

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended September 30, 2025 and 2024

CapMetro



CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
AUSTIN, TEXAS

Prepared by the Finance Department

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Capital Metropolitan Transportation Authority

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CapMetro

Annual Comprehensive Financial Report
Introductory Section



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March 30, 2026

To the Board of Directors and Citizens of Capital Metropolitan Transportation Authority:

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, 2025.

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 549-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 2025 (FY2025), CapMetro provided a total of 26 million rides on the agency's buses, trains and vans, an increase of 0.4% over the previous year.

With a fleet of 479 buses, including 104 electric buses, we provide CapMetro Bus, Rapid and Express bus service, as well as service to the University of Texas at Austin. We also use 78 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.

FY2025 saw growth and a continued commitment to empowering the communities we serve with safe and reliable transportation options. CapMetro celebrates 40 years of Service and successfully launched Strategic Plan 2030. Strategic Plan 2030 is CapMetro's organizational blueprint for the next five years and our internal roadmap for how we build and sustain the organizational capacity to deliver excellence. The plan centers on four Critical Results: Reliable and Secure Service, Increased Ridership, Fiscal Responsibility, and Regional Significance. We are pursuing the 18 bold actions outlined in the plan, focusing on Customer, Community, Workforce, and Organizational Effectiveness.

CapMetro maintains our existing service hours to protect the transit service our customers depend on. This commitment remains our top priority and demonstrates our dedication to the communities we serve. The Transit Police Department will continue growing with additional officers joining our comprehensive public safety approach alongside our Community Intervention Specialists and Public Safety Ambassadors.

Since 2022, CapMetro has invested over \$20.3 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 FY2025, 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 Demand Response North 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 also includes a new central warehouse serving the needs of the entire agency. Our new Headquarters at 3100 E 5th Street is expected to be completed by September 2026.

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 related 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 Access (our paratransit service).

Our service partners during FY2025 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, and staffing levels have increased steadily during FY2025.

The agency's award-winning wellness program includes three 24-hour fitness centers, personal training, nutrition counseling, and healthy cafeteria options, among other benefits.

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

Our agreements with service partners 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 an overview of 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 our website (capmetro.org) that is accessible for public use. Our award-winning dashboards, powered by the

Enterprise Data Analytics Platform team (EDAP), make the agency's ridership, operational, safety and financial performance levels accessible to the public in unprecedented detail.

In preparation for fiscal year 2026, CapMetro completed a long-range agency vision exercise, which included interviews with CapMetro's Board and external stakeholders and partners, as well as workshops and interviews with internal departments and leadership. The resulting board-approved document, CapMetro Strategic Plan 2030, aligns the agency's actions, plans, programs, and services with CapMetro's mission and vision.

Local Economic Outlook

Austin-Round Rock topped the 2025 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 seventh 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.

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 governments outside CapMetro's service area, and within the urbanized area, through interlocal agreements to provide much-needed transit options to some of the fastest growing areas in the region, including Lago Vista, Williamson County, and areas of unincorporated 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 provides 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 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. CapMetro has continued to achieve this prestigious award. 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 1st 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 have been accomplished without the dedicated service of Accounting staff members. CapMetro also thanks its board of directors for their continuing support, and the customers and taxpayers for whom we work.

Respectfully submitted,

E-SIGNED by Dottie Watkins
on 2026-03-30 13:14:43 GMT

Dottie Watkins
CapMetro President & Chief Executive Officer

E-SIGNED by Kevin Conlan
on 2026-03-30 13:14:04 GMT

Kevin Conlan
CapMetro EVP, Chief Financial Officer



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, 2024

Christopher P. Morill

Executive Director/CEO

**Capital Metropolitan Transportation Authority
Executive Leadership, March 2026**

BOARD OF DIRECTORS APPOINTING BODY

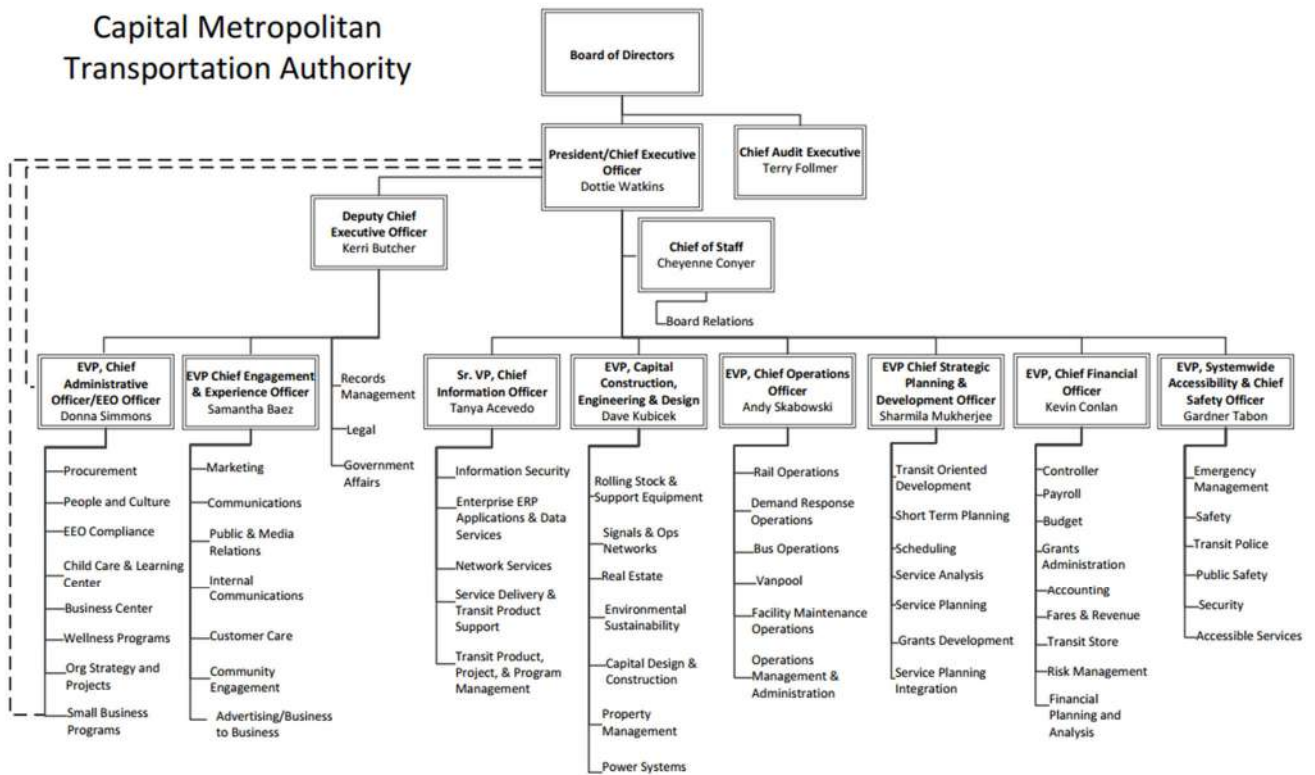
Jeffery Travillion, Chair	Travis County
Page Ellis, Vice Chair	City of Austin
Becki Ross, Secretary	Small Cities
Dianne Bangle	Capital Area Metropolitan Planning Organization
William M. "Matt" Harriss	Capital Area Metropolitan Planning Organization
Zohaib "Zo" Qadri	Capital Area Metropolitan Planning Organization
Chito Vela	City of Austin
Eric Stratton	Williamson County

ADMINISTRATION

Dottie Watkins	President/Chief Executive Officer
Kerri Butcher	Deputy Chief Executive Officer
Kevin Conlan	Executive Vice President, Chief Financial 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 2026

Capital Metropolitan Transportation Authority



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CapMetro

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 the fiduciary activities of Capital Metropolitan Transportation Authority (the Authority), as of and for the years ended September 30, 2025 and 2024, 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, 2025 and 2024, 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 GAAS, 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 30, 2026

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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, 2025, 2024, and 2023. 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 \$1,197.2 million as of September 30, 2025, increased 5.7% from \$1,132.5 million as of September 30, 2024 and increased 5.4% from \$1,074.8 million as of September 30, 2023 (Table A-1).
- Sales tax revenue was \$393.9 million, \$389.0 million and \$382.4 million in FY2025, FY2024, and FY2023, respectively. Transportation fare revenue was \$7.8 million, \$8.3 million, and \$10.7 million in FY2025, FY2024, and FY2023, respectively. Rail freight revenue was \$6.9 million, \$7.1 million, and \$7.0 million in FY2025, FY2024, and FY2023, respectively. (Table A-2).
- Operating expenses (including depreciation) were \$506.4 million, \$461.9 million and \$410.2 million in FY2025, FY2024, and FY2023, respectively. (Table A-3).
- Capital assets (net of depreciation) were \$823.7 million, \$753.7 million and \$657.3 million in FY2025, FY2024, and FY2023, respectively. (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) required supplementary information and other supplementary information.

The Statements of Net Position report 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 comprised 67.0% of all revenues in FY2025, and 73.9% of all revenues in FY2024, 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. The operating expenses presented include purchased transportation, salary and wages, professional services, employee benefits, materials and supplies-fuel and fluid, leases, utilities casualty and material and supplies-other. Non-operating expenses include Mobility programs and transit improvements-other jurisdictions funding in accordance with Interlocal Agreement with City of Austin to fund projects via the Quarter Cent sales tax in the amount of \$0.6 million, plus other City of Austin owned projects in the amount of \$2.9 million and \$1.5 million in grant reimbursements made to subrecipients of federal awards to provide services to seniors and individuals with disabilities for a total of \$5.0 million reflected under mobility program and transit improvements-other jurisdictions.

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 in FY2025 by \$64.7 million from \$1,132.5 million in FY2024, primarily due to the nonoperating revenues of \$492.9 million, plus capital contributions of \$53.8 million, partially offset by operating expenses. The total net position in FY2024 increased by \$57.7 million from \$1,074.8 million in FY2023, primarily due to non-operating revenue in the amount of \$438.4 million plus capital contributions of \$56.6 million. Significant changes in non-operating activities include (1) sales and use tax revenue increase by \$4.9 million in FY2025 over FY2024; an increase of \$6.6 million in FY2024 over FY2023 (2) a one-time charge of \$10.4 million for projects discontinued in FY2025 and (3) other federal grants of \$84.7 million, \$24.6 million and \$52.3 million in FY2025, FY2024 and FY2023, respectively.

The total change in net position of CapMetro is \$64.8 million, \$57.7 million, and \$117.3 million in FY2025, FY2024, and FY2023, respectively. The increase in net position in FY2025 over FY2024 is attributable to non-operating revenue noted above. Continued improvement in sales and use tax revenue and grant revenues offset by increased operating expense.

Total assets and deferred outflows increased by 4.9% in FY2025 at \$1,467.7 million compared to \$1,398.6 million in FY2024. Total assets and deferred outflows increased by 6.6% in FY2024 at \$1,398.6 million compared to \$1,312.2 million in FY2023. Capital assets, net of depreciation increased in FY2025 by 9.3% over FY2024 and increased in FY2024 by 14.7% over FY2023. The capital asset additions were partially offset by depreciation and amortization expenses of \$75.9 million, \$58.9 million and \$57.4 million in FY2025, FY2024 and FY2023, respectively.

Total liabilities and deferred inflows increased by 1.5% in FY2025 to \$270.5 million from \$266.1 million in FY2024 related to a slight increase in accrued expense partially offset by decrease in deferred inflows related to pensions and lease receivable. Total liabilities and deferred inflows increased by 12.1% in FY2024 to \$266.1 million from \$237.4 million in FY2023 related to increases in both accrued expense and retainage.

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

	FY 2025	FY 2024	FY 2023
Current assets	\$ 440.5	\$ 511.2	\$ 492.7
Capital assets, net	823.7	753.7	657.3
Other noncurrent assets	192.7	117.4	142.4
Total assets	<u>\$ 1,456.9</u>	<u>\$ 1,382.3</u>	<u>\$ 1,292.4</u>
Deferred outflow of resources	<u>\$ 10.8</u>	<u>\$ 16.3</u>	<u>\$ 19.8</u>
Current liabilities	\$ 127.1	\$ 122.2	\$ 85.3
Long-term liabilities	65.6	62.7	63.5
Total liabilities	<u>\$ 192.7</u>	<u>\$ 184.9</u>	<u>\$ 148.8</u>
Deferred inflows of resources	<u>\$ 77.8</u>	<u>\$ 81.2</u>	<u>\$ 88.6</u>
Net position			
Net investment in capital assets	\$ 772.4	\$ 702.7	\$ 632.7
Unrestricted	424.8	429.8	442.1
Total net position	<u>\$ 1,197.2</u>	<u>\$ 1,132.5</u>	<u>\$ 1,074.8</u>

Certain unrestricted assets are designated through the Authority's board of directors' directive for specific uses. As of September 30, 2025, the CapMetro Board has designations of \$67.2 million for a statutory operating reserve, \$33.6 million for a budget stabilization reserve, \$14.6 million for a capital project reserve, \$9.2 million for budgetary operating contingency, and \$2.2 million for self-insurance.

