METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2023 / Atlanta, Georgia

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2023

Atlanta, Georgia

Prepared by the Office of Accounting

Kevin Hurley, Interim Chief Financial Officer

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INTRODUCTION

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November 23, 2023

2424 Piedmont Rd., N.E.
Atlanta, GA 30324-3330
404-848-5000

To the Board of Directors, the Residents and Stakeholders
of the Metropolitan Atlanta Rapid Transit Authority-Service Area:

We are pleased to respectfully submit the 30th Annual Comprehensive Financial Report (ACFR) for the Metropolitan Atlanta Rapid Transit Authority (MARTA) for the fiscal year ended June 30, 2023 to the MARTA Board of Directors, the 2.2 million residents of our partner jurisdictions and all interested in our financial condition. MARTA is a public body corporate and joint public instrumentality of the City of Atlanta and the counties of Fulton, DeKalb, Cobb, Clayton, and Gwinnett by action of the General Assembly of the State of Georgia for the purposes of planning, constructing, financing, and operating a public transportation system. This report is published to fulfill the financial reporting requirements of the MARTA Act.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MARTA for its ACFR for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

This endeavor is our continued commitment to MARTA's Standard of Excellence, and this report consists of management's representations concerning the financial position of MARTA. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of MARTA has established a comprehensive internal control framework that is designed both to protect MARTA's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of MARTA's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, MARTA'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. As management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects. Overall, the ACFR is presented in four sections: introductory, financial, statistical, and single audit.

The goal of an independent audit is to provide reasonable assurance that the financial statements of MARTA for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and any significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion and that MARTA's financial statements for the fiscal year ended June 30, 2023, are presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

MARTA is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Information related to this single audit is included in the Single Audit Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A which can be found immediately following the report of the independent auditors in the Financial Section of this report.

ORGANIZATION AND MANAGEMENT

The governance of MARTA is vested in a Board of Directors (the Board) composed of 13 voting members and two non-voting members. Three members are appointed by Fulton County, four members by DeKalb County, two members by Clayton County, three members by the City of Atlanta and one member by the Governor. In addition, the Commissioner of the State Department of Transportation, and the Executive Director of the Georgia Regional Transportation (non-voting) Authority serve as ex officio members of the Board.

The administration of MARTA is directed by the General Manager/CEO who is appointed by the Board. A listing of the members of the Board of Directors, General Manager/CEO and Executive Staff is presented in the Introductory Section. An organizational chart is also included.

THE RAPID TRANSIT SYSTEM

The Metropolitan Rapid Transit Plan (the Plan), an engineering report summarizing the Comprehensive Transit Plan for the Atlanta Metropolitan Area, was adopted by the MARTA Board on August 9, 1971, and structured the development of the Rapid Rail System (System). The major components of the System, as presently described in the Plan, are a fixed-rail system and a bus system providing both local and express bus services.

Heavy Rail

MARTA's rail system consists of 47.6 miles of operational double track and 38 fully functioning stations. The fixed heavy rail system, which consists of steel-wheel trains, operates at speeds up to 70 M.P.H. on steel rails using an electrified "third rail" as the power source. The heavy rail transit system has 274 air-conditioned vehicles operating as any combination of two vehicle married pairs, up to a maximum of eight vehicle. The rail system has lines running in east-west and north-south directions. The main lines intersect at the Five Points Station, located in Atlanta's Downtown Business District. Currently, the active fleet consists of 80 CQ312 BREDA vehicles, 114 CQ311 Hitachi vehicles and 80 CQ310 Franco Belge vehicles.

Light Rail

The streetcar system became operational December 30, 2014 under the management and operation of the City of Atlanta. MARTA acquired ownership and operation of the streetcar system July 1, 2018.

The streetcar system is the first regular passenger streetcar service in Atlanta since the original Atlanta streetcars were phased out in 1949.

The current operating route of the system is referred to as the Downtown Loop and is considered Phase 1 of the streetcar project; there are plans to expand the streetcar system onto the Beltline surrounding central Atlanta.

The Downtown Loop runs 2.7 miles east-west, serving 12 stops. The route provides access to MARTA heavy rail lines at one of its major downtown stations, Peachtree Center Station. The streetcar system uses Siemens S70 light rail vehicles (LRVs), which is powered by 750 direct current (DC) from the Overhead Contact System (OCS).

Bus

The Atlanta Transit System, Inc., a privately-owned bus company, was acquired in February 1972, by MARTA to provide extensive bus transportation services throughout Fulton and DeKalb and a small portion of Cobb, Clayton, and Gwinnett Counties. Currently, MARTA operates only in Fulton, Dekalb, Clayton, the city of Atlanta, and one route into Cobb County.

MARTA's bus fleet and facilities consists of 567 diesel and compressed natural gas buses; a heavy maintenance facility and three operating garages; several park-and-ride lots and an extensive system of patron bus shelters and stops. MARTA operates 113 different bus routes providing approximately 27 million annual vehicle miles.

Mobility

MARTA Mobility is for persons with disabilities who are unable to negotiate the MARTA fixed route system for some or all of their travel. Passengers must be certified as eligible through a two-part application (client and health care provider) and an in-person functional assessment. Trips can be delivered curb-to-curb within ¾ mile of MARTA fixed route service in Clayton, DeKalb, and Fulton counties as well as the City of Atlanta.

Mobility services outside of the MARTA service area will be governed by intergovernmental agreement and adhere to federal guidelines.

MARTA maintains a fleet size of 237 lift-equipped vans, 25 ramp equipped vans and 15 ambulatory only vehicles. There are 2 designated operating facilities to provide this service, which is offered during the same hours and days as the regular bus and rail service. This service is managed under contract by two (2) contract service providers: A National and Transdev; MARTA provides oversight

Budget

MARTA adopts its Operating and Capital Budget in June of each year. Once adopted, total budgeted revenues and/or expenses cannot change. Budgets are allocated to monthly spending levels and a monthly Budget Performance Report is prepared. The monthly Budget Performance Report analyzes expenditures by office relative to monthly and total budgets, and revenues anticipated for the reporting period. For fiscal year 2023, the Authority had an approved budget of $1.3 billion with $587.6 million allocated to operating expenses and $717 million allocated to the capital improvement program and debt service expenses.

FINANCIAL RESULTS

In fiscal year 2023, MARTA's total net position was $1.66 billion. Net position increased by $123 million from the previous fiscal year when net position was $1.53 billion. Details to all financial results can be found in the accompanying Management's Discussion and Analysis, financial statements, and associated notes

REGIONAL AND STATE OUTLOOK

Throughout fiscal year 2023, ridership continued to recover from the COVID-19 pandemic, with effects still being felt in workforce development and subsequent service delivery. Major events were again held, and MARTA service delivered in those moments, including concert tours by Janet Jackson, Taylor Swift and Beyoncé, as well as major sporting events including Atlanta United, and the Atlanta Hawks and Falcons.

MARTA hosted "peer city" tours for officials in DeKalb and Clayton counties to explore in depth funding, governance and how different modes of transit serve levels of density and impact economic development. Clayton officials unanimously supported a pivot from a commuter rail corridor to bus rapid transit in the State Route 54 corridor. DeKalb County officials were less decisive, but the public conversation continued about the South DeKalb Transit Initiative. MARTA worked with City of Atlanta leaders to re-sequence the More MARTA Atlanta program to focus on the delivery of nine priority projects by 2028.

MARTA was awarded a $25M RAISE grant to support the Five Points Station Transformation and a $19.3M grant for low and no emission vehicles along with earmarks of $3M for Safe Routes to Transit and $1M each for Stonecrest and Clayton Justice Center Transit Hubs.

MARTA continued to strengthen its relationship with the State of Georgia in fiscal year 2023 with the investment of $5.5M in Airport Station rehabilitation from the Georgia Transit Trust Fund.

DEBT ADMINISTRATION

As of June 30, 2023, MARTA had a total of $2.2 billion bonds outstanding and issued under one debt indenture. To be in compliance with the bond trust indentures, MARTA's estimated sales tax receipts must be at least twice the total debt service. The debt coverage ratio for fiscal year 2023 was 5.02. MARTA's Board has placed an additional restriction on the debt service coverage requirement, limiting the maximum estimated annual debt service to no more than 45% of the corresponding year's estimated sale tax receipts. The debt service percentage for fiscal year 2023 was 19.9%.

MAJOR INITIATIVES

Fiscal Year 2023 Strategic Initiatives

Fiscal year 2023 Strategic initiatives focused on meeting the challenges of worker shortages and attracting customers back to ride the transit network.

Additional Positions – 75 additional positions were funded in the fiscal year 2023 Budget, with nearly half of these added in the restructured Division of Capital Programs Expansion and Innovation. The new positions focused on completing projects under contract or in the late stage of procurement. In addition, the new positions focused on:

- Service policy directives
- Bus and mobility fleet requirements
- Rail fleet requirements
- Prioritizing safety, security and regulatory concerns for critical assets
- Service enhancement projects
- Other system expansion and system enhancement efforts

Thirty additional positions were approved to support operations on enhancing cleaning in MARTA facilities. The remaining new positions support customer service in various departments. These personnel increases were coupled with a 6% across-the-board vacancy savings to offset the overall increase in salaries and wages. Like most industries, MARTA is faced with a worker shortage, especially operators. The Authority hosts job fairs, offer hiring bonuses, and internships to aggressively recruit, hire, and train employees.

Stable Fares – no fare increases are programmed, and fares will remain unchanged, at the same level since the last fare increase in 2011.

- The current MARTA fare is $2.50 for a one-way trip and $1 for Streetcar
- Children 46 inches tall and under can ride MARTA or the Atlanta Streetcar for free
- Riders who are 65 or older, who have a Medicare card, or who have a medical or mental disability pay a reduced fare of $1
- Riders who qualify for our MARTA Mobility service and use their MARTA Mobility Photo ID Card can receive discounted fares when purchasing multiple rides
- Special Fare programs offer group, university, and partnership/employer discounts
- All MARTA fares must be purchased with a Breeze card or Breeze ticket. Breeze cards are $2 and may be reloaded for up to 3 years, whereas Breeze tickets are $1 for single use only

MARTAConnect - Fiscal year 2023 saw the continuation of MARTAConnect. This partnership between MARTA and the demand ride services Uber and Lyft provides our customers options for their transportation needs when regular MARTA service is disrupted. The program offers on-demand, app-based rides for customers at a discounted price during specific planned and unplanned rail service disruptions that require supplemental bus transportation. Customers are responsible for any cost beyond the value of the discount.

MARTA Reach – MARTA is also excited to see the results of a pilot program to offer its own demand service. MARTA and Georgia Tech are partnering on a 6-month pilot of a new on-demand rideshare service, known as MARTA Reach, to connect riders in the region to MARTA bus and rail service. This pilot will test how on-demand shuttles make it easier and faster for riders to get to and from destinations using MARTA. As MARTA explores new options with our NextGen Bus project, we will use this pilot to learn how on-demand service can supplement and expand the reach of buses and trains. MARTA Reach will work with our existing services and minimize waiting and walking.

Advisory Council - MARTA has selected its next Riders' Advisory Council (RAC), the all-volunteer body dedicated to helping improve the transit experience for customers.

The new, 30-member council is composed of people drawn from MARTA's service area – the City of Atlanta, DeKalb, Fulton and Clayton counties. RAC members do not vote and serve for two years; MARTA employees, contractors, and elected officials are ineligible. RAC members were selected after an open application process based on criteria including ridership habits, commuting experiences, and community involvement. The RAC's composition intentionally reflects the demographic diversity of the region's fast-growing population.

"MARTA's success depends on responding to and anticipating our customers' needs and expectations whenever they are using our service," said MARTA Interim General Manager and CEO Collie Greenwood. "The Riders' Advisory Council gives us direct input from customers who are collaborating constructively to make us better. That's invaluable."

MARTA's Chief Customer Experience Officer oversees the RAC in a role that was created to transform the agency's business practices and to sharpen its focus on customer-facing initiatives.

RAC members meet monthly and learn about the inner workings of the transit system while offering their viewpoints on potential customer impacts of projects including realignment of MARTA's bus network, station enhancements, the new railcar fleet, enhanced customer communications, an upgraded fare collection system and the rollout of digital signage. The group also takes field trips to key MARTA facilities including bus garages and railyards.

The inaugural group of RAC members seated in 2020 successfully completed their terms in May 2022 after providing meaningful input to MARTA on a wide range of topics. Former RAC members are encouraged to continue playing a role in advancing MARTA's ongoing customer experience journey.

CAPITAL PLAN PRIORITIES AND ISSUES

MARTA continues to invest in capital improvement projects that preserve its capability for high-quality service delivery over a ten-year range. The long-range CIP consists of a portfolio of programs and projects organized by the major asset categories adapted from the Federal Transit Administration's (FTA) asset management guidelines. The categories include vehicles; facilities and stations; maintenance of way; systems; and non-asset.

Each of these categories includes a number of on-going programs and each program may contain one or more projects.

Due to funding and manpower constraints, MARTA focuses on safety critical, operations critical and state of good repair projects. The CIP categories are depicted below, followed by a description of each of the categories.

I. Vehicles

The vehicles category includes the acquisition and enhancement of vehicles and supporting systems required for MARTA operations. The programs within the vehicle's category include:

- Bus vehicle procurement and enhancement
- Rail vehicle procurement and enhancement
- Paratransit vehicles
- Non-revenue vehicles

II. Facilities & Stations

The facilities and stations asset category include program areas which support design, development, preservation, and rehabilitation of various MARTA facilities. Programs in the facilities and stations asset category include:

- Rail facilities and equipment
- Bus facilities and equipment
- Buildings/ offices and equipment
- Parking lots and parking decks
- Paving, structures, and drainage
- Roofing and skylights
- Underground storage tanks

III. Maintenance of Way

The maintenance of way asset category includes the design, development, and rehabilitation of railroad track infrastructure. Program areas within this asset category include:

- Track maintenance and replacement
- Track structures
- Work equipment

IV. Systems

The systems asset category includes the design, development, implementation, and major enhancement of various systems which support MARTA operations. Program areas within the systems asset category include:

- Revenue collection
- Automatic train control
- Normal, emergency, and standby power systems
- Communications
- Lighting
- Security
- Tunnel ventilation
- Traction Power
- Emergency Tr4ip System (ETS)
- Fire protection

V. Other

This investment category pertains to non-asset-based projects and programs that expand, enhance and support MARTA's operation as well as support the Atlanta Region.

- Transit Oriented Development
- Transit Planning
- Research and Analysis
- Safety Management Systems
- Environmental and Hazard Mitigation
- Performance Management
- Customer Service
- Design Criteria/Standards
- CIP Planning & Controls
- Asset Management

AWARD

MARTA received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2022 Annual Comprehensive Financial Report.

ACKNOWLEDGEMENTS

Special thanks go to the Office of Accounting without whom this report could not have been completed, and all MARTA staff who assisted in this endeavor.

Sincerely,

Kevin Hurley

Kevin Hurley
Interim Chief Financial Officer

Collie Greenwood

Collie Greenwood
General Manager/Chief Executive Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Metropolitan Atlanta Rapid Transit Authority
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Board of Directors

Officers

W. Thomas Worthy
CHAIR

Kathryn Powers
VICE CHAIR

Rita A. Scott
IMMEDIATE PAST CHAIR

Roderick Frierson
TREASURER

J. Al Pond
SECRETARY

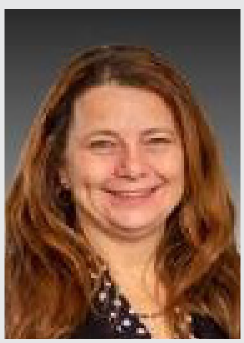
Directors

Stacy Blakley

Jim Durrett

William F. Floyd

Freda B. Hardage



Jennifer Ide

Sagirah Jones

Jacob Tzegaegbe

Valencia Williamson

Ex-Officio

Russell McMurry, PE

Jannine Miller

Collie J. Greenwood
GENERAL MANAGER

GM & Executive Staff

GENERAL MANAGER/CEO
Collie J. Greenwood

CHIEF LEGAL COUNSEL
Peter Andrews

CHIEF CAPITAL OFFICER
Carrie Rocha

CHIEF ADMINISTRATION OFFICER
Luz Borrero

CHIEF OF STAFF
Melissa Mullinax

CHIEF FINANCIAL OFFICER
Raj Srinath

CHIEF CUSTOMER EXPERIENCE OFFICER
Rhonda Allen

CHIEF SAFETY & QUALITY ASSURANCE
Ralph McKinney

CHIEF OPERATING OFFICER
George Wright

DEPUTY CHIEF SAFETY & QUALITY ASSURANCE
Gena Major

DEPUTY CHIEF FINANCIAL OFFICER
Kevin Hurley

DEPUTY CHIEF LEGAL COUNSEL
Johnathan Hunt

DEPUTY CHIEF MECHANICAL OPERATIONS
Daniel Hecht

AGM LABOR RELATIONS
LaShanda Dawkins

AGM RESEARCH & ANALYSIS
Robert Goodwin

AGM INFRASTRUCTURE
Larry Prescott

AGM OF CAPITAL PROGRAMS DELIVERY
Atousa Vali

AGM OF REAL ESTATE DEVELOPMENT & ASSET MANAGEMENT
Jacob Vallo

AGM EXTERNAL AFFAIRS
Colleen Kiernan

AGM/CHIEF OF POLICE & EMERGENCY MANAGEMENT
Michael Kreher

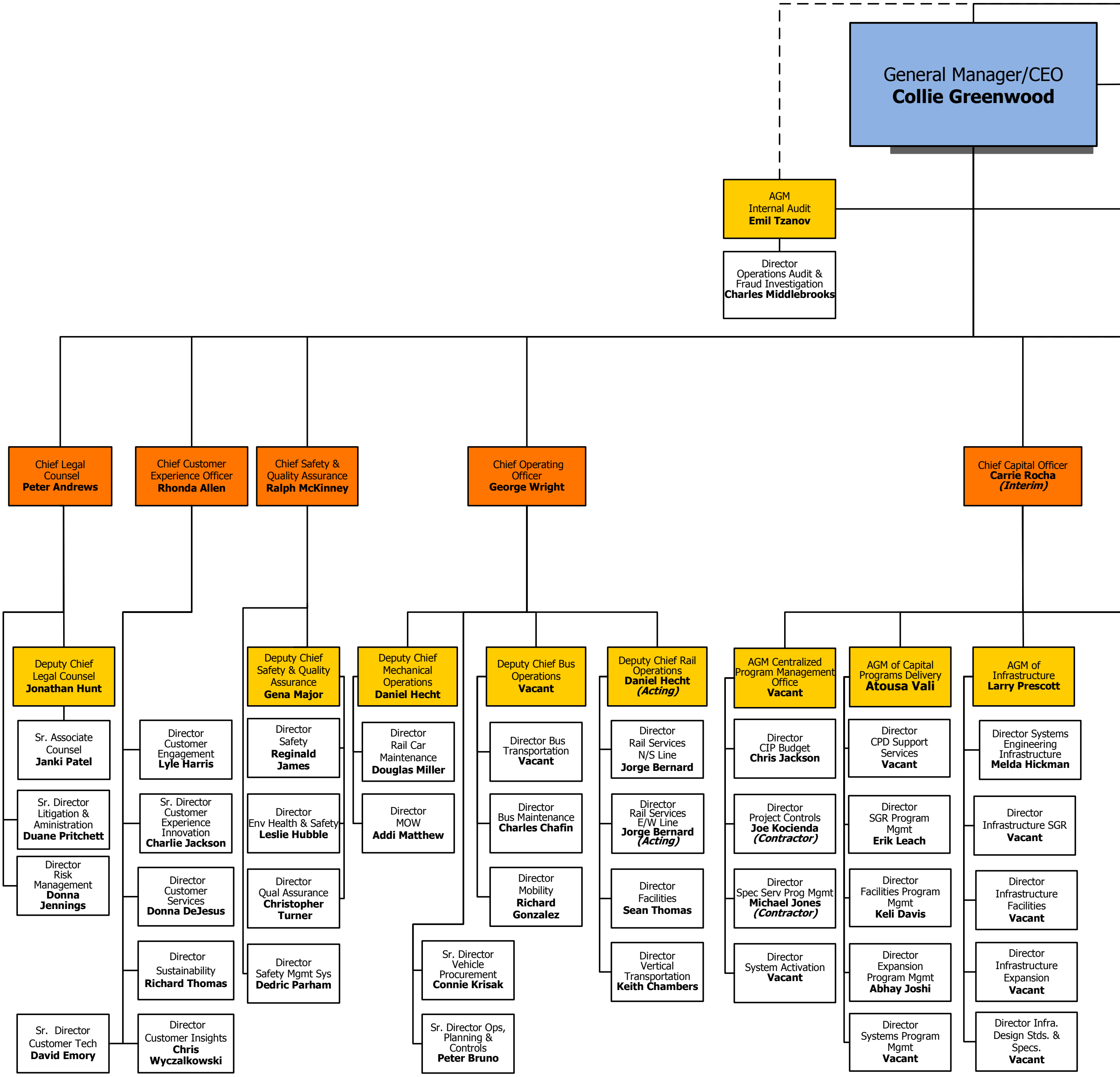
AGM INTERNAL AUDIT
Emil Tzanov

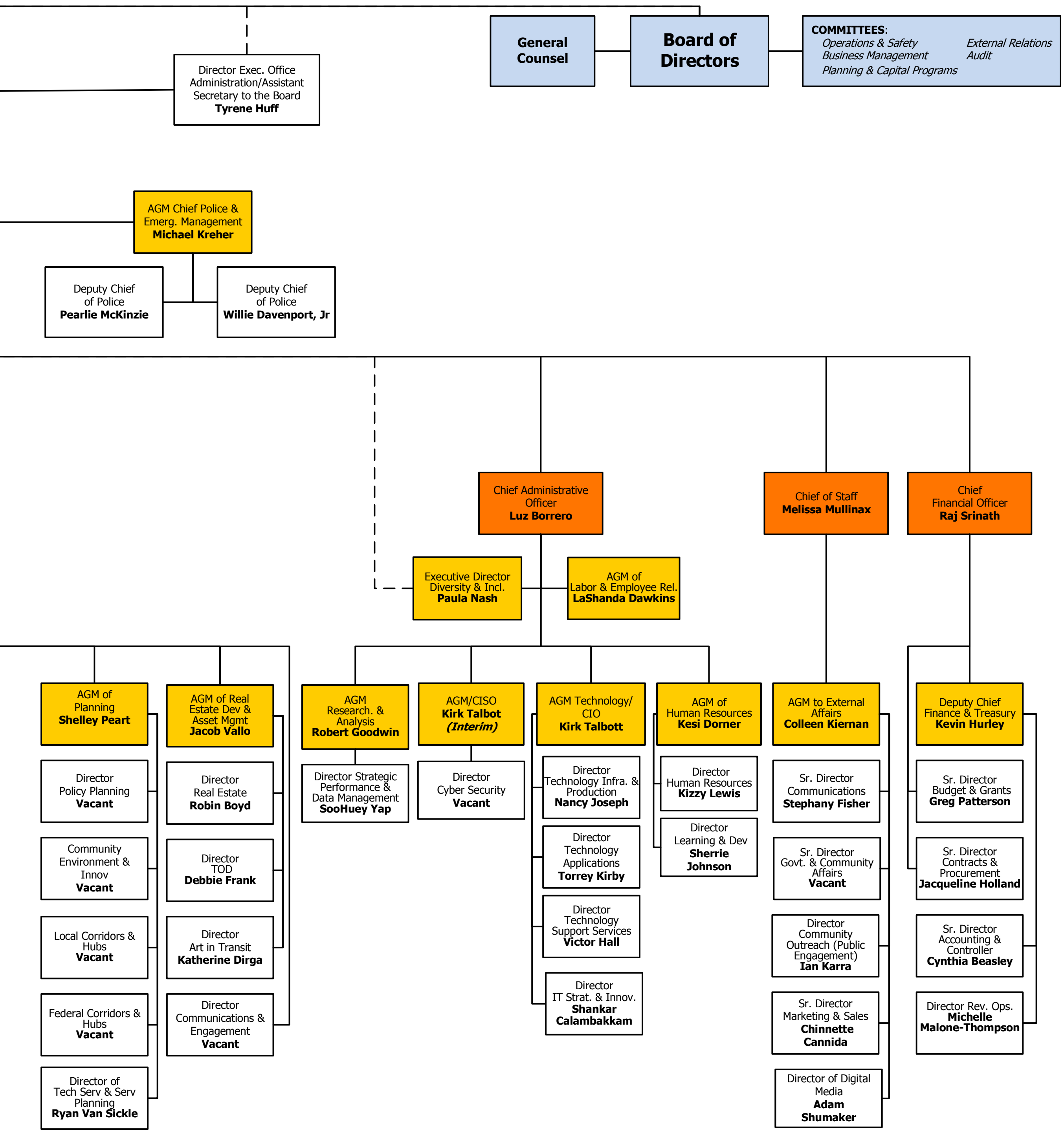
AGM TECHNOLOGY/CIO
Kirk Talbott

AGM PLANNING
Shelley Peart

AGM HUMAN RESOURCES
Kesi Dorner

AS OF 6/30/2023


General Manager/CEO
Collie Greenwood
AGM Internal Audit Emil Tzanov
Director Operations Audit & Fraud Investigation Charles Middlebrooks
Chief Legal Counsel Peter Andrews
Chief Customer Experience Officer Rhonda Allen
Chief Safety & Quality Assurance Ralph McKinney
Chief Operating Officer George Wright
Chief Capital Officer Carrie Rocha (Interim)
Deputy Chief Legal Counsel Jonathan Hunt
Sr. Associate Counsel Janki Patel
Sr. Director Litigation & Aministration Duane Pritchett
Director Risk Management Donna Jennings
Sr. Director Customer Tech David Emory
Director Customer Engagement Lyle Harris
Sr. Director Customer Experience Innovation Charlie Jackson
Director Customer Services Donna DeJesus
Director Sustainability Richard Thomas
Director Customer Insights Chris Wyczalkowski
Deputy Chief Safety & Quality Assurance Gena Major
Director Safety Reginald James
Director Env Health & Safety Leslie Hubble
Director Qual Assurance Christopher Turner
Director Safety Mgmt Sys Dedric Parham
Deputy Chief Mechanical Operations Daniel Hecht
Director Rail Car Maintenance Douglas Miller
Director MOW Addi Matthew
Sr. Director Vehicle Procurement Connie Krisak
Sr. Director Ops, Planning & Controls Peter Bruno
Deputy Chief Bus Operations Vacant
Director Bus Transportation Vacant
Director Bus Maintenance Charles Chafin
Director Mobility Richard Gonzalez
Deputy Chief Rail Operations Daniel Hecht (Acting)
Director Rail Services N/S Line Jorge Bernard
Director Rail Services E/W Line Jorge Bernard (Acting)
Director Facilities Sean Thomas
Director Vertical Transportation Keith Chambers
AGM Centralized Program Management Office Vacant
Director CIP Budget Chris Jackson
Director Project Controls Joe Kocienda (Contractor)
Director Spec Serv Prog Mgmt Michael Jones (Contractor)
Director System Activation Vacant
AGM of Capital Programs Delivery Atousa Vali
Director CPD Support Services Vacant
Director SGR Program Mgmt Erik Leach
Director Facilities Program Mgmt Keli Davis
Director Expansion Program Mgmt Abhay Joshi
Director Systems Program Mgmt Vacant
AGM of Infrastructure Larry Prescott
Director Systems Engineering Infrastructure Melda Hickman
Director Infrastructure SGR Vacant
Director Infrastructure Facilities Vacant
Director Infrastructure Expansion Vacant
Director Infra. Design Stds. & Specs. Vacant



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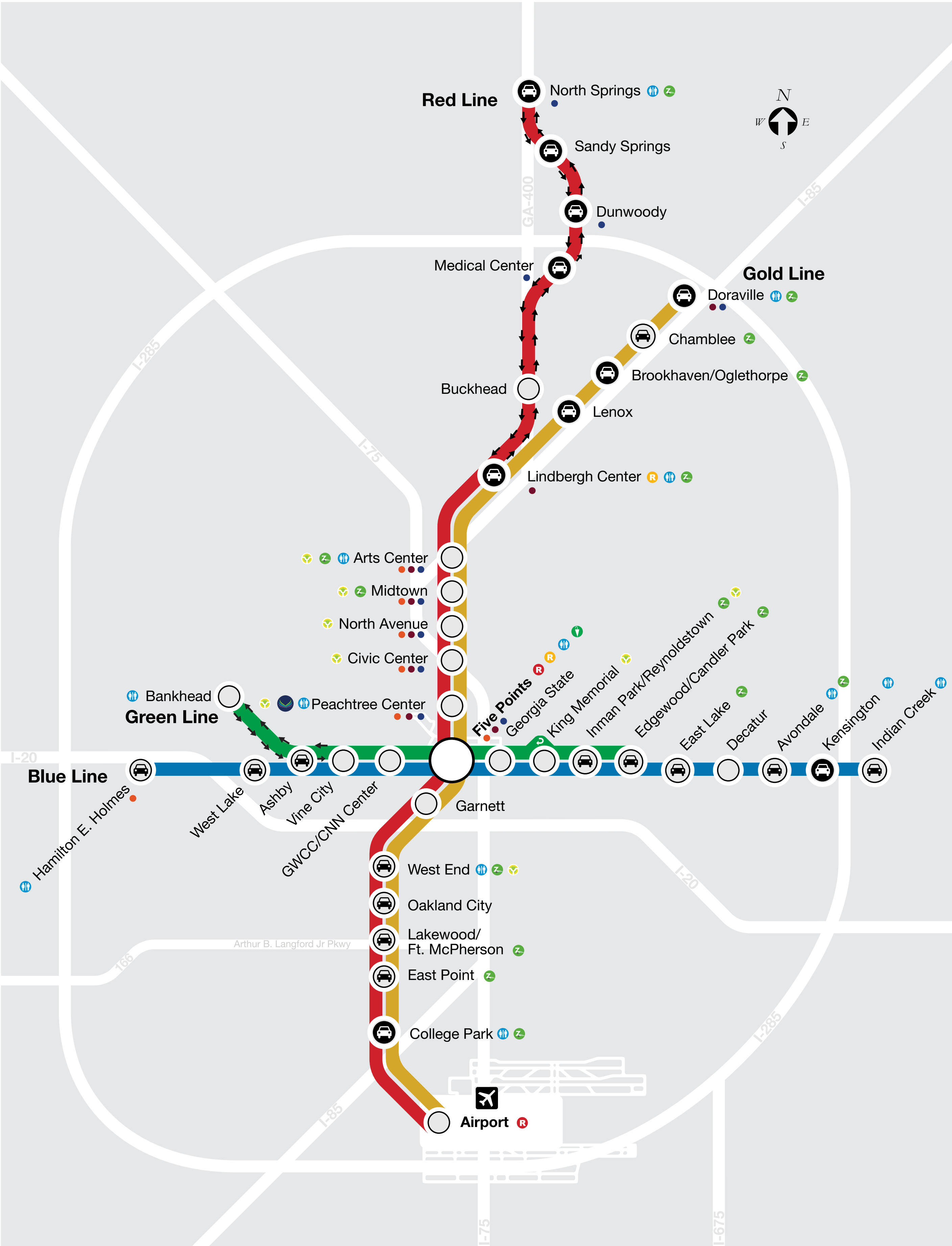
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Sandy Springs
Dunwoody
Medical Center
Buckhead
Lindbergh Center
Arts Center
Midtown
North Avenue
Civic Center
Peachtree Center
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West End
Oakland City
Lakewood/
Ft. McPherson
East Point
College Park
Airport
Gold Line
Doraville
Chamblee
Brookhaven/Oglethorpe
Lenox
Green Line
Bankhead
Blue Line
Hamilton E. Holmes
West Lake
Ashby
Vine City
GWCC/CNN Center
Georgia State
King Memorial
Inman Park/Reynoldstown
Edgewood/Candler Park
East Lake
Decatur
Avondale
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METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

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FINANCIAL

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Metropolitan Atlanta Rapid Transit Authority (MARTA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise MARTA’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of MARTA, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan, which represents 53% and 37%, respectively, of the assets and 53% and 37%, respectively, of the net position of the fiduciary activities as of June 30, 2022, and 70% and 50%, respectively, of the revenues of the fiduciary activities for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 MARTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan were not audited in accordance with *Government Auditing Standards.*

Emphasis of Matter

As discussed in Note 1 to the financial statements, MARTA has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. 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 MARTA's ability to continue as a going concern for twelve 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 MARTA'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 MARTA'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.

