

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Fiscal Years Ended September 30, 2024 and 2023

# CapMetro



CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
AUSTIN, TEXAS

Prepared by the Finance Department

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# Capital Metropolitan Transportation Authority

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Annual Comprehensive Financial Report  
Introductory Section

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**March 31, 2025**

Dear Central Texas Community,

On behalf of the board of directors of Capital Metropolitan Transportation Authority (CapMetro), we are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on 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. The data as presented is accurate in all material respects and it is presented in a manner designed to fairly set forth the financial position and results of operations of CapMetro in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for a local government unit. The auditor's opinion on the fair presentation of the financial statements is unmodified. All disclosures necessary to enable the reader to gain an understanding of CapMetro's financial affairs have been included.

### **CapMetro Profile**

CapMetro was created in 1985, after voters in Austin and the surrounding area approved its creation in accordance with Chapter 451 of the Texas Transportation Code. CapMetro provides service to more than 1 million residents within a 548-mile service area that includes the cities of Austin, Manor, San Leanna, Jonestown, Lago Vista, Leander, Point Venture and unincorporated portions of Travis and Williamson counties. These communities contribute one percent sales tax to help fund CapMetro's services.

CapMetro continues to deliver on its promise to connect people, jobs, and communities with quality transportation options. In Fiscal Year 2024 (FY2024), CapMetro provided a total of 26 million rides on the agency's buses, trains and vans, an increase of about 6% over the previous year.

With a fleet of 479 buses, 104 of them being battery-electric, we provide CapMetro Bus, Rapid and Express bus service, as well as service to the University of Texas at Austin. We have another 75 vehicles to operate the on-demand Pickup service and another 193 for CapMetro Access, our parallel door-to-door service for eligible riders with disabilities. We also operate a commuter rail service with 10 rail cars.

The new McKalla Station, servicing the North Burnet area, opened on time and on budget in February 2024, just in time for the start of the Austin FC season. CapMetro successfully launched Dove Springs Pickup zone in January 2024, marking a significant milestone in our mission to enhance transportation accessibility for the community. The CapMetro Board of Directors approved service changes and expansion of its on-demand Pickup service in the Leander zone to meet the growing need and demand of customers. In FY2024 through the collaboration between our teams and the City of Austin, CapMetro successfully removed the old docking stations, and completed 100% replacement with the new CapMetro Bikeshare system, including 76 stations and over 450 bikes.



In FY2024, CapMetro had a significant increase in the use of the new AMP card, CapMetro's pay-as-you-go card with fare capping technology, where fares are capped after a customer has spent the equivalent of the cost of a day pass during a service day or the equivalent of a 31-day pass each calendar year. In a joint effort to address homelessness in the communities we serve, CapMetro worked with social service partners to create a transit pass for people experiencing homelessness who are receiving services through the region's coordinated response.

CapMetro launched the second phase of the Performance Dashboard rollout, which included major enhancements to the Finance Public Dashboard that make it more detailed with a wider range of robust data, faster to use and more digitally accessible to all community members, including those with disabilities.

FY2024 saw growth and a continued commitment to empower the communities we serve with safe and reliable transportation options. CapMetro transitioned to a new bus operations service provider, successfully delivered on projects promised through voter-approved Project Connect and began work on Transit Plan 2035, a roadmap for the future of public transportation in our region over the next 10 years.

As ridership increased, we expanded our team by adding hundreds of new operators, including 240 operators in revenue service, as well as mechanics and other frontline staff members to help deliver our services both now and in the future. Our service reliability continues to improve, and we have made strides in our goal to support economic development in our growing region through collaborative efforts with community partners.

Since 2022, CapMetro has invested over \$13.5 million in our member cities to enhance and support programs and projects across Central Texas. This was a result of the Build Central Texas Program and a one-time infusion of funds for member cities to use for Transit Supportive Infrastructure investments. From projects addressing street maintenance and sidewalk connectivity, to projects helping bring about economic development opportunities and master planning for future growth. CapMetro is proud to partner with our member cities to support our rapidly growing region.

Throughout FY2024, we continued plans to invest in our facilities to better support our staff and customers and to improve the services we provide to Central Texas. We made significant strides in moving forward with CapMetro's North Demand Response base, a 25-acre development for a new operations and maintenance facility in northeast Austin to support growth needs for Demand Response transit services. This includes a new administration and operations and maintenance building for 220 vehicles, training classrooms and courses, and a community room. The facility will also include a new central warehouse serving the needs of the entire agency. Our new Headquarters at 3100 E 5th Street has completed phase 1 designs and will move into construction bidding and permitting in FY2025. Finally, we completed real estate acquisition and construction for the new CapMetro Transit Store at 1705 Guadalupe.

### **Governance**

CapMetro is governed by an eight-member board of directors. The board consists of three members appointed by the Capital Area Metropolitan Planning Organization (CAMPO), including an elected official, one member representing the small cities in CapMetro's service area, a member each appointed by the commissioners of Travis and Williamson Counties and two members appointed by the Austin City Council, one of whom must be a member of the council.



The board is responsible for adopting policies relative to the operation, control, and management of the agency. In 2023, Dottie Watkins was officially appointed as President and CEO of CapMetro, with responsibility for providing leadership and direction to ensure that CapMetro meets its mission, goals, and objectives.

CapMetro implemented a new business model in 2012 to streamline operations and improve its business practices. The agency now contracts with private companies to operate all passenger services, including bus, rail, and paratransit service.

In FY2023 CapMetro made the decision to contract with Keolis, a firm founded in France in 1908 and incorporated into the United States in 2012, with over 300 clients in 12 countries and 11 sites in five U.S. states. The decision was made after careful consideration and based on the following key points: Keolis has a leadership team with 10-40 years of transit experience; their history with electric fleet and BRT service start up; a dedicated Labor Relations team to work with the Union; a demonstrated understanding of CapMetro's hybrid business model; their detailed mobilization plan and transition team and good client ratings of previous experience with similar contracts at other transit agencies.

Our service providers during FY2024 were Keolis, CARTS, Herzog Contracting Corporation and MTM Transit.

### **Our Workforce**

CapMetro contributes to the local economy by employing and contracting a diverse workforce. We strive to be an employer of choice in the Austin area and the transit industry by providing competitive benefits and pay, as well as nationally recognized programs that contribute to employees' well-being. Our staffing levels have risen consistently throughout FY2024.

The agency's award-winning wellness program includes three 24-hour fitness centers, personal training, nutrition counseling and healthy cafeteria options, among other benefits. Since the inception of the wellness program, employee health care costs and absenteeism rates have trended downward.

CapMetro offers other benefits that contribute to a motivated workforce. These include professional development and career advancement programs, leadership training and on-site childcare facility.

Our agreements with service providers and the transit union have implemented an attractive and rewarding compensation package for operators, mechanics, and other frontline team members.

### **Budget Control**

By state law, CapMetro's board of directors must adopt an annual budget driven by an approved strategic plan that outlines the agency's priorities. The budget must be adopted before the beginning of each fiscal year and before CapMetro conducts any business in the new fiscal year. The budget is amended if operating and/or capital expenditures exceed their budgeted amounts. To continue efforts toward fiscal responsibility, the board has approved a five-year capital improvement plan.

Control of the budget is maintained at the department level with overview responsibility exercised by the budget director. It is the responsibility of each department manager to administer operations in such a manner as to ensure that the use of funds is consistent with the goals and objectives in the strategic plan, and that the department remains within its budget.

### **Accountability and Transparency**

As a steward of public funds and public trust, CapMetro strives for both financial accountability and transparency. CapMetro's public performance dashboards feature detailed financial information directly on the website ([capmetro.org](https://capmetro.org)) that are easily accessible for public use. Our award-winning dashboards, powered by the Enterprise Data Analytics team (EDAP), make the agency's ridership, operational, safety and financial performance levels accessible to the public in unprecedented detail.

During FY2024 CapMetro launched new improvements to the public Route Performance dashboard, which continues our commitment to providing data transparency and accessibility and marks another major milestone for the project, agency, and communities we serve. Our commitment to transparency and accessibility will continue through 2025, with planned improvements to the Public Safety Dashboard.

### **Local Economic Outlook**

Austin-Round Rock topped the 2024 Milken Institute Best-Performing Large U.S. Cities Index with the highest levels of employment growth and wage growth over the last five years and a robust high-tech sector. It is the sixth consecutive year the Austin region has ranked in the top three. Job growth in the Austin-Round Rock MSA from April 2023 to April 2024 was ranked 9th among the largest 51 metropolitan areas per the U.S. Bureau of Labor statistics.

While the Central Texas region continues to be one of the fastest-growing areas in the country, Austin and its surrounding communities exhibited a slowed pace of population growth in 2023 breaking a 12-year streak as the fastest growing large metro area in the country. According to estimates released by the United States Census Bureau in 2024, the Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA) added more than 50,000 residents between 2022 and 2023, growing at a rate of 2.1 percent. However, all three of the largest counties in the Austin metro area – Travis, Williamson, and Hays – saw lower net migration between 2022 and 2023. This is likely due to rising housing costs and more opportunities for remote work.

To help address regional affordability issues of today and be prepared for the growth and demand to come, CapMetro has joined with regional partners like the City of Austin and CAMPO on Project Connect, a plan that was voted in place by Austin residents in the 2020 election and resulted in the formation of the local government corporation, the Austin Transit Partnership (ATP) in the following year. CapMetro and our local partners continued work on the long-term program, which includes substantial initiatives for housing and land development in addition to the planned transportation services.

The agency also works with local jurisdictions including the cities of Georgetown and Round Rock, as well as the urbanized, unincorporated areas of Travis County. The initiative continues to bring transit service to communities that are outside of the CapMetro service area.

Austin continues to be an attractive location for festivals and special events including South by Southwest; the Austin City Limits Music Festival; the United States Grand Prix at the Circuit of the Americas; and Major League Soccer's Austin FC at Q2 Stadium. These events provide a significant positive economic impact and increased exposure for Austin on an international stage while providing CapMetro with the opportunity to serve new riders.

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

CapMetro's management is responsible for the accuracy, reliability and presentation of the financial information contained within the Annual Comprehensive Financial Report. The report includes all necessary disclosures and other information that enable the reader to gain an understanding of CapMetro's financial activities.

GAAP requires that management provide a narrative introduction, overview, and analysis to the accompanying basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. CapMetro's MD&A can be found directly following the independent auditor's report.

### **Awards**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CapMetro for its annual comprehensive financial report for the fiscal year ended September 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily legible and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

CapMetro won the award for Best-in-Class Employer from Gallagher and Best Workplace for Commuters from Movability. We also received 1<sup>st</sup> place awards in the 2025 Adwheels Awards competition in three categories, communications, marketing, and customer service.

### **Acknowledgements**

The preparation of this report on a timely basis could not be accomplished without the dedicated service of Accounting staff members. CapMetro also thanks its board of directors for their continuing support, and to the customers and taxpayers for whom we work.

Respectfully submitted,

E-SIGNED by Dottie Watkins  
on 2025-03-31 14:04:30 GMT

Dottie Watkins  
CapMetro President & Chief Executive  
Officer

E-SIGNED by Catherine Walker  
on 2025-03-31 15:03:50 GMT

Catherine Walker  
CapMetro EVP, Chief Financial & Risk Office



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Capital Metropolitan Transportation Authority  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

Executive Director/CEO

**Capital Metropolitan Transportation Authority  
Executive Leadership, March 2025**

**BOARD OF DIRECTORS APPOINTING BODY**

Jeffery Travillion, Chair    Travis County

Page Ellis, Vice Chair    City of Austin

Becki Ross, Secretary    Small Cities

Dianne Bangle    Capital Area Metropolitan Planning Organization

William M. “Matt” Harriss    Capital Area Metropolitan Planning Organization

Zohaib “Zo” Qadri    Capital Area Metropolitan Planning Organization

Chito Vela    City of Austin

Eric Stratton    Williamson County

**ADMINISTRATION**

Dottie Watkins    President/Chief Executive Officer

Kerri Butcher    Deputy Chief Executive Officer

Catherine Walker    Executive Vice President, Chief Financial & Risk Officer

Sharmila Mukherjee    Executive Vice President, Chief Strategic Planning and  
Development Officer

Donna Simmons    Executive Vice President, Administration, Diversity and  
Inclusion Officer

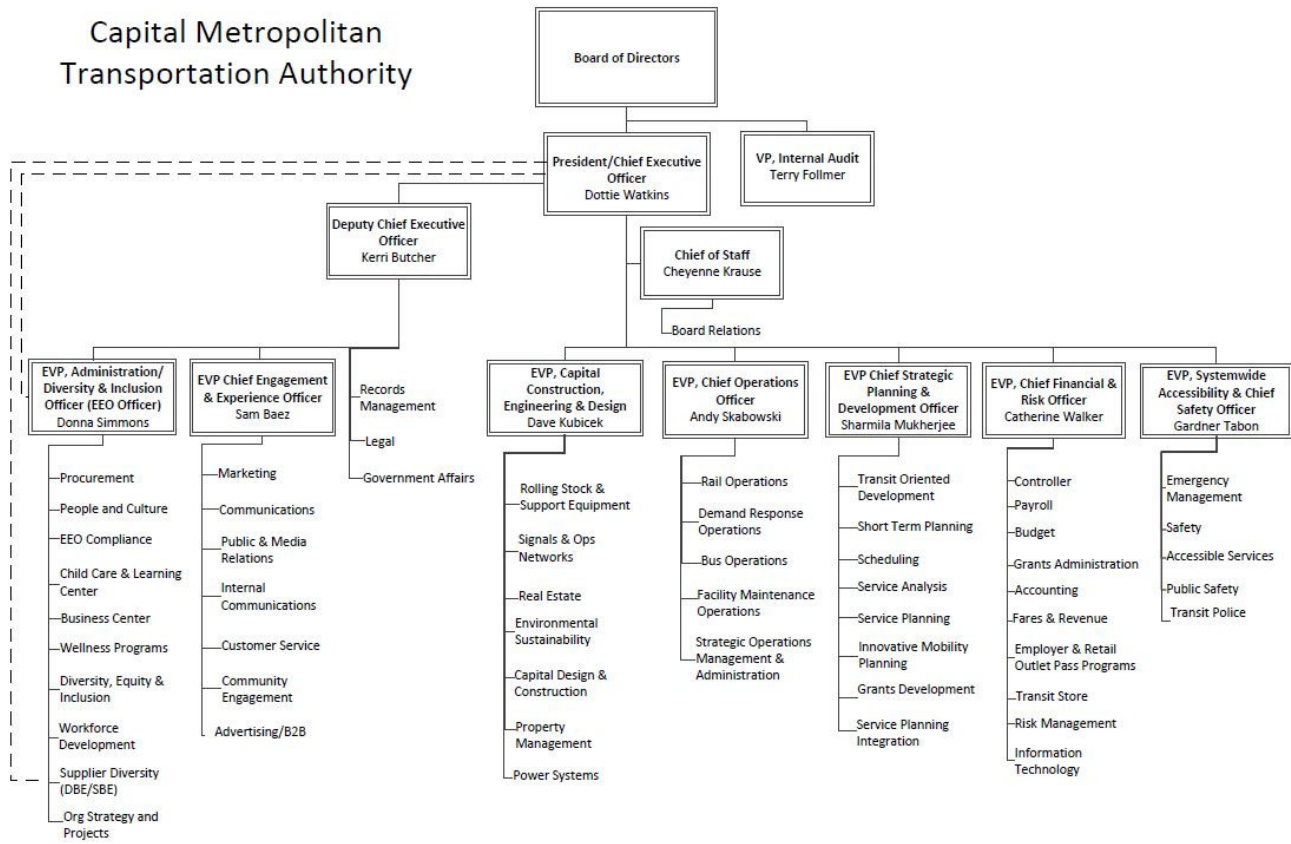
Andrew Skabowski    Executive Vice President, Chief Operating Officer

Gardner Tabon    Executive Vice President, Systemwide Accessibility and  
Chief Safety Officer

Samantha Baez    Executive Vice President, Chief Engagement and  
Experience Officer

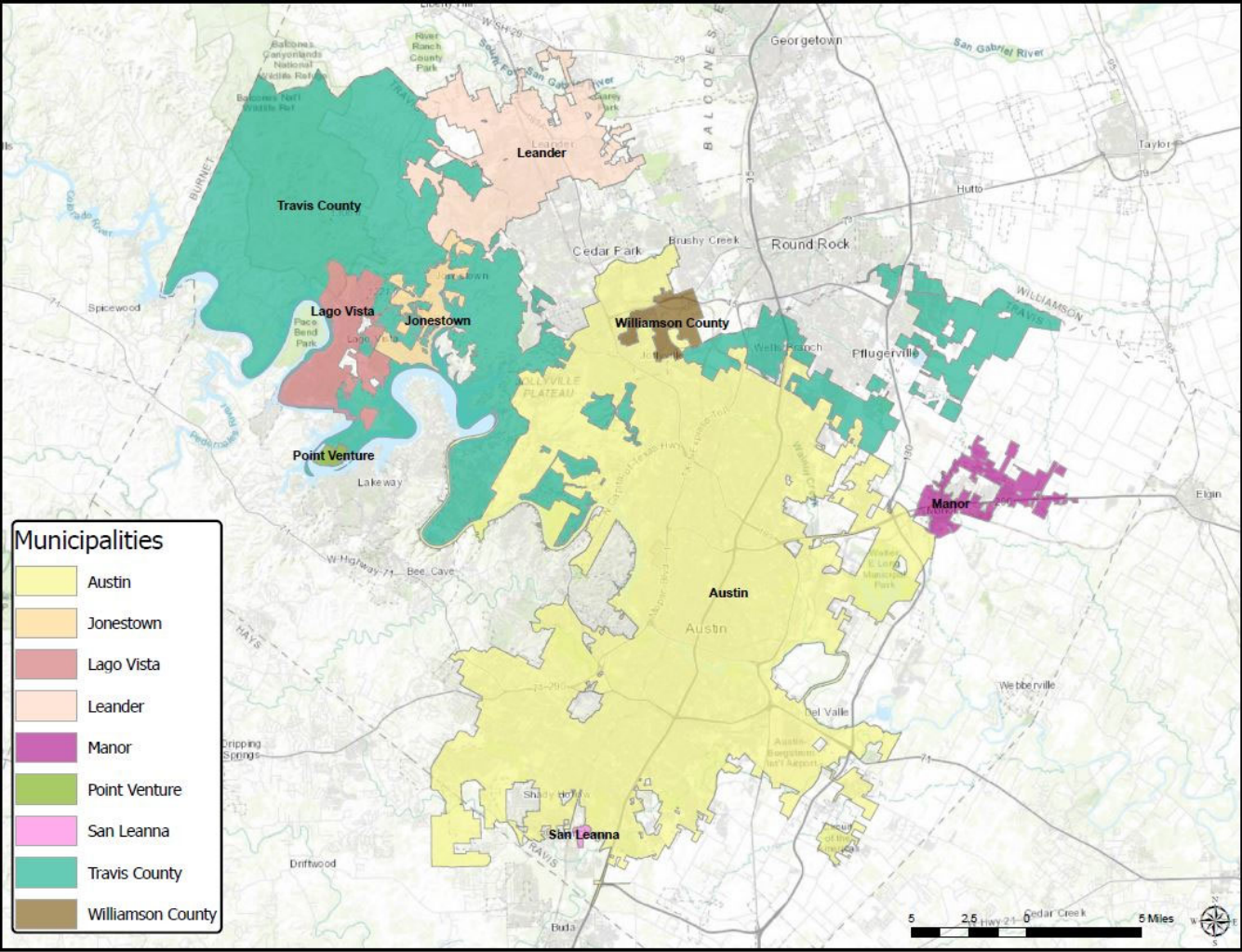
Dave Kubicek    Executive Vice President, Capital Construction,  
Engineering and Design

# Capital Metropolitan Transportation Authority Organizational Chart, March 2025





# Service Area Map





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Annual Comprehensive Financial Report  
Financial Section

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**Independent Auditor's Report**

Finance, Audit, and Administration Committee  
of the Board of Directors  
Capital Metropolitan Transportation Authority

**Opinions**

We have audited the financial statements of the business-type activities and fiduciary activities of Capital Metropolitan Transportation Authority (the Authority), as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority, as of September 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit Employees of StarTran, Inc. Schedules of Changes in Net Position Liability and Related Ratios, Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit Employees of StarTran, Inc. Schedule of Plan Contributions, Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees Schedules of Changes in Net Pension Liability and Related Ratios, Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees Schedule of Plan Contributions and Capital Metropolitan Transportation Authority Other Post-Employment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining statements of fiduciary net position and the combining statements of changes in fiduciary net position are presented for purposes of additional analysis and are 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 audits 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 combining statements of fiduciary net position and the combining statements of changes in fiduciary net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the accompanying Introductory and Statistical Sections, as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

*RSM US LLP*

Austin, Texas  
March 31, 2025

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This section of the financial statements of the Capital Metropolitan Transportation Authority (CapMetro) offers a narrative overview and analysis of the financial activities for fiscal years ended September 30, 2024, 2023, and 2022. The information contained within the Management's Discussion and Analysis (MD&A) should be considered only part of the greater whole. The reader should take time to read and evaluate all sections of this report, including the footnotes and other supplementary information that is provided in addition to this MD&A.

### **Financial Highlights**

- Net position was \$1,132.5 million as of September 30, 2024, increased 5.4% from \$1,074.8 million as of September 30, 2023, and increased 12.3% from \$957.5 million as of September 30, 2022 (Table A-1).
- Sales tax revenue was \$389.0 million, \$382.4 million and \$366.9 million in FY2024, FY2023 and FY2022, respectively. Transportation fares decreased to \$8.3 million in FY2024 from \$10.7 million in FY2023, a decrease of 22.4%. Transportation fares had an increase to \$10.7 million or 21.6% in FY2023 from \$8.8 million in FY2022. Rail freight revenue increased to \$7.1 million in FY2024 from \$7.0 million in FY2023, an increase of 1.4%. Rail freight revenue increased to \$7.0 million in FY2023 from \$6.8 million in FY2022, an increase of 2.9%. (Table A-2).
- FY2024 operating expenses (including depreciation) were \$461.9 compared to \$410.2 in FY2023, an increase of 12.6%. FY2023 operating expenses (including depreciation) were \$410.2 million compared to \$340.3 million for FY2022, an increase of 20.5% (Table A-3).
- Expenses for mobility interlocal agreements decreased 14.5% from \$2.4 million in FY2023 to \$2.0 million in FY2024. Of the total decrease, a portion is attributable to a decrease in the Quarter Cent Sales tax to the City of Austin and other City of Austin projects from \$1.2 million in FY2023 to \$0.3 million. The expenses for mobility interlocal agreements increased from \$2.0 million in FY2022 to \$3.4 million in FY2023. Of the total, approximately \$1.0 million in FY2023 and \$0.9 million in FY2022 were made for grant reimbursements for local area nonprofit organization as part of the federal pass-through funding. The Quarter Cent sales tax to the City of Austin also increased from \$0.4 million to \$1.2 million in FY2023 (Table A-4).
- Capital assets (net of depreciation) increased by \$96.5 million to \$753.8 million as of September 30, 2024, from \$657.3 million as of September 30, 2023 (Table A-5).

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to CapMetro's financial statements. This report is comprised of 1) financial statements, 2) notes to the financial statements and 3) the report also contains required supplementary information and other supplementary information.

The Statements of Net Position reports CapMetro's assets and deferred outflows, as well as liabilities and deferred inflows, with the difference between the two reported as net position. This is a measure of financial position, which can indicate financial condition improvement or deterioration from year to year.