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 \$100.6 million and \$264.6 million as of September 30, 2025 and 2024, respectively. CapMetro has also executed significant purchased transportation contracts with various goods and services providers totaling \$552.8 million extending to December 2029. 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 FY2025 was an increase of \$64.7 million or 5.7% of beginning net position and is the result of an increase in operating grants drawn. 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.

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

	FY 2025	FY 2024	FY 2023
Operating revenue:			
Transportation fares	\$ 7.8	\$ 8.3	\$ 10.7
Contract fare revenue	9.7	9.2	9.2
Rail—freight	6.9	7.1	7.0
Total operating revenue	<u>24.4</u>	<u>24.6</u>	<u>26.9</u>
Operating expenses:			
Purchased transportation	240.4	226.8	192.0
Depreciation and amortization	75.9	58.9	57.4
Salary and wages	58.1	55.4	45.6
Professional services	47.7	45.0	45.9
Employee benefits	30.6	28.0	27.0
Materials and supplies - fuel and fluid	16.3	15.9	14.3
Leases	2.8	2.6	2.1
Other	2.5	4.2	3.3
Utilities	5.4	4.5	4.3
Casualty and liability	1.4	1.0	0.6
Materials and supplies - other	25.3	19.6	17.7
Total operating expenses	<u>506.4</u>	<u>461.9</u>	<u>410.2</u>
Operating loss	<u>(482.0)</u>	<u>(437.3)</u>	<u>(383.3)</u>
Non-operating revenue (expenses):			
Sales and use tax revenue	393.9	389.0	382.4
Investment income	21.0	23.5	18.5
Rental income	4.7	4.5	2.7
Other income, net	5.2	4.3	2.0
Other federal grants	84.7	24.6	52.3
Asset disposal and other expenses	(10.4)	(1.4)	-
Build Central Texas Program	(1.2)	(1.8)	(0.7)
Mobility programs and transit improvements-other jurisdictions	(5.0)	(4.3)	(3.4)
Total non-operating revenue (expenses)	<u>492.9</u>	<u>438.4</u>	<u>453.8</u>
Income before contributions	10.9	1.1	70.5
Capital contributions	<u>53.8</u>	<u>56.6</u>	<u>46.8</u>
Change in net position	64.7	57.7	117.3
Total net position, beginning of the year	<u>1,132.5</u>	<u>1,074.8</u>	<u>957.5</u>
Total net position, end of the year	<u>\$ 1,197.2</u>	<u>\$ 1,132.5</u>	<u>\$ 1,074.8</u>

Operating Revenue

FY2025 operating revenue, which includes transportation service, contract revenue, and rail freight totaled \$24.4 million compared to \$24.6 million for FY2024, representing relatively stable operating revenue year over year. The FY2024 operating revenue decreased by 8.6% from \$26.9 million in FY2023 due to implementation of the unhoused fare program, a fare capping initiative, and performance issue with the fare validation system.

Operating Expenses

FY2025 operating expenses increased by 9.6% to \$506.4 million compared to \$461.9 million in FY2024 due primarily to increases in purchased transportation, depreciation, and consumption of parts inventory related to vehicles. 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 purchased transportation expenses of \$34.8 million in FY2024 with additional increase in salary and wages of \$9.8 million.

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

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>
Purchased transportation	\$ 240.4	\$ 226.8	\$ 192.0
Depreciation and amortization	75.9	58.9	57.4
Salary and wages	58.1	55.4	45.6
Professional services	47.7	45.0	45.9
Employee benefits	30.6	28.0	27.0
Materials and supplies - fuel and fluid	16.3	15.9	14.3
Leases	2.8	2.6	2.1
Other	2.5	4.2	3.3
Utilities	5.4	4.5	4.3
Casualty and liability	1.4	1.0	0.6
Materials and supplies - other	25.3	19.6	17.7
Total operating expenses	<u>\$ 506.4</u>	<u>\$ 461.9</u>	<u>\$ 410.2</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 has risen in each of the last three years due to a continued robust economy in the Austin area. Sales tax revenue was \$393.9 million, \$389.0 million and \$382.4 million in FY2025, FY2024 and FY2023, respectively.

Investment income was \$21.0 million, \$23.5 million, and \$18.5 million in FY2025, FY2024 and FY2023, respectively. FY2025 investment income decreased by \$2.6 million primarily due to lower average investment balances and declining short-term interest rates in investment pools such as TexasTERM, TexasDaily and TexasDaily Select compared to FY2024. 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 2025 and 2024.

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 FY2025 were \$138.6 million of which \$11.4 million are related to CapMetro Rapid and CapMetro Rail Red Line contributions from the Austin Transit Partnership. Total federal and state grant revenue and capital contributions in FY2024 were \$81.2 million of which \$15.8 million are related to CapMetro Rapid and CapMetro Rail Red Line contributions from the Austin Transit Partnership. Total federal and state grant revenue and capital contributions in FY2023 were \$99.1 million of which \$77.2 million are related to federal and state awards and \$21.9 million are CapMetro Rapid and Redline contributions from the Austin Transit Partnership. The Grants used for CapMetro’s capital improvement program totaled \$41.6 million, \$40.3 million, and \$24.9 million in FY2025, FY2024 and FY2023, respectively.

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

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>
Sales and use tax	\$ 393.9	\$ 389.0	\$ 382.4
Other federal grants	84.7	24.6	52.3
Rental income	4.7	4.5	2.7
Other income, net	5.2	4.3	2.0
Investment income	21.0	23.5	18.5
Asset disposal and other expenses	(10.4)	(1.4)	-
Build Central Texas Program	(1.2)	(1.8)	(0.7)
Transit improvements - other jurisdictions	(2.9)	(2.3)	(1.0)
Mobility interlocal agreements	(2.1)	(2.0)	(2.4)
Total net non-operating revenue	<u>\$ 492.9</u>	<u>\$ 438.4</u>	<u>\$ 453.8</u>

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 were \$823.7 million, \$753.7 million and \$657.3 million in FY2025, FY2024 and FY2023, respectively. The increases in 2025 and 2024 is primarily due to the continuing effort of its bus electrification infrastructure, CapMetro Rapid, build out of administrative office, and capitalization impacts of GASB 87 and GASB 96. For more detailed information on capital assets, see Note 11 of the financial statements.

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

	FY 2025	FY 2024	FY 2023
Building and improvements	\$ 121.0	\$ 107.3	\$ 94.6
Leasehold improvement	2.3	0.4	0.4
Right-to-use asset	58.7	44.6	35.2
Railroad	252.6	252.1	210.8
Buses and equipment	545.9	464.6	454.0
Passenger parking and stations	178.7	130.2	113.4
	<u>1,159.2</u>	<u>999.2</u>	<u>908.4</u>
Less accumulated depreciation	(693.4)	(629.6)	(579.7)
Net depreciable property/improvements	465.8	369.6	328.7
Land and improvements	109.6	95.9	79.2
Projects in progress	248.3	288.3	249.4
Capital assets, net	<u>\$ 823.7</u>	<u>\$ 753.8</u>	<u>\$ 657.3</u>

Long term liabilities

As of September 30, 2025, and 2024, CapMetro has approximately \$76.3 million and \$73.3 million in total long-term liabilities. The balances consist of lease and subscription liability of \$27.9 million in FY 2025 compared to \$18.4 million in FY2024 and total OPEB and net pension liabilities of \$38.1 million in FY2025 compared to \$45.3 million in FY2024. For additional information on long-term debt see Note 7.

Economic Factors and Outlook for FY2026

CapMetro’s adopted FY2026 budget totaled \$561.8 million in revenue, \$442.4 million in operating expenses, \$155.0 million for new capital expenditures, \$21.8 million for contribution to the Austin Transit Partnership and \$5.9 million for Regional Mobility programs. FY2026 sales tax revenue is budgeted at a 0.9% decrease from the FY2025 budget due to flattening sales tax trends. FY2026 budgeted operating expenses are projected to decrease 1.2% from the FY2025 budget. Management anticipates that its existing resources will be adequate to satisfy its liquidity requirements for FY2026.

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 5th Street, Austin, Texas 78702, e-mail at accounting@capmetro.org.

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Capital Metropolitan Transportation Authority
Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 94,108,732	\$ 210,001,277
Investments	242,258,126	212,243,784
Due from Federal and other governments	6,942,652	373,425
Fuel hedge asset	2,439,712	1,286,992
Materials and supplies inventory	14,778,725	13,452,970
Prepaid transit expense and other	2,256,488	2,243,940
Intergovernmental receivables – Project Connect	4,989,750	2,559,814
Other receivables, net	4,701,152	3,465,913
Sales and use taxes receivable	66,731,316	64,287,783
Lease receivables, net	1,281,473	1,191,150
Total current assets	440,488,126	511,107,048
Non-current assets:		
Cash and cash equivalents – designated for system expansion	52,263,502	-
Investments – designated for system expansion	67,791,969	43,475,222
Capital assets:		
Land and improvements	109,621,226	95,931,268
Depreciable capital assets, net of depreciation	428,391,608	342,473,476
Projects in process	248,350,073	288,247,155
Leases, land and buildings, net of depreciation	8,688,072	5,589,944
Subscription right-to-use asset, net of depreciation	28,666,007	21,511,268
Lease receivables	72,657,491	73,938,964
Total non-current assets	1,016,429,948	871,167,297
Total assets	1,456,918,074	1,382,274,345
Deferred outflow of resources – fuel hedge	-	571,801
Deferred outflow of resources – OPEB	651,414	702,512
Deferred outflow of resources – pension plan	10,159,735	15,070,476
Total deferred outflows of resources	10,811,149	16,344,789
Total assets and deferred outflows of resources	\$ 1,467,729,223	\$ 1,398,619,134

(Continued)

Capital Metropolitan Transportation Authority
Statements of Net Position
September 30, 2025 and 2024
(continued)

	2025	2024
Liabilities		
Current liabilities:		
Accounts payable	\$ 24,873,508	\$ 15,992,407
Accrued expenses	81,232,565	85,928,050
Benefits payable	1,050,397	767,095
Accrued salary and wages	3,210,684	2,973,780
Accrued sick and vacation	4,372,944	5,835,633
Lease liability	1,385,519	1,358,365
Subscription liability	4,896,576	3,328,978
Retainage	5,403,379	5,026,220
Unearned revenue	630,312	1,034,122
Total current liabilities	127,055,884	122,244,650
Long-term liabilities:		
Accrued sick and vacation	5,745,650	3,689,585
Other post employment benefit liability	3,646,731	3,690,755
Lease liability	7,690,608	4,520,831
Subscription liability	14,076,868	9,294,594
Pension liability	34,439,404	41,520,965
Total long-term liabilities	65,599,261	62,716,730
Total liabilities	192,655,145	184,961,380
Deferred inflow of resources – OPEB	2,576,557	2,256,863
Deferred inflow of resources – fuel hedge	737,192	-
Deferred inflow of resources – pension plan	3,879,132	6,223,371
Deferred inflow – lease receivable	70,636,343	72,673,116
Total deferred inflows of resources	77,829,224	81,153,350
Total liabilities and deferred inflow of resources	270,484,369	266,114,730
Net position:		
Net investment in capital assets	772,482,407	702,724,123
Unrestricted	424,762,447	429,780,281
Total net position	\$ 1,197,244,854	\$ 1,132,504,404

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, 2025 and 2024

	2025	2024
Operating revenue:		
Transportation fares	\$ 7,843,200	\$ 8,322,755
Contract revenue	9,741,191	9,241,884
Rail – freight	6,860,738	7,059,989
Total operating revenue	24,445,129	24,624,628
Operating expenses:		
Purchased transportation	240,399,306	226,840,171
Depreciation and amortization	75,907,030	58,931,176
Salary and wages	58,052,127	55,427,980
Professional services	47,708,562	44,975,615
Employee benefits	30,620,721	27,983,695
Fuel and fluid	16,335,878	15,864,155
Leases	2,844,410	2,585,339
Other	2,485,723	4,250,252
Utilities	5,377,667	4,456,128
Casualty and liability	1,386,306	1,018,700
Materials and supplies	25,317,639	19,615,032
Total operating expenses	506,435,369	461,948,243
Operating loss	(481,990,240)	(437,323,615)
Non-operating revenue (expenses):		
Sales and use tax revenue	393,856,757	389,023,178
Other federal grants	84,683,340	24,608,243
Rental income	4,680,223	4,456,839
Other income, net	5,191,825	4,271,865
Investment income	20,994,843	23,551,484
Asset disposal and other expenses	(10,412,779)	(1,448,297)
Build Central Texas Program	(1,160,348)	(1,754,663)
Transit improvements – other jurisdictions	(2,925,460)	(2,316,764)
Mobility interlocal agreements	(2,028,562)	(2,024,513)
Total non-operating revenue (expenses)	492,879,839	438,367,372
Increase in net position before capital contributions	10,889,599	1,043,757
Federal grants and other capital contributions	53,850,851	56,575,986
Change in net position	64,740,450	57,619,743
Net position at the beginning of year	1,132,504,404	1,074,884,661
Net position at the end of year	\$ 1,197,244,854	\$ 1,132,504,404

See notes to the financial statements.