Prior-Year Comparative Information

We have previously audited MARTA's fiscal year 2022 financial statements, and we expressed unmodified opinions on the basic financial statements in our report dated November 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MARTA'S basic financial statements. The accompanying Combining Statement of Fiduciary Net Position, Combining Statement of Changes in Fiduciary Net Position, and Supplemental Schedule of Revenues and Expenses – Budget vs. Actual (Budget Basis) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining Statement of Fiduciary Net Position, Combining Statement of Changes in Fiduciary Net Position, and Supplemental Schedule of Revenues and Expenses – Budget vs. Actual (Budget Basis) are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 17, 2023 on our consideration of MARTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MARTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MARTA's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 17, 2023

As management of the Metropolitan Atlanta Rapid Transit Authority ("MARTA" or the "Authority"), we offer readers of MARTA's basic financial statements this narrative overview and analysis of the financial activities of MARTA for the fiscal years ended June 30, 2023 and 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

MARTA was formed as a joint public instrumentality of the city of Atlanta and the counties of Fulton, DeKalb, Cobb, Clayton, and Gwinnett by action of the General Assembly of the State of Georgia (the "MARTA Act") to design and implement a rapid transit system for the Atlanta metropolitan area. MARTA operates a bus, light rail and rapid rail transportation system and continues to develop and construct further improvements to its integrated bus/rail transportation system.

Overview of Financial Statements

MARTA's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). MARTA is structured as a single enterprise fund with revenues recognized when earned and measurable, not when they are received. Expenses are recognized when they are incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives. Many cash amounts are restricted for debt service and by state and federal regulations. See the Notes to the Financial Statements for a summary of MARTA's significant accounting policies.

Included in MARTA's financial statements are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, the related notes and required supplementary schedules.

- The **Statement of Net Position** presents information on all of MARTA's assets, liabilities, deferred outflows, and 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 whether the financial position of MARTA is improving or deteriorating.

- The **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing how MARTA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected sales taxes and earned but unused vacation leave).

- The **Statement of Cash Flows** allows financial statement users to assess MARTA's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

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

- **Required Supplementary Information (RSI).** In addition to the basic financial statements and accompanying notes, this report also presents certain RSI concerning the Authority’s defined benefit pension plans and other post employment benefit (OPEB) plan to its employees.

- The **Statement of Fiduciary Net Position** presents information on all assets, liabilities, deferred outflows, and inflows of resources, fiduciary net position of pension and other post employments benefits.

- The **Statement of Changes in Fiduciary Net Position** presents information on additions to and deductions from pension and other post employments benefits. The additions include investment earnings, investment costs and net investment earnings.

Financial Position Summary

Over time, net position may serve as a useful indicator of MARTA’s financial position. MARTA’s assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $1.66 billion at June 30, 2023, a $123 million increase from June 30, 2022 when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.53 billion. A more detailed discussion is found under the Financial Operations Highlights of this MD&A.

At June 30, 2023 and 2022, the largest portion of net position was net investment in capital assets representing 47% and 51% respectively. Net investment in capital assets includes land, rail system, buildings, transportation equipment, and right to use leased assets less any related outstanding debt used to acquire those assets. MARTA uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

The second largest portion of MARTA’s net position in fiscal years 2023 and 2022 was unrestricted assets representing 47% and 44%, respectively.

At the end of the current fiscal year, MARTA was able to report a positive balance in all categories of net position. Fiscal years 2022 and 2021 had positive balances in all categories of net position as well.

(Dollars in Thousands)

The following table presents a condensed summary of net position as of June 30, 2023 and 2022:

	2023	2022
ASSETS:		
Current and Other Assets	$1,531,827	$1,456,456
Capital Assets	3,049,922	3,083,652
Net Pension Assets	—	116,512
Total Assets	4,581,749	4,656,620
DEFERRED OUTFLOWS OF RESOURCES		
Hedging	1,484	111
Pension	128,535	23,584
OPEB	22,556	14,564
Debt Refunding	22,223	38,836
Total Deferred Outflows of Resources	174,798	77,095
Total Assets and Deferred Outflows of Resources	4,756,547	4,733,715
LIABILITIES:		
Long Term Debt	2,198,051	2,286,765
Current and Other Liabilities	333,954	310,255
Derivative Liability	1,484	111
Net Pension Liability	153,352	39,108
Net OPEB Liability	88,268	67,646
Total Liabilities	2,775,109	2,703,885
DEFERRED INFLOW OF RESOURCES		
Leases	297,630	325,259
Pension	9,580	132,347
OPEB	18,534	39,703
Total Deferred Inflows of Resources	325,744	497,309
Total Liabilities and Deferred Inflows of Resources	3,100,853	3,201,194
NET POSITION:		
Net Investment in Capital Assets	773,035	746,823
Restricted	102,326	107,728
Unrestricted	780,333	677,970
TOTAL NET POSITION	$ 1,655,694	$ 1,532,521

Current and other assets include cash, cash equivalents, investments, inventory, sales tax receivable, prepayments and restricted investments. Current and other assets increased by $75,371 (5%) in 2023. The increase is due to increase in cash and investments for the year. In 2022, there was an increase of $70,040 (5%) in this category.

Capital assets include land, rail systems, buildings, transportation equipment, right to use leased assets, and other capital assets. In 2023, there was a decrease in this category of $33,730 (1%) due to increase in accumulated depreciation and amortization. In 2022, there was an increase in capital assets of $24,692 (0.81%) which was due to an increase in land assets as the Authority purchased additional land for the Clayton County maintenance facility.

Net pension assets decreased by $116,512 (100%) to $0 in 2023 and instead reported a net pension liability for pension plans. In 2022, MARTA reported an increase in net pension assets of $47,205 (68%). Both decrease and increase in net pension asset is directly related to the performance of the pension fund investments in accordance with GASB 68.

Deferred outflows of resources pension increased in 2023 by $104,951 (445%) and increase by $845 (4%) in 2022. The increase in 2023 and 2022, respectively, were due to the net differences between the projected and actual investment earnings for the pension plans.

Long-term debt outstanding holds the long-term portion of outstanding sales tax revenue bonds, lease, financed purchase liability and other long-term liabilities. The outstanding sales tax revenue bonds decreased by $88,809 (4%) in 2023 due to payment of matured and defeased bonds and increased by $66,458 (3%) in 2022. The long-term debt also includes the lease and financed purchase liability which increased by $95 (0.14%) primarily due to the LILO accrued interest payable in 2023 and decreased by $304,359 (82%) in 2022 due to South Line LILO Termination.

Current and other liabilities include accounts payable, employee benefits, self-insurance, accrued interest, short-term maturities of financed purchase liabilities and other current liabilities. The liability increased by $23,699 (8%) in 2023 and decreased by $40,426 (12%) in 2022. The increase in 2023 was due to increase in accounts and contracts payable, salaries and employee benefits and self- insurance reserves while the decrease in 2022 was due to decrease in self-insurance reserves and accrued interest payable.

Net pension liability increased by $114,244 (292%) in 2023 and decreased by $28,559 (42%) in 2022. Both the increase and decrease in 2023 and 2022, respectively, were directly related to the performance of the pension fund investments in accordance with GASB 68.

Deferred inflow of resources – leases decreased by $27,629 (8%) in 2023 and increased by $313,073 (2569%) in 2022. The decrease in 2023 was due to a change in accounting estimate associated with the measurement of interest on GASB 87 leases. The increase in 2022 was due to the implementation and adoption of new accounting pronouncement, GASB 87, *Leases.*

Deferred inflow of resources – pension decreased by $122,767(93%) in 2023 and increased by $38,187(41%) in 2022. Both the decrease in 2023 and increase in 2022, respectively, were due to the net differences between the projected and actual investment earnings for the pension plans.

(Dollars in Thousands)

Financial Operations Highlights

Basis of Presentation - MARTA Act and Sales & Use Tax - MARTA is a single enterprise fund providing public transportation. MARTA provides direct benefits to its users as well as substantial indirect benefits to the public at large (e.g., decreased traffic congestion, decreased need for road construction and maintenance, decreased need for parking, decreased air pollution levels, and increased availability of transportation for low-income citizens). Therefore, the user charges are intended to finance only a portion of the cost of providing these services with additional proceeds obtained from the collections of sales and use tax under the Rapid Transit Contract and Assistance Agreement (MARTA Act) with the City of Atlanta and the counties of Fulton, DeKalb, and Clayton and from federal subsidies. The sales tax is levied at a rate of 1% for each of the counties and 1.5% for the City of Atlanta until June 30, 2057, and 0.5% thereafter. See Note 4 of the Notes to the Financial Statements.

The MARTA Act places certain requirements on the rates that MARTA can charge for transportation services provided. The rates charged to the public for transportation services must be such that the total transit related revenues are no less than 35% of the operating costs, exclusive of depreciation and amortization, and other costs and charges as provided in the Act, of the preceding or prior fiscal year.

Under provisions of amendments to the MARTA Act, revenues, except the sales and use tax, are included in transit related revenues for purposes of this calculation. Transit related revenues were 77.2% and 77.2% of operating costs of the previous fiscal year, as defined under the MARTA Act, for the years ended June 30, 2023 and 2022, respectively. Additional information on the basis of presentation, the MARTA Act, and sales & use tax can be found in Note 1 and Note 4, respectively.

Summary of Changes in Net Position - The following table presents the summary of changes in net position as of June 30, 2023 and 2022:

	2023	2022
Operating Revenues	$ 81,240	$ 71,960
Operating Expenses	839,589	724,630
Operating Loss	(758,349)	(652,670)
Non-operating Revenues	829,142	840,336
Capital Grants and Contributions	52,380	62,748
Increase (Decrease) in Net Position	$ 123,173	$ 250,414

In 2023, operating revenues increased by $9,280 and operating expenses increased by $114,959. The increase in operating revenue was due to an increase in passenger revenue as a result of increase in ridership after the prolonged impact of COVID-19. The majority of the increase in operating expenses was related to increases in all operating expenses categories except depreciation.The increase in expenses resulted in an overall increase in the operating loss of $105,679 from the previous year. In 2022, operating revenue increased by $14,953 and operating expenses decreased by $26,531, which resulted in an overall decrease in operating loss of $41,484.

Non-operating revenues decreased by $11,194 (1%) in 2023 and increased by $71,622 (9%) in 2022. The 2023 decrease was due to increase in sales tax revenue offset by a decrease in Federal revenue, while the 2022 increase was due to both sales tax revenue and CARES Act funding.

(Dollars in Thousands)

Capital grant and contributions decreased by $10,368 (17%) in 2023 compared to a increase of $2,560 (4%) in 2022.

The following table presents a summarized breakout of MARTA`s revenues, expenses and changes in net position as of June 30, 2023 and 2022:

Summary of Revenues	**2023**	**2022**
Operating		
Fare Revenues	$ 74,057	$ 64,951
Other Revenues	7,183	7,009
Total Operating Revenues	81,240	71,960
Non-Operating		
Sales and Use Tax	704,416	669,133
Ad Valorem Tax	33,467	33,453
Federal Revenues	215,904	249,769
Investment Income	22,415	12,168
Lease Revenues (Expenses)	—	(2,195)
Other Revenues	12,127	22,290
Gain/Loss on Sale of Property and Equipment	529	325
Total Non-operating Revenues	988,858	984,943
Total Revenues	1,070,098	1,056,903
Summary of Expenses		
Operating		
Transportation	275,265	227,844
Maintenance and Garage Operations	196,467	172,956
General and Administrative	117,707	72,126
Depreciation	250,150	251,704
Total Operating Expenses	839,589	724,630
Non-Operating		
Interest Expense	73,508	77,362
Amortization of Financing Related Charges and Income from Derivative Activity	768	(5,455)
Other Non-operating Expenses	85,440	72,700
Total Non-operating Expenses	159,716	144,607
Total Expenses	999,305	869,237
Income/(Loss) Before Capital Contributions	70,793	187,666
Capital Grants and Contributions	52,380	62,748
Increase (Decrease) in Net Position	123,173	250,414
Net Position, July 1	1,532,521	1,282,107
Net Position, June 30	$ 1,655,694	$ 1,532,521

Net position increased by $123,173 (8%) in 2023 primarily due to the fare revenues, sales and use tax and federal revenues. In 2022, net position increased by $252,156 (20%) primarily due to the receipt of federal funding, sales tax revenue, and the effect of GASB 87 restatement.

Total operating revenues include passenger revenues advertising, and parking fees. Total operating revenues increased by $9,280 (13%) in 2023 compared to a increase of $14,953 (26%) in 2022. The increase in 2023 was due to increases in passenger and other revenues.

Sales and use tax revenue increased by $35,283 (5%) in 2023 compared to an increase of $99,451(17%) in 2022. The 2023 increase was due to a rise in consumer spending on retail sales and the impact of inflation.

Lease expenses decreased by $2,195 (100%) in 2023 compared to an increase of $2,862 (429%) in 2022. The 2023 decrease was due to a decrease in LILO rail cars interest expense.

Gain/loss on sale of property and equipment increased by $204 (63%) in 2023 compared to a decrease of $254 (44%) in 2022. The 2023 increase was due to the increase in retirement of old equipment.

Transportation expenses increased by $47,421 (21%) in 2023 compared to a decrease of $2,523 (1%) in 2022. The 2023 increase was due to an increase in bus operations costs.

Administrative expenses increased by $45,581 (63%) in 2023 compared to a decrease of $21,677 (23%) in 2022. The 2023 increase was due to an increase in insurance and technology costs.

Maintenance and garage operation expenses increased by $23,511 (14%) in 2023 compared to a decrease of $4,580 (3%) in 2022. The 2023 increase was due to an increase in electric power and equipment and building and support equipment.

Interest expense decreased by $3,854 (5%) in 2023 due to the maturities and defeasement of bond debt. In 2022, there was a decrease $6,584 (8%) due to the maturities of some of the long term debt.

Amortization of bond related expenses decreased by $6,222 (114%) in 2023 compared to an increase of $1,156 (17%) in 2022.

Other non-operating expenses increased by $12,740 (18%) in 2023 compared to an increase of $10,889 (18%) in 2022 due to an increase in planning costs. The 2023 increase is due to local funded planning costs.

Capital Acquisitions and Construction Activities

In 2023, MARTA acquired $212,554 of capital assets. The expenditures on capital activity were primarily for the replacement, rehabilitation, and enhancement of facilities and equipment required to support transit operations, regulatory requirements, and system safety. The net increase/(decrease) in capital assets, including changes in accumulated depreciation and retirements, was ($33,730) and $24,692 during the years ended June 30, 2023 and 2022, respectively. Additional information on MARTA's debt and capital asset activity and commitments can be found in Notes 6 and 7 to the financial statements.

(Dollars in Thousands)

The following table summarizes MARTA's net investment in capital assets as of June 30, 2023 and 2022:

	2023	2022
Capital Assets, net	$ 3,049,922	$ 3,083,652
Capital Debt		
Current Maturities of Bonds and Notes	(59,480)	(67,050)
Non current Maturities of Bonds, Notes and LILO	(2,164,107)	(2,220,492)
ESCO Financed Purchase Liability	(29,548)	(31,591)
Unspent ESCO Escrow Cash	2,990	5,512
Deferred Outflows of Resources	22,223	38,836
Capital Assets Included in Accounts Payable	(45,715)	(28,197)
Lease Liability	(3,250)	(2,959)
Total Capital Related Debt	(2,276,887)	(2,305,941)
Net Investment in Capital Assets	$ 773,035	$ 777,712

Long-Term Debt Administration

MARTA issues Sales and Use Tax Revenue Bonds and Variable Rate Bonds to raise capital funds for construction, expansion, and rehabilitation of the transit system. The bonds and notes are payable from and secured by lien on sales and use tax and title ad valorem tax receipts.

The Fixed and Variable rate Bonds carry debt ratings of Aa2 by Moody's Investors Service, AAA by Standard & Poor's and AA- from Fitch Rating Service and AAA from Kroll. MARTA's total bond debt outstanding was $2,191,163 and $2,287,542 as of June 30, 2023 and 2022, respectively. In 2023, MARTA issued refunding green bonds Series 2023A in the amount of $65,025 to refund portion of Bonds Series 2020B and Bonds Series 2021D in the amount of $87,390 and issued new green bonds Series 2023B in the amount of $112,505. MARTA also legally defeased Bonds Series 2007A in the amount of $127,260. Additional information on MARTA`s long term debt can be found in Note 7 to the financial statements.

Economic Factors

The US Economy (GDP) was up to 2.4% in the second quarter and 2.3% in the third quarter of 2023. Consumption increased 1.6% in the second quarter and 2.4% in the third. Consumption growth experienced an increase in the second half of 2023 due to an increase in real disposable income and demand in the purchases of services and goods. Investments have declined from 7.7% to 0.8% in the second and third quarters, respectively. The federal funds rate has been trending upwards from 5% in the second quarter of the year to 5.3% in the third quarter of 2023.

Nation-wide, the unemployment rate was 3.6% in the second quarter of 2023 and stayed at 3.6% in the third quarter. The national cumulative change in jobs was at 4.3% compared to prior year. The Georgia cumulative change in jobs was much better than nationally at 4.5%. The average unemployment rate for both Georgia and Atlanta in 2022 was 3%. The State of Georgia had a personal income aggregate of $623.5B in 2022 seeing a growth of 3.5% over 2021. Atlanta had an aggregate of $404.8B in 2022 with a slightly higher growth of 4.2% over 2021.

Request for Information

This financial report is designed to provide a general overview of MARTA's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of Accounting, Metropolitan Atlanta Rapid Transit Authority, 2424 Piedmont Road NE, Atlanta, GA 30324-3330.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Net Position
June 30, 2023
(Dollars in Thousands)
(with summarized financial information as of June 30, 2022)

ASSETS	2023	2022
Current Assets:		
Cash and Cash Equivalents	$ 69,593	$ 46,147
Investments	821,744	732,150
Material and Supplies Inventories	39,924	38,451
Sales Tax Receivables, Prepayments and Other	89,559	101,252
Total Unrestricted Current Assets	1,020,820	918,000
Restricted Cash and Cash Equivalents	2,990	5,512
Restricted Investments	162,757	170,281
Lease Receivables	10,695	6,562
Total Restricted Current Assets	176,442	182,355
Total Current Assets	1,197,263	1,100,355
Noncurrent Assets:		
Restricted Investment held to pay Leases	32,424	30,889
Lease Receivables	284,948	308,811
Restricted Investment - Railroad Trust	9,668	9,676
Total Restricted Non Current Assets	327,040	349,376
Capital Assets:		
Land, Non-depreciable	600,469	591,113
Construction in Progress, Non-depreciable	416,148	384,509
Total Non-depreciable	1,016,617	975,622
Rail System and Buildings	4,242,285	4,154,179
Transportation Equipment	1,631,574	1,615,664
Other - Capital Assets	1,745,175	1,698,324
Total Depreciable /Amortizable	7,619,034	7,468,167
Less Accumulated Depreciation/Amortization	(5,585,729)	(5,360,137)
Capital Assets - Net	3,049,922	3,083,652
Other Bond Related Costs - Bond Insurance	—	155
Net Pension Asset	—	116,512
Other - Noncurrent Assets	7,524	6,570
Total Noncurrent Assets	3,384,486	3,556,265
Total Assets	4,581,749	4,656,620
DEFERRED OUTFLOWS OF RESOURCES		
Hedging	1,484	111
Pension	128,535	23,584
OPEB	22,556	14,564
Debt Refunding	22,223	38,836
Total Deferred Outflows of Resources	174,798	77,095
Total Assets and Deferred Outflows of Resources	$ 4,756,547	$ 4,733,715

The accompanying Notes to Financial Statements are an integral part of these statements.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Net Position
June 30, 2023
(Dollars in Thousands)
(with summarized financial information as of June 30, 2022)

LIABILITIES	2023	2022
Current Liabilities:		
Payable from NonRestricted Assets:		
Accounts and Contracts Payable	$ 136,231	$ 115,297
Salaries and Employee Benefits	32,894	27,224
Self-Insurance Accruals	20,705	18,798
Other Current Liabilities	10,535	7,655
Total Current Liabilities Payable from NonRestricted Assets	200,365	168,974
Payable from Restricted Assets:		
Current Maturities of Sales Tax Revenue Bonds	59,480	67,050
Accrued Interest	33,928	37,531
Current Maturities of Financed Purchase	2,043	2,006
Total Current Liabilities Payable from Restricted Assets	95,451	106,587
Total Current Liabilities	295,816	275,561
Noncurrent Liabilities:		
Sales Tax Revenue Bonds, Less Current Maturities, Unamortized Premium and Discount	2,131,583	2,220,392
Notes Payable	100	100
Noncurrent Self Insurance Accruals	38,139	34,694
Other Long-term Liabilities	36,819	34,682
Financed Purchase	29,548	31,591
Derivative Liability - Commodity Swap	1,484	111
Net Pension Liability	153,352	39,108
Net OPEB Liability	88,268	67,646
Total Noncurrent Liabilities	2,479,293	2,428,324
Total Liabilities	2,775,109	2,703,885
DEFERRED INFLOWS OF RESOURCES		
Leases	297,630	325,259
Pension	9,580	132,347
OPEB	18,534	39,703
Total Deferred Inflows of Resources	325,744	497,309
Total Liabilities and Deferred Inflows of Resources	3,100,853	3,201,194
NET POSITION		
Net Investment in Capital Assets	773,035	777,711
Restricted		
Debt Service	92,658	67,164
Capital Projects	9,668	9,676
Unrestricted	780,333	677,970
Total Net Position	1,655,694	1,532,521
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 4,756,547	$ 4,733,715

The accompanying Notes to Financial Statements are an integral part of these statements.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Revenues, Expenses
And Changes in Net Position
For the Year Ended June 30, 2023
(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2022)

	2023	2022
Operating Revenues:		
Fare Revenues	$ 74,057	$ 64,951
Other Revenues	7,183	7,009
Total Operating Revenues	81,240	71,960
Operating Expenses:		
Transportation	275,265	227,844
Maintenance and Garage Operations	196,467	172,956
General and Administrative	117,707	72,126
Depreciation and Amortization	250,150	251,704
Total Operating Expenses	839,589	724,630
Operating Loss	(758,349)	(652,670)
Nonoperating Revenues (Expenses):		
Sales and Use Tax	704,416	669,133
Ad Valorem Tax	33,467	33,453
Federal Revenues	215,904	249,769
Investment Income	22,415	12,168
Net Lease Transaction Activity	—	(2,195)
Other Revenues	12,127	22,290
Gain on Sale of Property and Equipment	529	325
Interest Expense	(73,508)	(77,362)
Amortization of Financing Related Charges	(768)	5,455
Other NonOperating Expenses	(85,440)	(72,700)
Total Nonoperating Revenues (Expenses)	829,142	840,336
Income/ (Loss) Before Capital Contributions	70,793	187,666
Capital Grants and Contributions	52,380	62,748
Net Position		
Increase /(Decrease) in Net Position	123,173	250,414
Net Position, July 1	$1,532,521	$1,282,107
Net Position, June 30	$1,655,694	$1,532,521

The accompanying Notes to Financial Statements are an integral part of these statements.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Cash Flows
For the Year Ended June 30, 2023

(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities:		
Cash Received from Providing Services	$ 70,155	$ 68,127
Cash Received from Other Sources	(5,344)	10,738
Other Non-Capital Receipts	11,721	11,507
Cash Paid to Suppliers	(269,800)	(277,512)
Cash Paid for Benefits on Behalf of Employees	(130,541)	(124,748)
Cash Paid to Employees	(234,480)	(222,658)
Net Cash Used by Operating Activities	(558,289)	(534,546)
Cash Flows From Noncapital Financing Activities:		
Sales and Use Tax Collections	705,828	664,645
Ad Valorem Tax	33,468	33,452
Federal Operating Subsidy	215,904	321,639
Other Non-Capital Receipts	11,721	11,507
Net Cash Provided by Noncapital Financing Activities	955,201	1,031,243
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Issuance of Notes	—	100
Principal Paid on Revenue Bonds	(80,693)	(69,678)
Interest Paid on Revenue Bonds	(76,915)	(81,110)
Capital Contributions	63,510	65,513
Acquisition and Construction of Capital Assets	(203,128)	(266,507)
Net Cash Used by Capital and Related Financing Activities	(297,226)	(351,358)
Cash Flows from Investing Activities:		
Purchases of Investments	(6,139,506)	(4,047,260)
Proceeds from Sales and Maturities of Investments	6,053,203	3,946,095
Interest Received on Investments	7,542	541
Net Cash Provided (Used) by Investing Activities	(78,761)	(100,624)
Net Increase (Decrease) in Cash and Cash Equivalents	20,925	33,208
Cash and Cash Equivalents, Beginning of Year	51,659	18,451
Cash and Cash Equivalents, End of Year	$ 72,583	$ 51,659
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating Loss	$ (758,349)	$ (652,670)
Other Nonoperating Expenses	(90,784)	(61,959)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	250,150	251,704
Changes in Assets and Liabilities:		
Materials and Supplies Inventories	(1,474)	(1,819)
Prepayments and Other	2,983	(2,534)
Deferred Outflows from Pension	(104,952)	(844)
Deferred Inflows from Pension	(122,767)	38,186
Accounts Payable and Other Current Liabilities	32,967	(26,362)
Other Non-Capital receipts	11,721	11,507
Net Pension Asset/Liability	230,756	(75,764)
Net Other Post-employment Benefits Liability	20,622	(44,255)
Deferred Outflows from OPEB	(7,992)	5,767
Deferred Inflows from OPEB	(21,170)	24,497
Net Cash Used by Operating Activities	$ (558,289)	$ (534,546)

