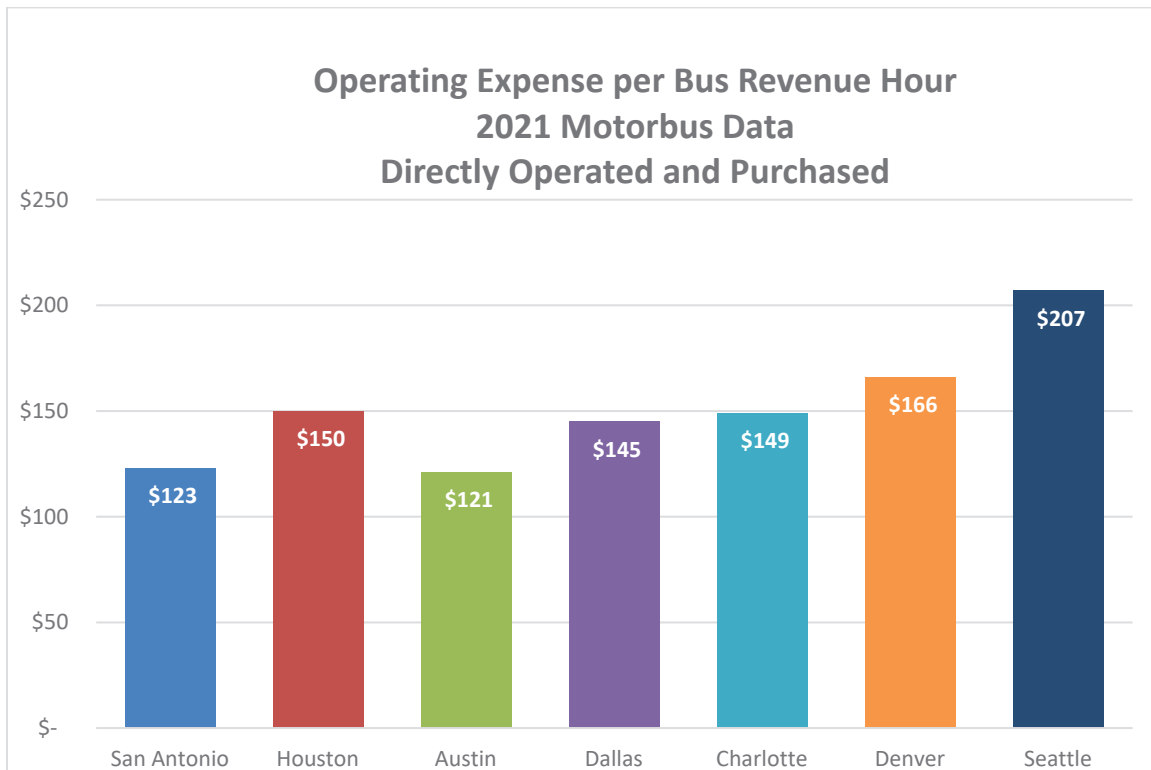
Alamo Ranch Park and Ride – VIA has identified the need for Park & Ride in the far-West Side of the service area. The facility will have parking, shelters, and other improvements to ensure sufficient access and circulation for multiple transportation routes. It will include enhanced pedestrian access, lighting, security camera, wi-fi and real-time bus arrival information. This project is in the design stage with property acquisition happening concurrently.

Eastside Mobility Hub – This project includes an off-street layover and transfer area for two eastside routes as well as future VIA Link services. This project is at 60% of final design with property acquisition expected by the end of the calendar year.

Advanced Rapid Transit (ART) – VIA is currently working to develop and construct a Bus Rapid Transit Project (locally referred to as Advanced Rapid Transit) along the North/South corridor, with capital limits from the San Antonio Airport to Steves via the San Pedro and St. Mary's/Roosevelt Corridors. The project will include dedicated transit lanes, uniquely branded stations, off-board fare collection, transit signal priority, and frequent service. The project was accepted into the Project Development phase of the Federal Transit Administration's Capital Investment Grant program. Concurrently, VIA will continue utilizing Alamo Area Metropolitan Planning Organization funds to continue Advanced Project Definition activities for a second ART line along the East/West corridor, with capital limits from the General McMullen and W. Commerce intersection to the Coca Cola Place and E. Houston intersection via the Commerce, Buena Vista/Dolorosa/Market Corridors.

Second Operations and Maintenance Facility – VIA is beginning the development of a new operations and maintenance facility to address growth constraints and challenges at the current facility as well as prepare VIA for emerging propulsion technologies and VIA's Advanced Rapid Transit system. Over the next fiscal year, sites will be identified for evaluation and selection which will lead to NEPA study prior to the acquisition of land. The facility will be planned for full-build out however it will be broken into several phases of construction to address need over the next 10-15 years. The first phase is expected to open by 2027 and will accommodate a portion of the existing fleet as well as new Advanced Rapid Transit vehicles.

In summary, FY23 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 within \$2 of being the lowest of the peer group of the largest Texas agencies, and VIA's operating expenses per vehicle revenue mile are by far the lowest of the peer group of the largest Texas agencies (at \$8.76 for VIA, compared to a range of \$10.48 to \$11.89 for the other largest Texas transit agencies). Against that peer group, VIA also has the best performance for bus service effectiveness measures, with the most unlinked trips per revenue vehicle mile and per revenue vehicle hour, and the lowest operating expenses per unlinked passenger trip and passenger mile. 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 has 5/8ths of one cent. Additionally, Austin receives funding through property tax dedicated to Project Connect. In FY21, sales tax revenues for the peer group of large Texas agencies were the following: Houston (METRO), \$843.4M; Dallas (DART), \$683.2M; Austin (Cap Metro), \$301.4M; and San Antonio (VIA), \$220.3M. 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 will explore 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. In addition to building new facilities and introducing new transit services, VIA has pursued federal grants to help modernize the system and expand current services. In the past five years, VIA has been awarded an average of \$18.6M per year in discretionary grant awards. Examples of funds awarded include \$9.8M in Volkswagen settlement funds for vehicle replacements; an \$8M Surface Transportation Block Grant (STBG) for the Rapid Transit Corridor Study; \$58.6M of Congestion Mitigation and Air Quality (CMAQ) funds for compressed natural gas (CNG) vehicles and operating assistance to increase frequency (Routes 552/7); and \$35M in CMAQ/STBG funds for CNG vehicles, frequency increase (Rigsby), and a Mobility Hubs planning study. VIA currently is also pursuing Capital Investment Grants for both the ART North-South Corridor Project and ART East-West Corridor Project.

Revenue Fleet Vehicles – Over the past seven years, VIA has replaced more than 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, 2021. This was the thirty-second 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:

Above and Beyond Workplace Well-being Award, Gold-level – Aetna (for VIA's comprehensive wellness strategy)

Supplier Diversity Champion - Subcontractors USA, Texas (for efforts to foster business growth in minority communities by supporting small business enterprise diversity initiatives)

AdWheel Award, First Place Comprehensive Campaign: Best Marketing and Communications to Support Ridership - American Public Transportation Association (for "It's So Easy Campaign")

Pinnacle Certified Recycler – ReWorksSA (for VIA's commitment to sustainability, waste reduction, emissions reduction, water conservation and, recycling)

Above and Beyond Workplace Well-being Award, Silver-level – Aetna (for VIA's comprehensive wellness strategy)

AdWheel Award, First Place Special Event: Best Marketing and Communications to Highlight Transit Needs/Funding - American Public Transportation Association (for Keep SA Moving Tele-Town Hall events)

AdWheel Award, First Place Print Media: Best Marketing and Communications to Highlight Transit Needs/Funding - American Public Transportation Association (for Keep SA Moving Summary Brochure)

Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for our Comprehensive Annual Financial Report for fiscal year 2021.

Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the financial report for VIA's Retirement Plan for fiscal year 2021.

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, 2021

Christopher P. Morrell

Executive Director/CEO

**VIA Metropolitan Transit
Board of Trustees FY2023**

Appointed by:

Fernando Reyes Chair (eff. 1/1/21)	Elected by VIA Board of Trustees
Akeem Brown (appt'd 5/8/18 Secretary (2020 -2022) Vice Chair (2022-)	Bexar County Commissioners Court
Athalie Malone (appt'd 9/12/19) Secretary (2022 -)	San Antonio City Council
Paul Basaldua (appt'd 5/24/22)	Bexar County Commissioners Court
Laura Cabanilla (appt'd 1/14/21)	San Antonio City Council
Robert "Bob" Comeaux (appt'd 6/30/16 Asst. Secretary (Jun-Dec 2018) Vice Chair (2019-2020)	San Antonio City Council
Louis R. Cooper (appt'd 11/15/17)	Suburban Mayors
Ayda Gonzalez (appt'd 2/08/22).	Bexar County Commissioners Court
Javier Paredes (appt'd 1/14/21)	San Antonio City Council
Melanie Tawil (appt'd 1/14/21)	San Antonio City Council
Kevin Wolf (appt'd 1/21/22)	Suburban Mayors



Board of Trustees



Fernando Reyes
Chair

Elected by VIA Board of Trustees



Akeem Brown
Vice Chair

Bexar County Appointee



Athalie Malone
Secretary

City of San Antonio Appointee



Paul Basaldua
Member

Bexar County Appointee



Laura Cabanilla
Executive Committee

City of San Antonio Appointee



Bob Comeaux
Member

City of San Antonio Appointee



Louis R. Cooper
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

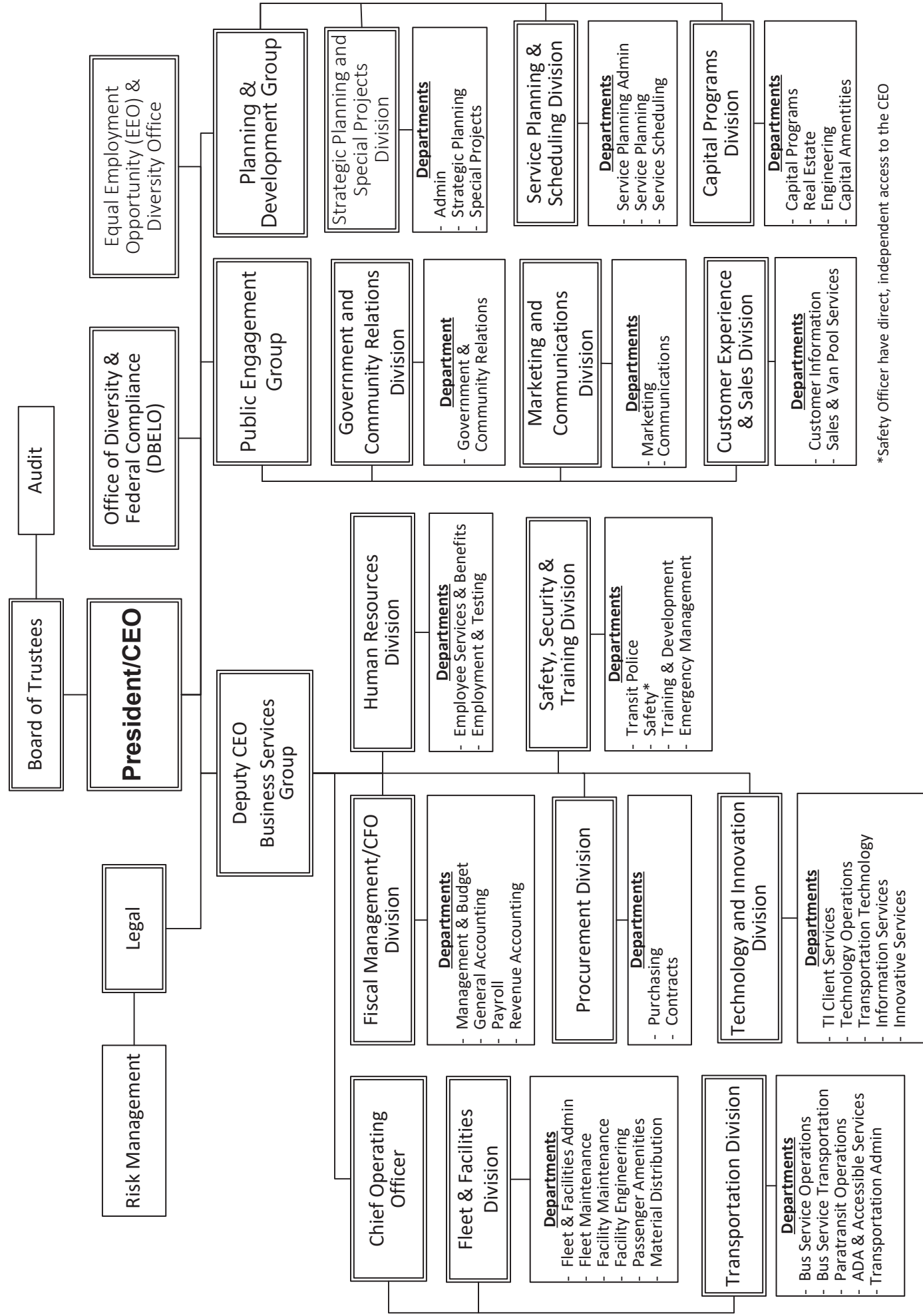


Kevin Wolff
Member

Greater Bexar County
Council of Cities Appointee

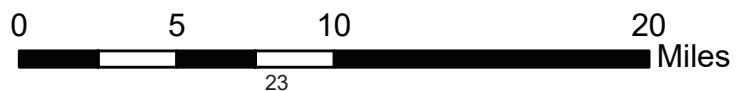
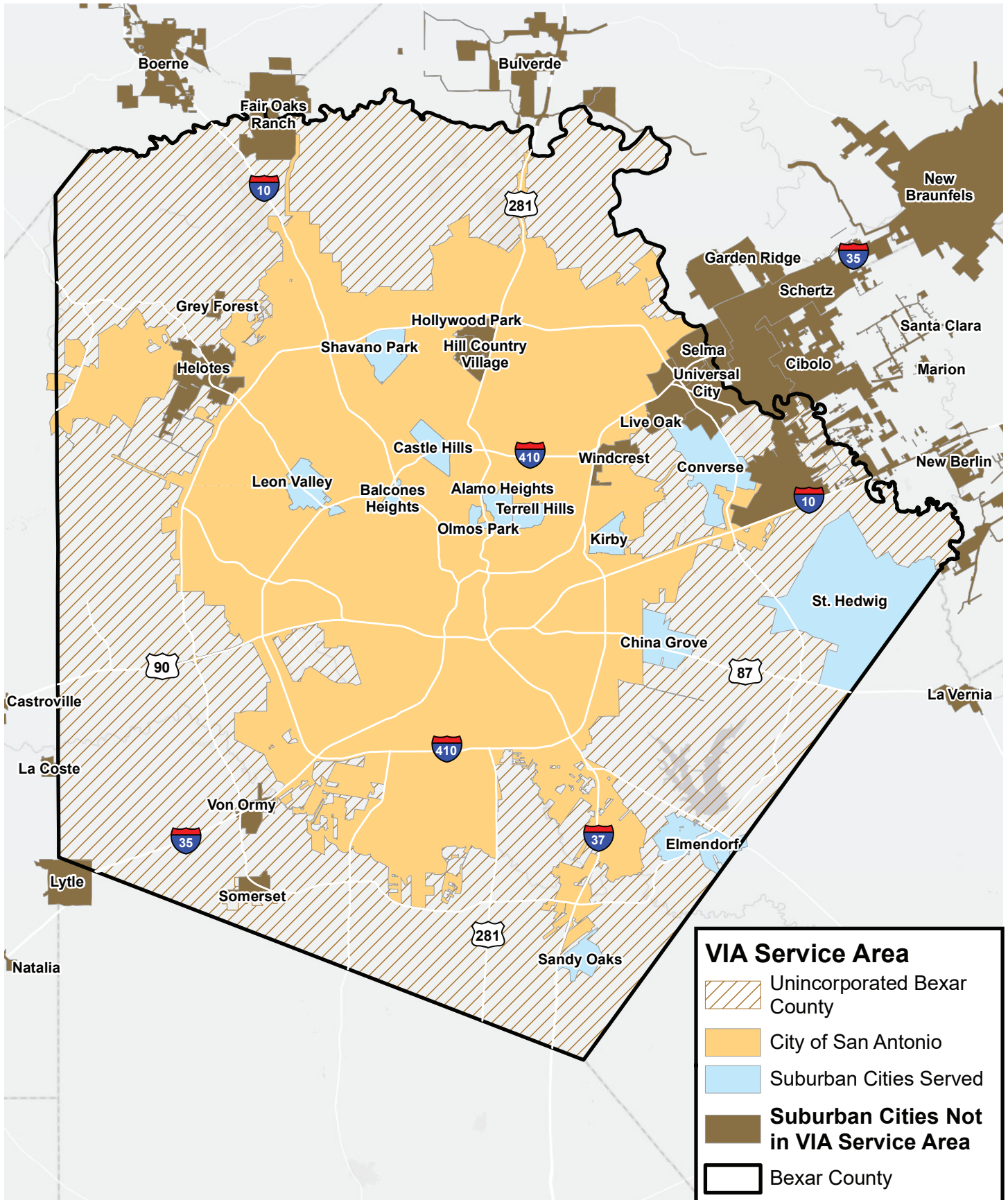
VIA METROPOLITAN TRANSIT ORGANIZATIONAL CHART

October 1, 2021 – September 30, 2022



*Safety Officer have direct, independent access to the CEO

VIA Service Area



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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, 2022 and 2021, 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, 2022 and 2021, 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, VIA adopted the provisions of GASB Statement No. 87, *Leases*, effective October 1, 2021. 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 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 March 9, 2023 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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Austin, Texas
March 9, 2023

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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, 2022 and 2021 – 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 years ("FY") ending September 30, 2022 and 2021. 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, 2022 and 2021, VIA's total assets and deferred outflows of resources of VIA exceeded total liabilities and deferred inflows of resources by \$582.9M and \$472.2M respectively.

Financial results for FY21 have been restated for implementation of Government Accounting Standards Board (GASB) Statement No. 87, "Leases". This new GASB standard was implemented by VIA in FY22. Comparisons of FY22 to FY21 in this Management's Discussion and Analysis section are all based on restated FY21 results.

The net position of VIA increased by \$110.7M in FY22 and \$137.4M in FY21. The net impact of restating FY21 for GASB 87 was a \$0.2M reduction in net position as of September 30, 2021.

The increase in net position in FY22 is primarily due to American Rescue Plan (ARP) revenue, which was \$57.9M – this reflects VIA recognizing the remainder of a \$117.1M award of ARP funds in FY21. In FY21, the increase in net position was also primarily due to federal stimulus funds – Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds and ARP funds. In FY21, VIA was awarded \$61.2M of CRRSAA funds, all of which was booked to revenue in FY21.

- Operating revenues are \$15.3M in FY22, up \$1.5M from the prior year, and in the prior year, operating revenues decreased by \$1.2M. In FY22, the increase is due to higher passenger revenues due to higher ridership, and in FY21, the decrease is attributable to lower passenger revenues, as ridership was impacted by COVID throughout the year, compared to a partial year COVID impact in FY20.
- Net nonoperating revenues/(expenses) are \$354.2M, down \$24.9M from the prior year. This result is 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 \$250.9M in FY22 and \$220.3M in FY21. In the current year, total sales taxes are \$297.1M of which \$46.2M is for ATD entities other than VIA, and in the prior year, total sales taxes were \$261.0M, of which \$40.7M was 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.

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- Operating expenses (including depreciation and amortization) are \$274.6M in FY22, a decrease of \$0.1M (0.04%), and in the prior year, operating expenses decreased by \$1.9M (0.6%). In the current year, various expense increases and decreases essentially offset each other. Service hours were down slightly (1.3%), which resulted in slightly lower costs. Operator labor shortages impacted VIA's service delivery in FY22. In the prior year, the decrease was also due to lower service levels, due to COVID.
- Total capital/cash reserves and working capital (which equals cash, cash equivalents, and investments) increased by \$112.2M in the current year and increased by \$61.3M in the prior year. As of September 30, 2022 and 2021, the balances were \$415.7M and \$303.5M, respectively. The current year increase was driven by \$119.5M of federal stimulus fund draws (\$2.4M of CRRSAA funds, and \$117.1M of ARP Act funds). The prior year increase was driven by \$59.1M of federal stimulus funds (\$58.7M of CRRSAA funds and \$0.4M of CARES Act funds).
- As of September 30, 2022, 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 \$42.6M. At the end of the prior year, the stabilization fund and working capital reserves were both fully funded also, with balances of \$41.0M in each.
- VIA spent \$38.8M on capital projects in FY22 and \$40.7M in FY21. In FY22, the largest spending item was \$16.1M for VIA's Southwest Corridor project. In FY21, the largest spending item was \$22.5M for new revenue vehicles (\$17.3M for paratransit vans and \$5.2M for buses).

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 an 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.

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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 operations, capital financing and investment activities.

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 other postemployment 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 Fiduciary Fund statements.

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 and liabilities 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.

	<u>2022</u>	<u>Restated 2021</u>	<u>2020</u>
Current assets	\$ 496.2	\$ 390.9	\$ 239.3
Capital assets	377.7	380.0	384.8
Other noncurrent assets	37.7	65.3	60.3
Total assets	<u>\$ 911.6</u>	<u>\$ 836.2</u>	<u>\$ 684.4</u>
Deferred outflows of resources	<u>42.8</u>	<u>49.3</u>	<u>49.7</u>
Total assets and deferred outflows of resources	<u>\$ 954.4</u>	<u>\$ 885.5</u>	<u>\$ 734.1</u>
Current liabilities	\$ 60.3	\$ 63.8	\$ 48.4
Long-term liabilities	256.7	332.1	346.9
Total liabilities	<u>\$ 317.0</u>	<u>\$ 395.9</u>	<u>\$ 395.3</u>
Deferred inflows of resources	<u>54.5</u>	<u>17.4</u>	<u>4.0</u>
Total liabilities and deferred inflows of resources	<u>\$ 371.5</u>	<u>\$ 413.3</u>	<u>\$ 399.3</u>
Net position			
Net investment in capital assets	\$ 246.7	\$ 240.5	\$ 232.5
Restricted	29.5	45.5	51.7
Unrestricted	306.7	186.2	50.6
Total net position	<u>\$ 582.9</u>	<u>\$ 472.2</u>	<u>\$ 334.8</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 FY22, VIA's net position was \$582.9M. 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 \$110.7M in FY22. Net investment in capital assets is up \$6.1M, restricted net position is down \$16.0M, and unrestricted net position is up \$120.5M. 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.

