M E M O R A N D U M

SUBJECT: Results of the Audit of WMATA's Financial Statements for FYs 2023 & 2022 (OIG 22-04)

DATE: November 16, 2023

FROM: OIG – Yamani A. Dole [redacted]

TO: GMGR – Randy S. Clarke

The Compact requires an independent external auditor, as determined by the Inspector General, to annually audit WMATA's financial statements in accordance with applicable standards. In compliance with this requirement, OIG retained RSM US, LLP (RSM) to conduct this annual audit. Transmitted with this memorandum is RSM's report, which contains the following:

- Opinion on the Financial Statements.
- Management's Discussion and Analysis (Unaudited).

Objective of a Financial Statement Audit

To determine whether the audited entity's financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The audit included, among other things, obtaining an understanding of WMATA and its operations, including internal control over financial reporting; evaluating the design and operating effectiveness of internal control and assessing risk; and testing relevant internal controls over financial reporting. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies, or procedures may deteriorate.

FY 2023 Audit Results

- Unmodified opinion.

OIG Oversight of RSM Performance
To fulfill our responsibilities under the contract for ensuring the quality of the audit work performed, we monitored RSM's audit of WMATA's FY 2023 and FY 2022 financial statements by:

- Reviewing RSM's audit approach and planning.
- Monitoring audit progress at key points.
- Examining the working papers related to planning and performing the audit.
- Reviewing RSM's audit report to ensure compliance with applicable auditing standards.
- Coordinating the issuance of the audit report.
- Performing other procedures deemed necessary.

RSM is responsible for the attached auditors' report, dated November 6, 2023, and the conclusions expressed therein. OIG is responsible for technical and administrative oversight regarding the firm's performance under the terms of the contract. Our oversight, as differentiated from an audit in conformance with applicable standards, was not intended to enable us to express, and accordingly, we do not express an opinion on WMATA's financial statements.

Meeting with the Board Executive Committee
RSM discussed the results of the audit with the Board Executive Committee on November 2, 2023.

Attachment

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
WASHINGTON, DC

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022

#YOURMETRO:

WORKING DIFFERENTLY FOR OUR CUSTOMERS AND PARTNERS

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022

Yetunde Olumide, Executive Vice President and Chief Financial Officer

Gary Castellaw, Vice President and Comptroller

Prepared by the office of Accounting

#YOURMETRO:

WORKING DIFFERENTLY FOR OUR CUSTOMERS AND PARTNERS

This Annual Comprehensive Financial Report was prepared by:

Finance

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Special thanks to all office of Accounting and support personnel who contributed to the preparation of this document.

Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2023 and 2022

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SECTION ONE - INTRODUCTORY (UNAUDITED)

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November 6, 2023

Chairman and Members of the Board of Directors:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Washington Metropolitan Area Transit Authority (Metro) for the fiscal year which ended on June 30, 2023. Metro's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and audited by a firm of independent certified public accountants retained by Metro.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Metro's management. To the best of our knowledge and belief, the information contained in this report is accurate in all material respects and is reported in a manner designed to fairly present the financial position and operations of Metro. All disclosures have been included to provide insight into Metro's financial activity.

Metro management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are adequately safeguarded against loss, theft, or misuse and to maintain accurate and reliable financial records for the preparation of financial statements and the representations made by management. The cost of internal controls should not outweigh the benefits; consequently, Metro's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, Metro's internal controls provide reasonable assurances of proper financial transactions.

RSM US LLP, a firm of licensed certified public accountants, issued an unmodified "clean" audit opinion on Metro's fiscal year 2023 financial statements on November 6, 2023. The independent auditor's report is located in the financial section of this report.

Metro's management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Washington Metropolitan Area Transit Authority

300 7th Street, SW
Washington, DC 20024
202-962-1234

A District of Columbia, Maryland and Virginia Transit Partnership

Profile of the Authority

Metro was created in 1967 by an Interstate Compact (Compact) through legislation passed by the District of Columbia, State of Maryland, Commonwealth of Virginia, and United States Congress. Metro's vision is to move the region forward by connecting communities and improving mobility for customers, with a mission to plan, build, finance and operate a transportation system in the Washington Metropolitan Area Transit Zone (Transit Zone). In fulfillment of its vision, Metro provides the region with three coordinated types of transportation services: bus (Metrobus), rail (Metrorail), and paratransit (MetroAccess).

Construction of the Metrorail system began in December 1969. Later, by February 1973, four area bus companies were acquired forming the basis for the Metrobus system. Metro began operating the first phase of the Metrorail in 1976. In May 1994, MetroAccess, the paratransit service for mobility impaired passengers unable to use fixed route transit service, began operation.

Metrorail is the second busiest rail transit system and the sixth largest bus network in the country. Metro serves a population of approximately six million within a 1,500- square–mile area. Its transit zone consists of the District of Columbia; the suburban Maryland counties of Montgomery, Prince George's, portions of Charles and Anne Arundel; Northern Virginia counties of Arlington, Fairfax, Loudoun, Prince William, and the cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park. Metro has a fleet of 1,669 buses, 1,290 railcars, and 863 MetroAccess vehicles.

Today, the Metrorail system has 98 stations,130 miles of track, and six Metrorail lines (Blue, Green, Orange, Yellow, Red, and Silver). Completion of the second phase of the Metrorail Silver Line, which opened on November 15, 2022, provides service to Washington Dulles International Airport and Loudoun County; and the opening of the Potomac Yard station on the Blue and Yellow Lines on May 19, 2023, added an additional 12.3 miles of track and seven new stations.

Organizational Structure

The Board of Directors (Board) governs and determines policy for Metro. The Board is composed of eight voting Directors and eight alternate Directors from each signatory to the Compact and from the federal government. The Directors and Alternates for the Commonwealth of Virginia are appointed by the Northern Virginia Transportation Commission; for the District of Columbia, by the City Council; for the State of Maryland, by the Washington Suburban Transit Commission; and for the Federal Government, by the US Secretary of Transportation.

Subject to policy direction and delegations from the Board, the General Manager and Chief Executive Officer (GM/CEO) is responsible for the operations and functions of Metro. The GM/CEO directs staff in implementing and carrying out the strategic plan, Your Metro, The Way Forward.

Budget Process

Metro's annual budget serves as the foundation for its financial planning and control. The GM/CEO and staff prepare and submit the budget to the Board for approval. The annual budget includes both an operating budget and a capital budget.

Metro begins planning each annual budget in August of the previous fiscal year. The budget must be adopted and implemented by June 30th for the fiscal year beginning on July 1. The budgeting process is divided into six major phases: Development of key assumptions and priorities; budget review and justification; presentation of the proposed budget to the Board; Board discussion/public outreach and public hearings; budget adoption; and budget implementation.

For fiscal year 2023, the Board approved an annual budget of approximately $4.8 billion, which included $2.3 billion dedicated to operations and $2.4 billion for capital improvement programs. The budget reflects 13,032 authorized staff positions.

It is the responsibility of each department to manage its operations in such a manner to ensure that the use of Metro's funds is consistent with the goals and programs authorized by the Board.

Economic Condition

Local Economy

Metro's ridership and overall financial outlook are directly influenced by the population, economic conditions, and employment growth in the District of Columbia and the surrounding jurisdictions in Maryland and Virginia. Although ridership trends are gradually improving, the COVID-19 pandemic (pandemic) continues to affect the community, having a fiscal impact on Metrorail, Metrobus, and MetroAccess. As such, federal relief has continued to play a critical role in funding Metro's operations to replace lost fare revenue resulting from ridership that is below pre-pandemic levels.

On August 13, 2021, additional pandemic relief was provided through the American Rescue Plan Act of 2021 (ARPA), providing Metro with an estimated $1.2 billion in additional funding. Federal relief has enabled Metro to avoid service cuts and employee layoffs.

Federal Presence and Ridership: The regional economy remains tightly linked to the federal government as it is the largest employer in the region. More than half of Metrorail stations serve federal facilities, and approximately one third of peak service Metrorail trips on an average weekday are taken by federal employees**.** According to projections by the US Office of Management and Budget, federal employment is expected to increase by 1.7 percent from 2023 to 2024. While still recovering from the pandemic, businesses are resuming in-person work, large-scale events are returning, and tourism, the second-biggest industry in DC, has significantly improved.

The Washington, DC metropolitan area is making significant efforts to diversify and grow the economy. Industrial clusters beyond the federal government were identified in the Roadmap for the Washington Region's Economic Future with the potential to generate economic growth over the next decade. Additionally, Metro has continued to invest in long and near-term capital improvement projects.

Economic and Social Benefits to the Region: Metro remains a powerful economic engine that drives the region's economy. In collaboration with real estate developers, Metro has one of the most robust transit-oriented development (TOD) programs in the nation. The program portfolio includes 55 projects completed or under construction at 30 stations, totaling more than 31 million square feet of mixed-use development with nine million new annual metro trips and 26,000 new housing units. TOD has been linked to economic growth, expanded mobility, and improvements to the environment. Areas surrounding TOD have recorded improvements in property values and ridership fare revenue, reducing the need for taxpayer subsidies. TOD increases access to local businesses and reduces travel times, congestion, and emissions.

Financial Planning

Metro's new Strategic Transformation Plan will serve as a guide to fund improved services and a better customer experience over the next five years. The FY2024 budget includes operational and capital priorities for more service, enhanced safety, new fare simplifications, sustainability, and capital improvements.

Operations

The operating budget upholds Metro's commitment to safety, reliability and affordability, and maintains its vision as the region's trusted way to move more people safely and sustainably. Specifically, the FY2024 $2.4 million operating budget includes improvements to Metrobus and Metrorail service that enhances service equity, promotes broader transit access, simplifies the Metrorail fare structure for customers, and reduces costs through additional management efficiencies. The FY2024 operating budget includes fare and service changes to further encourage ridership recovery by simplifying and reducing fares and targeting Metrorail and Metrobus improvements to service frequencies. Changes include lowering the weekday fare structure to off-peak rates, standardizing the Metrorail per-mile charge at 40 cents per mile, implementing a Low-Income Fare Discount program, aligning Metrorail and Metrobus base fares at $2 each, and reducing the MetroAccess maximum fare from $6.50 to $4.

Long-Term Capital Improvement Program

The $2.4 billion fiscal year 2024 Capital Budget and the $14.4 billion six-year Capital Improvement Program (CIP) for fiscal years 2024-2029 provides for capital investments that demonstrate Metro's commitment to safety, state of good repair, and reliability of Metrorail, Metrobus, and MetroAccess service.

The CIP, which is renewed and adopted each year by the Board, matches available funding sources with the capital project investments needed to maintain Metro's assets in a state of good repair. The CIP includes the following primary investment components:

- **Railcars and Railcar Facilities:** Replacement and purchase of new railcars, rehabilitation and maintenance of the railcar fleet and other railcar maintenance facilities.

- **Rail Systems:** Ongoing state of good repair efforts critical to maintaining and improving Metrorail's propulsion power, signals and communications systems.

- **Track and Structures Rehabilitation:** Track includes steel running rail that guides the train cars, the crossties and fasteners that hold the rail in place, the ballast bed that supports the cross ties, and the third rail that provides power to the train. Structures include the retaining walls that protect the track bed and underground tunnels, the concrete pads that keep the track bed properly elevated and the bridges that span roads and bodies of water.

- **Stations & Passenger Facilities:** Facilities at Metro's 98 Metrorail stations, including elevators, escalators, fare collection equipment, fire safety systems, bus loops, bus stops, parking garages, surface lots, access roads, bike racks, and bike lockers.

- **Bus, Bus Facilities and Paratransit:** Replacement and purchase of new buses and paratransit vehicles, rehabilitation and maintenance of these fleets and of other maintenance and customer facilities.

- **Operations and Business Support:** Facilities for collecting and storing system data, network infrastructure and other IT assets, as well as the support of Metro Transit Police facilities and equipment, and the non-revenue vehicle fleet.

Over the next few years, Metro will make capital investments in its fleet, traction power and infrastructure that will shape the region's sustainability efforts in addressing the impact of climate change.

The fiscal years 2024-2029 CIP includes funding from the Federal Transit Administration formula grant programs and federal funds approved under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008. PRIIA was reauthorized in 2021 for $1.5 billion over a 10-year period for Metro's capital and preventive maintenance projects, to be matched dollar-for-dollar with funding from the District of Columbia, Maryland, and Virginia. The remaining funding required over the six-year CIP will come in the form of jurisdictional capital contributions, annual dedicated capital funding, and debt.

Major Initiatives and Accomplishments

Ensuring Safety, Service Reliability, and Service Convenience

Metro aims to deliver safe, reliable, and convenient service for its customers through the improvement of existing programs and the establishment of new programs and initiatives. On February 8, 2023, Metro's Metropolitan Transit Police Department announced a partnership with the DC Metropolitan Police Department to enhance public safety and security on the transit system, increasing police visibility and reducing police response times.

Metro continues to aggressively implement a large capital program to enhance service reliability and convenience through major initiatives to upgrade the original construction of the system that include investments to restore, modernize and sustain the system; platform improvements, tunnel rehabilitation and water mitigation; the purchase of 8000-series railcars expected to be placed into service during FY27; ventilation improvements; and bus and vehicle replacements.

Improving Customer Experiences

Metro opened its newest Metro station, Potomac Yard, on May 19, 2023. This station, located in the fastest growing area of Alexandria, is between Ronald Reagan Washington National Airport and Braddock Road stations and serves the Blue and Yellow Lines. The station is expected to generate billions of dollars in new private sector investment over the long term and eventually support 26,000 new jobs and 13,000 new residents. New development immediately adjacent and north of the station is a mix of retail, residential and commercial development, including the new Virginia Tech Innovation Campus. Potomac Yard will be one of the first rail stations in North America to receive Leadership in Energy & Environmental Design (LEED) certification from the U.S. Green Building Council.

Metro celebrated the opening of the Silver Line Extension on November 15, 2022, connecting customers to six new stations (Reston Town Center, Herndon, Innovation Center, Washington Dulles International Airport, Loudoun Gateway, and Ashburn), adding 11.4 miles of track to the Metrorail system, and providing service to Loudon County and Washington Dulles International Airport where more than 600 flights arrive and depart daily. The Silver Line is Metro's largest rail expansion project since the opening of the Ronald Reagan Washington National Airport to Stadium-Armory segment in 1977.

Sustainability, Energy and Resiliency

Metro developed a five-year Energy Action Plan in fiscal year 2019, which includes initiatives to cut greenhouse gas emissions and generate energy and operational cost savings. Metro plans to invest $65.0 million by fiscal year 2025 in energy-efficient technology, modernized operations, and innovation to reduce operating costs and support a more sustainable future.

As part of the Better Bus Initiative (Better Bus), Metro is transitioning to a 100 percent zero-emission bus (ZEB) fleet. The new ZEB fleet will provide significant environmental benefits for the region. In comparison to the 2022 bus fleet, the fully zero-emission Metrobus fleet is expected to reduce greenhouse gas emissions by about 100,000 metric tons (83 percent) per year. In 2023, Metro released the first ZEB transition plan, which identified a pathway to transition to complete zero-emission operations by 2042, accelerating the ZEB timeline by three years, and received the delivery of 12 battery-electric buses for ZEB deployment of Phase 1 of the Initiative. This initial ZEB deployment in 2023 allows Metro to gain hands-on experience operating battery-electric buses and charging equipment to continue to provide safe and reliable service to our customers.

As part of the Energy Action plan, Metro is installing solar paneled canopies over surface lots and above parking garages at four rail stations. The first solar canopy was installed at Anacostia Station in fiscal year 2022. Solar canopy construction on the other three stations is expected to be completed by December 2023. Once installation is complete, the four sites will have 11 acres of solar panels, nearly 10 megawatts of electrical capacity and is expected to be one of the largest community solar projects in the Washington, DC metropolitan area.

The U.S. Green Building Council certified Metro's DC Headquarters as Leadership in Energy and Environmental Design (LEED) Platinum, the highest certification achievable in the LEED program. Metro's DC Headquarters is one of only two Version 4 projects to have received this certification in the District and one of only 13 projects to ever receive LEED Platinum certification for building design and construction in the District, regardless of version.

Construction for Metro's new building located in New Carrollton, Maryland was completed on March 21, 2023. The new building has 324,000 square feet, 11 floors and 1,470 workspaces. The building meets LEED Gold standards and includes energy saving features such as touchless bathroom fixtures, efficient HVAC systems, energy-saving

LED lighting and controls, and automatic daylight sensors for lights to optimize energy consumption. The opening of the Metro Building at New Carrollton follows the opening of Metro's DC Headquarters at L'Enfant Plaza last year and will be followed by the opening of the Metro Building at Eisenhower Avenue in fiscal year 2024. The three office buildings represent Metro's commitment to the jurisdictions served by the transit system and are consolidating Metro's workforce into fewer buildings to improve energy efficiency, moving towards a sustainable future.

Financial Reporting Updates

During fiscal year 2023, Metro adopted GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. GASB 96 requires recognition of a right-to-use subscription asset—an intangible asset— and a corresponding subscription liability. The adoption of GASB 96 resulted in Metro recording right-to-use subscription assets and subscription liabilities. For comparative purposes, Metro restated its financial statements for fiscal year 2022. Additional details on the implementation of GASB 96 can be found in the basic financial statements.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its ACFR for the fiscal year ended June 30, 2022. Metro has received this prestigious award for 35 years.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized financial report. This report must satisfy both US GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this current ACFR will meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine eligibility for another certificate.

Acknowledgments

Completion of this ACFR would not have been possible without the leadership of the Vice President and Comptroller, Gary Castellaw, and the knowledgeable and dedicated staff of the office of Accounting. A special note of appreciation is extended to the many diligent employees across Metro whose time and efforts helped produce this financial report. We would also like to thank the Board and the officers of Metro for their continuing support in executing the financial operations and in meeting Metro's fiscal responsibilities to our customers and the region.

Respectfully submitted,

Randy Clarke
Digitally signed by Randy Clarke
Date: 2023.10.19 18:13:47 -04'00'

Randy Clarke
General Manager and
Chief Executive Officer

Yetunde Olumide
Digitally signed by Yetunde Olumide
Date: 2023.10.19 18:01:08 -04'00'

Yetunde Olumide
Executive Vice President and
Chief Financial Officer

Board of Directors
As of June 30, 2023

The Washington Metropolitan Area Transit Authority (WMATA) is governed by a 16-member Board of Directors composed of eight Principal and eight Alternate members. The District of Columbia, State of Maryland, Commonwealth of Virginia and the federal government each appoint two Principal and two Alternate members. Below are the members serving on the Board as of June 30, 2023.

Principal Directors

Paul C. Smedberg was appointed to the Board as a Principal Director by the Northern Virginia Transportation Commission (NVTC) in January 2019, and was elected Chairman of the Board in June 2019. He previously served as an Alternate Director from January 2016 through January 2019. He served on the Alexandria City Council from 2003 to 2018, the Virginia Railway Express Operations Board from 2006 to 2018, serving as Chairman in 2013 and 2017, and the NVTC from 2006 to 2018, serving as Chairman in 2014 and 2018.

Lucinda Babers was appointed to the Board as a Principal Director by the District of Columbia City Council in May 2021. She currently serves as the first Deputy Mayor for Operations and Infrastructure for District government. She previously served as the Director of the DC Department of Motor Vehicles (DC DMV). As the DC DMV Director, Ms. Babers led the agency in significant and innovative changes, including the closure and opening of three service centers, elimination of passenger vehicle safety inspections, creation of a more secure credential (along with central issuance), and implementation of REAL ID and limited purpose credentials. Under her direction, DC DMV added numerous online services and received several international customer service and communication awards from the American Association of Motor Vehicles Administrators (AAMVA), as well as several regional AAMVA awards.

Don Drummer was appointed to the Board as a Principal Director by the Washington Suburban Transit Commission in July 2021. He is a solar energy entrepreneur, a retired Senior Executive in federal government, and a retired U.S. Army Colonel. Mr. Drummer concluded his federal career in the Federal Aviation Administration (FAA) while serving as Director of the Aviation Logistics Organization in Washington, DC from December 2015 to May 2018. His responsibilities included nationwide planning, programming, and management of the FAA real property lease portfolio (6.4 million square feet) and personal property account (valued at $7.2 billion). Prior to this appointment, Mr. Drummer served in the Transportation Security Administration for almost six years culminating as Deputy Assistant Administrator in the Office of Security Capabilities, which was preceded by 30 years of active-duty service in the U.S. Army.

Principal Directors (continued)

Sarah Kline was appointed to the Board as a Principal Director by the U.S. Secretary of Transportation in September 2021. Ms. Kline has spent her career developing and advancing policies to improve transportation outcomes in cities, towns, and rural areas, with a specialty in public transit and transit-oriented development. She led policy development for two national nonprofit organizations, Transportation for America and Reconnecting America. She also served as Director of Policy and Government Relations here at WMATA. Ms. Kline spent 8 years working at the US Senate Committee on Banking, Housing, and Urban Affairs as counsel for transit policy, during which time she negotiated the transit provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. She was a 2010 recipient of Mass Transit Magazine's Top 40 under 40 Award.

Matt Letourneau was appointed to the Board as a Principal Director by the NVTC in March 2019. He previously served as an Alternate Director from January through March 2019. He was elected to represent the Dulles District on the Loudoun County Board of Supervisors in 2011 and re-elected in 2015 and 2019. Mr. Letourneau serves as Chairman of the Loudoun Board's Finance, Government Operations and Economic Development Committee. He represents Loudoun on the NVTC, and served as Chairman in 2019, Vice-Chairman in 2018 and Secretary-Treasurer in 2017. Mr. Letourneau also served as Chairman of the Metropolitan Washington Council of Governments, after serving as Vice Chairman in 2016 and 2017 and Corporate President in 2014.

Dr. Tracy Hadden Loh was appointed to the Board as a Principal Director by the DC Council in November 2021, and she was elected 2nd Vice Chair in June 2023. Dr. Loh is a Fellow with the Anne T. and Robert M. Bass Center for Transformative Placemaking at the Brookings Institution. She is a graduate of DC public schools and holds a Ph.D. in city and regional planning from the University of North Carolina at Chapel Hill. Dr. Loh served two years representing Ward 1 on the Mount Rainier City Council in Prince George's County, MD. She is currently a member of the board of directors of Greater Greater Washington.

Joe McAndrew was appointed to the Board as a Principal Director in April 2023, serving as the Secretary of Transportation's designee representing the State of Maryland. He was elected 1st Vice Chair in June 2023. Mr. McAndrew began serving as Assistant Secretary for Planning and Project Development for the Maryland Secretary of Transportation on March 8, 2023. Mr. McAndrew, who served on Governor Wes Moore's Transition Team as Co-Chair of the Transportation Executive Policy Committee, joined the Maryland Department of Transportation after serving as Vice President of Government Affairs and Infrastructure for the Greater Washington Partnership. In this role, he led the Partnership's policy and engagement work with federal, state and local elected officials, and led efforts to achieve a 21st century regional mobility and infrastructure ecosystem in the Capital Region. Mr. McAndrew also served as the Policy Director for Transportation for America.

Principal Directors (continued)

Kamilah Martin-Proctor was appointed to the Board as a Principal Director by the U.S. Secretary of Transportation in September 2021. She also currently serves as 2021 Chair, Washington DC Commission on Persons with Disabilities. In addition, she also serves on the Board of the World Institute on Disability, is a British-American Project Fellow and was the Washington, DC 2020 United State of Women Ambassador. Ms. Martin-Proctor served as Vice-Chair on President Barack Obama's National Council on Disability and has worked with the Charles B. Rangel International Affairs Program at Howard University.

Alternate Directors

Canek Aguirre was appointed to the Board as an Alternate Director by the NVTC in March 2020. Mr. Aguirre was elected in November 2018 to serve a three-year term on the Alexandria City Council, the first Latino elected to that body. He is a past chair of the Economic Opportunities Commission, past president of the Tenants and Workers United Board of Directors, and past vice-chairman of the Health Systems Agency of Northern Virginia Board of Directors. In 2016, Mr. Aguirre was appointed to the Virginia Board of Social Work by Governor Terry McAuliffe.

Thomas H. Graham was appointed to be an Alternate Director by the Washington Suburban Transit Commission in June 2019. Mr. Graham has served as Vice President of People Strategy and Human Resources at Pepco Holdings Inc. since August 2013. He currently serves on the board of the Center of Energy Workforce Development (immediate Past Chair) and Maryland Chamber of Commerce (immediate Past Chair). Mr. Graham is also on the boards for Heroes, Inc., Excellence in Foundation for Prince George's County School System, Greater Prince George's Business Roundtable, Mid-Atlantic Plan Sponsors and Prince George's County Economic Development Corporation.

April Rai was appointed to the Board as an Alternate Director by the U.S. Secretary of Transportation in December 2022. She was appointed President & CEO of the Conference of Minority Transportation Officials (COMTO) in December 2021. In this role, Ms Rai works to build upon COMTO's 50-year history of ensuring equitable opportunities and maximum participation for minority individuals, veterans, people with disabilities and minority, women and disadvantaged business enterprises. With over 15 years of experience managing private, public sector and non-profit organizations, her career focus has centered on strategic partnership development, coalition building, people, and project management. Under the direction of the COMTO Board of Directors, Ms. Rai provides strategic leadership, guidance and ensures COMTO operates effectively to further the mission.

Alternate Directors (continued)

Walter L. Alcorn was appointed to the Board as an Alternate Director by the NVTC in January 2020. Representing Fairfax County, Virginia when he began his first term as the Hunter Mill District Supervisor on the Fairfax County Board of Supervisors, Mr. Alcorn's focus is on transit-oriented development, pedestrian/bicyclist mobility and safety, affordable housing and diversifying the local economy. Previously, Mr. Alcorn served on the Fairfax County's Planning Commission for 16 years and also served on the Park Authority Board. Professionally, he has worked on environmental issues in the tech industry and is a nationally recognized expert on electronics recycling systems.

Spring Worth was appointed to the Board as an Alternate Director by the DC Council in December 2022. Ms. Worth currently serves as the WMATA Budget & Policy Program Manager at the District Department of Transportation (DDOT). Since joining DDOT in 2013, she has led several large transit planning projects including the 16th Street NW Bus Lanes Project, the H Street NW Bus Priority Project and the Martin Luther King Jr. Avenue SE Bus Priority Project. In 2022, Ms. Worth accepted the role of chair of the Metropolitan Council of Governments Public Transportation Committee. She has served as the Vice Chair of the American Public Transportation Association's (APTA) Bus Rapid Transit (BRT) Committee and the Secretary of the APTA BRT Standards committee. She is a 2018 APTA Emerging Leaders Program Graduate. Ms. Worth has also completed the District government's Capital City Fellows Program and the National Urban Fellows program.

Michael Goldman was appointed to the Board as an Alternate Director by the Washington Suburban Transit Commission in December 2022. Mr. Goldman has practiced in the areas of international, antitrust and transportation law since 1972. He previously served as a Principal Director on the WMATA Board from 2013 – 2021. During his time as a Principal Director, Mr. Goldman served as the Board's 2nd Vice Chair and the Chair of its Safety and Operations Committee. Mr. Goldman is currently an active member of the District of Columbia Bar, the American Bar Association sections on antitrust and administrative law, and the Forum on Air & Space Law.

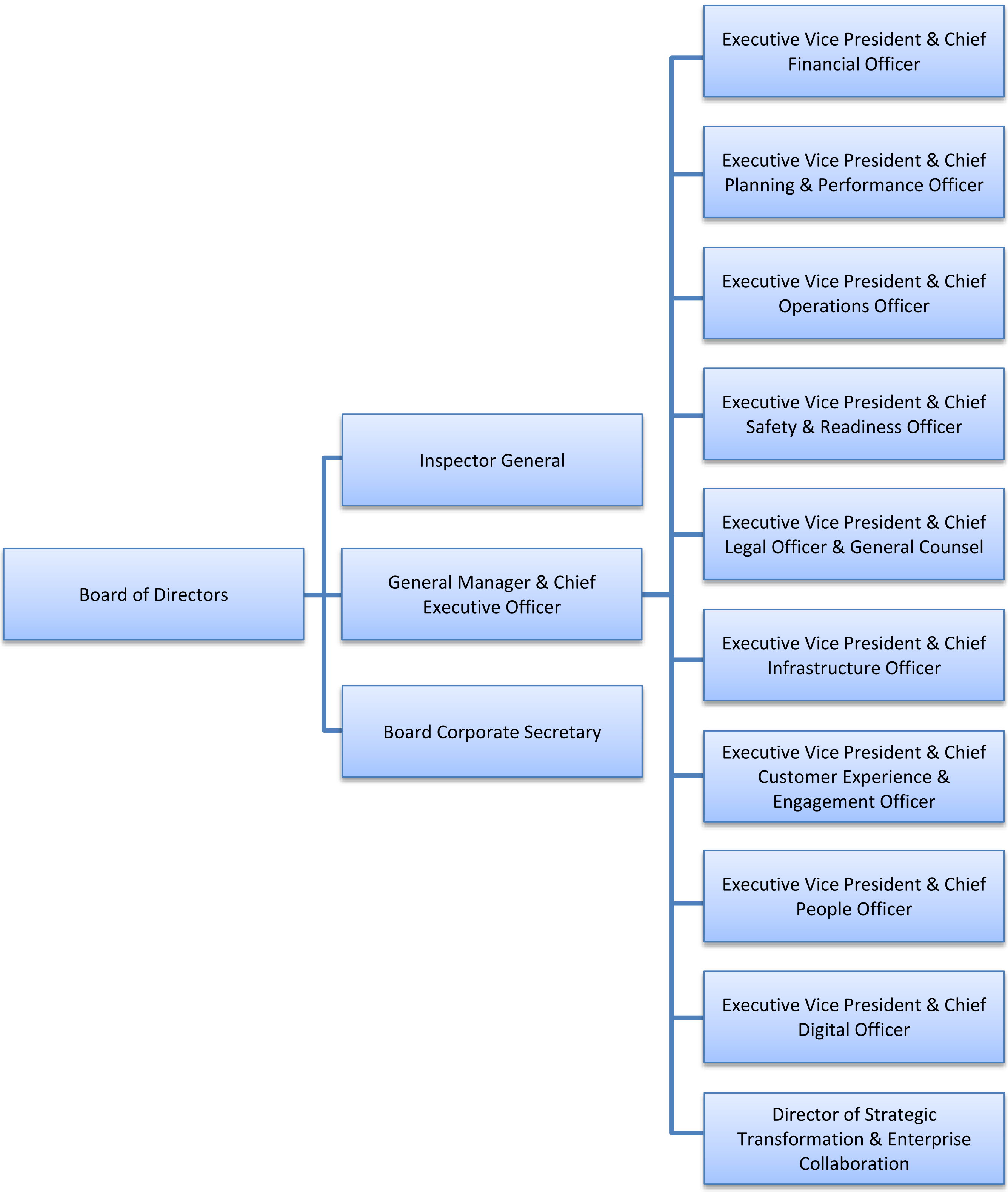
Dr. Bryna Helfer was appointed to the Board as an Alternate Director by the U.S. Secretary of Transportation in September 2021. She has a long career in public service with a wide range of experiences in the transportation industry including former positions as Deputy Assistant Secretary for Public Engagement and as Senior Advisor on Accessible Transportation and Workforce Development at the U.S. Department of Transportation, Senior Advisor for the Federal Interagency Coordinating Council on Access and Mobility, and the Director of Easter Seals Project ACTION. Dr. Helfer currently serves as the Assistant County Manager in Arlington County, Virginia where she leads government wide communications and public engagement strategy.

The District of Columbia had one Alternate Director vacancy as of June 30, 2023.

General Manager and Chief Executive Officer's Leadership Team
As of June 30, 2023

Randy Clarke	General Manager & Chief Executive Officer
Yetunde Olumide	Executive Vice President & Chief Financial Officer
Thomas Webster	Executive Vice President & Chief Planning & Performance Officer
Brian Dwyer	Executive Vice President & Chief Operations Officer
Theresa Impastato	Executive Vice President & Chief Safety & Readiness Officer
Patricia Lee	Executive Vice President & Chief Legal Officer & General Counsel
Andy Off	Executive Vice President & Chief Infrastructure Officer
Sarah Meyer	Executive Vice President & Chief Customer Experience & Engagement Officer
Sherri Dickerson	Executive Vice President & Chief People Officer
Judd Nicholson	Executive Vice President & Chief Digital Officer
Kimberly Feldbauer	Director of Strategic Transformation & Enterprise Collaboration

Organizational Chart
As of June 30, 2023



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washington Metropolitan Area Transit Authority
District of Columbia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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SECTION TWO - FINANCIAL

Independent Auditor's Report

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Independent Auditor's Report

Board of Directors
Washington Metropolitan Area Transit Authority

Opinions
We have audited the financial statements of the business-type activities and fiduciary activities of the Washington Metropolitan Area Transit Authority (the Authority), as of and for the years ended June 30, 2023 and 2022, 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, based on our audits and the reports of the other auditors, 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 June 30, 2023 and 2022, 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.

We did not audit the financial statements of the Washington Metropolitan Area Transit Authority Retirement Plan (Retirement Plan) or the Washington Metropolitan Area Transit Authority Local 2 Retirement Plan (Local 2 Plan), which represent 81%, 81%, and 51%, respectively, of the assets, net position, and revenues of the fiduciary activities as of June 30, 2023 and 82%, 82%, and (207)%, respectively, of the assets, net position and revenues of the fiduciary activities as of June 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Retirement Plan and the Local 2 Plan, are based solely on the reports of the other auditors.

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.

Emphasis of Matter
As discussed in Notes 2 and 14 to the basic financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements,* which resulted in the restatement of certain beginning balances as of July 1, 2021. Our opinions are not modified with respect to this matter.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 schedules of changes in the net pension asset/liability and related ratios, the schedules of employer contributions – pension plans, the schedule of changes in net OPEB liability and related ratios, the schedule of employer required contributions – Teamsters Local 922 Employers Health Trust Plan, and the notes to the required supplementary information 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 and other auditors 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 fiduciary fund financial statements (other supplementary information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections 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

Washington, District of Columbia
November 6, 2023

Management's Discussion and Analysis
June 30, 2023 and 2022
(Unaudited)

As management of the Washington Metropolitan Area Transit Authority (the Authority), we offer readers of the basic financial statements this overview and analysis of the financial activities of the Authority as of and for the years ended June 30, 2023 and 2022.

This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any noteworthy changes in the Authority's financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which immediately follow this section.