The accompanying Notes to Financial Statements are an integral part of these statements.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Cash Flows
For the Year Ended June 30, 2023
(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2022)

Supplemental Disclosure of Cash Flow Information	2023	2022
Noncash Activities:		
Capital Assets Included in Accounts Payable	$ 45,715	$ 28,197
Construction in Progress Financed Purchase	6,139	38,818
Amortization of Bond Premium, Discount, Bond Insurance and Loss on Debt Refunding	768	(5,455)
Interest Earnings on Lease	(11,556)	(11,470)
Interest Accrued on Lease	1,535	1,533
Unrealized Loss of Investments	—	2,036
Increase(Decrease) in Fair Value of Investments	5,605	609
Proceeds from Bond Refunding to Defease Bonds	74,307	382,789
Amount paid for Defeased Bonds	(87,390)	(370,710)
Interest Expense - ESCO	954	1,011
Interest Income - ESCO	(69)	(5)

Summary of cash and cash equivalents reported on the Statement of Net Position:

Cash and cash equivalents	$ 69,593	$ 46,147
Restricted cash and cash equivalents	2,990	5,512
Total cash and cash equivalents reported on the Statement of Net Position	$ 72,583	$51,659

The accompanying Notes to Financial Statements are an integral part of these statements.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2022)

	2023 Pension and Other Employee Benefits	2022 Pension and Other Employee Benefits
ASSETS		
Receivables:		
Employee Contributions	$ 294	$ 279
Employer Contributions	916	824
Other Receivables	22	—
Due from Brokers	4,893	3,279
Accrued Investment Income	1,554	1,172
Total Receivables	7,679	5,554
Investments at Fair Value:		
Equities	479,048	558,514
Partnerships	12,838	18,340
Mutual Funds	334,567	429,237
Fixed Income	242,861	270,360
Real Estate Funds	27,520	26,241
Derivatives	49	77
Short- term Investments	18,114	29,188
Total Investments	1,114,997	1,331,957
Total Assets	$ 1,122,676	$ 1,337,511
LIABILITIES		
Accounts Payable	$ 556	$ 631
Due to Brokers	15,156	16,008
Total Liabilities	15,712	16,639
NET POSITION		
Restricted for:		
Pensions	993,768	1,222,042
Postemployment Benefits other than Pensions	113,196	98,830
Total Net Position	$ 1,106,964	$ 1,320,872
Total Liabilities and Net Position	$ 1,122,676	$ 1,337,511

The accompanying Notes to Financial Statements are an integral part of these statements.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023
(Dollars in Thousands)
(with summarized financial information for the year ended June 30 , 2022)

	2023 Pension and Other Employee Benefits	2022 Pension and Other Employee Benefits
ADDITIONS		
Contributions:		
Employee	$ 9,097	$ 9,385
Employer	31,886	40,107
Total Contributions	40,983	49,492
Investment Income		
Interest and Dividends	13,409	12,281
Net Increase (Decrease) in Fair Value of Investments	(173,816)	123,073
Real Estate Income	1,009	907
Securities Lending Income	77	43
Total Investment Earnings (Loss)	(159,321)	136,304
Less Investment Costs		
Investment Activity Costs	3,129	(3,152)
Securities Lending Costs	27	(15)
Net Investment Earnings (Loss)	(162,477)	133,137
Total Additions	(121,494)	182,629
DEDUCTIONS		
Benefits Paid to Participants or Beneficiaries	80,917	76,949
Medical, Dental, and Life Insurance for Retirees	10,266	13,039
Administrative Expenses	1,231	877
Total Deductions	92,414	90,865
Net increase in Fiduciary Net Position	(213,908)	91,764
NET POSITION RESTRICTED		
Net Position, July 1	1,320,872	1,229,108
Net Position, June 30	$ 1,106,964	$ 1,320,872

The accompanying Notes to Financial Statements are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Metropolitan Atlanta Rapid Transit Authority ("MARTA") was formed as a joint public instrumentality of the City of Atlanta and the counties of Fulton, DeKalb, Cobb, Clayton, and Gwinnett by action of the General Assembly of the State of Georgia (the "MARTA Act") to design and implement a rapid transit system for the Atlanta metropolitan area. MARTA operates a bus, light rail, and rapid rail transportation system and continues to develop and construct further improvements to its integrated bus/rail transportation system.

In order to measure the costs of providing mass transportation services, the revenues from those services and required subsidies, MARTA has adopted the accounting principles and methods appropriate for a governmental enterprise fund. This complies with the MARTA Act and Sales Tax Bond Trust Indenture legal requirements that all accounting systems and records, auditing procedures and standards, and financial reporting shall conform to generally accepted principles of governmental accounting.

The following is a summary of the more significant accounting policies of MARTA:

Reporting Entity - MARTA is a municipal corporation governed by a fifteen-member board of directors. As defined by the Governmental Accounting Standards Board ("GASB"), the financial reporting entity is comprised of the primary government and its component units. The primary government includes all departments and operations of MARTA, which are not legally separate organizations. Component units are legally separate organizations, which are fiscally dependent on MARTA or for which MARTA is financially accountable, or which raises and holds economic resources for the direct benefit of MARTA. An organization is fiscally dependent if it must receive MARTA's approval for its budget, levying of taxes, or issuance of debt. MARTA is financially accountable for an organization, most of the organization's board, and either a) could impose its will on the organization or b) there is the potential for the organization to provide a financial benefit to or impose a financial burden on MARTA. The reporting entity of MARTA consists solely of the primary government. MARTA has no component units.

MARTA is a jointly governed organization. Of its fifteen-member board, three members are appointed by Fulton County, four members by DeKalb County, two members by Clayton County, three members by the City of Atlanta, and one member by the Governor. In addition, the Commissioner of the State Department of Transportation and the Executive Director of the Georgia Regional Transportation Authority serve as *ex-officio* members of the Board. None of the participating governments appoint a majority of MARTA's Board and none have an ongoing financial interest or responsibility. None of the participating governments had any significant financial transactions with MARTA during fiscal year ended June 30, 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting - The accompanying basic financial statements are reported using the *economic resources measurement focus* on the *accrual basis of accounting*, under which revenues are recognized when earned and measurable and expenses are recognized when they are incurred, if measurable.

The financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with MARTA's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents - MARTA considers all highly liquid debt securities with an original maturity of no more than three months at date of purchase to be cash equivalents except repurchase agreements and restricted investments, which are classified as investments.

Investments - MARTA's investments are generally reported at fair value based on quoted market prices. Guaranteed investment contracts, which are considered non-participating, are reported at amortized cost. U.S. Treasury and Agency obligations and Prime Banker's Acceptances are reported at amortized cost if MARTA acquires them within one year of maturity. Repurchase agreements, FDIC Public funds, and certificates of deposit are reported at cost.

Investments Held to Pay Lease Obligations - To fund certain future obligations under capital leases resulting from various Lease-in/Lease-out ("LILO") transactions, MARTA has invested funds in government agency bonds and notes, and guaranteed investment contracts. The maturities of these investments have been tied to the payment dates identified in the underlying LILO agreements.

In addition, to fund obligations under the master lease purchase agreement with Pinnacle Public Finance, MARTA established an escrow account with the Bank of New York Mellon Trust Company to make payments for improvements listed in the referenced agreement.

Lease Receivables - MARTA is a lessor of several properties. The associated lease receivables are calculated at the present value of lease payments expected to be received over the term of the leases.

Derivative Financial Instruments - Derivative financial instruments are reported at fair value. A hedging derivative instrument significantly reduces financial risk by substantially offsetting the changes in cash flows or fair values of the item the derivative is associated with. The annual changes in the fair value of a hedging derivative instrument are reported as deferred inflows and deferred outflows on the Statements of Net Position if meeting the requirements of an effective hedge. Derivative instruments not designated as an accounting hedge are classified as an investment derivative.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in fair values of investment derivative instruments, including hedging derivative instruments that are determined to be ineffective, are reported as nonoperating revenues (expenses) on the Statements of Revenues, Expenses, and Changes in Net Position. See Note 9 for further information on these instruments.

Inventories - Materials (principally maintenance parts) and supplies inventories are stated at average cost and accounted for on the consumption method.

Capital Assets - Capital assets are carried at cost and depreciated using the straight-line method based on the estimated useful lives of the related assets, as follows:

Rail system and buildings	5 - 50 years
Transportation equipment	5 - 20 years
Other property and equipment	3 - 20 years
Right-to-use lease for rail system and buildings	5 - 15 years
Right-to-use lease for transportation equipment	5 - 15 years
Right-to-use lease for other property and equipment	5 - 15 years
SBITA (Subscription-Based IT Arrangements)	2 - 5 years

MARTA uses a five-thousand dollar capitalization threshold for its capital assets. Donated properties are reported at the estimated fair market value on the date donated. When assets are sold or retired, the cost of the asset and related accumulated depreciation is removed from the accounts and the resulting gain or loss, if any, is charged to non-operating revenue or expense.

Ordinary maintenance and repairs are charged to expense as incurred, while property additions and betterment are capitalized. MARTA capitalizes, as a cost of its constructed assets, the interest expense based upon the weighted average cost of borrowings of MARTA.

Deferred Outflows and Inflows of Resources - Deferred outflows of resources are a consumption of net assets by MARTA that is applicable to a future period and has a positive effect on net position like an asset.

Deferred inflows of resources are an acquisition of net assets by MARTA that is applicable to a future period and has a negative effect on net position like a liability.

Unearned Revenues - Included in Unearned Revenues is the remaining unamortized balance of the unearned amount from the lease agreement on Parking. The unearned lease payment is being amortized over the remaining lives of the lease on a straight-line basis. See Note 11 for further information.

Right to use Assets and Lease Liabilities - MARTA is a lessee on several contracts which resulted in the reporting of right to use assets and lease liabilities calculated at the present value of lease payments expected over the term of the lease and remeasured for any change in lease payment or lease modification. The lease liabilities are reduced as payments are made and interest expense is recognized for the period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Right to use SBITA Assets and Lease Liabilities - MARTA has contracts that convey control of the right to use another party's IT software alone or in combination with tangible capital assets, as specified in a contract over a period of time. The initial liability is measured as the present value of the total subscription payments during the term. The SBITA liabilities are reduced as the payments are made and interest expense is recognized for the given period.

Bond Proceeds, Premiums, Discounts, Issue Costs, and Losses on Refunding - Proceeds from the issuance of Sales Tax Revenue Bonds are initially deposited with the Bond Trustee in a Construction Fund as required by the Trust Indenture between MARTA and the Trustee. MARTA requisitions the funds as needed for construction of the transit system.

Bond premiums and discounts are amortized using the bond outstanding method, which is materially consistent with the effective interest method, over the term of the related debt. Losses on debt refunding are included in deferred outflows of resources and amortized over the shorter of the life of the refunded debt or the new debt, principally using the bond outstanding method. Debt issuance costs are fully expensed at issuance except for bond insurance costs which are amortized on a straight-line basis over the life of the related bond.

Fare Revenues - Passenger fares are recorded as revenue at the time of sales except for stored cash value, which is recorded at the time services are performed.

Subsidies, Grants and Contributions - MARTA receives grant funds from the Federal Transportation Administration ("FTA") for a substantial portion of its capital acquisitions. Assets acquired in connection with capital grant funds are included in capital assets. These grants generally require a local funding match by MARTA at a stipulated percentage of total project costs. Capital grant agreements with FTA provide for FTA holding a continuing interest in properties acquired and restricting the use of such properties to providing mass transportation services. MARTA reports donated capital assets as contributions. All donated capital assets along with grants for capital asset acquisition, facility development, and rehabilitation are reported in the Statements of Revenues, Expenses, and Changes in Net Position, after nonoperating revenues and expenses as Capital Grants and Contributions.

MARTA also receives grant funds from the FTA for operating assistance such as preventive maintenance. Grants for operating assistance are reported as Federal Revenues on the Statements of Revenues, Expenses and Changes in Net Position as part of the nonoperating revenues and expenses.

Coronavirus Response and Relief Supplemental Appropriations Act - Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed into law on December 27, 2020 which includes funding in supplemental appropriations for COVID-19 relief. This funding helps to support the transit industry during the COVID-19 public health emergency. The CRRSAA Act, through FTA formula funding provisions, provided MARTA with $33,525 of operating assistance, of which $101 was utilized in the current fiscal year.

Federal Transit Administration America Rescue Funds - The American Rescue Plan Act of 2021 (ARP), was signed into law on March 11, 2021 to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. ARP, through the FTA formula funding provisions, provided MARTA with $285,686 of operating assistance, of which the remaining $138,678 was utilized in the current fiscal year. Thus, all ARP funding has been exhausted.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position - Net position presents the difference between assets, liabilities, and deferred outflows/inflows of resources in the Statements of Net Position. Net position pertaining to investment in net capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position components are reported as restricted when there are legal limitations imposed on their use by laws or regulations of other governments or external restrictions by creditors or grantors. Unrestricted net position may be designated for specific purposes at the option of the MARTA Board of Directors. If restricted and unrestricted net positions are available for the same purpose, then the restricted position will be used before the unrestricted position.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of MARTA. Fiduciary funds are not reflected in the primary financial statements because the resources of those funds are not available to support projects or expenses owned or generated by MARTA, rather these funds are accounted for in separate financial statements. The financial statements that contain the fiduciary funds are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

The component units included in the fiduciary funds' statements are:

- MARTA/ATU Local 732 Employees Retirement Plan
- Non-Represented Pension Plan
- Other Post-Employment Benefits (OPEB) Plan

Budgetary Controls - An annual operating and capital budget is developed by MARTA's Management. After a public hearing the proposed budget is revised, if necessary, finalized and adopted by MARTA's Board of Directors.

The budget is prepared on the same basis of accounting as the financial statements except that depreciation, interest expense, gains (losses) on sale of property, unrealized gains (losses) on investments and other nonoperating expenses are not budgeted. Management control for the operating budget is maintained at the expenditure category levels. Management has flexibility of reprogramming funds with respect to a cost center and with an approval of budget staff if the total budget authorization is not exceeded. Capital expenditures are controlled at the budget line item.

Cost Allocation - MARTA allocates certain general and administrative expenses to transit operations and capitalizes certain of these expenses in construction in progress based on its cost allocation plan prepared in accordance with FTA guidelines. General and administrative expenses not allocable to either transit operations or construction in progress under FTA guidelines are reflected as nonoperating general and administrative expense in the accompanying Statements of Revenues, Expenses, and Changes in Net Position.

Operating Revenues and Expenses - Fare and parking revenue from transporting passengers, concessions, and advertising are reported as operating revenues. Transactions that are capital, financing, or investing related, or which cannot be attributed to MARTA's transportation focus, are reported as nonoperating revenues. All expenses related to operating the bus and rail system are reported as operating expenses. Interest expenses, financing costs, and planning costs are reported as nonoperating expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences **-** MARTA employees are granted annual paid time off and vacation in varying amounts. A liability is recognized for amounts of accrued annual paid time off and vacation leave and related benefits attributable to services already rendered and for which it is probable that compensation will be paid. A liability for accumulated unused sick leave is not recognized since it is not paid upon termination or retirement. Upon retirement, unused accumulated sick leave may be counted as credited service for pension benefit calculation purposes.

Adoption of New Accounting Pronouncements Effective for the Fiscal Year Ended June 30, 2023

GASB Statement No. 91, *Conduit Debt Obligation* ("GASB 91") *provides* guidance on reporting requirements for conduit debt obligations by issuers. This standard eliminates diversity in practice relating to commitments extended by issuers, arrangements associated with conduit debts and their notes disclosures. It clarifies the definition of conduit debts, establishes standards for accounting and financial reporting of additional commitment extended by issuers and improves note disclosures to users. There was no impact as a result of adopting this standard.

GASB Statement No. 94, *Public-Private* and *Public-Public Partnership* and *Availability Payment Arrangements* ("GASB 94") provides guidance on public-private and public-public partnership arrangements (PPPs), service concession arrangements (SCA) and availability payment arrangements (APAs). This statement defines PPPs, SCAs and APAs, establishes uniform guidance on accounting and financial reporting for transactions that meet the definitions, and provides guidance on reporting requirements.

The objective of this statement is to provide financial statement users with more relevant and reliable information on these arrangements, create greater consistency, and enhance the usefulness of governments` financial statements.

GASB 94 requires a restatement of beginning balances, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect of applying this statement should be reported as a restatement of beginning net position.

MARTA adopted GASB 94 in Fiscal Year 2023. There was no impact as a result of adopting this statement

GASB Statement No. 96*, Subscription-Based Information Technology Arrangement* ("GASB 96") establishes a single model for subscription-based information technology arrangements (SBITA) accounting based on the principle that SBITA contracts are financings of the right to use another party's asset alone or with tangible capital assets for a period in time in an exchange transaction. The adoption of this statement requires MARTA to recognize a SBITA liability and an intangible right-to-use SBITA asset.

The objective of this statement is to establish uniform accounting and financial reporting requirements for SBITAs, improve the comparability of financial statements among governmental entities, and enhance the consistency, relevance, reliability and understandability of information about SBITA activities of governments.

GASB 96 requires a restatement of beginning balances, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect of applying this statement should be reported as a restatement of beginning net position.

(Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption *of New Accounting Pronouncements Effective for the Fiscal Year Ended June 30, 2023*

MARTA adopted GASB 96 in Fiscal Year 2023. The impact of the adoption is summarized below:

Impact on Financial Statements Balances as of July 1, 2022

Right to Use Asset SBITA Assets	$9,785
SBITA Liability	$(8,658)
Prepaid Assets	$(1,127)

New Accounting Pronouncements Effective in Future Periods or Not Applicable - MARTA has not determined the impact of adopting the following statements:

No.	GASB Statement	Fiscal Year	Applicable to MARTA
	Implementation Guide No. 2021-1. Question 5.1	2024	Yes
99	Omnibus 2022- Financial Guarantees and Derivative	2024	No
100	Accounting Changes and Error Corrections-An Amendment to GASB 62	2024	Yes
101	Compensated Absences	2025	Yes
	Implementation Guide No. 2023-1	2024	Yes

2. CASH AND INVESTMENTS

Cash - At June 30, 2023 the carrying amount of MARTA's total cash on hand was $1,267.

At June 30, 2023, the carrying amount of MARTA's total cash on deposit was $71,316. Included in the bank balance of $70,856, $938 was covered by federal depository insurance and $69,918 was collateralized by government securities held by the pledging financial institution's trust department or agent in MARTA's name.

Investments - Georgia statutes authorize MARTA to invest in U.S. Government obligations, U.S. Government agency obligations, obligations of any instrumentality of the U.S. Government, or in repurchase agreements collateralized by any of the aforesaid securities, or in State of Georgia obligations, or in the State of Georgia sponsored investment pool or in other obligations or instruments as allowed by Georgia Law.

Under the terms of MARTA's Sales Tax Revenue Bond Trust Indenture, MARTA may not invest in securities with a remaining term to maturity greater than five years from the purchase date. In addition, MARTA requires that repurchase agreement collateral must have a fair value ranging from 101% to 106% of the cost of the repurchase agreement, depending upon the maturity date and type of security. MARTA's policy states that collateral pledged for repurchase agreements and not delivered to MARTA's safekeeping agent must be held by the pledging bank's trust department in MARTA's name. Investments held and managed by an independent trustee are not subject to these restrictions.

Fair Value Measurements - To the extent available, MARTA's investments are recorded at fair value and the derivatives are recorded at fair value level 2 using quoted prices for similar assets or liabilities in active markets as of June 30, 2023. GASB Statement No. 72 - Fair Value Measurement and Application, 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. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and consider the assumption that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

2. CASH AND INVESTMENTS (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 - Investments whose values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.

Level 2 - Investments with inputs, other than quoted prices included within Level 1, that are observable for an asset (or liability), either directly or indirectly. Furthermore, if an asset or liability has a specified term to maturity, then to qualify for Level 2 designation, an input must be observable for substantially the full term to maturity of the asset or liability. Level 2 inputs include the following:

a. Quoted prices for similar assets or liabilities in active markets.

b. Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market).

c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilizes, prepayment speeds, loss severities, credit risks, and default rates).

d. Inputs that are derived principally from corroborated by observable market data by correlation or other means (market-corroborated inputs).

(Dollars in Thousands)

2. CASH AND INVESTMENTS (continued)

As of June 30, 2023, MARTA had the following investments and maturities:

Investment Type	Valuation Measurement Method	Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	More than 10
Repurchase Agreements	Cost	$ 501,127	$ 501,127	$ —	$ —	$ —
U.S. Treasuries	Fair value -Level 1	191,996	185,273	6,723	—	—
U.S. Agencies	Fair value -Level 1	182,715	166,023	16,647	45	—
FDIC Public Fund	Cost	54,418	54,418	—	—	—
Municipal - FDIC	Cost	8,280	7,965	315	—	—
Supranational Bonds	Cost	55,633	47,633	8,000	—	—
Guaranteed Inv Contracts	Amortized Cost	32,424	—	—	—	32,424
Total		$ 1,026,593	$ 962,439	$ 31,685	$ 45	$ 32,424

Interest Rate Risk - The risk that changes in interest rates will adversely affect the fair value of financial instruments or cash flows. As a means of limiting its exposure to this, MARTA's investment policy prohibits investments in U.S. Treasuries and Agencies and State Obligations with maturities greater than five years and six months at the date of purchase.

The policy also limits Repurchase Agreements to three months from the date of purchase. Investments held and managed by an independent trustee are not subject to these restrictions.

(Dollars in Thousands)

2. CASH AND INVESTMENTS (continued)

Credit Quality Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The exposure of MARTA's debt securities to credit quality risk as of June 30, 2023 is as follows:

Investment Type		Book Value	Credit Rating	Rating Agency
Repurchase Agreements	$	501,127	A1/P-1	Moody's/S&P
U.S. Treasuries		191,996	AAA/AA+	Moody's/S&P
U.S. Agencies		182,715	AAA/AA+	Moody's/S&P
FDIC Public Fund		54,418	AAA/AA+	Moody's/S&P
Municipal-FDIC		8,280	AA2/AA-	Moody's/S&P
Supranational Bonds		55,633	AAA/AAA	Moody`s/S&P
Guaranteed Inv Contracts		32,424	A-2/P-2/A-/Baa1/Ba1	Moody's/S&P
	$	1,026,593		

Concentration of Credit Risk - The risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. MARTA does not hold more than 5% in any single issuer, other than investments related to the U.S. Government.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, MARTA will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2023 included in the investments of $1,026,593 were $9,708 of securities held by a trustee not in the name of MARTA. These investments are the only securities not held in MARTA's name as per the terms of a trust agreement between MARTA and a railroad company.

Foreign Currency Risk - The risk that changes in exchange rates will adversely impact the fair value of an investment. MARTA is not exposed to this risk and its investment policy does not provide for investments in foreign currency denominated securities.

(Dollars in Thousands)

3. RESTRICTED ASSETS

Restricted assets consist of the following for the year ended June 30, 2023:

Restricted Cash and Investments:		**2023**
Sinking Fund	$	95,637
Other-SB 115 10% PY Operating Revenue		68,596
Investment Held to Pay Lease Obligation		32,424
Railroad Trust Fund Agreement		9,668
Pinnacle Escrow Cash		1,514
Total Restricted Cash and Investments	$	207,839

The amounts held in Sinking Funds are restricted for the payment of bond principal and interest as they become due and to the maintenance of the required reserve amounts (see Note 7).

The Georgia Legislature passed SB115 requiring MARTA to maintain in reserve ten percent of its prior fiscal year's operating revenue. Said operating budget reserve shall be utilized for ongoing operating expenses only in those circumstances requiring its use due to worsened economic conditions in the Atlanta region, or catastrophic loss such as an act of God or terrorism. The reserve is maintained in the Unified Reserved Portfolio which is comprised of restricted and unrestricted asset. MARTA maintains a floor that is greater than 10% of its prior year operating revenue to comply with the SB115 requirement and the value of the floor equates to the value of the restricted assets within the portfolio. The value of the assets above the floor are considered unrestricted assets in the portfolio.

Investments held to pay lease obligations represent investments held by trustees to be used for lease payments under MARTA's LILO arrangements.

Under the terms of the railroad trust fund agreement between MARTA and a railroad company (the "Railroad"), MARTA has agreed to pay certain costs of purchasing insurance to protect the Railroad against the risk of liability from injury or damage to MARTA's passengers, employees, and property which may result from the Railroad's operations. At June 30, 2023, MARTA had placed certain investments in a special trust fund to guarantee its performance under this agreement. Interest earned on these funds are unrestricted.

An escrow cash account is maintained in MARTA's name as part of the Pinnacle Lease. The funds in the escrow are restricted to pay for the energy savings capital improvements. Interest earned in the escrow account is recorded as non-operating revenue.

4. SALES AND USE TAX

Under the MARTA Act, the Rapid Transit Contract and Assistance Agreement with Fulton and DeKalb Counties and the City of Atlanta and the Rapid Transit Contract with Clayton County, MARTA receives proceeds from the collection of a sale and use tax within Fulton, DeKalb and Clayton Counties and the City of Atlanta. In these jurisdictions, a sales and use tax of 1% is levied for the exclusive use of MARTA. The tax is levied at 1% until 2057 and will be reduced to ½% thereafter. Beginning in April 2017, an additional sale and use tax of ½% is levied in the City of Atlanta for the purpose of expanding and enhancing MARTA transit service in the City of Atlanta.

In 2015, the Georgia General Assembly permanently eliminated the prior requirement mandating that MARTA spend no more than 50% of the annual sales and use tax proceeds to subsidize the operating costs of the System. Removal of this provision provides MARTA with additional flexibility to manage its resources.

During the year ended June 30, 2023 MARTA used 34% of the sales and use tax proceeds to subsidize the net operating costs.

5. FARE REVENUE

The MARTA Act places certain requirements on the rates that MARTA is to charge for transportation services provided.

The rates charged to the public for transportation services must be such that the total transit related revenues are no less than 35% of the operating costs, exclusive of depreciation and amortization, and other costs and charges as provided in the MARTA Act, of the preceding fiscal year.

Under provisions of amendments to the MARTA Act, all revenues, except the sales and use taxes, are included in transit related revenues for purposes of this calculation.

Transit related revenues for the year ended June 30, 2023 was 77.2% of operating costs of the previous fiscal year as defined under the MARTA Act.

(Dollars in Thousands)

6. CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2023 were as follows:

	Balance June 30, 2022	GASB 96 Implementation	Additions	Decreases	Balance June 30, 2023
Capital assets, not being depreciated/amortized:					
Land	$ 591,113	—	$ 9,356	$ —	$ 600,469
Construction in progress	384,509	—	212,554	(180,915)	416,148
Total capital assets not being depreciated/amortized	975,622	—	221,910	(180,915)	1,016,617
Capital assets being depreciated/amortized:					
Rail systems & buildings	4,154,179	—	88,252	(146)	4,242,285
Transportation equipment	1,615,664	—	33,132	(17,222)	1,631,574
Furniture/fixtures/equipment/vehicles	1,693,948	—	44,329	(7,263)	1,731,014
Right-to-use equipment	3,455	—	—	—	3,455
Right-to-use building	921	—	—	—	921
SBITA asset	—	9,785	—	—	9,785
Total capital assets being depreciated/amortized	7,468,167	9,785	165,713	(24,631)	7,619,034
Less accumulated depreciation/amortization for:					
Rail systems & buildings	(2,784,463)	—	(114,729)	146	(2,899,046)
Transportation equipment	(1,255,731)	—	(73,176)	17,207	(1,311,700)
Furniture/fixtures/equipment/vehicles	(1,318,835)	—	(57,196)	7,205	(1,368,826)
Right-to-use equipment amortization	(956)	—	(352)	—	(1,308)
Right-to-use building amortization	(152)	—	(77)	—	(229)
SBITA amortization	—	—	(4,620)	—	(4,620)
Total accumulated depreciation/amortization	(5,360,137)	—	(250,150)	24,558	(5,585,729)
Total capital assets being depreciated/amortized, net	2,108,030	9,785	(84,437)	(73)	2,033,305
Capital assets, net	$ 3,083,652	$ 9,785	$ 137,473	$ (180,988)	$ 3,049,922

During the year ended June 30, 2023, new land parcels were listed as assets are but not being depreciated or amortized. The land additions cause the decrease in construction in progress to be greater than the increase in capital assets. The variance of $9,356 is the addition of new land parcels from Clayton County facility and a $5,846 CIP adjustment to a land parcel.

