



# 2015 Comprehensive Annual Financial Reports

Years Ended September 30, 2015 and 2014



SAN ANTONIO, TEXAS





# **2015 Comprehensive Annual Financial Report**

**Years Ended September 30, 2015 and 2014**

Prepared by the Fiscal Management Division

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San Antonio, Texas



**Highlight:** 2015 Youth Art Contest Best of Show winning poster by Thanh Nguyen, 9th grade, Roosevelt High School



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# Introductory

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Centro Plaza at VIA Villa opened for service in November 2015.



March 1, 2016

Citizens of the VIA Metropolitan Transit Service Area:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of VIA Metropolitan Transit for the fiscal year ended September 30, 2015. The CAFR 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 U.S. generally accepted accounting principles (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 2014 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, Padgett, Stratemann & Co., LLP has rendered an unmodified opinion on VIA's financial statements for the year ended September 30, 2015. 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.

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 1,213 square miles, all of which are in Bexar County. This represents 97% of Bexar County. VIA operates on a street network of approximately 1,021 miles and in FY15 carried an average of 127,204 passengers on weekdays. In FY15, VIA transported 42.2 million passengers and provided 2.3 million hours of service over 35.6 million miles.

Service is currently available seven days a week, from 4:00 a.m. until 1:00 a.m., with a fleet of 460 buses and 116 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.

## **Economic Condition and Outlook**

### **Overview**

San Antonio's economy lost steam in 2015, but was still among the top-performing U.S. cities in 2015, according to the Milken Institute. San Antonio ranks No. 12 in economic growth on the institute's recently released Best-Performing Cities report for 2015—two spots lower than the city ranked in 2014. San Antonio's drop is due in part to reduced activity in the Eagle Ford Shale region south of the city, which could also lead to slower growth in the region moving forward. Although job growth in the San Antonio area has been impressive over the last five years, there are indications that the trend is slowing. San Antonio's job growth ranked 15<sup>th</sup> in the U.S. between 2009 and 2014, but dropped to 30<sup>th</sup> between 2013 and 2014, according to Milken Institute officials.

San Antonio's economy is expected to be strong in 2016. According to Moody's Analytics, the San Antonio-New Braunfels economy should grow steadily in 2016, led by its private service industries, particularly hospitality, healthcare and professional. Above-average population gains, low costs of doing business, and relatively high housing affordability should contribute to above-average overall performance.

San Antonio is the seventh-largest city in the United States and the second largest in Texas. With a population of more than 1.4 million, San Antonio thrives as one of the fastest-growing cities in the U.S. As of December 2015, San Antonio's unemployment rate was 3.5%, according to the Bureau of Labor Statistics, well below the national average. San Antonio has a skilled workforce of more than a million, and has nearly 160,000 students in 15 area colleges and universities.

Growth for the San Antonio area has been led by the construction and business services sectors. Personal services and local government are advancing slowly and manufacturing has leveled off. San Antonio's housing market is in the midst of a recovery. Nonresidential construction will be a source of growth due to infrastructure building. The largest nonresidential construction project underway is the \$325 million expansion of the Henry B. Gonzalez Convention Center.

VIA's financial results are significantly impacted by sales tax collections, which account for slightly more than 75% of VIA's budgeted revenues in 2016, and are driven by the local economy. In 2015, VIA's sales taxes were up 4.1% from the prior year. VIA's budgeted sales taxes for 2016 reflect close to a 4.8% increase over actual 2015 sales taxes. When the 2016 sales tax budget was developed, the budget reflected a 4.25% increase over forecasted FY15 sales taxes.

#### San Antonio's Economy

San Antonio's dynamic and diverse economy is a healthy mix of industries, including tourism, a large military/defense industry, a rapidly growing biosciences and healthcare industry sector, and a diversified manufacturing sector, producing everything from aircraft and semiconductors to Toyota trucks. San Antonio's aerospace, information technology and cyber security, financial services, and education sectors are also strong. There is also an emerging renewable energy industry. Information on some of the key industry sectors favorably impacting the San Antonio MSA economy is provided below. This information was obtained primarily from the San Antonio Economic Development Foundation website, and other economic and local news sources.

The hospitality industry has been a long-standing driver of economic activity in San Antonio. Historically, San Antonio has benefitted from such attractions as the Alamo, Sea World, the River Walk, and Six Flags Fiesta Texas. A fairly recent study, conducted by Trinity professors Richard Butler and Mary Stefl, places the economic impact of San Antonio's hospitality industry at \$13.4 billion. That figure is based on 2013 numbers, and is a 66% increase over the 2003 economic impact. San Antonio's hospitality sector now employs more than 122,000 people and accounts for an annual payroll approaching \$2.5 billion. According to the San Antonio Convention and Visitors Bureau, the city is visited by approximately 31 million tourists per year.

The military has had a significant presence in San Antonio for many years, and has a substantial impact on the local economy. The first military flight took place at Fort Sam Houston in 1910. San Antonio is home to Lackland Air Force Base, Brooks City-Base, Fort Sam Houston, Randolph Air Force Base, Camp Bullis, and Camp Stanley, as well as leading government contractors such as Boeing, Lockheed Martin, Pratt & Whitney, General Electric, and Sin-Swearingen. Each year, over 35,000 new recruits go through the Air Force Basic Military Training (AFBMT). The Air Intelligence Agency is located at Lackland Air Force Base; Brooke Army Medical Center is the leading treatment center for burn victims in the military; and Fort Sam Houston is the home of Army medicine. Many other major missions are also present in San Antonio. Fort Sam Houston is the largest medical education center in the world and provides the medical training for the US military with 30 programs and over 24,000 annual graduates. Lackland Air Force Base, Fort Sam Houston, and Randolph Air Force Base are among the top 10 major regional employers in San Antonio in 2014, with approximately 37,000, 32,000, and 11,000 employees, respectively. The military presence will continue to lend stability and contribute to economic expansion in the metropolitan area.

San Antonio's biosciences and healthcare industry is a dominant force in the city's economy. San Antonio has a diverse mix of nationally-recognized healthcare systems, well-regarded research institutions, health profession education programs, cutting-edge biotech companies and successful national corporations. In 2014, according to a Greater San Antonio Chamber of Commerce study, the economic impact of the bioscience and healthcare industry was more than \$23.9 billion measured conservatively or \$30.6 billion by a more comprehensive estimate (the comprehensive estimate takes into account the full impact of academic and military medicine, integral components of San Antonio's biomedical sector). One in every six San Antonio employees works in the biosciences and healthcare industry. The industry has more than 164,000 employees.

San Antonio has a large and diverse manufacturing industry, with representation from every major sector of U.S. manufacturing, including materials and electricity, equipment and metal, transportation, and diversified products. According to the 2014 Texas Manufacturers Register, San Antonio ranked as the fourth-largest manufacturing market in Texas, with 57,055 jobs.

San Antonio's aerospace industry includes a wide range of businesses that manufacture aircraft equipment and parts, service and repair aircraft, produce and distribute transportation equipment and supplies, provide both scheduled and unscheduled air transportation, and operate flight schools. The local aerospace industry has grown by over 400% during the last 25 years. The industry employs more than 13,000 workers and provides an average wage of \$59,801 per year.

San Antonio's information technology (IT) industry also plays a major economic role. The most recent economic impact of the IT and Cybersecurity industry measures at \$8 billion. The industry is large and diverse, including IT and internet-related firms that produce and sell information technology products. San Antonio is particularly strong in information security, and has come to be recognized as a national leader in this vital field, with the U.S. Air Force's Air Intelligence Agency, a large and growing National Security Agency presence, and the Center for Infrastructure Assurance and Security at the University of Texas at San Antonio.

The financial services industry is one of San Antonio's most stable, promising and significant business sectors. This sector includes: banking and credit; investment activities; insurance; funds, trusts and other financial vehicles; and, accounting and bookkeeping. The largest San Antonio area based banks include Frost Bank, Broadway Bank, Jefferson State Bank, The Bank of San Antonio, and Lone Star Capital Bank. This sector employs more than 60,500 people.

Education is an important sector of the local economy, with San Antonio having nearly 160,000 students at 15 different colleges and universities within a 50 mile radius of the city. Since 2004, combined enrollment at these institutions has grown by over 52%. Through a community-wide initiative known as SA2020, San Antonio intends to enhance educational opportunities by providing the community with access to quality education and career opportunities.

San Antonio is committed to being a leader in investment and training in the new energy economy. Former Mayor of San Antonio and U.S. Secretary of HUD, Henry Cisneros, has formed the Green Jobs Leadership Council, a committee of high-level officials to recommend public policy that will help create jobs in the new green economy, which according to the New York Times is the new “green-collar economy.” San Antonio is home to CPS Energy, the country’s largest municipally-owned gas and electric utility company, a leader in innovation and strategic partner to the city’s efforts to grow the renewable energy sector. San Antonio is a national leader in green research technology, and is home to long-established research entities, including the Texas Sustainable Energy Research Institute (TSERI) at the University of Texas at San Antonio. San Antonio’s effort to lead in this new green economy is known as Mission Verde, an initiative that brings unique and innovative approaches to green infrastructure, green retrofitting, green jobs programs, and green venture capital.

The Eagle Ford Shale has led to new jobs in the energy sector and peripheral industries in the San Antonio area. The Eagle Ford Shale is the largest oil and gas development in the world based on capital investment, according to a Wood Mackenzie Report published in January 2013. Although the boom that occurred in this area had positive impacts on San Antonio, they were not an integral reason for the growth of the metropolitan activity because the activity is south of the region. The recent drastic decline of oil prices has slowed energy exploration and production in the Eagle Ford Shale.

A summary of employment by industry for the San Antonio MSA, compared to Texas and the United States, appears below:

Employment Percentages by Industry	San Antonio MSA	Texas	United States
Mining	0.9%	2.6%	0.6%
Construction	4.8%	5.6%	4.4%
Manufacturing	4.9%	7.7%	8.8%
<i>Durable</i>	65.1%	66.4%	63.1%
<i>Nondurable</i>	34.9%	33.6%	36.9%
Transportation/Utilities	2.6%	4.1%	3.7%
Wholesale Trade	3.5%	5.0%	4.2%
Retail Trade	11.2%	10.9%	11.1%
Information	2.3%	1.8%	2.0%
Financial Activities	8.5%	6.1%	5.7%
Prof. and Bus. Services	12.7%	13.4%	13.7%
Educ. and Health Services	15.3%	13.2%	15.4%
Leisure and Hosp. Services	12.5%	10.3%	10.6%
Other Service	3.7%	3.5%	4.0%
Government	17.1%	15.8%	15.7%

*Source: Moody's Analytics, November 2015 (2014 information).*

Driven by the strong tourism industry in San Antonio, two of the industries accounting for greater than 11%+ (each) of the employment in San Antonio are leisure/hospitality services and retail trade. The other largest industry employers include professional/business services, education/health services and government.



## Summary

San Antonio has a diverse economy that is relatively strong and is growing, with solid growth expected in the future. The growth in 2016 will be fueled by nonresidential construction. Energy-related manufacturing and services will remain subdued as long as oil prices remain low. San Antonio recently made the top 10 on Forbes' list of America's Fastest Growing Cities.

## Long-Term Financial Planning

VIA has a five-year financial and capital plan that is updated annually, as well as a Long-Range Comprehensive Transportation Plan (LRCTP) that was adopted by VIA's Board in July 2011. The LRCTP is updated every five years, and is currently being updated through 2040. 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 U.S. generally accepted accounting principles (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. VIA maintains a cash reserve equal to the 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.

## **Major Initiatives**

VIA's FY16 key budget objective can be summarized as building better transit—improving VIA services and amenities while engaging the community to embrace public transportation as a desirable travel option, thereby increasing ridership and building for the future. VIA's major initiative for FY16 is a commitment to our riders that is highlighted by an increase in scheduled service of nearly 4%—to the highest level in VIA's history. Complementing the service improvements is a transit shelter expansion program that will add nearly 1,000 shelters throughout the service area. VIA will also work with other local entities to advance the Long-Range Comprehensive Transportation Plan, upgrade existing transit centers, advance new park & ride facilities, and expand Primo (Bus Rapid Transit) service into the South and West side. Additionally, VIA plans to purchase 390 compressed natural gas (CNG) buses over the next six years, beginning in FY16. These environmentally conscious vehicles will replace VIA's diesel-powered buses, resulting in significant fuel savings. 333 of these vehicles are replacement buses, while 57 are budgeted for expansion.

VIA has a very robust capital program, with VIA's "SmartMove" projects being a key focus. VIA's SmartMove projects are new customer-related facilities associated with the implementation of VIA's Long-Range Comprehensive Transportation Plan. Smartmove projects include seven new transit facilities, two transfer locations, Southwest High-Capacity Transit Phase 1, High-Capacity Transit, and the Bus Stop Shelters/Amenities Program. The new transit facilities are Centro Plaza (formerly the Westside Multimodal Transit Center Phase II), Stone Oak Park & Ride, Brooks Transit Center, Robert Thompson Transit Center, IH10 Park & Ride, SH151 Park & Ride, and Northeast Park & Ride. The two new transfer locations are Naco Pass and Five Points. The new Bus Rapid Transit route project for the South/West Corridor is currently in the planning phase, and all of the transit technologies included in VIA's Long-Range Comprehensive Transportation Plan will continue to be explored.

## **Key Projects Underway**

SmartMove – Progress on SmartMove projects is described below:

- Centro Plaza – Centro Plaza became fully operational in January 2016. This project provides a hub where numerous local bus lines converge and provide transfer points among other local lines. The Primo line also has a dedicated stop on the Plaza as well. This hub, located on the western edge of downtown, complements a hub on the eastside, VIA's Robert Thompson Transit Center.

- Robert Thompson Transit Center – The existing special event transit station at the Alamodome is being planned for a conversion to provide daily service via an enhanced transit center along Montana Street at the lower level of the station. A conceptual design and engineering cost estimate has been completed. In addition, VIA is exploring the potential for joint development opportunities with the private sector to leverage the transit station investment with a robust, mixed-use development at the upper plaza level. This development will serve the east end of the central business district and provide pedestrian connections to both the Alamodome and the Hemisphere development site.
- Stone Oak Park & Ride – The Stone Oak Park & Ride will be located along U.S. 281 north of Loop 1604. In FY16, VIA plans to move forward through the construction process for Phase II with a design-build team, for implementation of the new facility in mid 2017. The project includes a parking structure that will provide 400 parking spaces and a direct connection ramp to the Transit Priority lanes that are included in the Texas Department of Transportation's (TxDOT's) U.S. 281 expansion project.
- Brooks Transit Center – A new, signature transit center is being planned on Brooks City-Base at the intersection of South New Braunfels Avenue and Sidney Brooks Road. VIA and the Brooks Development Authority are continuing discussions on the amount of property required for operations and the amount of property available for joint development. The final design team has completed a topographic survey (to include utility and easement identification) and a metes and bounds survey for appraisal purposes. Draft conceptual layouts have also been developed by the team.
- IH10 Park & Ride – The proposed facility will provide an opportunity for commuters living in low-density areas to congregate and access express or vanpool services to utilize future managed lanes. VIA's future investments will make alternative transportation choices attractive to travelers as congestion continues to grow.

Pursuant of the site-selection phase, the process has identified sites in the I-10 corridor north of Loop 1604. The goal is to serve the existing, vibrant commercial activity center of I-10 and Loop 1604 and the University Park & Ride to facilitate major connections to other activity centers, such as the South Texas Medical Center, UTSA, the central business district, and the greater airport area. This area was identified in the City's comprehensive planning process as a major activity center and is expected to experience substantial growth, ensuring greater travel demand in the next 25 years.

VIA is working with Alamo Colleges, TxDOT, and the City of San Antonio to coordinate a new facility location that has access to future area projects, as well as connectivity and upgrades to the existing University Park & Ride. Next steps include the continued coordination with stakeholders, a conceptual design of the I-10 Park & Ride, and a conceptual design of improvements to the existing University Park & Ride.

- SH 151 Park & Ride – The proposed State Highway 151 facility will provide an opportunity for commuters living in low-density areas to congregate to access express or vanpool services and access existing and future TxDOT projects. VIA's future investments will make alternative transportation choices attractive to travelers as congestion continues to grow.

Pursuant to the site-selection phase, the process has identified sites in and around the emerging activity center of SH 151 and Loop 1604, as identified by the City of San Antonio in their initial studies completed for their Comprehensive Plan. This area was identified in the comprehensive planning process as a major activity center and is projected to experience substantial growth, ensuring greater travel demand in the next 25 years.

VIA is working with TxDOT to coordinate a location with access to future area projects. Public outreach provided information on the site selection process, existing services in the region, and allowed staff to answer questions. Next steps include continued stakeholder coordination, final conceptual design, and the Phase I environmental report.

- Northeast Park & Ride – The proposed passenger facility will provide an opportunity for commuters living in low density areas to congregate to access express or vanpool services to utilize future managed lanes. VIA's future site will make alternative transportation choices attractive to travelers as congestion continues to grow. The site selection process identified a recommended site, which will serve the emerging activity center of Rolling Oaks, a potential Lone Star Regional Rail station, and future area TxDOT projects. Public outreach has been conducted. Both Lone Star Rail and TxDOT participated in an open house with information on their respective projects. Next steps include the completion of Phase I environmental documents and the final conceptual design.
- Five Points – In order to serve the high-passenger volumes at the Five Points intersection (2,600 passengers boardings and alightings from six bus routes each day), VIA acquired a parcel of land at the northeast corner of Fredericksburg Road and Flores Street in July, 2014. The enhanced Five Points Transfer Area will include: four new shelters; improved pedestrian and bicycle access; bicycle storage; ticket vending machines; a B-cycle station; a shaded plaza; additional paving; additional benches; picnic tables; public art; and enhanced, low-maintenance landscaping. Construction will begin in Spring 2016 with completion by Summer 2016.
- Naco Pass – The area of Naco Pass has become a significant transfer location for VIA passengers, serving approximately 1,400 passengers each day for six bus routes. Due to the current activity at the location, VIA is seeking to provide passengers with more amenities on a permanent site. VIA is working to identify the optimal site to improve safety for transferring passengers.
- South/West Corridor Transit Improvements Planning Phase – As identified in the Long Range Plan, VIA is conducting a study on the south/west corridor to identify a preferred alignment for new Primo service in the corridor. The study area is on a 20-mile regional connector corridor from Brooks City-Base in the south to VIA's Medical Center Transit Center in the north, traveling across the south and west areas of the metropolitan area and through the Port SA/Lackland AFB area. The objectives of the improvements are to improve the quality and convenience of existing transit services to meet current and future travel needs, attract new riders, and support sustainable growth and development in the corridor. The plan will include design elements and technical specifications that will guide the implementation of the project leading up to the launch of service.

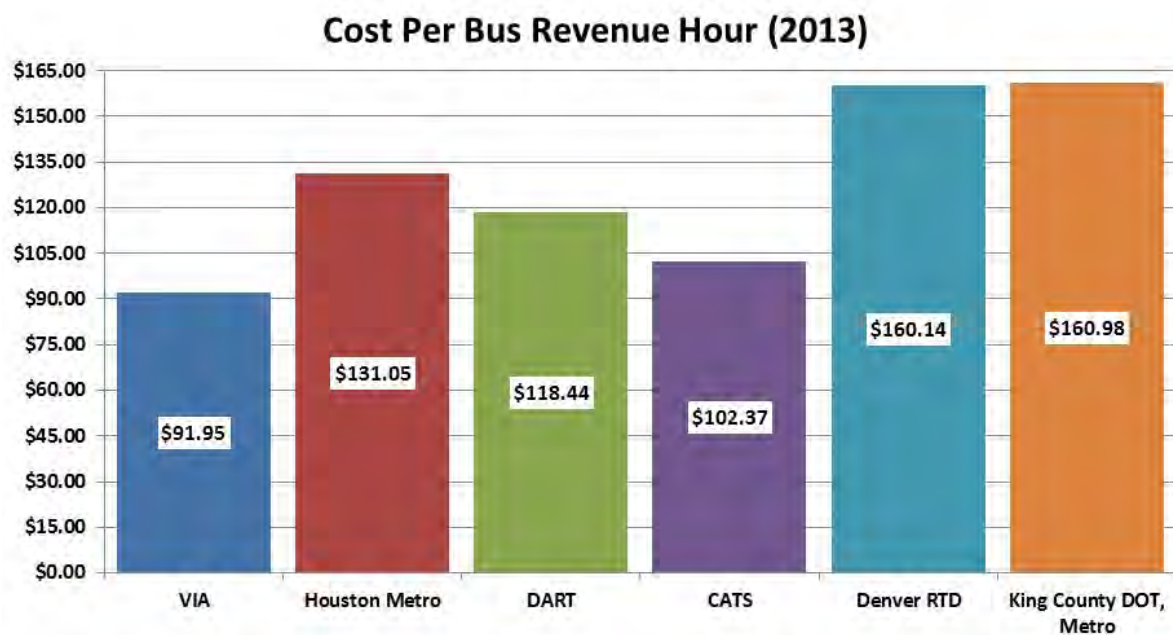


- **High-Capacity Transit** – VIA will collaborate on multimodal transportation planning that could result in a high-capacity transit project, such as light rail. The City of San Antonio is developing a Comprehensive Plan, one component of which is a Strategic Multimodal Transportation Plan. VIA is providing transportation-related expertise and input. Additionally, VIA has an Advisory Committee to address multimodal transportation issues; the committee is comprised of participants and stakeholders from throughout the community.
- **Bus Stop Shelters and Amenities** – With increased funding made available by TxDOT, VIA will be able to install 1,000 new bus shelters throughout the community. Approximately 450 of these shelters have already been installed as of March 1, 2016.

**State-of-the-Art Fare Collection System** – VIA will be implementing smart card technology in 2016, following implementation of new fareboxes and electronic fare media in FY14. VIA also plans to implement mobile ticketing in 2016. New technologies will provide more fare options, decrease boarding time and provide riders greater flexibility.

#### Doing More with Less: Sustainability

VIA is known for operating an extremely cost-effective and efficient transit system. The cost per hour of service at VIA is approximately 25-30 percent lower than the cost per hour of peer agencies in Houston and Dallas (see chart below). Since VIA's bus operator and mechanic wages are comparable to these other systems, a major contributor to the difference is likely significantly lower management and administrative costs at VIA.



While VIA is the most efficient system within the peer group of the largest Texas transit agencies, it also receives fewer operating dollars. Houston, Dallas and Austin all have a full one-cent sales tax available to support operations, while VIA has 5/8ths of one cent. 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.

During FY16, VIA will continue to explore ways to improve financial sustainability. Key fiscal sustainability efforts for FY16 are as follows:

**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.

**Revenue Fleet Vehicles** – In FY16, VIA will begin replacement of its revenue vehicle fleet. VIA plans to replace the vast majority of the bus fleet over a six-year period beginning in FY16. Plans are to purchase compressed natural gas (CNG) vehicles to replace diesel vehicles. The cost for CNG is substantially lower than diesel.

**Business Process Improvements** – VIA is in the midst of business process reviews being done to help develop specifications for a new Enterprise Resource Planning (ERP) System. Additionally, VIA is currently implementing new software for grants/projects. These software improvements should result in improved business 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, and pension. VIA continues to make various efforts to control these costs.

VIA's upcoming conversion to CNG vehicles should help control costs, due to the cost differential between CNG and ultra low sulfur diesel (ULSD). In the area of healthcare, a new contract with a third party administrator began in January 2015, and has helped control costs. In the area of pension, to help control costs, VIA closed its defined benefit pension plan to any new employees hired after January 1, 2012. Those employees are instead eligible to participate in a defined contribution plan.

## Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to VIA Metropolitan Transit Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the twenty-fifth 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 CAFR 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 considers that report to be in conformity with the Certificate of Achievement Program requirements, and will submit it to the GFOA.

VIA's efforts have not gone unnoticed. Local, state, and international organizations have all recognized the dedication and commitment of VIA employees in recent years. Recognition includes:

Air Quality Stewardship Award – Alamo Area Council of Governments (for Centro Plaza at VIA Villa)

Honor Award – Preservation Texas (for rehabilitation of the Ellis Alley enclave)

AdWheel Award, Special Event – American Public Transportation Association (for promotion of the 20th Youth Art Contest)

Top User of Propane Autogas – METRO Magazine and the Propane Education and Research Council (for use of propane in trolleys and vans)

Best of Greater Downtown – Centro San Antonio (for VIA Villa)

Hit the Spot Award, Electronic Media – South West Transit Association (for television commercial "Text the Safe Way ... Ride VIA")

Best of the Eastside Business Award, Best Transformation – San Antonio for Growth on the Eastside (for restoration of structures in the Ellis Alley enclave)

Air Quality Stewardship Award – Alamo Area Council of Governments (for working with the cities of New Braunfels, Schertz, Cibolo, Garden Ridge, and McQueeney to continue demand-response service in areas newly urbanized)

AdWheel Award, Electronic Media – American Public Transportation Association (for best video presentation for a system with over 20 million annual trips – "VIA Community Video")

Hit the Spot Award, Electronic Media – South West Transit Association (for best promotional video – "VIA Semester Pass Video")

Corporate Award – Texas Diversity Council (for VIA’s support of diversity and inclusion in the workplace and community)

Excellence through Diversity Award – Hispanic Contractors Association (for diversity measures during the construction of the South Texas Medical Center Transit Center)

Business Opportunity Diversity Award, Public Sector – San Antonio Hispanic Chamber of Commerce

40+ Years of Safe Driving – American Public Transportation Association (presented to two VIA bus operators to draw attention to 100 years of APTA safety awards)

First Place, International Rodeo – American Public Transportation Association (won by a VIA maintenance team)

First Place, Texas State Roadeo – Texas Transit Association (40-foot bus competition, won by a VIA bus operator)

First Place, Texas State Roadeo – Texas Transit Association (paratransit van competition, won by a VIA paratransit van operator)

Champion of Diversity – Texas Diversity Council (presented to President/CEO Jeffrey C. Arndt for efforts and commitment to diversity and inclusion)



## 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 Chief of Staff personnel 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,

A handwritten signature in black ink, appearing to read 'J. Arndt', with a long horizontal flourish extending to the right.

Jeffrey C. Arndt  
President/CEO

A handwritten signature in black ink, appearing to read 'S. Lange', with a long horizontal flourish extending to the right.

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 Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Enos".

