VIA Metropolitan Transit
San Antonio, Texas

Financial Statements and Independent Auditor's Report

September 30, 2015 and 2014

VIA Metropolitan Transit
San Antonio, Texas
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Padgett Stratemann

Independent Auditor's Report

To the Board of Trustees
VIA Metropolitan Transit
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of VIA Metropolitan Transit ("VIA") as of and for the years ended September 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise VIA's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VIA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VIA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of VIA as of September 30, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 1, VIA was required to adopt Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. As discussed in Note 15, beginning net position has been restated for the adoption of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Other Matters

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 Net Pension Liability – Unaudited, the Schedule of VIA's Pension Contributions – Unaudited, the Schedule of Funding Progress – Unaudited, and Notes to the Required Supplementary Information – Unaudited, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise VIA's basic financial statements. The Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations ("Circular A-133")*, is presented for purposes of additional analysis and is also not a required part of the financial statements.

The Other Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2016 on our consideration of VIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VIA's internal control over financial reporting and compliance.

Padgett, Stratemann + Co., L.L.P.

San Antonio, Texas
February 23, 2016

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Management's Discussion and Analysis

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The following Management's Discussion and Analysis of VIA Metropolitan Transit's ("VIA") activities and financial performance are provided as an introduction to the financial statements for the fiscal year ("FY") ending September 30, 2015. Readers are encouraged to consider the information presented here in conjunction with information contained in the financial statements that follow this section.

Financial Highlights

- Operating revenues are $24.7M in 2015, down $1.6M from the prior year. This result was primarily driven by lower bus line fare revenues resulting from lower ridership. Ridership was adversely impacted by a significant decrease in gas prices (down 28% on average).

- Net non-operating revenues (expenses) are $191.9M in 2015, up $8.3M from the prior year. This result is primarily attributable to sales taxes, which were up $6.6M (net after adjusting for amounts paid to the City of San Antonio and Bexar County) due to a stronger economy.

- VIA's sales tax revenue, which is the largest component of non-operating revenue, came in at $167.0M in 2015, up $6.6M from the prior year (total sales taxes were $197.6M in 2015, of which $30.6M was for ATD entities other than VIA). ATD sales taxes returned to the community through the City of San Antonio ("CoSA"), the Texas Department of Transportation ("TxDOT"), and Bexar County are used for street improvements and to complete highway projects in the local area more quickly. As of September 2015, Bexar County has four approved projects that use ATD funds for financing under a "pass-through" financing arrangement with TxDOT. In addition, ATD funds have been used by Bexar County and TxDOT to accelerate highway projects on Loop 1604 and U.S. 281.

- Operating expenses including depreciation are $235.0M in 2015, an increase of $16.9M (7.7%) compared to the prior year. The increase is primarily attributable to wages, up $7.9M, and VIAcare (healthcare) expense, up $6.4M. A 3.5% wage increase accounted for $3.3M of the total increase in wages. The remainder of the increase in wages is mainly due to an increase in bus service hours and an operator mix shift (more full-time operators relative to part-time operators). VIAcare expense was up due to a spike in claims early in the fiscal year around the date that a new contract was to become effective. The new contract was put in place to help contain health care costs, and expenses have since trended downwards.

- VIA booked an additional $4.9M to its streetcar allowance account in FY15, to appropriately reflect on VIA's financial statements the streetcar project expense that may not ultimately pertain to the final construction project (see Note 16 for additional details).

- VIA's net position decreased by $115.1M in FY15 compared to the prior year-end balance, ending the year at $280.5M. The year-to-year change includes a $118.7M decrease associated with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pension– an Amendment of GASB Statement No 27*. This change is reflected as a FY15 beginning balance adjustment to unrestricted net position; as allowed by GASB Statement No. 68, prior periods were not restated. The remaining net position change is a $3.6M increase, accounted for by the following net position components: net investment in capital projects, up $6.1M; restricted for capital projects, down $0.5M; and unrestricted, down $2.0M.

- VIA was required to adopt GASB Statement No. 68 effective October 1, 2014. As permitted by GASB Statement No. 68, prior fiscal year was not restated. Therefore, the beginning net position balance for FY15 is $118.7M lower than the ending net position balance for FY14. VIA has elected to use a measurement date for the pension liability that is based on the end of the previous year.

- Total capital/cash reserves and working capital (which equals cash, cash equivalents, and investments) decreased by $6.9M in 2015, finishing FY15 with a balance of $264.4M compared to $271.3M at the end of the prior year. The decrease was driven by an $11.4M decrease in VIA's capital reserve, as funds were used for capital projects against which those funds were programmed.