(Dollars in Thousands)

7. LONG-TERM DEBT

Long-term debt activities for the year ended June 30, 2023 were as follows:

Series	Year Issued	Principal Issued	Years of Maturity	Interest Rates	Balance June 30, 2022	Additions	Principal Retirements	Balance June 30, 2023
Sales Tax Revenue Bonds:								
2007A	2007	145,725	2033	5.25%	$ 136,735	$ —	$ (136,735)	$ —
2012A	2012	311,075	2041	3.00%-5.00%	1,470	—	(1,470)	—
2014A	2015	286,700	2044	3.00%-5.00%	15,005	—	(7,360)	7,645
2015A	2015	87,015	2045	5.00%	—	—	—	—
2015B	2015	88,485	2045	2.00%-5.00%	87,330	—	(1,195)	86,135
2015C	2015	93,085	2029	5.00%	93,085	—	—	93,085
2016A*	2015	90,260	2029	5.00%	38,120	—	(12,420)	25,700
2016B	2016	242,985	2029	5.00%	242,985	—	—	242,985
2017A	2017	100,815	2047	3.00%-4.00%	100,815	—	—	100,815
2017C	2018	263,545	2039	3.25%-5.00%	261,260	—	(650)	260,610
2017D	2018	55,845	2030	4.00%-5.00%	55,450	—	(120)	55,330
2018A	2019	165,875	2025	3.00%-4.00%	132,710	—	(30,520)	102,190
2019A	2019	130,790	2047	3.00%-5.00%	130,790	—	—	130,790
2020A	2020	132,330	2047	3.00%-5.00%	132,330	—	—	132,330
2020B	2020	270,145	2040	0.20% - 2.68%	268,795	—	(33,635)	235,160
2021A	2021	117,500	2045	**FRN	117,500	—	—	117,500
2021C	2021	100	2026	**FRN	100	—	—	100
2021D	2021	275,630	2045	0.63%- 2.98%	275,630	—	(57,595)	218,035
2021E-1	2021	60,950	2040	3.00% - 5.00%	60,950	—	—	60,950
2021E-2	2021	32,983	2045	4.00% - 5.00%	32,983	—	—	32,983
2023A	2023	65,025	2040	5.00%	—	65,025	—	65,025
2023B	2023	112,505	2032	5.00%	—	112,505	—	112,505
Subtotal					$ 2,184,043	$177,530	$ (281,700)	$ 2,079,873
Less portion due within one year					(67,050)	7,570	—	(59,480)
Plus unamortized premium (discount)					103,499	23,549	(15,758)	111,290
Sales Tax Revenue Bonds total long-term portion					$ 2,220,492	$208,649	$ (297,458)	$ 2,131,683

* Bonds from Direct Placements
**FRN - Floating-Rate Note

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Changes in Long Term Debt for the year ended June 30, 2023 were as follows:

	Balance June 30, 2022	Increase	Decrease	Balance June 30, 2023	Due within One Year
Revenue Bonds	$ 2,028,323	$ 177,530	$ (269,280)	$ 1,936,573	$ (46,775)
Bonds From Direct Placement	155,620	—	(12,420)	143,200	(12,705)
Note Payable	100	—	—	100	—
Total	$ 2,184,043	$ 177,530	$ (281,700)	$ 2,079,873	$ (59,480)

Variable rate assumed (3.79%) is based on definition provided in Third Master Trust Indenture: The current 25 years Revenue Bond Index (as of 7/01/2023).

Sales Tax Revenue Bonds - Principal on all the Sales Tax Revenue Bonds (the "Bonds") is payable in an annual installment on July 1; interest is payable semi-annually on January 1 and July 1 on all Bonds in the preceding Long-Term table except the Series 2021A Bond and the Note Payable Series 2021C, in which interest is payable on the first day of each month for the previous month.

All the Bonds in the preceding Long-Term Debt tables are payable from and secured by the third lien on sales and use tax and title ad valorem tax receipts.

Currently 78.7% of the outstanding Bonds are redeemable at the discretion of MARTA within the next ten years at a price equal to par.

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Annual debt service analysis of Principal and Interest for the year ended June 30, 2023 were as follows:

	Bonds / Notes		Bonds from Direct Placements	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 46,775	$ 69,997	$ 12,705	$ 3,569
2025	56,265	71,154	12,995	3,285
2026	66,390	68,938	—	2,978
2027	68,725	66,228	—	2,978
2028	71,190	63,251	—	2,978
2029-2033	407,645	266,749	—	14,908
2034-2038	503,445	176,247	—	14,900
2039-2043	454,220	82,548	67,420	14,355
2044-2048	261,918	17,954	50,080	3,785
	$ 1,936,573	$ 883,066	$ 143,200	$ 63,736

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Amount due within one year on long-term debt for the year ended June 30, 2023 were as follows:

Series	Principal	
2014A	$	7,645
2015B		1,225
2016A*		12,705
2017C		680
2017D		710
2018A		32,075
2020B		1,765
2021D		2,675
	$	59,480

* 2016A is a direct placement

MARTA's Board established a debt limit for the Sales Tax Revenue Bonds. The total annual debt service on such bonds is limited to no more than 45% of projected sales tax receipts for each year.

7. LONG-TERM DEBT (continued)

MARTA has pledged future sales tax and title ad valorem tax revenues to repay $2,191,163 in sales tax revenue bonds issued in calendar years 2015, 2016, 2017, 2018, 2019, 2020,2021, 2022 and 2023 of which $2,131,683 is considered long-term debt. Proceeds from the bonds were used for the rehabilitation or expansion of MARTA's rail and bus systems. Principal and interest on the bonds are payable through FY2048, from the sales tax and title ad valorem tax revenues. Annual principal and interest on the bonds are expected to require no more than 45% of such net revenues. Principal and interest paid for in the year ended June 30, 2023 was $140,361.

In April 2023, MARTA issued refunding green bonds Series 2023A in the amount of $65,025 to refund portion of Bonds Series 2020B and Bonds Series 2021D. As a result, a total amount of $87,390 is considered defeased, the liability for this bond and the corresponding assets in the trust accounts have been removed from MARTA's Statement of Net Position. As a result of the refunding, MARTA recognized a decrease in debt service of $22,365 and economic gain of $7,133 There are a variety of operational and financial covenants associated with the Bonds. Management believes that MARTA follows all such covenants.

MARTA legally defeased all the outstanding Series 2007A Bonds with available cash on April 25, 2023. The Series 2007A bonds are no longer outstanding under the indenture. They are secured solely by amounts on deposit in an escrow fund created pursuant to an Escrow Deposit Agreement dated as of April 25, 2023. MARTA did a Cash In-substance by using existing cash on hand to pay off higher early rate interest rate bonds for Series 2007A. Bond series 2007A has a $127,260 outstanding debt which was defeased and cash was placed into an escrow account and invested at current higher rates.

MARTA issued its Sales Tax Revenue Bonds, Series 2023B in the aggregate principal amount of $112,505, on May 11, 2023. The Authority used a portion of the proceeds of the Series 2023B Bonds for the purpose of financing various capital projects to enhance life safety and to maintain the transit system in a state of good repair and to pay all or a portion of the costs of issuing the Series 2023B Bonds. New money tax-exempt bonds (series 2023B) were issued in similar amount and amortized as the defeased Series 2007A bonds.

In prior years, MARTA has defeased various bond issued by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in trust funds. The investments and fixed earnings from the investments are enough to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from MARTA's financial statements. As of June 30, 2023, the total outstanding escrow funds $403,944 of these defeasance bonds remain outstanding.

7. LONG-TERM DEBT (continued)

MARTA's outstanding Sales Tax Revenue Bonds (the "Bonds") contain provisions that upon the occurrence of (1) failure to make payment of principal or interest when due, (2) failure to perform any covenant contained in the Bond indenture if such failure continues for 30 days after receipt by MARTA of written notice specifying such default, (3) if MARTA institutes bankruptcy proceedings, (4) any sum payable to MARTA under the terms of its Contract with the taxing jurisdictions is taken in custody under any court process, or (5) any of the taxing jurisdictions shall default in making any payments owed under the Contract or shall materially fail to comply with any provisions of the Contract, then the Trustee may, and upon the written request of the owners of more than 25% in aggregate principal amount of the Bonds shall, declare the principal of all Bonds outstanding and the interest accrued thereon immediately due and payable. All publicly traded and direct placement bonds are subject to the same default provisions under the Bond Indenture. The notice and cure period apply and the private placement bondholders have the same remedies as the other holders.

Sales and use tax revenues are initially deposited into a Sinking Fund held by the bond trustee as required by the Bond Trust Indentures. At June 30, 2023, amounts held in the Sinking Funds exceeded the amounts required to be held pursuant to the Bond Trust Indentures. All such amounts are classified as restricted cash and investments in the Statements of Net Position.

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Following is a summary of activity in the Sinking Funds for the year ended June 30, 2023:

	2023
Balance, Beginning of the Year	$ 104,695
Sales and Use Tax Proceeds	143,549
Investment Income	1,871
Principal and Interest Payments on Bonds	(140,361)
Debt Refunding	(214,650)
Excess of Sales Tax Withheld	198,943
Trustee Fees	115
Balance, End of the Year	$ 94,162

At June 30, 2023, MARTA reported $22,223 in deferred outflow of resources related to debt refunding cost for unamortized deferred loss on bonds refunding as follows:

	Deferred Outflows of Resources Debt Refunding
	2023
Unamortized Deferred Loss Bond Refunding	$ 38,836
Current Year Amortization	(3,197)
Addition to Deferred Loss - Debt Refunding	(13,416)
Total Deferred Outflow of Resources - Debt Refunding	$ 22,223

(Dollars in Thousands)

8. LONG-TERM LIABILITIES

Changes in Long-term Liabilities related to self-insurance reserves, other liabilities, financed purchase, and derivative liability for the year ended June 30, 2023 were as follow:

	Balance June 30, 2022	Increase	Decrease	Balance June 30, 2023	Due within One Year
Self-Insurance Reserves	$ 53,492	$ 36,501	$ (31,149)	$ 58,844	$ 20,705
Other Liabilities	42,337	5,017	—	47,354	10,535
Financed Purchase	33,597	—	(2,006)	31,591	2,043
Derivative Liability	111	1,373	—	1,484	—
Total	$ 129,537	$ 42,891	$ (33,155)	$ 139,273	$ 33,283

MARTA administers and maintains self-insured reserves for workers' compensation claims, automobile liability claims, public liability and property damage claims. MARTA carries excess insurance coverage for amounts exceeding the self-insured retentions.

Other liabilities include future minimum lease payments under Lease-in Lease-out (LILO) arrangements. These agreements provide for the lease of certain Authority's rail capital assets to a financial party lessee and the sublease of such capital assets back to MARTA for a specified term

MARTA holds a financed purchase agreement with Pinnacle Public Finance to finance multiple comprehensive energy savings capital projects.

The Authority maintains two hedging derivative instruments which must meet annual effectiveness tests.

(Dollars in Thousands)

9. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value balances and notional amounts of hedging and investment derivative instruments outstanding and the corresponding changes in fair value of such derivative instruments for the year ended June 30, 2023, were as follows:

		Changes in Fair Value		
	Fiscal Year Classification	**Change Amount**	**Year End Amount**	**Fair Value Notional**
Hedging derivatives:				
Natural Gas Commodity Swaps	Deferred Outflow of resources	$ (167)	$ (704)	$ 800
Diesel Commodity Swaps	Deferred Outflow of resources	(1,206)	(780)	2,016
Total		$ (1,373)	$ (1,484)	$ 2,816

Hedging derivative instruments must meet annual effectiveness tests. MARTA assessed whether the hedging derivatives were highly effective in offsetting changes in fair value or cash flows of hedged items.

A derivative is effective if changes in a hedgeable item divided by changes in derivative is within a range of 80% to 125% in absolute terms. The test is also met if changes in derivative divided by changes in hedgeable item falls within range of 80% to 125%. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are reported as deferred inflows and outflows in the Statement of Net Position. The gain or loss of the ineffective portion is recognized immediately in the Statement of Revenues, Expenses, and Changes in Net Position.

This risk could require MARTA to make a termination payment. MARTA mitigated the credit risk associated with its swaps by having entered into transactions with highly rated counterparties. MARTA also mitigated its concentration of credit risk by having diversified its swap transactions across two different counterparties.

Commodity Swap Agreements - In order to help plan its diesel and natural gas costs for the fiscal year and to protect itself against price volatility in the market prices of the commodities, MARTA has entered into commodity swap agreements to hedge low sulfur diesel and natural gas costs. This would reduce the value of the contract and MARTA could sell the contract at a loss, or likewise if the index prices are higher, the value of the contracts would increase, and MARTA could sell the contracts at a profit. It is possible that the index prices may be lower than the price at which MARTA committed to in the contracts. If MARTA continues to hold the contract until maturity, MARTA may make or receive termination payments to or from the counterparty to settle the obligation under the contract.

(Dollars in Thousands)

9. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

MARTA mitigated the credit risk associated with its swaps by having entered into transactions with highly rated counterparties. MARTA also mitigated its concentration of credit risk by having diversified its swap transactions across two different counterparties.

MARTA has assessed whether the hedging derivatives were highly effective in offsetting changes in fair value or cash flows of hedged items. Based on the annual assessment, the commodity swap agreements met the effectiveness conditions of the dollar-offset method.

MARTA is exposed to the failure of the counterparty to fulfill the fuel contracts. The terms of the contracts include provisions for recovering the cost in excess of the guaranteed price from the counterparty should MARTA have to procure low sulfur diesel and natural gas on the open market.

Two contracts were terminated on June 30, 2023. A summary of agreements is as follows:

Execution Dates	Effective Dates	Termination Dates	Fixed Price	Counter Party	Net Settlement in FY 2023	
Natural Gas:						
5/04/2022	7/01/2022	6/30/2023	6.327 per MMBtu	Fifth Third	$	(460)
5/04/2022	7/01/2023	6/30/2024	6.327 per MMBtu	Fifth Third	$	—
1/27/2023	3/01/2023	6/30/2024	3.448 per MMBtu	Cargill, Inc.	$	—
4/05/2023	7/01/2023	6/30/2024	3.550 per MMBtu	JP Morgan	$	—
4/05/2023	7/01/2024	6/30/2025	3.550 per MMBtu	JP Morgan	$	—
Diesel:						
5/04/2022	7/01/2022	6/30/2023	3.061 per gallon	Cargill, Inc.	$	(30)
5/04/2022	7/01/2023	6/30/2024	3.061 per gallon	Cargill, Inc.	$	—

MARTA assesses the effectiveness of the commodity swaps transactions and whether these derivatives were highly effective in offsetting fluctuations in fair value of cash flows of hedged commodities. Based on the annual assessment, the commodity swap agreements met the effectiveness conditions of the dollar-offset method.

(Dollars in Thousands)

10. FINANCED PURCHASE OBLIGATIONS

Pinnacle Financed Purchase

MARTA entered into a master lease purchase agreement with Pinnacle Public Finance to finance the design construction, implementation, monitoring and maintenance of comprehensive energy savings capital projects. These projects will improve the energy efficiency of certain MARTA facilities and are expected to result in energy cost savings.

The net present value of the future payments has been recorded as financed purchase obligations.

The following is a schedule by year of the future minimum payments under the Pinnacle agreement as of June 30, 2023:

2024	$ 2,043
2025	1,514
2026	2,052
2027	2,369
2028	1,371
2029 - 2033	13,101
2034 - 2037	9,141
Present value of net minimum payments	31,591
Less: current principal maturities	(2,043)
Obligations under Financed Purchase - long term	$ 29,548

The liability of these obligation changed in 2023 and 2022 as follows:

Outstanding - June 30, 2022	$ 33,597
Net change in obligation	(2,006)
Outstanding - June 30, 2023	$ 31,591

As part of this project, MARTA also entered into a performance assurance support services agreement with the contractor, Schneider Electric Buildings Americas, Inc. that provides an energy savings guarantee of $55,357 over the course of 17 years. The energy services project savings is $1,576 for the year ended June 30, 2023. Project was completed in May 2023.

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Lessor

During the year ended June 30, 2001, MARTA began a Transit Oriented Development Program whereby MARTA executed long-term ground leases for office, retail, and residential development. The AT&T Towers and related parking and retail space were completed at Lindbergh City Center in October 2002. Ground lease agreements for these initial TOD projects provide for various payments to be made to MARTA over several years. In 2013, MARTA began pursuing new opportunities for joint development and identified development partners at four rail stations: King Memorial, Edgewood/Candler Park, Avondale, and Chamblee. The development will take place at other stations throughout the system as more development partnerships are formed.

MARTA is a lessor for non-cancellable leases of land. Leases over 5 years may contain Options to Extend or can be amended to extend in exchange for an upfront payment to MARTA equal to the value of the extension but cannot be renewed.

Upon implementation of GASB 87, MARTA recognized lease receivable and deferred inflow of resources in the Statement of Net Position. Lease receivable is initially measured at the present value of payments expected to be received over the life of the leases using incremental borrowing rates. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received.

MARTA recognized $10,021 in lease-related interest revenue and $6,466 in lease revenue associated with the lessor leases in fiscal year 2023.

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)

Future Lease and Interest Receivables (in thousands) are scheduled to be received as follows:

Fiscal Years	Principal	Interest	Total
2024	$ 2,061	$ 9,601	$ 11,662
2025	1,459	9,660	11,119
2026	594	9,746	10,340
2027	497	9,836	10,333
2028	488	9,953	10,441
2029 - 2033	2,679	50,977	53,656
2034 - 2038	3,153	53,043	56,196
2039 - 2043	3,704	54,808	58,512
2044 - 2048	3,953	56,118	60,071
2049 - 2053	4,829	56,645	61,474
2054 - 2058	5,562	56,128	61,690
2059 - 2063	6,514	54,122	60,636
2064 - 2068	7,899	50,036	57,935
2069 - 2073	15,226	43,040	58,266
2074 - 2078	76,485	32,551	109,036
2079 - 2083	89,495	17,610	107,105
2084 - 2088	10,942	10,299	21,241
2089 - 2093	12,622	8,212	20,834
2094 - 2098	14,436	5,789	20,225
2099 - 2103	9,382	3,389	12,771
2104 - 2108	4,729	2,120	6,849
2109 - 2113	6,534	1,157	7,691
2114 - 2118	3,735	166	3,901
2119 - 2122	31	—	31
Total	**$ 287,009**	**$ 605,006**	**$ 892,015**

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)

Deferred Inflow of Resources Related to Leases

The deferred inflow of resources is initially measured as the initial amount of the lease receivable. It is recognized as revenue over the life of the lease term on a straight-line basis. As of June 30, 2023, the deferred inflow of resources has a balance of $297,630.

Lindbergh Partnership Parking Agreement

In 2004, MARTA entered into a lease agreement with Carter & Associates, L.L.C. MARTA is the owner of the Leased Property, and the Leased Property is a portion of the project known as the Lindbergh City Center Project. This Lease Agreement reflects a period of ninety-nine (99) Lease years, a long-term utilization of 195 Residential parking Spaces in support of the Project Improvements pursuant to the Parking Agreement. Lessee's cost per parking space equal $7.50, totaling $1,463.

Capital Event Participation Rent / Uptown Square Apartments

Assignment/transfer of Uptown Square Apartments to AVR Uptown Square L.L.C, an affiliate of Alvero Acquisition Corp. and AVR Realty Company LLC occurred in 2013. This transaction resulted in Capital Event Participation Rent due MARTA in 2013. The original lease amount was $4,679 for 98 years.

Capital Event Participation Rent / AC Property - Arts Center Rail Station Lease

Assignment of ground lease dated as of July 14, 2006 and further assigned as of October 3, 2016, now this ground lease known as AC property-Arts Center rail station is amended and extended between MARTA and AC Property Owners, L.P. a Delaware limited partnership. The previous expiration date of August 31, 2083 was extended to a new expiration date of August 1, 2117, resulting in additional compensation paid to MARTA in the amount of $6,500.

Capital Event Participation Rent / Avondale Station Project

MARTA and Development Authority of the City of Decatur entered into a lease Agreement to develop the lease property as a Transit Oriented development in 2016. It was amended in November 2018, which extended the lease to 99 years from November 2018 and Lessee paid MARTA $525.

Capital Event Participation Rent / Edgewood-Candler Park Station Project

MARTA (Landlord) acknowledged a sublease agreement amendment made between Edgewood TOD Master, LLC ("Sublessor") and Moving In the Spirit, Inc. ("Sublessee") in September, 2018. Landlord, Sublessor, and Sublessee have now determined that the allocation of value with respect to the Base Premises (Edgewood-Candler Park Station Project), as reflected in the Terms, was an incorrect allocation of the overall appraised value reflected in the 2014 Appraisal. Sublessor and Landlord have made corresponding corrections to the Base Lease. The parties agree Sublessee shall deliver a portion of the Sublease payment equal to $525 to Landlord (MARTA).

(Dollars in Thousands)

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)

Resurgens Plaza South Inc. Lease

MARTA and Resurgens Plaza South Inc. entered into a Lease Agreement for Johnsontown South Site dated May 29, 1984. It was amended in 2017, which extended the lease to 99 years. Upon completion of the transaction, the Resurgens Plaza South Inc. paid MARTA $4,250 on July 17, 2017.

Lessee

MARTA is a lessee for non-cancellable series of leases that include radio antenna sites, office space, insertion equipment, copiers, and WAN connectivity for remote sites. MARTA implemented GASB 87 in fiscal year 2022 to account for such leases. MARTA used the borrowing rates established by PFM Financial Advisors, LLC.

MARTA recognized $400 in liability reductions and $71 in interest payments associated with the leases in fiscal year 2023.

MARTA reduces the lease liability as payments are made and recognized an outflow of resources for interest on the liability. The leases are also amortized over the useful life of the leased assets.

Future lease payments and interest are scheduled to be paid under non-cancellable leases as follows:

The aggregate amortization schedule for the lease liability is as follows:

Fiscal Years	Principal Payments	Interest Payments	Total
2024	$ 334	$ 64	$ 398
2025	403	55	458
2026	399	46	445
2027	395	37	432
2028	211	31	242
2029 - 2033	623	84	707
2034 - 2035	195	7	202
Total	$ 2,560	$ 324	$ 2,884

(Dollars in Thousands)

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)

LILO Lease

MARTA entered into various LILO arrangements related to the leasing and subleasing of MARTA's rail cars, rail lines, and a rail maintenance facility. These agreements provide for the lease of certain Authority's rail capital assets to a financial party lessee and the sublease of such capital assets back to MARTA for a specified term.

The net present value of the future sublease payments has been recorded as lease obligations. The funds invested in U.S. Agency Bonds and Notes and Guaranteed Investment Contracts to fund these future lease obligations as they come due have been recorded as Investments Held to Pay Capital Obligations. Unrealized and realized gains and losses on these investments are recorded as non-operating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

The following table summarizes MARTA's outstanding lease/leaseback transactions as of the respective transaction dates:

Lease Date	Property	Fair Value At Closing Date	Prepayment Received on Head Lease from the Equity	Amount Invested to Satisfy Sublease Obligation	Cash Benefit Net of Fees	Repurchase Option Date	Sublease Termination Date
9/29/2005	30 Breda CQ 312 Rail Cars	$ 93,300	$ 16,274	$ 11,376	$ 3,839	1/2/2034	12/15/2034
9/29/2005	10 Breda CQ 312 Rail Cars	$ 31,500	$ 5,488	$ 3,793	$ 1,333	1/2/2034	12/15/2034

The following table shows the net book value of the rail cars under the lease/leaseback transactions as of June 30, 2023:

Lease Date	Property	Net Book Value
9/29/2005	40 Breda CQ 312 Rail Cars	$ 24,428

American Insurance Group ("AIG") and Ambac were participants in most of these structured lease transactions. The downgrade of AIG and Ambac ratings triggered, at the option of the counterparties, replacement of the Payment Undertaking Agreements and the surety bonds for 18 of the 19 transactions.

Of the 18 transactions that fell below the threshold, replacement was requested for 16. None of MARTA's counterparties in these transactions declared a default.

(Dollars in Thousands)

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)

The lease arrangements include various buyout option dates. Beginning in January 2018 and ending in January 2034, MARTA must execute its intent to buy out the head lease to terminate the LILO agreements. Management has created a schedule of the various buyout option dates and has coordination activities in place to monitor the execution of these options.

There is no scheduled payment for the remaining LILO arrangement until January 2033.

The following is a schedule by year of the future minimum lease payments under these LILO arrangements as of June 30, 2023.

Fiscal Years		
2033	$	689
2034		8,319
2035		23,416
Present value of net minimum lease payments	$	32,424
Less: current principal maturities		—
Obligations under lease - long term	$	32,424

The liability of these leases changed in 2023 and 2022 as follows:		
Outstanding - June 30, 2022	$	30,889
Net change in obligation		1,535
Outstanding - June 30, 2023	$	32,424

Deferred Inflow Related to LILO Lease

From the years ended June 30, 2001 to 2007, MARTA entered into several agreements to lease several of its rail cars; the Avondale Rail Maintenance Facility, the East Rail Line (from Five Points station to Indian Creek station), and the South Rail Line (from Five Points station to Airport station). MARTA then leased these same assets back from the third-party investors as a capital sublease. The effect of the transaction was to transfer the tax benefits of ownership to the investors; in exchange, MARTA received cash consideration equal to the difference between the lease and sublease payments. The total consideration net of expenses as of June 30, 2007 was $105,300. Since that time, a number of these arrangements have been terminated. MARTA is required to maintain the cars and the stations at an operating level over the life of the sublease as specified in the terms of the lease agreements. Because of the ongoing maintenance and renovation expenditures required to meet this operating level, the net proceeds were recorded as unearned and are being amortized over the life of the respective leases (approximately 18.5 years to 32 years) on a straight-line basis.

The deferred tax benefit sold amount is recorded as deferred inflow of resources over the life of the leases. The deferred inflow as of June 30, 2023 is $1,515.

(Dollars in Thousands)

11. LONG TERM LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)

MARTA has Subscription-Based Information Technology Arrangements (SBITAs) contracts with various vendors. These contracts provide MARTA with software and cloud service usage.

Upon implementation of GASB 96, MARTA recognized a right-to-use SBITA amount of $9,785, liability of $8,658 and a SBITA pre-paid amount of $1,127. The SBITA liability is initially measured at the present value of payments expected to be paid over the life of the SBITAs using incremental borrowing rates. Subsequently, a SBITA liability is reduced by the principal portion of the SBITA payments. In addition, an outflow of resources for interest on the liability is also recognized. SBITA assets are amortized over the contract term.

In fiscal year 2023, MARTA recognized $5,976, in liability reductions and $106 in interest payments.

Future payments and interest are scheduled to be paid under non-cancellable leases as follows:

Fiscal Years	Principal Payments	Interest Payments	Total
2024	$ 1,659	$ 50	$ 1,709
2025	994	11	1,005
2026	29	1	30
Total	$ 2,682	$ 62	$ 2,744

12. PENSION PLANS

Defined Benefits Pension Plan

Plan Description - MARTA maintains two defined benefit pension plans, one Non-Represented Pension Plan (the “Non-Rep Plan”) and one MARTA/ATU Local 732 Employees Retirement Plan, (the “Union Plan”). All plans are single employer plans.

The Non-Rep Plan covers all non-union employees hired before January 1, 2005 and Transit Police employees hired before January 1, 2015 and transfers from the Union Plan prior to January 1, 2018. The Non-Rep Plan has been subsequently closed to all employees and non-union new hires are covered in a defined contribution plan.

The Union Plan provides pension for all members of Division No. 732 of the Amalgamated Transit Union (ATU) and nonmembers who are represented by the Union for bargaining purposes. Union employees are eligible to participate in the Union Plan upon the completion of 60 days of full-time employment.

12. PENSION PLANS (continued)

The funding methods and determination of benefits for the defined benefit plans were established by the MARTA Act creating such plans and, in general, provide that pension funds are to be accumulated from employee contributions, MARTA contributions, and income from the investment of accumulated funds.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of the pension plans have been determined on the same basis as they are reported by the plans. The financial statements of the plans were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contribution are recognized when due and payable in accordance with the statues governing the plans. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade-date basis. The fiduciary net position of each of the Union and Non-Rep plans are reflected in the measurement of the plans' net pension liability, net pension assets, deferred outflows and inflows of resources related to pension, and pension expense. Both the Union and the Non-Rep Plans measurement dates and fiscal year ends are December 31, 2022.