Executive Director/CEO

**VIA Metropolitan Transit  
Board of Trustees FY 2015**

**October 2014 – September 2015**

**Appointed by:**

Alexander E. Briseño  
Chair (eff. 2/26/14) . . . . .Elected by VIA Board of Trustees

Hope Andrade  
Chair (eff. 1/27/15) . . . . .Elected by VIA Board of Trustees

Douglas “Doug” Poneck (appt’d 12/15/11)  
Vice Chair (2014) . . . . .San Antonio City Council

Stephen P. Allison (appt’d 1/1/10)  
Secretary (2014) Vice Chair (2015) . . . . .Suburban Mayors

Katherine Thompson (appt’d 1/19/12 ) . . . . .San Antonio City Council

Carl “Tex” Morgan (appt’d 9/18/14) . . . . .San Antonio City Council

Lester Bryant (appt’d 9/18/14) . . . . .San Antonio City Council

Marc A. Harrison (appt’d 12/19/13) . . . . .San Antonio City Council  
Secretary (2015)

Dr. Richard Gambitta (appt’d 12/20/11) . . . . .Bexar County Commissioners Court

Rebecca Cedillo (appt’d 3/25/14) . . . . .Bexar County Commissioners Court

Bobby Perez (appt’d 3/25/14) . . . . .Bexar County Commissioners Court

A. David Marne (appt’d 1/15/14) . . . . .Suburban Mayors





Hope Andrade  
Chair



Steven P. Allison  
Vice Chair



Marc A. Harrison  
Secretary



Rebecca Cedillo



Dr. Richard  
Gambitta



Lester Bryant



A. David Marne



Carl "Tex" Morgan



Bobby Perez



Douglas "Doug"  
Poneck



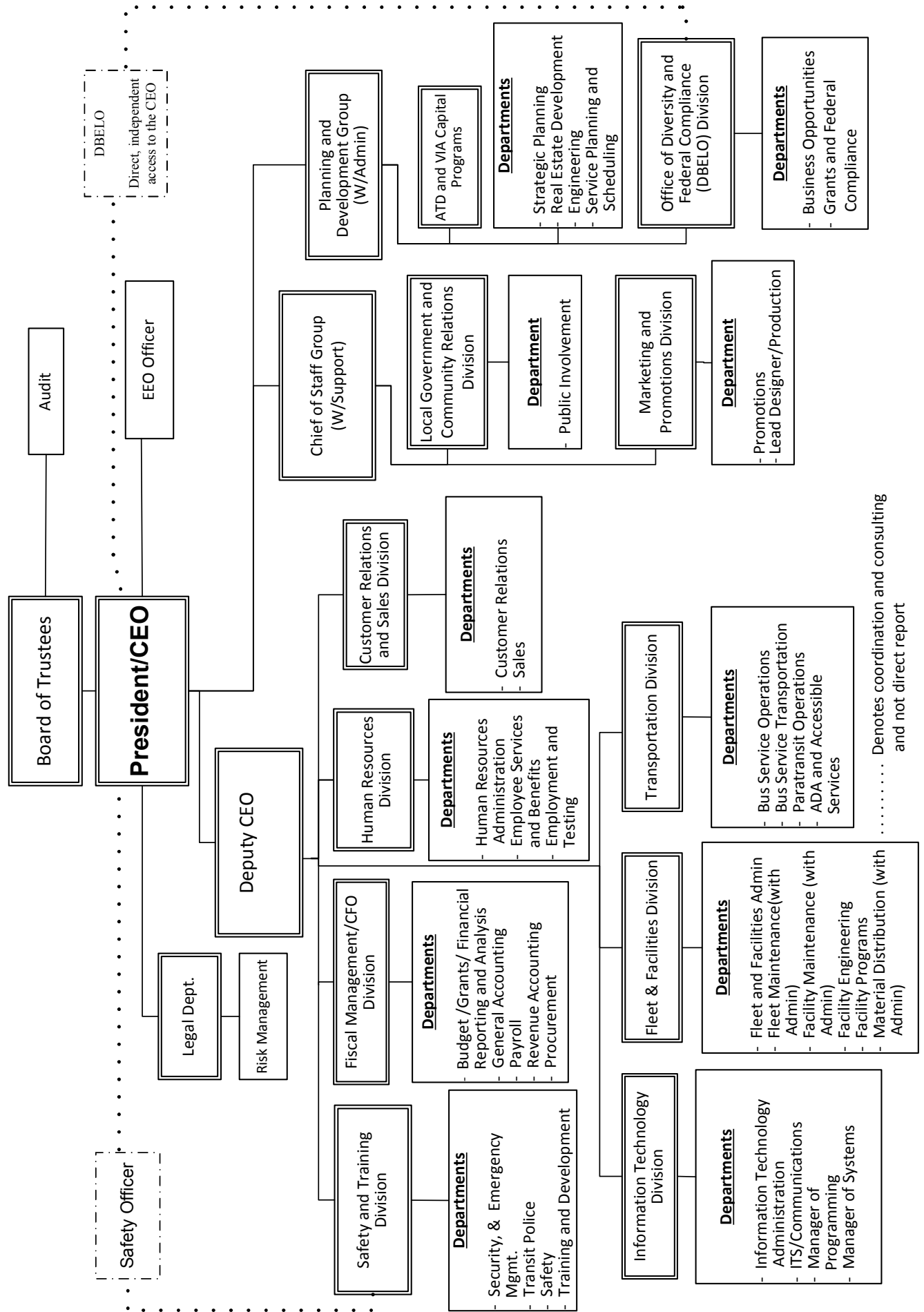
Katherine  
Thompson-Garcia



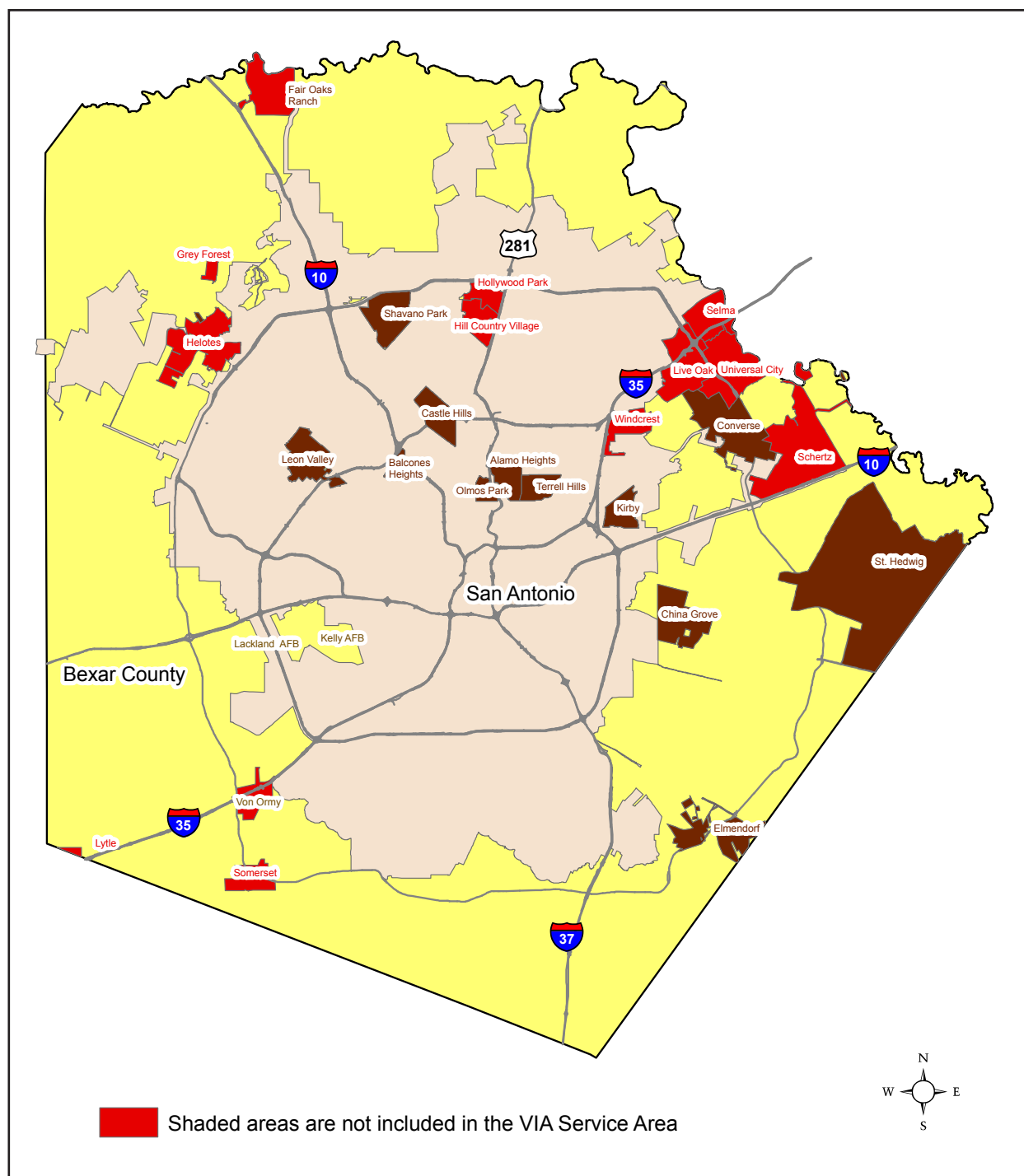
## Board of Trustees

# VIA METROPOLITAN TRANSIT ORGANIZATIONAL CHART

## October 1, 2014 – September 30, 2015



# VIA Service Area



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# Financial

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## Padgett Stratemann

### Independent Auditor's Report

To the Board of Trustees  
VIA Metropolitan Transit  
San Antonio, Texas

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities of VIA Metropolitan Transit ("VIA") as of and for the years ended September 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise VIA's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VIA's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of VIA as of September 30, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As described in Note 1, VIA was required to adopt Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. As discussed in Note 15, beginning net position has been restated for the adoption of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability – Unaudited, the Schedule of VIA's Pension Contributions – Unaudited, the Schedule of Funding Progress – Unaudited, and Notes to the Required Supplementary Information – Unaudited, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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.

#### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise VIA's basic financial statements. The Other Supplementary Information, as well as the Introductory and Statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Other Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying Introductory and Statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2016 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 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 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.

*Padgett, Statemann & Co., L.L.P.*

San Antonio, Texas  
February 23, 2016

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## Management's Discussion and Analysis



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# VIA Metropolitan Transit

## San Antonio, Texas

### Management's Discussion and Analysis

September 30, 2015

The following Management's Discussion and Analysis of VIA Metropolitan Transit's ("VIA") activities and financial performance are provided as an introduction to the financial statements for the fiscal year ("FY") ending September 30, 2015. Readers are encouraged to consider the information presented here in conjunction with information contained in the financial statements that follow this section.

### Financial Highlights

- Operating revenues are \$24.7M in 2015, down \$1.6M from the prior year. This result was primarily driven by lower bus line fare revenues resulting from lower ridership. Ridership was adversely impacted by a significant decrease in gas prices (down 28% on average).
- Net non-operating revenues (expenses) are \$191.9M in 2015, up \$8.3M from the prior year. This result is primarily attributable to sales taxes, which were up \$6.6M (net after adjusting for amounts paid to the City of San Antonio and Bexar County) due to a stronger economy.
- VIA's sales tax revenue, which is the largest component of non-operating revenue, came in at \$167.0M in 2015, up \$6.6M from the prior year (total sales taxes were \$197.6M in 2015, of which \$30.6M 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. As of September 2015, Bexar County has four approved projects that use ATD funds for financing under a "pass-through" financing arrangement with TxDOT. In addition, ATD funds have been used by Bexar County and TxDOT to accelerate highway projects on Loop 1604 and U.S. 281.
- Operating expenses including depreciation are \$235.0M in 2015, an increase of \$16.9M (7.7%) compared to the prior year. The increase is primarily attributable to wages, up \$7.9M, and VIACare (healthcare) expense, up \$6.4M. A 3.5% wage increase accounted for \$3.3M of the total increase in wages. The remainder of the increase in wages is mainly due to an increase in bus service hours and an operator mix shift (more full-time operators relative to part-time operators). VIACare expense was up due to a spike in claims early in the fiscal year around the date that a new contract was to become effective. The new contract was put in place to help contain health care costs, and expenses have since trended downwards.
- VIA booked an additional \$4.9M to its streetcar allowance account in FY15, to appropriately reflect on VIA's financial statements the streetcar project expense that may not ultimately pertain to the final construction project (see Note 16 for additional details).

# VIA Metropolitan Transit

## San Antonio, Texas

### Management's Discussion and Analysis

September 30, 2015

- VIA's net position decreased by \$115.1M in FY15 compared to the prior year-end balance, ending the year at \$280.5M. The year-to-year change includes a \$118.7M decrease associated with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pension— an Amendment of GASB Statement No 27*. This change is reflected as a FY15 beginning balance adjustment to unrestricted net position; as allowed by GASB Statement No. 68, prior periods were not restated. The remaining net position change is a \$3.6M increase, accounted for by the following net position components: net investment in capital projects, up \$6.1M; restricted for capital projects, down \$0.5M; and unrestricted, down \$2.0M.
- VIA was required to adopt GASB Statement No. 68 effective October 1, 2014. As permitted by GASB Statement No. 68, prior fiscal year was not restated. Therefore, the beginning net position balance for FY15 is \$118.7M lower than the ending net position balance for FY14. VIA has elected to use a measurement date for the pension liability that is based on the end of the previous year.
- Total capital/cash reserves and working capital (which equals cash, cash equivalents, and investments) decreased by \$6.9M in 2015, finishing FY15 with a balance of \$264.4M compared to \$271.3M at the end of the prior year. The decrease was driven by an \$11.4M decrease in VIA's capital reserve, as funds were used for capital projects against which those funds were programmed.
- As of the end of 2015, VIA's Stabilization Fund and working capital are each funded at Board policy level, which is to have a balance adequate to cover 60 days of operating expenses. Both of these fund balances were at \$35.1M at the end of FY15, each equal to 60 days of expenses.
- VIA spent \$32.2M on capital projects in FY15. VIA has a very robust capital program that is described later in this document (see section "Economic Factors and Outlook for Fiscal Year 2016").

## Overview of the Financial Statements

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

### Required Financial Statements

VIA's Statement of Net Position now reflects GASB Statement No. 63, which deals with deferred inflows and outflows of resources, and net position; for VIA, this Statement is being adopted effective in FY13. The requirements of the statement improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. 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 has been renamed net position, rather than net

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Management's Discussion and Analysis**

September 30, 2015

assets, consistent with GASB Statement No. 63. The Statement of Net Position provides information about the nature of the resources (assets), obligations to creditors (liabilities), and deferred outflows and inflows. The assets and liabilities are presented in a format that distinguishes between current and long-term categories. Over time, changes in net position may be a useful indicator of whether the financial position of VIA is improving or deteriorating.

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

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

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

### **Financial Analysis**

The Basic Financial Statements discussed above report information about VIA's financial activities in a way that helps the reader determine if VIA is better off or worse off as a result of the fiscal year's activities. The statements show the difference between assets 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.

**VIA Metropolitan Transit**  
**San Antonio, Texas**  
**Management's Discussion and Analysis**  
September 30, 2015

**Net Position**

A summary of VIA's condensed Statements of Net Position is presented below:

**Condensed Statements of Net Position Information**  
(In Millions of Dollars)

	<u>2015</u>	<u>2014</u>	<u>2013</u> <u>(Restated)</u>
Current assets	\$ 284.8	\$ 257.0	\$ 176.1
Capital assets	201.1	196.1	188.0
Other noncurrent assets	<u>32.2</u>	<u>59.4</u>	<u>71.8</u>
<b>Total assets</b>	<b>\$ <u>518.1</u></b>	<b>\$ <u>512.5</u></b>	<b>\$ <u>435.9</u></b>
<b>Deferred outflows of resources</b>	<u>18.6</u>	<u>1.4</u>	<u>0.4</u>
<b>Total assets and deferred outflows of resources</b>	<b>\$ <u>536.7</u></b>	<b>\$ <u>513.9</u></b>	<b>\$ <u>436.3</u></b>
Current liabilities	\$ 44.0	\$ 36.5	\$ 30.5
Long-term liabilities	<u>206.4</u>	<u>81.8</u>	<u>16.0</u>
<b>Total liabilities</b>	250.4	118.3	46.5
<b>Deferred inflows of resources</b>	<u>5.8</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ <u>256.2</u></b>	<b>\$ <u>118.3</u></b>	<b>\$ <u>46.5</u></b>
Net position:			
Net investment in capital assets	\$ 177.3	\$ 171.2	\$ 175.0
Restricted for capital projects	100.7	101.2	105.4
Unrestricted	<u>2.5</u>	<u>123.2</u>	<u>109.4</u>
<b>Total net position</b>	<b>\$ <u>280.5</u></b>	<b>\$ <u>395.6</u></b>	<b>\$ <u>389.8</u></b>

Note: Due to VIA's adoption of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) in 2015, the beginning net position balance for FY15 is \$118.7M lower than the ending net position balance in FY14. As permitted by GASB Statement No. 68, the prior fiscal years were not restated.

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Management's Discussion and Analysis**

September 30, 2015

Total net position may serve, over time, as a useful indicator of an entity's financial position. At the close of FY15, VIA's net position is \$280.5M. A significant portion of VIA's net position 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 decreased by \$115.1M in FY15, going from \$395.6M to \$280.5M. The beginning FY15 net position balance was restated for adoption of GASB Statement No. 68. This restatement reflects the booking of VIA's pension liability, and decreased the beginning unrestricted net position balance by \$118.7M. As permitted by GASB Statement No. 68, prior periods were not restated. The remaining year-to-year change was an increase of \$3.6M, with net investment in capital projects up \$6.1M, restricted for capital projects down \$0.5M, and unrestricted down \$2.0M. Net investment in capital assets increased by \$6.1M since asset additions exceeded depreciation expense. Restricted for capital projects is down slightly (less than 1%) due to lower reserved local match on grant funds, due to spending down of grant funds (when grants are awarded, VIA reserves the required local match funds). The unrestricted category is down \$2.0M, reflecting the net impact of remaining items (ending FY15 unrestricted balance is \$2.5M compared to a beginning balance of \$4.5M after the \$118.7M GASB Statement No. 68 impact).

The \$5.0M increase in net capital assets results from asset acquisitions of \$32.2M (including work-in-progress) less depreciation of \$27.2M (disposals rounded to \$0.0M). The \$32.2M in asset acquisitions is comprised of: buildings and shelters, \$25.9M; equipment, \$3.5M; revenue and service vehicles, \$1.8M; and land, \$1.0M.

### **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 on the following page.



**VIA Metropolitan Transit**  
**San Antonio, Texas**  
**Management's Discussion and Analysis**  
September 30, 2015

**Condensed Information on Revenues, Expenses, and Changes in Net Position**  
(In Millions of Dollars)

	<b>2015</b>	<b>2014</b>	<b>2013 (Restated)</b>
Operating revenues:			
Passenger revenues	\$ 23.1	\$ 24.5	\$ 25.4
Advertising, real estate development, and other	1.6	1.8	1.8
Total operating revenues	<u>24.7</u>	<u>26.3</u>	<u>27.2</u>
Operating expenses:			
Line service	161.2	147.5	140.3
Robert Thompson Terminal	0.6	0.7	0.7
Other special events	0.6	0.6	0.6
VIATrans	37.4	34.3	33.1
Vanpool	0.5	0.5	0.5
Charter	0.1	0.1	0.3
Promotional service	0.1	0.1	0.1
Business development and planning	6.6	5.9	4.7
Transit technology	0.7	0.7	0.7
Depreciation	27.2	27.7	20.9
Total operating expenses	<u>235.0</u>	<u>218.1</u>	<u>201.9</u>
Operating loss	<u>(210.3)</u>	<u>(191.8)</u>	<u>(174.7)</u>
Nonoperating revenues (expenses):			
Sales taxes	197.6	190.0	173.8
Grants reimbursement – VIA	27.0	26.0	25.1
Grants reimbursement – pass through	1.3	0.2	-
Investment income (loss)	0.9	0.6	(0.1)
Bond interest and issuance costs	(3.0)	(3.5)	(0.1)
Gain on sale of assets	-	-	0.1
Less amounts remitted to CoSA and Bexar County	(30.6)	(29.5)	(27.1)
Less pass-through funds remitted to sub-recipients	<u>(1.3)</u>	<u>(0.2)</u>	<u>-</u>
Total nonoperating revenues (expenses) – net	<u>191.9</u>	<u>183.6</u>	<u>171.7</u>
Loss before capital contributions	(18.4)	(8.2)	(3.0)
Capital contributions	<u>22.0</u>	<u>14.0</u>	<u>117.5</u>
Change in net position	3.6	5.8	114.5
Net position at beginning of year – restated	<u>276.9</u>	<u>389.8</u>	<u>275.3</u>
Net position at end of year	<u>\$ 280.5</u>	<u>\$ 395.6</u>	<u>\$ 389.8</u>

Note: Due to VIA's adoption of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) in 2015, the beginning net position balance for FY15 is \$118.7M lower than the ending net position balance in FY14. As permitted by GASB Statement No. 68, the prior fiscal years were not restated.

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Management's Discussion and Analysis**

September 30, 2015

As shown on the Statement of Revenues, Expenses, and Changes in Net Position, VIA's net position increased by \$3.6M, with capital contributions being \$22.0M. Capital contributions are grant funds received from the Federal Transit Administration that VIA used for capital projects. The \$118.7M difference between the FY15 beginning net position and the FY14 ending net position reflects the impact of adopting GASB Statement No. 68 for pension accounting.

### **Operating Revenues**

In FY15, operating revenues were \$24.7M, down \$1.6M (6.1%) from the prior year. The result is attributable to lower line ridership, which was adversely impacted by significantly lower fuel prices in FY15. In FY16, VIA will begin offering a new weekly pass and is restructuring fares with the base fare going up and the day pass going down in price. Additionally, VIA will make significant progress on implementing smartcards and mobile ticketing in FY16. Once implemented, the net impact of these initiatives should help result in improved ridership.

In FY14, operating revenues were \$26.3M, down \$0.9M (3.3%) from the prior year. The result was attributable to lower line ridership, which was adversely impacted by lower fuel prices in FY14.

### **Net Nonoperating Revenues (Expenses)**

In FY15, VIA's net non-operating revenues (expenses) increased by \$8.3M (4.5%). Sales taxes are up \$6.6M (4.1%), as San Antonio's economy continues to be strong (this \$6.6M variance is based on total sales taxes, net of amounts distributed to ATD entities other than VIA). VIA's grant reimbursements are up \$1.0M, as VIA used more Federal Transit Administration ("FTA") funds for operating expenses rather than capital.

In FY14, VIA's net non-operating revenues (expenses) increased by \$11.9M (6.9%). Sales taxes were up \$13.8M (9.4%), due to a strong local economy (this \$13.8M variance is based on total sales taxes, net of amounts distributed to ATD entities other than VIA). Bond issuance and interest costs were up \$3.4M, due to the MTA and ATD bonds issued in FY14.

# VIA Metropolitan Transit

## San Antonio, Texas

### Management's Discussion and Analysis

September 30, 2015

#### 2015 Total Revenues by Major Category

	<u>MTA</u>	<u>ATD</u>	<u>Total</u>
Operating revenues:			
Line service	\$ 17,375,371	\$ 3,505,355	\$ 20,880,726
Robert Thompson Terminal	145,337	-	145,337
Other special events	169,079	-	169,079
VIATrans	1,899,614	-	1,899,614
Charter	86,526	-	86,526
Real estate development	281,072	-	281,072
Ellis Alley Park and Ride	23,918	-	23,918
Bus advertising	814,530	-	814,530
Miscellaneous	436,382	-	436,382
Total operating revenues	<u>21,231,829</u>	<u>3,505,355</u>	<u>24,737,184</u>
Nonoperating revenues:			
Sales taxes	136,370,773	61,274,476	197,645,249
Grants reimbursement – VIA	27,047,155	-	27,047,155
Grants reimbursement – pass through	1,327,755	-	1,327,755
Investment income	776,769	76,664	853,433
Loss on sale of assets	(1,252)	-	(1,252)
Less amounts remitted to CoSA and Bexar County		(30,637,238)	(30,637,238)
Less amounts remitted to sub-recipients	<u>(1,327,755)</u>	<u>-</u>	<u>(1,327,755)</u>
Total nonoperating revenues	<u>164,193,445</u>	<u>30,713,902</u>	<u>194,907,347</u>
Total revenues	<u>\$ 185,425,274</u>	<u>\$ 34,219,257</u>	<u>\$ 219,644,531</u>

Total revenue shown above includes operating and nonoperating revenues. Expenses included in net nonoperating revenue/(expense) are excluded (these expenses are bond interest and issuance costs).

### Expenses

In FY15, operating expenses are \$235.0M, an increase of \$16.9M (7.7%). The increase is mainly attributable to wages and VIAcare expense, up \$7.9M and \$6.4M, respectively. The increase in wages was driven mainly by a wage increase, an increase in bus service hours, and a shift in labor mix towards more full-time operators relative to part-time operators. Wages are the most significant cost of providing service. A 3.5% wage increase was implemented on August 1, 2014 for hourly employees and on October 1, 2014 for salaried employees, and a 3.5% increase was implemented on August 1, 2015 for hourly employees and on October 1, 2015 (the first day of FY16) for salaried employees. VIAcare was up due

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Management's Discussion and Analysis**

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to a spike in claims early in the fiscal year around the date that a new contract was to become effective. Subsequently, costs have trended downwards. The new contract generates some savings to VIA through better buying power (medical network discounts), wellness program-related initiatives, disease/case management (utilization management), and stop loss insurance coverage.

In FY14, operating expenses were \$218.1M, an increase of 16.2M (8.0%) from the prior year. This increase was primarily attributable to higher wages (up \$3.8M), higher pension expense (up \$2.6M), higher purchased transportation (up \$2.0M), and higher depreciation expense (up \$6.8M). A 3.0% increase wage increase was implemented on August 1, 2013 for hourly employees and on October 1, 2013 for salaried employees, and a 3.5% increase was implemented on August 1, 2014 for hourly employees and on October 1, 2014 (the first day of FY15) for salaried employees. Pension expense was up due in part to the impact of pension plan assumption changes that were made in FY12; these changes were to lower the investment return assumption from 8.0% to 7.5%, increase the life expectancy assumption, and decrease the employee attrition assumption. Purchased transportation expense was up due to an hours mix shift from directly-provided to purchased paratransit service, and an expansion of VIAtrans Taxi Subsidy Program and Will-Call service to weekends. Higher depreciation expense reflected higher capital asset balances and the impact of the capital projects allowance account.

### **Long-Term Debt**

In FY15, VIA did not issue any new debt. VIA has three bond issues outstanding as of fiscal year-end 2015; these bonds were all issued between FY12 and FY14.

In FY14, VIA issued MTA farebox revenue improvement and refunding bonds (\$40.0M par) and ATD sales tax revenue improvement and refunding bonds (\$32.9M par). A total of \$10.2M of the bond proceeds were used to retire two 2012 private placement bond issues (\$5.1M MTA and \$5.1M ATD). The bonds are being used to help finance VIA's SmartMove program and other capital projects. VIA received an "A+" rating on the farebox revenue bonds and an "AAA" rating on the ATD bonds. Details of debt issuances are covered in Note 13.

### **Capital Assets**

At the end of FY15, VIA had \$201.1M in capital assets net of accumulated depreciation, an increase of \$5.0M over the prior fiscal year-end balance. The increase is due to gross additions of: building and shelters, \$25.9M; equipment, \$3.5M; revenue and service vehicles, \$1.8M; and land, \$1.0M. Depreciation of \$27.2M partially offset these increases.

# VIA Metropolitan Transit

## San Antonio, Texas

### Management's Discussion and Analysis

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Components of the \$5.0M net change can also be viewed as follows: fixed assets before depreciation, construction in progress ("CIP"), and allowance for capital projects increased by \$26.3M (to a balance of \$456.3M); construction in progress increased by \$4.0M (to a balance of \$58.8M); and accumulated depreciation increased by \$25.3M (to a balance of \$314.0M, including the streetcar allowance account). 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 \$26.3M increase in fixed assets value before depreciation and construction in progress reflects the net of \$3.5M in asset additions, \$1.9M in asset disposals, and \$24.7M in transfers from CIP. The asset category accounting for the largest asset additions amount is land, up \$1.0M due to the purchase of property for parking at the Crossroads Park & Ride. Buildings and shelters account for \$0.8M of the asset acquisitions, equipment accounts for \$0.8M, service vehicles account for \$0.5M, and revenue vehicles account for \$0.4M.

CIP increased by \$4.0M, which is the net of \$28.7M in CIP additions and \$24.7M in transfers out. CIP additions were: buildings and shelters, \$25.1M; equipment, \$2.7M; and revenue and service vehicles, \$0.9M. Largest expenditures were for Centro Plaza and bus shelters. CIP transfers to fixed assets were: buildings and shelters, \$12.2M; revenue and service vehicles, \$2.9M, and equipment, \$9.6M.

At the end of FY14, VIA had \$196.1M in capital assets net of accumulated depreciation, an increase of \$8.1M over the restated prior fiscal year-end balance. The increase is due to gross additions of: building and shelters, \$24.1M; revenue and service vehicles, \$7.4M; equipment, \$4.3M; and, land, \$0.1M. Depreciation of \$27.7M (including a \$4.9M allowance account expense) partially offset these increases.