Fiscal Year 2023 Financial Highlights

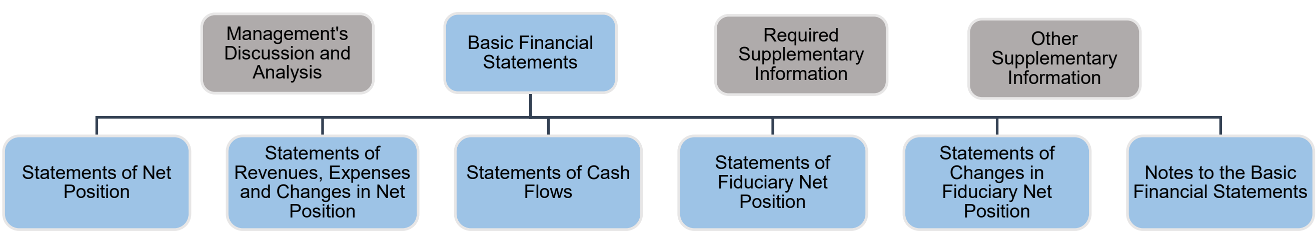
- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of the close of the fiscal year by $11.4 billion (net position), of which, $14.3 billion, or 125.6%, represents the Authority's net investment in capital assets.
- The Authority incurred $1.9 billion in capital improvement costs, which included ongoing construction of new administrative office buildings; radio infrastructure replacement and fiber optics cable installation, rehabilitation of rail tracks and systems, platforms, stations, and Metrobus garages; and railcar and bus overhauls.
- The Authority placed its newly constructed 11-story, 324,000 square foot Headquarters building at New Carrollton, located at 4100 Garden City Drive, Hyattsville, MD 20785, in service. The building houses the Authority's customer service call center, MetroAccess paratransit call center, and serves as the headquarters for the Authority's police force. Construction costs on the building totaled $178.3 million.
- The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, (GASB 96), which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. As a result of implementation, total assets and total liabilities as of June 30, 2022 increased by $20.6 million and $19.9 million, respectively, to record the cumulative impact of the implementation.
- In March 2021, Congress approved the American Rescue Plan Act of 2021 (ARPA) in response to the COVID-19 pandemic (pandemic). In August 2021, ARPA awarded a $1.2 billion federal grant to the Authority to prevent, prepare for, and respond to the impact of the pandemic. The Authority expended $643.4 million of this grant award during fiscal year 2023.
- In November 2022, Metro opened the Silver Line Extension, connecting customers to six new stations and adding 11.4 miles of new right-of-way transferred from the Metropolitan Washington Airports authority (MWAA). Access to Dulles International Airport and a new railcar maintenance center was included in this expansion, which increased capital assets by $2.5 billion.
- In March 2023, the Authority issued Series 2023A Dedicated Revenue Bonds (Green Bonds) totaling $392.0 million, including a premium of $35.2 million, which will be used primarily to finance capital costs.
- In May 2023, the Authority opened its newest Metro station, Potomac Yard. This station, located in Alexandria, Virginia, is between Ronald Reagan Washington National Airport and Braddock Road stations and serves the Blue and Yellow lines. Capital assets increased by $251.5 million as a result of this donation from the City of Alexandria.

Fiscal Year 2022 Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of the close of the fiscal year by $8.6 billion (net position), of which, $11.4 billion, or 133.2%, represents the Authority's net investment in capital assets.
- The Authority incurred $1.6 billion in capital improvement costs, which included ongoing construction of new administrative office buildings; rehabilitation of tracks, platforms, stations, and Metrobus garages; and railcar and bus overhauls.
- The Authority placed its newly renovated 12-story, 227,000 square foot Headquarters building at L'Enfant Plaza, located at 300 7th Street SW, Washington, DC 20024, in service. The building houses the Authority's executive team and administrative staff and a wide variety of retail and tenants to generate rental income. Construction costs on the building totaled $158.3 million.
- In December 2020, Congress approved the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) in response to the pandemic. The CRRSAA authorized a $713.9 million federal grant to the Authority due to the pandemic. The Authority expended the remaining $660.1 million of this grant award during fiscal year 2022.
- In fiscal year 2022, the Authority expended $29.7 million of ARPA grant award.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the Authority's basic financial statements. The basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), as applicable to governmental entities using the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred regardless of the timing of the related cash flows. This report also contains Required Supplementary Information and Other Supplementary Information in addition to the Basic Financial Statements.



Basic Financial Statements

The Authority's basic financial statements include business-type and fiduciary activities.

Business-Type Activities are those activities of a government that are financed in whole or in part by fees charged to external parties for goods or services. The business-type activities are reported in the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position and Statements of Cash Flows.

Overview of the Financial Statements (continued)

Basic Financial Statements (continued)

- The **Statements of Net Position** present financial information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial condition; however, the reader should also consider other indicators, such as the rate of growth of federal grants, jurisdictional subsidies, passenger fares, ridership levels, and general economic conditions in the Washington, DC metropolitan area.
- The **Statements of Revenues, Expenses, and Changes in Net Position** report the operating revenues, federal and jurisdiction revenues, investment income, capital contributions earned, and all operating and nonoperating expenses incurred during the reporting period. These statements present how the Authority's net position changed from the prior fiscal year.
- The **Statements of Cash Flows** provide information on cash receipts and cash payments during the reporting period. These statements allow financial statement users to assess whether the Authority's current cash flows are sufficient to pay its obligations.

Fiduciary Activities account for resources held for the benefit of parties outside of the Authority. These activities are excluded from the business-type activities because the resources of these funds are restricted and cannot be used to finance the Authority's operations. The fiduciary activities of the Authority include certain pension and other postemployment benefit (OPEB) plans for which the Authority appoints a majority of the governing boards.

The fiduciary activities are reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

- The **Statements of Fiduciary Net Position** present a point-in-time snapshot of the amounts the pension and OPEB plans have accumulated in net position to pay for future benefits and any liabilities that are owed as of the date of the statements.
- The **Statements of Changes in Fiduciary Net Position** present the additions and deductions for the fiscal years. Major sources of additions are contributions and net investment income. Major sources of deductions include benefit payments and administrative expenses. These statements present how the net position changed from the prior fiscal year.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements can be found on pages 22-101 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the Authority's defined benefit and OPEB plans for its employees.

The required supplementary information can be found on pages 102-122 of this report.

Overview of the Financial Statements (continued)

Other Supplementary Information

Combining Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position are presented to provide additional detail on the individual pension and OPEB plans that make up the pension and other employee benefit trust funds that are presented in the basic financial statements. Other supplementary information is presented following the required supplementary information.

The other supplementary information can be found on pages 123-128 of this report.

Financial Analysis – Business-Type Activities

Condensed Statements of Net Position

The following provides an overview of the Authority's financial position as of June 30, 2023, 2022 and 2021:

Condensed Statements of Net Position
June 30, 2023, 2022 and 2021
(in thousands)

	2023	(As Restated) 2022	2021	2023 vs 2022 Amount	2023 vs 2022 %	2022 vs 2021 Amount	2022 vs 2021 %
Current assets	$ 840,517	$ 1,218,438	$ 1,757,997	$ (377,921)	(31.0)	$ (539,559)	(30.7)
Capital assets, net	17,542,027	13,971,197	13,405,925	3,570,830	25.6	565,272	4.2
Other noncurrent assets	730,338	528,959	541,693	201,379	38.1	(12,734)	(2.4)
Total assets	19,112,882	15,718,594	15,705,615	3,394,288	21.6	12,979	0.1
Deferred outflows of resources	1,281,928	794,293	862,645	487,635	61.4	(68,352)	(7.9)
Current liabilities	1,065,534	1,029,407	922,981	36,127	3.5	106,426	11.5
Noncurrent liabilities	6,637,748	5,336,251	6,321,014	1,301,497	24.4	(984,763)	(15.6)
Total liabilities	7,703,282	6,365,658	7,243,995	1,337,624	21.0	(878,337)	(12.1)
Deferred inflows of resources	1,330,990	1,572,401	827,386	(241,411)	(15.4)	745,015	90.0
Net position:							
Net investment in capital assets	14,273,852	11,423,047	11,187,494	2,850,805	25.0	235,553	2.1
Restricted for capital	102,108	69,965	258,243	32,143	45.9	(188,278)	(72.9)
Unrestricted deficit	(3,015,422)	(2,918,184)	(2,948,858)	(97,238)	(3.3)	30,674	1.0
Total net position	$ 11,360,538	$ 8,574,828	$ 8,496,879	$ 2,785,710	32.5	$ 77,949	0.9

Current Year

The Authority's total net position, in the amount of $11.4 billion as of June 30, 2023, increased by $2.8 billion, or 32.5%, from June 30, 2022. The significant changes are described below:

- Current assets decreased by $377.9 million, or 31.0%, primarily due to the following:
  - Restricted cash and cash equivalents decreased by $477.4 million due to the use of Dedicated Revenue Series 2021A bonds and dedicated funding proceeds for construction costs in the amount of $518.1 million, netted against an increase in unspent proceeds from the issuance of the Dedicated Revenue Series 2023A bonds in the amount of $47.3 million.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Net Position (continued)

Current Year (continued)

- Cash and cash equivalents increased by $22.5 million, primarily due to an increase in cash in the Dedicated Funding debt service accounts.
- Investments increased by $75.6 million, mainly due to $34.0 million investment purchased with funds from the Known Defect Trust account (which are funds transferred from MWAA to address known defects in the Silver Line Extension construction). Further increases were due to $26.2 million investment in the 2020A Bond debt service account and a $15.6 million investment purchased in the 2017B Bond debt Service account.

- Other noncurrent assets increased by $201.4 million, or 38.1%, mainly due to the following:
  - Lease receivables increased by $233.8 million, due to additions of lease agreements during the year.
  - The increase above was offset by a decrease in the net pension asset of $32.4 million due to net investment losses and changes in retirement and mortality assumptions.
- Deferred outflows of resources increased by $487.6 million, or 61.4%, primarily due to changes in the difference between expected and actual experience and investment losses for the pension plans. The changes in expected and actual experience is a result of a greater than expected mortality for the Local 689 plan.
- Current liabilities increased by $36.1 million, or 3.5%, primarily due to the following:
  - Bonds payable increased by $32.7 million, largely due to the upcoming principal payment for the 2020A and 2021A bonds.
  - Accrued salaries and benefits increased by $30.4 million primarily due to nine additional days accrued for bi-weekly employees and one additional day accrued for weekly employees in the current fiscal year.
  - Unearned revenue increased by $12.9 million, primarily due to an increase in unredeemed passenger fare.
  - Retainage on contracts increased by $11.7 million, primarily due to increase in portion withheld from vendor payments on new contracts for fiscal year 2023 being higher than the amount released for completed contracts.
  - The increases above were offset by a decrease in accounts payable and accrued expenses of $64.1 million, primarily due to decrease in accrued capital costs resulting from completion of construction projects such as Potomac Yard prior to the end of fiscal year 2023.
- Noncurrent liabilities increased by $1.3 billion, or 24.4%, caused by an increase in net pension liability of $1.3 billion, of which, $1.1 billion was related to an increase in net pension liability for the Local 689 primarily as a result of a reduction in the fair value of pension investments.
- Deferred inflows of resources decreased by $241.4 million, or 15.4%, due to the following:
  - Deferred inflows from pensions decreased by $713.1 million due to a decrease between projected and actual investment earnings and experience for the Local 689 plan.
  - Deferred inflows from OPEB increased by $245.3 million primarily due to discount rate and mortality assumption change and the differences between the expected and actual experience for the OPEB plan.
  - Deferred inflows from lease revenue increased by $238.2 million primarily due to increase in real estate leases.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Net Position (continued)

Current Year (continued)

- Restricted net position increased by $32.1 million, or 45.9%, primarily due to an increase in debt service accounts for Series 2021A Bonds.

Prior Year

The Authority's total net position, in the amount of $8.6 billion as of June 30, 2022, increased by $78.0 million, or 0.9%, from June 30, 2021. The significant changes are described below:

- Current assets decreased by $539.6 million, or 30.7%, primarily due to the following:
  - Restricted cash and cash equivalents decreased by $477.3 million, due to the use of Series 2021A Bonds, Series 2020A Bonds and Dedicated Funding proceeds in the amount of $466.2 million for capital costs, as well as a reduction in parking garage surcharges of $8.3 million that Prince George's County donated to the Authority to use toward future parking and/or infrastructure costs.
  - Cash and cash equivalents decreased by $66.1 million, primarily due to an increase in operational expenses related to overtime coverage resulting from the large number of vacancies and an increase in labor to prepare for Silver Line Extension passenger service.
  - The decreases were offset by an increase in accounts receivable, net of allowance, and other of $28.3 million, mainly due to an increase in jurisdictional reimbursable billings for the ongoing construction of the new Potomac Yard Metrorail station in Alexandria, Virginia.
- Other noncurrent assets decreased by $12.7 million, or 2.4%, mainly due to the following:
  - Restricted cash and cash equivalents held with fiscal agent decreased $13.2 million, due to escrow payments for the Series 2020A Bonds interest, which were paid in July 2022 and therefore reflected in current assets for fiscal year 2022.
  - Lease receivables decreased by $15.8 million, due to scheduled payments received from property leased to others during the year.
  - The decreases above were offset by an increase in the net pension asset of $16.3 million due to changes in mortality and retirement assumptions to more closely reflect recent experience.
- Deferred outflows of resources decreased by $68.4 million, or 7.9%, primarily due to the net differences between the projected and actual experience and changes in assumptions for the pension and OPEB plans.
- Current liabilities increased by $106.4 million, or 11.5%, primarily due to the following:
  - Accounts payable and accrued expenses increased by $61.5 million, driven by an increase of $62.0 million in capital related accruals.
  - Accrued salaries and benefits increased by $22.3 million, primarily due to one additional day accrued for weekly employees in the current year, a $6.6 million retroactive wage increase for Local 2 employees, and an $8.7 million credit in the prior year for health insurance.
  - Accrued interest payable, increased by $13.6 million, primarily due to a scheduled interest payment on the Series 2021A Bonds due in July 2022.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Net Position (continued)

Prior Year (continued)

- – The increases above were offset by a decrease in due to other governments of $28.0 million, resulting from:
  - The use of $14.9 million that was owed to the federal government from its interest in the early retirement of assets that the authority was authorized to use for other eligible capital projects.
  - The federal government authorized the use of $9.6 million in proceeds on the sale of federally funded land, which was recognized as a gain on disposition of assets in the Statements of Revenues, Expenses, and Changes in Net Position.
  - Prince George's County, Maryland and the Authority ended an agreement to collect parking surcharge fees to be used on behalf of the county to pay costs related to parking structures. The county donated the remaining $8.3 million to the Authority to be used to support future parking station access infrastructure at Metrorail stations in Prince George's County.
- Noncurrent liabilities decreased by $984.8 million, or 15.6%, caused by a decrease in net pension liability of $864.6 million, of which, $770.3 million was related to an increase in Local 689 Plan investments.
- Deferred inflows of resources increased by $745.0 million, or 90.0%, primarily due to a $593.9 million net difference in projected and actual investment earnings in the Local 689 Plan.
- Restricted net position decreased by $188.3 million, or 72.9%, due to an increase in the use of Dedicated Funding to pay for costs to construct capital assets.

Financial Analysis – Business-Type Activities (continued)

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

The following table provides an overview of the revenues, expenses, and changes in net position for the years ended June 30, 2023, 2022 and 2021:

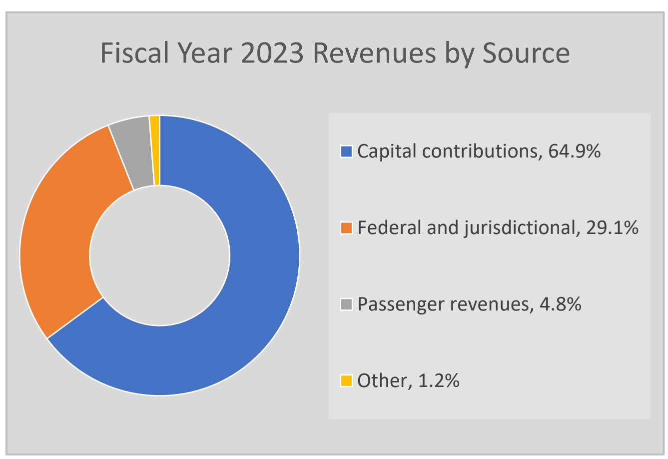
Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2023, 2022 and 2021
(in thousands)

	2023	(As Restated) 2022	2021	2023 vs 2022 Amount	2023 vs 2022 %	2022 vs 2021 Amount	2022 vs 2021 %
Operating and nonoperating revenues:							
Operating revenues	$ 364,833	$ 264,714	$ 145,433	$ 100,119	37.8	$ 119,281	82.0
Federal and jurisdictional	1,910,974	1,677,086	1,788,707	233,888	13.9	(111,621)	(6.2)
All other nonoperating revenues	31,844	40,963	19,654	(9,119)	(22.3)	21,309	108.4
Total operating and nonoperating revenues	2,307,651	1,982,763	1,953,794	324,888	16.4	28,969	1.5
Operating expenses	3,706,898	3,136,754	3,082,552	570,144	18.2	54,202	1.8
Nonoperating expenses	82,487	75,995	62,643	6,492	8.5	13,352	21.3
Total expenses	3,789,385	3,212,749	3,145,195	576,636	17.9	67,554	2.1
Loss before capital contributions and extraordinary items	(1,481,734)	(1,229,986)	(1,191,401)	(251,748)	(20.5)	(38,585)	(3.2)
Capital contributions	4,267,444	1,307,935	1,346,819	2,959,509	226.3	(38,884)	(2.9)
Extraordinary items	-	-	16,600	-	100.0	(16,600)	100.0
Change in net position	2,785,710	77,949	172,018	2,707,761	3,474	(94,069)	(54.7)
Net position beginning of year	8,574,828	8,496,879	8,324,861	77,949	0.9	172,018	2.1
Net position, end of year	$11,360,538	$ 8,574,828	$ 8,496,879	$ 2,785,710	32.5	$ 77,949	0.9

Revenues

Current Year

Total fiscal year 2023 revenues, including capital contributions, in the amount of $6.6 billion, increased by $3.3 billion, or 99.8%, from fiscal year 2022. Capital contributions, Federal and jurisdictional revenues and passenger revenues account for 64.9%, 29.1%, and 4.8% of total fiscal year 2023 revenues, respectively.



- Total operating revenues increased by $100.1 million, or 37.8%, from fiscal year 2022, primarily from an increase in passenger revenues in the amount of $86.1 million, due to increased ridership in fiscal year 2023 related to continued relaxation of pandemic restrictions and return to work policies in place.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position (continued)

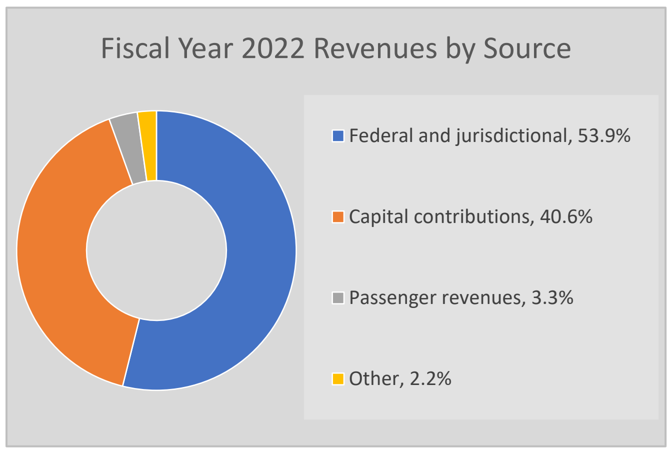
Revenues (continued)

Current Year (continued)

- Federal and jurisdictional revenues increased by $233.9 million, or 14.0%, from fiscal year 2022, mainly due to:
  - Jurisdictional revenue increased by $281.7 million, due to $192.0 million less in jurisdictional subsidy credits that were applied in fiscal year 2022 to participating jurisdictions, as well as due to $82.2 million increase in operating subsidies.
  - Federal grants decreased by $47.8 million due to lower operating shortfall supported by Federal grants.
- Capital contributions increased by $3.0 billion, or 226.3%, mainly due to an increase of $2.7 billion in donated assets for the Silver Line Extension and the Potomac Yards Station.

Prior Year

Total fiscal year 2022 revenues, including capital contributions, in the amount of $3.3 billion, decreased by $26.5 million, or 0.8%, from fiscal year 2021. Federal and jurisdictional revenues, capital contributions, and passenger revenues account for 53.9%, 40.6%, and 3.3% of total fiscal year 2022 revenues, respectively.



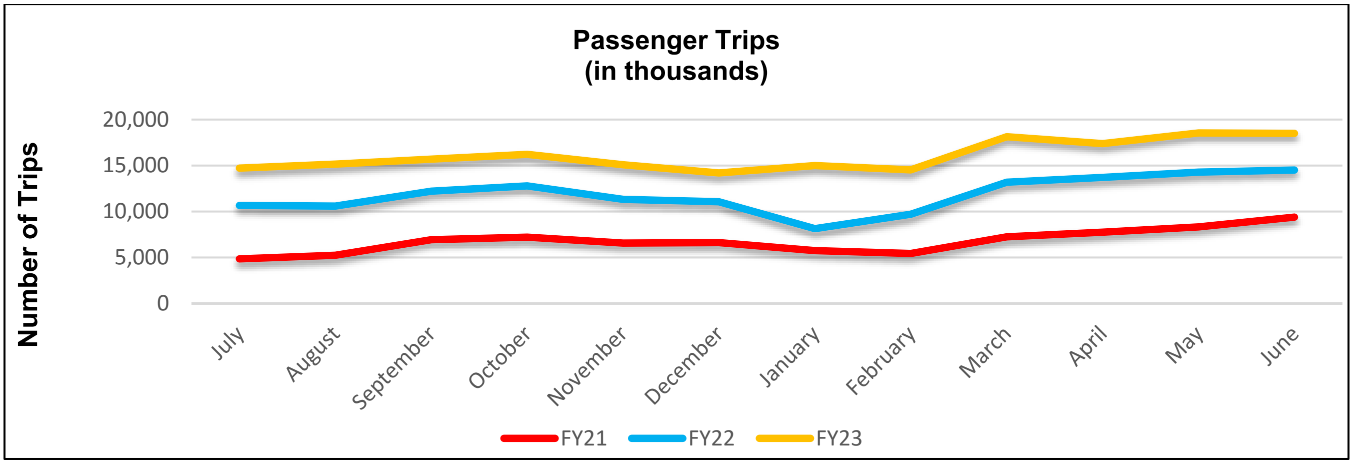
- Total operating revenues increased by $119.3 million, or 82.0%, from fiscal year 2021, primarily from an increase in passenger revenues in the amount of $121.5 million, due to increased ridership in fiscal year 2022 related to continued relaxation of pandemic restrictions and return to work policies in place.
- Federal and jurisdictional revenues decreased by $111.6 million, or 6.2%, from fiscal year 2021, mainly due to:
  - Jurisdictional subsidies decreased by $112.6 million, primarily due to a decrease of $136.4 million in subsidy requirements as a result of federal relief from the CRRSAA and ARPA grants, offset by a reduction in credits totaling $26.5 million that were allocated to the jurisdictions for their respective shares of the grants for regional bus operations.
- Capital contributions decreased by $38.9 million, or 2.9%, mainly due to a decrease in expenditures funded by federal grants.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position (continued)

Passenger Trips

Below is a trend of the number of passenger trips by month for the fiscal years ended June 30, 2023, 2022 and 2021 (in thousands):



Passenger trips increased in fiscal year 2023 from fiscal year 2022, by a cumulative total of 51.0 million trips, or 35.8%, primarily due to an increased amount of workers returning to the office and increased frequency of Metrorail and Metrobus services.

Passenger trips increased in fiscal year 2022 from fiscal year 2021, by a cumulative total of 56.3 million trips, or 69.2%, driven by multi-media campaigns to encourage ridership and fare discounts to incentivize riders.

Expenses

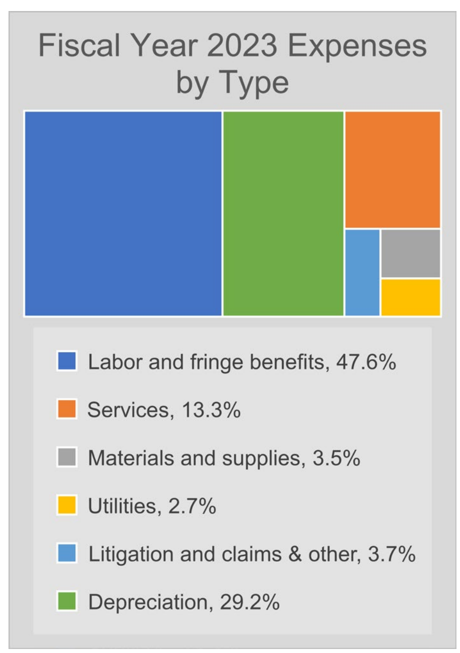
Current Year

Total expenses for fiscal year 2023, in the amount of $3.8 billion, increased by $576.6 million, or 17.9%, from fiscal year 2022.

Labor and fringe benefits are consistently the Authority's largest expenses, comprising 47.6% of total expenses. Depreciation is the next largest expense, which is expected due to the Authority's large capital asset base.

A review of significant changes is described below:

- Operating expenses increased by $570.1 million, or 18.2%, primarily due to the following:
  - Labor and fringe benefits increased by $400.2 million, primarily due to an increase in fringe benefits of $212.7 million which was largely due to an increase in pension expenses as a result of changes in retirement, mortality and wage assumptions, actuarial experience, investment losses and cost of living adjustment.



Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Revenues, Expenses, and Changes in Net Position (continued)

Expenses (continued)

Current Year (continued)

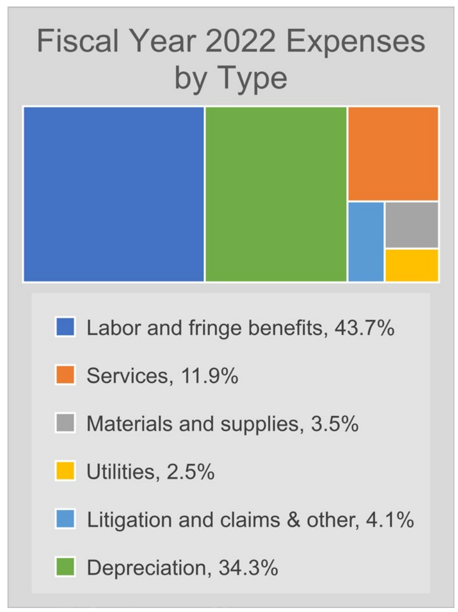
- – Labor increased by $187.4 million due to merit and labor union contractual increases as well as overtime increases related to maintenance projects and staffing shortages.
- – Services increased by $121.6 million, mainly due to increase in paratransit transportation services due to increased ridership.
- – Utilities increased by $20.8 million, primarily related to propulsion power as a result of increase in the volume of trains in operation including the return to service of the 7000 series rail cars and also due to increases in electricity rates.

- Nonoperating expenses increased by $6.5 million, or 8.5%, largely due to interest expense from the issuance of the 2023A Bond series issued in March 2023 as well as interest payments for the other long-term bonds.

Prior Year

Total expenses for fiscal year 2022, in the amount of $3.2 billion, increased by $67.6 million, or 2.1%, from fiscal year 2021.

Labor and fringe benefits are consistently the Authority's largest expenses, comprising 43.7% of total expenses. Depreciation is the next largest expense, which is expected due to the Authority's large capital asset base.



A review of significant changes is described below:

- Operating expenses increased by $54.2 million, or 1.8%, primarily due to the following:
  - – Labor and fringe benefits increased by $110.7 million, primarily due to an increase in overtime relating to staffing shortages and an increase in new hires to prepare for Silverline Phase 2 passenger service. In addition, the OPEB expense increased by $211.1 million, due to a change from a self-insured plan to a fully insured Medicare Advantage program in the prior year, offset by $217.9 million, in unfunded pension expense due to changes in assumptions and discount rates.
  - – The increases were offset by the following:
    - Services decreased by $57.9 million, mainly due to a reduction in pandemic related cleaning and a decrease in contracts.
    - Materials and supplies decreased by $14.7 million, mainly due to the decrease in costs related to the fire at the Authority's headquarters in fiscal year 2020.
- Nonoperating expenses increased by $13.4 million, or 21.3%, largely due to interest expense from the issuance of the 2021A Bond series issued in June 2021, offset by prior year net loss of $7.3 million mainly due to the impairment of the Protran System due to reliability.

Capital Assets and Debt Administration – Business-Type Activities

Capital Assets

The following table shows the capital assets of the Authority as of June 30, 2022, 2021 and 2020:

Schedule of Capital Assets
June 30, 2023, 2022 and 2021
(in thousands)

		(As Restated)		2023 vs 2022		2022 vs 2021	
	2023	2022	2021	Amount	%	Amount	%
Land	$ 773,876	$ 566,503	$ 567,233	$ 207,373	36.6	$ (730)	(0.1)
Construction in progress	1,342,190	1,415,182	962,207	(72,992)	(5.2)	452,975	47.1
Buildings and improvements	1,844,001	1,444,109	1,268,744	399,892	27.7	175,365	13.8
Transit facilities	19,459,766	16,113,958	15,567,889	3,345,808	20.8	546,069	3.5
Revenue vehicles	5,288,099	5,190,029	4,928,446	98,070	1.9	261,583	5.3
Equipment and other	5,030,235	4,493,950	4,435,960	536,285	11.9	57,990	1.3
Lease and SBITA assets[1]	154,111	116,020	72,010	38,091	32.8	44,010	61.1
Total capital assets	33,892,278	29,339,751	27,802,489	4,552,527	15.5	1,537,262	5.5
Less: accumulated depreciation and amortization	16,350,251	15,368,554	14,396,564	981,697	6.4	971,990	6.8
Capital assets, net	$ 17,542,027	$ 13,971,197	$ 13,405,925	$ 3,570,830	25.6	$ 565,272	4.2

[1] See right-to-use lease and SBITA assets table below for further breakout and anlaysis

Current Year

Capital assets, net increased by $3.6 billion, or 25.6%, from fiscal year 2022. Significant capital asset activity during fiscal year 2023 is as follows:

- Transit facilities increased by $3.3 billion, or 20.8%, mainly due to $1.9 billion in donated assets, including the Silver Line Extension transferred from MWAA and Potomac Yard Station transferred from the city of Alexandria. In addition, there were various replacements and rehabilitation projects for tracks, escalators, elevators and transit station platforms of $1.2 billion, offset by $27.2 million of track that was retired and replaced.
- Equipment and other increased by $536.3 million, or 11.9%, mainly due to donated non-revenue vehicles and equipment from MWAA valued at $296.9 million and $139.0 million for faregates due to the Silver Line Extension.
- Building and improvements increased by $399.9 million, or 27.7%, mainly pertaining to the completion of the New Carrollton headquarters in the amount of $178.3 million and Silver Line Extension transfer from MWAA in the amount of $167.1 million. Additionally, ongoing enhancements to L'Enfant Headquarters totaling $41.4 million were added in fiscal year 2023.
- Revenue vehicles increased by $98.1 million, or 1.9%, which partially resulted from the purchase of 18 additional buses, 53 buses being rehabilitated, 50 additional MetroAccess vans, and ancillary costs to existing railcars.
- Construction in progress decreased by $73.0 million, or 5.2%, due to costs of several projects that were placed in service in fiscal year 2023, including office consolidation projects, station platform projects, the faregate modernization program, and passenger facility upgrades.
- Accumulated depreciation increased by $981.7 million, or 6.4%, due to current year depreciation expense totaling $1.1 billion, offset by a reduction of $118.4 million related to the retirement of assets.

Capital Assets and Debt Administration – Business-Type Activities (continued)

Capital Assets (continued)

Prior Year

Capital assets, net increased by $565.3 million, or 4.2%, from fiscal year 2021. Significant capital asset activity during fiscal year 2022 is as follows:

- Transit facilities increased by $546.1 million, or 3.5%, mainly due to various replacements and rehabilitation projects for tracks, escalators, elevators and transit station platforms of $564.1 million, offset by $18.7 million of track that was retired and replaced.
- Construction in progress increased by $453.0 million, or 47.1%, due to costs of several projects that will be placed in service in future years, including ongoing office consolidation projects, station platform projects, Bladensburg bus garage rehabilitations, faregate modernization program, passenger facility upgrades and fiber optic cable installations.
- Revenue vehicles increased by $261.6 million, or 5.3%, which partially resulted from the purchase of 169 additional buses, 83 buses being rehabilitated, 52 additional MetroAccess vans, and ancillary costs to existing railcars.
- Building and improvements increased by $175.4 million, or 13.8%, mainly pertaining to the completion of the L'Enfant headquarters building.
- Accumulated depreciation increased by $972.0 million, or 6.8%, due to current year depreciation expense totaling $1.1 billion, offset by a reduction of $129.8 million related to the retirement of assets.

Additional information on the Authority's capital assets can be found in Note 7, *Capital Assets*, in the notes to the basic financial statements.

Right-To-Use Lease and SBITA Assets

The following table shows the right-to-use lease and SBITA assets of the Authority as of June 30, 2023, 2022 and 2021:

Schedule of Right-to-Use Lease and SBITA Assets
June 30, 2023, 2022 and 2021[1]
(in thousands)

	2023	(As Restated) 2022	2021	2023 vs 2022 Amount	2023 vs 2022 %	2022 vs 2021 Amount	2022 vs 2021 %
Lease assets							
Land	$ 22,971	$ 23,547	$ 22,099	$ (576)	(2.4)	$ 1,448	6.6
Building	89,415	60,222	49,794	29,193	48.5	10,428	20.9
Equipment and other	-	-	117	-	0.0	(117)	(100.0)
Total lease assets	112,386	83,769	72,010	28,617	34.2	11,759	16.3
Less: accumulated amortization	29,001	21,088	10,287	7,913	37.5	10,801	105.0
Total lease assets, net	$ 83,385	$ 62,681	$ 61,723	$ 20,704	33.0	$ 958	1.6
SBITA assets	41,725	32,251	-	9,474	29.4	32,251	-
Less: accumulated amortization	19,534	10,847	-	8,687	80.1	10,847	-
SBITA assets, net	$ 22,191	$ 21,404	$ -	$ 787	3.7	$ 21,404	-
Total right-to-use lease and SBITA assets, net	$ 105,576	$ 84,085	$ 61,723	$ 21,491	25.6	$ 22,362	36.2

[1] GASB 96 was implemented effective July 1, 2021; accordingly, comparative totals as of June 30, 2021 are not available.

Capital Assets and Debt Administration – Business-Type Activities (continued)

Right-To-Use Lease and SBITA Assets (continued)

Current Year

Right-to-use lease and SBITA assets, net of accumulated amortization, increased by $21.5 million, or 25.6% from fiscal year 2022. Significant activity during fiscal year 2023 is as follows:

- Land decreased by $0.6 million, or 2.4%, mainly due to the expiration of two lease agreements. One lease permitted the non-exclusive right to install, maintain, operate, service, modify and/or replace its approved antennae equipment at the leased space in Jericho, Maryland for the transmission and reception of wireless voice and data communication signals. The other lease permitted the storage of electrical equipment.
- Buildings increased by $29.2 million, or 48.5%, due to addition of three new leases. Two of the agreements relate to office spaces and the other is for vehicle parking for incidental construction staging and materials storage.
- SBITA assets increased by $9.5 million, or 29.4% mainly due to twelve new SBITA agreements.
- Right-to-use lease and SBITA assets accumulated amortization increased by $7.9 million and $8.7 million, respectively due to current year amortization expenses for existing and new agreements.

Prior Year

Right-to-use lease assets and SBITA assets, net of accumulated amortization increased by $22.4 million, or 36.2% from fiscal year 2021. Significant activity during fiscal year 2022 is as follows:

- Land increased by $1.5 million, or 6.6%, mainly due to the Authority entering into a 14-year lease agreement, with three exercisable options for the acquisition and use of land space. This permits the non-exclusive right to install, maintain, operate, service, modify and/or replace its approved antennae equipment at the leased space in Woodbridge, Virginia for the transmission and reception of wireless voice and data communication signals.
- Buildings increased by $10.4 million, or 20.9%, due to the Authority signing two lease agreements for office space in Maryland as well as a third lease agreement for employee parking space at Mazza Galleria in the District of Columbia.
- Equipment and other decreased by $0.1 million, or 100.0%, related to the digital color copier contract expiration that was not renewed.
- SBITA assets increased by $32.3 million, or 100.0%, due to thirty-eight new SBITA agreements as a result of the implementation of GASB 96. Additional information on the GASB 96 restatement can be found in Note 14, Restatement.
- Right-to-use lease and SBITA assets accumulated amortization increased by $10.8 million and $10.9 million, respectively due to current year amortization expenses for existing and new agreements.