- As of the end of 2015, VIA's Stabilization Fund and working capital are each funded at Board policy level, which is to have a balance adequate to cover 60 days of operating expenses. Both of these fund balances were at $35.1M at the end of FY15, each equal to 60 days of expenses.

- VIA spent $32.2M on capital projects in FY15. VIA has a very robust capital program that is described later in this document (see section "Economic Factors and Outlook for Fiscal Year 2016").

Overview of the Financial Statements

The financial statements consist of two parts: Management's Discussion and Analysis prepared by VIA, and the Financial Statements, notes, and required supplementary information audited by the external audit firm. VIA uses accounting methods similar to those used by private sector companies. Note 1 in the Financial Statements gives details concerning the use of proprietary fund accounting for governmental entities.

Required Financial Statements

VIA's Statement of Net Position now reflects GASB Statement No. 63, which deals with deferred inflows and outflows of resources, and net position; for VIA, this Statement is being adopted effective in FY13. The requirements of the statement improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The Statement of Net Position includes all of the assets and liabilities of VIA, and the deferred inflows and outflows of resources. The residual measure has been renamed net position, rather than net assets, consistent with GASB Statement No. 63. The Statement of Net Position provides information about the nature of the resources (assets), obligations to creditors (liabilities), and deferred outflows and inflows. The assets and liabilities are presented in a format that distinguishes between current and long-term categories. Over time, changes in net position may be a useful indicator of whether the financial position of VIA is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position analyze VIA's operations over the past year and provides comparative information for the previous fiscal year. The statements illustrate VIA's ability to cover operating expenses with revenues received during the same year.

The Statements of Cash Flows are the final required financial statements. These statements provide information on the cash receipts, cash payments, and net changes in cash resulting from operations and investment activities.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes can be found in the section following the Statements of Cash Flows.

Financial Analysis

The Basic Financial Statements discussed above report information about VIA's financial activities in a way that helps the reader determine if VIA is better off or worse off as a result of the fiscal year's activities. The statements show the difference between assets and liabilities over time and are one way to measure the financial health of the system. Other nonfinancial factors such as changes in economic conditions, population growth, regulations and new or revised government legislation must also be taken into consideration when attempting to assess the financial condition of VIA.

Net Position

A summary of VIA's condensed Statements of Net Position is presented below:

Condensed Statements of Net Position Information
(In Millions of Dollars)

	2015	2014	2013 (Restated)
Current assets	$ 284.8	$ 257.0	$ 176.1
Capital assets	201.1	196.1	188.0
Other noncurrent assets	32.2	59.4	71.8
Total assets	$ 518.1	$ 512.5	$ 435.9
Deferred outflows of resources	18.6	1.4	0.4
Total assets and deferred outflows of resources	$ 536.7	$ 513.9	$ 436.3
Current liabilities	$ 44.0	$ 36.5	$ 30.5
Long-term liabilities	206.4	81.8	16.0
Total liabilities	250.4	118.3	46.5
Deferred inflows of resources	5.8	-	-
Total liabilities and deferred inflows of resources	$ 256.2	$ 118.3	$ 46.5
Net position:			
Net investment in capital assets	$ 177.3	$ 171.2	$ 175.0
Restricted for capital projects	100.7	101.2	105.4
Unrestricted	2.5	123.2	109.4
Total net position	$ 280.5	$ 395.6	$ 389.8

Note: Due to VIA's adoption of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) in 2015, the beginning net position balance for FY15 is $118.7M lower than the ending net position balance in FY14. As permitted by GASB Statement No. 68, the prior fiscal years were not restated.

Total net position may serve, over time, as a useful indicator of an entity's financial position. At the close of FY15, VIA's net position is $280.5M. A significant portion of VIA's net position in all years reported is represented by capital assets (revenue vehicles, passenger stations and shelters, service vehicles, land and equipment). These capital assets are used by VIA to provide public transportation services.

Net position decreased by $115.1M in FY15, going from $395.6M to $280.5M. The beginning FY15 net position balance was restated for adoption of GASB Statement No. 68. This restatement reflects the booking of VIA's pension liability, and decreased the beginning unrestricted net position balance by $118.7M. As permitted by GASB Statement No. 68, prior periods were not restated. The remaining year-to-year change was an increase of $3.6M, with net investment in capital projects up $6.1M, restricted for capital projects down $0.5M, and unrestricted down $2.0M. Net investment in capital assets increased by $6.1M since asset additions exceeded depreciation expense. Restricted for capital projects is down slightly (less than 1%) due to lower reserved local match on grant funds, due to spending down of grant funds (when grants are awarded, VIA reserves the required local match funds). The unrestricted category is down $2.0M, reflecting the net impact of remaining items (ending FY15 unrestricted balance is $2.5M compared to a beginning balance of $4.5M after the $118.7M GASB Statement No. 68 impact).