Readers of this document that desire a more detailed overview of capital asset activity should refer to the notes to financial statements section of this report. Note 1.F defines accounting policies related to capital assets, and Note 7 gives details of the components of capital asset categories.

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**Capital Assets**  
(In Millions of Dollars)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Land	\$ 32.8	\$ 31.8	\$ 31.7
Buildings and shelters	187.7	174.8	172.4
Revenue vehicles	176.2	174.2	172.6
Service vehicles	4.7	4.1	3.9
Equipment	<u>54.9</u>	<u>45.1</u>	<u>43.2</u>
	456.3	430.0	423.8
Less accumulated depreciation and allowance for capital accounts	<u>314.0</u>	<u>288.7</u>	<u>266.3</u>
Net capital assets before construction in progress	<u>142.3</u>	<u>141.3</u>	<u>157.5</u>
Construction in progress:			
Buildings and improvements	55.2	42.2	20.7
Revenue vehicles	0.8	2.9	2.0
Equipment	<u>2.8</u>	<u>9.7</u>	<u>7.8</u>
Total construction-in-progress	<u>58.8</u>	<u>54.8</u>	<u>30.5</u>
Net capital assets	<u>\$ 201.1</u>	<u>\$ 196.1</u>	<u>\$ 188.0</u>

**Economic Factors and Outlook for Fiscal Year 2016**

Economic factors and the outlook for FY16 are favorable. Sales tax receipts are expected to be solid, and VIA expects to make significant progress on implementing a robust capital program, as discussed below:

**Economic Factors**

VIA's financial results are significantly impacted by sales taxes, since these account for approximately 75% of VIA's revenues. VIA's budgeted FY16 sales tax revenue reflects a 4.25% increase over the forecasted FY15 total, and a 4.8% increase over actual FY15 sales taxes. Actual results for 2015 came in slightly lower than forecast. Actual sales tax receipts for 2015 were up 4.1% from 2014, reflecting a relatively strong economy.



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### Management's Discussion and Analysis

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San Antonio's economy is expected to be strong in 2016. According to Moody's Analytics, the San Antonio-New Braunfels economy is expected to expand steadily led by gains in nonresidential construction and later by real housing. Energy-related manufacturing and services will be subdued as long as oil prices are low. Because of a large concentration of military operations, the metro area faces downside risks from Army consolidation. However, above-average population gains, the presence of significant energy resources in nearby areas, low costs of doing business, relatively high housing affordability, and an increasing manufacturing presence should contribute to above-average overall performance.

#### **New Service, Facilities, and Buses**

The primary theme of VIA's new budget is our commitment to our riders, which is highlighted by an increase in scheduled line service of nearly 4% – to the highest levels in VIA's history. Complementing the service improvements is a transit shelter expansion program to add nearly 1,000 shelters throughout the service area. VIA will also work with other local entities to advance the Long Range Comprehensive Transportation Plan, upgrade existing transit centers, advance new park & ride facilities, and expand Primo (Bus Rapid Transit) service into the South and West side. Additionally, VIA plans to purchase 390 compressed natural gas ("CNG") buses over the next five years, beginning in FY16. These environmentally-friendly vehicles will replace VIA's diesel-powered buses, resulting in significant fuel savings. 333 of these vehicles are replacement buses, while 57 are budgeted for expansion.

VIA has a very robust capital program, with VIA's "SmartMove" projects being a key focus. In FY16, VIA has \$90M of capital spending budgeted, with 46% of this being for SmartMove. VIA's SmartMove projects are new customer-related facilities associated with implementation of VIA's Long Range Comprehensive Transportation Plan. SmartMove projects include seven new transit centers, two transfer locations, Southwest High-Capacity Transit Phase 1, Streetcar/High-Capacity Transit, and the Bus Stop Shelters/Amenities Program. The new transit centers are Centro Plaza (formerly the Westside Multimodal Transit Center Phase II), Stone Oak Park & Ride, Brooks Transit Center, Robert Thompson Transit Center, IH10 Park & Ride, SH151 Park & Ride, and Northeast Park & Ride. The two new transfer locations are Naco Pass and Five Points. The new bus rapid transit route project for the South/West Corridor is currently in the planning phase, and all of the transit technologies included in VIA's Long Range Comprehensive Transportation Plan will continue to be explored.

#### **Other Key Projects Underway**

VIA is implementing an extensive program to update bus stop shelters and amenities throughout the community. With increased funding made available by the Texas Department of Transportation, VIA will be able to focus on installing a total of nearly 1,000 new bus shelters throughout the community. Approximately 300 of these shelters have already been installed.

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Management's Discussion and Analysis**

September 30, 2015

VIA is also in the process of implementing a state-of-the-art fare collection system. VIA will be implementing smart card technology in FY16, following implementation of new validating fareboxes and electronic fare media in FY14. VIA also plans to implement mobile ticketing in FY16. New technologies will also provide more fare options, decrease boarding time, and give riders greater flexibility.

FY16 will be a year of significant process 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. Additionally, strong FY15 sales tax receipts and cost-efficient operations have allowed VIA to expand bus service while remaining fiscally sound, with Stabilization Fund ("Rainy Day" Fund) and working capital balances at Board policy levels (60 days each).

### **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

# VIA Metropolitan Transit

## San Antonio, Texas

### Statements of Net Position

September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 20,970,701	\$ 31,117,976
Investments	92,968,634	89,642,132
Accounts receivable:		
Federal government	10,001,156	2,388,898
State of Texas – sales taxes	27,521,414	27,398,931
Interest	212,464	599,063
Other	1,538,884	1,336,318
Inventory	3,491,746	3,618,697
Prepaid expenses and other current assets	464,765	425,467
Restricted assets:		
Cash and cash equivalents	20,103,176	31,611,324
Investments	102,534,962	63,896,196
State of Texas receivable – sales taxes	<u>5,021,589</u>	<u>5,007,328</u>
Total current assets	<u>284,829,491</u>	<u>257,042,330</u>
Noncurrent assets:		
Restricted cash and cash equivalents	3,811,003	3,805,336
Restricted investments	<u>24,040,841</u>	<u>51,251,072</u>
Capital assets:		
Land	32,841,276	31,812,673
Buildings and shelters	187,656,130	174,765,995
Revenue vehicles	176,182,078	174,165,810
Service vehicles	4,712,186	4,099,491
Equipment	<u>54,858,544</u>	<u>45,113,736</u>
Total capital assets	456,250,214	429,957,705
Less accumulated depreciation	304,146,833	283,755,778
Less allowance for capital projects	9,800,000	4,882,000
Construction in progress	<u>58,820,976</u>	<u>54,805,294</u>
Net capital assets	<u>201,124,357</u>	<u>196,125,221</u>
Other assets:		
Net other postemployment benefits (“OPEB”) asset	<u>4,302,687</u>	<u>4,302,687</u>
Total other assets	<u>4,302,687</u>	<u>4,302,687</u>
Total noncurrent assets	<u>233,278,888</u>	<u>255,484,316</u>
Total assets	<u>518,108,379</u>	<u>512,526,646</u>
<b>Deferred Outflows of Resources</b>		
Pension	12,143,694	-
Fuel hedging	<u>6,462,825</u>	<u>1,356,139</u>
Total deferred outflows of resources	<u>18,606,519</u>	<u>1,356,139</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 536,714,898</u>	<u>\$ 513,882,785</u>

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

	<u>2015</u>	<u>2014</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 15,125,040	\$ 13,122,162
Fuel hedging liability	6,462,825	1,356,139
Interest payable	580,698	899,522
Bonds payable	2,205,000	2,135,000
Accrued liabilities	5,595,483	4,894,554
Unearned revenue	1,039,728	835,276
Claims payable	<u>6,442,148</u>	<u>6,618,537</u>
Subtotal	37,450,922	29,861,190
Current liabilities – payable from restricted assets:		
Payable to CoSA and Bexar County	5,019,258	5,002,370
Retainage payable	<u>1,592,742</u>	<u>163,542</u>
Total current liabilities	<u>44,062,922</u>	<u>35,027,102</u>
Net pension liability	126,503,078	-
Long-term liabilities	<u>79,875,092</u>	<u>83,272,295</u>
<b>Total liabilities</b>	<u>250,441,092</u>	<u>118,299,397</u>
<b>Deferred Inflows of Resources</b>		
Pension	<u>5,799,071</u>	<u>-</u>
Total deferred inflows of resources	<u>5,799,071</u>	<u>-</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>\$ 256,240,163</u>	<u>\$ 118,299,397</u>

<b>Net Position</b>		
Net investment in capital assets	\$ 177,325,265	\$ 171,241,292
Restricted for capital projects	100,721,318	101,174,318
Unrestricted	<u>2,428,152</u>	<u>123,167,778</u>
<b>Total net position</b>	<u>\$ 280,474,735</u>	<u>\$ 395,583,388</u>

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# VIA Metropolitan Transit

## San Antonio, Texas

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

Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Line service	\$ 20,880,726	\$ 22,103,715
Robert Thompson Terminal	145,337	187,785
Other special events	169,079	181,786
VIATrans	1,899,614	1,882,687
Charter	86,526	195,052
Real estate development	281,072	263,360
Ellis Alley Park and Ride	23,918	6,491
Bus advertising	814,530	749,530
Miscellaneous	436,382	759,723
Total operating revenues	<u>24,737,184</u>	<u>26,330,129</u>
Operating expenses:		
Line service	161,181,992	147,478,417
Robert Thompson Terminal	657,286	733,305
Other special events	618,448	592,886
VIATrans	37,375,783	34,330,772
Vanpool	558,689	547,806
Charter	80,818	148,332
Promotional service	94,791	90,993
Real estate development	613	4,334
Business development and planning	6,588,687	5,858,692
Transit technology	685,274	694,331
Total operating expenses before depreciation	207,842,381	190,479,868
Depreciation on capital assets:		
Acquired with VIA equity	5,556,639	6,116,210
Acquired with grants	16,718,729	16,688,763
Allowance for capital projects	4,918,000	4,882,000
Total operating expenses after depreciation	<u>235,035,749</u>	<u>218,166,841</u>
Operating loss	<u>(210,298,565)</u>	<u>(191,836,712)</u>
Nonoperating revenues (expenses):		
Sales taxes	197,645,249	189,964,334
Grants reimbursement	27,047,155	26,045,513
Investment income	853,433	577,720
Bond interest and issuance costs	(3,000,034)	(3,542,815)
Gain (loss) on sale of assets	(1,252)	40,839
Less amounts remitted to CoSA and Bexar County	(30,637,238)	(29,541,042)
Total nonoperating revenues (expenses) – net	<u>191,907,313</u>	<u>183,544,549</u>
Loss before capital contributions	(18,391,252)	(8,292,163)
Capital contributions	<u>21,974,093</u>	<u>14,028,533</u>
Change in net position	3,582,841	5,736,370
Net position at beginning of year – as restated (Note 15)	<u>276,891,894</u>	<u>389,847,018</u>
Net position at end of year	<u>\$ 280,474,735</u>	<u>\$ 395,583,388</u>

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

# VIA Metropolitan Transit

## San Antonio, Texas

### Statements of Cash Flows

Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 25,002,383	\$ 26,444,828
Cash payments to vendors for goods and services	(74,929,271)	(69,529,643)
Cash payments for employee services, including salaried fringe benefits	<u>(133,914,114)</u>	<u>(116,357,285)</u>
Net cash used in operating activities	<u>(183,841,002)</u>	<u>(159,442,100)</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Sales taxes	197,492,647	187,238,666
Grants reimbursements received	22,376,436	34,590,137
Payments to CoSA, TxDOT, and Bexar County	<u>(30,620,350)</u>	<u>(29,171,876)</u>
Net cash provided by noncapital financing activities	<u>189,248,733</u>	<u>192,656,927</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from capital grants	19,201,475	14,846,128
Bond proceeds	-	67,431,796
Debt service	(5,611,677)	(3,060,056)
Proceeds from sale of assets	16,046	177,997
Purchase of capital assets	<u>(26,704,705)</u>	<u>(35,938,653)</u>
Net cash provided by (used in) capital and related financing activities	<u>(13,098,861)</u>	<u>43,457,212</u>
<b>Cash Flows From Investing Activities</b>		
Sale of investment securities	213,456,469	98,144,401
Purchase of investment securities	(228,196,939)	(183,952,414)
Interest earnings	<u>781,844</u>	<u>544,124</u>
Net cash used in investing activities	<u>(13,958,626)</u>	<u>(85,263,889)</u>
Net decrease in cash and cash equivalents	(21,649,756)	(8,591,850)
Cash and cash equivalents at beginning of year	<u>66,534,636</u>	<u>75,126,486</u>
Cash and cash equivalents at end of year	<u>\$ 44,884,880</u>	<u>\$ 66,534,636</u>

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

	<u>2015</u>	<u>2014</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (210,298,565)	\$ (191,836,712)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation on capital assets:		
Acquired with VIA equity	5,556,639	6,116,210
Acquired with grants	16,718,729	16,688,763
Allowance for capital projects	4,918,000	4,882,000
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(202,566)	147,302
Decrease in inventory	126,951	119,343
Decrease in prepaid expenses and other current assets	5,067,388	1,133,059
(Increase) decrease in prepaid pension	(12,143,694)	2,234,430
Increase (decrease) in interfund receivable	386,423	(392,187)
Increase (decrease) in accounts payable	(1,599,652)	705,966
Increase in accrued liabilities	<u>7,629,345</u>	<u>759,726</u>
Net cash used in operating activities	<u>\$ (183,841,002)</u>	<u>\$ (159,442,100)</u>
<b>Reconciliation of Cash and Cash Equivalents Per Statements of Cash Flows to the Statements of Net Position</b>		
Cash and cash equivalents at end of year:		
Unrestricted	\$ 20,970,701	\$ 31,117,976
Restricted – mandated purpose	<u>23,914,179</u>	<u>35,416,660</u>
Total cash and cash equivalents	<u>\$ 44,884,880</u>	<u>\$ 66,534,636</u>
<b>Noncash Capital and Financing Activities</b>		
Bond proceeds deposited into an escrow account for purposes of refunding:		
Revenue bonds	<u>\$ -</u>	<u>\$ 10,200,000</u>

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# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### Note 1 – Summary of Significant Accounting Policies

The financial statements of VIA Metropolitan Transit (“VIA,” also referred to as “MTA”) 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 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 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 ( $\frac{1}{8}$  of 1%) go to VIA (the “ATD Share”), one-fourth of the proceeds ( $\frac{1}{16}$  of 1%) go to CoSA, and one-fourth of the proceeds ( $\frac{1}{16}$  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, 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,

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

equipment, operations, systems, and services, including planning, feasibility studies, operations, and professional and other services in connection with such facilities, equipment, operations, systems, and services.

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 that “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 charge to ATD cost centers (ATD Line Service or BRT 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 VIA 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.

ATD has transfers to MTA for depreciation expense reflected on the Statements of Cash Flows, although depreciation is technically a noncash item (it simply reflects the spreading of the cost of an asset over its useful life). However, since ATD reimburses MTA for a share of agency depreciation with cash each month, this transfer becomes a cash flow item for ATD. In FY15, ATD reimbursed MTA for 13.2% of VIA’s depreciation expense (excluding the allowance for capital projects). This ATD depreciation cost allocation is based on bus service miles and labor costs, used to allocate direct depreciation (on buses and transit center facilities, for instance) and indirect depreciation (on administrative facilities and equipment, for instance), respectively.

The operations of ATD are not proprietary functions for any purpose, including the application of Chapter 101. 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, operation, and control of ATD. The business of ATD is conducted through its governing body and by the employees of VIA acting under the control and direction of the President/Chief Executive Officer of VIA. Accordingly, the ATD is reported as a blended component unit of VIA.

ATD may enter into contracts with VIA, 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.

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The following are condensed financial statements for ATD:

**Condensed Statements of Net Position**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Total assets – current	\$ 57,388,379	\$ 58,562,185
Total assets – noncurrent	<u>395,130</u>	<u>396,227</u>
Total assets	<u>\$ 57,783,509</u>	<u>\$ 58,958,412</u>
<b>Liabilities</b>		
Payable to MTA	\$ 2,776,375	\$ 2,933,015
Other current liabilities	<u>6,085,097</u>	<u>6,298,638</u>
Total current liabilities	8,861,472	9,231,653
Total long-term liabilities	<u>35,984,843</u>	<u>36,830,997</u>
Total liabilities	<u>\$ 44,846,315</u>	<u>\$ 46,062,650</u>
<b>Net Position</b>		
Net investment in capital assets	\$ (6,465,710)	\$ (7,351,811)
Restricted for capital projects	395,130	396,227
Unrestricted	<u>19,007,774</u>	<u>19,851,346</u>
Total net position	<u>\$ 12,937,194</u>	<u>\$ 12,895,762</u>



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

	<u>2015</u>	<u>2014</u>
Operating revenues – line services	\$ <u>3,505,355</u>	\$ <u>3,742,617</u>
Operating expenses before depreciation	29,949,027	26,970,612
Depreciation on capital assets	<u>2,934,539</u>	<u>2,892,617</u>
Operating loss	<u>(29,378,211)</u>	<u>(26,120,612)</u>
Nonoperating revenues:		
Sales taxes	61,274,476	59,082,086
Amount remitted to CoSA, TxDOT, and Bexar County	(30,637,238)	(29,541,042)
Other nonoperating revenues	<u>(1,038,353)</u>	<u>(1,243,881)</u>
Total nonoperating revenues	29,598,885	28,297,163
Transfer out	<u>(179,242)</u>	<u>(6,139,540)</u>
Change in net position	41,432	(3,962,989)
Net position at beginning of year	<u>12,895,762</u>	<u>16,858,751</u>
Net position at end of year	\$ <u><u>12,937,194</u></u>	\$ <u><u>12,895,762</u></u>

#### Condensed Statements of Cash Flows

	<u>2015</u>	<u>2014</u>
Net cash used in operating activities	\$ (26,230,511)	\$ (23,105,251)
Net cash provided by noncapital financing activities	27,702,309	26,288,684
Net cash provided by (used in) capital and related financing activities	(2,308,263)	25,519,373
Net cash used in investing activities	<u>965,929</u>	<u>(25,254,960)</u>
Net increase in cash and cash equivalents	129,464	3,447,846
Cash and cash equivalents at beginning of year	<u>6,220,030</u>	<u>2,772,184</u>
Cash and cash equivalents at end of year	\$ <u><u>6,349,494</u></u>	\$ <u><u>6,220,030</u></u>

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#### ***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 nonfiduciary activities of the primary government and its component units. Business-type activities are supported to a significant extent on fees charged for support.

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.

#### **GASB Implementation**

VIA adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, (“GASB Statement No. 68”) to improve accounting and financial reporting by state and local governments for pensions. It also improved information provided by state and local governmental employers about financial support for pensions that is provided by other entities. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, as well as the requirements of GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. As permitted by GASB Statement No. 68, prior fiscal year was not restated since information required for the implementation of GASB Statement No. 68 was not available for fiscal year 2014. However, as disclosed in Note 15, fiscal year 2015 beginning net position was restated.

VIA adopted GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, which establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement required disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. As used in this statement, the term *government combination* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The guidance provided by this statement had no current impact to VIA.

VIA adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which addresses the issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. GASB Statement No. 68, as amended, requires that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

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#### **Future GASB Statements**

The following GASB Statements will be implemented in future years.

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The statement is effective for years beginning after June 15, 2015.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*, will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This statement establishes requirements for defined benefit pensions that were not within the scope of GASB Statement No. 68 and it establishes requirements for defined contribution pensions that were not within the scope of GASB Statement No. 68. It also amends certain provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 68 for pension plans and pensions that are within their respective scopes. The requirements of this statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement No. 67 or for pensions that are within the scope of GASB Statement No. 68 are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by other postemployment benefit (“OPEB”) plans that are administered through trusts that meet the specified criteria. This statement is effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, improves financial reporting by (1) raising the category of GASB Implementation Guides in GAAP hierarchy; thus, providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment

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for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. The requirements of this statement are effective for reporting periods beginning after June 15, 2015.

GASB Statement No. 77, *Tax Abatement Disclosures*, improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015.

#### **C. 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 uncollectibility of 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. As of September 30, 2015 and 2014, there was no allowance for doubtful accounts.

#### **D. 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 the next month. Sales tax revenues and the related receivable are recognized when the underlying sales transaction that generated the sales tax occurs.

#### **E. Inventory**

Inventory, comprised primarily of fuel and repair parts, is stated at the lower of cost or net realizable value. Cost is determined by the average-cost method.

#### **F. 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 fair market value at date of donation. VIA provides for depreciation on assets using the straight-line method in order to amortize costs of assets over their estimated useful lives.

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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

#### **G. Compensated Absences**

VIA accrues employee vacation leave as earned. Sick leave is not accrued since terminated employees are not paid for accumulated sick leave.

#### **H. Estimated Liabilities**

Estimated liabilities include amounts provided for:

- Claims made against VIA involving public injuries and damages related to transit operations
- Claims incurred, but unpaid, and claims incurred, but not reported, as of year-end against VIA's self-insured employees' health program
- Claims made against VIA involving employee injuries that are work-related
- Fair value of fixed-rate swaps for fuel

In management's opinion, the amounts accrued are sufficient to satisfy all claims as of September 30, 2015.

#### **I. Deferred Outflows/Inflows of Resources**

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

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

# VIA Metropolitan Transit

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### Notes to the Financial Statements

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#### ***J. 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 the 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. Nonoperating 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 all other expenses are reported as nonoperating.

#### ***K. 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 for 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.

**Charter** – includes revenues from transportation services provided to private operators.

**Real Estate Development** – includes revenues from the rental of the Sunset Depot Complex, the Amtrak facility, and office space.

**Ellis Alley Park and Ride** – includes revenues related to the collection of parking fees at the Ellis Alley Park and Ride facility.

**Bus Advertising** – includes revenues related to the placement of advertisements on the bus and van system.

**Miscellaneous** – includes a variety of miscellaneous revenues, such as fees for the Alamodome facility, station concessions, and sale of scrap material.

# VIA Metropolitan Transit

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#### ***L. 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.

**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** – include expenses related to transportation services provided to the mobility-impaired who are unable to ride the regular line buses.

**Vanpool** – includes expenses related to the provision of shared-ride service used generally for work commute trips.

**Charter** – includes expenses related to transportation services provided to private operators.

**Promotional Service** – includes expenses related to community related charters, including school educational program.

**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.

**Transit Technology** – includes expenses related to the operation and maintenance of information technology that services transit operations.

#### ***M. 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 a maturity of 90 days or less when purchased, to be cash equivalents.



# VIA Metropolitan Transit

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#### ***N. Reclassification***

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

#### ***O. Pension***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of VIA Metropolitan 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. Investments are reported at fair value.

#### **Note 2 – Budget**

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

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

#### **Note 3 – Cash and Investments**

State law and VIA's investment policy permit VIA to invest in fully secured or fully insured 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 or Texas Local Government Investment Pool ("TexPool").

#### ***A. Cash***

As of September 30, 2015, the carrying amount of VIA's cash and cash equivalents on the statements of net position was \$44,884,880 (\$66,534,636 in 2014), and the bank balance was \$45,896,964 (\$66,930,675 in 2014). All deposits are insured by federal depository insurance and/or collateralized with securities held by VIA's agent in VIA's name. VIA's cash deposits are held at BBVA Compass and Frost Bank, which qualified as public depositories under Texas law and are deemed to be insured and not subject to classification by credit risk. On a daily basis, VIA participates in a sweep of cash balances to achieve higher yields.

# VIA Metropolitan Transit

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#### B. Investments

VIA invests in securities of the United States Treasury or agencies of the United States, and these investments are held in safekeeping by VIA's custodial bank, Wells Fargo Bank, N.A., and are registered as accounts of VIA. These investments are carried at amortized cost, which approximates fair value, if they have a remaining maturity at the time of purchase or one year or less. All investments with a maturity of one year or more are carried at fair value.

VIA also invests in TexPool (a Texas local government investment pool) and CDs. 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. 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 TexPool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. Although TexPool is not registered with the Securities and Exchange Commission as an investment company, VIA believes it operates as a Rule 2a-7-like pool, as described in GASB Statement No. 59. As such, TexPool uses amortized cost to report net position and share prices, since that amount approximates fair value. VIA's investment in TexPool is reported under "cash and cash equivalents" on the statements of net position. VIA invests in CDs through the Certificate of Deposit Account Registry Service ("CDARS"). Deposits are placed with a CDARS network member – Frost Bank. Frost Bank then uses the CDARS service to place VIA's funds into CDs issued by other members of the CDARS network. This occurs in increments below the standard Federal Deposit Insurance Corporation ("FDIC") insurance maximum (\$250,000), so that both principal and interest are eligible for FDIC insurance.

