



Comprehensive Annual Financial Report

For the Fiscal Years Ended
September 30, 2019 and 2018

SAN ANTONIO, TEXAS
VIAINFO.NET



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Comprehensive Annual Financial Report

**For the Fiscal Years
Ended September 30, 2019 and 2018**

Prepared by the Fiscal Management Division

Steven J. Lange
Vice President Fiscal Management/CFO

VIA Metropolitan Transit
San Antonio, Texas

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Table of Contents

Section 1 – Introductory

Letter of Transmittal	5
Certificate of Achievement for Excellence in Financial Reporting	17
VIA Board of Trustees	18-19
Organizational Chart	20
VIA Service Area	21

Section 2 – Financial

Independent Auditor’s Report	23
------------------------------------	----

Required Supplementary Information

Management’s Discussion and Analysis	27
--	----

Basic Financial Statements

Statements of Net Position	43
Statements of Revenues, Expenses, and Changes in Net Position	45
Statements of Cash Flows	46
Notes to the Financial Statements	47

Required Supplementary Information

Schedule of Changes in Net Pension Liability – Unaudited	91
Schedule of VIA’s Pension Contributions - Unaudited	92
Schedule of Changes in Net OPEB Liability and Related Ratios - Unaudited. . .	93
Notes to Schedule	93
Schedule of OPEB Contributions - Unaudited	94
Notes to the Required Supplementary Information - Unaudited	95
Note 1 - Schedule of VIA’s Pension Contributions - Unaudited	95
Note 2 - Schedule of Other Postemployment Benefits Other than Pension - Unaudited. . .	96

Other Supplementary Information

Combining Schedule of Net Position	99
Combining Schedule of Revenues, Expenses, and Changes in Net Position . . .	101
Combining Schedule of Cash Flows	102
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual	103
Schedule of Operating Expenses by Expense Category and Cost Center	105

Section 3 – Statistical

Net Position	109
Changes in Net Position.....	110
Direct and Overlapping Sales Tax Rates.....	113
Estimated MTA/ATD Sales Tax Receipts by City.....	114
Schedule of Outstanding Debt and Public Debt Coverage Ratios	116
Demographic and Economic Statistics.....	118
Principal Employers	119
Full Time Equivalents	120
Fare History	121
Line Service Statistics	122
VIAtrans Service Statistics	123
Line Service Recovery Rate	124
VIAtrans Service Recovery Rate	124
Service Miles by Cost Center	125
Service Hours by Cost Center.....	125
Revenues by Source	126
Operating Expenses by Cost Center.....	126
Operating Expenses by Object Class	128
Capital Assets	130
Changes in Retirement Plan Net Position	132
Benefit and Refund Deductions from Net Position by Type	132
Retired Members by Type of Benefit	133
Schedule of Average Benefit Payment Amounts	134

INTRODUCTORY

Letter of Transmittal5

Certificate of Achievement for Excellence in Financial Reporting 17

VIA Board of Trustees 18

Organizational Chart 20

VIA Service Area 21



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March 27, 2020

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, 2019. 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 accounting principles generally accepted in the United States of America (GAAP) for local government units. All disclosures necessary to enable the reader to gain an understanding of VIA's financial affairs have been included.

This report is presented in three parts:

1. The **Introductory Section** includes this letter of transmittal, the 2018 Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, an organizational chart and a listing of the Board of Trustees.
2. The **Financial Section** presents the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), and the basic financial statements with accompanying notes.
3. The **Statistical Section** provides unaudited financial, economic and other miscellaneous information that is useful for indicating trends for comparative fiscal periods.

VIA's independent auditor, Baker Tilly, has rendered an unmodified opinion on VIA's financial statements for the year ended September 30, 2019. 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 approximately 1,226 square miles, almost all of which are in Bexar County. This represents 97% of Bexar County. In FY19, VIA transported 36.1 million passengers and provided 2.5 million hours of service over 38.1 million miles. VIA carried an average of 111,718 passengers on weekdays in FY19.

Service is currently available seven days a week, from 4:00 a.m. until 1:00 a.m., with a fleet of 511 buses and 139 Paratransit vans (excluding contract service) maintained by an around-the-clock maintenance department.

Budget

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

Local Economy

The Federal Reserve Bank of Dallas, in their January 31, 2020 *San Antonio Economic Indicators* publication, noted that the San Antonio's economy saw healthy growth in December, and the San Antonio Business-Cycle Index continued to expand above its long-term average. The index expanded at an annualized 5.3% in December, well above the long-term average of 3.5%. The unemployment rate ticked down, quarterly growth was strong, wages continued to climb, home sales increased, and office demand remained steady in the fourth quarter of 2019. The Fed noted that the recent strength in the index was due to solid job growth and a lower unemployment rate, suggesting continued growth in the San Antonio economy.

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

In January 2020, Moody's Analytics reported that the San Antonio-New Braunfels economy has accelerated, with job growth recently rising to twice the national average on a year-over-year basis. Moody's Analytics noted that San-Antonio-New Braunfels will grow at a pace moderately above the national average in 2020, with defense-related spending and construction leading the way. They also state

that longer term, the metro area's above-average population gains, low costs of doing business, and relatively high housing affordability should contribute to above-average overall performance.

Long-Term Financial Planning

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

Relevant Financial Policies

Basis of Accounting

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

Cash and Investments

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

Risk Management

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

VIA has fire and extended coverage on scheduled buildings, contents, buses and vans. The purchased coverage is to cover catastrophic losses in excess of the \$500,000 deductible carried. 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.

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

Key Budget Objectives

VIA's FY20 budget focuses on providing valuable service, enhancing the customer experience, fostering meaningful engagement, and planning for the future. There are many initiatives budgeted to address these areas. VIA's desired outcome is to increase ridership throughout the system. A key component of the budget is pursuing "VIA Reimagined", a plan that includes delivering a better bus system with smart transit solutions while designing an Advanced Rapid Transit Network consistent with VIA's Vision 2040 Plan. The idea builds on strategies that have already increased ridership through higher frequency on bus routes, more than 1,000 new and improved bus shelters, and free mobile apps that make it easier to get around.

In FY20, there is a 2.9% increase in bus line service, resulting in record-high service levels. Additionally, a northwest sector (Zone 2) pilot of VIA Link mobility-on-demand service is budgeted, following the very successful launch of service in the northeast sector (Zone 1) in FY19. To further enhance the customer experience, VIA will also continue goMobile growth and introduce goCard fare technology.

Construction progress will be made on the Stone Oak Phase II Bridge project, along with the new Paratransit Operations and Maintenance Facility. Design phase work will take place for the new Randolph Park & Ride, the Naco Pass Mobility Hub and the 1-10 Park & Pool. Planning, environmental and site selection activities will take place for the Alamo Ranch Park & Ride and the Eastside Mobility Hub. Development opportunities and partnerships will be pursued for the Robert Thompson Transit Center and Scobey Complex. Additionally, VIA will continue to expand its shelter program beyond the goal of 1,000 and will continue installing solar-powered lighting at 250 shelters throughout the service area. Other strategic investments, including a new bus operations and maintenance facility and the Advanced Rapid Transit (ART) projects – consistent with VIA's Vision 2040 – will also be pursued into the planning phase.

VIA plans to foster meaningful engagement in FY20 with an institutional brand campaign, internal communications program, strategic partnerships, corporate engagement program, public awareness campaign, comprehensive community engagement, robust stakeholder engagement, and a speakers bureau with 300+ events. The VIA Transit Advisory Council will also be activated to assist in understanding community needs and communicating regarding VIA services and programs.

VIA first began offering Primo service in FY13, on the Fredericksburg Road Corridor, and a Leon Valley extension of this service was added in FY14. In FY19, VIA implemented new Primo service on Zarzamora and SW Military Drive, and opened Brooks Transit Center. Centro Plaza and Stone Oak Park & Ride are other facility projects that VIA has completed in recent years. VIA has a very robust capital program that will serve to bring about many other significant transit infrastructure improvements.

VIA's budget also focuses on planning for the future. For the last several years, VIA has engaged the community in developing a plan to provide the San Antonio region a truly multimodal transit system. VIA has asked for the public to imagine a different VIA, a VIA that offers a greater variety of transportation choices, a VIA that invests in technology and infrastructure to bring transit into the 21st century. The VIA Reimagined Plan includes better bus, advanced rapid transit and smart transit elements to deliver services that provide viable mobility options throughout the region.

Strategic Investments

To facilitate the achievement of budget objectives, VIA plans to make a wide variety of strategic investments:

- Increased bus service and enhanced revenue vehicle fleet
 - Line service increase of 2.9% in FY20
 - Purchase of 30 new compressed natural gas (CNG) buses and 8 electric buses in FY20; the electric buses should provide very useful information about electric vehicles under revenue service conditions, as VIA continues to examine zero emissions technology
 - Purchase of 124 new paratransit vans (62 replacement vans/year programmed for FY20 and FY21 will be combined)
- Build/rehabilitate facilities
 - Continue bus stop improvements and shelter installation beyond 1,000
 - Install solar-powered lighting at 250 new shelters
- Design facilities / develop partnerships
 - Design facilities
 - Paratransit Operations & Maintenance Facility
 - Randolph Park & Ride
 - Naco Pass Mobility Hub
 - Develop/continue partnership projects
 - Robert Thompson Transit Center
 - Scobey Complex
- Conduct studies/assessments
 - Advanced Rapid transit network planning – project development/environmental analysis

- New Bus Operations & Maintenance Facility planning

Progress on Key Projects Underway

Facility Projects. VIA will make significant progress on new facilities in FY20. Key projects underway are noted in the section below, and all of the transit technologies included in VIA's Long-Range Comprehensive Transportation Plan will continue to be explored.

Stone Oak Park & Ride Phase II Bridge – This bridge will connect the Stone Oak Park and Ride facility to the new High-Occupancy Vehicle (HOV) lanes as part of an expanded US 281 North currently under construction by the Texas Department of Transportation (TxDOT). The expansion project is scheduled to be completed in FY21.

Paratransit Facility – VIA is designing and building a new Paratransit Operations and Maintenance Facility that will allow for the relocation of the VIA's paratransit fleet from our main operations yard. The facility is expected to be completed in FY21.

Randolph Park & Ride – VIA is planning a project to reconstruct the Randolph Park & Ride located at the NE interchange of I-410 & I-35. A brand-new facility will be planned, designed and constructed to replace this 20+year-old facility. Work will include a new boarding platform, customer lobby, restrooms, customer service options along with the latest in real-time information signage to display bus arrivals and departures along with parking for our patrons.

Naco Pass Mobility Hub – VIA is currently designing new and improved passenger amenities at the Naco Pass Transfer Area. The current location is home to our new VIA Link mobility-on-demand service and where several routes converge to allow passengers to transfer between routes. Work will include modification of the street to a full cul-de-sac design, upgraded street pavement, wider sidewalks, improved area lighting, bicycle amenities, expanded shelter amenities along with real-time information signage to display bus arrivals and departures.

Robert Thompson Transit Center – The existing Robert Thompson Transit Center, located at the Sunset Station/Alamodome area, is being planned for a conversion to provide daily service via an enhanced facility and bus stops along Montana Street at the lower level of the station. VIA is working with a development team who has provided an initial massing concept and a high-level budget for a joint development opportunity. Using the VIA plaza and air rights, the project will leverage the transit station investment with a robust, mixed-use development. This development will offer retail, residential, and parking, and it will serve the east end of the central business district, connecting to both the Alamodome and the Hemisfair development sites. An exclusive negotiation agreement has been signed to initiate the project programming, establish a pro forma, and define the term sheet. The development team is defining a more detailed concept, project pro forma, and schedule; the project is expected to be constructed in 2020-21.

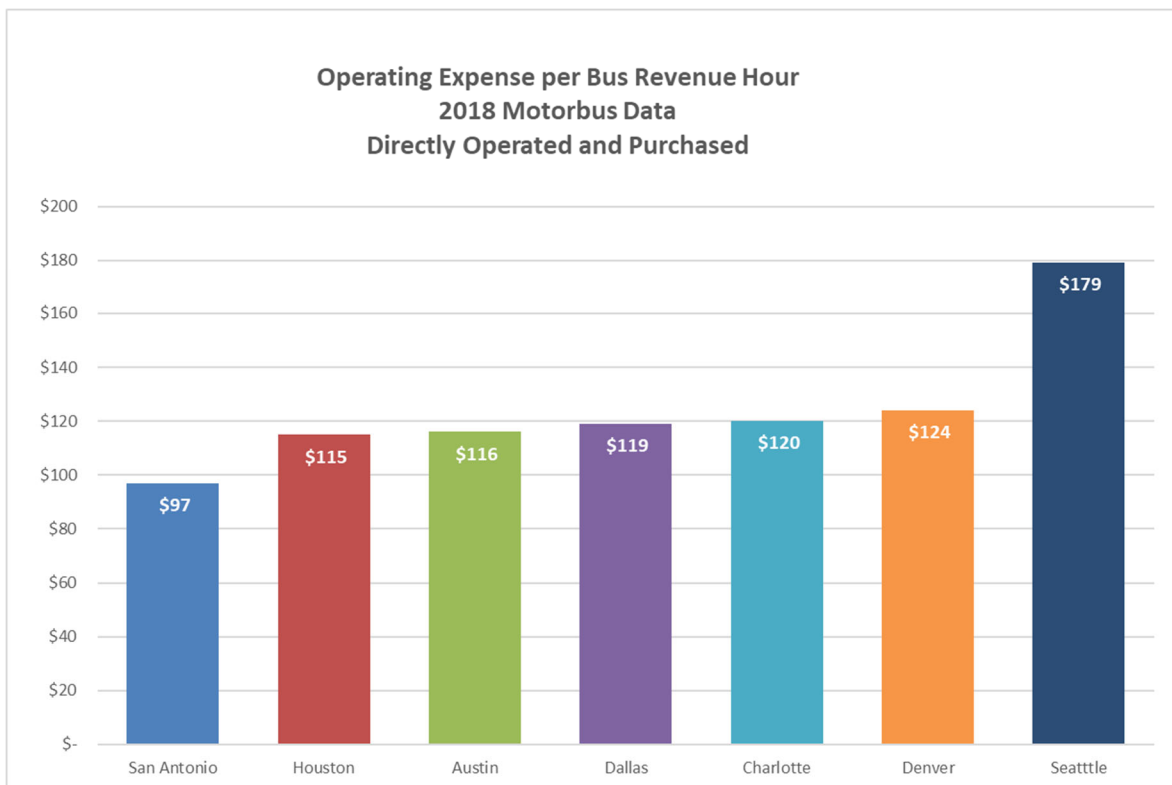
Vision 2040 Rapid Corridor Studies – Four Rapid Transit Corridors, as identified as part of the region-wide rapid transit network of the VIA Vision 2040 Long Range Plan, are being studied for potential implementation of improved high-capacity, rapid transit service. VIA investment in rapid transit services supports the land use vision established by the City of San Antonio in its 2016 Comprehensive Plan, SA Tomorrow. SA Tomorrow acknowledges that by 2040, Bexar County is projected to add over 1.1 million people and 500,000 jobs. The Rapid Transit Corridor Studies will focus on four critical corridors: the Northwest Corridor, the North-Central Corridor, the East-West Corridor, and the Southeast Crosstown Corridor.

Updated Bus Stop Shelter and Amenities. VIA recently surpassed the milestone of installing 1,000 new bus shelters (over a three-year period), and will partner with TxDOT and the City of San Antonio to improve approximately 200 new bus stops in the next five years. Site analysis, design, and coordination are all underway, and construction and site work are progressing.

State-of-the-Art Fare Collection System. VIA will be implementing smart card technology in FY20, following implementation of new validating fareboxes and electronic fare media (in FY14) and mobile ticketing (in FY17). Smart cards will provide more fare options, decrease boarding time and give riders greater flexibility.

In summary, FY20 will be a year of significant progress for VIA, as the vision of a multimodal transit system for the San Antonio region continues to develop, and investments are made in transit system assets and improvements throughout the region. Additionally, VIA has been able to expand bus service slightly while remaining fiscally sound, with Stabilization Fund (“Rainy Day” Fund) and working capital balances at Board policy levels (60 days each).

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 15.7-18.5 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. In FY18, sales tax revenue for these agencies were the following: Houston (METRO), \$759.1M; Dallas (DART), \$596.4M; Austin (Cap Metro), \$243.6M; and San Antonio (VIA), \$186.0M. 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 FY20, VIA will continue to explore ways to improve financial sustainability. Key fiscal sustainability efforts for FY20 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.

Federal Grant Awards. In addition to building new facilities and introducing new transit services, VIA has pursued federal grants to help modernize the system and expand current services. VIA's current capital program is being funded in part by discretionary grant awards that VIA has successfully secured. These awards include \$9.8 million of Volkswagen settlement funds administered by the Texas Commission on Environmental Quality (TCEQ), \$23.9 million of Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for compressed

natural gas (CNG) buses and related operating expenses, a \$6 million grant for VIA's Paratransit Operations & Maintenance Facility, two FTA no/low emissions grants totaling \$3.7M for the purchase of electric buses, and a \$1.6 million grant for transit amenities. In recent years, VIA spent other discretionary grant funds for facilities and buses – an \$8 million grant for VIA's CNG facility, a \$12 million grant for Stone Oak Park & Ride, a CMAQ grant of \$5M for CNG buses and an EPA grant for over \$1M for CNG buses. Additionally, VIA has received discretionary operating grants including an \$8M Surface Transportation Block Grant for planning studies and a \$825K TOD/UDC Planning Grant. VIA will continue to aggressively pursue grant opportunities for transit use.

Revenue Fleet Vehicles – Over the past three years, VIA has purchased 332 new CNG buses. Replacing diesel-powered buses with CNG vehicles has resulted in significant fuel savings. VIA will continue to seek grant funding opportunities that can be used to replace additional diesel-powered buses with CNG buses.

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

Cost Reviews – VIA will continue to monitor key cost drivers and seek to take prudent measures to improve financial sustainability. Some of VIA's significant costs include wages, fuel, healthcare, pension and workers compensation. VIA has been successful at reducing fuel cost by purchasing new CNG buses. There is a significant cost differential between CNG and ultra-low sulfur diesel (ULSD). VIA has also been successful at reducing healthcare costs. In 2017, VIA made various plan design changes and shifted more costs to employees (employees now pay a higher share of premiums). Examples of plan design changes made include changes to copays, higher deductibles, more stringent out-of-network penalties, and adding a new plan. 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. Workers compensation expense has been significantly reduced as a result of VIA's contracting with a third-party administrator (TPA) and network beginning in January 2018. The TPA and network have been successful at reducing claims through close monitoring of utilization and getting employees back to work as soon as it is medically safe to do so.

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, 2018. This was the twenty-ninth 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 prepares that report in conformity with the Certificate of Achievement Program requirements and submits it to the GFOA on an annual basis, no later than March 31st of each year.

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

Gerencia con Corazón Award – Alexander Briseño Leadership Development Program (presented to President/CEO Jeffrey C. Arndt for support of the leadership program)

El Bronce Campaign Award, Creative Tactics – Public Relations Society of America, San Antonio chapter (for West Side Murals Tour brochure)

Lone Star Award – Texas Natural Gas Vehicle Alliance (for commitment to alternative fuels and fleet conversion to CNG)

Individual DiversityFIRST Award – Texas Diversity Council (presented to President/CEO Jeffrey C. Arndt for promotion of diversity and inclusion)

Innovation Award – American Public Transportation Association (for GoCodeSA Codeathon)

Corporate Sponsor of the Year - Hispanic Contractors Association (for long-time support of the HCA)

Historic Preservation Award – San Antonio Conservation Society (for Centro Plaza/Washington Hotel Rehabilitation project)

Spotlight Award, Public Transportation Marketing Excellence - South West Transit Association (for “VIVA Passport to Adventure” marketing campaign)

Hit the Spot Award, Print Media - South West Transit Association (for VIAWorks Corporate Rideshare brochure and inserts)

Smart 50 Award - Smart Cities Connect Foundation (for Transformative Smart Project: VIA goMobile app)

Best of the City: Public Art Display - San Antonio Magazine (for Museum Month Celebration, Mobile Concert: Opera on the Bus)

AdWheel: First Place Marketing and Communications Educational Effort 2-D - American Public Transportation Association (for VIA Moves Me video series)

Acknowledgements

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

Sincerely,



Jeffrey C. Arndt
President/CEO



Steven J. Lange
Vice President Fiscal Management/CFO



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, 2018

Christopher P. Morill

Executive Director/CEO

**VIA Metropolitan Transit
Board of Trustees FY2019**

October 2018 – September 2019

Appointed by:

Hope Andrade Chair (eff. 1/27/15)	Elected by VIA Board of Trustees
Rey Saldaña Chair (eff. 6/25/19)	Elected by VIA Board of Trustees
Robert “Bob” Comeaux (appt’d 6/30/16) Asst. Secretary (Jun-Dec 2018) Vice Chair (2019-2020)	San Antonio City Council
Patricia Y. Rodriguez (appt’d 4/7/16) Secretary (Jan-Jun 2018) Vice Chair (Jun-Dec 2018). . .	San Antonio City Council
A. David Marne (appt’d 1/15/14) Secretary (Jun-Dec 2018) Exec. Committee (2019) . . .	Suburban Mayors
Ezra Johnson (appt’d 4/12/18) Secretary (2019 – 2020)	San Antonio City Council
Louis Cooper (appt’d 11/15/17)	Suburban Mayors
Brian C. Dillard (appt’d 4/12/18)	San Antonio City Council
Amanda Merck (appt’d 4/12/18)	San Antonio City Council
Athalie Malone (appt’d 9/12/19)	San Antonio City Council
Kristi G. Villanueva (appt’d 1/31/19)	San Antonio City Council
Marina Alderete Gavito (appt’d 2/27/18) Executive Committee (2019 -)	Bexar County Commissioners Court
Jordana DeCamps Mathews (appt’d 4/10/18).	Bexar County Commissioners Court
Akeem Brown (appt’d 5/8/18)	Bexar County Commissioners Court

VIA

**Board of
Trustees**



Hope Andrade
Chair (Jan.2015 –
June 2019)



Rey Saldaña
Chair (June 2019 –
February 2020)



Bob Comeaux
Vice Chair
(January 2019 – Present)



Patricia Y. Rodriguez
Vice Chair (June –
December 2018)