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how CapMetro's net position changed during the fiscal year. Operating revenue consists of transportation fares, contract fare revenue, and rail freight fees. Other non-operating revenue includes 1% sales and use tax which comprises 73.8% of all revenues in FY2024, and 71.9% of all revenues in FY2023, as well as investment income, other income and operating contributions. Operating expenses include providing bus service, demand response, commuter rail service, maintenance, security, and administration for CapMetro. Non-operating expenses include funding in accordance with Interlocal Agreement with City of Austin to fund projects via the Quarter Cent sales tax in the amount of \$0.3 million and grant reimbursements made to subrecipients of federal awards to provide services to seniors and individuals with disabilities under Section 5310 funding. CapMetro also completed an overhaul of the MetroBike program in FY2024, launching CapMetro Bikeshare. The new Bikeshare system includes 76 new docking stations, over 450 bikes and a new Bikeshare app. CapMetro contributed \$3.8 million to implement the new Bikeshare system in accordance with the Interlocal Agreement with the City of Austin.

The Statements of Cash Flows report cash and cash equivalents for the fiscal year resulting from operating activities, non-capital financing activities, capital and financing activities and investing activities.

The Notes to the Financial Statements provide additional information necessary to fully understand the data provided in the financial statements.

The Required Supplementary Information (unaudited) includes the progress in CapMetro's obligation to fund pension benefits to its former employees, its administrative employees and is required by accounting principles generally accepted in the United States of America (U.S. GAAP).

The Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position report the combined assets and liabilities and plan activity associated with the CapMetro Retirement Plan for Administrative Employees as well as the Retirement Plan for Bargaining Unit Employees of StarTran, Inc. (collectively the Plans). The Plans are reported using the economic resources measurement focus and are prepared on the accrual basis of accounting in conformity with U.S. GAAP. Contributions and income are recorded when earned and benefits and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. All applicable Governmental Accounting Standards Board (GASB) pronouncements apply to the pension plans.

## **FINANCIAL ANALYSIS**

### ***Net Position***

Total net position may serve, over time, as a useful indicator of an entity's financial position. The total net position of CapMetro increased by \$57.6 million from \$1,074.8 million in FY2023, primarily due to the nonoperating revenues of \$445.9 million, plus capital contributions of \$56.6 million. The total net position in FY2023 increased by \$117.3 million, from \$957.5 million in FY2022 to \$1,074.8 million in FY2023, primarily due to non-operating revenue in the amount of \$457.9 million plus the \$46.8 million in capital contributions offsetting operating loss of \$383.3 million. Significant changes in non-operating revenue include (1) sales and use tax revenue increased by \$6.6 million in FY2024 over FY2023; and increased \$15.5 million in FY2023 over FY2022 (2) asset impairment charges of \$1.4 million and \$21.8 million in FY2024 and FY2022, respectively and (3) other federal grants of \$24.6 million, \$52.3 million and \$202.3 million in FY2024, FY2023 and FY2022, respectively.

The total change in net position of CapMetro is \$57.6 million, \$117.3 million and \$226.0 million in FY2024, FY2023 and FY2022, respectively. The positive change in net position is attributable to non-operating revenue noted above including sales and use tax revenue, grant revenue and capital contributions.

Total assets and deferred outflows increased by \$86.3 million in FY2024 to \$1,398.6 million compared to \$1,312.3 million in FY2023. Total assets and deferred outflows increased by \$143.7 million in FY2023 to \$1,312.3 million compared to \$1,168.6 million in FY2022. Total FY2024 change in capital assets, net is \$96.5 million compared to FY2023 increase of \$163.1 million over FY2022. The capital asset additions are offset by depreciation and amortization expenses of \$58.9 million in FY2024 compared to \$57.4 million in FY2023.

Total liabilities and deferred inflows increased from \$237.4 million in FY2023 to \$266.1 million in FY2024 primarily due to a decrease of \$5.0 million in pension liabilities offset by the addition of a new software agreement right to use liability and an increase in the capital purchase accounts payable for a total combined increase of approximately \$28.7 million. Total liabilities and deferred inflows increased from \$211.1 million in FY2022 to \$237.4 million in FY2023 primarily due to the addition of a new lease and an increase in pension liability for a combined increase of \$26.3 million.

**Table A-1**  
**Summary Information of CapMetro's Net Position**  
**(in millions of dollars)**

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Current assets	\$ 511.1	\$ 492.7	\$ 535.0
Capital assets, net	753.8	657.3	494.2
Other noncurrent assets	117.4	142.4	128.6
Total assets	<u>\$ 1,382.3</u>	<u>\$ 1,292.4</u>	<u>\$ 1,157.8</u>
Deferred outflow of resources	<u>\$ 16.3</u>	<u>\$ 19.8</u>	<u>\$ 10.8</u>
Current liabilities	\$ 122.1	\$ 85.3	\$ 77.6
Long-term liabilities	62.8	63.5	48.1
Total liabilities	<u>\$ 184.9</u>	<u>\$ 148.8</u>	<u>\$ 125.7</u>
Deferred inflows of resources	<u>\$ 81.2</u>	<u>\$ 88.6</u>	<u>\$ 85.4</u>
Net position			
Net investment in capital assets	\$ 702.7	\$ 632.7	\$ 462.5
Unrestricted	429.8	442.1	495.0
Total net position	<u>\$ 1,132.5</u>	<u>\$ 1,074.8</u>	<u>\$ 957.5</u>

Certain unrestricted assets are designated through CapMetro's board of directors' directive for specific uses. As of September 30, 2024, the CapMetro Board has designations of \$58.8 million for a statutory operating reserve, \$29.4 million for a budget stabilization reserve, \$23.5 million for a capital project reserve, \$8.2 million for budgetary operating contingency and \$1.7 million for self-insurance. CapMetro set aside its reserves consistent with its contingency policy.

### **Commitments**

CapMetro has a capital spending plan for projects for upcoming and future years. CapMetro's contractual commitments related to its capital improvement plan are \$264.6 million and \$257.8 million as of September 30, 2024 and 2023, respectively. CapMetro has also executed significant purchase transportation contracts with various goods and services providers totaling \$313.4 million extending to December 2026. CapMetro is contractually committed to the Build Central Texas Program and Mobility Programs with the City of Austin and the Suburban Communities Program. These programs are detailed in Note 8 in the Notes to the Financial Statements.

**Change in Net Position**

The change in net position for FY2024 was an increase of \$57.7 million or 5.4% of beginning net position and is the result of the continued healthy sales and use tax revenue. The change in net position for FY2023 was an increase of \$117.3 million or 12.3% of total beginning net position due to an increase in sales and use tax revenue and continued funding from other federal grants and capital contributions non-operating revenue as noted below. The change in net position for FY2022 was an increase of \$226.1 million or 30.9% of total beginning net position.

**Table A-2**  
**Summary Information of Changes in CapMetro's Net Position**  
**(in millions of dollars)**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>
Operating revenue:			
Transportation fares	\$ 8.3	\$ 10.7	\$ 8.8
Contract fare revenue	9.2	9.2	8.3
Rail—freight	7.1	7.0	6.8
Total operating revenue	<u>24.6</u>	<u>26.9</u>	<u>23.9</u>
Operating expenses:			
Purchased transportation	226.8	192.0	165.5
Depreciation and amortization	58.9	57.4	53.2
Salary and wages	55.4	45.6	37.0
Professional services	45.0	45.9	36.0
Employee benefits	28.0	27.0	21.7
Materials and supplies - fuel and fluid	15.9	14.3	10.9
Leases	2.6	2.1	2.1
Other	4.2	3.3	3.3
Utilities	4.5	4.3	3.5
Casualty and liability	1.0	0.6	0.4
Materials and supplies - other	19.6	17.7	6.8
Total operating expenses	<u>461.9</u>	<u>410.2</u>	<u>340.4</u>
Operating loss	<u>(437.3)</u>	<u>(383.3)</u>	<u>(316.5)</u>
Non-operating revenue (expenses):			
Sales and use tax revenue	389.0	382.4	366.9
Investment income	23.5	18.5	-
Rental income	4.5	2.7	2.6
Other income, net	4.3	2.0	2.5
Other federal grants	24.6	52.3	202.3
Impairment of assets	(1.4)	-	(21.8)
Long-term mobility planning	-	-	(23.4)
Build Central Texas Program	(1.8)	(0.7)	(4.9)
Mobility programs and transit improvements-other jurisdiction	(4.3)	(3.4)	(1.8)
Total non-operating revenue (expenses)	<u>438.4</u>	<u>453.8</u>	<u>522.4</u>
Income before contributions	1.1	70.5	205.9
Capital contributions	<u>56.6</u>	<u>46.8</u>	<u>20.2</u>
Change in net position	57.7	117.3	226.1
Total net position, beginning of the year, restated	<u>1,074.8</u>	<u>957.5</u>	<u>731.4</u>
Total net position, end of the year	<u>\$ 1,132.5</u>	<u>\$ 1,074.8</u>	<u>\$ 957.5</u>

### Operating Revenue

The FY2024 operating revenue decreased by 8.6% to \$24.6 million due to implementation of the unhoued fare program and a fare capping initiative as well as performance issues with the fare validation system. The FY2023 operating revenue increased by 12.6% to \$26.9 million in FY2023 from FY2022 operating revenue of \$23.9 million reflecting recovery from the COVID-19 pandemic.

### Operating Expenses

The FY2024 operating expenses increased by 12.6% or an increase of \$51.7 million to total expenses of \$461.9 million primarily due to an increase in purchase transportation expenses of \$34.8 million in FY2024 with additional increase in salary and wages of \$9.8 million. The FY2023 operating expenses increased by 20.5% to \$410.2 million from \$340.3 million in FY2022, primarily due to the increase to pre-pandemic service levels provided by purchased transportation providers and a similar increase in professional services.

**Table A-3**  
**Information on CapMetro's Total Operating Expenses (including depreciation)**  
**(in millions of dollars)**

	FY 2024	FY 2023	FY 2022
Purchased transportation	\$ 226.8	\$ 192.0	\$ 165.5
Depreciation and amortization	58.9	57.4	53.2
Salary and wages	55.4	45.6	37.0
Professional services	45.0	45.9	36.0
Employee benefits	28.0	27.0	21.6
Materials and supplies - fuel and fluid	15.9	14.3	10.9
Leases	2.6	2.1	2.1
Other	4.2	3.3	3.3
Utilities	4.5	4.3	3.5
Casualty and liability	1.0	0.6	0.4
Materials and supplies - other	19.6	17.7	6.8
<b>Total operating expenses</b>	<b>\$ 461.9</b>	<b>\$ 410.2</b>	<b>\$ 340.3</b>

**Table A-4**  
**Information on CapMetro's Non-Operating Revenue and Expenses**  
**(in millions of dollars)**

	FY 2024	FY 2023	FY 2022
Sales and use tax	\$ 389.0	\$ 382.4	\$ 366.9
Other federal grants	24.6	52.3	202.3
Rental income	4.5	2.7	2.5
Other income, net	4.3	2.0	2.6
Investment income	23.5	18.5	-
Impairment of assets	(1.4)	-	(21.8)
Long-term mobility planning	-	-	(23.4)
Build Central Texas Program	(1.8)	(0.7)	(4.9)
Transit improvements - other jurisdictions	(2.3)	(1.0)	(0.6)
Mobility interlocal agreements	(2.0)	(2.4)	(1.3)
Total net non-operating revenue	<u>\$ 438.4</u>	<u>\$ 453.8</u>	<u>\$ 522.3</u>

#### ***Non-Operating Revenue and Expenses***

Non-operating revenue consists of a 1% sales tax levied in CapMetro's service area, investment income, operating contributions, and other income generated primarily from advertising sales. Non-operating revenue is reduced by the costs of providing funding for infrastructure needs in the service area.

Sales tax represents the largest component of CapMetro's revenue and due to a continued robust economy in the Austin area contributed to increases in the local area sales tax. For FY2024, sales tax revenue of \$389.0 million increased by \$6.6 million or 1.7% from FY2023. For FY2023, sales tax revenue of \$382.4 million increased by \$15.5 million, or 4.2% from FY2022 sales tax amount of \$366.9 million.

In FY2024, investment income of \$23.5 includes unrealized gain on investments of \$1.4 million and investment income of \$22.1 million. In FY2023, investment income of \$18.5 million includes an unrealized gain on investments of \$0.85 million. In FY2022, investment income of \$2.0 million was offset by an unrealized loss on investments of \$2.0 million. Both FY2024 and FY2023 investment income increase is consistent with the increased market rates provided by TexasTERM and TexasDAILY. The lower investment income in FY2022 was due to the unrealized loss on the portfolio combined with lower market rates. CapMetro investments in TexasDAILY and TexasDAILY Select are short term while TexasTERM are longer term investments. The balances in these portfolios make up the largest portion of the portfolio with a smaller portion invested in U.S. Government issues and Commercial Paper for both 2024 and 2023.

CapMetro funds programs for street maintenance, street repair, and transit capital improvements through the Build Central Texas program (formerly, Build Greater Austin). It also funds mobility projects to assist in future transportation and improve regional mobility.

#### ***Grants and Capital Contributions***

Total federal and state grant revenue and capital contributions in FY2024 was \$81.2 million of which \$64.9 million are related to federal and state awards and \$15.8 million are related to CapMetro Rapid and CapMetro Rail Red Line contributions from Austin Transit Partnership. Total federal and state grant revenue and capital contributions in FY2023 was \$99.1 of which \$77.2 million are related to federal and state awards and \$21.9 million are related to CapMetro Rapid and Redline contributions from Austin Transit Partnership. There were supplemental federal funds received by CapMetro from ARP Act funding to prevent, prepare for, and respond to the coronavirus in the amount of \$128.2 in FY2022 and CRRSAA Act funds in the amount of approximately \$66.0 million in FY2022. The Grants used for CapMetro's capital improvement program totaled \$40.3 million, \$24.9 million, and \$8.1 million in FY2024, FY2023 and FY2022, respectively.

### **Capital Assets**

Capital assets consist of buildings and improvements, railroads, buses and equipment, passenger parking stations, leasehold improvements, land, right to use assets, and construction in progress. CapMetro's net capital assets increased to \$753.8 million, \$657.3 million and \$494.2 million in FY2024, FY2023 and FY2022, respectively. The increase in 2024 and 2023 is primarily due to development of two new CapMetro Rapid lines, land acquisitions and recognition of right to use Subscription Based Information Technology Arrangements. For more detailed information on capital assets, see Note 11 to the financial statements.

**Table A-5**  
**CapMetro's Capital Assets Information**  
**(in millions of dollars)**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>
Building and improvements	\$ 107.3	\$ 94.6	\$ 96.5
Leasehold improvement	0.4	0.4	0.4
Right to use asset	44.6	35.2	18.7
Railroad	252.1	210.8	200.2
Buses and equipment	464.6	454.0	441.9
Passenger parking and stations	130.2	113.4	113.4
	<u>999.2</u>	<u>908.4</u>	<u>871.1</u>
Less accumulated depreciation	(629.6)	(579.7)	(524.0)
Net depreciable property/improvements	<u>369.6</u>	<u>328.7</u>	<u>347.1</u>
Land and improvements	95.9	79.2	79.2
Projects in progress	288.3	249.4	67.9
Capital assets, net	<u>\$ 753.8</u>	<u>\$ 657.3</u>	<u>\$ 494.2</u>

### **Economic Factors and Outlook for FY2024**

CapMetro's adopted FY2025 budget totaled \$601.3 million in revenue, \$448.5 million in operating expenses, \$229.8 million for new capital expenditures, \$21.2 million for contribution to the Austin Transit Partnership and \$5.2 million for Regional Mobility programs. FY2025 sales tax revenue is budgeted at an 1.5% increase from the FY2024 budget due to favorable but slowing sales tax trends. FY2025 budgeted operating expenses are projected to increase 4.9% from the FY2024 budget. Management anticipates that its existing resources will be adequate to satisfy its liquidity requirements for FY2024.

### **Request for Information**

This financial report is designed to provide our patrons and other interested parties with a general overview of the finances to demonstrate CapMetro's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact Capital Metropolitan Transportation Authority, Finance Department, at 2910 East 5<sup>th</sup> Street, Austin, Texas 78702, e-mail at [accounting@capmetro.org](mailto:accounting@capmetro.org).



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**Capital Metropolitan Transportation Authority**  
**Statements of Net Position**  
**September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 210,001,277	\$ 175,834,518
Investments	212,243,784	169,320,321
Due from Federal governments	373,425	55,166,443
Fuel hedge asset	1,286,992	1,768,682
Materials and supplies inventory	13,452,970	11,654,109
Prepaid transit expense and other	2,243,940	534,208
Intergovernmental receivables – Project Connect	2,559,814	4,405,796
Other receivables	3,465,913	9,313,624
Sales and use taxes receivable	64,287,783	63,828,905
Lease receivables	1,191,150	901,656
<b>Total current assets</b>	<b>511,107,048</b>	<b>492,728,262</b>
Non-current assets:		
Investments – designated for system expansion	43,475,222	66,814,836
Capital assets:		
Land and improvements	95,931,268	79,160,614
Depreciable capital assets, net of depreciation	342,473,476	304,288,479
Projects in process	288,247,155	249,381,798
Leases, land and buildings, net of depreciation	5,589,944	8,026,795
Subscription right to use asset, net of amortization	21,511,268	16,429,137
Lease receivables	73,938,964	75,638,816
<b>Total non-current assets</b>	<b>871,167,297</b>	<b>799,740,475</b>
<b>Total assets</b>	<b>1,382,274,345</b>	<b>1,292,468,737</b>
Deferred outflow of resources – fuel hedge	571,801	-
Deferred outflow of resources – OPEB	702,512	622,492
Deferred outflow of resources – pension plan	15,070,476	19,213,943
<b>Total deferred outflows of resources</b>	<b>16,344,789</b>	<b>19,836,435</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,398,619,134</b>	<b>\$ 1,312,305,172</b>

(Continued)

See notes to the financial statements.

**Capital Metropolitan Transportation Authority**  
**Statements of Net Position**  
**September 30, 2024 and 2023**  
*(continued)*

	<b>2024</b>	<b>2023</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 15,992,407	\$ 10,310,515
Accrued expenses	85,928,050	60,119,558
Benefits payable	656,895	1,019,380
Accrued salary and wages	2,973,780	3,149,095
Accrued sick and vacation	5,835,633	4,906,158
Lease liability	1,358,365	1,663,488
Subscription liability	3,328,978	2,543,577
Retainage	5,026,220	885,409
Unearned revenue	1,034,122	654,851
<b>Total current liabilities</b>	<b>122,134,450</b>	<b>85,252,031</b>
Long-term liabilities:		
Accrued sick and vacation	3,689,585	3,090,934
Other post employment benefit liability	3,800,955	3,881,272
Lease liability	4,520,831	6,677,483
Subscription liability	9,294,594	3,254,992
Pension liability	41,520,965	46,653,772
<b>Total long-term liabilities</b>	<b>62,826,930</b>	<b>63,558,453</b>
<b>Total liabilities</b>	<b>184,961,380</b>	<b>148,810,484</b>
Deferred inflow of resources – OPEB	2,256,863	1,707,942
Deferred inflow of resources – fuel hedge	-	2,137,291
Deferred inflow of resources – pension plan	6,223,371	9,731,954
Deferred inflow – lease receivable	72,673,116	75,032,840
<b>Total deferred inflows of resources</b>	<b>81,153,350</b>	<b>88,610,027</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>266,114,730</b>	<b>237,420,511</b>
Net position:		
Net investment in capital assets	702,724,123	632,710,271
Unrestricted	429,780,281	442,174,390
<b>Total net position</b>	<b>\$ 1,132,504,404</b>	<b>\$ 1,074,884,661</b>

See notes to the financial statements.

**Capital Metropolitan Transportation Authority**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
Operating revenue:		
Transportation fares	\$ 8,322,755	\$ 10,744,252
Contract revenue	9,241,884	9,180,105
Rail – freight	7,059,989	6,952,150
<b>Total operating revenue</b>	<b>24,624,628</b>	<b>26,876,507</b>
Operating expenses:		
Purchased transportation	226,840,171	192,000,167
Depreciation and amortization	58,931,176	57,435,473
Salary and wages	55,427,980	45,631,461
Professional services	44,975,615	45,897,438
Employee benefits	27,983,695	26,976,824
Fuel and fluid	15,864,155	14,249,528
Leases	2,585,339	2,086,618
Other	4,250,252	3,325,366
Utilities	4,456,128	4,263,025
Casualty and liability	1,018,700	646,828
Materials and supplies	19,615,032	17,699,083
<b>Total operating expenses</b>	<b>461,948,243</b>	<b>410,211,811</b>
<b>Operating loss</b>	<b>(437,323,615)</b>	<b>(383,335,304)</b>
Non-operating revenue (expenses):		
Sales and use tax revenue	389,023,178	382,375,243
Other federal grants	24,608,243	52,294,385
Rental income	4,456,839	2,754,739
Other income, net	4,271,865	1,957,955
Investment income	23,551,484	18,540,504
Impairment of assets	(1,448,297)	-
Build Central Texas Program	(1,754,663)	(724,280)
Transit improvements – other jurisdictions	(2,316,764)	(995,596)
Mobility interlocal agreements	(2,024,513)	(2,367,491)
<b>Total non-operating revenue (expenses)</b>	<b>438,367,372</b>	<b>453,835,459</b>
<b>Increase in net position before capital contributions</b>	<b>1,043,757</b>	<b>70,500,155</b>
Federal grants and other capital contributions	56,575,986	46,842,211
<b>Change in net position</b>	<b>57,619,743</b>	<b>117,342,366</b>
Net position at the beginning of year	1,074,884,661	957,542,295
<b>Net position at the end of year</b>	<b>\$ 1,132,504,404</b>	<b>\$1,074,884,661</b>

See notes to the financial statements.

**Capital Metropolitan Transportation Authority**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Receipts from customers	\$ 30,610,440	\$ 20,618,887
Payments to employees	(66,848,600)	(50,822,889)
Payments to purchased transportation service providers	(222,027,749)	(178,399,236)
Payments to suppliers of goods and services	(109,650,191)	(114,336,921)
<b>Net cash used in operating activities</b>	<b>(367,916,100)</b>	<b>(322,940,159)</b>
Cash flows from non-capital financing activities:		
Sales and use tax	388,564,300	383,268,731
Cash/proceeds received from operating grants	25,487,514	3,048,513
Cash/proceeds received from rental and other revenue	7,454,262	4,365,034
Payments to other jurisdictions	(2,316,764)	(995,596)
Payments Intergovernmental Receivable-Project Connect	-	20,379,029
Payments for Build Central Texas Program	(1,754,663)	(724,280)
Payments for mobility projects	(2,024,513)	(2,367,491)
<b>Net cash provided by non-capital financing activities</b>	<b>415,410,136</b>	<b>406,973,940</b>
Cash flows from capital and related financing activities:		
Proceeds from capital grants and other capital contributions	112,714,986	42,558,759
Purchase of capital assets	(130,132,473)	(228,037,309)
<b>Net cash used in capital and related financing activities</b>	<b>(17,417,487)</b>	<b>(185,478,550)</b>
Cash flows from investing activities:		
Purchase of investments	(362,590,386)	(35,862,772)
Sale of investments	344,768,829	162,450,372
Net investment income	21,911,767	17,579,957
<b>Net cash provided by investing activities</b>	<b>4,090,210</b>	<b>144,167,557</b>
<b>Net change in cash and cash equivalents</b>	<b>34,166,759</b>	<b>42,722,788</b>
Cash and cash equivalents at beginning of year	175,834,518	133,111,730
Cash and cash equivalents at the end of the year	<b>\$ 210,001,277</b>	<b>\$ 175,834,518</b>

See notes to the financial statements.