The following table shows VIA's investments and their maturities as of September 30:

Investments	2015 Investment Maturities				Carrying Amount
	Less Than 90 Days	From 91 Days to 180 Days	From 181 Days to 364 Days	Greater Than 365 Days	
United States Treasury Notes	\$ -	\$ -	\$ 37,157,391	\$ 17,979,390	\$ 55,136,781
Federal Home Loan Mortgage Bank Agency Securities	31,485,103	12,490,008	9,999,585	-	53,974,696
Freddie Mac Agency Securities	-	23,866,955	40,042,800	6,061,451	69,971,206
Fannie Mae Agency Securities	-	9,999,009	22,942,090	-	32,941,099
Total United States Treasury and agency securities	31,485,103	46,355,972	110,141,866	24,040,841	212,023,782
Certificates of deposit	7,520,655	-	-	-	7,520,655
TexPool	32,325,813	-	-	-	32,325,813
Total investments	\$ 71,331,571	\$ 46,355,972	\$ 110,141,866	\$ 24,040,841	\$ 251,870,250

# VIA Metropolitan Transit

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Investments	2014 Investment Maturities				Carrying Amount
	Less Than 90 Days	From 91 Days to 180 Days	From 181 Days to 364 Days	Greater Than 365 Days	
United States Treasury Notes	\$ -	\$ -	\$ -	\$ 5,231,250	\$ 5,231,250
Federal Home Loan Mortgage Bank Agency Securities	25,395,140	9,747,690	-	-	35,142,830
Federal Farm Credit Bank Agency Securities	-	-	29,995,188	-	29,995,188
Freddie Mac Agency Securities	13,801,088	-	-	46,019,827	59,820,915
Fannie Mae Agency Securities	4,999,310	47,498,361	14,595,826	-	67,093,497
Total United States Treasury and agency securities	44,195,538	57,246,051	44,591,014	51,251,077	197,283,680
Certificates of deposit	7,505,720	-	-	-	7,505,720
TexPool	55,826,884	-	-	-	55,826,884
Total investments	\$ 107,528,142	\$ 57,246,051	\$ 44,591,014	\$ 51,251,077	\$ 260,616,284

**Interest Rate Risk** – Interest rate risk, the risk that changes in 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 to changes in 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 (80% in 2014). Investment maturities are as follows:

Maturity	Percentage of Portfolio	
	September 30, 2015	2014
Less than 90 days	28%	41%
From 91 days to 180 days	18%	22%
From 181 days to 364 days	44%	17%
Greater than 365 days	10%	20%

**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.

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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, 2015

<u>Investments and Days to Maturity</u>	<u>Minimum Legal Rating</u>	<u>Investment Rating</u>	<u>Rating Organization</u>	<u>Carrying Amount</u>	<u>Percentage Invested</u>
<i>United States Treasury Notes:</i>					
From 181 days to 364 days	N/A	N/A	N/A	\$ 37,157,391	14.7%
Greater than 365 days	N/A	N/A	N/A	17,979,390	7.1%
<i>Federal Home Loan Mortgage Bank Agency Securities:</i>					
Less than 90 days	A-1	Aaa	Moody's	31,485,103	12.5%
From 91 days to 180 days	A-1	Aaa	Moody's	12,490,008	5.0%
From 181 days to 364 days	A-1	Aaa	Moody's	9,999,585	4.0%
<i>Freddie Mac Agency Securities:</i>					
From 91 days to 180 days	A-1	Aaa	Moody's	23,866,955	9.5%
From 181 days to 364 days	A-1	Aaa	Moody's	40,042,800	15.9%
Equal to or greater than 365 days	A-1	Aaa	Moody's	6,061,451	2.4%
<i>Fannie Mae Agency Securities:</i>					
From 91 days to 180 days	A-1	Aaa	Moody's	9,999,009	4.0%
From 181 days to 364 days	A-1	Aaa	Moody's	<u>22,942,090</u>	<u>9.1%</u>
Total United States Treasury and agency securities				212,023,782	84.2%
Certificates of deposit	AAA	AAAm	Standard & Poor's	7,520,655	3.0%
TexPool	AAA	AAAm	Standard & Poor's	<u>32,325,813</u>	<u>12.8%</u>
Total investments				\$ <u><u>251,870,250</u></u>	<u><u>100.0%</u></u>

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#### Credit Risk Ratings as of September 30, 2014

<u>Investments and Days to Maturity</u>	<u>Minimum Legal Rating</u>	<u>Investment Rating</u>	<u>Rating Organization</u>	<u>Carrying Amount</u>	<u>Percentage Invested</u>
<i>United States Treasury Notes:</i>					
Greater than 365 days	N/A	N/A	N/A	\$ 5,231,250	2.0%
<i>Federal Home Loan Mortgage Bank Agency Securities:</i>					
Less than 90 days	A-1	Aaa	Moody's	25,395,140	9.8%
From 91 days to 180 days	A-1	Aaa	Moody's	9,747,690	3.7%
<i>Federal Farm Credit Bank Agency Securities:</i>					
Equal to or greater than 365 days	A-1	Aaa	Moody's	29,995,188	11.5%
<i>Freddie Mac Agency Securities:</i>					
Less than 90 days	A-1	Aaa	Moody's	13,801,088	5.3%
Equal to or greater than 365 days	A-1	Aaa	Moody's	46,019,827	17.7%
<i>Fannie Mae Agency Securities:</i>					
Less than 90 days	A-1	Aaa	Moody's	4,999,310	1.9%
From 91 days to 180 days	A-1	Aaa	Moody's	47,498,361	18.2%
From 181 days to 364 days	A-1	Aaa	Moody's	<u>14,595,826</u>	<u>5.6%</u>
Total United States Treasury and agency securities				197,283,680	75.7%
Certificates of deposit	AAA	AAAm	Standard & Poor's	7,505,720	2.9%
TexPool	AAA	AAAm	Standard & Poor's	<u>55,826,884</u>	<u>21.4%</u>
Total investments				\$ <u>260,616,284</u>	<u>100.0%</u>

**Concentration of Credit Risk** – As a means of limiting its exposure to 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 95.0% of VIA's investment portfolio; indirect obligations, such as Federal Home Loan Mortgage Bank Agency Securities, Freddie Mac Agency Securities, and Fannie Mae Agency Securities, are limited to 85% of VIA's investment portfolio; and fully collateralized CDs are limited to 50.0% of VIA's investment portfolio. As of September 30, 2015, VIA's investment portfolio consists of 21.8% (2.0% in 2014) in direct obligations and 62.4% (73.7% in 2014) in indirect obligations.

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The following table reflects the percentage amount invested in each issuer as a percentage of the total portfolio:

Investments	Percentage of Portfolio	
	September 30, 2015	2014
United States Treasury Notes	22%	2%
Federal Home Loan Mortgage Bank Agency Securities	21%	13%
Federal Farm Credit Bank Agency Securities	0%	12%
Freddie Mac Agency Securities	28%	23%
Fannie Mae Agency Securities	13%	26%
TexPool	13%	21%
Certificates of deposit	3%	3%

#### C. Financial Hedges for Fuel

VIA's has a fuel hedging program that was developed and implemented in 2009, with the goal of managing fuel price risk and providing for fuel price certainty for a period of up to 60 months (changed to 36 months as per Resolution 4-29-14-07). Since the price of fuel needed to provide mass transit service has a significant impact on VIA's operating budget, VIA seeks to limit exposure to the impact of fuel price variability. Tactics that may be used to achieve the price risk management goals include Fixed Price Future Delivery Contracts, Guaranteed Price Contracts (Swaps), Maximum/Minimum Price Contracts (Collars), and Maximum Price Contracts (Caps).

For fiscal year 2014, VIA hedged approximately 73% of budgeted diesel fuel usage volumes, 74% of budgeted unleaded gasoline usage volumes, and 98% of budgeted propane usage volumes. In January 2012, VIA entered into a fixed rate swap with KS&T covering 3,120,000 gallons of diesel fuel at \$2.9150/gallon. In March 2014, VIA entered into a fixed rate swap with BP to cover an additional 1,350,216 gallons of diesel fuel at \$2.8770/gallon. Both swaps were settled monthly against Platts US Gulf Coast Ultra Low Sulfur Diesel. In January 2012, VIA also entered into a fixed rate swap with KS&T covering 360,000 gallons of unleaded gasoline at \$2.5275/gallon. The swap was settled monthly against Platts Gulf Coast Unleaded Gasoline. In October 2012, VIA entered into a fixed rate swap with Shell Trading Company covering 1,560,000 gallons of propane in fiscal year 2014 at \$0.9735/gallon. The swap was settled monthly against OPIS Mont Belvieu Propane.

For fiscal year 2015, VIA hedged approximately 90% of budgeted diesel fuel usage volumes, 89% of budgeted unleaded gasoline usage volumes, and 95% of budgeted propane volumes. In January 2012, VIA entered into a fixed rate swap with KS&T covering 2,460,000 gallons of diesel fuel at \$2.8850/gallon. In March 2014, VIA entered into a fixed rate swap with BP covering an additional 3,300,192 gallons of diesel fuel at \$2.8150/gallon. Both swaps were settled monthly against Platts US Gulf Coast Ultra Low Sulfur Diesel. In January 2012, VIA also entered into a fixed rate swap with KS&T covering 360,000 gallons

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of unleaded gasoline at \$2.4975/gallon. In October 2015, VIA entered into a fixed rate swap with J.P. Morgan Ventures Energy Corporation ("J.P. Morgan") to cover an additional 165,000 gallons of unleaded gasoline at \$2.2200/gallon. Both swaps were settled monthly against Platts Gulf Coast Unleaded Gasoline. Additionally, in September 2014, VIA entered into an agreement with BP to cover 899,640 gallons of propane at \$1.0750/gallon. The propane swap was settled monthly against OPIS Mont Belvieu Propane.

For fiscal year 2016, VIA has hedged approximately 77% of budgeted diesel fuel usage volumes, 83% of budgeted unleaded gasoline usage volumes, and 91% of budgeted propane volumes. In October 2014, VIA entered into a fixed rate swap with J.P. Morgan covering 5,000,000 gallons of diesel fuel at \$2.5100/gallon. The swap will be settled monthly against Platts Gulf Coast Ultra Low Sulfur Diesel. In October 2014, VIA also entered into a fixed rate swap with J.P. Morgan covering 540,000 gallons of unleaded gasoline at \$2.2325/gallon. The swap will be settled monthly against Platts Gulf Coast Unleaded Gasoline. In November 2014, VIA entered into a fixed rate swap with J.P. Morgan to cover 900,000 gallons of propane at \$0.8600/gallon. The propane swap will be settled monthly against OPIS Mont Belvieu Propane.

For fiscal year 2017, VIA has hedged approximately 39% of anticipated diesel fuel usage volumes and 38% of anticipated unleaded gasoline usage volumes. In March 2015, VIA entered into a fixed rate swap with BP covering 1,999,872 gallons of diesel fuel at \$1.97 per gallon 2017. The swap will be settled monthly against Platts US Gulf Coast Ultra Low Sulfur Diesel. In March 2015, VIA also entered into a fixed rate swap with J.P. Morgan to cover 249,996 gallons of unleaded gasoline at \$1.664 per gallon. The swap will be settled monthly against Platts US Gulf Coast Unleaded Gasoline.

VIA's credit risk is minimized since counterparties to the swaps are required to meet minimum long-term ratings or meet collateral posting requirements. As of September 30, 2015, VIA has outstanding swaps with BP and J.P. Morgan, two nationally recognized commodity traders. As of September 30, 2015, the credit rating for BP was "A-" with Standard & Poors and "Baa1" with Moody's, and the credit rating for J.P. Morgan was "A" with Standard & Poors and "A3" with Moody's.

The maximum amount of loss to VIA due to credit risk, based on the fair value of the hedging derivative instruments as of September 30, 2015, is \$0. On September 30, 2015, the outstanding diesel fuel swaps had a combined negative value \$5,600,823, the outstanding gasoline fuel swap had a negative value of \$509,226, and the outstanding propane fuel swap had an outstanding negative value of \$352,776, resulting in a total liability of \$6,462,825 (liability of \$1,356,139 in 2014). As of that date, based on the fair value of the hedging instruments, the counterparty had the credit risk.

Under VIA's International Swaps and Derivatives Association ("ISDA") Agreement with BP, VIA has a credit limit of \$35,000,000, and BP has a credit limit of \$35,000,000. For exposure above those credit limits, cash is the only acceptable collateral. As per VIA's ISDA agreement with J.P. Morgan, VIA has a credit limit of \$10,000,000, and J.P. Morgan has a credit limit of \$55,000,000. For exposure above those credit limits, cash is the only acceptable collateral.



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VIA's outstanding hedges do not involve any basis risk, since the fuel products VIA physically purchases to provide service are based on the same index and are the same products used for the financial contracts (swaps) – Platts Gulf Coast Ultra Low Sulfur Diesel, Platts Gulf Coast Unleaded Gasoline and OPIS Mt. Belvieu Propane.

#### Note 4 – Restricted and Unrestricted Cash and Investments

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

##### ***Restricted***

- A. **Retainage** – represents assets equal to the liability payable to contractors for retainage withheld from periodic payments, plus interest earnings.
- B. **Bond Construction Fund** – represents bond proceeds and interest to be used for capital expenditures.
- C. **Bond Fund – Principal and Interest Due** – used for setting aside funds for upcoming principal and interest payments on outstanding bonds.
- D. **Capital Grant Local Share** – represents assets to provide for VIA's matching share of the Federal Transit Administration ("FTA") 49 U.S. Code Section 5307 and Section 5309 grants.
- E. **Local Assistance Program** – represents assets to provide for the enhancement of visual, operational, and structural vehicle right-of-way improvements.

##### ***Unrestricted***

- A. **VIAcare** – represents assets to provide for unusually large medical claims from VIA's self-insured employees' health program.
- B. **Property Insurance Deductibles** – represent assets to provide for the insurance policy deductible on VIA's vehicles, buildings, and contents.
- C. **Uninsured Property** – represents assets to provide for replacement of certain assets which do not equal or exceed the deductible per occurrence amount of the property insurance policy.
- D. **Stabilization Fund** – represents assets to provide a level of financial resources to protect against revenue shortfalls or unpredicted one-time expenditures.
- E. **VIA Capital Fund** – represents assets to provide for capital asset acquisitions.
- F. **Working Capital** – represents assets designated to provide VIA with sufficient operating funds to pay its day-to-day operational obligations.

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>Restricted Cash and Investments</b>				
Mandated purposes:				
Retainage	\$ 1,461,307	\$ -	\$ 1,461,307	\$ 209,620
Capital assets:				
Bond construction fund	8,178,848	39,997,060	48,175,908	49,226,067
Bond fund – principal and interest due	3,811,002	-	3,811,002	3,805,336
Capital grant local share:				
TxDOT grant	10,463,022	82,040,971	92,503,993	92,204,224
FTA grants	-	4,537,772	4,537,772	5,118,681
Total restricted cash and investments	<u>23,914,179</u>	<u>126,575,803</u>	<u>150,489,982</u>	<u>150,563,928</u>
<b>Unrestricted Cash and Investments</b>				
Board-approved purposes:				
VIAcare	-	6,400,016	6,400,016	5,139,229
Property insurance deductibles	-	500,000	500,000	500,000
Uninsured property	-	815,381	815,381	945,805
Stabilization fund	-	35,070,000	35,070,000	33,370,000
VIA capital fund	-	36,083,936	36,083,936	47,435,074
Working capital:				
MTA	20,706,787	8,913,214	29,620,001	28,340,000
ATD	<u>263,914</u>	<u>5,186,087</u>	<u>5,450,001</u>	<u>5,030,000</u>
Total unrestricted cash and investments	<u>20,970,701</u>	<u>92,968,634</u>	<u>113,939,335</u>	<u>120,760,108</u>
Total cash, cash equivalents, and investment balances	<u>\$ 44,884,880</u>	<u>\$ 219,544,437</u>	<u>\$ 264,429,317</u>	<u>\$ 271,324,036</u>

#### Note 5 – Capital Contributions

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

#### Note 6 – Capital Grants

VIA has received various federal capital grants. The capital grants amended budgets at September 30, 2015 totaled \$276,196,602 (\$327,503,047 in 2014), of which \$252,911,790 has been expended to date (\$276,247,704 in 2014).

# VIA Metropolitan Transit

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### Notes to the Financial Statements

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#### Note 7 – Capital Assets

Components of capital assets are summarized as follows:

	Balance at September 30, 2014	Additions	Deletions	Transfers	Balance at September 30, 2015
Land*	\$ 31,812,673	\$ 1,028,603	\$ -	\$ -	\$ 32,841,276
Buildings and shelters	174,765,995	788,514	-	12,101,621	187,656,130
Revenue and service vehicles	178,265,301	930,320	(1,240,659)	2,939,302	180,894,264
Equipment	45,113,736	760,299	(643,229)	9,627,738	54,858,544
	<u>429,957,705</u>	<u>3,507,736</u>	<u>(1,883,888)</u>	<u>24,668,661</u>	<u>456,250,214</u>
Accumulated depreciation:					
Buildings and shelters	129,193,302	7,193,666	-	-	136,386,968
Revenue and service vehicles	119,431,663	10,658,905	(1,240,659)	-	128,849,909
Equipment	35,130,813	4,422,797	(643,654)	-	38,909,956
	<u>283,755,778</u>	<u>22,275,368</u>	<u>(1,884,313)</u>	<u>-</u>	<u>304,146,833</u>
Allowance for capital projects	<u>4,882,000</u>	<u>4,918,000</u>	<u>-</u>	<u>-</u>	<u>9,800,000</u>
Net capital assets before construction in progress	<u>141,319,927</u>	<u>(23,685,632)</u>	<u>425</u>	<u>24,668,661</u>	<u>142,303,381</u>
Construction in progress*:					
Buildings and shelters	42,838,973	25,137,330	-	(12,101,621)	55,874,682
Revenue and service vehicles	2,279,032	885,217	-	(2,939,302)	224,947
Equipment	9,687,289	2,661,796	-	(9,627,738)	2,721,347
Total construction in progress	<u>54,805,294</u>	<u>28,684,343</u>	<u>-</u>	<u>(24,668,661)</u>	<u>58,820,976</u>
Net capital assets	<u>\$ 196,125,221</u>	<u>\$ 4,998,711</u>	<u>\$ 425</u>	<u>\$ -</u>	<u>\$ 201,124,357</u>

\*Capital assets not being depreciated.

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	<b>Restated Balance at September 30, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance at September 30, 2014</b>
Land*	\$ 31,729,733	\$ 82,940	\$ -	\$ -	\$ 31,812,673
Buildings and shelters	172,366,347	304,995	(216,090)	2,310,743	174,765,995
Revenue and service vehicles	176,499,484	4,829,471	(4,764,562)	1,700,908	178,265,301
Equipment	43,205,799	1,250,117	(493,910)	1,151,730	45,113,736
	<u>423,801,363</u>	<u>6,467,523</u>	<u>(5,474,562)</u>	<u>5,163,381</u>	<u>429,957,705</u>
Accumulated depreciation:					
Buildings and shelters	121,292,354	8,068,419	(167,471)	-	129,193,302
Revenue and service vehicles	113,682,344	10,513,880	(4,764,561)	-	119,431,663
Equipment	31,326,125	4,222,674	(417,986)	-	35,130,813
	<u>266,300,823</u>	<u>22,804,973</u>	<u>(5,350,018)</u>	<u>-</u>	<u>283,755,778</u>
Allowance for capital projects	<u>-</u>	<u>4,882,000</u>	<u>-</u>	<u>-</u>	<u>4,882,000</u>
Net capital assets before construction in progress	<u>157,500,540</u>	<u>(21,219,450)</u>	<u>(124,544)</u>	<u>5,163,381</u>	<u>141,319,927</u>
Construction in progress*:					
Buildings and shelters	20,766,452	23,773,429	-	(1,700,908)	42,838,973
Revenue and service vehicles	1,965,827	2,623,948	-	(2,310,743)	2,279,032
Equipment	7,765,256	3,073,763	-	(1,151,730)	9,687,289
Total construction in progress	<u>30,497,535</u>	<u>29,471,140</u>	<u>-</u>	<u>(5,163,381)</u>	<u>54,805,294</u>
Net capital assets	<u>\$ 187,998,075</u>	<u>\$ 8,251,690</u>	<u>\$ (124,544)</u>	<u>\$ -</u>	<u>\$ 196,125,221</u>

\*Capital assets not being depreciated.

The following is a summary of depreciation expense:

<b>Description</b>	<b>Years Ended September 30,</b>	
	<b>2015</b>	<b>2014</b>
Capital assets acquired with VIA equity	\$ 5,556,639	\$ 6,116,210
Capital assets acquired with grants	<u>16,718,729</u>	<u>16,688,763</u>
	22,275,368	22,804,973
Allowance for capital projects	<u>4,918,000</u>	<u>4,882,000</u>
	<u>\$ 27,193,368</u>	<u>\$ 27,686,973</u>

# VIA Metropolitan Transit

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#### Note 8 – Sales Taxes

Sales taxes are a significant revenue source for VIA. Sales taxes receivable represents approximately 70% of accounts receivable (excluding restricted assets accounts receivable) at September 30, 2015 (86% in 2014). These revenues are reported as nonoperating revenues in the statements of revenues, expenses, and changes in net position. Included below is a summary of sales tax revenues:

#### *Sales Tax Revenues*

<u>Description</u>	<b>Years Ended September 30,</b>	
	<b>2015</b>	<b>2014</b>
MTA	\$ 136,370,773	\$ 130,882,248
ATD	<u>61,274,476</u>	<u>59,082,086</u>
	<u>\$ 197,645,249</u>	<u>\$ 189,964,334</u>

Sales taxes for MTA increased by \$5,488,525 in 2015 and increased by \$11,383,232 in 2014. ATD sales taxes increased \$2,192,390 in 2015 and increased by \$4,804,442 in 2014. In fiscal years 2015 and 2014, of the amount collected by ATD, ¼ is remitted to CoSA and ¾ is remitted to TxDOT/Bexar County.

#### *Sales Tax Receivable From State of Texas*

<u>Description</u>	<b>September 30,</b>	
	<b>2015</b>	<b>2014</b>
MTA	\$ 22,499,826	\$ 22,391,602
ATD	<u>10,043,177</u>	<u>10,014,657</u>
	<u>\$ 32,543,003</u>	<u>\$ 32,406,259</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 9 – Defined Benefit Retirement Plan**

##### ***Plan Description***

VIA's defined benefit pension plan, VIA Metropolitan Transit Retirement Plan (the "Plan") provides pension 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. A separate 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.

##### ***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 2 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.

##### ***Disability Benefits***

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

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#### ***Pre-Retirement Death Benefits***

If service is terminated by reason 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 nonspouse, 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.

#### ***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.

#### ***Retiree Health Benefits***

All retired participants receiving a retirement benefit and all disabled participants receiving a disability retirement benefit on or after January 1, 2007 shall be provided a retiree health benefit in a monthly amount equal to \$8 multiplied by the number of years of the retired participant's or disabled participant's credited service.

Benefit terms do not provide for an ad hoc cost of living or supplement in future years.

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 10.

#### ***Employees Covered by Benefit Terms***

The following table summarizes the number of participants with a benefit in the Plan as of the most recent valuation date, October 1, 2013:

Inactive Plan members or beneficiaries currently receiving benefits	807
Inactive Plan members entitled to but not yet receiving benefits	115
Active Plan members	<u>1,439</u>
Total Plan members	<u><u>2,361</u></u>



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#### **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. Participants contribute 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.

#### **Net Pension Liability**

VIA's net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

#### **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2013 and rolled forward to September 30, 2014, using the following actuarial assumptions:

Inflation	3.00%
Salary increases	4.25%-6.75%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Cost of living	None
Mortality rates	RP-2000 Combined healthy mortality table projected to 2010 with scale AA

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study completed in 2011 and adopted by the Board. The period covered was October 1, 2005 through October 1, 2010.

# VIA Metropolitan Transit

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#### ***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 weighting 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, 2014 are summarized in the table below:

<b>Asset Class</b>	<b>Long-Expected Arithmetic Real Rate of Return</b>	<b>Target Asset Allocation</b>	<b>Development of Long-Term Arithmetic Return for Investment Portfolio</b>
Domestic Equity – Large Cap	7.77%	22%	1.71%
International Equity – Small Cap	9.20%	13%	1.17%
Global Equity	8.56%	25%	2.14%
Fixed Income	2.83%	30%	0.85%
Real Estate	5.30%	10%	0.53%
Total Expected Arithmetic Real Return:			6.40%
Inflation Assumption for Actuarial Valuation:			3.00%
Total Expected Arithmetic Nominal Return:			9.40%

#### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that 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.

# VIA Metropolitan Transit

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#### ***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 7.5%, as well as what VIA's net pension liability would be if it were calculated using a discount rate that is 1.0 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

<b>Discount Rate Sensitivity</b>		
<b>1.0% Decrease 6.5%</b>	<b>Current Single Discount Rate Assumption 7.5%</b>	<b>1.0% Increase 8.5%</b>
<hr/>	<hr/>	<hr/>
\$165,530,183	\$126,503,078	\$93,130,988
<b>Changes in Net Pension Liability</b>		
<b>Total Pension Liability</b>		
Service cost		\$ 8,053,350
Interest		25,024,697
Benefit changes		-
Difference between expected and actual experience		-
Assumption changes		-
Benefit payments		(17,168,273)
Refunds		<u>(217,847)</u>
Net change in total pension liability		15,691,927
Total pension liability – beginning		<u>338,329,011</u>
Total pension liability – ending		<u>\$ 354,020,938</u>
<b>Plan Fiduciary Net Position</b>		
Contributions – employer		\$ 9,798,508
Contributions – employee		4,227,570
Pension plan net investment income		22,741,162
Benefit payments		(17,168,273)
Refunds		(217,847)
Pension plan administrative expense		<u>(215,172)</u>
Net change in Plan fiduciary net position		19,165,948
Plan fiduciary net position – beginning		<u>208,351,912</u>
Plan fiduciary net position – ending		<u>\$ 227,517,860</u>
VIA's net pension liability – ending		<u>\$ 126,503,078</u>

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, recognized pension expense was \$12,123,558. At September 30, 2015, VIA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
1 Differences between expected and actual experience	\$ -	\$ -
2 Assumption changes	-	-
3 Net difference between projected and actual earnings on Plan investments	-	5,799,071
4 Contributions paid subsequent to the measurement date	<u>12,143,694</u>	<u>-</u>
	<u>\$ 12,143,694</u>	<u>\$ 5,799,071</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Deferred Inflows of Resources</u>
2015	\$ (1,449,768)
2016	(1,449,768)
2017	(1,449,768)
2018	(1,449,767)
2019	-
Thereafter	<u>-</u>
Total	<u>\$ (5,799,071)</u>

#### Note 10 – 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 “governmental 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.

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### ***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 65<sup>th</sup> birthday and who have completed 5 years of service are entitled to 100% of the employer contribution account balance, as well as 100% of the mandatory employee contribution account. 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 the rate of 6% of compensation. Together, mandatory employee contributions and VIA employer contributions will equal 12% of compensation. VIA's required contribution for the fiscal year ended September 30, 2015 totaled \$585,839 (\$685,951 in 2014).

### **Note 11 – Postemployment Benefits Other Than Pensions**

#### ***A. Plan Description***

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. The Postemployment Benefit Plan is a single-employer defined benefit retirement plan. As of October 1, 2013, there are 293 retirees and dependents receiving VIA healthcare benefits and 622 participating in the VIA life insurance program. VIA provides, at no cost, base coverage for life insurance of \$6,000 or \$12,000, 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. The Postemployment Benefit Plan does not have a separate audit performed; however, additional information 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. Funding Policy***

VIA's funding policy is to fund 100% of the annual other postemployment benefits ("OPEB") cost by the end of each fiscal year. OPEB funding is handled through a Section 115 trust.

#### ***C. Annual OPEB Cost and Net OPEB Obligation***

VIA's ARC is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

# VIA Metropolitan Transit

## San Antonio, Texas

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The following table shows VIA's annual OPEB cost as of September 30, 2015, the amount actually contributed to the plan, and changes in VIA's net OPEB obligation:

Annual required contribution	\$ 1,659,203
Interest on net OPEB asset	(322,702)
Adjustment to annual required contribution	<u>244,271</u>
Annual OPEB cost	1,580,772
Contributions made	<u>(1,580,772)</u>
Increase in net OPEB obligation (asset)	-
Net OPEB obligation (asset) at beginning of year	<u>(4,302,687)</u>
Net OPEB obligation (asset) at end of year	<u><u>\$ (4,302,687)</u></u>

The following table shows VIA's annual OPEB cost as of September 30, 2014, the amount actually contributed to the plan, and changes in VIA's net OPEB obligation:

Annual required contribution	\$ 1,603,095
Interest on net OPEB asset	(322,702)
Adjustment to annual required contribution	<u>244,271</u>
Annual OPEB cost	1,524,664
Contributions made	<u>(1,524,664)</u>
Increase in net OPEB obligation (asset)	-
Net OPEB obligation (asset) at beginning of year	<u>(4,302,687)</u>
Net OPEB obligation (asset) at end of year	<u><u>\$ (4,302,687)</u></u>

#### Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost ("AOC")</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Asset</u>
September 30, 2015	\$ 1,580,772	100.0%	\$ 4,302,687
September 30, 2014	1,524,664	100.0%	4,302,687
September 30, 2013	1,236,237	100.0%	4,302,687

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### ***D. Funded Status and Funding Progress***

As of October 1, 2013, the most recent actuarial valuation date, the plan was 31% funded. The actuarial accrued liability for benefits was \$21,805,189, and the actuarial value of assets was \$6,866,735, resulting in an unfunded (surplus) actuarial accrued liability ("UAAL") of \$14,938,454. The covered payroll (annual payroll of active employees covered by the plan) was \$73,480,430, and the ratio of the UAAL to the covered payroll was 20%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule Of Funding Progress – Unaudited, presented as Required Supplementary Information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### ***E. Actuarial Methods and 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. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the fiscal year ended September 30, 2015 (and the plan year ended December 31, 2014), the actuarial valuation date was October 1, 2013, date of the most recent valuation report. VIA provided rollforward calculation for fiscal year 2015 since the most recent valuation report is dated October 1, 2013. The actuarial cost method used was the "projected unit credit" method, the amortization method used was the "level percentage open" method, and the remaining amortization period was 30 years. The assumed investment rate of return was 7.50%. Projected salary increases are comprised of a 3.00% inflation rate, a 1.25% productivity rate, and variable merit or longevity component. The healthcare trend rate used was 7.50% in 2015, decreasing 0.2% per year to an ultimate trend of 4.5% in 2026.