Each plan is administered by a pension retirement committee. Each plan issues a publicly available financial report that includes financial information for that plan. The reports may be obtained by writing the plans at the addresses below:

Non-Represented Pension Plan
2424 Piedmont Road NE
Atlanta, GA 30324
(404) 848-4143

MARTA/ATU Local 732
Employees Retirement Plan
Administered by:
Zenith American Solutions
100 Crescent Centre Parkway
Tucker, GA 30084
(678) 221-5012

(Dollars in Thousands)

12. PENSION PLANS (continued)

Benefits Provided - The MARTA plans provide the retirement, disability, and death/survivor benefits. The retirement benefits are calculated under a step-rate benefit formula based on final average compensation and multiplied by factors related to length of continuous service. All modifications to the pension plans must be supported by actuarial analysis and receive approval from MARTA's Board of Directors and the pension retirement committees.

Normal retirement under the Union Plan occurs when a participant reaches age 65 with ten years of credit service. For the Non-Rep Plan, the participant must complete five years of credited service and attain age 62. Disability retirement benefits are determined in the same manner as retirement benefits. The continuation of retirement benefits to the participant's designated beneficiary is also provided by both plans. An employee who leaves MARTA may withdraw his or her contributions, plus any accumulated interest.

Plan Membership - Below are the total employees and retirees covered under the Union Plan and the Non-Rep Plan for the plan as:

	December 31, 2022		
	Union Plan	**Non-Rep Plan**	**Combined**
Inactive plan members or beneficiaries currently receiving benefits	2,252	1,477	3,729
Inactive plan members entitled to but not yet receiving benefits	417	149	566
Active plan members	2,450	255	2,705
Total	5,119	1,881	7,000

Contributions - MARTA is required to contribute an actuarial determined amount annually to the pension plans. The required contributions amount is determined by an actuary using actuarial methods and assumptions approved by the pension/retirement committee and an additional amount to fund the unfunded accrued liability.

For the year ended June 30, 2023, MARTA contributed $21,451 and plan participants contributed $1,604 to the Non-Rep Plan. For the year ended June 30, 2023, MARTA contributed $10,535 and plan participants contributed $5,713 to the Union Plan.

***Net Pension* Liability (Asset) -** The net pension liability at June 30, 2023 was measured as of December 31, 2022 for both the Union Plan and Non-Rep Plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 for the Non-Rep Plan and as of January 1, 2022, rolled forward to December 31, 2022 for the Union Plan. The reporting date for both plans is June 30, 2023. At June 30, 2023, MARTA reported a net pension liability of $135,674 for the Non-Rep Plan and net pension liability of $17,678 for the Union Plan.

(Dollars in Thousands)

12. PENSION PLANS (continued)

Actuarial Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As results are compared to past expectations and new estimates are made about the future, actuarial determinations better reflect current and future conditions. Actuarial calculations consider a long-term perspective. Calculations for June 30, 2023 reflect the substantive plan in effect as of as of year ended December 31, 2022 and the current sharing pattern of costs between employer and employee.

	Union	Non-Rep
Pension (Revenue) Expense	$15,562	$15,917
Actuarial Valuation Date	1/1/22, rolled forward to 12/31/22	1/1/23
Actuarial Cost Method	Entry Age Normal Cost Method	Individual Entry age
Amortization Method	Level Percentage of Pay, Closed	Fixed Dollar, Closed
Remaining Amortization Period	15 Years, Closed	9 years, 15 years
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.00%	5.50%
Inflation	2.50%	2.50%
Projected Salary Increases:		
Plan Members	4.50%	5.50%
Transit Police	4.50%	5.50%
Cost of Living	None	None
Merit or Seniority	1.00% per year	1.00% per year
Postretirement Benefit Increases	None	None
Mortality Assumption:		
Healthy	RP-2014 Blue Collar Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2021, fully generational.
Disabled	RP-2014 Mortality Table for Disabled Lives with fully generational using 1/2 of Scale MP-2016	None. No future mortality improvement was projected.

The assumptions listed above were based on the results of an actuarial experience study for January 1, 2022 for the Union Plan and the five years ending January 1, 2023 for the Non-Rep Plan. Assumptions were updated January 1, 2023.

(Dollars in Thousands)

12. PENSION PLANS (continued)

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date – In the Non-Rep Plan, the inflation rate increased from 2.25% to 2.50%, the projected salary increases increased from 4.50% to 5.50%, and the cost of living was reduced from 3.00% to 0%.

Changes in Assumptions and Benefit Terms Since the Measurement Date – There were no changes in assumptions or benefit terms between the measurement date and June 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2023 was 7.00% for the Union Plan and 5.50% for the Non-Rep Plan. This is the long-term expected return on pension plan investments. The projection of cash flows assumes employer and plan member contributions will continue at the current rates. The fiduciary net position projects to cover all future benefit payments of current plan members based upon complete closed group cash flow analysis.

Sensitivity of Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the plans at June 30, 2023, calculated using the discount rate of 7.00% for the Union Plan and 5.50% for the Non-Rep Plan, as well as what the individual plans' net pension (asset)/liability 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:

	1% Decrease Discount Rate	Current Discount Rate	1% Increase Discount Rate
Union Plan Discount Rate	6.00%	7.00%	8.00%
Plan Net Pension Liability/(Asset)	$79,627	$17,678	$(35,148)
Non-Rep Plan Discount Rate	4.50%	5.50%	6.50%
Plan Net Pension Liability	$195,000	$135,674	$85,000

(Dollars in Thousands)

12. PENSION PLANS (continued)

Long-Term Expected Rate of Return **-** The long-term expected rate of returns on the Union and Non-Rep Plan investments were determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of June 30, 2023 are:

	Union		Non-Rep	
Asset Class	**Target Allocation**	**Expected Rate of Return**	**Target Allocation**	**Expected Rate of Return**
Domestic Large Cap Equity	20.0%	4.30%	24.00%	4.75%
Domestic Mid Cap Equity	10.0%	4.80%	n/a	n/a
Domestic Small Cap Equity	10.0%	5.40%	9.00%	4.95%
International Equity	25.0%	4.70%	24.00%	4.95%
Domestic Fixed income	30.0%	2.40%	33.00%	1.75%
Real Estate	n/a	n/a	5.00%	3.25%
Alternatives/Convertibles	5.0%	8.90%	5.00%	4.15%

(Dollars in Thousands)

12. PENSION PLANS (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability/ (Asset)**
	(a)	(b)	(a) - (b)
UNION PLAN			
Balance 12/31/2021	$ 603,300	$ 716,545	$ (113,245)
Service Cost	15,788	—	15,788
Interest	41,881	—	41,881
Difference Between Expected & Actual Experience	(6,208)	—	(6,208)
Contributions - Employer	—	10,718	(10,718)
Contributions - Employee	—	5,846	(5,846)
Net Investment Income (Loss)	—	(101,792)	101,792
Benefit Payments	(41,706)	(41,706)	—
Administrative Expenses	(586)	(586)	—
Changes in Assumptions	(5,765)	—	(5,765)
Changes in Benefit Terms	—	—	—
Other	—	—	—
Member Buybacks	—	—	—
Net Changes	3,404	(127,520)	130,924
Balance 12/31/2022	$ 606,704	$ 589,026	$ 17,678
NON-REP PLAN			
Balance at 12/31/2021	$ 544,604	$ 505,496	$ 39,108
Service Cost	3,608		3,608
Interest	29,088	—	29,088
Difference Between Expected & Actual Experience	1,500	—	1,500
Contributions - Employer	—	10,508	(10,508)
Contributions - Employee	—	1,608	(1,608)
Net Investment Income (Loss)	—	(73,051)	73,051
Benefit Payments	(39,211)	(39,211)	—
Administrative Expenses	—	(645)	645
Changes in Assumptions	827	—	827
Changes in Benefit Terms	—	—	—
Other	—	1	(1)
Member Buybacks	—	36	(36)
Net Changes	(4,188)	(100,754)	96,566
Balance 12/31/2022	$ 540,416	$ 404,742	$ 135,674

(Dollars in Thousands)

12. PENSION PLANS (continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension -

For the year ended June 30, 2023, MARTA recognized pension expense of $31,479.

At June 30, 2023, MARTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		
	Union Plan	**Non-Rep Plan**	**Combined**
Net difference between projected and actual earnings on investments	$ 63,669	$ 37,206	$ 100,875
Changes in benefits terms	—	—	—
Difference between expected and actual experience	430	—	430
Changes of assumptions	6,750	—	6,750
Contribution made subsequent to the measurement date	7,093	13,387	20,480
Total	$ 77,942	$ 50,593	$ 128,535

	Deferred Inflows of Resources		
	Union Plan	**Non-Rep Plan**	**Combined**
Net difference between projected and actual earnings on investments	$ —	$ —	$ —
Changes in benefits terms	—	—	—
Difference between expected and actual experience	(5,196)	—	(5,196)
Changes of assumptions	(4,384)	—	(4,384)
Total	$ (9,580)	$ —	$ (9,580)

(Dollars in Thousands)

12. PENSION PLANS (continued)

Deferred outflows of resources of $20,480 related to pensions resulting from contributions made subsequent to the December 31, 2022 measurement date will be recognized as a reduction of the net pension liability in the subsequent future reporting period. Other amounts reported as collective deferred outflows and deferred inflows of resources to be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources		
Year Ending June 30	Union Plan	Non-Rep Plan	Combined
2024	$ 806	$ (2,523)	$ (1,717)
2025	13,537	6,773	20,310
2026	17,215	13,340	30,555
2027	29,711	19,616	49,327
Total	$ 61,269	$ 37,206	$ 98,475

DEFINED CONTRIBUTION PENSION PLAN

Plan Description - MARTA maintains one defined contribution pension plan, the MARTA Non-Represented Defined Contribution Plan and Trust (the “DC Plan”). The DC Plan provides pension for all full-time non-represented employees of MARTA who were hired on or after January 1, 2005, Transit Police hired on or after January 1, 2015, and to those members of the Non-Rep Plan who elected to transfer to this plan. Covered employees were eligible to participate on the first date of employment. The plan provisions and contributions requirements are established and may be amended by the pension retirement committee after approval by resolution of the MARTA Board of Directors. The plan is administered by a pension retirement committee and Nationwide is the trustee. The DC Plan does not issue stand-alone financial statements.

Benefits Provided - The MARTA DC Plan was established to provide retirement, disability, and death/ survivor benefits. Normal retirement under the DC Plan occurs when a participant reaches the age of 65. If the participant terminated on or after his normal retirement date, he will receive 100% of the account. If the participant terminated before his normal retirement date, he shall be entitled to receive the vested percentage of the account based on years of service. Notwithstanding the retirement rules above, the participant’s employer contribution account shall become 100% vested and not subject to forfeiture upon the occurrence of any of the following events: when an employee reaches normal retirement age, death, or becomes disabled.

Contributions - For the year ending June 30, 2023, MARTA contributed $5,763 and plan participants contributed $5,656 to the DC Plan.

13. EMPLOYEE BENEFITS

DEFERRED COMPENSATION PLAN

MARTA has adopted a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code (the "457 Plan").

The 457 Plan allows any employee to voluntarily defer receipt of up to 25% of gross compensation, not to exceed $19.5 per year or if age 50 and over, not to exceed $26 per year. All administration costs of the 457 Plan are deducted from the participant's account. The deferred amounts may be distributed to the employee upon retirement or other termination of employment, disability, death, or financial hardship (as defined). The 457 Plan's assets are held and administered by insurance providers. MARTA has no fiduciary relationship with the trust. Accordingly, the 457 Plan assets are not included in MARTA's Statement of Net Position.

OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description - In addition to providing pension benefits, MARTA provides certain health care benefits for retirees who meet retirement requirements, provide an employee share of premiums for health coverage and retired under one of the defined benefits pension plans. The union retiree benefits are collectively bargained. The Non-Represented retiree benefits are not contractually guaranteed. The MARTA OPEB Trust Plan (OPEB Trust or OPEB Plan) is a single-employer plan. The plan is administered by the OPEB Committee. The four MARTA positions that are members of the OPEB Committee are: Chief Financial Officer, Assistant General Manager of Human Resources, Chief Counsel and Controller. There is not a separate GAAP-based audited set of financial statements for the OPEB Plan.

Healthcare benefits are available to normal, early or disability retirees from retirement up to age 65. Spouses are eligible for coverage only while the participant is covered. Eligibility requirements for healthcare coverage for Union participants retiring with a reduced pension is 75 points. Healthcare coverage for Non-Represented participants, including Police Officers, is only available for those hired prior to July 1, 2004, and they must have a least 10 years of service upon retirement.

The fiduciary net position of the OPEB plan is reflected in the measurement of the plan's net OPEB liability, deferred outflows, deferred inflows and OPEB expense. The OPEB Plan actuarial valuation date is June 30, 2021, carried forward to June 30, 2022 and the measurement date is June 30, 2022.

Benefits Provided – OPEB benefits include medical, vision, dental and pharmaceutical coverage along with basic life and critical illness insurances, retiree transit pass and long-term disability benefits for Non-Represented retiree.

Life insurance and retiree transit pass benefits continue for life. Retirees may select from several health plans and pay a portion of the cost of benefits. Critical Illness benefits are provided based on type of health plan.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Plan Membership **-** Below are the total employees and retirees covered under the OPEB Plan for the actuarial plan year ended June 30, 2022:

	Union		Non-Rep		Combined	
	Healthcare	Life Insurance	Healthcare	Life Insurance	Healthcare	Life Insurance
Inactive Plan Members or Beneficiaries	308	2,458	241	1,305	549	3,763
Active Plan Members	2,505	2,550	265	374	2,770	2,924
	2,813	5,008	506	1,679	3,319	6,687

Contributions – The normal annual costs of the plan are funded by employer and retiree contributions that are pay as you go. MARTA maintains a trust for future OPEB funding above the pay as you go. However, no benefits have been paid from the OPEB Trust. MARTA contributed $13.5 million to the OPEB Trust for the fiscal year ending June 30, 2023.

Net OPEB Liability - The liability of employers and contributing entities to employees for post employment benefits other than pensions (other post-employment benefits or OPEB) provided under the MARTA OPEB Plan. It is the difference between the Total OPEB Liability and the Plan Fiduciary Net Position. At June 30, 2022, MARTA reported a net OPEB liability of $88,268.

Discount Rate - The discount rate used to measure the Total OPEB Liability for the Plan Year ending June 30, 2022, is 6.5%. This rate is based on the long-term expected yield rate on current and expected future assets. A separate cash flow projection, if employer contributions will continue at the current rates, shows the OPEB Plan's projected Fiduciary Net Position being greater than the benefit payments projected for each future period assuming this pattern continues. Therefore, the long-term expected rate of return on Plan Investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

Actuarial Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarial calculations consider a long-term perspective. Calculations reflect the substantive plan in effect as of year ending June 30, 2022, and the current sharing pattern of costs between employer and employee. As results are compared to past expectations and new estimates are made about the future, actuarial determinations better reflect current and future conditions.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date - The inflation rate decreased from 2.50% to 2.25% and the healthcare cost trend rate decreased from 8.50% to 7.25%.

The following assumptions are for the OPEB plan and were based on the results of an actuarial experience study for the period ending June 30, 2022.

Discount Rate:	6.5%
Investment Rate of Return:	6.5%
Inflation Rate:	2.25%
Healthcare Cost Trend:	7.25% for 2022-23 PY and decreases to an ultimate rate of 5.0% by PY 2031-32
Election on Health Care Coverage	100% of eligible active employees will elect coverage and 10% of eligible retirees who previously opted out will elect coverage
Dependents Coverage	Non-spouse dependent coverage was not assumed
New Entrant Assumption	An open group projection has been employed for developing expected liabilities and benefit payouts
Age of Participants with Unrecorded Dates of Birth	Average age of Participants with recorded dates of birth and the same vested status

Healthcare Trend Rates

Year	Trend	Year	Trend
2022-23	7.25%	2028-29	5.75%
2023-24	7.00%	2029-30	5.50%
2024-25	6.75%	2030-31	5.25%
2025-26	6.50%	2031 and after	5.00%
2026-27	6.25%		
2027-28	6.00%		

Health Care Age Based Cost Adjustment

Age	Claims Graduation
Less than 55	3.3%
55 - 59	3.6%
60 - 64	4.2%

Long Term Disability	75% of qualifying participants will be permanently disable and 25% will experience 4 years of disability.
Retiree Transit Pass Election Rate	40% of retirees will apply for the Retiree Pass
Retiree Transit Pass Usage	3 rides per month with 80% usage

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

UNION PLAN

Mortality Rates

Pre- and Post-Retirement:	RP-2014 Blue Collar Mortality Table with fully generational projection using ½ of Scale MP-2016 set forward by 1 year
Post-Disablement:	RP-2014 Disabled Mortality Table with fully generational projection using ½ of Scale MP-2016
Salary Scale:	4.5% compounded annually

Withdrawal Rates - Sample Rates as Shown

	Service		
Age	< 2 Years	2 - 4 Years	4 + Years
20	16.19%	10.86%	0.00%
30	16.75%	10.39%	6.42%
40	14.32%	7.92%	4.60%
50	14.04%	6.81%	4.07%
60	12.27%	6.00%	1.62%

Retirement Ages - Rates as shown

Age	Rate
52-54	4%
55-59	6%
60	10%
61-64	20%
65	100%

Healthcare Claims Cost

Age	Cost
50	$996
55	$1,171
60	$1,406
64	$1,657

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

NON-REPRESENTED PLAN

Mortality Rates

Pre- and Post-Retirement:	RP-2014 Employee and Healthy Annuitant Mortality Tables, separate by sex, Projection Scale MP-2019 from 2007, Fully Generational
Post-Disablement:	RP-2014 Disabled Annuitant Mortality Tables, separate by sex, Projection Scale MP-2019 from 2007, Fully Generational
Salary Scale:	3.5% compounded annually for Police, 3.0% for all others

Withdrawal Ages - Sample Rates as Shown

		Transit Police	
Age	Non-Police	Under 5 YOS	5 YOS or more
30	9.26%	16.7%	7.4%
35	6.14%	11.1%	4.9%
40	3.38%	7.9%	2.7%
45	2.63%	6.1%	2.1%

Retirement Ages - Rates as Shown

	Rate	
Age	Non-Police	Police
40-49	5%	
50	10%	30%
51-54	10%	20%
55	12%	50%
56-61	20%	20%
62	60%	100%
63-64	30%	
65	40%	
66	100%	

Healthcare Claims Cost (Monthly)

Age	Cost
50	$1,027
55	$1,207
60	$1,449
64	$1,709

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the plan, calculated using the discount rate of 6.5%, as well as what the individual plans' net OPEB liability 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:

	1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Total OPEB Liability (TOL)	$ 200,251	$ 187,098	$ 175,251
Plan Fiduciary Net Position	98,830	98,830	98,830
Plan Net OPEB Liability	$ 101,421	$ 88,268	$ 76,421
Plan Fiduciary Net Position as a Percentage of the TOL	49.4%	52.8%	56.4%

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the net OPEB liability of the Plan, calculated assuming the current healthcare cost trend rates is 1-percentage-pointlower (6.25% decreasing to 4.0%) or 1-percentage-point higher (8.25% decreasing to 6.0%) than the current rate:

	1% Decrease 6.25% decreasing to 4.0%	Current Healthcare Cost Trend Rates 7.25% decreasing to 5.0%	1% Increase 8.25% decreasing to 6.0%
Total OPEB Liability (TOL)	$ 174,850	$ 187,098	$ 200,932
Plan Fiduciary Net Position	98,830	98,830	98,830
Plan Net OPEB Liability	$ 76,020	$ 88,268	$ 102,102
Plan Fiduciary Net Position as a Percentage of the TOL	56.5%	52.8%	49.2%

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Long-Term Expected Rate of Return – The building-block method determines the long-term expected rate of return on OPEB plan investments. The method weights best estimate of expected future real rates of return for each major asset class. Multiplying the weights by the target asset allocation percentage and adding expected inflation produces the long-term expected rate of return. The discount rate used to measure the total OPEB liability was 6.5%. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of June 30, 2022, are:

Asset Class	Target Allocation Percentage	Long-term Expected Real Rate of Return
Domestic Equity - Large Cap	37%	4.25%
Domestic Equity - Small/Mid Cap	8%	4.45%
International Equity	30%	4.55%
Domestic Fixed income	25%	-0.50%
	100%	

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	$ 182,547	$ 114,900	$ 67,647
Changes for the year:			
Service Cost	6,900	—	6,900
Interest on TOL, Service Cost and Benefit Payments	12,313	—	12,313
Difference between Expected and Actual Experience	(3,201)	—	(3,201)
Employer Contributions	—	13,461	(13,461)
Active Employee Contributions *	—	—	—
Net Investment Income	—	(18,070)	18,070
Benefit Payments	(11,461)	(11,461)	—
Administrative Expenses	—	—	—
Changes in Plan Assumptions	—	—	—
Changes in Plan Benefits	—	—	—
Other Changes	—	—	—
Net Changes	4,551	(16,070)	20,621
Balances at June 30, 2022	$ 187,098	$ 98,830	$ 88,268

*Active employees do not contribute to the OPEB plan.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

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

For the year ended June 30, 2022, MARTA recognized OPEB expense of $2,121.

At June 30, 2023, MARTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Difference between expected and actual experience	$ —	$ (13,808)
Net difference between projected and actual earnings on investments	11,744	—
Changes of assumptions	153	(4,726)
Employer contribution subsequent to the measure date	10,659	—
Total	$ 22,556	$ (18,534)

Deferred outflows of resources of $10,659 related to OPEB resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent future reporting period. Other amounts reported as collective deferred outflows and deferred inflows of resources to be recognized in OPEB expense as follows:

Year Ending June 30:	Deferred Outflows (Inflows) of Resources
2023	(6,407)
2024	(5,396)
2025	228
2026	4,938
Total	(6,637)

Changes in Assumptions and Benefit Terms Since the Measurement Date – There were no changes in assumptions or benefit terms between the measurement date and June 30, 2023.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Detailed information about the OPEB Plan fiduciary net position is listed below:

Investments	Valuation Measurement Method		2022
US Equities	Fair Value - Level 1	$	57,146
International Equities	Fair Value - Level 1		26,708
Domestic Bonds	Fair Value - Level 2		12,660
Short-Term Investments	Fair Value - Level 1		2,350
Total Assets			98,864
Liabilities			34
Net Asset Available for Benefits		$	98,830

Annual Money-Weighted Rate of Return	**-15.70%**

Concentration of Credit Risk - The risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The OPEB Plan Investment Policy establishes a long-term strategic asset allocation that mitigates overall expected portfolio risk (volatility) and maximizes expected return. The plan does not limit the percentage of involvement in any single issuer.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the OPEB Plan will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Of the OPEB Plan's investments at June 30, 2022, all the securities are held by a trustee and are in the name of the OPEB Plan.

Foreign Currency Risk - The risk that changes in exchange rates will adversely impact the fair value of an investment. The OPEB Plan holds $26,708 of investments that are exposed to this risk.

Interest Rate Risk - Is the risk that changes in interest rates will adversely affect the fair value of an investment. OPEB Trust adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The plan currently maintains the interest rate risk and consistent with its long-term investment horizon.

Credit Risk - Investments are subject to credit risk, which is the chance that an issuer will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause price to decline. The tables above summarize the fair value of investments that are included in the restricted and unrestricted cash and investments and the related credit ratings. OPEB Plan maintains policies to manage credit risks, which include requiring minimum credit ratings issued by nationally recognized statistical rating organizations and maintaining diversified investments using target asset allocation ranges encompassing a long-term perspective.

(Dollars in Thousands)

14. FIDUCIARY - OTHER POST EMPLOYMENT BENEFITS(OPEB)

	Other Post Employment Benefits
ASSETS	
Investments at Fair Value:	
Equities	$ 96,452
Fixed Income	12,631
Short- term Investments	4,191
Total Investments	113,274
Total Assets	$ 113,274
LIABILITIES	
Due to Brokers	$ 78
Total Liabilities	78
NET POSITION	
Restricted for:	
Post Employment Benefits other than Pensions	113,196
Total Net Position	113,196
Total Liabilities and Net Position	$ 113,274

(Dollars in Thousands)

14. FIDUCIARY - OTHER POST EMPLOYMENT BENEFITS(OPEB) (continued)

	Other Post Employment Benefits
ADDITIONS	
Contributions:	
Employee	$ 1,607
Employer	10,659
Total Contributions	12,266
Investment Income	
Interest and Dividends	1,974
Net Increase (Decrease) in Fair Value of Investments	10,566
Total Investment Earnings (Loss)	12,540
Less Investment Costs	
Investment Activity Costs	174
Net Investment Earnings (Loss)	12,366
Total Additions	24,632
DEDUCTIONS	
Medical, Dental, and Life Insurance for Retirees	10,266
Total Deductions	10,266
Net increase (decrease) in Fiduciary Net Position	14,366
NET POSITION RESTRICTED	
Net Position, July 1	98,830
Net Position, June 30	$ 113,196

(Dollars in Thousands)

15. RISK MANAGEMENT

MARTA is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. MARTA is self-insured for workers' compensation claims up to $2,500 per occurrence; automobile liability claims, and public liability and property damage claims up to $10,000 per occurrence. MARTA carries excess insurance coverage for amounts exceeding the self-insured retentions. For property insurance the limits over the self-insured retention of $ 5,000 are $ 350,000 and for casualty insurance, the limits over the self-insured retention are $150,000.

There have been no significant reductions in insurance coverage during the year ended June 30, 2023 and the amount of claims settlements did not exceed insurance coverage in any of the past three years.

The changes in the liabilities for self-insurance for the year ended June 30, 2023 were as follows:

	Workers' Compensation	Public Liability and Property	Total
Balance, June 30, 2021	$ 27,497	$ 37,412	$ 64,909
Incurred claims, net of any changes in estimates	9,886	8,425	18,311
Payments	(10,565)	(19,163)	(29,728)
Balance, June 30, 2022	26,818	26,674	53,492
Incurred claims, net of any changes in estimates	8,301	28,200	36,501
Payments	(10,613)	(20,536)	(31,149)
Balance, June 30, 2023	$ 24,506	$ 34,338	$ 58,844
Due within one year	$ 10,541	$ 10,164	$ 20,705

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.

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.

MARTA also provides employee health insurance which includes medical, vision, pharmacy drugs, dental, critical illness, and life insurance. All the medical plans have both specific and aggregate stop loss insurance coverage.

16. COMMITMENTS AND CONTINGENCIES

Commitments - MARTA's long-range plan provides for the planning, construction, financing, and operation of a rapid transit system in multiple phases, consisting of approximately 60 miles of double track and 45 stations, of which 47.6 miles and 38 stations were in service June 30, 2023. At June 30, 2023, MARTA was committed to future capital expenditures for various other projects including expansion efforts.

The FTA has provided most of the funds required to construct Phase A (13.7 miles) and Phase B (9.7 miles) of the system with four grants totaling approximately $1,232,400 in federal funds. Additionally, FTA has provided $290,318 in federal funds for Phase C (10.6 miles), $133,400 for Phase D (10.3 miles), and $370,189 for Phase E (3.0 miles). The remaining costs of the system has been financed through sales and use tax revenues, Sales Tax Revenue Bonds, and investment income.

FTA has also authorized other grant funds for the construction of a bus rapid transit (BRT) system, bus transit facilities, buses, replacement and rehabilitation of transit operating equipment, development work for construction support techniques, upgrading the fire protection system, renovation of the track system, and other purposes not directly related to the rail construction program.

MARTA plans to fund its committed projects through the unencumbered capital portion of its sales tax, future new bond proceeds, issuance of short-term variable rate debt, and federal and state capital grants.

Federal funding may vary per awarding agency and award type. However, most current grant awards are shared with 80% federal funding and a 20% local match.

MARTA also has lease and interest revenue and capital reserves available to supplement its needs.

Contingencies - MARTA is a defendant in several lawsuits relating to alleged personal injuries and alleged damages to property and business as a result of its operations. Claims have also been filed with MARTA that relate to disputes between MARTA and various contractors under contracts that MARTA had entered prior to FY2023. Claims that are measurable and probable have been reflected in the financial statements.

In addition, FTA periodically audits costs relating to the federal grants. Any costs that are ultimately determined to be non-allowable under the provisions of a federal capital grant will require funding from local funds. The outcome of the above matters is not presently determinable; however, management believes the ultimate resolution of these matters will not materially affect the financial statements of MARTA.

Business Disruption - In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a global pandemic. COVID-19 has impacted economic activity, financial markets globally and locally and has resulted in a decrease in passenger fare revenue for the Authority for fiscal years 2020 – 2023.

Since the onset of the pandemic, both bus and rail ridership are down significantly. However, Sales Tax revenue has increased, and expenses are in line with normal year-over-year growth. To help mitigate the impact of the disruption in operations, MARTA carefully managed the COVID Relief funding received and has created comprehensive health and safety guidelines.