Capital Metropolitan Transportation Authority
Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Receipts from customers	\$ 23,272,364	\$ 30,610,440
Payments to employees	(69,800,899)	(66,848,600)
Payments to purchased transportation service providers	(238,771,051)	(222,027,749)
Payments to suppliers of goods and services	(113,075,914)	(109,650,191)
Net cash used in operating activities	(398,375,500)	(367,916,100)
Cash flows from non-capital financing activities:		
Sales and use tax	391,413,224	388,564,300
Cash/proceeds received from operating grants	84,529,930	25,487,514
Cash/proceeds received from rental and other revenue	7,066,304	7,454,262
Payments to other jurisdictions	(2,925,460)	(2,316,764)
Payments for Build Central Texas Program	(1,160,348)	(1,754,663)
Payments for mobility projects	(2,028,549)	(2,024,513)
Net cash provided by non-capital financing activities	476,895,101	415,410,136
Cash flows from capital and related financing activities:		
Proceeds from capital grants and other capital contributions	44,601,289	112,714,986
Purchase of capital assets	(153,535,928)	(130,132,473)
Net cash used in capital and related financing activities	(108,934,639)	(17,417,487)
Cash flows from investing activities:		
Purchase of investments	(335,810,322)	(362,590,386)
Sale of investments	281,898,359	344,768,829
Net investment income	20,697,958	21,911,767
Net cash (used in) provided by investing activities	(33,214,005)	4,090,210
Net change in cash and cash equivalents	(63,629,043)	34,166,759
Cash and cash equivalents at beginning of year	210,001,277	175,834,518
Cash and cash equivalents at the end of the year	\$ 146,372,234	\$ 210,001,277
Cash and cash equivalents at the end of the year:		
Unrestricted noncurrent	\$ 52,263,502	\$ -
Unrestricted current	94,108,732	210,001,277
	\$ 146,372,234	\$ 210,001,277

See notes to the financial statements.

Capital Metropolitan Transportation Authority
Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024
(Continued)

	2025	2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (481,990,240)	\$ (437,323,615)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	75,907,030	58,931,176
Changes in assets and liabilities:		
Other receivables	(1,235,239)	5,987,946
Materials and supply inventory, net	(1,325,755)	(1,798,861)
Fuel hedge asset	(1,152,720)	481,690
Other assets	(12,548)	(1,698,542)
Accounts payable	8,881,101	5,681,892
Accrued liability and expenses	4,176,395	7,650,319
Other liabilities	1,365,972	990,326
Deferred outflows – pension	4,910,741	4,143,467
Deferred inflows – pension	(2,344,239)	(3,508,583)
Deferred outflows – OPEB	51,098	(80,020)
Deferred inflows – OPEB	319,694	548,921
Net pension liability	(7,081,561)	(5,132,807)
Total OPEB liability	(154,223)	(80,317)
Deferred outflows/inflows fuel hedge	1,308,994	(2,709,092)
Net cash used in operating activities	\$ (398,375,500)	\$ (367,916,100)
Supplemental cash flow information:		
Capital asset acquisition included in accounts payable, accrued expenses and retainage	\$ 18,508,000	\$ 23,540,000
Acquisition of capital assets through lease and subscription contracts	17,760,363	13,230,124

See notes to the financial statements.

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

	Pension Trust Funds 2024	Pension Trust Funds 2023
Assets		
Cash	\$ 90,107	\$ 521,728
Receivables:		
Accrued interest and other dividends	7,616	7,616
Investment trades pending receivable	180,199	-
Total receivables	187,815	7,616
Investments:		
Corporate bonds and other	2,071,569	2,087,048
Government securities and U.S. Treasury Notes	6,550,335	6,381,271
Common stock	-	2,454,109
Group fixed annuity	137,700	1,523,442
Mutual funds	94,183,973	80,996,288
Money market funds	6,695,851	1,858,563
Total investments	109,639,428	95,300,721
Total assets	109,917,350	95,830,065
Liabilities		
Accounts payable	65,188	46,877
Investment trades pending payable	64,609	521,728
Total liabilities	129,797	568,605
Net Position		
Restricted for pensions	\$ 109,787,553	\$ 95,261,460

See notes to the financial statements.

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

	Pension Trust Funds 2024	Pension Trust Funds 2023
Additions		
Contributions:		
Employer	\$ 10,550,275	\$ 8,449,996
Total contributions	10,550,275	8,449,996
Investment earnings (loss):		
Interest and dividend income	7,368,861	8,505,355
Net appreciation (depreciation) in fair value of investments	4,183,607	4,358,301
Total investment earnings (loss)	11,552,468	12,863,656
Less investment expenses:		
Investment expenses	166,166	160,860
Net investment earnings (loss)	11,386,302	12,702,796
Total additions (deductions) - net	21,936,577	21,152,792
Deductions		
Benefit payments	7,106,185	7,225,823
Administrative expenses	304,299	324,546
Total deductions	7,410,484	7,550,369
Net increase (decrease) in fiduciary net position	14,526,093	13,602,423
Net position restricted for pensions, at beginning of year	95,261,460	81,659,037
Net position restricted for pensions, at ending of year	\$ 109,787,553	\$ 95,261,460

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 services 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. 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 fiduciary funds are accounted for using the flow of economic resources measurement focus. All 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 as an expense.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position – Net position on the Statements of Net Position includes 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 primarily of the 1% sales tax levied within the CapMetro’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, improved 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 is 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 Texas Comptroller of Public Accounts which reports when the underlying transaction occurred. Sales tax revenues account for approximately 67% of revenues in FY2025 and 74% in FY2024.

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

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 – CapMetro has various agreements with the local University, Community College, City of Austin and local area organizations that allow for recovery of agreed-upon ridership fees. 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 the specific identification method when management believes the receivable will not be recovered. As of September 30, 2025 and 2024, management determined net accounts receivable to be fully collectible.

Sales tax receivable - Sales tax receivable is recorded based on information provided by the Texas Comptroller of Public Accounts which reports when the underlying transaction occurred and is generally two months in arrears.

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, 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:

	<u>Estimated Useful Lives</u>
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
Right of use assets	2-35 years
Leasehold improvements, office furniture and fixtures	5 years

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’s useful lives are capitalized, and maintenance and repair costs are charged to operations as incurred.

Leases and Subscription-Based Information Technology Arrangements (SBITAs) – CapMetro 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.

For both SBITAs and leases as a lessee, CapMetro 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 reports 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.

As a lessor, CapMetro 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 occurs 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. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

As a lessor, for lease contracts that are short-term, CapMetro 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 an element of fuel expense. CapMetro maintains a futures account with a futures 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 through time and at the appropriate times 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 be reflected as a component of diesel expense. Futures contracts will be held to maturity. The contracts are exited when the corresponding fuel is purchased. 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 – GASB Statement No. 101, *Compensated Absences*, is a new statement that has been adopted by CapMetro. The statement clarifies the recognition and measurement of guidance for compensated absences. CapMetro adopted the requirements of this standard which recognizes a liability for compensated absences for leave that (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. CapMetro has adopted a LIFO flows assumption which aligns with how compensated absences are likely to be paid/settled.

For types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees in any reporting period (holiday, parental leave, military leave, and jury duty), a liability is not recognized until the leave commences.

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 \$5.4 million and \$5.2 million as of September 30, 2025 and 2024, 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, 2025 and 2024, in the amount of \$4.6 million and \$4.2 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.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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, 2025 and 2024.

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 FY2025 and 2024, 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 matters. 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 – For the year ended September 30, 2025, CapMetro adopted the following GASB Statement.

- GASB Statement No. 101, *Compensated Absences*, clarifies the recognition and measurement of 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. This standard is a retroactive implementation for the earliest year presented in the financial statements. Management has applied the new methodology, concluded there was no material impact to the October 1, 2023 amount previously presented, and therefore it has not restated these amounts. Additional disclosures around the requirements of the new standard have been included in Note 1.

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. Management has evaluated the requirements of the Statement and determined that no concentrations or constraints exist that meet the criteria for disclosure.

GASB Statements issued and not adopted as of September 30, 2025:

- 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.
- GASB Statement No. 105, *Subsequent Events*, improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

CapMetro has not yet determined the effect these Statements will have on the financial statements.

Subsequent Events – CapMetro has performed an evaluation of subsequent events through March 30, 2026, which is the date the financial statements were available to be issued, noting no material subsequent events that require disclosure.

2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS

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

	<u>2025</u>	<u>2024</u>
	Carrying Amount	Carrying Amount
TexasDAILY and Texas DAILY Select (investment pool)	\$ 139,754,145	\$ 205,286,508
Concentration account and other deposits	8,679,902	7,773,201
Less: Outstanding reconciling items	(2,061,813)	(3,058,432)
Total cash and cash equivalents	<u>\$ 146,372,234</u>	<u>\$ 210,001,277</u>

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 is 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.

2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

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.

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 disposal of securities or determination of its net asset value is not reasonably practical. TexasDAILY and TexasDAILY Select is rated AAAMmf by Fitch Ratings. As of September 30, 2025 and 2024, CapMetro's investment in TexasDAILY and TexasDAILY Select was \$139,754,145 and \$205,286,508, respectively.

TexasTERM is a fixed-rate, fixed-term portfolio, rated AA Af 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 \$212,500,000 as of September 30, 2025 and \$189,000,000 as of September 30, 2024.

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, 2025, CapMetro's investment was \$51,397,531 in U.S. Treasury Notes, \$31,404,103 in Federal Agency Notes and \$14,748,461 in 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 \$7,220,298 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.

2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

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.

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 2025			
	Less Than 180 Days	From 181 Days to 360 Days	From 1 to 3 Years	Total
Investments:				
Commercial paper	\$ 11,225,830	\$ 3,522,631	\$ -	\$ 14,748,461
Federal agency notes	6,452,897	8,339,299	16,611,907	31,404,103
U.S. Treasury notes	-	9,774,841	41,622,690	51,397,531
TexasTERM	112,500,000	100,000,000	-	212,500,000
Total investments	<u>\$ 130,178,727</u>	<u>\$ 121,636,771</u>	<u>\$ 58,234,597</u>	<u>\$ 310,050,095</u>
	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>

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 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 (* investments explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality):

	2025		2024	
	Carrying Value	Rating	Carrying Value	Rating
Cash and cash equivalents:				
TexasDAILY and TexasDAILY Select	\$ 139,754,145	AAAmf	\$ 205,286,508	AAAm
Outstanding deposits and reconciling item	6,618,089		4,714,769	
	<u>\$ 146,372,234</u>		<u>\$ 210,001,277</u>	
Investments:				
Commercial paper	\$ 8,211,916	A-1	\$ 5,523,933	A-1
Commercial paper	6,536,545	A-1+	1,696,365	A-1+
Federal agency notes	31,404,103	AA+	38,165,989	AA+
U.S. Treasury notes	51,397,531	*	21,332,719	*
TexasTERM	212,500,000	AAAf	189,000,000	AAAf
Total investments	<u>\$ 310,050,095</u>		<u>\$ 255,719,006</u>	

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, 2025 and 2024, 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 invest in money market investments of high quality and low risk with the objective of capital preservation. As of September 30, 2025 and 2024, 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:

	2025			
	Fair Value	Level 1	Level 2	Level 3
Investments:				
Commercial paper	\$ 14,748,461	\$ -	\$ 14,748,461	\$ -
Federal agency notes	31,404,103	-	31,404,103	-
U.S. Treasury notes	51,397,531	-	51,397,531	-
Total	<u>\$ 97,550,095</u>	<u>\$ -</u>	<u>\$ 97,550,095</u>	<u>\$ -</u>
TexasTERM (amortized cost)	212,500,000			
Total Investments	<u>\$ 310,050,095</u>			
	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	<u>\$ 66,719,006</u>	<u>\$ -</u>	<u>\$ 66,719,006</u>	<u>\$ -</u>
TexasTERM (amortized cost)	189,000,000			
Total Investments	<u>\$ 255,719,006</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 is 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 that 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, 2024			
	Fair Value	Less Than		
		1 Year	1-5 Years	6-10 Years
Baird Funds Core Plus Bond Instl	\$ 9,628,458	\$ -	\$ -	\$ 9,628,458
Lord Abbett Invt TR Shrt Duration R6	1,946,450	-	1,946,450	-
Nuveen Preferred Securities	2,043,145	-	2,043,145	-
Vanguard Total Bond Index Admiral Class	3,723,768	-	-	3,723,768
Government securities	6,550,335	-	1,581,351	4,968,984
Corporate bonds	2,071,569	217,422	419,256	1,434,891
	\$ 25,963,725	\$ 217,422	\$ 5,990,202	\$ 19,756,101

	December 31, 2023			
	Fair Value	Less Than		
		1 Year	1-5 Years	6-10 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
	\$ 25,021,523	\$ 692,520	\$ 4,941,054	\$ 19,387,949

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 (* investments explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality):

	Fair Value			
	2024	Rating	2023	Rating
U.S. Treasury notes	\$ 4,375,508	*	\$ 4,099,177	*
U.S. Treasury notes	-		232,242	N/A
U.S. Government agency (Mortgage-backed security)	2,174,827	Aaa	2,049,852	Aaa
Corporate bonds	469,413	A1	612,904	A1
Corporate bonds	501,011	A2	406,352	A2
Corporate bonds	507,106	A3	610,690	A3
Corporate bonds	357,371	AA2	263,511	AA2
Corporate bonds	122,090	AA3	82,584	AA3
Corporate bonds	25,164	BAA1	50,340	BAA1
Corporate bonds	89,414	AAA	60,667	AAA
Fixed income mutual funds	17,341,821	not rated	16,553,204	not rated
Equity mutual funds	76,842,152	not rated	64,443,084	not rated
Common stock and money market funds	6,695,851	not rated	4,312,672	not rated
Grouped fixed annuity	137,700	not rated	1,523,442	not rated
Total	<u>\$ 109,639,428</u>		<u>\$ 95,300,721</u>	

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 Plan's 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.