A. David Marne



Ezra Johnson



Louis Cooper



Brian C. Dillard



Amanda Merck



Athalie Malone



Kristi G. Villanueva



**Marina
Alderete Gavito**



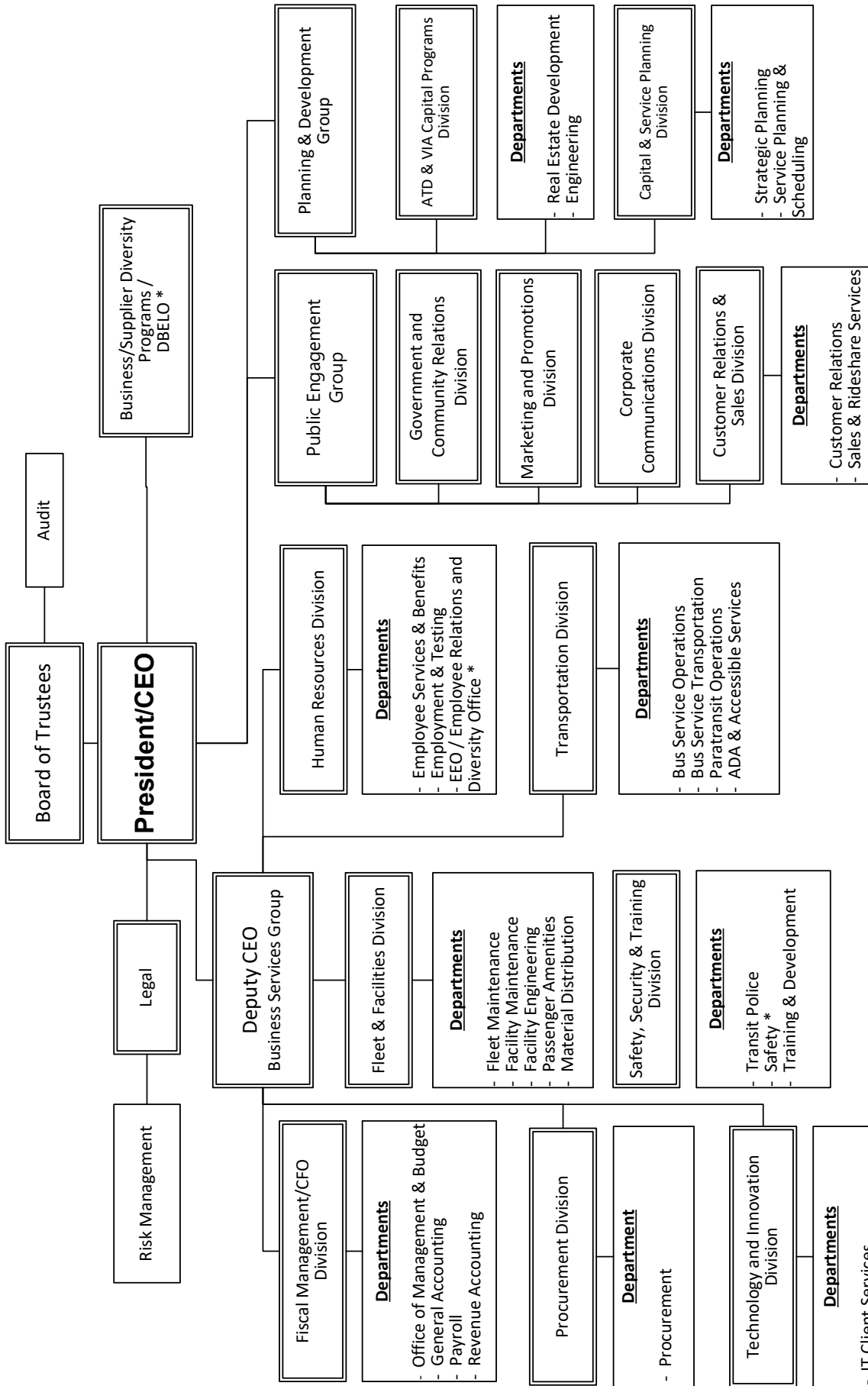
**Jordana
DeCamps Mathews**



Akeem Brown

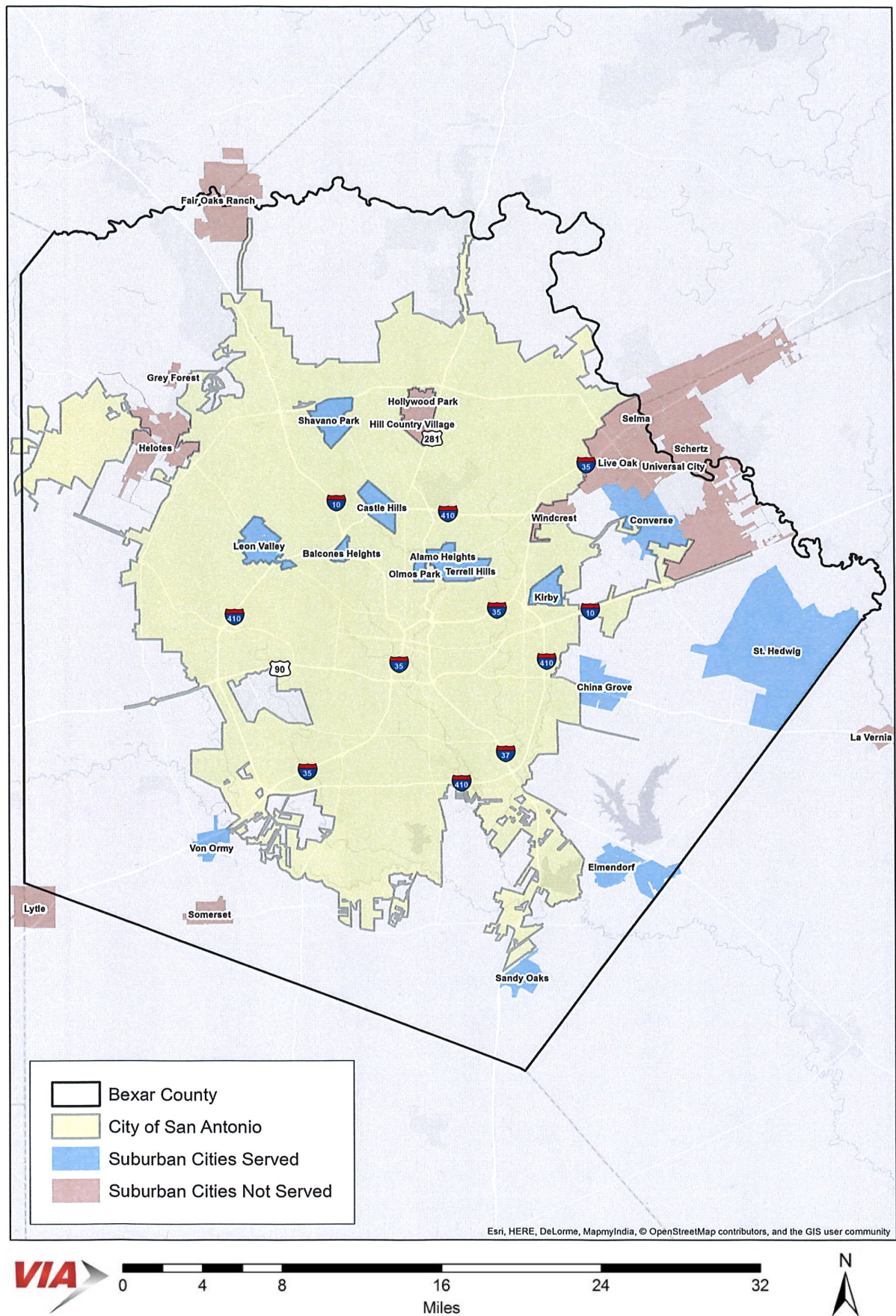
VIA METROPOLITAN TRANSIT ORGANIZATIONAL CHART

October 1, 2018 – September 30, 2019



*DBELO, EEO / Employee Relations and Diversity Office, and Safety Officer have direct, independent access to the CEO

VIA Service Area



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FINANCIAL

Independent Auditor's Report	23
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Required Supplementary Information

Management's Discussion and Analysis	27
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Statements of Net Position	43
Statements of Revenues, Expenses, and Changes in Net Position	45
Statements of Cash Flows	46
Notes to the Financial Statements	47

Required Supplementary Information

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Notes to Schedule - Unaudited	93
Schedule of OPEB Contributions - Unaudited.....	94
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Note 1 - Schedule of VIA's Pension Contributions - Unaudited	95
Note 2 - Schedule Other Postemployment Benefits Other than Pension - Unaudited...	96

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Combining Schedule of Cash Flows	102
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Independent Auditors' Report

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INDEPENDENT AUDITORS' 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 VIA Metropolitan Transit, as of and for the years ended September 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise VIA Metropolitan Transit'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.

Auditors' 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 auditors' 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 over financial reporting relevant to the VIA Metropolitan Transit'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 the VIA Metropolitan Transit'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.

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 financial position of VIA Metropolitan Transit as of September 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The introductory and statistical information as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we express no opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated March 5, 2020, on our consideration of VIA Metropolitan Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VIA Metropolitan Transit's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Austin, Texas
March 5, 2020

Required Supplementary Information – Unaudited

Management's Discussion and Analysis

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Management's Discussion and Analysis

The following Management's Discussion and Analysis of VIA Metropolitan Transit's ("VIA") activities and financial performance are provided as an introduction to the financial statements for the fiscal year ("FY") ending September 30, 2019 and 2018. Readers are encouraged to consider the information presented here in conjunction with information contained in the financial statements that follow this section.

Financial Highlights

- As of September 30, 2019 and 2018, VIA's total assets and deferred outflows of resources of VIA exceeded total liabilities and deferred inflows of resources by \$270.4M and \$276.2M respectively. VIA's net investment in capital assets is the largest component of these net position balances, accounting for \$252.7M of the current year balance and \$245.9M of the prior year balance.

The net position of VIA decreased by \$5.8M in FY19 and decreased by \$13.9M in FY18. The decrease in FY19 is due to expenses exceeding revenue and capital contributions. The \$13.9M decrease in FY18 is comprised of a \$28.2M decrease from implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and an \$14.3M increase from all other items. The \$28.2M decrease is reflected as a FY18 beginning balance adjustment to unrestricted net position. Excluding the impact of the beginning net position adjustment from implementing the GASB Statement No. 75, the net position increase is attributable to revenue and capital contributions exceeding expenses.

- Operating revenues are \$22.2M in FY19, down \$0.4M from the prior year, and in the prior year, operating revenues decreased by \$0.5M. In both years, the decrease is attributable to lower bus line fare revenues resulting from lower ridership, consistent with a national trend.
- Net nonoperating revenues/(expenses) are \$243.2M in FY19, up \$26.2M from the prior year, with the prior year up \$14.0M. In FY19, the increase was driven by higher sales taxes, up \$10.3M due to a growing economy (net after adjusting for amounts paid to the City of San Antonio and Bexar County), and higher grant reimbursements, up \$8.8M. In the prior year, the change was driven by higher sales taxes, up a net of \$10.5M due to economic growth.
- VIA's net sales tax revenue, which is the largest component of nonoperating revenue, is \$196.3M in FY19 and \$186.0M in FY18. In the current year, total sales taxes were \$232.5M, of which \$36.2M was for ATD entities other than VIA, and in the prior year, total sales taxes were \$220.3M, of which \$34.3M was for ATD entities other than VIA. ATD sales taxes returned to the community through the City of San Antonio (CoSA), the Texas Department of Transportation (TxDOT), and Bexar County are used for street improvements and to complete highway projects in the local area more quickly. Bexar County and TxDOT have used ATD funds to accelerate highway projects such as on Loop 1604 and U.S. 281.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

- Operating expenses including depreciation are \$271.0M in FY19, an increase of \$20.7M (8.3%) in the current year, compared to an increase of \$11.4M (4.8%) in the prior year. In the current year, the increase is primarily attributable to the following: wages/FICA, up \$7.8M due to added bus service and a 3% wage increase; depreciation expense, up \$2.3M due to the purchase of new CNG buses, and purchased transportation, up \$2.0M due to higher costs under a new contract along with new VIA Link mobility-on-demand service. Together, these items account for \$12.1M (58%) of the variance. Other items contributing to the variance are discussed below under “Expenses”.
- Total capital/cash reserves and working capital (which equals cash, cash equivalents, and investments) increased by \$4.5M in the current year and decreased by \$73.7M in the prior year. As of September 30, 2019 and 2018, the balances were \$159.6M and \$155.1M, respectively. The current year increase was driven by a \$25.4M decrease in VIA’s federal grants receivable account, as VIA successfully worked to draw down balances on open grants. This impact was partially offset by other items, with the largest being a \$17.3M decrease in TxDOT grant funds, as those funds were spent on projects against which the funds were programmed. The prior year decrease was driven mainly by the a \$41.8M decrease in the bond construction fund (used for purchase of new CNG buses), and \$13.3M decrease in TxDOT grant funds (for spending on eligible projects).
- As of September 30, 2019, VIA’s stabilization fund and working capital reserve are each at Board policy level, which is to have a balance adequate to cover 60 days of operating expenses. The year-end balance in each reserve is \$39.3M. At the end of the prior year, the stabilization fund was fully funded and had a balance of \$39.3M, while the working capital reserve balance was \$24.1M (37 days) due mainly to cash flow timing (higher federal receivable balance than usual).
- VIA spent \$34.7M on capital projects in FY19 and \$77.2M in FY18. In FY19, Brooks Transit Center, SW High-Capacity Transit (Primo), and new CNG buses accounted for most of the spending. In the prior year, new buses accounted for most of the spending.

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 and other supplementary information 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 adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* – effective October 1, 2017. Therefore, the beginning net position balance for FY18 is \$28.2M lower than the ending net position balance for FY17. VIA has elected to use a measurement date for the OPEB liability that is based on the end of the previous year.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

The Statement of Net Position includes all of the assets and liabilities of VIA, and the deferred inflows and outflows of resources. 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 deferred outflows and liabilities and deferred inflows over time and are one way to measure the financial health of the system. Other nonfinancial factors such as changes in economic conditions, population growth, regulations and new or revised government legislation must also be taken into consideration when attempting to assess the financial condition of VIA.

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Condensed Statement of Net Position Information

(in Millions of Dollars)

	2019	2018	2017
Current assets	\$ 156.1	\$ 157.6	\$ 187.4
Capital assets	401.7	404.7	362.0
Other noncurrent assets	53.9	71.2	106.6
Total assets	\$ 611.7	\$ 633.5	\$ 656.0
Deferred outflows of resources	42.7	23.0	24.6
Total assets and deferred outflows of resources	\$ 654.4	\$ 656.5	\$ 680.6
Current liabilities	\$ 45.6	\$ 53.2	\$ 75.2
Long-term liabilities	322.6	315.6	308.2
Total liabilities	\$ 368.2	\$ 368.8	\$ 383.4
Deferred inflows of resources	15.8	11.5	7.2
Total liabilities and deferred inflows of resources	\$ 384.0	\$ 380.3	\$ 390.6
Net position			
Net investment in capital assets	\$ 252.7	\$ 245.9	\$ 211.5
Restricted	55.2	78.6	91.9
Unrestricted	(37.5)	(48.3)	(13.3)
Total net position	\$ 270.4	\$ 276.2	\$ 290.1

Total net position may serve, over time, as a useful indicator of an entity's financial position. At the end of FY19, VIA's net position was \$270.4M. A significant portion of VIA's net assets in all years reported is represented by capital assets (revenue vehicles, passenger stations and shelters, service vehicles, land and equipment). These capital assets are used by VIA to provide public transportation services.

Net position decreased by \$5.8M in FY19, going from \$276.2M to \$270.4M. Net investment in capital assets is up \$6.8M, restricted net position is down \$23.4M, and unrestricted net position is up \$10.8M. The increased net investment in capital assets is driven by VIA's capital spending on projects including the SW High-Capacity Transit project (Primo), new CNG buses, and Brooks Transit Center. Restricted net position is down mainly due to spending of TxDOT grant funds. Unrestricted net position is up due to the net impact of other activity.

In FY18, net position decreased by \$13.9M, going from \$290.1M to \$276.2M. Net investment in capital assets was up \$34.4M, restricted net position was down \$13.3M, and unrestricted net position was down \$35.0M. The increased investment in capital assets and the decrease in restricted funds were driven by the purchase of new CNG buses. Unrestricted net position was down mainly due to a \$33.2M OPEB liability that VIA booked to implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Net capital assets decreased by \$3.0M in FY19, going from \$404.7M to \$401.7M. This resulted from asset acquisitions of \$34.7M, net deletions of \$0.9M, depreciation of \$36.8M (excluding accumulated depreciation impact included in net deletions). The \$34.7M increase in asset acquisitions is comprised of: buildings and shelters, \$21.0M; revenue and service vehicles, \$9.9M; and equipment, \$3.8M.

In FY18, net capital assets increased by \$42.7M, going from \$362.0M to \$404.7M. This resulted from asset acquisitions of \$77.2M (including work-in-progress), net deletions of \$0.1M, and depreciation of \$34.4M (excluding accumulated depreciation impact included in net deletions). The \$77.2M increase in asset acquisitions is comprised of: revenue and service vehicles, \$44.6M; buildings and shelters, \$28.9M; and equipment \$3.7M.

Revenues, Expenses and Changes in Net Position Information

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Revenues, Expenses and Changes in Net Position

(in Millions of Dollars)

	2019	2018	2017
Operating revenues:			
Passenger revenues	\$ 20.2	\$ 20.6	\$ 21.2
Bus advertising and other	2.0	2.0	1.9
Total operating revenues	<u>22.2</u>	<u>22.6</u>	<u>23.1</u>
Operating expenses:			
Line service	179.9	165.5	165.7
Line disaster relief	0.0	0.0	0.2
Robert Thompson Terminal	0.7	0.5	0.5
Other special events	0.5	0.7	0.5
VIAtrans	45.6	42.1	40.1
VIA Link	0.4	0.0	0.0
Vanpool	0.6	0.6	0.6
Promotional service	0.1	0.1	0.1
Business development and planning	6.5	6.4	6.7
Real estate development	0.0	0.0	0.0
Transit technology	0.0	0.0	0.5
Depreciation	36.7	34.4	24.0
Total operating expenses	<u>271.0</u>	<u>250.3</u>	<u>238.9</u>
Operating loss	(248.8)	(227.7)	(215.8)
Nonoperating revenues (expenses):			
Sales taxes	232.5	220.3	207.9
Grants reimbursement - VIA	39.3	30.5	29.0
Grants reimbursement - pass-through	2.1	0.8	1.6
Investment income/(loss)	4.0	1.9	1.4
CoSA intergovernmental revenue	10.0	4.3	0.0
Bond interest and issuance costs	(5.5)	(5.8)	(5.6)
Gain/(loss) on sale of assets	(0.9)	0.2	2.6
Less amounts remitted to CoSA and Bexar County	(36.2)	(34.3)	(32.4)
Less pass-through funds remitted to subrecipients	(2.1)	(0.9)	(1.5)
Total nonoperating revenues/(expenses)	<u>243.2</u>	<u>217.0</u>	<u>203.0</u>
Loss before capital contributions	(5.6)	(10.7)	(12.8)
Capital contributions	<u>(0.2)</u>	<u>25.0</u>	<u>25.8</u>
Change in net position	(5.8)	14.3	13.0
Net position at beginning of year, as restated (*)	<u>276.2</u>	<u>261.9</u>	<u>277.1</u>
Net position at end of year	<u>\$ 270.4</u>	<u>\$ 276.2</u>	<u>\$ 290.1</u>

(*) Due to VIA's adoption of GASB 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions) in 2018, the beginning net position balance for FY18 is \$28.2M lower than the ending net position balance in FY17.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

As shown on the statement of Revenues, Expenses, and Changes in net position, VIA's net position decreased by \$5.8M in Fiscal Year 19. Capital contributions were -\$0.2M, which is the net of \$1.3M received from the Federal Transit Administration for capital projects less \$1.5M of funds received from TxDOT in FY16 that were returned to TxDOT (in FY16, TxDOT contributed \$9M to VIA to be used for various capital projects). The \$1.5M contributed to TxDOT is to help fund construction of a park and pool facility along the NE IH 35 corridor between FM 1103 and Schwab Road.

In FY18, VIA's net position decreased by \$13.9M. Capital contributions were \$25.0M. In FY18, all of the capital contributions are grant funds received from the Federal Transit Administration that VIA used for capital projects.

Operating Revenues

In FY19, operating revenues are \$22.2M, down \$0.4M (1.8%) from the prior year. This result is due to lower line revenue, down slightly due to lower ridership. Lower bus ridership has been a national trend in recent years.

In FY18, operating revenues were \$22.6M, down \$0.5M (2.2%) from the prior year. This result is due to lower line revenue, reflecting lower ridership.

Net Nonoperating Revenues/(Expenses)

In FY19, VIA's net nonoperating revenues/(expenses) increased by \$26.2M (12.1%). Sales taxes are up \$10.3M (5.6%), as the San Antonio economy improved, with the growth rate higher than in the previous year (this \$10.3M variance is based on total sales taxes, net of amounts distributed to ATD entities other than VIA). VIA's grant revenue is up just slightly from the prior year.

In FY18, VIA's net nonoperating revenues/(expenses) increased by \$14.0M (6.9%). Sales taxes were up \$10.5M (6.0%), as the San Antonio economy improved, with the growth rate higher than in the previous year (this \$10.5M variance is based on total sales taxes, net of amounts distributed to ATD entities other than VIA). VIA's grant revenue is up just slightly from the prior year.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

VIA's total revenues were \$271.9M in FY19 (and \$245.1M in FY18), as detailed in the chart below:

2019 Total Revenues by Major Category

	MTA	ATD	Total
Operating revenues:			
Line service	\$ 15,414,524	\$ 2,682,064	\$ 18,096,588
Robert Thompson Terminal	71,168	-	71,168
Other special events	106,386	-	106,386
VIAtrans	1,912,340	-	1,912,340
VIA Link	11,869	-	11,869
Real estate development	557,273	-	557,273
Ellis Alley Park and Ride	13,805	-	13,805
Bus advertising	1,021,564	-	1,021,564
Miscellaneous	455,673	-	455,673
Total operating revenues	19,564,602	2,682,064	22,246,666
Nonoperating revenues:			
Sales taxes	160,092,754	72,449,596	232,542,350
Grants reimbursement - VIA	39,285,411	-	39,285,411
Grants reimbursement - pass-through	2,071,336	-	2,071,336
Investment income (loss)	3,582,452	426,254	4,008,706
Less amounts remitted to CoSA and Bexar County	-	(36,224,798)	(36,224,798)
Less pass-through funds remitted to subrecipients	(2,071,336)	-	(2,071,336)
CoSA intergovernmental revenue	10,000,000	-	10,000,000
Total nonoperating revenues	212,960,617	36,651,052	249,611,669
Total revenues	\$ 232,525,219	\$ 39,333,116	\$ 271,858,335

Expenses

In FY19, operating expenses are \$271.0M, an increase of \$20.7M (8.3%). The increase is primarily attributable to the following: wages/FICA, +\$7.8M; depreciation expense, +\$2.3M; purchased transportation, +\$2.0M; advertising, +\$1.7M; pension plans, +\$1.7M; VIAcare, +\$1.6M; and materials & supplies, +\$1.6M. Wages are up due to added bus service and a 3% wage increase. Depreciation expense is up due to new environmentally-friendly compressed natural gas (CNG) buses that VIA recently purchased. Purchased transportation costs increased due to higher costs under a new contract as well as new VIA Link mobility-on-demand service. Advertising was up due to efforts to promote VIA. Pension expense was up due mainly to the impact of assumption changes (mainly a lower assumed rate of return). VIAcare, which is VIA's healthcare program, was up due to higher claims, and materials & supplies were up due to added service.

In FY18, operating expenses are \$250.3M, an increase of \$11.4M (4.8%). The increase is mainly attributable to depreciation expense, up \$10.4M, due to VIA's purchase of new CNG buses. The remaining \$1.0M increase is mainly attributable to higher wages and OPEB expense, partially offset by lower fuel & lubricants and pension expense, as discussed under Financial Highlights.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Long-Term Debt

In FY19 and FY18, VIA did not issue any debt. At the end of FY19 VIA has three bond issues outstanding, and at the end of FY18, VIA had four bond issues outstanding. In FY19, VIA made the last debt service payment on \$3.2M of contractual obligations issued in FY12. Additional information on VIA's debt can be found in Note 12 of VIA's financial statements.

Capital Assets

At the end of FY19, VIA has \$401.7M in net capital assets, a decrease of \$3.0M from the prior fiscal year-end balance of \$404.7M. The \$3.0M net change resulted from the following: fixed assets before depreciation and construction in progress ("CIP") increased by \$7.2M (to a balance of \$680.0M); accumulated depreciation increased by \$21.3M (to a balance of \$342.4M); construction in progress increased by \$11.1M (to a balance of \$64.1M). 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 \$7.2M increase in fixed assets value before depreciation, construction in progress, and the allowance reflects the net of \$9.8M in asset additions, \$16.4M in asset disposals, and \$13.8M in transfers from CIP. The asset category accounting for the largest balance change is revenue vehicles, up \$9.8M, due to the purchase of new CNG Primo buses (other categories each round to zero).

CIP increased by \$11.1M, with \$24.9M in CIP additions and \$13.8M in transfers out (to fixed assets). Buildings and shelters are up \$13.8M, revenue and service vehicles are down \$1.8M, and equipment is down \$0.9M, as CIP was transferred to fixed assets.

At the end of FY18, VIA had \$404.7M in net capital assets, an increase of \$42.7M over the prior fiscal year-end balance of \$362.0M. The \$42.7M net change resulted from the following: fixed assets before depreciation and construction in progress ("CIP") increased by \$54.2M (to a balance of \$672.8M); accumulated depreciation decreased by \$27.9M (to a balance of \$321.1M); and construction in progress decreased by \$39.4M (to a balance of \$53.0M).

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Capital Assets (in Millions of Dollars)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 33.3	\$ 33.3	\$ 33.1
Buildings and shelters	280.4	274.9	229.0
Revenue vehicles	299.9	292.6	294.7
Service vehicles	6.0	5.9	4.8
Equipment	<u>60.4</u>	<u>66.1</u>	<u>57.0</u>
Subtotal	680.0	672.8	618.6
Less accumulated depreciation	<u>342.4</u>	<u>321.1</u>	<u>349.0</u>
Net capital assets before construction in progress	<u>337.6</u>	<u>351.7</u>	<u>269.6</u>
Construction in progress:			
Buildings and improvements	55.4	41.6	63.4
Revenue and service vehicles	0.2	2.0	16.5
Equipment	<u>8.5</u>	<u>9.4</u>	<u>12.5</u>
Total construction in progress	<u>64.1</u>	<u>53.0</u>	<u>92.4</u>
Net capital assets	<u>\$ 401.7</u>	<u>\$ 404.7</u>	<u>\$ 362.0</u>

Economic Factors and Outlook for Fiscal Year 2020

Economic factors and the outlook for FY20 are favorable. Sales tax receipts are expected to be solid, and VIA expects to make significant progress on enhancing the customer experience and planning for the future.

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 FY20 sales tax revenue reflects a 3.5% increase over the forecasted FY19 total, and a 2.7% increase over actual FY19 sales taxes. Actual results for 2019 came in slightly higher than forecast. Actual sales tax receipts for 2019 were up 5.7% from 2018, reflecting a strong economy.

The San Antonio-New Braunfels metro area will grow at about the national rate over the coming year, led by construction, according to Moody's Analytics. Longer term, the metro area's above-average population gains, low costs of doing business, and relatively high housing affordability should contribute to above-average overall performance.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

FY20 Initiatives

VIA's budget focuses on the strategic outcomes of increasing ridership and delivering "VIA Reimagined." The VIA Reimagined Plan includes delivering a better bus system with smart transit solutions while designing an Advanced Rapid Transit Network. Four areas will be targeted:

- Providing valuable service
- Enhancing the customer experience
- Fostering meaningful engagement
- Planning for the future

VIA's approved \$249.4M operating budget supports a robust program of strategic investments to improve the customer experience while maintaining fares at current levels, adding nearly 3% more line service, a second pilot of VIA Link on-demand service, and introducing new goCard fare technology.