In FY21, net position increased by \$137.4M. Net investment in capital assets was up \$8.0M, restricted net position was down \$6.2M, and unrestricted net position was up \$135.6M. The drivers of these changes were similar to those noted above for FY22.

Net capital assets decreased by \$2.3M in FY22, going from \$380.0M to \$377.7M. This resulted from asset acquisitions of \$38.8M, depreciation of \$11.6M, and net deletions of \$29.5M.

In FY21, net capital assets decreased by \$4.8M, going from \$384.8M to \$380M. This resulted from asset acquisitions of \$40.7M, depreciation of \$40.2M, and net deletions of \$5.3M.

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Revenues, Expenses and Changes in Net Position Information

Condensed information on revenues, expenses, and changes in net position information provide 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)

	<u>2022</u>	<u>Restated 2021</u>	<u>2020</u>
Operating revenues:			
Passenger revenues	\$ 13.0	\$ 11.4	\$ 13.0
Bus advertising and other	2.3	2.3	1.9
Total operating revenues	<u>15.3</u>	<u>13.7</u>	<u>14.9</u>
Operating expenses:			
Line service	180.0	188.4	188.5
Line disaster relief	0.0	0.5	0.0
Robert Thompson Terminal	0.4	0.0	0.3
Other special events	0.3	0.1	0.1
VIAtrans	29.5	27.4	39.8
VIAtrans disaster relief	0.0	0.7	0.0
VIA Link	1.8	0.2	1.0
Vanpool	0.4	0.3	0.7
Promotional service	0.0	0.1	0.0
Business development and planning	10.0	6.5	6.3
Real estate development	0.0	0.0	0.0
Depreciation	40.4	39.0	39.9
Lease amortization expense	11.8	11.5	0.0
Total operating expenses	<u>274.6</u>	<u>274.7</u>	<u>276.6</u>
Operating loss	(259.3)	(261.0)	(261.7)
Nonoperating revenues (expenses):			
Sales taxes	297.1	261.0	230.6
CARES Act revenue - VIA	0.0	0.0	90.4
CRRSAA revenue - VIA	0.0	61.2	0.0
ARP revenue - VIA	57.9	57.9	0.0
CARES, CRRSAA, ARP - pass-through	1.1	1.1	0.3
CARES, CRRSAA, ARP - pass-through remitted to subrecipients	(1.1)	(1.1)	(0.3)
Grants revenue - VIA	36.1	40.7	25.8
Grants revenue - pass-through	0.9	0.9	1.3
Less pass-through funds remitted to subrecipients	(0.9)	(0.9)	(1.3)
Investment income/(loss)	0.2	0.1	2.9
CoSA intergovernmental revenue	10.0	10.0	7.0
TxDOT Intergovernmental agreements expense	(1.7)	0.0	0.0
Intergovernmental expense	0.0	0.0	(0.6)
Bond interest and issuance costs	(3.5)	(4.0)	(5.4)
Lease interest expense	(0.3)	(0.6)	0.0
Gain/(loss) on sale of assets	4.6	(6.5)	0.0
Less amounts remitted to CoSA and Bexar County	<u>(46.2)</u>	<u>(40.7)</u>	<u>(35.8)</u>
Total nonoperating revenues/(expenses)	<u>354.2</u>	<u>379.1</u>	<u>314.9</u>
Gain before capital contributions	94.9	118.1	53.2
Capital contributions	<u>15.8</u>	<u>19.3</u>	<u>11.2</u>
Change in net position	110.7	137.4	64.4
Net position at beginning of year	<u>472.2</u>	<u>334.8</u>	<u>270.4</u>
Net position at end of year	<u>\$ 582.9</u>	<u>\$ 472.2</u>	<u>\$ 334.8</u>

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As shown on the statement of Revenues, Expenses, and Changes in net position, VIA's net position increased by \$110.7M in FY22. Capital contributions, which include grant funds received from the Federal Transit Administration (FTA) for capital projects, were \$15.8M.

In FY21, VIA's net position (as restated) increased by \$137.4M. Capital contributions were \$19.3M.

Operating Revenues

In FY22, operating revenues are \$15.3M, up \$1.6M (10.8%) from the prior year. This result is due to higher fare revenues resulting from higher ridership.

In FY21, operating revenues are \$13.7M, down \$1.2M (6.7%) from the prior year. This result is due to lower ridership during the entire year from the COVID Pandemic, compared to a partial year COVID impact in FY20.

Net Nonoperating Revenues/(Expenses)

In FY22, VIA's net nonoperating revenues/(expenses) decreased \$24.9M (6.6%). Federal stimulus grant funds are down \$61.2M, with Coronavirus Response and Relief Supplemental Appropriations Act (CRSSAA) and American Rescue Plan (ARP) revenue totaling \$57.9M 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 is up \$30.6M (13.9%), increasing from \$220.3M in FY21 to \$250.9M in FY22 (figures cited here are net of remittances to CoSA and Bexar County).

In FY21, VIA's net nonoperating revenues/(expenses) increased by \$64.2M (20.3%). Grant revenue was up \$43.6M, with federal stimulus grant funds up \$28.7M and other grant funds up \$14.9M. Sales taxes were up \$25.5M, increasing from \$194.8M in FY20 to \$220.3M in FY21 (figures cited here are net of remittances to CoSA and Bexar County).

Operating Expenses

In FY22, operating expenses are \$274.6M, a decrease of \$0.1M (0.04%). The largest decreases were in pension expense, down \$11.6M, and Other Post-Employment Benefits (OPEB) expense, down \$8.8M. The decrease in pension expense is attributable to higher FY21 investment turns, and the decrease in OPEB expense is mainly due to the one-time impact of a plan change – VIA's offering of a Medicare Advantage Plan. The largest increases are professional and technical services, up \$4.8M, and fuel and lubricants, up \$3.9M. Professional and technical services are up due to spending on the Keep San Antonio Moving (KSAM) plan. Fuel and lubricants are up due to higher fuel prices. Various other line items, such as materials and supplies, were impacted by high inflation in FY22.

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In FY21, operating expenses were \$274.7M, a decrease of \$1.9M (0.7%). The largest decrease was in pension expense, down \$4.9M due mainly to the prorated portion of an unfavorable FY16 investment performance difference that became fully recognized as of the end of FY20 (actual returns were lower than the 7.25% actuarial estimate). The next largest decreases were the following: wages, down \$2.3M; advertising, down \$2.1M; and purchased transportation, down \$1.3M. Wages were down due to vacancies, advertising was down since FY20 included spending relating to the November sales tax ballot initiative, and purchased transportation was down due to lower demand due to COVID. These decreases were partially offset by items such as higher fuel costs (+\$4.7M), higher contract maintenance expenses (+\$2.1M) and higher OPEB expense (+\$1.1M). The higher OPEB expense resulted primarily from higher interest on the OPEB liability, which increased due to higher costs.

Long-Term Debt

In FY22, VIA spent the remaining \$1.8M of bond proceeds from an \$11.0M issuance of 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. VIA has six public bond issues outstanding as of the end of FY22; the dates of issuance are 2013, 2014, 2017, 2020, and 2021 (2 issuances in 2021).

In FY21, to take advantage of lower interest rates, VIA issued \$28,940,000 of Fare Revenue and Refunding Bonds, Taxable Series 2020, on December 29, 2020. On that same date, the ATD issued \$23,790,000 of Sales Tax Revenue Refunding Bonds. The net present value savings were \$6.08 million (\$3.71 million for the VIA bonds, and \$2.37M for the ATD bonds).

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

Capital Assets

At the end of FY22, VIA has \$377.7M in net capital assets, a decrease of \$2.3M from the prior fiscal year-end balance of \$380.0M. The \$2.3M net decrease resulted from the following: fixed assets before depreciation and construction in progress (CIP) increased by \$6.7M (from \$680.6M to \$687.3M); accumulated depreciation increased by \$11.6M (from \$356.2M to \$367.8M); and CIP increased by \$2.6M (from \$55.6M to \$58.2M). VIA's investment in capital assets includes land, buildings, revenue vehicles, service vehicles, communications technology, information technology, maintenance equipment and other miscellaneous equipment. The assets have been purchased with federal and local funds.

The \$6.7M increase in fixed assets value before depreciation and CIP reflects the net of approximately \$36.0M in transfers from CIP, \$0.2M in asset additions, and \$29.5M in asset disposals. The asset category accounting for the largest balance change is buildings and shelters, which increased by \$18.2M, of which \$16.1M is attributable to VIA's Southwest Corridor project. The next largest change is in revenue and service vehicles, which decreased by \$14.7M due to the disposal of \$28.1M of old buses and vans, partially offset by \$13.0M of transfers from CIP for new buses and a slight increase in service vehicles.

CIP increased by \$2.6M, with CIP additions of \$38.6M and transfers out of \$36.0M (transfers to fixed assets). Revenue and service vehicles are up \$4.3M, buildings and shelters are down \$2.3M, and equipment is up \$0.5M.

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At the end of FY21, VIA had \$380.0M in net capital assets, a decrease of \$4.8M from the prior fiscal year-end balance of \$384.8M. The \$4.8M net change resulted from the following: fixed assets before depreciation and CIP decreased by \$32.2M (from \$712.8M to \$680.6M), accumulated depreciation decreased by \$26.0M (from \$382.2M to \$356.2M); and CIP increased by \$1.4M (from \$54.2M to \$55.6M).

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)

	2022	2021	2020
Land	\$ 35.2	\$ 33.5	\$ 33.5
Buildings and shelters	288.5	270.4	305.6
Revenue vehicles	294.7	309.8	300.1
Service vehicles	7.3	7.0	7.3
Equipment	61.6	59.9	66.3
Subtotal	687.3	680.6	712.8
Less accumulated depreciation and allowance for capital projects	367.8	356.2	382.2
Net capital assets before construction in progress	319.5	324.4	330.6
Construction in progress:			
Buildings and improvements	45.7	48.0	35.6
Revenue and service vehicles	4.7	0.4	12.0
Equipment	7.8	7.2	6.6
Total construction in progress	58.2	55.6	54.2
Net capital assets	\$ 377.7	\$ 380.0	\$ 384.8

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Lease Assets

At the end of FY22, VIA has \$5.8M of net right-to-use lease assets, a decrease of \$9.5M (37.9%) compared to the balance at the end of FY21. FY21 results were restated for implementation for GASB 87, which was implemented in FY22. The decrease is primarily attributable to VIA's current contract for purchased VIAtrans service nearing its December 31, 2022 expiration date. As of fiscal year-end 2022, a new procurement for those services was underway.

A comparison of FY21 to FY20 is not available since FY20 results were not restated. The software that VIA uses for GASB 87 accounting only provides for restatement of one year prior to the year of implementation.

Lease Assets (in Millions of Dollars)		
	2022	2021
Gross right-to-use lease assets:		
Land	\$ 0.4	\$ 0.4
Buildings and shelters	2.3	1.5
Revenue and service vehicles	21.5	21.5
Equipment	4.5	3.3
Subtotal	28.7	26.7
Accumulated amortization:		
Land	0.2	0.1
Buildings and shelters	0.4	0.2
Revenue and service vehicles	19.1	9.5
Equipment	3.2	1.6
Subtotal	22.9	11.4
Net right-to-use lease assets:		
Land	0.2	0.3
Buildings and shelters	1.9	1.3
Revenue and service vehicles	2.4	12.0
Equipment	1.3	1.7
Net right-to-use lease assets	\$ <u>5.8</u>	\$ <u>15.3</u>

Readers of this document that desire a more detailed overview of lease asset activity should refer to the notes to the financial statements section of this report. Note 1 provides information on lease accounting and note 13E provides details on lease commitments.

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Economic Factors and Outlook for Fiscal Year 2022

VIA has been impacted by high inflation in recent months, and the impact of higher-than-usual inflation is expected to impact FY23. Although VIA's costs are adversely impacted when inflation is high, VIA does benefit from higher sales tax collections that result from higher prices. Ridership is expected to continue to improve in FY23, as VIA focuses on retaining and recovering ridership. Some pre-COVID ridership will not return, as some remote/virtual employment is here to stay. The local economy has been generally strong, which has a favorable impact on sales tax revenue.

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. 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 \$250.9M in FY22, up 13.9% from the prior year. VIA's budgeted FY23 sales tax revenue is 4% higher than forecasted FY22 sales taxes. Actual results for FY22 came in slightly higher than forecast (forecast was \$248.7M in FY22).

According to Moody's Analytics, in a May 2022 analysis, the San Antonio-New Braunfels economy will grow at a pace comparable to the national average in the coming year, lifted by increased home-building and a recovery in hospitality. They note that the large military presence will be a stabilizing force. Moody's Analytics also states that longer term, the metro area's highly robust population gains and low costs of doing business should contribute to above-average overall performance.

FY23 Initiatives

Focus areas for the FY23 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, Scobey Redevelopment, 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 federal funding for the Advanced Rapid Transit (ART) project and entering the engineering phase of design, other planning initiatives (such as mobility-on-demand service expansion, facility master planning and a long-range plan update), moving various passenger facilities projects into final design and construction, selecting property for a second Operations & Maintenance facility, the Scobey Complex development, and various other projects.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021 – unaudited

The budget supports plans to accelerate the “Keep San Antonio Moving” (KSAM) plan, aided by an infusion of federal dollars designed to offset costs associated with COVID. 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 ATD starting on January 1, 2026.

The Advanced Rapid Transit (ART) North-South project, part of the KSAM plan, has advanced to its second year in the Federal Transit Administration’s (FTA) Capital Investment Grants (CIG) Program. Since entering the Project Development Phase of the program, the project has received a preliminary rating of “Medium-High” and was recommended for a \$158M grant in the President’s FY23 Budget.

VIA’s approved operating budget for FY23 is \$274.0M. In FY23, VIA’s budgeted bus services levels are just slightly lower than the FY22 forecast (less than 1% variance), van service hours are up 3.4%, and VIA Link service hours are up 170% (going from 62,076 hours to 167,822 hours).

For VIA’s VIA Link service – a mobility-on-demand service that was first offered in FY19 – VIA recently launched two new zones: the Northwest Zone (in October 2021) and the South Zone (in August 2022). VIA now has three VIA Link zones in operation, with two more planned to open in high-demand areas in FY23 and others to open in future years.

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 \$748.4M includes a variety of strategic investments that will be made to help better meet the transit needs of the community. KSAM projects account for \$499.0M (67%) of the five-year capital spending plan. These projects include an Advanced Rapid Transit North-South Corridor project (ART N/S), advanced project definition for an ART East-West Corridor project (ART E/W), and a second Operations & Maintenance Facility. In FY23, VIA will pursue ART funding, begin preliminary engineering, and will complete the NEPA study for ART N/S. Additionally, advanced project definition and FTA Project Development for ART E/W is planned for FY23. This includes corridor schematic development, environmental fatal flaw analysis, and development of a ridership model and service plan. For the second Operations & Maintenance Facility, VIA will be performing advance programming and conceptual design, including site selection and property acquisition.

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September 30, 2022 and 2021 – unaudited

The Five-Year Capital Plan also includes the purchase of new revenue vehicles, passenger facility projects, and many other improvement projects. Over FY23-27, VIA's \$118.6M revenue vehicles spending total includes \$89.3M for 103 CNG buses, and \$29.4M for 154 vans. Additionally, there are 17 Primo buses (for \$27.4M total) included in the KSAM project spending (specifically, in support of the ART N/S project).

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, Alamo Ranch Park & Ride, Eastside Mobility Hub, and other KSAM-related improvements. In FY23, the Randolph Transit Center, Alamo Ranch Park & Ride, and Eastside Mobility projects will move into final design. Construction of the I10 Park & Pool began in September 2022.

FY23 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 FY22, 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.

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Basic Financial Statements

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Statements of Net Position

	2022	Restated 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 33,236,022	\$ 236,675,716
Investments	352,044,715	18,554,990
Accounts receivable:		
Federal government	41,958,227	73,782,455
State of Texas - sales taxes	43,279,801	39,361,395
Sales tax receivable - CoSA & Bexar County	7,939,097	7,249,295
Interest	85,571	38,588
Lease interest receivable	10,710	-
Lease receivable	141,341	67,371
Other	6,898,597	5,985,137
Inventory	7,778,413	6,435,404
Prepaid expenses and other current assets	15,513	36,728
Restricted assets:		
Restricted cash - debt service	2,844,667	2,701,667
Total current assets	496,232,674	390,888,746
Noncurrent assets:		
Restricted cash - TxDOT grant	11,670,630	40,772,639
Restricted cash - bond reserve fund	2,927,724	2,927,724
Restricted cash - construction account	1	1,845,296
Restricted investments - TxDOT grant	12,941,108	-
Lease receivable	4,348,060	4,444,739
Lease receivable-interest	-	33,179
Capital assets:		
Land	35,214,548	33,514,806
Buildings and shelters	288,550,982	270,374,054
Revenue vehicles	294,724,111	309,749,328
Service vehicles	7,262,204	6,982,942
Equipment	61,556,953	59,935,911
Total capital assets	687,308,798	680,557,041
Less accumulated depreciation	367,772,151	356,176,635
Construction in progress	58,180,864	55,627,376
Net capital assets	377,717,511	380,007,782
Intangible right-to-use lease assets:		
Land	416,603	433,912
Buildings	2,252,507	1,512,024
Vehicles	21,483,632	21,483,632
Equipment	4,505,595	3,303,337
Total intangible right-to-use lease assets	28,658,337	26,732,905
Less accumulated amortization	22,878,956	11,457,025
Net right-to-use lease assets	5,779,381	15,275,880
Total noncurrent assets	415,384,415	445,307,239
Total assets	911,617,089	836,195,985
Deferred outflows of resources		
Pension	18,247,093	23,760,328
Other postemployment benefits	19,028,751	19,723,755
Bond refund	5,505,440	5,853,152
Total deferred outflows of resources	42,781,284	49,337,235
Total assets and deferred outflows of resources	\$ 954,398,373	\$ 885,533,220

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

	2022	Restated 2021
Liabilities		
Current liabilities:		
Accounts payable	\$ 17,992,205	\$ 15,167,702
Payable to CoSA & Bexar County	7,939,097	7,249,106
Retainage payable	286,906	187,624
Accrued liabilities	12,211,478	20,046,747
Unearned revenue	2,948,222	2,692,859
Claims payable	7,885,021	8,392,075
Current liabilities payable from unrestricted assets	49,262,929	53,736,113
Current liabilities payable from restricted assets:		
Interest payable	870,897	935,974
Bonds payable	10,095,000	9,090,000
Total current liabilities	60,228,826	63,762,087
Noncurrent liabilities:		
Net pension liability	85,414,330	140,378,084
Net other postemployment benefits (OPEB) liability	42,319,219	49,030,735
Long-term liabilities	129,023,490	142,789,757
Total noncurrent liabilities	256,757,039	332,198,576
Total liabilities	316,985,865	395,960,663
Deferred inflows of resources		
Pension	47,702,618	10,397,875
Postemployment benefits other than pension	2,540,552	2,574,492
Leases	4,259,727	4,384,857
Total deferred inflow of resources	54,502,897	17,357,224
Total liabilities and deferred inflows of resources	371,488,762	413,317,887
Net Position		
Net investment in capital assets	246,694,042	240,550,347
Restricted debt service	1,973,770	1,768,352
Restricted TxDOT grant	24,611,738	40,772,639
Restricted bond reserve fund	2,927,724	2,927,724
Unrestricted	306,702,337	186,196,271
Total Net Position	582,909,611	472,215,333
Total liabilities, deferred inflows and net position	\$ 954,398,373	\$ 885,533,220

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

As of and for the years ended September 30, 2022 and 2021

Statements of Revenues, Expenses and Changes in Net Position

	Restated	
	2022	2021
Operating revenues:		
Line service	\$ 11,398,655	\$ 10,291,078
Robert Thompson Terminal	26,534	2,734
Other special events	58,647	10,336
VIAtrans	1,448,826	1,091,265
VIA Link	21,099	14,977
Bus advertising	1,591,811	1,560,834
Parking lot revenue	90,521	57,650
Real estate development	232,099	362,449
Miscellaneous	392,289	353,757
Total operating revenues	15,260,481	13,745,080
Operating expenses:		
Line service	180,150,811	188,396,245
Disaster relief	-	1,201,474
Robert Thompson Terminal	354,399	47,296
Other special events	285,627	60,972
Promotional service	6,833	63,171
VIAtrans	29,409,941	27,415,583
VIA Link	1,817,805	221,936
Vanpool	444,968	317,352
Real estate development	1,169	954
Business development and planning	9,933,175	6,464,140
Total operating expenses before depreciation and amortization	222,404,728	224,189,123
Depreciation on capital assets:		
Acquired with VIA equity	21,789,425	21,357,370
Acquired with grants	18,628,991	17,622,542
Amortization on right-of-use-lease assets:		
Amortization expense	11,752,111	11,516,051
Total operating expenses after depreciation and amortization	274,575,255	274,685,086
Operating loss	(259,314,774)	(260,940,006)
Nonoperating revenues (expenses):		
Sales taxes	297,129,934	260,964,006
City of San Antonio intergovernmental agreement	10,000,000	10,000,000
TXDOT intergovernmental agreements expense	(1,700,000)	-
CARES Act	10,989	673,572
CARES Act subrecipient disbursement	-	(673,572)
CRRSA Act	-	61,224,865
CRRSA Act subrecipient pass-through	306,488	432,635
CRRSA Act subrecipient disbursement pass-through	(306,488)	(432,635)
ARP Act	57,941,080	57,918,494
ARP Act subrecipient pass-through	811,250	-
ARP Act subrecipient disbursement pass-through	(811,250)	-
Grants revenue - VIA	36,145,744	40,663,346
Grants revenue - pass-through	889,711	854,150
Investment income	183,540	128,528
Bond interest and issuance costs	(3,500,049)	(4,028,879)
Lease interest expense	(310,096)	(588,697)
Gain (loss) on sale of assets	4,553,165	(6,494,550)
Less pass-through funds remitted to subrecipients	(889,711)	(854,150)
Less amounts remitted to CoSA and Bexar County	(46,246,506)	(40,711,427)
Total nonoperating revenues (expenses) - net	354,207,801	379,075,686
Gain before capital contributions	94,893,027	118,135,680
Capital contributions	15,801,251	19,238,653
Change in net position	110,694,278	137,374,333
Net position at beginning of year	472,215,333	334,841,000
Net position at end of year	\$ 582,909,611	\$ 472,215,333

Note: 2021 has been restated for VIA's implementation of GASB 87, Leases, in 2022.