The $5.0M increase in net capital assets results from asset acquisitions of $32.2M (including work-in-progress) less depreciation of $27.2M (disposals rounded to $0.0M). The $32.2M in asset acquisitions is comprised of: buildings and shelters, $25.9M; equipment, $3.5M; revenue and service vehicles, $1.8M; and land, $1.0M.

Revenues, Expenses, and Changes in Net Position Information

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

Condensed Information on Revenues, Expenses, and Changes in Net Position
(In Millions of Dollars)

	2015	2014	2013 (Restated)
Operating revenues:			
Passenger revenues	$ 23.1	$ 24.5	$ 25.4
Advertising, real estate development, and other	1.6	1.8	1.8
Total operating revenues	24.7	26.3	27.2
Operating expenses:			
Line service	161.2	147.5	140.3
Robert Thompson Terminal	0.6	0.7	0.7
Other special events	0.6	0.6	0.6
VIAtrans	37.4	34.3	33.1
Vanpool	0.5	0.5	0.5
Charter	0.1	0.1	0.3
Promotional service	0.1	0.1	0.1
Business development and planning	6.6	5.9	4.7
Transit technology	0.7	0.7	0.7
Depreciation	27.2	27.7	20.9
Total operating expenses	235.0	218.1	201.9
Operating loss	(210.3)	(191.8)	(174.7)
Nonoperating revenues (expenses):			
Sales taxes	197.6	190.0	173.8
Grants reimbursement – VIA	27.0	26.0	25.1
Grants reimbursement – pass through	1.3	0.2	-
Investment income (loss)	0.9	0.6	(0.1)
Bond interest and issuance costs	(3.0)	(3.5)	(0.1)
Gain on sale of assets	-	-	0.1
Less amounts remitted to CoSA and Bexar County	(30.6)	(29.5)	(27.1)
Less pass-through funds remitted to sub-recipients	(1.3)	(0.2)	-
Total nonoperating revenues (expenses) – net	191.9	183.6	171.7
Loss before capital contributions	(18.4)	(8.2)	(3.0)
Capital contributions	22.0	14.0	117.5
Change in net position	3.6	5.8	114.5
Net position at beginning of year – restated	276.9	389.8	275.3
Net position at end of year	$ 280.5	$ 395.6	$ 389.8

Note: Due to VIA's adoption of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) in 2015, the beginning net position balance for FY15 is $118.7M lower than the ending net position balance in FY14. As permitted by GASB Statement No. 68, the prior fiscal years were not restated.

As shown on the Statement of Revenues, Expenses, and Changes in Net Position, VIA's net position increased by \$3.6M, with capital contributions being \$22.0M. Capital contributions are grant funds received from the Federal Transit Administration that VIA used for capital projects. The \$118.7M difference between the FY15 beginning net position and the FY14 ending net position reflects the impact of adopting GASB Statement No. 68 for pension accounting.

Operating Revenues

In FY15, operating revenues were \$24.7M, down \$1.6M (6.1%) from the prior year. The result is attributable to lower line ridership, which was adversely impacted by significantly lower fuel prices in FY15. In FY16, VIA will begin offering a new weekly pass and is restructuring fares with the base fare going up and the day pass going down in price. Additionally, VIA will make significant progress on implementing smartcards and mobile ticketing in FY16. Once implemented, the net impact of these initiatives should help result in improved ridership.

In FY14, operating revenues were \$26.3M, down \$0.9M (3.3%) from the prior year. The result was attributable to lower line ridership, which was adversely impacted by lower fuel prices in FY14.

Net Nonoperating Revenues (Expenses)

In FY15, VIA's net non-operating revenues (expenses) increased by \$8.3M (4.5%). Sales taxes are up \$6.6M (4.1%), as San Antonio's economy continues to be strong (this \$6.6M variance is based on total sales taxes, net of amounts distributed to ATD entities other than VIA). VIA's grant reimbursements are up \$1.0M, as VIA used more Federal Transit Administration ("FTA") funds for operating expenses rather than capital.

In FY14, VIA's net non-operating revenues (expenses) increased by \$11.9M (6.9%). Sales taxes were up \$13.8M (9.4%), due to a strong local economy (this \$13.8M variance is based on total sales taxes, net of amounts distributed to ATD entities other than VIA). Bond issuance and interest costs were up \$3.4M, due to the MTA and ATD bonds issued in FY14.