VIA's FY20 capital budget includes funds for new 38 buses and 62 new paratransit vans. The buses VIA will be purchasing in FY20 include 30 new CNG buses and 8 electric buses. The electric buses should provide very useful information about electric vehicles under revenue service conditions, as VIA continues to examine zero emissions technology. VIA's capital budget also includes funds to replace 62 paratransit vehicles in FY20, although VIA is now planning to accelerate by one year the purchase of an additional 62 vans programmed in FY21. Bonds will be used to help fund the purchase.

VIA will continue to build/rehabilitate facilities, design facilities, develop/continue partnership projects, and conduct studies/assessments. VIA will continue bus stop improvements and shelter installation beyond the 1,000 new shelters milestone recently reached. Solar-powered lighting will be installed at 250 new shelters over the next five years. Investments will be made in new facilities including design of a Paratransit Operations & Maintenance Facility, Randolph Park & Ride, and Naco Pass Mobility Hub. Partnership projects that will be pursued include the Robert Thompson Transit Center and Scobey Complex. Studies/assessments slated for FY20 include Advanced Rapid transit network planning (project development/environmental analysis), and planning for a new Bus Operations and Maintenance Facility.

VIA continually works to help ensure that it utilizes new and modern technologies, and in FY20 will be introducing smart cards. Smart cards will allow customers to tap their cards to pay fares when boarding buses, enabling quicker and more convenient boarding. VIA will continue to promote use of goMobile, a mobile phone app implemented in FY17 that customers can use to purchase fare products. Sales from the new app have been solid.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - *unaudited*

Through the VIA Vision 2040 Long-Range Plan, VIA identified corridors for further study to implement rapid transit services. In 2018, VIA identified 6 alignments to be phased in over the next 25 years, and will advance project development of the first phase, which is planned for a 2028 opening. These 6 alignments come together to form the Advanced Rapid Transit (ART) Network with the first phase including 2 corridors – North Central and South Central. The development of the ART Network supports the land use vision established by the City of San Antonio in its 2016 Comprehensive Plan, SA Tomorrow. SA Tomorrow acknowledges that by 2040, Bexar County is projected to add over 1.1 million people and 500,000 jobs.

FY20 will be a year of significant progress for VIA, as the vision of a multimodal transit system for the San Antonio region continues to develop, and investments are made in transit system assets and improvements throughout the region. VIA is in sound financial position as of the end of FY19, with the Stabilization Fund (“Rainy Day” Fund) and working capital both at the Board policy level of 60 days. Projections over the five-year planning horizon show that VIA will continue to be in sound financial position and will be able to deliver significant transportation system improvements to San Antonio.

Requests for Information

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

Basic Financial Statements

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Statements of Net Position

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 65,412,154	\$ 44,139,488
Investments	37,782,319	31,081,470
Accounts receivable:		
Federal government	3,478,033	28,851,377
State of Texas - sales taxes	38,855,865	31,168,857
Interest	38,531	55,601
Other, net	3,154,280	3,521,866
Inventory	4,816,864	4,205,220
Prepaid expenses and other current assets	70,833	43,182
Restricted assets:		
Restricted cash - bond fund	2,503,201	3,011,256
Restricted investments - sales tax payable	-	5,735,040
State of Texas Receivable - sales taxes	-	5,738,415
Total current assets	156,112,080	157,551,772
Noncurrent assets:		
Prepaid expenses	-	28,720
Restricted cash - TxDOT grant	30,715,256	19,308,423
Restricted cash - bond reserve fund	2,927,724	2,896,843
Restricted investments - TxDOT grant	20,259,354	48,955,248
Capital assets:		
Land	33,334,256	33,334,256
Buildings and shelters	280,433,405	274,929,969
Revenue vehicles	299,903,960	292,554,191
Service vehicles	5,966,597	5,922,368
Equipment	60,373,297	66,041,310
Total capital assets	680,011,515	672,782,094
Less accumulated depreciation	342,425,987	321,091,169
Construction in progress	64,118,426	53,036,535
Net capital assets	401,703,954	404,727,460
Total noncurrent assets	455,606,288	475,916,694
Total assets	611,718,368	633,468,466
Deferred outflows of resources		
Pension	33,777,400	14,632,916
Postemployment benefits other than pension	8,931,903	8,407,325
Total deferred outflows of resources	42,709,303	23,040,241
Total assets and deferred outflows of resources	\$ 654,427,671	\$ 656,508,707

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2018 and 2017

	2019	2018
Liabilities		
Current liabilities:		
Accounts payable	\$ 12,946,461	\$ 17,123,089
Payable to CoSA and Bexar County	6,054,909	-
Retainage payable	1,765,141	2,925,232
Accrued liabilities	7,110,082	7,379,929
Unearned revenue	2,353,759	2,056,684
Claims payable	7,736,637	8,042,214
Current liabilities payable from unrestricted assets	37,966,989	37,527,148
Current liabilities payable from restricted assets:		
Payable to CoSA and Bexar County	-	5,735,040
Interest payable	1,256,845	1,324,644
Bonds payable	6,390,000	8,565,000
Total current liabilities	45,613,834	53,151,832
Noncurrent liabilities:		
Net pension liability	142,423,315	129,447,516
Net other postemployment benefits (OPEB) liability	35,052,366	33,240,334
Long-term liabilities	145,163,966	152,952,221
Total noncurrent liabilities	322,639,647	315,640,071
Total liabilities	368,253,481	368,791,903
Deferred inflows of resources		
Pension	15,739,012	11,438,868
Postemployment benefits other than pension	71,095	101,120
Total deferred inflows of resources	15,810,107	11,539,988
Total liabilities and deferred inflows of resources	384,063,588	380,331,891
Net position		
Net investment in capital assets	252,726,157	245,849,541
Restricted sales tax	-	5,738,415
Restricted debt service	1,246,356	1,686,611
Restricted TXDOT grant	50,974,610	68,263,671
Restricted bond reserve fund	2,927,724	2,896,843
Unrestricted	(37,510,764)	(48,258,266)
Total net position	270,364,083	276,176,816
Total liabilities, deferred inflows and net position	\$ 654,427,671	\$ 656,508,707

The accompanying notes are an integral part of these statements.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Statements of Revenues, Expenses, and Changes in Net Position

	For Fiscal Year Ended	
	2019	2018
Operating revenues:		
Line service	\$ 18,096,588	\$ 18,369,534
Robert Thompson Terminal	71,168	77,468
Other special events	106,386	178,001
VIAtrans	1,912,340	1,999,596
VIA Link	11,869	-
Real estate development	557,273	577,989
Ellis Alley Park and Ride	13,805	7,752
Bus advertising	1,021,564	950,635
Miscellaneous	455,673	416,518
Total operating revenues	22,246,666	22,577,493
Operating expenses:		
Line service	179,874,538	165,548,929
Robert Thompson Terminal	710,668	499,524
Other special events	495,404	670,088
VIAtrans	45,611,738	42,097,730
VIA Link	375,020	-
Vanpool	604,486	597,442
Promotional service	70,002	65,106
Real estate development	1,051	801
Business development and planning	6,598,704	6,468,225
Total operating expenses before depreciation	234,341,611	215,947,845
Depreciation on capital assets:		
Acquired with VIA equity	18,701,422	18,166,762
Acquired with grants	18,001,553	16,195,762
Total operating expenses after depreciation	271,044,586	250,310,369
Operating loss	(248,797,920)	(227,732,876)
Nonoperating revenues (expenses):		
Sales taxes	232,542,350	220,294,591
City of San Antonio intergovernmental agreement	10,000,000	4,300,000
Grants revenue - VIA	39,285,411	30,500,898
Grants revenue - pass-through	2,071,336	815,948
Investment income	4,008,706	1,861,966
Bond interest and issuance costs	(5,539,802)	(5,774,084)
Gain (loss) on sale of assets	(912,121)	218,743
Less pass-through funds remitted to subrecipients	(2,071,336)	(897,060)
Less amounts remitted to CoSA and Bexar County	(36,224,798)	(34,311,703)
Total nonoperating revenues (expenses) - net	243,159,746	217,009,299
Loss before capital contributions	(5,638,174)	(10,723,577)
Contributed capital	1,982,641	25,026,811
Contributed capital return	(2,157,200)	(59,231)
Change in net position	(5,812,733)	14,244,003
Net position at beginning of year	276,176,816	261,932,813
Net position at end of year	\$ 270,364,083	\$ 276,176,816

The accompanying notes are an integral part of these statements.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Statements of Cash Flows

	For Fiscal Year Ended	
	2019	2018
Cash flows from operating activities		
Cash received from customers	\$ 22,338,868	\$ 23,143,989
Cash payments to vendors for goods and services	(67,933,436)	(58,085,238)
Cash payments for employee services, including salaried fringe benefits	(169,592,898)	(165,756,523)
Net cash provided by (used in) operating activities	(215,187,466)	(200,697,772)
Cash flows from noncapital financing activities		
Sales taxes	230,591,864	218,957,197
Grants revenue received	43,338,067	30,087,557
Payments to TxDOT, CoSA and Bexar County	(35,900,021)	(34,126,771)
CoSA interlocal agreement	10,000,000	4,300,000
Net cash provided by (used in) noncapital financing activities	248,029,910	219,217,983
Cash flows from capital and related financing activities		
Proceeds from capital grants	21,001,882	13,464,219
Principal payments on bonds	(8,565,000)	(7,525,000)
Premium, interest and financing fees	(6,999,906)	(7,249,162)
Proceeds from sale of assets	-	218,743
Purchase of capital assets	(37,832,956)	(101,001,702)
Net cash provided by (used in) capital and related financing activities	(32,395,980)	(102,092,902)
Cash flows from investing activities		
Sale of investment securities	123,852,158	164,867,071
Purchase of investment securities	(95,255,444)	(141,239,387)
Interest earnings	3,159,147	2,842,043
Net cash provided by (used in) investing activities	31,755,861	26,469,727
Net increase (decrease) in cash and cash equivalents	32,202,325	(57,102,964)
Cash and cash equivalents at beginning of year	69,356,010	126,458,974
Cash and cash equivalents at end of year	\$ 101,558,335	\$ 69,356,010
Reconciliation of operating loss to net cash provided (used in) operating activities		
Operating loss	\$ (248,797,920)	\$ (227,732,875)
Adjustments to reconcile operating loss to net cash provided (used in) operating activities:		
Depreciation on capital assets:		
Acquired with VIA equity	18,701,422	18,166,762
Acquired with grants	18,001,553	16,195,762
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	211,932	415,360
Decrease (increase) in inventory	(611,536)	155,913
Decrease (increase) in prepaid expenses and other current assets	156,614	(210,110)
Decrease (increase) in prepaid pension	(16,289,851)	4,321,199
Decrease (increase) in prepaid other postemployment benefits	(529,324)	(6,267,529)
(Decrease) increase in accounts payable	(2,282,615)	(567,549)
(Decrease) increase in accrued liabilities	16,252,259	(5,174,705)
Net cash provided by (used in) operating activities	\$ (215,187,466)	\$ (200,697,772)
Reconciliation of cash and cash equivalents per statements of cash flows to the statements of net position		
Cash and cash equivalents at end of year:		
Unrestricted	\$ 65,412,154	\$ 44,139,488
Restricted - mandated purpose	36,146,181	25,216,522
Total cash and cash equivalents	\$ 101,558,335	\$ 69,356,010
Noncash investing and financing activities		
Change in fair value of investments reported as cash equivalents	\$ (1,155,920)	\$ (712,430)

The accompanying notes are an integral part of these statements.

Notes to the Financial Statements

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies

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

A. Reporting Entity

VIA Metropolitan Transit Authority (MTA)

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

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

Advanced Transportation District (ATD) Operations

ATD was approved by voters in November 2004 and began collecting sales taxes in April 2005. ATD's enabling legislation is Texas Transportation Code, Section 451, Subchapter O. CoSA voters also authorized ATD's imposition and collection of a sales and use tax in the amount of $\frac{1}{4}$ of 1% within CoSA (the "ATD Tax"), to be used for "Advanced Transportation" and "Mobility Enhancement" (as defined in Subchapter O) within its boundaries. One-half of the proceeds ($\frac{1}{8}$ 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, fixed guideways, traffic management systems, bus ways, bus lanes, technologically advanced bus transit vehicles and systems, bus rapid transit vehicles and systems, passenger amenities, transit centers, stations, electronic transit-related information, fare and operating systems, high occupancy vehicle lanes, traffic signal prioritization and coordination systems, monitoring systems, and other advanced transportation facilities, equipment, operations, systems, and services, including planning, feasibility studies, operations, and professional and other services in connection with such facilities, equipment, operation, systems, and services.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

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

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

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

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

The following are condensed financial statements for ATD:

Condensed Statements of Net Position

	2019	2018
Current assets	\$ 33,138,026	\$ 28,814,775
Total assets	33,138,026	28,814,775
Liabilities		
Payable to MTA	2,575,553	2,881,010
Other current liabilities	7,246,534	6,892,765
Total current liabilities	9,822,087	9,773,775
Total long-term liabilities	31,629,903	32,790,643
Total liabilities	41,451,990	42,564,418
Net position:		
Net deficit investment in capital assets	(32,584,903)	(33,705,643)
Restricted	159,515	5,891,214
Unrestricted	24,111,424	14,064,786
Total net position	\$ (8,313,964)	\$ (13,749,643)

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

	2019	2018
Operating revenues - line service	\$ 2,682,064	\$ 3,387,902
Operating expenses before depreciation	32,652,927	35,216,001
Operating loss	(29,970,863)	(31,828,099)
Nonoperating revenues (expenses):		
Sales taxes	72,449,596	68,623,406
Less amounts remitted to CoSA and Bexar County	(36,224,798)	(34,311,703)
Other nonoperating revenues (expenses)	(761,075)	(917,700)
Total nonoperating revenues (expenses) - net	35,463,723	33,394,003
Transfer out	(57,181)	(91,704)
Change in net position	5,435,679	1,474,200
Net position at beginning of year	(13,749,643)	(15,223,843)
Net position at end of year	\$ (8,313,964)	\$ (13,749,643)

Condensed Statements of Cash Flows

	2019	2018
Net cash provided by (used in) operating activities	\$ (30,279,335)	\$ (31,130,636)
Net cash provided by (used in) financing activities	35,900,013	34,126,770
Net cash provided by (used in) capital and related financing activities	(2,371,350)	(2,370,050)
Net cash provided by (used in) investing activities	5,632,704	(1,941,554)
Net increase (decrease) in cash and cash equivalents	8,882,032	(1,315,470)
Cash and cash equivalents at beginning of year	3,577,373	4,892,843
Cash and cash equivalents at end of year	\$ 12,459,405	\$ 3,577,373

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

The statements of net position and the statements of revenues, expenses, and changes in net position report information on all non-fiduciary activities of 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.

Future GASB Statements

GASB Statement No. 84, *Fiduciary Activities*, issued in January of 2017, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities, and by clarifying whether and how business-type activities should report their fiduciary activities. The new standard is effective for periods beginning after December 15, 2018 and for VIA's fiscal year ending September 30, 2020.

In June 2017, the GASB issued Statement No. 87 on *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement will be effective for VIA's fiscal year ending September 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This GASB Statement establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also simplifies accounting for interest cost incurred before the end of a construction period. Under current governmental accounting standards, universities, colleges, hospitals, and governments with a business-type activity or enterprise fund are required to capitalize interest costs incurred before the end of a construction period as part of the cost of the related asset. With the application of GASB Statement No. 89, organizations and funds will now expense this type of interest cost as incurred. This Statement will be effective for VIA's fiscal year ending September 30, 2021.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

In May 2019, the GASB issued Statement No. 91 on *Conduit Debt Obligations*. This statement provides a single method for reporting to eliminate diversity with commitments extended by issues, arrangements associated with conduit debt obligations and related note disclosures. This statement will be effective for VIA's fiscal year ending September 30, 2022.

In January 2020, the GASB issued Statement No. 92 on *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics and includes specific provisions about GASB statements No. 73, No. 74, No. 84, and No. 87. This statement in accordance with all of the requirements in GASB Statement No. 92 will be effective for VIA's fiscal year ending September 30, 2021.

C. Use of Estimates

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

D. Accounts Receivable

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the inability to collect a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance recorded as of September 30, 2019 is \$17,818 compared with the allowance at September 30, 2018 of \$21,620.

E. Sales Tax

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

F. Inventory

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

G. Capital Assets

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

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

VIA reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairment losses on capital assets that will continue to be used by the organization are measured using the method that best reflects the diminished service utility of the capital asset. Impairment of capital assets with physical damage are generally measured using a restoration cost approach. In fiscal year 2019, an impairment loss of \$186,375 was recognized. In fiscal year 2018, there were no impairment losses for long lived assets.

H. Compensated Absences

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

I. Estimated Liabilities

Estimated liabilities include amounts provided for:

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

J. Unearned Revenues

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

VIA is working with the City of San Antonio under an interlocal agreement to increase services along select corridors within the City of San Antonio. The City of San Antonio is funding this through advance payments. VIA takes revenue as those services occurred. In fiscal year 2019, the agreed upon services were provided by the end of the fiscal year, such that no unearned revenue existed under this agreement at year end.

K. Deferred Outflows/Inflows of Resources

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

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.

L. Operating and Nonoperating Revenues and Expenses

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

M. Operating Revenues

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

- Line Service includes revenues related to all regularly scheduled bus routes available to the general public for a fare.
- Robert Thompson Terminal includes revenues related to the operation and maintenance of the Robert Thompson Terminal, which provides services for various Alamodome events.
- Other Special Events include revenues from services provided to various community events throughout the year.
- VIAtrans includes revenues from transportation services provided to the mobility-impaired who are unable to ride the regular line buses.
- VIA Link is a shared on-demand transit service that offers riders the option to be picked up and dropped off at specific zones within a defined zone rather than riding fixed bus routes.
- 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 disparate revenues such as Alamodome facility, station concessions, and sale of scrap material.

N. 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 includes expenses related to transportation services provided to the mobility-impaired who are unable to ride the regular line buses.
- VIA Link is a shared ride on-demand transit service that offers riders the option to be picked up and dropped off at specific locations within a defined zone instead of riding fixed bus routes.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

- Vanpool includes expenses related to the provision of shared-ride service used generally for work commute trips.
- Promotional Service includes expenses related to community related charters, including school education programs.
- Real Estate Development includes expenses related to the operations and maintenance of the Sunset Depot Complex, the Amtrak facility, and office space.
- Business Development and Planning includes expenses related to planning, designing, constructing, opening, and implementing new capital projects related to new modes of service or new operating facilities.

O. Statements of Cash Flows

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

P. Reclassifications

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

Q. Pension

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

R. Other Postemployment Benefits (OPEB)

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Note 2 – Budget

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

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

Note 3 – Cash and Investments

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

A. Deposits

As of September 30, 2019, the carrying amount of VIA's cash and cash equivalents on the statement of net position was \$101,558,334 (\$69,356,010 in 2018). All deposits are insured by federal depository insurance and/or collateralized with securities held by VIA's agent in VIA's name. VIA's deposits are held at Frost Bank, which qualifies as a public depository under Texas law, and are deemed to be insured and not subject to classification by credit risk. VIA's cash and cash equivalents also include funds with TexPool and TexSTAR.

B. Investments

VIA invests in United States Treasury and agency securities.

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

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

United States Treasury and agency securities in the amount of \$58,041,672 (\$85,771,758 in 2018) are held in safekeeping by VIA's custodial bank, Wells Fargo Bank N.A., and are registered as accounts of VIA. Securities in the amount of \$39,787,892 (\$68,673,897 in 2018) with an original maturity of less than one year are carried at amortized cost. Securities in the amount of \$18,253,780 (\$17,097,860 in 2018) with an original maturity of greater than one year are carried at fair value and are considered level 2.

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. VIA believes that TexPool operates as required under GASB Statement 79, *Certain External Investment Pools and Pool Participants*, to be valued at amortized cost. VIA's investment in TexPool is reported under the "cash and cash equivalents" on the statements of net position.

TexSTAR is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAAM by Standard & Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas Public Funds Investment Act for local government investment pools. The portfolio is a government-repurchase agreement (REPO) pool, utilizing primarily United States Treasury securities, United States agency securities, and REPO collateralized obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the United States or its agencies or its instrumentalities. The fair values of the investments in this type have been determined using the net asset value per share of the investments. VIA's investment in TexSTAR is reported under "cash and cash equivalents" on the statements of net position.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

2019 Investment Maturities						
Investments	Less Than 90 Days	From 91 Days to 180 Days	From 181 Days to 364 Days	From 365 Days to 5 Years	Equal to or Greater Than 5 Years and Less Than 10 Years	Carrying Amount
United States Treasury notes	\$ -	\$ -	\$ -	\$ 7,022,120	\$ 11,231,660	\$ 18,253,780
Federal Home Loan Bank agency securities	5,039,080	5,205,258	-	-	-	10,244,338
Freddie Mac	4,979,525	-	-	-	-	4,979,525
Fannie Mae	24,564,030	-	-	-	-	24,564,030
Total United States Treasury and agency securities	34,582,635	5,205,258	-	7,022,120	11,231,660	58,041,673
TexSTAR	81,587,734	-	-	-	-	81,587,734
Total Investments	\$ 116,170,369	\$ 5,205,258	\$ -	\$ 7,022,120	\$ 11,231,660	\$ 139,629,407

2018 Investment Maturities						
Investments	Less Than 90 Days	From 91 Days to 180 Days	From 181 Days to 364 Days	From 365 Days to 5 Years	Equal to or Greater Than 5 Years and Less Than 10 Years	Carrying Amount
United States Treasury notes	\$ -	\$ -	\$ -	\$ 6,738,060	\$ 10,359,800	\$ 17,097,860
Federal Home Loan Bank agency securities	25,202,361	5,959,670	23,752,888	-	-	54,914,919
Freddie Mac	2,351,023	7,400,991	4,006,964	-	-	13,758,978
Total United States Treasury and agency securities	27,553,384	13,360,661	27,759,852	6,738,060	10,359,800	85,771,757
TexSTAR	50,286,542	-	-	-	-	50,286,542
TexPool	1,077,301	-	-	-	-	1,077,301
Total Investments	\$ 78,917,227	\$ 13,360,661	\$ 27,759,852	\$ 6,738,060	\$ 10,359,800	\$ 137,135,600

At September 30, 2019 and 2018, VIA had the following deposits and investments:

	Carrying Amount 2019	Carrying Amount 2018
Deposits:		
Cash on hand	\$ 1,071,449	\$ 1,007,424
Cash in bank	18,899,151	16,984,743
Total deposits	19,970,600	17,992,167
Investments:		
TexPool	81,587,734	50,286,542
Tex STAR	-	1,077,301
United States agency securities	58,041,673	85,771,758
Total cash, cash equivalents and investments	\$ 159,600,007	\$ 155,127,768

Custodial Credit Risk on Deposits – Custodial credit risk is the risk that, in the event of failure of a depository financial institution, VIA would not be able to recover deposits in possession of an outside party. Deposits, including all accrued interest thereon, that exceed the federal depository insurance coverage (FDIC) level are collateralized by securities with a market value equal to 105% of all deposits not covered by federal deposit insurance.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

Interest Rate Risk – Interest rate risk, the risk that changes with market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value changes to the market interest rates. As a means of limiting its exposure to fair value losses due to rising interest rates, VIA's investment policy limits its investment maturities to no more than ten years. Currently, 87% of VIA's investment portfolio limits is invested in maturities less than one year (88% in 2018). Investment maturities are as follows:

Maturity	Percentage of Portfolio September 30,	
	2019	2018
Less than 90 days	83%	58%
From 91 days to 180 days	4%	10%
From 181 days to 364 days	0%	20%
From 365 days to 5 years	5%	5%
Equal to or greater than 5 years and less than 10 years	8%	7%

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, investment issued or explicitly guaranteed by the United States government are excluded from this requirement.

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

Investments	Credit Risk Ratings as of September 30, 2019		
	Minimum Legal Rating	Investment Rating	Rating Organization
United States Treasury Notes	N/A	N/A	N/A
Federal Home Loan Bank agency securities	A-1	Aaa	Moody's
Freddie Mac agency securities	A-1	Aaa	Moody's
Fannie Mae agency securities	A-1	Aaa	Moody's
TexPOOL	AAA	AAAm	Standard & Poor's
TexSTAR	AAA	AAAm	Standard & Poor's

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Credit Risk Ratings as of September 30, 2018			
Investments	Minimum Legal Rating	Investment Rating	Rating Organization
United States Treasury Notes	N/A	N/A	N/A
Federal Home Loan Bank agency securities	A-1	Aaa	Moody's
Freddie Mac agency securities	A-1	Aaa	Moody's
TexPOOL	AAA	AAAm	Standard & Poor's
TexSTAR	AAA	AAAm	Standard & Poor's

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% 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. As of September 30, 2019, VIA's investment portfolio consists of 13% (12% in 2018) in direct obligations and 29% (50% in 2018) in indirect obligations.