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

As of and for the years ended September 30, 2022 and 2021

Statements of Cash Flows

	2022	Restated 2021
Cash flows from operating activities		
Cash received from customers	\$ 14,979,650	\$ 13,512,708
Cash payments to vendors for goods and services	(66,579,412)	(50,079,043)
Cash payments for employee services, including salaried fringe benefits	(150,525,175)	(149,683,367)
Cash payments for MTA employee services	(22,558,559)	(23,733,368)
Net cash provided by (used in) operating activities	(224,683,496)	(209,983,070)
Cash flows from noncapital financing activities		
Sales taxes	292,521,348	253,806,673
Grants revenue received	132,830,395	98,148,293
Payments to TxDOT, CoSA and Bexar County	(45,556,516)	(39,622,905)
CoSA interlocal agreement	10,000,000	10,000,000
Local assistance payments	(1,700,000)	-
Net cash provided by (used in) noncapital financing activities	388,095,227	322,332,061
Cash flows from capital and related financing activities		
Proceeds from capital grants	8,892,896	16,440,488
Proceeds from bond issuance	-	-
Principal payments on bonds	(9,090,000)	(12,550,000)
Lease payments	(11,700,626)	(11,740,005)
Premium, interest and financing fees	(4,834,554)	(5,229,196)
Proceeds from sale of assets	718,150	55,209
Purchase of capital assets	(35,211,182)	(38,004,528)
Net cash provided by (used in) capital and related financing activities	(51,225,316)	(51,028,032)
Cash flows from investing activities		
Sale of investment securities	99,637,739	-
Purchase of investment securities	(447,366,010)	-
Interest earnings	1,297,858	440,691
Net cash provided by (used in) investing activities	(346,430,413)	440,691
Net increase (decrease) in cash and cash equivalents	(234,243,998)	61,761,650
Cash and cash equivalents at beginning of year	284,923,042	223,161,392
Cash and cash equivalents at end of year	\$ 50,679,044	\$ 284,923,042
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (259,314,774)	\$ (260,940,006)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation on capital assets:		
Acquired with VIA equity	21,789,425	21,357,370
Acquired with grants	18,628,991	17,622,542
Amortization on right-of-use lease assets	11,752,111	11,516,051
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(5,424,278)	(3,158,632)
Decrease (increase) in inventory	(1,343,644)	(897,054)
(Decrease) increase in prepaid expenses and other current assets	32,557	98,983
Decrease (increase) in prepaid pension	5,513,235	5,311,690
Decrease (increase) in prepaid other postemployment benefits	695,004	915,142
(Decrease) increase in inter-fund receivable	378	(380)
(Decrease) increase in accounts payable	239,899	2,013,506
(Decrease) increase in accrued liabilities	(20,572,400)	(3,822,282)
Net cash provided by (used in) operating activities	\$ (228,003,496)	\$ (209,983,070)
Reconciliation of cash and cash equivalents to the statements of net position		
Cash and cash equivalents at end of year:		
Unrestricted	\$ 33,236,022	\$ 236,675,716
Restricted - mandated purpose	17,443,022	48,247,326
Total cash and cash equivalents	\$ 50,679,044	\$ 284,923,042
Noncash Investing and Financing Activities		
Change in fair value of investments reported as cash equivalents	\$ (2,861,630)	\$ (447,840)
Proceeds from bonds	-	52,730,000
Bonds refunded	-	(44,575,000)
Amortization on premium, discount and loss	1,077,264	2,501,838
Loss on refunding	-	(7,419,980)
Issuance cost paid with bond proceeds	-	(735,020)

Note: 2021 has been restated for VIA's implementation of GASB 87, Leases, in 2022.

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Statements of Fiduciary Net Position

	Total Fiduciary Funds	
	2022	2021
Assets		
Cash and cash equivalents	\$ 9,679,310	\$ 22,493,074
Receivables:		
Contributions:		
Employee	636,673	733,093
Employer	2,259,221	2,375,530
Accrued interest and other dividends	26,794	16,321
Investment trades pending receivable	1,247,526	521,425
Total receivables	4,170,214	3,646,369
Investments:		
Corporate bonds and other	15,780,906	19,300,693
United States government and agency	12,649,069	14,099,608
Common stock	104,694,849	157,468,905
Pooled common stock fund	20,751,634	21,964,736
Pooled international fund	66,153,244	83,482,021
Pooled fixed income	65,069,096	55,753,308
Pooled real estate	43,821,493	36,656,202
Total investments	328,920,291	388,725,473
Total assets	342,769,815	414,864,916
Liabilities		
Accounts payable	5,428,018	5,662,482
Investment trades pending payable	145,287	1,723,127
Total liabilities	5,573,305	7,385,609
Net position		
Restricted for pension	322,121,752	392,688,048
Restricted for OPEB	15,074,758	14,791,259
Net position held in trust for retiree benefits, restricted	\$ 337,196,510	\$ 407,479,307

The accompanying notes are an integral part of these statements

VIA Metropolitan Transit

San Antonio, Texas

As of and for the years ended September 30, 2022 and 2021

Statements of Changes in Fiduciary Net Position

	Total Fiduciary Funds	
	2022	2021
Additions:		
Contributions:		
Employee	\$ 3,748,353	\$ 3,824,273
Employer	18,294,864	19,183,745
Total contributions	22,043,217	23,008,018
Investment income (loss):		
Interest and dividend income	2,400,878	2,503,553
Net appreciation in fair value of investments	(59,967,627)	74,610,272
Investment expenses	(1,595,178)	(1,855,550)
Total investment income (loss)	(59,161,927)	75,258,275
Total additions -- net	(37,118,710)	98,266,293
Deductions:		
Benefit payments	32,979,758	32,327,029
Administrative expenses	184,329	177,437
Total deductions	33,164,087	32,504,466
Change in net position	(70,282,797)	65,761,827
Net position held in trust for retiree benefits: restricted, at beginning of year	407,479,307	341,717,480
Net position held in trust for retiree benefits: restricted, at end of year	\$ 337,196,510	\$ 407,479,307

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, 2022 and 2021

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.

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September 30, 2022 and 2021

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.

VIA Metropolitan Transit

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September 30, 2022 and 2021

The following are condensed financial statements for ATD:

Condensed Statements of Net Position

	2022	2021
Current assets	\$ 51,251,511	\$ 40,590,761
Deferred outflows of resources	2,035,863	2,164,444
Total assets and deferred outflows of resources	53,287,374	42,755,205
Liabilities		
Payable to MTA	3,545,517	2,787,629
Other current liabilities	9,495,480	8,776,858
Total current liabilities	13,040,997	11,564,487
Total long-term liabilities	29,053,138	30,801,546
Total liabilities	42,094,135	42,366,033
Net position:		
Net deficit investment in capital assets	(30,478,138)	(32,191,545)
Restricted	237,503	231,669
Unrestricted	41,433,874	32,349,048
Total net position	\$ 11,193,239	\$ 389,172

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2022	2021
Operating revenues - line service	\$ 2,171,981	\$ 1,845,723
Operating expenses	37,154,559	34,783,154
Operating loss	(34,982,578)	(32,937,431)
Nonoperating revenues (expenses):		
Sales taxes	92,493,013	81,422,853
Less amounts remitted to CoSA and Bexar County	(46,246,506)	(40,711,427)
Other nonoperating revenues (expenses)	(459,862)	(720,232)
Total nonoperating revenues (expenses) - net	45,786,645	39,991,194
Change in net position	10,804,067	7,053,763
Net position at beginning of year	389,172	(6,664,591)
Net position at end of year	\$ 11,193,239	\$ 389,172

Condensed Statements of Cash Flows

	2022	2021
Net cash provided by (used in) operating activities	\$ (34,224,313)	\$ (33,430,333)
Net cash provided by (used in) financing activities	45,556,516	39,622,905
Net cash provided by (used in) capital and related financing activities	(2,216,510)	(2,216,133)
Net cash provided by (used in) investing activities	(23,304,510)	7,926
Net increase (decrease) in cash and cash equivalents	(14,188,817)	3,984,365
Cash and cash equivalents at beginning of year	26,092,171	22,107,806
Cash and cash equivalents at end of year	\$ 11,903,354	\$ 26,092,171

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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 June 2017, the GASB issued Statement No. 87, *Leases*. This statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about VIA's leasing activities. VIA adopted this statement effective October 1, 2021 and the accounting change has been applied to the prior period presented. For additional information see note 14.

Future GASB Statements

In May 2019, the GASB issued Statement No. 91 on *Conduit Debt Obligations*. This statement provides a single method for reporting to eliminate diversity with commitments extended by issues, arrangements associated with conduit debt obligations and related note disclosures. The requirements of this Statement will be effective for VIA's fiscal year ending September 30, 2023.

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In March of 2020, the GASB issued Statement No. 94 on *Public-Public/Private partnerships (PPP) and availability payment arrangements*. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for VIA's fiscal year ending September 30, 2023.

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. The requirements of this Statement will be effective for VIA's fiscal year ending September 30, 2023.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement clarified certain reporting matters and superseded a number of other Statements on a broad range of topics. Reporting requirement changes related to leases, PPPs, and SBITAs will be effective for VIA in the fiscal year ended September 30, 2023. Reporting requirement changes related to derivative instruments will be effective for VIA for the fiscal year ended September 30, 2024.

In June 2022, 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 2022, 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.

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.

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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, 2022 is \$44,548 and the allowance at September 30, 2021 is \$92,587.

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.

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

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 2022 and 2021, there were no impairment losses for long lived assets.

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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. 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.

J. 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.

K. 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.

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L. 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.

M. 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that point.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. 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.

O. 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.

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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.

P. Operating Expenses

VIA's operating expenses, excluding depreciation, 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.

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- 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.

Q. 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.

R. Reclassifications

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

S. 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.

T. 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.

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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 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, 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.

VIA Cash and Investments (Exclusive of the Fiduciary Funds)

Deposits

As of September 30, 2022, the carrying amount of VIA's cash and cash equivalents on the statement of net position was \$50,679,044 (\$284,923,042 in 2021). 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.

Investments

VIA invests in United States Treasury, agency securities and Texpool.

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.

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United States Treasury and agency securities in the amount of \$364,985,823 (\$18,554,990 in 2021) 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 \$326,426,413 in these securities as of fiscal year-end 2022 (\$0 in 2021). Securities in the amount of \$38,559,410 (\$18,554,990 in 2021) with an original maturity of greater than one year are carried at fair value and are considered level 1 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.

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

2022 Investment Maturities						
Investments	Less Than 90 Days	From 91 Days 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	Carrying Amount
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	\$ 133,524,884	\$ 109,219,269	\$ 115,124,813	\$ 38,559,410	\$ -	\$ 396,428,376

2021 Investment Maturities						
Investments	Less Than 90 Days	From 91 Days 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	Carrying Amount
United States Treasury notes	\$ -	\$ 7,049,210	\$ -	\$ 11,505,780	\$ -	\$ 18,554,990
Total United States Treasury and agency securities	-	7,049,210	-	11,505,780	-	18,554,990
TexPool	176,615,657	-	-	-	-	176,615,657
TexPool Prime	25,000,096					25,000,096
Total Investments	\$ 201,615,753	\$ 7,049,210	\$ -	\$ 11,505,780	\$ -	\$ 220,170,743

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At September 30, 2022 and 2021, VIA had the following deposits and investments:

	Carrying Amount 2022	Carrying Amount 2021
Deposits:		
Cash on hand	\$ 262,289	\$ 65,898,601
Cash in bank	18,974,202	17,408,688
Total deposits	19,236,491	83,307,289
Investments:		
TexPool	25,272,841	176,615,657
TexPool Prime	6,169,712	25,000,096
United States agency securities	364,985,823	18,554,990
Total cash, cash equivalents and investments	\$ 415,664,867	\$ 303,478,032

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, 2022 and September 30, 2021, 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, 90% of VIA's investment portfolio is invested in maturities less than one year (95% in 2021). Investment maturities are as follows:

Maturity	Percentage of Portfolio	
	2022	2021
Less than 90 days	34%	92%
From 91 days to 180 days	27%	3%
From 181 days to 364 days	29%	0%
From 365 days to 5 years	10%	5%
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, 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

Credit Risk Ratings as of September 30, 2021			
Investments	Minimum Legal Rating	Investment Rating	Rating Organization
United States Treasury Notes	N/A	N/A	N/A
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 Bank Discount Notes, 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, 2022, VIA's investment portfolio consists of 82% of indirect obligations in the form of Federal Home Loan Bank Securities (0% in 2021), 6% in TexPool (80% in 2021), 2% in TexPool Prime (12% in 2021), and 10% in direct obligations investment pools (8% in 2021).

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The following table reflects the percentage amount invested in each issuer subject to concentration of credit risk as a percentage of the portfolio.

Investments	Percentage of Portfolio	
	September 30,	
	2022	2021
United States Treasury Notes	10%	8%
Federal Home Loan Bank agency securities	82%	0%
TexPool	6%	80%
TexPool Prime	2%	12%

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, 2022 and 2021:

<u>Description</u>	September 30, 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Amount</u>
<u>Debt Securities</u>				
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
<u>Equity Securities</u>				
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 Investments \$ 324,778,002

<u>Description</u>	September 30, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Amount</u>
<u>Debt Securities</u>				
U.S. Treasury Securities	\$ 4,698,612	\$ -	\$ -	\$ 4,698,612
Other Fixed Income	-	28,701,689	-	28,701,689
Total Debt Securities	4,698,612	28,701,689	-	33,400,301
<u>Equity Securities</u>				
Common Stocks & EFTs	157,468,905	-	-	157,468,905
Total Equity Securities	157,468,905	-	-	157,468,905
Total	\$ 162,167,517	\$ 28,701,689	\$ -	\$ 190,869,206

Investments Measured at Net Asset Value

Pooled Real Estate Funds	\$ 36,656,202
Commingled Collective Funds	152,025,914
Money Market Investments	16,481,111

Total Investments \$ 396,032,433

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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, 2022 and 2021:

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

<u>Description</u>	September 30, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Amount</u>
Money Market Fund	\$ 6,011,963	\$ -	\$ -	\$ 6,011,963
Pooled, Common and Collective Funds	-	5,388,484	-	5,388,484
Mutual Funds	3,785,667	-	-	3,785,667
Total	\$ 9,797,630	\$ 5,388,484	\$ -	\$ 15,186,114

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.

Cash and Investments

Fiduciary fund cash, cash equivalents, and investment balances as of September 30, 2022 and September 30, 2021 are the following:

	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 and agency	12,649,069		12,649,069
Common stock	104,694,849		104,694,849
Pooled/mutual funds	185,525,724	10,269,743	195,795,467
Total investments	318,650,548	10,269,743	328,920,291
Total cash, cash equivalents and investments	\$ 324,778,002	\$ 13,821,599	\$ 338,599,601

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	September 30, 2021		
	Retirement Plan	OPEB Plan	Total Fiduciary Funds
Cash and cash equivalents	\$ 16,481,111	\$ 6,011,963	\$ 22,493,074
Investments:			
Corporate bonds and other	19,300,693	-	19,300,693
United States government and agency	14,099,608	-	14,099,608
Common stock	157,468,905	-	157,468,905
Pooled/mutual funds	188,682,116	9,174,151	197,856,267
Total investments	379,551,322	9,174,151	388,725,473
Total cash, cash equivalents and investments	\$ 396,032,433	\$ 15,186,114	\$ 411,218,547

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, 2022 and 2021, 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.

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, 2022 and September 30, 2021, 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, 2022, the Plan had \$6,127,454 of money market funds that were subject to custodial credit risk. As of September 30, 2021, the Plan had \$16,481,111 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, 2022, the Plan had \$3,551,856 of money market funds that were subject to custodial credit risk. As of September 30, 2021, the Plan had \$6,011,963 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, 2022 and September 30, 2021.

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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.

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, 2022, the Plan had \$15,780,906 of bond fund investments subject to credit risk. Ratings range from AAA (highest) to NR (not rated). As of September 30, 2021, the Plan had \$19,300,693 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, 2022, the Plan had \$2,979,365 of bond fund investments subject to credit risk. Ratings range from AAA (highest) to NR (not rated). As of September 30, 2021, the Plan had \$2,507,450 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.

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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
<u>Pension Plan</u>				
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
<u>OPEB Plan</u>				
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.

As of September 30, 2021, 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
<u>Pension Plan</u>				
Money Market Fund	\$ 16,481,111	\$ 16,481,111	\$ -	\$ -
Corporate Bonds and Other	19,300,693	1,497,033	5,541,758	12,261,902
United States Government and Agency	14,099,608	-	227,049	13,872,559
Pooled Fixed Income	53,245,858	-	-	53,245,858
Total	103,127,270	17,978,144	5,768,807	79,380,319
<u>OPEB Plan</u>				
Money Market Fund	6,011,963	6,011,963	-	-
Fixed Income Mutual Fund	2,507,450	-	-	2,507,450
Total	8,519,413	6,011,963	-	2,507,450
Total Fiduciary Accounts	\$ 111,646,683	\$ 23,990,107	\$ 5,768,807	\$ 81,887,769

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

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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, 2022 and 2021, 20.0% and 21.7%, respectively, of the Retirement Plan's investments were in the Pooled International Fund, and 10.4% and 16.7%, respectively 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, 2022, the Retirement Plan had \$65,081,892 of investments in the Pooled International Fund, and as of September 30, 2021, the Pension Plan had \$82,203,804 of investments in the Pooled International Fund.

As of September 30, 2022, the OPEB Plan had \$1,071,352 of investments in an Overseas Mutual Fund, and as of September 30, 2021, the OPEB Trust had \$1,278,217 of investments in an international mutual fund.

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.

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- **Capital Grant Local Share** – represents assets to provide for VIA’s matching share of Federal Transit Administration (FTA) grants.

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

	Cash & Cash Equivalents	Investments	2022 Total	2021 Total
Restricted deposits and investments				
Bond construction fund	\$ 1	\$ -	\$ 1	\$ 1,845,296
Bond fund -- principal and interest due	2,844,667	-	2,844,667	2,701,667
Bond reserve fund	2,927,724	-	2,927,724	2,927,724
TxDOT grant	11,670,630	12,941,108	24,611,738	40,772,639
Total restricted deposits and investments	17,443,022	12,941,108	30,384,130	48,247,326
Unrestricted deposits and investments				
Board approved purposes:				
Stabilization fund	23,830,347	18,819,653	42,650,000	41,000,000
Keep San Antonio Moving (KSAM) reserve	-	177,122,000	177,122,000	56,739,774.00
Unrestricted cash reserve	-	113,453,062	113,453,062	107,082,108
Working capital:				
MTA	-	36,090,000	36,090,000	34,690,000
ATD	-	6,560,000	6,560,000	6,310,000
Retainage	30,427	-	30,427	30,424
Capital grants local share	9,375,248	-	9,375,248	9,378,400
Total unrestricted deposits and investments	33,236,022	352,044,715	385,280,737	255,230,706
Total deposits and investment balances	\$ 50,679,044	\$ 364,985,823	\$ 415,664,867	\$ 303,478,032

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 2021 to September 2022 and September 2020 to September 2021:

	Balance at September 30, 2021	Additions	Deletions	Transfers	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
	680,557,041	155,032	(29,466,886)	36,063,611	687,308,798
Accumulated depreciation:					
Buildings and shelters	157,601,886	13,827,804	-	-	171,429,690
Revenue & 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
	356,176,635	41,062,402	(29,466,886)	-	367,772,151
Net capital assets before construction in progress	324,380,406	(40,907,370)	-	36,063,611	319,536,647
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
Construction in progress	55,627,376	38,617,099	-	(36,063,611)	58,180,864
Net capital assets	\$ 380,007,782	\$ (2,290,271)	\$ -	\$ -	\$ 377,717,511

* Capital assets not being depreciated.

	Balance at September 30, 2020	Additions	Deletions	Transfers	Balance at September 30, 2021
Land*	\$ 33,522,689	\$ -	\$ (7,883)	\$ -	\$ 33,514,806
Buildings and shelters	305,654,219	-	(36,680,836)	1,400,671	270,374,054
Revenue and service vehicles	307,356,517	14,312,143	(26,820,118)	21,883,728	316,732,270
Equipment	66,300,892	-	(8,091,638)	1,726,657	59,935,911
	712,834,317	14,312,143	(71,600,475)	25,011,056	680,557,041
Accumulated depreciation:					
Buildings and shelters	181,206,243	13,076,480	(36,680,837)	-	157,601,886
Revenue & service vehicles	149,458,171	21,234,068	(20,297,976)	-	150,394,263
Equipment	51,602,759	4,669,364	(8,091,637)	-	48,180,486
	382,267,173	38,979,912	(65,070,450)	-	356,176,635
Net capital assets before construction in progress	330,567,144	(24,667,769)	(6,530,025)	25,011,056	324,380,406
Buildings and shelters	35,553,055	13,910,456	-	(1,435,056)	48,028,455
Revenue and service vehicles	12,047,084	10,258,255	-	(21,883,728)	421,611
Equipment	6,639,438	2,230,144	-	(1,692,272)	7,177,310
Construction in progress	54,239,577	26,398,855	-	(25,011,056)	55,627,376
Net capital assets	\$ 384,806,721	\$ 1,731,086	\$ (6,530,025)	\$ -	\$ 380,007,782

* Capital assets not being depreciated.

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The following is a summary of depreciation expense:

Description	Years Ended September 30,	
	2022	2021
Capital assets acquired with VIA equity	\$ 21,789,425	\$ 21,357,370
Capital assets acquired with grants	18,628,991	17,622,542
	<u>\$ 40,418,416</u>	<u>\$ 38,979,912</u>

Note 7 – Sales Taxes

Sales taxes are a significant revenue source for VIA, accounting for 66.9% of VIA's revenue in FY22 (54.5% in FY21). 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:

Description	Years Ended September 30,	
	2022	2021
MTA	\$ 204,636,921	\$179,541,153
ATD	92,493,013	81,422,853
Less ATD Amounts Remitted to CoSA and Bexar County	(46,246,506)	(40,711,426)
Net VIA Sales Taxes	<u>\$ 250,883,428</u>	<u>\$220,252,580</u>

VIA's sales taxes increased by \$30,630,848 in FY22, due to higher sales and higher prices. In FY21, sales taxes increased by \$25,423,263 as the economy improved following a year significantly impacted by COVID. In FY22, MTA sales taxes increased by \$25,095,768, and VIA's 50% share of ATD sales taxes increased by \$5,535,080. In FY21, MTA sales taxes increased by \$20,502,016 and VIA's 50% share of ATD sales taxes increased by \$4,921,246. ATD sales taxes are allocated 50% to VIA and 25% each to the City of San Antonio (CoSA) and Bexar County.