Additional information on the Authority's right-to-use lease and SBITA assets can be found in Note 8, *Leases*, in the notes to the basic financial statements.

Capital Assets and Debt Administration – Business-Type Activities (continued)

Bonds and Other Debt

A schedule of the Authority's debt activity for the years ended June 30, 2023, 2022 and 2021 is as follows:

Schedule of Outstanding Debt
June 30, 2023, 2022 and 2021
(in thousands)

				2023 vs 2022		2022 vs 2021	
	2023	2022	2021	Amount	%	Amount	%
Outstanding bonds	$ 2,562,235	$ 2,198,930	$ 2,226,245	$ 363,305	16.5	$ (27,315)	(1.2)
Net unamortized bond premium	427,111	422,295	452,331	4,816	1.1	(30,036)	(6.6)
Total debt	$ 2,989,346	$ 2,621,225	$ 2,678,576	$ 368,121	14.0	$ (57,351)	(2.1)

Current Year

The Authority's total debt decreased by $368.1 million, or 14.0%, from fiscal year 2022. Significant activities are described below:

- The Authority issued Series 2023A Dedicated Revenue Bonds totaling $392.0 million, including a premium of $35.2 million, on March 14, 2023. The proceeds will be used to fund capital costs that support growth and maintenance of a high-quality public transportation system with low carbon emissions.
- The Authority amortized $30.4 million of premiums on the Series 2017, 2018, 2020, 2021 and 2023 Bonds during the current fiscal year.
- The Authority made total principal payments of $28.7 million on the Series 2017A1, 2017B and 2018 Bonds during the current fiscal year.

Prior Year

The Authority's total debt decreased by $57.4 million, or 2.1%, from fiscal year 2021. Significant activities are described below:

- The Authority amortized $30.0 million of premiums on the Series 2017, 2018, 2020 and 2021 Bonds during the current fiscal year.
- The Authority made total principal payments of $27.3 million on the Series 2017A1, 2017B and 2018 Bonds during the current fiscal year.

Additional information on the Authority's bonds and other debt can be found in Note 10, *Short and Long-Term Liabilities,* to the basic financial statements.

Future Capital Plans – Business-Type Activities

Capital Improvement Program

The Board of Directors (Board) approved the fiscal years 2024-2029, $14.4 billion, Capital Improvement Program (CIP) on April 14, 2023. The six-year CIP focuses Metro's capital investments on safety, state of good repair, modernization, service reliability and operating efficiency of Metrorail, Metrobus, and MetroAccess vehicles. Funding for the CIP assumes federal formula funding will continue at current levels and federal Passenger Rail and Investment Improvement Act funding throughout the six-year CIP.

The fiscal year 2024 capital budget contains $2.4 billion in planned investments focused on enhanced system safety, state of good repair, reliability, security and customer experience. The Authority updates the jurisdictions and the Board quarterly about the progress of the capital program.

Office Consolidation

The Authority began its office consolidation project by purchasing a building to renovate for a new headquarters at L'Enfant Plaza in the District of Columbia in fiscal year 2018. Two additional buildings were being constructed on property that the Authority already owned in Maryland and Virginia. These sites will be used to consolidate office staff from the former headquarters and various leased spaces throughout the Washington DC metropolitan area into these three locations. Construction on the new headquarters at L'Enfant Plaza was completed at the end of fiscal year 2022. The New Carrollton office in Maryland and Eisenhower Avenue office in Virginia, were completed in fiscal year 2023 and the first quarter of fiscal year 2024, respectively.

The Authority has plans to redevelop its former headquarters located at the Jackson Graham Building in Washington, DC as a mixed-use commercial development through a long-term ground lease with the sale of the building, which was completed in fiscal year 2023. The Authority has fully vacated the building.

These projects support the efficient use of office space across the Authority through the reduction of leased space and is projected to save $130.0 million over 20 years.

Zero-Emission Bus Program

The advancement of the zero-emission bus program continues as the Authority tests and evaluates technology to prepare for a future large-scale deployment. This evaluation will include updating maintenance and charging facilities and include reviewing non-electric technologies. The program has the potential to reduce greenhouse gas and local air pollution; provide a quieter, smoother ride; and support a more livable and equitable region. Near term deliverables include taking delivery of the first electric buses, completing charging stations at Shephard Parkway bus facility and beginning the testing of the buses and charging infrastructure. Also, the Authority broke ground on two replacement bus facilities (Northern and Bladensburg) in fiscal year 2023 and is acquiring land to replace the Western bus garage. The new bus facilities will support the full implementation of the zero-emission bus program, which is expected to be completed by calendar year 2042.

Future Capital Plans – Business-Type Activities (continued)

8000-Series Railcars

In fiscal year 2022, the Authority awarded a $2.2 billion contract to Hitachi Rail Washington LLC to manufacture up to 800 new 8000-series railcars. Metro's 8000-series railcars will improve upon the design and features of the new fleet of 7000-series cars, the most reliable in Metro's history. The project is expected to create direct and indirect jobs in the region. This acquisition will allow retirement of the 2000- and 3000-series railcars at the end of their 40-year service life. New railcars are expected to reduce maintenance needs and prevent future safety and reliability concerns while providing improved customer features. The 8000-series railcars are expected to start being manufactured in fiscal year 2024 with the production of the first pilot railcar in fiscal year 2025. In addition, Hitachi announced the construction of a new facility in Hagerstown, Maryland to build the 8000-series rail cars, bringing new jobs to the area.

Economic Factors

Several operating grants have been authorized to help transit agencies prevent, prepare for and respond to the pandemic. Most recently, ARPA authorized $30.5 billion, resulting in a total of $26.1 billion in funding for urbanized areas, of which $1.2 billion was made available to the Authority in August 2021. The award is for operating expenses to maintain the Authority's employees that operate and maintain buses, paratransit, trains, stations and other operational needs. The Authority has $535.9 million remaining in funds to be used for future expenses.

Even with the additional ARPA Act funding, the Authority continues to face overall funding shortfalls in the operating budget stemming from the continued impact on ridership caused by the pandemic. Ridership has yet to return to pre-pandemic levels and may take longer than expected to recover as remote work is becoming more common. The relief has enabled Metro to minimize proposed service cuts, employee lay-offs, limit subsidy growth from jurisdictional partners, incentivize ridership growth and support the regional economy.

According to the Bureau of Labor Statistics, the Washington, DC metropolitan area had an unemployment rate of 2.5% compared to the national rate of 3.6%, while the metropolitan area's job growth rate increased by 3.2% as of June 30, 2023. The region gained over 106,000 jobs during the 12 months ending June 30, 2023.

Requests for Information

This financial report is designed to provide interested readers with a general overview of the Authority's finances. Questions concerning this report or requests for additional financial information should be directed to the Vice President and Comptroller, office of Accounting, Washington Metropolitan Area Transit Authority, PO Box 23768, Washington, DC 20026.

Business-Type Activities
Statements of Net Position
June 30, 2023 and 2022
(in thousands)

Exhibit 1
(continued)

	2023	(As Restated) 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 225,446	$ 202,899
Restricted cash and cash equivalents	116,366	593,737
Restricted cash and cash equivalents held with fiscal agent	12	13,236
Investments	78,016	2,447
Accounts receivable, net of allowance, and other	244,895	241,810
Lease receivables	28,965	23,482
Materials and supplies inventory, net of obsolescence	146,817	140,827
Total current assets	840,517	1,218,438
Noncurrent assets:		
Net pension asset	-	32,372
Lease receivables	730,338	496,587
Capital assets, net of accumulated depreciation and amortization	17,542,027	13,971,197
Total noncurrent assets	18,272,365	14,500,156
Total assets	19,112,882	15,718,594
Deferred outflows of resources:		
Accumulated decrease in fair value of hedging derivatives	2,881	-
Deferred loss on debt defeasance	2,470	2,745
Deferred outflows from pensions	1,070,687	510,612
Deferred outflows from OPEB	205,890	280,936
Total deferred outflows of resources	1,281,928	794,293
Total assets and deferred outflows of resources	$ 20,394,810	$ 16,512,887

Business-Type Activities
Statements of Net Position
June 30, 2023 and 2022
(in thousands)

Exhibit 1
(concluded)

	2023	(As Restated) 2022
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 395,157	$ 459,247
Accrued salaries and benefits	84,531	54,084
Accrued interest payable	58,162	52,308
Unearned revenue	139,154	126,248
Due to other governments	125,267	130,511
Compensated absences	83,069	77,447
Litigation and claims	73,160	61,242
Retainage on contracts	31,333	19,681
Bonds payable	61,395	28,695
Lease and SBITA payables	14,306	19,944
Total current liabilities	1,065,534	1,029,407
Noncurrent liabilities:		
Compensated absences	54,051	50,420
Litigation and claims	135,436	142,154
Retainage on contracts	60,629	58,347
Bonds payable	2,927,951	2,592,530
Lease and SBITA payables	89,793	63,635
Net pension liability	1,601,488	302,936
Net OPEB liability	1,768,400	2,126,229
Total noncurrent liabilities	6,637,748	5,336,251
Total liabilities	7,703,282	6,365,658
Deferred inflows of resources:		
Accumulated increase in fair value of hedging derivative instrument	-	11,879
Lease revenue	793,813	555,579
Deferred inflows from pensions	46,182	759,276
Deferred inflows from OPEB	490,995	245,667
Total deferred inflows of resources	1,330,990	1,572,401
Total liabilities and deferred inflows of resources	9,034,272	7,938,059
NET POSITION		
Net investment in capital assets	14,273,852	11,423,047
Restricted for:		
Capital	102,108	69,965
Unrestricted deficit	(3,015,422)	(2,918,184)
Total net position	$ 11,360,538	$ 8,574,828

The accompanying notes are an integral part of these basic financial statements.

Business-Type Activities — Exhibit 2
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2023 and 2022
(in thousands)

	2023	(As Restated) 2022
OPERATING REVENUES		
Passenger	$ 315,790	$ 229,732
Advertising	17,807	11,257
Rental	31,072	23,719
Other	164	6
Total operating revenues	364,833	264,714
OPERATING EXPENSES		
Labor and fringe benefits	1,801,804	1,401,633
Services	505,339	383,720
Materials and supplies	132,756	112,684
Utilities	101,339	80,548
Litigation and claims	38,611	43,592
Leases, SBITAs, and rentals	6,641	1,929
Miscellaneous	12,708	10,645
Depreciation and amortization	1,107,700	1,102,003
Total operating expenses	3,706,898	3,136,754
Operating loss	(3,342,065)	(2,872,040)
NONOPERATING REVENUES (EXPENSES)		
Investment and interest income	19,084	9,881
Interest expense and fiscal charges	(82,487)	(75,995)
Net gain (loss) on disposition of assets	2,921	22,700
Other	9,839	8,382
Federal and jurisdictional:		
Federal grants	691,030	738,792
Jurisdictional subsidies	1,219,944	938,294
Total nonoperating revenues (expenses), net	1,860,331	1,642,054
Loss before capital contributions	(1,481,734)	(1,229,986)
Capital contributions	4,267,444	1,307,935
Change in net position	2,785,710	77,949
Total net position, beginning of year	8,574,828	8,496,879
Total net position, end of year	$ 11,360,538	$ 8,574,828

The accompanying notes are an integral part of these basic financial statements.

Business-Type Activities
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022
(in thousands)

Exhibit 3 (continued)

	2023	(As Restated) 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from operations	$ 371,834	$ 213,486
Cash received from other sources	9,839	8,382
Cash paid to suppliers	(654,657)	(566,284)
Cash paid to employees	(1,741,804)	(1,544,130)
Cash paid for operating litigation and claims	(33,411)	(31,426)
Net cash used in operating activities	(2,048,199)	(1,919,972)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from federal grants and jurisdictional subsidies	1,851,146	1,568,373
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to construct capital assets	(2,076,337)	(1,535,553)
Payment for leasing and SBITA transactions	(15,662)	(22,538)
Receipts from leasing transactions	34,477	33,339
Receipts of interest from leasing transactions	6,923	6,417
Receipts from capital contributions	1,510,463	1,351,378
Payment of interest and fiscal charges	(76,358)	(92,196)
Principal payments on bonds	(59,125)	(27,315)
Proceeds from debt issuance	427,246	-
Jurisdictional receipts for debt service	42,041	43,475
Proceeds from sale of capital assets	3,150	24,595
Net cash used in capital and related financing activities	(203,182)	(218,398)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	1,665,674	72,560
Purchases of investments	(1,741,031)	(72,728)
Interest received from operational investments	7,544	287
Net cash (used in) provided by investing activities	(67,813)	119
Net change in cash and cash equivalents	(468,048)	(569,878)
Cash and cash equivalents, beginning of year	809,872	1,379,750
Cash and cash equivalents, end of year	$ 341,824	$ 809,872

Business-Type Activities — Exhibit 3
Statements of Cash Flows — (concluded)
For the Years Ended June 30, 2023 and 2022
(in thousands)

	2023	(As Restated) 2022
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (3,342,065)	$ (2,872,040)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	1,107,700	1,102,003
Lease revenue	(31,072)	(23,719)
Miscellaneous receipts	9,839	8,382
Accumulated increase in fair value of hedging derivative instrument	(14,760)	10,175
Effect of changes in operating assets and liabilities:		
Decrease (increase) in accounts receivables, net of allowance, and other	23,524	(36,693)
(Increase) decrease in materials and supplies inventory, net of obsolescence	(5,990)	12,185
(Increase) decrease in deferred outflows from pensions	(560,075)	11,995
Decrease in deferred outflows from OPEB	75,046	56,083
Decrease (increase) in net pension asset	32,372	(16,341)
Increase (decrease) in accounts payable and accrued expenses	126,519	(450)
Increase in accrued salaries and benefits	30,447	22,304
Increase in compensated absences	9,253	10,863
Increase in unearned revenue	12,906	10,516
Increase in litigation and claims	5,200	12,166
Increase (decrease) in net pension liability	1,298,552	(864,635)
(Decrease) in net OPEB liability	(357,829)	(106,170)
(Decrease) increase in deferred inflows from pensions	(713,094)	659,014
Increase in deferred inflows from OPEB	245,328	84,390
Total adjustments	1,293,866	952,068
Net cash used in operating activities	$ (2,048,199)	$ (1,919,972)
NONCASH OPERATING, INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Loss in fair value of investments	$ (71)	$ (283)
Donated assets included in capital asset additions	$ 2,742,916	$ 2,180
Gain on disposal of assets	$ 229	$ 1,895
Capital asset additions included in accounts payable	$ 151,124	$ 341,733
Use of federal interest included in capital contributions	$ 12,382	$ 14,905
Obligations incurred for new right-to-use lease and SBITA assets	$ 35,198	$ 21,427

The accompanying notes are an integral part of these basic financial statements.

Fiduciary Activities — Exhibit 4
Statements of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2023 and 2022
(in thousands)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 8,860	$ 8,771
Accrued income receivable	17	7
Investments:		
Equity index funds-domestic	163,438	149,668
Equity index funds-international	113,695	110,171
Bond index funds-domestic	95,241	98,601
Bond index funds-international	56,875	58,942
Real estate investment fund-domestic	67,383	68,212
Virginia pooled trust	116,089	107,928
Total investments	612,721	593,522
Total assets	621,598	602,300
LIABILITIES		
Accrued pension benefits	5,256	5,062
Accounts payable	198	285
Total liabilities	5,454	5,347
FIDUCIARY NET POSITION		
Restricted for:		
Pension benefits	500,055	489,025
Postemployment benefits other than pensions	116,089	107,928
Total fiduciary net position	$ 616,144	$ 596,953

The accompanying notes are an integral part of these basic financial statements.

Fiduciary Activities — Exhibit 5
Statements of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Years Ended June 30, 2023 and 2022
(in thousands)

	2023	2022
ADDITIONS		
Contributions:		
Employer	$ 96,911	$ 90,803
Assets transferred from Local 2 Plan	-	884
Total contributions	96,911	91,687
Investment Income:		
Net increase (decrease) in investments	41,346	(81,747)
Interest, dividends and other	4,478	6,376
Total investment income (loss)	45,824	(75,371)
Less investment expenses:		
Custodial fees	860	1,035
Net investment income (loss)	44,964	(76,406)
Total additions	141,875	15,281
DEDUCTIONS		
Benefits paid to participants or beneficiaries	118,588	114,791
Administrative expenses	4,096	3,475
Assets transferred to Retirement Plan	-	884
Total deductions	122,684	119,150
Net increase (decrease) in fiduciary net position	19,191	(103,869)
Fiduciary net position - beginning	596,953	700,822
Fiduciary net position - ending	$ 616,144	$ 596,953

The accompanying notes are an integral part of these basic financial statements.

Notes to the Basic Financial Statements
June 30, 2023 and 2022

1. Background, Governance and Reporting Entity

(a) Organization

The Washington Metropolitan Area Transit Authority (the Authority or WMATA) was created, effective February 20, 1967, by the Interstate Compact (Compact) by and between the State of Maryland (Maryland), the Commonwealth of Virginia (Virginia) and the District of Columbia, pursuant to Public Law 89 774, approved November 6, 1966. The Authority was created to plan, construct, finance and operate a public transit system serving the Washington Metropolitan Area Transit Zone (Transit Zone). The Transit Zone includes the following local jurisdictions: the District of Columbia; cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park and counties of Arlington, Fairfax, Loudoun, and Prince William in Virginia; and the counties of Montgomery, Anne Arundel, Charles, and Prince George's in Maryland.

(b) Governance

The Authority is governed by a Board of Directors (Board) consisting of eight voting Principal Directors and eight Alternate Directors with each signatory to the Compact and the federal government appointing two voting Directors and two Alternate Directors each. The Principal and Alternate Directors for Virginia are appointed by the Northern Virginia Transportation Commission; for the District of Columbia, by the City Council; for Maryland, by the Washington Suburban Transit Commission; and for the federal government, by the US Secretary of Transportation.

The Board governs and sets policy for the Authority. Subject to policy direction and delegations from the Board, the General Manager and Chief Executive Officer is responsible for all activities of the Authority. The staff carries out these activities through the approved organizational structure of the Authority.

(c) Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America (US GAAP), the financial reporting entity consists of a primary government, as well as its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the organization's board and either:
    a. the ability to impose will by the primary government or
    b. the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2) The organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to or impose financial burdens on the primary government.

Component units can also be other organizations for which its exclusion from the financial reporting entity would cause the financial statements to be misleading.

1. Background, Governance and Reporting Entity (continued)

(c) Financial Reporting Entity (continued)

If an organization is engaged in fiduciary activities, it is a fiduciary component unit if it meets the preceding criteria for a component unit and is one of the following arrangements:

1) A pension or other postemployment benefit (OPEB) plan that is administered through a qualified trust, or
2) A circumstance in which assets from an entity that are not part of the reporting entity are accumulated for pensions or OPEB that are not administered through a qualified trust.

Based on the application of these criteria, the Authority includes three fiduciary component units in its reporting entity: the WMATA Retirement (Retirement) Plan; WMATA Local 2 Retirement (Local 2) Plan; and WMATA Healthcare Plan. Each of these Plans are legally separate and administered through a qualified trust. In addition, the Authority appoints a voting majority of each of the boards, and the Authority can impose its will on the organizations. Accordingly, these plans are reported as fiduciary activities in Pension and Other Employee Benefit Trust Funds in the Authority's fiduciary fund financial statements.

The WMATA Transit Employees' Retirement (Local 689), WMATA Transit Police Retirement (Transit Police), WMATA Local 922 Retirement (Local 922), Deferred Compensation 457, and Defined Contribution 401(a) Plans are not included as fiduciary funds or component units of the Authority. These Plans are all legally separate and distinct entities from the Authority and are administered by their own boards. The Authority assumes no fiduciary responsibility and has no direct control over these Plans or of their assets. Accordingly, they are not reported as fiduciary activities in the Authority's basic financial statements.

Additional information on the pension and OPEB plans, including their relationship with the Authority and how to obtain their separately issued financial statements, as applicable, are further described in Note 11, *Pension Plans*, and Note 12, *Other Postemployment Benefits*, respectively, to the basic financial statements.

2. Summary of Significant Accounting Policies

The basic financial statements provide information about the Authority's business-type activities and fiduciary activities. The Authority's business-type activities are comprised of its operations of the rail, bus, and paratransit systems. The Authority's fiduciary activities include resources held in trusts for retirees and beneficiaries covered by the Retirement, Local 2 and WMATA Healthcare Plans.

The basic financial statements have been prepared in conformity with US GAAP, as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting standards. The Authority's significant accounting policies are described below.

(a) Basis of Accounting

The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and other non-exchange transactions are recognized when all eligibility requirements imposed by the provider have been met. Benefit payments are recorded when due to be paid.

2. Summary of Significant Accounting Policies (continued)

(b) Cash and Cash Equivalents

The cash and cash equivalents for business-type activities consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less at the date of acquisition.

Cash and cash equivalents for fiduciary activities consist of open-ended mutual funds.

(c) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of unspent proceeds from dedicated capital funding (Dedicated Funding) and from the issuances of Series 2023A, 2021A and 2020A Dedicated Revenue Bonds that are restricted for capital costs. Dedicated Funding, which was enacted by legislation, is an annual revenue stream that is jointly provided to the Authority by the State of Maryland, District of Columbia, and Commonwealth of Virginia to fund capital projects.

Additionally, other amounts in restricted cash and cash equivalents include unspent surcharge amounts collected at parking facilities per agreements with Fairfax County, Virginia and Montgomery County in Maryland. The cash received from parking surcharges, as governed by the terms of the Parking Surcharge Agreements, are required to be used for payment of the expenses related to the parking structures in each of the respective jurisdictions, including lease and financing payments.

(d) Restricted Cash and Cash Equivalents Held with Fiscal Agent

Restricted cash and cash equivalents with fiscal agent include proceeds held in escrow from the issuance of the Series 2020A Dedicated Revenue Bonds to pay for fiscal year 2023 debt service interest. Amounts held for interest payments due within one fiscal year are reported as current assets; amounts held for interest payments due in subsequent years are reported as noncurrent.

(e) Investments

The business-type activities' investments are reported at fair value using quoted market prices or other observable inputs. GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fiduciary activities' investments are measured at fair value using net asset value (NAV) as a practical expedient.

(f) Accounts Receivable, Net of Allowance, and Other

Accounts receivable in the business-type activities include amounts due from governmental agencies, companies, and other customers. Management estimates the probability of collection and adjusts the allowance accordingly. The allowance for federal grant receivables is estimated by taking an average of the current and prior two fiscal years' actual disallowed and canceled amounts.

Other assets include prepaid items on certain payments for insurance, short-term leases, and other items where costs are applicable to future accounting periods.

2. Summary of Significant Accounting Policies (continued)

(g) Materials and Supplies Inventory, Net of Obsolescence

Materials and supplies inventory is reported using the average cost method, net of an allowance for obsolete inventory of $11.7 million as of June 30, 2023 and 2022. Obsolete inventory is estimated by taking the highest of the current and prior two fiscal years' actual inventory write-offs.

(h) Capital Assets

Capital assets are defined as tangible and intangible assets with an initial, individual cost of more than $5,000 and an estimated useful life of more than one year. The Authority's policy is to expense maintenance and repair costs as incurred.

The Authority's capital assets are comprised of construction in progress, land, transit facilities (e.g., stations, track, tunnels), buildings and improvements, revenue vehicles, equipment, and other assets. Capital assets are reported at historical costs and include labor and other ancillary costs associated with placing the capital asset into service (except for intangible right-to-use lease and SBITAs, the measurement of which are discussed in note (i) below). Donated land is recorded at assessed value. All other donated capital asset classes are recorded at their acquisition value.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. A full month's depreciation is calculated in the month an asset is placed in service. The useful lives for calculating depreciation on principle classes of assets are as follows:

Buildings and improvements	10-45 years
Transit facilities	10-75 years
Revenue vehicles	4-35 years
Equipment and other	4-40 years

(i) Leases and Similar Subscription-Based Information Technology Arrangements

i) Lessee/Buyer

The Authority is a lessee for various noncancellable leases of land, buildings, equipment, and other assets. The Authority also is a buyer of noncancellable subscription information technology arrangements (similar to a lease) for the right-to-use information technology hardware and software (SBITAs). For leases and SBITAs with a maximum possible term of 12 months or less at commencement (short-term), the Authority recognizes expense based on the provisions of the lease contract or SBITA in the Statements of Revenues, Expenses, and Changes in Net Position. For all other leases and SBITAs, the Authority recognizes a lease or subscription IT liability, respectively, and an intangible right-to-use lease or subscription IT asset, respectively, in the Statements of Net Position.

Measurement of Lease Amounts

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

2. Summary of Significant Accounting Policies (continued)

(i) Leases and Similar Subscription-Based Information Technology Arrangements (continued)

i) Lessee/Buyer (continued)

The lease asset is initially measured at the amount of the lease liability, and as applicable, less lease payments made on or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. A full month of amortization is calculated in the month the lease asset is placed in service. If the Authority is reasonably certain of exercising a purchase option contained in a lease, the lease asset is amortized over the useful life of the underlying asset.

Measurement of Subscription IT Amounts

At subscription commencement, the Authority initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into right-to-use amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

The following key estimates and judgments are used by the Authority to determine the following:

- Discount rate: The Authority generally uses an incremental borrowing rate as the discount rate to calculate the present value of the expected lease and SBITA payments unless the rate that the lessor or vendor charges is known. Since the Authority's bonds are not actively traded, the Authority determines its incremental borrowing rate by using observable inputs from yield curves from similar entities with similar credit ratings.
- Lease or subscription term: The lease or subscription term includes the noncancelable period of the lease or SBITA, plus periods covered by either an Authority or lessor/vendor unilateral option to 1) extend when it is reasonably certain to be exercised, or 2) terminate when it is reasonably certain not to be exercised. Periods in which the Authority and the lessor/vendor have an option to terminate or those that are covered by a bilateral option, where both parties must agree, are excluded from the lease or subscription term.
- Lease or subscription payments: Lease or subscription payments included in the measurement of the lease or SBITA liability are composed of fixed payments and purchase option prices that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that may require a remeasurement of a lease or SBITA. When certain changes occur that are expected to significantly affect the amount of the lease or SBITA liability, the liability is remeasured, and a corresponding adjustment is made to the lease or subscription IT asset.

2. Summary of Significant Accounting Policies (continued)

(i) Leases and Similar Subscription-Based Information Technology Arrangements (continued)

ii) Lessor

The Authority is a lessor for various noncancelable leases of fiber optics, offices, warehouse access and ground leases. For short-term leases, the Authority recognizes rental income based on the provisions of the lease agreement in the Statements of Revenues, Expenses, and Changes in Net Position. For all other leases, the Authority recognizes a lease receivable and a deferred inflow of resources in the Statements of Net Position.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term, reduced by any provision for uncollectible amounts, if applicable. Any initial direct costs required to be paid by the Authority are expensed in the period incurred. Subsequently, payments received are allocated first to any accrued interest receivable and then to the lease receivable.

The deferred inflow of lease revenue is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, if applicable. Subsequently, the deferred inflow of resources is recognized on a straight-line basis as revenue over the life of the lease term.

The following key estimates and judgments are used by the Authority to determine the following:

- Discount rate: The Authority uses either the explicit rate stated in the lease agreement or its incremental borrowing rate to discount the expected lease receipts to present value. Since the Authority's bonds are not actively traded, the Authority determines its incremental borrowing rate by using observable inputs from yield curves from similar entities with similar ratings and terms.
- Lease term: The lease term includes the noncancelable lease period of the lease, plus 1) periods for which the Authority has a unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an optional termination date if the Authority is reasonably certain not to exercise the termination option.
- Lease receipts*:* Measurement of the lease receivable includes fixed payments, and as applicable, variable fixed in substance payments, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The Authority monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflows of resources for leasing transactions.

2. Summary of Significant Accounting Policies (continued)

(j) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of amounts due to vendors and contractors.

(k) Accrued Salaries and Benefits

Accrued salaries and benefits consist of amounts due to employees for earned wages and benefits and postemployment benefits owed to retirees.

(l) Accrued Pension Benefits

Accrued pension benefits consist of pension benefits due to the Retirement Plan and Local 2 Plan participants.

(m) Due to Other Governments

The amounts in due to other governments include unspent parking garage surcharges the Authority collects on behalf of Fairfax County, Virginia and Montgomery County, Maryland and funds the Authority receives in advance to perform reimbursable construction projects on behalf of other jurisdictions.

Additional amounts in due to other governments reflect federal interest from the sale or retirement of capital assets that is owed to the federal government. Federal interest is the percentage of funding provided by the federal government to acquire the asset, applied to the net proceeds, or remaining book value, of the retired asset. The net book value for federal interest is calculated using the federal agencies approved useful lives, which may differ from the useful lives used by the Authority. The Authority either utilizes these funds to offset future capital asset acquisitions upon approval from the federal agency to retain the funds, or remits them back to the federal agency.

2. Summary of Significant Accounting Policies (continued)

(n) Compensated Absences

The Authority's policy and collective bargaining agreements permit eligible employees to accumulate earned, but unused, sick, vacation and compensatory leave benefits. Vacation may be accumulated up to the maximum amounts shown in the table below:

Employee Group	Years of Service	Maximum Annual Leave Carryover Limit	Disposition in Excess of Maximum Carryover Limit
Executive and Senior Management	Not applicable	337.5 hours	Remaining balance is forfeited
Non-Represented:			
7.5 hour workdays	0–15 years 15+ years	225.0 hours 337.5 hours	Remaining balance is foreited
8 hour workdays	0–15 years 15+ years	240.0 hours 360.0 hours	Remaining balance is forfeited
Local 2:			
7.5 hour workdays	0–15 years 15+ years	225.0 hours 337.5 hours	100% converted to sick leave
8 hour workdays	0–15 years 15+ years	240.0 hours 360.0 hours	100% converted to sick leave
Fraternal Order of Police	Not applicable	400.0 hours	50% converted to sick leave
Special Police Officers	Not applicable	240.0 hours	Remaining balance is forfeited
Local 689	0–15 years 15+ years	240.0 hours 360.0 hours	Remaining balance is forfeited
Local 922	0–15 years 15+ years	240.0 hours 360.0 hours	Remaining balance is forfeited

The Authority records a liability for unused vacation balances that are estimated to be used or paid out each fiscal year. Generally, depending on the employees' respective group, remaining unused vacation amounts in excess of the Authority's maximum carryover limit must be used by December 31 or June 30, or they are either forfeited, converted to sick leave, or paid out to employees and are no longer included as a compensated absence liability to the Authority. However, on December 31, 2021, the carry over limit enforcement for vacation was lifted to avoid forfeiture for Executive, Senior Management, and non-represented employees who had accumulated large vacation balances during the pandemic. On December 31, 2022 the carry over limit enforcement for vacation was delayed until March 31, 2023 as a one-time exception.

There is no liability for accumulated sick leave since the Authority's policy and collective bargaining agreements do not allow payment of unused sick leave to employees when they separate from service.

2. Summary of Significant Accounting Policies (continued)

(n) Compensated Absences (continued)

The Authority's policy and collective bargaining agreements permit certain eligible employees to accumulate compensatory time. Non-represented, exempt employees may accrue compensatory time up to 75 hours in a calendar year. The other employee groups may accrue and carry forward compensatory time up to 240 hours in a calendar year. Compensatory time balances in excess of the maximum annual carryover limits as of December 31 each year are either paid out as overtime or forfeited, as dictated by the applicable policy or collective bargaining agreement. The compensatory balances accrued at June 30, 2023 and 2022 were $3.1 million and $2.8 million, respectively, and are included as a component of compensated absences on the Statements of Net Position.

(o) Unearned Revenue

Unearned revenue primarily consists of unredeemed passenger fares.

(p) Litigation and Claims

Liabilities for litigation and claims are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

(q) Retainage on Contracts

Retainage on contracts includes the portion withheld from vendor payments until the completion of the contract.

(r) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period, and as such will not be recognized as an outflow of resources (expense) until that time. These items are reported as a category below assets on the Statements of Net Position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and as such will not be recognized as an inflow of resources (revenue) until that time. These items are reported as a category below liabilities on the Statements of Net Position.

The Authority reports the following items as deferred outflows of resources or deferred inflows of resources: the accumulated change in the fair value component of the master commodity swap agreement for diesel fuel; the unamortized present value of future lease revenues; amortization of the deferred loss for the Series 2009A Bond defeasance; and deferred inflows and outflows from pensions and OPEB as a result of contributions made after the measurement date, differences between expected and actual actuarial experience, differences between projected and actual investment earnings, and other changes in actuarial assumptions.

(s) Hedging Derivative Instrument

The Authority entered into a contract to purchase a minimum amount of diesel fuel based upon a differential price on the New York Mercantile Exchange (NYMEX) index. At the same time, the Authority entered into a fuel swap agreement to take advantage of market conditions or hedge the price of fuel.

2. Summary of Significant Accounting Policies (continued)

(s) Hedging Derivative Instrument (continued)

In accordance with GASB Statement No. 53*, Accounting and Financial Reporting for Derivative Instruments* (GASB 53), the swap agreement is reported at fair value, and amounts owed by the Authority are included in deferred outflows of resources; and amounts due to the Authority are included in deferred inflows of resources on the Statements of Net Position.

(t) Operating and Nonoperating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating transactions. Operating revenues and expenses are those that generally result from providing services in connection with the Authority's principal ongoing operation. The principal operating revenues of the Authority are charges to customers for parking and passenger fares for transportation services. The Authority also recognizes operating revenues as amounts received for rental, advertisements, and other services. Operating revenues are recorded as revenue at the time services are performed. Operating expenses include the Authority's costs of providing services, administrative expenses, and depreciation and amortization on capital, right-to-use assets, and SBITAs. Operating expenses are recognized when incurred. All revenues and expenses not meeting these definitions are reported as nonoperating.

Nonoperating revenues include federal operating grants and jurisdictional subsidies, investment income, interest income from leasing transactions, non-passenger parking, fines imposed, inspections, gain on disposition of capital assets and other miscellaneous collections. Nonoperating expenses include interest expenses and the loss on the disposition of capital assets, which also includes the remaining interest in federally funded assets disposed of before the end of their useful lives. Investment income is generated from advanced contributions received for capital and operating needs.

The Authority operates at a loss, which is subsidized by participating jurisdictions. Jurisdictional operating subsidies are recognized as revenue when the jurisdictions appropriate the amount to the Authority and the period to which the appropriation pertains has begun.

(u) Capital Contributions

The Authority's capital program is supported primarily through funding from federal grantor agencies and the jurisdictions. Federal grant revenues are recognized upon incurrence of eligible grant expenditures and are reported net of estimated uncollectible amounts. Capital contributions from jurisdictions include subsidies and Dedicated Funding and are recognized in the year for which the appropriation was made. Capital contributions also include donated capital assets and other miscellaneous capital contributions.

(v) Net Position

The business-type activities net position represents the residual interest in assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and consists of the net investment in capital assets and restricted and unrestricted net position, as follows:

- **Net investment in capital assets** – This component of net position consists of right-to-use lease, SBITAs, and capital assets, net of accumulated amortization and depreciation, respectively, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Summary of Significant Accounting Policies (continued)

(v) Net Position (continued)

- **Restricted net position** – This category represents the portion of net position with external restrictions imposed by creditors, grantors, contributors; laws or regulations of other governments; or constraints imposed by law through constitutional provisions or enabling legislation that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Included in this category are unspent Dedicated Funding that is externally restricted for capital purposes. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Authority considers restricted funds to have been spent first.
- **Unrestricted net position** – This category represents the portion of net position that is not classified as “restricted” or “net investment in capital assets”. Unrestricted net position may be designated for specific purposes by action of management or the Board. The deficit balance will require future funding.