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

Investments	Percentage of Portfolio	
	September 30, 2019	2018
United States Treasury Notes	13%	12%
Federal Home Loan Bank agency securities	7%	40%
Freddie Mac agency securities	4%	10%
Fannie Mae agency securities	18%	0%

Note 4 – Restricted and Unrestricted Cash and Investments

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

Restricted

- **Bond Fund** – Debt service or principal and interest due on bonds is used for setting aside funds for upcoming principal and interest payments on outstanding bonds.
- **Bond Reserve Fund** – Reserve funds specifically required at bond issuance and documented in the bond agreement. This item is cleared when bonds have been paid off.
- **TxDOT Grant** – represents assets to provide for the enhancement of visual, operational, and structural vehicle right-of-way improvements.
- **ATD Sales Tax Payable** – represents assets to provide for the payment of the monthly sales taxes collected by VIA and remitted to the City of San Antonio and Bexar County.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Unrestricted

- **Property Insurance Deductibles** – represent assets to provide for the insurance policy deductible on VIA’s vehicles, buildings, and contents.
- **Uninsured Property** – represents assets to provide for replacement of property with a value below the deductible per occurrence amount of the property insurance policy.
- **Stabilization Fund** – represents assets to provide a level of financial resources to protect against revenue shortfalls or unpredicted one-time expenditures.
- **VIA Capital Fund** – represents assets to provide for capital asset acquisitions.
- **Working Capital** – represents assets designated to provide VIA with sufficient operating funds to pay its day-to-day operational obligations.
- **Retainage** – represents assets equal to the liability payable to contractors for retainage withheld from periodic payments, plus interest earnings.
- **Capital Grant Local Share** – represents assets to provide for VIA’s matching share of Federal Transit Administration (FTA) grants.

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

	Cash & Cash			
	<u>Equivalents</u>	<u>Investments</u>	<u>2019 Total</u>	<u>2018 Total</u>
Restricted deposits and investments				
Bond fund -- principal and interest due	\$ 2,503,201	\$ -	\$ 2,503,201	\$ 3,011,256
Bond reserve fund	2,927,724	-	2,927,724	2,896,843
TxDOT grant	30,715,256	20,259,354	50,974,610	68,263,672
Sales tax payable	-	-	-	5,735,040
Total restricted deposits and investments	36,146,181	20,259,354	56,405,535	79,906,811
Unrestricted deposits and investments				
Board approved purposes:				
Property insurance deductibles	-	-	-	500,000
Uninsured property	-	-	-	815,381
Stabilization fund	25,724,404	13,555,596	39,280,000	39,280,000
VIA capital fund	1,163,265	11,347,456	12,510,721	-
Working capital:				
MTA	31,691,192	2,138,808	33,830,000	18,342,492
ATD	5,450,000	-	5,450,000	5,755,789
Retainage	1,383,293	-	1,383,292	2,340,742
Capital grants local share	-	10,740,459	10,740,459	8,186,553
Total unrestricted deposits and investments	65,412,154	37,782,319	103,194,472	75,220,957
Total deposits and investment balances	\$ 101,558,335	\$ 58,041,673	\$ 159,600,007	\$ 155,127,768

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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 Assets

Components of capital assets are summarized as follows for September 2018 to September 2019 and September 2017 to September 2018:

	Balance at September 30, 2018	Additions	Deletions	Transfers	Balance at September 30, 2019
Land*	\$ 33,334,256	\$ -	\$ -	\$ -	\$ 33,334,256
Buildings and shelters	274,929,969	-	(1,291,350)	6,794,786	280,433,405
Revenue & service vehicles	298,476,559	9,777,464	(4,541,235)	2,157,768	305,870,556
Equipment	66,041,310	23,541	(10,569,476)	4,877,922	60,373,297
	672,782,094	9,801,005	(16,402,061)	13,830,476	680,011,514
Accumulated depreciation:					
Buildings and shelters	159,559,203	10,147,191	(996,747)	-	168,709,647
Revenue & service vehicles	111,224,345	21,221,610	(3,969,142)	-	128,476,813
Equipment	50,307,621	5,334,174	(10,402,268)	-	45,239,527
	321,091,169	36,702,975	(15,368,157)	-	342,425,987
Net capital assets before construction in progress	351,690,925	(26,901,970)	(1,033,904)	13,830,476	337,585,527
Buildings and shelters	41,618,794	21,001,705	-	(7,241,513)	55,378,986
Revenue and service vehicles	1,967,562	163,211	-	(1,951,716)	179,057
Equipment	9,450,179	3,747,451	-	(4,637,247)	8,560,383
Construction in progress	53,036,535	24,912,367	-	(13,830,476)	64,118,426
Net capital assets	\$ 404,727,460	\$ (1,989,603)	\$ (1,033,904)	\$ -	\$ 401,703,953

* Capital assets not being depreciated.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

	Balance at September 30, 2017	Additions	Deletions	Transfers**	Balance at September 30, 2018
Land*	\$ 33,094,493	\$ -	\$ -	\$ 239,763	\$ 33,334,256
Buildings and shelters	228,981,007	-	(1,557,892)	47,506,854	274,929,969
Revenue & service vehicles	299,499,605	40,691,908	(60,190,125)	18,475,171	298,476,559
Equipment	57,000,347	11,452	(491,310)	9,520,821	66,041,310
	618,575,452	40,703,360	(62,239,327)	75,742,609	672,782,094
Accumulated depreciation:					
Buildings and shelters	157,125,176	9,376,157	(1,557,892)	(5,384,238)	159,559,203
Revenue & service vehicles	150,579,604	20,834,866	(60,190,125)	-	111,224,345
Equipment	41,254,101	4,160,592	(491,310)	5,384,238	50,307,621
	348,958,881	34,371,615	(62,239,327)	-	321,091,169
Net capital assets before construction in progress	269,616,571	6,331,745	-	75,742,609	351,690,925
Buildings and shelters	63,447,823	28,952,003	(142,824)	(50,638,208)	41,618,794
Revenue and service vehicles	16,479,450	3,873,791	-	(18,385,679)	1,967,562
Equipment	12,499,859	3,669,042	-	(6,718,722)	9,450,179
Construction in progress	92,427,132	36,494,836	(142,824)	(75,742,609)	53,036,535
Net capital assets	\$ 362,043,703	\$ 42,826,581	\$ (142,824)	\$ -	\$ 404,727,460

* Capital assets not being depreciated.

** \$5,384,238 of accumulated depreciation on equipment was reclassified (from buildings and shelters to equipment category).

The following is a summary of depreciation expense:

Description	Years Ended September 30,	
	2019	2018
Capital assets acquired with VIA equity	\$ 18,701,422	\$ 18,166,762
Capital assets acquired with grants	18,001,553	16,195,763
	<u>\$ 36,702,975</u>	<u>\$ 34,362,525</u>

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Note 7 – Sales Taxes

Sales taxes are a significant revenue source for VIA, accounting for 72.2% of VIA's revenue in FY19 (75.9% in FY18). These revenues are reported as non-operating revenues in the statements of revenues, expenses, and changes in net position. Included below is a summary of sales tax revenues:

Sales Tax Revenues

Description	Years Ended September 30,	
	2019	2018
MTA	\$ 160,092,754	\$ 151,671,185
ATD	72,449,596	68,623,405
Less ATD Amounts Remitted to CoSA and Bexar County	(36,224,798)	(34,311,703)
Net VIA Sales Taxes	<u>\$ 196,317,552</u>	<u>\$ 185,982,887</u>

VIA's sales taxes increased by \$10,334,665 in FY19 and by \$10,522,718 in 2018. In FY19, MTA sales taxes increased by \$8,421,569 and VIA's 50% share of ATD sales taxes increased by \$1,913,096. In FY18, MTA sales taxes increased by \$8,624,187 and VIA's 50% share of ATD sales taxes increased by \$1,898,531. ATD sales taxes are allocated 50% to VIA and 25% each to the City of San Antonio (CoSA) and Bexar County.

Sales Tax Receivable from State of Texas

Description	Years Ended September 30,	
	2019	2018
MTA	\$ 26,736,280	\$ 25,435,357
ATD-VIA	6,059,792	5,733,500
ATD-Other (CoSA and Bexar County)	6,059,792	5,738,415
	<u>\$ 38,855,864</u>	<u>\$ 36,907,272</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.

Note 8 – Defined Benefit Retirement Plan

A. Plan Description

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

B. Benefits Provided

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

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

C. Disability Benefits

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

D. Pre-Retirement Death Benefits

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

E. Early Retirement Benefits

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

F. Pension Supplement

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

Service at Retirement	Supplement (One-Time)
<10 Years	\$ 175.00
10-24 Years	350.00
25+ Years	700.00

G. Retiree Health Benefits

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

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

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

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

H. Employees Covered by Benefit Terms

The following table summarizes the number of participants with a benefit in the Plan as of the valuation dates of October 1, 2017 and 2016, the dates used to develop the pension accounting information that is reported for the fiscal years ending September 30, 2019 and 2018, respectively.

	FY2019	FY2018
Inactive Plan members or beneficiaries currently receiving benefits	1,004	946
Inactive Plan members entitled to, but not yet receiving, benefits	124	126
Active Plan members	1,115	1,197
Total Plan members	2,243	2,269

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

I. Contributions

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

J. Net Pension Liability

VIA's net pension liability reported for September 30, 2019 was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017 and rolled forward to the September 30, 2018 measurement date. VIA's net pension liability reported for September 30, 2018 was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016 and rolled forward to the September 30, 2017 measurement date.

K. Actuarial Assumptions

The total pension liability reported for September 30, 2019 was determined by an actuarial valuation as of October 1, 2017 and rolled forward to September 30, 2018, using the following actuarial assumptions:

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

The total pension liability reported for September 30, 2018 was determined by an actuarial valuation as of October 1, 2016 and rolled forward to a measurement date of September 30, 2017 using the following 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, 2017 valuation were based on the results of an actuarial experience study completed in 2017 covering the six-year period ending September 30, 2016. The October 1, 2016 valuation was based on the results of an actuarial experience study completed in 2011 covering period from October 1, 2005 through September 30, 2010.

L. Long-Term Expected Rate of Return

The long-term expected rate of return on retirement plan investments was determined using a building block method in which best-estimate expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2019 and 2018 are summarized in the tables below:

Fiscal Year ended September 30, 2019

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
Domestic Equity - Large Cap	5.71%	22%	1.26%
International Equity - Small Cap	6.99%	13%	0.91%
Global Equity	4.55%	25%	1.14%
Fixed Income	2.88%	30%	0.86%
Real Estate	6.81%	10%	0.68%
Total Expected Arithmetic Real Return:			4.85%
Inflation Assumption:			2.20%
Total Expected Arithmetic Nominal Return:			7.05%

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Fiscal Year ended September 30, 2018

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long- Term Arithmetic Return for Investment Portfolio
Domestic Equity - Large Cap	6.07%	22%	1.34%
International Equity - Small Cap	7.59%	13%	0.99%
Global Equity	13.63%	20%	2.73%
Long/Short Equity	1.72%	5%	0.09%
Fixed Income	1.55%	30%	0.47%
Real Estate	8.16%	10%	0.82%
Total Expected Arithmetic Real Return:			6.44%
Inflation Assumption:			3.00%
Total Expected Arithmetic Nominal Return:			9.44%

M. Discount Rate

The discount rate used to measure the total pension liability as of the measurement dates of September 30, 2018 and September 30, 2017 was 7.25% and 7.50%, respectively. The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that VIA contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of VIA, calculated using the discount rate of 7.25% for 2019 and 7.50% for 2018, as well as what VIA's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25% for 2019 and 6.50% for 2018) or 1 percentage point higher (8.25% for 2019 and 8.5% for 2018) than the current rate:

Discount Rate Sensitivity - September 30, 2019

1.0% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1.0% Increase 8.25%
\$ 191,267,481	\$ 142,423,315	\$ 100,786,077

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Discount Rate Sensitivity - September 30, 2018

Current Single Discount Rate		
1.0% Decrease	Assumption	1.0% Increase
6.5%	7.5%	8.5%
\$ 172,271,339	\$ 129,447,516	\$ 92,737,442

Changes in Net Pension Liability

	2019	2018
Total Pension Liability		
Service Cost	\$ 7,308,154	\$ 7,611,616
Interest	29,771,656	28,782,751
Difference between expected and actual experience	638,833	(687,692)
Assumption changes	21,277,913	-
Benefit payments	(22,706,442)	(21,397,791)
Refunds	(255,118)	(379,738)
Net change in total pension liability	\$ 36,034,996	\$ 13,929,146
Total pension liability - beginning	404,782,117	390,852,971
Total pension liability - ending	<u>\$ 440,817,113</u>	<u>\$ 404,782,117</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 12,480,240	\$ 13,308,001
Contributions - employee	4,420,649	4,486,984
Pension plan net investment income	29,240,374	33,570,332
Benefit payments	(22,706,442)	(21,397,791)
Refunds	(255,118)	(379,738)
Pension plan administrative expense	(120,506)	(255,612)
Net change in Plan Fiduciary net position	23,059,197	29,332,176
Plan fiduciary net position - beginning	275,334,601	246,002,425
Plan fiduciary net position - ending	<u>\$ 298,393,798</u>	<u>\$ 275,334,601</u>
VIA's net pension liability	<u>\$ 142,423,315</u>	<u>\$ 129,447,516</u>

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

Pension Expense

For the year ended September 30, 2019, VIA recognized pension expense of \$12,860,742. For the year ended September 30, 2018, VIA recognized pension expense of \$11,753,237.

Schedule of Pension Expense

	2019	2018
Total service cost	\$ 7,308,154	\$ 7,611,616
Interest on the total pension liability	29,771,656	28,782,751
Employee contribution (reduction of expense)	(4,420,649)	(4,486,984)
Projected earnings on plan investments (reduction of expense)	(20,418,301)	(18,291,251)
Administrative expense	120,506	255,612
Recognition of outflow (inflow) of resources due to liabilities	4,888,235	505,937
Recognition of outflow (inflow) of resources due to assets	(4,388,859)	(2,624,444)
Total pension Expense	<u>\$ 12,860,742</u>	<u>\$ 11,753,237</u>

At September 30, 2019 and 2018, VIA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Fiscal Year Ended September 30, 2019

	Outflows of Resources	Inflows of Resources
1. Differences between expected and actual experience	\$ 2,024,765	\$ 421,552
2. Net differences between projected and actual earnings on Plan investments	-	15,317,460
3. Assumption changes	17,023,351	-
4. Contributions paid subsequent to the measurement date	14,729,284	-
	<u>\$ 33,777,400</u>	<u>\$ 15,739,012</u>

Fiscal Year Ended September 30, 2018

	Outflows of Resources	Inflows of Resources
1. Differences between expected and actual experience	\$ 2,152,676	\$ 554,622
2. Net differences between projected and actual earnings on Plan investments	-	10,884,246
3. Assumption changes	-	-
4. Contributions paid subsequent to the measurement date	12,480,240	-
	<u>\$ 14,632,916</u>	<u>\$ 11,438,868</u>

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Contributions subsequent to the measurement date are recognized in the following period. September 30, 2019 amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows/ Inflows of Resources
2020	\$ 1,949,144
2021	(905,489)
2022	(335,350)
2023	2,595,543
2024	5,256
Thereafter	-
Total	<u>\$ 3,309,104</u>

Note 9 – Defined Contribution Retirement Plan

A. Plan Description

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

B. Eligibility and Benefits

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

C. Funding Policy

VIA follows the policy of funding the plan through mandatory employee contributions at the rate of 6% of compensation. VIA’s contributions to the Employer Contribution Account will be made at 6% of compensation. Together, mandatory employee contributions and VIA employer contributions will equal 12% of compensation. VIA’s contribution for the fiscal year ended September 30, 2019 totaled \$3,061,000 (\$2,425,000 in 2018).

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Note 10 – Postemployment Benefits Other Than Pensions

Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the VIA OPEB Plan and additions to/deductions from VIA's OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by VIA. For this purpose, VIA's OPEB Plan recognizes benefits payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In Fiscal Year 2018, VIA implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Beginning net position was restated but prior years were not restated, as permitted by GASB 75.

General Information about the OPEB Plan

A. Plan Description and Benefits Provided

In addition to providing pension benefits, VIA provides certain healthcare and life insurance benefits to retired employees. For healthcare, VIA indirectly subsidizes the medical insurance premiums paid by retirees, since premiums are calculated with active workers and retirees pooled together. As of October 1, 2018, the most recent valuation date, there are 322 retirees and dependents receiving VIA healthcare benefits and 792 participating in the VIA life insurance program. As of October 1, 2017, the next most recent valuation date, there were 311 retirees and dependents receiving VIA healthcare benefits and 746 participating in the VIA life insurance program. VIA provides, at no cost, base coverage for life insurance of \$10,000 or \$20,000, based on age, for retirees at a premium rate paid to a life insurance company. Any additional premium to provide coverage in excess of the base amount is shared by VIA and the retirees.

Employees covered by benefit terms. The following table provides a summary of the number of participants in the plan as of September 30, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	820
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	2,134
Total Plan Members	2,954

The following table provides a summary of the number of participants in the plan as of September 30, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	777
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	1,957
Total Plan Members	2,734

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

B. Funding Policy

VIA's funding policy is to fund 100% of the actuarially determined contribution by the end of each fiscal year. OPEB funding is handled through a Section 115 trust. The actuarially determined contribution is based on a closed amortization period. As a result, the OPEB Plan's fiduciary net position is expected to be available to make all future projected benefit payments of current plan members.

Net OPEB Liability

VIA's net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was based on actuarial assumptions in an actuarial valuation report as of October 1, 2017.

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

For the fiscal year ended September 30, 2019 and 2018 (the measurement dates of September 30, 2018 and 2017, respectively), the actuarial valuation date was October 1, 2017. The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	7.25%
Inflation	2.75%
Salary Increases	3.75% to 5.75%, including inflation, plus an overtime adjustment varying from 1.25% of pay for office workers to 17.50% for operators.
Demographic Assumptions	Based on VIA's experience study for the Retirement Plan for the six-year period ending on September 30, 2016.
Mortality	For healthy retirees, the gender-distinct RP2000 Combined Health Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by a scale to BB to account for future mortality improvements.
Participation Rates	Rates of 40% for pre-65 retirees and 20% for post-65 retirees, with half assumed to discontinue at age 65.
Healthcare Cost Trend Rates	Initial rates of 7.50% for pre-65 retirees and 6.40% for post-65 retirees, declining to ultimate rates of 4.25% for both pre-65 and post-65 retirees after 14 years.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

The long-term rate expected rate of return by asset class as of September 30, 2019 is shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Benchmark</u>	<u>Long-Term Mean Nominal Return</u>	<u>Long-Term Mean Real Rate of Return</u>
Domestic equity	50%	S&P 1500	7.8%	5.7%
International equity	15%	MSCI ACWI Ex-US	6.3%	4.1%
Fixed income	35%	Aggregate Index	5.1%	2.9%
Total	100%			

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

The long-term expected rate of return being used for OPEB plan investments is 7.25%. When this actuarial assumption was last updated in 2018, the municipal bond rate was 3.83% (based on the daily rate closest to but not later than the measurement date of Fidelity "20-Year Municipal GO Index"), and the resulting Single Discount Rate was 7.25%. The discount rate was also 7.25% as of the beginning of the measurement period.

The long-term expected rate of return by asset class as of September 30, 2018 is shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Benchmark</u>	<u>Long-Term Mean Nominal Return</u>	<u>Long-Term Mean Real Rate of Return</u>
Domestic equity	50%	S&P 1500	9.0%	6.0%
International equity	15%	MSCI ACWI Ex-US	8.0%	5.0%
Fixed income	35%	Aggregate Index	4.5%	1.5%
Total	100%			

Note: For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of nominal returns and reduced by 3% to adjust to real terms. The expected rate of inflation is 3%.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Changes in the Net OPEB Liability

Changes in the net OPEB liability for fiscal year 2019 are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at 9/30/18 (*)	\$ 41,426,434	\$ 8,186,100	\$ 33,240,334
Service cost	1,099,372	-	1,099,372
Interest on the total OPEB liability	2,952,287	-	2,952,287
Difference between expected and actual experience	630,393	-	630,393
Employer contributions	-	2,302,233	(2,302,233)
Net investment income	-	579,606	(579,606)
Benefit payments	(2,509,834)	(2,509,834)	-
Administrative expense	-	(13,195)	13,195
Other	-	1,376	(1,376)
Net changes	2,172,218	360,186	1,812,032
Balances at 9/30/19 (*)	\$ 43,598,652	\$ 8,546,286	\$ 35,052,366

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Changes in the net OPEB liability for fiscal year 2018 are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at 9/30/17 (*)	\$ 32,735,778	\$ 7,341,827	\$ 25,393,951
Service cost	832,570	-	832,570
Interest on the total OPEB liability	2,412,291	-	2,412,291
Difference between expected and actual experience	5,788,320	-	5,788,320
Changes of assumptions	1,633,830	-	1,633,830
Employer contributions	-	2,139,796	(2,139,796)
Net investment income	-	683,082	(683,082)
Benefit payments	(1,976,355)	(1,976,355)	-
Administrative expense	-	(3,210)	3,210
Other	-	960	(960)
Net changes	8,690,656	844,273	7,846,383
Balances at 9/30/18 (*)	\$ 41,426,434	\$ 8,186,100	\$ 33,240,334

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

The liability resulting from "Changes of assumptions" is a result of new demographic and OPEB-specific assumptions that were adopted as a result of the experience study for the Retirement Plan for the six-year period ended September 30, 2016. Included in the changes was a reduction to the discount rate from 7.50% to 7.25%.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of VIA reported as of September 30, 2019 calculated with a Single Discount Rate of 7.25%, as well as what VIA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease 6.25%	Current Single Discount Rate Assumption	1% Increase 8.25%
Net OPEB liability (asset)	\$ 40,584,843	\$ 35,052,366	\$ 30,474,041

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

The following presents the net OPEB liability of VIA reported as of September 30, 2018 calculated with a Single Discount Rate of 7.25%, as well as what VIA's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

		1% Decrease	Current Single Discount	1% Increase
		<u>6.25%</u>	<u>Rate Assumption</u>	<u>8.25%</u>
Net OPEB liability (asset)	\$	38,553,783	\$ 33,240,334	\$ 28,837,283

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of VIA reported as of September 30, 2019 calculated using the assumed trend rates, as well as what VIA's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

		1% Decrease	Current Healthcare Cost	1% Increase
			<u>Trend Rate Assumption</u>	
Net OPEB liability (asset)	\$	32,084,943	\$ 35,052,366	\$ 38,659,276

The current healthcare cost trend rates assumption is initial rates of 7.25% for pre-65 and 6.30% for post-65 retirees, declining to ultimate rates of 4.25% for both pre-65 and post-65, after 14 years.

The following presents the net OPEB liability of VIA reported as of September 30, 2018 calculated using the assumed trend rates, as well as what VIA's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

		1% Decrease	Current Healthcare Cost	1% Increase
			<u>Trend Rate Assumption</u>	
Net OPEB liability (asset)	\$	30,576,634	\$ 33,240,334	\$ 36,459,041

The healthcare cost trend rates assumption is initial rates of 7.50% for pre-65 and 6.40% for post-65 retirees, declining to ultimate rates of 4.25% for both pre-65 and post-65, after 14 years.

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued VIA Metropolitan Transit Other Postemployment Benefits Trust Financial Statements and Independent Auditor's Report.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

For the year ended year ended September 30, 2019, VIA recognized OPEB expense of \$4,421,525. At September 30, 2019, VIA reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Difference between expected and actual experience, liability	\$ 4,951,786	\$ -	\$ 4,951,786
Change in assumptions	1,241,154	-	1,241,154
Net differences between projected and actual earnings	-	71,094	(71,094)
Contributions subsequent to the measurement date	2,738,963	-	2,738,963
Total	\$ 8,931,903	\$ 71,094	\$ 8,860,809

For the year ended year ended September 30, 2018, VIA recognized OPEB expense of \$3,557,073. At September 30, 2018, VIA reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Difference between expected and actual experience, liability	\$ 5,092,734	\$ -	\$ 5,092,734
Change in assumptions	1,437,492	-	1,437,492
Net differences between projected and actual earnings	-	101,120	(101,120)
Contributions subsequent to the measurement date	1,877,099	-	1,877,099
Total	\$ 8,407,325	\$ 101,120	\$ 8,306,205

Contributions subsequent to the measurement date are recognized in the following period.

Amounts reported as of September 30, 2019 as deferred outflows of resources and deferred inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30	Net Deferred Outflows (Inflows)
2020	\$ 943,585
2021	943,585
2022	943,585
2023	968,867
2024	967,679
Thereafter	1,354,545
Total	\$ 6,121,846

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

As of September 30, 2019 and September 30, 2018, VIA had a payable of zero for the outstanding amount of contributions to the OPEB Plan required for the years ended September 30, 2019 and September 30, 2018, respectively. VIA made the required contribution prior to year-end in each of those years.

Note 11 – Risk Management

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

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

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

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

A. Property and Casualty Coverage

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

B. Public Liability Coverage

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

C. Workers' Compensation

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

D. Employee Health Coverage

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

At September 30, 2019, VIA recorded claims payable of \$7,736,637 for its self-insured programs based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* (\$8,042,214 in 2018). 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.

	Property and Casualty and Public Liability	Workers' Compensation	Employee Health Coverage	Total
Claims payable at September 30, 2017	\$ 3,700,125	\$ 2,533,202	\$ 1,738,427	\$ 7,971,754
Current period claims and charges in estimates	1,968,799	1,973,062	17,842,297	21,784,158
Claim payments	(1,228,824)	(2,453,583)	(18,031,292)	(21,713,699)
Claims payable at September 30, 2018	\$ 4,440,100	\$ 2,052,681	\$ 1,549,432	\$ 8,042,213
Current period claims and charges in estimates	1,979,422	867,935	20,875,607	23,722,964
Claim payments	(1,203,072)	(1,742,138)	(21,083,330)	(24,028,540)
Claims payable at September 30, 2019	\$ 5,216,450	\$ 1,178,478	\$ 1,341,709	\$ 7,736,637

Note 12 – Long-Term Debt

A. MTA Contractual Obligations

On August 29, 2012, MTA issued a par amount of \$3,200,000 of Series 2012-2 MTA Contractual Obligations. VIA has used proceeds to finance 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 bonds were completely paid off as of August 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 ½ 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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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.