Description	Years Ended September 30,	
	2022	2021
MTA	\$ 35,340,704	\$ 32,112,100
ATD-VIA	7,939,097	7,249,295
ATD-Other (CoSA and Bexar County)	7,939,097	7,249,295
	<u>\$ 51,218,898</u>	<u>\$ 46,610,690</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.

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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.

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.

Service at Retirement	Supplement (One-Time)
<10 Years	\$ 175.00
10-24 Years	350.00
25+ 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.

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

Service at Retirement	Benefit Payable Before Age 65	Benefit Payable After Age 65
<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.

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, 2020 and 2019, the dates used to develop the pension accounting information that is reported for the fiscal years ending September 30, 2022 and 2021, respectively.

	FY2022	FY2021
Inactive Plan members or beneficiaries currently receiving benefits	1,179	1,114
Inactive Plan members entitled to, but not yet receiving, benefits	143	135
Active Plan members	851	947
Total Plan members	2,173	2,196

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, 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. VIA's net pension liability reported for September 30, 2021 was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the September 30, 2020 measurement date.

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Changes in Net Pension Liability

	2022	2021
Total Pension Liability		
Service Cost	\$ 6,879,319	\$ 7,521,860
Interest	33,317,752	32,461,552
Difference between expected and actual experience	(3,484,862)	(903,472)
Benefit payments	(28,800,748)	(24,111,522)
Refunds	(649,986)	(335,774)
Net change in total pension liability	\$ 7,261,475	\$ 14,632,644
 Total pension liability - beginning	 470,840,903	 456,208,259
Total pension liability - ending	<u>\$ 478,102,378</u>	<u>\$ 470,840,903</u>
 Plan Fiduciary Net Position		
Contributions - employer	\$ 14,253,181	\$ 14,346,139
Contributions - employee	3,824,273	4,101,795
 Pension plan net investment income	 73,736,180	 33,587,049
Benefit payments	(28,800,748)	(24,111,522)
Refunds	(649,986)	(335,774)
Pension plan administrative expense	(137,671)	(137,824)
Net change in Plan Fiduciary net position	62,225,229	27,449,863
 Plan fiduciary net position - beginning	 330,462,819	 303,012,956
Plan fiduciary net position - ending	<u>\$ 392,688,048</u>	<u>\$ 330,462,819</u>
 VIA's net pension liability	<u>\$ 85,414,330</u>	<u>\$ 140,378,084</u>

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K. Actuarial Assumptions

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

The total pension liability reported for September 30, 2021 was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the measurement date of September 30, 2020, 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

L. Discount Rate

The discount rate used to measure the total pension liability as of the measurement dates of September 30, 2021 and September 30, 2020 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.

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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 2022 and 2021, 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, 2022

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

Discount Rate Sensitivity - September 30, 2021

Current Single Discount Rate		
1.0% Decrease	Assumption	1.0% Increase
6.25%	7.25%	8.25%
\$ 190,828,411	\$ 140,378,084	\$ 97,292,464

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, 2022 and 2021 are summarized in the tables below:

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%
International 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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Fiscal Year ended September 30, 2021

Asset Class	Long-Term Expected	Target Asset Allocation	Development of Long-Term
	Arithmetic Real Rate of Return		Arithmetic Return for Investment Portfolio
Domestic Equity - Large Cap	8.59%	22%	1.89%
International Equity - Small Cap	9.28%	13%	1.21%
Global Equity	7.50%	25%	1.88%
Fixed Income	2.19%	30%	0.66%
Real Estate	6.45%	10%	0.65%
Total Expected Arithmetic Real Return:			6.29%
Inflation Assumption:			2.20%
Total Expected Arithmetic Nominal Return:			8.49%

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

Pension Expense

For the year ended September 30, 2022, VIA recognized pension expense of \$1,409,549. For the year ended September 30, 2021, VIA recognized pension expense of \$12,962,350.

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Schedule of Pension Expense

	2022	2021
Total service cost	\$ 6,879,319	\$ 7,521,859
Interest on the total pension liability	33,317,752	32,461,552
Employee contributions (reduction of expense)	(3,824,273)	(4,101,795)
Projected savings on plan investments (reduction of expense)	(23,541,282)	(21,745,966)
Recognition of outflow (inflow) of resources due to liabilities	3,501,873	4,684,899
Recognition of outflow (inflow) of resources due to assets	(15,061,511)	(5,996,023)
Total pension expense	<u>\$ 1,409,549</u>	<u>\$ 12,962,350</u>

At September 30, 2022 and 2021, 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, 2022		
1. Differences between expected and actual experience	\$ 432,103	\$ 3,009,474
2. Net differences between projected and actual earnings on Plan investments	-	44,693,144
3. Assumption changes	4,259,665	-
4. Contributions paid subsequent to the measurement date	13,555,325	-
	<u>\$ 18,247,093</u>	<u>\$ 47,702,618</u>
Fiscal Year Ended September 30, 2021		
1. Differences between expected and actual experience	\$ 992,920	\$ 838,120
2. Net differences between projected and actual earnings on Plan investments	-	9,559,755
3. Assumption changes	8,514,227	-
4. Contributions paid subsequent to the measurement date	14,253,181	-
	<u>\$ 23,760,328</u>	<u>\$ 10,397,875</u>

Contributions subsequent to the measurement date are recognized in the following period. September 30, 2022 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
2023	\$ (8,628,745)
2024	(11,309,670)
2025	(13,033,455)
2026	(10,038,980)
2027	-
Thereafter	-
Total	<u>\$ (43,010,850)</u>

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P. Pension Plan Components of Net Pension Liability

The following table summarizes the components of the net pension liability as of September 30, 2022 and 2021 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,	
	2022	2021
Total pension liability	\$ 488,898,521	\$ 478,102,378
Plan fiduciary net position	322,119,763	392,688,048
Net pension liability	<u>\$ 166,778,758</u>	<u>\$ 85,414,330</u>
Plan fiduciary net position as a percentage of the total pension liability	65.9%	82.1%

The actuarial valuation dated October 1, 2021 was rolled forward to September 30, 2022.

The following presents the net pension liability of the pension plan, calculated using the discount rate of 7.25% with a measurement date ending September 30, 2022 and September 30, as well as what it 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, 2022

Current Single Discount Rate		
1.0% Decrease	Assumption	1.0% Increase
6.25%	7.25%	8.25%
\$ 217,787,690	\$ 166,778,758	\$ 123,352,235

Discount Rate Sensitivity - September 30, 2021

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

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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, 2022 totaled \$3,925,662 (\$3,779,321 in 2021).

Note 10 – Postemployment Benefits Other Than Pension

General Information about the OPEB Plan

A. 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.

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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, 2021, the most recent valuation date, there are 200 retirees and dependents receiving VIA healthcare benefits and 931 participating in the VIA life insurance program. As of October 1, 2020, the next most recent valuation date, there are 349 retirees and dependents receiving VIA healthcare benefits and 868 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.

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:

	2022	2021
Inactive plan members or beneficiaries currently receiving benefit payments	931	894
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	1,887	1,973
Total	2,818	2,867

B. 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 (24 years remaining as of the last valuation date of October 1, 2021). 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.

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Net OPEB Liability

VIA's net OPEB liability was measured as of September 30, 2021, 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, 2020.

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.

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% to 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

For the fiscal year ended September 30, 2021 (the measurement date of September 30, 2020), the actuarial valuation date was October 1, 2019. The total OPEB liability in the October 1, 2019 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% 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 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 7.00% for pre-65 retirees and 6.20% for post-65 retirees, declining to ultimate rates of 4.25% for pre-65 retirees after 11 years and post-65 retirees after 12 years
Participation Rates	Rates of 40% for pre-65 retirees and 25% for post-65 retirees, with 37.5% 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, 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	100%			

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 7.25% for both FY22 and FY21. When this actuarial assumption was last updated in 2018, the municipal bond rate was 3.83% (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 7.25%. The discount rate was also 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, 2021 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	10.4%	8.2%
International equity	15%	MSCI ACWI Ex-US	8.9%	6.7%
Fixed income	35%	Aggregate Index	4.4%	2.2%
Total	100%			

Note: For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of nominal returns and reduced by 2.2% to adjust to real terms. The expected rate of inflation is 2.2%.

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Changes in the Net OPEB Liability

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

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
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
Net changes	(3,174,918)	3,536,598	(6,711,516)
Balances at 9/30/22 (*)	\$ 57,110,478	\$ 14,791,259	\$ 42,319,219

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

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.

Changes in the net OPEB liability for fiscal year 2021 are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at 9/30/20 (*)	\$ 59,821,719	\$ 9,892,973	\$ 49,928,746
Service cost	1,562,768	-	1,562,768
Interest on the total OPEB liability	4,301,263	-	4,301,263
Difference between expected and actual experience	(2,915,322)	-	(2,915,322)
Changes of assumptions	65,649	-	65,649
Employer contributions	-	3,313,597	(3,313,597)
Net investment income	-	615,964	(615,964)
Benefit payments	(2,550,681)	(2,550,681)	-
Administrative expense	-	(17,192)	17,192
Net changes	463,677	1,361,688	(898,011)
Balances at 9/30/21 (*)	\$ 60,285,396	\$ 11,254,661	\$ 49,030,735

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

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The liability resulting from “Changes of assumptions” includes an update to the participation assumptions for both Medicare and non-Medicare retirees, and an update to the participation and lapse assumptions. The former update was made for the liability reported in the employer year ending September 30, 2021 (Plan year ending one year prior) and the latter update was made for the liability reported in the employer year ending September 30, 2021 (Plan year ending one year prior).

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, 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:

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

The following presents the net OPEB liability of VIA reported as of September 30, 2021 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:

	1% Decrease 6.25%	Current Single Discount Rate Assumption	1% Increase 8.25%
Net OPEB liability (asset)	\$ 57,662,140	\$ 49,030,735	\$ 41,978,187

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, 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:

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

The healthcare cost trend rates assumption is initial rates of 6.75% for pre-65 and 6.10% for post-65 retirees, declining to ultimate rates of 4.25% after 10 years for pre-65 and 11 years for post-65.

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The following presents the net OPEB liability of VIA reported as of September 30, 2021 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:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB liability (asset)	\$ 43,564,409	\$ 49,030,735	\$ 55,835,691

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.

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, 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 earning on plan investments	-	306,890	(306,890)
Contributions subsequent to the measurement date	4,136,796	-	4,136,796
Total	\$ 19,028,751	\$ 2,540,552	\$ 16,488,199

For the year ended year ended September 30, 2021, VIA recognized OPEB expense of \$7,472,565. At September 30, 2021, 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	\$ 12,041,508	\$ 2,574,492	\$ 9,467,016
Change in assumptions	3,056,126	-	3,056,126
Net difference between projected and actual earning on plan investments	261,873	-	261,873
Contributions subsequent to the measurement date	4,364,248	-	4,364,248
Total	\$ 19,723,755	\$ 2,574,492	\$ 17,149,263

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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, 2022 as deferred outflows of resources and deferred inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30	Net Deferred Outflows (Inflows)
2023	\$ 2,568,278
2024	2,567,092
2025	2,506,379
2026	1,875,551
2027	1,664,013
Thereafter	1,170,090
Total	\$ 12,351,403

As of September 30, 2022 and September 30, 2021, VIA had a payable of zero for the outstanding amount of contributions to the OPEB Plan required for the years ended September 30, 2022 and September 30, 2021, 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, 2022 and 2021 were as follows:

	September 30,	
	2022	2021
Total OPEB liability	\$ 57,903,804	\$ 57,110,478
Plan fiduciary net position	15,074,758	14,791,259
Net OPEB liability	<u>\$ 42,829,046</u>	<u>\$ 42,319,219</u>

Plan fiduciary net position as a percentage
of the total OPEB liability

26.0%

25.9%

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The discount rate used to measure the Total OPEB Liability was 7.25%. The following table presents the change in VIA's OPEB Plan net liability calculated at September 30, 2022 assuming that the discount rate decreases or increases by one percentage point from the assumptions used in the Total OPEB Liability.

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

The following table presents the change in VIA's OPEB Plan net liability calculated at September 30, 2022 assuming that the healthcare cost trends decrease or increase by one percentage point from the assumptions used in Total OPEB Liability.

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

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.

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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.

At September 30, 2022, VIA had recorded claims payable of \$7,885,021 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* (\$8,392,075 in 2021). 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, 2020	\$ 5,169,250	\$ 899,101	\$ 1,882,347	\$ 7,950,698
Current period claims and charges in estimates	989,359	1,532,401	22,498,493	25,020,253
Claim payments	(1,308,200)	(1,156,538)	(22,114,138)	(24,578,876)
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	\$ 851,003	\$ 1,898,817	\$ 7,885,021

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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).

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 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.

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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.

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.

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The cash flow requirements from the old bonds prior to the advance refunding were \$41,341,038 from 2021 through 2038. The cash flow requirements on the new bonds are \$36,839,696 from 2021 through 2038. The advance refunding resulted in an economic gain of \$3,708,935 (present value savings).

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 2.806%. 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 cash flow requirements from the old bonds prior to the advance refunding were \$32,984,000 from 2021 through 2038. The cash flow requirements on the new bonds are \$30,143,296 from 2021 through 2038. The advance refunding resulted in an economic gain of \$2,366,772 (present value savings).

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 $\frac{1}{4}$ 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.

Changes in long-term obligations for the year ended September 30, 2022 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	\$ 6,790,000	\$ -	\$ (1,230,000)	\$ 5,560,000	\$ 1,290,000	
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00%- 5.00%	32,925,000	7,055,000	-	(1,050,000)	6,005,000	1,085,000	
	3.00%- 5.00%	81,995,000	59,370,000	-	(3,905,000)	55,465,000	4,790,000	
Series 2017 MTA Sales Tax Revenue Bonds	5.00%	81,995,000	59,370,000	-	(3,905,000)	55,465,000	4,790,000	
Series 2020 MTA Contractual Obligations	1.05%	11,000,000	8,845,000	-	(2,175,000)	6,670,000	2,200,000	
Series 2020 MTA Farebox Revenue and Refunding Bonds	0.46%- 2.52%	28,940,000	28,295,000	-	(390,000)	27,905,000	390,000	
Series 2020 ATD Sales Tax Revenue and Refunding Bonds	0.35%- 2.39%	23,790,000	23,250,000		(340,000)	22,910,000	340,000	
Total bonds		218,615,000	133,605,000	-	(9,090,000)	124,515,000	10,095,000	
Bond premium		N/A	11,403,251	-	(1,619,800)	9,783,451	-	
Compensated absences		N/A	6,545,605	2,583,485	(2,527,544)	6,601,546	3,589,852	
Leases		N/A	15,578,216	2,135,764	(11,740,004)	5,973,976	4,173,256	
Other		N/A	6,130	1,495	-	7,625	-	
Total long-term liabilities		\$ 218,615,000	\$ 167,138,202	\$ 4,720,744	\$ (24,977,348)	\$ 146,881,598	\$ 17,858,108	

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Changes in long-term obligations for the year ended September 30, 2021 are as follows:

	Interest Rate Payable	Original Issue	Beginning Balance	Additions	Retired	Ending Balance
Series 2013 MTA Farebox Revenue and Refunding Bonds	1.00%- 5.25%	\$ 39,965,000	\$ 32,835,000	\$ -	\$ (26,045,000)	\$ 6,790,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00%- 5.00%	32,925,000	27,755,000	-	(20,700,000)	7,055,000
Series 2017 MTA Sales Tax Revenue Bonds	3.00%- 5.00%	81,995,000	66,410,000	-	(7,040,000)	59,370,000
Series 2020 MTA Contractual Obligations	1.05%	11,000,000	11,000,000	-	(2,155,000)	8,845,000
Series 2020 MTA Farebox Revenue and Refunding Bonds	0.46%- 2.52%	28,940,000	-	28,940,000	(645,000)	28,295,000
Series 2020 ATD Sales Tax Revenue and Refunding Bonds	0.35%- 2.39%	23,790,000	-	23,790,000	(540,000)	23,250,000
Total bonds		218,615,000	138,000,000	52,730,000	(57,125,000)	133,605,000
Bond premium		N/A	14,252,672	-	(2,849,421)	11,403,251
Compensated absences		N/A	6,528,340	2,606,484	(2,589,219)	6,545,605
Leases		N/A	25,451,562	1,335,568	(11,208,914)	15,578,216
Other		N/A	4,780	1,350	-	6,130
Total long-term liabilities		\$ 218,615,000	\$ 184,237,354	\$ 56,673,402	\$ (73,772,554)	\$ 167,138,202

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

Year Ending September 30,	Principal	Interest	Total Requirements
2023	\$ 10,095,000	\$ 4,514,570	\$ 14,609,570
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
2028-2032	38,725,000	5,995,920	44,720,920
2033-2037	21,535,000	2,351,264	23,886,264
2038	4,655,000	127,747	4,782,747
Total	\$ 124,515,000	\$ 26,496,614	\$ 151,011,614

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.

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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.

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. The other remaining outstanding construction commitments at September 30, 2022 amount to \$7,861,082.

VIA has another \$19,556,867 of significant outstanding commitment open as of September 30, 2022 – a contract to purchase 8 electric buses for \$8,185,032 (P.O. amount for delivery, projected to begin in FY23), and \$11,371,835 for contracted engine replacements.

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.

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The impact that adoption of GASB 87 had on the Statement of Net Position beginning net position in FY22 was the following:

	As Previously Reported, Year Ended September 30, 2021	Adjustments	As Restated, Year Ended September 30, 2021
Assets and Deferred Outflows of Resources			
Current lease receivable	\$ -	\$ 67,371	\$ 67,371
Lease interest receivable	-	33,179	33,179
Noncurrent lease receivable	-	4,444,739	4,444,739
Capital assets	-	26,732,905	26,732,905
Less accumulated amortization	-	11,457,025	11,457,025
Liabilities, Deferred Outflows and Net Position			
Accrued liabilities	8,306,743	11,740,004	20,046,747
Interest payable	933,315	2,659	935,974
Long term liabilities	138,916,604	3,873,153	142,789,757
Deferred inflow of resources	12,972,367	4,384,857	17,357,224
Net investment in capital assets	234,999,531	5,550,816	240,550,347
Unrestricted Net position	191,926,591	(5,730,320)	186,196,271

	As Previously Reported, Year Ended September 30, 2021	Adjustments	As Restated, Year Ended September 30, 2021
Operating revenue	\$ 13,720,325	\$ 24,755	\$ 13,745,080
Operating expense	235,953,934	(11,764,811)	224,189,123
Amortization expense	-	11,516,051	11,516,051
Lease interest expense	-	588,697	588,697
Interest income	(7,150)	135,678	128,528
Change in net position	137,553,837	(179,504)	137,374,333
Net position at end of year	472,394,837	(179,504)	472,215,333

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Components of VIA's intangible right-to-use lease assets are summarized as follows for September 2021 (restated) to September 2022 and for September 2020 to September 2021 (restated):

	Balance at September 30, 2021	Additions	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
	26,732,905	2,135,763	(210,331)	28,658,337
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
	11,457,025	11,632,264	(210,331)	22,878,956
Net right-to-use lease assets	\$ 15,275,880	\$ (9,496,499)	\$ -	\$ 5,779,381

	Balance at September 30, 2020	Additions	Deletions	Balance at September 30, 2021
Land	\$ 433,912	\$ -	\$ -	\$ 433,912
Buildings and shelters	326,744	1,185,280	-	1,512,024
Revenue and service vehicles	21,483,632	-	-	21,483,632
Equipment	3,207,275	150,288	(54,226)	3,303,337
	25,451,562	1,335,568	(54,226)	26,732,905
Accumulated amortization:				
Land	-	133,269	-	133,269
Buildings and shelters	-	163,462	-	163,462
Revenue and service vehicles	-	9,548,280	-	9,548,280
Equipment	-	1,666,240	(54,226)	1,612,014
	-	11,511,251	(54,226)	11,457,025
Net right-to-use lease assets	\$ 25,451,562	\$ (10,175,683)	\$ -	\$ 15,275,880

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

Lease Description	Inception Date	Maturity Date	Interest Rate	FY22 Lease Revenue	FY22 Interest Income	FYE22 Total Lease Receivable	FYE22 Current Lease Receivable
Amtrak Station - 350 Hoefgen	08/18/98	07/01/25	3.25%	\$ 33,439	\$ 3,352	\$ 96,990	\$ 33,518
Office - 210 Chestnut	04/05/04	10/31/24	3.25%	39,300	1,584	44,661	21,061
Sunset Station - 1174 E. Commerce	07/31/98	08/14/53	3.25%	159,360	131,204	4,347,750	86,762
Total FY22				<u>\$ 232,099</u>	<u>\$ 136,140</u>	<u>\$ 4,489,401</u>	<u>\$ 141,341</u>
				FY21 Lease Revenue	FY21 Interest Income	FYE21 Total Lease Receivable	FYE21 Current Lease Receivable
Total FY21, Restated				<u>\$ 186,629</u>	<u>\$ 135,678</u>	<u>\$ 4,444,740</u>	<u>\$ 67,371</u>

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

Year Ending September 30,	Principal	Interest	Total Requirements
2023	\$ 141,341	\$ 132,494	\$ 273,835
2024	146,598	128,469	275,067
2025	122,276	123,958	246,233
2026	97,398	121,102	218,500
2027	100,359	118,141	218,500
2028-2032	540,956	544,044	1,085,000
2033-2037	623,125	456,875	1,080,000
2038-2042	723,873	356,127	1,080,000
2043-2047	840,912	239,088	1,080,000
2048-2052	976,851	103,149	1,080,000
2053-2057	175,712	2,465	178,177
Total	<u>\$ 4,489,401</u>	<u>\$ 2,325,911</u>	<u>\$ 6,815,312</u>

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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	FY22 Amortization Expense	FY22 Lease Interest	FYE22 Total Lease Liability	FYE22 Current Lease Liability
Customer Information Center - 211 W. Commerce	09/01/20	08/31/25	3.25%	\$ 51,781	\$ 5,453	\$ 159,090	\$ 51,674
Private Drive, Bus Access - 630 NW Loop 410	03/01/10	02/28/30	3.25%	2,103	492	15,574	2,033
Antenna Tower Land - 150 Arrid Rd	09/03/20	09/02/27	3.25%	35,472	5,977	184,861	33,101
Automatic Blood Pressure Kiosks	10/01/17	09/30/25	3.25%	21,415	349	57,377	18,509
VIAtrans Vans	01/01/19	12/31/22	3.25%	9,676,288	212,293	2,533,502	2,549,501
Pilot Mobility-On-Demand Ride Share	05/01/20	04/30/23	3.25%	1,128,116	20,502	751,299	751,299
Central Circuit and Related Services	03/01/21	02/28/22	3.25%	53,693	301	-	-
On-Site Copy Center	01/10/17	09/30/23	3.25%	510,321	22,807	524,393	524,393
Multifunction Copiers	02/01/20	12/31/23	3.25%	4,991	261	6,411	5,110
Office Space, Transguide - 3500 NW Loop 410	03/31/21	03/31/23	3.25%	73,331	2,320	37,465	37,465
Data Center - 1110 Richland Hills	09/01/21	08/31/23	3.25%	103,862	32,166	955,016	80,433
Park-n-Ride - Land - 12002 Jones Maltsburger	02/16/22	02/16/23	3.25%	2,212	33	-	-
Bus Storage - 103 Manchaca St	02/22/20	02/22/22	3.25%	20,487	111	-	-
Radio Tower - 4501 Medical Drive	11/30/21	11/30/23	3.25%	26,901	1,138	31,803	27,186
Community Center - 7067 San Pedro	07/01/22	11/30/28	3.00%	26,610	5,063	673,355	63,578
Storage - 5115 Port Entry Rd	04/01/22	03/31/24	3.35%	14,528	831	43,830	28,974
Total FY22				<u>\$ 11,752,111</u>	<u>\$ 310,097</u>	<u>\$ 5,973,976</u>	<u>\$ 4,173,256</u>
				FY21 Amortization Expense	FY21 Lease Interest	FYE21 Total Lease Liability	FYE21 Current Lease Liability
Total FY21, Restated				\$ 11,516,051	\$ 588,697	\$ 15,578,216	\$ 11,740,004

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

Year Ending September 30,	Principal	Interest	Total Requirements
2023	\$ 4,173,256	\$ 81,953	\$ 4,255,209
2024	320,011	51,534	371,545
2025	312,807	41,761	354,568
2026	258,158	33,037	291,195
2027	274,290	24,750	299,040
2028-2032	635,454	34,642	670,096
Total	<u>\$ 5,973,976</u>	<u>\$ 267,677</u>	<u>\$ 6,241,653</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 \$3,204,830 in FY22 (\$2,603,036 in FY21). Of this amount, \$3,160,571 of payments were made to VIA's VIAtrans service provider for service levels above the guaranteed minimum (\$2,484,591 in FY21), and \$44,259 of payments were made to VIA's copier vendor for specialty printing jobs (\$118,445 in FY21).