The fiduciary activities net position represents the financial position of the assets and liabilities, which are classified as restricted for payments of pension and postemployment benefits to the members and beneficiaries of the Retirement, Local 2 and WMATA Healthcare Plans.

(w) Reclassifications

Certain reclassifications were made to the comparative fiscal year 2022 amounts to conform to the fiscal year 2023 presentation in the basic financial statements.

(x) Use of Estimates

The preparation of the basic financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of restricted assets and contingent liabilities as of the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(y) GASB Pronouncements

The Authority adopted the following GASB Statements in fiscal year 2023:

- **GASB Statement No. 91, *Conduit Debt Obligations*:** This Statement clarifies the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves required note disclosures. The Authority does not have any conduit debt obligations; therefore, the adoption of Statement No. 91 did not have an impact on the Authority’s financial statements.

2. Summary of Significant Accounting Policies (continued)

(y) GASB Pronouncements (continued)

- **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94)*:** This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The Authority currently does not have any agreements that meet the definition of a PPP; therefore, the adoption of Statement No. 94 did not have an impact on the Authority's financial statements.
- **GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96):** This Statement provides guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Authority has lessee subscription-based IT arrangements. The adoption of this Statement resulted in the restatement of the Authority's basic financial statements as of June 30, 2022, to reflect the reporting of the right-to-use subscription IT assets and liabilities. Total assets and total liabilities during the fiscal year ending June 30, 2022 increased by $20.6 million and $19.9 million respectively as a result of the implementation. Additional information on the GASB 96 restatement can be found in Note 14, Restatement.
- **GASB Statement No. 99, *Omnibus 2022:*** The Authority implemented the following topics of this Statement:
  - Clarification of certain provisions in GASB 87 related to (1) the lease term when termination provisions exist and when a lessee has the option to purchase the underlying asset or the contract transfers ownership (2) reassessment of short-term lease arrangements when the lease term is modified beyond 12 months (3) the remeasurement of a lease asset or liability which should not be done solely for a change in an index or rate used to determine variable payments, and (4) the definition of certain lease incentives. The implementation of this topic did not have a significant impact on the Authority's financial statements.
  - Clarification of certain provisions in GASB 94 related to (1) the definition of provisions for options to terminate in PPP arrangements and (2) provides additional guidance for the recognition of PPP assets and liabilities for transferors. The implementation of this topic did not have an impact on the Authority's financial statements.
  - Clarification of certain provisions in GASB 96 related to (1) provisions that qualify for options to terminate when determining the term of a SBITA arrangement (2) reassessment of short-term SBITA arrangements when the term is modified beyond 12 months, and (3) the remeasurement of a subscription liability which should not be done solely for a change in an index or rate used to determine variable payments. These clarifications were considered in conjunction with the implementation of GASB 96. Please refer to Note 8 for impacts on the Authority's financial statements as a result of the implementation.

2. Summary of Significant Accounting Policies (continued)

(y) GASB Pronouncements (continued)

GASB has issued the following pronouncements that may affect future financial presentation or fiscal practices of the Authority upon implementation:

GASB Statement No.	GASB Statement Title	Adoption Required in Fiscal Year
99	*Omnibus 2022*	2024
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2025

- **GASB Statement No. 99**, ***Omnibus 2022:*** The Authority will implement the following topics of this Statement in fiscal year 2024:
  - Classification and reporting of derivative instruments within the scope of GASB Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument. The implementation of this topic is not expected to have an impact on the Authority's financial statements.
  - Accounting and financial reporting requirements for exchange and exchange-like financial guarantees. The implementation of this topic is not expected to have an impact on the Authority's financial statements.
- **GASB Statement No. 100, *Accounting Changes and Error Corrections*:** This Statement provides a definition of accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The adoption of this statement is not expected to have an impact on the Authority's financial statements.
- **GASB Statement No. 101**, ***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. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences — including parental leave, military leave, and jury duty leave — not be recognized until the leave commences. The adoption of this Statement will have an impact on the Authority's financial statements. The Authority is currently evaluating the extent of such impact.

3. Plans of Financing

The planning, development and operation of the transit facilities serving the Transit Zone are funded from the combined resources of the federal government; subsidy payments from participating jurisdictions in Maryland, Virginia, and the District of Columbia; and the Authority's operations, which are primarily funded by passenger fare revenues. In establishing its budget each year, the Authority makes an estimate of the revenues it expects to receive from operation of the system based on the current or projected fare schedule and ridership.

The shares of the jurisdictions' operating subsidy requirements per the approved fiscal years 2023 and 2022 budgets are as follows:

Jurisdiction	2023	2022
District of Columbia	35.8 %	35.9 %
Prince George's County, Maryland	22.6	22.0
Montgomery County, Maryland	15.4	16.1
Fairfax County, Virginia	13.7	13.8
All other jurisdictions	12.5	12.2
Total	100.0 %	100.0 %

The Authority's Capital Improvement Program is based on the results of an extensive needs assessment, the requirement to align resources to rehabilitate the existing systems, and to grow ridership. The Authority's capital budget is funded primarily by federal grants, Dedicated Funding and capital subsidies provided by participating jurisdictions, and the issuance of debt.

The Authority's federal grants are subject to review and audit by the grantor agencies. Construction and capital improvement costs funded with these resources are generally conditioned upon compliance with the terms and conditions of the grant agreements and federal regulations.

Capital contributions for the years ended June 30, 2023 and 2022 are as follows (in thousands):

Capital Contributions	2023	2022
Federal grants and interest utilized	$ 517,674	$ 348,591
Dedicated Funding	500,000	500,000
Jurisdictional capital subsidies	458,647	446,045
Donated assets	2,742,916	2,180
Other capital contributions	48,207	11,119
Total	$ 4,267,444	$ 1,307,935

4. Cash, Deposits and Investments

Business-Type Activities

As provided in the amended Compact, any monies of the business-type activities may, at the discretion of the Board and subject to any agreement or covenant between the Authority and the holders of its debt obligations limiting or restricting classes of investments, be invested in the following:

1) Direct obligations of, or obligations guaranteed by, the United States;
2) Bonds, debentures, notes, or other evidences of indebtedness issued by agencies of the United States;
3) Domestic and Eurodollar certificates of deposit;
4) Securities that qualify as lawful investments and may be accepted as security for fiduciary, trust and public funds under the control of the United States or any officer or officers thereof; or securities eligible as collateral for deposits of monies of the United States; or
5) Bonds, debentures, notes or other evidences of indebtedness issued by a domestic corporation provided that such obligations are nonconvertible and at the time of their purchase are rated in the highest rating categories by one or more nationally recognized bond rating agencies.

Fiduciary Activities

The investment policies for the Retirement and Local 2 Plans are determined by the Plans' respective trustees based on recommendations of an independent investment advisor. The investment policies have guidelines, rather than specific authorized investments, to follow. Asset allocation policies are approved annually and are referenced in Note 11, *Pension Plans*. The trustees for the Retirement and Local 2 Plans have also entered into custody agreements with Northern Trust, which serves as the custodian of the Plans' funds.

The Trustees of the WMATA Healthcare Plan entered into an agreement with the Virginia Pooled Trust to manage the trust assets according to a predefined investment pool. Additional information regarding this external investment pool is located in Note 5, *Fair Value Measurements*.

(a) Cash and Cash Equivalents

Business-Type Activities

The carrying amounts and bank balances as of June 30, 2023 and 2022 are as follows (in thousands):

	June 30, 2023	
Cash and Cash Equivalents	**Carrying Amount**	**Bank Balance**
Unrestricted:		
Deposits insured or collateralized	$ 61,829	$ 68,193
Money market account	9,885	9,885
Government agency discount note	150,212	149,560
Cash on hand	3,520	-
Restricted:		
Deposits insured or collateralized	14,461	14,475
Government agency discount note	101,917	101,201
Total cash and cash equivalents	$ 341,824	$ 343,314

4. Cash, Deposits and Investments (continued)

(a) Cash and Cash Equivalents (continued)

Business-Type Activities (continued)

Cash and Cash Equivalents	June 30, 2022 Carrying Amount	June 30, 2022 Bank Balance
Unrestricted:		
Deposits insured or collateralized	$ 106,743	$ 101,053
Money market account	91,984	91,979
Cash on hand	4,172	-
Restricted:		
Deposits insured or collateralized	605,310	605,508
Money market account	1,663	10,011
Total cash and cash equivalents	$ 809,872	$ 808,551

The bank deposit account balances are Federal Deposit Insurance Corporation insured up to $250,000, and any excess amounts are fully collateralized by the pledge of eligible collateral. The depository banks pledge collateral to the Authority, which is held in a restricted account at a Federal Reserve Bank as a custodian, and at the Bank of New York Mellon as a custodian and collateral agent. In addition, one depository bank has pledged an irrevocable standby letter of credit as collateral, issued by a Federal Home Loan Bank, which is held by the Authority.

As of June 30, 2023 and 2022, the amounts reported in restricted deposits insured or collateralized consist of unspent proceeds from the issuances of the Series 2023A, Series 2021A and 2020A Dedicated Revenue Bonds; amounts received from Dedicated Funding; and amounts received from parking garage surcharges.

As of June 30, 2023, the amounts recorded in restricted government agency discount note consist of a portion of the unspent proceeds from the Series 2023A and 2021A Bonds as well as amounts received from dedicated funding.

As of June 30, 2022, the amounts recorded in restricted money market accounts consist of unspent proceeds held in escrow with fiscal agent to pay scheduled debt service payments from the Series 2020A Bonds.

The Authority's cash equivalents are valued at amortized cost, as defined by GASB Statement No. 31, *Accounting and Financial Reporting for Investments*.

4. Cash, Deposits and Investments (continued)

(a) Cash and Cash Equivalents (continued)

Fiduciary Activities

Cash and cash equivalents in the amount of $8.9 million and $8.8 million as of June 30, 2023 and 2022, respectively, consist of amounts in the Northern Trust Short-Term Investment Fund, which are composed of high quality and highly liquid money market instruments with short maturities.

The fiduciary activities do not have a formal policy related to custodial credit risk. The fiduciary activities cash equivalents are open-ended mutual funds and are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

(b) Investments

i) Interest Rate Risk

The interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment.

Business-Type Activities

The business-type activities do not have a formal investment policy for interest rate risk. However, as a means of limiting its exposure to fair value losses caused by rising interest rates, the Authority's practice is to structure its investment portfolio maturities to meet cash flow requirements. This results in short-term maturities for investments for operations and capital projects.

As of June 30, 2023 and 2022, the business-type activities investments are as follows (in thousands):

		Investment Maturities as of June 30, 2023			
Investment Type	Fair Value June 30, 2023	Less than 6 Months	7 Months – 1 Year	1–3 Years	More than 3 Years
United States Treasuries	$ 2,067	$ -	$ -	$ -	$ 2,067
United States Agencies	$ 75,949	$ 41,955	$ -	$ 33,994	$ -
Total	$ 78,016	$ 41,955	$ -	$ 33,994	$ 2,067

		Investment Maturities as of June 30, 2022			
Investment Type	Fair Value June 30, 2022	Less than 6 Months	7 Months – 1 Year	1–3 Years	More than 3 Years
United States Treasuries	$ 2,447	$ 247	$ -	$ -	$ 2,200

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

i) Interest Rate Risk (continued)

Fiduciary Activities

The fiduciary activities do not have a formal policy for interest rate risk.

As of June 30, 2023 and 2022, the fixed income funds in the fiduciary activities have the following investments (in thousands):

Investment Type	Fair Value June 30, 2023	Investment Maturities as of June 30, 2023 Less than 6 Months	7 Months - 1 Year	1-3 Years	More than 3 Years
1-10 Year TIPS Index fund	$ 19,349	$ 19,349	$ -	$ -	$ -
FIAM tactical bond fund	56,875	56,875	-	-	-
Aggregate bond index fund	30,333	30,333	-	-	-
PIMCO all asset fund	45,559	45,559	-	-	-
Total	$ 152,116	$ 152,116	$ -	$ -	$ -

Investment Type	Fair Value June 30, 2022	Investment Maturities as of June 30, 2022 Less than 6 Months	7 Months - 1 Year	1-3 Years	More than 3 Years
1-10 Year TIPS Index fund	$ 19,518	$ 19,518	$ -	$ -	$ -
FIAM tactical bond fund	58,941	58,941	-	-	-
Aggregate bond index fund	31,066	31,066	-	-	-
PIMCO all asset fund	48,018	48,018	-	-	-
Total	$ 157,543	$ 157,543	$ -	$ -	$ -

ii) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Business-Type Activities

The investment policy for the Authority's business-type activities allows for investments that are direct obligations of, or obligations guaranteed by, the US Government as well as evidences of indebtedness issued by agencies of the US Government or indebtedness issued by a domestic corporation, provided that such obligations are rated at the time of purchase in the highest rating categories by a nationally recognized bond rating agency.

The business-type activities investments which have the implicit guarantee of the US Government, were, at the time of purchase, awarded the highest rating by one or more of the nationally recognized rating organizations: Standard and Poor's, Moody's Investor Service, or Fitch Ratings.

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

ii) Credit Risk (continued)

Business-Type Activities (continued)

The following table summarizes the rating of the Authority's business-type activities from Moody's Investor Services as of June 30, 2023 and 2022 (in thousands):

Investment Type	Fair Value June 30, 2023	Fair Value June 30, 2022	Rating
United States Treasuries	$ 2,067	$ 2,447	Aaa
United States Agencies	$ 75,949	$ -	Aaa
Total	$ 78,016	$ 2,447	

Fiduciary Activities

The fiduciary activities have no formal credit risk policies. The Aggregate bond index fund and 1-10 Year TIPS index fund consist of US Government and US Agency debt securities that are explicitly or implicitly guaranteed by the US Government and, therefore, have no credit risk. The remaining fixed income mutual funds were not rated.

The following table includes the fiduciary activities fixed income mutual funds as of June 30, 2023 and 2022 (in thousands):

Investment Type	Fair Value June 30, 2023	Fair Value June 30, 2022
1-10 Year TIPS index fund	$ 19,349	$ 19,518
FIAM tactical bond fund	56,875	58,941
Aggregate bond index fund	30,333	31,066
PIMCO all asset fund	45,559	48,018
Total fixed income mutual funds	$ 152,116	$ 157,543

iii) Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of the counterparty to the transaction, the Authority will not be able to recover the value of the deposits or investments that are in the possession of an outside party.

Business-Type Activities

The Authority does not have a formal policy for custodial credit risk for business-type activities. The Authority's investments are held by third party custodians. All individual securities are held in the name of the Authority.

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

iii) Custodial Credit Risk (continued)

Fiduciary Activities

The fiduciary activities have no formal custodial credit risk policies for investments. The investments are open-ended mutual funds and are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

5. Fair Value Measurements

Business-Type Activities

The Authority's business-type activities categorizes its fair value measurements within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are unobservable inputs. Investments measured at net asset value are not classified in the fair value hierarchy; however, separate disclosures for these investments are required.

The business-type activities have the following recurring fair value measurements as of June 30, 2023 and 2022 (in thousands):

	June 30, 2023			
	Fair Value	Level 1	Level 2	Level 3
United States Treasuries	$ 2,067	$ 2,067	$ -	$ -
United States Agencies	75,949	-	75,949	-
Total investments	$ 78,016	$ 2,067	$ 75,949	$ -
Fuel swap derivative	$ (2,881)	$ -	$ (2,881)	$ -

	June 30, 2022			
	Fair Value	Level 1	Level 2	Level 3
United States Treasuries	$ 2,447	$ 2,447	$ -	$ -
Fuel swap derivative	$ 11,879	$ -	$ 11,879	$ -

United States Treasuries are valued using prices quoted in active markets. The United States Agencies are valued using matrix pricing. The fuel swap derivative is valued using an income approach, which is a mathematical approximation of the market, derived from proprietary models that are based on certain assumptions regarding past, present and future market conditions, as well as certain financial information.

5. Fair Value Measurements (continued)

Fiduciary Activities

The fiduciary activities investments are measured at NAV per share as a practical expedient and, therefore, have not been classified in the fair value hierarchy. Investments reported at NAV may be sold for amounts different than the NAV per share.

The fiduciary activities have the following investments reported at fair value as of June 30, 2023 and 2022 (in thousands):

	June 30, 2023	June 30, 2022
Equity index funds:		
Collective MSCI ACWI ex-US index fund non-lending	$ 76,770	$ 74,515
CF Arrowstreet Int'L equity	36,925	-
World ex-US investable market index fund-lending	-	35,657
S&P Small Cap 600	5,547	5,526
S&P 400 index fund-lending	4,610	4,383
S&P 500 index fund-lending	31,834	27,572
Loomis Sayles Multisector	31,249	30,484
Russell 1000 index fund non lending	64,991	59,263
Russell 2000 index fund non lending	25,207	22,439
Bond index funds:		
FIAM Tactical bond fund	56,875	58,941
1-10 year TIPS index fund	19,349	19,518
Aggregate bond index fund-lending	30,333	31,066
PIMCO all asset fund	45,559	48,018
Real estate investment funds:		
IR&M core bond real estate fund	33,810	33,891
US real estate investment fund	33,573	34,321
Virginia pooled trust	116,089	107,928
Total investments	$ 612,721	$ 593,522

The WMATA Healthcare Plan’s investments are managed by the Virginia Pooled Trust and is governed by the Trust Agreement. The Authority can resign or withdraw from this Agreement by written notice of its Local Finance Board. The Board of Trustees may terminate the Authority’s participation in the Trust Agreement for any reason by vote of three-fourths of the Board of Trustees.

The fair value of the position in the pool is the same as the value of the pool shares. The value of each share is determined by dividing the total net position of the portfolio by the number of units outstanding at the end of the month. The portfolio includes investments diversified across fixed income, equities and real assets and it is constructed to achieve an expected rate of return of approximately 7.5%.

The Virginia Pooled Trust is not subject to regulatory oversight and is not registered with the Securities and Exchange Commission as an investment company. Specific investment information for the Virginia Pooled Trust can be obtained by writing to VACo/VML Finance, 8 E. Canal Street, Suite 100, Richmond, Virginia 23219.

6. Accounts Receivable, Net of Allowance, and Other

Amounts in accounts receivable, net of allowance, and other for business-type activities are as follows at June 30, 2023 and 2022 (in thousands):

	June 30, 2023	June 30, 2022
Accounts receivable, net of allowance:		
Federal grants receivables	$ 178,206	$ 150,773
Jurisdictional receivables	15,807	16,631
Other government agency receivables	16,718	45,440
All other receivables	43,898	36,695
Allowance for doubtful accounts	(12,088)	(8,440)
Total accounts receivable, net of allowance	242,541	241,099
Prepaid items	2,354	711
Total accounts receivable, net of allowance, and other	$ 244,895	$ 241,810

Federal grants receivables represent amounts due from federal grantor agencies for unreimbursed, eligible program costs. Jurisdictional receivables consist of amounts due from jurisdictions for Dedicated Funding and operating and capital subsidies. Other government agency receivables are primarily amounts due from other governmental agencies for reimbursable projects.

7. Capital Assets

Capital assets activity for the years ended June 30, 2023 and 2022 is as follows (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023
Capital assets not being depreciated:				
Land	$ 566,503	$ 207,373	$ -	$ 773,876
Construction in progress	1,415,182	1,889,425	(1,962,417)	1,342,190
Total capital assets not being depreciated	1,981,685	2,096,798	(1,962,417)	2,116,066
Capital assets being depreciated:				
Buildings and improvements	1,444,109	399,892	-	1,844,001
Transit facilities	16,113,958	3,372,982	(27,174)	19,459,766
Revenue vehicles	5,190,029	154,951	(56,881)	5,288,099
Equipment and other	4,493,950	570,898	(34,613)	5,030,235
Total capital assets being depreciated	27,242,046	4,498,723	(118,668)	31,622,101
Less accumulated depreciation for:				
Buildings and improvements	727,821	42,267	-	770,088
Transit facilities	8,197,966	614,894	(27,171)	8,785,689
Revenue vehicles	2,713,006	222,665	(56,655)	2,879,016
Equipment and other	3,697,826	203,709	(34,612)	3,866,923
Total accumulated depreciation	15,336,619	1,083,535	(118,438)	16,301,716
Total capital assets being depreciated, net	11,905,427	3,415,188	(230)	15,320,385
Total capital assets, net excluding lease and SBITA assets	13,887,112	5,511,986	(1,962,647)	17,436,451
Lease and SBITA assets, net of amortization (Note 8)	84,085	23,695	(2,204)	105,576
Total capital assets, net of depreciation and amortization	$ 13,971,197	$ 5,535,681	$ (1,964,851)	$ 17,542,027

The opening of the Silver Line Extension and the Potomac Yard Station in fiscal year 2023 increased capital assets by approximately $2.5 billion and $251.5 million, respectively, as a result of the transfer from Metropolitan Washington Airports Authority (MWAA) and the City of Alexandria.

During fiscal year 2023, the Authority placed into service a new office headquarters at New Carrollton totaling $178.3 million. Land was acquired for $46.8 million for Western Bus Garage. Additionally, 18 new buses totaling $10.9 million, and 76 new non-revenue vehicles totaling $4.5 million were placed into service during the fiscal year.

Additions to construction in progress include capitalized labor of approximately $289.7 million in fiscal year 2023.

7. Capital Assets (continued)

	June 30, 2021	Additions	Reductions	June 30, 2022
Capital assets not being depreciated:				
Land	$ 567,233	$ -	$ (730)	$ 566,503
Construction in progress	962,207	1,622,644	(1,169,669)	1,415,182
Total capital assets not being depreciated	1,529,440	1,622,644	(1,170,399)	1,981,685
Capital assets being depreciated:				
Buildings and improvements	1,268,744	175,365	-	1,444,109
Transit facilities	15,567,889	564,770	(18,701)	16,113,958
Revenue vehicles	4,928,446	344,729	(83,146)	5,190,029
Equipment and other	4,435,960	87,078	(29,088)	4,493,950
Total capital assets being depreciated	26,201,039	1,171,942	(130,935)	27,242,046
Less accumulated depreciation for:				
Buildings and improvements	688,269	39,552	-	727,821
Transit facilities	7,630,878	585,789	(18,701)	8,197,966
Revenue vehicles	2,541,798	253,278	(82,070)	2,713,006
Equipment and other	3,525,332	201,494	(29,000)	3,697,826
Total accumulated depreciation	14,386,277	1,080,113	(129,771)	15,336,619
Total capital assets being depreciated, net	11,814,762	91,829	(1,164)	11,905,427
Total capital assets, net excluding lease and SBITA assets	13,344,202	1,714,473	(1,171,563)	13,887,112
Lease and SBITA assets, net of amortization (Note 8)	74,944	9,141	-	84,085
Total capital assets, net of depreciation and amortization	$ 13,419,146	$ 1,723,614	$ (1,171,563)	$ 13,971,197

During fiscal year 2022, the Authority placed into service a new office headquarters at L'Enfant totaling $158.3 million and purchased 169 new buses totaling $94.1 million and 133 new nonrevenue vehicles totaling $8.4 million. Additionally, two land parcels were sold resulting in proceeds of $9.2 million. Also, during the fiscal year, MWAA donated non-revenue vehicles and equipment valued at $2.2 million.

Additions to construction in progress include capitalized labor of approximately $246.8 million in fiscal year 2022.

8. Leases and Similar Subscription-Based IT Arrangements

(a) Lessee/Buyer

Right-to-Use Lease and Subscription Assets

The Authority is a lessee for various noncancellable leases for land, buildings, equipment and other assets. The Authority also is a buyer of noncancellable subscription arrangements (similar to a lease) for the right-to-use various information technology hardware and software (SBITAs).

Right-to-use lease and SBITA asset activity for the years ended June 30, 2023 and 2022 is as follows (in thousands):

	June 30, 2022	Additions	Deductions	June 30, 2023
Right-to-use lease assets				
Land	$ 23,547	$ 25	$ (601)	$ 22,971
Buildings	60,222	34,265	(5,072)	89,415
Equipment and other	-	-	-	-
Total right-to-use lease assets	83,769	34,290	(5,673)	112,386
Less accumulated amortization for:				
Land	4,431	2,149	(601)	5,979
Buildings	16,657	9,233	(2,868)	23,022
Equipment and other	-	-	-	-
Total accumulated amortization	21,088	11,382	(3,469)	29,001
Total lease assets, net	62,681	22,908	(2,204)	83,385
SBITA assets	32,251	13,570	(4,096)	41,725
Less accumulated amortization	10,847	12,783	(4,096)	19,534
SBITA assets, net	21,404	787	-	22,191
Total right-to-use lease and SBITA assets, net	$ 84,085	$ 23,695	$ (2,204)	$ 105,576

8. Leases and Similar Subscription-Based IT Arrangements (continued)

(a) Lessee/Buyer (continued)

Right-to-Use Lease and Subscription Assets (continued)

	June 30, 2021	Additions	Deductions	June 30, 2022
Right-to-use lease assets				
Land	$ 22,099	$ 1,574	$ (126)	$ 23,547
Buildings	49,794	10,428		60,222
Equipment and other	117	-	(117)	-
Total right-to-use lease assets	72,010	12,002	(243)	83,769
Less accumulated amortization for:				
Land	2,314	2,243	(126)	4,431
Buildings	7,897	8,760	-	16,657
Equipment and other	76	41	(117)	-
Total accumulated amortization	10,287	11,044	(243)	21,088
Total right-to-use leased assets, net	$ 61,723	$ 958	$ -	$ 62,681
SBITA assets	13,221	19,030		32,251
Less accumulated amortization	-	10,847	-	10,847
SBITA assets, net	13,221	8,183	-	21,404
Total right-to-use lease and SBITA assets, net	$ 74,944	$ 9,141	$ -	$ 84,085

Refer to Note 10, Short and Long-Term Liabilities, for information on the liabilities relating to the right-to-use lease and SBITA assets.

(b) Lessor

The Authority is a lessor for various noncancellable leases of fiber optics, warehouse access and ground leases. The revenues from these leases are pledged to repay the Series 2018 and 2017 Gross Revenue Transit Bonds. Some of the leases have termination options that the lessee may unilaterally exercise by giving various periods of notice to the Authority. More information on pledged revenues and the bonds can be found in Note 10(e), *Pledged Revenues*.

Revenues recognized in the reporting period for variable payments not previously included in the measurement of the lease receivables were $1.7 million and $1.3 million as of June 30, 2023 and 2022, respectively. These payments represent participation rent, which is a percentage of the lessees' gross revenues.

Principal and interest received from leases totaled $31.1 million and $11.3 million, respectively, in fiscal year 2023 and $23.7 million and $9.8 million, respectively, in fiscal year 2022.

9. Due to Other Governments

The current amounts due to other governments as of June 30, 2023 and June 30, 2022 are as follows (in thousands):

	June 30, 2023	June 30, 2022
Due to Jurisdictions:		
Parking garage surcharges	$ 3,951	$ 5,682
Reimbursable advances	30,294	21,701
Federal share of capital asset disposals	91,022	103,128
Total due to other governments	$ 125,267	$ 130,511

In fiscal year 2022, the Prince George's County parking surcharge agreement was terminated. The remaining funds were donated to the Authority to support future parking and/or station access infrastructure at Metrorail stations in Prince George's County and are reflected as capital contributions in the Statements of Revenues, Expenses, and Changes in Net Position.

10. Long-Term Liabilities

Changes in long-term liabilities for the years ended June 30, 2023 and 2022 are as follows (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Long-term liabilities:					
Bonds payable:					
Series 2017A1	$ 129,735	$ -	$ (10,090)	$ 119,645	$ 10,595
Series 2017A2	48,855	-	-	48,855	-
Series 2017B	461,870	-	(12,745)	449,125	13,400
Series 2018	229,045	-	(5,860)	223,185	6,160
Series 2020A	545,000	-	-	545,000	13,025
Series 2021A	784,425	-	-	784,425	18,215
Series 2023A	-	392,000	-	392,000	-
Unamortized premium	422,295	35,246	(30,430)	427,111	-
Total bonds payable	2,621,225	427,246	(59,125)	2,989,346	61,395
Compensated absences	127,867	103,728	(94,475)	137,120	83,069
Litigation and claims	203,396	62,431	(57,231)	208,596	73,160
Retainage on contracts	78,028	58,746	(44,812)	91,962	31,333
Lease payables	63,785	21,628	159	85,572	8,364
SBITA payables	19,794	13,570	(14,837)	18,527	5,942
Total long-term liabilities	$ 3,114,095	$ 687,349	$ (270,321)	$ 3,531,123	$ 263,263

10. Long-Term Liabilities (continued)

	June 30, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
Long-term liabilities:					
Bonds payable:					
Series 2017A1	$ 139,350	$ -	$ (9,615)	$ 129,735	$ 10,090
Series 2017A2	48,855	-	-	48,855	-
Series 2017B	473,995	-	(12,125)	461,870	12,745
Series 2018	234,620	-	(5,575)	229,045	5,860
Series 2020A	545,000	-	-	545,000	-
Series 2021A	784,425	-	-	784,425	-
Unamortized premium	452,331	-	(30,036)	422,295	-
Total bonds payable	2,678,576	-	(57,351)	2,621,225	28,695
Compensated absences	117,004	97,126	(86,263)	127,867	77,447
Litigation and claims	191,230	64,373	(52,207)	203,396	61,242
Retainage on contracts	52,914	52,346	(27,232)	78,028	19,681
Lease payables	61,747	2,751	(713)	63,785	8,206
SBITA payables	13,221	18,676	(12,103)	19,794	11,738
Total long-term liabilities	$ 3,114,692	$ 235,272	$ (235,869)	$ 3,114,095	$ 207,009

(a) Lines of Credit

On May 26, 2022, the Authority extended the five lines of credit, which expired on May 25, 2023. On May 25, 2023, the Authority renewed the five existing lines of credit, which expire on May 24, 2024. The total amount available under the combined five lines of credit is $350.0 million.

The availability fees and accrued interest are payable both monthly and quarterly, depending on the lender and the terms of each agreement. Accrued interest on drawn balances is computed based on the Secured Overnight Financing Rate plus a margin. The lines of credit are collateralized by security interests in all of the Authority's gross revenues. The lines of credit can be used as funding for both operating and capital costs.

At June 30, 2023 and 2022, there were no outstanding balances on any of the lines of credit.

10. Long-Term Liabilities (continued)

(b) Bonds Payable

The Authority may issue bonds pursuant to the Compact and the Bond Resolution of the Authority. The following bonds are outstanding at June 30, 2023 and 2022 (in thousands):

	June 30, 2023		
	Principal	**Unamortized Premium**	**Net**
Series 2017A1, 5.0% dated July 12, 2017, due semi-annually through July 1, 2032	$ 119,645	$ 12,622	$ 132,267
Series 2017A2, 5.0% dated July 12, 2017, due semi-annually through July 1, 2034	48,855	6,778	55,633
Series 2017B, 5.0% dated August 17, 2017 due semi-annually through July 1, 2042	449,125	65,537	514,662
Series 2018, 5.0% dated December 18, 2018 due semi-annually through July 1, 2043	223,185	23,226	246,411
Series 2020A, 4.0% to 5.0% dated June 11, 2020 due semi-annually through July 15, 2045	545,000	119,669	664,669
Series 2021A, 3.0% to 5.0% dated June 08, 2021 due semi-annually through July 15, 2046	784,425	164,329	948,754
Series 2023A, 4.1% to 5.5% dated March 14, 2023 due semi-annually through July 15, 2051	392,000	34,950	426,950
	$ 2,562,235	$ 427,111	$ 2,989,346

10. Long-Term Liabilities (continued)

(b) Bonds Payable (continued)

	June 30, 2022		
	Principal	Unamortized Premium	Net
Series 2017A1, 5.0% dated July 12, 2017, due semi-annually through July 1, 2032	$ 129,735	$ 15,340	$ 145,075
Series 2017A2, 5.0% dated July 12, 2017, due semi-annually through July 1, 2034	48,855	7,327	56,182
Series 2017B, 5.0% dated August 17, 2017 due semi-annually through July 1, 2042	461,870	70,675	532,545
Series 2018, 5.0% dated December 18, 2018 due semi-annually through July 1, 2043	229,045	24,870	253,915
Series 2020A, 4.0% to 5.0% dated June 11, 2020 due semi-annually through July 15, 2045	545,000	127,884	672,884
Series 2021A, 3.0% to 5.0% dated June 08, 2021 due semi-annually through July 15, 2046	784,425	176,199	960,624
	$ 2,198,930	$ 422,295	$ 2,621,225

i) Series 2017 Bonds

On July 12, 2017, the Authority issued Gross Revenue Transit Refunding Bonds Series 2017A1 totaling $148.5 million, including a premium of $30.6 million and Series 2017A2 totaling $48.9 million, including a premium of $9.8 million (collectively referred to as the Series 2017A Refunding Bonds).

The Series 2017A Refunding Bonds were issued with a 5.0% coupon, payable semi-annually on January 1, and July 1 each year. Principal payments on the 2017A1 and 2017A2 Bonds are due annually from July 1, 2020 through July 1, 2032 and July 1, 2020 through July 1, 2034, respectively, and will be repaid with the gross revenues of the Authority. The uninsured ratings of the bonds were AA- from Standard and Poor’s and AA- from Fitch as of July 12, 2017.Series 2017A1 Advance Refunding.

Series 2017A1 Advanced Refunding

During fiscal year 2018, the Series 2017A1 Bonds were issued to refund a portion of the Series 2009A Gross Revenue Transit Bonds, which had an original maturity date of July 1, 2032. Proceeds from the sale of the 2017A1 Bonds were placed in escrow in an irrevocable trust to defease $165.5 million of the Series 2009A Bonds (defeased bonds). The refunding resulted in a $4.1 million deferred loss on debt defeasance and the removal of the bond liability from the Statement of Net Position. During fiscal year 2020, the defeased bonds were paid off in their entirety and accordingly, no balance remains in escrow.

10. Long-Term Liabilities (continued)

(b) Bonds Payable (continued)

i) Series 2017 Bonds (continued)

Series 2017B Gross Revenue Transit Bonds

On August 17, 2017, the Authority issued Gross Revenue Transit Bonds Series 2017B totaling $496.5 million, including a premium of $94.4 million, primarily to finance capital costs.

The Series 2017B Bonds will be repaid with the gross revenues of the Authority and were issued with a 5.0% coupon, payable semi-annually on January 1 and July 1 each year. Principal payments are due annually from July 1, 2019 through July 1, 2042. The ratings of the uninsured bonds were AA- from Standard and Poor's and AA- from Fitch as of August 17, 2017.

ii) Series 2018 Bonds

On December 18, 2018, the Authority issued Gross Revenue Transit Bonds Series 2018 totaling $239.9 million, including a premium of $30.9 million, primarily to finance capital costs.

The Series 2018 Bonds will be repaid with the gross revenues of the Authority, and were issued with a 5.0% coupon, payable semi-annually on January 1 and July 1 each year. Principal payments are due annually from July 1, 2020 through July 1, 2043. The ratings of the uninsured bonds were AA- from Standard and Poor's and AA- from Fitch as of December 18, 2018.

iii) Series 2020A Bonds

On June 11, 2020, the Authority issued Dedicated Revenue Bonds Series 2020A, totaling $694.9 million, including a premium of $149.9 million, primarily to finance capital costs.

The Series 2020A Bonds will be repaid with the Authority's Dedicated Funding revenue. The Bonds were issued with coupon rates between 4.0% to 5.0% payable semi-annually on January 15 and July 15 each year. Principal payments are due annually from July 15, 2023 through July 15, 2045. The ratings of the bonds were AA from Standard and Poor's, AA from Fitch and AA+ from Kroll as of June 11, 2020.