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

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

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

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

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

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

D. MTA Contractual Obligation Bonds

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

The primary source of security for the obligations is provided for by a first and prior lien on the pledge of VIA "sales tax revenues". VIA "sales tax revenues" means the revenues derived by VIA from its imposition and collection within its boundaries of a sales and use tax equal to ½ of 1%, the purpose of which is to support VIA's operations, operation, and maintenance of the Transit Authority System, as provided and in accordance with Chapter 451 amended, Texas Transportation Code. "Transit Authority System" means any and all VIA real and personal property that is owned, rented, leased, controlled, operated, or held for mass transit purposes pursuant to Chapter 451, together with all future extensions, improvements, replacements and additions thereto.

Changes in long-term obligations for the year ended September 30, 2019 are as follows:

	Interest Rate Payable	Original Issue	Beginning Balance	Additions	Retired	Ending Balance	Amounts Included within One Year
Series 2012-2 MTA Contractual Obligations	1.97%	\$ 3,200,000	\$ 485,000	\$ -	\$ (485,000)	\$ -	\$ -
Series 2013 MTA Farebox Revenue and Refunding Bonds	1.00%- 5.25%	39,965,000	35,010,000	-	(1,060,000)	33,950,000	1,115,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00%- 5.00%	32,925,000	29,625,000	-	(915,000)	28,710,000	955,000
Series 2017 MTA Sales Tax Revenue and Refunding Bonds	3.00%- 5.00%	81,995,000	76,835,000	-	(6,105,000)	70,730,000	4,320,000
Total bonds		158,085,000	141,955,000	-	(8,565,000)	133,390,000	6,390,000
Bond premium		N/A	16,922,920	-	(1,335,124)	15,587,796	
Compensated absences		N/A	6,525,207	2,762,364	(3,000,207)	6,287,364	3,715,000
Other		N/A	26,405	-	(21,625)	4,780	
Total long-term liabilities		\$ 158,085,000	\$ 165,429,532	\$ 2,762,364	\$ (12,921,956)	\$ 155,269,940	\$ 10,105,000

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Changes in long-term obligations for the year ended September 30, 2018 are as follows:

	Interest Rate Payable	Original Issue	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due within One Year
Series 2012-2 MTA Contractual Obligations	1.97%	\$ 3,200,000	\$ 960,000	\$ -	\$ (475,000)	\$ 485,000	\$ 485,000
Series 2013 MTA Farebox Revenue and Refunding Bonds	1.00%- 5.25%	39,965,000	36,030,000	-	(1,020,000)	35,010,000	1,060,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00%- 5.00%	32,925,000	30,495,000	-	(870,000)	29,625,000	915,000
Series 2017 MTA Sales Tax Revenue and Refunding Bonds	3.00%- 5.00%	81,995,000	81,995,000	-	(5,160,000)	76,835,000	6,105,000
Total bonds		158,085,000	149,480,000	-	(7,525,000)	141,955,000	8,565,000
Bond premium		N/A	18,258,044	-	(1,335,124)	16,922,920	-
Compensated absences		N/A	6,938,527	2,525,489	(2,938,809)	6,525,207	3,912,311
Other		N/A	25,495	910	-	26,405	-
Total long-term liabilities		\$ 158,085,000	\$ 174,702,066	\$ 2,526,399	\$ (11,798,933)	\$ 165,429,532	\$ 12,477,311

The schedule of the required payments for these bonds is as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2020	\$ 6,390,000	\$ 6,656,950	\$ 13,046,950
2021	9,210,000	6,337,450	15,547,450
2022	6,185,000	5,876,950	12,061,950
2023	7,165,000	5,583,450	12,748,450
2024	8,135,000	5,225,200	13,360,200
2025-2029	59,475,000	18,474,013	77,949,013
2030-2034	18,440,000	7,490,775	25,930,775
2035-2038	18,390,000	2,355,000	20,745,000
	<u>\$ 133,390,000</u>	<u>\$ 57,999,788</u>	<u>\$ 191,389,788</u>

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Note 13 – Commitments and Contingencies

A. Grants

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

B. Public-Injury Lawsuits

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

C. Pending Claims and Litigation

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

D. Construction Commitments

VIA discloses significant outstanding construction commitments greater than \$5,000,000 separately. All other construction commitments are grouped together. There are no individually significant outstanding construction commitments as of September 30, 2019. The total of the remaining outstanding commitments at September 30, 2019 is \$4,284,923.

E. Lease Commitments

During the course of operations, VIA enters into various lease arrangements as both a lessor and a lessee. Amounts involved are immaterial.

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Required Supplementary Information – Unaudited

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VIA Metropolitan Transit
San Antonio, Texas
September 30, 2019 and 2018 - Unaudited

Schedule of Changes in Net Pension Liability

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 7,308,154	\$ 7,611,616	\$ 7,905,267	\$ 7,885,706	\$ 8,053,350
Interest on the total pension liability	29,771,656	28,782,751	27,529,518	26,126,424	25,024,697
Changes in benefit terms	-	-	-	2,722,757	-
Differences between expected and actual experience	638,833	(687,692)	2,205,382	1,469,523	-
Changes of assumptions	21,277,913	-	-	-	-
Benefit payments - including refunds of employee contributions	(22,706,442)	(21,397,791)	(19,789,607)	(19,222,937)	(17,386,120)
Refunds	(255,118)	(379,738)	-	-	-
Net change in total pension liability	36,034,996	13,929,146	17,850,560	18,981,473	15,691,927
Total pension liability - beginning	404,782,117	390,852,971	373,002,411	354,020,938	338,329,011
Total pension liability - ending (a)	\$ 440,817,113	\$ 404,782,117	\$ 390,852,971	\$ 373,002,411	\$ 354,020,938
Plan Fiduciary Net Position					
Contributions - employer	\$ 12,480,240	\$ 13,308,001	\$ 12,907,774	\$ 12,143,694	\$ 9,798,508
Contributions - employee	4,420,649	4,486,984	4,121,628	4,236,620	4,227,570
Net investment income	29,240,374	33,570,332	21,792,138	2,675,221	22,741,162
Benefit payments - including refunds of employee contributions	(22,706,442)	(21,397,791)	(19,789,607)	(19,222,937)	(17,168,273)
Refunds	(255,118)	(379,738)	-	-	-
Administrative expense	(120,506)	(255,612)	(143,808)	(236,158)	(215,172)
Other	-	-	-	-	(217,847)
Net change in plan fiduciary net position	23,059,197	29,332,176	18,888,125	(403,560)	19,165,948
Plan fiduciary net position - beginning	275,334,601	246,002,425	227,114,300	227,517,860	208,351,912
Plan fiduciary net position - ending (b)	\$ 298,393,798	\$ 275,334,601	\$ 246,002,425	\$ 227,114,300	\$ 227,517,860
Net pension liability (a)-(b)	\$ 142,423,315	\$ 129,447,516	\$ 144,850,546	\$ 145,888,111	\$ 126,503,078
Plan fiduciary net position as a percentage of total pension liability	67.7%	68.0%	62.9%	60.9%	64.3%
Covered payroll	65,166,072	67,512,908	69,482,896	70,477,214	71,690,366
Net pension liability as a percentage of covered payroll	218.6%	191.7%	208.5%	207.0%	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 four years are presented. The full trend information will be accumulated over the next six years.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - Unaudited

Schedule of VIA's Pension Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2015	11,901,186	12,143,694	(242,508)	70,477,214	17.23%
2016	12,907,775	12,907,774	1	69,482,896	18.58%
2017	13,307,801	13,308,001	(200)	67,512,908	19.71%
2018	12,480,239	12,480,240	(1)	65,166,072	19.15%
2019	14,729,284	14,729,284	-	63,152,166	23.32%

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - Unaudited

Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ended September 30, 2018

(Multi-year schedules may be built prospectively)

	2019	2018
Total OPEB Liability		
Service cost	\$ 1,099,372	\$ 832,570
Interest on the total OPEB liability	2,952,287	2,412,291
Difference between expected and actual experience	630,393	5,788,320
Changes of assumptions	-	1,633,830
Benefit payments	(2,509,834)	(1,976,355)
Net change in total OPEB liability	2,172,218	8,690,656
Total OPEB liability - beginning	41,426,434	32,735,778
Total OPEB liability - ending (a)	\$ 43,598,652	\$ 41,426,434
Plan fiduciary net position		
Employer contributions	\$ 2,302,233	\$ 2,139,796
OPEB plan net investment income	579,606	683,082
Benefit payments	(2,509,834)	(1,976,355)
OPEB plan administrative expense	(13,195)	(3,210)
Other	1,376	960
Net change in plan fiduciary net position	360,186	844,273
Plan fiduciary net position - beginning	8,186,100	7,341,827
Plan fiduciary net position - ending (b)	\$ 8,546,286	\$ 8,186,100
Net OPEB liability - ending (a) - (b)	\$ 35,052,366	\$ 33,240,334
Plan fiduciary net position as a percentage of total OPEB liability	19.60%	19.76%
Covered-employee payroll	\$ 112,718,602	\$ 104,967,899
Net OPEB liability as a percentage of covered-employee payroll	31.10%	31.67%

Notes to Schedule:

New demographic and OPEB-specific assumptions were adopted as a result of the recent experience study. Included in the changes was a reduction to the discount rate from 7.50% to 7.25%.

GASB Statement No. 75 requires this schedule to be presented for a ten-year period. VIA adopted GASB Statement No. 75 in Fiscal Year 2018, therefore, only one year is presented. The full trend information will be accumulated over the next nine years.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - Unaudited

Schedule of OPEB Contributions Last 10 Fiscal Years

(Multi-year schedules may be built prospectively)

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 2,302,233	\$ 2,302,233	\$ -	\$ 112,718,602	2.0%
2019	2,738,963	2,738,963	-	119,344,686	2.3%

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - Unaudited

Notes to the Required Supplementary Information

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

A. 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).

B. Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years remaining as of September 30, 2018
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary Increases	3.75% to 5.75, service-related assumption, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study through 2016.
Mortality	Gender distinct RP-2000 Combined Health Mortality Table with blue collar adjustment, projected on a fully generational basis by scale BB, multiplied by 109% for male table and 103% for female table.

C. Other information

VIA's funding policy is to contribute the Plan's normal cost and an amortization payment to fund the unfunded actuarially accrued liability. The amortization payment is determined as a level percentage of payroll (assuming a 3.25% payroll growth), which 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 was to contribute less than the actuarially determined contribution for fiscal year 2015 and 2016. For fiscal year 2017 and each year thereafter, VIA will contribute the actuarially determined contribution amount.

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018 - Unaudited

Note 2 – Postemployment Benefits Other than Pensions

A. Valuation Date

The Actuarially determined contribution for VIA's fiscal year ending September 30, 2019 was developed in the October 1, 2018 valuation and contributed during the plan's fiscal year ending September 30, 2019.

B. Methods and assumptions used to determine contribution rates

Actuarial cost method	Individual Entry Age Normal
Discount Rate	7.25%
Inflation	2.75%
Salary Increases	3.75 to 5.75%, including inflation, plus an overtime adjustment varying from 1.25% of pay for office workers to 17.50% for operators.
Demographic Assumptions	Based on VIA's experience study for the six-year period ending September 30, 2016.
Mortality	For healthy retirees, the gender distinct RP2000 combined health mortality tables with blue collar adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Participation Rates	Initial rates of 45% pre-65 retirees and 25% post-65 retirees, with 44% assumed to discontinue at age 65.
Healthcare cost trend rates	Initial rates of 7.25% for pre-65 retirees and 6.30% for post-65 retirees, declining to ultimate rates of 4.25% for both pre-65 and post-65 retirees after 13 years.

C. Other information

VIA began complying with Governmental Accounting Standards Board Statement No. 75 (GASB No. 75) with the fiscal year ending September 30, 2018.

Other Supplementary Information

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VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Combining Statements of Net Position – Fiscal Year 2019

	MTA	ATD	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 53,348,889	\$ 12,063,265	\$ -	\$ 65,412,154
Investments	29,223,282	8,559,037	-	37,782,319
Accounts receivable:				
Federal government	3,478,033	-	-	3,478,033
State of Texas - sales taxes	26,736,281	6,059,792	-	32,796,073
Sales tax receivable - CoSA & Bexar County	-	6,059,792	-	6,059,792
Interest	38,531	-	-	38,531
Receivable from ATD	2,575,553	-	(2,575,553)	-
Other	3,154,280	-	-	3,154,280
Inventory	4,816,864	-	-	4,816,864
Prepaid expenses and other current assets	70,833	-	-	70,833
Restricted assets:				
Restricted cash - bond fund	2,107,061	396,140	-	2,503,201
Total current assets	125,549,607	33,138,026	(2,575,553)	156,112,080
Noncurrent assets:				
Restricted cash - TxDOT grant	30,715,256	-	-	30,715,256
Restricted cash - bond reserve fund	2,927,724	-	-	2,927,724
Restricted investments - TxDOT grant	20,259,354	-	-	20,259,354
Capital assets:				
Land	33,334,256	-	-	33,334,256
Buildings and shelters	280,433,405	-	-	280,433,405
Revenue vehicles	299,903,960	-	-	299,903,960
Service vehicles	5,966,597	-	-	5,966,597
Equipment	60,373,297	-	-	60,373,297
Total capital assets	680,011,515	-	-	680,011,515
Less accumulated depreciation	342,425,987	-	-	342,425,987
Construction in progress	64,118,426	-	-	64,118,426
Net capital assets	401,703,954	-	-	401,703,954
Total noncurrent assets	455,606,288	-	-	455,606,288
Total assets	581,155,895	33,138,026	(2,575,553)	611,718,368
Deferred outflows of resources				
Pension	33,777,400	-	-	33,777,400
Other Pension Benefits	8,931,903	-	-	8,931,903
Total deferred outflows of resources	42,709,303	-	-	42,709,303
Total assets and deferred outflows of resources	\$ 623,865,198	\$ 33,138,026	\$ (2,575,553)	\$ 654,427,671

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

	MTA	ATD	Eliminations	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 12,946,461	\$ -	\$ -	\$ 12,946,461
Payable to MTA	-	2,575,553	(2,575,553)	-
Payable to CoSA & Bexar County	-	6,054,909	-	6,054,909
Retainage payable	1,765,141	-	-	1,765,141
Accrued liabilities	7,110,082	-	-	7,110,082
Unearned revenue	2,353,759	-	-	2,353,759
Claims payable	7,736,637	-	-	7,736,637
Current liabilities payable from unrestricted assets	31,912,080	8,630,462	(2,575,553)	37,966,989
Current liabilities payable from restricted assets:				
Interest payable	1,020,220	236,625	-	1,256,845
Bonds payable	5,435,000	955,000	-	6,390,000
Total current liabilities	38,367,300	9,822,087	(2,575,553)	45,613,834
Noncurrent liabilities:				
Net pension liability	142,423,315	-	-	142,423,315
Net other pension benefits liability	35,052,366	-	-	35,052,366
Long-term liabilities	113,534,063	31,629,903	-	145,163,966
Total noncurrent liabilities	291,009,744	31,629,903	-	322,639,647
Total liabilities	329,377,044	41,451,990	(2,575,553)	368,253,481
Deferred inflows of resources				
Pension	15,739,012	-	-	15,739,012
Other pension benefits	71,095	-	-	71,095
Total deferred outflows of resources	15,810,107	-	-	15,810,107
Total liabilities and deferred inflows of resources	345,187,151	41,451,990	(2,575,553)	384,063,588
Net Position				
Net investment in capital assets	285,311,060	(32,584,903)	-	252,726,157
Restricted debt service	1,086,841	159,515	-	1,246,356
Restricted TxDOT grant	50,974,610	-	-	50,974,610
Restricted bond reserve fund	2,927,724	-	-	2,927,724
Unrestricted	(61,622,188)	24,111,424	-	(37,510,764)
Total Net Position	278,678,047	(8,313,964)	-	270,364,083
Total liabilities, deferred inflows and net position	\$ 623,865,198	\$ 33,138,026	\$ (2,575,553)	\$ 654,427,671

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Combining Schedule of Revenues, Expenses and Changes in Net Position Fiscal Year 2019

	MTA	ATD	Total
Operating revenues:			
Line service	\$ 15,414,524	\$ 2,682,064	\$ 18,096,588
Robert Thompson Terminal	71,168	-	71,168
Other special events	106,386	-	106,386
VIATrans	1,912,340	-	1,912,340
VIA Link	11,869	-	11,869
Real estate development	557,273	-	557,273
Ellis Alley Park and Ride	13,805	-	13,805
Bus advertising	1,021,564	-	1,021,564
Miscellaneous	455,673	-	455,673
Total operating revenues	19,564,602	2,682,064	22,246,666
Operating expenses:			
Line service	147,826,097	32,048,441	179,874,538
Robert Thompson Terminal	710,668	-	710,668
Other special events	495,404	-	495,404
VIATrans	45,611,738	-	45,611,738
VIA Link	375,020	-	375,020
Vanpool	-	604,486	604,486
Promotional service	70,002	-	70,002
Real estate development	1,051	-	1,051
Business development and planning	6,598,704	-	6,598,704
Total operating expenses before depreciation	201,688,684	32,652,927	234,341,611
Depreciation on capital assets:			
Acquired with VIA equity	18,701,422	-	18,701,422
Acquired with grants	18,001,553	-	18,001,553
Total operating expenses after depreciation	238,391,659	32,652,927	271,044,586
Operating loss	(218,827,057)	(29,970,863)	(248,797,920)
Nonoperating revenues (expenses):			
Sales taxes	160,092,754	72,449,596	232,542,350
City of San Antonio interlocal agreement	10,000,000	-	10,000,000
Grants revenue - VIA	39,285,411	-	39,285,411
Grants revenue - pass-through	2,071,336	-	2,071,336
Investment income	3,582,452	426,254	4,008,706
Bond interest and issuance costs	(4,352,473)	(1,187,329)	(5,539,802)
Gain (loss) on sale of assets	(912,121)	-	(912,121)
Less pass-through funds remitted to subrecipients	(2,071,336)	-	(2,071,336)
Less amounts remitted to CoSA and Bexar County	-	(36,224,798)	(36,224,798)
Total nonoperating revenues (expenses) - net	207,696,023	35,463,723	243,159,746
Loss before capital contributions	(11,131,034)	5,492,860	(5,638,174)
Capital contributions	(174,559)	-	(174,559)
Transfer in (out)	57,181	(57,181)	-
Change in net position	(11,248,412)	5,435,679	(5,812,733)
Net position at beginning of year	289,926,459	(13,749,643)	276,176,816
Net position at end of year	\$ 278,678,047	\$ (8,313,964)	\$ 270,364,083

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Combining Schedule of Cash Flows – Fiscal Year 2019

	MTA	ATD	Total
Cash flows from operating activities			
Cash received from customers	\$ 19,631,927	\$ 2,706,941	\$ 22,338,868
Cash payments to vendors for goods and services	(55,882,874)	(12,050,562)	(67,933,436)
Cash payments for employee services, including salaried fringe benefits	(148,657,184)	-	(148,657,184)
Cash payments for MTA employee services	-	(20,935,714)	(20,935,714)
Net cash provided by (used in) operating activities	(184,908,131)	(30,279,335)	(215,187,466)
Cash flows from noncapital financing activities			
Sales taxes	158,791,830	71,800,034	230,591,864
Grants revenue received	43,338,067	-	43,338,067
Payments to TxDOT, CoSA and Bexar County	-	(35,900,021)	(35,900,021)
CoSA interlocal agreement	10,000,000	-	10,000,000
Net cash provided by (used in) noncapital financing activities	212,129,897	35,900,013	248,029,910
Cash flows from capital and related financing activities			
Proceeds from capital grants	21,001,882	-	21,001,882
Principal payments on bonds	(7,650,000)	(915,000)	(8,565,000)
Premium, interest and financing fees	(5,543,556)	(1,456,350)	(6,999,906)
Purchase of capital assets	(37,832,956)	-	(37,832,956)
Net cash provided by (used in) capital and related financing activities	(30,024,630)	(2,371,350)	(32,395,980)
Cash flows from investing activities			
Sale of investment securities	94,618,773	29,233,385	123,852,158
Purchase of investment securities	(71,234,694)	(24,020,750)	(95,255,444)
Interest earnings	2,739,078	420,069	3,159,147
Net cash provided by (used in) investing activities	26,123,157	5,632,704	31,755,861
Net increase (decrease) in cash and cash equivalents	23,320,293	8,882,032	32,202,325
Cash and cash equivalents at beginning of year	65,778,637	3,577,373	69,356,010
Cash and cash equivalents at end of year	\$ 89,098,930	\$ 12,459,405	\$ 101,558,335
Reconciliation of operating loss to net cash provided (used in) operating activities			
Operating loss	\$ (218,827,057)	\$ (29,970,863)	\$ (248,797,920)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation on capital assets:			
Acquired with VIA equity	18,701,422	-	18,701,422
Acquired with grants	18,001,553	-	18,001,553
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	211,932	-	211,932
Decrease (increase) in inventory	(611,536)	-	(611,536)
(Decrease) increase in prepaid expenses and other current assets	156,614	-	156,614
Decrease (increase) in prepaid pension	(16,289,851)	-	(16,289,851)
Decrease (increase) in prepaid other postemployment benefits	(529,324)	-	(529,324)
(Decrease) increase in inter-fund receivable	305,457	(308,472)	(3,015)
(Decrease) increase in accounts payable	(2,282,615)	-	(2,282,615)
(Decrease) increase in accrued liabilities	16,255,274	-	16,255,274
Net cash provided by (used in) operating activities	\$ (184,908,131)	\$ (30,279,335)	\$ (215,187,466)
Reconciliation of cash and cash equivalents to the statements of net position			
Cash and cash equivalents at end of year:			
Unrestricted	\$ 53,348,889	\$ 12,063,265	\$ 65,412,154
Restricted - mandated purpose	35,750,041	396,140	36,146,181
Total cash and cash equivalents	\$ 89,098,930	\$ 12,459,405	\$ 101,558,335
Noncash Investing and Financing Activities			
Change in fair value of investments reported as cash equivalents	\$ (1,155,920)	\$ -	\$ (1,155,920)

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual (GAAP Basis) – MTA 2019

	MTA		
	Budget	Actual	Variance
Operating revenues:			
Line service	\$ 16,520,683	\$ 15,414,524	\$ (1,106,159)
Robert Thompson Terminal	69,987	71,168	1,181
Other special events	106,176	106,386	210
VIATrans	2,083,219	1,912,340	(170,879)
VIA Link	-	11,869	11,869
Real estate development	950,000	1,021,564	71,564
Ellis Alley Park and Ride	9,600	13,805	4,205
Bus advertising	315,476	557,273	241,797
Miscellaneous	437,040	455,673	18,633
Total operating revenues	20,492,181	19,564,602	(927,579)
Operating expenses (excluding depreciation):			
Line service	149,127,312	147,826,097	(1,301,215)
Robert Thompson Terminal	410,456	710,668	300,212
Other special events	608,115	495,404	(112,711)
VIATrans	45,989,199	45,611,738	(377,461)
VIA Link	1,050,000	375,020	(674,980)
Promotional service	76,544	70,002	(6,542)
Real estate development	3,386	1,051	(2,335)
Business development and planning	8,503,207	6,598,704	(1,904,503)
Total operating expenses before depreciation	205,768,219	201,688,684	(4,079,535)
Operating loss excluding depreciation	(185,276,038)	(182,124,082)	3,151,956
Non-operating revenues (expenses):			
Sales taxes	156,627,521	160,092,754	3,465,233
City of San Antonio interlocal agreement	10,000,000	10,000,000	-
Grants revenue - VIA	32,791,100	39,285,411	6,494,311
Grants revenue - pass-through	1,488,405	2,071,336	582,931
Investment income	1,493,186	3,582,452	2,089,266
Bond interest and issuance costs	(4,342,300)	(4,352,473)	(10,173)
Gain (loss) on sale of assets	-	(912,121)	(912,121)
Local assistant programs	(800,000)	-	800,000
Less pass-through funds remitted to subrecipients	(1,488,405)	(2,071,336)	(582,931)
Total non-operating revenues (expenses) - net	195,769,507	207,696,023	11,926,516
Income before depreciation	10,493,469	25,571,941	15,078,472
Less depreciation	36,702,975	36,702,975	-
Income (loss) after depreciation	\$ (26,209,506)	\$ (11,131,034)	\$ 15,078,472