**Capital Metropolitan Transportation Authority**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2024 and 2023**  
**(Continued)**

	<b>2024</b>	<b>2023</b>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (437,323,615)	\$ (383,335,304)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	58,931,176	57,435,473
Changes in assets and liabilities:		
Other receivables	5,987,946	(6,257,769)
Materials and supply inventory, net	(1,798,861)	(1,640,129)
Fuel hedge asset	481,690	(496,230)
Other assets	(1,698,542)	902,764
Accounts payable	5,681,892	9,901,974
Accrued liability and expenses	7,650,319	3,170,862
Other liabilities	990,326	-
Deferred outflows – pension	4,143,467	(9,070,080)
Deferred inflows – pension	(3,508,583)	(8,589,719)
Deferred outflows – OPEB	(80,020)	-
Deferred inflows – OPEB	548,921	(70,073)
Net pension liability	(5,132,807)	16,107,200
Total OPEB liability	(80,317)	463,649
Deferred outflows/inflows fuel hedge	(2,709,092)	(1,462,777)
<b>Net cash used in operating activities</b>	<b>\$ (367,916,100)</b>	<b>\$ (322,940,159)</b>
Supplemental cash flow information:		
Capital asset acquisition included in accounts payable, accrued expenses and retainage	\$ 23,540,000	\$ 7,026,000
Acquisition of capital assets through lease and subscription contracts	13,230,124	3,560,638

See notes to the financial statements.

**Capital Metropolitan Transportation Authority**  
**Statements of Fiduciary Net Position**  
**As of December 31**

	<b>Pension Trust Funds 2023</b>	<b>Pension Trust Funds 2022</b>
<b>Assets</b>		
Cash	\$ 521,728	\$ 398,116
Receivables:		
Accrued interest and other dividends	7,616	63,873
Investment trades pending receivable	-	148,027
Total receivables	<u>7,616</u>	<u>211,900</u>
Investments:		
Corporate bonds and other	2,087,048	3,046,213
Government securities and U.S. Treasury Notes	6,381,271	5,079,155
Common stock	2,454,109	2,153,061
Group fixed annuity	1,523,442	4,527,382
Mutual funds	80,996,288	65,620,916
Money market funds	1,858,563	699,045
Total investments	<u>95,300,721</u>	<u>81,125,772</u>
Total assets	95,830,065	81,735,788
<b>Liabilities</b>		
Accounts payable	46,877	54,544
Investment trades pending payable	<u>521,728</u>	<u>22,207</u>
Total liabilities	<u>568,605</u>	<u>76,751</u>
<b>Net Position</b>		
Restricted for pensions	<u>\$ 95,261,460</u>	<u>\$ 81,659,037</u>

See notes to the financial statements.



**Capital Metropolitan Transportation Authority**  
**Statements of Changes in Fiduciary Net Position**  
**For the Years Ended December 31**

	<b>Pension Trust Funds 2023</b>	<b>Pension Trust Funds 2022</b>
<b>Additions</b>		
Contributions:		
Employer	\$ 8,449,996	\$ 8,274,500
Total contributions	<u>8,449,996</u>	<u>8,274,500</u>
Investment earnings (loss):		
Interest and dividend income	8,505,355	2,067,583
Net appreciation (depreciation) in fair value of investments	4,358,301	(17,912,226)
Total investment earnings (loss)	<u>12,863,656</u>	<u>(15,844,643)</u>
Less Investment expenses:		
Investment expenses	160,860	168,435
Net investment earnings (loss)	<u>12,702,796</u>	<u>(16,013,078)</u>
Total additions (deductions) -net	<u>21,152,792</u>	<u>(7,738,578)</u>
<b>Deductions</b>		
Benefit payments	7,225,823	6,751,586
Administrative expenses	324,546	311,298
Total deductions	<u>7,550,369</u>	<u>7,062,884</u>
Net increase (decrease) in fiduciary net position	13,602,423	(14,801,462)
Net position restricted for pensions, at beginning of year	<u>81,659,037</u>	<u>96,460,499</u>
Net position restricted for pensions, at ending of year	<u>\$ 95,261,460</u>	<u>\$ 81,659,037</u>

See notes to the financial statements.

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## **1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity – Capital Metropolitan Transportation Authority (CapMetro or the Authority) is a corporate body and political subdivision of the State of Texas. CapMetro was established by a referendum on January 19, 1985, to provide mass transportation service to the greater Austin metropolitan area. CapMetro commenced operations on July 1, 1985.

CapMetro is governed by an eight-member Board of Directors (the Board) which has governance responsibilities over all activities related to CapMetro. During the year ended September 30, 2009, the Legislature of the State of Texas enacted Senate Bill 1263, effective September 1, 2009, relating to the composition of the board of directors of certain metropolitan transit authorities. As a result of the enacted legislation, all the members serving on the Board are appointed in accordance with Section 451.5021, Transportation Code.

CapMetro is not included in any other governmental reporting entity, as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. The appointed members of the Board have the authority to make decisions, possess the power to designate management, have the responsibility to significantly influence operations, and maintain primary accountability for fiscal matters.

Prior to August 19, 2012, and as required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements presented CapMetro (the primary government) and its active component unit, StarTran, Inc. (StarTran), a corporation organized under the Nonprofit Corporation Act of the State of Texas. Although it was legally separate from CapMetro, StarTran was reported as if it were part of CapMetro because it was incorporated for the purpose of providing employee services to operate mass transit service on behalf of CapMetro. Pursuant to the contract effective January 1, 1992, between CapMetro and StarTran, CapMetro provided all resources needed for business operations and the necessary administrative support needed for StarTran's operations. Senate Bill 1263 passed by the Texas Legislature in 2009 required the Sunset Advisory Commission to evaluate the efficiency and effectiveness of CapMetro's bus operations. In August 2012, CapMetro implemented a new business model to streamline operations and improve its business practices. CapMetro now contracts with private companies to operate passenger service, including fixed route and paratransit services. StarTran is inactive but remains a blended component unit.

The fiduciary financial statements include two fiduciary funds related to the CapMetro Retirement Plan for Administrative Employees and the Retirement Plan for Bargaining Unit Employees of StarTran, Inc. (collectively, the Plans). The financial results of the Plans are reported on a calendar year basis and included in the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. The Plans are also separately audited. Additional disclosures in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, (*Accounting and Financial Reporting for Pensions – Amendment of GASB Statement No. 27*), are presented for the Retirement Plans in Note 10 – Defined Benefit Retirement Plans and in Required Supplementary Information (RSI).

Basis of Accounting – The financial statements of CapMetro have been prepared in conformity with U.S. GAAP as applied to governments. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. CapMetro accounts for its operations as a proprietary (enterprise) fund. Proprietary and the fiduciary funds are accounted for on the flow of economic resources measurement focus. An enterprise and the fiduciary funds follow the accrual basis of accounting. With this measurement focus, all assets, liabilities, deferred inflows and outflows of resources associated with the enterprise fund operations are included in the Statements of Net Position. Under the accrual basis of accounting, revenues are recorded in the period in which they are earned, expenses are recorded when a liability is incurred, regardless of the timing of related cash flows and depreciation of capital assets is recorded.

Revenue from grants are recorded when all eligibility requirements imposed by the provider are met and qualifying expenses have been incurred for reimbursement type grants.

## **1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Net Position – Net position on the Statements of Net Position include the following:

Net Investment in Capital Assets – the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt or other liabilities that are directly attributable to the acquisition, construction, or improvement of these capital assets.

Unrestricted – resources consist of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Nature of Operating and Non-Operating Activities – Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services in connection with an entity’s principal ongoing operations. CapMetro’s primary activity is transit operations designed to provide high quality, customer focused, effective and efficient transportation services and systems for the communities lying within CapMetro’s service area. Transit operations include planning bus routes, customer service, special transit services, purchased transportation services, maintaining equipment, facilities and buses, and providing security, administration, and management of the transit system. CapMetro also owns and maintains a rail freight line. Operations include managing the rail freight contract and maintenance of the track and its infrastructure. In November 2004, citizens of the CapMetro service area voted in favor of allowing the agency to operate urban commuter rail service from Leander, Texas to downtown Austin, Texas. Commuter rail service became operational in March of 2010.

Non-operating revenue and expenses include:

- 1) Non-operating revenue consists of the one percent sales tax levied in the Authority’s service area, federal operating grants that are received on a reimbursement basis, investment income, rental income and other income generated primarily from advertising commissions and childcare operations.
- 2) Mobility projects and programs to help fund future transportation projects. These projects must improve regional mobility, improve mass transit, leverage federal or private funds, add to an existing program, and expedite a critical mobility project. These projects are governed by an interlocal agreement between CapMetro and the City of Austin.
- 3) Long-range system planning called Project Connect that addresses both the short- and long-term needs of Central Texas. The Austin Transit Partnership (ATP), a component unit of the City of Austin (the City), is the designated agency for the implementation and funding of the Project Connect program. The program has developed plans for a long-term high-capacity transit system capable of moving more people in the same amount of road space as cars. These new transit options will provide real ways to avoid traffic and help produce a more balanced transportation system that benefits our diverse population in Central Texas. Project Connect’s enhancements program has identified short- and long-term projects that will ensure our existing transit network operates efficiently. The enhancement projects will include two light rail lines, improve MetroRail, MetroRapid and MetroExpress services, and create Mobility Hubs at sites across the region.
- 4) Programs to fund street maintenance, emergency street repair, transit corridor improvements, pedestrian and bicycle safety/access, sidewalks, transit centers, and transit capital improvements.

It is CapMetro’s policy to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available.

Revenue Recognition –

Operating Revenue – Transportation fares, contract revenue, rail-freight and transportation fares – commuter rail revenue are recorded when transit services are provided.

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Sales and Use Tax Revenue – Sales tax revenue is recorded based on information provided by the Comptroller of Public Accounts which reports when the underlying transaction occurred. Sales tax revenues account for approximately 74% of revenues in FY2024 and 72% in FY2023.

Other Federal Grants – Other federal grant revenue is recognized when the allowable cost is incurred, and all eligibility requirements have been met.

Capital Replacement and Improvement Grants – CapMetro funds its capital improvements with sales taxes and grants from the Federal Transit Administration (FTA). Grant revenue is recognized when all eligibility requirements have been met. The grantor retains a reversionary interest in the capital asset over the estimated useful life of that asset or upon disposal.

Federal and Other Capital Contributions – Revenue from federal and other capital contributions are cash and noncash which include capital grants and contributions that are restricted revenue whose resources may only be used to purchase, build or use capital assets for specified programs.

Cash and Investments – For purposes of the Statements of Cash Flows, cash and cash equivalents include cash on hand, cash in banks, and investments with original maturities of less than 90 days. All non-negotiable certificates of deposits and fixed-rate time deposits are recorded at amortized cost. Investments and debt securities are recorded at fair value (See Note 2). Fair value is the price that would be received to sell an asset in an orderly transaction between market participants.

Annually, the board of directors of CapMetro reviews and adopts a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Chapter 2256, Texas Government Code). CapMetro is authorized to invest in obligations and instruments as defined in the Act. All investments held by CapMetro are made in accordance with CapMetro's Investment Policy.

Other receivables, net – The allowance for uncollectible accounts is established as losses are estimated to have occurred through a provision for bad debt charged to earnings. Losses are charged against the allowance using specific identification method when management believes it is probable the receivable will be recovered. As of September 30, 2024 and 2023, management determined net accounts receivable to be fully collectible.

Intergovernmental Receivable-Project Connect – CapMetro executed various interlocal agreements for the sole purpose of supporting the Project Connect program. As part of the interlocal agreements, CapMetro provides administrative support and professional services including support functions in connection with the operation, implementation and maintenance of the assets funded by ATP and to perform certain other project-related services.

Materials and supplies inventory – Materials and supplies inventory consists of tickets and passes, fuel, revenue vehicle parts, and facilities and building maintenance supplies and is stated at cost (weighted-average method).

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Capital Assets – Capital assets include all items purchased that have a useful life of more than one year, are of a tangible nature, and have a cost of \$5,000 or more. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are recorded at cost and are depreciated over their useful lives using the straight-line method as follows:

	<b><u>Estimated Useful Lives</u></b>
Buildings and improvements	40 years
Passenger and parking stations	5-20 years
Railroad and improvements	15 -40 years
Buses and equipment	2-25 years
Other equipment and software	3-5 years
Leasehold improvements, office furniture and fixtures	5 years

There are no intangible assets. Depreciation is presented as an operating expense in the Statements of Revenues, Expenses, and Changes in Net Position. Construction in progress will be depreciated when the related asset is placed in service.

Expenses for renewals and betterments that increase property useful lives are capitalized, and maintenance and repair costs are charged to operations as incurred.

Leases and Subscription-Based Information Technology Arrangements (SBITAs) – The Authority recognizes a right to use an underlying asset as a Lessee and the recognition of a SBITA as an intangible right to use subscription asset with a corresponding lease or subscription liability.

As lessor, the Authority recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic payments are reflected as a reduction of the discounted lease receivable and as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For both SBITAs and leases as a lessee, the Authority recognizes a subscription or lease liability and an intangible right-of-use lease asset or intangible right to use subscription asset at the beginning of a lease or SBITA term unless the lease/SBITA contract is considered a short-term lease/SBITA. The right-of-use lease assets or right to use subscription assets are measured based on the net present value of the future contract payments at inception, using the incremental borrowing rate. Remeasurement of a lease or subscription liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the related liability. The Authority calculates the amortization of the discount on the lease and subscription liability and report that amount as outflows of resources.

Key estimates and judgments include how CapMetro determines the discount rate it uses to discount the expected lease or SBITA payments to present value. CapMetro uses its estimated incremental borrowing rate as the discount rate for leases or SBITAs. The lease or subscription term includes the noncancellable period of the lease or subscription contract. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

## **1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

As a lessee or lessor or the use of SBITA contracts, the Authority does not consider variable lease payments in the lease liability, lease receivable or variable payments for subscription liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As a lessor, for lease contracts that are short-term, the Authority recognizes short-term payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

Fuel Hedge Policy – CapMetro established and maintains an energy price risk management program to decrease the volatility of diesel fuel cost and manage budgeted diesel fuel expenses. The program is not an investment and the activity from the program is reported as element of fuel expense. CapMetro maintains a futures account with Future Commission Broker that allows management to acquire, hold, and dispose of energy futures contracts in the operation of its program. The fuel hedge program allows the establishment of cost certainty in current and future budget periods and the maximum maturity of the futures contracts taken in conjunction with the program is 36 months.

The futures contracts for diesel fuel are exited evenly though time and at the appropriate times so as to correspond to the price of the actual fuel as it is purchased through time. Based on the difference between the hedge price (entry price) and the settlement price (exit price), there will be a realized gain/loss associated with that hedge that will appear in the futures account and reflected as a component of diesel expense. Futures contracts will be held to maturity (exited when the corresponding fuel is purchased) and, in the normal operation of the program.

Diesel fuel contracts are considered effective with the positive or negative fair value being reflected in the Statements of Net Position as either a deferred inflow or outflow with a related current asset or current liability. No derivatives were reclassified during the previous two years from a hedging derivative to an investment derivative. CapMetro has adequate on-site diesel fuel storage facilities, and the physical supply of diesel fuel will continue according to the current process of managing inventory.

Compensated Leave – Substantially all employees of CapMetro are eligible to receive compensation for vacations, holidays, illness and certain other qualifying leave. For certain kinds of leave, the number of days compensated is generally based on length of service. Vacation leave, which has been earned and vested but not paid, has been accrued in the accompanying financial statements in the amount of \$5.2 million and \$4.4 million as of September 30, 2024 and 2023, respectively. Earned and vested sick leave for CapMetro administrative employees has been accrued at a maximum of 240 hours for those employees with four (4) years or more of service as of September 30, 2024 and 2023, in the amount of \$4.2 million and \$3.5 million, respectively.

Pensions – The net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, and information about the fiduciary net position of CapMetro's participation in the Plans, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized in the net pension liability calculation when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) – The total OPEB liability has been determined based on the flow of economic resources measurement focus and full accrual basis of accounting. This includes measuring the total OPEB liability: deferred inflows of resources related to OPEB, OPEB expense, and information about benefit payments are recognized in the total liability calculation when due and payable in accordance with the benefit terms.

## **1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Deferred Outflows and Inflows of Resources – The Authority has classified as deferred outflows of resources certain items that represent a consumption of resources or deferred inflow of resources which represents an acquisition of net assets by CapMetro that is applicable to a future reporting period and, therefore, will not be recognized as a revenue or expense until then. CapMetro has deferred outflows which consists of deferred charge for pension for contributions made subsequent to the measurement date of December 31, the differences between the expected and actual experience, change in assumptions and net differences between projected and actual earnings and deferred outflows for the accumulation of gains and losses on fuel hedge. CapMetro has similar deferred outflows and inflows for the OPEB Plan which has a measurement date of September 30, 2024 and 2023.

Risk Management – CapMetro is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to employees and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. During FY2024 and 2023, CapMetro was covered under a variety of insurance policies at a cost it considers to be economically justifiable.

CapMetro follows a self-insured health insurance model which provides medical and dental benefits to its employees. The organization mitigates its self-funding risk by having an individual stop loss insurance policy which reimburses the organization for individual medical claim amounts that exceed a certain threshold. CapMetro has commercial insurance coverage for life, accidental death and dismemberment, and disability for claims arising from such matter. Claims have not exceeded insurance coverage in each of the past three years.

CapMetro is self-insured up to \$25,000 per occurrence for losses related to workers' compensation (See Note 13). CapMetro has purchased excess coverage through a commercial insurer licensed in the State of Texas.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain amounts in the prior year's financial statements have been reclassified to conform to the current-year presentation but did not impact net income.

GASB Pronouncements: The GASB has issued several statements not yet implemented and CapMetro is currently evaluating the impact this pronouncement will have on the financial statements. The Statements which might impact CapMetro are as follows:

- GASB Statement No. 100, *Accounting Changes and Error Corrections*: This Statement provides a definition of accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The adoption of this statement did not have an impact on CapMetro's financial statements.
- GASB Statement No. 101, *Compensated Absences*, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this statement are effective for financial statements for reporting periods beginning after December 15, 2023.



## 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. This statement will be effective for CapMetro for fiscal years beginning after June 15, 2024.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This statement will be effective for CapMetro for fiscal years beginning after June 15, 2025.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right to use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This statement will be effective for CapMetro for fiscal years beginning after June 15, 2025.

## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS

Cash and Cash Equivalent Deposits – At September 30, deposits with financial institutions were fully insured, or collateralized by securities held by a third-party agent in CapMetro's name.

	2024	2023
	Carrying Amount	Carrying Amount
TexasDAILY and Texas DAILY Select (investment pool)	\$ 205,286,508	\$ 170,190,033
Concentration account and other deposits	7,773,201	6,307,624
Less: Outstanding reconciling items	(3,058,432)	(663,139)
Total unrestricted cash and cash equivalents	<u>\$ 210,001,277</u>	<u>\$ 175,834,518</u>

## **2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued**

Investments – The Public Funds Investment Act authorizes CapMetro to invest its funds under a written investment policy that ensures the safety of principal, provides liquidity and optimizes return on investments with the constraints of safety and liquidity. CapMetro deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the Board. The Investment Policy includes a list of authorized investments, a maximum allowable stated maturity of individual investments, and the maximum average dollar weighted maturity allowed for pooled funds. It includes an Investment Strategy Statement that addresses matching anticipated cash flows with adequate investment liquidity, and a portfolio structure which will experience minimal volatility during economic cycles.

CapMetro is authorized to invest in the following securities:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct Obligations of the State of Texas.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities.
4. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm rating of not less than A or its equivalent.
5. Bankers' Acceptances with a stated maturity of 270 days or less from the date of issuance that will be, in accordance with its terms, liquidated in full at maturity; is eligible for collateral for borrowing from a Federal Reserve Bank; and is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.
6. Commercial paper with a stated maturity of 365 days or less from the date of issuance that either is rated not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies or is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.
7. Fully collateralized repurchase agreements having a defined termination date and described in more detail in the Investment Policy.
8. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States.
9. SEC-regulated, no load money market mutual funds.
10. Local government investment pools.

CapMetro participates in one Local Government Investment Pool.

## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

**TexasTERM Local Government Investment Pool** – The TexasTERM Local Government Investment Pool (the Pool) was established by its Advisory Board pursuant to provisions of its Common Investment Contract and organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Advisory Board composed of participant and non-participant members, has oversight responsibility and reviews the investment policy and management fee structure of all investment options provided by the Pool. In September 2021, TexasTERM was rebranded as the Texas Range Investment Pool (Texas Range). Texas Range offers three investment options which CapMetro has historically used to invest funds: TexasDAILY, TexasDAILY Select and TexasTERM.

TexasDAILY and TexasDAILY Select follow the guidelines established under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* so that it is able to measure and reports its investments at amortized cost. As such, the Authority carries its investment using net asset value (NAV) as a practical expedient of fair value based on amortized cost as provided by GASB Statement No. 72, *Fair Value Measurement and Application*. The bylaws permit the Advisory Board to suspend the right of withdrawal or to postpone the date of payment in the event that the Federal Reserve Bank in Dallas is closed other than for customary weekend and holiday closings or if, in the opinion of the Advisory Board, an emergency exists so the the disposal of securities or determination of its net asset value is not reasonably practical. TexasDAILY and TexasDAILY Select is rated AAmmf by Fitch Ratings. For the years ended September 30, 2024 and 2023, the Authority's investment in TexasDAILY and TexasDAILY Select was \$205,286,508 and \$170,190,033, respectively.

TexasTERM is a fixed-rate, fixed-term portfolio, rated AAAf by Fitch Ratings. TexasTERM are short-term investments in non-participating interest earning investment contracts which are stated at NAV based on amortized cost. CapMetro reports investment in TexasTERM at their original cost until their maturity date. All of CapMetro's investments in TexasTERM mature in one year or less and all portfolio investments made by TexasTERM are for periods of one year or less. CapMetro's investment in TexasTERM was \$189,000,000 for 2024 and \$146,891,043 for 2023.

The Authority has all of its fixed income securities held in custody by U.S. Bank and include U.S. Treasury Notes, Federal Agency Notes, and commercial paper. As of September 30, 2024, CapMetro's investment was \$21,332,719 in U.S. Treasury Notes, \$38,165,989 in Federal Agency Notes and \$7,220,288 in commercial paper. As of September 30, 2023, CapMetro's investment was \$30,994,237 in U.S. Treasury Notes, \$17,775,611 in Federal Agency Notes and \$40,474,266 in commercial paper.

**Deposit Risk** – Deposit risk is the risk that, in the event of a bank failure, CapMetro's deposits might not be recovered. CapMetro follows all requirements of Collateral for Public Funds Act, Chapter 2257 of the Texas Government Code and, therefore, requires all banks, savings banks and credit union deposits to be federally insured or collateralized with eligible securities. The Authority's deposits are all FDIC insured and are adequately collateralized.

**Custodial Credit Risk Investments** – Custodial credit risk for investment is the risk that, in the event of failure by the counterparty to a transaction, the Authority will not be able to recover the value of its investments or collateral securities that are in possession by an outside party. All of CapMetro's investments are insured, registered or held in the Authority's name by the Authority's agent; therefore, the Authority is not exposed to custodial credit risk. CapMetro has engaged U.S. Bank to hold all fixed income securities in custody in the name of the Authority.

**Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Authority's investment pools or investment securities are denominated in local currency and do not hold foreign investments. The foreign currency risk does not apply to the Authority.

## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

**Interest Rate Risk** – Interest rate risk is the risk that the change in interest rates will adversely affect the fair value of an investment. As a means of minimizing risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of CapMetro funds. This is accomplished by purchasing quality, short- to medium-term securities that will complement each other in a laddered or barbell maturity structure. Maturity guidelines state that the dollar weighted average days to final stated maturity shall be 548 days or less. Securities may not be purchased that have a final stated maturity date which exceeds five years. The CapMetro investment advisor monitors the maturity level and makes changes as appropriate.