The extent to which COVID-19 impacts MARTA will depend on future developments, which are still highly uncertain and cannot be predicted. For the year ending June 30, 2023, MARTA experienced slightly higher ridership than budgeted but remains approximately 42% below pre-pandemic levels.

17. POLLUTION REMEDIATION OBLIGATION

GASB Statement No.49, Accounting and Financial Reporting for Pollution Remediation Obligations, details the circumstances under which the estimated liability for remediation of the detrimental effects of existing pollution should be recorded in the financial statements.

MARTA has one active remediation system at one bus maintenance facility (Hamilton Boulevard). In the 1990's there were multiple releases from underground storage tank systems at the site. MARTA is currently using a dual phase extraction (DPE) system to treat groundwater and soil vapor, as required by the Georgia Environmental Protection Division (EDP). System operation, monitoring, maintenance, and sampling requirements cost around $480 per year.

MARTA estimates that $1,728 is its obligation to remediate the sites at the bus and maintenance facilities as of June 30, 2023 which is included in other current liabilities on the Statement of Net Position.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

UNION

Total Pension Liability:	**2022**	**2021**	**2020**	**2019**	**2018**
Service Cost	$ 15,788	$ 15,528	$ 14,793	$ 13,319	$ 13,036
Interest	41,881	40,016	40,154	39,340	38,706
Change in Benefit Terms	—	—	—	—	—
Difference between Expected and Actual Experience	(6,208)	(951)	1,657	(4,694)	(10,361)
Change in Assumptions	(5,765)	13,517	—	—	5,898
Benefit Payments	(41,706)	(40,572)	(37,334)	(37,933)	(38,499)
Administrative Expense	(586)	(611)	(566)	(596)	(589)
Net Change in Total Pension Liability	$ 3,404	$ 26,927	$ 18,704	$ 9,436	$ 8,191
Total Pension Liability					
Beginning of the Year	603,300	576,373	557,669	548,233	540,042
Net Increase (Decrease)	3,404	26,927	18,704	9,436	8,191
Total Pension Liability End of the Year	$ 606,704	$603,300	$576,373	$557,669	$548,233
Plan Fiduciary Net Position:					
Employee Contributions	$ 5,846	$ 6,010	$ 5,837	$ 5,699	$ 5,137
Employer Contributions	10,718	11,018	10,674	10,404	9,129
Members Buybacks	—	—	—	—	—
Net Investment Income (Loss)	(101,792)	98,286	76,214	101,948	(26,423)
Benefits Payments	(41,706)	(40,572)	(37,334)	(37,933)	(38,499)
Administrative Expense	(586)	(611)	(566)	(596)	(589)
Other	—	—	—	—	—
Net Change in Plan Fiduciary Net Position	$(127,520)	$ 74,131	$ 54,825	$ 79,521	$(51,245)
Total Fiduciary Net Position					
Beginning of the Year	716,545	645,680	590,855	511,334	562,578
Net Increase (Decrease)	(127,520)	74,131	54,825	79,521	(51,245)
Total Plan Fiduciary Net Position End of the Year	$ 589,025	$719,812	$645,680	$590,855	$511,334
Plan's Net Position Liability/(Asset)	$ 17,678	$ (116,512)	$(69,307)	$ (33,186)	$ 36,899
Plan Fiduciary Net Position as % of TPL	97.1%	119.3%	112.0%	106.0%	93.3%
Covered Payroll	132,490	136,197	131,937	128,600	112,843
Plan's NPL as % of Covered Payroll	13.3%	-85.6%	-52.5%	-25.8%	32.7%

* The years in the column headers represent the measurement period ending December 31.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

UNION

Total Pension Liability:	**2017**	**2016**	**2015**	**2014**	**2013**
Service Cost	$12,199	$11,677	$11,476	$11,099	$11,004
Interest	37,614	38,448	35,684	35,109	34,672
Change in Benefit Terms	—	(1,180)	323	—	—
Difference between Expected and Actual Experience	2,670	(4,055)	(1,763)	(2,287)	(5,092)
Change in Assumptions	1,051	—	29,188	—	—
Benefit Payments	(38,807)	(38,031)	(36,727)	(35,123)	(33,491)
Administrative Expense	(705)	(928)	(851)	(588)	(553)
Net Change in Total Pension Liability	$14,022	$ 5,931	$37,330	$ 8,210	$ 6,540
Total Pension Liability					
Beginning of the Year	526,020	520,089	482,759	474,549	468,009
Net Increase (Decrease)	14,022	5,931	37,330	8,210	6,540
Total Pension Liability End of the Year	$540,042	$526,020	$520,089	$482,759	$474,549
Plan Fiduciary Net Position:					
Employee Contributions	$ 4,947	$ 4,828	$ 4,719	$ 4,392	$ 4,812
Employer Contributions	9,041	8,807	8,630	8,077	8,839
Members Buybacks	—	—	—	—	—
Net Investment Income	68,793	41,493	(7,547)	31,954	84,100
Benefits Payments	(38,807)	(38,031)	(36,727)	(35,123)	(33,491)
Administrative Expense	(705)	(928)	(851)	(588)	(553)
Other	—	—	—	—	—
Net Change in Plan Fiduciary Net Position	$43,269	$16,169	$(31,776)	$ 8,713	$63,707
Total Fiduciary Net Position					
Beginning of the Year	519,309	503,140	535,836	526,203	462,497
Net Increase (Decrease)	43,269	16,169	(32,696)	8,713	63,706
Total Plan Fiduciary Net Position End of the Year	$562,578	$519,309	$503,140	$534,916	$526,203
Plan's Net Position Liability (NPL)	$(22,536)	$ 6,712	$16,948	$(52,157)	$(51,654)
Plan Fiduciary Net Position as % of TPL	104.2%	98.7%	96.7%	110.8%	110.9%
Covered Payroll	111,751	108,865	106,678	99,587	109,119
Plan's NPL as % of Covered Payroll	-20.2%	6.2%	15.9%	-52.4%	-47.3%

* The years in the column headers represent the measurement period ending December 31.
** This is a 10-year schedule information. Information for additional years will be displayed as it becomes available.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

NON-REP

Total Pension Liability:	**2022**	**2021**	**2020**	**2019**	**2018**
Service Cost	$ 3,608	$ 3,708	$ 4,240	$ 4,471	$ 5,136
Interest	29,088	28,706	28,372	28,832	29,002
Change in Benefit Terms	—	10,400	—	—	1,000
Difference between Expected and Actual Experience	1,500	2,000	(2,105)	2,785	(118)
Change in Assumptions	827	—	12,234	36,094	—
Benefit Payments	(39,211)	(36,377)	(35,903)	(37,291)	(37,643)
Administrative Expense	—	—	—	—	—
Net Change in Total Pension Liability	$(4,188)	$ 8,437	$ 6,838	$34,891	$(2,623)
Total Pension Liability					
Beginning of the Year	544,604	536,167	529,329	494,438	497,061
Net Increase (Decrease)	(4,188)	8,437	6,838	34,891	(2,622)
Total Pension Liability End of the Year	$540,416	$544,604	$536,167	$529,329	$494,438
Plan Fiduciary Net Position:					
Employee Contributions	$ 1,608	$ 1,708	$ 1,990	$ 2,250	$ 2,424
Employer Contributions	10,508	15,629	15,146	19,493	19,434
Members Buybacks	36	88	17	29	20
Net Investment Income (Loss)	(73,051)	56,215	55,668	68,425	(22,247)
Benefits Payments	(39,211)	(36,377)	(35,903)	(37,291)	(37,643)
Administrative Expense	(644)	(266)	(378)	(361)	(263)
Other	1	1	—	1	9
Net Change in Plan Fiduciary Net Position	(100,753)	$36,996	$36,540	$52,546	$(38,265)
Total Fiduciary Net Position					
Beginning of the Year	505,496	468,500	431,960	379,414	417,679
Net Increase (Decrease)	(100,753)	36,996	36,540	52,546	(38,265)
Total Plan Fiduciary Net Position End of the Year	$404,743	$505,496	$468,500	$431,960	$379,414
Plan's Net Position Liability (NPL)	$135,674	$39,108	$67,667	$97,369	$115,024
Plan Fiduciary Net Position as % of TPL	74.9%	92.8%	87.4%	81.6%	76.7%
Covered Payroll	21,066	22,563	25,303	28,998	31,145
Plan's NPL as % of Covered Payroll	644.0%	173.3%	267.4%	335.8%	369.3%

* The years in the column headers represent the measurement period ending December 31.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

NON-REP

Total Pension Liability:	**2017**	**2016**	**2015**	**2014**	**2013**
Service Cost	$ 4,747				
Interest	30,292	5,656	6,051	5,602	5,994
Change in Benefit Terms	2,800	32,430	31,569	31,475	30,517
Difference between Expected and Actual Experience	4,409	(37,000)	—	—	—
Change in Assumptions	26,064	1,987	9,181	4,158	(1,032)
Benefit Payments	(36,647)	15,000	—	15,914	10,648
Administrative Expense	—	(33,470)	(34,383)	(34,023)	(31,084)
Net Change in Total Pension Liability	$ 31,665	$(15,397)	$ 12,418	$ 23,126	$ 15,043
Total Pension Liability					
Beginning of the Year	465,396	480,793	468,375	445,249	430,206
Net Increase (Decrease)	31,665	(15,397)	12,418	23,126	15,043
Total Pension Liability End of the Year	$497,061	$465,396	$480,793	$468,375	$445,249
Plan Fiduciary Net Position:					
Employee Contributions	$ 2,533	$ 2,626	$ 2,818	$ 2,902	$ 3,389
Employer Contributions	13,540	26,339	20,114	20,623	21,619
Members Buybacks	48	55	82	44	90
Net Investment Income	63,383	22,568	(2,994)	19,772	66,798
Benefits Payments	(36,647)	(33,470)	(34,383)	(34,023)	(31,084)
Administrative Expense	(275)	(231)	(245)	(227)	(351)
Other	1	133	9	10	341
Net Change in Plan Fiduciary Net Position	$ 42,583	$ 18,020	$(14,598)	$ 9,102	$ 60,801
Total Fiduciary Net Position					
Beginning of the Year	375,096	357,076	371,675	362,573	301,771
Net Increase (Decrease)	42,583	18,020	(14,598)	9,102	60,802
Total Plan Fiduciary Net Position End of the Year	$417,679	$375,096	$357,076	$371,675	$362,573
Plan's Net Position Liability (NPL)	$79,382	$90,300	$123,717	$96,701	$82,676
Plan Fiduciary Net Position as % of TPL	84.0%	80.6%	74.3%	79.4%	81.4%
Covered Payroll	34,571	38,966	42,301	45,099	45,668
Plan's NPL as % of Covered Payroll	229.6%	231.7%	292.5%	214.4%	181.0%

* The years in the column headers represent the measurement period ending December 31.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

UNION

	2023	2022	2021
Actuarial Assumptions:			
Investment Rate of Return	7.00%	7.00%	7.25%
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases:			
Cost of Living	None	None	None
Merit or Seniority	1.00% per year	1.00% per year	1.00% per year
Mortality Assumptions:			
Healthy	RP-2014 Blue Collar Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year
Disabled	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016

NON-REP

	2023	2022	2021
Actuarial Assumptions:			
Investment Rate of Return	5.50%	5.50%	5.50%
Inflation	2.50%	2.25%	2.00%
Mortality Assumptions:			
Healthy	RP-2014 Mortality for Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2021, fully generational	RP-2014 Mortality for Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational	RP-2014 Mortality for Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational
Disabled	None. No future mortality improvement was projected	None. No future mortality improvement was projected	None. No future mortality improvement was projected

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

UNION

	2020	2019	2018
Actuarial Assumptions:			
Investment Rate of Return	7.25%	7.25%	7.25%
Inflation	2.50%	2.50%	2.10%
Projected Salary Increases:			
Cost of Living	None	None	None
Merit or Seniority	1.00% per year	1.00% per year	1.00% per year
Mortality Assumptions:			
Healthy	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP 2016 set forward by 1 year	RP-2000 Combined Health Mortality Tables separated by Sex, Project Scale BB to valuation date.
Disabled	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2016

NON-REP

	2020	2019	2018
Actuarial Assumptions:			
Investment Rate of Return	5.50%	6.00%	6.00%
Inflation	2.25%	2.50%	2.50%
Mortality Assumptions:			
Healthy	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational.	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2016, fully generational.	RP-2000 Combined Health Mortality Tables separated by Sex, Project Scale BB to valuation date.
Disabled	None. No future mortality improvement was projected	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by Sex, Projection Scale BB to valuation date.	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by Sex, Projection Scale BB to valuation date.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2023

(Dollars in Thousands)

UNION

	2017	2016
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Inflation	2.80%	2.80%
Projected Salary Increases:		
Cost of Living	3.00%	3.00%
Merit or Seniority	1.00% per year	1.00% per year
Mortality Assumptions:		
Healthy	RP-2014 Mortality Blue Collar Mortality Table using 1/2 of Scale MP-2014	RP-2014 Mortality Blue Collar Mortality Table using 1/2 of Scale MP-2014
Disabled	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014

NON-REP

	2017	2016
Actuarial Assumptions:		
Investment Rate of Return	6.70%	6.90%
Inflation	2.50%	2.50%
Mortality Assumptions:		
Healthy	RP-2000 Combined Health Mortality Tables separated by sex, Project Scale BB to valuation date.	RP-2000 Combined Health Mortality Tables separated by sex, Project Scale BB to valuation date .
Disabled	RP-2000 Combined Health Mortality Tables separated by sex, Project Scale BB to valuation date.	None. No future mortality improvement was projected

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - Pension
Year Ended June 30, 2023
(Dollars in Thousands)

UNION

FISCAL YEAR ENDED JUNE 30	**2023**	**2022**	**2021**	**2020**	**2019**
Contributions					
Actuarially Determined Contribution	$ 10,535	$ 9,853	$ 11,189	$ 10,257	$ 9,812
Actual Employer Contributions	10,535	9,853	11,489	10,257	9,812
Contribution Deficiency (Excess)	—	—	(300)	—	—
Covered Payroll	$130,225	$121,793	$138,306	$126,792	$121,284
Actual Contributions as % of Covered Payroll	8.09%	8.09%	8.31%	8.09%	8.09%

NON-REP

FISCAL YEAR ENDED JUNE 30	**2023**	**2022**	**2021**	**2020**	**2019**
Contributions					
Actuarially Determined Contribution	$ 12,626	$ 9,147	$ 12,853	$ 15,741	$ 14,664
Actual Employer Contributions	21,451	11,266	17,967	16,899	17,647
Contribution Deficiency (Excess)	(8,825)	(2,119)	(5,114)	(1,158)	(2,983)
Covered Payroll	$ 21,350	$ 22,339	$ 25,124	$ 28,673	$ 31,425
Actual Contributions as % of Covered Payroll	100.47%	50.43%	71.51%	58.94%	56.16%

*Based on a blend of the overlapping Calendar Year results. The 6/30/2017 through 6/30/2023 results are based on the unaudited cash statements for the preceding 12 months and the applicable contribution rate.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - Pension
Year Ended June 30, 2023
(Dollars in Thousands)

UNION

FISCAL YEAR ENDED JUNE 30	2018	2017	2016	2015	2014
Contributions					
Actuarially Determined Contribution	$9,278	$ 8,924	$ 8,719	$ 8,729	$ 7,510
Actual Employer Contributions	9,278	8,924	8,719	8,354	8,458
Contribution Deficiency (Excess)	—	—	—	375	(948)
Covered Payroll	$114,680	$110,308	$107,772	$103,133	$104,353
Actual Contributions as % of Covered Payroll	8.09%	8.09%	8.09%	8.10%	8.11%

NON-REP

FISCAL YEAR ENDED JUNE 30	2018	2017	2016	2015	2014
Contributions					
Actuarially Determined Contribution	$13,181	$19,787	$23,211	$18,296	$18,646
Actual Employer Contributions	17,158	24,346	19,787	20,369	21,121
Contribution Deficiency (Excess)	$(3,977)	(4,559)	3,424	(2,073)	(2,475)
Covered Payroll	$ 34,157	$ 38,231	$ 43,402	$ 43,700	$ 45,384
Actual Contributions as % of Covered Payroll	50.23%	63.68%	45.59%	46.61%	46.54%

*Based on a blend of the overlapping Calendar Year results. The 6/30/2017 through 6/30/2023 results are based on the unaudited cash statements for the preceding 12 months and the applicable contribution rate.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Year Ended June 30, 2023
(Dollars in Thousands)

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost (BOY)	$ 6,900	$ 7,005	$ 7,150	$ 6,915	$ 6,751	$ 6,521
Interest	12,313	14,532	14,137	14,396	14,133	15,259
Change in Benefit Terms	—	—	—	5,114	—	—
Difference between Expected and Actual Experience	(3,201)	(18,372)	(3,975)	(19,310)	(265)	(7,362)
Change in Assumptions	—	(9,211)	—	3,956	—	(15,402)
Benefit Payments	(11,461)	(11,997)	(11,526)	(15,009)	(17,020)	15,335
Administrative Expense	—	—	—	—	—	
Net Change in Total OPEB Liability	$ 4,551	$ (18,043)	$ 5,786	$ (3,938)	$ 3,599	$ (16,319)
Total OPEB Liability						
Beginning of the Year	182,547	200,589	194,803	198,741	195,143	211,461
Net Increase (Decrease)	4,551	(18,043)	5,786	(3,938)	3,599	(16,319)
End of the Year	$ 187,098	$ 182,546	$ 200,589	$ 194,803	$ 198,741	$195,142
Plan Fiduciary Net Position:						
Employer Contributions	$ 13,461	$ 14,997	$ 14,526	$ 18,009	$ 20,020	$ 20,772
Active Employee Contributions *	—	—	—	—	—	—
Net Investment Income	(18,070)	23,212	2,632	4,103	5,265	6,867
Benefit Payments	(11,461)	(11,997)	(11,526)	(15,009)	(17,020)	(15,335)
Administrative Expense	—	—	—	—	—	
Net Change in Plan Fiduciary Net Position	$ (16,070)	$ 26,212	$ 5,632	$ 7,103	$ 8,265	$ 12,304
Total Fiduciary Net Position						
Beginning of the Year	114,900	88,688	83,056	75,953	67,688	55,384
Net Increase (Decrease)	(16,070)	26,212	5,632	7,103	8,265	12,304
End of the Year	$ 98,830	$ 114,900	$ 88,688	$ 83,056	$ 75,953	$ 67,688
Plan's Net Position Liability (NPL)	$ 88,268	$ 67,646	$ 111,901	$ 111,747	$ 122,788	$127,455
Plan Fiduciary Net Position as % of TOL	52.8%	62.9%	44.2%	42.6%	38.2%	34.7%

*Active employees do not contribute to the OPEB Plan.
**The year in the column header represents the measurement period ending June 30th.
*** This is a 10-year schedule. Information for additional years will be displayed as it becomes available.

Notes to Schedule – Changes in benefits and assumptions: In FY2, the discount rate used to calculate liabilities has remained the same 6.5%. The inflation rate decreased from 2.50% to 2.25%. The health care trend rate starting point decreased from 8.50% to 7.25%. Mortality rates for the Non-Represented Plan have been updated. Spousal coverage election rate has been reduced from 70% to 50%.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - OPEB
Year Ended June 30, 2023
(Dollars in Thousands)

FISCAL YEAR ENDING	2023	2022	2021	2020	2019	2018	2017
Contributions							
Actuarially Determined Contributions	$ 13,461	$14,997	$ 15,002	$ 14,526	$ 18,009	$20,020	$20,772
Employer Contributions (ERC)	13,461	14,997	15,002	14,526	18,009	20,020	20,772
Contributions (Excess)/ Deficiency	—	—	—	—	—	—	—

**This is a 10-year schedule. Information for additional years will be displayed as it becomes available.

Notes to Schedule:

Valuation Date:	June 30, 2021, rolled forward to June 30, 2022
Discount Rate:	6.5%
Investment Rate of Return:	6.5%
Inflation Rate:	2.25%
Healthcare Cost Trend:	7.25% for PY 2021-22 and decreases to an ultimate rate of 5.0% by PY 2031-32

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Other Supplemental Information
Combining Statement of Fiduciary Net Position
June 30, 2023
(Dollars in Thousands)

	Total	Defined Benefit Pension Rep	Defined Benefit Pension Non-Rep	Other Post Employee Benefits
ASSETS				
Receivables:				
Employee Contributions	$ 294	$ 255	$ 39	$ —
Employer Contributions	916	469	447	—
Other Receivables	22	—	22	—
Due from Brokers	4,893	111	4,782	—
Accrued Investment Income	1,554	677	877	—
Total Receivables	7,679	1,512	6,167	—
Investments at Fair Value:				
Equities	479,048	149,786	232,810	96,452
Partnerships	12,838	12,838	—	—
Mutual Funds	334,567	334,567	—	—
Fixed Income	242,861	84,603	145,627	12,631
Real Estate Funds	27,520	—	27,520	—
Derivatives	49	—	49	—
Short- term Investments	18,114	6,307	7,617	4,191
Total Investments	1,114,997	588,101	413,623	113,274
Total Assets	$ 1,122,676	$ 589,613	$ 419,788	$ 113,276
LIABILITIES				
Accounts Payable	$ 556	$ 217	$ 339	$ —
Due to Brokers	15,156	370	14,707	79
Total Liabilities	15,712	587	15,046	79
NET POSITION				
Restricted for:				
Pensions	993,768	589,026	404,742	—
Post Employment Benefits other than Pensions	113,196	—	—	113,196
Total Net Position	1,106,964	589,026	404,742	113,196
Total Liabilities and Net Position	$ 1,122,676	$ 589,613	$ 419,788	$ 113,274

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Other Supplemental Information
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023
(Dollars in Thousands)

	Total	Defined Benefit Pension Rep	Defined Benefit Pension Non-Rep	Other Post Employee Benefits
ADDITIONS				
Contributions:				
Employee	$ 9,097	$ 5,846	$ 1,644	$ 1,607
Employer	31,886	10,719	10,508	10,659
Total Contributions	40,983	16,565	12,152	12,266
Investment Income				
Interest and Dividends	13,409	7,461	3,974	1,974
Net Increase (Decrease) in Fair Value of Investments	(173,816)	(107,402)	(76,980)	10,566
Real Estate Income	1,009	—	1,009	—
Securities Lending Income	77	—	77	—
Total Investment Earnings (Loss)	(159,321)	(99,941)	(71,920)	12,540
Less Investment Costs				
Investment Activity Costs	3,129	1,852	1,103	174
Securities Lending Costs	27	—	27	—
Net Investment Earnings (Loss)	(162,477)	(101,793)	(73,050)	12,366
Total Additions	(121,494)	(85,228)	(60,898)	24,632
DEDUCTIONS				
Benefits Paid to Participants or Beneficiaries	80,917	41,706	39,211	—
Medical, Dental, and Life Insurance for Retirees	10,266	—	—	10,266
Administrative Expenses	1,231	586	645	—
Total Deductions	92,414	42,292	39,856	10,266
Net increase (Decrease) in Fiduciary Net Position	(213,908)	(127,520)	(100,754)	14,366
NET POSITION RESTRICTED				
Net Position, July 1	1,320,872	716,545	505,497	98,830
Net Position, June 30	$ 1,106,964	$ 589,025	$ 404,743	$ 113,196

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Supplemental Schedule of Revenues and Expenses
Budget vs. Actual (Budget Basis)
Year Ended June 30, 2023
(Dollars in Thousands)

	Budget	Actual (Budget Basis)	Variance Favorable/ (Unfavorable)
Operating Revenues			
Fare Revenue	$ 68,651	$ 74,057	$ 5,406
Other Revenue	8,429	7,183	(1,246)
Total Operating Revenues	77,080	81,240	4,160
Operating Expenses			
Transportation	282,371	275,265	7,106
Maintenance & Garage Operations	191,432	196,467	(5,035)
General and Administrative	113,756	117,707	(3,951)
Total Operating Expenses	587,559	589,439	(1,880)
Operating Loss	(510,479)	(508,199)	2,280
Nonoperating Revenues			
Sales and Use Tax	683,751	704,416	20,665
Federal Operating Revenue	213,871	215,904	2,033
Investment Income	1,323	22,415	21,092
Other Revenues	39,083	45,594	6,511
	938,028	988,329	50,301
Increase in Net Position- Budget Basis	$ 427,549	$ 480,130	$ 52,581
Basis Differences			
Depreciation		(250,150)	
Gain on Sales of Property and Equipment		529	
Interest Expense		(73,508)	
Amortization of Financing Related Charges		(768)	
Other - Nonoperating Expense		(85,440)	
Capital Grants and Contributions		52,380	
Increase in Net Position - GAAP Basis		$ 123,173	

See notes to supplemental schedule

1. BUDGETARY HIGHLIGHTS

MARTA adopts its Operating and Capital Budget in June of each year. Once adopted, total budgeted revenues and/or expenses cannot change. Operating revenue performed favorable to the budget, ending the year $4,160 (5.40%) more than budget due to the increase in ridership after the prolonged adverse impact of COVID-19. Nonoperating revenues were $50,301 (5.36%) favorable to the budget. The largest favorable variances were Investment Income and Sales & Use Tax which were $21,092 and $20,665, respectively, more than budgeted. MARTA continued a number of cost containment measures in fiscal year 2023 by focusing on increasing productivity and efficiencies. The fiscal year 2023 total operating expenses were $589,439 which excludes depreciation. This was $1,880 (0.32%) more than the fiscal year 2023 budget, which was $32,376 (5.8%) more than the previous year's budget.

STATISTICAL

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STATISTICAL SECTION - Unaudited

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

Schedules

FINANCIAL TRENDS 97-103

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

REVENUE CAPACITY 107-109

These schedules contain information to help the reader assess the Authority's sources of revenue especially the most significant revenue source, the sales and use tax.