VIA Metropolitan Transit

San Antonio, Texas

September 30, 2019 and 2018

Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual (GAAP Basis) – ATD 2019

	ATD		
	Budget	Actual	Variance
Operating revenues:			
Line service	\$ 2,790,765	\$ 2,682,064	\$ (108,701)
Total operating revenues	2,790,765	2,682,064	(108,701)
Operating expenses (excluding depreciation):			
Line service	32,477,448	32,048,441	(429,007)
Vanpool	651,601	604,486	(47,115)
Total operating expenses before depreciation	33,129,049	32,652,927	(476,122)
Operating loss excluding depreciation	(30,338,284)	(29,970,863)	367,421
Non-operating revenues (expenses):			
Sales taxes	71,108,640	72,449,596	1,340,956
Investment income	54,656	426,254	371,598
Bond interest and issuance costs	(1,244,504)	(1,187,329)	57,175
Less amounts remitted to CoSA and Bexar County	(35,554,320)	(36,224,798)	(670,478)
Total non-operating revenues (expenses) - net	34,364,472	35,463,723	1,099,251
Income before depreciation	4,026,188	5,492,860	1,466,672
Less depreciation	-	-	-
Income (loss) after depreciation	\$ 4,026,188	\$ 5,492,860	\$ 1,466,672

VIA Metropolitan Transit

San Antonio, Texas

Schedule of Operating Expenses by Expense Category and Cost Center

Year Ended September 30, 2019

	Metropolitan Transit Authority				
	Line Service	Robert Thompson Terminal	Other Special Event	VIA Link	VIAtrans
Labor	\$ 62,531,961	\$ 286,436	\$ 214,260	\$ -	\$ 10,449,636
Fringe Benefits	-	-	-	-	-
Services	3,125,389	51,948	39,948	-	308,127
Materials & Supplies	13,264,403	49,903	28,349	-	2,270,693
Utilities	1,436,652	19,562	2,158	-	282,538
Casualty & Liability	1,314,715	3,536	2,612	-	337,402
Taxes	231,705	633	33	-	54,354
Purchased Transportation	-	-	-	375,020	-
Miscellaneous Expenses	165,138	97	145	-	18,079
Leases & Rentals	137,302	259	5,699	-	-
Fringe Dist. Other	35,667,147	161,578	106,961	-	6,128,376
Expense Transfers	29,951,685	136,715	95,240	-	5,031,315
Sub-Total	147,826,097	710,668	495,404	375,020	24,880,519
Depreciation on capital assets:					
Direct Depreciation	29,662,261	58,653	47,426	-	984,886
Indirect Depreciation	2,824,729	5,585	4,516	-	93,790
Fringe Depreciation	14,513	29	23	-	482
Sub-Total Depreciation	32,501,503	64,267	51,965	-	1,079,158
Total Operating Expenses	\$ 180,327,600	\$ 774,936	\$ 547,370	\$ 375,020	\$ 25,959,678

VIA Metropolitan Transit

San Antonio, Texas

Schedule of Operating Expenses by Expense Category and Cost Center

Year Ended September 30, 2019

	Metropolitan Transit Authority			
	Purchased Transportation	Promotional Service	Real Estate Development	Business Development and Planning
Labor	\$ 1,243,832	\$ 31,748	\$ -	\$ 1,685,155
Fringe Benefits	-	-	-	-
Services	257,547	142	475	2,691,922
Materials & Supplies	772,830	2,702	213	48,686
Utilities	113,127	188	-	-
Casualty & Liability	604	284	363	-
Taxes	83,138	59	-	-
Purchased Transportation	17,040,267	-	-	-
Miscellaneous Expenses	4,018	10	-	446,175
Leases & Rentals	-	25	-	-
Fringe Dist. Other	639,515	19,420	-	928,443
Expense Transfers	576,341	15,425	-	798,323
Sub-Total	20,731,219	70,002	1,051	6,598,704
Depreciation on capital assets:				
Direct Depreciation	47,589	5,337	11,195	64,517
Indirect Depreciation	4,532	508	1,066	6,144
Fringe Depreciation	23	3	5	32
Sub-Total Depreciation	52,144	5,848	12,266	70,693
Total Operating Expenses	\$ 20,783,364	\$ 75,850	\$ 13,318	\$ 6,669,397

VIA Metropolitan Transit

San Antonio, Texas

Schedule of Operating Expenses by Expense Category and Cost Center

Year Ended September 30, 2019

	Advanced Transportation District		
	Bus Rapid Transit (BRT)	Line Service	Vanpool
Labor	\$ 3,850,657	\$ 9,096,985	\$ 55,963
Fringe Benefits	-	-	-
Services	190,174	491,818	25,200
Materials & Supplies	746,861	2,934,324	-
Utilities	71,488	229,529	-
Casualty & Liability	72,800	306,909	245,650
Taxes	14,021	52,894	-
Purchased Transportation	-	-	216,570
Miscellaneous Expenses	55,725	20,095	120
Leases & Rentals	57,885	27,841	-
Fringe Dist. Other	2,227,654	5,146,342	32,732
Expense Transfers	1,934,685	4,519,755	28,250
Sub-Total	9,221,949	22,826,492	604,486
Depreciation on capital assets:			
Direct Depreciation	1,288,462	4,530,499	2,147
Indirect Depreciation	122,700	431,438	204
Fringe Depreciation	631	2,217	1
Sub-Total Depreciation	1,411,793	4,964,154	2,353
Total Operating Expenses	<u>\$ 10,633,742</u>	<u>\$ 27,790,647</u>	<u>\$ 606,838</u>

VIA Metropolitan Transit

San Antonio, Texas

Schedule of Operating Expenses by Expense Category and Cost Center

Year Ended September 30, 2019

	Combined				
	Sub-Total	MTA Indirect	ATD Indirect	Combined MTA & ATD Fringe	Total
Labor	\$ 89,446,633	\$ 18,249,006	\$ 108,731	\$ 470,342	\$ 108,274,713
Fringe Benefits	-	-	-	60,002,531	60,002,531
Services	7,182,689	9,693,961	82,540	1,190,975	18,150,164
Materials & Supplies	20,118,963	729,382	-	2,377	20,850,722
Utilities	2,155,241	1,445,845	-	-	3,601,086
Casualty & Liability	2,284,875	92,644	-	-	2,377,519
Taxes	436,838	-	-	-	436,838
Purchased Transportation	17,631,858	-	-	-	17,631,858
Miscellaneous Expenses	709,601	2,297,099	4,546	14,391	3,025,637
Leases & Rentals	229,012	123,343	94	-	352,449
Fringe Dist. Other	51,058,167	10,418,269	63,823	(61,798,065)	(257,806)
Expense Transfers	43,087,734	(43,049,549)	(259,733)	117,449	(104,099)
Sub-Total	234,341,611	-	-	-	234,341,611
Depreciation on capital assets					
Direct Depreciation	36,702,972	1	-	2	36,702,975
Indirect Depreciation	3,495,214	(3,495,215)	-	-	-
Fringe Depreciation	17,958	-	-	(17,958)	-
Sub-Total Depreciation	40,216,144	(3,495,213)	-	(17,956)	36,702,975
Total Operating Expenses	\$ 274,557,755	\$ (3,495,213)	\$ -	\$ (17,956)	\$ 271,044,586

STATISTICAL

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

Financial Trends

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

Net Position	109
Changes in Net Position	110

Revenue Capacity

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

Direct and Overlapping Sales Tax Rates	113
Estimated MTA/ATD Sales Tax Receipts by City	114

Debt Capacity

Schedule of Outstanding Debt and Public Debt Coverage Ratios	116
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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.

Demographic and Economic Statistics	118
Principal Employers	119

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.

Full Time Equivalents	120
Fare History	121
Line Service Statistics	122
VIATrans Service Statistics	123
Line Service Recovery Rate	124
VIATrans Service Recovery Rate	124
Service Miles by Cost Center	125
Service Hours by Cost Center	125
Revenues by Source	126
Expenses by Cost Center (including Depreciation)	126
Operating Expenses by Object Class	128
Capital Assets	130
Changes in Retirement Plan Net Position	132
Benefit and Refund Deductions from Net Position by Type	132
Retired Members by Type of Benefit	133
Schedule of Average Benefit Payment Amounts	134

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VIA Metropolitan Transit

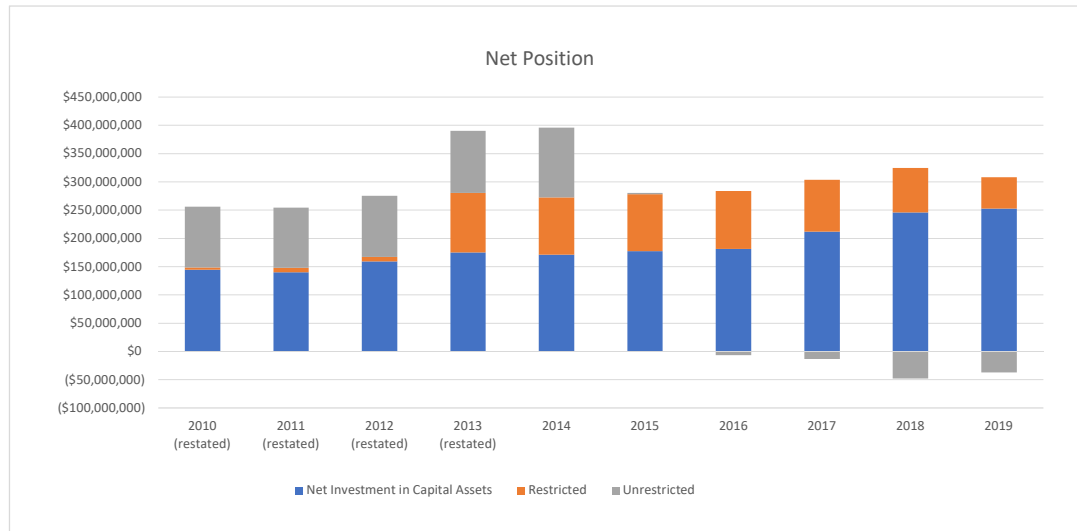
San Antonio, Texas

Net Position

Last Ten Fiscal Years

	2010 (Restated)	2011 (Restated)	2012 (Restated)	2013 (Restated)	2014	2015	2016	2017	2018	2019
Net Investment in Capital Assets	\$144,198,151	\$139,898,123	\$159,389,068	\$175,033,075	\$171,241,292	\$177,325,265	\$181,356,296	\$211,516,797	\$245,849,541	\$252,726,157
Restricted	3,950,272	7,983,145	7,752,249	105,420,435	101,174,318	100,721,318	102,233,683	91,923,793	78,585,541	55,148,690
Unrestricted	107,831,356	106,150,372	108,124,230	109,393,508	123,167,778	2,428,152	(6,471,436)	(13,328,420)	(48,258,266)	(37,510,764)
Total Net Position	\$255,979,779	\$254,031,640	\$275,265,547	\$389,847,018	\$395,583,388	\$280,474,735	\$277,118,543	\$290,112,170	\$276,176,816	\$270,364,083

Source: VIA's Annual Audited Financial Statements



VIA Metropolitan Transit

San Antonio, Texas

Changes in Net Position Last Ten Fiscal Years

	2010 (Restated)	2011 (Restated)	2012 (Restated)	2013 (Restated)	2014	2015
Operating Revenues						
Line Service	\$ 20,571,968	\$ 21,625,077	\$ 22,315,482	\$ 23,001,057	\$ 22,103,715	\$ 20,880,726
Starlight Service	-	-	-	-	-	-
Robert Thompson Terminal	42,550	76,917	78,925	195,549	187,785	145,337
Other Special Events	180,666	174,383	177,119	166,560	181,786	169,079
VIAtrans	1,713,729	1,705,738	1,681,635	1,821,640	1,882,687	1,899,614
VIA Link	-	-	-	-	-	-
Charter	145,500	107,523	113,915	230,308	195,052	86,526
Promotional	-	-	-	-	-	-
Real Estate Development	267,859	277,257	267,719	277,714	263,360	281,072
Ellis Alley Park and Ride	11,566	8,243	6,854	10,290	6,491	23,918
Bus Advertising	464,100	516,250	615,000	714,530	749,530	814,530
Miscellaneous	993,321	842,939	843,534	783,235	759,723	436,382
<i>Total Operating Revenues</i>	24,391,259	25,334,327	26,100,183	27,200,883	26,330,129	24,737,184
Operating Expenses						
Line Service	117,495,205	127,048,368	132,326,068	140,264,400	147,478,417	161,181,992
Bus Disaster Relief ¹	-	-	-	-	-	-
Robert Thompson Terminal	201,686	361,462	512,763	707,542	733,305	657,286
Other Special Events	470,726	490,118	541,478	584,044	592,886	618,448
VIAtrans	29,078,861	31,038,547	32,677,623	33,147,022	34,330,772	37,375,783
VIA Link	-	-	-	-	-	-
Van Disaster Relief ¹	-	-	-	-	-	-
Vanpool	200,962	366,252	537,218	534,322	547,806	558,689
Bus Rapid Transit	494,849	361,888	391,558	-	-	-
Starlight Service	-	-	-	-	-	-
Charter	160,020	151,927	131,882	252,832	239,325	175,609
Promotional	-	-	-	-	-	-
Real Estate Development	6,239	794	3,192	857	4,334	613
Business Development and Planning	3,392,485	3,446,449	3,894,405	4,745,443	5,858,692	6,588,687
Transit Technology	601,376	690,381	719,319	715,552	694,331	685,274
<i>Total Operating Expenses</i>	152,102,409	163,956,186	171,735,506	180,952,014	190,479,868	207,842,381
Non-Operating Revenues (Expenses)						
Sales Taxes	137,285,707	144,588,735	163,316,655	173,776,660	189,964,334	197,645,249
Grants Reimbursement	27,196,327	23,279,480	20,360,615	25,145,760	26,045,513	27,047,155
Grants Revenue - pass through	-	-	-	-	212,062	1,327,755
Investment Income	585,219	617,320	252,009	(18,870)	577,720	853,433
CoSA Intergovernmental Revenue	-	-	-	-	-	-
Bond Interest and Amortization	-	-	(546,141)	(63,884)	(3,542,815)	(3,000,034)
Net Gain(Loss) on Sale of Assets	(126,707)	(367,766)	170,308	73,893	40,839	(1,252)
Less pass-through funds to subrecipients	-	-	-	-	(212,062)	(1,327,755)
ATD, CoSA, TxDOT, Bexar Co., and Election Expense ²	(21,700,854)	(23,085,686)	(25,720,768)	(27,138,822)	(29,541,042)	(30,637,238)
Local Assistance ³	-	-	90,150	-	-	-
<i>Net Non-Operating Revenues (Expenses)</i>	143,239,692	145,032,083	157,922,828	171,774,737	183,544,549	191,907,313
Income(Loss) before Depreciation, Loss on Asset Impairment and Capital Contributions	15,528,542	6,410,224	12,287,505	18,023,606	19,394,810	8,802,116
Depreciation	(20,281,792)	(21,588,388)	(19,035,123)	(20,933,451)	(22,804,973)	(22,275,368)
Loss on Asset Impairment	-	-	-	-	(4,882,000)	(4,918,000)
Capital Contributions	29,801,538	13,230,025	27,981,525	117,491,316	14,028,533	21,974,093
Change in Net Position	\$ 25,048,288	\$ (1,948,139)	\$ 21,233,907	\$ 114,581,471	\$ 5,736,370	\$ 3,582,841

Source: VIA's Annual Audited Financial Statements

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

² 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.

³ Outflows reflect local assistance and the inflow shown in FY 2012 is the return of some funds that VIA has contributed to the Regional Mobility Authority (RMA) for the US 281 Super Street Project.

2016	2017	2018	2019	
\$ 20,051,622	\$ 18,980,613	\$ 18,369,534	\$ 18,096,588	Operating Revenues
-	-	-	-	Line Service
94,787	82,050	77,468	71,168	Starlight Service
144,402	140,491	178,001	106,386	Robert Thompson Terminal
1,996,240	2,033,653	1,999,596	1,912,340	Other Special Events
-	-	-	11,869	VIATrans
-	-	-	-	VIA Link
-	-	-	-	Charter
330,799	446,352	577,989	557,273	Promotional
12,582	10,201	7,752	13,805	Real Estate Development
894,530	939,642	950,635	1,021,564	Ellis Alley Park and Ride
441,677	473,160	416,518	455,673	Bus Advertising
23,966,639	23,106,162	22,577,493	22,246,666	Miscellaneous
				<i>Total Operating Revenues</i>
167,351,942	165,746,945	165,548,929	179,874,538	Operating Expenses
-	163,268	-	-	Line Service
630,944	465,271	499,523	710,668	Bus Disaster Relief ¹
552,244	534,207	670,088	495,404	Robert Thompson Terminal
40,922,470	40,055,752	42,097,730	45,611,738	Other Special Events
-	-	-	375,020	VIATrans
-	2,685	-	-	VIA Link
608,055	611,149	597,442	604,486	Van Disaster Relief ¹
-	-	-	-	Vanpool
-	-	-	-	Bus Rapid Transit
-	-	-	-	Starlight Service
99,753	89,541	65,106	70,002	Charter
1,678	539	801	1,051	Promotional
6,453,239	6,685,076	6,468,225	6,598,704	Real Estate Development
637,751	492,167	-	-	Business Development and Planning
217,258,076	214,846,600	215,947,845	234,341,611	Transit Technology
				<i>Total Operating Expenses</i>
201,407,198	207,873,339	220,294,591	232,542,350	Non-Operating Revenues (Expenses)
28,773,370	29,032,637	30,500,898	39,285,411	Sales Taxes
1,463,234	1,553,833	815,948	2,071,336	Grants Reimbursement
1,839,616	1,357,966	1,861,966	4,008,706	Grants Revenue - pass through
-	-	4,300,000	10,000,000	Investment Income
(3,237,107)	(5,619,099)	(5,774,084)	(5,539,802)	CoSA Intergovernmental Revenue
(117,056)	2,633,990	218,743	(912,121)	Bond Interest and Amortization
(1,400,626)	(1,452,788)	(897,060)	(2,071,336)	Net Gain(Loss) on Sale of Assets
(31,427,566)	(32,413,170)	(34,311,703)	(36,224,798)	Less pass-through funds to subrecipients
(461,513)	(40,000)	-	-	ATD, CoSA, TxDOT, Bexar Co., and Election Expense ²
196,839,550	202,926,708	217,009,299	243,159,746	Local Assistance ³
				<i>Net Non-Operating Revenues (Expenses)</i>
3,548,113	11,186,270	23,638,947	31,064,801	Income(Loss) before Depreciation, Loss on Asset Impairment and Capital Contributions
(22,200,678)	(24,012,602)	(34,362,524)	(36,702,975)	Depreciation
(8,579,632)	-	-	-	Loss on Asset Impairment
23,876,005	25,819,959	24,967,580	(174,559)	Capital Contributions
\$ (3,356,192)	\$ 12,993,627	\$ 14,244,003	\$ (5,812,733)	Change in Net Position

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VIA Metropolitan Transit

San Antonio, Texas

Direct and Overlapping Sales Tax Rates

As of September 30, 2019

City	Direct Rates			Overlapping Rates¹			Total Sales Tax Rate
	Metropolitan Transit Authority (MTA)	Advanced Transportation District (ATD)	Total Direct Rate	State	Local		
					City	Special Purpose District	
Alamo Heights	0.50%		0.50%	6.25%	1.500%		8.25%
Balcones Heights	0.50%		0.50%	6.25%	1.000%	0.500%	8.25%
Castle Hills	0.50%		0.50%	6.25%	1.250%	0.250%	8.25%
China Grove	0.50%		0.50%	6.25%	1.250%		8.00%
Converse	0.50%		0.50%	6.25%	1.500%		8.25%
Elmendorf	0.50%		0.50%	6.25%	1.500%		8.25%
Kirby	0.50%		0.50%	6.25%	1.250%	0.250%	8.25%
Leon Valley	0.50%		0.50%	6.25%	1.375%	0.125%	8.25%
Olmos Park	0.50%		0.50%	6.25%	1.500%		8.25%
Saint Hedwig	0.50%		0.50%	6.25%	1.500%		8.25%
Sandy Oaks	0.50%		0.50%	6.25%	1.500%		8.25%
Shavano Park	0.50%		0.50%	6.25%	1.250%	0.250%	8.25%
Terrell Hills	0.50%		0.50%	6.25%	1.250%		8.00%
San Antonio	0.50%	0.25%²	0.75%	6.25%	1.250%		8.25%
Unincorporated (Bexar County)	0.50%		0.50%	6.25%			6.75%

Source: State of Texas Comptroller of Public Accounts

Note: The Texas state sales and use tax rate is 6.25%. Local taxing jurisdictions (cities, counties, special purpose districts, and transit authorities) may also impose sales and use tax up to 2% for a total maximum combined rate of 8.25%. Transit authority rates are limited to between .25% and 1% and may be increased only by a majority vote of the city's residents.

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

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

VIA Metropolitan Transit

San Antonio, Texas

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

	2010	2011	2012	2013	2014
Alamo Heights	\$ 369,810	\$ 382,503	\$ 418,716	\$ 445,742	\$ 473,443
Balcones Heights	573,949	609,594	670,081	702,293	701,787
Castle Hills	378,022	422,138	438,952	459,610	458,501
China Grove	39,759	42,669	54,047	57,159	77,598
Converse	762,992	744,263	841,257	856,192	906,675
Elmendorf	22,021	27,340	35,960	40,532	54,865
Kirby	90,744	91,851	95,966	108,265	115,451
Leon Valley	826,649	840,965	869,196	933,280	1,084,454
Olmos Park	179,401	189,850	238,399	232,007	224,911
Saint Hedwig	29,149	27,148	26,136	30,063	36,134
San Antonio (MTA)	90,350,846	94,720,036	104,895,568	112,728,315	123,682,950
San Antonio (ATD) ¹	21,700,855	23,085,685	25,720,768	27,138,822	29,541,044
Sandy Oaks	-	-	-	-	-
Shavano Park	93,876	145,632	371,253	407,841	334,104
Terrell Hills	100,277	103,667	119,890	107,737	113,730
Other ²	66,502	69,710	2,799,697	2,389,980	2,617,645
Total Sales Tax Receipts	<u>\$ 115,584,852</u>	<u>\$ 121,503,051</u>	<u>\$ 137,595,886</u>	<u>\$ 146,637,838</u>	<u>\$ 160,423,292</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 are not allocated as they are collected from a single city.

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

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

2015	2016	2017	2018	2019	
\$ 471,080	\$ 505,166	\$ 509,808	\$ 562,564	\$ 595,886	Alamo Heights
732,556	716,374	703,907	750,609	820,950	Balcones Heights
491,947	508,528	516,192	515,510	556,900	Castle Hills
83,033	74,519	69,503	68,974	71,545	China Grove
984,923	1,039,386	1,050,920	1,206,952	1,255,494	Converse
87,361	196,823	260,351	428,878	272,902	Elmendorf
132,692	153,993	147,530	154,672	155,040	Kirby
1,102,355	1,139,132	1,132,195	1,190,943	1,210,371	Leon Valley
235,966	226,460	239,283	244,562	259,704	Olmos Park
33,307	35,461	40,060	24,393	42,256	Saint Hedwig
128,985,691	130,857,440	135,134,156	143,122,099	151,238,207	San Antonio (MTA)
30,637,237	31,427,566	32,413,171	34,311,703	36,224,798	San Antonio (ATD) ¹
3,057	16,611	18,845	26,839	38,606	Sandy Oaks
189,886	194,475	218,223	206,614	229,318	Shavano Park
109,504	116,658	145,085	134,152	143,720	Terrell Hills
2,727,415	2,771,040	2,860,940	3,033,424	3,201,855	Other ²
\$ 167,008,010	\$ 169,979,632	\$ 175,460,169	\$ 185,982,888	\$ 196,317,552	Total Sales Tax Receipts

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

	Fiscal Years				
	2005-2011	2012	2013	2014	2015
OUTSTANDING DEBT					
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
MTA Sales Tax Revenue Bonds Series 2017	-	-	-	-	-
Total Bonds	-	18,500,000	12,965,000	74,110,000	71,975,000
Bond Premium				6,358,751	6,051,227
Total Debt Outstanding		18,500,000	12,965,000	80,468,751	78,026,227
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	0.38	0.36
# 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	1.81	1.85

COVERAGE RATIOS FOR PUBLIC DEBT

MTA Sales Tax Revenue Bonds Series 2017

VIA Sales Tax Revenue	109,340,067	119,047,377	128,894,914	136,251,947
Less: Obligations Similarly Secured Debt Service (c)	-	(490,335)	(494,471)	(490,803)
Net Sales Tax Revenues Available for Authority	109,340,067	118,557,042	128,400,443	135,761,144
Debt Service Coverage Ratio on Obligations Similarly Secured (d)	N/A	242.8x	260.7x	277.6x
Maximum Annual Debt Service (MADS)	-	-	-	-
MADS Coverage Ratio	N/A	N/A	N/A	N/A

MTA Farebox Revenue Bonds Series 2013

Maintenance & Operating (M&O) Expenses	(168,156,607)	(170,674,123)	(185,886,928)	(208,843,385)
Net Sales Tax Revenues (Per Above)	109,340,067	118,557,042	128,400,443	135,761,144
Available ATD Sales Tax (e)	25,309,927	26,923,159	29,108,126	28,249,607
Grants Available to Pay Maintenance and Operating Expenses (f)	27,177,655	18,229,255	34,590,137	22,376,436
Contributions Available to Pay Maintenance and Operating Expenses (g)	-	-	-	-
Net M&O Expenses Remaining Before Application of Operating Revenues	(6,328,958)	(6,964,667)	6,211,778	(22,456,198)
Operating Revenue	25,849,877	26,885,148	26,444,828	25,002,383
Less: Remaining Maintenance and Operating Expenses	(6,328,958)	(6,964,667)	6,211,778	(22,456,198)
Net Operating Revenue Available for Farebox Revenue Bonds	19,520,919	19,920,481	32,656,606	2,546,185
Debt Service on the 2013 Farebox Revenue Bonds	-	58,197	2,480,104	2,812,700
Farebox Revenue Bond Debt Service Coverage Ratio (d)	N/A	342.3x	13.2x	0.9x
Maximum Annual Debt Service (MADS)	-	2,816,750	2,816,750	2,816,750
MADS Coverage Ratio	N/A	7.1x	11.6x	0.9x

ATD Sales Tax Revenue Bonds Series 2014

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	485.0x	463.4x	12.9x
Maximum Annual Debt Service (MADS)	N/A	-	-	2,374,750	2,374,750
MADS Coverage Ratio	N/A	N/A	N/A	12.4x	11.9x

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 nonoperating revenue from sales taxes, grants reimbursement, investment income and asset sales.