As of June 30, 2022, the short-term portion totaled $13.2 million and was held in escrow to pay interest on the Series 2020A Bonds. This amount was reported as restricted cash and cash equivalents held with fiscal agent on the Statements of Net Position and was fully expended through fiscal year 2023.

iv) Series 2021A Bonds

On June 8, 2021, the Authority issued Dedicated Revenue Bonds Series 2021A, totaling $973.4 million, including a premium of $189.0 million, primarily to finance capital costs with a focus on the environment and sustainability.

The Series 2021A Bonds will be repaid with the Authority's Dedicated Funding revenues. The Bonds were issued with coupon rates between 3.0% and 5.0% payable semi-annually on January 15 and July 15 each year. Principal payments are due annually from July 15, 2023 through July 15, 2046. The ratings of the uninsured bonds were AA from Standard and Poor's, AA from Fitch and AA+ from Kroll as of June 8, 2021.

10. Long-Term Liabilities (continued)

(b) Bonds Payable (continued)

v) Series 2023A Bonds

On March 14, 2023, the Authority issued Dedicated Revenue Bonds Series 2023A, totaling $392.0 million, including a premium of $35.2 million, primarily to finance capital costs.

The Series 2023A Bonds will be repaid with the Authority's Dedicated Funding revenue. The Bonds were issued with coupon rates between 4.1% to 5.5% payable semi-annually on January 15 and July 15 each year. Principal payments are due annually from July 15, 2025 through July 15, 2051. As of The ratings of the bonds were AA from Standard and Poor's, AA from Fitch and AA+ from Kroll as of March 14, 2022.

(c) Bond Covenants

The Authority must comply with certain covenants associated with outstanding bonds, the more significant of which are as follows:

- The Authority must punctually pay principal and interest according to provisions in the bond document.
- An event of default occurs if payment is not punctually made and continues for a period of 30 days; however, a failure or refusal occurs if continued for a period of 60 days after written notice, unless the Trustees agree in writing to an extension of such time prior to its expiration. If the event of default is not remedied, either the Trustees or the owners of the bonds may declare the principal and interest to be due and payable immediately.
- Except for certain instances, the Authority cannot sell, mortgage, lease, or otherwise dispose of transit system assets without filing a certification by the General Manager and Chief Executive Officer and Vice President and Treasurer with the Trustees that such action will not impede or restrict the operation of the transit system.
- The Authority must maintain certain insurance or self-insurance covering the assets and operations of the transit system at all times.
- The Authority must file annual financial information with the Trustees by December 31 following the end of the fiscal year.
- The Authority must provide an annual statement, operating data and event notices to the Climate Bonds by December 31 following the end of the fiscal year that is in conformance with the Certification requirements of the Climate Bond Standard.

10. Long-Term Liabilities (continued)

(d) Bonds Debt Service Requirements

Debt service requirements for the bonds payable as of June 30, 2023 are as follows (in thousands):

Fiscal Year	Principal	Interest
2024	$ 61,395	$ 117,431
2025	71,160	117,296
2026	74,790	113,647
2027	78,610	109,812
2028	82,630	105,781
2029-2033	480,930	460,855
2034-2038	553,880	331,830
2039-2043	654,760	193,823
2044-2048	411,180	60,836
2049-2052	92,900	10,570
	2,562,235	1,621,881
Unamortized premium	427,111	-
	$ 2,989,346	$ 1,621,881

(e) Pledged Revenues

i) Dedicated Revenue Bonds

The Authority has pledged certain Dedicated Funding revenues to repay the Series 2020A, 2021A and 2023A Dedicated Revenue Bonds. The District of Columbia, Maryland and Virginia provide an annual Dedicated Revenue stream in the amount of $500.0 million to fund capital costs. Virginia's funding statute provides for the Dedicated Funding to be deposited into both unrestricted and restricted accounts. The Authority may only pledge the unrestricted Dedicated Funding for debt service as security for the Dedicated Revenue Bonds.

Unrestricted Dedicated Funding and debt service payments on the Dedicated Revenue Bonds for the years ended June 30, 2023 and 2022 are as follows (in thousands):

Dedicated Revenue Bonds	2023	2022
Unrestricted dedicated funding	$ 487,125	$ 464,596
Debt Service Interest	$ 67,125	$ 64,231
Percentage of debt service payment to Unrestricted Dedicated Funding revenue	13.8%	13.8%

The total principal and interest remaining on the Dedicated Revenue Bonds is $2.8 billion and $2.2 billion as of June 30, 2023 and 2022, respectively, payable through July 15, 2051.

10. Long-Term Liabilities (continued)

(e) Pledged Revenues (continued)

ii) Gross Revenue Transit Bonds

The Authority has pledged certain gross revenues to repay the Series 2018 and 2017 Gross Revenue Transit Bonds, collectively referred to as Transit Bonds. Gross revenues are defined in the official statements of the Transit Bonds and include the Authority's operating revenues with the exclusion of parking revenues, nonoperating revenues, the restricted portion of Dedicated Funding, certain lease-related revenues, and certain federal subsidies. Additionally, the definition of gross revenues for the Series 2018 Bonds also explicitly excludes unrestricted Dedicated Funding in the pledge for repayment of these bonds.

Gross revenues recognized, as defined by the Transit Bonds' indentures, for the years ended June 30, 2023 and 2022 are as follows (in thousands):

Gross Revenues	2023	2022
Series 2017 Bonds:		
Passenger revenues	$ 299,587	$ 219,551
Other pledged revenues	77,812	53,245
Jurisdictional subsidies	1,219,944	938,294
Unrestricted Dedicated Funding	487,125	464,596
Total Series 2017 Bonds	$ 2,084,468	$ 1,675,686
Series 2018 Bonds:		
Passenger revenues	$ 299,587	$ 219,551
Other pledged revenues	77,812	53,245
Jurisdictional subsidies	1,219,944	938,294
Total Series 2018 Bonds	$ 1,597,343	$ 1,211,090

10. Long-Term Liabilities (continued)

(e) Pledged Revenues (continued)

ii) Gross Revenue Transit Bonds (continued)

Principal and interest payments on the Gross Revenue Transit Bonds for the years ended June 30, 2023 and 2022 are as follows (in thousands):

	2023	2022
Debt service:		
Interest	$ 42,041	$ 44,564
Principal	28,695	27,315
Total debt service	$ 70,736	$ 71,879
Percentage of debt service payments to gross revenues for the Series 2017 Bonds	3.4%	4.3%
Percentage of debt service payments to gross revenues for the Series 2018 Bonds	4.4%	5.9%

The total principal and interest payments outstanding on the Transit Bonds is $1.2 billion and $1.3 billion as of June 30, 2023 and 2022, respectively.

(f) Lease Liabilities

The net present value of the Authority's minimum future lease payments for non-cancelable leases as of June 30, 2023, is as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	$ 8,364	$ 1,725	$ 10,089
2025	8,195	1,634	9,829
2026	6,776	1,544	8,320
2027	6,578	1,458	8,036
2028	3,474	1,370	4,844
2029-2033	17,494	5,756	23,250
2034-2038	19,957	3,399	23,356
2039-2043	13,094	1,074	14,168
2044-2048	1,475	76	1,551
2049-2053	165	2	167
Total lease payments	$ 85,572	$ 18,038	$ 103,610

10. Long-Term Liabilities (continued)

(g) SBITA Liabilities

The net present value of the Authority's minimum future subscription payments for non-cancelable SBITAs as of June 30, 2023, is as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	5,942	334	6,276
2025	4,760	242	5,002
2026	2,454	161	2,615
2027	1,615	111	1,726
2028	1,091	76	1,167
2029-2033	2,665	90	2,755
Total SBITA payments	$ 18,527	$ 1,014	$ 19,541

(h) Interest Expense

Interest expense incurred during the years ended June 30, 2023 and 2022 is as follows (in thousands):

	2023	2022
Bonds	$ 109,440	$ 104,755
Amortization of premium	(30,430)	(29,761)
Issuance costs	2,079	170
Leases	1,186	732
SBITAs	212	99
Total interest expense	$ 82,487	$ 75,995

11. Pension Plans

(a) Description of Pension Plans

The Authority participates in five single employer defined benefit pension plans (collectively referred to as the Plans) covering substantially all its employees, as shown in the table below:

Name of Plan	Plan Year End	Covered Employees
Retirement Plan	June 30	Management and non-union employees
Local 689 Plan	June 30	Full or part-time Local 689 employees
Transit Police Plan	December 31	Transit police officers and officials
Local 922 Plan	December 31	Full or part-time Local 922 employees
Local 2 Plan	June 30	Full-time Local 2 employees

The Plans are administered through trusts dedicated to providing pension benefits to plan members and beneficiaries. Contributions to the trusts are irrevocable and legally protected from creditors.

Each Plan is governed by a separate Board of Trustees responsible for administering the Plans. Financial statements are issued separately for each Plan and may be obtained by contacting the Retirement Planning Manager in writing at Washington Metropolitan Area Transit Authority, People Culture and Inclusion - Total Rewards, PO Box 23298, Washington, DC 20026-3298.

The Local 689, Transit Police, Local 922, and Local 2 Plans are governed by the terms of the respective collective bargaining agreements and plan documents, which are the basis by which benefit terms and contribution requirements are established and amended.

The Retirement and Local 2 Plans are reflected as fiduciary activities in the Authority's basic financial statements.

Below is a summary of each respective Plan's membership as of June 30, 2023 and 2022:

	June 30, 2023					
Plan Membership	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan	Total
Active	123	8,639	379	456	20	9,617
Inactive, receiving benefits	1,202	5,737	297	294	345	7,875
Inactive, not receiving benefits	313	1,460	129	45	41	1,988
Total membership	1,638	15,836	805	795	406	19,480

	June 30, 2022					
Plan Membership	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan	Total
Active	133	8,685	374	445	26	9,663
Inactive, receiving benefits	1,231	5,530	285	289	343	7,678
Inactive, not receiving benefits	313	1,481	121	45	42	2,002
Total membership	1,677	15,696	780	779	411	19,343

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

Below is a summary of the eligible employees, benefits, contributions and funding policy for each Plan:

i) Retirement Plan

The Retirement Plan is administered by its Board of Trustees, which is comprised of three members. Two members are appointed by management of the Authority, and one member is elected by the Plan participants.

Eligible Employees

All full-time regular management and non-union employees hired prior to January 1, 1999, certain Transit Police Officials who are not covered by any other Authority pension plan, and Special Police Officers represented by Teamsters Local 639 hired prior to February 25, 2016, are eligible to participate in the Retirement Plan.

Benefits

The normal retirement eligibility is age 65 with five years of credited service. The annual normal retirement benefit comprises of 1.6% of final average compensation multiplied by the number of years of credited service (including any unused sick leave as credited service for purpose of normal retirement benefit), plus 0.9% of final average compensation in excess of the Social Security breakpoint multiplied by years of credited service (including any unused sick leave as credited service for purpose of normal retirement benefit amount) not in excess of 20 years.

Early retirement benefits are available upon reaching age 55 with 10 years of credited service or after the sum of years of service plus attained age is 83 or more. The maximum normal retirement benefit is not to exceed 80.0% of final average compensation. The retirement plan provides retired participants annual cost of living (COLA) increases, permits both early and later retirement, and provides for benefits in the event of death, disability and terminated vested employment. After five years of service, participants are 100.0% vested.

Contributions and Funding Policy

The Authority is required to contribute, pursuant to the Compact, an amount equal to the actuarially determined contribution. Authority contributions totaled $28.3 million and $25.9 million for the years ended June 30, 2023 and 2022, respectively. Participants are not required to contribute to the Retirement Plan.

Plan actuaries determine the dollar amount of assets to be transferred between plans to account for participants who transfer between plans. The dollar amount of the assets is based on the present value of benefits transferred and the funded status of the respective plans. The assets contributed to the Retirement Plan from the Local 2 Plan were $0.9 million for fiscal year 2022.

ii) Local 689 Plan

The Local 689 Plan is governed by its Retirement Allowance Committee, which consists of six members. Three members are appointed by management of the Authority and three members are appointed by the Local 689 Union.

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

ii) Local 689 Plan (continued)

Eligible Employees

Any regular full-time or part-time Authority employee, who is a member of Local 689 of the Amalgamated Transit Union, after a 90-day probationary period, is eligible to participate in the Local 689 Plan. The Local 689 Plan is governed by the terms of the employees' collective bargaining agreement. After 10 years of service, participants are 100.0% vested.

Benefits

The Local 689 Plan provides for normal retirement, early retirement, disability and preretirement spouse death benefits. Employees are eligible for the normal retirement allowance upon either attainment of age 70; attainment of age 65 and the completion of 10 years of continuous service; upon completion of 27 years of continuous service regardless of age; or after the sum of years of service plus attained age is 83 or more. The normal retirement monthly pension is 1.9% of the highest four-year average monthly total compensation times the number of years of continuous service up to 27 years, plus 2.0% of average compensation times continuous service in excess of 27 years of service. The minimum benefit is $600 monthly.

Contributions and Funding Policy

The Authority is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. Employee and Authority contributions totaled $30.3 million and $187.2 million, respectively, for the year ended June 30, 2023. Employee and Authority contributions totaled $25.9 million and $163.8 million, respectively, for the year ended June 30, 2022.

iii) Transit Police Plan

The Transit Police Plan is administered by its Board of Trustees, which is comprised of four members. Two members are appointed by management of the Authority and two members are appointed by the Fraternal Order of Police.

Eligible Employees

Transit Police Officers and Transit Police Officials of the Authority are eligible to participate in the Transit Police Plan. The Plan provides retired participants annual COLA increases, permits early retirement, and provides for benefits in the event of death, disability and terminated vested employment disability benefits. After 10 years of service, participants are 100.0% vested.

Benefits

The normal retirement age is upon completing 25 years of credited service, but no later than age 65. The normal retirement benefit is 2.6% of final average earnings multiplied by years of credited service. The resulting benefit, if paid following the participant's 66th birthday, will be reduced by 0.5% of final average of the highest 36 months of earnings for each year of credited service. Effective October 1, 2019, the resulting benefit, if paid following the participant's 67th birthday, is reduced by 0.3% of final average earnings of the highest 36 months of earnings for each year of credited service.

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

iii) Transit Police Plan (continued)

Contributions and Funding Policy

Employees are required to contribute 8.5% of compensation effective October 1, 2019. The Authority is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. The Authority may limit the amount of contribution to 17.1% of gross earnings in any plan year and defer any balance. This deferral can be for no more than three consecutive plan years or for no more than four plan years out of any consecutive seven years.

Employee and Authority contributions totaled $3.0 million and $11.3 million, respectively, for the year ended June 30, 2023. Employee and Authority contributions totaled $3.0 million and $10.8 million, respectively, for the year ended June 30, 2022.

iv) Local 922 Plan

The Local 922 Plan is administered by its Board of Trustees, which is comprised of four members. Two members are appointed by management of the Authority, and two members are appointed by the Local 922 Union.

Eligible Employees

All regular full-time and part-time employees, who are members of Local 922, after a 90-day probationary period, are eligible to participate in the Local 922 Plan. The Plan is governed by the terms of the employees' collective bargaining agreement. Employees are eligible for the normal pension benefits after attaining age 65 and 10 years of credited service; upon completion of 27 years of credited service regardless of age; or after the sum of years of service plus attained age is 83 or more. After 10 years of service, participants are 100.0% vested.

Benefits

Effective for employees retiring on or after November 1, 2007, the annual retirement benefits are equal to 1.9% of the average compensation for each year (or fraction thereof based on completed months) of service up to 27 years at retirement, plus 2.0% of average compensation for each year (or fraction thereof based on completed months) of service in excess of 27 years at retirement plus 1.0% for years of service prior to May 1, 1973. The minimum benefit is $175 monthly. The Local 922 Plan provides retired participants annual COLA increases, permits early retirement, and provides for benefits in the event of death, disability and terminated employment.

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

iv) Local 922 Plan (continued)

Contributions and Funding Policy

The Authority is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. Based upon the collective bargaining agreement, employees contribute 1.0% of wages for the period November 1, 2014 through October 31, 2015 and 3.0% of wages beginning November 1, 2015. Employee contributions shall continue until such time as the Plan actuary certifies that the fair value funded ratio equals or exceeds 100% (as determined using the funding assumptions then in effect), at which time employee contributions cease. Employee contributions to the Plan ceased November 1, 2021. Authority contributions totaled $2.9 million, for the year ended June 30, 2023. Employee and Authority contributions totaled $0.4 million and $3.9 million, respectively, for the year ended June 30, 2022.

v) Local 2 Plan

The Local 2 Plan is administered by its Board of Trustees, which consists of five members. Three members are appointed by management of the Authority, and two members are appointed by the Local 2 Union.

Eligible Employees

All full-time employees covered by the Local 2 collective bargaining agreement hired prior to January 1, 1999, and who are not covered by any other Authority pension plan are eligible to participate in the Local 2 Plan. The Plan is governed by the Authority's Board of Directors with consideration of both the applicable union agreements and Authority personnel practices. The normal retirement eligibility is age 65 with five years of credited service. After five years of service, participants are 100.0% vested.

Benefits

The annual normal retirement benefit comprises of 1.6% of final average compensation multiplied by years of credited service (including any unused sick leave as credited service for purpose of normal retirement benefit), plus 0.9% of final average compensation in excess of the Social Security breakpoint multiplied by years of credited service (including any unused sick leave as credited service for purpose of normal retirement benefit amount) not in excess of 20 years. Early retirement benefits are available upon reaching age 55 with 10 years of credited service or after the sum of years of service plus attained age is 83 or more. The maximum normal retirement benefit is not to exceed 80.0% of final average compensation. The Local 2 Plan provides retired participants annual COLA increases, permits both early and later retirement, and provides for benefits in the event of death, disability, and terminated vested employment.

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

v) Local 2 Plan (continued)

Contributions and Funding Policy

The Authority is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. Authority contributions totaled $8.0 million and $7.0 million for the years ended June 30, 2023 and 2022, respectively. Participants are not required to contribute to the Local 2 Plan.

Plan actuaries determine the dollar amount of assets to be transferred between plans to account for participants who transfer between plans. The dollar amount of the assets is based on the present value of benefits transferred and the funded status of the respective plans. The assets contributed to the Retirement Plan from the Local 2 Plan were $0.9 million for fiscal year 2022.

(b) Measurement of Total Pension Liability

The Authority's total pension liability reported at June 30, 2023 and 2022 for each of the Plans were measured as of their fiscal year end dates, and were determined using the following actuarial assumptions as of each of the Plan's respective measurement dates:

	June 30, 2023				
	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan
Measurement date	6/30/2022	6/30/2022	12/31/2022	12/31/2022	6/30/2022
Inflation	2.5%	2.5%	2.5%	1.5%	2.5%
Salary and wage increases	3.0% to 6.3%	3.0% to 3.5%	3.0% to 7.0%	1.5% to 3.5%	3.0% to 6.3%
Long-term rate of return, net of expense, including price of inflation	7.0%	7.5%	7.0%	7.0%	7.0%

	June 30, 2022				
	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan
Measurement date	6/30/2021	6/30/2021	12/31/2021	12/31/2021	6/30/2021
Inflation	2.5%	2.5%	2.5%	1.5%	2.5%
Salary and wage increases	3.0% to 6.3%	3.0% to 3.5%	3.0% to 7.0%	1.5% to 4.5%	3.0% to 6.3%
Long-term rate of return, net of expense, including price of inflation	7.0%	7.5%	7.0%	7.0%	7.3%

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

i) Retirement Plan

The Pub-2010 General Healthy Non-Annuitant Mortality Tables projected generationally using Scale MP-2020 were used for mortality assumptions for the Retirement Plan fiscal year ending June 30, 2022. The RP-2000 Fully Generational Combined Mortality Table projected with Scale AA was used for the mortality assumptions for the Retirement Plan fiscal year ended June 30, 2021.

The actuarial assumptions used in the Retirement Plan's June 30, 2022 and June 30, 2021 valuations were set as a result of an experience study conducted for the five years ending June 30, 2021. All other assumptions were based on the results of an actuarial experience study conducted for the five years ending June 30, 2014.

The valuation assumption of the annual non-investment end of year expense was adjusted upwards from $330,000 to $336,000 to better reflect recent experience. The mortality and retirement assumptions were updated to more closely reflect recent experience based on the experience study performed concurrently with the Plan's valuation.

The long-term expected rate of return on Retirement 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 (2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Retirement Plan's target asset allocation as of June 30, 2022 and 2021 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2022**	**2021**	**2022**	**2021**
Core bonds	16.0%	16.0%	4.0%	2.7%
Global asset allocation	10.0%	10.0%	6.1%	5.6%
Large cap	18.0%	18.0%	6.9%	6.3%
Multi-sector fixed income	18.0%	18.0%	5.8%	4.3%
TIPS	4.0%	4.0%	3.6%	2.1%
Core real estate	5.0%	5.0%	5.3%	5.6%
Small cap	7.0%	7.0%	7.5%	6.6%
Global equity, excluding US	22.0%	22.0%	8.0%	7.4%

The discount rate used to measure the Retirement Plan's total pension liability was 7.0% for December 31, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that the Authority contributions would be made at rates equal to the actuarially determined contribution rates. Based on this assumption, the pension 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

ii) Local 689 Plan

The RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2021 was used for the mortality assumptions for the Local 689 Plan for the fiscal year ended June 30, 2022. The RP-2014 Blue Collar Mortality Table projected with 90% Scale MP-2020 was used for the mortality assumptions for the Local 689 Plan for the fiscal year ended June 30, 2021.

The actuarial assumptions used in the Local 689 Plan's June 30, 2022 and 2021 valuations were based on the results of an experience study conducted for the five years ending December 31, 2019.

The long-term expected rate of return on Local 689 Plan investments was determined based on a weighted average of the expected real rates of return and the Local 689 Plan's target asset allocation and by adding expected inflation (2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Local 689 Plan's target asset allocation as of June 30, 2022 and 2021 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2022**	**2021**	**2022**	**2021**
Large cap equities	40.0%	40.0%	6.1%	5.9%
Mid cap equities	5.0%	5.0%	6.3%	6.1%
Small cap equities	5.0%	5.0%	5.5%	5.3%
Non-U.S. developed equities	10.0%	10.0%	4.7%	4.5%
Fixed income	18.0%	18.0%	1.5%	1.3%
Global tactical assets allocation	5.0%	5.0%	3.4%	3.1%
Real estate	7.0%	7.0%	4.3%	4.1%
Fund of hedge funds	5.0%	5.0%	4.3%	4.1%
Private equity	5.0%	5.0%	10.4%	10.2%

The discount rate used to measure the Local 689 Plan's total pension liability for June 30, 2022 and 2021 was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and Authority contributions would continue to be made at the rates set forth in the most recent collective bargaining agreement. Based on that assumption, the pension 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

iii) Transit Police Plan

The PubS-2010 Mortality table based on Scale MP-2021 were used for the fiscal years ended December 31, 2022 and 2021. The actuarial assumptions used in the Transit Police Plan's December 31, 2022 and 2021 valuations were based on the results of an actuarial experience study conducted for the five years ending January 1, 2015. The assumptions used for the Plan's December 31, 2022 valuation were the same except for the expected COLA adjustment for non-disability pension benefits for 2024.

A Deferred Retirement Option Program (DROP) was provided during the 2022 Plan Year and is recognized in the December 31, 2022 valuation for those who selected the DROP prior to December 31, 2022. The DROP became effective July 8, 2022 and will end September 30, 2026. The DROP allows active participants to retire from the Plan and remain on active duty in a Transit Police capacity for up to three years. Participants must have 25 years of service to be eligible. The deferred benefit will be credited to the Participant's DROP account and compounded with 5% annual interest until the DROP retirement date, which is when active duty ends and pension benefits are paid to the retiree. The DROP retirement benefit is payable beginning on the DROP retirement date. The DROP retirement benefit equals the normal retirement benefit based on service and final average earnings on the date of the DROP election increased by COLA increases from the DROP election date through the DROP retirement date. The DROP account balance as of December 31, 2022 is $96,300.

The long-term expected rate of return on Transit Police 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 (2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Transit Police Plan's target asset allocation is the same as of December 31, 2022 and 2021 and are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2022**	**2021**	**2022**	**2021**
Equity composite	50.0%	50.0%	5.3%	5.3%
International equity composite	10.0%	10.0%	5.7%	6.3%
Global bond composite	35.0%	35.0%	1.6%	0.2%
Real estate	5.0%	5.0%	4.2%	5.9%

The discount rate used to measure the Transit Police Plan's total pension liability was 7.0% for December 31, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Authority contributions will be made according to the funding method used in the annual valuation. Based on those assumptions, the pension 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

iv) Local 922 Plan

The RP-2000 Healthy Combined Mortality table with Blue Collar Adjustment, projected fully generational with Scale AA, was used for the mortality assumptions for the Local 922 Plan years ended December 31, 2022 and 2021.

The actuarial assumptions used in the Local 922 Plan's December 31, 2021 and 2020 valuations were based on the results of an actuarial experience study conducted for the eight years ending December 31, 2014.

Compensation increases were updated to reflect the Memorandum of Understanding, dated October 6, 2020. In addition, a one-time 14.0% wage increase was applied to reflect a rebound in pay levels for the 2022 year and stabilize the contributions required.

The long-term expected rate of return on Local 922 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 (1.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Local 922 Plan's target asset allocation as of December 31, 2022 and 2021 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2022**	**2021**	**2022**	**2021**
Large cap equities	24.0%	24.0%	6.7%	6.7%
Small/mid cap equities	5.0%	5.0%	7.2%	7.2%
International equities	20.0%	20.0%	7.0%	7.0%
Core bonds	26.0%	26.0%	3.4%	3.4%
Emerging market blended debt	5.0%	5.0%	5.2%	5.2%
TIPS	5.0%	5.0%	2.7%	2.7%
Alternative investment classes	5.0%	5.0%	6.0%	6.0%
Global asset allocations	10.0%	10.0%	5.7%	5.7%

The discount rate used to measure the Local 922 Plan's total pension liability for December 31, 2022 and 2021 was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Authority contributions will be made according to the valuation method. Based on those assumptions, the pension 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

v) Local 2 Plan

The Pub-2010 General Healthy Non-Annuitant Mortality Tables projected generationally using Scale MP-2020 were used for mortality assumptions for the Local 2 Plan fiscal year ending June 30, 2022. The RP-2000 Fully Generational Combined Mortality Table projected with Scale AA was used for the mortality assumptions for the Local 2 Plan fiscal year ended June 30, 2021.

The actuarial assumptions used in the Local 2 Plan’s June 30, 2022 and June 30, 2021 valuations were set as a result of an experience study conducted for the five years ending June 30, 2021. All other assumptions were based on the results of an actuarial experience study conducted for the five years ending June 30, 2014.

The valuation assumption of the annual non-investment end of year expense was adjusted upwards from $125,000 to $150,000 to better reflect recent experience. The mortality and retirement assumptions were updated to more closely reflect recent experience based on the experience study performed concurrently with this valuation. The investment return assumption was reduced from 7.3% to 7.0%.

The long-term expected rate of return on Local 2 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 (2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Local 2 Plan’s target asset allocation as of June 30, 2022 and 2021 are summarized as follows:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2022**	**2021**	**2022**	**2021**
Core bonds	10.0%	10.0%	4.0%	2.7%
Global asset allocation	10.0%	10.0%	6.1%	5.6%
US equity large cap	20.0%	20.0%	6.9%	6.3%
Global multi-sector fixed income	18.0%	18.0%	5.8%	4.3%
TIPS	5.0%	5.0%	3.6%	2.1%
Core real estate	5.0%	5.0%	5.3%	5.6%
Small/mid cap equities	7.0%	7.0%	7.5%	6.6%
Global equity, excluding US	25.0%	25.0%	8.0%	7.4%

The discount rate used to measure the Local 2 Plan’s total pension liability was 7.0% for June 30, 2022 and 7.3% for June 30, 2021. The projection of cash flows used to determine the discount rate assumed that Authority contributions would be made at rates equal to the actuarially determined contribution rates. Based on this assumption, the pension 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 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(c) Changes in Net Pension Liability

Changes in the Authority's net pension liability reported for the fiscal years ended June 30, 2023 and 2022, based on each Plan's respective measurement dates, are as follows (in thousands):

Retirement Plan

	2023		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 490,428	$ 413,739	76,689
Changes for the year:			
Service cost	817	-	817
Interest	32,801	-	32,801
Differences between expected and actual experience	15,344	-	15,344
Changes in assumptions	28,136		28,136
Contributions – employer		25,871	(25,871)
Transfer of funds from Retirement Plan		884	(884)
Net investment income	-	(47,652)	47,652
Benefit payments, including refunds of employee contributions	(45,337)	(45,337)	-
Administrative expenses	-	(174)	174
Net change	31,761	(66,408)	98,169
Balance, end of year	$ 522,189	$ 347,331	$ 174,858

	2022		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 498,159	$ 355,531	142,628
Changes for the year:			
Service cost	948	-	948
Interest	33,379	-	33,379
Differences between expected and actual experience	2,472	-	2,472
Contributions – employer	-	22,538	(22,538)
Net investment income	-	80,349	(80,349)
Benefit payments, including refunds of employee contributions	(44,530)	(44,530)	-
Administrative expenses	-	(149)	149
Net change	(7,731)	58,208	(65,939)
Balance, end of year	$ 490,428	$ 413,739	$ 76,689

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Local 689 Plan

	2023		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 4,760,840	$ 4,547,272	$ 213,568
Changes for the year:			
Service cost	96,982	-	96,982
Interest	350,399	-	350,399
Differences between expected and actual experience	371,574	-	371,574
Changes in assumptions	10,571	-	10,571
Contributions – employer	-	163,813	(163,813)
Contributions – employee	-	25,852	(25,852)
Net investment income	-	(413,688)	413,688
Benefit payments, including refunds of employee contributions	(247,757)	(247,757)	-
Administrative expenses	-	(941)	941
Other	-	(47)	47
Net change	581,769	(472,768)	1,054,537
Balance, end of year	$ 5,342,609	$ 4,074,504	$ 1,268,105

	2022		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 4,486,693	$ 3,502,860	$ 983,833
Changes for the year:			
Service cost	94,181	-	94,181
Interest	330,348	-	330,348
Differences between expected and actual experience	105,191	-	105,191
Changes in assumptions	(22,872)	-	(22,872)
Contributions – employer	-	156,348	(156,348)
Contributions – employee	-	23,843	(23,843)
Net investment income	-	1,097,912	(1,097,912)
Benefit payments, including refunds of employee contributions	(232,701)	(232,701)	-
Administrative expenses	-	(989)	989
Other	-	(1)	1
Net change	274,147	1,044,412	(770,265)
Balance, end of year	$ 4,760,840	$ 4,547,272	$ 213,568

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Transit Police Plan

	2023		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 351,789	$ 339,110	$ 12,679
Changes for the year:			
Service cost	9,280	-	9,280
Interest	23,969	-	23,969
Differences between expected and actual experience	2,682	-	2,682
Changes in assumptions	413	-	413
Contributions – employer	-	10,950	(10,950)
Contributions – employee	-	2,947	(2,947)
Net investment income	-	(54,522)	54,522
Benefit payments, including refunds of employee contributions	(17,487)	(17,487)	-
Administrative expenses	-	(113)	113
Net change	18,857	(58,225)	77,082
Balance, end of year	$ 370,646	$ 280,885	$ 89,761

	2022		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 316,392	$ 299,138	$ 17,254
Changes for the year:			
Service cost	9,786	-	9,786
Interest	21,538	-	21,538
Differences between expected and actual experience	976	-	976
Changes in assumptions	19,348	-	19,348
Contributions – employer	-	10,697	(10,697)
Contributions – employee	-	2,932	(2,932)
Net investment income	-	42,697	(42,697)
Benefit payments, including refunds of employee contributions	(16,251)	(16,251)	-
Administrative expenses	-	(103)	103
Net change	35,397	39,972	(4,575)
Balance, end of year	$ 351,789	$ 339,110	$ 12,679

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Local 922 Plan

	2023		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 267,162	$ 293,251	$ (26,089)
Changes for the year:			
Service cost	5,190	-	5,190
Interest	18,666	-	18,666
Differences between expected and actual experience	(2,480)	-	(2,480)
Changes in assumptions	-	-	-
Contributions – employer	-	3,293	(3,293)
Transfer of funds from Retirement Plan		-	-
Net investment income	-	(45,890)	45,890
Benefit payments, including refunds of employee contributions	(11,595)	(11,595)	-
Administrative expenses	-	(110)	110
Net change	9,781	(54,302)	64,083
Balance, end of year	$ 276,943	$ 238,949	$ 37,994

In fiscal year 2022, the Local 922 Plan reported a net pension asset. Refer to Note 11(d), *Changes in Net Pension Asset*, for further details.

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Local 2 Plan

	2023		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 161,811	$ 168,094	$ (6,283)
Changes for the year:			
Service cost	189	-	189
Interest	11,214	-	11,214
Differences between expected and actual experience	2,322	-	2,322
Changes in assumptions	11,588	-	11,588
Contributions – employer	-	7,048	(7,048)
Transfer of funds from Retirement Plan		(884)	884
Net investment income	-	(17,774)	17,774
Benefit payments, including refunds of employee contributions	(14,660)	(14,660)	-
Administrative expenses	-	(130)	130
Net change	10,653	(26,400)	37,053
Balance, end of year	$ 172,464	$ 141,694	$ 30,770

In fiscal year 2022, the Local 2 Plan reported a net pension asset. Refer to Note 11(d), *Changes in Net Pension Asset*, for further details.

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Total Net Pension Liability

	2023		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 6,032,030	$ 5,761,466	$ 270,564
Changes for the year:			
Service cost	112,458	-	112,458
Interest	437,049	-	437,049
Differences between expected and actual experience	389,442	-	389,442
Changes in assumptions	50,708	-	50,708
Contributions – employer	-	210,975	(210,975)
Contributions – employee	-	28,799	(28,799)
Net investment income	-	(579,526)	579,526
Benefit payments, including refunds of employee contributions	(336,836)	(336,836)	-
Administrative expenses	-	(1,468)	1,468
Other	-	(47)	47
Net change	652,821	(678,103)	1,330,924
Balance, end of year	$ 6,684,851	$ 5,083,363	$ 1,601,488

	2022		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 5,301,244	$ 4,157,529	$ 1,143,715
Changes for the year:			
Service cost	104,915	-	104,915
Interest	385,265	-	385,265
Differences between expected and actual experience	108,639	-	108,639
Changes in assumptions	(3,524)	-	(3,524)
Contributions – employer	-	189,583	(189,583)
Contributions – employee	-	26,775	(26,775)
Net investment income	-	1,220,958	(1,220,958)
Benefit payments, including refunds of employee contributions	(293,482)	(293,482)	-
Administrative expenses	-	(1,241)	1,241
Other	-	(1)	1
Net change	301,813	1,142,592	(840,779)
Balance, end of year	$ 5,603,057	$ 5,300,121	$ 302,936

11. Pension Plans (continued)

(d) Changes in Net Pension Asset

Changes in the Authority's net pension asset reported for the fiscal years ended June 30, 2023 and 2022, based on each Plan's respective measurement dates, are as follows (in thousands):

Local 922 Plan

In fiscal year 2023, the Local 922 Plan reported a net pension liability. Refer to Note 11(c), Changes in Net Pension Liability, for further details.