2015 Total Revenues by Major Category

	MTA	ATD	Total
Operating revenues:			
Line service	$ 17,375,371	$ 3,505,355	$ 20,880,726
Robert Thompson Terminal	145,337	-	145,337
Other special events	169,079	-	169,079
VIAtrans	1,899,614	-	1,899,614
Charter	86,526	-	86,526
Real estate development	281,072	-	281,072
Ellis Alley Park and Ride	23,918	-	23,918
Bus advertising	814,530	-	814,530
Miscellaneous	436,382	-	436,382
Total operating revenues	21,231,829	3,505,355	24,737,184
Nonoperating revenues:			
Sales taxes	136,370,773	61,274,476	197,645,249
Grants reimbursement – VIA	27,047,155	-	27,047,155
Grants reimbursement – pass through	1,327,755	-	1,327,755
Investment income	776,769	76,664	853,433
Loss on sale of assets	(1,252)	-	(1,252)
Less amounts remitted to CoSA and Bexar County		(30,637,238)	(30,637,238)
Less amounts remitted to sub-recipients	(1,327,755)	-	(1,327,755)
Total nonoperating revenues	164,193,445	30,713,902	194,907,347
Total revenues	$ 185,425,274	$ 34,219,257	$ 219,644,531

Total revenue shown above includes operating and nonoperating revenues. Expenses included in net nonoperating revenue/(expense) are excluded (these expenses are bond interest and issuance costs).

Expenses

In FY15, operating expenses are $235.0M, an increase of $16.9M (7.7%). The increase is mainly attributable to wages and VIAcare expense, up $7.9M and $6.4M, respectively. The increase in wages was driven mainly by a wage increase, an increase in bus service hours, and a shift in labor mix towards more full-time operators relative to part-time operators. Wages are the most significant cost of providing service. A 3.5% wage increase was implemented on August 1, 2014 for hourly employees and on October 1, 2014 for salaried employees, and a 3.5% increase was implemented on August 1, 2015 for hourly employees and on October 1, 2015 (the first day of FY16) for salaried employees. VIAcare was up due to a spike in claims early in the fiscal year around the date that a new contract was to become effective. Subsequently, costs have trended downwards. The new contract generates some savings to VIA through better buying power (medical network discounts), wellness program-related initiatives, disease/case management (utilization management), and stop loss insurance coverage.

In FY14, operating expenses were $218.1M, an increase of 16.2M (8.0%) from the prior year. This increase was primarily attributable to higher wages (up $3.8M), higher pension expense (up $2.6M), higher purchased transportation (up $2.0M), and higher depreciation expense (up $6.8M). A 3.0% increase wage increase was implemented on August 1, 2013 for hourly employees and on October 1, 2013 for salaried employees, and a 3.5% increase was implemented on August 1, 2014 for hourly employees and on October 1, 2014 (the first day of FY15) for salaried employees. Pension expense was up due in part to the impact of pension plan assumption changes that were made in FY12; these changes were to lower the investment return assumption from 8.0% to 7.5%, increase the life expectancy assumption, and decrease the employee attrition assumption. Purchased transportation expense was up due to an hours mix shift from directly-provided to purchased paratransit service, and an expansion of VIAtrans Taxi Subsidy Program and Will-Call service to weekends. Higher depreciation expense reflected higher capital asset balances and the impact of the capital projects allowance account.

Long-Term Debt

In FY15, VIA did not issue any new debt. VIA has three bond issues outstanding as of fiscal year-end 2015; these bonds were all issued between FY12 and FY14.

In FY14, VIA issued MTA farebox revenue improvement and refunding bonds ($40.0M par) and ATD sales tax revenue improvement and refunding bonds ($32.9M par). A total of $10.2M of the bond proceeds were used to retire two 2012 private placement bond issues ($5.1M MTA and $5.1M ATD). The bonds are being used to help finance VIA's SmartMove program and other capital projects. VIA received an "A+" rating on the farebox revenue bonds and an "AAA" rating on the ATD bonds. Details of debt issuances are covered in Note 13.

Capital Assets

At the end of FY15, VIA had $201.1M in capital assets net of accumulated depreciation, an increase of $5.0M over the prior fiscal year-end balance. The increase is due to gross additions of: building and shelters, $25.9M; equipment, $3.5M; revenue and service vehicles, $1.8M; and land, $1.0M. Depreciation of $27.2M partially offset these increases.