(b) Total systemwide passengers (includes all bus service and paratransit service).

(c) This reflects debt service on MTA bonds secured by sales taxes: MTA 2012 contractual obligation bonds and MTA 2017 sales tax revenue 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).

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

(f) Available to the extent permitted by the applicable grant agreement.

(g) In FY18 and FY19, the City of San Antonio provided VIA funding for bus service improvements. Contributions out are for local assistance that VIA has provided (such as to TxDOT's Transportation Alternatives Program).

	Fiscal Years			
2016	2017	2018	2019	
\$ -	\$ -	\$ -	\$ -	
1,425,000	960,000	485,000	-	
-	-	-	-	
-	-	-	-	
37,010,000	36,030,000	35,010,000	33,950,000	
31,335,000	30,495,000	29,625,000	28,710,000	
-	81,995,000	76,835,000	70,730,000	
69,770,000	149,480,000	141,955,000	133,390,000	
5,832,883	18,258,044	16,922,920	15,587,796	
75,602,883	167,738,044	158,877,920	148,977,796	
224,621,865	231,691,969	241,060,876	261,858,335	
0.34	0.72	0.66	0.57	
39,635,173	37,807,626	36,276,136	36,110,963	
1.91	4.44	4.38	4.13	

OUTSTANDING DEBT

Private Placement Bond Issues (All Issued in 2012):

MTA Farebox Revenue Bonds
MTA Contractual Obligation Bonds
ATD Sales Tax Revenue Bonds
MTA Contract Revenue Bonds

Public Bond Issues:

MTA Farebox Revenue Bonds Series 2013
ATD Sales Tax Revenue Bonds Series 2014
MTA Sales Tax Revenue Bonds Series 2017

Total Bonds

Bond Premium

Total Debt Outstanding

Gross Revenues (a)

Ratio of Total Debt to Gross Revenues

of Riders (b)

Debt Per Rider

COVERAGE RATIOS FOR PUBLIC DEBT

MTA Sales Tax Revenue Bonds Series 2017

VIA Sales Tax Revenue

Less: Obligations Similarly Secured Debt Service (c)

Net Sales Tax Revenues Available for Authority

Debt Service Coverage Ratio on Obligations Similarly Secured (d)

Maximum Annual Debt Service (MADS)

MADS Coverage Ratio

MTA Farebox Revenue Bonds Series 2013

Maintenance & Operating (M&O) Expenses

Net Sales Tax Revenues (Per Above)

Available ATD Sales Tax (e)

Grants Available to Pay Maintenance and Operating Expenses (f)

Contributions Available to Pay Maintenance and Operating Expenses (g)

Net M&O Expenses Remaining Before Application of Operating Revenues

Operating Revenue

Less: Remaining Maintenance and Operating Expenses

Net Operating Revenue Available for Farebox Revenue Bonds

Debt Service on the 2013 Farebox Revenue Bonds

Farebox Revenue Bond Debt Service Coverage Ratio (d)

Maximum Annual Debt Service (MADS)

MADS Coverage Ratio

ATD Sales Tax Revenue Bonds Series 2014

ATD Sales Tax Revenue

Less District Debt Service

Net ATD Sales Tax Revenue

Debt Service Coverage Ratio (d)

Maximum Annual Debt Service (MADS)

MADS Coverage Ratio

VIA Metropolitan Transit

San Antonio, Texas

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Population 25 Years and over - Percent high school Graduate or Higher	School Enrollment	Average Yearly Unemployment Rate
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%
2016	1,469,824	34,905,380	23,748	33.1	81.0	403,558	3.8%
2017	1,492,494	35,701,948	23,921	33.5	80.9	401,867	3.2%
2018	1,511,913	37,230,858	24,625	33.6	83.3	410,625	3.3%
2019	1,532,212	38,445,258	24,684	33.7	82.3	411,539	3.1%

* Data unavailable.

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

VIA Metropolitan Transit

San Antonio, Texas

Principal Employers

2018		
Employer	Employees	Rank
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph	64,967	1
H.E.B. Food Stores	22,000	2
USAA	18,305	3
Northside Independent School District	13,977	4
City of San Antonio	11,923	5
Methodist Health Care System	9,620	6
North East Independent School District	8,789	7
San Antonio Independent School District	6,631	8
Baptist Health Systems	6,383	9
Wells Fargo	5,152	10

Source: <https://www.sanantonio.gov/Portals/0/Files/Finance/CAFR2018.pdf>.

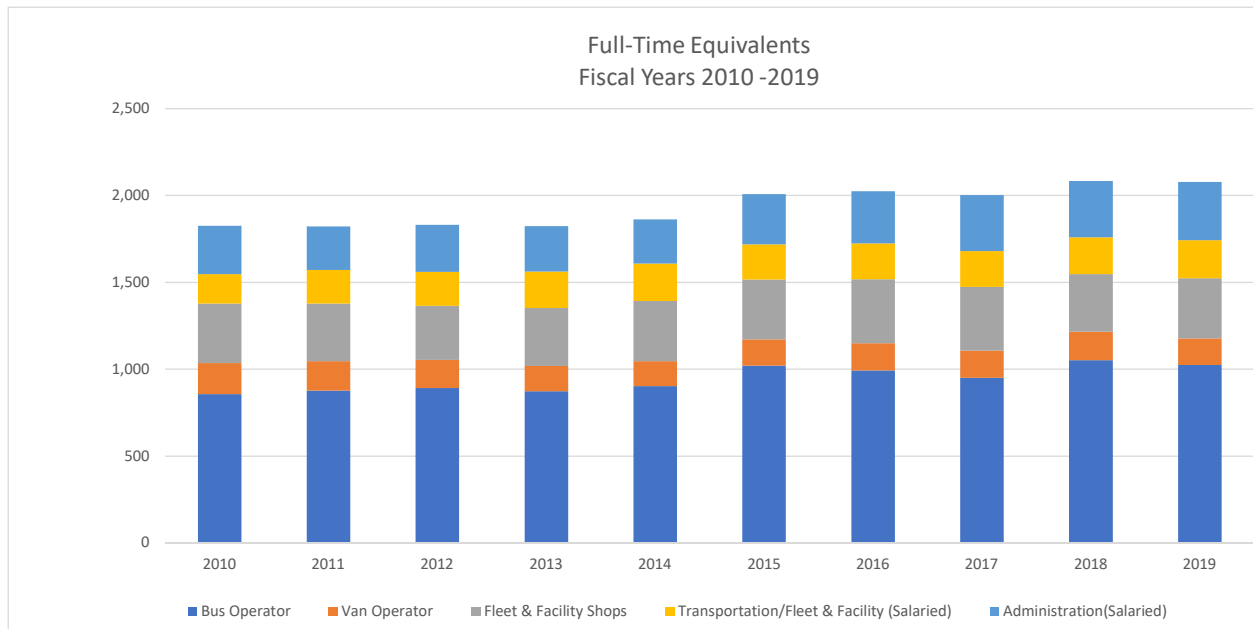
VIA Metropolitan Transit

San Antonio, Texas

Full-Time Equivalents Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Full-Time Employees										
Bus Operator	716	746	733	742	795	943	882	876	954	966
Van Operator	176	167	161	143	140	150	156	158	164	153
Fleet & Facility Shops	343	331	311	334	345	344	368	366	332	345
Transportation/Fleet & Facility (Salaried)	151	178	178	195	201	191	195	197	202	209
Administration(Salaried)	265	239	257	249	244	278	286	309	320	330
Subtotal	1,651	1,661	1,640	1,663	1,725	1,906	1,887	1,906	1,972	2,003
Part-Time (Full-Time Equivalents)										
Bus Operator	141.2	131.3	158.6	131.6	107.6	77.9	111.7	74.0	97.4	58.7
Van Operator	2.5	2.6	1.8	2.4	4.2	0.6	0.6	-	-	-
Fleet & Facility Shops	-	-	-	-	-	-	-	-	-	-
Transportation/Fleet & Facility (Salaried)	17.8	14.8	17.0	15.0	15.0	12.9	11.0	9.0	9.0	10.5
Administration(Salaried)	12.8	11.3	13.5	12.0	11.3	11.3	13.5	14.3	4.5	6.0
Subtotal	174.2	160.0	190.9	161.0	138.1	102.7	136.8	97.2	110.9	75.2
Grand Total										
Bus Operator	857.2	877.3	891.6	873.6	902.6	1,020.9	993.7	950.0	1,051.4	1,024.7
Van Operator	178.5	169.6	162.8	145.4	144.2	150.6	156.6	158.0	164.0	153.0
Fleet & Facility Shops	343.0	331.0	311.0	334.0	345.0	344.0	368.0	366.0	332.0	345.0
Transportation/Fleet & Facility (Salaried)	168.8	192.8	195.0	210.0	216.0	203.9	206.0	206.0	211.0	219.5
Administration(Salaried)	277.8	250.3	270.5	261.0	255.3	289.3	299.5	323.3	324.5	336.0
Grand Total	1,825.2	1,821.0	1,830.9	1,824.0	1,863.1	2,008.7	2,023.8	2,003.2	2,082.9	2,078.2

Source: VIA's Monthly Personnel Report



VIA Metropolitan Transit

San Antonio, Texas

Fare History

Last Ten Fiscal Years

Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bus Service										
Regular Bus Service	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30
Regular Half Fare	0.55	0.55	0.55	0.60	0.60	0.60	0.65	0.65	0.65	0.65
Express Bus Service	2.50	2.50	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.60
Express Half Fare	1.25	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.30	1.30
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
VIA Link Service										
VIA Link Service	-	-	-	-	-	-	-	-	-	1.30
VIA Link Service Half Fare	-	-	-	-	-	-	-	-	-	0.65
VIA Link Transfer	-	-	-	-	-	-	-	-	-	0.15
VIA Link Transfer Half Fare	-	-	-	-	-	-	-	-	-	0.07
VIAtrans Service										
VIAtrans Service	1.75	1.75	1.75	1.95	1.95	1.95	2.00	2.00	2.00	2.00
VIAtrans Taxi Subsidy	-	-	-	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Special Event Service	5.00	5.00	5.00	5.00	2.50	2.50	2.50	2.50	2.50	2.50
Special Event Half Fare	2.50	2.50	2.50	2.50	1.25	1.25	1.25	1.25	1.25	1.25
Off Peak Special for Seniors and riders with limited mobility 9am-3pm	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Passes										
Monthly Big Pass	30.00	30.00	30.00	35.00	35.00	35.00	38.00	38.00	38.00	38.00
Big Pass Half Fare	15.00	15.00	15.00	17.50	17.50	17.50	19.00	19.00	19.00	19.00
Semester Pass	35.00	35.00	35.00	35.00	35.00	35.00	38.00	38.00	38.00	38.00
Weekly Pass	-	-	-	-	-	-	12.00	12.00	12.00	12.00
Weekly Pass Half Fare	-	-	-	-	-	-	6.00	6.00	6.00	6.00
Day Pass	4.00	4.00	4.00	4.00	4.00	4.00	2.75	2.75	2.75	2.75
Day Pass Half Fare	-	-	-	-	-	-	1.35	1.35	1.35	1.35

Source: VIA's Fiscal Management Division

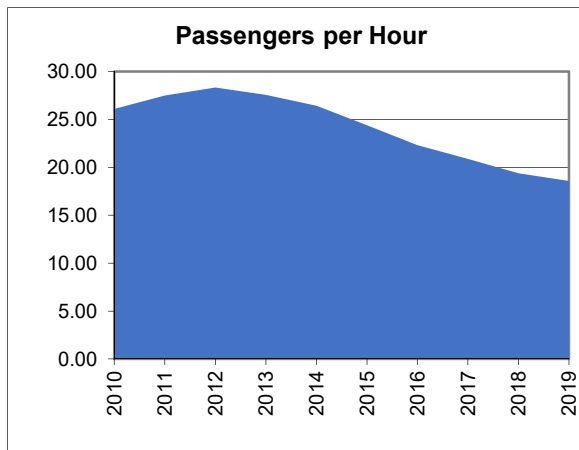
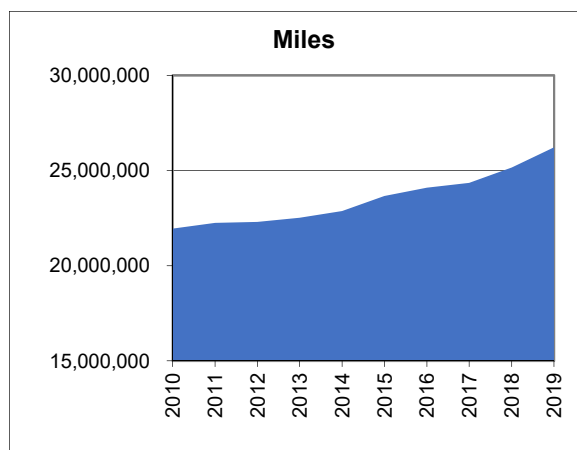
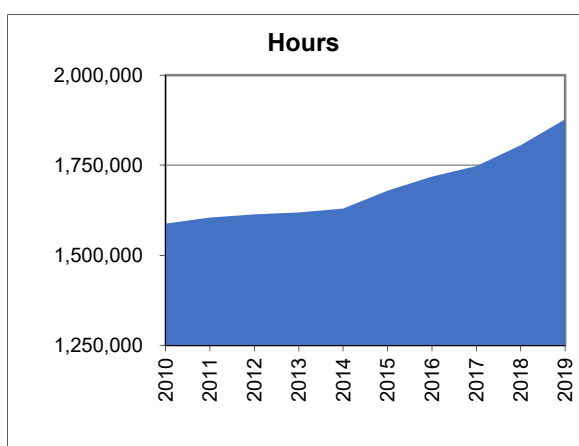
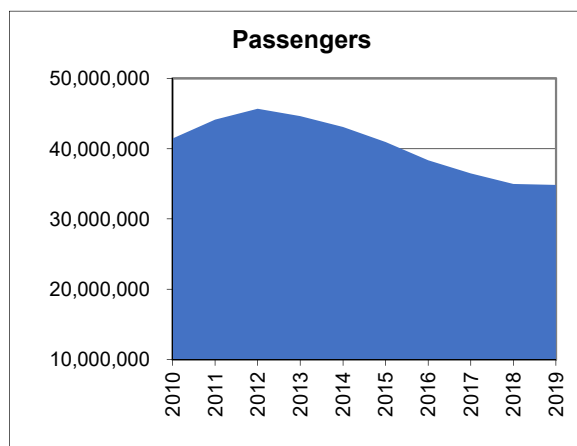
Note: Senior citizens, disabled persons, students and eligible Medicare recipients with a valid VIA identification card are eligible for half fare rates on regular, express, streetcar and special event service. Children ages 5-13 ride for half-fare and those under age four ride free. Active-duty military who are in uniform or who present a VIA Reduced Fare ID may pay a reduced fare or use a Reduced Fare VIA pass.

VIA Metropolitan Transit

San Antonio, Texas

Line Service Statistics

Last Ten Fiscal Years



Fiscal Year	Passengers	Hours	Miles	Passengers Per Hour
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
2016	38,334,650	1,718,037	24,097,912	22.31
2017	36,493,890	1,747,733	24,351,329	20.88
2018	34,984,740	1,804,870	25,153,738	19.38
2019	34,864,333	1,877,679	26,214,747	18.57

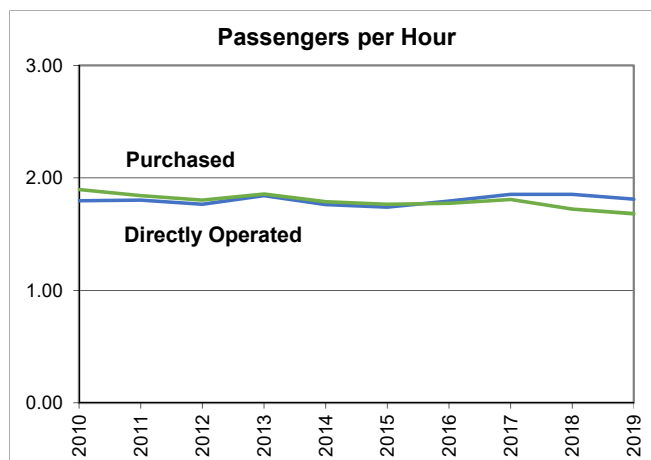
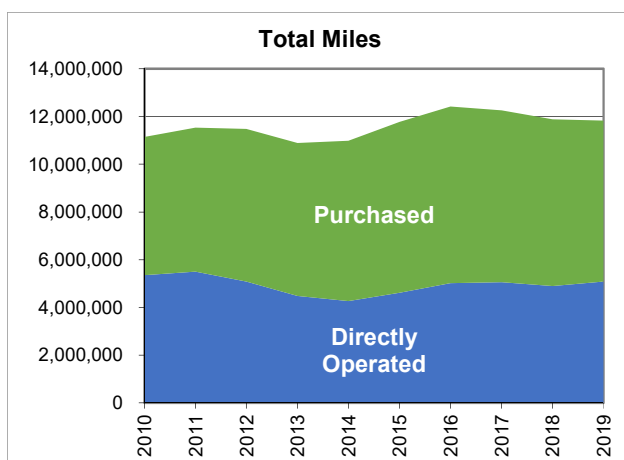
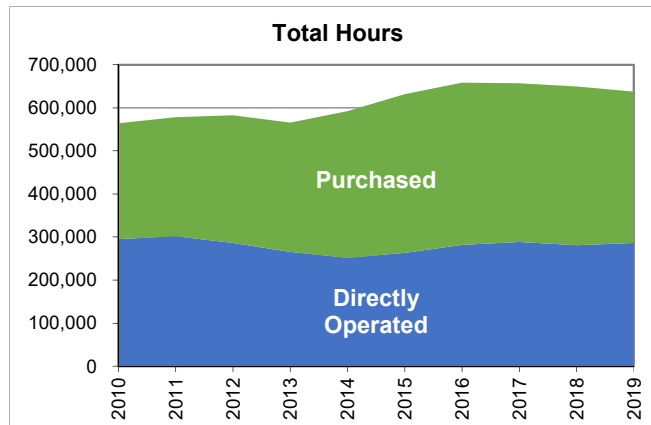
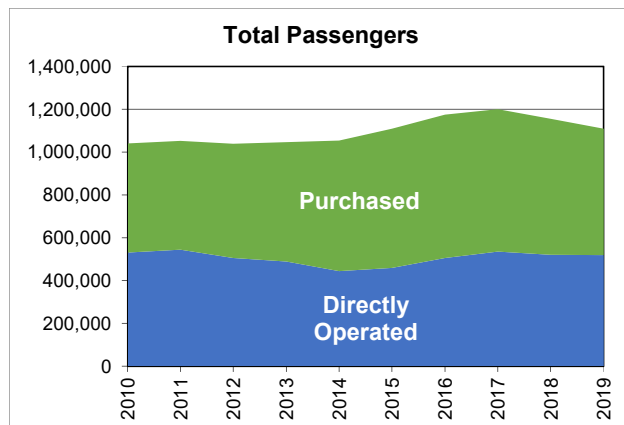
Source: VIA's Revenue Accounting Statistical Records
VIA's Miles and Hours Report

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
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	609,869	251,695	340,939	4,269,252	6,709,623	1.76	1.79
2015	458,282	650,131	263,343	368,139	4,620,731	7,152,795	1.74	1.77
2016	505,815	668,289	281,861	376,680	5,018,275	7,405,518	1.79	1.77
2017	535,285	665,547	288,551	368,234	5,062,700	7,199,213	1.86	1.81
2018	520,167	634,589	280,663	368,708	4,900,387	6,983,577	1.85	1.72
2019	518,184	590,714	286,328	351,251	5,085,099	6,738,301	1.81	1.68

Source: VIA's Revenue Accounting Statistical Records.

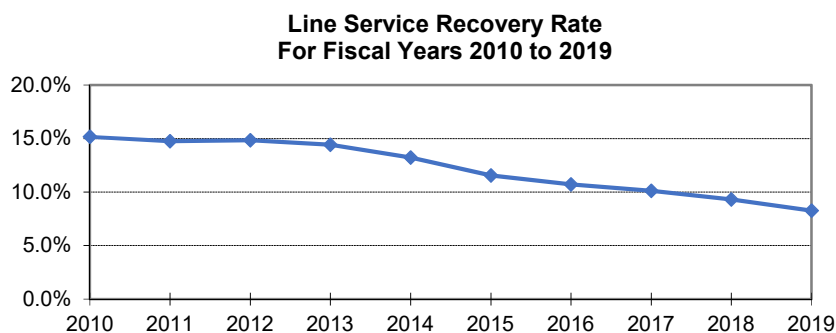
VIA's Miles and Hours Report and Procurement's Contract Administrator for purchased service contracts.

VIA Metropolitan Transit

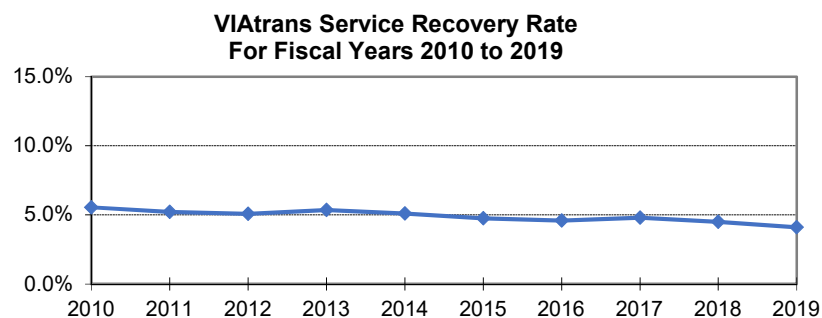
San Antonio, Texas

Line and VIAtrans Service Recovery Rate Last Ten Fiscal Years

Fiscal Year	Recovery Rate
2010	15.2%
2011	14.8%
2012	14.8%
2013	14.4%
2014	13.2%
2015	11.6%
2016	10.7%
2017	10.1%
2018	9.3%
2019	8.3%



Fiscal Year	Recovery Rate
2010	5.5%
2011	5.2%
2012	5.1%
2013	5.3%
2014	5.1%
2015	4.7%
2016	4.6%
2017	4.8%
2018	4.5%
2019	4.1%



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/ Promotional Service	VIA Link	VIAtrans		Van	Total
					Direct	Purchased	Disaster Relief	
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
2016	24,097,912	115,500	8,151	-	5,018,275	7,101,696	-	36,341,534
2017	24,351,329	92,095	6,752	-	5,062,700	6,871,871	9,219	36,393,966
2018	25,153,738	114,367	4,718	-	4,900,387	6,694,458	-	36,867,668
2019	26,214,747	91,572	4,523	132,697	5,085,099	6,738,301	-	38,266,939

Service Hours by Cost Center Last Ten Fiscal Years

Fiscal Year	Line Service	Special Event	Charter/ Promotional Service	VIA Link	VIAtrans		Van	Total
					Direct	Purchased	Disaster Relief	
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
2016	1,718,037	8,602	1,322	-	281,861	357,721	-	2,367,543
2017	1,747,733	7,067	1,179	-	288,551	347,887	1,797	2,394,214
2018	1,804,870	9,079	877	-	280,663	351,076	-	2,446,565
2019	1,877,679	8,153	903	12,388	286,328	351,251	-	2,536,702

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

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Sales Tax</u> ¹	<u>Grant Revenues</u>	<u>Investment Income</u>	<u>Misc Income</u>	<u>Total</u>
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
2016	23,966,639	169,979,632	28,835,978	1,839,616	-	224,621,865
2017	23,106,162	175,460,169	29,133,682	1,357,966	2,633,990	231,691,969
2018	22,577,493	185,982,888	30,419,786	1,861,966	4,518,743	245,360,876
2019	22,246,666	196,317,552	39,285,411	4,008,706	10,000,000	271,858,335

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

<u>Fiscal Year</u>	<u>Line Service</u> ²	<u>Special Event</u>	<u>Charter/Promotional Service</u>	<u>VIATrans</u>	<u>VIA Link</u>	<u>Vanpool</u>	<u>Other Operating Expenses</u>	<u>Disaster Relief Van/Bus</u>	<u>Total Operating Expenses</u>	<u>Non-Operating Expenses</u>	<u>Total Expenses</u>
2010	135,647,299	1,283,286	170,791	30,923,402	-	202,045	4,157,378	-	172,384,201	126,707	172,510,908
2011	146,420,289	1,492,528	164,376	32,765,906	-	368,195	4,333,280	-	185,544,574	367,766	185,912,340
2012	150,416,200	1,698,539	142,909	33,140,705	-	539,429	4,832,847	-	190,770,629	546,141	191,316,770
2013	159,497,124	1,962,959	275,894	34,095,208	-	537,595	5,516,685	-	201,885,465	63,884	201,949,349
2014	167,004,628	1,807,553	162,317	36,908,809	-	551,133	11,732,401	-	218,166,841	3,542,815	221,709,656
2015	180,567,404	1,365,037	187,014	40,040,010	-	561,930	12,314,354	-	235,035,749	3,001,286	238,037,035
2016	186,842,126	1,258,534	105,340	43,478,439	-	608,055	15,745,892	-	248,038,386	3,815,676	251,854,062
2017	187,217,217	1,067,195	94,276	42,443,538	-	612,716	7,248,400	175,859	238,859,202	5,659,099	244,518,301
2018	197,334,643	1,289,167	70,183	42,378,161	-	599,124	8,639,091	-	250,310,369	5,774,084	256,084,453
2019	215,355,760	1,312,152	75,339	46,644,213	375,020	606,633	6,675,470	-	271,044,586	6,451,923	277,496,509

Source: VIA's Annual Audited Financial Statements.