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.

Required Supplementary Information - Unaudited

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

Fiscal Year Ending September 30,	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 6,585,062	\$ 6,879,319	\$ 7,521,860	\$ 7,956,865
Interest	33,788,803	33,317,752	32,461,552	31,348,296
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	1,107,215	(3,484,862)	(903,472)	896,495
Changes of assumptions	-	-	-	-
Benefit payments	(30,115,982)	(28,800,748)	(24,111,522)	(24,572,598)
Refunds	(568,955)	(649,986)	(335,774)	(237,912)
Net change in total pension liability	10,796,143	7,261,475	14,632,644	15,391,146
Total pension liability—beginning	478,102,378	470,840,903	456,208,259	440,817,113
Total pension liability—ending (a)	<u>\$ 488,898,521</u>	<u>\$ 478,102,378</u>	<u>\$ 470,840,903</u>	<u>\$ 456,208,259</u>
Plan fiduciary net position				
Contributions—employer	\$ 13,549,455	\$ 14,253,181	\$ 14,346,139	\$ 14,729,284
Contributions—member	3,748,353	3,824,273	4,101,795	4,257,833
Net investment income	(57,018,394)	73,736,180	33,587,049	10,587,602
Benefit payments	(30,115,982)	(28,800,748)	(24,111,522)	(24,572,598)
Refunds	(568,955)	(649,986)	(335,774)	(237,912)
Administrative expense	(162,762)	(137,671)	(137,824)	(145,051)
Other	-	-	-	-
Net change in plan fiduciary net position	(70,568,285)	62,225,229	27,449,863	4,619,158
Plan fiduciary net position—beginning	392,688,048	330,462,819	303,012,956	298,393,798
Plan fiduciary net position—ending (b)	<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>\$ 166,778,758</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	65.9%	82.1%	70.2%	66.4%
Covered payroll	\$ 52,515,461	\$ 54,786,319	\$ 59,888,154	\$ 63,152,166
Employer's net pension liability as a percentage of covered payroll	317.6%	155.9%	234.4%	242.6%

See accompanying notes to the required supplementary information

VIA Metropolitan Transit
San Antonio, Texas

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
-	-	-	-	-	Other
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)
67.7%	68.0%	62.9%	60.9%	64.3%	Plan fiduciary net position as a percentage of the total pension liability
\$ 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

FY Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
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%

Valuation Date	The actuarially-determined contribution for plan year ending September 30, 2022 was developed in the October 1, 2020 valuation.
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Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years as of September 30, 2022
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	3.75% 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.

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

<u>FY Ending</u> <u>September 30</u>	<u>Annual</u> <u>Return</u>
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%

Schedules of Required Supplementary Information

Schedules of Changes in Net OPEB Liability and Related Ratios

For the Fiscal Year Ended September 30

(Unaudited)

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

Notes:

In 2021, the changes of benefits terms line reflects adding a fully-insured Medicare Advantage Plan option for Medicare retirees. In 2020, the participation and lapse assumptions were updated. In 2019, the participation assumptions for both Medicare and non-Medicare retirees were updated. In 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 in the

See accompanying notes to the required supplementary information

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

FY Ending <u>September 30</u>	Actuarially Determined <u>Contribution</u>	Actual <u>Contribution</u>	Contribution Deficiency (Excess)	Covered <u>Employee Payroll</u>	Actual Contribution as a % of Covered <u>Employee Payroll</u>
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, 2022 was developed in the October 1, 2019 valuation.
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years as of the calculation of the FY22 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 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.
Health Care Trend Rates	Pre-65 retirees: initial rate of 7.25% declining to an ultimate rate of 4.25% after 12 years. Post-65 retirees: initial rate of 6.20% declining to an ultimate rate of 4.25% after 12 years.
Participation Rates	Rates of 40% for pre-65 retirees and 25% for post-65 retirees, with 37.5% assumed to discontinue at age 65.

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

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

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, only nine years are presented. The full trend information will be accumulated over the next year.

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 six years are presented. The full trend information will be accumulated over the next four years.

Other Supplementary Information

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Combining Statements of Net Position – Fiscal Year 2022

	MTA	ATD	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 21,701,554	\$ 11,534,468	\$ -	\$ 33,236,022
Investments	328,574,752	23,469,963	-	352,044,715
Accounts receivable:				
Federal government	41,958,227	-	-	41,958,227
State of Texas - sales taxes	35,340,704	7,939,097	-	43,279,801
Sales tax receivable - CoSA & Bexar County	-	7,939,097	-	7,939,097
Interest	85,571	-	-	85,571
Lease interest receivable	10,710	-	-	10,710
Lease receivable	141,341	-	-	141,341
Receivable from ATD	3,545,517	-	(3,545,517)	-
Other	6,898,597	-	-	6,898,597
Inventory	7,778,413	-	-	7,778,413
Prepaid expenses and other current assets	15,513	-	-	15,513
Restricted assets:				
Restricted cash - debt service	2,475,781	368,886	-	2,844,667
Total current assets	448,526,680	51,251,511	(3,545,517)	496,232,674
Noncurrent assets:				
Lease receivable	4,348,060	-	-	4,348,060
Restricted cash - TxDOT grant	11,670,630	-	-	11,670,630
Restricted cash - bond reserve fund	2,927,724	-	-	2,927,724
Restricted cash - construction account	1	-	-	1
Restricted investments - TxDOT grant	12,941,108	-	-	12,941,108
Capital assets:	-			
Land	35,214,548	-	-	35,214,548
Buildings and shelters	288,550,982	-	-	288,550,982
Revenue vehicles	294,724,111	-	-	294,724,111
Service vehicles	7,262,204	-	-	7,262,204
Equipment	61,556,953	-	-	61,556,953
Total capital assets	687,308,798	-	-	687,308,798
Less accumulated depreciation	367,772,151	-	-	367,772,151
Construction in progress	58,180,864	-	-	58,180,864
Net capital assets	377,717,511	-	-	377,717,511
Right-of-use lease assets				
Land	416,603	-	-	416,603
Buildings and shelters	2,252,507	-	-	2,252,507
Vehicles	21,483,632	-	-	21,483,632
Equipment	4,505,595	-	-	4,505,595
Total right-of-use lease assets	28,658,337	-	-	28,658,337
Less lease accumulated amortization	22,878,956	-	-	22,878,956
Net right of use lease assets	5,779,381			5,779,381
Total noncurrent assets	415,384,415	-	-	415,384,415
Total assets	863,911,095	51,251,511	(3,545,517)	911,617,089
Deferred outflows of resources				
Pension	18,247,093	-	-	18,247,093
Other postemployment benefits	19,028,751	-	-	19,028,751
Bond refund	3,469,577	2,035,863	-	5,505,440
Total deferred outflows of resources	40,745,421	2,035,863	-	42,781,284
Total assets and deferred outflows of resources	\$ 904,656,516	\$ 53,287,374	\$ (3,545,517)	\$ 954,398,373

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

	MTA	ATD	Eliminations	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 17,992,205	\$ -	\$ -	\$ 17,992,205
Payable to MTA	-	3,545,517	(3,545,517)	-
Payable to CoSA & Bexar County	-	7,939,097	-	7,939,097
Retainage payable	286,906	-	-	286,906
Accrued liabilities	12,211,478	-	-	12,211,478
Unearned revenue	2,948,222	-	-	2,948,222
Claims payable	7,885,021	-	-	7,885,021
Current liabilities payable from unrestricted assets	41,323,832	11,484,614	(3,545,517)	49,262,929
Current liabilities payable from restricted assets:				
Payable from construction fund	-	-	-	-
Interest payable	739,514	131,383	-	870,897
Bonds payable	8,670,000	1,425,000	-	10,095,000
Total current liabilities	50,733,347	13,040,997	(3,545,517)	60,228,826
Noncurrent liabilities:				
Net pension liability	85,414,330	-	-	85,414,330
Net other postemployment benefits (OPEB) liability	42,319,219	-	-	42,319,219
Long-term liabilities	99,970,352	29,053,138	-	129,023,490
Total noncurrent liabilities	227,703,901	29,053,138	-	256,757,039
Total liabilities	278,437,248	42,094,135	(3,545,517)	316,985,865
Deferred inflows of resources				
Pension	47,702,618	-	-	47,702,618
Postemployment benefits other than pension	2,540,552	-	-	2,540,552
Leases	4,259,727	-	-	4,259,727
Total deferred outflows of resources	54,502,897	-	-	54,502,897
Total liabilities and deferred inflows of resources	332,940,145	42,094,135	(3,545,517)	371,488,762
Net Position				
Net investment in capital assets	277,172,180	(30,478,138)	-	246,694,042
Restricted debt service	1,736,267	237,503	-	1,973,770
Restricted TxDOT grant	24,611,738	-	-	24,611,738
Restricted bond reserve fund	2,927,724	-	-	2,927,724
Unrestricted	265,268,463	41,433,874	-	306,702,337
Total Net Position	571,716,372	11,193,239	-	582,909,611
Total liabilities, deferred inflows and net position	\$ 904,656,517	\$ 53,287,374	\$ (3,545,517)	\$ 954,398,373

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Combining Schedule of Revenues, Expenses and Changes in Net Position Fiscal Year 2022

	MTA	ATD	Total
Operating revenues:			
Line service	\$ 9,226,674	\$ 2,171,981	\$ 11,398,655
Robert Thompson Terminal	26,534	-	26,534
Other special events	58,647	-	58,647
VIAtrans	1,448,826	-	1,448,826
VIA Link	21,099	-	21,099
Bus advertising	1,591,811	-	1,591,811
Parking lot revenue	90,521	-	90,521
Real estate development	232,099	-	232,099
Miscellaneous	392,289	-	392,289
Total operating revenues	13,088,500	2,171,981	15,260,481
Operating expenses:			
Line service	143,728,622	36,422,189	180,150,811
Disaster relief	-	-	-
Robert Thompson Terminal	354,399	-	354,399
Other special events	285,627	-	285,627
Promotional service	6,833	-	6,833
VIAtrans	29,409,941	-	29,409,941
VIA Link	1,817,805	-	1,817,805
Vanpool	-	444,968	444,968
Real estate development	1,169	-	1,169
Business development and planning	9,933,175	-	9,933,175
Total operating expenses before depreciation and amortization	185,537,571	36,867,157	222,404,728
Depreciation on capital assets:			
Acquired with VIA equity	21,789,425	-	21,789,425
Acquired with grants	18,628,991	-	18,628,991
Amortization expense:			
Leases	11,464,709	287,402	11,752,111
Total operating expenses after depreciation and amortization	237,420,696	37,154,559	274,575,255
Operating loss	(224,332,196)	(34,982,578)	(259,314,774)
Nonoperating revenues (expenses):			
Sales taxes	204,636,921	92,493,013	297,129,934
City of San Antonio intergovernmental agreement	10,000,000	-	10,000,000
TXDOT intergovernmental agreements expense	(1,700,000)	-	(1,700,000)
CARES Act	10,989	-	10,989
CARES, CRRSA, ARP - subrecipient disbursement pass-through	(1,117,738)	-	(1,117,738)
CARES, CRRSA, ARP - subrecipient pass-through	1,117,738	-	1,117,738
ARP Act	57,941,080	-	57,941,080
Grants revenue - VIA	36,145,744	-	36,145,744
Grants revenue - pass-through	889,711	-	889,711
Investment income	18,087	165,453	183,540
Bond interest and issuance costs	(2,874,734)	(625,315)	(3,500,049)
Lease interest expense	(310,096)	-	(310,096)
Gain (loss) on sale of assets	4,553,165	-	4,553,165
Less pass-through funds remitted to subrecipients	(889,711)	-	(889,711)
Less amounts remitted to CoSA and Bexar County	-	(46,246,506)	(46,246,506)
Total nonoperating revenues (expenses) - net	308,421,156	45,786,645	354,207,801
Income before capital contributions	84,088,960	10,804,067	94,893,027
Capital contributions	15,801,251	-	15,801,251
Change in net position	99,890,211	10,804,067	110,694,278
Net position at beginning of year, as restated	471,826,161	389,172	472,215,333
Net position at end of year	\$ 571,716,372	\$ 11,193,239	\$ 582,909,611

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Combining Statement of Cash Flows – Fiscal Year 2022

	MTA	ATD	Total
Cash flows from operating activities			
Cash received from customers	\$ 12,857,061	\$ 2,122,589	\$ 14,979,650
Cash payments to vendors for goods and services	(52,791,069)	(13,788,343)	(66,579,412)
Cash payments for employee services, including salaried fringe benefits	(150,525,175)	-	(150,525,175)
Cash payments for MTA employee services	-	(22,558,559)	(22,558,559)
Net cash provided by (used in) operating activities	(190,459,183)	(34,224,313)	(224,683,496)
Cash flows from noncapital financing activities			
Sales taxes	201,408,316	91,113,032	292,521,348
Grants revenue received	132,830,395	-	132,830,395
Payments to TxDOT, CoSA and Bexar County	-	(45,556,516)	(45,556,516)
CoSA interlocal agreement	10,000,000	-	10,000,000
Local assistance payments	(1,700,000)	-	(1,700,000)
Net cash provided by (used in) noncapital financing activities	342,538,711	45,556,516	388,095,227
Cash flows from capital and related financing activities			
Proceeds from capital grants	8,892,896	-	8,892,896
Principal payments on bonds	(7,700,000)	(1,390,000)	(9,090,000)
Premium, interest and financing fees	(4,008,044)	(826,510)	(4,834,554)
Lease payments	(11,700,626)	-	(11,700,626)
Proceeds from sale of assets	718,150	-	718,150
Purchase of capital assets	(35,211,182)	-	(35,211,182)
Net cash provided by (used in) capital and related financing activities	(49,008,806)	(2,216,510)	(51,225,316)
Cash flows from investing activities			
Sale of investment securities	99,637,739	-	99,637,739
Purchase of investment securities	(424,013,383)	(23,352,627)	(447,366,010)
Interest earnings	1,249,741	48,117	1,297,858
Net cash provided by (used in) investing activities	(323,125,903)	(23,304,510)	(346,430,413)
Net increase (decrease) in cash and cash equivalents	(220,055,181)	(14,188,817)	(234,243,998)
Cash and cash equivalents at beginning of year	258,830,871	26,092,171	284,923,042
Cash and cash equivalents at end of year	\$ 38,775,690	\$ 11,903,354	\$ 50,679,044
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating loss	\$ (224,332,196)	\$ (34,982,578)	\$ (259,314,774)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation on capital assets:			
Acquired with VIA equity	21,789,425	-	21,789,425
Acquired with grants	18,628,991	-	18,628,991
Amortization on right-of-use lease assets	11,752,111	-	11,752,111
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(5,424,278)	-	(5,424,278)
Decrease (increase) in inventory	(1,343,644)	-	(1,343,644)
(Decrease) increase in prepaid expenses and other current assets	32,557	-	32,557
Decrease (increase) in prepaid pension	5,513,235	-	5,513,235
Decrease (increase) in prepaid other postemployment benefits	695,004	-	695,004
(Decrease) increase in inter-fund receivable	(757,888)	758,266	378
(Decrease) increase in accounts payable	239,899	-	239,899
(Decrease) increase in accrued liabilities	(20,572,400)	-	(20,572,400)
Net cash provided by (used in) operating activities	\$ (193,779,184)	\$ (34,224,312)	\$ (228,003,496)
Reconciliation of cash and cash equivalents to the statements of net position			
Cash and cash equivalents at end of year:			
Unrestricted	\$ 21,701,554	\$ 11,534,468	\$ 33,236,022
Restricted - mandated purpose	17,074,136	368,886	17,443,022
Total cash and cash equivalents	\$ 38,775,690	\$ 11,903,354	\$ 50,679,044
Noncash Investing and Financing Activities			
Change in fair value of investments reported as cash equivalents	\$ (2,861,830)	\$ -	\$ (2,861,830)
Amortization on premium, discount and loss	1,077,264		

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Schedule of Revenues, Expenses and Changes in Net Position

Budget to Actual (GAAP Basis) – MTA 2022

	MTA		
	Budget	Actual	Variance
Operating revenues:			
Line service	\$ 9,739,661	\$ 9,226,674	\$ (512,987)
Robert Thompson Terminal	19,901	26,534	6,633
Other special events	65,833	58,647	(7,186)
VIATrans	1,123,705	1,448,826	325,121
VIA Link	75,482	21,099	(54,383)
Real estate development	297,210	232,099	(65,111)
Parking lot revenue	10,008	90,521	80,513
Bus advertising	1,574,994	1,591,811	16,817
Miscellaneous	260,000	392,289	132,289
Total operating revenues	13,166,794	13,088,500	(78,294)
Operating expenses (excluding depreciation):			
Line service	155,358,912	143,728,622	(11,630,290)
Robert Thompson Terminal	454,260	354,399	(99,861)
Other special events	275,895	285,627	9,732
Promotional service	-	6,833	6,833
VIATrans	43,703,495	29,409,941	(14,293,554)
VIA Link	3,982,842	1,817,805	(2,165,037)
Real estate development	4,625	1,169	(3,456)
Business development and planning	15,748,526	9,933,175	(5,815,351)
Total operating expenses before depreciation and amortization	219,528,555	185,537,571	(33,990,984)
Operating loss excluding depreciation and amortization	(206,361,761)	(172,449,071)	33,912,690
Non-operating revenues (expenses):			
Sales taxes	179,518,589	204,636,921	25,118,332
City of San Antonio intergovernmental agreement	10,000,000	10,000,000	-
Intergovernmental agreements expense	(1,700,000)	(1,700,000)	-
CARES Act	-	10,989	10,989
CRRSA Act subrecipient	-	306,488	306,488
CRRSA Act subrecipient disbursement	-	(306,488)	(306,488)
ARP Act	63,509,739	57,941,080	(5,568,659)
ARP Act subrecipient	-	811,250	811,250
ARP Act subrecipient disbursement	-	(811,250)	(811,250)
Grants revenue - VIA	43,889,134	36,145,744	(7,743,390)
Grants revenue - pass-through	1,774,826	889,711	(885,115)
Investment income	272,000	18,087	(253,913)
Bond interest and issuance costs	(2,860,416)	(2,874,734)	(14,318)
Lease interest expense	-	(310,096)	(310,096)
Gain (loss) on sale of assets	-	4,553,165	4,553,165
Less pass-through funds remitted to subrecipients	(1,774,826)	(889,711)	885,115
Total non-operating revenues (expenses) - net	292,629,046	308,421,156	15,792,110
Income before depreciation and amortization	86,267,285	135,972,085	49,704,800
Less depreciation	-	40,418,416	40,418,416
Less amortization	-	11,464,709	11,464,709
Income (loss) after depreciation and amortization	\$ 86,267,285	\$ 84,088,960	\$ (2,178,325)

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Schedule of Revenues, Expenses and Changes in Net Position

Budget to Actual (GAAP Basis) – ATD 2022

	ATD		
	Budget	Actual	Variance
Operating revenues:			
Line service	\$ 2,524,371	\$ 2,171,981	\$ (352,390)
Robert Thompson Terminal	-	-	-
Other special events	-	-	-
VIAtrans	-	-	-
Real estate development	-	-	-
Parking lot revenue	-	-	-
Bus advertising	-	-	-
Total operating revenues	2,524,371	2,171,981	(352,390)
Operating expenses (excluding depreciation):			
Line service	39,187,241	36,422,189	(2,765,052)
Robert Thompson Terminal	-	-	-
Other special events	-	-	-
VIAtrans	-	-	-
Vanpool	726,901	444,968	(281,933)
Promotional service	-	-	-
Real estate development	-	-	-
Business development and planning	-	-	-
Transit Technology	-	-	-
Total operating expenses before depreciation and amortization	39,914,142	36,867,157	(3,046,985)
Operating loss excluding depreciation and amortization	(37,389,771)	(34,695,176)	2,694,595
Non-operating revenues (expenses):			
Sales taxes	81,337,544	92,493,013	11,155,469
Grants revenue - VIA	-	-	-
Grants revenue - pass-through	-	-	-
Investment income	3,000	165,453	162,453
Bond interest and issuance costs	(709,021)	(625,315)	83,706
Less pass-through funds remitted to sub-recipients	-	-	-
Less local assistance program	-	-	-
Less amounts remitted to CoSA and Bexar County	(40,668,772)	(46,246,506)	(5,577,734)
Total non-operating revenues (expenses) - net	39,962,751	45,786,645	5,823,894
Income before depreciation	2,572,980	11,091,469	8,518,489
Less depreciation	-	-	-
Less amortization	-	287,402	287,402
Income (loss) after depreciation and amortization	\$ 2,572,980	\$ 10,804,067	\$ 8,231,087