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.

2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

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 of 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.

The 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, 2024				Amount
	Level 1	Level 2	Level 3		
Corporate bonds and other	\$ -	\$ 2,071,569	\$ -	\$ -	\$ 2,071,569
U.S. Government securities	-	6,550,335	-	-	6,550,335
Common stock	-	-	-	-	-
Fixed income mutual funds	17,341,821	-	-	-	17,341,821
Equity mutual funds	76,842,152	-	-	-	76,842,152
Money market funds	6,695,851	-	-	-	6,695,851
Total	<u>\$ 100,879,824</u>	<u>\$ 8,621,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>109,501,728</u>
Group fixed annuity (amortized cost)					137,700
Total investments					<u>\$ 109,639,428</u>

2 – CASH AND CASH EQUIVALENT DEPOSITS AND INVESTMENTS, continued

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>

3 – RECEIVABLES

Receivables at September 30, consist of the following:

	2025	2024
Other receivables	\$ 4,985,842	\$ 3,975,669
Due from Federal and other governments	6,942,652	373,425
Intergovernmental receivables – Project Connect	4,989,750	2,559,814
Sales and use tax	66,731,316	64,287,783
Allowance for doubtful accounts - other receivables	(284,690)	(509,756)
Total receivables	<u>\$ 83,364,870</u>	<u>\$ 70,686,935</u>

4 – ACCRUED EXPENSES

Accrued expenses at September 30, consist of the following:

	2025	2024
Accrued accounts payable	\$ 70,329,867	\$ 76,598,215
Workers' compensation self-insurance	83,000	75,000
Accrued other	10,819,698	9,254,835
Total accrued expenses	<u>\$ 81,232,565</u>	<u>\$ 85,928,050</u>

Total accrued expenses at September 30, 2025, consists primarily of approximately \$18.5 million for capital projects, \$48.7 million related to purchased transportation services, and \$14.0 million for other services. 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.

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, 2025, the CapMetro board has designations of \$67.2 million for the statutory operating reserve, \$33.6 million for the budget stabilization reserve, \$14.6 million for the capital project reserve, \$9.2 million for the budgetary operating contingency, and \$2.2 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 2.62% to 3.99%. For the years ended September 30, 2025 and 2024, interest expenses on the SBITAs were approximately \$422,000 and \$354,000, respectively. The terms end between May 2026 and September 2034, with varying extension options. Most of the subscription arrangements are contracted through cloud computing arrangements, such as software as a service 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 are 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 are listed in the Statements of Net Position and Note 11. The principal and interest payments related to the subscription liability are as follows:

	<u>October 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2025</u>
IT subscriptions				
Subscription liability	\$ 12,623,572	\$ 12,812,173	\$ (6,462,301)	\$ 18,973,444
Total	<u>\$ 12,623,572</u>	<u>\$ 12,812,173</u>	<u>\$ (6,462,301)</u>	<u>\$ 18,973,444</u>
	<u>October 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2024</u>
IT subscriptions				
Subscription liability	\$ 5,798,569	\$ 11,974,952	\$ (5,149,949)	\$ 12,623,572
Total	<u>\$ 5,798,569</u>	<u>\$ 11,974,952</u>	<u>\$ (5,149,949)</u>	<u>\$ 12,623,572</u>
<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 4,331,561	\$ 557,955	\$ 4,889,516	
2027	5,271,138	527,705	5,798,843	
2028	3,979,731	344,828	4,324,559	
2029	1,948,899	209,477	2,158,376	
2030	735,731	139,884	875,615	
2031-2032	2,706,384	250,352	2,956,736	
	<u>\$ 18,973,444</u>	<u>\$ 2,030,201</u>	<u>\$ 21,003,645</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, one administrative revenue vehicle lease parking that expires in 2030 with fixed monthly payments of \$25,000 and four (4) administrative office building lease agreements that expire between 2025 and 2030 that have monthly payments ranging from \$10,000 to \$55,000. For the years ended September 30, 2025 and 2024, interest expenses on the leases were approximately \$208,000 and \$202,000, respectively. The impact of the right-to-use assets and related liabilities is reflected in the Statement of Net Position. The Authority did not report outflows as of September 30, 2025 and 2024, 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, 2025 and 2024, the principal and interest requirements are as follows:

Leases	October 1, 2024	Additions	Reductions	September 30, 2025
Lease liability	\$ 5,879,196	\$ 4,948,190	\$ (1,751,259)	\$ 9,076,127
	\$ 5,879,196	\$ 4,948,190	\$ (1,751,259)	\$ 9,076,127

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

Years	Principal	Interest	Total
2026	\$ 1,184,182	\$ 201,337	\$ 1,385,519
2027	1,458,379	181,250	1,639,629
2028	1,253,977	140,509	1,394,486
2029	1,121,805	108,627	1,230,432
2030	1,184,733	77,709	1,262,442
2031-2035	781,984	232,143	1,014,127
2036-2040	442,606	187,934	630,540
2041-2045	489,260	141,280	630,540
2046-2050	540,696	89,844	630,540
2051-2055	597,540	32,999	630,539
2056	20,965	53	21,018
	\$ 9,076,127	\$ 1,393,685	\$ 10,469,812

c.—Lessor

Lessor – CapMetro is reporting lease receivables of \$73.9 million and \$75.1 million on September 30, 2025 and 2024, respectively. For the period ended September 30, 2025 and 2024, CapMetro reported lease revenue of \$2.3 million and \$2.1 million, respectively, and interest revenue of \$2.3 million and \$2.4 million, respectively, which are included in rental income on the Statements of Revenues, Expenses and Changes in Net Position.

6 – RIGHT-TO-USE ASSET BALANCES, continued

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 was set at \$1.7 million to \$1.9 million for years 1-5 and allows for base rent increase as defined in the agreement but shall increase by a minimum of 2.35% per annum on a cumulative basis based on the 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) five (5) year renewal option for both fixed and variable rental payments its term. Variable payments are limited to Common Area Maintenance (CAM) charges as defined in the agreement. 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.

7 – LONG-TERM LIABILITIES

Changes in Long-Term Liabilities:

The changes in long-term liabilities for the years ended September 30, 2025 and 2024, are as follows:

	October 1, 2024	Additions	Reductions	September 30, 2025	Due within one year
Accrued sick and vacation	\$ 9,525,218	\$ 593,376	\$ -	\$ 10,118,594	\$ 4,372,944
Lease liability	5,879,196	4,948,190	(1,751,259)	9,076,127	1,385,519
Subscription liability	12,623,572	12,812,173	(6,462,301)	18,973,444	4,896,576
OPEB liability	3,800,955	-	(31,983)	3,768,972	122,241
Pension liability	41,520,965	10,550,275	(17,631,836)	34,439,404	-
Total	\$ 73,349,906	\$ 28,904,014	\$ (25,877,379)	\$ 76,376,541	\$ 10,777,280

	October 1, 2023	Additions	Reductions	September 30, 2024	Due within one year
Accrued sick and vacation	\$ 7,997,092	\$ 1,528,126	\$ -	\$ 9,525,218	\$ 5,835,633
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	110,200
Pension liability	46,653,772	9,339,073	(14,471,880)	41,520,965	-
Total	\$ 72,668,114	\$ 24,866,988	\$ (24,185,196)	\$ 73,349,906	\$ 10,633,176

8 – COMMITMENTS

CapMetro has a capital spending plan for projects for upcoming and future years. CapMetro’s FY2025 capital budget has appropriations of approximately \$142.5 million, net of grants and contributions of \$87.1 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 \$100.6 million and \$264.6 million as of September 30, 2025 and 2024, respectively.

8 – COMMITMENTS, continued

The Authority has executed open purchase orders on contracts with various goods and services providers that have a remaining commitment totaling approximately \$552.8 million, with termination dates through December 2029. 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, 2025 and 2024 was \$3.7 million and \$4.3 million, respectively.

In addition to the quarter cent sale tax, CapMetro 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:

	<u>2025</u>	<u>2024</u>
City of Austin Interlocal agreement	\$ 3,700,000	\$ 4,300,000
Build Central Texas	\$ 197,204	\$ 197,204
Suburban Communities	12,143,344	11,601,060
Total commitment	<u>\$ 12,340,548</u>	<u>\$ 11,798,264</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 in suburban communities has separate Interlocal agreements that require funds to 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.

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 Sulfur Diesel fuel is determined using the 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.

8 – COMMITMENTS, continued

The outstanding hedging derivative instruments were evaluated for effectiveness at September 30, 2025. 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, 2025, the Authority had a total of 75 NY Harbor futures contracts at 42,000 gallons per contract and paid approximately \$5,100 for the execution of the trades. As of September 30, 2025, the Authority was hedged 63.4% and 3.6% for FY2026 and FY2027, respectively, based on projected fuel consumption.

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 70.6% and 6.3% for FY2025 and FY2026, 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, 2025 and 2024, the outstanding fuel risk management account is approximately \$1.4 million and \$0.287 million, respectively, which is included as part of the fuel hedge asset in the Statements of Net Position. The related unrealized market gain of \$0.74 million in FY2025 and unrealized market loss of \$0.57 million in FY2024 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 FY2025, increased diesel fuel cost by \$0.2 million, whereas in FY2024, there was a decrease to diesel fuel cost of \$1.06 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 on September 30, 2025 and 2024, with its Broker as required by its Fuel Risk Management Program. On September 30, 2025 and 2024, \$1.4 million and \$0.287 million, respectively, were 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.

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 \$18.1 million as of September 30, 2025, and \$23.3 million as of September 30, 2024, 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 \$29,000 and \$17,700 in discretionary employer contributions for the years ended September 30, 2025 and 2024, 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 coinciding 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 for 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:

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 on January 1:

	<u>2025</u>	<u>2024</u>
Retirees and beneficiaries currently receiving benefits	185	172
Terminated plan members entitled to but not yet receiving benefits	383	345
Active plan members	<u>592</u>	<u>560</u>
	<u>1160</u>	<u>1077</u>

The most recently available financial statement of the Plan is for the year ended December 31, 2024. A copy of the Plan’s annual audit may be obtained from:

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

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

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 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 they 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.

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, 2024 and 2023, 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, 2024 and 2023, 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.

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

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

Measurement date: December 31, 2024

Actuarial cost method	Entry age normal
Discount rate	6.75%
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

Measurement date: December 31, 2023

Actuarial cost method	Entry age normal
Discount rate	6.75%
Salary increases	7.00%
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

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	2024		2023	
	Asset Allocation	Long-Term Expected Real Rate of Return	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities:	51.5%		51.8%	
U.S. broad equity		6.60%		6.60%
Large cap		6.50%		6.50%
Small/mid cap		6.70%		6.70%
Domestic fixed income	25.5%		28.8%	
International equities:	12.9%		14.4%	
Global ex-U.S. equity		6.80%		6.80%
International equity		6.50%		6.50%
Emerging markets equity		6.90%		6.90%
Money market	9.8%		2.4%	
Alternative:				
High yield		4.35%		4.35%
Real estate		5.75%		5.75%
Volatility hedge		4.00%		4.00%
Private equity		8.00%		8.00%
Inflation		2.00%		2.00%
Cash equivalents	0.3%	1.00%	2.6%	1.00%
	<u>100.0%</u>		<u>100.0%</u>	

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2024, 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.