DEBT CAPACITY 113-117

These schedules present 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 & ECONOMIC INFORMATION 121-125

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

OPERATING INFORMATION 129-135

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

SOURCES

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

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FINANCIAL TRENDS

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Condensed Summary of Net Position

Last Ten Fiscal Years
(Dollars in Millions)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ASSETS:										
Current and Other Assets	$ 1,532	$ 1,456	$ 1,386	$ 1,336	$ 1,061	$ 955	$ 1,253	$ 1,086	$ 1,161	$ 1,033
Capital Assets	3,050	3,084	3,059	3,057	3,004	2,883	2,871	2,966	3,049	3,056
Net Pension Assets	-	117	69	33	-	23	-	-	53	-
Derivative Assets	-	-	1	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	2	-
Total Assets	4,582	4,657	4,515	4,426	4,065	3,861	4,124	4,052	4,265	4,089
DEFERRED OUTFLOWS OF RESOURCES										
Hedging	-	-	-	1	-	-	-	-	2	-
Pension	129	24	23	44	101	89	-	128	41	-
OPEB	23	14	20	22	18	20	-	-	-	-
Debt Refunding	22	39	32	26	29	31	21	25	10	12
Total Deferred Outflows of Resources	175	77	93	148	140	131	153	53	12	20
Total Assets and Deferred Outflows of Resources	4,757	4,734	4,590	4,519	4,213	4,001	4,255	4,205	4,318	4,101
LIABILITIES:										
Long-term Debt Outstanding	2,198	2,287	2,657	2,732	2,444	2,361	2,345	2,176	2,132	1,792
Current and Other Liabilities	334	310	351	341	334	294	532	536	693	884
Derivative Liability	-	-	-	1	-	-	-	-	2	-
Net Pension Liability	153	39	68	97	152	79	97	141	96	-
Net OPEB Liability	88	68	112	112	123	128	1	1	1	-
Total Liabilities	2,775	2,704	3,188	3,283	3,053	2,862	2,975	2,854	2,924	2,676
DEFERRED INFLOWS OF RESOURCES										
Hedging	-	-	1	-	-	333	-	-	-	-
Lease	298	325	12	13	15	16	-	-	-	-
Pension	9	132	94	59	9	50	9	3	2	-
OPEB	19	40	15	23	15	20	-	-	-	-
Total Deferred Inflows of Resources	326	497	122	95	39	419	3	2	-	-
Total Liabilities and Deferred Inflows of Resources	3,101	3,201	3,310	3,378	3,092	3,281	2,984	2,857	2,926	2,676
NET POSITION:										
Net Investment in Capital Assets	773	778	673	623	810	774	222	503	478	647
Restricted	102	77	74	66	62	54	936	857	929	789
Unrestricted	781	678	533	452	249	224	113	(12)	(14)	(11)
TOTAL NET POSITION	$ 1,656	$ 1,533	$ 1,280	$ 1,141	$ 1,121	$ 1,052	$ 1,271	$ 1,348	$ 1,393	$ 1,425

Summary of Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years
(Dollars in Millions)

	2023[(1)]	2022[(1)]	2021[1)]	2020[(1)]	2019	2018	2017	2016	2015	2014
Operating Revenues										
Fare Revenues	$74	$65	$52	$102	$133	$138	$138	$141	$146	$140
Other Revenues	7	7	5	8	8	10	10	11	11	12
Total Operating Revenues	81	72	57	110	141	148	148	152	157	153
Non-Operating Revenues										
Sales and Use Tax	704	669	570	522	540	507	439	410	378	347
Federal Revenues	216	250	281	235	87	76	85	76	83	103
Investment Income	22	12	4	12	12	3	2	2	1	1
Net Leases Transaction Activity	—	—	—	(2)	(1)	(71)	(27)	32	5	7
Other Revenues	46	56	53	44	43	42	50	42	28	32
and Equip.	—	—	—	3	7	—	—	—	—	—
Total Non-operating Revenues	989	985	908	814	688	558	552	562	494	490
Total Revenues	1,070	1,057	965	924	829	706	700	715	651	642
Summary of Expenses										
Operating:										
Transportation	275	228	230	241	247	227	220	206	187	182
Operations	196	173	178	174	175	152	140	144	131	142
General and Administrative	118	72	94	94	100	103	73	83	82	89
Depreciation	250	252	249	246	241	234	236	243	225	210
Total Operating Expenses	839	725	751	755	763	716	669	676	625	623
Non-Operating Expenses										
Interest Expenses	74	77	84	87	84	78	84	83	86	76
Interest Expenses Capitalized	—	—	—	—	—	—	—	—	(1)	(1)
Charges										
Activity	1	(5)	(7)	(7)	(9)	(5)	(7)	(5)	(3)	(4)
Derivatives	—	—	—	(1)	(1)	—	—	—	—	—
Other Non-operating Expenses	85	72	62	50	45	33	45	39	44	62
Total Non-operating Expenses	160	144	139	129	119	106	123	117	125	124
Total Expenses	999	869	890	884	882	822	792	793	750	747
Income/(Loss) Before Capital	71	188	75	40	(53)	(114)	(92)	(78)	(99)	(105)
Capital Grants and Contributions	52	63	65	62	122	30	15	32	82	71
Increase (Decrease) in Net Position	123	251	140	102	69	(84)	(78)	(45)	(17)	(34)
Net Position, July 1	1,533	1,280	1,140	1,039	1,052	1,136	1,348	1,393.00	1,410	1,459
Cumulative Effect of Adoption of New Accounting Principle	—	2	—	—	—	—	—	—	—	—
Net Position , July 1	1,533	1,282	1,140	1,039	1,052	1,136	1,348	1,393	1,410	1,459
Net Position, June 30	$1,656	$1,533	$1,280	$1,141	$1,121	$1,052	$1,271	$1,348	$1,393	$1,425

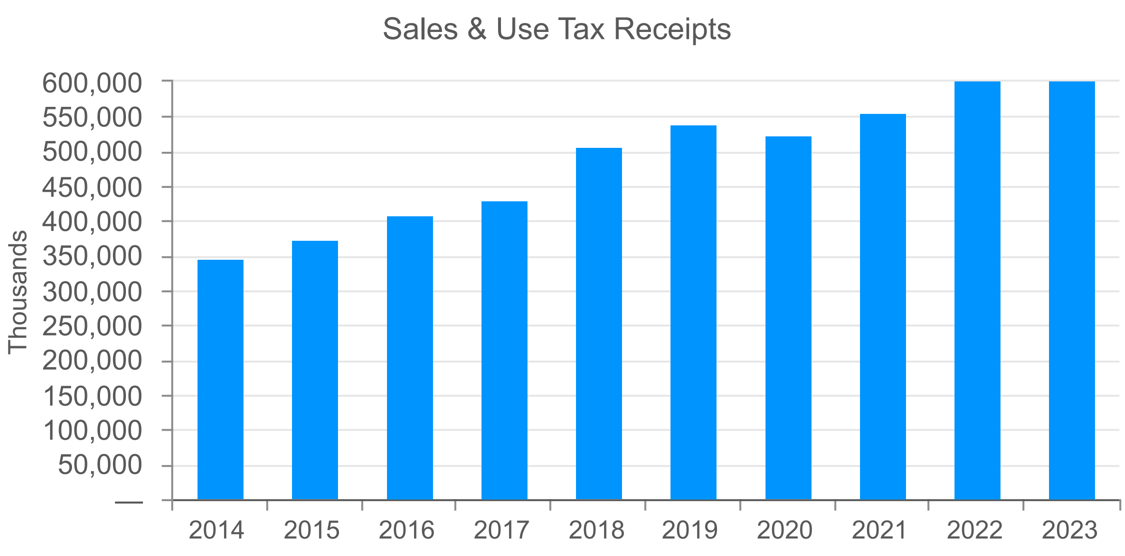
(1) Sales and Use Tax, Fare Revenue and Operating Expenses were impacted by COVID-19. Federal Revenues include COVID Stimulus funds.

Sales Tax Collection and Usage

Last Ten Fiscal Years

(Dollars in Thousands)

			Usage [2 & 3]				
					Sales Tax for Operations		
Fiscal Year	Sales Tax[1]	Percent Change	Sinking Fund Withheld	Capital Construction	Subsidy	Percent Used	Overage/ (Shortage)
2014	$ 345,825	1.6%	$ 132,723	$ 40,190	$ 158,218	46%	$ 14,694
2015	372,384	7.7	146,184	40,008	151,235	41	34,957
2016	409,846	10.1	150,834	62,530	159,470	39	37,012
2017	429,886	4.9	130,570	95,550	170,207	40	33,559
2018	507,264	18.0	123,806	149,509	213,046	40	20,903
2019	538,966	6.2	135,623	148,707	248,868	46	5,768
2020	524,832	(2.6)	141,682	135,429	193,176	37	54,545
2021[1]	557,093	6.2	147,570	146,575	108,050	19	154,898
2022[1]	664,645	19.3	143,861	207,072	92,594	14	221,118
2023[1]	705,828	6.2	143,549	230,540	241,685	34	90,054



[1] Sales Tax Collection is stated on cash basis. Increase in sales tax collection was due to the increase in consumer spending.

[2] For the period July, 1 2010 through June 30, 2014, the Official Code of Georgia Annotated (O.C.G.A) §32-9-13 temporarily suspended the 50/50 sales tax restriction.

[3] In fiscal year 2015, the 50-50 mandate dictating how MARTA can spend its sales tax revenue was permanently lifted.

Revenues and Operating Assistance Comparison to Industry Trend Data

Last Ten Fiscal Years
(As a Percentage of Total)

		Operating and Other Miscellaneous Revenue			Operating Assistance			
	Fiscal Year	Fares	Other[2]	Total	Sales & Use Tax	Federal	Total	Total Revenue
Transportation Industry[1]								
	2014	32.0%	3.9%	35.9%	55.0%	8.6%	64.1%	100%
	2015	32.5	4.9	37.4	54.3	8.3	62.6	100
	2016	31.3	5.0	36.3	55.6	8.0	63.7	100
	2017	31.4	5.0	36.3	55.2	8.5	63.7	100
	2018	30.7	5.4	36.1	55.3	8.6	63.9	100
	2019	29.5	4.5	34.0	58.1	7.9	66.0	100
	2020	16.6	4.1	20.7	52.8	26.5	79.3	100
	2021*	*	*	*	*	*	*	*
	2022*	*	*	*	*	*	*	*
	2023*	*	*	*	*	*	*	*
MARTA								
	2014	21.9%	8.0%	29.9%	54.1%	16.0%	70.1%	100%
	2015	22.5	6.8	29.3	58.0	12.7	70.7	100
	2016	19.8	12.2	32.0	57.3	10.7	68.0	100
	2017	19.7	5.5	25.2	62.7	12.1	74.8	100
	2018	19.6	-2.2	17.4	71.8	10.8	82.6	100
	2019	16.1	8.3	24.4	65.1	10.5	75.6	100
	2020[3]	11.1	7	18.1	56.5	25.4	81.9	100
	2021[3]	5.4	6.5	11.9	59.0	29.1	88.1	100
	2022[3]	6.2	6.9	13.1	63.3	23.6	86.9	100
	2023[3]	6.9	7.1	14.0	65.8	20.2	86.0	100

* Not Available

(1) Source: The American Public Transportation Association, APTA 2022 Fact Book, Appendix A Historical Table 87.

(2) Other Revenue includes interest, auxiliary, and other non-operating income.

(3) Fares, Sales & Use Tax, and Federal Revenues were impacted by COVID-19.

Total Expenses by Function

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Transportation	Maintenance	General and Administrative	Depreciation	Total Operating Expenses	Interest	Other	Total
2014	$ 181,860	$ 141,584	$ 89,298	$ 209,759	$ 622,501	$ 74,518	$49,964	$ 746,983
2015	186,527	131,276	82,354	225,082	625,239	84,845	40,389	750,473
2016	206,252	143,576	83,271	242,536	675,635	83,177	33,644	792,456
2017	219,867	140,341	72,747	235,608	668,563	84,124	38,984	791,671
2018	226,791	151,800	103,540	233,549	715,680	77,611	26,781	820,072
2019	247,245	175,466	99,531	240,540	762,782	83,617	35,310	881,709
2020[(1)]	241,307	173,680	94,017	245,619	754,623	86,918	42,222	883,763
2021[(1)]	230,367	177,536	93,803	249,455	751,161	83,946	55,197	890,304
2022[(1)]	227,844	172,956	72,126	251,704	724,630	77,362	67,245	869,237
2023[(1)]	275,265	196,467	117,707	250,150	839,589	73,508	86,208	999,305

(1) Impacted by COVID-19

Total Operating Expenses by Object

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Labor and Benefits	Services	Material and Supplies	Utilities	Casualty/ Liability Costs	Purchased Transportation	Depreciation	Other [2]	Total Operating Expenses
2014	$ 305,107	$ 30,902	$ 44,243	$ 15,800	$ 12,558	$—	$209,759	$4,132	$ 622,501
2015	300,385	32,465	41,543	13,723	8,103	—	225,082	3,938	625,239
2016	329,462	34,170	41,682	13,854	5,321	4,108	242,536	4,502	675,635
2017	304,955	35,890	38,607	12,857	9,701	26,682	235,608	4,263	668,563
2018	331,416	38,536	43,039	15,289	22,128	24,696	233,549	7,027	715,680
2019	366,938	41,578	39,842	14,929	17,903	30,002	240,540	11,050	762,782
2020[1]	360,009	38,770	38,601	13,885	15,770	31,758	245,619	10,211	754,623
2021[1]	352,158	45,543	30,484	14,818	25,867	29,809	249,455	3,027	751,161
2022[1]	354,049	50,013	45,553	14,660	17,771	34,191	251,704	(43,311)	724,630
2023[1]	375,039	62,090	54,042	14,737	39,137	44,558	250,150	(164)	839,589

[1] Impacted by COVID-19

[2] Includes GASB 68 and GASB 75 adjustments

Operating Expenses Comparison to Industry Trend Data

Last Ten Fiscal Years
(As a Percentage of Total)

	Fiscal Year	Labor and Benefits	Services	Material and Supplies	Utilities	Casualty Liability Costs	Purchased Transportation	Other [4]	Total Operating Expenses [1]
Transportation Industry[2]									
	2014	61.1%	6.9%	11.0%	3.2%	2.5%	13.6%	1.7%	100.0%
	2015	62.0	7.0	10.0	3.0	2.0	14.0	2.0	100.0
	2016	62.0	8.0	9.0	3.0	3.0	14.0	1.0	100.0
	2017	62.0	8.0	9.0	3.0	3.0	14.0	1.0	100.0
	2018	61.0	8.0	9.0	3.0	3.0	14.0	2.0	100.0
	2019	61.0	9.0	8.0	3.0	3.0	15.0	1.0	100.0
	2020	62.0	9.0	8.0	3.0	2.0	15.0	1.0	100.0
	2021	*	*	*	*	*	*	*	*
	2022	*	*	*	*	*	*	*	*
	2023	*	*	*	*	*	*	*	*
MARTA									
	2014	73.9%	7.5%	10.7%	3.8%	3.0%	—%	1.1%	100%
	2015	75.1	8.1	10.4	3.4	2.0	—	1.0	100.0
	2016	76.1	7.9	9.6	3.2	1.2	0.9	1.1	100.0
	2017	70.4	8.3	8.9	3.0	2.2	6.2	1.0	100.0
	2018	68.7	8.0	8.9	3.2	4.6	5.1	1.5	100.0
	2019	70.3	8.0	7.6	2.9	3.4	5.7	2.1	100.0
	2020[3]	71.2	7.7	7.6	2.7	3.1	6.3	1.4	100.0
	2021[3]	70.2	9.0	6.1	3.0	5.2	5.9	0.6	100.0
	2022[3]	74.9	10.6	9.6	3.1	3.8	7.2	-9.2	100.0
	2023[3]	63.6	10.5	9.2	2.5	6.6	7.6	—	100.0

* Not Available

[1] Excludes Depreciation Expense

[2] Source: The American Public Transportation Association, APTA 2021 Public Transportation Fact Book

[3] Impacted by COVID-19

[4] Includes GASB 68 and GASB 75 adjustments.

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REVENUE CAPACITY

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Revenues by Source

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Fare Revenues	Federal Operating Revenues[2]	Sales & Use Tax [3]	Auxiliary Transportation	Investment Income	Non-Transportation[4]	Total
2014	$ 140,318	$ 102,847	$ 347,289	$ 12,335	$ 688	$ 38,685	$ 642,162
2015	146,417	82,643	377,743	10,777	604	33,009	651,193
2016	141,360	76,288	409,718	11,052	1,568	74,635	714,621
2017	137,914	84,976	439,039	10,577	2,225	25,505	700,236
2018	138,254	76,094	507,146	10,226	3,386	(28,883)	706,223
2019	133,186	87,283	540,310	7,977	11,848	48,602	829,206
2020	102,420	234,634	521,898	7,651	12,108	44,817	923,528
2021[1&2]	51,642	280,504	569,682	5,365	3,613	54,058	964,864
2022[1&2]	64,951	249,769	669,133	7,009	12,168	53,873	1,056,903
2023[1&2]	74,057	215,904	704,416	7,183	22,415	46,123	1,070,098

(1) Fare Revenues increased as a result of slight increase in ridership after the prolonged effect of COVID-19.
Fare Revenues increased by $9,106 (14%) compared to 2022 as a result of an increase in ridership from reopening of the economy after the prolonged impact of COVID-19.

(2) Federal Operating Revenues are not generated by MARTA; thus, they are not own-source revenues. Federal Operating Revenues are greater in 2020, 2021, 2022, and 2023 compared to previous years. The increases are the result of additional funding from the FTA in the form of Federal Cares Act and ARP grant awards.

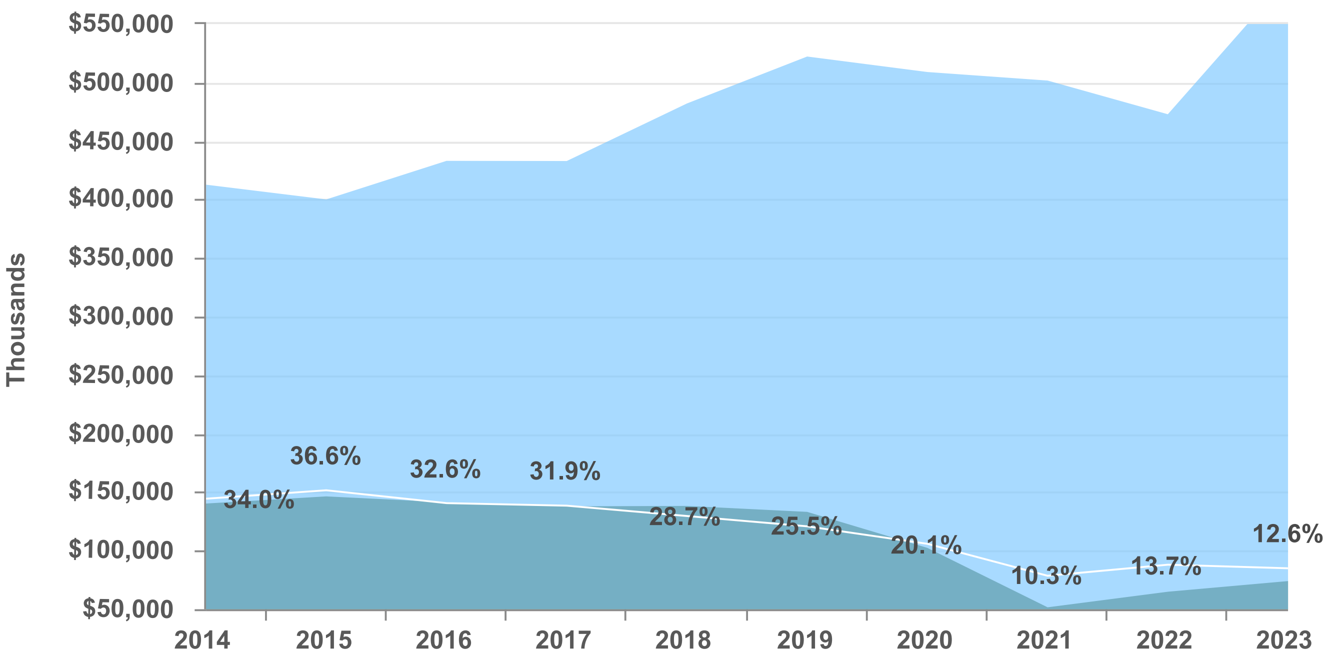
(3) MARTA is a public corporate body created as joint public instrumentality and does not have the power to impose any tax on any subject of taxation. MARTA receives 1% sales tax from Fulton County, Dekalb County and Clayton County and 1.5% form the City of Atlanta levied on its behalf by the aforementioned jurisdiction.

(4) Non-Transportation includes the net gain or loss on the disposition of fixed assets.

Farebox Recovery Percentage

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses (2)	Percent Change	Farebox Recovery
2014	$ 140,318	0.3%	$ 412,742	3.3%	34.0%
2015	146,417	4.3	400,157	(3.0)	36.6
2016	141,360	(3.5)	433,099	8.2	32.6
2017	137,914	(2.4)	432,955	—	31.9
2018	138,254	0.2	482,132	11.4	28.7
2019	133,186	(3.7)	522,242	8.3	25.5
2020(3)	102,420	(23.1)	509,004	(2.5)	20.1
2021(3)	51,642	(49.6)	501,706	(1.4)	10.3
2022(3)	64,951	25.8	472,926	(5.7)	13.7
2023(1& 3)	74,057	14.0	589,439	24.6	12.6



(1) Farebox Revenue increased slightly from the prolonged effect of COVID-19

(2) Excludes Depreciation Expense

(3) Operating Expenses were impacted by COVID-19

Sales & Use Tax Rates Direct and Overlapping Governments

Last Ten Fiscal Years

Year	State of Georgia (1)	MARTA (2)	DeKalb County (3 & 8)	Fulton County (4 & 8)	Clayton County (5)	Cobb County (6)	Gwinnett County (7)
2014	4%	1%	3%	3%	3%	2%	2%
2015	4	1	2	2	3	2	2
2016	4	1	2	2	3	2	2
2017	4	1	2	3	3	2	2
2018	4	1	4	4	3	2	2
2019	4	1	3.9	3.9	3	2	2
2020	4	1	3.9	3.9	3	2	2
2021	4	1	3.9	3.9	3	2	2
2022	4	1	3.5	3.5	3	2	2
2023	4	1	3.9	3.9	3	2	2

(1) Charged in all counties.

(2) Charged in counties in the MARTA district which have a service contract with MARTA, currently Fulton, DeKalb and Clayton counties.

(3) Education tax and homestead tax effective July 1, 1997.

(4) Local option tax effective April 1, 1983. Education tax effective July 1, 1997.

(5) Local option tax effective April 1, 1994. Education tax effective July 1, 1997. Special purpose tax effective July 1, 1998.

(6) Education tax effective April 1, 1999.

(7) Special purpose tax effective April 1, 1992. Education tax effective July 1, 1997.

(8) Local other purpose tax levied only within the City of Atlanta effective October 1, 2004.

Source: Georgia Department of Revenue

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DEBT CAPACITY

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Sales and Use Tax Revenue Bond Debt Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Sales & Use Tax	Debt Service Requirements			Debt Service Coverage [1]
		Principal	Interest	Total	
2014	$347,289	$80,875	$76,723	$157,598	2.20%
2015	377,743	55,255	78,817	134,072	2.82
2016	409,718	59,425	86,018	145,443	2.82
2017	439,039	24,660	84,132	108,792	4.04
2018	507,146	38,520	75,498	114,018	4.45
2019	540,310	44,160	82,297	126,457	4.27
2020[2]	521,898	51,825	84,979	136,804	3.81
2021[2]	569,682	55,240	83,945	139,185	4.09
2022[3]	669,133	62,215	77,362	139,577	4.79
2023[3]	704,416	67,050	73,311	140,361	5.02

(1) Bond indebtedness is limited by the Trust Indenture and the Trustee in each bond year to the extent that estimated amounts of sales and use tax received are at least equal to two (2) times the aggregate amount of total debt service.

(2) Sales and Use Tax was impacted by COVID-19.

(3) Sales and Use Tax increased as a result of a rise in consumer spending on retail sales and the impact of inflation.

Sales & Use Tax Revenue Bond Debt Service Limit

June 30, 2023
(Dollars in Thousands)

Sales & Use Tax	$	704,416
Debt Service Limitation [1]		45%
Debt Service Limit		316,987
Required for Debt Service [2]		140,361
Excess	$	176,626

[1] The MARTA Board established a limit for the annual debt service to be paid for by sales and use tax revenue bonds to no more than 45% of the estimated sales tax receipts for the year.

[2] From page 115 - Sales & Use Tax Revenue Bond Debt Service Limit.

Sales & Use Tax Revenue Bond Debt Service Limit

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Sales & Use Tax	Required for Debt Service	Ratio of Debt Service [1]
2014	$347,289	$127,419	36.7%
2015	377,743	134,072	35.5
2016	409,718	145,443	35.5
2017	439,039	108,792	24.8
2018	507,146	114,018	22.5
2019	540,310	126,457	23.4
2020[2]	521,898	136,804	26.2
2021[2]	569,682	139,185	24.4
2022[3]	669,133	139,577	20.9
2023[3]	704,416	140,361	19.9

[1] The MARTA Board established a limit for the annual debt service to be paid for by sales and use tax revenue bonds to no more than 45% of the estimated sales tax receipts for the year.

[2] Sales and Use Tax was impacted by COVID-19.

[3] Sales and Use Tax increased as a result of a rise in consumer spending on retail sales and the impact of inflation.

Sales & Use Tax Revenue Bond Debt Ratios

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Net Outstanding Sales Tax Revenue Bond (1)	Capital Leases (1)	Total Debt Outstanding	Total Unlinked Passenger Count (2)	Per Capita (3)	As a Share of Personal Income (4)
2014	$ 1,791,781	$ 430,004	$ 2,221,785	128,540	$17	2.16%
2015	2,131,498	452,067	2,583,565	135,406	19	2.36
2016	2,176,583	311,633	2,488,216	132,724	19	2.09
2017	2,345,485	324,663	2,670,148	125,741	21	2.09
2018	2,125,742	300,571	2,426,313	119,442	20	1.79
2019	2,186,670	320,559	2,507,229	116,665	21	1.70
2020(5)	2,405,142	394,415	2,799,557	93,669	30	1.80
2021(5)	2,349,165	374,625	2,723,790	45,873	59	1.64
2022(5)	2,287,542	—	2,287,542	50,754	45	*
2023(5)	2,191,163	—	2,191,163	61,275	36	*

* Not available
(1) From MARTA Financial Statements 2014 to 2023
(2) See "Unlinked Passenger Changes" on Page 131
(3) Outstanding Debt per Unlinked Passenger Count on Page 131
(4) Outstanding Debt per Total Service District Personal Income, revised in FY 2023: see Trends in Personal Income on page 121.
(5) Total Unlinked Passenger Count was impacted by COVID-19.

Computation of Overlapping Debt

(Dollars in Thousands)

Jurisdiction:		Amount Outstanding	Percentage Applicable to MARTA		Amount Applicable to MARTA
Fulton County Library Bonds[1]	$	228,618	100	$	228,618
Fulton County School District[1]	$	—	100	$	—
Fulton County Urban Redevelopment Agency[1]		138,793	100		138,793
DeKalb County[2]		188,256	100		188,256
Municipalities:					
Atlanta[2]		248,138	100		248,138
Alpharetta[1]		81,251	100		81,251
Hapeville[1]		7,465	100		7,465
Fairburn[1]		6,767	100		6,767
Johns Creek[1]		38,462	100		38,462
Union City[1]		10,327	100		10,327
Milton[1]		47,870	100		47,870
Roswell[1]		3,807	100		3,807
Fulton-DeKalb Hospital Authority Series 2012[2]		51,280	100		51,280
Atlanta-Fulton County Recreation Authority - Zoo 2007[2]		20,951	75		2,255
South Fulton Regional Jail Authority (Fulton Project)[1]		10,940	100		10,940
East Point Building Authority[1]		33,639	100		33,639
Total Overlapping Debt	$	1,116,564		$	1,097,868

This schedule depicts the debt obligations imposed by other governments that are, either wholly or in part, within the geographic boundaries of MARTA, and the percent of property within MARTA's boundaries.
MARTA has no obligation to the other governments for their debt.