VIA Metropolitan Transit

San Antonio, Texas

As of and for the Year Ended September 30, 2022

Schedule of Operating Expenses by Expense Category and Cost Center - Combined

	Metropolitan Transit Authority								
	11	16	17	13	20	25	21	31	35
	Line Service	Robert Thompson Terminal	Other Special Event	VIA Link	VIAtrans	Purchased Transportation	Van Disaster Relief	Disaster Relief-Bus	Promotional Service
Labor	67,885,757	152,865	138,090	-	10,369,459	1,390,278	-	-	10,638
Fringe Benefits	141	-	-	-	-	-	-	-	-
Services	5,300,318	13,936	4,061	398,825	320,936	341,057	-	-	(14,393)
Materials & Supplies	15,984,450	23,778	20,338	-	1,295,291	1,045,338	-	-	2,865
Utilities	1,618,749	19,622	496	-	315,021	46,793	-	-	157
Casualty & Liability	891,265	483	976	-	141,077	-	-	-	98
Taxes	101,254	53	76	-	8,129	94,278	-	-	36
Purchased Transportation	-	-	-	1,453,211	-	5,262,779	-	-	-
Miscellaneous Expenses	131,999	58	75	(34,231)	10,665	11,434	-	-	7
Leases & Rentals	69,025	(112)	99	-	316	(316)	-	-	17
Expense Transfer to Capital	-	-	-	-	-	-	-	-	-
Fringe Dist. Other	23,682,657	69,462	63,488	-	3,518,368	474,120	-	-	3,299
Expense Transfers	28,626,520	75,749	59,101	-	4,267,207	593,373	-	-	4,191
Sub-Total	144,292,135	355,894	286,800	1,817,805	20,246,469	9,259,134	-	-	6,915
Sub-Total less Indirect/Fringe									
Lease Amort. Expense	143,728,622	354,399	285,627	1,817,805	20,162,480	9,247,461	-	-	6,833
Depreciation on capital assets:									
Direct Depreciation	28,675,153	15,035	17,515	-	2,921,873	-	-	-	2,968
Indirect Depreciation	3,031,547	1,480	1,875	-	309,023	-	-	-	315
Fringe Depreciation	-	-	-	-	-	-	-	-	-
Sub-Total Depreciation	31,706,700	16,515	19,390	-	3,230,896	-	-	-	3,283
Amortization expense:									
Lease Amortization Indirect Allocation	548,770	1,452	1,133	-	81,799	11,378	-	-	80
Lease Amortization Fringe Allocation	14,743	43	40	-	2,190	295	-	-	2
Lease Amortization	34,997	(17)	-	1,128,116	28,974	9,592,638	-	-	2
Sub-Total Amorization Expense	598,510	1,478	1,173	1,128,116	112,963	9,604,311	-	-	84
Total Operating Expenses	176,033,832	372,392	306,190	2,945,921	23,506,339	18,851,772	-	-	10,200

Note: The Fringe Dist. Other and Expense Transfers expense categories includes the Indirect and Fringe cost center lease amortization expense.

VIA Metropolitan Transit

San Antonio, Texas

As of and for the Year Ended September 30, 2022

Metropolitan Transit Authority		Advanced Transportation District		Combined					
55	65	12	14	70		72	81-89*		
Real Estate Development	Business Development and Planning	Line Service	Vanpool	Sub-Total	MTA Indirect	ATD Indirect	Combined MTA & ATD Fringe	Total	
-	2,240,943	16,917,980	54,782	99,160,792	23,214,527	-	1,477,380	123,852,699	Labor
-	-	42	-	183	11,135	-	32,258,505	32,269,823	Fringe Benefits
175	5,578,028	1,121,919	1,200	13,066,062	11,849,134	(9,899)	889,973	25,795,270	Services
-	4,579	4,942,154	-	23,318,793	2,085,739	-	2,081	25,406,613	Materials & Supplies
492	-	391,919	-	2,393,249	1,327,590	-	-	3,720,839	Utilities
502	-	273,507	136,969	1,444,877	130,262	-	-	1,575,139	Casualty & Liability
-	-	31,134	-	234,960	3,087	-	-	238,047	Taxes
-	-	-	207,797	6,923,787	-	-	-	6,923,787	Purchased Transportation
-	460,728	20,417	-	601,152	2,088,247	-	8,791	2,698,190	Miscellaneous Expenses
-	-	20,354	-	89,383	84,320	-	-	173,703	Leases & Rentals
-	-	-	-	-	-	-	(249,382)	(249,382)	Expense Transfer to Capital
-	748,387	5,828,832	20,156	34,408,769	-	-	(34,408,769)	-	Fringe Dist. Other
-	918,585	7,012,172	24,548	41,581,446	(41,591,345)	9,899	-	-	Expense Transfers
1,169	9,951,250	36,560,430	445,452	223,223,453	(797,304)	-	(21,421)	222,404,728	Sub-Total
1,169	9,933,176	36,422,189	444,968	222,404,729	(1)	-	-	222,404,728	Sub-Total less Indirect/Fringe Lease Amort. Expense
-	-	4,921,351	-	36,553,895	3,864,521	-	-	40,418,416	Depreciation on capital assets:
-	-	520,281	-	3,864,521	(3,864,521)	-	-	-	Direct Depreciation
-	-	-	-	-	-	-	-	-	Indirect Depreciation
-	-	-	-	-	-	-	-	-	Fringe Depreciation
-	-	5,441,632	-	40,418,416	-	-	-	40,418,416	Sub-Total Depreciation
-	17,608	134,612	471	797,303	(797,303)	-	-	-	Amortization expense:
-	466	3,629	13	21,421	-	-	(21,421)	-	Lease Amortization Indirect Allocation
-	-	148,677	-	10,933,387	797,303	-	21,421	11,752,111	Lease Amortization Fringe Allocation
-	18,074	286,918	484	11,752,111	-	-	-	11,752,111	Lease Amortization
1,169	9,951,250	42,150,739	445,452	274,575,256	(1)	-	-	274,575,255	Sub-Total Amorization Expense
									Total Operating Expenses

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2022 and 2021

Combining Statements of Fiduciary Net Position

	Retirement Plan		OPEB Plan		Total Fiduciary Funds	
	2022	2021	2022	2021	2022	2021
Assets						
Cash and cash equivalents	\$ 6,127,454	\$ 16,481,111	\$ 3,551,856	\$ 6,011,963	\$ 9,679,310	\$ 22,493,074
Receivables:						
Contributions:						
Employee	636,673	733,093	-	-	636,673	733,093
Employer	2,259,221	2,375,530	-	-	2,259,221	2,375,530
Accrued interest and other dividends	21,161	16,290	5,633	31	26,794	16,321
Other receivables	-	521,425	1,247,526	-	1,247,526	521,425
Total receivables	2,917,055	3,646,338	1,253,159	31	4,170,214	3,646,369
Investments:						
Corporate bonds and other	15,780,906	19,300,693	-	-	15,780,906	19,300,693
United States government and agency	12,649,069	14,099,608	-	-	12,649,069	14,099,608
Common stock	104,694,849	157,468,905	-	-	104,694,849	157,468,905
Pooled common stock fund	14,532,608	16,576,252	6,219,026	5,388,484	20,751,634	21,964,736
Pooled international fund	65,081,892	82,203,804	1,071,352	1,278,217	66,153,244	83,482,021
Pooled fixed income	62,089,731	53,245,858	2,979,365	2,507,450	65,069,096	55,753,308
Pooled real estate	43,821,493	36,656,202	-	-	43,821,493	36,656,202
Total investments	318,650,548	379,551,322	10,269,743	9,174,151	328,920,291	388,725,473
Total assets	327,695,057	399,678,771	15,074,758	15,186,145	342,769,815	414,864,916
Liabilities						
Accounts payable	5,428,018	5,267,596	-	394,886	5,428,018	5,662,482
Investment trades pending payable	145,287	1,723,127	-	-	145,287	1,723,127
Total liabilities	5,573,305	6,990,723	-	394,886	5,573,305	7,385,609
Net position held in trust for retiree benefits: restricted	\$ 322,121,752	\$ 392,688,048	\$ 15,074,758	\$ 14,791,259	\$ 337,196,510	\$ 407,479,307

VIA Metropolitan Transit

San Antonio, Texas

As of and for the Years Ended September 30, 2022 and 2021

Combining Statements of Changes in Fiduciary Net Position

	Retirement Plan		OPEB Plan		Total Fiduciary Funds	
	2022	2021	2022	2021	2022	2021
Additions:						
Contributions:						
Employee	\$ 3,748,353	\$ 3,824,273	\$ -	\$ -	\$ 3,748,353	\$ 3,824,273
Employer	13,549,455	14,253,181	4,745,409	4,930,564	18,294,864	19,183,745
Total contributions	17,297,808	18,077,454	4,745,409	4,930,564	22,043,217	23,008,018
Investment income (loss):						
Interest and dividend income	2,264,117	2,438,853	136,761	64,700	2,400,878	2,503,553
Net appreciation in fair value of investments	(57,687,333)	73,152,877	(2,280,294)	1,457,395	(59,967,627)	74,610,272
Investment expenses	(1,595,178)	(1,855,550)	-	-	(1,595,178)	(1,855,550)
Total investment income	(57,018,394)	73,736,180	(2,143,533)	1,522,095	(59,161,927)	75,258,275
Total additions -- net	(39,720,586)	91,813,634	2,601,876	6,452,659	(37,118,710)	98,266,293
Deductions:						
Benefit payments	30,684,937	29,450,734	2,294,821	2,876,295	32,979,758	32,327,029
Administrative expenses	160,773	137,671	23,556	39,766	184,329	177,437
Total deductions	30,845,710	29,588,405	2,318,377	2,916,061	33,164,087	32,504,466
Change in net position	(70,566,296)	62,225,229	283,499	3,536,598	(70,282,797)	65,761,827
Net position held in trust for retiree benefits: restricted, at beginning of year	392,688,048	330,462,819	14,791,259	11,254,661	407,479,307	341,717,480
Net position held in trust for retiree benefits: restricted, at end of year	\$ 322,121,752	\$ 392,688,048	\$ 15,074,758	\$ 14,791,259	\$ 337,196,510	\$ 407,479,307

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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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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

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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

	2013 (Restated)	2014	2015	2016	2017	2018	2019	2020 ¹	2021 ² (Restated)	2022 ³
Net Investment in Capital Assets	\$175,033,075	\$171,241,292	\$177,325,265	\$181,356,296	\$211,516,797	\$245,849,541	\$252,726,157	\$232,554,048	\$240,550,347	\$246,694,042
Restricted	105,420,435	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
Unrestricted	109,393,508	123,167,778	2,428,152	(6,471,436)	(13,328,420)	(48,258,266)	(37,510,764)	50,627,119	186,196,271	306,702,337
Total Net Position	\$389,847,018	\$395,583,388	\$280,474,735	\$277,118,543	\$290,112,170	\$276,176,816	\$270,364,083	\$334,841,000	\$472,215,333	\$582,909,611

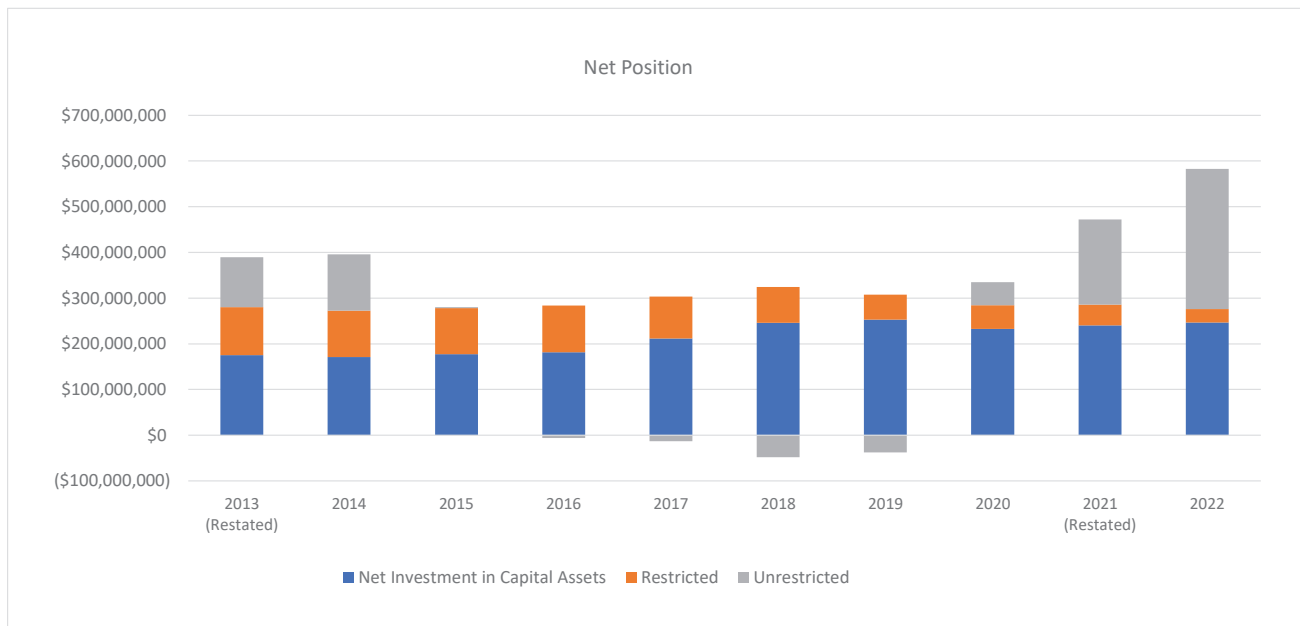
Source: VIA's Annual Audited Financial Statements

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 FY23 net position increase of \$110.7M was driven by \$57.9M of ARP revenue, and higher sales tax revenue, up \$30.6M.



VIA Metropolitan Transit

San Antonio, Texas

Changes in Net Position Last Ten Fiscal Years

	2013 (Restated)	2014	2015	2016	2017
Operating Revenues					
Line Service	\$ 23,001,057	\$ 22,103,715	\$ 20,880,726	\$ 20,051,622	\$ 18,980,613
Starlight Service	-	-	-	-	-
Robert Thompson Terminal	195,549	187,785	145,337	94,787	82,050
Other Special Events	166,560	181,786	169,079	144,402	140,491
VIAtrans	1,821,640	1,882,687	1,899,614	1,996,240	2,033,653
VIA Link	-	-	-	-	-
Charter	230,308	195,052	86,526	-	-
Promotional	-	-	-	-	-
Real Estate Development	277,714	263,360	281,072	330,799	446,352
Parking Lot Revenue	10,290	6,491	23,918	12,582	10,201
Bus Advertising	714,530	749,530	814,530	894,530	939,642
Miscellaneous	783,235	759,723	436,382	441,677	473,160
<i>Total Operating Revenues</i>	<i>27,200,883</i>	<i>26,330,129</i>	<i>24,737,184</i>	<i>23,966,639</i>	<i>23,106,162</i>
Operating Expenses					
Line Service	140,264,400	147,478,417	161,181,992	167,351,942	165,746,945
Bus Disaster Relief ¹	-	-	-	-	163,268
Robert Thompson Terminal	707,542	733,305	657,286	630,944	465,271
Other Special Events	584,044	592,886	618,448	552,244	534,207
VIAtrans	33,147,022	34,330,772	37,375,783	40,922,470	40,055,752
VIA Link	-	-	-	-	-
Van Disaster Relief ¹	-	-	-	-	2,685
Vanpool	534,322	547,806	558,689	608,055	611,149
Bus Rapid Transit	-	-	-	-	-
Starlight Service	-	-	-	-	-
Charter	252,832	239,325	175,609	-	-
Promotional	-	-	-	99,753	89,541
Real Estate Development	857	4,334	613	1,678	539
Business Development and Planning	4,745,443	5,858,692	6,588,687	6,453,239	6,685,076
Transit Technology	715,552	694,331	685,274	637,751	492,167
<i>Total Operating Expenses before Depreciation, Amortization and Asset Impairment</i>	<i>180,952,014</i>	<i>190,479,868</i>	<i>207,842,381</i>	<i>217,258,076</i>	<i>214,846,600</i>
Depreciation on capital assets	20,933,451	22,804,973	22,275,368	22,200,678	24,012,602
Amortization of intangible right-of-use lease assets ²	-	-	-	-	-
Loss on asset impairment	-	4,882,000	4,918,000	8,579,632	-
<i>Total operating expenses</i>	<i>201,885,465</i>	<i>218,166,841</i>	<i>235,035,749</i>	<i>248,038,386</i>	<i>238,859,202</i>
<i>Operating loss</i>	<i>(174,684,582)</i>	<i>(191,836,712)</i>	<i>(210,298,565)</i>	<i>(224,071,747)</i>	<i>(215,753,040)</i>
Non-Operating Revenues (Expenses)					
Sales Taxes	173,776,660	189,964,334	197,645,249	201,407,198	207,873,339
Grants Reimbursement	25,145,760	26,045,513	27,047,155	28,773,370	29,032,637
Grants Revenue - Pass-Through	-	212,062	1,327,755	1,463,234	1,553,833
Investment Income	(18,870)	577,720	853,433	1,839,616	1,357,966
CARES Act - VIA	-	-	-	-	-
CRRSA Act - VIA	-	-	-	-	-
ARP Act - VIA	-	-	-	-	-
CoSA Intergovernmental Revenue	-	-	-	-	-
TXDOT Intergovernmental Agreement	-	-	-	-	-
Lease Interest Expense	-	-	-	-	-
Bond Interest and Amortization	(63,884)	(3,542,815)	(3,000,034)	(3,237,107)	(5,619,099)
Net Gain(Loss) on Sale of Assets	73,893	40,839	(1,252)	(117,056)	2,633,990
Less Pass-Through Funds to Subrecipients	-	(212,062)	(1,327,755)	(1,400,626)	(1,452,788)
Less amount remitted to ATD, CoSA, TxDOT, and Bexar Co.	(27,138,822)	(29,541,042)	(30,637,238)	(31,427,566)	(32,413,170)
Local Assistance	-	-	-	(461,513)	(40,000)
<i>Net Non-Operating Revenues (Expenses)</i>	<i>171,774,737</i>	<i>183,544,549</i>	<i>191,907,313</i>	<i>196,839,550</i>	<i>202,926,708</i>
Capital Contributions	117,491,316	14,028,533	21,974,093	23,876,005	25,819,959
Change in Net Position	\$ 114,581,471	\$ 5,736,370	\$ 3,582,841	\$ (3,356,192)	\$ 12,993,627

Source: VIA's Annual Audited Financial Statements

¹ VIA 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.

² Reflects implementation of GASB 87, Leases, in 2022, and restatement of the prior year results (2021) for this new lease accounting standard.

VIA Metropolitan Transit

San Antonio, Texas

Changes in Net Position Last Ten Fiscal Years

2018	2019	2020	2021 (Restated)	2022	
\$ 18,369,534	\$ 18,096,588	\$ 11,740,521	\$ 10,291,078	\$ 11,398,655	Operating Revenues
-	-	-	-	-	Line Service
77,468	71,168	28,569	2,734	26,534	Starlight Service
178,001	106,386	15,897	10,336	58,647	Robert Thompson Terminal
1,999,596	1,912,340	1,175,591	1,091,265	1,448,826	Other Special Events
-	11,869	28,171	14,977	21,099	VIAtrans
-	-	-	-	-	VIA Link
-	-	-	-	-	Charter
577,989	557,273	269,407	362,449	232,099	Promotional
7,752	13,805	4,839	57,650	90,521	Real Estate Development
950,635	1,021,564	1,313,119	1,560,834	1,591,811	Parking Lot Revenue
416,518	455,673	334,719	353,757	392,289	Bus Advertising
22,577,493	22,246,666	14,910,833	13,745,080	15,260,481	Miscellaneous
					Total Operating Revenues
165,548,929	179,874,538	188,445,007	188,396,245	180,150,811	Operating Expenses
-	-	13,660	506,119	-	Line Service
499,523	710,668	305,276	47,296	354,399	Bus Disaster Relief ¹
670,088	495,404	131,703	60,972	285,627	Robert Thompson Terminal
42,097,730	45,611,738	39,832,398	27,415,583	29,409,941	Other Special Events
-	375,020	995,067	221,936	1,817,805	VIAtrans
-	-	-	695,355	-	VIA Link
597,442	604,486	641,848	317,352	444,968	Van Disaster Relief ¹
-	-	-	-	-	Vanpool
-	-	-	-	-	Bus Rapid Transit
-	-	-	-	-	Starlight Service
65,106	70,002	25,597	63,171	6,833	Charter
801	1,051	892	954	1,169	Promotional
6,468,225	6,598,704	6,305,032	6,464,140	9,933,175	Real Estate Development
-	-	-	-	-	Business Development and Planning
215,947,845	234,341,611	236,696,480	224,189,123	222,404,728	Transit Technology
					Total Operating Expenses before Depreciation, Amortization and Asset Impairment
34,362,524	36,702,975	39,884,886	38,979,912	40,418,416	Depreciation on capital assets
-	-	-	11,516,051	11,752,111	Amortization of intangible right-of-use lease assets ²
-	-	-	-	-	Loss on asset impairment
250,310,369	271,044,586	276,581,366	274,685,086	274,575,255	Total operating expenses
(227,732,876)	(248,797,920)	(261,670,533)	(260,940,006)	(259,314,774)	Operating loss
220,294,591	232,542,350	230,619,498	260,964,006	297,129,934	Non-Operating Revenues (Expenses)
30,500,898	39,285,411	25,794,461	40,663,346	36,145,744	Sales Taxes
815,948	2,071,336	1,569,027	1,960,357	2,007,449	Grants Reimbursement
1,861,966	4,008,706	2,919,432	128,528	183,540	Grants Revenue - pass through
-	-	90,437,617	-	10,989	Investment Income
-	-	-	61,224,865	-	CARES Act - VIA
-	-	-	57,918,494	57,941,080	CRRSA Act - VIA
4,300,000	10,000,000	7,000,000	10,000,000	10,000,000	ARP Act - VIA
-	-	-	-	(1,700,000)	CoSA Intergovernmental Revenue
-	-	-	(588,697)	(310,096)	TXDOT Intergovernmental Agreement
(5,774,084)	(5,539,802)	(5,429,955)	(4,028,879)	(3,500,049)	Lease Interest Expense
218,743	(912,121)	4,412	(6,494,550)	4,553,165	Bond Interest and Amortization
(897,060)	(2,071,336)	(1,569,027)	(1,960,357)	(2,007,449)	Net Gain(Loss) on Sale of Assets
(34,311,703)	(36,224,798)	(35,790,181)	(40,711,427)	(46,246,506)	Less pass-through funds to subrecipients
-	-	(568,301)	-	-	Less amount remitted to ATD, CoSA, TxDOT, and Bexar
217,009,299	243,159,746	314,986,983	379,075,686	354,207,801	Local Assistance
					Net Non-Operating Revenues (Expenses)
24,967,580	(174,559)	11,160,467	19,238,653	15,801,251	Capital Contributions
\$ 14,244,003	\$ (5,812,733)	\$ 64,476,917	\$ 137,374,333	\$ 110,694,278	Change in Net Position

Source: VIA's Annual Audited Financial Statements

¹ VIA 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.