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, 2024 and 2023

	2024	2023
Total pension liability:		
Service cost	\$ 5,536,517	\$ 4,638,829
Interest on total pension liability	5,019,870	4,381,081
Difference between expected and actual experience	321,792	2,745,730
Change in assumptions	-	678,292
Benefit payments/refunds of contributions	(2,101,851)	(2,112,036)
Net change in total pension liability	8,776,328	10,331,896
Total pension liability at beginning of year	75,641,902	65,310,006
Total pension liability at end of year (a)	84,418,230	75,641,902
Fiduciary net position:		
Employer contributions	6,550,279	4,450,000
Investment income net of investment expense	6,242,995	7,474,698
Benefit payments/refunds of contributions	(2,101,851)	(2,112,036)
Administrative expenses	(113,117)	(90,813)
Net change in fiduciary net position	10,578,306	9,721,849
Fiduciary net position at beginning of year	57,495,752	47,773,903
Fiduciary net position at end of year (b)	68,074,058	57,495,752
Net pension liability at end of year = (a) - (b)	\$ 16,344,172	\$ 18,146,150
Plan's fiduciary net position as a percentage of total pension liability	80.6%	76.0%

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 6.75% as of December 31, 2024 and 2023, 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, 2024		
		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	5.75%	6.75%	7.75%
Net pension liability	\$ 28,297,665	\$ 16,344,172	\$ 6,405,353

	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

Pension Expense

For the fiscal year ended September 30, (measurement dates December 31, 2024 and 2023, respectively), CapMetro recognized the following pension-related expense:

Pension Expense (Income)	2025	2024
Service cost	\$ 5,536,517	\$ 4,638,829
Interest on total pension liability	5,019,870	4,381,081
Administrative expenses	113,117	103,813
Expected investment return net of investment expenses	(4,020,316)	(3,333,915)
Recognition of deferred outflows (inflows)		
Experience	747,476	1,070,489
Change in assumptions	(2,416,205)	(1,852,981)
Investment gains or losses	(108,882)	(490,458)
Pension expense	<u>\$ 4,871,577</u>	<u>\$ 4,516,858</u>

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

Deferred Inflows and Outflows of Resources

As of September 30, 2025 and 2024, the deferred inflows and outflows of resources are as follows:

	<u>2025</u>	<u>2024</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 2,247,027	\$ 2,924,317
Net difference between projected and actual earnings	-	2,040,148
Contributions made subsequent to measurement date	4,912,709	4,704,283
	<u>\$ 7,159,736</u>	<u>\$ 9,668,748</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ (332,115)	\$ (583,719)
Net difference between projected and actual earnings	(73,648)	-
Changes of assumptions	(3,223,446)	(5,639,652)
	<u>\$ (3,629,209)</u>	<u>\$ (6,223,371)</u>

CapMetro reported \$4,912,709 as deferred outflow of resources resulting from contributions made subsequent to the measurement date and which are eligible employer contributions made from January 1, 2025 through September 30, 2025. 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:

	<u>2025</u>	<u>2024</u>
2025	\$ -	\$ (1,392,121)
2026	(960,817)	(577,326)
2027	601,500	986,994
2028	(916,085)	(530,594)
2029	(131,351)	-
2030	24,571	-
	<u>\$ (1,382,182)</u>	<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 on January 1:

	<u>2025</u>	<u>2024</u>
Retirees and beneficiaries currently receiving benefits	593	583
Terminated plan members entitled to but not yet receiving benefits	240	248
Active plan members	94	104
	<u>927</u>	<u>935</u>

The most recently available financial statements of the StarTran Plan are for the year ended December 31, 2024. 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 by the authority of the Retirement Plan Committee.

The following plan changes, adopted because of the plan freeze on August 18, 2012, are reflected in the latest valuation dated December 31, 2024.

- Participants are eligible for immediate distributions.
- Service requirements for Unreduced Early Retirement Age (UERA) were 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 2024 plan year’s employer contribution funded the normal cost and amortized the existing unfunded actuarial accrued liability on a “closed” 30-year level percent of amortization with 14 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, 2024 and 2023, 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, 2024 and 2023, are 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, 2024

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-2016 Amounts-Weighted Mortality for General Employees with Generational Improvements from 2016 using Scale MP-2021 Disabled: PUB-2016 Amounts-Weighed Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2016 using Scale MP-2021

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

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-Weighed 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, 2024:

Asset Class	Asset Allocation	Long-Term Expected Rate of Return
Large Cap U.S. Equity	35.00%	6.90%
Small U.S. Cap Equity	15.00%	7.40%
International (Non-U.S.) Equity	15.00%	6.80%
Emerging Markets Equity	5.00%	7.00%
Core U.S. Fixed Income (Market Duration)	30.00%	5.00%
	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total pension liability as of December 31, 2024 and 2023, 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 contributions 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 on December 31, 2024 and 2023:

	2024	2023
Total pension liability:		
Interest on total pension liability	\$ 3,814,054	\$ 3,930,755
Differences between expected and actual experiences	(27,872)	(592,372)
Change in assumptions	(113,644)	(73,878)
Benefit payments/refunds of contributions	(5,004,334)	(5,113,785)
Net change in total pension liability	(1,331,796)	(1,849,280)
Total pension liability at beginning of year	61,140,523	62,989,803
Total pension liability at end of year (a)	59,808,727	61,140,523
Fiduciary net position:		
Employer contributions	3,999,996	3,999,996
Investment income net of investment expense	5,143,307	5,228,097
Benefit payments/refunds of contributions	(5,004,334)	(5,113,785)
Administrative expenses	(191,182)	(220,734)
Net change in fiduciary net position	3,947,787	3,893,574
Fiduciary net position at beginning of year	37,765,708	33,872,134
Fiduciary net position at end of year (b)	41,713,495	37,765,708
Net pension liability at end of year = (a) - (b)	\$ 18,095,232	\$ 23,374,815
Plan's fiduciary net position as a percentage of total pension liability	69.7%	61.8%

Sensitivity Analysis

The following presents the net pension liability of StarTran Plan calculated using the discount rate of 6.50% for December 31, 2024 and 2023, 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:

	December 31, 2024		
	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Net pension liability	\$ 23,360,797	\$ 18,095,232	\$ 13,561,465
	December 31, 2023		
	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Net pension liability	\$ 28,892,456	\$ 23,374,815	\$ 18,637,854

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

Pension Expense

For the fiscal year ended September 30, 2025 and 2024 (measurement dates December 31, 2024 and 2023, respectively), CapMetro recognized the following pension-related expense:

Pension Expense/(Income)	2025	2024
Interest on total pension liability	\$ 3,814,054	\$ 3,930,755
Administrative expenses	191,182	220,734
Expected investment return net of investment expenses	(2,416,528)	(2,159,355)
Change in assumptions	(113,644)	(73,878)
Recognition of liability differences – current year	(27,872)	(592,372)
Recognition of asset differences – current year	(106,070)	(451,029)
Pension expense	<u>\$ 1,341,122</u>	<u>\$ 874,855</u>

Deferred Inflows and Outflows of Resources

As of September 30, 2025 and 2024, the deferred inflows and outflows of resources are as follows:

	2025	2024
Deferred Outflows of Resources		
Net difference between expected and actual earnings	\$ -	\$ 2,401,729
Contributions made subsequent to measurement date	2,999,999	2,999,999
	<u>\$ 2,999,999</u>	<u>\$ 5,401,728</u>
Deferred Inflows of Resources		
Net difference between expected and actual earnings	\$ (249,923)	\$ -
	<u>\$ (249,923)</u>	<u>\$ -</u>

As of September 30, 2025 and 2024, 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, 2025 through September 30, 2025. 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.

Year ended September 30:	2025	2024
2025	\$ -	\$ 447,022
2026	486,312	1,039,404
2027	968,226	1,521,316
2028	(1,159,106)	(606,013)
2029	(545,355)	-
	<u>\$ (249,923)</u>	<u>\$ 2,401,729</u>

10 – DEFINED BENEFIT RETIREMENT PLANS, continued

Aggregate pension related amounts for all plans are as follows:

September 30, 2025	The Authority's Retirement Plan for Administrative Employees	The Authority's Retirement Plan for Bargaining Unit Employees of StarTran, Inc.	Total
Net pension liability	\$ 16,344,172	\$ 18,095,232	\$ 34,439,404
Deferred outflows of resources, pension-related amounts	7,159,736	2,999,999	10,159,735
Deferred inflows of resources, pension-related amounts	(3,629,209)	(249,923)	(3,879,132)
Pension expense	4,871,577	1,341,122	6,212,699
Years ending September 30:			
2026	\$ (1,392,121)	\$ -	\$ (1,392,121)
2027	986,994	968,226	1,955,220
2028	(530,594)	(1,159,106)	(1,689,700)
2029	-	(545,355)	(545,355)
	\$ (935,721)	\$ (736,235)	\$ (1,671,956)

September 30, 2024	The Authority's Retirement Plan for Administrative Employees	The Authority's Retirement Plan for Bargaining Unit Employees of StarTran, Inc.	Total
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)
	\$ (1,258,906)	\$ 2,401,729	\$ 1,142,823

Capital Metropolitan Transportation Authority
Notes to the Financial Statements—September 30, 2025 and 2024

11 – CAPITAL ASSETS

a.—Changes in capital assets for the year ended September 30, 2025, were:

	October 1, 2024	Additions	Retirements	Completed Projects	September 30, 2025
Capital assets not being depreciated:					
Land and improvement	\$ 95,931,268	\$ -	\$ (183,853)	\$ 13,873,811	\$ 109,621,226
Projects in process	288,247,155	138,801,093	(10,412,779)	(168,285,396)	248,350,073
Total capital assets not being depreciated	384,178,423	138,801,093	(10,596,632)	(154,411,585)	357,971,299
Depreciable capital assets:					
Building and improvements	107,342,052	-	(34,256)	13,692,385	121,000,181
Railroad	252,126,413	-	-	469,125	252,595,538
Buses and equipment	464,620,324	-	(5,810,861)	87,346,503	546,155,966
Passenger parking and stations	130,198,207	-	(165,502)	48,378,860	178,411,565
Right-to-use assets-SBITA	33,773,390	12,812,430	(2,337,810)	2,582,078	46,830,088
Right-to-use assets-leases	10,682,679	4,948,190	(3,764,810)	-	11,866,059
Leasehold improvement	391,483	-	-	1,942,634	2,334,117
Total depreciable capital assets	999,134,548	17,760,620	(12,113,239)	154,411,585	1,159,193,514
Less accumulated depreciation / amortization:					
Building and improvements	68,743,170	5,186,119	(34,256)	-	73,895,033
Railroad	162,406,841	9,097,536	-	-	171,504,377
Buses and equipment	289,273,116	38,436,864	(5,716,682)	-	321,993,298
Passenger parking and stations	91,428,795	12,076,413	(165,501)	-	103,339,707
Right-to-use assets-SBITA	12,262,124	8,239,771	(2,337,812)	-	18,164,083
Right-to-use assets-leases	5,092,735	1,850,062	(3,764,812)	-	3,177,985
Leasehold improvement	353,079	1,020,265	-	-	1,373,344
Total accumulated depreciation / amortization	629,559,860	75,907,030	(12,019,063)	-	693,447,827
Depreciable capital assets, net	369,574,688	(58,146,410)	(94,176)	154,411,585	465,745,687
Total capital assets	\$ 753,753,111	\$ 80,654,683	\$ (10,690,808)	\$ -	\$ 823,716,986

Depreciation and amortization expenses were \$75.9 million for the year ended September 30, 2025.

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

	October 1, 2023	Additions	Retirements	Completed Projects	September 30, 2024
Capital assets not being depreciated:					
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
Depreciable capital assets:					
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	31,715,502	(6,607,692)	-	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	58,931,176	(9,104,545)	-	629,559,860
Depreciable capital assets, net	328,744,411	(45,967,428)	(2,152,166)	88,949,871	369,574,688
Total capital assets	\$ 657,286,823	\$ 100,372,265	\$ (3,905,977)	\$ -	\$ 753,753,111

Depreciation and amortization expenses were \$58.9 million for the year ended September 30, 2024.

11 – CAPITAL ASSETS, continued

b.—Right-to-use Assets

Right-to-use asset activity for the years ended September 30, 2025 and 2024 were as follows:

	October 1, 2024	Increases	Decreases	September 30, 2025
Right-to-use assets				
Land	\$ 3,182,257	\$ 1,515,073	\$ -	\$ 4,697,330
Building	7,500,422	3,433,117	(3,764,812)	7,168,727
Software	33,773,390	15,394,253	(2,337,553)	46,830,090
Total right-to-use assets	<u>44,456,069</u>	<u>20,342,443</u>	<u>(6,102,365)</u>	<u>58,696,147</u>
Less accumulated amortization:				
Land	362,825	137,323	-	500,148
Building	4,729,910	1,712,739	(3,764,812)	2,677,837
Software	12,262,124	8,239,770	(2,337,812)	18,164,082
Total accumulated amortization	<u>17,354,859</u>	<u>10,089,832</u>	<u>(6,102,624)</u>	<u>21,342,067</u>
Right-to-use assets, net	<u>\$ 27,101,210</u>	<u>\$ 10,252,611</u>	<u>\$ 259</u>	<u>\$ 37,354,080</u>
	October 1, 2023	Increases	Decreases	September 30, 2024
Right-to-use assets				
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	<u>35,190,582</u>	<u>13,230,124</u>	<u>(3,964,637)</u>	<u>44,456,069</u>
Less accumulated amortization:				
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	<u>10,734,650</u>	<u>8,218,140</u>	<u>(1,597,931)</u>	<u>17,354,859</u>
Right-to-use assets, net	<u>\$ 24,455,932</u>	<u>\$ 5,011,984</u>	<u>\$ (2,366,706)</u>	<u>\$ 27,101,210</u>

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, 2025 and 2024, for workers’ compensation are \$25,000 per occurrence. On September 30, 2025 and 2024, 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:

Workers’ Compensation Claims	2025	2024
Beginning of year liability	\$ 75,000	\$ 75,000
Current year claims and/or changes in estimates	95,478	68,798
Claim payments	(87,478)	(68,798)
End of year current year liability	<u>\$ 83,000</u>	<u>\$ 75,000</u>

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

Health and Dental Self-Insurance	2025	2024
Beginning of year liability	\$ 740,000	\$ 729,000
Current year claims and/or changes in estimates	9,745,032	8,710,137
Claim payments	(9,733,032)	(8,699,137)
End of year current year liability	<u>\$ 752,000</u>	<u>\$ 740,000</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, 2025 and 2024.