#### **Note 12 – 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. VIA purchased insurance coverage for fire and extended coverage on buildings and contents and fire, lightning, and windstorm insurance coverage for its revenue vehicles for damages in excess of \$500,000.

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Notes to the Financial Statements**

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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; building contents; and fire, lightning, and windstorm insurance coverage for its revenue vehicles. VIA self-insures for the deductible amount of \$500,000.

#### ***B. Public Liability Coverage***

VIA is self-insured for public liability claims and maintains a reserve for estimated liabilities to fund such claims. VIA estimates the liabilities on a case-by-case basis based on historical claims experience. A liability for a claim is established if information indicates it is probable a liability has been incurred at the date of the financial statements and the amount of loss is reasonably estimable. Reserves are adjusted on a monthly basis 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 on a monthly basis 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, 2015, 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 is presented below.



# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

At September 30, 2015, VIA recorded claims payable of \$6,442,148 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* (\$6,618,537 in 2014). 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 claims payable amounts for the most recent period are presented below.

	<u>Property and Casualty and Public Liability Coverage</u>	<u>Workers' Compensation</u>	<u>Employee Health Coverage</u>	<u>Total</u>
Claims payable at September 30, 2013	\$ 2,019,727	\$ 2,870,554	\$ 1,440,000	\$ 6,330,281
Current period claims and changes in estimates	563,515	2,299,006	13,682,302	16,544,823
Claim payments	<u>(637,887)</u>	<u>(2,073,378)</u>	<u>(13,545,302)</u>	<u>(16,256,567)</u>
Claims payable at September 30, 2014	1,945,355	3,096,182	1,577,000	6,618,537
Current period claims and changes in estimates	1,376,796	1,495,223	19,034,652	21,906,671
Claim payments	<u>(864,023)</u>	<u>(2,167,385)</u>	<u>(19,051,652)</u>	<u>(22,083,060)</u>
Claims payable at September 30, 2015	<u>\$ 2,458,128</u>	<u>\$ 2,424,020</u>	<u>\$ 1,560,000</u>	<u>\$ 6,442,148</u>

#### Note 13 – Long-Term Debt

##### **MTA Farebox Revenue Bonds**

On August 29, 2012, MTA issued a par amount of \$5,100,000 of Series 2012-1 MTA Farebox Revenue Bonds. VIA anticipates utilizing proceeds for the purpose of financing the design, construction, acquisition, and equipping of multimodal transportation improvements to the Transit Authority System and to pay costs of issuance. The bonds are dated July 1, 2012 and have an interest rate of 1.3% through July 15, 2014. Thereafter, the interest rate is a floating rate equal to 65.0% of LIBOR, plus 105 basis points, not to exceed a maximum rate of 15.0%. Interest on the bonds is payable on January 15 and July 15 of each year, commencing January 15, 2013. Principal payments are due and payable on July 15 of each year from 2015 through 2022. These bonds were paid off during the year ended September 30, 2014.

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.

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### ***MTA Contractual Obligations***

On August 29, 2012, MTA issued a par amount of \$3,200,000 of Series 2012-2 MTA Contractual Obligations. VIA anticipates utilizing proceeds for the purpose of financing acquisition of personal property in support of the Transit Authority System and to pay costs of issuance. The interest rate is 1.97% and the stated final maturity is July 15, 2019. Interest on the bonds is payable on January 15 and July 15 of each year, commencing January 15, 2013. Principal payments are due and payable on July 15 of each year from 2013 through 2019.

The primary source of security for the obligations is provided for by a first and prior lien on and pledge of VIA "sales tax revenues." VIA "sales tax revenues" mean 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.

#### ***ATD Sales Tax Revenue Bonds***

On August 29, 2012, the ATD issued a par amount of \$5,100,000 of Series 2012-3 ATD Sales Tax Revenue Bonds. VIA anticipates utilizing proceeds for the purpose of financing the design, construction, acquisition, and equipping of multimodal transportation improvements and to pay costs of issuance. The bonds are dated July 1, 2012 and have an interest rate of 1.25% through July 15, 2014. Thereafter, the interest rate is a floating rate equal to 65.00% of LIBOR, plus 100 basis points not to exceed a maximum of 15.00%. Interest on the bonds is payable on January 15 and July 15 of each year, commencing January 15, 2013. Principal payments are due and payable on July 15 of each year from 2015 through 2022. These bonds were paid off during the year ended September 30, 2014.

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.

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### ***MTA Farebox Revenue and Refunding Bonds***

On November 13, 2013, MTA issued a par amount of \$39,965,000 of Series 2013 MTA Farebox Revenue and Refunding Bonds. VIA anticipates utilizing proceeds to: pay a portion of the costs of capital projects, primarily projects defined as VIA's SmartMove program, as well as VIA's new automated fare collection system; 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 the following capital projects: streetcar starter lines; Westside Multimodal Transit Center; Robert Thompson Transit Center; Brooks Transit Center, U.S. 281 Park and Ride; and Downtown Amenities. 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. Since the bonds increased the term of the originally issued debt from a short-term to a long-term obligation there was no economic gain.

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.

#### ***ATD Sales Tax Revenue and Refunding Bonds***

On July 30, 2014, ATD issued a par amount of \$32,925,000 of Series 2014 ATD Sales Tax Revenue and Refunding Bonds. VIA anticipates utilizing proceeds to: pay a portion of the costs of capital projects, primarily projects defined as VIA's SmartMove program, as well as 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 the following capital projects: streetcar starter lines; Westside Multimodal Transit Center; Robert Thompson Transit Center; Brooks Transit Center, U.S. 281 Park and Ride; and Downtown Amenities. The bonds are dated July 1, 2014 and have an interest rate varying between 2% and 5%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing August 1, 2015. Principal payments are due and payable on August 1 of each year from 2015 through 2038. Since the bonds increased the term of the originally issued debt from a short-term to a long-term obligation there was no economic gain.

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.

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

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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.

Changes in long-term obligations for the year ended September 30, 2015 are as follows:

	<b>Interest Rate Payable</b>	<b>Original Issue</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retired</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Series 2012-2 MTA Contractual Obligations	197%	\$ 3,200,000	\$ 2,325,000	\$ -	\$ (445,000)	\$ 1,880,000	\$ 455,000
Series 2013 MTA Farebox Revenue and Refunding Bonds	100% - 5.25%	39,965,000	38,860,000	-	(905,000)	37,955,000	945,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00% - 5.00%	<u>32,925,000</u>	<u>32,925,000</u>	<u>-</u>	<u>(785,000)</u>	<u>32,140,000</u>	<u>805,000</u>
Total bonds		76,090,000	74,110,000	-	(2,135,000)	71,975,000	2,205,000
Bond premium		N/A	6,358,751	-	(307,524)	6,051,227	-
Compensated absences		<u>N/A</u>	<u>5,723,707</u>	<u>990,770</u>	<u>(495,385)</u>	<u>6,219,092</u>	<u>2,165,227</u>
Total long-term liabilities		<u>\$ 76,090,000</u>	<u>\$ 86,192,458</u>	<u>\$ 990,770</u>	<u>\$ (2,937,909)</u>	<u>\$ 84,245,319</u>	<u>\$ 4,370,227</u>

Changes in long-term obligations for the year ended September 30, 2014 are as follows:

	<b>Interest Rate Payable</b>	<b>Original Issue</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retired</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Series 2012-1 MTA Farebox Revenue Bonds	130% - 15.00%	\$ 5,100,000	\$ 5,100,000	\$ -	\$ (5,100,000)	\$ -	\$ -
Series 2012-2 MTA Contractual Obligations	197%	3,200,000	2,765,000	-	(440,000)	2,325,000	445,000
Series 2012-3 ATD Sales Tax Revenue Bonds	125% - 15.00%	5,100,000	5,100,000	-	(5,100,000)	-	-
Series 2013 MTA Farebox Revenue and Refunding Bonds	100% - 5.25%	39,965,000	-	39,965,000	(1,105,000)	38,860,000	905,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00% - 5.00%	<u>32,925,000</u>	<u>-</u>	<u>32,925,000</u>	<u>-</u>	<u>32,925,000</u>	<u>785,000</u>
Total revenue bonds		86,290,000	12,965,000	72,890,000	(11,745,000)	74,110,000	2,135,000
Bond premium		N/A	-	6,453,453	(94,702)	6,358,751	266,368
Compensated absences		<u>N/A</u>	<u>5,350,294</u>	<u>671,508</u>	<u>(298,095)</u>	<u>5,723,707</u>	<u>2,005,892</u>
Net pension liability		<u>N/A</u>	<u>-</u>	<u>1,487,097</u>	<u>-</u>	<u>1,487,097</u>	<u>-</u>
Total long-term liabilities		<u>\$ 86,290,000</u>	<u>\$ 18,315,294</u>	<u>\$ 81,502,058</u>	<u>\$ (12,137,797)</u>	<u>\$ 87,679,555</u>	<u>\$ 4,407,260</u>

# VIA Metropolitan Transit

## San Antonio, Texas

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September 30, 2015

The following is a schedule of the required payments for these bonds:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 2,205,000	\$ 3,474,186	\$ 5,679,186
2017	2,285,000	3,395,223	5,680,223
2018	2,365,000	3,313,262	5,678,262
2019	2,460,000	3,219,605	5,679,605
2020	2,070,000	3,120,450	5,190,450
2021-2025	11,940,000	13,993,750	25,933,750
2026-2030	15,160,000	10,771,950	25,931,950
2031-2035	19,365,000	6,562,888	25,927,888
2036-2038	<u>14,125,000</u>	<u>1,435,500</u>	<u>15,560,500</u>
	<u>\$ 71,975,000</u>	<u>\$ 49,286,814</u>	<u>\$ 121,261,814</u>

#### Note 14 – Commitments and Contingencies

##### A. Grants

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

##### B. Public-Injury Lawsuits

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

##### C. Pending Claims and Litigation

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

##### D. Construction Commitments

Significant construction commitments outstanding as of September 30, 2015 are as follows:

<u>Project Description</u>	<u>Amount</u>
Centro Plaza	\$ <u>3,117,892</u>

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Financial Statements

September 30, 2015

#### Note 15 – Prior Period Adjustment

During fiscal year 2015, VIA adopted GASB Statement No. 68. Net position at October 1, 2014 was restated as follows:

	<u>MTA</u>	<u>ATD</u>	<u>Total</u>
Net position at October 1, 2014 – as previously reported	\$ 382,687,626	\$ 12,895,762	\$ 395,583,388
Adoption of GASB Statement No. 68:			
Record beginning net pension liability	(129,977,099)	-	(129,977,099)
Remove GASB Statement No. 27 liability from prior year	1,487,097	-	1,487,097
Remove contributions made during fiscal year 2014	<u>9,798,508</u>	<u>-</u>	<u>9,798,508</u>
Net position at October 1, 2014 – as restated	<u>\$ 263,996,132</u>	<u>\$ 12,895,762</u>	<u>\$ 276,891,894</u>

#### Note 16 – Allowance for Streetcar Project Capitalized Costs

In July 2014, VIA's management and its Board put its Streetcar Project on hold to ensure alignment with the CoSA's development of a transportation plan. VIA is also updating its own Long-Range Comprehensive Transportation Plan, which will cover the present through 2040. Both plans are projected to be complete by mid-2016.

VIA still has a rail project in its five-year capital program (with \$150,000,000 in spending for that time frame). Currently, the project is programmed to be funded by the FTA, private and local support, and VIA funds. The project is also in the Metropolitan Planning Organization's Long Range Transportation Plan and 2015-2019 Transportation Improvement Program.

VIA believes it is probable that the updated transportation plans will include a streetcar/light rail project that utilizes all or part of VIA's 5.9-mile route alignment included in the original Streetcar Project. Streetcar Project costs as of September 30, 2015 are \$19,549,574, which VIA has capitalized as construction in progress. Determining exactly what portion of the 5.9-mile route alignment will ultimately be used is not possible at this time. In 2014, management determined that a 25% allowance for capital projects was a prudent amount to book as a contra-account to construction in progress in the event that the final project does not fully reflect the Streetcar Project for which the streetcar costs were originally incurred. The 25% equated to \$4,882,000 at that time and was reported in the Statement of Revenues, Expenses, and Changes in Net Position as a component of depreciation expense for the year ended September 30, 2014.

# **VIA Metropolitan Transit**

## **San Antonio, Texas**

### **Notes to the Financial Statements**

September 30, 2015

With the passage of another year, management has reassessed the adequacy of the allowance account and will book an additional allowance amount that will bring the total allowance to \$9,800,000, approximately 50% of the \$19,549,579 streetcar cost total. The additional allowance amount booked in FY15 is \$4,918,000. Management believes this is a prudent and appropriate amount based on how development of the transportation plans is progressing.

Management of VIA will continue to periodically reassess the adequacy of the allowance as developments under the updated transportation plans occur. The periodic assessments will be made based on consideration of approved transportation plans that are developed, route alignments involved, and the extent to which costs already incurred for work performed can be expected to reduce costs that would otherwise be necessary for the selected project alignment. As noted above, the updated transportation plans are expected to be complete by mid-2016.

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## Required Supplementary Information

# VIA Metropolitan Transit

## San Antonio, Texas

### Schedule of Changes in Net Pension Liability – Unaudited

Year Ended September 30, 2015

<b>Total Pension Liability</b>	
Service cost	\$ 8,053,350
Interest on the total pension liability	25,024,697
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments – including refunds of employee contributions	<u>(17,386,120)</u>
<b>Net change in total pension liability</b>	15,691,927
<b>Total pension liability – beginning</b>	<u>338,329,011</u>
<b>Total pension liability – ending (a)</b>	<u><u>\$ 354,020,938</u></u>
<b>Plan Fiduciary Net Position</b>	
Contributions – employer	\$ 9,798,508
Contributions – employee	4,227,570
Net investment income	22,741,162
Benefit payments – including refunds of employee contributions	(17,168,273)
Administrative expense	(215,172)
Other	<u>(217,847)</u>
<b>Net change in plan fiduciary net position</b>	19,165,948
<b>Plan fiduciary net position – beginning</b>	<u>208,351,912</u>
<b>Plan fiduciary net position – ending (b)</b>	<u><u>\$ 227,517,860</u></u>
<b>Net pension liability – ending (a) – (b)</b>	<u><u>\$ 126,503,078</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	64.3%
<b>Covered employee payroll</b>	\$ 71,690,366
<b>Net pension liability as a percentage of covered employee payroll</b>	176.5%

GASB Statement No. 68 requires this schedule to be presented for a ten year period. VIA adopted GASB Statement No. 68 during 2015, therefore, only the first year (2015) is presented. The full trend information will be accumulated over the next nine years.

# VIA Metropolitan Transit

## San Antonio, Texas

### Schedule of VIA's Pension Contributions – Unaudited

September 30, 2015

<u>Fiscal Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2005	\$ 2,155,666	\$ 2,155,666	\$ -	\$ 54,538,103	3.95%
2006	2,467,782	2,467,782	-	58,423,556	4.22%
2007	3,055,878	3,055,878	-	56,822,389	5.38%
2008	4,917,777	4,917,777	-	58,765,875	8.37%
2009	5,039,382	5,039,382	-	63,566,356	7.93%
2010	6,252,395	6,252,395	-	66,748,265	9.37%
2011	7,320,891	7,320,891	-	69,772,318	10.49%
2012	8,185,552	8,258,760	(73,208)	69,947,664	11.81%
2013	11,498,776	10,639,132	859,644	74,276,531	14.32%
2014	13,555,866	9,798,508	3,757,358	71,690,366	13.67%

# VIA Metropolitan Transit

## San Antonio, Texas

### Schedule of Funding Progress – Unaudited

Year Ended September 30, 2015

#### Schedule of Funding Progress – Postretirement Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded (Surplus) AAL ("UAAL")	Fund Ratio	Covered Payroll	UAAL (Surplus) as a Percentage of Covered Payroll
October 1, 2013	\$6,866,735	\$21,805,189	\$14,938,454	31%	\$73,480,430	20%
October 1, 2011	\$3,800,747	\$13,229,068	\$9,428,321	29%	\$69,772,318	14%
October 1, 2010	\$2,652,921	\$10,478,347	\$7,825,426	25%	\$66,748,265	12%

# VIA Metropolitan Transit

## San Antonio, Texas

### Notes to the Required Supplementary Information – Unaudited

September 30, 2015

The actuarial methods and assumptions used for VIA's defined benefit retirement plan and postemployment benefits other than pensions are as follows.

#### Note 1 – Schedule of VIA's Pension Contributions

**Valuation Date:** Actuarially determined contributions are calculated as of October 1, and become effective for the following fiscal year (i.e., a 12-month delay in the effective date of the contribution requirement).

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years remaining as of September 30, 2014
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	4.25% to 6.75%, service related assumption, including inflation
Investment rate of return	7.50%, net of pension plan expenses, including inflation
Retirement age	Experience-based table of rates that are specific to the type of retirement eligibility. Assumption was last updated during the 2011 valuation pursuant to an experience study performed in 2010.
Mortality	RP-2000 Mortality Table projected to the year 2010 with Scale AA

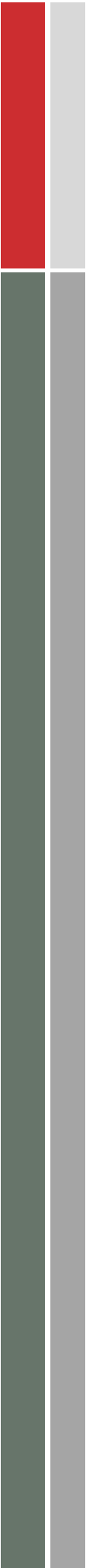
**Other information:** VIA's funding policy is to contribute the Plan's normal cost and an amortization payment to fund the unfunded actuarially accrued liability. The amortization payment is determined as a level percentage of payroll (assuming a 3.50% payroll growth), which includes the payroll of employees who earn benefits in the defined contribution plan.

VIA initiated the current funding policy for determining the actuarially determined contributions and VIA's actual contributions beginning with the 2011 actuarial valuation, which identified the contribution requirement for fiscal year 2013, and included a phase-in strategy to increase into these contribution requirements. Based on this phase-in strategy, VIA will contribute \$1,000,000 less than the actuarially determined contribution for fiscal year 2014, and \$1,000,000 less than the actuarially determined amount for fiscal year 2015. VIA will contribute the actuarially determined contributions for fiscal year 2016 and each fiscal year thereafter.

#### Note 2 – Postemployment Benefits Other Than Pension

For the fiscal year ended September 30, 2015 (and the plan year ended December 31, 2014), the actuarial valuation date was October 1, 2013. The actuarial cost method used was the "projected unit credit" method, the amortization method used was the "level percentage open" method, and the remaining amortization period was 30 years. The assumed investment rate of return was 7.50%. Projected salary increases are comprised of a 3.00% inflation rate, a 1.25% productivity rate, and variable merit or longevity component. The healthcare trend rate used was 7.50% in 2015, decreasing 0.25% per year to an ultimate trend of 4.50% in 2026.

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## Other Supplementary Information

**VIA Metropolitan Transit**  
**San Antonio, Texas**  
**Combining Schedule of Net Position**  
September 30, 2015

	<u>MTA</u>	<u>ATD</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 20,706,787	\$ 263,914	\$ -	\$ 20,970,701
Investments	71,587,332	21,381,302	-	92,968,634
Accounts receivable:				
Federal government	10,001,156	-	-	10,001,156
State of Texas – sales taxes	22,499,826	5,021,588	-	27,521,414
Interest	186,768	25,696	-	212,464
ATD	2,776,375	-	(2,776,375)	-
Other	1,538,884	-	-	1,538,884
Inventory	3,491,746	-	-	3,491,746
Prepaid expenses and other current assets	464,765	-	-	464,765
Restricted assets:				
Cash and cash equivalents	14,412,726	5,690,450	-	20,103,176
Investments	82,551,122	19,983,840	-	102,534,962
State of Texas receivable – sales taxes	-	5,021,589	-	5,021,589
Total current assets	<u>230,217,487</u>	<u>57,388,379</u>	<u>(2,776,375)</u>	<u>284,829,491</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,415,873	395,130	-	3,811,003
Restricted investments	<u>24,040,841</u>	<u>-</u>	<u>-</u>	<u>24,040,841</u>
Capital assets:				
Land	32,841,276	-	-	32,841,276
Buildings and shelters	187,656,130	-	-	187,656,130
Revenue vehicles	176,182,078	-	-	176,182,078
Service vehicles	4,712,186	-	-	4,712,186
Equipment	<u>54,858,544</u>	<u>-</u>	<u>-</u>	<u>54,858,544</u>
Total capital assets	456,250,214	-	-	456,250,214
Less accumulated depreciation	304,146,833	-	-	304,146,833
Less allowance for capital projects	9,800,000	-	-	9,800,000
Construction in progress	<u>58,820,976</u>	<u>-</u>	<u>-</u>	<u>58,820,976</u>
Net capital assets	<u>201,124,357</u>	<u>-</u>	<u>-</u>	<u>201,124,357</u>
Other assets:				
Net OPEB asset	<u>4,302,687</u>	<u>-</u>	<u>-</u>	<u>4,302,687</u>
Total other assets	<u>4,302,687</u>	<u>-</u>	<u>-</u>	<u>4,302,687</u>
Total noncurrent assets	<u>232,883,758</u>	<u>395,130</u>	<u>-</u>	<u>233,278,888</u>
Total assets	<u>463,101,245</u>	<u>57,783,509</u>	<u>(2,776,375)</u>	<u>518,108,379</u>
<b>Deferred Outflows of Resources</b>				
Pension	12,143,694	-	-	12,143,694
Fuel hedging	<u>6,462,825</u>	<u>-</u>	<u>-</u>	<u>6,462,825</u>
Total deferred outflows of resources	<u>18,606,519</u>	<u>-</u>	<u>-</u>	<u>18,606,519</u>
Total assets and deferred outflows of resources	<u>\$ 481,707,764</u>	<u>\$ 57,783,509</u>	<u>\$ (2,776,375)</u>	<u>\$ 536,714,898</u>



	<u>MTA</u>	<u>ATD</u>	<u>Eliminations</u>	<u>Total</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 15,125,040	\$ -	\$ -	\$ 15,125,040
Fuel hedging liability	6,462,825	-	-	6,462,825
Payable to MTA	-	2,776,375	(2,776,375)	-
Interest payable	319,859	260,839	-	580,698
Bonds payable	1,400,000	805,000	-	2,205,000
Accrued liabilities	5,595,483	-	-	5,595,483
Unearned revenue	1,039,728	-	-	1,039,728
Claims payable	6,442,148	-	-	6,442,148
Subtotal	36,385,083	3,842,214	(2,776,375)	37,450,922
Current liabilities – payable from restricted assets:				
Payable to CoSA, TxDOT, and Bexar County	-	5,019,258	-	5,019,258
Retainage payable	1,592,742	-	-	1,592,742
Total current liabilities	37,977,825	8,861,472	(2,776,375)	44,062,922
Net pension liability	126,503,078	-	-	126,503,078
Long-term liabilities	43,890,249	35,984,843	-	79,875,092
<b>Total liabilities</b>	<u>\$ 208,371,152</u>	<u>\$ 44,846,315</u>	<u>\$ (2,776,375)</u>	<u>\$ 250,441,092</u>
<b>Deferred Inflows of Resources</b>				
Pension	5,799,071	-	-	5,799,071
Total deferred inflows of resources	5,799,071	-	-	5,799,071
<b>Total liabilities and deferred inflows of resources</b>	<u>214,170,223</u>	<u>44,846,315</u>	<u>(2,776,375)</u>	<u>256,240,163</u>
 <b>Net Position</b>				
Net invested in capital assets	\$ 183,790,975	\$ (6,465,710)	\$ -	\$ 177,325,265
Restricted for capital projects	100,326,188	395,130	-	100,721,318
Unrestricted	(16,579,622)	19,007,774	-	2,428,152
<b>Total net position</b>	<u>\$ 267,537,541</u>	<u>\$ 12,937,194</u>	<u>\$ -</u>	<u>\$ 280,474,735</u>
<b>Total liabilities, deferred inflow of resources and net position</b>	<u>\$ 481,707,764</u>	<u>\$ 57,783,509</u>	<u>\$ (2,776,375)</u>	<u>\$ 536,714,898</u>

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# VIA Metropolitan Transit

## San Antonio, Texas

### Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended September 30, 2015

	<u>MTA</u>	<u>ATD</u>	<u>Total</u>
Operating revenues:			
Line service	\$ 17,375,371	\$ 3,505,355	\$ 20,880,726
Robert Thompson Terminal	145,337	-	145,337
Other special events	169,079	-	169,079
VIATrans	1,899,614	-	1,899,614
Charter	86,526	-	86,526
Real estate development	281,072	-	281,072
Ellis Alley Park and Ride	23,918	-	23,918
Bus advertising	814,530	-	814,530
Miscellaneous	436,382	-	436,382
Total operating revenues	<u>21,231,829</u>	<u>3,505,355</u>	<u>24,737,184</u>
Operating expenses:			
Line service	132,574,295	28,607,697	161,181,992
Robert Thompson Terminal	657,286	-	657,286
Other special events	618,448	-	618,448
VIATrans	37,375,783	-	37,375,783
Vanpool	-	558,689	558,689
Charter	80,818	-	80,818
Promotional service	94,791	-	94,791
Real estate development	613	-	613
Business development and planning	6,491,320	97,367	6,588,687
Transit technology	-	685,274	685,274
Total operating expenses before depreciation	<u>177,893,354</u>	<u>29,949,027</u>	<u>207,842,381</u>
Depreciation on capital assets:			
Acquired with VIA equity	4,828,206	728,433	5,556,639
Acquired with grants	14,512,623	2,206,106	16,718,729
Allowance for capital projects	4,918,000	-	4,918,000
Total operating expenses after depreciation	<u>202,152,183</u>	<u>32,883,566</u>	<u>235,035,749</u>
Operating loss	<u>(180,920,354)</u>	<u>(29,378,211)</u>	<u>(210,298,565)</u>
Nonoperating revenues (expenses):			
Sales taxes	136,370,773	61,274,476	197,645,249
Grants reimbursement	27,047,155	-	27,047,155
Investment income (loss)	776,769	76,664	853,433
Bond interest	(1,885,017)	(1,115,017)	(3,000,034)
Gain (loss) on sale of assets	(1,252)	-	(1,252)
Less amounts remitted to CoSA and Bexar County	-	(30,637,238)	(30,637,238)
Total nonoperating revenues (expenses) – net	<u>162,308,428</u>	<u>29,598,885</u>	<u>191,907,313</u>
Income (loss) before capital contributions and transfers	<u>(18,611,926)</u>	<u>220,674</u>	<u>(18,391,252)</u>
Capital contributions	21,974,093	-	21,974,093
Transfer in	179,242	-	179,242
Transfer out	-	(179,242)	(179,242)
Change in net position	<u>3,541,409</u>	<u>41,432</u>	<u>3,582,841</u>
Net position at beginning of year – as restated (Note 15)	<u>263,996,132</u>	<u>12,895,762</u>	<u>276,891,894</u>
Net position at end of year	<u>\$ 267,537,541</u>	<u>\$ 12,937,194</u>	<u>\$ 280,474,735</u>

**VIA Metropolitan Transit**  
**San Antonio, Texas**  
**Combining Schedule of Cash Flows**  
Year Ended September 30, 2015