² Reflects implementation of GASB 87, Leases, in 2022, and restatement of the prior year results (2021) for this new lease accounting standard.

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VIA Metropolitan Transit

San Antonio, Texas

Direct and Overlapping Sales Tax Rates As of September 30, 2022

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 the Texas Department of Transportation.

VIA Metropolitan Transit

San Antonio, Texas

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

	2013	2014	2015	2016	2017
Alamo Heights	\$ 445,742	\$ 473,443	\$ 471,080	\$ 505,166	\$ 509,808
Balcones Heights	702,293	701,787	732,556	716,374	703,907
Castle Hills	459,610	458,501	491,947	508,528	516,192
China Grove	57,159	77,598	83,033	74,519	69,503
Converse	856,192	906,675	984,923	1,039,386	1,050,920
Elmendorf	40,532	54,865	87,361	196,823	260,351
Kirby	108,265	115,451	132,692	153,993	147,530
Leon Valley	933,280	1,084,454	1,102,355	1,139,132	1,132,195
Olmos Park	232,007	224,911	235,966	226,460	239,283
Saint Hedwig	30,063	36,134	33,307	35,461	40,060
San Antonio (MTA)	112,728,315	123,682,950	128,985,691	130,857,440	135,134,156
San Antonio (ATD) ¹	27,138,822	29,541,044	30,637,237	31,427,566	32,413,171
Sandy Oaks	-	-	3,057	16,611	18,845
Shavano Park	407,841	334,104	189,886	194,475	218,223
Terrell Hills	107,737	113,730	109,504	116,658	145,085
Other ²	2,389,980	2,617,645	2,727,415	2,771,040	2,860,940
Total Sales Tax Receipts	\$ 146,637,838	\$ 160,423,292	\$ 167,008,010	\$ 169,979,632	\$ 175,460,169

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 the Texas Department of Transportation.

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

2018	2019	2020	2021	2022	
\$ 562,564	\$ 595,886	\$ 647,129	\$ 727,434	\$ 849,100	Alamo Heights
750,609	820,950	753,216	905,955	921,534	Balcones Heights
515,510	556,900	598,266	667,844	699,643	Castle Hills
68,974	71,545	68,126	92,296	110,076	China Grove
1,206,952	1,255,494	1,428,587	1,666,940	1,906,638	Converse
428,878	272,902	179,560	138,171	117,517	Elmendorf
154,672	155,040	177,426	228,743	253,637	Kirby
1,190,943	1,210,371	1,209,876	1,430,494	1,599,586	Leon Valley
244,562	259,704	239,594	288,600	333,659	Olmos Park
24,393	42,256	70,994	98,762	134,877	Saint Hedwig
143,122,099	151,238,207	150,006,728	169,136,996	192,988,093	San Antonio (MTA)
34,311,703	36,224,798	35,790,181	40,711,426	46,246,507	San Antonio (ATD) ¹
26,839	38,606	45,217	51,675	52,304	Sandy Oaks
206,614	229,318	259,494	309,008	330,884	Shavano Park
134,152	143,720	174,140	207,412	246,635	Terrell Hills
3,033,424	3,201,855	3,180,783	3,590,823	4,092,738	Other ²
\$ 185,982,888	\$ 196,317,552	\$ 194,829,317	\$ 220,252,579	\$ 250,883,428	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.

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VIA Metropolitan Transit
Schedule of Outstanding Debt and Coverage Ratios

	2013	2014	2015	2016	2017	2018	2019	2020	Restated 2021	2022
OUTSTANDING DEBT										
Private Placement Bond Issues:										
MTA Farebox Revenue Bonds Series 2012	\$ 5,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MTA Contractual Obligations Series 2012	2,765,000	2,325,000	1,880,000	1,425,000	960,000	485,000	-	-	-	-
ATD Sales Tax Revenue Bonds Series 2012	5,100,000	-	-	-	-	-	-	-	-	-
MTA Contract Revenue Bonds Series 2012	-	-	-	-	-	-	-	-	-	-
MTA Contractual Obligations Series 2020	-	-	-	-	-	-	-	11,000,000	8,845,000	6,670,000
Public Bond Issues:										
MTA Farebox Revenue Bonds Series 2013	-	38,860,000	37,955,000	37,010,000	36,030,000	35,010,000	33,950,000	32,835,000	6,790,000	5,560,000
ATD Sales Tax Revenue Bonds Series 2014	-	32,925,000	32,140,000	31,335,000	30,495,000	29,625,000	28,710,000	27,755,000	7,055,000	6,005,000
MTA Contractual Obligations Series 2017	-	-	-	-	81,995,000	76,835,000	70,730,000	66,410,000	59,370,000	55,465,000
MTA Farebox Revenue Refunding Bonds, Taxable Series 2020	-	-	-	-	-	-	-	-	28,295,000	27,905,000
ATD Sales Tax Revenue Refunding Bonds, Taxable Series 2020	-	-	-	-	-	-	-	-	23,250,000	22,910,000
Total Bonds	12,965,000	74,110,000	71,975,000	69,770,000	149,480,000	141,955,000	133,390,000	138,000,000	133,605,000	124,515,000
Bond Premium	-	6,358,751	6,051,227	5,832,883	18,258,044	16,922,920	15,587,796	14,252,672	11,403,251	9,783,451
Total Debt Outstanding	12,965,000	80,468,751	78,026,227	75,602,883	167,738,044	158,877,920	148,977,796	152,252,672	145,008,251	134,298,451
Gross Revenues (a)	199,039,504	213,417,493	219,645,783	224,621,865	231,691,969	241,060,876	261,858,335	328,896,072	393,797,214	364,978,427
Ratio of Total Debt to Gross Revenues	0.07	0.38	0.36	0.34	0.72	0.66	0.57	0.46	0.37	0.37
# of Riders (b)	45,894,417	44,346,565	42,218,985	39,635,173	37,807,626	36,276,136	36,147,067	27,961,018	20,175,672	22,094,252
Debt Per Rider	0.28	1.81	1.85	1.91	4.44	4.38	4.12	5.45	7.19	6.08
COVERAGE RATIOS FOR DEBT OUTSTANDING AS OF 9/30/20										
MTA Contractual Obligations										
MTA Sales Tax Revenue	119,047,377	128,894,914	136,251,947	136,634,249	142,993,108	150,703,656	158,791,830	158,643,607	174,560,863	201,408,316
Less: Obligations Similarly Secured Debt Service (c)	(490,335)	(494,471)	(490,803)	(492,036)	(2,132,865)	(9,589,412)	(10,380,255)	(7,878,317)	(12,631,000)	(9,141,373)
Net Sales Tax Revenues Available for Authority	118,557,042	128,400,443	135,761,144	136,142,213	140,860,243	141,114,244	148,411,575	150,765,290	161,929,863	192,266,943
Debt Service Coverage Ratio on Obligations Similarly Secured (d)	242.8x	260.7x	277.6x	277.7x	67.0x	15.7x	15.3x	20.1x	13.8x	22.0x
MTA Farebox Revenue Bonds										
Maintenance & Operating (M&O) Expenses	(170,674,123)	(185,886,928)	(208,843,385)	(212,471,574)	(212,330,576)	(223,841,761)	(237,526,334)	(229,243,988)	(235,235,783)	(251,363,772)
Net Sales Tax Revenues (Per Above)	118,557,042	128,400,443	135,761,144	136,142,213	140,860,243	141,114,244	148,411,575	150,765,290	161,929,863	192,266,943
Available ATD Sales Tax (e)	26,923,159	29,108,126	28,249,607	28,593,844	29,976,854	31,756,920	33,528,663	33,309,756	37,406,528	43,340,006
Grants Available to Pay Maintenance and Operating Expenses (f)	18,229,255	34,590,137	22,376,436	32,448,605	27,041,045	30,087,557	43,338,067	110,112,747	98,148,293	132,830,395
Contributions Available to Pay Maintenance and Operating Expenses (g)	-	-	-	(461,513)	(40,000)	4,300,000	10,000,000	6,531,785	10,000,000	10,000,000
Net M&O Expenses Remaining Before Application of Operating Revenues	(6,964,667)	6,211,778	(22,456,198)	(15,748,425)	(14,492,434)	(16,583,040)	(2,248,029)	71,475,590	72,248,901	127,073,572
Operating Revenue	26,885,148	26,444,828	25,002,383	24,880,247	23,272,287	23,143,989	22,338,868	15,226,712	13,512,708	14,979,650
Less: Remaining Maintenance and Operating Expenses	(6,964,667)	6,211,778	(22,456,198)	(15,748,425)	(14,492,434)	(16,583,040)	(2,248,029)	71,475,590	72,248,901	127,073,572
Net Operating Revenue Available for Farebox Revenue Bonds	19,920,481	32,656,606	2,546,185	9,131,822	8,779,853	6,560,949	20,090,839	86,702,302	85,761,609	142,053,222
Debt Service on Farebox Revenue Bonds	58,197	2,480,104	2,812,700	2,816,500	2,813,700	2,814,500	2,813,700	2,815,700	2,566,162	2,566,672
Farebox Revenue Bond Debt Service Coverage Ratio (d)	342.3x	13.2x	0.9x	3.2x	3.1x	2.3x	7.1x	30.8x	33.4x	55.3x
ATD Sales Tax Revenue Bonds										
ATD Sales Tax Revenue	27,138,822	29,541,043	30,637,238	31,427,566	32,413,171	34,311,703	36,224,798	35,790,181	40,711,426	46,246,507
Less District Debt Service	(55,958)	(63,750)	(2,370,743)	(2,370,650)	(2,373,450)	(2,369,850)	(2,371,350)	(2,374,750)	(2,216,377)	(2,216,510)
Net ATD Sales Tax Revenue	27,082,864	29,477,293	28,266,495	29,056,916	30,039,721	31,941,853	33,853,448	33,415,431	38,495,049	44,029,997
Debt Service Coverage Ratio (d)	485.0x	463.4x	12.9x	13.3x	13.7x	14.5x	15.3x	15.1x	18.4x	20.9x

Note: VIA implemented GASB 87 in FY22 and restated FY21 for comparative purposes (net position impact was -\$179,504; refer to Note 14 in FY22 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-FY20, 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).

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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
2012	1,359,730	29,038,394	21,356	32.7	80.7	396,718	6.4%
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%

* 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

2021

Employer	Employees	Rank
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph	74,289	1
H.E.B. Food Stores	20,000	2
United Services Automobile Association	19,000	3
Northside Independent School District	13,644	4
Methodist Health Care System	12,500	5
City of San Antonio	11,042	6
North East Independent School District	8,600	7
San Antonio Independent School District	7,410	8
Baptist Health Systems	6,162	9
Wells Fargo	5,152	10

Source: <https://www.sanantonio.gov/Portals/0/Files/Finance/FY2021-ComprehensiveAnnualFinancialReport.pdf>.

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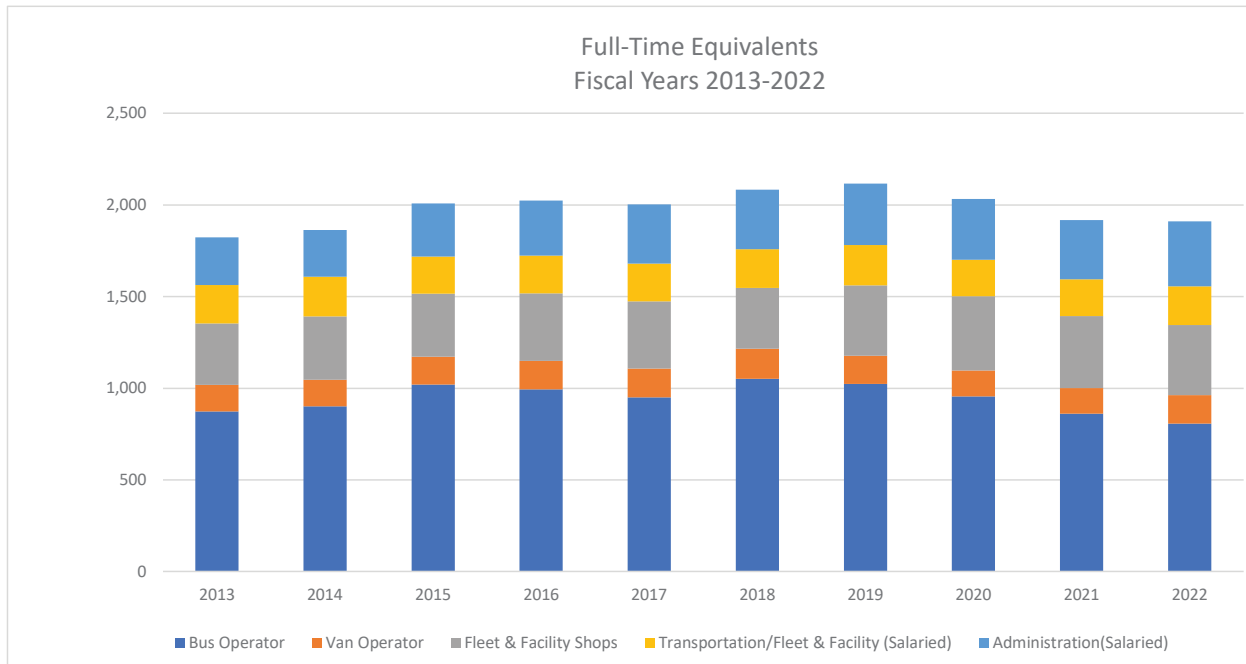
VIA Metropolitan Transit

San Antonio, Texas

Full-Time Equivalents Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Full-Time Employees										
Bus Operator	742	795	943	882	876	954	966	906	816	767
Van Operator	143	140	150	156	158	164	153	142	140	154
Fleet & Facility Shops	334	345	344	368	366	332	384	405	392	383
Transportation/Fleet & Facility (Salaried)	195	201	191	195	197	202	209	191	193	209
Administration(Salaried)	249	244	278	286	309	320	330	326	320	351
Subtotal	1,663	1,725	1,906	1,887	1,906	1,972	2,042	1,970	1,861	1,864
Part-Time (Full-Time Equivalents)										
Bus Operator	131.6	107.6	77.9	111.7	74.0	97.4	58.7	49.5	45.4	41.3
Van Operator	2.4	4.2	0.6	0.6	-	-	-	-	-	-
Fleet & Facility Shops	-	-	-	-	-	-	-	-	-	-
Transportation/Fleet & Facility (Salaried)	15.0	15.0	12.9	11.0	9.0	9.0	10.5	8.3	8.3	2.3
Administration(Salaried)	12.0	11.3	11.3	13.5	14.3	4.5	6.0	4.5	3.8	3.0
Subtotal	161.0	138.1	102.7	136.8	97.2	110.9	75.2	62.2	57.4	46.6
Grand Total										
Bus Operator	873.6	902.6	1,020.9	993.7	950.0	1,051.4	1,024.7	955.5	861.4	808.3
Van Operator	145.4	144.2	150.6	156.6	158.0	164.0	153.0	142.0	140.0	154.0
Fleet & Facility Shops	334.0	345.0	344.0	368.0	366.0	332.0	384.0	405.0	392.0	383.0
Transportation/Fleet & Facility (Salaried)	210.0	216.0	203.9	206.0	206.0	211.0	219.5	199.3	201.3	211.3
Administration(Salaried)	261.0	255.3	289.3	299.5	323.3	324.5	336.0	330.5	323.8	354.0
Grand Total	1,824.0	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

Source: VIA's Monthly Personnel Report



VIA Metropolitan Transit

San Antonio, Texas

Fare History Last Ten Fiscal Years

Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bus Service¹										
Regular Bus Service	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30
Regular Half Fare	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Express Bus Service	2.50	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Express Half Fare	1.25	1.25	1.25	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	0.15	-	-	-
Bus Transfer Half Fare	0.07	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
VIA Link Service Half Fare	-	-	-	-	-	-	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	1.95	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	5.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.30
Special Event Half Fare	2.50	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.65
Passes										
31-Day Pass	35.00	35.00	35.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00
31-Day Half Fare	17.50	17.50	17.50	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Semester Pass	35.00	35.00	35.00	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
7-Day Pass Half Fare	-	-	-	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Day Pass	4.00	4.00	4.00	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

Source: VIA's Fiscal Management Division

Note:

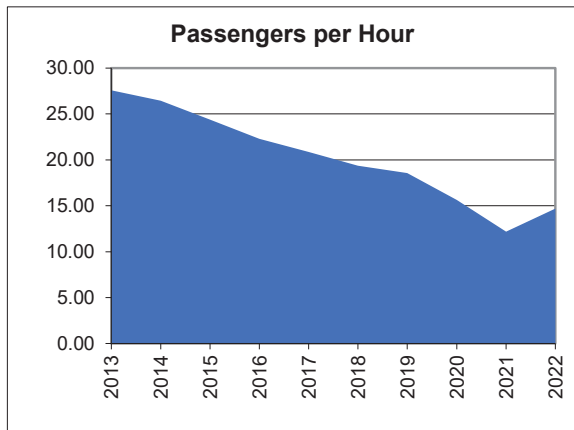
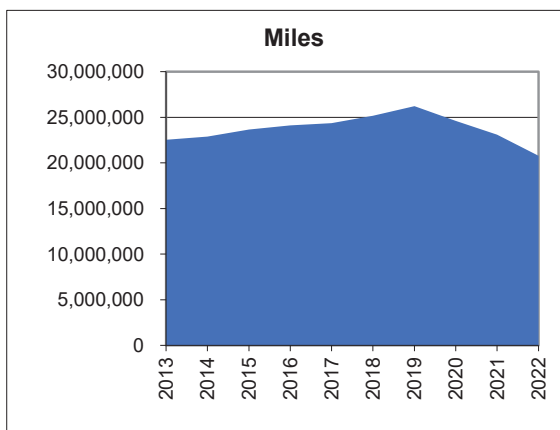
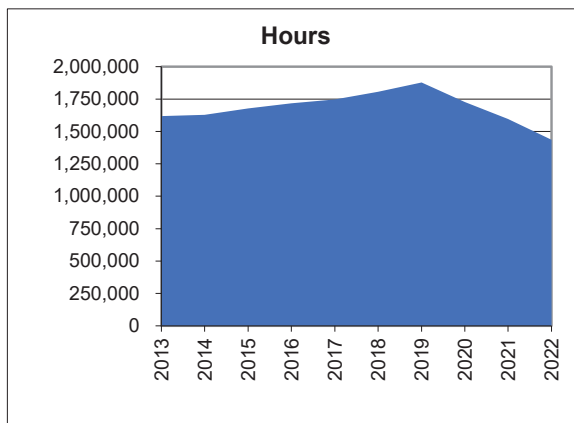
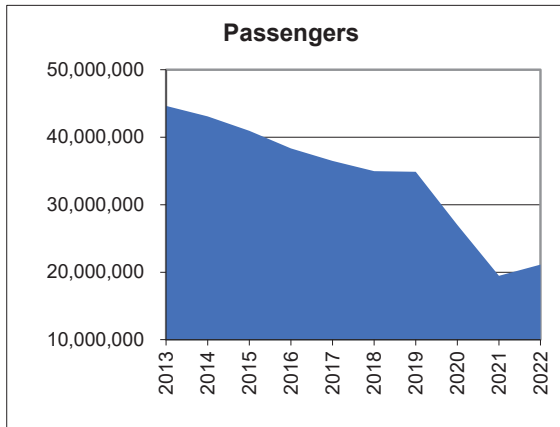
¹ Limited additional service without charge to the service recipient is provided to identified categories of riders, including (but not limited to) VIA employees/board members and spouses, police and fire personnel in uniform, VIAtrans patrons and one companion/attendant, and senior citizens within specific 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 its ability to meet its debt service obligations or satisfy its related debt service.