At September 30, CapMetro's exposure to interest rate risk as measured by the segmented time distribution by investment type is summarized as follows:

Investment Maturities in 2024				
	Less Than 180 Days	From 181 Days to 360 Days	From 1 to 3 Years	Total
Investments:				
Commercial paper	\$ 5,416,024	\$ 1,804,274	\$ -	\$ 7,220,298
Federal agency notes	3,152,730	1,812,056	33,201,203	38,165,989
U.S. Treasury notes	11,899,771	1,487,063	7,945,885	21,332,719
TexasTERM	189,000,000	-	-	189,000,000
Total investments	<u>\$ 209,468,525</u>	<u>\$ 5,103,393</u>	<u>\$ 41,147,088</u>	<u>\$ 255,719,006</u>
Investment Maturities in 2023				
	Less Than 180 Days	From 181 Days to 360 Days	From 1 to 3 Years	Total
Investments:				
Commercial paper	\$ 31,429,168	\$ 9,045,098	\$ -	\$ 40,474,266
Federal agency notes	-	-	17,775,611	17,775,611
U.S. Treasury notes	7,090,969	7,025,508	16,877,760	30,994,237
TexasTERM	146,891,043	-	-	146,891,043
Total investments	<u>\$ 185,411,180</u>	<u>\$ 16,070,606</u>	<u>\$ 34,653,371</u>	<u>\$ 236,135,157</u>

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. The Authority's investment policy seeks to control credit risk by investing in compliance with the policy, qualifying the broker and financial institution with whom the Authority will transact, sufficient collateralization, portfolio diversification, and limiting maturity. For the years ended September 30, the Authority's exposure to credit risk by investment category as rated by Standard & Poor's and Fitch Ratings is as follows:

	2024		2023	
	Carrying Value	Rating	Carrying Value	Rating
Cash and cash equivalents:				
TexasDAILY and TexasDAILY Select	\$ 205,286,508	AAAmf	\$ 170,190,033	AAAm
Outstanding deposits and reconciling item	4,714,769		5,644,485	
	<u>\$ 210,001,277</u>		<u>\$ 175,834,518</u>	
Investments:				
Commercial paper	\$ 5,523,933	A-1	\$ 12,481,540	A-1
Commercial paper	1,696,365	A-1+	27,992,726	A-1+
Federal agency notes	38,165,989	AA+	17,775,611	AA+
U.S. Treasury notes	21,332,719	N/A	30,994,237	N/A
TexasTERM	189,000,000	AAAf	146,891,043	AAAf
Total investments	<u>\$ 255,719,006</u>		<u>\$ 236,135,157</u>	

## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributable to the magnitude of the Authority's investment in a single issuer. The Authority diversifies its investment portfolio so that reliance on any one issuer or broker will not place an undue financial burden on the Authority. The Authority limits its repurchase agreement exposure with a single firm to no more than 15% of the value of the Authority's overall portfolio and its commercial paper and banker's acceptance exposure with a single issuer to no more than 5% of the value of the Authority's overall portfolio. Local government investment pools and U.S. Treasury Notes/Bonds/Bills are authorized at 100%. Federal Agency notes are authorized at 60%. As of September 30, 2024 and 2023, the Authority is not invested in more than 5% in a single issuer of total investments.

**Fair Value** – The Authority categorizes its fair value measurement disclosure in accordance with GASB Statement No. 72, which establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

**Level 1:** Unadjusted quoted prices in active markets for identical assets and liabilities that CapMetro has the ability to access.

**Level 2:** Significant other observable inputs which may include quoted prices for identical or similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; or inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3:** Unobservable inputs which may include situations when there is minimal, if any, market activity for the asset or liability.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

TexasDAILY and TexasDAILY Select invests in money market investments of high quality and low risk with the objective of capital preservation. As of September 30, 2024 and 2023, CapMetro has no unfunded commitments relating to this investment. Investments in TexasDAILY and TexasDAILY Select are fully redeemable on any business day; there are no lockup or gate restrictions on redemption.

## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

The following table summarize the inputs used as of September 30, for CapMetro's assets and liabilities measured at fair value:

		2024			
		Fair Value	Level 1	Level 2	Level 3
Investments:					
Commercial paper	\$	7,220,298	\$ -	\$ 7,220,298	\$ -
Federal agency notes		38,165,989	-	38,165,989	-
U.S. Treasury notes		21,332,719	-	21,332,719	-
Total	\$	66,719,006	\$ -	\$ 66,719,006	\$ -
TexasTERM (amortized cost)		189,000,000			
Total Investments		<u>\$ 255,719,006</u>			
		2023			
		Fair Value	Level 1	Level 2	Level 3
Investments:					
Commercial paper	\$	40,474,266	\$ -	\$ 40,474,266	\$ -
Federal agency notes		17,775,611	-	17,775,611	-
U.S. Treasury notes		30,994,237	-	30,994,237	-
Total	\$	89,244,114	\$ -	\$ 89,244,114	\$ -
TexasTERM (amortized cost)		146,891,043			
Total Investments		<u>\$ 236,135,157</u>			

The Authority's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data Corporation (ICE) Data Services or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated.

### Fiduciary Funds' Investments

As mentioned previously, the fiduciary financial statements include the Plans. The Plans report their assets on a calendar year basis; therefore, information related to the Plans are as of December 31. The tables in this section address interest rate risk exposure by investment type, concentration of credit risk, credit risk and foreign currency risk. Investments held by the Plans are recorded at fair value. All assets held by the Plans are held in irrevocable trusts.

**Investment policies:** The Plans' allowable investments are established and amended by their respective Plan Committees. The Plan Committees ensure the Plans' assets are invested in accordance with the investment policy of the Plans, engaging investment consultants and independent investment managers as needed.

**Custodial credit risk:** The Plans' investment policies do not specifically address custodial credit risk. Custodial credit risk is the risk that in the event of bank or investment failure, the Plans' deposits or investments may not be returned. Mutual funds and money market accounts are not subject to custodial credit risk. All other investments are insured, registered, or held by an agent in the retirement plans' name.

## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

**Interest rate risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plans do not have a formal policy regarding interest rate risk. The Plans monitor credit exposure using segmented time distribution by grouping cash flows into sequential time periods. The fixed income mutual funds maturities are based on the average maturity of the fund, as noted by the fund manager. The following is a listing of the Plans' investments exposed to interest rate risk and related maturity schedule (in years) as of December 31:

December 31, 2023					
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 11 Years
Baird Funds Core Plus Bond Instl	\$ 9,314,290	\$ -	\$ -	\$ 9,314,290	\$ -
Lord Abbett Invt TR Shrt Duration R6	1,797,571	-	1,797,571	-	-
Nuveen Preferred Securities	1,839,404	-	1,839,404	-	-
Vanguard Total Bond Index Admiral Class	3,601,939	-	-	3,601,939	-
Government securities	6,381,271	537,839	838,181	5,005,251	-
Corporate bonds	2,087,048	154,681	465,898	1,466,469	-
	<u>\$ 25,021,523</u>	<u>\$ 692,520</u>	<u>\$ 4,941,054</u>	<u>\$ 19,387,949</u>	<u>\$ -</u>

December 31, 2022					
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 11 Years
Baird Funds Core Plus Bond Instl	\$ 5,213,592	\$ -	\$ -	\$ 5,213,592	\$ -
Lord Abbett Invt TR Shrt Duration R6	1,628,029	-	1,628,029	-	-
Nuveen Preferred Securities	1,749,505	-	1,749,505	-	-
Vanguard Group Inflation Protected Security	1,457,373	-	-	1,457,373	-
Vanguard Total Bond Index Admiral Class	1,634,853	-	-	1,634,853	-
Government securities	2,084,356	-	-	-	2,084,356
Corporate bonds	3,046,213	-	-	3,046,213	-
U.S. Treasury Notes	2,994,799	-	-	-	2,994,799
	<u>\$ 19,808,720</u>	<u>\$ -</u>	<u>\$ 3,377,534</u>	<u>\$ 11,352,031</u>	<u>\$ 5,079,155</u>



## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

**Credit risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plans. The Plans' investment policy does not specifically address the quality rating of the investments. The Committees are responsible for determining the risks and commensurate returns of its portfolio. The Plans' investments with exposure to credit risk as of December 31, are as follows:

	Fair Value			
	2023	Rating *	2022	Rating *
U.S. Treasury notes	\$ 4,099,177	AAA	\$ 2,994,799	AAA
U.S. Treasury notes	232,242	N/A	-	
U.S. Government agency (Mortgage-backed security)	2,049,852	Aaa	2,084,356	AA+
Corporate bonds	612,904	A1	33,497	AA+
Corporate bonds	406,352	A2	575,345	A+
Corporate bonds	610,690	A3	953,084	A-
Corporate bonds	263,511	AA2	80,212	AAA
Corporate bonds	82,584	AA3	97,331	AA
Corporate bonds	50,340	BAA1	239,441	AA-
Corporate bonds	60,667	AAA	344,165	A
Corporate bonds	-		693,194	BBB+
Corporate bonds	-		29,944	BBB
Fixed income mutual funds	16,553,204	not rated	11,683,352	not rated
Equity mutual funds	64,443,084	not rated	53,937,564	not rated
Common stock and Money Market Funds	4,312,672	not rated	2,852,106	not rated
Grouped fixed annuity	1,523,442	not rated	4,527,382	not rated
Total	<u>\$ 95,300,721</u>		<u>\$ 81,125,772</u>	

\* FY2023 balances were rated by Moody's and the FY2022 were rated by Standard's & Poors

**Concentration risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the Plans' investments in a single issuer. The Plans' investment policy does not specifically address concentration risk. Investments in mutual funds and other pooled investments are excluded from this requirement. There are no individual investments that represent 5% or more of either Plans' total investment portfolio.

**Foreign currency risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plans' investment policy does not specifically address foreign currency risk. The Plans' investment in international mutual funds does not require disclosure of the individual investment within the fund and such fund balances are denominated in U.S. dollars.

### Fair Value

The Plans use various methods to measure the fair value of investment on a recurring basis. GASB Statement No. 72, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are as follows:

**Level 1:** Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that the Plan has the ability to access.

**Level 2:** Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.



## 2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

**Level 3:** Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, represent the Plans' own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

**Hierarchy:** The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Except for the Lincoln Stable Value Fund, a group fixed annuity contract valued at amortized cost, the investments of the Plan are valued at fair value based on quoted market prices.

Following is a description of the valuation techniques used for investments measured at fair value.

Money market funds, common stocks and mutual funds are valued at the net asset value of the shares held by the Plans at year-end and/or quoted market prices. These investments are considered Level 1 investments.

Government securities and corporate bonds are valued using quotes from independent pricing vendors based on recent trading activity and other relevant information, including market interest rate curves, referenced credit spreads and estimated prepayment rates, where applicable. These investments are considered Level 2 investments.

The following tables set forth by level, within the fair value hierarchy, the Plans' assets at fair value as of December 31:

Description	December 31, 2023			
	Level 1	Level 2	Level 3	Amount
Corporate bonds and other	\$ -	\$ 2,087,048	\$ -	\$ 2,087,048
U.S. Government securities	-	6,381,271	-	6,381,271
Common stock	2,454,109	-	-	2,454,109
Fixed income mutual funds	16,553,204	-	-	16,553,204
Equity mutual funds	64,443,084	-	-	64,443,084
Money market funds	1,858,563	-	-	1,858,563
Total	<u>\$ 85,308,960</u>	<u>\$ 8,468,319</u>	<u>\$ -</u>	<u>93,777,279</u>
Group fixed annuity (amortized cost)				1,523,442
Total investments				<u>\$ 95,300,721</u>

**2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued**

Description	December 31, 2022			Amount
	Level 1	Level 2	Level 3	
Corporate bonds and other	\$ -	\$ 3,046,213	\$ -	\$ 3,046,213
U.S. Government securities	-	5,079,155	-	5,079,155
Common stock	2,153,061			2,153,061
Fixed income mutual funds	11,683,352	-	-	11,683,352
Equity mutual funds	53,937,564	-	-	53,937,564
Money market funds	699,045	-	-	699,045
Total	<u>\$ 68,473,022</u>	<u>\$ 8,125,368</u>	<u>\$ -</u>	<u>76,598,390</u>
Group fixed annuity (amortized cost)				4,527,382
Total investments				<u>\$ 81,125,772</u>

**3 – RECEIVABLES**

Receivables at September 30, consist of the following:

	2024	2023
Other receivables	\$ 3,975,669	\$ 8,321,106
Due from Federal and other governments	373,425	55,166,443
Intergovernmental receivables – Project Connect	2,559,814	4,405,796
Sales and use tax	64,287,783	63,828,905
Allowance for doubtful accounts - other receivables	(509,756)	(18,676)
Total receivables	<u>\$ 70,686,935</u>	<u>\$ 131,703,574</u>

**4 – ACCRUED EXPENSES**

Accrued expenses at September 30, consist of the following:

	2024	2023
Accrued accounts payable	\$ 76,598,215	\$ 50,012,865
Workers' compensation self-insurance	75,000	75,000
Accrued other	9,254,835	10,199,002
Total accrued expenses	<u>\$ 85,928,050</u>	<u>\$ 60,286,867</u>

Total accrued expenses at September 30, 2024, consists primarily of approximately \$28.9 million for capital projects, \$45.5 million related to purchased transportation services, and \$11.4 million for other services. Total accrued expenses at September 30, 2023, consists primarily of approximately \$9.5 million for capital projects, \$41.6 million related to purchased transportation services, and \$9.0 million for other services.

## 5 – DESIGNATED AND RESERVE POLICY

As part of the total unrestricted balance, CapMetro monitors certain asset balances that are designated through Board directives for specific uses. During FY2010, CapMetro adopted a reserves policy that includes the following components: Statutory operating reserve, budget stabilization reserve, capital project reserve, budgetary operating contingency, and self-insurance reserve. The reserves are to be used at the discretion of the Board to fund temporary cash flow shortages, capital, operating and self-insurance costs not in the budget, and/or emergencies or shortfalls caused by economic downturns. As of September 30, 2024, the CapMetro board has designations of \$58.8 million for the statutory operating reserve, \$29.4 million for the budget stabilization reserve, \$23.5 million for the capital project reserve, \$8.2 million for the budgetary operating contingency, and \$1.7 million for the self-insurance reserve. CapMetro set aside its reserves consistent with its contingency policy.

## 6 – RIGHT TO USE ASSET BALANCES

### a.—Subscription-Based Information Technology Arrangements

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (SBITA vendor's) information technology software, alone or in combination with tangible capital assets for a minimum of one year in an exchange or exchange like transactions. CapMetro has entered into various agreements in which the contracts convey control of the right to use information technology software. These SBITAs have an annual interest rate ranging from 3.8% to 3.99%. For the years ended September 30, 2024 and 2023, interest expenses on the SBITAs were approximately \$283,000 and \$164,000, respectively. The terms end between November 2024 and September 2034, with varying extension options. The majority of the subscription arrangements are contracted through cloud computing arrangements, such as software as a services and platform as a service. The present value of subscription payments expected to be made during the SBITA term is recorded as a SBITA liability and the associated assets is recognized as an intangible right to use SBITA asset. Information on SBITA assets by major class and related accumulated amortization information can be found in Note 11.

Based on the executed agreements, the total subscription assets and related amortization is listed in the Statements of Net Position and Note 11. The principal and interest payments related to the subscription liability are as follows:

	October 1, 2023	Additions	Reductions	September 30, 2024
<b>IT subscriptions</b>				
Subscription liability	\$ 5,798,569	\$ 11,974,952	\$ (5,149,949)	\$ 12,623,572
<b>Total</b>	<u>\$ 5,798,569</u>	<u>\$ 11,974,952</u>	<u>\$ (5,149,949)</u>	<u>\$ 12,623,572</u>
	October 1, 2022	Additions	Reductions	September 30, 2023
<b>IT subscriptions</b>				
Subscription liability	\$ 7,035,130	\$ 1,080,199	\$ (2,316,760)	\$ 5,798,569
<b>Total</b>	<u>\$ 7,035,130</u>	<u>\$ 1,080,199</u>	<u>\$ (2,316,760)</u>	<u>\$ 5,798,569</u>
<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2025	\$ 3,328,978	\$ 380,123	\$ 3,709,101	
2026	1,966,317	385,392	2,351,709	
2027	1,870,279	305,691	2,175,970	
2028	1,230,508	220,751	1,451,259	
2029	785,390	172,104	957,494	
2030-2032	3,442,100	390,251	3,832,351	
	<u>\$ 12,623,572</u>	<u>\$ 1,854,312</u>	<u>\$ 14,477,884</u>	

**6 – RIGHT TO USE ASSET BALANCES, continued**

**b.—Lessee**

Leases: In addition to the right to use assets and subscription liabilities related to subscription contracts, CapMetro executed various lease agreements which resulted in right to use assets, and amortization as disclosed in Note 11 and lease liabilities as noted below.

CapMetro has two (2) passenger parking lease agreements that expire in 2055 with fixed monthly payments of \$5,000 each and four (4) administrative office building lease agreements that expire between 2024 and 2030 that have monthly payments ranging from \$10,000 to \$80,000. The impact of the right to use assets and related liabilities is reflected on the Statement of Net Position. The Authority did not report outflows as of September 30, 2024 and 2023, attributable to variable payments, residual value guarantees, impairment losses or termination penalties payments not previously included in the measurement of the lease liability.

As of September 30, 2024 and 2023, the principal and interest requirements are as follows:

<b>Leases</b>	<b>October 1, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2024</b>
Lease liability	\$ 8,337,409	\$ 1,255,172	\$ (3,713,385)	\$ 5,879,196
<b>Total</b>	<b>\$ 8,337,409</b>	<b>\$ 1,255,172</b>	<b>\$ (3,713,385)</b>	<b>\$ 5,879,196</b>

<b>Leases</b>	<b>October 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>September 30, 2023</b>
Lease liability	\$ 7,274,520	\$ 2,480,440	\$ (1,417,551)	\$ 8,337,409
<b>Total</b>	<b>\$ 7,274,520</b>	<b>\$ 2,480,440</b>	<b>\$ (1,417,551)</b>	<b>\$ 8,337,409</b>

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,358,365	\$ 129,776	\$ 1,488,141
2026	585,785	106,874	692,659
2027	557,971	86,930	644,901
2028	394,654	68,432	463,086
2029	213,278	60,498	273,776
2030-2034	594,698	242,244	836,942
2035-2039	433,941	196,599	630,540
2040-2044	479,488	151,052	630,540
2045-2049	529,998	100,542	630,540
2050-2054	585,717	44,823	630,540
2055-2056	145,301	1,825	147,126
	<b>\$ 5,879,196</b>	<b>\$ 1,189,595</b>	<b>\$ 7,068,791</b>

## 6 – RIGHT TO USE ASSET BALANCES, continued

### c.—Lessor

Lessor – CapMetro is reporting lease receivable of \$75.1 million and \$76.5 million at September 30, 2024 and 2023, respectively. For the period ended September 30, 2024 and 2023, CapMetro reported lease revenue of \$2.1 million and \$0.40 million, respectively, and interest revenue of \$2.4 million and \$2.3 million, respectively which are included in rental income on statement of revenues, expenses and the changes in net position.

Plaza Saltillo Lease – CapMetro executed a ground lease on May 24, 2017, with Plaza Saltillo TOD, LP, limited partnership as part of a development agreement of the property commonly known as Plaza Saltillo, Austin Texas. CapMetro's lease agreement has a lease term of 99 years and allows fixed and variable rental payments over the term of the lease. The base rent is set at \$1.7 million to \$1.9 million for years 1-5 and allows for base rent increase as defined in agreement but shall increase by a minimum of 2.35% per annum on a cumulative basis based on fifth lease year. Under the terms of the lease agreement, CapMetro may also receive variable rental payments based on project components (rentable square feet of space) as defined in the agreement.

BetterUp Lease – CapMetro executed a building lease on September 1, 2023 with BetterUp, Inc. CapMetro's lease agreement has a lease term of seven (7) years with one (1) and five (5) year options and allows for both fixed and variable rental payments over the term of the lease. The annual base rent is set at a range of \$738 thousand to \$1.6 million and allows for a 3% per annum increase in years 4-7. This qualifies as a triple net lease, so the variable payments are limited to Common Area Maintenance.

## 7 – LONG-TERM LIABILITIES

### Changes in Long-Term Liabilities:

The changes in long-term liabilities for the years ended September 30, 2024 and 2023, are as follows:

	October 1, 2023	Additions	Reductions	September 30, 2024	Due within one year
Accrued vacation	\$ 4,468,994	\$ 4,533,728	\$ (3,735,801)	\$ 5,266,921	\$ 3,563,787
Accrued sick leave	3,528,098	3,144,191	(2,413,992)	4,258,297	2,271,846
Lease liability	8,337,409	1,255,172	(3,713,385)	5,879,196	1,358,365
Subscription liability	5,798,569	11,974,952	(5,149,949)	12,623,572	3,328,978
OPEB liability	3,881,272	769,665	(849,982)	3,800,955	-
Pension liability	46,653,772	8,482,616	(13,615,423)	41,520,965	-
Total	<u>\$ 72,668,114</u>	<u>\$ 30,160,324</u>	<u>\$ (29,478,532)</u>	<u>\$ 73,349,906</u>	<u>\$ 10,522,976</u>

	October 1, 2022	Additions	Reductions	September 30, 2023	Due within one year
Accrued vacation	\$ 4,151,595	\$ 3,472,620	\$ (3,155,221)	\$ 4,468,994	\$ 3,023,881
Accrued sick leave	2,964,822	2,756,728	(2,193,452)	3,528,098	1,882,277
Lease liability	7,275,194	2,480,439	(1,418,224)	8,337,409	1,663,488
Subscription liability	7,035,130	1,080,199	(2,316,760)	5,798,569	2,543,577
OPEB liability	3,417,623	604,124	(140,475)	3,881,272	-
Pension liability	30,546,572	16,107,200	-	46,653,772	-
Total	<u>\$ 55,390,936</u>	<u>\$ 26,501,310</u>	<u>\$ (9,224,132)</u>	<u>\$ 72,668,114</u>	<u>\$ 9,113,223</u>

**8 – COMMITMENTS**

The Authority has a capital spending plan for projects for upcoming and future years. The Authority's FY2024 capital budget has appropriations of approximately \$200.3 million, net of grants and contributions of \$210.7 million. Based on the approved capital improvement plan and related current period capital outlay, the Authority's remaining contractual commitments related to its capital improvement plan are \$264.6 million and \$257.8 million as of September 30, 2024 and 2023, respectively.

The Authority has executed open purchase orders on contracts with various goods and services providers that have a remaining commitment totaling approximately \$313.4 million, with termination dates through December 2026. All contracts contain a termination for convenience clause in which such contracts may be terminated, in whole or in part, for the convenience of the Authority.

The Authority entered into an interlocal agreement with the City, as amended in April 2010, to pay the City its pro rata share of 25% of the Authority's one-cent sales tax from 2001 to 2004 in consideration for the City to carry out transportation mobility projects as approved by the Authority. The amount is payable when the City incurs an expenditure toward an approved mobility project. The remaining balance outstanding as of September 30, 2024 and 2023 was \$4.3 million and \$4.7 million, respectively.

The Authority partnered with the City and several suburban communities to develop the Build Central Texas (BCT) program. BCT is comprised of two primary segments: The BCT Program with the City and the Suburban Communities Program with the surrounding communities.

Commitments for the programs are outlined below:

	<b>2024</b>	<b>2023</b>
Build Central Texas	\$ 197,204	\$ 199,386
Suburban Communities	11,601,060	11,569,611
Total commitment	<u>\$ 11,798,264</u>	<u>\$ 11,768,997</u>

Either the Authority or the City may terminate the BCT agreement at any time, per the provisions of Section 15 of the Build Greater Austin interlocal agreement. In no way will such termination affect CapMetro's obligation to make payments for work completed on projects previously approved for funding. Expenses are accrued when the respective city incurs an expenditure for an approved project. Participating suburban communities have separate Interlocal agreements that require funds be used for mobility related projects.

**Fuel Hedge Derivative:**

The Authority developed and implemented a plan for a Fuel Risk Management Program to mitigate fuel price risk for diesel and gasoline, protect and manage budget objectives, and reduce price volatility and introduce price predictability. This may be accomplished by purchasing financial instruments known as swap and/or options and exchange-traded diesel fuel futures contracts. This program began in December 2008.

The Authority reports its derivative instruments in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses recognition, measurement and disclosures related to derivative instruments. The Authority does not use derivative instruments for speculative purposes. The only derivative instruments entered are for the purposes of risk mitigation; therefore, these instruments are considered potential hedging derivative instruments under GASB Statement No. 53.