	<u>MTA</u>	<u>ATD</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 21,476,674	\$ 3,525,709	\$ 25,002,383
Cash payments to vendors for goods and services	(56,709,865)	(18,219,406)	(74,929,271)
Cash payments for employee services, including salaried fringe benefits	(122,377,300)	-	(122,377,300)
Cash payments for MTA employee services	<u>-</u>	<u>(11,536,814)</u>	<u>(11,536,814)</u>
Net cash used in operating activities	<u>(157,610,491)</u>	<u>(26,230,511)</u>	<u>(183,841,002)</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Sales taxes	136,251,947	61,240,700	197,492,647
Grants reimbursements received	22,376,436	-	22,376,436
Payments to CoSA and Bexar County	-	(30,620,350)	(30,620,350)
Cash transfer for depreciation allocation	<u>2,918,041</u>	<u>(2,918,041)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>161,546,424</u>	<u>27,702,309</u>	<u>189,248,733</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Proceeds from capital grants	19,201,475	-	19,201,475
Debt service	(3,303,414)	(2,308,263)	(5,611,677)
Proceeds from sale of assets	16,046	-	16,046
Purchase of capital assets	<u>(26,704,705)</u>	<u>-</u>	<u>(26,704,705)</u>
Net cash used in capital and related financing activities	<u>(10,790,598)</u>	<u>(2,308,263)</u>	<u>(13,098,861)</u>
<b>Cash Flows From Investing Activities</b>			
Sale of investment securities	153,988,442	59,468,027	213,456,469
Purchase of investment securities	(169,634,626)	(58,562,313)	(228,196,939)
Interest earnings	<u>721,629</u>	<u>60,215</u>	<u>781,844</u>
Net cash provided by (used in) investing activities	<u>(14,924,555)</u>	<u>965,929</u>	<u>(13,958,626)</u>
Net increase (decrease) in cash and cash equivalents	(21,779,220)	129,464	(21,649,756)
Cash and cash equivalents at beginning of year	<u>60,314,606</u>	<u>6,220,030</u>	<u>66,534,636</u>
Cash and cash equivalents at end of year	<u>\$ 38,535,386</u>	<u>\$ 6,349,494</u>	<u>\$ 44,884,880</u>

	<u>MTA</u>	<u>ATD</u>	<u>Total</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>			
Operating loss	\$ (180,920,354)	\$ (29,378,211)	\$ (210,298,565)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation on capital assets:			
Acquired with VIA equity	4,828,206	728,433	5,556,639
Acquired with grants	14,512,623	2,206,106	16,718,729
Allowance for capital projects	4,918,000	-	4,918,000
Changes in assets and liabilities:			
Increase in accounts receivable	(202,566)	-	(202,566)
Decrease in inventory	126,951	-	126,951
Decrease in prepaid expenses and other current assets	5,067,388	-	5,067,388
Decrease in prepaid pension	(12,143,694)	-	(12,143,694)
Decrease in interfund receivable	173,262	213,161	386,423
Decrease in accounts payable	(1,599,652)	-	(1,599,652)
Increase in accrued liabilities	<u>7,629,345</u>	<u>                    </u>	<u>7,629,345</u>
Net cash used in operating activities	\$ <u>(157,610,491)</u>	\$ <u>(26,230,511)</u>	\$ <u>(183,841,002)</u>
<b>Reconciliation of Cash and Cash Equivalents Combining Statements of Net Position</b>			
Cash and cash equivalents at end of year:			
Unrestricted	\$ 20,706,787	\$ 263,914	\$ 20,970,701
Restricted – mandated purpose	<u>17,828,599</u>	<u>6,085,580</u>	<u>23,914,179</u>
Total cash and cash equivalents	\$ <u>38,535,386</u>	\$ <u>6,349,494</u>	\$ <u>44,884,880</u>

# VIA Metropolitan Transit

## San Antonio, Texas

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

Year Ended September 30, 2015

	MTA		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Line service	\$ 19,571,261	\$ 17,375,371	\$ (2,195,890)
Robert Thompson Terminal	211,309	145,337	(65,972)
Other special events	193,911	169,079	(24,832)
VIATrans	1,914,516	1,899,614	(14,902)
Charter	198,970	86,526	(112,444)
Real estate development	249,524	281,072	31,548
Ellis Alley Park and Ride	6,000	23,918	17,918
Bus advertising	814,500	814,530	30
Miscellaneous	553,100	436,382	(116,718)
Total operating revenues	23,713,091	21,231,829	(2,481,262)
Operating expenses – excluding depreciation:			
Line service	131,121,191	132,574,295	(1,453,104)
Robert Thompson Terminal	661,260	657,286	3,974
Other special events	690,671	618,448	72,223
VIATrans	36,262,707	37,375,783	(1,113,076)
Charter	130,204	80,818	49,386
Promotional service	99,401	94,791	4,610
Real estate development	2,526	613	1,913
Business development and planning	8,436,560	6,491,320	1,945,240
Total operating expenses – excluding depreciation	177,404,520	177,893,354	(488,834)
Operating loss	(153,691,429)	(156,661,525)	(2,970,096)
Nonoperating revenues (expenses):			
Sales taxes	134,820,000	136,370,773	1,550,773
Grants reimbursement	26,961,900	27,047,155	85,255
Investment income	670,000	776,769	106,769
Bond interest and issuance costs	(947,919)	(1,885,017)	(937,098)
Gain on sale of assets	-	(1,252)	(1,252)
Total nonoperating revenues (expenses) – net	161,503,981	162,308,428	804,447
Income before depreciation	7,812,552	5,646,903	(2,165,649)
Less depreciation	-	24,258,829	(24,258,829)
Income (loss) after depreciation	\$ 7,812,552	\$ (18,611,926)	\$ (26,424,478)

# VIA Metropolitan Transit

## San Antonio, Texas

### Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual – Continued

Year Ended September 30, 2015

	ATD		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Line service	\$ 4,098,174	\$ 3,505,355	\$ (592,819)
Total operating revenues	<u>4,098,174</u>	<u>3,505,355</u>	<u>(592,819)</u>
Operating expenses – excluding depreciation:			
Line service	29,246,597	28,607,697	638,900
Vanpool	559,125	558,689	436
Business development and planning	97,052	97,367	(315)
Transit technology	<u>684,516</u>	<u>685,274</u>	<u>(758)</u>
Total operating expenses – excluding depreciation	<u>30,587,290</u>	<u>29,949,027</u>	<u>638,263</u>
Operating loss	<u>(26,489,116)</u>	<u>(26,443,672)</u>	<u>45,444</u>
Nonoperating revenues (expenses):			
Sales taxes	61,340,000	61,274,476	(65,524)
Investment income	34,000	76,664	42,664
Bond interest and amortization	(397,168)	(1,115,017)	(717,849)
Less amounts remitted to CoSA and Bexar County	<u>(30,670,000)</u>	<u>(30,637,238)</u>	<u>32,762</u>
Total nonoperating revenues (expenses) – net	<u>30,306,832</u>	<u>29,598,885</u>	<u>(707,947)</u>
Net income before depreciation	3,817,716	3,155,213	(662,503)
Less depreciation	<u>-</u>	<u>2,934,539</u>	<u>(2,934,539)</u>
Net income after depreciation	<u>\$ 3,817,716</u>	<u>\$ 220,674</u>	<u>\$ (3,597,042)</u>

# VIA Metropolitan Transit

## San Antonio, Texas

### Schedule of Operating Expenses by Expense Category and Cost Center

Year Ended September 30, 2015

	MTA		
	Line Service	Robert Thompson Terminal	Other Special Events
Labor	\$ 50,483,466	\$ 236,811	\$ 224,603
Fringe benefits	-	-	-
Services	2,410,276	35,758	53,908
Materials and supplies	24,032,885	90,192	78,151
Utilities	877,266	26,243	1,685
Casualty and liability	1,056,643	5,409	2,576
Taxes	1,043,895	3,657	3,573
Purchased transportation	-	-	-
Miscellaneous expense	601,808	1,277	430
Leases and rentals	36,034	3,022	32,572
Expense transfer to Capital Program	-	-	-
Fringe distribution	32,553,530	152,945	139,772
Expense transfers	<u>19,478,492</u>	<u>101,972</u>	<u>81,178</u>
Subtotal	<u>132,574,295</u>	<u>657,286</u>	<u>618,448</u>
Depreciation:			
Direct	13,013,136	31,594	26,416
Indirect	3,445,451	16,178	14,938
Fringe	20,062	97	80
Allowance	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal depreciation	<u>16,478,649</u>	<u>47,869</u>	<u>41,434</u>
Total operating expenses – including depreciation	<u>\$ 149,052,944</u>	<u>\$ 705,155</u>	<u>\$ 659,882</u>



MTA				
<u>VIATrans</u>	<u>Charter</u>	<u>Promotional Service</u>	<u>Real Estate Development</u>	<u>Business Development and Planning</u>
\$ 9,763,682	\$ 28,243	\$ 39,760	\$ -	\$ 630,045
-	-	-	-	-
442,442	4,511	125	-	4,675,564
2,957,091	8,779	10,469	369	29,243
334,453	124	187	-	-
84,515	369	437	244	-
159,280	435	459	-	-
13,394,999	-	-	-	-
27,515	21	26	-	480,324
-	9	12	-	-
-	-	-	-	-
6,411,725	25,922	27,881	-	430,208
<u>3,800,081</u>	<u>12,405</u>	<u>15,435</u>	<u>-</u>	<u>245,936</u>
<u>37,375,783</u>	<u>80,818</u>	<u>94,791</u>	<u>613</u>	<u>6,491,320</u>
1,994,108	3,023	3,583	53,995	-
666,243	2,050	2,716	-	42,997
3,876	15	18	-	253
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,918,000</u>
<u>2,664,227</u>	<u>5,088</u>	<u>6,317</u>	<u>53,995</u>	<u>4,961,250</u>
\$ <u><u>40,040,010</u></u>	\$ <u><u>85,906</u></u>	\$ <u><u>101,108</u></u>	\$ <u><u>54,608</u></u>	\$ <u><u>11,452,570</u></u>

# VIA Metropolitan Transit

## San Antonio, Texas

### Schedule of Operating Expenses by Expense Category and Cost Center – Continued

Year Ended September 30, 2015

	ATD			
	<u>Line Service</u>	<u>Vanpool</u>	<u>Business Development and Planning</u>	<u>Transit Technology</u>
Labor	\$ 10,557,891	\$ 47,220	\$ 46,565	\$ 311,470
Fringe benefits	-	-	-	-
Services	290,160	-	-	11,719
Materials and supplies	5,563,768	-	-	5,202
Utilities	163,662	-	-	-
Casualty and liability	289,751	223,900	-	-
Taxes	284,973	-	-	-
Purchased transportation	-	235,090	-	-
Miscellaneous expense	16,385	392	-	-
Leases and rentals	166,744	-	-	16,165
Expense transfer to Capital Program	-	-	-	-
Fringe distribution	6,906,849	32,094	30,903	208,088
Expense transfers	<u>4,367,514</u>	<u>19,993</u>	<u>19,899</u>	<u>132,630</u>
Subtotal	<u>28,607,697</u>	<u>558,689</u>	<u>97,367</u>	<u>685,274</u>
Depreciation:				
Direct	2,182,181	-	-	-
Indirect	720,391	3,222	3,167	21,227
Fringe	4,191	19	17	124
Allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal depreciation	<u>2,906,763</u>	<u>3,241</u>	<u>3,184</u>	<u>21,351</u>
Total operating expenses – including depreciation	<u>\$ 31,514,460</u>	<u>\$ 561,930</u>	<u>\$ 100,551</u>	<u>\$ 706,625</u>

<u>Subtotal</u>	<u>MTA Indirect</u>	<u>ATD Indirect</u>	<u>Combined MTA and ATD Fringe Benefits</u>	<u>Total</u>
\$ 72,369,756	\$ 12,834,103	\$ 132,367	\$ 420,284	\$ 85,756,510
-	-	-	55,068,428	55,068,428
7,924,463	4,222,279	55,707	534,544	12,736,993
32,776,149	450,959	-	7,002	33,234,110
1,403,620	1,028,421	-	-	2,432,041
1,663,844	42,183	-	-	1,706,027
1,496,272	1,713	-	-	1,497,985
13,630,089	-	-	-	13,630,089
1,128,178	1,075,464	5,523	54,331	2,263,496
254,558	71,721	-	119,375	445,654
-	-	-	(928,952)	(928,952)
46,919,917	8,418,630	87,640	(55,426,187)	-
<u>28,275,535</u>	<u>(28,145,473)</u>	<u>(281,237)</u>	<u>151,175</u>	<u>-</u>
<u>207,842,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,842,381</u>
17,308,036	4,967,332	-	-	22,275,368
4,938,580	(4,967,332)	-	28,752	-
28,752	-	-	(28,752)	-
<u>4,918,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,918,000</u>
<u>27,193,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,193,368</u>
\$ <u><u>235,035,749</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>235,035,749</u></u>

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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 changed over time.

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Changes in Net Position .....	118

## Revenue Capacity

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

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Estimated MTA/ATD Sales Tax Receipts by City .....	122

## Debt Capacity

Schedule of Outstanding Debt and Public Debt Coverage Ratios .....	124
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## Demographic and Economic Information

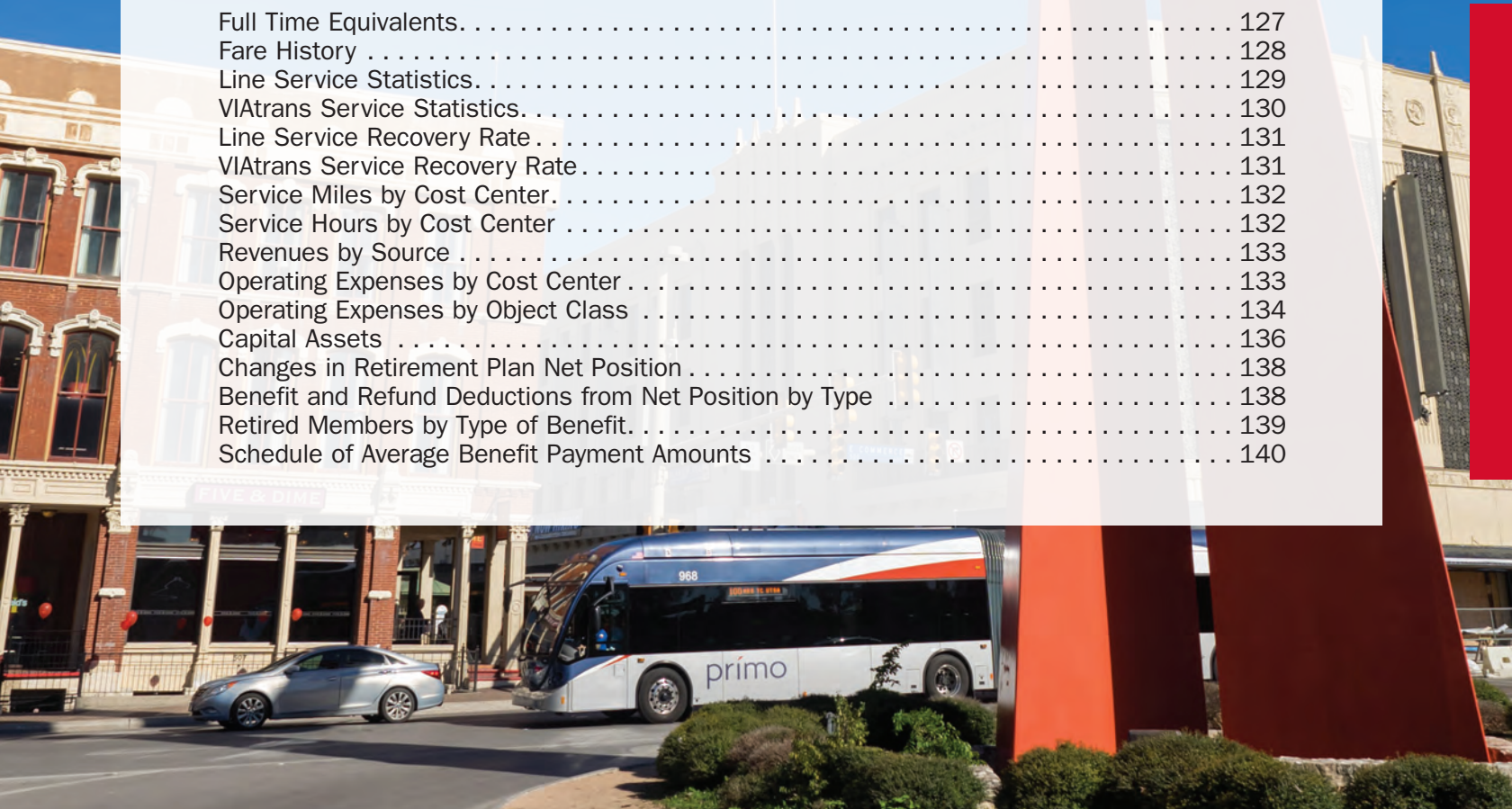
These schedules offer demographic and economic indicators to help the reader understand the environment within which VIA's financial activities take place.

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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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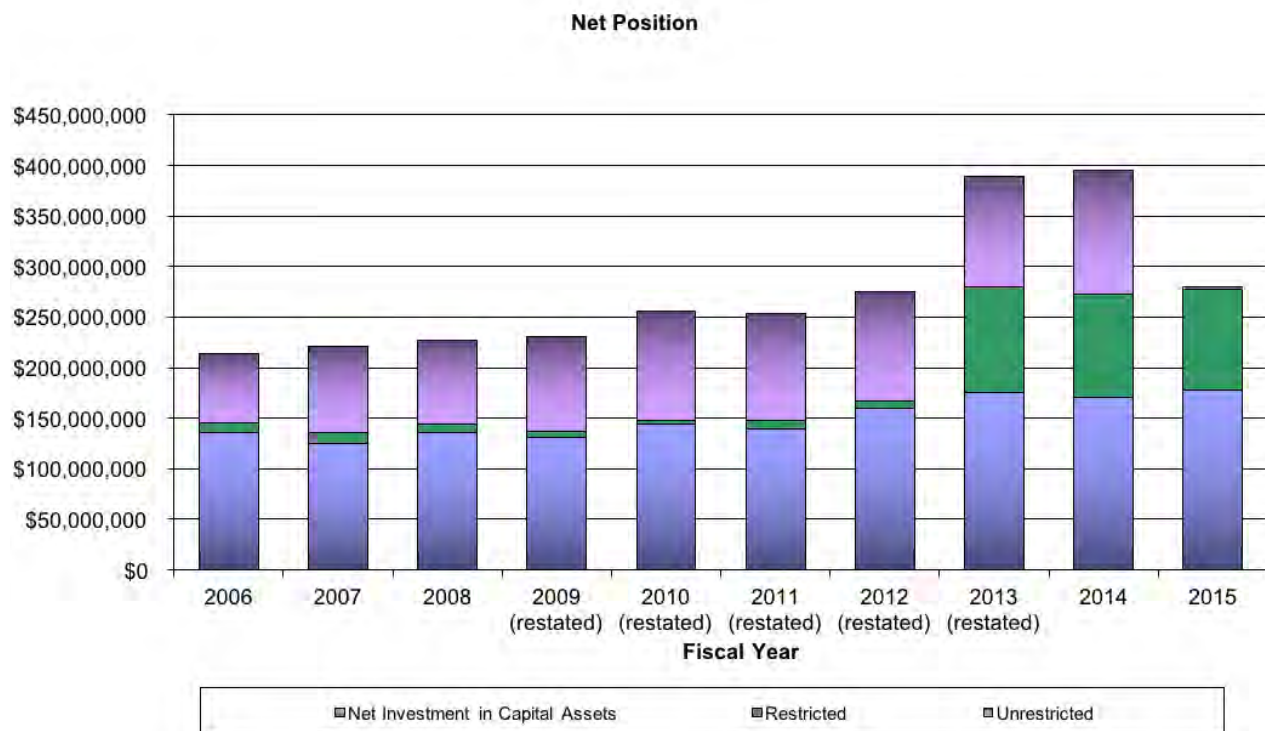
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# VIA Metropolitan Transit San Antonio, Texas

## Net Position Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009 (Restated)	2010 (Restated)
Net invested in capital assets	\$136,016,634	\$124,803,894	\$136,185,129	\$131,417,640	\$144,198,151
Restricted for capital projects	9,079,589	11,054,290	8,396,663	5,948,362	3,950,272
Unrestricted	68,318,000	85,172,797	82,472,378	93,565,489	107,831,356
Total Net Position	<u>\$213,414,223</u>	<u>\$221,030,981</u>	<u>\$227,054,170</u>	<u>\$230,931,491</u>	<u>\$255,979,779</u>

**Source:** VIA's Annual Audited Financial Statements



# VIA Metropolitan Transit San Antonio, Texas

Fiscal Year				
2011 (Restated)	2012 (Restated)	2013 (Restated)	2014	2015
\$139,898,123	\$159,389,068	\$175,033,075	\$171,241,292	\$177,325,265
7,983,145	7,752,249	105,420,435	101,174,318	100,721,318
106,150,372	108,124,230	109,393,508	123,167,778	2,428,152
<u>\$254,031,640</u>	<u>\$275,265,547</u>	<u>\$389,847,018</u>	<u>\$395,583,388</u>	<u>\$280,474,735</u>



# VIA Metropolitan Transit San Antonio, Texas

## Changes in Net Position Last Ten Fiscal Years

	2006	2007	2008	2009	2010 (Restated)
<b>Operating Revenues</b>					
Line Service	\$15,790,730	\$17,304,994	\$19,536,847	\$20,862,060	\$20,571,968
Starlight Service	86,567	250,368	144,909	32,716	-
Robert Thompson Terminal	136,887	59,216	60,527	13,023	42,550
Other Special Events	212,573	227,927	239,099	179,279	180,666
VIAtrans	1,217,323	1,424,369	1,493,059	1,661,674	1,713,729
Charter	94,866	54,429	35,122	114,616	145,500
Contract	1,856,995	2,185,330	1,876,060	-	-
Real Estate Development	221,732	226,620	230,426	215,488	267,859
Ellis Alley Park and Ride	29,016	22,971	13,821	11,445	11,566
Bus Advertising	384,274	388,300	307,729	731,810	464,100
Miscellaneous	753,324	768,869	1,047,201	765,361	993,321
<i>Total Operating Revenues</i>	<u>20,784,287</u>	<u>22,913,393</u>	<u>24,984,800</u>	<u>24,587,472</u>	<u>24,391,259</u>
<b>Operating Expenses</b>					
Line Service	91,852,227	99,915,598	116,822,879	111,333,647	117,495,205
Bus Disaster Relief <sup>1</sup>	53,871	35,011	410,447	-	-
Robert Thompson Terminal	271,576	200,395	234,952	68,564	201,686
Other Special Events	414,916	444,467	499,455	421,502	470,726
VIAtrans	22,969,804	24,396,340	26,921,960	27,092,432	29,078,861
Van Disaster Relief <sup>1</sup>	7,868	7,729	25,927	-	-
Vanpool	100,648	133,120	294,744	188,444	200,962
Bus rapid transit	-	-	501,065	740,086	494,849
Starlight Service	656,749	1,232,416	752,355	200,527	-
Charter	128,476	131,509	79,595	140,352	160,020
Contract	1,792,659	2,135,119	1,854,243	-	-
Real Estate Development	998	3,025	719	582	6,239
Business Development and Planning	2,043,179	2,579,352	2,975,743	3,256,780	3,392,485
Transit Technology	608,319	534,783	528,972	597,196	601,376
<i>Total Operating Expenses</i>	<u>120,901,290</u>	<u>131,748,864</u>	<u>151,903,056</u>	<u>144,040,112</u>	<u>152,102,409</u>
<b>Non-Operating Revenues (Expenses)</b>					
Sales Taxes	128,615,461	136,525,865	142,157,492	134,962,020	137,285,707
Grants reimbursement	11,688,746	9,449,194	7,327,679	19,237,153	27,196,327
Investment Income	2,641,183	4,343,935	3,472,825	1,262,374	585,219
Bond interest and amortization	-	-	-	-	-
Net Gain(Loss) on Sale of Assets	(426,450)	94,366	(132,242)	5,903	(126,707)
Other Revenue	-	-	-	-	-
ATD, CoSA, TxDOT, Bexar Co., & Election Expense <sup>2</sup>	(20,636,545)	(22,035,752)	(22,807,203)	(21,468,658)	(21,700,854)
Local Assistance Program and RMA <sup>3</sup>	(25,113)	(250,829)	(227,976)	(2,312,343)	-
<i>Net Non-Operating Revenues (Expenses)</i>	<u>121,857,282</u>	<u>128,126,779</u>	<u>129,790,575</u>	<u>131,686,449</u>	<u>143,239,692</u>
<b>Income (Loss) before Depreciation, and Capital Contributions</b>	<u>21,740,279</u>	<u>19,291,308</u>	<u>2,872,319</u>	<u>12,233,809</u>	<u>15,528,542</u>
Depreciation <sup>4</sup>	(21,321,762)	(21,719,090)	(19,747,254)	(20,075,564)	(20,281,792)
Capital Contributions	20,796,681	10,044,540	22,898,124	11,719,076	29,801,538
<b>Change in Net Position</b>	<u>\$21,215,198</u>	<u>\$7,616,758</u>	<u>\$6,023,189</u>	<u>\$3,877,321</u>	<u>\$25,048,288</u>

**Source:** VIA's Annual Audited Financial Statements

<sup>1</sup> 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.

<sup>2</sup> This amount includes ATD sales tax revenue remitted to the City of San Antonio and ATD sales tax revenue and investment income payable to the Texas Department of Transportation and Bexar County.

<sup>3</sup> The Local Assistance Program returns a portion of sales tax receipts to eligible communities to be used for improvements to streets used by VIA buses. VIA contributed \$1.6 million to The Regional Mobility Authority (RMA) in FY 2009 for the US281 Super Street project.

<sup>4</sup> Depreciation is shown at 100%; however, VIA fully expects future federal capital grants to provide 80% of capital asset replacement cost. 20% of future capital cost will be covered by local funds.

# VIA Metropolitan Transit San Antonio, Texas

<b>2011 (Restated)</b>	<b>2012 (Restated)</b>	<b>2013 (Restated)</b>	<b>2014</b>	<b>2015</b>
\$21,625,077	\$22,315,482	\$23,001,057	\$22,103,715	\$20,880,726
-	-	-	-	-
76,917	78,925	195,549	187,785	145,337
174,383	177,119	166,560	181,786	169,079
1,705,738	1,681,635	1,821,640	1,882,687	1,899,614
107,523	113,915	230,308	195,052	86,526
-	-	-	-	-
277,257	267,719	277,714	263,360	281,072
8,243	6,854	10,290	6,491	23,918
516,250	615,000	714,530	749,530	814,530
842,939	843,534	783,235	759,723	436,382
25,334,327	26,100,183	27,200,883	26,330,129	24,737,184
127,048,368	132,326,068	140,264,400	147,478,417	161,181,992
-	-	-	-	-
361,462	512,763	707,542	733,305	657,286
490,118	541,478	584,044	592,886	618,448
31,038,547	32,677,623	33,147,022	34,330,772	37,375,783
-	-	-	-	-
366,252	537,218	534,322	547,806	558,689
361,888	391,558	-	-	-
-	-	-	-	-
151,927	131,882	252,832	239,325	175,609
-	-	-	-	-
794	3,192	857	4,334	613
3,446,449	3,894,405	4,745,443	5,858,692	6,588,687
690,381	719,319	715,552	694,331	685,274
163,956,186	171,735,506	180,952,014	190,479,868	207,842,381
144,588,735	163,316,655	173,776,660	189,964,334	197,645,249
23,279,480	20,360,615	25,145,760	26,045,513	27,047,155
617,320	252,009	(18,870)	577,720	853,433
-	(546,141)	(63,884)	(3,542,815)	(3,000,034)
(367,766)	170,308	73,893	40,839	(1,252)
-	-	-	-	-
(23,085,686)	(25,720,768)	(27,138,822)	(29,541,042)	(30,637,238)
-	90,150	-	-	-
145,032,083	157,922,828	171,774,737	183,544,549	191,907,313
6,410,224	12,287,505	18,023,606	19,394,810	8,802,116
(21,588,388)	(19,035,123)	(20,933,451)	(27,686,973)	(27,193,368)
13,230,025	27,981,525	117,491,316	14,028,533	21,974,093
\$(1,948,139)	\$21,233,907	\$114,581,471	\$5,736,370	\$3,582,841

# VIA Metropolitan Transit San Antonio, Texas

## Direct and Overlapping Sales Tax Rates As of September 30, 2015

City	Direct Rates			Overlapping Rates <sup>1</sup>			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%	1.250%		8.00%
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%	1.000%		7.75%
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%	1.000%		7.75%
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% <sup>2</sup>	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 .25% and 1% and may be increased only by a majority vote of the city's residents.