	2022		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance, beginning of year	$ 255,455	$ 271,486	$ (16,031)
Changes for the year:			
Service cost	4,428	-	4,428
Interest	17,836	-	17,836
Changes of benefit terms	(642)		(642)
Differences between expected and actual experience	(5,399)	-	(5,399)
Changes in assumptions	5,843	-	5,843
Contributions – employer	-	4,147	(4,147)
Contributions – employee	-	824	(824)
Net investment income	-	27,237	(27,237)
Benefit payments, including refunds of employee contributions	(10,359)	(10,359)	-
Administrative expenses	-	(84)	84
Net change	11,707	21,765	(10,058)
Balance, end of year	$ 267,162	$ 293,251	$ (26,089)

11. Pension Plans (continued)

(d) Changes in Net Pension Asset (continued)

Local 2 Plan

In fiscal year 2023, the Local 2 Plan reported a net pension liability. Refer to Note 11(c), *Changes in Net Pension Liability*, for further details.

	2022		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance, beginning of year	$ 165,403	$ 141,547	$ 23,856
Changes for the year:			
Service cost	259	-	259
Interest	11,512	-	11,512
Differences between expected and actual experience	(1,619)	-	(1,619)
Contributions – employer	-	5,555	(5,555)
Net investment income	-	34,827	(34,827)
Benefit payments, including refunds of employee contributions	(13,744)	(13,744)	-
Administrative expenses	-	(91)	91
Net change	(3,592)	26,547	(30,139)
Balance, end of year	$ 161,811	$ 168,094	$ (6,283)

11. Pension Plans (continued)

(d) Changes in Net Pension Asset (continued)

Total Net Pension Asset

In fiscal year 2023, the Local 922 Plan and the Local 2 Plan reported a net pension liability. Refer to Note 11(c), *Changes in Net Pension Liability*, for further details.

	2022		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balance, beginning of year	$ 420,858	$ 413,033	$ 7,825
Changes for the year:			
Service cost	4,687	-	4,687
Interest	29,348	-	29,348
Changes of benefit terms	(642)	-	(642)
Differences between expected and actual experience	(7,018)	-	(7,018)
Changes in assumptions	5,843	-	5,843
Contributions – employer	-	9,702	(9,702)
Contributions – employee	-	824	(824)
Net investment income	-	62,064	(62,064)
Benefit payments, including refunds of employee contributions	(24,103)	(24,103)	-
Administrative expenses	-	(175)	175
Net change	8,115	48,312	(40,197)
Balance, end of year	$ 428,973	$ 461,345	$ (32,372)

11. Pension Plans (continued)

(e) Pension Deferred Outflows and Inflows of Resources

At June 30, 2023 and 2022, the Authority reported deferred outflows and inflows of resources for the respective Plans as follows (in thousands):

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Retirement Plan:		
Differences between projected and actual investment earnings	$ 33,682	$ -
Contributions made after the measurement date	28,277	-
Subtotal	61,959	-
Local 689 Plan:		
Differences between projected and actual investment earnings	156,621	-
Differences between expected and actual experience	415,477	15,445
Changes in assumptions	121,630	16,469
Contributions made after the measurement date	187,202	-
Subtotal	880,930	31,914
Transit Police Plan:		
Differences between projected and actual investment earnings	37,954	-
Differences between expected and actual experience	5,101	4,928
Changes in assumptions	16,271	3,928
Contributions made after the measurement date	5,787	-
Subtotal	65,113	8,856
Local 922 Plan:		
Differences between projected and actual investment earnings	37,167	-
Differences between expected and actual experience	888	5,241
Changes in assumptions	2,922	171
Contributions made after the measurement date	1,647	-
Subtotal	42,624	5,412
Local 2 Plan:		
Differences between projected and actual investment earnings	12,030	-
Contributions made after the measurement date	8,031	-
Subtotal	20,061	-
Total Plans:		
Differences between projected and actual investment earnings	277,454	-
Differences between expected and actual experience	421,466	25,614
Changes in assumptions	140,823	20,568
Contributions made after the measurement date	230,944	-
Total	$ 1,070,687	$ 46,182

11. Pension Plans (continued)

(e) Pension Deferred Outflows and Inflows of Resources (continued)

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Retirement Plan:		
Differences between projected and actual investment earnings	$ -	$ 33,455
Contributions made after the measurement date	25,871	-
Subtotal	25,871	33,455
Local 689 Plan:		
Differences between projected and actual investment earnings	-	593,899
Differences between expected and actual experience	128,509	23,843
Changes in assumptions	145,602	21,583
Contributions made after the measurement date	163,813	-
Subtotal	437,924	639,325
Transit Police Plan:		
Differences between projected and actual investment earnings	-	32,103
Differences between expected and actual experience	3,882	7,524
Changes in assumptions	22,180	4,909
Contributions made after the measurement date	5,475	-
Subtotal	31,537	44,536
Local 922 Plan:		
Differences between projected and actual investment earnings	-	20,606
Differences between expected and actual experience	1,776	6,775
Changes in assumptions	4,382	342
Contributions made after the measurement date	2,074	-
Subtotal	8,232	27,723
Local 2 Plan:		
Differences between projected and actual investment earnings	-	14,237
Contributions made after the measurement date	7,048	-
Subtotal	7,048	14,237
Total Plans:		
Differences between projected and actual investment earnings	-	694,300
Differences between expected and actual experience	134,167	38,142
Changes in assumptions	172,164	26,834
Contributions made after the measurement date	204,281	-
Total	$ 510,612	$ 759,276

Deferred outflows of resources from contributions made after the measurement date for each of the Plans as of June 30, 2023 and 2022 will be recognized as a reduction in the net pension liability or an addition to the net pension asset, as applicable, in the fiscal years ending June 30, 2024 and 2023, respectively.

11. Pension Plans (continued)

(e) Pension Deferred Outflows and Inflows of Resources (continued)

Amounts reported as deferred outflows and inflows of resources related to pensions for the respective Plans (exclusive of the deferred outflows of resources from contributions made after the measurement date) will be recognized in pension expense based on each respective Plan's measurement dates as follows (in thousands):

	Deferred Outflows (Inflows)					
June 30,	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan	Total
2024	$ 8,029	$ 122,091	$ 7,534	$ 3,377	$ 2,941	$ 143,972
2025	6,633	121,530	9,851	8,041	2,410	148,465
2026	3,868	94,000	13,585	10,921	847	123,221
2027	15,152	239,003	18,984	13,226	5,832	292,197
2028	-	66,993	516	-	-	67,509
Thereafter	-	18,197	-	-	-	18,197
Total	$ 33,682	$ 661,814	$ 50,470	$ 35,565	$ 12,030	$ 793,561

(f) Pension Expense

Pension expense recognized by the Authority for the fiscal years ended June 30, 2023 and 2022 is as follows (in thousands):

	Pension Expense	
Plan	2023	2022
Retirement Plan	$ 56,903	$ 2,844
Local 689 Plan	191,322	10,365
Transit Police Plan	19,087	(743)
Local 922 Plan	10,246	(6,851)
Local 2 Plan	17,834	(4,118)
Total	$ 295,392	$ 1,497

11. Pension Plans (continued)

(g) Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) for each Plan, calculated using each Plan's discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as of each Plan's measurement date (in thousands):

Plan	Discount Rate	June 30, 2023 1% Decrease	June 30, 2023 Current Rate	June 30, 2023 1% Increase
Retirement Plan	7.0%	$ 221,083	$ 174,858	$ 135,052
Local 689 Plan	7.5%	1,951,060	1,268,105	706,671
Transit Police Plan	7.0%	128,465	89,761	38,405
Local 922 Plan	7.0%	75,376	37,994	7,259
Local 2 Plan	7.0%	45,973	30,770	17,615
Total net pension liability (asset)		$ 2,421,957	$ 1,601,488	$ 905,002

Plan	Discount Rate	June 30, 2022 1% Decrease	June 30, 2022 Current Rate	June 30, 2022 1% Increase
Retirement Plan	7.0%	$ 119,528	$ 76,689	$ 39,753
Local 689 Plan	7.5%	825,135	213,568	(289,046)
Transit Police Plan	7.0%	55,520	12,679	(32,263)
Local 922 Plan	7.0%	9,803	(26,089)	(55,623)
Local 2 Plan	7.3%	7,656	(6,283)	(18,354)
Total net pension liability (asset)		$ 1,017,642	$ 270,564	$ (355,533)

(h) Deferred Compensation Plan

The Authority offers a deferred compensation plan for all active employees under the terms of the Internal Revenue Code (IRC) Section 457(g). Under the 457 Plan, employees are permitted to defer up to 100.0% of salary, on a pretax basis, not to exceed limits prescribed in the IRC. Deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Authority does not match employees' contributions to the 457 Plan.

(i) Defined Contribution Retirement Plan

The Authority offers a defined contribution retirement plan, WMATA Defined Contribution Retirement Plan and Trust, for salaried employees under the terms of the IRC 401(a). The 401(a) Plan, adopted on December 10, 1998 for employees hired on or after January 1, 1999, provides for the Authority to contribute an amount equivalent to 4.0% of the employee's base salary into a trust. The employee is not required to contribute into the 401(a) Plan; however, if the employee contributes up to 3.0% of base salary to the 457 Plan, the Authority will contribute an additional amount of up to 3.0% to the 401(a) Plan to equal the employee's contribution to the 457 Plan.

11. Pension Plans (continued)

(i) Defined Contribution Retirement Plan (continued)

Employees are 100.0% vested after three years of service. A year of vesting is 1,000 hours of service in a calendar year. There is no interim vesting. Accrued 401(a) benefits will be paid to the employee (or rolled over) upon leaving Authority employment any time after full vesting.

The provisions of the 401(a) Plan can be amended by the Board. This right to amend the 401(a) Plan is subject to the condition that all the plan assets be used exclusively for the benefit of the participants, retired participants and their beneficiaries under the 401(a) Plan.

The Authority contributed $16.9 million and $15.2 million for the years ended June 30, 2023 and 2022, respectively.

12. Other Postemployment Benefits

(a) WMATA Healthcare Plan

i) Description of Plan

The Authority participates in a single employer defined benefit OPEB plan (WMATA Healthcare Plan), which provides medical, dental, life insurance, accidental death, short-term disability, and long-term disability to management, non-represented, and certain union inactive employees and their dependents.

The Authority's Board has the authority to establish and amend benefit terms and contribution requirements for management and non-represented employees. The collective bargaining agreements govern the benefit terms and contribution requirements for Local 689, Transit Police, Special Police, and Local 2 employees, and are the basis by which benefit terms and contribution requirements are established and amended.

The Authority established the WMATA Other Postemployment Benefits Trust (OPEB Trust) to accumulate assets to fund benefits for WMATA Healthcare Plan participants and their beneficiaries. Contributions to the OPEB Trust are irrevocable and legally protected from creditors. The OPEB Trust is administered by a Board of Trustees, which is comprised of three members appointed by the Authority. Financial information for the OPEB Trust can be obtained by contacting the office of Accounting in writing at Washington Metropolitan Area Transit Authority, PO Box 23768, Washington, DC 20026.

The WMATA Healthcare Plan is reflected as a fiduciary activity in the Authority's basic financial statements.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

i) Description of Plan (continued)

Below is a summary of the WMATA Healthcare Plan's membership as of June 30, 2023 and 2022:

Plan Membership	June 30, 2023	June 30, 2022
Active	16,941	17,483
Inactive, receiving benefits	12,332	12,085
Total membership	29,273	29,568

Eligible Employees and Benefits

Authority employees, dependent children, and surviving spouses are eligible to continue in the Authority's group insurance coverage upon retirement. The Authority's contributions towards the premiums, participant deductibles, participant copayments, and participant out-of-pocket maximum costs depends on the group insurance plan offered under the collective bargaining agreement, and the type of group insurance plan selected by the employee. The surviving spouse and dependent children who are covered under any of the Authority sponsored health plans have the right to continue coverage upon the death of the Authority employee or retiree. The life insurance benefit for Local 2, Transit Police, Special Police, and non-represented employees is half of the base salary upon retirement, with a maximum benefit of $50,000. Beginning on the retiree's 66th birthday, the life insurance benefit is reduced by 10.0% each year. The life insurance benefit for Local 689 employees is a flat $10,000 after retirement.

Local 689 and Local 2 employees hired on or after January 1, 2010 and non-represented employees hired on or after January 1, 2017 are not eligible to receive retiree health benefits.

The amount of benefits paid by the Authority for the WMATA Healthcare Plan during the fiscal years ended June 30, 2023 and 2022 was $60.6 million and $57.9 million, respectively.

Contributions and Funding Policy

The Authority administers the WMATA Healthcare Plan on a pay-as-you-go basis and additional ad-hoc funding contributions based upon budgetary results at the end of each fiscal year. The Authority did not make ad-hoc funding contributions for the years ended June 30, 2023 and 2022. Employees are not required to contribute to the WMATA Healthcare Plan.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

ii) Measurement of Total OPEB Liability

The Authority's total OPEB liability reported at June 30, 2023 and 2022 were determined using actuarial valuations as of June 30, 2022 and 2021, respectively, which is the WMATA Healthcare Plan's fiscal year end.

The total OPEB liability for the WMATA Healthcare Plan was determined using the following measurement dates and actuarial assumptions:

	June 30, 2023	June 30, 2022
Measurement date	6/30/2022	6/30/2021
Actuarial valuation date	6/30/2022	6/30/2021
Salary and wage increases, including inflation	3.5%	3.5%
Health care cost trend rate:		
Pre-65 years old	7.0%	6.3%
65 years and older	7.3%	5.8%
Medicare Advantage Part D (MAPD)	9.0%	7.5%
Discount rate	3.5%	2.2%
Expected rate of return	7.5%	7.5%
Mortality tables used	Pub-2010, "General" Classification, Mortality Table, projected using Scale MP-2021	Pub-2010, "General" Classification, Mortality Table, projected using Scale MP-2020
Date of experience study on which significant assumptions were based	4/4/2018	4/4/2018

The changes in the assumptions during the fiscal year ended June 30, 2023 reflect the changes in the discount rate, which increased from 2.2% to 3.5%, and changes in the health care cost trend rates, which increased from 6.3% to 7.0% for participants under 65 years of age, and from 5.8% to 7.3% for participants 65 years and older. The MAPD health care trend rate increased from 7.5% to 9.0%. The health care cost trend rate assumptions were based on the national average information available from the Standard and Poor's Healthcare Economic Index, National Health Expenditure data, plan renewal data and vendor prescription reports, with adjustments based on provisions of the benefits provided with the Authority. Multiple healthcare cost trend rate assumptions were used for different benefit components and participant groups (pre-65 and post-65 age groups).

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

ii) Measurement of Total OPEB Liability (continued)

The healthcare cost trend rates used to calculate the total OPEB liability as of June 30, 2023 and 2022 are as follows:

	June 30, 2023			June 30, 2022		
Fiscal Year	Pre-65	Post-65	MAPD	Pre-65	Post-65	MAPD
2022	7.2%	7.4%	9.5%	6.3%	5.8%	7.5%
2023	7.0%	7.3%	9.0%	6.0%	5.5%	7.3%
2024	6.7%	7.1%	8.8%	5.8%	5.5%	6.8%
2025	6.4%	6.7%	8.0%	5.5%	5.3%	6.3%
2026	6.1%	6.3%	7.5%	5.3%	5.0%	5.8%
2027	5.8%	6.0%	7.0%	5.0%	4.8%	5.5%
2028	5.5%	5.6%	6.3%	4.8%	4.8%	5.0%
2029	5.1%	5.2%	5.8%	4.5%	4.5%	4.5%
2030	4.8%	4.8%	5.0%	—	—	—
2031+	4.5%	4.5%	4.5%	—	—	—

Best estimates of the real rates of return for each major asset class included in the WMATA Healthcare Plan’s target asset allocation as of June 30, 2023 and 2022 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	2023	2022	2023	2022
Large cap equities (Domestic)	21.0%	26.0%	7.1%	7.2%
Small cap equities (Domestic)	10.0%	10.0%	8.5%	8.4%
International equities (Developed)	13.0%	13.0%	8.0%	7.9%
Emerging markets	5.0%	5.0%	9.2%	9.1%
Private equity	10.0%	5.0%	10.5%	10.4%
Long/short equity	6.0%	6.0%	5.7%	5.7%
Core bonds	5.0%	7.0%	2.6%	2.6%
Core plus	11.0%	14.0%	2.9%	2.9%
Liquid absolute return	4.0%	4.0%	3.3%	3.3%
Core real estate	10.0%	10.0%	6.6%	6.7%
Opportunistic real estate	5.0%	—	9.6%	—

The WMATA Healthcare Plan assets are not sufficient to achieve a long-term rate of return to cover the WMATA Healthcare Plan liabilities; therefore, the municipal bond rate was used for all periods to project the actuarial present value of benefit payments. The municipal bond rate was obtained from the Bond Buyer General Obligation 20-Bond Municipal Bond Index and was 3.5% and 2.2% for the fiscal years ended June 30, 2023 and 2022, respectively.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

iii) Changes in Net OPEB Liability

Changes in the Authority's net OPEB liability based on the measurement date for the fiscal years ended June 30, 2023 and 2022, respectively, are as follows (in thousands):

	2023		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance, beginning of year	$ 2,245,218	$ 118,989	$ 2,126,229
Changes for the year:			
Service cost	62,836	-	62,836
Interest	49,232	-	49,232
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(63,063)	-	(63,063)
Administrative expenses	-	(81)	81
Changes in assumptions	(360,011)	-	(360,011)
Benefit payments	(57,884)	(57,884)	-
Contribution - employer	-	57,884	(57,884)
Net investment income	-	(10,980)	10,980
Net change	(368,890)	(11,061)	(357,829)
Balance, end of year	$ 1,876,328	$ 107,928	$ 1,768,400

	2022		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance, beginning of year	$ 2,324,441	$ 92,042	$ 2,232,399
Changes for the year:			
Service cost	67,165	-	67,165
Interest	52,278	-	52,278
Changes of benefit terms	-	-	-
Differences between expected and actual experience	33,395	-	33,395
Administrative expenses	-	(64)	64
Changes in assumptions	(179,644)	-	(179,644)
Benefit payments	(52,417)	(52,417)	-
Contribution - employer	-	52,417	(52,417)
Net investment income	-	27,011	(27,011)
Net change	(79,223)	26,947	(106,170)
Balance, end of year	$ 2,245,218	$ 118,989	$ 2,126,229

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

iv) OPEB Expense

OPEB expense recognized by the Authority was $23.1 million and $90.7 million during fiscal years ending June 30, 2023 and 2022, respectively.

v) OPEB Deferred Outflows and Inflows of Resources

At June 30, 2023 and 2022, the Authority reported deferred outflows and inflows of resources as follows (in thousands):

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 5,174	$ -
Differences between projected and actual experience	24,942	61,219
Contributions after measurement date	60,603	-
Changes in assumptions	115,171	429,776
Total	$ 205,890	$ 490,995

	June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ -	$ 14,024
Differences between projected and actual experience	55,872	10,967
Contributions after measurement date	57,884	-
Changes in assumptions	167,180	220,676
Total	$ 280,936	$ 245,667

Deferred outflows of resources from contributions made after the measurement date for OPEB as of June 30, 2022 and 2021 will be recognized as a reduction in the net OPEB liability in the fiscal years ending June 30, 2023 and 2022, respectively.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

v) OPEB Deferred Outflows and Inflows of Resources (continued)

Amounts reported as deferred outflows and inflows for resources related to OPEB (exclusive of the deferred outflows of resources from contributions made after the measurement date) will be recognized in OPEB expense based on the measurement dates as follows (in thousands):

June 30,	Deferred Outflows (Inflows)
2024	$ (43,574)
2025	(61,094)
2026	(67,137)
2027	(82,789)
2028	(78,128)
Thereafter	(12,986)
Total	$ (345,708)

vi) Sensitivity of Net OPEB Liability to Changes in the Health Care Cost Trend Rate and Discount Rate

Health Care Cost Trend Sensitivity

The following presents the Authority's net OPEB liability as of June 30, 2023 and 2022 calculated using health care cost trend rates as of June 30, 2022 and 2021, respectively, as well as what the amounts would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates (in thousands):

	Net OPEB Liability *		
	1% Decrease	Current Rate	1% Increase
June 30, 2023	$ 1,495,367	$ 1,768,400	$ 2,116,452
June 30, 2022	$ 1,762,544	$ 2,126,229	$ 2,599,734

* Multiple health care cost trend rates were used to calculate the net OPEB liability. See Note 12(a)(ii), *Measurement of Total OPEB Liability*, for the rates.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

vi) Sensitivity of Net OPEB Liability to Changes in the Health Care Cost Trend Rate and Discount Rate (continued)

Discount Rate Sensitivity

The discount rate used was obtained from the yield or index rate for a 20-year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher from the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

The following presents the net OPEB liability as of June 30, 2023 and 2022, calculated using the WMATA Healthcare Plan's discount rates as of June 30, 2022 and 2021, as well as what the amounts would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (in thousands):

	Discount	Net OPEB Liability		
	Rate	1% Decrease	Current Rate	1% Increase
June 30, 2023	3.5%	$ 2,077,970	$ 1,768,400	$ 1,521,281
June 30, 2022	2.2%	$ 2,543,206	$ 2,126,229	$ 1,798,438

(b) Local 922 Health Trust

The Authority contributes to the Teamsters Local 922 Employers Health Trust (Health Trust), which is a cost-sharing multiple-employer defined benefit health and welfare plan that provides life insurance, hospitalization, surgical, medical disability, dental, vision care, pharmaceutical care, and major medical benefits to eligible participants and their qualified dependents. All active employees, retirees age 52 or older with at least 15 years of service, and disabled retirees with at least 10 years of service are eligible to participate in the Health Trust, if employed by a Local 922 participating employer. The benefits under the Health Trust terminate when retired participants are eligible for Medicare.

The Health Trust is administered by a Joint Board of Trustees consisting of two Local 922 union representatives and two employer representatives and is governed by the terms of the Local 922 collective bargaining agreement. Plan provisions may be amended through negotiation between the Authority and the Local 922 union. Retiree health benefits were discontinued for the Authority's Local 922 union employees hired on or after January 1, 2012. At June 30, 2023 and 2022, the Authority had 44 and 46 participants, respectively, covered under the Health Trust.

The Health Trust provides benefits to both employees of government and nongovernment employers. Accordingly, the Health Trust is subject to the Employee Retirement Income and Security Act of 1974 and follows accounting standards promulgated by the Financial Accounting Standards Board. The Health Trust issues a publicly available financial report which may be obtained by contacting the Health Trust administrator in writing at 7130 Columbia Gateway Drive, Suite A, Columbia, MD 21046.

12. Other Postemployment Benefits (continued)

(b) Local 922 Health Trust (continued)

The Authority was required to contribute $1,015 per month for each participant through October 31, 2021 and then $1,080 per month through October 31, 2022. Effective November 1, 2022, the required contribution amount was increased to $1,145 per month. The Authority contributed $0.5 million in each of the fiscal years ended June 30, 2023 and 2022.

13. Commitments and Contingencies

(a) Litigation and Claims

i) Insured Claims

The Authority is exposed to liability for third party bodily injury and property damage; injury to its employees arising out of and in the course of their employment; physical damage to and loss of its property; and liability for financial loss as a result of decisions and judgments made by the Authority as well as risks from terrorism and cyber threats. The Authority carries various types of insurance coverage with varying limits through commercial insurers for these risks, subject to the following self-insured retentions (SIRs) and deductibles.

The Authority is authorized to self-insure for workers' compensation, property and general liability, including automobile, and purchases excess coverage with the following SIR:

- Workers' Compensation claims up to $2.5 million with excess coverage to statutory maximum;
- Third party bodily injury, and property damage liability claims up to $7.5 million for bus related claims and $5 million for all other types of claims with excess coverage up to $200 million;

The Authority carries insurance for the following:

- Property and business interruption claims up to $600.0 million with deductibles of $10.0 million for derailments, track and roadbed; $5 million for stations and tunnels, and $1.0 million for all other loss or damage with the exception of property stored at Farrington Avenue and fine arts. Property stored at Farrington Avenue is insured up to $12.0 million after a deductible of $100,000 and fine arts are insured up to $5 million after a $1,000 deductible.
- Pollution claims up to $50.0 million with a $3.0 million deductible except $5.0 million deductible for hostile fire. Pollution Liability – Storage Tanks claims up to $1.0 million with deductibles of $5,000 to $50,000 depending on age of the tank except tanks at New Carrollton and Northern Bus Garage have deductibles of $500,000;
- Directors and officers and employment practices liability claims up to $20 million after a $1 million deductible and an additional $5 million for D&O Side A coverage;
- Fiduciary liability claims up to $20 million after a $1 million deductible;
- Medical facilities liability claims up to $10 million after a $100,000 deductible per occurrence;
- Crime claims up to $5 million after a $1 million deductible;
- Privacy and Network Security claims up to $20 million after a $1 million deductible

13. Commitments and Contingencies (continued)

(a) Litigation and Claims (continued)

i) Insured Claims (continued)

Effective July 1, 2022, the Authority entered into an agreement with a sponsored captive insurance company to create the WMATA Insurance Captive (the Insurance Company). The Insurance Company is a protected cell captive insurance company whose sole purpose is to insure the risks of the Authority through the issuance of insurance policies that will be fully reinsured. As of June 30, 2023, the Insurance Company issued the following insurance policies to the Authority, all of which were fully reinsured between the private market and the United States Terrorism Risk Insurance Program Reauthorization Act of 2019:

- Chemical, Biological, Nuclear and Radiological Terrorism claims up to $247.5 million per occurrence after a $1 million deductible;
- Terrorism and Sabotage claims up to $1 billion per occurrence after a $1 million deductible.

Loss occurrences are reported to the commercial insurers when it is determined that the loss is covered by insurance and when the loss results in severe bodily injury (e.g., death, dismemberment, brain damage, paralysis, etc.) or when the loss is valued at 50.0% or more of the SIR or deductible. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Liabilities include an amount for claims that have been incurred but not reported and incremental claims adjustment expenses which are net of salvage and subrogation. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Estimated loss values are adjusted as the claims develop. The reserve for estimated losses is evaluated annually by an independent actuary who determines the total litigation claims to be included in the Statements of Net Position. Claim settlements have not exceeded insurance coverage for each of the three most recent years.

The actuarially developed liability for the years ended June 30, 2023 and 2022, discounted at 4.08%, and 2.8%, respectively, is as follows (in thousands):

	2023	2022
Estimated net present value of the liability for litigation and claims, beginning of year	$ 203,396	$ 191,230
Incurred new claims	62,431	64,373
Changes in estimate for claims of prior periods	(2,951)	983
Payments on claims	(54,280)	(53,190)
Estimated net present value of the liability for litigation and claims, end of year	$ 208,596	$ 203,396
Due within one year	$ 73,160	$ 61,242

13. Commitments and Contingencies (continued)

(a) Litigation and Claims (continued)

ii) Insured Claims $1.0 Million and Greater

Third Party Claims

As of June 30, 2023 and 2022, there were five liability claims with estimated losses greater than $1.0 million falling within the $5.0 million SIR. In addition, as of June 30, 2023, there were two liability claims over the $5.0 million SIR.

Workers' Compensation

As of June 30, 2023 and 2022, there were 13 and 12, respectively, workers' compensation claims in which the outstanding liability is greater than $1.0 million, with an aggregate total of $21.2 million and $18.0 million, respectively.

Property Claims

There were no property claims as of June 30, 2023. As of June 30, 2022, there was one claim pending with an estimated claim value greater than the $1.0 million deductible.

Directors and Officers/Employment Practices Liability

As of June 30, 2023 and 2022, the Authority had no claims with an estimated loss exceeding the $1.0 million SIR.

iii) Uninsured Claims $1.0 Million and Greater

As of June 30, 2023 and 2022, there were nine and 11 uninsured claims, respectively, that if supported by an adverse ruling, could each exceed $1.0 million.

iv) Pollution Claims

In fiscal year 2022, the District of Columbia (District), in consultation with the Department of Energy and Environment, identified the Authority and other parties as potentially responsible for past and future response costs and natural resource damages at the Anacostia River Sediments Site, under the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601, et seq.; the District's Brownfield Revitalization Amendment Act of 2000, as amended; and other District statutory and common law. The District is performing the remediation activities and has requested the potentially responsible parties' participation in a settlement process to negotiate reimbursement for the District's alleged remediation costs.

As of June 30, 2023 and 2022, the Authority recorded a liability, measured at its potential amount as identified by the District, using the expected cash flow technique, in the amount of $1.7 million as a current liability in litigations and claims on the Statements of Net Position.

13. Commitments and Contingencies (continued)

(a) Litigation and Claims (continued)

iv) Pollution Claims (continued)

Components of the liability include legal fees, the amounts identified by the District as the Authority's potential allocated share of investigative and implementation costs, and a premium to cover unanticipated remediation activities. The estimate of the potential liability does not include components that are not yet reasonably measurable, such as amounts owed, if any, for natural resource damages and recoveries that the Authority could potentially receive from its insurance carrier.

(b) Hedging Derivative Instrument

The Authority entered into a contract to purchase a minimum of diesel fuel, and at the same time entered into a fuel swap agreement to hedge the price of the diesel fuel contract. The diesel fuel contract and the related swap agreement allow the Authority to manage its diesel fuel expense, limit exposure to price volatility and improve budget stability.

Payment between the swap parties is the difference between the swap price per gallon and the unweighted arithmetic mean of the daily settlement prices for Ultra Low Sulfur Diesel – New York Harbor (NYMEX) closing price of the first nearby month.

The fair value of the swap is estimated by a mathematical approximation of the market, derived from proprietary models as of a given date, and based on certain assumptions regarding past, present, and future market conditions, as well as certain financial information.

The change in the fair values of the swap agreement is reported as either a deferred outflow of resources or a deferred inflow of resources, as applicable, on the Statements of Net Position.

The following table shows the terms and a summary of the fair value of the diesel fuel swap agreement as of June 30, 2023 and 2022:

	Per Calculation Effective Date	Period Maturity Date	Monthly Notional Gallons	Annual Notional Gallons	Fair Value (in thousands)
June 30, 2023	July 1, 2023	June 30, 2024	627,370 - 851,495	8,793,855	$ (2,881)
June 30, 2022	July 1, 2022	June 30, 2023	563,783 - 765,193	7,902,561	$ 11,879

The Authority is exposed to credit risk when swap fair values are positive. The Authority's policy for mitigating credit risk is to require the counterparty to have a long-term investment grade rating of BBB or higher by Standard and Poor's, Moody's, or Fitch. As of June 30, 2022, the fair value of the swap was positive, and the long-term investment grade rating for the counterparty was AA from Fitch.

The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. In addition, if at the time of the termination the swap has negative fair value, the Authority would be liable to the counterparty for a payment equal to the fair value.

13. Commitments and Contingencies (continued)

(c) Construction and Capital Commitments

Construction and capital improvement costs are funded by federal grants, jurisdictional matching funds, third party agreements, and debt. As of June 30, 2023 and 2022, the Authority had committed to expend $813.3 million and $769.7 million, respectively, on future construction, capital improvement and other miscellaneous projects.

14. Restatement

The Authority implemented the provisions of GASB 96 effective July 1, 2021. This Statement provides guidance on the accounting and financial reporting for SBITAs for governments. As of July 1, 2021, the implementation had no impact on net position and resulted in recording SBITA assets and SBITA liabilities totaling $13.2 million. The net impact in the Statement of Revenues, Expenses, and Changes in Net position was a decrease of $0.7 million in expenses during the fiscal year ending June 30, 2022, and restated total assets, liabilities, and net position as of June 30, 2022 is as follows (in thousands):

June 30, 2022	Total Assets	Total Liabilities	Net Position, End of Year
Balance, as previously reported	$ 15,698,023	$ 6,345,795	$ 8,574,120
Adjustment due to implementation of GASB 96	20,570	19,862	708
Balance, as restated	$ 15,718,593	$ 6,365,657	$ 8,574,828

15. Subsequent Events

On August 17, 2023, the Authority issued the Washington Metropolitan Area Transit Authority Second Lien Dedicated Revenue Bonds totaling $797.8 million. The Series 2023A Bonds were issued to provide reimbursement for and fund certain capital costs and pay the costs of issuing the Second Lien Series 2023A Bonds. The uninsured ratings of the bonds were “AA” from Standard and Poor’s and “AA” from Kroll, respectively.

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016	2015
Retirement Plan:									
Total pension liability:									
Service cost	$ 817	$ 948	$ 1,057	$ 1,226	$ 1,425	$ 1,670	$ 1,797	$ 1,953	$ 1,815
Interest	32,801	33,379	34,033	34,734	35,032	35,249	35,549	36,104	37,268
Changes of benefit terms	-	-	-	(577)	-	362	736	(1,102)	477
Differences between expected and actual experience	15,344	2,472	-	(1,372)	2,594	1,814	(1,710)	(5,072)	(2,896)
Changes in assumptions	28,136	-	-	-	-	-	-	-	53,908
Benefit payments, including refunds of employee contributions	(45,337)	(44,530)	(44,112)	(43,610)	(42,603)	(41,306)	(39,760)	(39,542)	(42,032)
Net change in total pension liability	31,761	(7,731)	(9,022)	(9,599)	(3,552)	(2,211)	(3,388)	(7,659)	48,540
Total pension liability – beginning	490,428	498,159	507,181	516,780	520,332	522,543	525,931	533,590	485,050
Total pension liability – ending	$ 522,189	$ 490,428	$ 498,159	$ 507,181	$ 516,780	$ 520,332	$ 522,543	$ 525,931	$ 533,590
Plan fiduciary net position:									
Contributions – employer	$ 25,871	$ 22,538	$ 21,606	$ 21,269	$ 20,778	$ 20,349	$ 19,877	$ 20,398	$ 20,585
Net investment income	(47,652)	80,349	11,099	18,274	22,307	42,042	1,896	14,698	56,703
Benefit payments, including refunds of member contributions	(45,337)	(44,530)	(44,112)	(43,610)	(42,603)	(41,306)	(39,760)	(39,542)	(42,032)
Administrative expenses	(174)	(149)	(335)	(326)	(102)	(123)	(135)	(16)	(19)
Transfer of funds (to) from Local 2 Plan	884	-	-	(507)	-	249	438	(1,078)	312
Net change in total pension liability	(66,408)	58,208	(11,742)	(4,900)	380	21,211	(17,684)	(5,540)	35,549
Plan fiduciary net position – beginning	413,739	355,531	367,273	372,173	371,793	350,582	368,266	373,806	338,257
Plan fiduciary net position – ending	$ 347,331	$ 413,739	$ 355,531	$ 367,273	$ 372,173	$ 371,793	$ 350,582	$ 368,266	$ 373,806
Net pension liability	$ 174,858	$ 76,689	$ 142,628	$ 139,908	$ 144,607	$ 148,539	$ 171,961	$ 157,665	$ 159,784

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016	2015
Retirement Plan:									
Plan fiduciary net position as a percentage of the total pension liability	66.51%	84.36%	71.37%	72.41%	72.02%	71.45%	67.09%	70.02%	70.05%
Covered payroll	$ 9,829	$ 10,610	$ 12,920	$ 13,744	$ 15,366	$ 17,899	$ 21,492	$ 23,265	$ 23,265
Net pension liability as a percentage of covered payroll	1779.00%	722.82%	1103.93%	1017.96%	941.08%	829.87%	800.12%	677.69%	674.93%

1 Data reported for fiscal years 2015 through 2023 is based on the Retirement Plan's measurement dates of June 30, 2014 through 2022, respectively, from the most recent actuarial valuation accounting disclosures report. Changes in the net pension (asset)/liability for the fiscal years prior to 2015 or prior to the measurement date of June 30, 2014, were not available and, accordingly, not included in the schedule.