- Notes**
1. Sales tax includes amounts remitted to CoSA, TxDOT, and Bexar County.
 2. FY2008 through FY2013 Bus Rapid Transit Expense has been moved to Line Service Expense due to the new MAP21 (Sec. 5302) requirements which requires a dedicated lane for rapid transit buses during peak periods.

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VIA Metropolitan Transit

San Antonio, Texas

Operating Expenses by Object Class Last Ten Fiscal Years

	Fiscal Year				
	2010 <u>Restated</u>	2011 <u>Restated</u>	2012 <u>Restated</u>	2013 <u>Restated</u>	2014
Operator	\$ 39,163,412	\$ 41,016,213	\$ 40,562,190	\$ 41,573,464	\$ 42,947,778
Garage	12,022,721	12,417,401	12,729,474	12,741,074	13,435,740
Salaried	19,376,845	20,365,495	21,028,258	20,927,964	22,054,983
<i>Total Labor</i>	<u>70,562,978</u>	<u>73,799,109</u>	<u>74,319,922</u>	<u>75,242,502</u>	<u>78,438,501</u>
Fringe Benefits	34,640,866	37,618,626	41,928,210	44,339,708	49,087,760
<i>Total Labor and Fringe Benefits</i>	<u>105,203,844</u>	<u>111,417,735</u>	<u>116,248,132</u>	<u>119,582,210</u>	<u>127,526,261</u>
Advertising Fees	524,532	376,212	457,068	834,106	868,797
Prof. & Tech Fees	1,975,904	2,546,400	2,602,244	5,012,806	5,575,998
Temporary Help	-	-	-	-	-
Contract Maintenance	1,510,826	1,834,136	1,900,734	2,304,871	2,727,184
Custodial Services	-	-	-	-	-
Security Services	1,617,845	1,652,563	1,610,368	1,576,519	1,668,227
Other Services	509,582	522,596	550,437	571,305	545,909
<i>Total Services</i>	<u>6,138,688</u>	<u>6,931,907</u>	<u>7,120,851</u>	<u>10,299,607</u>	<u>11,386,115</u>
Fuel & Lubricants	16,470,705	19,866,016	20,155,666	23,177,525	22,148,972
Tires & Tubes	1,168,105	1,299,140	1,365,594	1,374,880	1,200,905
Other Materials & Supplies	8,060,535	8,739,916	9,355,225	9,725,894	9,478,859
<i>Total Materials & Supplies</i>	<u>25,699,345</u>	<u>29,905,072</u>	<u>30,876,485</u>	<u>34,278,299</u>	<u>32,828,736</u>
Utilities	1,617,829	1,647,480	1,572,250	2,006,016	2,223,969
Casualty & Liability	861,475	341,603	1,231,907	1,243,807	885,038
Taxes	1,510,880	1,526,586	1,536,285	1,573,900	1,480,347
Purchased Transportation	9,101,700	9,911,331	10,916,344	10,410,650	12,405,128
Dues & Subscriptions	350,446	532,092	416,275	379,151	405,648
Training & Meetings	337,885	353,681	407,148	487,004	494,390
Fines & Penalties	-	-	600	-	294
Bad Debt Expense	7,813	847	7,352	2,635	8,858
Advertising/Promotion Media	408,590	406,816	437,122	514,553	929,762
Miscellaneous Expense	586,888	724,770	678,063	783,941	727,381
<i>Total Miscellaneous Expense</i>	<u>1,691,622</u>	<u>2,018,206</u>	<u>1,946,561</u>	<u>2,167,284</u>	<u>2,566,333</u>
Interest Expense	-	-	-	-	-
Leases & Rentals	277,027	256,265	286,692	296,882	247,471
Expense transfer to Capital Program	-	-	-	(906,641)	(1,069,530)
<i>Total Operating Expense Before Depreciation & Capitalized Amounts</i>	<u>152,102,409</u>	<u>163,956,186</u>	<u>171,735,507</u>	<u>180,952,014</u>	<u>190,479,868</u>
Depreciation	20,281,792	21,588,388	19,035,123	20,933,451	22,804,973
Allowance	-	-	-	-	4,882,000
Indirect Expense (Capitalized)	-	-	-	-	-
Fringe Expense (Capitalized)	-	-	-	-	-
<i>Total Operating Expenses</i>	<u>\$ 172,384,201</u>	<u>\$ 185,544,574</u>	<u>\$ 190,770,629</u>	<u>\$ 201,885,465</u>	<u>\$ 218,166,841</u>

Source: VIA's Annual Audited Financial Statements

Fiscal Year						
	2015	2016	2017	2018	2019	
\$	47,142,668	\$ 48,017,399	51,056,596	\$ 55,778,595	\$ 58,805,412	Operator
	14,142,320	15,118,009	15,980,901	14,673,808	18,306,951	Garage
	24,471,522	27,133,439	28,123,599	31,169,342	31,162,347	Salaried
	85,756,510	90,268,847	95,161,096	101,621,745	108,274,710	Total Labor
	55,068,428	61,828,682	59,108,167	56,583,203	60,002,531	Fringe Benefits
	140,824,938	152,097,529	154,269,263	158,204,948	168,277,241	Total Labor and Fringe Benefits
	590,285	202,540	344,039	559,265	1,898,900	Advertising Fees
	6,487,853	5,994,215	6,712,151	6,382,451	7,011,781	Prof. & Tech Fees
	-	52,107	166,871	150,390	135,056	Temporary Help
	2,917,234	3,283,320	3,341,287	3,989,942	4,473,270	Contract Maintenance
	-	-	-	-	-	Custodial Services
	2,019,443	2,107,951	2,023,186	2,311,541	2,959,408	Security Services
	722,178	770,920	1,022,580	1,109,390	1,671,749	Other Services
	12,736,993	12,411,053	13,610,114	14,502,979	18,150,164	Total Services
	21,327,903	18,039,638	12,151,290	7,302,290	7,606,705	Fuel & Lubricants
	1,226,545	1,367,306	1,489,717	1,702,636	1,795,781	Tires & Tubes
	10,679,662	11,425,533	10,299,360	9,839,658	11,448,235	Other Materials & Supplies
	33,234,110	30,832,477	23,940,367	18,844,584	20,850,721	Total Materials & Supplies
	2,432,041	2,792,929	3,019,717	3,305,183	3,601,087	Utilities
	1,706,027	1,015,344	2,549,143	2,388,207	2,377,519	Casualty & Liability
	1,497,985	1,389,149	1,225,911	584,150	436,838	Taxes
	13,630,089	14,800,400	14,798,855	15,622,172	17,631,858	Purchased Transportation
	382,293	473,051	405,119	511,733	381,458	Dues & Subscriptions
	528,531	482,994	446,958	353,685	471,756	Training & Meetings
	-	33,342	-	-	60	Fines & Penalties
	1,040	148,593	17,962	30,255	(1,549)	Bad Debt Expense
	477,899	329,205	233,129	721,060	1,105,256	Advertising/Promotion Media
	873,733	896,811	806,063	1,068,144	1,068,656	Miscellaneous Expense
	2,263,496	2,363,996	1,909,231	2,684,877	3,025,637	Total Miscellaneous Expense
						Interest Expense
	445,654	258,837	334,583	324,013	352,449	Leases & Rentals
	(928,952)	(703,638)	(810,585)	(513,269)	(361,903)	Expense transfer to Capital Program
	207,842,381	217,258,076	214,846,599	215,947,844	234,341,611	Total Operating Expense Before Depreciation & Capitalized Amounts
	22,275,368	22,200,678	24,012,603	34,362,525	36,702,975	Depreciation
	4,918,000	8,579,632	-	-	-	Allowance
	-	-	-	-	-	Indirect Expense (Capitalized)
	-	-	-	-	-	Fringe Expense (Capitalized)
\$	235,035,749	\$ 248,038,386	\$ 238,859,202	\$ 250,310,369	\$ 271,044,586	Total Operating Expenses

VIA Metropolitan Transit

San Antonio, Texas

Capital Assets

Last Ten Fiscal Years

	2010 Restated	2011 Restated	2012 Restated	2013 Restated	2014	2015
Land	\$ 26,804,057	\$ 27,209,314	\$ 27,209,314	\$ 31,729,733	\$ 31,812,673	\$ 32,841,276
Revenue Vehicles						
Bus	141,523,621	139,158,252	139,405,043	156,393,853	161,102,879	163,792,050
Van	8,339,955	8,341,255	8,194,102	16,177,015	13,062,931	12,390,028
Total Revenue Vehicles	149,863,576	147,499,506	147,599,144	172,570,868	174,165,810	176,182,078
Service Vehicles						
Trucks	1,951,568	2,069,486	2,419,698	2,397,254	2,500,468	3,007,261
Automobiles	1,299,180	1,391,934	1,190,073	939,038	897,848	990,916
Other Service Vehicles	357,641	357,641	455,229	592,318	701,175	714,009
Total Service Vehicles	3,608,390	3,819,060	4,064,999	3,928,610	4,099,491	4,712,186
Buildings and Structures						
Transit Way Facilities	38,475,179	38,991,798	38,991,798	38,962,046	38,948,550	39,422,162
Passenger Stations	47,273,563	48,625,854	49,206,787	69,465,333	71,174,228	80,689,459
Passenger Parking Stations	2,618,686	2,618,686	2,618,686	2,618,686	2,618,686	2,618,686
Operating Yards and Stations	15,148,156	15,277,206	17,270,455	17,783,579	18,010,568	18,131,642
Vehicle Maintenance Shops and Garages	17,228,927	17,570,026	18,557,910	18,562,713	18,623,635	18,805,095
Other General Administration Facilities	12,845,785	17,677,094	17,851,130	18,536,882	18,953,212	21,551,971
Stadium/Depot Complex	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115	6,437,115
Total Buildings and Structures	140,027,411	147,197,779	150,933,881	172,366,354	174,765,995	187,656,130
Equipment						
Passenger Stations	3,266,389	3,266,389	2,445,424	3,249,984	3,249,984	3,258,088
Operating Yards and Stations	65,362	78,954	83,646	199,938	323,809	436,506
Vehicle Maintenance Shops and Garages	1,813,373	1,847,220	2,280,783	2,704,444	3,088,946	3,342,263
Other General Administration Facilities	1,476,252	1,486,143	578,057	594,149	611,740	651,360
Revenue Vehicle Movement Control	15,410,422	15,410,420	15,363,365	15,363,365	15,493,408	15,244,418
Revenue Collection and Processing	343,476	343,476	337,586	341,679	340,268	9,244,995
Data Processing	12,860,355	13,231,350	9,321,340	16,437,124	17,455,993	17,996,076
Communication	743,945	4,027,759	4,112,984	4,124,438	4,152,708	4,188,880
Office Equipment	103,608	121,776	150,401	190,677	396,880	495,958
Total Equipment	36,083,182	39,813,487	34,673,586	43,205,798	45,113,736	54,858,544
Total Capital Assets Before Depreciation	356,386,616	365,539,146	364,480,925	423,801,363	429,957,705	456,250,214
Accumulated Depreciation						
Revenue Vehicles	(84,564,130)	(93,746,131)	(103,077,815)	(110,594,492)	(116,038,273)	(125,114,295)
Service Vehicles	(2,882,462)	(3,221,642)	(3,284,327)	(3,087,851)	(3,393,392)	(3,735,614)
Buildings and Structures	(102,091,886)	(108,594,211)	(113,991,594)	(121,292,354)	(129,193,302)	(136,386,968)
Equipment	(29,604,437)	(31,298,434)	(27,882,391)	(31,326,126)	(35,130,813)	(38,909,956)
Total Accumulated Depreciation	(219,142,915)	(236,860,419)	(248,236,127)	(266,300,823)	(283,755,779)	(304,146,833)
Allowance for Capital Projects						
Allowance for Capital Projects	-	-	-	-	(4,882,000)	(9,800,000)
Total Allowance for Capital Projects	-	-	-	-	(4,882,000)	(9,800,000)
Work In Progress						
Revenue Vehicles	156,000	582,964	16,894,876	1,965,827	2,279,032	108,277
Service Vehicles	523	-	-	-	-	116,670
Buildings and Structures	3,332,888	8,663,926	19,028,659	20,766,453	42,838,973	55,874,682
Equipment	3,465,039	1,972,506	7,220,735	7,765,256	9,687,289	2,721,347
Total Work In Progress	6,954,450	11,219,396	43,144,270	30,497,535	54,805,294	58,820,976
Net Capital Assets	\$ 144,198,152	\$ 139,898,124	\$ 159,389,069	\$ 187,998,076	\$ 196,125,221	\$ 201,124,358

Source: VIA's Annual Audited Financial Statements

2016	2017	2018	2019
\$ 33,891,182	\$ 33,094,493	\$ 33,334,256	\$ 33,334,256
165,240,017	282,101,388	278,303,551	285,554,230
12,531,053	12,560,208	14,250,641	14,349,729
177,771,070	294,661,596	292,554,191	299,903,960
3,073,640	3,073,640	4,181,082	4,225,311
1,033,832	1,033,832	1,005,447	1,005,447
730,539	730,537	735,839	735,839
4,838,011	4,838,009	5,922,368	5,966,597
39,487,969	44,458,346	45,543,988	45,557,046
82,536,760	113,333,160	123,384,288	126,659,333
2,618,686	2,618,686	22,237,701	23,427,785
18,226,057	18,410,821	31,558,093	31,669,509
19,024,906	20,018,060	20,602,770	20,878,169
21,714,105	23,704,819	25,166,015	25,804,447
6,437,115	6,437,115	6,437,115	6,437,115
190,045,598	228,981,007	274,929,969	280,433,405
3,258,088	3,290,084	3,290,084	3,280,374
462,309	510,985	1,940,144	1,951,561
3,499,320	3,508,734	3,623,239	3,616,680
652,535	607,566	660,345	571,884
15,206,752	15,206,752	15,202,277	15,162,593
9,330,962	9,415,460	10,826,024	13,025,244
17,965,381	18,654,577	21,858,449	13,350,840
4,748,407	5,229,837	6,920,625	7,979,783
578,918	576,352	1,720,123	1,434,339
55,702,672	57,000,347	66,041,310	60,373,297
462,248,533	618,575,452	672,782,095	680,011,514
(134,259,461)	(146,152,107)	(106,564,215)	(123,737,826)
(4,079,811)	(4,427,497)	(4,660,131)	(4,738,987)
(144,210,994)	(151,740,938)	(159,559,202)	(168,709,647)
(42,886,132)	(46,638,339)	(50,307,622)	(45,239,527)
(325,436,398)	(348,958,881)	(321,091,169)	(342,425,987)
-	-	-	-
-	-	-	-
8,983,042	16,479,450	1,847,937	131,013
-	-	119,625	48,043
53,233,428	63,447,824	41,618,794	55,378,986
4,740,012	12,499,858	9,450,179	8,560,383
66,956,482	92,427,132	53,036,535	64,118,425
\$ 203,768,618	\$ 362,043,704	\$ 404,727,462	\$ 401,703,953

Land

Revenue Vehicles

Bus
Van
Total Revenue Vehicles

Service Vehicles

Trucks
Automobiles
Other Service Vehicles
Total Service Vehicles

Buildings and Structures

Transit Way Facilities
Passenger Stations
Passenger Parking Stations
Operating Yards and Stations
Vehicle Maintenance Shops and Garages
Other General Administration Facilities
Stadium/Depot Complex
Total Buildings and Structures

Equipment

Passenger Stations
Operating Yards and Stations
Vehicle Maintenance Shops and Garages
Other General Administration Facilities
Revenue Vehicle Movement Control
Revenue Collection and Processing
Data Processing
Communication
Office Equipment
Total Equipment

Total Capital Assets Before Depreciation

Accumulated Depreciation

Revenue Vehicles
Service Vehicles
Buildings and Structures
Equipment
Total Accumulated Depreciation

Allowance for Capital Projects

Allowance for Capital Projects
Total Allowance for Capital Projects

Work In Progress

Revenue Vehicles
Service Vehicles
Buildings and Structures
Equipment
Total Work In Progress

Net Capital Assets

VIA Metropolitan Transit Retirement Plan

San Antonio, Texas

Changes in Net Position

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Additions										
Member Contributions	\$ 2,584	\$ 3,224	\$ 3,441	\$ 3,703	\$ 4,227	\$ 4,236	\$ 4,122	\$ 4,487	\$ 4,421	\$ 4,258
Employer Contributions	6,252	7,321	8,259	10,639	9,799	12,144	12,908	13,308	12,480	14,729
Investment Income (net of expenses)	15,342	1,646	29,942	25,017	22,741	2,675	21,792	33,716	29,240	10,588
Total additions to plan net position	24,178	12,191	41,642	39,359	36,767	19,055	38,822	51,511	46,141	29,575
Deductions										
Benefit Payments	12,032	13,502	14,525	16,093	17,168	18,877	19,424	21,398	22,706	24,573
Refunds	207	252	186	461	218	346	366	380	255	238
Administrative Expenses	188	238	218	241	215	236	144	255	121	145
Total Deductions from plan net position	12,427	13,992	14,929	16,795	17,601	19,459	19,934	22,033	23,082	24,956
Change in net position	\$ 11,751	\$ (1,801)	\$ 26,713	\$ 22,564	\$ 19,166	\$ (404)	\$ 18,888	\$ 29,478	\$ 23,059	\$ 4,619

Benefit and Refund Deductions from Net Position by Type

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Type of Benefit										
Age and service benefits	\$ 9,966	\$ 11,403	\$ 12,216	\$ 13,572	\$ 14,630	\$ 16,049	\$ 16,330	\$ 18,060	\$ 19,254	\$ 20,676
Disability benefits	851	836	929	996	1,076	1,233	1,346	1,470	1,625	1,655
Beneficiaries	1,215	1,263	1,380	1,525	1,462	1,595	1,748	1,868	1,827	1,839
Total benefits	12,032	13,502	14,525	16,093	17,168	18,877	19,424	21,398	22,706	24,170
Type of Refund										
Separation	207	252	186	461	218	346	366	380	255	238
Death										
Total refunds	\$ 207	\$ 252	\$ 186	\$ 461	\$ 218	\$ 346	\$ 366	\$ 380	\$ 255	\$ 238

VIA Metropolitan Transit Retirement Plan

San Antonio, Texas

Retired Members by Type of Benefit As of September 30, 2019

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement ¹						
		1	2	3	4	5	6	7
\$1 - \$500	154	4	50	25	14	15	43	3
501 - 1,000	233	13	101	31	26	7	51	4
1,001 - 1,500	174	18	70	9	31	3	39	4
1,501 - 2,000	116	29	34	7	15	5	24	2
2,001 - 2,500	141	68	30	10	11	0	21	1
2,501 - 3,000	116	70	19	7	6	0	13	1
Over 3,000	194	141	9	8	24	0	12	0
Total	1,128	343	313	97	127	30	203	15
Deferred	70							
Total w/Deferred	1,198							

¹ Type of retirement:

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

Option Selected ²						
1	2	3	4	5	6	
38	4	8	27	22	54	
53	16	8	19	52	85	
42	8	5	10	40	68	
23	7	5	8	29	41	
28	6	8	15	45	43	
23	4	5	7	37	35	
42	7	10	13	54	68	
249	52	49	99	279	394	1,122
Excludes 6 Death in Service Term Certain Options						6
Total						1,128
Deferred						70
Total w/Deferred and Term Certain Options						1,198

² Option Selected:

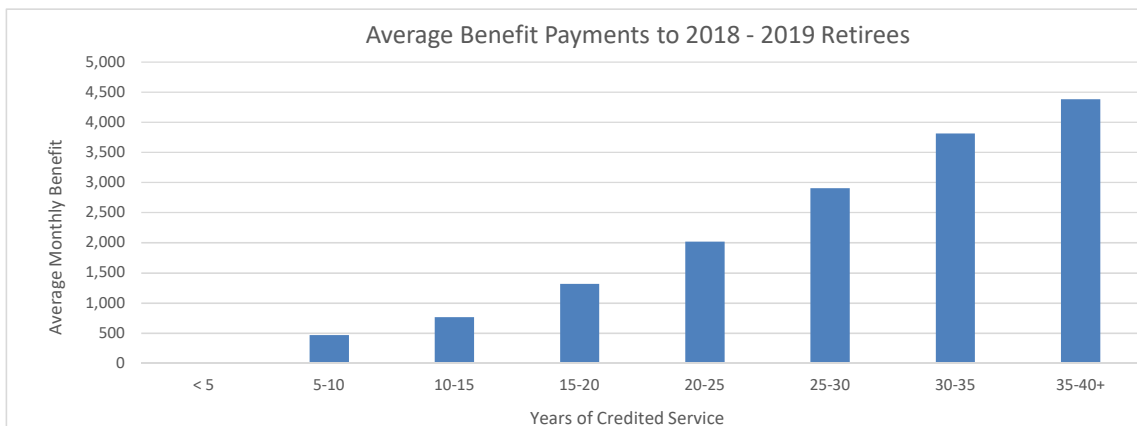
- Option 1 - Life only
- Option 2 - 5 year certain and life
- Option 3 - 10 year certain and life
- Option 4 - 15 year certain and life
- Option 5 - Joint and 50% survivor
- Option 6 - Joint and 100% survivor (Excludes 6 death in service term certain options)

VIA Metropolitan Transit Retirement Plan

San Antonio, Texas

Average Benefit Payments Last Ten Years

Retirement Effective Dates	Years Credited Service							
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40+
2009 - 2010								
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
2010 - 2011								
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
2011 - 2012								
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
2012 - 2013								
Average Monthly Benefit	\$ -	\$ 430	\$ 718	\$ 982	\$ 1,156	\$ 2,516	\$ 2,731	\$ 4,226
Average Final Average Salary	\$ -	\$ 40,461	\$ 39,314	\$ 38,714	\$ 43,209	\$ 58,176	\$ 56,142	\$ 72,406
Number of Active Retirants	-	10	6	7	6	6	17	14
2013 - 2014								
Average Monthly Benefit	\$ -	\$ 425	\$ 562	\$ 1,040	\$ 1,657	\$ 2,865	\$ 3,246	\$ 3,771
Average Final Average Salary	\$ -	\$ 35,020	\$ 29,016	\$ 40,021	\$ 48,571	\$ 62,333	\$ 60,134	\$ 61,360
Number of Active Retirants	-	5	4	5	7	12	15	10
2014 - 2015								
Average Monthly Benefit	\$ -	\$ 445	\$ 983	\$ 1,045	\$ 1,249	\$ 2,454	\$ 3,282	\$ 4,081
Average Final Average Salary	\$ -	\$ 45,108	\$ 45,206	\$ 48,027	\$ 45,431	\$ 58,958	\$ 64,250	\$ 62,905
Number of Active Retirants	-	9	4	8	6	12	11	5
2015 - 2016								
Average Monthly Benefit	\$ -	\$ 508	\$ 602	\$ 1,489	\$ 1,310	\$ 2,779	\$ 2,875	\$ 3,253
Average Final Average Salary	\$ -	\$ 48,569	\$ 41,885	\$ 69,995	\$ 48,461	\$ 64,777	\$ 60,476	\$ 85,724
Number of Active Retirants	-	2	7	9	4	11	10	4
2016 - 2017								
Average Monthly Benefit	\$ -	\$ 529	\$ 862	\$ 1,300	\$ 1,880	\$ 2,734	\$ 3,472	\$ 3,621
Average Final Average Salary	\$ -	\$ 47,126	\$ 50,559	\$ 64,050	\$ 56,463	\$ 68,405	\$ 70,017	\$ 65,143
Number of Active Retirants	-	6	12	5	8	9	12	11
2017 - 2018								
Average Monthly Benefit	\$ -	\$ 635	\$ 889	\$ 1,065	\$ 1,923	\$ 2,943	\$ 4,025	\$ 5,049
Average Final Average Salary	\$ -	\$ 67,963	\$ 55,617	\$ 42,716	\$ 56,179	\$ 64,458	\$ 76,753	\$ 89,949
Number of Active Retirants	-	4	5	10	9	12	10	12
2018 - 2019								
Average Monthly Benefit	\$ -	\$ 470	\$ 766	\$ 1,315	\$ 2,017	\$ 2,904	\$ 3,812	\$ 4,384
Average Final Average Salary	\$ -	\$ 40,259	\$ 51,425	\$ 56,105	\$ 66,431	\$ 66,787	\$ 71,995	\$ 75,274
Number of Active Retirants	-	6	10	11	7	11	9	7



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