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

<sup>2</sup> VIA Metropolitan Transit retains 1/2 of the .25% ATD tax collected and remits 1/4 to the City of San Antonio and 1/4 to the Texas Department of Transportation.

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# VIA Metropolitan Transit San Antonio, Texas

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Alamo Heights	\$374,798	\$393,983	\$406,932	\$389,993	\$369,810
Balcones Heights	615,823	637,859	641,981	574,183	573,949
Castle Hills	345,133	454,499	394,859	390,619	378,022
China Grove	35,856	45,522	48,470	39,141	39,759
Converse	370,466	396,735	721,440	712,810	762,992
Elmendorf	18,540	20,124	25,405	20,054	22,021
Kirby	85,291	86,135	83,575	83,631	90,744
Leon Valley	776,464	793,085	864,745	883,285	826,649
Olmos Park	161,693	169,600	190,994	189,249	179,401
Saint Hedwig	25,854	25,870	28,251	28,075	29,149
San Antonio (MTA)	82,262,642	88,108,466	93,358,659	88,566,698	90,350,846
San Antonio (ATD) <sup>1</sup>	20,166,322	21,566,150	22,584,786	21,429,342	21,700,855
Sandy Oaks	–	–	–	–	–
Shavano Park	47,215	55,314	74,195	80,010	93,876
Terrell Hills	61,351	76,086	79,717	80,350	100,277
Other <sup>2</sup>	2,963,891	2,130,287	68,698	65,238	66,502
Total Sales Tax Receipts	<u>\$108,311,339</u>	<u>\$114,959,715</u>	<u>\$119,572,707</u>	<u>\$113,532,678</u>	<u>\$115,584,852</u>

**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 is not allocated as it is collected from a single city.

<sup>1</sup> This 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.

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

Fiscal Years 2006–2007 have been restated to reflect an accounting change.

# VIA Metropolitan Transit San Antonio, Texas

Fiscal Year				
2011	2012	2013	2014	2015
\$382,503	\$418,716	\$445,742	\$473,443	\$471,080
609,594	670,081	702,293	701,787	732,556
422,138	438,952	459,610	458,501	491,947
42,669	54,047	57,159	77,598	83,033
744,263	841,257	856,192	906,675	984,923
27,340	35,960	40,532	54,865	87,361
91,851	95,966	108,265	115,451	132,692
840,965	869,196	933,280	1,084,454	1,102,355
189,850	238,399	232,007	224,911	235,966
27,148	26,136	30,063	36,134	33,307
94,720,036	104,895,568	112,728,315	123,682,950	128,985,691
23,085,685	25,720,768	27,138,822	29,541,044	30,637,237
–	–	–	–	3,057
145,632	371,253	407,841	334,104	189,886
103,667	119,890	107,737	113,730	109,504
69,710	2,799,697	2,389,980	2,617,645	2,727,415
<u>\$121,503,051</u>	<u>\$137,595,886</u>	<u>\$146,637,838</u>	<u>\$160,423,292</u>	<u>\$167,008,010</u>

# VIA Metropolitan Transit San Antonio, Texas

## Schedule of Outstanding Debt and Public Debt Coverage Ratios

	<u>2006-2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>OUTSTANDING DEBT</b>					
Private Placement Bond Issues (All Issued in 2012):					
MTA Farebox Revenue Bonds	\$ -	\$5,100,000	\$5,100,000	\$ -	\$ -
MTA Contractual Obligation Bonds	-	3,200,000	2,765,000	2,325,000	1,880,000
ATD Sales Tax Revenue Bonds	-	5,100,000	5,100,000	-	-
MTA Contract Revenue Bonds	-	5,100,000	-	-	-
Public Bond Issues:					
MTA Farebox Revenue Bonds Series 2013	-	-	-	38,860,000	37,955,000
ATD Sales Tax Revenue Bonds Series 2014	-	-	-	32,925,000	32,140,000
Total Debt Outstanding	-	18,500,000	12,965,000	74,110,000	71,975,000
Gross Revenues (a)	N/A	184,479,002	199,039,504	213,417,493	219,645,783
Ratio of Total Debt to Gross Revenues	N/A	0.10	0.07	0.35	0.33
# of Riders (b)	N/A	46,893,169	45,894,417	44,346,565	42,218,985
Debt Per Rider	N/A	0.39	0.28	1.67	1.70
<b>COVERAGE RATIOS FOR PUBLIC DEBT</b>					
<b>MTA Farebox Revenue Bonds Series 2013</b>					
Operating Revenue	N/A	26,100,183	27,200,883	26,330,129	24,737,184
Maintenance & Operating Expense:	N/A				
Total Operating Expenses (Before Depreciation)	N/A	171,735,506	180,952,014	190,479,868	207,842,381
Contractual Obligation Debt Service	N/A	-	490,335	494,471	490,803
Subtotal	N/A	171,735,506	181,442,349	190,974,339	208,333,184
Less MTA Sales Tax	N/A	(111,875,118)	(119,499,016)	(130,882,248)	(136,370,773)
Less Available ATD Sales Tax (c)	N/A	(25,720,768)	(27,082,864)	(29,477,293)	(28,266,495)
Less Grants Available to Pay M&O Expense	N/A	(20,350,615)	(25,145,760)	(26,045,513)	(27,047,155)
Net M&O Expense	N/A	13,789,005	9,714,709	4,569,285	16,648,761
Net Revenue for Debt Service	N/A	12,311,178	17,486,174	21,760,844	8,088,423
Debt Service on Farebox Revenue Bonds	N/A	-	58,197	2,480,104	2,812,700
Debt Service Coverage Ratio (d)	N/A	N/A	300.5	8.8	2.9
Maximum Annual Debt Service (MADS)	N/A	N/A	N/A	2,816,700	2,816,700
MADS Coverage Ratio	N/A	N/A	N/A	7.7	2.9
<b>ATD Sales Tax Revenue Bonds Series 2014</b>					
ATD Sales Tax Revenue	N/A	25,720,768	27,138,822	29,541,043	30,637,238
Less District Debt Service	N/A	-	(55,958)	(63,750)	(2,370,743)
Net ATD Sales Tax Revenue	N/A	25,720,768	27,082,864	29,477,293	28,266,495
Debt Service Coverage Ratio (d)	N/A	N/A	485.0	463.4	12.9
Maximum Annual Debt Service (MADS)	N/A	N/A	N/A	N/A	2,374,750
MADS Coverage Ratio	N/A	N/A	N/A	N/A	12.9

Note: 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 non-operating revenue from sales taxes, grants reimbursement, investment income and asset sales.

(b) Total system-wide passengers (includes all bus service and paratransit service).

(c) ATD sales taxes less debt service on ATD bonds.

(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).

# VIA Metropolitan Transit San Antonio, Texas

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

Fiscal Year	Population	Total Personal Income (in thousands)	Per Capita Income	Median Age	Population 25 Years & over – Percent High School Graduate or Higher	School Enrollment	Unemployment Rate
2006	1,322,900	26,603,519	20,110	33.2	78.3	283,393	4.7%
2007	1,312,286	26,093,495	19,884	32.6	79.7	291,873	4.0%
2008	1,328,984	27,653,499	20,808	32.8	78.7	295,673	4.2%
2009	1,340,549	28,750,754	21,447	32.6	79.3	296,328	5.9%
2010	1,319,492	28,260,879	21,418	32.1	80.2	387,343	7.0%
2011	1,326,539	28,421,098	21,425	32.8	79.8	392,897	7.1%
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%

\* data unavailable

**Sources:** Population, personal income, per capita income, median age and school enrollment information provided by the Information Technology Department, City of San Antonio, Texas. Unemployment rate provided by the Texas Workforce Commission.



# VIA Metropolitan Transit San Antonio, Texas

## Principal Employers Last Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment <sup>1</sup>	Employees	Rank	Percentage of Total City Employment <sup>2</sup>
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph	93,434	1	9.82%	8,360	5	1.10%
H.E.B. Food Stores	20,000	2	2.10%	14,588	1	1.91%
USAA	17,000	3	1.79%	13,965	2	1.83%
Northside Independent School District	13,698	4	1.44%	10,320	4	1.35%
City of San Antonio	11,770	5	1.24%	11,119	3	1.46%
North East Independent School District	9,209	6	0.97%	7,574	7	0.99%
Methodist Health Care System	8,118	7	0.85%	7,027	9	0.92%
San Antonio Independent School District	7,423	8	0.78%	7,685	6	1.01%
Baptist Health Systems	6,498	9	0.68%			
JP Morgan Chase	5,000	10	0.53%			
SBC Communications (AT&T)				6,500	10	0.85%
Alamo Community College District				7,200	8	0.95%
<b>Total</b>	<u>192,150</u>		<u>20.20%</u>	<u>94,338</u>		<u>12.37%</u>

**Source:** Economic Development Division, City of San Antonio, Texas, Book of Lists 2015, and Department of Defense personnel statistics.

<sup>1</sup> Percent based on an Employment Estimate of 951,300 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2015. Figure provided by the Texas Workforce Commission.

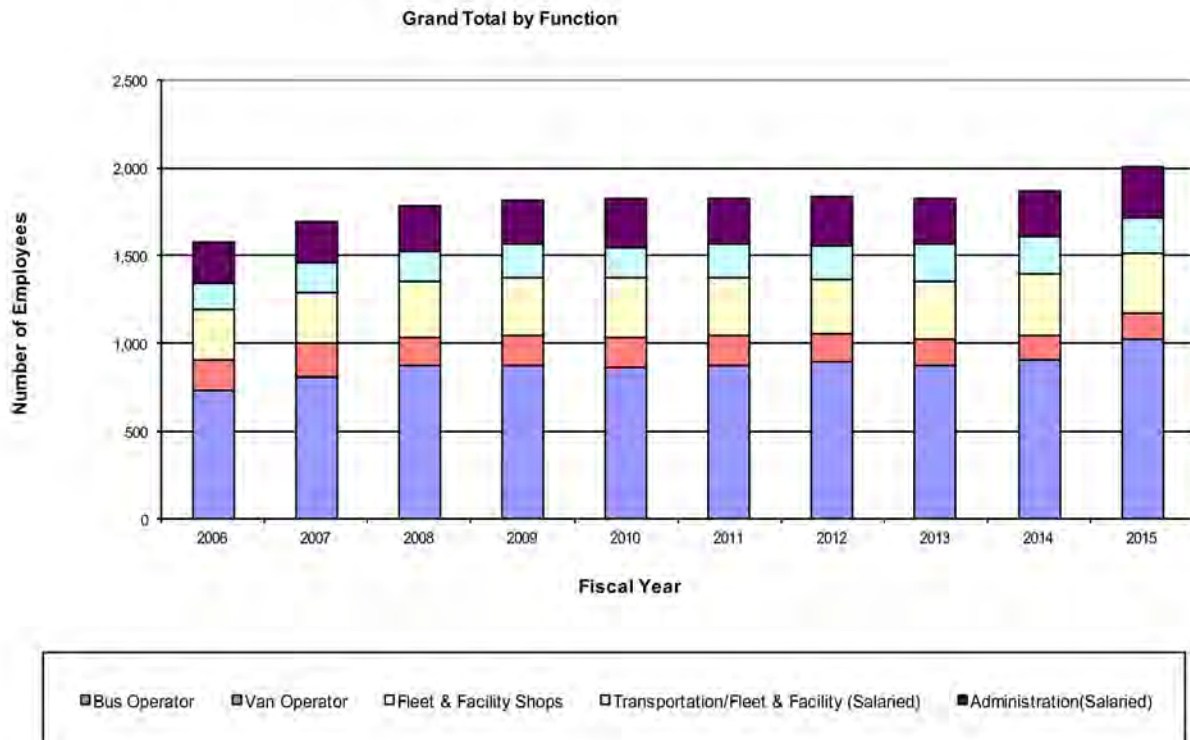
<sup>2</sup> Percent based on an Employment Estimate of 762,800 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2006 Figure provided by the Texas Workforce Commission.

# VIA Metropolitan Transit San Antonio, Texas

## Full Time Equivalents Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Full-Time Employees</b>										
Bus Operator	653	712	719	728	716	746	733	742	795	943
Van Operator	161	178	161	168	176	167	161	143	140	150
Maintenance Shop	288	296	311	338	343	331	311	334	345	344
Operations/Maintenance(Salaried)	138	150	165	168	151	178	178	195	201	191
Administration(Salaried)	220	233	245	244	265	239	257	249	244	278
Subtotal	1,460	1,569	1,601	1,646	1,651	1,661	1,640	1,663	1,725	1,906
<b>Part-Time (Full-Time Equivalents)</b>										
Bus Operator	84.7	101.1	155.3	143.5	141.2	131.3	158.6	131.6	107.6	77.9
Van Operator	5.1	5.1	2.9	2.8	2.5	2.6	1.8	2.4	4.2	0.6
Maintenance Shop	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operations/Maintenance(Salaried)	13.3	14.4	14.8	14.8	17.8	14.8	17.0	15.0	15.0	12.9
Administration(Salaried)	9.8	7.5	9.0	11.0	12.8	11.3	13.5	12.0	11.3	11.3
Subtotal	112.9	128.2	182.0	172.1	174.2	160.0	190.9	161.0	138.1	102.7
<b>Grand Total</b>										
Bus Operator	737.7	813.1	874.3	871.5	857.2	877.3	891.6	873.6	902.6	1,020.9
Van Operator	166.1	183.1	163.9	170.8	178.5	169.6	162.8	145.4	144.2	150.6
Maintenance Shop	288.0	296.0	311.0	338.0	343.0	331.0	311.0	334.0	345.0	344.0
Operations/Maintenance(Salaried)	151.3	164.4	179.8	182.8	168.8	192.8	195.0	210.0	216.0	203.9
Administration(Salaried)	229.8	240.5	254.0	255.0	277.8	250.3	270.5	261.0	255.3	289.3
Grand Total	1,572.9	1,697.2	1,783.0	1,818.1	1,825.2	1,821.0	1,830.9	1,824.0	1,863.1	2,008.7

Source: VIA's Monthly Personnel Report



# VIA Metropolitan Transit San Antonio, Texas

## Fare History Last Ten Fiscal Years

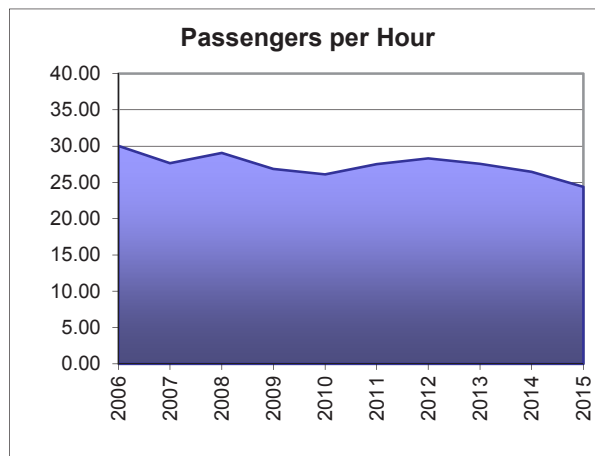
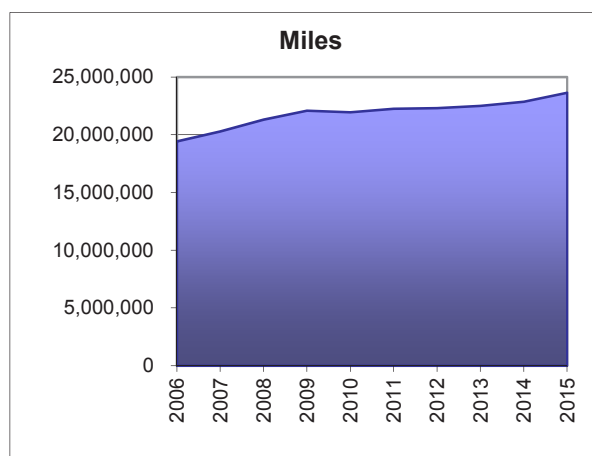
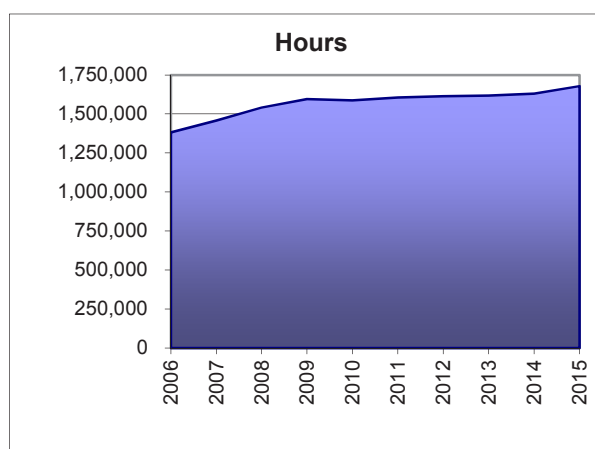
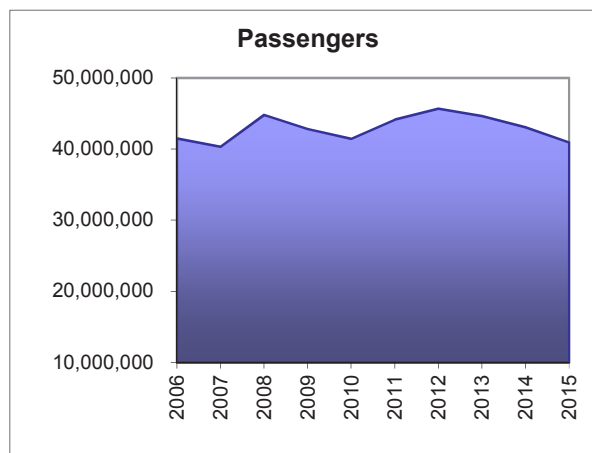
Category	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Bus Service</b>										
Regular Bus Service	\$0.80	\$1.00	\$1.00	\$1.10	\$1.10	\$1.10	\$1.10	\$1.20	\$1.20	\$1.20
Regular Half Fare	0.40	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60
Express Bus Service	1.60	2.00	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Express Half Fare	0.80	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Bus Transfer	0.15	0.15	0.15	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	0.07	0.07	0.07
<b>Streetcar Service</b>										
Streetcar Service	0.80	1.00	1.00	1.10	1.10	1.10	1.10	1.20	1.20	1.20
Streetcar Half Fare	0.40	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60
Streetcar Transfer	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Streetcar Transfer Half Fare	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
<b>VIATrans Service</b>										
VIATrans Service	1.25	1.50	1.50	1.75	1.75	1.75	1.75	1.95	1.95	1.95
VIATrans Taxi Subsidy	–	–	–	–	–	–	–	9.00	9.00	9.00
Special Event Service	5.00	6.00	4.00	5.00	5.00	5.00	5.00	5.00	2.50	2.50
Special Event Half Fare	2.50	3.00	2.00	2.50	2.50	2.50	2.50	2.50	1.25	1.25
Off Peak Special for Seniors and riders with limited mobility 9am–3pm	0.20	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
<b>Starlight Service</b>										
Starlight Service	3.00	5.50	5.50	5.50	–	–	–	–	–	–
Starlight Service Half Fare	1.50	2.75	2.75	2.75	–	–	–	–	–	–
<b>Passes</b>										
Monthly Big Pass	20.00	25.00	25.00	30.00	30.00	30.00	30.00	35.00	35.00	35.00
Big Pass Half Fare	10.00	12.50	12.50	15.00	15.00	15.00	15.00	17.50	17.50	17.50
Semester Pass	20.00	25.00	25.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Day Tripper	3.00	3.75	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00

**Source:** VIA's Fiscal Management Division

**Note:** Senior citizens, disabled persons, students and eligible Medicare recipients with a valid VIA identification card are eligible for half fare rates on regular, express, streetcar and special event service. Children ages 5-11 ride for half-fare and those under age five ride free. A new fare structure was implemented on January 1, 2016.

# VIA Metropolitan Transit San Antonio, Texas

## Line Service Statistics Last Ten Fiscal Years

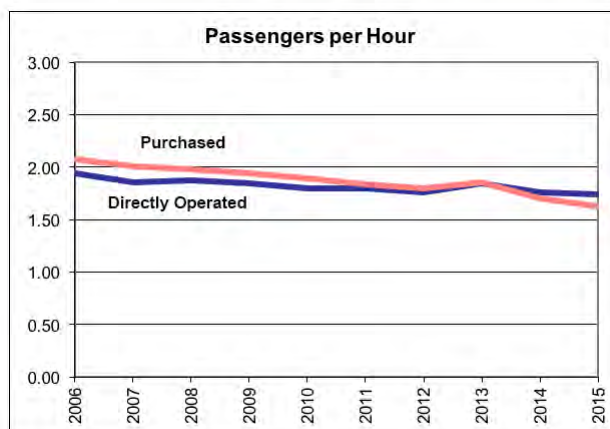
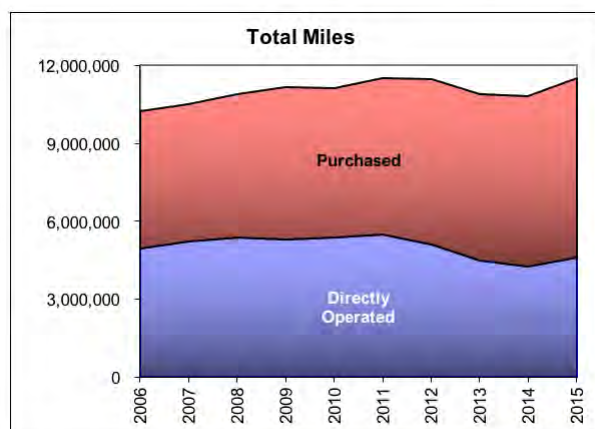
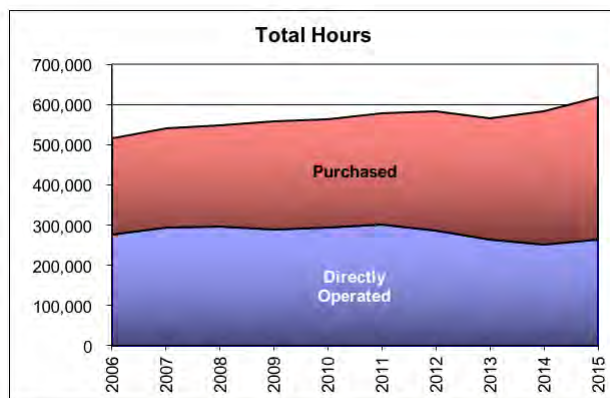
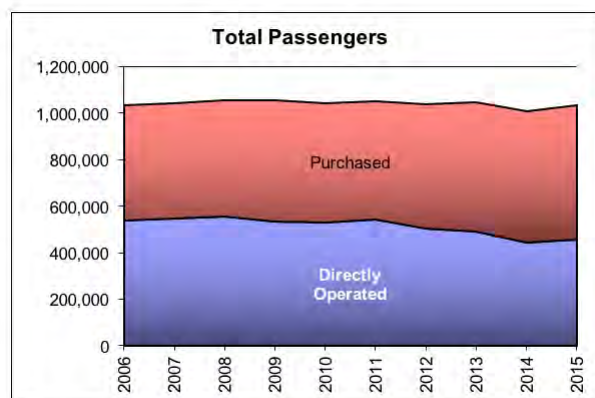


Fiscal Year	Passengers	Hours	Miles	Passengers Per Hour
2006	41,498,069	1,381,605	19,443,620	30.04
2007	40,342,110	1,458,556	20,289,379	27.66
2008	44,820,655	1,542,100	21,328,743	29.06
2009	42,863,990	1,595,778	22,094,377	26.86
2010	41,450,314	1,587,804	21,952,740	26.11
2011	44,129,717	1,604,282	22,252,846	27.51
2012	45,704,025	1,613,457	22,308,405	28.33
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

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

# VIA Metropolitan Transit San Antonio, Texas

## VIATrans Service Statistics Last Ten Fiscal Years

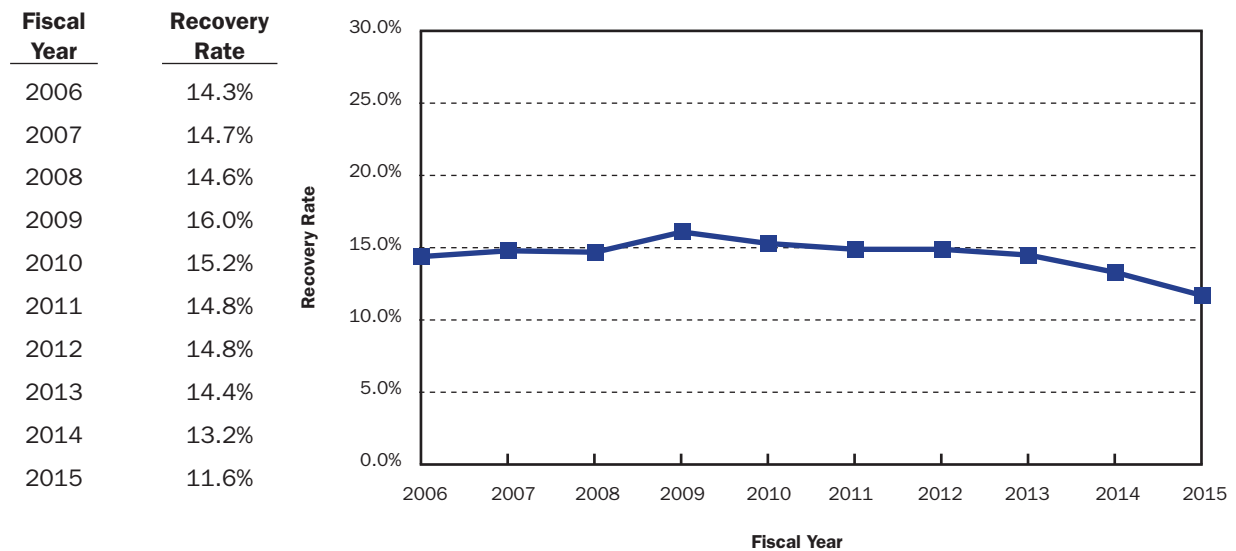


Fiscal Year	Total Passengers		Total Hours		Total Miles		Passengers per Hour	
	Directly Operated	Purchased	Directly Operated	Purchased	Directly Operated	Purchased	Directly Operated	Purchased
2006	537,746	495,535	276,319	238,554	4,964,851	5,286,153	1.95	2.08
2007	545,825	495,521	294,423	246,936	5,208,221	5,311,191	1.85	2.01
2008	553,332	501,339	295,498	253,444	5,364,599	5,549,201	1.87	1.98
2009	533,379	522,163	289,290	268,503	5,283,792	5,876,735	1.84	1.94
2010	529,854	510,662	294,970	269,416	5,355,046	5,789,331	1.80	1.90
2011	543,981	507,888	302,135	275,986	5,496,656	6,034,974	1.80	1.84
2012	505,217	532,719	286,473	295,883	5,089,293	6,387,270	1.76	1.80
2013	488,752	557,800	265,249	300,535	4,480,271	6,404,527	1.84	1.86
2014	443,678	565,297	251,695	331,163	4,269,252	6,540,867	1.76	1.71
2015	458,282	575,907	263,343	353,801	4,620,731	6,905,238	1.74	1.63

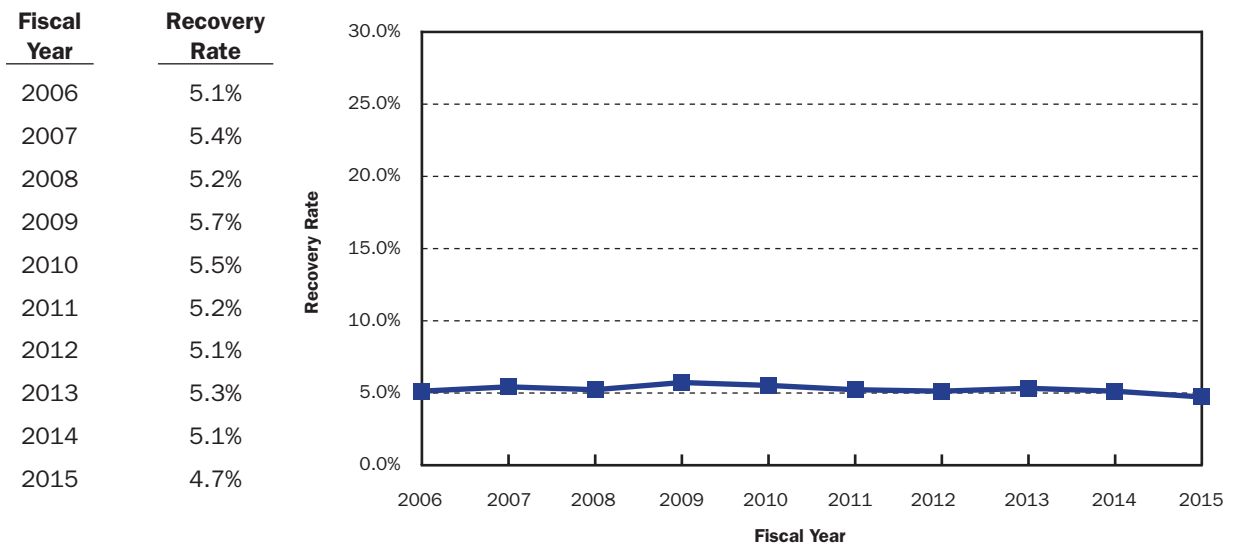
**Source:** VIA's Revenue Accounting Statistical Records  
VIA's Miles and Hours Report and Procurement's Contract Administrator for purchased service contracts.