## **8 – COMMITMENTS, continued**

In accordance with the requirements of GASB Statement No. 53, all fuel hedges are reported on the Statements of Net Position at fair value. The fair value of option contracts for Ultra Low Diesel Fuel is determined using New York Mercantile Exchange (NYMEX) closing settlement prices as of the last day of the reporting period for Ultra Low Sulfur Diesel NY Harbor (NY Harbor). The fair value is calculated by deriving the difference between the closing futures prices on the last day of the reporting period and the futures purchase price at the time the positions were established.

The outstanding hedging derivative instruments were evaluated for effectiveness at September 30, 2023. The hedge instruments utilize diesel fuel futures contracts that are priced based on the underlying NY Harbor contract price, while the physical gas is typically purchased at prices based on Oil Price Information Service Pricing (OPIS) Gulf Coast Ultra Low Sulfur Diesel.

Therefore, effectiveness testing was based on the extent of correlation between the index for the hedge and the settlement price at OPIS with volumes matching the underlying expected physical transaction.

As of September 30, 2024, the Authority had a total of 84 NY Harbor futures contracts at 42,000 gallons per contract and paid approximately \$5,431 for the execution of the trades. As of September 30, 2024, the Authority was hedged 69% and 6% for FY2025 and FY2026, respectively, based on projected fuel consumption.

As of September 30, 2023, the Authority had a total of 84 NY Harbor futures contracts at 42,000 gallons per contract and paid approximately \$5,700 for the execution of the trades. As of September 30, 2023, the Authority was hedged 69% and 6% for FY2024 and FY2025, respectively, based on projected fuel consumption.

Consistent with hedge accounting treatment required for derivative instruments that are determined to be effective in offsetting changes in the cash flows of the hedged item, changes in fair value are reported as deferred outflows or deferred inflows of resources on the Statements of Net Position until the contract expiration that occurs in conjunction with the hedged expected fuel purchase transaction. When fuel hedging contracts expire, at the time the purchase transactions occur, the deferred balance is recorded as an adjustment to fuel expense.

Market values of the outstanding diesel fuel futures contracts are calculated by the counterparty based on NYMEX – NY Harbor and are based on quoted market prices (level 1 inputs). As of September 30, 2024 and 2023, the outstanding fuel risk management account is approximately \$0.287 million and \$0.77 million respectively, which is included as part of the fuel hedge asset in the Statements of Net Position. The related unrealized market loss of \$0.57 million in FY2024 and unrealized market gain of \$2.1 million in FY2023 has been reported on the Statements of Net Position as a deferred outflow/inflow of resources for fuel hedge. The diesel fuel futures contracts, which settled during FY2024 decreased diesel fuel cost by \$1.06 million whereas, in FY2023 there was a decrease to diesel fuel cost of \$3.9 million. The amount has been included as part of current operating cost in the Statements of Revenues, Expenses, and Changes in Net Position.

**Custodial Credit Risk** – CapMetro had deposits of \$1.0 million at September 30, 2024 and 2023, with its Broker as required by its Fuel Risk Management Program. At September 30, 2024 and 2023, \$287,000 and \$768,000, respectively, was exposed to custodial credit risk.

**Basis Risk** – CapMetro's outstanding hedges include basis risk, since the fuel products CapMetro physically purchases to provide services are based on a different index for the same products used for the futures contracts – OPIS versus NY Harbor.



## **8 – COMMITMENTS, continued**

### Termination Benefits:

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the Authority has provided termination benefits to former StarTran employees, and the related benefit has been recognized within the financial statements. As disclosed within Note 1, as part of the 2012 outsourcing to private companies to operate all passenger service, the Authority also remains responsible for the Pension liability attributable to former StarTran employees of approximately \$23.3 million as of September 30, 2024, and \$29.1 million as of September 30, 2023, and the liability is recorded on the Statements of Net Position. The assumptions used for the related liability are disclosed in Note 10.

## **9 – 401(k) PLANS**

The Authority has retirement benefits under a 401(k) defined contribution plan for its full-time employees which covers substantially all administrative employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments' earnings. Employees are eligible to participate after 30 days of service on the first day of the following payroll period. In January 2005, the Authority ended the employer contribution to the plan but does allow for discretionary employer contributions. The plan allows loans to participants. Participants receiving employer executive contribution are subject to terms and related vesting provision of the employment contract. All current participants are 100% vested in employer's contributions made prior to January 1, 2005. Participants that terminated employment prior to January 1, 2009, may be partially vested. The Authority's designated Plan Administrator administers the plan. The Authority maintains the right to amend the plan.

Contributions from the Authority totaled \$17,700 and \$19,700 in discretionary employer contributions for the years ended September 30, 2024 and 2023, respectively.

## **10 – DEFINED BENEFIT RETIREMENT PLANS**

### **Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees**

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

Effective January 1, 2005, the Authority established a pension plan, the Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees, (the Plan). The Plan is a non-contributory single employer defined benefit plan. Subject to eligibility requirements, all full-time administrative employees are eligible for participation in the Plan except for employees covered by a collective bargaining agreement and lease employees as defined by the Plan. An employee is eligible to become a participant following the first day of the month coincident with or following their date of hire. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Management of the Plan is vested in the Authority Board and advised by the Pension Plan Committee whose members are appointed by the Board.

All Plan assets are maintained under a trust agreement. Under the terms of the trust agreement, Benefit Trust (the Trustee) serves as trustee on behalf of the Plan and carries out an investment policy established by the Pension Plan Committee, consistent with the purposes of the Plan and the requirements of applicable laws and regulations. The following is a description of the Plan:



**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

The Pension Plan Committee for the Plan is the administrator of a single employer defined benefit pension plan sponsored by CapMetro. The following table summarizes membership of the plan at January 1:

	<u>2024</u>	<u>2023</u>
Retirees and beneficiaries currently receiving benefits	172	163
Terminated plan members entitled to but not yet receiving benefits	345	316
Active plan members	560	498
	<u>1077</u>	<u>977</u>

The most recently available financial statement of the Plan is for the year ended December 31, 2023. A copy of the Plan's annual audit may be obtained from:

Capital Metropolitan Transportation Authority  
2910 East Fifth Street  
Austin, Texas 78702

**Pension Benefits**

The participants become 100% vested upon completion of five years of service. The vesting period includes periods prior to the effective date of the Plan computed as if the Plan had been in effect. The Plan also allows for participants to recognize prior service (limited to five years) with a governmental entity or other entity related to the provision of public transportation services.

Plan participants are eligible for their Plan benefits after terminating employment with vested rights. Participants are eligible for normal retirement on the first day of the month following age 65. The Plan permits early retirement from ages 55 to 64, provided an employee has completed five years of vesting service. The amount of pension payable is computed in the same manner as for normal retirement, except that it is reduced by a reduction factor, which is graduated to reflect the number of years by which early retirement precedes age 65. Retirement benefits are paid to unmarried participants in the form of a single life annuity and to married participants in the form of a joint and 50% survivor annuity but may elect other payment options with spousal consent. Lump-sum benefits are only available if the actuarial value of the benefits is less than \$5,000.

Participants are entitled to annual pension benefits at normal retirement (age 65) equal to: (i) 1.5% of average earnings, as defined, plus (ii) 0.5% of earnings in excess of covered compensation, as defined, multiplied by (iii) the number of years of credited service, as defined by the Plan.

If an active employee dies before reaching age 65, the surviving spouse or a designated beneficiary shall receive for his or her lifetime a deferred monthly benefit equals to the amount that the participant would have received based on service to the participant's date of death had the participant elected a 50% joint and survivor annuity option and died the next day.

A participant may elect not to be covered by the deferred joint and survivor annuity option or may no longer be married when pension payments are to begin. In such instances, a single life annuity will be received by the participant.

Disability benefits may be elected at age 55 up to normal retirement age, at which time disabled participants will receive the normal retirement benefit computed as though they had been employed to age 55 or up to normal retirement age with their annual compensation, as defined, remaining the same as at the time they became disabled.

**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

**Contribution**

Contribution requirements of the active plan are established and may be amended by CapMetro’s Board. Currently, plan members are not required to contribute. CapMetro is making discretionary contributions based on the advice of the actuary and consistent with funding policy for the Plan.

**Net Pension Liability**

CapMetro’s net pension liability was measured as of December 31, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The actuarial assumptions that determined the total pension liability as of December 31, 2023 and 2022, were based on the results of observed past actuarial experience, best estimate of future expectations as well as estimates inherent in related market data. The Plan had an experience study performed in 2017 related to the retirement age.

For December 31, the methods and assumptions used to determine contribution rates are as follows:

**FY 2024**

Actuarial cost method	Entry age normal
Discount rate	6.75%
20-year Municipal Bond rate	4.35%
Salary increases	4.00%
Investment rate of return	6.75%
Retirement age	Age 60-61 is 5.00%, Age 62-64 is 10.00%, Age 65 is 50.00%, Age 66-69 is 15.00% and Age 70 is 100.00%
Mortality rates	Pri-2012 White Collar Dataset Amount-Weighted Mortality Projected with Scale MP-2021 with separate rates for employees, retirees and contingent survivors

**FY 2023**

Actuarial cost method	Entry age normal
Discount rate	6.75%
20-year Municipal Bond rate	4.35%
Salary increases	4.00%
Investment rate of return	6.75%
Retirement age	Age 60-61 is 5.00%, Age 62-64 is 10.00%, Age 65 is 50.00%, Age 66-69 is 15.00% and Age 70 is 100.00%
Mortality rates	Pri-2012 White Collar Dataset Amount-Weighted Mortality Projected with Scale MP-2021 with separate rates for employees, retirees and contingent survivors

## 10 – DEFINED BENEFIT RETIREMENT PLANS, continued

### Long-Term Rate of Return on Assets

The long-term expected rate of return on Plan investments was determined using best estimate ranges of expected future real rate of return for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected information. The long-term expected geometric real rates of return are as follows:

Asset Class	2023		2022	
	Asset Allocation	Long-Term Expected Real Rate of Return	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities:	51.8%		50.6%	
U.S. broad equity		6.60%		6.60%
Large cap		6.50%		6.50%
Small/mid cap		6.70%		6.70%
Domestic fixed income	28.8%		24.7%	1.75%
International equities:	14.4%		15.2%	
Global ex-U.S. equity		6.80%		6.80%
International equity		6.50%		6.50%
Emerging markets equity		6.90%		6.90%
Money market	2.4%			
Alternative:				
High yield		4.35%		4.35%
Volatility hedge		5.75%		5.75%
Private equity		4.00%		4.00%
Inflation		8.00%		8.00%
Real estate		2.00%		2.00%
Cash equivalents	2.6%	1.00%	9.5%	1.00%
	<u>100.0%</u>		<u>100.0%</u>	

### Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2023, was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made equal to the actuarially determined contribution 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 plan members. Therefore, the long-term expected rate of return of 6.75% was applied to all periods of projected benefits payment to determine the total pension liability.

**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

***Changes in Net Pension Liability (Asset)***

The following presents the changes in total fiduciary net position and liabilities and plan fiduciary net position at December 31, respectively:

**Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees**  
**Schedules of Changes in Net Pension Liability and Related Ratios**  
**Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Total pension liability:		
Service cost	\$ 4,638,829	\$ 4,304,099
Interest on total pension liability	4,381,081	3,792,031
Difference between expected and actual experience	2,745,730	534,159
Change in assumptions	678,292	(4,201,467)
Benefit payments/refunds of contributions	(2,112,036)	(1,594,073)
Net change in total pension liability	<u>10,331,896</u>	<u>2,834,749</u>
 Total pension liability at beginning of year	 <u>65,310,006</u>	 <u>62,475,257</u>
 Total pension liability at end of year (a)	 <u>75,641,902</u>	 <u>65,310,006</u>
 Fiduciary net position:		
Employer contributions	4,450,000	4,274,504
Investment income net of investment expense	7,474,698	(8,135,709)
Benefit payments/refunds of contributions	(2,112,036)	(1,594,073)
Administrative expenses	(90,813)	(112,622)
Net change in fiduciary net position	<u>9,721,849</u>	<u>(5,567,900)</u>
 Fiduciary net position at beginning of year	 <u>47,773,903</u>	 <u>53,341,803</u>
 Fiduciary net position at end of year (b)	 <u>57,495,752</u>	 <u>47,773,903</u>
 Net pension liability at end of year = (a) - (b)	 <u>\$ 18,146,150</u>	 <u>\$ 17,536,103</u>
 Plans Fiduciary net position as a percentage of Total Pension liability	 76.0%	 73.1%

## 10 – DEFINED BENEFIT RETIREMENT PLANS, continued

### Sensitivity Analysis

The following presents the net pension liability of CapMetro, calculated using the discount rate of 6.75% and 5.75% as of December 31, 2023 and 2022, respectively, as well as what CapMetro's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	December 31, 2023		
	Current		
	1%	Discount	1%
	Decrease	Rate	Increase
	5.75%	6.75%	7.75%
Net pension liability	\$ 29,068,830	\$ 18,146,150	\$ 9,380,519

	December 31, 2022		
	Current		
	1%	Discount	1%
	Decrease	Rate	Increase
	5.75%	5.75%	5.75%
Net pension liability	\$ 27,735,934	\$ 17,536,103	\$ 9,879,909

### Pension Expense

For the fiscal year ended September 30, (measurement dates December 31, 2023 and 2022, respectively), CapMetro recognized the following pension-related expense:

Pension Expense (Income)	December 31	
	2023	2022
Service cost	\$ 4,638,829	\$ 4,304,099
Interest on total pension liability	4,381,081	3,792,031
Administrative expenses	103,813	97,873
Expected investment return net of investment expenses	(3,333,915)	(3,666,529)
Recognition of deferred outflows (inflows)		
Experience	1,070,489	723,444
Change in assumptions	(1,852,981)	(1,243,051)
Investment gains or losses	(490,458)	1,073,975
Pension expense	<u>\$ 4,516,858</u>	<u>\$ 5,081,842</u>

## 10 – DEFINED BENEFIT RETIREMENT PLANS, continued

### Deferred Inflows and Outflows of Resources

As of September 30, 2024 and 2023, the deferred inflows and outflows of resources are as follows:

	2024	2023
<b>Deferred Outflows of Resources</b>		
Differences between expected and actual experience	\$ 2,924,317	\$ 1,500,679
Changes of assumptions	-	852,226
Net difference between projected and actual earnings	2,040,148	5,422,542
Contributions made subsequent to measurement date	4,704,283	3,450,000
	<u>\$ 9,668,748</u>	<u>\$ 11,225,447</u>
<b>Deferred Inflows of Resources</b>		
Differences between expected and actual experience	\$ (583,719)	\$ (835,321)
Changes of assumptions	(5,639,652)	(8,896,633)
	<u>\$ (6,223,371)</u>	<u>\$ (9,731,954)</u>

CapMetro reported \$4,704,283 as deferred outflow of resources resulting from contributions made subsequent to the measurement date and which are eligible employer contributions made from January 1, 2024 through September 30, 2024. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized as pension expense. The amortization period for these deferrals is over a period of 5 years for investment (gains)/losses.

The remaining balance to be recognized in future years will be impacted by additional future deferred inflows and outflows of resources.

Years ending September 30:

2025	\$ (1,392,121)
2026	(577,326)
2027	986,994
2028	(530,594)
2029	254,141
	<u>\$ (1,258,906)</u>

### Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit Employees of StarTran, Inc.

#### Plan Description

The Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit Employees of StarTran, Inc. (the StarTran Plan) was closed and for GASB Statement No. 68 reporting, is a "special funding situation." Special funding situations are defined as circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The Authority is the only legal entity obligated to contribute to the StarTran Plan. The benefits were frozen for all participants as of August 18, 2012, and there are no longer any employee contributions. All future valuations will have an employer cost only.

## 10 – DEFINED BENEFIT RETIREMENT PLANS, continued

All StarTran Plan assets are maintained under a trust agreement. Under the terms of the trust agreement, Graystone Consulting (the Trustee) serves as trustee on behalf of the StarTran Plan and carries out an investment policy established by the Retirement Plan Committee, consistent with the purposes of the StarTran Plan and the requirements of applicable laws and regulations. The following is a description of the Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit Employees of StarTran, Inc.

The Retirement Plan Committee for the StarTran Plan is the administrator of a single employer defined benefit pension plan sponsored by CapMetro. Eligible participants are covered by the StarTran Plan. The following table summarizes membership of the plan at January 1:

	2024	2023
Retirees and beneficiaries currently receiving benefits	583	573
Terminated plan members entitled to but not yet receiving benefits	248	269
Active plan members	104	113
	<u>935</u>	<u>955</u>

The most recently available financial statements of the StarTran Plan are for the year ended December 31, 2023. A copy of the Plan's annual audit may be obtained from:

Capital Metropolitan Transportation Authority  
2910 East Fifth Street  
Austin, Texas 78702

### **Plan Benefits**

The StarTran Plan provides retirement, death and disability benefits. All participants participating as of August 18, 2012, are considered 100% vested. Participants may retire with unreduced accrued benefits at age 65, or when benefit accrual service equals or exceeds 22.5 years of Benefit Accrual Service. The monthly benefit at retirement is payable in a 10-year certain and life thereafter form of annuity. Participants are eligible for early retirement at the age of 55 with five years of service, such participants shall be entitled to a normal pension accrued reduced in accordance with plan provisions.

Retirement benefit payments are determined by application of a benefit formula based on the participant's years of pension credited service. Effective July 1, 2000, the monthly retirement benefit for each year of benefit accrual service is \$60.00 per month per year of Benefit Accrual Service for years earned.

Participants with disability benefits have no age requirement must have 15 years of employment and the benefit is equal to the actuarial greater of 1) two times the participant derived benefit, or 2) the accrued benefit. The pre-retirement death benefit is equal to the present value of accrued vested benefit.

There are no automatic or guaranteed post-retirement cost-of-living adjustments, but ad hoc retiree benefits increases may be created via plan amendments. Amendments to the plan are made only with the authority of the Retirement Plan Committee.

The following plan changes, adopted as a result of the plan freeze on August 18, 2012, are reflected in the latest valuation dated December 31, 2023.

- Participants are eligible for immediate distributions.
- Service requirements for Unreduced Early Retirement Age (UERA) was changed from 25 years to 22.5 years and participants receive credit toward UERA while working for the new contractor.

**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

- Lump sums are capped unless a participant is eligible for UERA.
- Effective May 11, 2015, the Plan was amended to allow 15 former Bargaining Unit participants to earn credit toward unreduced retirement eligibility while working for the new contractor.

***Contributions***

There are no participant contributions after August 18, 2012. However, make up contributions are permissible under the StarTran Plan. Interest on participant contributions is credited annually based on the 120% of the Federal Mid-term rate in effect each January 1.

The Authority makes contributions, which are actuarially determined as of each valuation date and compliant with the terms of applicable labor contracts. The actuarially determined annual contributions consist of a normal cost contribution and an amortization of the unfunded actuarial accrued liability contribution.

The 2023 plan years' employer contribution funded the normal cost and amortized the existing unfunded actuarial accrued liability on a "closed" 30-year level percent of amortization with 15 years remaining and with a 3% annual increase of the unfunded actuarial accrued liability.

***Net Pension Liability***

The StarTran Plan's net pension liability was measured as of December 31, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The actuarial assumptions that determined the total pension liability as of December 31, 2023 and 2022, is based on the results of an actuarial experience study conducted in 2017.

The total pension liability in the December 31, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Measurement date: December 31, 2023**

Actuarial cost method	Entry age Normal Cost Method
Salary increases	NA - frozen plan
Investment rate of return	6.50%
Discount rate	6.50%
Retirement age	Age 55-62 is 5%
	Age 63-64 is 10%
	Age 65 is 40%
	Age 66-70 is 25% to 100%
Mortality	Healthy: PUB-2010 Amounts-Weighted Mortality for General Employees with Generational Improvements from 2010 using Scale MP-2021
	Disabled: PUB-2010 Amounts-Weighted Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2010 using Scale MP-2021



## **10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

### **Measurement date: December 31, 2022**

Actuarial cost method	Entry age Normal Cost Method
Salary increases	NA - frozen plan
Investment rate of return	6.50%
Discount rate	6.50%
Retirement age	Age 55-61 is 13% to 14%
	Age 62 is 15%
	Age 63 is 17%
	Age 64-70 is 30% to 100%
Mortality	Healthy: PUB-2010 Amounts-Weighted Mortality for General Employees with Generational Improvements from 2010 using Scale MP-2021
	Disabled: PUB-2010 Amounts-Weighted Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2010 using Scale MP-2021

### **Long-Term Rate of Return on Assets**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023:

December 31, 2023	Asset	Long-Term
Asset Class	Allocation	Expected Rate of Return
Large Cap U.S. Equity	35.00%	7.00%
Small U.S. Cap Equity	15.00%	7.50%
International (Non-U.S.) Equity	15.00%	6.90%
Emerging Markets Equity	5.00%	7.30%
Core U.S. Fixed Income (Market Duration)	30.00%	4.30%
	<u>100.00%</u>	

**Discount rate** – The discount rate used to measure the total pension liability as of December 31, 2023 and 2022, was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contribution will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on these assumptions, the StarTran Plan's fiduciary net position was projected to be available to make all projected benefit payments for current plan members. 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.

**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

***Changes in Net Pension Liability (Asset)***

The following presents the changes in total fiduciary net position and liabilities and plan fiduciary net position at December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Total pension liability:		
Interest on total pension liability	\$ 3,930,755	\$ 4,029,588
Differences between expected and actual experiences	(592,372)	(281,271)
Change in assumptions	(73,878)	(132,815)
Benefit payments/refunds of contributions	(5,113,785)	(5,157,513)
Net change in total pension liability	(1,849,280)	(1,542,011)
Total pension liability at beginning of year	62,989,803	64,531,814
Total pension liability at end of year (a)	61,140,523	62,989,803
Fiduciary net position:		
Employer contributions	3,999,996	3,999,996
Investment income net of investment expense	5,228,097	(7,877,369)
Benefit payments/refunds of contributions	(5,113,785)	(5,157,513)
Administrative expenses	(220,734)	(211,676)
Net change in fiduciary net position	3,893,574	(9,246,562)
Fiduciary net position at beginning of year	33,872,134	43,118,696
Fiduciary net position at end of year (b)	37,765,708	33,872,134
Net pension liability at end of year = (a) - (b)	\$ 23,374,815	\$ 29,117,669
Plans Fiduciary net position as a percentage of Total Pension liability	61.8%	53.8%

***Sensitivity Analysis***

The following presents the net pension liability of StarTran Plan calculated using the discount rate of 6.50% for December 31, 2023 and 2022, as well as the StarTran Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>December 31, 2023</b>		
	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Discount Rate</b>	<b>Increase</b>
	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
Net pension liability	\$ 28,892,456	\$ 23,374,815	\$ 18,637,854
	<b>December 31, 2022</b>		
	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Discount Rate</b>	<b>Increase</b>
	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
Net pension liability	\$ 34,359,445	\$ 29,117,669	\$ 24,117,634

**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

**Pension Expense**

For the fiscal year ended September 30, 2024 and 2023, CapMetro recognized the following pension-related expense:

<b>Pension Expense/(Income)</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Interest on total pension liability	\$ 3,930,755	\$ 4,029,588
Administrative expenses	220,734	211,676
Expected investment return net of investment expenses	(2,159,355)	(2,759,273)
Change in assumptions	(73,878)	(132,815)
Recognition of demographic differences – current year	(592,372)	(281,271)
Recognition of investment gains or losses – current year	(451,029)	1,119,957
Pension expense	<u>\$ 874,855</u>	<u>\$ 2,187,862</u>

**Deferred Inflows and Outflows of Resources**

As of September 30, 2024 and 2023, the deferred inflows and outflows of resources are as follows:

	<b>2024</b>	<b>2023</b>
<b>Deferred Outflows of Resources</b>		
Net difference between expected and actual earnings	\$ 2,401,729	\$ 4,988,499
Contributions made subsequent to measurement date	2,999,999	2,999,997
	<u>\$ 5,401,728</u>	<u>\$ 7,988,496</u>

As of September 30, 2024 and 2023, there were no deferred inflows of resources for the StarTran Plan.