[1] Source: Year Ended December 31, 2021 CAFR for the Fulton County

[2] Source: Year Ended December 31, 2022 ACFR for the City of Atlanta and Dekalb County

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DEMOGRAPHIC & ECONOMIC INFORMATION

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Trends in Personal Income

Last Ten Fiscal Years
(Dollars in Thousands)

	Total Personal Income							PER CAPITA*** Personal Income		
Calendar Year	Clayton County	Fulton County	DeKalb County	Total Service District[(1)]	% Change Clayton County	% Change Fulton County	% Change DeKalb County	Clayton County	Fulton County	DeKalb County
2014	$ 7,018,256	$63,937,957	$31,963,587	$102,919,800	5.1%	5.1%	5.1%	$26,232	64,174	44,261
2015	7,129,808	70,716,189	31,466,648	109,312,645	1.6	10.6	-1.6	26,025	69,977	42,819
2016	7,466,751	77,713,366	34,026,710	119,206,827	4.7	9.4	8.1	26,702	78,794	45,522
2017	7,698,857	83,820,696	36,519,269	128,038,822	4.7	6.2	6.7	27,058	80,683	48,557
2018	7,933,521	91,897,602	38,765,531	138,596,654	3.6	4.6	4.8	27,430	87,395	51,310
2019	8,283,608	99,005,158	40,238,177	147,526,943	3.3	6.4	3.2	28,329	92,961	52,950
2020*	9,649,947	102,439,388	43,637,126	155,726,461	16.5	3.5	8.4	32,446	95,825	57,129
2021*	10,712,179	108,742,651	46,873,308	166,328,138	11.1	6.5	8.3	36,056	102,074	61,861
2022**	**	**	**	**	**	**	**	**	**	**
2023**	**	**	**	**	**	**	**	**	**	**

* Revised per latest update from US Department of commerce BEA dated November 2022

** Not available

*** Actual dollar amounts

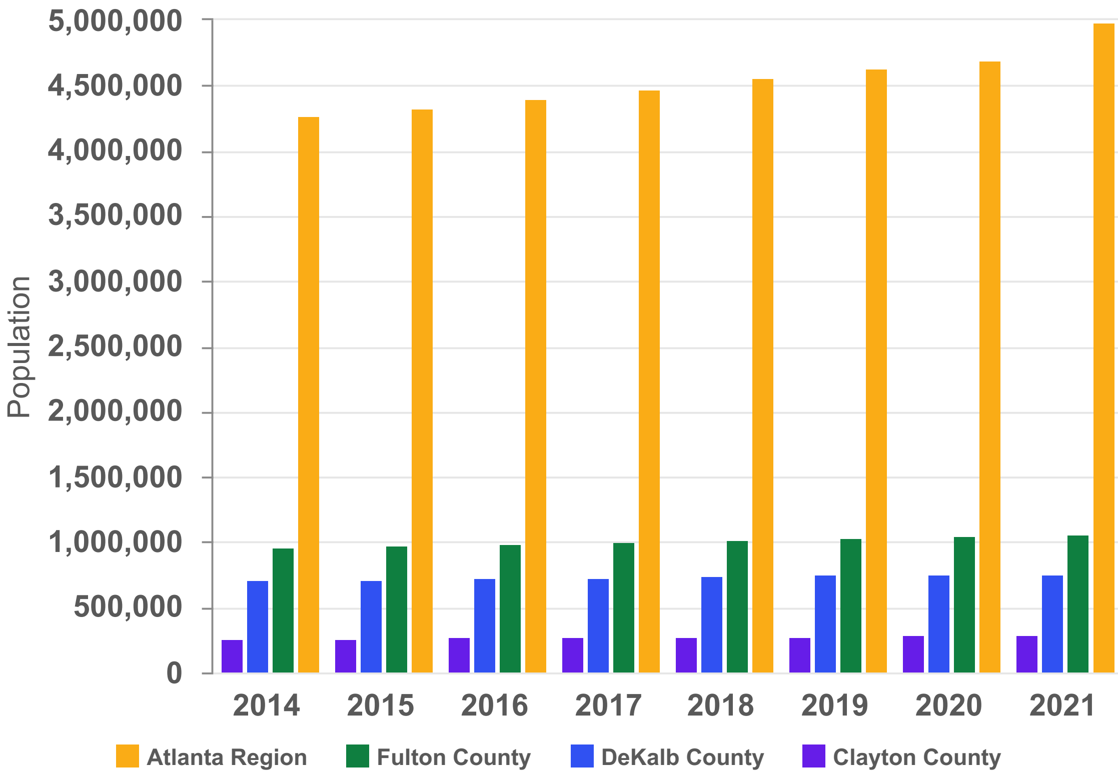
(1) Represents Total Personal Income

Population

Last Ten Fiscal Years

Population Growth Since 2014

Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2014	264,700	958,100	712,900	4,272,300
2015	266,900	970,400	718,400	4,332,600
2016	270,600	985,700	725,000	4,401,800
2017	275,300	1,002,800	733,900	4,480,100
2018	279,400	1,020,370	744,530	4,555,900
2019	283,900	1,037,070	753,030	4,628,400
2020	297,417	1,069,023	763,831	4,974,480
2021	297,100	1,065,334	757,718	4,992,026
2022*	*	*	*	*
2023*	*	*	*	*

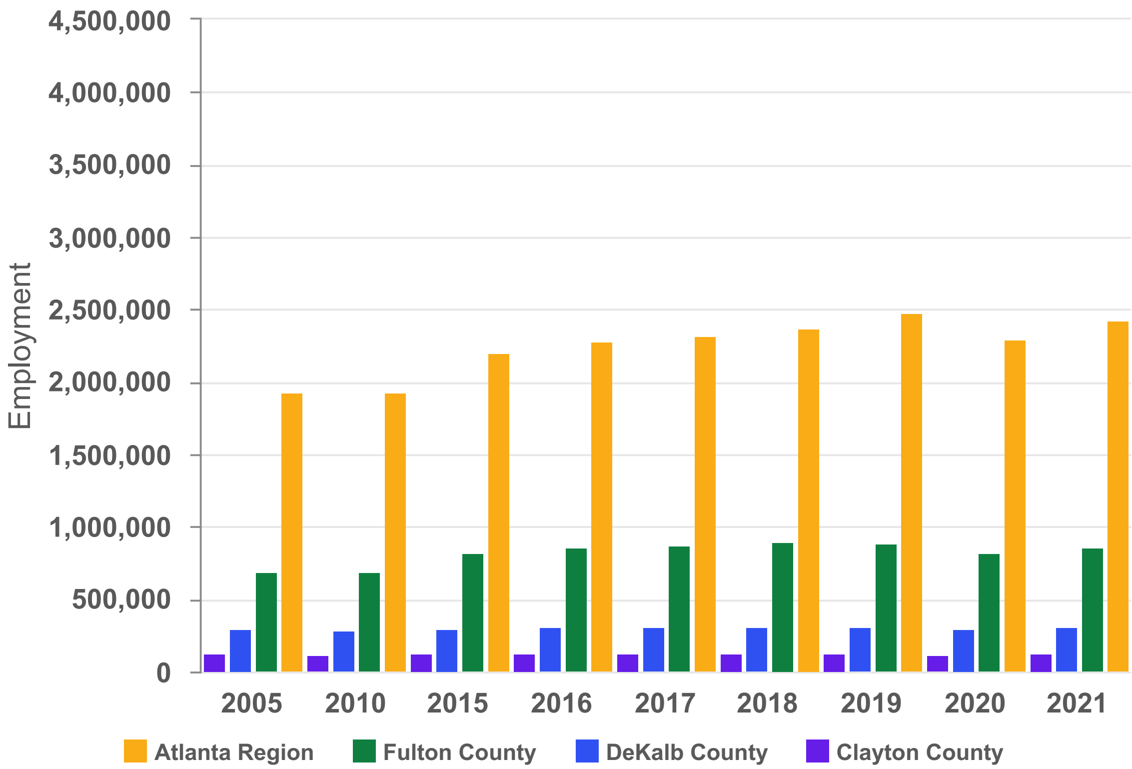


*Not available
**Revised

Employment

Employment Growth Since 2005

Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2005	126,400	691,100	299,400	1,936,700
2010	119,055	692,677	281,026	1,925,328
2015	130,143	818,902	301,880	2,198,411
2016	128,599	856,499	307,448	2,277,889
2017	130,233	878,099	312,424	2,320,307
2018	129,834	885,725	319,250	2,426,455
2019	133,790	890,730	319,335	2,473,164
2020	121,918	822,407	295,484	2,294,209
2021	124,749	866,466	308,528	2,429,825
2022*	*	*	*	*
2023*	*	*	*	*



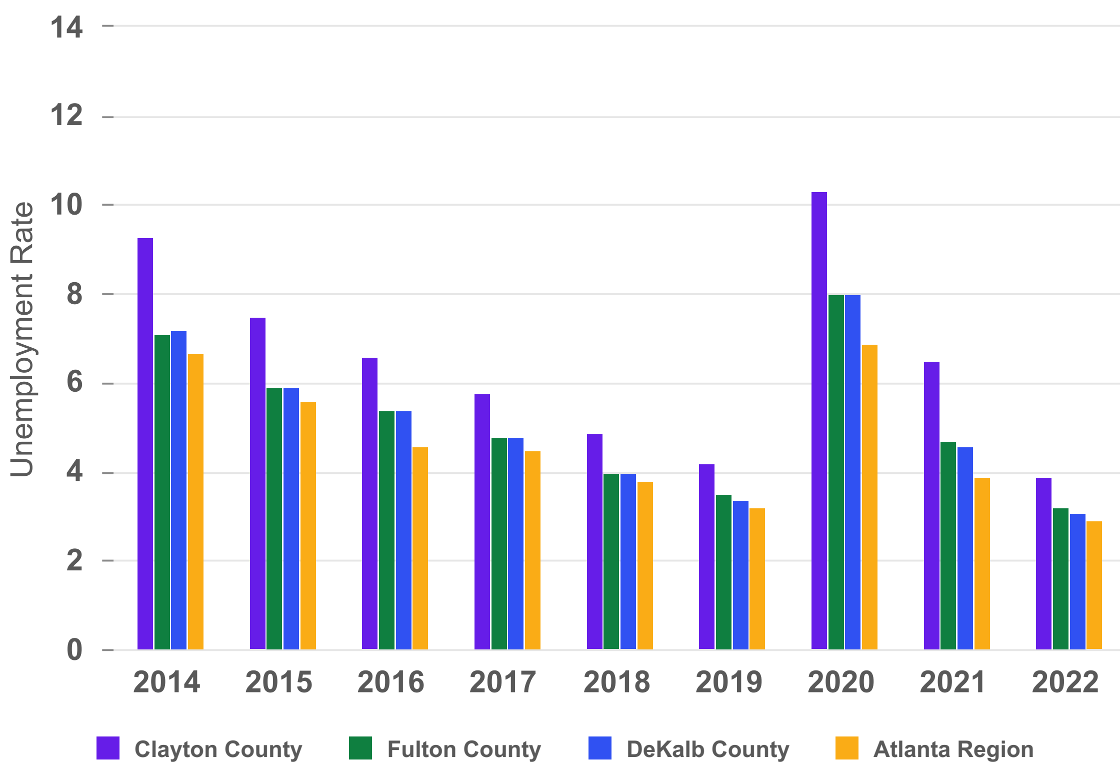
*Not available
**Revised
Source: Atlanta Regional Commission

Unemployment Rates

Last Ten Fiscal Years

Unemployment Rates Since 2014

Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2014	9.3%	7.1%	7.2%	6.7%
2015	7.5	5.9	5.9	5.6
2016	6.6	5.4	5.4	4.6
2017	5.8	4.8	4.8	4.5
2018	4.9	4.0	4.0	3.8
2019	4.2	3.5	3.4	3.2
2020	10.3	8.0	8.0	6.9
2021	6.5	4.7	4.6	3.9
2022	3.9	3.2	3.1	2.9
2023**	**	**	**	**



** Not Available

Source: U.S. Department of Labor-Bureau of Labor Statistics

Top Ten Corporate Employers in the Atlanta Region

Current Year and Nine Years Ago

	2022			2013		
Company	Number of Full Time Employees	Rank	Percentage of Total Employment	Number of Full Time Employees	Rank	Percentage of Total Employment
Delta Air Lines, Inc.	42,300	1	1.74%	30,000	1	
Emory Healthcare, Inc.	33,497	2	1.38	—	1	
Piedmont Healthcare	26,981	3	1.11			
Northside Hospital	25,052	4	1.03			
Publix Super Markets	22,785	5	0.94	9,714	4	0.43
UPS	10,900	6	0.45	8,881	6	0.39
Children's Healthcare of Atlanta	8,734	7	0.29			
Cox Enterprises, Inc.	8,146	8	0.27	7,136		
State Farm	7,262	9	0.24			
Lockheed Martin Aeronautics Co.	5,000	10	0.17	6,100	8	0.27
AT&T				18,076	2	0.80
The Home Depot				9,000	5	0.40
Sun Trust Bank				5,930	9	0.26
Wells Fargo & Company				5,200	10	0.23
Wellstar Health System				10,581	3	0.47
	190,657		5.90	110,618		3.58

Sources: Book of Lists December 2022

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OPERATING INFORMATION

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Transit Service Effort & Accomplishments Per Mile

Last Ten Fiscal Years
(Vehicle Miles In Thousands)

Fiscal Year	Revenue Vehicle Miles [1]				Operating Expense [2] Per Mile	Operating Expense [2] Per Passenger Mile [1] [3]	Unlinked Passenger Trips Per Mile [1] [3]
	Bus	Rail	Total	% Change			
2014	22,443	18,086	40,529	—%	$10.18	$0.61	3.2
2015	23,138	22,215	45,353	12	8.82	0.54	2.9
2016	25,181	22,268	47,449	5	9.13	0.59	2.8
2017	26,239	22,334	48,573	2	8.91	0.60	2.6
2018	27,163	22,373	49,536	2	9.73	0.70	2.4
2019	28,122	22,511	50,633	2	10.31	0.75	2.3
2020[4]	28,303	20,431	48,734	(4)	10.44	0.97	1.9
2021[4]	26,018	17,253	43,271	(11)	11.59	2.05	1.1
2022[4]	23,919	17,937	41,856	(3)	11.29	1.60	1.2
2023[4]	23,905	17,970	41,875	—	14.08	1.72	1.5

(1) Does not include demand response.

(2) Operating expense excludes depreciation.

(3) Unlinked Passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

(4) Impacted by COVID-19.

Transit Service Effort and Accomplishments Per Hour

Last Ten Fiscal Years
(Vehicle Hours In Thousands)

Fiscal Year	Revenue Vehicle Hours [1] Bus	Rail	Total	% Change	Operating Expense[2] Per Hour	Operating Expense [2] Per Passenger Trip [1] [3]	Unlinked Passenger Trips Per Revenue Vehicle Hour [1] [3]
2014	1,829	686	2,515	(1)%	$164.10	$3.21	51.1
2015	1,896	836	2,732	9	146.44	2.94	49.8
2016	2,043	838	2,881	5	150.33	3.27	46.1
2017	2,114	840	2,954	3	146.57	3.44	42.6
2018	2,205	841	3,046	3	158.29	4.04	39.2
2019	2,279	845	3,124	3	167.17	4.48	37.3
2020[4]	2,323	771	3,094	(1)	164.51	5.43	30.3
2021[4]	2,103	651	2,754	(11)	182.20	10.94	16.7
2022[4]	1,886	675	2,561	(7)	184.69	9.32	19.8
2023[4]	1,886	676	2,562	—	229.98	9.62	23.9

[1] Does not include demand response.

[2] Operating expense excludes depreciation.

[3] Unlinked Passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

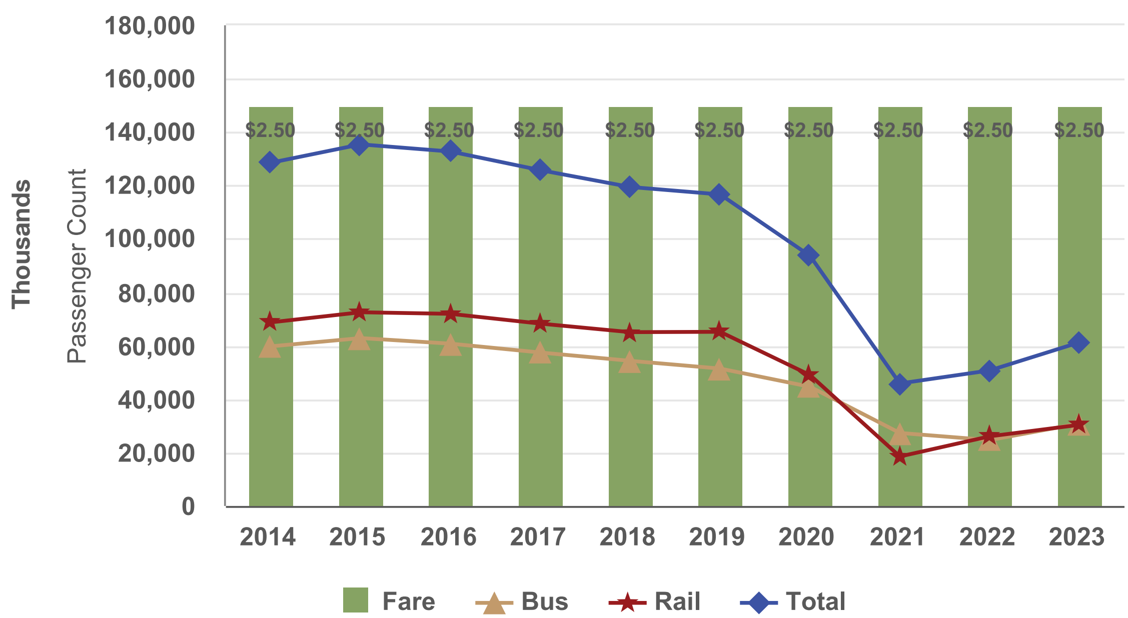
[4] Impacted by COVID-19.

Unlinked Passenger Changes

Last Ten Fiscal Years
(In Thousands)
Unlinked Passenger Count [1]

Fiscal Year	Bus[1]	% Change	Rail[1]	% Change	Total[1]	% Change
2014	59,778	0.1%	68,762	(1.2)%	128,540	(0.6)%
2015	62,869	5.2	72,537	5.5	135,406	5.3
2016	60,779	(3.3)	71,945	(0.8)	132,724	(2.0)
2017	57,460	(5.5)	68,281	(5.1)	125,741	(5.3)
2018	54,355	(5.4)	65,087	(4.7)	119,442	(5.0)
2019	51,448	(5.3)	65,217	0.2	116,665	(2.3)
2020	44,638	(13.2)	49,031	(24.8)	93,669	(19.7)
2021[2]	27,339	(38.8)	18,533	(62.2)	45,872	(51.0)
2022[2]	24,674	(9.7)	26,080	40.7	50,754	10.6
2023[2]	30,879	25.1	30,396	16.5	61,275	20.7

Relationship of Fare Changes to Linked Passenger Counts



[1]Unlinked passenger count is any transit vehicle passenger boarding, whether it is the first boarding of an origin-to-destination journey or a subsequent transfer.

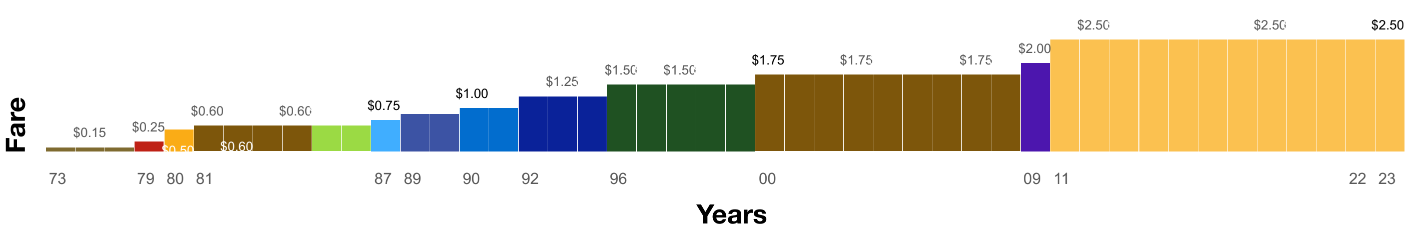
[2]Impacted by COVID-19.

Fare Structure

For the Fiscal Year Ended June 30, 2023

Regular Fare		
Single Trip (stored on Breeze Card or Breeze Ticket)		**$2.50**
Round Trip-including transfers(stored on Breeze Card or Breeze Ticket)		**$5.00**
Ten(10) single trips(10 trips on Breeze Card or Breeze Ticket)		**$25.00**
Discounted Fare		
Twenty (20) single trips (20 trips stored on one Breeze Card or Breeze Ticket)		**$42.50**
30 day pass (unlimited travel for 30 consecutive days, all regular service)		**$95.00**
7 day pass (unlimited travel for 7 consecutive days, all regular service)		**$23.75**
Day passes (unlimited travel for consecutive days, all regular service). Price per day:	1 day:	**$9.00**
	2 day:	**$14.00**
	3 day:	**$16.00**
	4 day:	**$19.00**
Atlanta Streetcar		
One Way Trip (ADULT)		**$1.00**
Child (Up to 2 children, 46" & under w/paid adult)*		
One Day Pass		**$3.00**
and older and disabled customers using regular service)		**$1.00**
Mobility Service (Demand response for certified customers)		**$4.00**
Personal care attendant may ride free (if required)		
Discounted Mobility Service (20 single trips)		**$68.00**

Discounted Mobility Service (unlimited travel for 30 days on Breeze Card)		**$128.00**
Mobility on Fixed Route (For Mobility certified customers riding fixed route with Mobility Breeze Card)		**No charge**
Student Programs		
K-12 Program (Grade School and High School students K-12, Monday through Friday		
Ten(10) trip pass (to/from school), all regular school		**$14.40**
University Pass (U-Pass) Program		
Monthly discount program for college or university students and staff	Students:	**$68.50**
	Faculty/ Staff:	**$83.80**
Convention and Visitors Pass		
For groups of 15 or more, ordered a minimum of 20 days in advance. Price per day:	1 day:	**$9.00**
	2 day:	**$14.00**
	3 day:	**$16.00**
	4 day:	**$19.00**
	7 day:	**$23.75**
	30 day:	**$95.00**



Vehicles Operated in Maximum Service

Last Ten Fiscal Years

Fiscal Year	Bus	Rail	Total[1]
2014	444	180	624
2015	450	180	630
2016	453	180	633
2017	466	206	672
2018	465	196	661
2019	448	178	626
2020	425	178	603
2021	442	128	570
2022	407	210	617
2023	443	160	603

[1]Does not include demand response.

Number of Employees

Last Ten Fiscal Years

Fiscal Year	Full-Time	Part-Time	Total
2014	4,356	191	4,547
2015	4,317	208	4,525
2016	4,356	288	4,644
2017	4,249	264	4,513
2018	3,940	212	4,152
2019	4,319	118	4,437
2020	4,238	251	4,489
2021	4,523	198	4,721
2022	4,375	143	4,518
2023	4,670	122	4,792

Note: A full-time employee is scheduled to work 260 days per year (365 minus two days off per week).
At eight hours per day, 2,080 hours are scheduled per year (including Paid Time Off).
Full-Time equivalent employment is calculated by dividing total labor hours by 2,080.

Miscellaneous Statistical Data

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Population served	1,742,072	1,720,800	1,646,800	1,626,211	1,618,865	2,079,829	1,967,468	2,019,388	1,986,022	1,697,633
Size of area served (in square miles)	605	614	597	597	592	567	567	567	515	485
Number of Bus Routes	113	113	111	44	110	108	100	100	97	92
Annual Bus Passenger Miles (in millions) (Excludes Paratransit/Demand Response)	129.9	117.4	120.1	196.1	243.6	245.6	251.2	258.6	257.03	232.8
Miles of Bus Route	1831	1811	1796	1805	1775	1741	1600	1659	1636	1449
-Average On Time Performance	77.4 %	80.8 %	82.0 %	77.1 %	77.1 %	78.6 %	78.5 %	78.8 %	79.6 %	77.6 %
Miles of Rail Route	48	48	48	48	48	50.7	48	48	48	48
-Average On Time Performance	96.8 %	96.8 %	97.6 %	97.8 %	96.8 %	97.1 %	98.0 %	96.6 %	96.2 %	96.4 %
Annual Rail Passenger Miles (in millions)	213.5	180.8	125.0	330.2	449.0	449.9	468.8	477.3	472.8	444.9
Number of Rail Stations	38	38	38	38	38	38	38	38	38	38
Number of Bus Stop Locations	8887	8971	8949	9035	9088	9193	9136	9210	8941	8885
Number of Bus Park And Ride Facilities	8	8	8	8	8	7	7	7	6	6
Number of Bus Shelters	1126	1013	896	790	698	681	652	754	741	738
Bus Passenger Parking Capacity	2770	2801	2981	2981	2981	3053	2843	2807	2750	2691
Rail Passenger Parking Capacity	18970	19730	22057	22057	20947	20300	21200	21645	21992	21420
No. of Buses in Active Fleet	567	583	539	538	594	555	550	569	565	531
-Average Vehicle Age (in years)	6.4	6.4	5.4	4	5.4	5.4	6.4	5.4	4.4	6.5
No. of Mobility Vehicles in Active Fleet	237	239	240	242	208	211	210	211	198	187
-Average Vehicle Age (in years)	4.5	3.5	2.5	2.0	2.6	3.8	2.9	1.9	1.9	3.6
No. of Rapid Rail Vehicles in Active Fleet	274	258	262	250	290	306	316	336	336	336
-Average Vehicle Age (in years)	34.6	32.6	32.6	31.0	29.6	28.6	27.6	27.6	26.6	25.6
No. of Streetcars(1) in Active Fleet	3	4	4	4	4	—	—	—	—	—
-Average Vehicle Age (in years)	8.1	7.1	6.1	5	4.1	—	—	—	—	—
Annual Mobility Vehicle Miles (in millions)	8.9	8.1	5.0	8.7	10.4	10	9.3	8.5	8.2	7.7
Investment In Property and Equipment (in billions)	$ 8.636	$ 8.444	$ 8.181	$ 7,955	$ 7,685	$ 7,397	$ 7,166	$ 7,030	$ 6,941	$ 6,781

(1) In FY 2019 MARTA assumed the ownership and operation of the streetcars.

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SINGLE AUDIT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of Metropolitan Atlanta Rapid Transit Authority (MARTA) as of and for the year ended June 30, 2023 and related notes to the financial statements, which collectively comprise MARTA's basic financial statements, and have issued our report thereon dated November 17, 2023. Our report includes an emphasis of matter related to the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Our report also includes a reference to other auditors who audited the financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan, as described in our report on MARTA's financial statements. The financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan were not audited in accordance with *Government Auditing Standards.*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MARTA's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MARTA's internal control. Accordingly, we do not express an opinion on the effectiveness of MARTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MARTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 17, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Metropolitan Atlanta Rapid Transit Authority's (MARTA's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on MARTA'S major federal program for the year ended June 30, 2023. MARTA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MARTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of MARTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of MARTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to MARTA's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MARTA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MARTA's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 MARTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of MARTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MARTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of MARTA as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements. We issued our report thereon dated November 17, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 17, 2023

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2023

Program Description	Assistance Listing Number	Grant Number	Total Program Award	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation					
Federal Transit Cluster:					
General capital assistance					
Federal transit capital improvement grants					
Capital improvement	20.500	GA-2016-007	$ 2,000,000	$ 176,920	$ -
Capital improvement	20.500	GA-04-0031	1,212,500	214,829	-
Subtotal ALN 20.500 - capital			3,212,500	391,749	-
Federal transit formula grants (urbanized area formula program)					
Capital assistance	20.507	GA-95-X013	12,375,000	120,000	-
Capital assistance	20.507	GA-90-X234	1,758,200	128,629	-
Capital assistance	20.507	GA-90-X350	53,464,569	354,498	-
Capital assistance	20.507	GA-2018-022	16,564,560	153,682	-
Capital assistance	20.507	GA-2019-015	7,804,719	90,442	90,442
Capital assistance	20.507	GA-2020-021	4,700,000	705,262	-
Subtotal ALN 20.507 - capital			96,667,048	1,552,513	90,442
Capital assistance	20.526	GA-2020-010	4,500,000	19,264	-
Capital assistance	20.526	GA-2021-013	8,875,246	(36,934)	-
Capital assistance	20.526	GA-2021-014	37,756,664	1,496,989	-
Capital assistance	20.526	GA-2022-019	18,750,000	6,565,415	-
Subtotal ALN 20.526 - capital			69,881,910	8,044,734	-
Subtotal – capital			169,761,458	9,988,996	90,442
General operating assistance					
Operating (Formula grant)	20.507	GA-2017-021	65,224,624	3,437,278	-
Operating (Formula grant)	20.507	GA-2018-017	35,903,804	152,118	-
Operating (Formula grant)	20.507	GA-2020-014	112,706,360	145,594	-
Operating (Formula grant)	20.507	GA-2021-016	137,014,538	3,083,658	-
Operating (Formula grant)	20.507	GA-2022-030	143,964,347	33,794,526	
COVID-19 – Formula grant	20.507	GA-2022-001	285,686,157	138,628,250	-
COVID-19 – Formula grant	20.507	GA-2022-004	33,524,951	101,212	-
Subtotal ALN 20.507 - operating			814,024,781	179,342,636	
State of Good Repair Grants Program					
Operating (Formula grant)	20.525	GA-2020-014	122,763,041	2,852,378	-
Operating (Formula grant)	20.525	GA-2021-016	137,014,538	6,871,971	-
Operating (Formula grant)	20.525	GA-2022-030	143,964,347	56,840,178	-
Subtotal ALN 20.525 - operating			403,741,926	66,564,527	-
Subtotal - operating			1,217,766,707	245,907,163	-
Total Federal Transit Cluster			1,387,528,165	255,896,159	90,442
Technical Assistance and Workforce Development	20.514	GA-2016-025	5,543,745	513,309	-
National Infrastructure Inv.	20.933	GA-2020-022	56,826,000	583,240	-
Total U.S. Department of Transportation			1,449,897,910	256,992,708	90,442

See accompanying notes to the schedule of expeditures of federal awards.
(Continued)

Program Description	Assistance Listing Number	Grant Number	Total Program Award	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security:					
Rail and Transit Security:					
Capital assistance	97.075	EMW2019RA00013	$ 326,364	$ 157,032	$ -
Capital assistance	97.075	EMW2017RRA0022	1,000,000	27,450	-
Capital assistance	97.075	EMW2020RA00017	888,501	343,088	-
Total U.S. Department of Homeland Security Grants			2,214,865	527,570	-
Federal Emergency Management Agency:					
COVID-19 – Disaster Grants - Public Assistance	97.036	S-2020-GEMA-PA	643,802	643,802	-
Office of Planning and Budget:					
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	FY21 S-2021-OPB	294,205	291,756	-
U.S. Department of Agriculture					
Local Food Promotion Program Grant	10.172	USDA LFPP	664,177	465,073	465,073
Total Federal Awards			$1,453,714,959	$258,920,909	$ 555,515

Subtotals of Multiple Awards

Program Description	Assistance Listing Number	Federal Expenditures
Federal Transit Formula Grants	20.507	180,895,149

See accompanying notes to the schedule of expeditures of federal awards.

NOTE 1 - REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Metropolitan Atlanta Rapid Transit Authority (MARTA) as disclosed in the notes to the basic financial statements for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MARTA, it is not intended to and does not present the financial position, changes in net position, or cash flows of MARTA.

NOTE 2 - BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

MARTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – MATCHING FUNDS

MARTA enters into grant agreements with federal agencies to fund various projects. Many of these agreements require MARTA to match a portion of the federal funding with non-federal funds, such as the local funds, which comes from the dedicated 1% local MARTA retail sales and use tax funds collected in DeKalb, Fulton and Clayton counties and the City of Atlanta, and also from the sale of associated sales tax revenue bonds, as required.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be Reported in accordance with 2 CFR 200.516(a)?	______ Yes	X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program of Cluster
20.500 / 20.507 / 20.525 / 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:	$ 3,000,000	
Auditee qualified as low-risk auditee?	X Yes	______ No

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

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METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

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