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.

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.

14 – OTHER POST EMPLOYMENT BENEFITS (OPEB), continued

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):

	2025	2024
Participants:		
Actives—fully eligible	32	32
Actives—not eligible	508	508
Retirees	40	40
Total	<u>580</u>	<u>580</u>

Total OPEB Liability

The Authority’s total OPEB liability of \$3.7 million and \$3.8 million was measured and was determined by an actuarial valuation as of September 30, 2025, and 2024, respectively.

Actuarial methods and assumptions: The total OPEB liability in the September 30, 2025, 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	3.81% per annum (BOY) and 4.90% 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 the *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, 2025, valuation.

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Net OPEB liability, beginning	\$ 3,800,955	\$ 3,881,272
Changes for the year:		
Service cost	471,312	463,114
Interest	160,445	175,432
Differences between expected and actual experience	-	(739,782)
Changes in assumptions or other inputs	(541,499)	131,119
Contributions and payments made	(122,241)	(110,200)
Net changes	<u>(31,983)</u>	<u>(80,317)</u>
Net OPEB liability, ending	<u>\$ 3,768,972</u>	<u>\$ 3,800,955</u>

The total OPEB liability as of September 30, 2025 and 2024, assumes a discount rate of 4.90% and 3.81%, respectively.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the approximate 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, 2025</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
Total OPEB liability	\$ 4,293,000	\$ 3,769,000	\$ 3,334,000

	<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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the approximate total OPEB liability of the Authority, as well as what the Authority’s approximate 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, 2025</u>		
	<u>Cost Trend</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	n/a	\$ 3,769,000	n/a

	<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

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, 2025 and 2024, the Authority recognized OPEB expenses of \$461,000 and \$498,000, respectively.

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

	<u>2025</u>	<u>2024</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 446,722	\$ 479,569
Changes of assumptions/inputs	204,692	222,943
	<u>\$ 651,414</u>	<u>\$ 702,512</u>
Deferred Inflows of Resources		
Difference between expected and actual experience	\$ (845,671)	\$ (912,984)
Changes of assumptions/inputs	(1,730,886)	(1,343,879)
	<u>\$ (2,576,557)</u>	<u>\$ (2,256,863)</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:

Years ending September 30:	<u>2025</u>	<u>2024</u>
2025	\$ -	\$ (139,763)
2026	(170,706)	(139,763)
2027	(170,706)	(139,763)
2028	(170,706)	(139,763)
2029	(170,706)	(139,763)
2030	(170,706)	(139,763)
Thereafter	(1,071,613)	(715,773)
	<u>\$ (1,925,143)</u>	<u>\$ (1,554,351)</u>

CapMetro

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)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,363	\$ 486,248
Interest on total pension liability	3,814,054	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	(27,872)	(592,372)	(281,271)	61,397	164,257	32,703	(213,616)	(1,769,787)	1,878,042	(730,963)
Change in assumptions	(113,644)	(73,878)	(132,815)	(165,449)	1,235,860	1,279,922	2,453,043	3,305,720	934,709	-
Benefits payment/refunds of contributions	(5,004,334)	(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	(1,331,796)	(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	61,140,523	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)	\$ 59,808,727	\$ 61,140,523	\$ 62,989,803	\$ 64,531,814	\$ 65,512,725	\$ 64,883,952	\$ 64,159,335	\$ 62,241,794	\$ 60,958,950	\$ 57,857,983
Fiduciary net position:										
Employer contributions	\$ 3,999,996	\$ 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	5,143,307	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	(5,004,334)	(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	(191,182)	(220,734)	(211,676)	(219,226)	(220,001)	(205,491)	(227,031)	(225,052)	(216,313)	(225,290)
Net change in fiduciary net position	3,947,787	3,893,574	(9,246,562)	3,735,966	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	37,765,708	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)	41,713,495	37,765,708	33,872,134	43,118,696	39,382,730	35,284,632	29,894,535	33,199,580	29,535,196	28,341,276
Net pension liability/(asset) at end of year = (a) - (b)	\$ 18,095,232	\$ 23,374,815	\$ 29,117,669	\$ 21,413,118	\$ 26,129,995	\$ 29,599,320	\$ 34,264,800	\$ 29,042,214	\$ 31,423,754	\$ 29,516,707
Fiduciary net position as a % of total pension liability	69.74%	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 changed from the PUB-2010 to PUB 2016 Amounts-Weighted Mortality Table for General Employees with Generational Improvement from 2016 using Scale MP-2021.

The mortality assumption for disabled lives changed from the disabled base rate from the PUB-2010 to PUB 2016 Amounts-Weighted Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2016 using Scale MP-2021.

Frozen Plan: 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
Required Supplementary Information (unaudited)

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	\$ 2,680,205	\$ 4,005,412	\$ (1,325,207)	\$ -	*
2017	2,476,758	4,004,599	(1,527,841)	-	*
2018	2,399,389	3,999,996	(1,600,607)	-	*
2019	2,481,007	4,000,556	(1,519,549)	-	*
2020	2,633,692	3,999,996	(1,366,304)	-	*
2021	2,621,315	4,000,000	(1,378,685)	-	*
2022	2,157,510	3,999,996	(1,842,486)	-	*
2023	2,031,981	3,999,996	(1,968,015)	-	*
2024	1,947,347	3,999,999	(2,052,652)	-	*
2025	1,872,545	3,999,999	(2,127,454)	-	*

Methods and Used Assumptions to Determine Contribution Rates:

Valuation Date	January 1, 2025
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-2016 Amounts-Weighted Mortality Table for General Employees With Generational Improvements from 2016 using Scale MP-2021.
Disabled	PUB-2016 Amounts-Weighted Disabled Retirement Mortality Table for General Employees with Generational Improvements from 2016 using Scale MP-2021.

* Frozen Plan: 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
Required Supplementary Information (unaudited)**

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 5,536,517	\$ 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
Interest on total pension liability	5,019,870	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
Changes of benefit terms	-	-	-	-	-	-	-	-	2,054,914	-
Difference between expected and actual experience	321,792	2,745,730	534,159	(1,338,527)	2,513,864	1,231,398	720,052	(288,769)	(86,781)	1,984,816
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)
Benefits payment/refunds of contributions	(2,101,851)	(2,112,036)	(1,594,073)	(1,535,273)	(1,391,896)	(1,117,525)	(932,072)	(916,317)	(892,937)	(833,716)
Net change in total pension liability	8,776,328	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
Total pension liability at beginning of year	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
Total pension liability at end of year (a)	<u>\$ 84,418,230</u>	<u>\$ 75,641,902</u>	<u>\$ 65,310,006</u>	<u>\$ 62,475,257</u>	<u>\$ 64,917,298</u>	<u>\$ 60,803,835</u>	<u>\$ 49,263,627</u>	<u>\$ 45,157,623</u>	<u>\$ 38,127,802</u>	<u>\$ 32,891,828</u>
Fiduciary net position:										
Employer contributions	\$ 6,550,279	\$ 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
Investment income net of investment expense	6,242,995	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)
Benefit payments/refunds of contributions	(2,101,851)	(2,112,036)	(1,594,073)	(1,535,273)	(1,391,896)	(1,117,525)	(932,072)	(916,317)	(892,937)	(833,716)
Administrative expenses	(113,117)	(90,813)	(112,622)	(73,934)	(62,527)	(76,658)	(58,478)	(74,118)	(58,222)	(63,645)
Net change in fiduciary net position	10,578,306	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
Fiduciary net position at beginning of year	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
Fiduciary net position at end of year (b)	<u>68,074,058</u>	<u>57,495,752</u>	<u>47,773,903</u>	<u>53,341,803</u>	<u>45,554,310</u>	<u>37,818,736</u>	<u>29,770,966</u>	<u>30,010,195</u>	<u>23,811,865</u>	<u>20,993,038</u>
Net pension liability/(asset) at end of year = (a) - (b)	<u>\$ 16,344,172</u>	<u>\$ 18,146,150</u>	<u>\$ 17,536,103</u>	<u>\$ 9,133,454</u>	<u>\$ 19,362,988</u>	<u>\$ 22,985,099</u>	<u>\$ 19,492,661</u>	<u>\$ 15,147,428</u>	<u>\$ 14,315,937</u>	<u>\$ 11,898,790</u>
Fiduciary net position as a % of total pension liability	80.64%	76.01%	73.15%	85.38%	70.17%	62.20%	60.43%	66.46%	62.45%	63.82%
Pensionable covered payroll	\$ 58,033,748	\$ 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
Net pension liability as a % of covered payroll	28.16%	34.02%	40.34%	23.71%	68.70%	93.06%	85.65%	72.25%	64.50%	63.75%

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

Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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	4,976,280	4,450,000	526,280	53,346,593	8.3%
2025	6,550,278	6,550,279	(1)	58,033,748	11.3%

Note to Schedule:

Valuation date: December 31, 2024.
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	Pri-2012 White Color Dataset Amount Weighted Mortality Projected with Scale MP2021 with separate rates for Employees, retirees and contingent survivors.

**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)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability							
Service cost	\$ 471,312	\$ 463,114	\$ 450,738	\$ 351,659	\$ 347,410	\$ 273,875	\$ 256,296
Interest	160,445	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	(541,499)	131,119	(34,895)	(939,525)	(24,575)	(39,350)	(797,538)
Benefit payments	(122,241)	(110,200)	(105,580)	(97,150)	(77,759)	(74,626)	(72,364)
Net change in total OPEB liability	<u>(31,983)</u>	<u>(80,317)</u>	<u>463,649</u>	<u>(22,313)</u>	<u>320,827</u>	<u>242,704</u>	<u>(462,695)</u>
Total OPEB liability—beginning	3,800,955	3,881,272	3,417,623	3,439,936	3,119,109	2,876,405	3,339,100
Total OPEB liability—ending	<u>\$ 3,768,972</u>	<u>\$ 3,800,955</u>	<u>\$ 3,881,272</u>	<u>\$ 3,417,623</u>	<u>\$ 3,439,936</u>	<u>\$ 3,119,109</u>	<u>\$ 2,876,405</u>
Covered-employee payroll	\$ 52,694,000	\$ 54,174,904	\$ 52,694,000	\$ 50,912,131	\$ 37,781,000	\$ 27,851,284	\$ 25,444,856
Total OPEB liability as a percentage of covered-employee payroll	7.15%	7.02%	7.37%	6.71%	9.10%	11.20%	11.30%

Change in Actuarial Assumptions

Discount rate

2025	4.90%
2024	3.81%
2023	4.09%
2022	4.02%
2021	2.26%
2020	2.21%

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					
	Employees		StarTran Retirement Plan		Total Fiduciary Funds	
	2023	2024	2023	2024	2023	2024
Assets						
Cash and cash equivalents	\$ 521,728	\$ 55,720	\$ -	\$ 34,387	\$ 521,728	\$ 90,107
Receivables:						
Accrued interest and other dividends	-	-	7,616	7,616	7,616	7,616
Investment trades pending receivable	-	180,199	-	-	-	180,199
Total receivables	-	180,199	7,616	7,616	7,616	187,815
Investments:						
Common stock	-	-	2,454,109	-	2,454,109	-
Corporate bonds and other	-	-	2,087,048	2,071,569	2,087,048	2,071,569
Domestic equity mutual funds	29,827,388	35,009,979	-	-	29,827,388	35,009,979
Fixed income mutual funds	16,553,204	17,341,821	-	-	16,553,204	17,341,821
Government securities	-	-	6,381,271	6,550,335	6,381,271	6,550,335
Grouped fixed annuity	1,523,442	137,700	-	-	1,523,442	137,700
International equity mutual funds	8,266,255	8,786,743	-	-	8,266,255	8,786,743
Mutual funds	-	-	26,349,441	33,045,430	26,349,441	33,045,430
Money market funds	1,360,582	6,682,225	497,981	13,626	1,858,563	6,695,851
Total investments	57,530,871	67,958,468	37,769,850	41,680,960	95,300,721	109,639,428
Total assets	58,052,599	68,194,387	37,777,466	41,722,963	95,830,065	109,917,350
Liabilities						
Accounts payable	35,119	55,720	11,758	9,468	46,877	65,188
Investment trades pending payable	521,728	64,609	-	-	521,728	64,609
Total liabilities	556,847	120,329	11,758	9,468	568,605	129,797
Net position restricted for pensions	\$ 57,495,752	\$ 68,074,058	\$ 37,765,708	\$ 41,713,495	\$ 95,261,460	\$ 109,787,553