CapMetro reported \$2,999,999 as deferred outflow of resources resulting from contributions made subsequent to the measurement date and which are eligible employer contributions made from January 1, 2024 through September 30, 2024. For the same period last year, the amount reported as deferred outflow of resources resulting from contributions was unchanged. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense. Investment (gains)/losses are recognized in pension expense over a period of five years.

<b>Year ended September 30:</b>	<b>2024</b>
2025	\$ 447,022
2026	1,039,404
2027	1,521,316
2028	(606,013)
	<u>\$ 2,401,729</u>

**10 – DEFINED BENEFIT RETIREMENT PLANS, continued**

Aggregate pension related amounts for all plans are as follows:

<b>September 30, 2024</b>	<b>The Authority's Retirement Plan for Administrative Employees</b>	<b>The Authority's Retirement Plan for Bargaining Unit Employees of StarTran, Inc.</b>	<b>Total</b>
Net pension liability	\$ 18,146,150	\$ 23,374,815	\$ 41,520,965
Deferred outflows of resources, pension- related amounts	9,668,748	5,401,728	15,070,476
Deferred inflows of resources, pension- related amounts	(6,223,371)	-	(6,223,371)
Pension expense	4,516,858	874,855	5,391,713
Years ending September 30:			
2025	\$ (1,281,929)	\$ 447,022	\$ (834,907)
2026	(533,816)	1,039,404	505,588
2027	1,030,504	1,521,316	2,551,820
2028	(473,665)	(606,013)	(1,079,678)
	<u>\$ (1,258,906)</u>	<u>\$ 2,401,729</u>	<u>\$ 1,142,823</u>
<b>September 30, 2023</b>	<b>The Authority's Retirement Plan for Administrative Employees</b>	<b>The Authority's Retirement Plan for Bargaining Unit Employees of StarTran, Inc.</b>	<b>Total</b>
Net pension liability	\$ 17,536,103	\$ 29,117,669	\$ 46,653,772
Deferred outflows of resources, pension- related amounts	11,225,447	7,988,496	19,213,943
Deferred inflows of resources, pension- related amounts	(9,731,954)	-	(9,731,954)
Pension expense	5,081,842	2,187,862	7,269,704
Years ending September 30:			
2024	\$ (1,136,641)	\$ 162,719	\$ (973,922)
2025	(1,255,810)	1,053,034	(202,776)
2026	(441,016)	1,645,416	1,204,400
2027	1,123,303	2,127,330	3,250,633
2028	(246,343)	-	(246,343)
	<u>\$ (1,956,507)</u>	<u>\$ 4,988,499</u>	<u>\$ 3,031,992</u>

**Capital Metropolitan Transportation Authority**  
**Notes to the Financial Statements—September 30, 2024 and 2023**

**11 – CAPITAL ASSETS**

a.—Changes in capital assets for the year ended September 30, 2024, were:

	October 1, 2023	Additions	Retirements	Completed Projects	September 30, 2024
<b>Capital assets not being depreciated:</b>					
Land and improvement	\$ 79,160,614	\$ -	\$ (305,515)	\$ 17,076,169	\$ 95,931,268
Projects in process	249,381,798	146,339,693	(1,448,296)	(106,026,040)	288,247,155
Total capital assets not being depreciated	328,542,412	146,339,693	(1,753,811)	(88,949,871)	384,178,423
<b>Depreciable capital assets:</b>					
Building and improvements	94,635,225	-	(989,645)	13,696,472	107,342,052
Railroad	210,791,184	-	-	41,335,229	252,126,413
Buses and equipment	453,980,732	-	(6,302,430)	16,942,022	464,620,324
Passenger parking and stations	113,488,435	-	-	16,709,772	130,198,207
Right to use assets-SBITA	23,061,864	11,708,576	(1,263,426)	266,376	33,773,390
Right to use assets-leases	12,128,717	1,255,172	(2,701,210)	-	10,682,679
Leasehold improvement	391,483	-	-	-	391,483
Total depreciable capital assets	908,477,640	12,963,748	(11,256,711)	88,949,871	999,134,548
Less accumulated depreciation:					
Building and improvements	65,684,211	4,048,587	(989,628)	-	68,743,170
Railroad	153,938,336	8,468,505	-	-	162,406,841
Buses and equipment	264,165,306	31,715,500	(6,607,690)	-	289,273,116
Passenger parking and stations	84,935,943	6,492,852	-	-	91,428,795
Right to use assets-SBITA	6,632,728	6,008,932	(379,536)	-	12,262,124
Right to use assets-leases	4,101,922	2,118,502	(1,127,689)	-	5,092,735
Leasehold improvement	274,783	78,296	-	-	353,079
Total accumulated depreciation	579,733,229	58,931,174	(9,104,543)	-	629,559,860
<b>Depreciable capital assets, net</b>	328,744,411	(45,967,426)	(2,152,168)	88,949,871	369,574,688
<b>Total capital assets</b>	\$ 657,286,823	\$ 100,372,267	\$ (3,905,979)	\$ -	\$ 753,753,111

Depreciation and amortization expense was \$58.9 million for the year ended September 30, 2024. CapMetro reclassified certain capital assets during the period between buses and equipment line and building and improvements. The reclass did not impact the total capital assets net of depreciation.

Changes in capital assets for the year ended September 30, 2023, were:

	October 1, 2022	Additions	Retirements	Completed Projects	September 30, 2023
<b>Capital assets not being depreciated:</b>					
Land and improvement	\$ 79,160,614	\$ -	\$ -	\$ -	\$ 79,160,614
Projects in process	67,873,163	218,328,334	-	(36,819,699)	249,381,798
Total capital assets not being depreciated	147,033,777	218,328,334	-	(36,819,699)	328,542,412
<b>Depreciable capital assets:</b>					
Building and improvements	96,456,829	-	(1,881,034)	59,430	94,635,225
Railroad	200,172,515	-	-	10,618,669	210,791,184
Buses and equipment	441,948,154	-	(999,150)	13,031,728	453,980,732
Passenger parking and stations	113,490,828	-	(54,850)	52,457	113,488,435
Right to use assets-SBITA	9,087,998	916,451	-	13,057,415	23,061,864
Right to use assets-leases	9,649,097	2,479,620	-	-	12,128,717
Leasehold improvement	391,483	-	-	-	391,483
Total depreciable capital assets	871,196,904	3,396,071	(2,935,034)	36,819,699	908,477,640
Less accumulated depreciation:					
Building and improvements	63,552,311	3,500,461	(1,368,561)	-	65,684,211
Railroad	146,735,790	7,202,546	-	-	153,938,336
Buses and equipment	230,744,310	34,404,277	(983,281)	-	264,165,306
Passenger parking and stations	78,805,559	6,185,234	(54,850)	-	84,935,943
Right to use assets-SBITA	1,619,717	5,013,011	-	-	6,632,728
Right to use assets-leases	2,373,904	1,728,018	-	-	4,101,922
Leasehold improvement	196,487	78,296	-	-	274,783
Total accumulated depreciation	524,028,078	58,111,843	(2,406,692)	-	579,733,229
<b>Depreciable capital assets, net</b>	347,168,826	(54,715,772)	(528,342)	36,819,699	328,744,411
<b>Total capital assets</b>	\$ 494,202,603	\$ 163,612,562	\$ (528,342)	\$ -	\$ 657,286,823

Depreciation and amortization expense were \$58.1 million for the year ended September 30, 2023.

## 11 – CAPITAL ASSETS (continued)

### b.—Right to use Assets

Right to use asset activity for the years ended September 30, 2024 and 2023 were as follows:

	October 1, 2023	Increases	Decreases	September 30, 2024
<b>Right to use assets</b>				
Land	\$ 3,182,257	\$ -	\$ -	\$ 3,182,257
Building	8,946,460	1,255,172	(2,701,210)	7,500,422
Software	23,061,865	11,974,952	(1,263,427)	33,773,390
Total right to use assets	35,190,582	13,230,124	(3,964,637)	44,456,069
<b>Less accumulated amortization:</b>				
Land	272,117	90,708	-	362,825
Building	3,829,805	2,118,499	(1,218,394)	4,729,910
Software	6,632,728	6,008,933	(379,537)	12,262,124
Total accumulated amortization	10,734,650	8,218,140	(1,597,931)	17,354,859
<b>Right to use assets, net</b>	<b>\$ 24,455,932</b>	<b>\$ 5,011,984</b>	<b>\$ (2,366,706)</b>	<b>\$ 27,101,210</b>

	October 1, 2022	Increases	Decreases	September 30, 2023
<b>Right to use assets</b>				
Land	\$ 3,182,257	\$ -	\$ -	\$ 3,182,257
Building	6,466,182	2,480,440	(162)	8,946,460
Software	9,087,998	13,973,866	-	23,061,864
Total right to use assets	18,736,437	16,454,306	(162)	35,190,581
<b>Less accumulated amortization:</b>				
Land	132,835	139,282	-	272,117
Building	2,241,069	1,588,736	-	3,829,805
Software	1,619,717	5,013,011	-	6,632,728
Total accumulated amortization	3,993,621	6,741,029	-	10,734,650
<b>Right to use assets, net</b>	<b>\$ 14,742,816</b>	<b>\$ 9,713,277</b>	<b>\$ (162)</b>	<b>\$ 24,455,931</b>

## 12 – CONTINGENCIES

Various claims have been asserted against CapMetro from personal injuries involving CapMetro property. CapMetro plans to defend all allegations including certain other claims which have been asserted for which estimation of potential loss, if any, may be determined. Potential losses on these claims are included in the financial statements.

CapMetro receives federal grants that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. CapMetro's management believes such disallowances, if any, will not have a material effect on the financial statements.

### 13 – SELF-INSURANCE

Workers' compensation claims are reserved and paid in accordance with the provisions of the Texas Workers' Compensation Act. Claims that are probable and can be reasonably estimated are reported as a part of accrued expenses. The self-insurance retention levels as of September 30, 2024 and 2023, for workers' compensation are \$25,000 per occurrence. At September 30, 2024 and 2023, there are no claims exceeding CapMetro's retention limits. The following represents the workers' compensation claims activity and the end of year liability, which includes claims incurred and reported, as well as estimated claims incurred but not reported for the year ended September 30:

<b>Workers' Compensation Claims</b>	<b>2024</b>	<b>2023</b>
Beginning of year liability	\$ 75,000	\$ 75,000
Current year claims and/or changes in estimates	68,798	30,806
Claim payments	(68,798)	(30,806)
End of year current year liability	<u>\$ 75,000</u>	<u>\$ 75,000</u>

CapMetro has been self-insured for health and dental since January 1, 2003. United Health Care, Inc. administers the plan for CapMetro employees. CapMetro carries Excess Loss coverage starting at \$150,000.

<b>Health and Dental Self-Insurance</b>	<b>2024</b>	<b>2023</b>
Beginning of year liability	\$ 729,000	\$ 325,000
Current year claims and/or changes in estimates	8,710,137	7,032,189
Claim payments	(8,699,137)	(6,628,189)
End of year current year liability	<u>\$ 740,000</u>	<u>\$ 729,000</u>

Due to the types of risk associated with being self-insured, the ultimate amount to be paid out may be more or less than the amounts accrued within accrued expenses at September 30, 2024 and 2023.

### 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

**Plan description:** CapMetro's defined benefit OPEB plan, a single-employer, health care plan provides OPEB for eligible employees of the Authority. The plan is administered by CapMetro and it has the authority to establish or amend the plan provisions or contribution requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Retirees must elect within six months of becoming Medicare eligible. The plan does not issue a stand-alone financial report.

**14 – OTHER POST EMPLOYMENT BENEFITS (OPEB), continued**

**Benefits:** CapMetro provides a Medicare supplement insurance stipend to all eligible retired administrative employees of CapMetro to supplement retiree health care. Employee benefits are set at a fixed amount (varies from \$1,450 up to \$2,900) per year and employees are eligible based on the following:

- Age 62-64 with at least 10 years of service at retirement
- Age 62-64 that meet the Rule of 80 at retirement
- Age 65 with 10 or more years of service at retirement

Spouses are not eligible for postemployment benefits. The Authority has eliminated benefits for all bargaining employees.

**Contributions:** The contribution requirements of plan members and the Authority are approved and may be amended by the Board. The Authority funds all obligations arising under this plan on a pay-as-you-go basis.

The following is the participant summary as of September 30 (the most recent actuarial valuation date):

	2024	2023
Participants:		
Actives—fully eligible	32	29
Actives—not eligible	508	507
Retirees	40	35
Total	580	571

**Total OPEB Liability**

The Authority's total OPEB liability of \$3,800,955 and \$3,881,272 was measured and was determined by an actuarial valuation as of September 30, 2024 and 2023, respectively.

**Actuarial methods and assumptions:** The total OPEB liability in the September 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.5% per annum
Discount rate	4.09% per annum (BOY) and 3.81% per annum (EOY)
Health care cost trend rates	Benefit will remain constant in the future
Actuarial cost method	Entry Age Normal based on level percentage of projective salary
Mortality rates	PUB-2010 headcount weighted base mortality table projected generationally using Scale MP-2021 and applied on a gender-specific basis.
Plan participation percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 100% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.

The discount rate was based on *Bond Buyer 20-Bond GO index*.



**14 – OTHER POST EMPLOYMENT BENEFITS (OPEB), continued**

CapMetro did not perform an actuarial experience study for the actuarial assumptions used in the September 30, 2024, valuation.

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Net OPEB obligation, beginning	\$ 3,881,272	\$ 3,417,623
Changes for the year:		
Service cost	463,114	450,738
Interest	175,432	153,386
Differences between expected and actual experience	(739,782)	-
Changes in assumptions or other inputs	131,119	(34,895)
Contributions and payments made	(110,200)	(105,580)
Net changes	(80,317)	463,649
<b>Net OPEB Obligation, ending</b>	<u><u>\$ 3,800,955</u></u>	<u><u>\$ 3,881,272</u></u>

The total OPEB liability as of September 30, 2024 and 2023, assumes a discount rate of 3.81% and 4.09%, respectively.

**Sensitivity of the total OPEB liability to changes in the discount rate:** The following presents the total OPEB liability of the Authority, as well as what the Authority's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>September 30, 2024</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>2.81%</u>	<u>3.81%</u>	<u>4.81%</u>
Total OPEB liability	\$ 4,329,000	\$ 3,801,000	\$ 3,362,000

	<u>September 30, 2023</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>3.09%</u>	<u>4.09%</u>	<u>5.09%</u>
Total OPEB liability	\$ 4,454,000	\$ 3,881,000	\$ 3,410,000

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:** The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>September 30, 2024</u>		
	<u>Cost Trend</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	n/a	\$ 3,801,000	n/a

	<u>September 30, 2023</u>		
	<u>Cost Trend</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	n/a	\$ 3,418,000	n/a

#### **14 – OTHER POST EMPLOYMENT BENEFITS (OPEB), continued**

The Authority provides an fixed subsidy for health care premiums and the subsidy is not expected to change. Therefore, the health care trend rate does not apply.

#### **OPEB expense and deferred outflows of resources and deferred inflows of resources:**

For the years ended September 30, 2024 and 2023, the Authority recognized OPEB expenses of \$498,000 and \$483,000, respectively.

The Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>2024</b>	<b>2023</b>
<b>Deferred Outflows of Resources</b>		
Differences between expected and actual experience	\$ 479,569	\$ 512,417
Changes of assumptions/inputs	222,943	110,075
	<u>\$ 702,512</u>	<u>\$ 622,492</u>
<b>Deferred Inflows of Resources</b>		
Difference between expected and actual experience	\$ (912,984)	\$ (240,515)
Changes of assumptions/inputs	(1,343,879)	(1,467,427)
	<u>\$ (2,256,863)</u>	<u>\$ (1,707,942)</u>

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

<b>Years ending September 30:</b>	<b>2024</b>	<b>2023</b>
2025	\$ (139,763)	\$ (104,983)
2026	(139,763)	(104,983)
2027	(139,763)	(104,983)
2028	(139,763)	(104,983)
2029	(139,763)	(104,983)
Thereafter	(855,536)	(665,518)
	<u>\$ (1,554,351)</u>	<u>\$ (1,085,450)</u>

#### **15 – SUBSEQUENT EVENT**

Subsequent to year-end, President Trump signed several executive orders (EOs) ordering the pause or termination of federal assistance for programs that do not align with the new administration's policies. The Administration has tasked federal departments with evaluating all federal programs they administer to determine if the funding being provided falls under any of the EOs. During the year ended September 30, 2024, CapMetro recognized federal financial assistance totaling \$64.9 million, and at September 30, 2024 had outstanding federal receivables of \$373,000. CapMetro has not experienced any issues with the collectability of the receivables as a result of the EOs. As of the date of this report, the full impact of President Trump's EOs on CapMetro's financial position and results of operations is uncertain. Management is actively monitoring the situation and assessing the potential effects on the organization's consolidated financial statements.



Annual Comprehensive Financial Report  
Required Supplementary Information  
(unaudited)

# Capital Metropolitan Transportation Authority

## Required Supplementary Information (unaudited)

### Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit Employees of StarTran, Inc. Schedules of Changes in Net Pension Liability and Related Ratios (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,363	\$ 486,248
Interest on total pension liability	3,930,755	4,029,588	4,099,153	4,214,154	4,322,203	4,346,270	4,287,202	4,206,646	4,226,699
Differences between expected and actual experiences	(592,372)	(281,271)	61,397	164,257	32,703	(213,616)	(1,769,787)	1,878,042	(730,963)
Change in assumptions	(73,878)	(132,815)	(165,449)	1,235,860	1,279,922	2,453,043	3,305,720	934,709	-
Benefits payments/refunds of contributions	(5,113,785)	(5,157,513)	(4,976,012)	(4,985,498)	(4,910,211)	(4,668,156)	(4,540,291)	(4,221,793)	(4,959,966)
Net change in total pension liability	(1,849,280)	(1,542,011)	(980,911)	628,773	724,617	1,917,541	1,282,844	3,100,967	(977,982)
Total pension liability at beginning of year	62,989,803	64,531,814	65,512,725	64,883,952	64,159,335	62,241,794	60,958,950	57,857,983	58,835,965
Total pension liability at end of year (a)	<u>\$ 61,140,523</u>	<u>\$ 62,989,803</u>	<u>\$ 64,531,814</u>	<u>\$ 65,512,725</u>	<u>\$ 64,883,952</u>	<u>\$ 64,159,335</u>	<u>\$ 62,241,794</u>	<u>\$ 60,958,950</u>	<u>\$ 57,857,983</u>
Fiduciary net position:									
Employer contributions	\$ 3,999,996	\$ 3,999,996	\$ 4,000,000	\$ 3,999,996	\$ 3,999,996	\$ 4,000,556	\$ 4,004,599	\$ 4,005,413	\$ 4,010,205
Member contributions	-	-	-	-	-	654	4,578	5,417	5,760
Investment income net of investment expense	5,228,097	(7,877,369)	4,931,204	5,303,601	6,505,803	(2,411,068)	4,420,550	1,621,196	(98,010)
Benefit payments/refunds of contributions	(5,113,785)	(5,157,513)	(4,976,012)	(4,985,498)	(4,910,211)	(4,668,156)	(4,540,291)	(4,221,793)	(4,959,966)
Administrative expenses	(220,734)	(211,676)	(219,226)	(220,001)	(205,491)	(227,031)	(225,052)	(216,313)	(225,290)
Net change in fiduciary net position	3,893,574	(9,246,562)	3,735,968	4,098,098	5,390,097	(3,305,045)	3,664,384	1,193,920	(1,267,301)
Fiduciary net position at beginning of year	33,872,134	43,118,696	39,382,730	35,284,632	29,894,535	33,199,580	29,535,196	28,341,276	29,608,577
Fiduciary net position at end of year (b)	<u>37,765,708</u>	<u>33,872,134</u>	<u>43,118,696</u>	<u>39,382,730</u>	<u>35,284,632</u>	<u>29,894,535</u>	<u>33,199,580</u>	<u>29,535,196</u>	<u>28,341,276</u>
Net pension liability/(asset) at end of year = (a) - (b)	<u>\$ 23,374,815</u>	<u>\$ 29,117,669</u>	<u>\$ 21,413,118</u>	<u>\$ 26,129,995</u>	<u>\$ 29,599,320</u>	<u>\$ 34,264,800</u>	<u>\$ 29,042,214</u>	<u>\$ 31,423,754</u>	<u>\$ 29,516,707</u>
Fiduciary net position as a % of total pension liability	61.77%	53.77%	66.82%	60.11%	54.38%	46.59%	53.34%	48.45%	48.98%

#### Notes to Schedule

**Method changes:** There have been no method changes in funding valuation since the prior year.

**Assumption Changes:** The financial accounting valuation reflects the following assumption changes:

The discount rate remained at 6.50% to be consistent with the changes in the expected return on assets assumptions.

The expected return on assets remained at 6.50% to reflect target asset allocation as reflected Investment Policy Statement and Graystone Consulting and AON capital market long-term return expectations.

The mortality assumption for health lives remained the PUB-2010 Amounts-Weighted Mortality Table for General Employees with Generational Improvement from 2010 using Scale MP-2021.

The mortality assumption for disabled lives remained from the disabled base rate from the PUB-2010 Amounts-Weighted Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2010 using Scale MP-2021.

NOTE: GASB Statement No. 68 requires 10 years of information to be presented in this table. CapMetro will present the information for the 10 year period as it becomes available.

\* Capital Metropolitan Transportation Plan for Bargaining Unit Employees of StarTran, Inc. was frozen to all participants in 2012 and the work previously performed by the StarTran participants was outsourced to a vendor (purchased transportation). As the Plan sponsor, CapMetro is required to make the annual required contributions. Additionally, certain employees are eligible for unreduced retirement benefits while working for CapMetro's Purchased Transportation provider. Under GASB Statement No. 68, the Plan qualifies for special funding which requires the reporting of the liability and related pensionable activity by CapMetro. CapMetro's purchased transportation provider incurred the reported pensionable payroll for eligible participants who are eligible for unreduced early retirement benefits upon completion of 22.5 years of credited benefit service credits.

**Capital Metropolitan Transportation Authority Retirement Plan for Bargaining Unit of StarTran, Inc.**  
**Schedule of Plan Contributions (UNAUDITED)**

Schedule of Employer Contributions					
Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 2,701,768	\$ 4,005,412	\$ (1,325,207)	-	*
2017	2,680,205	4,004,599	(1,527,847)	-	*
2018	2,476,752	3,999,996	(1,600,607)	-	*
2019	2,399,389	4,000,556	(1,519,549)	-	*
2020	2,481,007	3,999,996	(1,366,304)	-	*
2021	2,633,692	4,000,000	(1,366,308)	-	*
2022	2,621,315	3,999,996	(1,378,681)	-	*
2023	2,157,510	3,999,996	(1,842,486)	-	*
2024	2,031,981	3,999,999	(1,968,018)		

**Methods and Used Assumptions to Determine Contribution Rates:**

Valuation Date	January 1, 2024
Investment Rate of Return	6.50% including inflation, net of pension plan investment expenses
Actuarial Cost Method	Unit Credit Cost Method
Discount Rate	6.50%
Projected Salary Increases	N/A
Administrative Expenses	\$200,000 per annum
Decrement Timing	Middle of year decrements
Withdrawal Rates	Varies by age with age 55 at 5% withdrawal rate and up to age 70 with a 100% withdrawal rate.
Surviving Spouse Benefit	Assumed 80% have an eligible spouse and that males are 3 years older than their spouse.
Retirement age	Varies by age with 5% retirement at age 55 and with 100% of retirement at age 70.
Mortality	
Healthy	PUB-2010 Amounts-Weighted Mortality Table for General Employees With Generational Improvements from 2010 using Scale MP-2021.
Disabled	PUB-2010 Amounts-Weighted Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2010 using Scale MP-2021.