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
2013	44,635,608	1,618,364	22,520,641	27.58
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

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

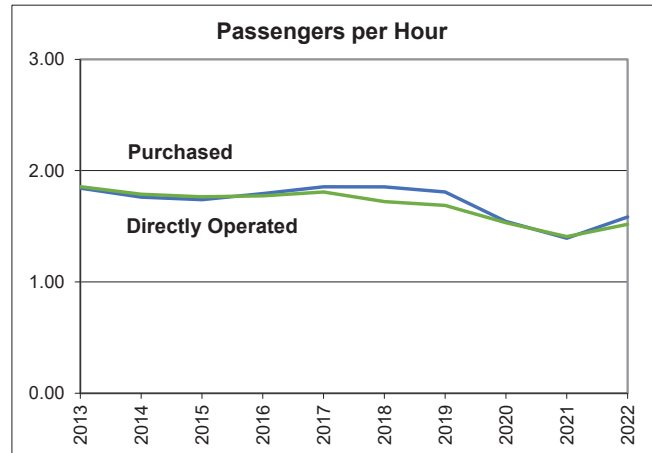
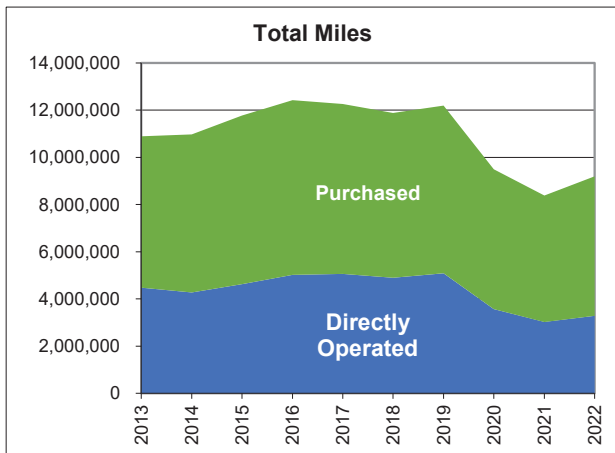
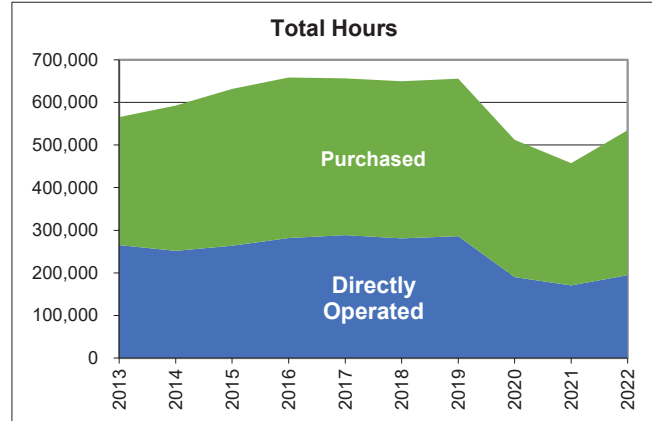
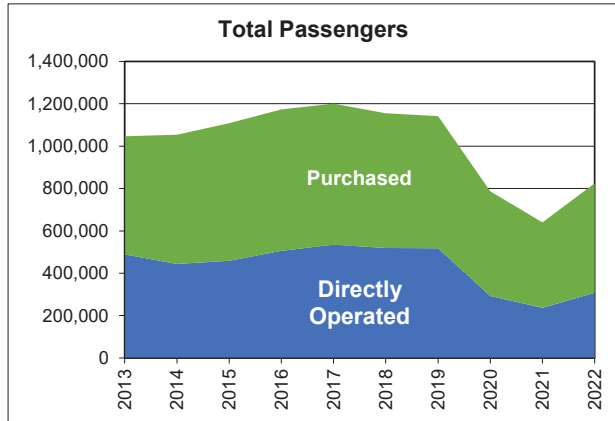
⁽¹⁾ Results impacted by COVID-19

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
2013	488,752	557,800	265,249	300,535	4,480,271	6,404,527	1.84	1.86
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

Source: VIA's Revenue Accounting Statistical Records.

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

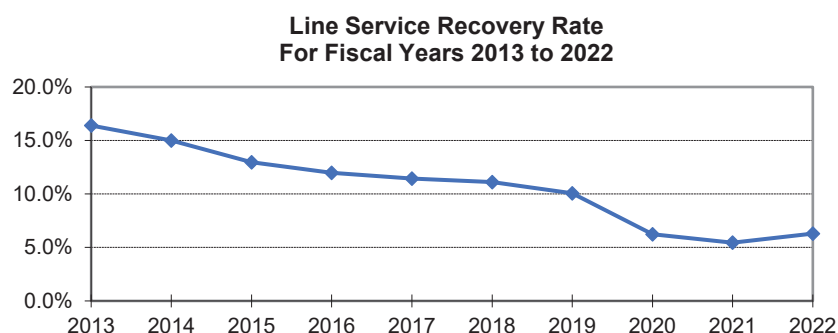
⁽¹⁾ Results impacted by COVID-19

VIA Metropolitan Transit

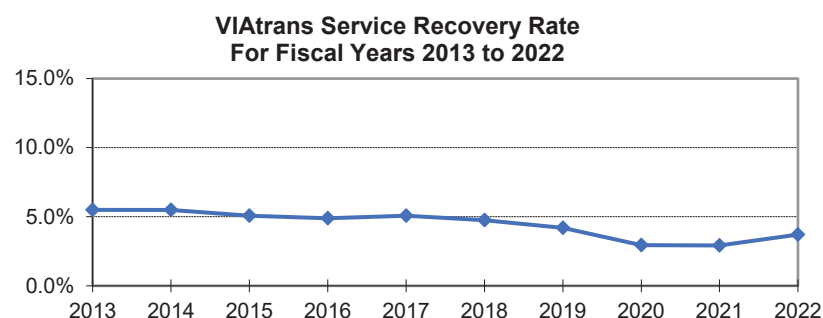
San Antonio, Texas

Line and VIAtrans Service Recovery Rate Last Ten Fiscal Years

Fiscal Year	Recovery Rate
2013	16.4%
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%



Fiscal Year	Recovery Rate
2013	5.5%
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	3.7%



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	Charter/ Promotional Service	Disaster Relief	VIA Link	VIAtrans		Total
						Direct	Purchased	
2013	22,520,641	153,521	30,137	-	-	4,480,271	6,404,527	33,589,097
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

Service Hours by Cost Center Last Ten Fiscal Years

Fiscal Year	Line Service	Special Event	Charter/ Promotional Service	Disaster Relief	VIA Link	VIAtrans		Total
						Direct	Purchased	
2013	1,618,364	12,234	3,232	-	-	265,249	300,535	2,199,614
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

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

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 ³	Misc Income		
2013	27,200,883	146,637,838	25,145,760	(18,870)	-	73,893	117,491,316	316,530,820
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 ⁴	13,745,080	220,252,579	40,663,346	128,528	119,143,359	10,000,000	19,238,653	423,171,545
2022	15,260,481	250,883,427	36,145,744	183,540	57,952,069	14,553,165	15,801,251	390,779,677

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

Fiscal Year	Line Service ²	Special Event	Charter/Promotional Service	VIAtrans	VIA Link	Vanpool	Other Operating Expenses	Disaster Relief Van/Bus	Lease Amortization	Total Operating Expenses	Non-Operating Expenses	Total Expenses
2013	159,497,124	1,962,959	275,894	34,095,208	-	537,595	5,516,685	-	-	201,885,465	63,884	201,949,349
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 ⁴	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	217,299,143	675,931	10,115	32,640,837	1,817,805	444,968	9,934,344	-	11,752,111	274,575,255	5,510,145	280,085,399

Source: VIA's Annual Audited Financial Statements.

- Notes:** 1. Sales tax includes amounts remitted to CoSA, TxDOT, and Bexar County.
2. FY2008 through FY2013 Bus Rapid Transit Expense has been moved to Line Service Expense due to MAP21 (Sec. 5302) requirements which requires a dedicated lane for rapid transit buses during peak periods.
3. 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).
4. FY2021 results were restated for implementation for GASB 87, which was implemented in FY2022 (see Lease Amortization column).

VIA Metropolitan Transit

San Antonio, Texas

Operating Expenses by Object Class Last Ten Fiscal Years

	Fiscal Year				
	<u>2013</u> <u>Restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operator	\$ 41,573,464	\$ 42,947,778	\$ 47,142,668	\$ 48,017,399	51,056,596
Garage	12,741,074	13,435,740	14,443,230	15,426,170	16,309,026
Salaried	20,927,964	22,054,983	24,170,612	26,825,279	27,795,474
<i>Total Labor</i>	<i>75,242,502</i>	<i>78,438,501</i>	<i>85,756,510</i>	<i>90,268,847</i>	<i>95,161,096</i>
Fringe Benefits	44,339,708	49,087,760	55,068,428	61,828,682	59,108,167
<i>Total Labor and Fringe Benefits</i>	<i>119,582,210</i>	<i>127,526,261</i>	<i>140,824,938</i>	<i>152,097,529</i>	<i>154,269,263</i>
Advertising Fees	834,106	868,797	590,285	202,540	344,039
Prof. & Tech Fees	5,012,806	5,575,998	6,487,853	5,994,215	6,712,151
Temporary Help	-	-	-	52,107	166,871
Contract Maintenance	2,304,871	2,727,184	2,917,234	3,283,320	3,341,287
Custodial Services	-	-	-	-	-
Security Services	1,576,519	1,668,227	2,019,443	2,107,951	2,023,186
Other Services	571,305	545,909	722,178	770,920	1,022,580
IT Licenses & Subscription Services	-	-	-	-	-
<i>Total Services</i>	<i>10,299,607</i>	<i>11,386,115</i>	<i>12,736,993</i>	<i>12,411,053</i>	<i>13,610,114</i>
Fuel & Lubricants	23,177,525	22,148,972	21,327,903	18,039,638	12,151,290
Tires & Tubes	1,374,880	1,200,905	1,226,545	1,367,306	1,489,717
Other Materials & Supplies	9,725,894	9,478,859	10,679,662	11,425,533	10,299,360
<i>Total Materials & Supplies</i>	<i>34,278,299</i>	<i>32,828,736</i>	<i>33,234,110</i>	<i>30,832,477</i>	<i>23,940,367</i>
Utilities	2,006,016	2,223,969	2,432,041	2,792,929	3,019,717
Casualty & Liability	1,243,807	885,038	1,706,027	1,015,344	2,549,143
Taxes	1,573,900	1,480,347	1,497,985	1,389,149	1,225,911
Purchased Transportation	10,410,650	12,405,128	13,630,089	14,800,400	14,798,855
Dues & Subscriptions	379,151	405,648	382,293	473,051	405,119
Training & Meetings	487,004	494,390	528,531	482,994	446,958
Fines & Penalties	-	294	-	33,342	-
Bad Debt Expense	2,635	8,858	1,040	148,593	17,962
Advertising/Promotion Media	514,553	929,762	477,899	329,205	233,129
Miscellaneous Expense	783,941	727,381	873,733	896,811	806,063
<i>Total Miscellaneous Expense</i>	<i>2,167,284</i>	<i>2,566,333</i>	<i>2,263,496</i>	<i>2,363,996</i>	<i>1,909,231</i>
Interest Expense	-	-	-	-	-
Leases & Rentals	296,882	247,471	445,654	258,837	334,583
Expense transfer to Capital Program	(906,641)	(1,069,530)	(928,952)	(703,638)	(810,585)
<i>Total Operating Expense Before Depreciation & Capitalized Amounts</i>	<i>180,952,014</i>	<i>190,479,868</i>	<i>207,842,381</i>	<i>217,258,076</i>	<i>214,846,599</i>
Depreciation	20,933,451	22,804,973	22,275,368	22,200,678	24,012,603
Lease Amortization	-	-	-	-	-
Allowance	-	4,882,000	4,918,000	8,579,632	-
Indirect Expense (Capitalized)	-	-	-	-	-
Fringe Expense (Capitalized)	-	-	-	-	-
<i>Total Operating Expenses</i>	<i>\$ 201,885,465</i>	<i>\$ 218,166,841</i>	<i>\$ 235,035,749</i>	<i>\$ 248,038,386</i>	<i>\$ 238,859,202</i>

Source: VIA's Annual Audited Financial Statements

Fiscal Year					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	55,778,595	\$ 58,805,412	\$ 56,730,903	\$ 55,662,531	\$ 53,803,109
	16,469,534	17,896,920	20,010,861	19,555,124	19,487,267
	29,373,615	31,572,377	33,218,343	32,283,105	34,155,190
	101,621,745	108,274,710	109,960,107	107,500,760	107,445,566
					Operator
					Garage
					Salaried
					<i>Total Labor</i>
	56,583,203	60,002,531	69,290,179	66,585,307	48,676,953
	158,204,948	168,277,241	179,250,286	174,086,066	156,122,519
					<i>Fringe Benefits</i>
					<i>Total Labor and Fringe Benefits</i>
	559,265	1,898,900	568,222	1,357,971	2,551,878
	6,382,451	7,011,781	5,020,618	5,628,032	10,380,476
	150,390	135,056	95,810	176,662	403,805
	3,989,942	4,473,270	4,925,465	7,049,972	7,595,636
	-	-	-	-	-
	2,311,541	2,959,408	3,066,466	3,209,261	2,812,648
	1,109,390	1,671,749	1,982,807	2,032,028	2,030,426
	-	-	-	-	20,400
	14,502,979	18,150,164	15,659,388	19,453,927	25,795,269
					<i>Total Services</i>
	7,302,290	7,606,705	(189,760)	4,535,097	8,481,913
	1,702,636	1,795,781	1,591,270	1,174,646	1,147,368
	9,839,658	11,448,235	13,268,207	14,145,567	15,777,332
	18,844,584	20,850,721	14,669,717	19,855,310	25,406,613
					<i>Total Materials & Supplies</i>
	3,305,183	3,601,087	3,387,453	3,509,978	3,720,840
					Utilities
	2,388,207	2,377,519	1,660,606	1,347,707	1,575,140
					Casualty & Liability
	584,150	436,838	383,939	273,847	238,047
					Taxes
	15,622,172	17,631,858	15,356,298	14,057,322	6,923,788
					Purchased Transportation
	511,733	381,458	380,603	361,726	389,026
	353,685	471,756	313,217	331,763	344,615
	-	60	-	67	-
	30,255	(1,549)	148,799	(44,565)	(15,631)
	721,060	1,105,256	4,611,323	1,766,904	658,760
	1,068,144	1,068,656	841,016	1,008,190	1,321,420
	2,684,877	3,025,637	6,294,958	3,424,085	2,698,191
					<i>Total Miscellaneous Expense</i>
	-	-	-	-	-
					Interest Expense
	324,013	352,449	374,082	282,950	173,704
					Leases & Rentals
	(513,269)	(361,903)	(340,247)	(337,258)	(249,382)
					Expense transfer to Capital Program
					<i>Total Operating Expense Before</i>
	215,947,844	234,341,611	236,696,480	235,953,934	222,404,728
					<i>Depreciation & Capitalized Amounts</i>
	34,362,525	36,702,975	39,884,886	38,979,912	40,418,416
					Depreciation
	-	-	-	-	11,752,111
					Lease Amortization
	-	-	-	-	-
					Allowance
	-	-	-	-	-
					Indirect Expense (Capitalized)
	-	-	-	-	-
					Fringe Expense (Capitalized)
\$	250,310,369	\$ 271,044,586	\$ 276,581,366	\$ 274,933,846	\$ 274,575,255
					<i>Total Operating Expenses</i>

VIA Metropolitan Transit
San Antonio, Texas

Capital Assets
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Land	\$ 31,729,733	\$ 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
Revenue Vehicles										
Bus	156,393,853	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
Van	16,177,015	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
Total Revenue Vehicles	172,570,868	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
Service Vehicles										
Trucks	2,397,254	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
Automobiles	939,038	897,848	990,916	1,033,832	1,033,832	1,005,447	1,005,447	1,005,447	702,647	680,379
Other Service Vehicles	592,318	701,175	714,009	730,539	730,537	735,839	735,839	735,839	684,361	648,133
Total Service Vehicles	3,928,610	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
Buildings and Structures										
Transit Way Facilities	38,962,046	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
Passenger Stations	69,465,333	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
Passenger Parking Stations	2,618,686	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
Operating Yards and Stations	17,783,579	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
Vehicle Maintenance Shops and Garages	18,562,713	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
Other General Administration Facilities	18,536,882	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
Stadium/Depot Complex	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,430,804	6,430,804
Total Buildings and Structures	172,366,354	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
Equipment										
Passenger Stations	3,249,984	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
Operating Yards and Stations	199,938	323,809	436,506	462,309	510,985	1,940,144	1,951,561	2,540,490	2,529,051	2,859,984
Vehicle Maintenance Shops and Garages	2,704,444	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
Other General Administration Facilities	594,149	611,740	651,360	652,535	607,566	660,345	571,884	723,233	584,375	640,429
Revenue Vehicle Movement Control	15,363,365	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
Revenue Collection and Processing	341,679	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
Data Processing	16,437,124	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
Communication	4,124,438	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
Office Equipment	190,677	396,880	495,958	578,918	576,352	1,720,123	1,434,339	1,456,967	1,451,967	1,451,967
Total Equipment	43,205,798	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
Total Capital Assets Before Depreciation	423,801,363	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
Accumulated Depreciation										
Revenue Vehicles	(110,594,492)	(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)
Service Vehicles	(3,087,851)	(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)
Buildings and Structures	(121,292,354)	(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)
Equipment	(31,326,126)	(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)
Total Accumulated Depreciation	(266,300,823)	(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)
Allowance for Capital Projects										
Allowance for Capital Projects	(4,882,000)	(9,800,000)	-	-	-	-	-	-	-	-
Total Allowance for Capital Projects	(4,882,000)	(9,800,000)	-	-	-	-	-	-	-	-
Work In Progress										
Revenue Vehicles	1,965,827	2,279,032	108,277	8,983,042	16,479,450	1,847,937	131,013	12,029,674	302,008	4,680,768
Service Vehicles	-	-	116,670	-	-	119,625	48,043	17,410	19,602	19,866
Buildings and Structures	20,766,453	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
Equipment	7,765,256	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
Total Work In Progress	30,497,535	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
Net Capital Assets	\$ 183,116,076	\$ 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

Source: VIA's Annual Audited Financial Statements

VIA Metropolitan Transit Retirement Plan

Changes in Retirement Plan Net Position

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Additions										
Member Contributions	\$ 3,703	\$ 4,227	\$ 4,236	\$ 4,122	\$ 4,487	\$ 4,421	\$ 4,258	\$ 4,102	\$ 3,824	\$ 3,748
Employer Contributions	10,639	9,799	12,144	12,908	13,308	12,480	14,729	14,346	14,253	13,549
Investment Income (net of expenses)	25,017	22,741	2,675	21,792	33,716	29,240	10,588	33,587	73,736	(57,018)
Total additions to plan net position	39,359	36,767	19,055	38,822	51,511	46,141	29,575	52,035	91,813	(39,721)
Deductions										
Benefit Payments	16,093	17,168	18,877	19,424	21,398	22,706	24,573	24,111	28,800	30,115
Refunds	461	218	346	366	380	255	238	336	650	569
Administrative Expenses	241	215	236	144	255	121	145	138	138	163
Total Deductions from plan net position	16,795	17,601	19,459	19,934	22,033	23,082	24,956	24,585	29,588	30,847
Change in net position	\$ 22,564	\$ 19,166	\$ (404)	\$ 18,888	\$ 29,478	\$ 23,059	\$ 4,619	\$ 27,450	\$ 62,225	\$ (70,568)

VIA Metropolitan Transit Retirement Plan

Benefit and Refund Deductions from Net Position by Type

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Benefit										
Age and service benefits	\$ 13,572	\$ 14,630	\$ 16,049	\$ 16,330	\$ 18,060	\$ 19,254	\$ 20,676	\$ 20,395	\$ 24,854	\$ 26,034
Disability benefits	996	1,076	1,233	1,346	1,470	1,625	1,655	1,692	1,698	1,733
Beneficiaries	1,525	1,462	1,595	1,748	1,868	1,827	1,839	2,024	2,248	2,348
Total benefits	16,093	17,168	18,877	19,424	21,398	22,706	24,170	24,111	28,800	30,115
Type of Refund										
Separation	461	218	346	366	380	255	238	336	650	569
Death										
Total refunds	\$ 461	\$ 218	\$ 346	\$ 366	\$ 380	\$ 255	\$ 238	\$ 336	\$ 650	\$ 569

VIA Metropolitan Transit Retirement Plan

Retired Members by Type of Benefit
As of September 30, 2022

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement ¹					
		1	2	3	4	5	6
\$1 - \$500	141	5	60	36	19	19	2
501 - 1,000	248	19	124	49	37	12	7
1,001 - 1,500	182	24	82	22	38	4	12
1,501 - 2,000	112	35	39	10	20	5	3
2,001 - 2,500	139	79	30	11	16	2	1
2,501 - 3,000	119	82	18	8	11	0	0
Over 3,000	251	191	9	12	37	0	2
Total	1,192	435	362	148	178	42	27
Deferred	78						
Total w/Deferred	1,270						

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

Option Selected ²						
1	2	3	4	5	6	
32	3	5	23	25	53	
59	20	9	18	48	94	
46	8	5	10	40	73	
25	7	4	8	27	41	
30	6	5	11	42	45	
23	3	5	8	38	42	
62	6	11	14	70	88	
277	53	44	92	290	436	1,192
						Deferred 78
						Total 1,270

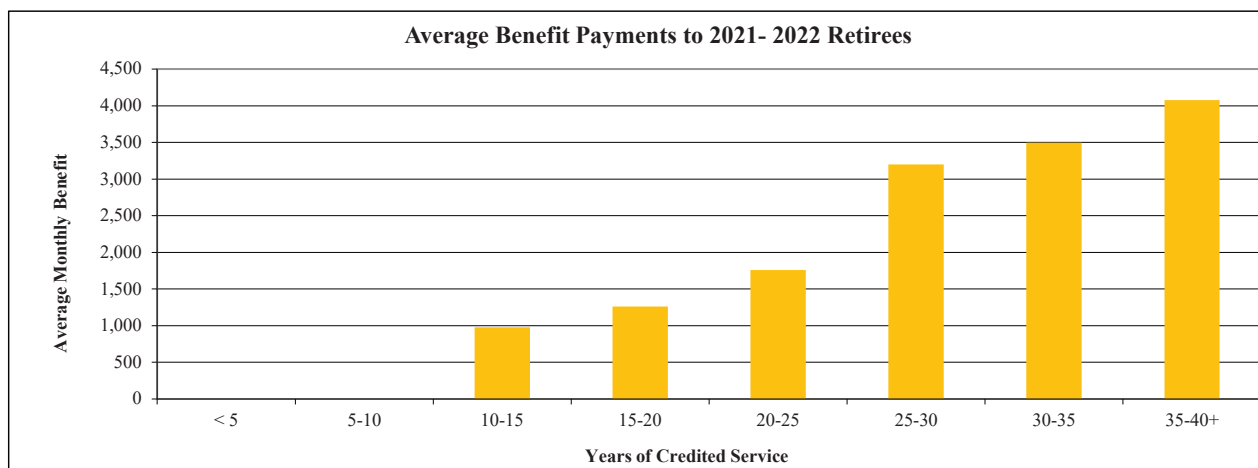
² Option Selected:

- 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 Metropolitan Transit Retirement Plan

Average Benefit Payments
Last Ten Years

Retirement Effective Dates	Years Credited Service							
	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





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