2 During fiscal year 2023, the valuation assumption of the annual non-investment end of year expense was adjusted upwards from $330 thousand to $336 thousand to better reflect recent experience. In addition, the mortality and retirement assumptions were updated to more closely reflect recent experience based on the experience study performed concurrently with this valuation.

3 During fiscal year 2022, the valuation assumption of the annual non-investment end of year expense was adjusted upwards from $215 thousand to $330 thousand to better reflect recent experience.

4 During fiscal year 2021, the valuation assumption of the annual non-investment end of year expense was adjusted upwards from $125 thousand to $215 thousand to better reflect recent experience.

5 During fiscal year 2020, the valuation assumption of the annual non-investment end of year expense was adjusted downwards from $135 thousand to $125 thousand to better reflect recent experience.

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016	2015
Local 689 Plan:									
Total pension liability:									
Service cost	$ 96,982	$ 94,181	$ 86,499	$ 78,507	$ 82,170	$ 80,611	$ 78,200	$ 71,473	$ 66,090
Interest	350,399	330,348	324,811	296,691	285,869	272,852	260,365	251,235	234,275
Differences between expected and actual experience	371,574	105,191	(14,027)	62,743	(18,013)	6,783	(2,484)	(29,971)	66,534
Changes in assumptions	10,571	(22,872)	94,168	135,761	-	-	-	(13,395)	-
Benefit payments, including refunds of	-	(232,701)							
employee contributions	(247,757)	-	(222,519)	(215,157)	(205,151)	(183,562)	(171,814)	(159,466)	(146,158)
Net change in total pension liability	581,769	274,147	268,932	358,545	144,875	176,684	164,267	119,876	220,741
Total pension liability – beginning	4,760,840	4,486,693	4,217,761	3,859,216	3,714,341	3,537,657	3,373,390	3,253,514	3,032,773
Total pension liability – ending	$ 5,342,609	$ 4,760,840	$ 4,486,693	$ 4,217,761	$ 3,859,216	$ 3,714,341	$ 3,537,657	$ 3,373,390	$ 3,253,514
Plan fiduciary net position:									
Contributions – employer	$ 163,813	$ 156,348	$ 133,489	$ 110,043	$ 116,653	$ 118,975	$ 127,516	$ 136,075	$ 123,234
Contributions – employee	25,852	23,843	23,643	23,572	21,727	22,777	22,183	6,894	-
Net investment income	(413,688)	1,097,912	126,706	239,294	299,482	373,693	4,441	130,680	405,761
Benefit payments, including refunds of member contributions	(247,757)	(232,701)	(222,519)	(215,157)	(205,151)	(183,562)	(171,814)	(159,466)	(146,158)
Administrative expenses	(941)	(989)	(1,038)	(999)	(976)	(869)	(873)	(865)	(947)
Other	(47)	(1)	(90)	(147)	(100)	(2)	(46)	-	(333)
Net change in total pension liability	(472,768)	1,044,412	60,191	156,606	231,635	331,012	(18,593)	113,318	381,557
Plan fiduciary net position – beginning	4,547,272	3,502,860	3,442,669	3,286,063	3,054,428	2,723,416	2,742,009	2,628,691	2,247,134
Plan fiduciary net position – ending	$ 4,074,504	$ 4,547,272	$ 3,502,860	$ 3,442,669	$ 3,286,063	$ 3,054,428	$ 2,723,416	$ 2,742,009	$ 2,628,691
Net pension liability	$ 1,268,105	$ 213,568	$ 983,833	$ 775,092	$ 573,153	$ 659,913	$ 814,241	$ 631,381	$ 624,823

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016	2015
Local 689 Plan:									
Plan fiduciary net position as a percentage of the total pension liability	76.26%	95.51%	78.07%	81.62%	85.15%	82.23%	76.98%	81.28%	80.80%
Covered payroll	$ 859,933	$ 822,845	$ 794,216	$ 757,448	$ 759,138	$ 775,487	$ 762,642	$ 745,231	$ 710,331
Net pension liability as a percentage of covered payroll	147.47%	25.95%	123.87%	102.33%	75.50%	85.10%	106.77%	84.72%	87.96%

1 Data reported for fiscal years 2015 through 2023 is based on the Local 689 Plan's measurement dates of June 30, 2014 through 2022, respectively, from the most recent actuarial valuation accounting disclosures report. Changes in the net pension (asset)/liability for the fiscal years prior to 2015, or prior to the measurement date of June 30, 2014, were not available and accordingly, not included in the schedule.

2 During fiscal year 2023, the mortality table was updated to the RP-2014 table projected with 90% of scale MP-2021.

3 During fiscal year 2022, the mortality table was updated to the RP-2014 table projected with 90% of scale MP-2020.

4 During fiscal year 2021, the withdrawal rates were changed to reflect experiences from 2015 to 2019. Rates reflected higher turnover at most ages. The retirement rates were changed to reflect mostly earlier retirements for those eligible for unreduced benefits. The mortality tables were changed to the RP-2014 table projected with 90% of scale MP-2019.

5 During fiscal year 2020, the retirement rates were changed to reflect mostly earlier retirements for those eligible for unreduced benefits.

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020	2019	2018[5]	2017	2016	2015
Transit Police Plan:									
Total pension liability:									
Service cost	$ 9,280	$ 9,786	$ 9,519	$ 8,549	$ 8,311	$ 7,949	$ 6,772	$ 6,094	$ 5,824
Interest	23,969	21,538	20,774	19,862	19,384	17,175	17,469	16,900	16,250
Changes of benefit terms	-	-	-	6,634	-	-	-	-	-
Differences between expected and actual experience	2,682	976	3,180	(7,075)	(5,665)	2,792	(2,221)	(2,726)	(1,415)
Changes in assumptions	413	19,348	(6,874)	-	-	17,870	3,802	-	-
Benefit payments, including refunds of employee contributions	(17,487)	(16,251)	(15,052)	(14,787)	(14,581)	(13,846)	(12,943)	(12,406)	(11,573)
Net change in total pension liability	18,857	35,397	11,547	13,183	7,449	31,940	12,879	7,862	9,086
Total pension liability – beginning	351,789	316,392	304,845	291,662	284,213	252,273	239,394	231,532	222,446
Total pension liability – ending	$ 370,646	$ 351,789	$ 316,392	$ 304,845	$ 291,662	$ 284,213	$ 252,273	$ 239,394	$ 231,532
Plan fiduciary net position:									
Contributions - employer	$ 10,950	$ 10,697	$ 12,041	$ 11,942	$ 12,647	$ 12,355	$ 9,778	$ 8,748	$ 8,737
Contributions - employee	2,947	2,932	3,168	2,659	2,480	2,446	2,408	2,407	2,463
Net investment income	(54,522)	42,697	33,156	42,883	(9,469)	36,453	16,784	(5,396)	13,201
Benefit payments, including refunds of member contributions	(17,487)	(16,251)	(15,052)	(14,787)	(14,581)	(13,846)	(12,943)	(12,406)	(11,573)
Administrative expenses	(113)	(103)	(222)	(249)	(249)	(261)	(250)	(252)	(210)
Net change in total pension liability	(58,225)	39,972	33,091	42,448	(9,172)	37,147	15,777	(6,899)	12,618
Plan fiduciary net position – beginning	339,110	299,138	266,047	223,599	232,771	195,624	179,847	186,746	174,128
Plan fiduciary net position – ending	$ 280,885	$ 339,110	$ 299,138	$ 266,047	$ 223,599	$ 232,771	$ 195,624	$ 179,847	$ 186,746
Net pension liability	$ 89,761	$ 12,679	$ 17,254	$ 38,798	$ 68,063	$ 51,442	$ 56,649	$ 59,547	$ 44,786

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6 (continued)

	2023[2]	2022[3]	2021[4]	2020	2019	2018[5]	2017[5]	2016	2015
Transit Police Plan:									
Plan fiduciary net position as a percentage of the total pension liability	75.78%	96.40%	94.55%	87.27%	76.66%	81.90%	77.54%	75.13%	80.66%
Covered payroll	$ 36,162	$ 38,433	$ 37,532	$ 35,414	$ 35,853	$ 34,485	$ 34,265	$ 34,122	$ 35,412
Net pension liability as a percentage of covered payroll	248.22%	32.99%	45.97%	109.56%	189.84%	149.17%	165.33%	174.51%	126.47%

1 Data reported for fiscal years 2015 through 2023 is based on the Transit Police Plan's measurement dates of December 31, 2014 through 2022, respectively, from the most recent actuarial valuation accounting disclosures report. Changes in the net pension (asset)/liability for the fiscal years prior to 2015, or prior to the measurement date of December 31, 2014 were not available and, accordingly, not included in the schedule.

2 During fiscal year 2023, the assumptions remained the same as the prior year except for the expected cost of living adjustment (COLA) for non-disability pension benefits for 2024. A Deferred Retirement Option Program (DROP) was implemented during the 2022 Plan Year and is recognized in the December 31, 2022 valuation for those who selected the DROP prior to December 31, 2022.

3 During fiscal year 2022, the mortality tables were changed from the RP-2014 Blue Collar tables to the PubS-2010 tables. The projected mortality improvement scale was changed from the MP-2020 table to the MP-2021 table.

4 During fiscal year 2021, the projected mortality improvement scale was changed from the MP-2015 table to the MP-2020 table.

5 During fiscal year 2017, the salary improvement assumption was revised to be based on years of service rather than employee age. Salary improvement is assumed to be 7.00% for employees with under 10 years of services, 4.50% after 10 years of service, and 3.00% after 20 years of service. The administrative expense load assumption was updated from $180 thousand to the average of actual annual expenses for the two years preceding the valuation date.

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020	2019[5]	2018	2017	2016	2015
Local 922 Plan:									
Total pension liability:									
Service cost	$ 5,190	$ 4,428	$ 4,583	$ 4,839	$ 4,586	$ 4,670	$ 4,493	$ 4,463	$ 4,767
Interest	18,666	17,836	16,841	17,015	16,617	15,553	14,717	13,757	12,832
Changes of benefit terms	-	(642)	-	(11,256)	-	-	-	-	-
Differences between expected and actual experience	(2,480)	(5,399)	3,551	(3,404)	(6,819)	3,400	347	213	-
Changes in assumptions	-	5,843	(683)	-	-	-	-	2,318	-
Benefit payments, including refunds of employee contributions	(11,595)	(10,359)	(9,525)	(9,333)	(8,547)	(8,159)	(7,438)	(6,809)	(6,092)
Net change in total pension liability	9,781	11,707	14,767	(2,139)	5,837	15,464	12,119	13,942	11,507
Total pension liability – beginning	267,162	255,455	240,688	242,827	236,990	221,526	209,407	195,465	183,958
Total pension liability – ending	$ 276,943	$ 267,162	$ 255,455	$ 240,688	$ 242,827	$ 236,990	$ 221,526	$ 209,407	$ 195,465
Plan fiduciary net position:									
Contributions – employer	$ 3,293	$ 4,147	$ 4,630	$ 4,784	$ 6,140	$ 6,833	$ 5,803	$ 5,583	$ 5,634
Contributions – employee	-	824	952	1,021	946	938	963	369	41
Net investment income	(45,890)	27,237	31,878	38,033	(7,294)	30,712	11,553	(2,275)	7,801
Benefit payments, including refunds of member contributions	(11,595)	(10,359)	(9,525)	(9,333)	(8,547)	(8,159)	(7,438)	(6,809)	(6,092)
Administrative expenses	(110)	(84)	(211)	(185)	(200)	(176)	(258)	(219)	(172)
Net change in total pension liability	(54,302)	21,765	27,724	34,320	(8,955)	30,148	10,623	(3,351)	7,212
Plan fiduciary net position – beginning	293,251	271,486	243,762	209,442	218,397	188,249	177,626	180,977	173,765
Plan fiduciary net position – ending	$ 238,949	$ 293,251	$ 271,486	$ 243,762	$ 209,442	$ 218,397	$ 188,249	$ 177,626	$ 180,977
Net pension liability (asset)	$ 37,994	$ (26,089)	$ (16,031)	$ (3,074)	$ 33,385	$ 18,593	$ 33,277	$ 31,781	$ 14,488

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020	2019[5]	2018	2017	2016	2015
Local 922 Plan:									
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.28%	109.76%	106.28%	101.28%	86.25%	92.15%	84.98%	84.82%	92.59%
Covered payroll	$ 34,772	$ 32,650	$ 33,643	$ 32,016	$ 31,915	$ 32,578	$ 31,066	$ 30,251	$ 32,324
Net pension liability (asset) as a percentage of covered payroll	109.27%	-79.91%	-47.65%	-9.60%	104.61%	57.07%	107.12%	105.06%	44.82%

1 Data reported for fiscal years 2015 through 2023 is based on the Local 922 Plan's measurement dates of December 31, 2014 through 2022, respectively, from the most recent actuarial valuation accounting disclosures report. Changes in the net pension (asset)/liability for the fiscal years prior to 2015, or prior to the measurement date of December 31, 2014 were not available and, accordingly, not included in the schedule.

2 During fiscal year 2023, the ultimate rate used for salary increases effective in 2024 after the current Memorandum of Understanding, dated October 6, 2020 expires was changed from 4.5% to 3.5% to better reflect the expectation for future wage increases. In addition, the ultimate COLA rate was changed effective 2024 from 4.0% to 3.0% per year.

3 During fiscal year 2022, the compensation increase assumption was updated to reflect the current Memorandum of Understanding, dated October 6, 2020. In addition, an additional one time 14% wage increase was applied in order to reflect a rebound in pay levels for the 2022 year and stabilize the contributions required.

4 During fiscal year 2021, the compensation increased assumption was updated to reflect the current Memorandum of Understanding, dated October 6, 2020. In addition, an additional one time 17% wage increase was applied in order to reflect a rebound in pay levels for the 2021 year and stabilize the contributions required.

5 During fiscal year 2019, the compensation increase assumption and the cost of living assumption were adjusted to reflect the recent Memorandum of Understanding, dated February 7, 2019 regarding the new collective bargaining agreement.

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(continued)

	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016	2015
Local 2 Plan:									
Total pension liability:									
Service cost	$ 189	$ 259	$ 271	$ 281	$ 322	$ 464	$ 572	$ 676	$ 664
Interest	11,214	11,512	11,648	11,934	12,045	12,166	12,321	12,300	11,780
Changes of benefit terms	-	-	-	561	-	(348)	(699)	1,028	(446)
Differences between expected and actual experience	2,322	(1,619)	-	(860)	(658)	(577)	(1,952)	(2,115)	5,817
Changes in assumptions	11,588	-	-	3,439	575	-	-	-	10,168
Benefit payments, including refunds of employee contributions	(14,660)	(13,744)	(13,811)	(13,796)	(13,658)	(12,702)	(11,689)	(11,324)	(11,153)
Net change in total pension liability	10,653	(3,592)	(1,892)	1,559	(1,374)	(997)	(1,447)	565	16,830
Total pension liability – beginning	161,811	165,403	167,295	165,736	167,110	168,107	169,554	168,989	152,159
Total pension liability – ending	$ 172,464	$ 161,811	$ 165,403	$ 167,295	$ 165,736	$ 167,110	$ 168,107	$ 169,554	$ 168,989
Plan fiduciary net position:									
Contributions – employer	$ 7,048	$ 5,555	$ 5,423	$ 4,806	$ 4,700	$ 4,748	$ 4,824	$ 5,156	$ 4,758
Net investment income	(17,774)	34,827	2,575	8,134	10,864	17,581	2,006	6,684	22,493
Benefit payments, including refunds of member contributions	(14,660)	(13,744)	(13,811)	(13,796)	(13,658)	(12,702)	(11,689)	(11,324)	(11,153)
Administrative expenses	(130)	(91)	(178)	(164)	(96)	(67)	(99)	(74)	(7)
Transfer of funds (to) from Retirement Plan	(884)	-	-	507	-	(249)	(438)	1,078	(312)
Net change in total pension liability	(26,400)	26,547	(5,991)	(513)	1,810	9,311	(5,396)	1,520	15,779
Plan fiduciary net position – beginning	168,094	141,547	147,538	148,051	146,241	136,930	142,326	140,806	125,027
Plan fiduciary net position – ending	$ 141,694	$ 168,094	$ 141,547	$ 147,538	$ 148,051	$ 146,241	$ 136,930	$ 142,326	$ 140,806
Net pension liability (assets)	$ 30,770	$ (6,283)	$ 23,856	$ 19,757	$ 17,685	$ 20,869	$ 31,177	$ 27,228	$ 28,183

Schedules of Changes in Net Pension Asset/Liability and Related Ratios
Last Ten Fiscal Years[1]
(in thousands)

Exhibit 6
(concluded)

	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016	2015
Local 2 Plan:									
Plan fiduciary net position as a percentage of the total pension liability	82.16%	103.88%	85.58%	88.19%	89.33%	87.51%	81.45%	83.94%	83.32%
Covered payroll	$ 2,277	$ 3,031	$ 4,119	$ 4,159	$ 4,089	$ 4,930	$ 7,290	$ 9,052	$ 9,954
Net pension liability as a percentage of covered payroll	1351.34%	-207.29%	579.17%	475.04%	432.50%	423.31%	427.67%	300.80%	283.13%

See accompanying notes to the required supplementary information.

1 Data reported for fiscal years 2015 through 2023 is based on the Local 2 Plan's measurement dates of June 30, 2014 through 2022, respectively, from the most recent actuarial valuation accounting disclosures report. Changes in the net pension (asset)/liability for the fiscal years prior to 2015, or prior to the measurement date of June 30, 2014 were not available and, accordingly, not included in the schedule.

2 During fiscal year 2023, the valuation assumption of the annual non-investment end of year expense was adjusted from $125 thousand to $150 thousand to better reflect recent experience. The mortality and retirement assumptions were updated to more closely reflect recent experience based on the experience study performed concurrently with this valuation. The investment return assumption was reduced from 7.25% to 7.00% as of July 1, 2021.

3 During fiscal year 2022, the valuation assumption of the annual non-investment end of year expense was adjusted upwards from $105 thousand to $125 thousand to better reflect recent experience.

4 During fiscal year 2021, the valuation assumption of the annual non-investment end of year expense was adjusted upwards from $85 thousand to $105 thousand to better reflect recent experience. Also during fiscal year 2020, the annual investment return assumption was reduced from 7.50% to 7.25% to better reflect the Plan's risk tolerance, as well as taking into account recent experience and future trends.

5 During fiscal year 2020, the valuation assumption of the annual non-investment end of year expense was adjusted upwards from $65 thousand to $85 thousand to better reflect recent experience. Also during fiscal year 2019, the salary scale assumption was adjusted to reflect the Memorandum of Understanding, dated July 20, 2018, regarding the new collective bargaining agreement.

Schedules of Employer Contributions – Pension Plans[1] — Exhibit 7
Last Ten Fiscal Years — (continued)
(in thousands)

	2023	2022[2]	2021	2020	2019	2018	2017	2016	2015	2014
Retirement Plan:										
Actuarially determined contribution	$ 28,277	$ 25,871	$ 22,538	$ 21,606	$ 21,269	$ 20,778	$ 20,349	$ 19,877	$ 20,398	$ 20,585
Contributions in relation to the actuarially determined contribution	28,277	25,871	22,538	21,606	21,269	20,778	20,349	19,877	20,398	20,585
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	Not Available	$ 9,829	$ 10,610	$ 12,920	$ 13,744	$ 15,366	$ 17,899	$ 21,492	$ 23,265	$ 23,674
Contributions as a percentage of covered payroll	Not Available	263.21%	212.42%	167.23%	154.75%	135.22%	113.69%	92.49%	87.68%	86.95%
Local 689 Plan:										
Actuarially determined contribution	$ 187,202	$ 163,813	$ 156,348	$ 133,489	$ 110,043	$ 116,653	$ 118,975	$ 127,516	$ 136,075	$ 123,234
Contributions in relation to the actuarially determined contribution	187,202	163,813	156,348	133,489	110,043	116,653	118,975	127,516	136,075	123,234
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	Not Available	859,933	$ 822,845	$ 794,216	$ 757,448	$ 759,138	$ 775,487	$ 762,642	$ 745,231	$ 710,331
Contributions as a percentage of covered payroll	Not Available	19.05%	19.00%	16.81%	14.53%	15.37%	15.34%	16.72%	18.26%	17.35%
Transit Police Plan:										
Actuarially determined contribution	$ 11,262	$ 10,823	$ 11,345	$ 11,992	$ 12,319	$ 12,501	$ 11,067	$ 9,263	$ 8,742	$ 8,594
Contributions in relation to the actuarially determined contribution	11,262	10,823	11,345	11,992	11,766	13,974	10,662	8,747	8,742	8,594
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ 553	$ (1,473)	$ 405	$ 516	$ -	$ -
Covered payroll	$ 36,642	$ 36,162	$ 38,433	$ 37,532	$ 35,413	$ 35,853	$ 34,485	$ 34,243	$ 35,412	$ 34,086
Contributions as a percentage of covered payroll	30.74%	29.93%	29.52%	31.95%	33.23%	38.98%	30.92%	25.54%	24.69%	25.21%

Schedules of Employer Contributions – Pension Plans[1] Last Ten Fiscal Years (in thousands)

Exhibit 7 (concluded)

	2023[2]	2022	2021	2020	2019	2018	2017	2016	2015	2014
Local 922 Plan:										
Actuarially determined contribution	$ 3,495	$ 3,720	$ 4,388	$ 4,707	$ 5,462	$ 6,487	$ 6,318	$ 5,694	$ 5,194	$ 6,920
Contributions in relation to the actuarially determined contribution	2,867	3,905	4,553	4,106	5,794	7,832	5,430	5,558	5,194	6,920
Contribution deficiency (excess)	$ 628	$ (185)	$ (165)	$ 601	$ (332)	$ (1,345)	$ 888	$ 136	$ -	$ -
Covered payroll	$ 41,949	$ 34,772	$ 32,650	$ 33,643	$ 32,016	$ 31,915	$ 32,578	$ 31,066	$ 30,251	$ 32,324
Contributions as a percentage of covered payroll	6.83%	11.23%	13.94%	12.20%	18.10%	24.54%	16.67%	17.89%	17.17%	21.41%
Local 2 Plan:										
Actuarially determined contribution	$ 8,031	$ 7,048	$ 5,555	$ 5,423	$ 4,806	$ 4,700	$ 4,748	$ 4,824	$ 5,156	$ 4,758
Contributions in relation to the actuarially determined contribution	8,031	7,048	5,555	5,423	4,806	4,700	4,748	4,824	5,156	4,758
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	Not Available	$ 2,277	$ 3,031	$ 4,119	$ 4,159	$ 4,089	$ 4,930	$ 7,290	$ 9,052	$ 9,954
Contributions as a percentage of covered payroll	Not Available	309.54%	183.28%	131.67%	115.57%	114.94%	96.31%	66.17%	56.96%	47.80%

See accompanying notes to the required supplementary information.

1 Contribution data reported represents the amounts the Authority contributed to each respective Plan during the Authority's fiscal years ended June 30, which was obtained from the Plans' most recent actuarial valuations.

2 Covered payroll in fiscal year 2023 was not available in the most recent actuarial valuations for the WMATA Retirement, Local 689, and Local 2 Plans.

Schedule of Changes in Net OPEB Liability and Related Ratios — Exhibit 8
Last Ten Fiscal Years[1]
(in thousands)

	2023	2022	2021[2]	2020	2019	2018[3]	2017
WMATA Healthcare Plan:							
Total OPEB liability:							
Service cost	$ 62,836	$ 67,165	$ 58,735	$ 56,444	$ 58,829	$ 74,229	$ 54,562
Interest	49,232	52,278	83,560	83,307	78,075	66,012	72,064
Changes of benefit terms	-	-	(261,657)	-	-	(58,194)	-
Differences between expected and actual experience	(63,063)	33,395	(16,214)	8,383	-	182,842	348,360
Changes in assumptions	(360,011)	(179,644)	164,673	131,888	(108,094)	(333,670)	-
Benefit payments	(57,884)	(52,417)	(52,624)	(55,952)	(53,461)	(48,988)	(51,337)
Net change in total OPEB liability	(368,890)	(79,223)	(23,527)	224,070	(24,651)	(117,769)	423,649
Total OPEB liability – beginning	2,245,218	2,324,441	2,347,968	2,123,898	2,148,549	2,266,318	1,842,669
Total OPEB liability – ending	$ 1,876,328	$ 2,245,218	$ 2,324,441	$ 2,347,968	$ 2,123,898	$ 2,148,549	$ 2,266,318
Plan fiduciary net position:							
Contributions - employer	$ 57,884	$ 52,417	$ 130,897	$ 65,952	$ 56,461	$ -	$ -
Net investment income	(10,980)	27,011	633	135	1	-	-
Benefit payments, including refunds of member contributions	(57,884)	(52,417)	(52,624)	(55,952)	(53,461)	-	-
Administrative expenses	(81)	(64)	-	-	-	-	-
Net change in total OPEB liability	(11,061)	26,947	78,906	10,135	3,001	-	-
Plan fiduciary net position – beginning	118,989	92,042	13,136	3,001	-	-	-
Plan fiduciary net position – ending	$ 107,928	$ 118,989	$ 92,042	$ 13,136	$ 3,001	$ -	$ -
Net OPEB liability	$ 1,768,400	$ 2,126,229	$ 2,232,399	$ 2,334,832	$ 2,120,897	$ 2,148,549	$ 2,266,318
Plan fiduciary net position as a percentage of the total OPEB liability	5.75%	5.30%	3.96%	0.56%	0.14%	-	-
Covered payroll	$ 557,500	$ 587,700	$ 559,000	$ 540,000	$ 583,000	$ 558,000	$ 627,000
Net OPEB liability as a percentage of covered payroll	317.20%	361.79%	399.36%	432.38%	363.79%	385.04%	361.45%

See accompanying notes to the required supplementary information.

[1] Amounts reported for the Authority's fiscal years ended June 30, 2017 through 2023 are based on the WMATA Healthcare Plan's fiscal years ended June 30, 2016 through 2021, respectively, which are the measurement dates used by the Authority. Changes in the net OPEB liability for the fiscal years prior to 2017, or prior to the measurement date of June 30, 2016, were not available and, accordingly, are not included in the schedule.

[2] In fiscal year 2021, all post-65 retirees for Local 2, Non-Represented, and Local 639 Special Police were moved to a Medicare Advantage plan that includes Medicare Part D prescription drug coverage effective January 1, 2020.

[3] The Authority established a qualified trust to accumulate assets for OPEB benefits in fiscal year 2018.

Schedule of Employer Required Contributions – Teamsters Local 922 Employers Health Trust Plan Last Ten Fiscal Years[1]

Exhibit 9

Fiscal Year Ending	Required Contribution
June 30, 2023	$ 532,720
June 30, 2022	$ 489,065
June 30, 2021	$ 450,485
June 30, 2020	$ 447,670
June 30, 2019	$ 385,200
June 30, 2018	$ 413,600
June 30, 2017	$ 300,800

See accompanying notes to the required supplementary information.

[1] Employer contributions for fiscal years prior to 2017 were not available and, therefore, not included in the schedule.

Notes to the Required Supplementary Information

1. Pension Plans

Ten year historical trend information of the pension plans is presented as required supplementary information. This information is intended to help users assess each plan's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and enhance the comparability of the information with other pension plans. This information is reported as of the measurement date.

Analysis of the dollar amounts of plan fiduciary net position, total pension liability, and net pension asset or liability in isolation can be misleading. Expressing plan net position as a percentage of the total pension liability provides one indication of each plan's funding status. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage is, the stronger the plan.

Trends in the plan net position and covered payroll are both affected by inflation. Expressing the net pension asset or liability as a percentage of covered payroll adjusts for the effects of inflation and aids in the analysis of the plans' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage is, the stronger the plan.

Additional information pertaining to the retirement plans can be found in Note 11, *Pension Plans*, to the basic financial statements.

(a) Schedules of Changes in Net Pension Asset/Liability and Related Ratios

The Schedules of Changes in Net Pension Asset/Liability and related ratios illustrate whether each plan's net position is increasing or decreasing over time relative to the total pension liability and the net pension asset or liability as it relates to covered payroll.

These schedules are intended to show information for 10 years. The changes in the net pension asset/liability for years prior to the fiscal year ending June 30, 2015 were not available and accordingly, were not included in the schedule. Additional years will be displayed as they become available.

(b) Schedules of Employer Contributions – Pension Plans

The Schedules of Employer Contributions provide the actuarially determined contribution for each plan. The actuarially determined contribution rates are calculated as of the respective plans' fiscal year end, one year prior to the beginning of the fiscal year in which contributions are reported. For example, the Authority's actuarially determined contribution for the fiscal year ending June 30, 2023 is based on the July 1, 2022 funding valuation provided by the Authority's actuary.

On the following pages are the significant assumptions used to determine the actuarially determined contributions for each defined benefit single-employer pension plan. These assumptions may differ from the assumptions used to determine the net pension liability.

1. Pension Plans (continued)

(b) Schedules of Employer Contributions – Pension Plans (continued)

Retirement Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2023	7/1/2022	Entry age	Smoothed market	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2022	7/1/2021	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2021	7/1/2020	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2020	7/1/2019	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2019	7/1/2018	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2018	7/1/2017	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2017	7/1/2016	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2016	7/1/2015	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2015	7/1/2014	Entry age	Smoothed fair value	Level dollar	15 years open	8.00%	2.50%	3.50% to 8.00%
2014	7/1/2013	Entry age	Smoothed fair value	Level dollar	15 years open	8.00%	2.50%	3.50% to 8.00%

For fiscal year 2023, the mortality table used was the Pub-2010 General Health Non-Annuitant Mortality tables projected generationally using Scale MP-2020. For fiscal years 2014-2022, the mortality tables used were the RP-2000 Fully Generational Combined Mortality tables projected with Scale AA.

1. Pension Plans (continued)

(b) Schedules of Employer Contributions – Pension Plans (continued)

Local 689 Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increase
2023	1/1/2022	Aggregate Cost	Smoothed market	Level percentage of payroll	30 years	7.50%	2.50%	2.50% to 10.50%
2022	1/1/2021	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	2.50% to 5.73%
2021	1/1/2020	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	2.00% to 3.50%
2020	1/1/2019	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	1.50% to 3.50%
2019	1/1/2018	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2018	1/1/2017	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2017	1/1/2016	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2016	1/1/2015	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2015	1/1/2014	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	3.00%	3.50%
2014	1/1/2013	Aggregate Cost	Smoothed fair value	Not Available	Not Available	7.90%	3.00%	3.50%

The mortality table used for fiscal year 2023 was the RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2021. The mortality table used for fiscal year 2022 was the RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2020. The mortality table used for fiscal year 2021 was the RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2019. The mortality table used for fiscal year 2020 was the RP-2014 Blue Collar projected with Scale MP-2015. The mortality table used for fiscal years 2016 through 2019 was the RP-2000 Blue Collar Mortality Table with Scale AA. The mortality table used for fiscal years 2014 through 2015 was the 1983 Group Annuity Mortality Tables, males set back two years and females unadjusted.

1. Pension Plans (continued)

(b) Schedules of Employer Contributions – Pension Plans (continued)

Transit Police Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2023	1/1/2023	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2022	1/1/2022	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2021	1/1/2021	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2020	1/1/2020	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.00%	2.50%	3.00%
2019	1/1/2019	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2018	1/1/2018	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2017	1/1/2017	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.50%	2.50%	3.00% to 7.00%
2016	1/1/2016	Aggregate Cost	Smoothed market	Level percentage of payroll	5 years	7.50%	2.50%	3.00% to 7.00%
2015	1/1/2015	Aggregate Cost	Smoothed market	Level percentage of payroll	10 years	7.50%	2.50%	3.00% to 6.00%
2014	1/1/2014	Aggregate Cost	Smoothed market	Not Available	Not Available	8.00%	3.00%	4.75% to 9.00%

The mortality table used for fiscal years 2022 and 2023 was the PubS-2010 Mortality table based on Scale MP-2021. The mortality table used for fiscal year 2021 was the RP 2014 Blue Collar Mortality table with generational projection by scale MP-2020. The mortality table used for fiscal years 2016 through 2020 was the RP-2014 Blue Collar Mortality table with generational projection by Scale MP-2015. The mortality table used for the fiscal years 2014 through 2015 was the RP-2000 with Blue Collar adjustment set forward 10 years with generational projection by Scale AA.

1. Pension Plans (continued)

(b) Schedules of Employer Contributions – Pension Plans (continued)

Local 922 Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2023	1/1/2023	Entry age normal cost	Smoothed Market value	Level dollar	15 years layered	7.00%	1.50%	1.50% to 3.50%
2022	1/1/2022	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	1.50%	1.50% to 4.50%
2021	1/1/2021	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	1.50%	1.50% to 4.50%
2020	1/1/2020	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	1.50%	4.50%
2019	1/1/2019	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	3.00%	4.50%
2018	1/1/2018	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	3.00%	4.00% to 4.50%
2017	1/1/2017	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	3.00%	4.00% to 4.50%
2016	1/1/2016	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	3.00%	4.00% to 4.50%
2015	1/1/2015	Entry age normal cost	Smoothed Market value	Level dollar	20 years closed	7.00%	3.00%	4.50%
2014	1/1/2014	Projected unit credit	Actuarial value of assets	Level dollar	30 years open	7.00%	3.00%	4.50%

The mortality table used for all fiscal years was the RP-2000 Healthy Combined Mortality table with Blue Collar Adjustment, projected fully generational with Scale AA, which was updated in fiscal year 2016 for active and healthy retirees to use a fully generational mortality improvement scale.

1. Pension Plans (continued)

(b) Schedules of Employer Contributions – Pension Plans (continued)

Local 2 Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2023	7/1/2022	Entry age	Smoothed market	Level dollar	9 years open	7.00%	2.50%	3.00% to 6.30%
2022	7/1/2021	Entry age	Smoothed market	Level dollar	9 years open	7.30%	2.50%	3.00% to 6.30%
2021	7/1/2020	Entry age	Smoothed market	Level dollar	9 years open	7.30%	2.50%	3.00% to 6.30%
2020	7/1/2019	Entry age	Smoothed market	Level dollar	9 years open	7.30%	2.50%	3.00% to 6.30%
2019	7/1/2018	Entry age	Smoothed market	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2018	7/1/2017	Entry age	Smoothed market	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2017	7/1/2016	Entry age	Smoothed market	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2016	7/1/2015	Entry age	Smoothed market	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2015	7/1/2014	Entry age	Smoothed market	Level dollar	15 years open	8.00%	2.50%	3.50% to 8.00%
2014	7/1/2013	Entry age	Smoothed market	Level dollar	15 years open	8.00%	2.50%	3.50% to 8.00%

For fiscal year 2023, the mortality tables used were the Pub-2010 General Healthy Non-Annuitant Mortality tables projected generationally using Scale MP-2020. The mortality table used for fiscal years 2015-2022 were the RP-2000 Fully Generational Combined Mortality Table projected with Scale AA. The mortality table used for fiscal year 2014 was the RP-2000 Combined Mortality table projected to 2012 with Scale AA.

2. Other Postemployment Benefits (OPEB)

Ten-year historical trend information is presented as required supplementary information for the Authority's OPEB plans. The Authority administers the WMATA Healthcare Plan on a pay-as-you-go basis with additional ad-hoc funding contributions based on budgetary results, and there is no actuarial required contribution. Accordingly, a Schedule of Employer Required Contributions is not presented in the required supplementary information for this plan. Additional information pertaining to the OPEB plans can be found in Note 12 to the basic financial statements.