\* Capital Metropolitan Transportation Plan for Bargaining Unit Employees of StarTran, Inc. was frozen to all participants in 2012 and the work previously performed by the StarTran participants was outsourced to a vendor (purchased transportation). As the Plan sponsor, CapMetro is required to make the annual required contributions. Additionally, certain employees are eligible for unreduced retirement benefits while working for CapMetro's Purchased Transportation provider. Under GASB Statement No. 68, the Plan qualifies for special funding which requires the reporting of the liability and related pensionable activity by CapMetro. CapMetro's purchased transportation provider incurred the reported pensionable covered payroll for eligible participants who are eligible for unreduced early retirement benefits upon completion of 22.5 years of credited benefit service credits.

**Capital Metropolitan Transportation Authority**  
**Required Supplementary Information (unaudited)**

**Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees**  
**Schedules of Changes in Net Pension Liability and Related Ratios**  
**(UNAUDITED)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 4,638,829	\$ 4,304,099	\$ 3,718,343	\$ 3,545,963	\$ 2,938,855	\$ 2,793,032	\$ 2,964,773	\$ 2,087,251	\$ 2,225,673	\$ 1,453,304
Interest on total pension liability	4,381,081	3,792,031	3,452,874	3,061,945	2,694,810	2,445,407	2,235,084	1,863,897	1,573,679	1,538,740
Changes of benefit terms	-	-	-	-	-	-	-	2,054,914	-	-
Difference between expected and actual experience	2,745,730	534,159	(1,338,527)	2,513,864	1,231,398	720,052	(288,769)	(86,781)	1,984,816	(319,936)
Change in assumptions	678,292	(4,201,467)	(6,739,458)	(3,616,413)	5,792,670	(920,415)	3,035,050	209,630	(1,415,858)	5,067,915
Benefits payment/refunds of contributions	(2,112,036)	(1,594,073)	(1,535,273)	(1,391,896)	(1,117,525)	(932,072)	(916,317)	(892,937)	(833,716)	(717,439)
Net change in total pension liability	10,331,896	2,834,749	(2,442,041)	4,113,463	11,540,208	4,106,004	7,029,821	5,235,974	3,534,594	7,022,584
Total pension liability at beginning of year	65,310,006	62,475,257	64,917,298	60,803,835	49,263,627	45,157,623	38,127,802	32,891,828	29,357,234	22,334,650
Total pension liability at end of year (a)	\$ 75,641,902	\$ 65,310,006	\$ 62,475,257	\$ 64,917,298	\$ 60,803,835	\$ 49,263,627	\$ 45,157,623	\$ 38,127,802	\$ 32,891,828	\$ 29,357,234
Fiduciary net position:										
Employer contributions	\$ 4,450,000	\$ 4,274,504	\$ 3,605,170	\$ 3,261,231	\$ 3,046,377	\$ 2,692,422	\$ 3,106,829	\$ 1,974,973	\$ 1,882,377	\$ 1,600,160
Investment income net of investment expense	7,474,698	(8,135,709)	5,791,530	5,928,766	6,195,576	(1,941,101)	4,081,936	1,795,013	(11,187)	1,017,006
Benefit payments/refunds of contributions	(2,112,036)	(1,594,073)	(1,535,273)	(1,391,896)	(1,117,525)	(932,072)	(916,317)	(892,937)	(833,716)	(717,439)
Administrative expenses	(90,813)	(112,622)	(73,934)	(62,527)	(76,658)	(58,478)	(74,118)	(58,222)	(63,645)	(38,209)
Net change in fiduciary net position	9,721,849	(5,567,900)	7,787,493	7,735,574	8,047,770	(239,229)	6,198,330	2,818,827	973,829	1,861,518
Fiduciary net position at beginning of year	47,773,903	53,341,803	45,554,310	37,818,736	29,770,966	30,010,195	23,811,865	20,993,038	20,019,209	18,157,691
Fiduciary net position at end of year (b)	57,495,752	47,773,903	53,341,803	45,554,310	37,818,736	29,770,966	30,010,195	23,811,865	20,993,038	20,019,209
Net pension liability/(asset) at end of year = (a) - (b)	\$ 18,146,150	\$ 17,536,103	\$ 9,133,454	\$ 19,362,988	\$ 22,985,099	\$ 19,492,661	\$ 15,147,428	\$ 14,315,937	\$ 11,898,790	\$ 9,338,025
Fiduciary net position as a % of total pension liability	76.01%	73.15%	85.38%	70.17%	62.20%	60.43%	66.46%	62.45%	63.82%	68.19%
Pensionable covered payroll	\$ 53,346,593	\$ 43,473,624	\$ 38,516,483	\$ 28,185,358	\$ 24,700,473	\$ 22,758,461	\$ 20,966,199	\$ 22,195,764	\$ 18,663,437	\$ 16,183,596
Net pension liability as a % of covered payroll	34.02%	40.34%	23.71%	68.70%	93.06%	85.65%	72.25%	64.50%	63.75%	57.70%

**Note to Schedule:**

Changes in Assumptions and Methods Since the Last Actuarial Valuation

The discount rate for year-end disclosure was 6.75%.

The assumed 20-year municipal bond rate was 4.35%.

Actuarial Assumptions

White Collar Dataset Amount-Weighted Mortality Projected with Scale MP-2020 with separate rates for employees, retirees, and contingent survivors.

The year-end disclosure discount rate was reduced to 6.75%. The assumed rate of return was revised due to updated expectations.

**Capital Metropolitan Transportation Authority**  
**Required Supplementary Information (unaudited)**

**Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees**  
**Schedule of Plan Contributions (UNAUDITED)**

**Schedule of Employer Contributions**

<b>Year Ended September 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014	\$ 1,588,278	\$ 1,600,160	\$ (11,882)	\$ 16,183,596	9.9%
2015	1,894,044	1,863,116	30,928	17,038,110	10.9%
2016	1,971,655	1,971,655	-	18,791,825	10.5%
2017	2,166,745	2,166,745	-	19,911,349	10.9%
2018	3,243,014	3,243,014	-	20,757,338	15.6%
2019	3,065,508	3,065,508	-	25,444,856	13.5%
2020	3,483,051	3,192,712	290,339	27,851,284	12.9%
2021	3,261,231	3,261,231	-	30,335,951	10.8%
2022	3,605,170	3,605,170	-	38,516,483	9.4%
2023	3,924,504	3,924,504	-	43,473,624	9.0%
2024	4,973,280	4,450,000	523,280	53,346,593	8.3%

**Note to Schedule:**

Valuation date: December 31, 2023.  
Actuarially determined contribution rates are calculated as of January 1 for the respective year of contributions.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Remaining Amortization Period	20 years
Asset Valuation Method	Deferred recognition over 5 year period
Salary Increases	4.0%
Investment Rate of Return	6.75%
Retirement Age	Age 60 to 61 is 5%
	Age 62-64 is 10%
	Age 65 is 50%,
	Age 66-69 is 15%
	Age 70 is 100%
Mortality Rates	Mortality as provided in Notice 2020-85, male and female, with separate rates for annuitants and non-annuitants (as prescribed by IRC 430).

**Capital Metropolitan Transportation Authority**  
**Required Supplementary Information (unaudited)**

Capital Metropolitan Transportation Authority Other Post-Employment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios (UNAUDITED)						
	2024	2023	2022	2021	2020	2019
<b>Total OPEB liability</b>						
Service cost	\$ 463,114	\$ 450,738	\$ 351,659	\$ 347,410	\$ 273,875	\$ 256,296
Interest	175,432	153,386	84,592	75,751	82,805	150,911
Differences between expected and actual experience	(739,782)	-	578,111	-	-	-
Changes of assumptions or other inputs	131,119	(34,895)	(939,525)	(24,575)	(39,350)	(797,538)
Benefit payments	(110,200)	(105,580)	(97,150)	(77,759)	(74,626)	(72,364)
<b>Net change in total OPEB liability</b>	<b>(80,317)</b>	<b>463,649</b>	<b>(22,313)</b>	<b>320,827</b>	<b>242,704</b>	<b>(462,695)</b>
Total OPEB liability—beginning	3,881,272	3,417,623	3,439,936	3,119,109	2,876,405	3,339,100
Total OPEB liability—ending	<b>\$ 3,800,955</b>	<b>\$ 3,881,272</b>	<b>\$ 3,417,623</b>	<b>\$ 3,439,936</b>	<b>\$ 3,119,109</b>	<b>\$ 2,876,405</b>
Covered-employee payroll	\$ 53,346,593	\$ 52,694,000	\$ 38,516,483	\$ 30,335,951	\$ 27,851,284	\$ 25,444,856
Total OPEB liability as a percentage of covered-employee payroll	7.13%	7.37%	8.87%	11.34%	11.20%	11.30%

**Change in Actuarial Assumptions**

**Discount rate**

2024	3.81%
2023	4.09%
2022	4.02%
2021	2.26%

The mortality projection scale was updated from MP-2019 to MP-2021 to reflect a more recent projection scale.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

The Plan is unfunded and does not have assets in a trust compliant with GASB Statement No. 75, paragraph 4 to pay for the related benefits of the OPEB plan.





Annual Comprehensive Financial Report  
Supplementary Information – Combining Statements  
Pension Trust Funds

**Capital Metropolitan Transportation Authority**  
**Supplementary Information-Combining Statements of Pension Trust Funds**

**Capital Metropolitan Transportation Authority**  
**Combining Statements of Fiduciary Net Position**  
**As of December 31**

	Retirement Plan for Administrative		StarTran Retirement Plan		Total Fiduciary Funds	
	Employees					
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Cash and cash equivalents	\$ 521,728	\$ 372,207	\$ -	\$ 25,909	\$ 521,728	\$ 398,116
Receivables:						
Accrued interest and other dividends	-	-	7,616	63,873	7,616	63,873
Investment trades pending receivable	-	148,027	-	-	-	148,027
Total receivables	-	148,027	7,616	63,873	7,616	211,900
Investments:						
Common stock	-	-	2,454,109	2,153,061	2,454,109	2,153,061
Corporate bonds and other	-	-	2,087,048	3,046,213	2,087,048	3,046,213
Domestic equity mutual funds	29,827,388	23,932,780	-	-	29,827,388	23,932,780
Fixed income mutual funds	16,553,204	11,683,352	-	-	16,553,204	11,683,352
Government securities	-	-	6,381,271	5,079,155	6,381,271	5,079,155
Grouped fixed annuity	1,523,442	4,527,382	-	-	1,523,442	4,527,382
International equity mutual funds	8,266,255	7,196,226	-	-	8,266,255	7,196,226
Mutual funds	-	-	26,349,441	22,808,558	26,349,441	22,808,558
Money market funds	1,360,582	-	497,981	699,045	1,858,563	699,045
Total investments	57,530,871	47,339,740	37,769,850	33,786,032	95,300,721	81,125,772
Total assets	58,052,599	47,859,974	37,777,466	33,875,814	95,830,065	81,735,788
<b>Liabilities</b>						
Accounts payable	35,119	50,864	11,758	3,680	46,877	54,544
Investment trades pending payable	521,728	22,207	-	-	521,728	22,207
Total liabilities	556,847	73,071	11,758	3,680	568,605	76,751
Net position restricted for pensions	\$ 57,495,752	\$ 47,786,903	\$ 37,765,708	\$ 33,872,134	\$ 95,261,460	\$ 81,659,037

**Capital Metropolitan Transportation Authority**  
**Supplementary Information-Combining Statements of Pension Trust Funds**

**Capital Metropolitan Transportation Authority**  
**Combining Statements of Changes in Fiduciary Net Position**  
**For the Years Ended December 31**

	Retirement Plan for Administrative Employees		StarTran Retirement Plan		Total Fiduciary Funds	
	2023	2022	2023	2022	2023	2022
Additions:						
Contributions:						
Employer	\$ 4,450,000	\$ 4,274,504	\$ 3,999,996	\$ 3,999,996	\$ 8,449,996	\$ 8,274,500
Total contributions	4,450,000	4,274,504	3,999,996	3,999,996	8,449,996	8,274,500
Investment income (loss):						
Interest and dividend income	7,521,202	1,482,188	984,153	585,395	8,505,355	2,067,583
Net appreciation (depreciation) in fair value of investments	-	(9,574,437)	4,358,301	(8,337,789)	4,358,301	(17,912,226)
Total investment earnings	7,521,202	(8,092,249)	5,342,454	(7,752,394)	12,863,656	(15,844,643)
Less Investment expenses	46,503	43,460	114,357	124,975	160,860	168,435
Total investment income	7,474,699	(8,135,709)	5,228,097	(7,877,369)	12,702,796	(16,013,078)
Total additions (deductions) - net	11,924,699	(3,861,205)	9,228,093	(3,877,373)	21,152,792	(7,738,578)
Deductions:						
Benefit payments	2,112,038	1,594,073	5,113,785	5,157,513	7,225,823	6,751,586
Administrative expenses	103,812	99,622	220,734	211,676	324,546	311,298
Total deductions	2,215,850	1,693,695	5,334,519	5,369,189	7,550,369	7,062,884
Change in fiduciary net position	9,708,849	(5,554,900)	3,893,574	(9,246,562)	13,602,423	(14,801,462)
Net position restricted for pensions, at beginning of year	47,786,903	53,341,803	33,872,134	43,118,696	81,659,037	96,460,499
Net position restricted for pensions, at end of year	\$ 57,495,752	\$ 47,786,903	\$ 37,765,708	\$ 33,872,134	\$ 95,261,460	\$ 81,659,037

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Annual Comprehensive Financial Report

Statistical Section

This section of CapMetro's annual comprehensive 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 CapMetro's overall financial condition.

**Financial Trends**

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

**Revenue Capacity**

These schedules contain information to help the reader assess CapMetro's most significant local revenue source.

**Debt Capacity**

This schedule presents information to help the reader assess the affordability of CapMetro's current level of outstanding debt and the ability to issue additional debt in the future.

**Demographic and Economic Information**

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

**Operating Information**

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
CONDENSED STATEMENT OF NET POSITION  
LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Net Position</b>										
Total assets	\$ 1,382,274,345	\$ 1,292,468,737	\$ 1,157,788,100	\$ 924,328,151	\$ 850,601,772	\$ 736,412,006	\$ 687,181,390	\$ 631,671,906	\$ 581,284,435	\$ 549,866,540
Deferred Outflow	16,344,789	19,836,435	10,810,187	12,803,359	17,371,589	14,287,244	9,416,391	11,040,533	14,502,678	13,394,914
Total liabilities	184,961,380	148,810,484	125,662,758	126,716,352	127,147,202	118,047,916	106,423,127	121,349,555	98,573,715	100,896,496
Unearned grant revenue	-	-	-	-	-	8,797,035	17,140,344	18,828,476	41,375,065	45,450,146
Deferred Inflow	81,153,350	88,610,027	85,393,234	78,986,163	5,213,521	2,088,748	5,841,826	1,765,739	1,288,901	261,124
Net position:										
Invested in capital assets	702,724,123	632,710,271	462,475,243	482,756,290	503,897,131	455,646,696	403,270,271	356,182,839	292,329,115	282,032,104
Unrestricted	429,780,281	442,174,390	495,067,052	248,672,705	231,715,507	166,118,857	163,922,213	144,585,830	162,220,317	134,621,584
Total net position	\$ 1,132,504,404	\$ 1,074,884,661	\$ 957,542,295	\$ 731,428,995	\$ 735,612,638	\$ 621,765,553	\$ 567,192,484	\$ 500,768,669	\$ 454,549,432	\$ 416,653,688

Unaudited - see accompanying auditor's report

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
CHANGES IN NET POSITION  
LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating Revenue</b>										
Transportation fares	\$ 8,322,755	\$ 9,269,408	\$ 7,600,093	\$ 6,465,925	\$ 8,361,017	\$ 11,903,616	\$ 12,031,326	\$ 13,455,755	\$ 14,124,211	\$ 13,594,470
Contract revenue and fares	9,241,884	9,180,105	8,323,625	7,375,983	6,519,695	9,083,445	8,968,191	8,151,879	7,286,377	6,834,345
Rail - freight	7,059,989	6,952,150	6,773,719	5,757,035	6,486,192	5,110,051	5,453,100	4,522,523	4,756,093	5,063,456
Commuter rail	-	1,474,844	1,240,214	553,480	1,587,322	3,281,916	2,589,108	2,541,925	2,656,212	3,301,561
Total operating revenue	24,624,628	26,876,507	23,937,651	20,152,423	22,954,226	29,379,028	29,041,725	28,672,082	28,822,893	28,793,832
<b>Operating Expenses</b>										
Labor/fringe benefits (1)	83,411,675	72,608,285	58,692,100	47,586,293	46,376,213	45,237,327	42,698,314	44,196,009	35,894,236	33,972,657
Professional services	44,975,615	45,897,438	35,992,774	29,696,493	23,521,469	18,360,137	19,113,196	18,619,086	19,249,051	21,697,474
Materials	34,532,549	30,611,356	16,696,190	10,951,965	13,018,975	13,696,518	14,099,827	14,564,759	16,459,622	17,141,586
Utilities	4,456,128	4,263,025	3,546,716	3,378,981	3,131,335	3,016,639	2,768,950	2,784,922	2,678,320	2,595,727
Insurance	1,018,700	646,828	407,338	2,663,563	386,174	640,414	1,279,723	517,691	681,159	2,321,705
Taxes	946,638	1,337,255	926,654	919,906	1,081,957	1,218,503	1,107,702	1,056,256	1,045,710	1,088,166
Purchased transportation (1)	226,840,171	190,781,772	165,471,303	152,615,784	165,234,291	158,795,657	152,361,385	143,514,968	145,026,467	123,661,911
Other expenses	6,835,591	6,630,379	5,398,042	4,491,803	5,561,594	4,783,567	4,537,502	3,759,197	4,385,484	2,703,674
Interest expense	-	-	-	-	-	-	252,919	369,935	480,141	589,510
Depreciation	58,931,176	57,435,473	53,183,267	51,722,672	45,204,201	46,522,354	44,010,538	39,145,873	35,561,903	33,553,776
Total operating expenses	461,948,243	410,211,811	340,314,384	304,027,460	303,516,209	292,271,116	282,230,056	268,528,696	261,462,093	239,326,186
Operating Loss	(437,323,615)	(383,335,304)	(316,376,733)	(283,875,037)	(280,561,983)	(262,892,088)	(253,188,331)	(239,856,614)	(232,639,200)	(210,532,354)
<b>Non-Operating Revenue (Expenses)</b>										
Sales and use tax	389,023,178	382,375,243	366,924,492	301,419,604	262,434,630	261,540,589	243,571,292	228,545,196	221,298,639	210,413,738
Investment income	23,551,484	18,540,504	44,378	373,750	4,440,688	5,659,749	1,990,000	1,395,002	1,386,061	54,646
Rental income	4,456,839.00	2,754,739	2,543,687	2,530,536	-	-	-	-	-	-
Other income, net	4,271,865	1,957,955	2,552,734	1,822,144	3,899,394	2,221,765	2,147,901	2,407,217	2,964,311	3,183,851
Other federal grants	24,608,243	52,294,385	202,317,534	48,474,464	117,090,152	40,798,618	53,422,347	30,797,301	29,172,453	29,944,881
Capital Contribution - Other Jurisdictions	(2,316,764)	(995,596)	(646,229)	(18,229,137)	(4,497,317)	(420,730)	(542,830)	(57,160)	-	-
Build Central Texas Program	(1,754,663)	(724,280)	(4,946,290)	(243,000)	(148,510)	(570,966)	(409,978)	(2,927,158)	(180,544)	(563,293)
Mobility interlocal agreements	(2,024,513)	(2,367,491)	(1,343,400)	(1,860,141)	(3,508,715)	(7,066,622)	(5,669,095)	(3,998,451)	(1,709,281)	(2,342,069)
Impairment of assets	(1,448,297.00)	-	(21,795,475)	-	-	-	-	-	-	-
Long-term mobility planning	-	-	(23,365,670)	(66,749,749)	(6,699,699)	(3,895,780)	-	-	-	-
Total non-operating revenue (expenses)	438,367,372	453,835,459	522,285,761	267,538,471	373,010,623	298,266,623	294,509,637	256,161,947	252,931,639	240,691,754
Income (loss) before contributions	1,043,757	70,500,155	205,909,028	(16,336,566)	92,448,640	35,374,535	41,321,306	16,305,333	20,292,439	30,159,400
Capital contributions	56,575,986	46,842,211	20,204,272	13,206,917	21,398,445	19,198,534	27,441,971	29,913,904	17,603,305	8,830,998
Change in net position	\$ 57,619,743	\$ 117,342,366	\$ 226,113,300	\$ (3,129,649)	\$ 113,847,085	\$ 54,573,069	\$ 68,763,277	\$ 46,219,237	\$ 37,895,744	\$ 38,990,398

(1) CapMetro changed its business model to one that contracted out all transit operations and collections of fares in August 2012

Unaudited - see accompanying auditor's report.