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	2024	2023	2024	2023	2024
Additions:						
Contributions:						
Employer	\$ 4,450,000	\$ 6,550,279	\$ 3,999,996	\$ 3,999,996	\$ 8,449,996	\$ 10,550,275
Total contributions	<u>4,450,000</u>	<u>6,550,279</u>	<u>3,999,996</u>	<u>3,999,996</u>	<u>8,449,996</u>	<u>10,550,275</u>
Investment income (loss):						
Interest and dividend income	7,521,202	6,288,873	984,153	1,079,988	8,505,355	7,368,861
Net appreciation (depreciation) in fair value of investments	-	-	4,358,301	4,183,607	4,358,301	4,183,607
Total investment earnings	<u>7,521,202</u>	<u>6,288,873</u>	<u>5,342,454</u>	<u>5,263,595</u>	<u>12,863,656</u>	<u>11,552,468</u>
Less investment expenses	<u>46,503</u>	<u>45,878</u>	<u>114,357</u>	<u>120,288</u>	<u>160,860</u>	<u>166,166</u>
Total investment income	<u>7,474,699</u>	<u>6,242,995</u>	<u>5,228,097</u>	<u>5,143,307</u>	<u>12,702,796</u>	<u>11,386,302</u>
Total additions (deductions) - net	<u>11,924,699</u>	<u>12,793,274</u>	<u>9,228,093</u>	<u>9,143,303</u>	<u>21,152,792</u>	<u>21,936,577</u>
Deductions:						
Benefit payments	2,112,038	2,101,851	5,113,785	5,004,334	7,225,823	7,106,185
Administrative expenses	<u>103,812</u>	<u>113,117</u>	<u>220,734</u>	<u>191,182</u>	<u>324,546</u>	<u>304,299</u>
Total deductions	<u>2,215,850</u>	<u>2,214,968</u>	<u>5,334,519</u>	<u>5,195,516</u>	<u>7,550,369</u>	<u>7,410,484</u>
Change in fiduciary net position	9,708,849	10,578,306	3,893,574	3,947,787	13,602,423	14,526,093
Net position restricted for pensions, at beginning of year	<u>47,786,903</u>	<u>57,495,752</u>	<u>33,872,134</u>	<u>37,765,708</u>	<u>81,659,037</u>	<u>95,261,460</u>
Net position restricted for pensions, at end of year	<u>\$ 57,495,752</u>	<u>\$ 68,074,058</u>	<u>\$ 37,765,708</u>	<u>\$ 41,713,495</u>	<u>\$ 95,261,460</u>	<u>\$ 109,787,553</u>

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CapMetro

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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Position										
Total assets	\$ 1,456,918,074	\$ 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
Deferred outflow	10,811,149	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
Total liabilities	192,655,145	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
Unearned grant revenue	-	-	-	-	-	-	8,797,035	17,140,344	18,828,476	41,375,065
Deferred inflow	77,829,224	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
Net position										
Invested in capital assets	772,482,407	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
Unrestricted	424,762,447	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
Total net position	\$ 1,197,244,854	\$ 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

Unaudited - see accompanying auditor's report

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenue										
Transportation fares	\$ 7,843,200	\$ 8,322,755	\$ 10,744,252	\$ 8,840,307	\$ 7,019,405	\$ 9,948,339	\$ 15,185,532	\$ 14,620,434	\$ 15,997,680	\$ 16,780,423
Contract revenue and fares	9,741,191	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
Rail - freight	6,860,738	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
Total operating revenue	24,445,129	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
Operating Expenses										
Labor/fringe benefits	88,671,209	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
Professional services	47,708,562	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
Materials	40,510,565	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
Utilities	5,377,667	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
Insurance	1,386,306	1,018,700	646,828	407,338	2,663,563	386,174	640,414	1,279,723	517,691	681,159
Taxes	1,143,773	946,638	1,337,255	926,654	919,906	1,081,957	1,218,503	1,107,702	1,056,256	1,045,710
Purchased transportation	240,399,306	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
Other expenses	5,330,951	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
Interest expense	-	-	-	-	-	-	-	252,919	369,935	480,141.00
Depreciation	75,907,030	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
Total operating expenses	506,435,369	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
Operating Loss	(481,990,240)	(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)
Non-Operating Revenue (Expenses)										
Sales and use tax	393,856,757	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
Investment income	20,994,843	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
Rental income	4,680,223	4,456,839	2,754,739	2,543,687	2,530,536	-	-	-	-	-
Other income, net	5,191,825	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
Other federal grants	84,683,340	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
Capital contribution - other jurisdictions	(2,925,460)	(2,316,764)	(995,596)	(646,229)	(18,229,137)	(4,497,317)	(420,730)	(542,830)	(57,160)	-
Build Central Texas Program	(1,160,348)	(1,754,663)	(724,280)	(4,946,290)	(243,000)	(148,510)	(570,966)	(409,978)	(2,927,158)	(180,544)
Mobility interlocal agreements	(2,028,562)	(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)
Impairment of assets	(10,412,779)	(1,448,297)	-	(21,795,475)	-	-	-	-	-	-
Long-term mobility planning	-	-	-	(23,365,670)	(66,749,749)	(6,699,699)	(3,895,780)	-	-	-
Total non-operating revenue (expenses)	492,879,839	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
Income (loss) before contributions	10,889,599	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
Capital contributions	53,850,851	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
Change in net position	\$ 64,740,450	\$ 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

Unaudited - see accompanying auditor's report.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue										
Operating revenue										
Transportation fares	\$ 7,843,200	\$ 8,322,755	\$ 10,744,252	\$ 8,840,307	\$ 7,019,405	\$ 9,948,339	\$ 15,185,532	\$ 14,620,434	\$ 15,997,680	\$ 16,780,423
Contract revenue and fares	9,741,191	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
Rail freight revenue	6,860,738	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
Total operating revenue	24,445,129	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
Non-operating revenue										
Sales tax	393,856,757	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
Investment income	20,994,843	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
Grant income	138,534,191	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
Other income	9,872,048	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
Total non-operating revenue	563,257,839	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
Total revenue	\$ 587,702,968	\$ 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

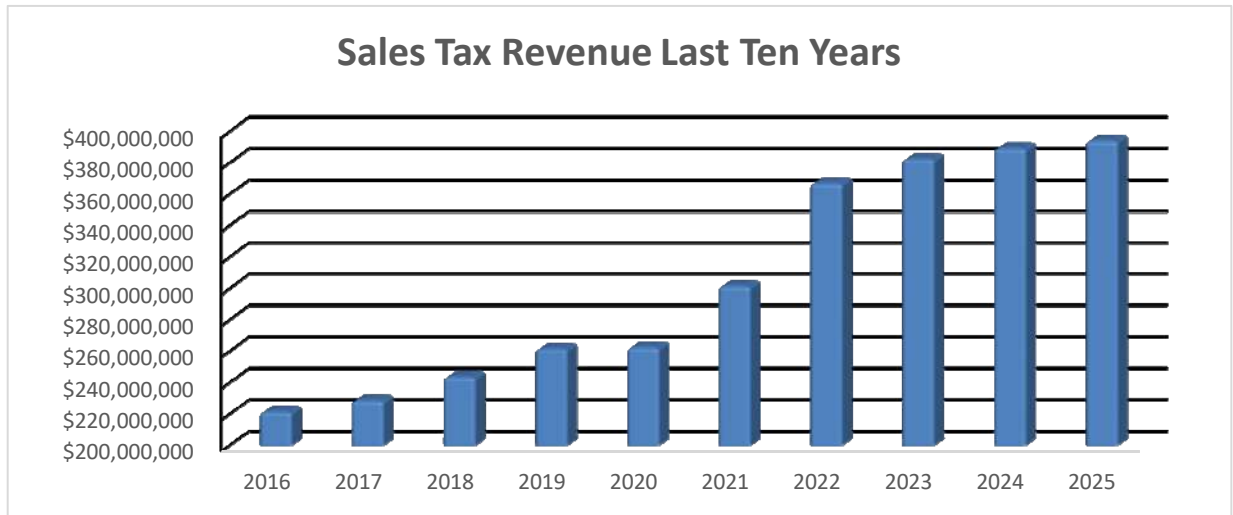
Unaudited - see accompanying auditor's report.

**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
2016	\$221,298,639	5.2%	5.2%
2017	228,545,196	8.6%	3.2%
2018	243,571,292	15.8%	6.2%
2019	261,540,589	24.3%	6.9%
2020	262,434,630	24.7%	0.3%
2021	301,419,604	43.3%	12.9%
2022	366,924,492	74.4%	17.9%
2023	382,375,243	81.7%	4.2%
2024	389,023,178	84.9%	1.7%
2025	393,856,757	87.2%	1.2%

Notes:

- (1) Sales tax revenue accounts for 67.0% of revenue in FY 2025
- (2) Sales tax rate 1% since 1995
- (3) Base year for 2016 through 2025 is 2015



Unaudited - see accompanying auditor's report.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Austin	\$ 354,821,774	\$ 352,013,025	\$ 346,804,144	\$ 325,508,554	\$ 271,149,723	\$ 237,732,888	\$ 239,542,427	\$ 223,153,016	\$ 210,263,080	\$ 203,818,258
Leander	12,090,824	11,446,107	10,877,384	10,554,918	9,567,029	7,780,850	6,037,488	5,133,277	4,575,949	4,132,318
Manor	3,491,052	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
Lago Vista	1,207,705	1,185,700	1,143,658	1,037,996	900,006	731,745	528,727	478,798	443,462	413,984
Jonestown	355,469	349,366	340,104	294,891	235,000	185,860	152,737	160,874	123,936	115,269
Volente	212,678	215,286	252,216	290,777	277,932	214,248	184,213	162,702	76,700	62,279
Point Venture	129,312	116,838	109,627	101,537	87,210	97,322	65,181	59,006	57,198	42,811
Unincorporated Areas	21,547,943	20,787,580	19,979,579	26,710,781	17,157,957	14,066,778	13,685,812	13,268,333	11,936,859	11,714,897
Total	\$ 393,856,757	\$ 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

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 auditor's report.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Rail lease purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,657,979	\$ 6,504,050
Lease liability	7,690,608	4,520,831	6,677,483	6,020,790	7,275,193	-	-	-	-	-
Subscription liability	14,076,868	9,294,594	3,254,992	4,718,369	-	-	-	-	-	-
Long-term financing	-	-	-	-	-	-	-	-	10,550,000	12,525,000
Total debt	\$ 21,767,476	\$ 13,815,425	\$ 9,932,475	\$ 10,739,159	\$ 7,275,193	\$ -	\$ -	\$ -	\$ 14,207,979	\$ 19,029,050
Per capita income (MSA)	-	-	-	-	-	-	-	-	53,908	51,566
Total debt/per capita income	\$ -	-	-	-	-	-	-	-	264	369

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

(1) Per capita statistics not available

Unaudited - see accompanying auditor's report

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

	Sales Tax Revenue	Operating Revenue	Operating Grants	Operating Expenses Net of Depreciation	Net Available Revenue	Principal Debt Payment	Coverage Ratio
2025	\$ 393,856,757	\$ 24,445,129	\$ 84,683,340	\$ (430,528,339)	\$ 72,456,887	\$ -	-
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	6.2
2017	228,545,196	28,672,082	30,797,301	(229,382,823)	58,631,756	4,821,070	12.2
2016	221,298,639	28,822,893	29,172,453	(225,900,190)	53,393,795	4,711,568	11.3

Capital Metro 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) (4)	Per Capita Personal Income (MSA) (2)(4)	Unemployment Rate (MSA) (3)
			\$	\$	%
2025	1,010,524	2,566,264	239,496,295	93,300	3.8
2024	1,002,463	2,526,214	219,406,316	86,900	3.5
2023	999,538	2,473,275	199,026,444	80,471	3.6
2022	994,396	2,423,170	184,158,832	75,999	2.8
2021	992,631	2,358,634	167,393,441	70,971	3.5
2020	971,512	2,300,135	147,166,207	63,982	6.3
2019	954,138	2,187,161	138,650,094	63,393	2.6
2018	936,238	2,168,316	127,439,164	58,773	2.9
2017	913,245	2,115,230	117,458,116	55,530	3.1
2016	887,692	2,062,211	107,664,294	52,208	3.3

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

(1) Source: City of Austin, Planning Department, Demographics & Data Division (2025 Vintage), based on full-purpose jurisdictions.

(2) Source: Bureau of Economic Analysis (BEA); data as of February 2025. BEA data for fiscal years 2024 and 2025 were not available as of the publication date.

(3) Source: Bureau of Labor Statistics, United States Department of Labor as of September 30, 2025.

(4) Data not available for 2024 or 2025. Figures are estimated.

(5) The City Demographer has restated the full-purpose population for 2016-2024.