Analysis of the dollar amounts of plan fiduciary net position, total OPEB liability, and net OPEB liability in isolation can be misleading. Expressing plan net position as a percentage of the total OPEB liability provides one indication of funding status. Analysis of this percentage over time indicates whether the OPEB plan is becoming financially stronger or weaker. Generally, the greater this percentage is, the stronger the plan.

Trends in the net OPEB liability and covered payroll are both affected by inflation. Expressing the net OPEB liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids in the analysis of the OPEB plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage is, the stronger the plan.

(a) Schedule of Changes in Net OPEB Liability and Related Ratios – WMATA Healthcare Plan

The data reported in the Schedule of Changes in Net OPEB Liability and Related Ratios for the WMATA Healthcare Plan for the Authority's fiscal years ending June 30, 2023 and 2022 are based upon the measurement dates of June 30, 2022 and 2021, respectively. The changes in the assumptions during the fiscal year ended June 30, 2023 reflect the changes in the discount rate, which increased from 2.2% to 3.5%, and changes in the health care cost trend rates, which increased from 6.3% to 7.0% for participants under 65 year of age, and from 5.8% to 7.3% for participants 65 years and older. The Medicare Advantage Part D health care trend rate also increased from 7.5% to 9.0%. The changes in the assumptions during the fiscal year ended June 30, 2022 reflect the changes in the discount rate, which was decreased from 2.2% to 2.2%.

The changes in benefit terms during fiscal year 2021 was a change from a partially self-insured plan to a fully insured Medicare Advantage Part D plan for non-represented, Local 2, and Special Police employees.

This schedule is intended to show information for 10 years. The changes in the net OPEB liability for years prior to the fiscal year ending June 30, 2017 were not available and accordingly, were not included in the schedule. Additional years will be displayed as they become available.

(b) Schedule of Employer Required Contributions – Teamsters Local 922 Employers Health Trust

The data reported in the Schedule of Employer Required Contributions consists of the total amount of contributions the Authority makes to the Teamsters Local 922 Employers Health Trust for retirees during the Authority's respective fiscal year-end. The Authority is required to make a fixed contribution per retiree in accordance with the collective bargaining agreement. The Authority was required to contribute $1,015 per month for each participant through October 31, 2021 and then $1,080 per month through October 31, 2022. Effective November 1, 2022, the required contribution amount was adjusted to $1,145 per month.

This schedule is intended to show information for 10 years. The employer required contributions for years prior to the fiscal years ending June 30, 2017 were not available and accordingly, were not included in the schedule. Additional years will be displayed as they become available.

Fiduciary Activities
Pension and Other Employee Benefit Trust Funds

The pension and other employee benefit trust funds account for the activities of the following plans, which accumulate resources for pension and other postemployment benefit payments to qualified beneficiaries:

- WMATA Retirement (Retirement) Plan – accounts for the resources accumulated for management and non-represented employees.
- WMATA Local 2 Retirement (Local 2) Plan – accounts for the resources accumulated for Local 2 employees.
- WMATA Healthcare Plan – accounts for other postemployment benefit resources accumulated for management, represented, and non-represented inactive employees and their dependents.

Fiduciary Activities
Combining Statements of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2023
(in thousands)

Exhibit 10
(continued)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ASSETS				
Cash and cash equivalents	$ 5,551	$ 3,309	$ -	$ 8,860
Receivables:				
Accrued income	8	9	-	17
Investments:				
Equity index funds-domestic	121,447	41,991	-	163,438
Equity index funds-international	76,770	36,925	-	113,695
Bond index funds-domestic	65,673	29,568	-	95,241
Bond index funds-international	30,110	26,765	-	56,875
Real estate investment fund-domestic	58,142	9,241	-	67,383
Virginia pooled trust	-	-	116,089	116,089
Total investments	352,142	144,490	116,089	612,721
Total assets	357,701	147,808	116,089	621,598
LIABILITIES				
Accrued pension benefits	3,965	1,291	-	5,256
Accounts payable	144	54	-	198
Total liabilities	4,109	1,345	-	5,454
FIDUCIARY NET POSITION				
Restricted for:				
Pension benefits	353,592	146,463	-	500,055
Postemployment benefits other than pensions	-	-	116,089	116,089
Total fiduciary net position	$ 353,592	$ 146,463	$ 116,089	$ 616,144

Fiduciary Activities — Exhibit 10 (concluded)
Combining Statements of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2022
(in thousands)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ASSETS				
Cash and cash equivalents	$ 6,231	$ 2,540	$ -	$ 8,771
Receivables:				
Accrued income	5	2	-	7
Investments:				
Equity index funds-domestic	112,186	37,482	-	149,668
Equity index funds-international	74,515	35,656	-	110,171
Bond index funds-domestic	66,550	32,051	-	98,601
Bond index funds-international	33,068	25,874	-	58,942
Real estate investment fund-domestic	58,762	9,450	-	68,212
Virginia pooled trust	-	-	107,928	107,928
Total investments	345,081	140,513	107,928	593,522
Total assets	351,317	143,055	107,928	602,300
LIABILITIES				
Accrued pension benefits	3,809	1,253	-	5,062
Accounts payable	177	108	-	285
Total liabilities	3,986	1,361	-	5,347
FIDUCIARY NET POSITION				
Restricted for:				
Pension benefits	347,331	141,694	-	489,025
Postemployment benefits other than pensions	-	-	107,928	107,928
Total fiduciary net position	$ 347,331	$ 141,694	$ 107,928	$ 596,953

See accompanying independent auditor’s report.

Fiduciary Activities
Combining Statements of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2023
(in thousands)

Exhibit 11 (continued)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ADDITIONS				
Contributions:				
Employer	$ 28,277	$ 8,031	$ 60,603	$ 96,911
Total contributions	28,277	8,031	60,603	96,911
Investment Income:				
Net increase in investments	22,556	10,562	8,228	41,346
Interest, dividends and other	2,791	1,687	-	4,478
Total investment income	25,347	12,249	8,228	45,824
Less investment expenses:				
Custodial fees	627	233	-	860
Net investment income	24,720	12,016	8,228	44,964
Total additions	52,997	20,047	68,831	141,875
DEDUCTIONS				
Benefits paid to participants or beneficiaries	46,597	15,189	56,802	118,588
Administrative expenses	139	89	3,868	4,096
Total deductions	46,736	15,278	60,670	122,684
Net increase in fiduciary net position	6,261	4,769	8,161	19,191
Fiduciary net position - beginning	347,331	141,694	107,928	596,953
Fiduciary net position - ending	$ 353,592	$ 146,463	$ 116,089	$ 616,144

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Fiduciary Activities
Combining Statements of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit 11 (concluded)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ADDITIONS				
Contributions:				
Employer	$ 25,871	$ 7,048	$ 57,884	$ 90,803
Assets transferred from Local 2 Plan	884	-	-	884
Total contributions	26,755	7,048	57,884	91,687
Investment Income:				
Net decrease in investments	(51,114)	(19,653)	(10,980)	(81,747)
Interest, dividends and other	4,235	2,141	-	6,376
Total investment loss	(46,879)	(17,512)	(10,980)	(75,371)
Less investment expenses:				
Custodial fees	773	262	-	1,035
Net investment loss	(47,652)	(17,774)	(10,980)	(76,406)
Total additions	(20,897)	(10,726)	46,904	15,281
DEDUCTIONS				
Benefits paid to participants or beneficiaries	45,337	14,660	54,794	114,791
Administrative expenses	174	130	3,171	3,475
Assets transferred to Retirement Plan	-	884	-	884
Total deductions	45,511	15,674	57,965	119,150
Net decrease in fiduciary net position	(66,408)	(26,400)	(11,061)	(103,869)
Fiduciary net position - beginning	413,739	168,094	118,989	700,822
Fiduciary net position - ending	$ 347,331	$ 141,694	$ 107,928	$ 596,953

See accompanying independent auditor’s report.

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SECTION THREE - STATISTICAL (UNAUDITED)

Financial Trends

Trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity

Information to help the reader assess the Authority's most significant local revenue source, passenger revenue.

Debt Capacity

Information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information

Demographic and economic indicators help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

Demographic and economic indicators help the reader understand the environment within which the Authority's financial activities take place.

Net Position by Component
Last Ten Fiscal Years
(in thousands)

Exhibit 12

	2023	2022[1]	2021[2]	2020[3]	2019[3]	2018[3,4]	2017[5]	2016	2015[6]	2014
Net investment in capital assets	$14,273,852	$11,423,047	$11,187,494	$11,582,955	$11,315,608	$11,327,174	$11,610,645	$11,573,665	$11,135,124	$8,211,764
Restricted	102,108	69,965	258,243	121,007	62,745	70,385	-	-	-	-
Unrestricted deficit	(3,015,422)	(2,918,184)	(2,948,858)	(3,340,623)	(3,275,015)	(2,912,191)	(2,888,725)	(1,048,596)	(915,616)	(280,058)
Total net position	$11,360,538	$ 8,574,828	$ 8,496,879	$ 8,363,339	$ 8,103,338	$ 8,485,368	$ 8,721,920	$10,525,069	$10,219,508	$7,931,706

1 Fiscal year 2022 net investment in capital assets and unrestricted net position were restated due to the adoption of GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs).

2 Fiscal year 2021 net investment in capital assets and unrestricted net position were restated due to the adoption of GASB 87, *Leases.*

3 Fiscal years 2019 – 2018 amounts held in escrows to cover debt service payments were reclassified from unrestricted net position to restricted net position to conform with fiscal year 2020 presentation.

4 Fiscal year 2018 unrestricted net position was adjusted as a result of the cumulative effect of a change in accounting principle.

5 Fiscal year 2017 unrestricted net position was restated due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

6 Fiscal year 2015 unrestricted net position was restated due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

Source: The Authority's fiscal years 2014 – 2023 Annual Comprehensive Financial Reports.

Changes in Net Position
Last Ten Fiscal Years
(in thousands)

Exhibit 13

	2023	2022[1]	2021[2,3]	2020[4]	2019	2018[5]	2017[6]	2016	2015	2014
Operating revenues	$ 364,833	$ 264,714	$ 145,433	$ 582,574	$ 789,678	$ 800,523	$ 788,813	$ 859,165	$ 898,644	$ 854,580
Nonoperating revenues	31,844	40,963	19,654	18,061	20,195	14,400	19,202	18,532	32,446	35,870
Total revenues	396,677	305,677	165,087	600,635	809,873	814,923	808,015	877,697	931,090	890,450
Federal and jurisdictional subsidies	1,910,974	1,677,086	1,788,707	1,502,025	1,121,805	1,120,346	1,074,539	927,960	839,477	758,385
Total revenues before capital contributions	2,307,651	1,982,763	1,953,794	2,102,660	1,931,678	1,935,269	1,882,554	1,805,657	1,770,567	1,648,835
Operating expenses	3,706,898	3,136,754	3,082,552	3,206,877	3,088,055	2,772,642	3,162,623	2,629,972	2,547,881	2,337,911
Nonoperating expenses	82,487	75,995	62,643	44,148	201,153	53,339	21,586	23,886	27,160	34,566
Total expenses	3,789,385	3,212,749	3,145,195	3,251,025	3,289,208	2,825,981	3,184,209	2,653,858	2,575,041	2,372,477
Loss before capital contributions and extraordinary items	(1,481,734)	(1,229,986)	(1,191,401)	(1,148,365)	(1,357,530)	(890,712)	(1,301,655)	(848,201)	(804,474)	(723,642)
Capital contributions	4,267,444	1,307,935	1,346,819	1,410,114	975,500	983,574	722,213	1,153,762	4,138,387	619,512
Extraordinary items	-	-	16,600	(1,748)	-	-	-	-	-	-
Increase (decrease) in net position	$ 2,785,710	$ 77,949	$ 172,018	$ 260,001	$ (382,030)	$ 92,862	$ (579,442)	$ 305,561	$ 3,333,913	$ (104,130)

1 Fiscal year 2022 operating and nonoperating expenses were restated due to the adoption of GASB Statement No. 96, *SBITA*s.
2 Fiscal year 2021 operating and nonoperating revenues, and expenses were restated due to the adoption of GASB Statement No. 87, *Leases*.
3 Fiscal year 2021 extraordinary items represent proceeds from fire insurance recoveries received in FY21.
4 Fiscal year 2020 extraordinary items represent an impairment loss on a building due to a fire.
5 Fiscal year 2018 unrestricted net position was adjusted as a result of the cumulative effect of a change in accounting principle.
6 Fiscal year 2017 operating expenses increased due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

Source: The Authority's fiscal years 2014 – 2023 Annual Comprehensive Financial Reports.

Revenue Base
Last Ten Fiscal Years
(in thousands)

Exhibit 14

	2023	2022	2021[1]	2020	2019	2018	2017	2016	2015	2014
Operating revenues:										
Passenger revenue	$315,790	$229,732	$108,188	$531,513	$730,061	$753,699	$741,044	$809,407	$854,392	$811,628
Advertising revenue	17,807	11,257	14,233	25,947	29,042	22,590	21,926	22,792	22,422	19,846
Rental revenue	31,072	23,719	23,009	24,823	30,265	23,994	25,601	26,722	21,601	22,826
Other revenue	164	6	3	291	310	240	242	244	229	280
Total operating revenues	364,833	264,714	145,433	582,574	789,678	800,523	788,813	859,165	898,644	854,580
Nonoperating revenues:										
Investment income (loss)	7,756	43	45	2,519	4,790	1,827	(98)	224	769	585
Interest income from leasing transactions	11,328	9,838	10,459	-	-	2,049	5,206	10,621	11,407	19,053
Gain on disposition of assets	2,921	22,700	-	-	-	-	-	-	-	-
Other	9,839	8,382	9,150	15,542	15,405	10,524	14,094	7,687	20,270	16,232
Total nonoperating revenues	31,844	40,963	19,654	18,061	20,195	14,400	19,202	18,532	32,446	35,870
Total revenues	$396,677	$305,677	$165,087	$600,635	$809,873	$814,923	$808,015	$877,697	$931,090	$890,450

[1] Fiscal year 2021 rental revenue and interest income from leasing transactions were restated due to the adoption of GASB Statement No. 87, *Leases.*

Source: The Authority's fiscal years 2014 – 2023 Annual Comprehensive Financial Reports.

Passenger Fare Structure — Exhibit 15
Last Ten Fiscal Years — (continued)

	Metrobus			Metrorail							
	Peak/Off Peak			Peak			Off Peak				
Fiscal Year	DC Base	MD Base	VA Base	Boarding Charge	Each Additional Composite Mile		Boarding Charge		Each Additional Composite Mile	
2023	$2.00	$2.00	$2.00	$2.00	$0.40	(3-6 miles)	$2.00	(0-3 miles)	$0.40	(3-6 miles)
					$6.00	(Max. fare)			$6.00	(Max. fare)
2022	$2.00	$2.00	$2.00	$2.25	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$6.00	(Max. fare)			$3.85	(Max. fare)
2021	$2.00	$2.00	$2.00	$2.25	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$6.00	(Max. fare)			$3.85	(Max. fare)
2020	$2.00	$2.00	$2.00	$2.25	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$6.00	(Max. fare)			$3.85	(Max. fare)
2019	$2.00	$2.00	$2.00	$2.25	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$6.00	(Max. fare)			$3.85	(Max. fare)
2018	$2.00	$2.00	$2.00	$2.25	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$6.00	(Max. fare)			$3.85	(Max. fare)
2017	$2.00	$2.00	$2.00	$2.25	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$6.00	(Max. fare)			$3.85	(Max. fare)
2016	$1.75	$1.75	$1.75	$2.15	$0.33	(3-6 miles)	$1.75	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$5.90	(Max. fare)			$3.60	(Max. fare)
2015	$1.75	$1.75	$1.75	$2.15	$0.33	(3-6 miles)	$1.75	(0-3 miles)	$0.24	(3-6 miles)
					$0.29	(6+ miles)			$0.22	(6+ miles)
					$5.90	(Max. fare)			$3.60	(Max. fare)
2014	$1.60	$1.60	$1.60	$2.10	$0.32	(3-6 miles)	$1.70	(0-3 miles)	$0.24	(3-6 miles)
					$0.28	(6+ miles)			$0.21	(6+ miles)
					$5.75	(Max. fare)			$3.50	(Max. fare)

Source: Washington Metropolitan Area Transit Authority Tariffs on Metro Fares and Rates as of June 30 for each fiscal year. For more details on the Authority's fare structure, refer to www.wmata.com.

Ratios of Outstanding Debt By Type[1]
Last Ten Fiscal Years
(in thousands, except per capita amounts)

Exhibit 16

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Transit bonds	$ 948,973	$ 987,717	$ 1,025,296	$ 1,061,744	$ 1,147,154	$ 1,067,819	$ 483,641	$ 498,878	$ 274,087	$ 287,755
Dedicated revenue bonds	2,040,373	1,633,508	1,653,280	693,439	-	-	-	-	-	-
Tax advantage leases	-	-	-	-	-	-	152,081	258,649	273,054	296,973
Total debt	$ 2,989,346	$ 2,621,225	$ 2,678,576	$ 1,755,183	$ 1,147,154	$ 1,067,819	$ 635,722	$ 757,527	$ 547,141	$ 584,728
Total personal income	$513,737,735	$513,737,735	$485,550,913	$467,176,430	$453,978,195	$432,558,000	$409,203,181	$396,039,729	$376,576,397	$362,272,713
Outstanding debt ratio	0.6%	0.5%	0.6%	0.4%	0.3%	0.2%	0.2%	0.2%	0.1%	0.2%
Service area population	6,374	6,356	6,386	6,297	6,256	6,218	6,155	6,099	6,036	5,967
Outstanding debt per capita	$ 469	$ 412	$ 419	$ 279	$ 183	$ 172	$ 103	$ 124	$ 91	$ 98
Total annual unlinked passenger trips	231,024	156,898	89,940	273,546	354,656	351,299	352,546	379,142	405,267	406,063
Total debt ratio as a percentage of annual unlinked passenger trips	1294.0%	1670.7%	2978.2%	641.6%	323.5%	304.0%	180.3%	199.8%	135.0%	144.0%

[1] Details regarding the Authority's outstanding debt can be found in Note 10 to the basic financial statements.

Sources:

- Total debt: The Authority's fiscal years 2014 – 2023 Annual Comprehensive Financial Reports.
- Total personal income: US Bureau of Economic Analysis. Total personal income information for the fiscal years 2014 – 2021 are based on 2013 – 2020 data, and fiscal years 2022 – 2023 are based on 2021 latest available data updated November 16, 2022.
- Service area population: US Census Bureau, Population Division. Estimates for fiscal years 2014 – 2023 reflect population estimates as of April 1, 2011 to July 1, 2022 available as of May 2023.
- Total annual unlinked passenger trips: Exhibit 21, *Operating Indicators*, in the statistical section.

Pledged Revenue Coverage[2]
Last Ten Fiscal Years
(in thousands)

Exhibit 17
(continued)

	2023	2022	2021[1]	2020	2019	2018[6]	2017	2016	2015	2014
Gross Revenue Transit Bonds, excluding Series 2018:[3]										
Operating revenues	$ 348,476	$ 254,534	$ 141,544	$ 550,524	$ 745,318	$ 758,081	$ 747,409	$ 814,126	$ 852,131	$ 807,966
Other	28,923	18,262	19,654	18,061	20,195	12,351	13,996	7,911	21,039	16,817
Jurisdictional operating subsidies	1,219,944	938,294	1,050,931	1,230,024	1,070,271	1,058,495	891,548	895,973	826,096	743,875
Unrestricted dedicated funding	487,125	464,596	460,228	468,383	-	-	-	-	-	-
Total pledged revenues	$ 2,084,468	$ 1,675,686	$ 1,672,357	$ 2,266,992	$ 1,835,784	$ 1,828,927	$ 1,652,953	$ 1,718,010	$ 1,699,266	$ 1,568,658
Principal	$ 28,695	$ 27,315	$ 26,000	$ 75,550	$ 179,125	$ 58,690	$ 8,285	$ 7,900	$ 13,240	$ 20,335
Interest	42,041	44,564	44,841	46,141	45,454	43,655	23,485	14,854	12,748	14,764
Total debt service	$ 70,736	$ 71,879	$ 70,841	$ 121,691	$ 224,579	$ 102,345	$ 31,770	$ 22,754	$ 25,988	$ 35,099
Coverage ratio	3.4%	4.3%	4.2%	5.4%	12.2%	5.6%	1.9%	1.3%	1.5%	2.2%
Series 2018 Bonds:[4]										
Operating revenues	$ 348,476	$ 254,534	$ 141,544	$ 550,524	$ 745,318	$ -	$ -	$ -	$ -	$ -
Other	28,923	18,262	19,654	18,061	20,195	-	-	-	-	-
Jurisdictional operating subsidies	1,219,944	938,294	1,050,931	1,230,024	1,070,271	-	-	-	-	-
Total pledged revenues	$ 1,597,343	$ 1,211,090	$ 1,212,129	$ 1,798,609	$ 1,835,784	$ -	$ -	$ -	$ -	$ -
Principal	$ 28,695	$ 27,315	$ 26,000	$ 75,550	$ 179,125	$ -	$ -	$ -	$ -	$ -
Interest	42,041	44,564	44,841	46,141	45,454	-	-	-	-	-
Total debt service	$ 70,736	$ 71,879	$ 70,841	$ 121,691	$ 224,579	$ -	$ -	$ -	$ -	$ -
Coverage ratio	4.4%	5.9%	5.8%	6.8%	12.2%	-	-	-	-	-

Pledged Revenue Coverage[2]
Last Ten Fiscal Years
(in thousands)

Exhibit 17
(concluded)

	2023	2022	2021[1]	2020	2019	2018	2017	2016	2015	2014
Dedicated Revenue Bonds:[4]										
Unrestricted dedicated funding	$ 487,125	$ 464,596	$ 460,228	$ 468,383	$ -	$ -	$ -	$ -	$ -	$ -
Debt service interest	$ 67,125	$ 64,231	$ 29,649	$ 2,223	$ -	$ -	$ -	$ -	$ -	$ -
Coverage ratio	13.8%	13.8%	6.4%	0.5%	-	-	-	-	-	-

1 Fiscal year 2021 revenue and expense was restated due to the adoption of GASB Statement No. 87, *Leases.*

2 Details regarding the Authority's pledged revenue can be found in Note 10 to the basic financial statements.

3 Includes Series 2003, 2009A, 2009B, 2016A, 2017A, and 2017B Gross Revenue Transit Bonds.

4 Includes Series 2018 Gross Revenue Transit Bonds. Pledged revenues for the Series 2018 Bonds explicitly excludes all dedicated funding.

5 Includes Series 2020A and Series 2021A Dedicated Revenue Bonds.

6 Fiscal year 2018 jurisdictional operating subsidies were adjusted as a result of the cumulative effect of a change in accounting principles.

Source: The Authority's fiscal years 2014 – 2023 Annual Comprehensive Financial Reports.

Demographic and Economic Statistics **Exhibit 18**
Last Ten Fiscal Years
(in thousands, except per capita amounts)

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2023	6,374	$ 513,737,735	$ 80,599	2.5%
2022	6,356	$ 513,737,735	$ 80,827	3.7%
2021	6,386	$ 485,550,913	$ 76,034	5.1%
2020	6,297	$ 467,176,430	$ 74,190	8.4%
2019	6,256	$ 453,978,195	$ 72,567	3.4%
2018	6,218	$ 432,558,000	$ 69,565	3.7%
2017	6,155	$ 409,203,181	$ 66,483	3.9%
2016	6,099	$ 396,039,729	$ 64,935	4.1%
2015	6,036	$ 376,576,397	$ 62,388	4.7%
2014	5,967	$ 362,272,713	$ 60,713	5.3%

Sources:

- Population: US Census Bureau, Population Division. Estimates for fiscal years 2014 – 2023 reflect midyear population estimates as of April 1, 2011 to July 1, 2022 available as of May 2023.
- Total personal income: US Bureau of Economic Analysis. Total personal income information for the fiscal years 2014 – 2021 are based on 2013 – 2020 data, and fiscal years 2022 – 2023 are based on 2021 latest available data updated November 16, 2022.
- Unemployment rate: US Bureau of Labor Statistics. Unemployment rates are as of July 31 of the indicated fiscal years.

Major Private Employers
Current Fiscal Year and Nine Years Ago

Exhibit 19

Employer	2023 Rank	2023 Area Employees	2023 Percentage of Total Employment	2014 Rank	2014 Area Employees	2014 Percentage of Total Employment
Inova Health Systems	1	20,000	0.6%	3	13,945	0.4%
MedStar Health	2	18,044	0.5%	1	15,099	0.5%
Amazon.com Inc.	3	17,000	0.5%	-	-	0.0%
Deloitte and Subsidiaries	4	16,400	0.5%	9	7,832	0.3%
Marriott International Inc.	5	15,000	0.4%	4	13,830	0.4%
Booz Allen Hamilton Inc	6	14,269	0.4%	2	14,000	0.4%
Giant Food LLC	7	12,000	0.3%	6	11,063	0.4%
Capital One Financial Corp.	8	11,930	0.3%	-	-	0.0%
Leidos Holdings	9	11,576	0.3%	-	-	0.0%
General Dynamics Corp	10	11,390	0.3%	10	7,775	0.2%
Northrop Grumman Corp	-	-	-	5	13,500	0.4%
Verizon Communications Inc	-	-	-	7	11,000	0.4%
Lockheed Martin Corp	-	-	-	8	10,000	0.3%
Total		147,609	4.1%		118,044	3.7%

Sources:

- Washington Business Journal, Largest Employers in Greater DC 2023
- Washington Business Journal, Largest Employers in Greater DC 2014

Authorized Employee Positions
Last Ten Fiscal Years

Exhibit 20

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Non-Represented[1]	2,881	2,585	2,663	2,485	2,377	2,205	2,339	2,286	2,233	2,124
Local 2	1,211	1,075	1,103	1,121	1,110	1,102	1,229	1,210	1,137	1,028
Local 639	109	123	126	119	121	121	138	138	136	165
Local 689	8,071	7,834	8,035	7,772	7,892	8,038	8,562	8,591	8,603	8,593
Local 922	361	348	357	362	372	378	379	374	382	383
Transit Police	399	370	380	366	388	388	385	396	414	396
Total authority positions	13,032	12,335	12,664	12,225	12,260	12,232	13,032	12,995	12,905	12,689

[1] Non-represented positions are salaried positions in the management and administrative work force that have been excluded from union participation.

Source: The Authority's Office of Management and Budget Services.

Operating Indicators
Last Ten Fiscal Years

Exhibit 21
(continued)

Fiscal Year	Vehicles Operated In Maximum Service[1]	Annual Vehicle Revenue Miles[2]	Annual Vehicle Revenue Hours[3]	Annual Unlinked Passenger Trips[4]	Annual Passenger Miles Traveled[5]
2023:					
Metrobus	1,148	37,991,955	3,774,118	102,855,922	307,224,136
Metrorail	904	74,657,716	3,282,140	126,773,716	589,321,101
MetroAccess	675	18,952,524	1,704,836	1,394,146	16,059,711
Total	2,727	131,602,195	8,761,094	231,023,784	912,604,948
2022:					
Metrobus	1,147	36,331,203	3,595,310	79,512,639	251,623,377
Metrorail	998	53,126,512	2,302,036	76,077,714	404,715,396
MetroAccess	662	19,251,997	1,670,819	1,307,178	13,699,189
Total	2,807	108,709,712	7,568,165	156,897,531	670,037,962
2021:					
Metrobus	1,010	29,213,222	2,914,017	52,325,667	162,783,718
Metrorail	998	72,843,843	3,142,911	36,550,201	199,671,853
MetroAccess	720	14,179,483	1,391,435	1,064,502	8,775,801
Total	2,728	116,236,548	7,448,363	89,940,370	371,231,372
2020:					
Metrobus	1,278	31,622,828	3,182,178	97,210,648	275,963,172
Metrorail	998	78,847,615	3,421,264	174,540,714	985,922,295
MetroAccess	1,028	17,366,054	1,787,230	1,794,584	20,342,876
Total	3,304	127,836,497	8,390,672	273,545,946	1,282,228,343
2019:					
Metrobus	1,379	37,413,280	3,784,849	123,333,115	367,558,782
Metrorail	920	85,106,645	3,667,616	228,974,810	1,313,511,151
MetroAccess	1,092	21,969,382	2,214,347	2,348,324	24,377,770
Total	3,391	144,489,307	9,666,812	354,656,249	1,705,447,703
2018:					
Metrobus	1,278	37,061,070	3,767,231	119,681,096	366,498,831
Metrorail	888	81,751,483	3,537,625	229,233,254	1,314,002,629
MetroAccess	973	22,414,842	2,220,627	2,384,612	25,618,933
Total	3,139	141,227,395	9,525,483	351,298,962	1,706,120,393

Operating Indicators
Last Ten Fiscal Years

Exhibit 21
(concluded)

Fiscal Year	Vehicles Operated In Maximum Service[1]	Annual Vehicle Revenue Miles[2]	Annual Vehicle Revenue Hours[3]	Annual Unlinked Passenger Trips[4]	Annual Passenger Miles Traveled[5]
2017:					
Metrobus	1,290	40,026,923	3,949,021	123,124,352	369,020,804
Metrorail	954	78,379,605	3,208,614	227,053,037	1,326,262,650
MetroAccess	885	21,330,012	2,037,988	2,368,549	22,768,393
Total	3,129	139,736,540	9,195,623	352,545,938	1,718,051,847
2016:					
Metrobus	1,301	39,363,678	3,878,258	127,687,553	399,016,612
Metrorail	954	77,967,424	3,169,676	249,173,213	1,475,685,198
MetroAccess	919	20,734,461	1,988,992	2,281,047	18,903,138
Total	3,174	138,065,563	9,036,926	379,141,813	1,893,604,948
2015:					
Metrobus	1,300	38,258,564	3,867,179	132,870,013	421,925,287
Metrorail	954	85,523,746	3,424,083	270,162,145	1,590,762,766
MetroAccess	902	20,644,376	1,952,356	2,235,295	18,062,120
Total	3,156	144,426,686	9,243,618	405,267,453	2,030,750,173
2014:					
Metrobus	1,294	39,158,562	3,788,792	134,407,528	425,698,966
Metrorail	878	74,078,897	3,020,971	269,529,019	1,519,705,315
MetroAccess	840	19,399,839	1,844,436	2,126,461	17,059,877
Total	3,012	132,637,298	8,654,199	406,063,008	1,962,464,158

1 Vehicles Operated in Maximum Service (VOMS) is the number of vehicles operated to meet the maximum service requirement during the month of service reports. VOMS excludes atypical days or one-time special events.

2 Vehicle Revenue Miles is the number of miles that vehicles are scheduled to or actually travel while in revenue service.

3 Vehicle Revenue Hours is the number of hours that vehicles are scheduled to or actually travel while in revenue service.

4 Unlinked Passenger Trips is the number of boardings on public transportation vehicles during the fiscal year.

5 Passenger Miles Traveled is the cumulative sum of the distances ridden by each passenger.

Source: National Transit Database. Fiscal year 2023 data is based on preliminary information available. Data for fiscal years 2022 and prior are final reported results.

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System Map

metro

wmata.com
Information: 202-637-7000 | TTY: 202-962-2033
Metro Transit Police: 202-962-2121 | Text: MYMTPD (696873)

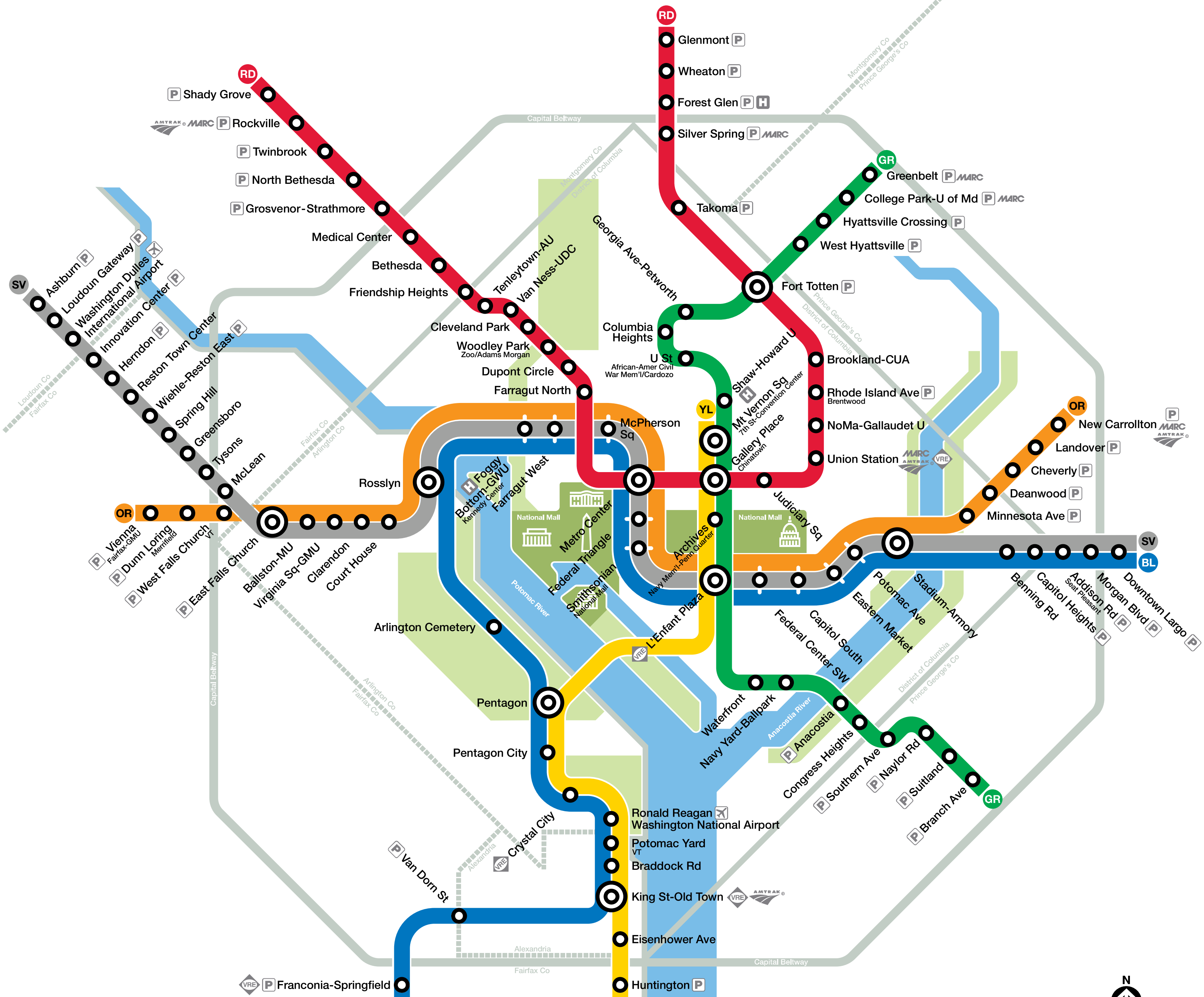
Legend

- RD **Red Line** • Glenmont / Shady Grove
- OR **Orange Line** • New Carrollton / Vienna
- BL **Blue Line** • Franconia-Springfield / Downtown Largo
- GR **Green Line** • Branch Ave / Greenbelt
- YL **Yellow Line** • Huntington / Mt Vernon Sq
- SV **Silver Line** • Ashburn / Downtown Largo

Station Features
- P Parking
- H Hospital
- Airport

Connecting Rail Systems
AMTRAK VRE MARC

Transfer Station
Station in Service



♿ Metro is accessible.

No Smoking
No Eating or Drinking
No Animals (except service animals)
No Audio (without earphones)
No Littering or Spitting
No Dangerous or Flammable Items

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