**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
REVENUE BY SOURCE  
LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenue</b>										
Operating revenue										
Transportation fares	\$ 8,322,755	\$ 9,269,408	\$ 7,600,093	\$ 6,465,925	\$ 8,361,017	\$ 11,903,616	\$ 12,031,326	\$ 13,455,755	\$ 14,124,211	\$ 13,594,470
Contract revenue and fares	9,241,884	9,180,105	8,323,625	7,375,983	6,519,695	9,083,445	8,968,191	8,151,879	7,286,377	6,834,345
Rail freight revenue	7,059,989	6,952,150	6,773,719	5,757,035	6,486,192	5,110,051	5,453,100	4,522,523	4,756,093	5,063,456
Commuter rail revenue	-	1,474,844	1,240,214	553,480	1,587,322	3,281,916	2,589,108	2,541,925	2,656,212	3,301,561
Total operating revenue	24,624,628	26,876,507	23,937,651	20,152,423	22,954,226	29,379,028	29,041,725	28,672,082	28,822,893	28,793,832
Non-operating revenue										
Sales tax	389,023,178	382,375,243	366,924,492	301,419,604	262,434,630	261,540,589	243,571,292	228,545,196	221,298,639	210,413,738
Investment income	23,551,484	18,540,504	44,378	373,750	4,440,688	5,659,749	1,990,000	1,395,002	1,386,061	54,646
Grant income and capital contributions	81,184,229	99,136,596	222,521,806	61,681,381	138,488,597	59,997,152	80,864,318	60,711,205	46,775,758	38,775,869
Other income	8,728,704	4,712,694	5,096,421	4,352,680	3,899,394	2,221,765	2,147,901	2,407,217	2,964,311	3,183,851
Total non-operating revenue	502,487,595	504,765,037	594,587,097	367,827,415	409,263,309	329,419,255	328,573,511	293,058,620	272,424,769	252,428,104
Total revenue	\$ 527,112,223	\$ 531,641,544	\$ 618,524,748	\$ 387,979,838	\$ 432,217,535	\$ 358,798,283	\$ 357,615,236	\$ 321,730,702	\$ 301,247,662	\$ 281,221,936

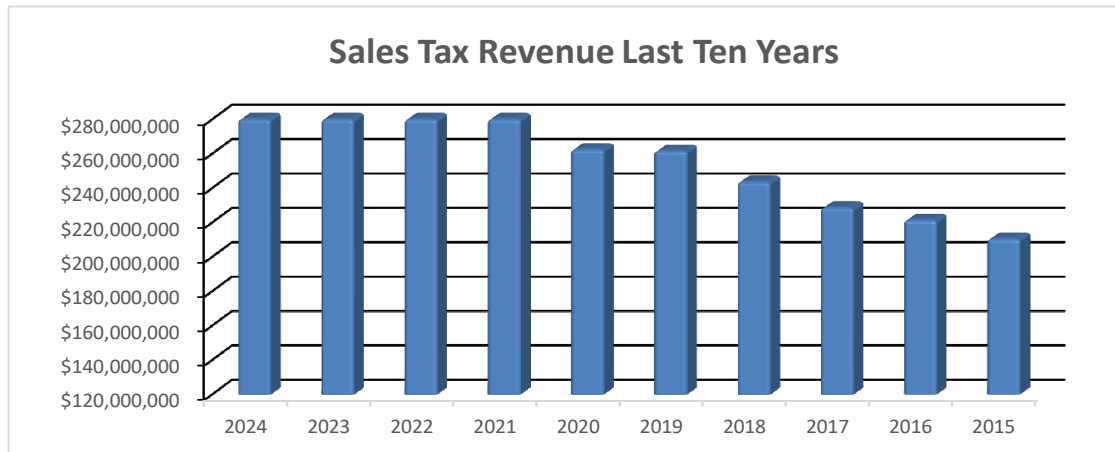
Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
SALES TAX REVENUE  
LAST TEN YEARS**

Fiscal Year	Sales Tax Revenue	Compounded Percent Change From Base Year	Percent Change From Prior Year
2024	\$389,023,178	100.7%	1.7%
2023	\$382,375,243	97.3%	4.2%
2022	\$366,924,492	89.3%	21.7%
2021	\$301,419,604	55.5%	14.9%
2020	\$262,434,630	35.4%	0.3%
2019	\$261,540,589	34.9%	7.4%
2018	\$243,571,292	25.7%	6.6%
2017	\$228,545,196	17.9%	3.3%
2016	\$221,298,639	14.2%	5.2%
2015	\$210,413,738	8.6%	8.6%

**Notes:**

- (1) Sales tax revenue accounts for 73.8% of revenue in FY 2024
- (2) Sales tax rate 1% since 1995
- (3) Base year for 2015 through 2024 is 2014



Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**  
**ESTIMATED SALES TAX RECEIPTS BY CITY**  
**LAST TEN YEARS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Austin	\$ 352,013,025	\$ 346,506,960	\$ 325,799,331	\$ 271,427,655	\$ 237,947,136	\$ 239,726,640	\$ 223,315,718	\$ 210,339,780	\$ 203,818,259	\$ 195,031,837
Leander	11,446,107	10,877,384	10,554,918	9,567,029	7,780,850	6,037,488	5,133,277	4,575,949	4,132,319	3,443,493
Manor	2,909,276	2,868,531	2,425,038	2,044,747	1,624,939	1,344,004	1,155,286	1,068,012	998,823	818,330
Lago Vista	1,185,700	1,143,658	1,037,996	900,006	731,745	528,727	478,798	443,462	413,984	371,054
Jonestown	349,366	340,104	294,891	235,000	185,860	152,737	160,874	123,936	115,269	101,117
Volente	215,286	252,216	290,777	277,932	214,248	184,213	162,702	76,700	62,279	46,538
Point Venture	116,838	109,627	101,537	87,210	97,322	65,181	59,006	57,198	42,810	37,414
Unincorporated Areas	20,787,580	19,979,584	26,710,781	17,157,957	14,066,778	13,685,812	13,268,333	11,936,859	11,714,898	10,563,956
<b>Total</b>	<b>\$ 389,023,178</b>	<b>\$ 382,078,064</b>	<b>\$ 367,215,269</b>	<b>\$ 301,697,536</b>	<b>\$ 262,648,878</b>	<b>\$ 261,724,802</b>	<b>\$ 243,733,994</b>	<b>\$ 228,621,896</b>	<b>\$ 221,298,641</b>	<b>\$ 210,413,739</b>

Source: The Comptroller of Public Accounts does not provide detailed tax receipts for MTAs by member city; therefore the numbers above are allocated based on city sales tax receipts.

Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
LONG-TERM DEBT  
LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Rail lease purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,657,979	\$ 6,504,050	\$ 9,280,618
Lease liability	4,520,831	\$ 6,677,483	\$ 6,020,790	\$ 7,275,193	-	-	-	-	-	-
Subscription liability	9,294,594	\$ 3,254,992	\$ 4,718,369	\$ -	-	-	-	-	-	-
Long-term financing	-	-	-	-	-	-	-	10,550,000	12,525,000	14,460,000
Total debt	<u>\$ 13,815,425</u>	<u>\$ 9,932,475</u>	<u>\$ 10,739,159</u>	<u>\$ 7,275,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,207,979</u>	<u>\$ 19,029,050</u>	<u>\$ 23,740,618</u>
Per capita income (MSA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,908	\$ 51,566	\$ 51,014
Total debt/per capita income	-	-	-	-	-	-	-	264	369	465

Note: Prior year statistics are subject to change as more precise numbers become available

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
DEBT - NET REVENUE COVERAGE RATIO**

	<b>Sales Tax Revenue</b>	<b>Operating Revenue</b>	<b>Operating Grants</b>	<b>Operating Expenses Net of Depreciation</b>	<b>Net Available Revenue</b>	<b>Principal Debt Payment</b>	<b>Coverage Ratio</b>
2024	\$ 389,023,178	\$ 24,624,628	\$ 24,608,243	\$ (403,017,067)	\$ 35,238,982	\$ -	-
2023	382,375,243	26,876,507	52,294,385	(352,776,338)	108,769,797	-	-
2022	366,924,492	23,937,651	202,317,534	(287,131,117)	306,048,560	-	-
2021	301,419,604	20,152,423	48,474,464	(252,304,788)	117,741,703	-	-
2020	262,434,630	22,954,226	117,090,152	(258,312,008)	144,167,000	-	-
2019	261,540,589	29,379,028	40,798,618	(245,748,762)	85,969,473	-	-
2018	243,571,292	29,041,725	53,422,347	(238,219,518)	87,815,846	14,207,979	6
2017	228,545,196	28,672,082	30,797,301	(229,382,823)	58,631,756	4,821,070	12
2016	221,298,639	28,822,893	29,172,453	(225,900,190)	53,393,795	4,711,568	11
2015	210,413,738	28,793,832	29,944,881	(205,772,410)	63,380,041	4,603,762	14

CapMetro first incurred debt in 2006 with first payment due in 2007.

Unaudited - see accompanying auditor's report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

Year	City of Austin Population (1)(5)	Population MSA (2)	Personal Income (MSA) (thousands of dollars) (2)	Per Capita Personal Income (MSA) (2)(4)	Unemployment Rate (MSA) (3)
			\$	\$	%
2024	1,054,127	2,526,214	219,406,316	86,900	3.4
2023	1,030,277	2,473,275	199,026,444	80,471	3.6
2022	1,015,470	2,421,115	181,870,848	75,119	2.8
2021	1,003,160	2,298,224	163,778,682	71,300	3.5
2020	992,631	2,235,584	150,639,599	64,913	6.3
2019	980,880	2,187,161	138,650,095	63,393	2.6
2018	963,797	2,168,316	127,439,164	58,773	2.9
2017	946,080	2,115,230	117,458,116	55,530	3.1
2016	925,491	2,062,211	107,664,294	52,208	3.3
2015	899,119	2,002,491	103,244,100	51,555	3.4

Note: Prior year statistics are subject to change as more precise numbers become available.

(1) Source: City Demographer, City of Austin, Housing and Planning Department based on full purpose area as of September 30, 2024.

(2) Source: Bureau of Economic Analysis

(3) Source: Bureau of Labor Statistics, United States Department of Labor as of September 30, 2024.

(4) Data not available for 2024. Figures are estimated.

(5) The City Demographer has restated the full-purpose population for 2020-2023.

Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
PRINCIPAL EMPLOYERS**

Fiscal Year Ended September 30

		2024				2015				
10 Largest Employers	Industry	Rank	Employees	Percent of MSA Total (1)		Rank	Employees	Percent of MSA Total (1)		
State Government	Government	1	40,460	(2)	2.97%	1	38,499		4.06%	
The University of Texas at Austin	Education	2	23,193	(3)	2.37%	2	23,131		2.44%	
HEB	Retail	3	22,955	(6)	1.69%	7	11,277		1.19%	
City of Austin	Government	4	16,195	(5)	1.19%	4	12,977		1.37%	
Ascension Seton (7)	Healthcare	5	14,842	(6)	1.09%	8	10,945		1.15%	
Federal Government	Government	6	14,700	(4)	1.08%	5	11,800		1.24%	
Dell Computer Corporation	Computers	7	13,000	(6)	0.96%	3	13,000		1.37%	
Tesla, Inc.	Manufacturing	8	12,277	(6)	0.90%	-	-		-	
St. David's Healthcare Partnership	Healthcare	9	11,484	(6)	0.84%	9	8,369		0.88%	
Amazon.com LLC	Retail	10	11,000	(6)	0.81%	-	-		-	
Austin Independent School District	Education		-		-	6	11,478		1.21%	
IBM Corporation	Computers		-		-	10	6,000		0.63%	
			180,106		13.90%				147,476	15.54%

Notes:

(1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 1,360,200 for 2023 and 948,200 for 2015.

(2) Texas State Auditor's Office: Regular and Part Time State Employees for 2024 in Bastrop, Caldwell, Hays, Travis and Williamson Counties.

(3) The University of Texas at Austin: Appointments and WD Filled Positions.

(4) Bureau of Labor Statistics Federal Government employees in Austin MSA in September 2024.

(5) 2024-25 City of Austin Approved Budget, page 760 (Personnel Summary: 2023-24 Amended column).

(6) Austin Business Journal, July 2024.

(7) Seton Healthcare Network changed their name to Ascension Seton on April 1, 2019.

Unaudited - see accompanying auditors' report

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**  
**EXPENSES BY OBJECT CLASS**  
**LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating Expenses</b>										
Labor/fringe benefits	\$ 83,411,675	\$ 72,608,285	\$ 72,608,285	\$ 58,692,100	\$ 47,586,293	\$ 46,376,213	\$ 45,237,327	\$ 42,698,314	\$ 44,196,009	\$ 35,894,236
Services	44,975,615	45,897,438	45,897,438	35,992,774	29,696,493	23,521,469	18,360,137	19,113,196	18,619,086	19,249,051
Materials	34,532,549	30,611,356	30,611,356	16,696,190	10,951,965	13,018,975	13,696,518	14,099,827	14,564,759	16,459,622
Utilities	4,456,128	4,263,025	4,263,025	3,546,716	3,378,981	3,131,335	3,016,639	2,768,950	2,784,922	2,678,320
Insurance	1,018,700	646,828	646,828	407,338	2,663,563	386,174	640,414	1,279,723	517,691	681,159
Taxes	946,638	1,337,255	1,337,255	926,654	919,906	1,081,957	1,218,503	1,107,702	1,056,256	1,045,710
Purchased transportation	226,840,171	190,781,772	190,781,772	165,471,303	152,615,784	165,234,291	158,795,657	152,361,385	143,514,968	145,026,467
Other expenses	6,835,591	6,630,379	6,630,379	5,398,042	4,491,803	5,561,594	4,783,567	4,537,502	3,759,197	4,385,484
Interest expense	-	-	-	-	-	-	-	252,919	369,935	480,141
Depreciation	58,931,176	57,435,473	57,435,473	53,183,267	51,722,672	45,204,201	46,522,354	44,010,538	39,145,873	35,561,903
Total operating expenses	\$ 461,948,243	\$ 410,211,811	\$ 410,211,811	\$ 340,314,384	\$ 304,027,460	\$ 303,516,209	\$ 292,271,116	\$ 282,230,056	\$ 268,528,696	\$ 261,462,093
<b>Non-Operating Expenses</b>										
Build Central Texas	\$ 1,754,663	\$ 724,280	\$ 724,280	\$ 4,946,290	\$ 243,000	\$ 148,510	\$ 570,966	\$ 409,978	\$ 2,927,158	\$ 180,544
Mobility programs	2,024,513	2,367,491	2,367,491	1,343,400	1,860,141	3,508,715	7,066,622	5,669,095	3,998,451	1,709,281
Long-term mobility planning	-	-	-	23,365,670	66,749,749	6,699,699	3,895,780	-	-	-
Capital contributions - other jurisdictions	2,316,764	995,596	995,596	646,229	18,229,137	4,497,317	420,730	542,830	57,160	-
Impairment of assets	1,448,297	-	-	21,795,475	-	-	-	-	-	-
Total non-operating expenses	\$ 7,544,237	\$ 4,087,367	\$ 4,087,367	\$ 52,097,064	\$ 87,082,027	\$ 14,854,241	\$ 11,954,098	\$ 6,621,903	\$ 6,982,769	\$ 1,889,825

Unaudited - see accompanying auditor's report.



**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
OPERATING STATISTICS  
LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Operating expenses</b>										
Demand response directly operated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand response-purchased transportation	80,316,180	68,750,979	50,817,846	45,082,917	41,344,741	38,949,933	40,844,729	42,199,986	40,362,921	37,772,056
Demand response taxi cab	-	-	-	-	-	-	-	-	846,445	849,406
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus-purchased transportation	2,959,865	2,997,141	2,189,464	1,759,661	4,671,770	8,828,809	7,750,079	6,379,211	5,688,832	5,019,117
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus-purchased transportation	270,158,249	237,092,610	195,545,919	160,166,036	158,612,670	164,620,099	153,795,357	145,368,852	144,263,239	134,770,798
Commuter rail-purchased transportation	33,930,801	34,283,119	31,686,568	28,286,746	22,536,132	19,319,510	23,182,822	21,743,560	24,246,860	14,779,117
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	2,372,849	2,083,444	1,801,756	1,329,255	2,385,786	2,401,218	1,143,337	1,452,639	1,273,091	2,387,524
<b>Total operating expenses**</b>	<b>\$ 389,737,944</b>	<b>\$ 345,207,293</b>	<b>\$ 282,041,553</b>	<b>\$ 236,624,615</b>	<b>\$ 229,551,099</b>	<b>\$ 234,119,569</b>	<b>\$ 226,716,324</b>	<b>\$ 217,144,248</b>	<b>\$ 216,681,388</b>	<b>\$ 195,578,018</b>
<b>Actual vehicle revenue miles</b>										
Demand response directly operated	-	-	-	-	-	-	-	-	-	-
Demand response purch. trans.	6,306,181	5,349,198	5,071,747	4,335,557	4,472,209	5,615,709	5,514,405	5,395,478	5,028,095	4,942,463
Demand response taxi cab	-	-	-	-	-	-	-	-	146,782	149,625
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	212,998	207,012	202,557	198,431	605,598	1,147,318	928,475	737,780	736,798	747,633
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	14,377,096	14,671,028	13,955,659	15,285,064	14,707,589	15,950,516	15,396,804	14,473,436	14,343,211	14,001,707
Commuter rail purch. trans.	710,943	666,249	673,363	544,815	532,347	291,066	310,272	301,020	298,379	287,997
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	3,737,687	3,086,532	2,791,038	2,464,994	3,797,043	4,416,865	4,339,303	3,747,150	3,109,432	2,241,335
<b>Total actual vehicle revenue miles</b>	<b>25,344,905</b>	<b>23,980,019</b>	<b>22,694,364</b>	<b>22,828,861</b>	<b>24,114,786</b>	<b>27,421,474</b>	<b>26,489,259</b>	<b>24,654,864</b>	<b>23,662,697</b>	<b>22,370,760</b>

\*\* Total operating expense does not include depreciation, rail freight expense, or other nonallocated expenses for NTD.  
Source: NTD report for each year

Unaudited - see accompanying auditors' report

**OPERATING STATISTICS LAST TEN YEARS, continued**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Actual vehicle revenue hours</b>									
Demand response directly operated	-	-	-	-	-	-	-	-	-
Demand response purch. trans.	416,962	402,807	397,986	414,642	404,492	385,547	396,660	382,088	367,735
Demand response taxi cab	-	-	-	-	-	-	-	6,725	7,043
Express bus directly operated	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	8,985	8,754	8,298	32,738	61,632	47,486	40,364	40,182	40,132
Motor bus directly operated	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	1,312,824	1,248,859	1,324,579	1,297,870	1,434,665	1,325,923	1,230,076	1,167,955	1,162,528
Commuter rail purch. trans.	28,388	28,976	21,925	22,117	12,393	13,157	12,725	12,536	11,976
Vanpool-directly operated	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	60,906	51,824	44,780	93,532	119,102	116,427	101,553	86,694	67,713
<b>Total actual vehicle revenue hours</b>	<b>1,828,065</b>	<b>1,741,220</b>	<b>1,797,568</b>	<b>1,860,899</b>	<b>2,032,284</b>	<b>1,888,540</b>	<b>1,781,378</b>	<b>1,696,180</b>	<b>1,657,127</b>
<b>Annual Unlinked Trips</b>									
Demand response directly operated	-	-	-	-	-	-	-	-	-
Demand response purch. trans.	914,983	748,851	487,924	550,702	706,989	694,632	650,696	656,476	647,054
Demand response taxi cab	-	-	-	-	-	-	-	25,902	28,678
Express bus directly operated	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	121,301	99,059	45,894	412,468	779,887	611,298	527,351	542,266	585,298
Motor bus directly operated	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	22,490,883	18,810,537	15,789,410	20,929,440	28,313,157	26,879,277	27,297,092	27,261,362	32,261,330
Commuter rail purch. trans.	477,322	474,354	256,982	377,703	729,508	811,242	824,704	806,331	833,195
Vanpool-directly operated	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	327,952	281,009	235,669	432,153	548,873	511,337	459,555	432,558	344,695
<b>Total actual unlinked trips</b>	<b>24,332,441</b>	<b>20,413,810</b>	<b>16,815,879</b>	<b>22,702,466</b>	<b>31,078,414</b>	<b>29,507,786</b>	<b>29,759,398</b>	<b>29,724,895</b>	<b>34,700,250</b>

Source: NTD report for each year

Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**

**CAPITAL ASSETS**

**LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Capital assets not being depreciated:										
Land and improvement	\$ 95,931,268	\$ 79,160,614	\$ 79,160,614	\$ 71,535,284	\$ 75,328,694	\$ 69,889,511	\$ 59,689,545	\$ 59,166,866	\$ 56,637,590	\$ 53,434,238
Projects in process	288,247,154	249,381,798	67,873,163	38,216,729	70,779,761	63,769,381	74,723,419	59,247,399	22,204,736	14,746,255
Total capital assets not being depreciated	384,178,422	328,542,412	147,033,777	109,752,013	146,108,455	133,658,892	134,412,964	118,414,265	78,842,326	68,180,493
Other Capital Assets:										
Building and improvements	107,342,043	94,635,225	96,456,829	96,323,337	110,184,798	105,726,911	86,079,658	84,692,633	84,264,315	86,235,633
Railroad	252,126,418	210,791,184	200,172,515	197,356,821	178,461,741	167,819,219	149,028,997	139,643,809	135,922,532	123,424,501
Buses and equipment	464,898,623	453,980,732	441,948,154	440,453,625	409,922,836	364,175,340	326,473,242	290,922,992	270,202,037	261,467,893
Passenger parking and stations	129,919,915	113,488,435	113,490,828	113,345,695	105,449,581	97,156,719	89,425,599	87,162,200	86,785,928	86,390,678
Right to use assets - leases	33,773,390	23,061,864	9,087,997	-	-	-	-	-	-	-
Right to use assets - SBITA	10,682,680	12,128,717	9,649,097	-	-	-	-	-	-	-
Leasehold improvements	391,483	391,483	391,483	391,482	352,908	-	-	-	-	-
Total other capital assets	999,134,551	908,477,640	871,196,903	847,870,960	804,371,864	734,878,189	651,007,496	602,421,634	577,174,812	557,518,705
Less: accumulated depreciation										
Building and improvements	68,743,169	65,684,212	63,552,312	60,028,429	56,681,154	52,306,025	49,040,930	46,826,275	44,721,335	43,285,522
Railroad	162,406,841	153,938,336	146,735,790	140,167,895	133,576,435	125,537,284	116,412,803	107,339,494	98,233,020	89,641,759
Buses and equipment	289,273,116	264,165,306	230,744,310	198,893,189	184,987,012	168,442,741	157,471,109	145,116,087	158,391,786	160,628,154
Passenger parking and stations	91,428,795	84,935,943	78,805,559	71,817,638	67,097,395	61,735,694	56,349,983	49,869,377	43,312,833	36,604,533
Right to use assets - leases	12,262,124	6,632,728	1,619,717	-	-	-	-	-	-	-
Right to use assets - SBITA	5,092,735	4,101,922	2,373,904	-	-	-	-	-	-	-
Leasehold improvements	353,080	274,783	196,487	118,188	41,174	-	-	-	-	-
Total accumulated depreciation	629,559,860	579,733,230	524,028,079	471,025,339	442,383,170	408,021,744	379,274,825	349,151,233	344,658,974	330,159,968
Total capital assets, net	\$ 753,753,113	\$ 657,286,822	\$ 494,202,601	\$ 486,597,634	\$ 508,097,149	\$ 460,515,337	\$ 406,145,634	\$ 371,684,666	\$ 311,358,164	\$ 295,539,230

Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
TOTAL EMPLOYEES  
LAST TEN YEARS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Employee Count</b>										
CapMetro - administration	671	646	565	579	503	495	504	463	428	443
Total Active Employees	671	646	565	579	503	495	504	463	428	443

Source: CapMetro Human Resource Department.  
Employee count includes 122, 85 and 81 part-time and temporary employees in 2022, 2023, and 2024 respectively.

Unaudited - see accompanying auditors' report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
FAREBOX RECOVERY PERCENTAGE LAST EIGHT YEARS (UNAUDITED)  
AND FARE STRUCTURE**

YEAR	PERCENTAGE	YEAR	PERCENTAGE
2017	10.4%	2021	5.7%
2018	9.9%	2022	6.0%
2019	9.9%	2023	5.6%
2020	6.5%	2024	4.4%

<b>FARE STRUCTURE</b>
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<b>FARE STRUCTURE</b>
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	<b>Local</b>	<b>Commuter</b>	<b>Paratransit<sup>1</sup></b>
	CapMetroBus, CapMetro Rapid, High Frequency Routes, UT Shuttle,	CapMetroRail and CapMetroExpress	CapMetro Access
Single Ride	\$1.25	\$3.50	\$1.75
Single Ride, Equifare <sup>2</sup>	\$1.00	\$3.00	N/A
Single Ride, Reduced <sup>3</sup>	\$0.60	\$1.75	N/A
Grades K-12 students <sup>4</sup>	FREE	FREE	FREE
Active/Reserve duty in uniform <sup>3</sup>	FREE	FREE	FREE
Active/Reserve duty no uniform <sup>3</sup>	Elig for reduced	Elig for reduced	Elig for reduced
CapMetro Employees/Family	FREE	FREE	FREE
UT/ACC Students and Faculty <sup>5</sup>	FREE	FREE	FREE
<b>Passes and Tickets</b>			
Day Pass	\$2.50	\$7.00	N/A
Day Pass, Equifare <sup>2</sup>	\$2.00	\$6.00	N/A
Day Pass, Reduced <sup>3</sup>	\$1.25	\$3.50	N/A
31-Day Pass	\$41.25	\$96.25	N/A
31-Day Pass, Equifare <sup>2</sup>	\$33.00	\$77.00	N/A
31-Day Pass, Reduced <sup>3</sup>	\$20.60	\$48.10	\$46.50
10-Ride Ticket Booklet	N/A	N/A	\$17.50

1 Paratransit Services are for individuals who, due to disability, are unable to use the fixed route system. Individuals must meet enrollment criteria.

2 Equifare is a discounted fare category for income eligible customers.

3 To be eligible for a reduced fare, the individual must be a Senior 65+ years of age, Medicare qualified, Disability qualified, or Para transit qualified. In addition, the individual is required to obtain a CapMetro issued ID in order to ride at the reduced cash fare and to purchase reduced fare passes. Active or Reserve Duty personnel in uniform ride free. Active or Reserve Duty Military personnel not in uniform are eligible to pay a reduced fare, but must present a valid military ID and/or a reduced fare ID.

4 Children in grades K through 12 ride for free and need to present their student IDs to the operator.

5 University of Texas and Austin Community College have agreements with CapMetro to pay for student and faculty fares. Students and faculty are required to swipe their UT ID and ACC pass to ride fixed route services and must present their ID or pass upon request when riding CapMetroRail services.

Upon meeting certain requirements, passes are available at a discount to qualified non-profit agencies. An enrollment process is required.

Unaudited - see accompanying auditors' report.