# VIA Metropolitan Transit San Antonio, Texas

## Line Service Recovery Rate Last Ten Fiscal Years



## VIATrans Service Recovery Rate Last Ten Fiscal Years



**Source:** VIA's Annual Audited Financial Statements

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

# VIA Metropolitan Transit San Antonio, Texas

## Service Miles by Cost Center Last Ten Fiscal Years

Fiscal Year	Line Service	Special Event	Charter	Contract	Bus Disaster Relief	VIAtrans		Van Disaster Relief	Starlight Service	Total
						Direct	Purchased			
2006	19,443,620	103,502	22,452	411,679	9,381	4,964,851	5,286,153	–	233,457	30,475,095
2007	20,289,379	91,410	11,428	458,137	6,593	5,208,221	5,311,191	–	459,250	31,835,609
2008	21,328,743	92,420	9,573	383,188	55,897	5,364,599	5,549,201	–	444,314	33,227,935
2009	22,094,377	72,326	18,738	–	–	5,283,792	5,876,735	–	105,026	33,450,994
2010	21,952,740	86,148	18,117	–	–	5,355,046	5,789,331	–	–	33,201,382
2011	22,252,846	116,627	17,469	–	–	5,496,656	6,034,974	–	–	33,918,572
2012	22,308,405	122,658	16,283	–	–	5,089,293	6,387,270	–	–	33,923,909
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	6,540,867	–	–	33,858,704
2015	23,654,868	129,111	15,225	–	–	4,620,731	6,905,238	–	–	35,325,173

## Service Hours by Cost Center Last Ten Fiscal Years

Fiscal Year	Line Service	Special Event	Charter	Contract	Bus Disaster Relief	VIAtrans		Van Disaster Relief	Starlight Service	Total
						Direct	Purchased			
2006	1,381,605	7,682	2,422	27,719	678	276,319	238,554	331	7,943	1,943,253
2007	1,458,556	6,870	1,706	32,081	524	294,423	246,936	–	14,924	2,056,020
2008	1,542,100	6,977	1,417	25,985	4,620	295,498	253,444	–	19,728	2,149,769
2009	1,595,778	5,119	2,350	–	–	289,290	268,503	–	4,804	2,165,844
2010	1,587,804	6,648	2,881	–	–	294,970	269,416	–	–	2,161,719
2011	1,604,282	8,287	2,201	–	–	302,135	275,986	–	–	2,192,891
2012	1,613,457	9,434	2,261	–	–	286,473	295,883	–	–	2,207,508
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	331,163	–	–	2,226,022
2015	1,678,728	10,093	1,930	–	–	263,343	353,801	–	–	2,307,895

**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	Sales Tax <sup>1</sup>	Grant Revenues	Investment Income	Misc Income <sup>4</sup>	Total
2006	20,784,287	107,840,643	11,688,746	2,641,183	–	142,954,859
2007	22,913,393	114,490,113	9,449,194	4,343,935	94,366	151,291,001
2008	24,984,800	119,350,289	7,327,679	3,472,825	–	155,135,593
2009	24,587,472	113,493,362	19,237,153	1,262,374	5,903	158,586,264
2010	24,391,259	115,584,853	27,196,327	585,219	–	167,757,658
2011	25,334,327	121,503,049	23,279,480	617,320	–	170,734,176
2012	26,100,183	137,595,887	20,360,615	252,009	260,458	184,569,152
2013	27,200,883	146,637,838	25,145,760	(18,870)	73,893	199,039,504
2014	26,330,129	160,423,292	26,045,513	577,720	40,839	213,417,493
2015	24,737,184	167,008,011	27,047,155	853,433	–	219,645,783

## Operating Expenses by Cost Center (Including Depreciation) Last Ten Fiscal Years

Fiscal Year	Line Service <sup>3</sup>	Special Event	Charter	Contract	VIAtrans	Starlight Service	Vanpool	Other Operating Expenses	Non-Operating Expenses <sup>5</sup>	Total
2006	110,791,888	1,340,830	146,509	2,098,171	23,795,051	660,515	102,173	3,287,915	451,563	142,674,615
2007	118,113,096	1,274,262	140,603	2,445,167	26,566,225	1,240,754	135,286	3,552,561	250,829	153,718,783
2008	133,947,136	1,351,438	85,613	2,066,769	28,847,814	756,444	296,152	4,298,944	360,218	172,010,528
2009	130,449,544	1,096,860	153,244	–	29,172,611	202,358	190,739	4,184,459	2,312,343	167,762,158
2010	135,647,299	1,283,286	170,791	–	30,923,402	–	202,045	4,157,378	126,707	172,510,908
2011	146,420,289	1,492,528	164,376	–	32,765,906	–	368,195	4,333,280	367,766	185,912,340
2012 <sup>2</sup>	150,416,200	1,698,539	142,909	–	33,140,705	–	539,429	4,832,847	23,281	190,793,910
2013	159,497,124	1,962,959	275,894	–	34,095,208	–	537,595	5,516,685	63,884	201,949,349
2014	167,004,628	1,807,553	162,317	–	36,908,809	–	551,133	11,732,401	3,542,815	221,709,656
2015	180,567,404	1,365,037	187,014	–	40,040,010	–	561,930	12,314,354	3,001,286	238,037,035

**Source:** VIA's Annual Audited Financial Statements

- Note:**
1. Sales tax is VIA's portion only and nets amounts received for and remitted to CoSA, TxDOT, and Bexar County.
  2. FY2012 Non-Operating Expenses were restated to recognize bond issuance costs that were previously reported on an amortized basis.
  3. FY2008 through FY2013 Bus Rapid Transit Expense has been moved to Line Service Expense due to the new MAP21 (Sec. 5302) requirements which requires a dedicated lane for rapid transit buses during peak periods.
  4. FY2006-FY2014 CAFRs column is labeled "Misc Income (Expense)". FY2006-FY2014 previous CAFR amounts reflected the net Non-Operating Revenue (Expenses). The amounts under "Misc Income" now reflects other non-operating revenue outside the revenue categories shown.
  5. The column labeled "Non-Operating Expenses" reflects all prior (FY2006-FY2014) expense amounts that were previously netted under Misc Income (Expense) in prior year revenue tables.



# VIA Metropolitan Transit San Antonio, Texas

## Operating Expenses by Object Class Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010 Restated
Operator	\$32,487,377	\$35,556,338	\$37,706,299	\$37,519,147	\$39,163,412
Garage	9,677,955	9,703,761	10,562,622	11,345,672	12,022,721
Salaried	14,930,202	16,193,801	18,062,321	18,960,436	19,376,845
Total Labor	57,095,534	61,453,900	66,331,242	67,825,255	70,562,978
Fringe Benefits	26,639,472	29,572,250	32,902,957	34,319,563	34,640,866
Total Labor and Fringe Benefits	83,735,006	91,026,150	99,234,199	102,144,818	105,203,844
Advertising Fees	139,805	201,342	311,832	532,580	524,532
Prof. & Tech Fees	1,351,486	1,636,642	1,774,244	1,934,705	1,975,904
Temporary Help	-	-	-	-	-
Contract Maintenance	1,317,694	1,431,956	1,412,628	1,557,547	1,510,826
Custodial Services	-	-	-	-	-
Security Services	1,049,421	1,063,722	1,241,303	1,547,567	1,617,845
Other Services	379,963	417,832	426,325	470,475	509,582
Total Services	4,238,369	4,751,494	5,166,332	6,042,874	6,138,688
Fuel & Lubricants	14,308,066	14,623,296	24,368,920	13,844,663	16,470,705
Tires & Tubes	857,253	750,467	846,027	1,113,669	1,168,105
Other Materials & Supplies	7,304,577	7,172,264	7,580,792	8,069,919	8,060,535
Total Materials & Supplies	22,469,896	22,546,027	32,795,739	23,028,251	25,699,345
Utilities	1,228,285	1,128,092	1,364,766	1,378,117	1,617,829
Casualty & Liability	(1,282,604)	518,628	807,857	453,733	861,475
Taxes	1,132,504	1,310,151	1,514,318	1,501,359	1,510,880
Purchased Transportation	7,738,791	8,768,749	9,141,155	8,995,692	9,101,700
Dues & Subscriptions	274,180	300,682	344,703	316,700	350,446
Training & Meetings	104,322	192,972	203,408	236,561	337,885
Fines & Penalties	-	509	608	100	-
Bad Debt Expense	7,996	43,872	4,963	6,888	7,813
Advertising/Promotion Media	535,838	403,031	431,403	410,197	408,590
Other Miscellaneous Expense	486,293	549,510	643,181	565,572	586,888
Total Miscellaneous Expense	1,408,629	1,490,576	1,628,266	1,536,018	1,691,622
Interest Expense	-	-	-	-	-
Leases & Rentals	232,416	208,997	250,424	293,389	277,027
Expense transfer to Capital Program	-	-	-	-	-
Total Operating Expense Before Depreciation & Capitalized Amounts	120,901,292	131,748,864	151,903,056	145,374,251	152,102,409
Depreciation	21,321,762	21,719,090	19,747,254	20,075,564	20,281,792
Allowance	-	-	-	-	-
Indirect Expense (Capitalized)	-	-	-	-	-
Fringe Expense (Capitalized)	-	-	-	-	-
Total Operating Expenses	<u>\$142,223,054</u>	<u>\$153,467,954</u>	<u>\$171,650,310</u>	<u>\$165,449,815</u>	<u>\$172,384,201</u>

Source: VIA's Annual Audited Financial Statements

# VIA Metropolitan Transit San Antonio, Texas

Fiscal Year				
2011 Restated	2012 Restated	2013 Restated	2014	2015
\$41,016,213	\$40,562,190	\$41,573,464	\$42,947,778	\$47,142,668
12,417,401	12,729,474	12,741,074	13,435,740	14,142,320
20,365,495	21,028,258	20,927,964	22,054,983	24,471,522
73,799,109	74,319,922	75,242,502	78,438,501	85,756,510
37,618,626	41,928,210	44,339,708	49,087,760	55,068,428
111,417,735	116,248,132	119,582,210	127,526,261	140,824,938
376,212	457,068	834,106	868,797	590,285
2,546,400	2,602,244	5,012,806	5,575,998	6,487,853
-	-	-	-	-
1,834,136	1,900,734	2,304,871	2,727,184	2,917,234
-	-	-	-	-
1,652,563	1,610,368	1,576,519	1,668,227	2,019,443
522,596	550,437	571,305	545,909	722,178
6,931,907	7,120,851	10,299,607	11,386,115	12,736,993
19,866,016	20,155,666	23,177,525	22,148,972	21,327,903
1,299,140	1,365,594	1,374,880	1,200,905	1,226,545
8,739,916	9,355,225	9,725,894	9,478,859	10,679,662
29,905,072	30,876,485	34,278,299	32,828,736	33,234,110
1,647,480	1,572,250	2,006,016	2,223,969	2,432,041
341,603	1,231,907	1,243,807	885,038	1,706,027
1,526,586	1,536,285	1,573,900	1,480,347	1,497,985
9,911,331	10,916,344	10,410,650	12,405,128	13,630,089
532,092	416,275	379,151	405,648	382,293
353,681	407,148	487,004	494,390	528,531
-	600	-	294	-
847	7,352	2,635	8,858	1,040
406,816	437,122	514,553	929,762	477,899
724,770	678,063	783,941	727,381	873,733
2,018,206	1,946,561	2,167,284	2,566,333	2,263,496
-	-	-	-	-
256,265	286,692	296,882	247,471	445,654
-	-	(906,641)	(1,069,530)	(928,952)
163,956,186	171,735,507	180,952,014	190,479,868	207,842,381
21,588,388	19,035,123	20,933,451	22,804,973	22,275,368
-	-	-	4,882,000	4,918,000
-	-	-	-	-
-	-	-	-	-
<u>\$185,544,574</u>	<u>\$190,770,629</u>	<u>\$201,885,465</u>	<u>\$218,166,841</u>	<u>\$235,035,749</u>

# VIA Metropolitan Transit San Antonio, Texas

## Capital Assets Last Ten Fiscal Years

	2006	2007	2008	2009	2010 Restated
<b>Land</b>	\$25,991,724	\$21,839,086	\$25,976,887	\$26,447,326	\$26,804,057
<b>Revenue Vehicles</b>					
Bus	124,549,670	125,258,628	125,335,354	125,514,249	141,523,621
Van	6,995,861	8,339,955	8,339,955	8,339,955	8,339,955
Total Revenue Vehicles	131,545,531	133,598,583	133,675,309	133,854,204	149,863,576
<b>Service Vehicles</b>					
Trucks	1,325,401	1,365,375	1,726,520	1,909,471	1,951,568
Automobiles	1,137,478	1,165,503	1,201,622	1,360,960	1,299,180
Other Service Vehicles	276,215	357,641	357,641	357,641	357,641
Total Service Vehicles	2,739,094	2,888,519	3,285,783	3,628,072	3,608,390
<b>Buildings and Structures</b>					
Transit Way Facilities	33,532,668	33,532,669	33,532,669	33,680,565	38,475,179
Passenger Stations	29,656,620	30,841,555	35,824,534	42,677,004	47,273,563
Passenger Parking Stations	2,618,036	2,618,036	2,618,686	2,618,686	2,618,686
Operating Yards and Stations	14,364,207	14,392,200	14,531,233	14,563,987	15,148,156
Vehicle Maintenance Shops and Garages	9,335,431	10,933,306	11,138,288	16,679,760	17,228,927
Other General Administration Facilities	11,497,240	11,541,536	12,399,143	12,647,099	12,845,785
Stadium/Depot Complex	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115
Total Buildings and Structures	107,441,317	110,296,417	116,481,668	129,304,216	140,027,411
<b>Equipment</b>					
Passenger Stations	871,375	871,375	1,338,262	3,254,607	3,266,389
Operating Yards and Stations	150,789	57,868	57,868	57,868	65,362
Vehicle Maintenance Shops and Garages	1,413,680	1,460,875	1,625,454	1,784,250	1,813,373
Other General Administration Facilities	1,400,932	1,460,342	1,498,987	1,482,498	1,476,252
Revenue Vehicle Movement Control	15,491,235	15,415,162	15,415,162	15,415,161	15,410,422
Revenue Collection and Processing	279,752	279,752	297,342	294,009	343,476
Data Processing	8,494,125	9,942,333	10,458,794	10,505,926	12,860,355
Communication	983,572	598,317	665,976	764,697	743,945
Office Equipment	176,063	173,465	173,465	110,630	103,608
Total Equipment	29,261,523	30,259,489	31,531,310	33,669,646	36,083,182
<b>Total Capital Assets Before Depreciation</b>	296,979,189	298,882,094	310,950,957	326,903,464	356,386,616
<b>Accumulated Depreciation</b>					
Revenue Vehicles	(59,673,927)	(67,839,345)	(66,562,072)	(77,915,736)	(84,564,130)
Service Vehicles	(2,595,242)	(2,741,586)	(2,785,742)	(2,976,301)	(2,882,462)
Buildings and Structures	(73,848,074)	(79,821,381)	(86,769,910)	(94,060,411)	(102,091,886)
Equipment	(25,777,889)	(27,730,455)	(29,155,888)	(29,769,422)	(29,604,437)
Total Accumulated Depreciation	(161,895,132)	(178,132,767)	(185,273,612)	(204,721,870)	(219,142,915)
<b>Allowance for Capital Projects</b>					
Allowance for Capital Projects	—	—	—	—	—
Total Allowance for Capital Projects	—	—	—	—	—
<b>Work In Progress</b>					
Revenue Vehicles	3,781	—	695	—	156,000
Service Vehicles	—	—	—	—	523
Buildings and Structures	630,703	3,763,402	9,203,875	5,162,105	3,332,888
Equipment	298,093	291,164	1,303,214	4,073,941	3,465,039
Total Work In Progress	932,576	4,054,567	10,507,784	9,236,046	6,954,450
<b>Net Capital Assets</b>	\$136,016,634	\$124,803,895	\$136,185,130	\$131,417,641	\$144,198,152

Source: VIA's Annual Audited Financial Statements

# VIA Metropolitan Transit San Antonio, Texas

2011 Restated	2012 Restated	2013 Restated	2014	2015
\$27,209,314	\$27,209,314	\$31,729,733	\$31,812,673	\$32,841,276
139,158,252	139,405,043	156,393,853	161,102,879	163,792,050
8,341,255	8,194,102	16,177,015	13,062,931	12,390,028
147,499,506	147,599,144	172,570,868	174,165,810	176,182,078
2,069,486	2,419,698	2,397,254	2,500,468	3,007,261
1,391,934	1,190,073	939,038	897,848	990,916
357,641	455,229	592,318	701,175	714,009
3,819,060	4,064,999	3,928,610	4,099,491	4,712,186
38,991,798	38,991,798	38,962,046	38,948,550	39,422,162
48,625,854	49,206,787	69,465,333	71,174,228	80,689,459
2,618,686	2,618,686	2,618,686	2,618,686	2,618,686
15,277,206	17,270,455	17,783,579	18,010,568	18,131,642
17,570,026	18,557,910	18,562,713	18,623,635	18,805,095
17,677,094	17,851,130	18,536,882	18,953,212	21,551,971
6,437,115	6,437,115	6,437,115	6,437,115	6,437,115
147,197,779	150,933,881	172,366,354	174,765,995	187,656,130
3,266,389	2,445,424	3,249,984	3,249,984	3,258,088
78,954	83,646	199,938	323,809	436,506
1,847,220	2,280,783	2,704,444	3,088,946	3,342,263
1,486,143	578,057	594,149	611,740	651,360
15,410,420	15,363,365	15,363,365	15,493,408	15,244,418
343,476	337,586	341,679	340,268	9,244,995
13,231,350	9,321,340	16,437,124	17,455,993	17,996,076
4,027,759	4,112,984	4,124,438	4,152,708	4,188,880
121,776	150,401	190,677	396,880	495,958
39,813,487	34,673,586	43,205,798	45,113,736	54,858,544
365,539,146	364,480,925	423,801,363	429,957,705	456,250,214
(93,746,131)	(103,077,815)	(110,594,492)	(116,038,273)	(125,114,295)
(3,221,642)	(3,284,327)	(3,087,851)	(3,393,392)	(3,735,614)
(108,594,211)	(113,991,594)	(121,292,354)	(129,193,302)	(136,386,968)
(31,298,434)	(27,882,391)	(31,326,126)	(35,130,813)	(38,909,956)
(236,860,419)	(248,236,127)	(266,300,823)	(283,755,779)	(304,146,833)
-	-	-	(4,882,000)	(9,800,000)
-	-	-	(4,882,000)	(9,800,000)
582,964	16,894,876	1,965,827	2,279,032	108,277
-	-	-	-	116,670
8,663,926	19,028,659	20,766,453	42,838,973	55,874,682
1,972,506	7,220,735	7,765,256	9,687,289	2,721,347
11,219,396	43,144,270	30,497,535	54,805,294	58,820,976
\$139,898,124	\$159,389,069	\$187,998,076	\$196,125,221	\$201,124,357

# VIA Metropolitan Transit San Antonio, Texas

## Changes in Retirement Plan Net Position Last Ten Fiscal Years (dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Additions</b>										
Member Contributions	\$2,287	\$2,359	\$2,469	\$2,390	\$2,584	\$3,224	\$3,441	\$3,703	\$4,227	\$4,236
Employer Contributions	2,468	3,056	4,918	5,039	6,252	7,321	8,259	10,639	9,799	12,144
Investment Income (net of expenses)	10,674	20,588	(25,136)	(5,999)	15,342	1,646	29,942	25,017	22,741	2,675
Total additions to plan net assets	15,428	26,003	(17,749)	1,430	24,178	12,191	41,642	39,359	36,767	19,055
<b>Deductions</b>										
Benefit Payments	7,544	8,633	9,479	10,866	12,032	13,502	14,525	16,093	17,168	18,877
Refunds	154	185	255	214	207	252	186	461	218	346
Administrative Expenses	155	159	155	166	188	238	218	241	215	236
Total Deductions from plan net assets	7,852	8,977	9,889	11,246	12,427	13,992	14,929	16,795	17,601	19,459
Change in net assets	\$7,576	\$17,026	\$(27,638)	\$(9,816)	\$11,751	\$(1,801)	\$26,713	\$22,564	\$19,166	\$(404)

## Benefit and Refund Deductions from Net Position by Type Last Ten Fiscal Years (dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Type of Benefit</b>										
Age and service benefits	\$6,073	\$6,954	\$7,708	\$8,896	\$9,966	\$11,403	\$12,216	\$13,572	\$14,630	\$16,049
Disability benefits	592	686	744	802	851	836	929	996	1,076	1,233
Beneficiaries	880	993	1,027	1,168	1,215	1,263	1,380	1,525	1,462	1,595
Total benefits	7,544	8,633	9,479	10,866	12,032	13,502	14,525	16,093	17,168	18,877
<b>Type of Refund</b>										
Separation	154	185	255	214	207	252	186	461	218	346
Death										
Total Refunds	\$154	\$185	\$255	\$214	\$207	\$252	\$186	\$461	\$218	\$346

**Source:** VIA's Retirement Plan Comprehensive Annual Financial Report

# VIA Metropolitan Transit San Antonio, Texas

## Retired Members by Type of Benefit As of September 30, 2015

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement <sup>1</sup>							Option Selected <sup>2</sup>					
		1	2	3	4	5	6	7	1	2	3	4	5	6
Deferred	50													
\$1 - \$500	160	1	51	24	12	12	57	3	56	6	5	25	21	46
501 - 1,000	193	3	91	22	21	4	48	4	44	19	9	17	42	60
1,001 - 1,500	150	10	73	8	22	4	28	5	40	10	4	13	26	56
1,501 - 2,000	86	24	42	4	7	2	5	2	17	7	4	7	24	26
2,001 - 2,500	113	56	35	10	4	0	8	0	18	7	7	13	37	31
2,501 - 3,000	86	58	20	4	2	0	0	2	14	3	4	7	29	27
Over 3,000	114	81	12	7	12	0	1	1	16	5	7	11	36	38
<b>Total</b>	<b>952</b>	<b>233</b>	<b>324</b>	<b>79</b>	<b>80</b>	<b>22</b>	<b>147</b>	<b>17</b>	<b>205</b>	<b>57</b>	<b>40</b>	<b>93</b>	<b>215</b>	<b>284</b>

<sup>1</sup>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
- 7 - Beneficiary, death in service

<sup>2</sup>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 10 death in service options)

**Source:** VIA's Retirement Plan Comprehensive Annual Financial Report

# VIA Metropolitan Transit San Antonio, Texas

## Schedule of Average Benefit Payment Amounts Last Ten Fiscal Years

Retirement Effective Dates	Years of Credited Service							
	<5	5-10	10-15	15-20	20-25	25-30	30-35	35-40+
<b>2005 - 2006</b>								
Average Monthly Benefit	\$172	\$281	\$523	\$732	\$1,161	\$1,863	–	\$2,659
Average Final Average Salary	\$31,365	\$28,048	\$32,845	\$34,413	\$40,302	\$48,744	–	\$49,032
Number of Active Retirants	2	2	4	8	5	11	–	1
<b>2006 - 2007</b>								
Average Monthly Benefit	\$72	\$256	\$844	\$920	\$1,598	\$2,472	\$2,265	\$3,503
Average Final Average Salary	\$15,674	\$28,758	\$48,051	\$38,979	\$45,025	\$57,702	\$47,061	\$61,622
Number of Active Retirants	1	7	8	4	7	13	1	1
<b>2007 - 2008</b>								
Average Monthly Benefit	\$132	\$364	\$611	\$1,075	\$1,088	\$2,176	\$2,603	\$3,099
Average Final Average Salary	\$31,842	\$40,676	\$33,659	\$43,771	\$36,305	\$51,456	\$51,384	\$61,601
Number of Active Retirants	3	3	3	8	3	14	12	1
<b>2008 - 2009</b>								
Average Monthly Benefit	\$97	\$428	\$574	\$964	\$1,005	\$3,084	\$3,057	\$3,005
Average Final Average Salary	\$26,161	\$37,148	\$34,423	\$45,308	\$65,837	\$66,282	\$62,942	\$57,485
Number of Active Retirants	2	5	5	10	1	12	13	4
<b>2009 - 2010</b>								
Average Monthly Benefit	\$182	\$350	\$634	\$1,015	\$1,551	\$2,834	\$2,850	\$3,569
Average Final Average Salary	\$34,295	\$36,840	\$38,505	\$42,966	\$51,892	\$67,197	\$57,867	\$64,416
Number of Active Retirants	6	5	4	16	6	4	17	9
<b>2010 - 2011</b>								
Average Monthly Benefit	\$500	\$582	\$837	\$1,056	\$1,430	\$2,573	\$2,673	\$3,231
Average Final Average Salary	\$28,145	\$46,639	\$44,838	\$45,109	\$48,907	\$52,684	\$54,675	\$58,231
Number of Active Retirants	1	1	7	7	6	9	14	6
<b>2011 - 2012</b>								
Average Monthly Benefit	\$285	\$439	\$782	\$1,062	\$1,491	\$2,471	\$2,861	\$3,662
Average Final Average Salary	\$38,117	\$39,502	\$48,801	\$47,504	\$47,914	\$59,327	\$55,681	\$65,396
Number of Active Retirants	1	1	9	5	3	9	10	8
<b>2012 - 2013</b>								
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
<b>2013 - 2014</b>								
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
<b>2014 - 2015</b>								
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

**Source:** VIA's Retirement Plan Comprehensive Annual Financial Report





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