Unaudited - see accompanying auditor's report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
PRINCIPAL EMPLOYERS**

Fiscal Year Ended September 30

10 Largest Employers	Industry	2025			2016			
		Rank	Employees	Percent of MSA Total (1)	Rank	Employees	Percent of MSA Total (1)	
State Government	Government	1	41,620	(2)	3.04%	1	38,709	3.83%
The University of Texas at Austin	Education	2	32,369	(3)	2.36%	2	23,665	2.34%
HEB	Retail	3	27,271	(6)	1.99%	6	12,198	1.21%
Tesla, Inc.	Manufacturing	4	21,191	(6)	1.55%			
City of Austin	Government	5	16,403	(5)	1.20%	3	13,371	1.32%
Federal Government	Government	6	16,100	(4)	1.17%	5	12,800	1.27%
Dell Computer Corporation	Computers	7	13,000	(6)	0.95%	4	13,000	1.29%
St. David's Healthcare Partnership	Healthcare	8	12,639	(6)	0.92%	9	8,598	0.85%
Ascension Seton (7)	Healthcare	9	12,635	(6)	0.92%	8	10,270	1.02%
Amazon.com LLC	Retail	10	11,000	(6)	0.80%			
Ausitn Independent School District	Education					7	11,568	1.15%
Samsung Austin Semiconductor	Manufacturing					10	6,074	0.60%
			204,228		14.90%		150,253	14.88%

Notes: Data subject to change as more precise numbers become available.

(1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 1,371,100 for 2025 and 1,009,400 for 2016.

(2) Texas State Auditor's Office: Regular and Part Time State Employees for 2025 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 2025.

(5) 2025-26 City of Austin Approved Budget, page 916 (Personnel Summary: 2024-25 Amended column).

(6) Austin Business Journal, October 2025.

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Expenses										
Labor/fringe benefits	\$ 88,671,209	\$ 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
Services	47,708,562	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
Materials	40,510,565	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
Utilities	5,377,667	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
Insurance	1,386,306	1,018,700	646,828	407,338	2,663,563	386,174	640,414	1,279,723	517,691	681,159
Taxes	1,143,773	946,638	1,337,255	926,654	919,906	1,081,957	1,218,503	1,107,702	1,056,256	1,045,710
Purchased transportation	240,399,306	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
Other expenses	5,330,951	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
Interest expense	-	-	-	-	-	-	-	252,919	369,935	480,141
Depreciation	75,907,030	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
Total operating expenses	\$ 506,435,369	\$ 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
Non-Operating Expenses										
Build Central Texas	\$ 1,160,348	\$ 1,754,663	\$ 724,280	\$ 4,946,290	\$ 243,000	\$ 148,510	\$ 570,966	\$ 409,978	\$ 2,927,158	\$ 180,544
Mobility programs	2,028,562	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
Long-term mobility planning	-	-	-	23,365,670	66,749,749	6,699,699	3,895,780	-	-	-
Capital contributions - other jurisdictions	2,925,460	2,316,764	995,596	646,229	18,229,137	4,497,317	420,730	542,830	57,160	-
Asset disposal and other expenses	10,412,779	1,448,297	-	21,795,475	-	-	-	-	-	-
Total non-operating expenses	\$ 16,527,149	\$ 7,544,237	\$ 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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating expenses										
Demand response directly operated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand response-purchased transportation	86,811,516	80,308,683	70,211,169	51,089,019	45,082,917	41,344,741	38,949,933	40,844,729	42,199,986	40,362,921
Demand response taxi cab	-	-	-	-	-	-	-	-	0	846,445
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus-purchased transportation	2,920,298	2,974,553	2,495,503	2,201,227	1,759,661	4,671,770	8,828,809	7,750,079	6,379,211	5,688,832
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus-purchased transportation	291,504,151	270,830,544	235,465,611	196,598,880	160,166,036	158,612,670	164,620,099	153,795,357	145,368,852	144,263,239
Commuter rail-purchased transportation	34,606,611	33,927,697	34,842,819	31,867,229	28,286,746	22,536,132	19,319,510	23,182,822	21,743,560	24,246,860
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	2,868,960	2,372,331	2,065,714	1,813,619	1,329,255	2,385,786	2,401,218	1,143,337	1,452,639	1,273,091
Total operating expenses**	\$ 418,711,536	\$ 390,413,808	\$ 345,080,816	\$ 283,569,974	\$ 236,624,615	\$ 229,551,099	\$ 234,119,569	\$ 226,716,324	\$ 217,144,248	\$ 216,681,388
Actual vehicle revenue miles										
Demand response directly operated	-	-	-	-	-	-	-	-	-	-
Demand response purch. trans.	6,575,028	6,306,181	5,349,198	5,096,957	4,335,557	4,472,209	5,615,709	5,514,405	5,395,478	5,028,095
Demand response taxi cab	-	-	-	-	-	-	-	-	-	146,782
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	211,671	212,998	207,012	202,557	198,431	605,598	1,147,318	928,475	737,780	736,798
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	15,198,849	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
Commuter rail purch. trans.	722,172	710,943	666,249	673,363	544,815	532,347	291,066	310,272	301,020	298,379
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	3,884,339	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
Total actual vehicle revenue miles	26,592,059	25,344,905	23,980,019	22,719,574	22,828,861	24,114,786	27,421,474	26,489,259	24,654,864	23,662,697

** Total operating expense does not include depreciation, rail freight expense, or other nonallocated expenses for NTD.

Source: NTD report for each year

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

Unaudited - see accompanying auditor's report

OPERATING STATISTICS LAST TEN YEARS, continued

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actual vehicle revenue hours										
Demand response directly operated	-	-	-	-	-	-	-	-	-	\$ -
Demand response purch. trans.	477,894	448,763	416,962	400,487	397,986	414,642	404,492	385,547	396,660	382,088
Demand response taxi cab	-	-	-	-	-	-	-	-	-	6,725
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	8,981	9,211	8,985	8,754	8,298	32,738	61,632	47,486	40,364	40,182
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	1,361,214	1,291,411	1,312,824	1,248,859	1,324,579	1,297,870	1,434,665	1,325,923	1,230,076	1,167,955
Commuter rail purch. trans.	30,344	30,149	28,388	28,976	21,925	22,117	12,393	13,157	12,725	12,536
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	76,251	72,970	60,906	51,824	44,780	93,532	119,102	116,427	101,553	86,694
Total actual vehicle revenue hours	1,954,684	1,852,504	1,828,065	1,738,900	1,797,568	1,860,899	2,032,284	1,888,540	1,781,378	1,696,180
Annual Unlinked Trips										
Demand response directly operated	-	-	-	-	-	-	-	-	-	-
Demand response purch. trans.	1,192,253	1,089,647	914,983	752,118	487,924	550,702	706,989	694,632	650,696	656,476
Demand response taxi cab	-	-	-	-	-	-	-	-	-	25,902
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	148,308	131,275	121,301	99,059	45,894	412,468	779,887	611,298	527,351	542,266
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	24,118,095	24,335,001	22,490,883	18,810,537	15,789,410	20,929,440	28,313,157	26,879,277	27,297,092	27,261,362
Commuter rail purch. trans.	608,754	540,807	477,322	474,354	256,982	377,703	729,508	811,242	824,704	806,331
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	386,665	376,711	327,952	281,009	235,669	432,153	548,873	511,337	459,555	432,558
Total actual unlinked trips	26,454,075	26,473,441	24,332,441	20,417,077	16,815,879	22,702,466	31,078,414	29,507,786	29,759,398	29,724,895

Source: NTD report for each year

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

Unaudited - see accompanying auditor's report.

OPERATING STATISTICS LAST TEN YEARS, continued

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Passenger Miles										
Demand response directly operated	-	-	-	-	-	-	-	-	-	-
Demand response purch. trans.	7,185,951	6,092,151	5,611,261	4,956,545	3,203,806	3,951,985	6,008,746	5,615,058	5,581,909	5,222,308
Demand response taxi cab	-	-	-	-	-	-	-	-	-	169,347
Express bus directly operated	-	-	-	-	-	-	-	-	-	-
Express bus purch. trans.	2,816,009	2,627,865	2,400,259.00	1,748,763	759,804.00	7,329,378	14,695,729.00	10,302,794.00	7,701,902.00	8,811,515.00
Motor bus directly operated	-	-	-	-	-	-	-	-	-	-
Motor bus purch. trans.	96,821,162	97,418,848	93,122,288	81,813,021	74,122,215	90,381,986	115,921,268	116,078,132	115,795,824	112,049,203
Commuter rail purch. trans.	8,925,904	8,000,487	7,330,560	6,415,639	3,044,287	5,491,355	11,187,645	12,269,528	13,034,972	13,241,488
Vanpool-directly operated	-	-	-	-	-	-	-	-	-	-
Vanpool-purchased transportation	15,939,772	15,683,436	13,547,244.00	12,859,050	11,511,477	17,430,461	20,766,873	19,572,510	16,720,887	14,763,768
Total actual passenger miles	131,688,798	129,822,787	122,011,612	107,793,018	92,641,589	124,585,165	168,580,261	163,838,022	158,835,494	154,257,629

Source: NTD report for each year

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

Unaudited - see accompanying auditor's report.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
CAPITAL ASSETS
LAST TEN YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capital assets not being depreciated:										
Land and improvement	\$ 109,621,226	\$ 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
Projects in process	248,350,073	288,247,155	249,381,798	67,873,163	38,216,729	70,779,761	63,769,381	74,723,419	59,247,399	22,204,736
Total capital assets not being depreciated	357,971,299	384,178,423	328,542,412	147,033,777	109,752,013	146,108,455	133,658,892	134,412,964	118,414,265	78,842,326
Other capital assets:										
Building and improvements	121,000,181	107,342,052	94,635,225	96,456,829	96,323,337	110,184,798	105,726,911	86,079,657	84,692,633	84,264,315
Railroad	252,595,538	252,126,413	210,791,184	200,172,515	197,356,821	178,461,741	167,819,219	149,028,997	139,643,809	135,922,532
Buses and equipment	546,155,966	464,620,324	453,980,732	441,948,154	440,453,623	409,922,836	364,175,340	326,473,242	290,922,992	270,202,037
Passenger parking and stations	178,411,565	130,198,207	113,488,435	113,490,828	113,345,696	105,449,581	97,156,719	89,425,600	87,162,200	86,785,928
Right-to-use assets - SBITA	46,830,088	33,773,390	23,061,864	9,087,998	2,891,090	-	-	-	-	-
Right-to-use assets - leases	11,866,059	10,682,679	12,128,717	9,649,097	9,649,097	-	-	-	-	-
Leashold improvements	2,334,117	391,483	391,483	391,483	391,483	352,908	-	-	-	-
Total other capital assets	1,159,193,514	999,134,548	908,477,640	871,196,904	860,411,147	804,371,864	734,878,189	651,007,495	602,421,634	577,174,812
Less: accumulated depreciation										
Building and improvements	73,895,033	68,743,170	65,684,211	63,552,311	60,028,428	56,681,154	52,306,025	49,040,930	46,826,275	44,721,335
Railroad	171,504,377	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
Buses and equipment	321,993,298	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
Passenger parking and stations	103,339,707	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
Right-to-use assets - SBITA	18,164,083	12,262,124	6,632,728	1,619,717	-	-	-	-	-	-
Right-to-use assets - leases	3,177,985	5,092,735	4,101,922	2,373,904	1,170,197	-	-	-	-	-
Leashold improvements	1,373,344	353,079	274,783	196,487	118,188	41,174	-	-	-	-
Total accumulated depreciation	693,447,827	629,559,860	579,733,229	524,028,078	472,195,535	442,383,170	408,021,744	379,274,825	349,151,233	344,658,974
Total capital assets, net	\$ 823,716,986	\$ 753,753,111	\$ 657,286,823	\$ 494,202,603	\$ 497,967,625	\$ 508,097,149	\$ 460,515,337	\$ 406,145,634	\$ 371,684,666	\$ 311,358,164

Unaudited - see accompanying auditor's report.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employee Count										
CapMetro Administration	673	671	646	565	579	503	495	504	463	428
Total Active Employees	673	671	646	565	579	503	495	504	463	428

Source: CapMetro Human Resource Department.

Employee count includes 85, 81 and 59 part-time and temporary employees in 2023, 2024, and 2025 respectively.

Unaudited - see accompanying auditor's report.

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

YEAR	PERCENTAGE	YEAR	PERCENTAGE
2018	9.9%	2022	6.0%
2019	9.9%	2023	5.6%
2020	6.5%	2024	4.4%
2021	5.7%	2025	4.1%

FARE STRUCTURE

	Local	Commuter	Paratransit¹
	CapMetroBus, CapMetro Rapid, High Frequency Routes, UT Shuttle, and Pickup	CapMetroRail and CapMetroExpress	CapMetro Access
Single Ride	\$1.25	\$3.50	\$1.75
Single Ride, Equifare ²	\$1.00	\$3.00	N/A
Single Ride, Reduced ³	\$0.60	\$1.75	N/A
Grades K-12 students ⁴	FREE	FREE	FREE
Active/Reserve duty in uniform ³	FREE	FREE	FREE
Active/Reserve duty no uniform ³	Elig for reduced	Elig for reduced	Elig for reduced
CapMetro Employees/Family	FREE	FREE	FREE
UT/ACC Students and Faculty ⁵	FREE	FREE	FREE
Passes and Tickets			
Day Pass	\$2.50	\$7.00	N/A
Day Pass, Equifare ²	\$2.00	\$6.00	N/A
Day Pass, Reduced ³	\$1.25	\$3.50	N/A
31-Day Pass	\$41.25	\$96.25	N/A
31-Day Pass, Equifare ²	\$33.00	\$77.00	N/A
31-Day Pass, Reduced ³	\$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 Paratransit 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 auditor's report.