Components of the $5.0M net change can also be viewed as follows: fixed assets before depreciation, construction in progress ("CIP"), and allowance for capital projects increased by $26.3M (to a balance of $456.3M); construction in progress increased by $4.0M (to a balance of $58.8M); and accumulated depreciation increased by $25.3M (to a balance of $314.0M, including the streetcar allowance account). VIA's investment in capital assets includes land, buildings, revenue vehicles, service vehicles, communications technology, information technology, maintenance equipment and other miscellaneous equipment. The assets have been purchased with federal and local funds.

The $26.3M increase in fixed assets value before depreciation and construction in progress reflects the net of $3.5M in asset additions, $1.9M in asset disposals, and $24.7M in transfers from CIP. The asset category accounting for the largest asset additions amount is land, up $1.0M due to the purchase of property for parking at the Crossroads Park & Ride. Buildings and shelters account for $0.8M of the asset acquisitions, equipment accounts for $0.8M, service vehicles account for $0.5M, and revenue vehicles account for $0.4M.

CIP increased by $4.0M, which is the net of $28.7M in CIP additions and $24.7M in transfers out. CIP additions were: buildings and shelters, $25.1M; equipment, $2.7M; and revenue and service vehicles, $0.9M. Largest expenditures were for Centro Plaza and bus shelters. CIP transfers to fixed assets were: buildings and shelters, $12.2M; revenue and service vehicles, $2.9M, and equipment, $9.6M.

At the end of FY14, VIA had $196.1M in capital assets net of accumulated depreciation, an increase of $8.1M over the restated prior fiscal year-end balance. The increase is due to gross additions of: building and shelters, $24.1M; revenue and service vehicles, $7.4M; equipment, $4.3M; and, land, $0.1M. Depreciation of $27.7M (including a $4.9M allowance account expense) partially offset these increases.

Readers of this document that desire a more detailed overview of capital asset activity should refer to the notes to financial statements section of this report. Note 1.F defines accounting policies related to capital assets, and Note 7 gives details of the components of capital asset categories.

Capital Assets
(In Millions of Dollars)

	2015	2014	2013
Land	$ 32.8	$ 31.8	$ 31.7
Buildings and shelters	187.7	174.8	172.4
Revenue vehicles	176.2	174.2	172.6
Service vehicles	4.7	4.1	3.9
Equipment	54.9	45.1	43.2
	456.3	430.0	423.8
Less accumulated depreciation and allowance for capital accounts	314.0	288.7	266.3
Net capital assets before construction in progress	142.3	141.3	157.5
Construction in progress:			
Buildings and improvements	55.2	42.2	20.7
Revenue vehicles	0.8	2.9	2.0
Equipment	2.8	9.7	7.8
Total construction-in-progress	58.8	54.8	30.5
Net capital assets	$ 201.1	$ 196.1	$ 188.0

Economic Factors and Outlook for Fiscal Year 2016

Economic factors and the outlook for FY16 are favorable. Sales tax receipts are expected to be solid, and VIA expects to make significant progress on implementing a robust capital program, as discussed below:

Economic Factors

VIA's financial results are significantly impacted by sales taxes, since these account for approximately 75% of VIA's revenues. VIA's budgeted FY16 sales tax revenue reflects a 4.25% increase over the forecasted FY15 total, and a 4.8% increase over actual FY15 sales taxes. Actual results for 2015 came in slightly lower than forecast. Actual sales tax receipts for 2015 were up 4.1% from 2014, reflecting a relatively strong economy.

San Antonio's economy is expected to be strong in 2016. According to Moody's Analytics, the San Antonio-New Braunfels economy is expected to expand steadily led by gains in nonresidential construction and later by real housing. Energy-related manufacturing and services will be subdued as long as oil prices are low. Because of a large concentration of military operations, the metro area faces downside risks from Army consolidation. However, above-average population gains, the presence of significant energy resources in nearby areas, low costs of doing business, relatively high housing affordability, and an increasing manufacturing presence should contribute to above-average overall performance.

New Service, Facilities, and Buses

The primary theme of VIA's new budget is our commitment to our riders, which is highlighted by an increase in scheduled line service of nearly 4% – to the highest levels in VIA's history. Complementing the service improvements is a transit shelter expansion program to add nearly 1,000 shelters throughout the service area. VIA will also work with other local entities to advance the Long Range Comprehensive Transportation Plan, upgrade existing transit centers, advance new park & ride facilities, and expand Primo (Bus Rapid Transit) service into the South and West side. Additionally, VIA plans to purchase 390 compressed natural gas ("CNG") buses over the next five years, beginning in FY16. These environmentally-friendly vehicles will replace VIA's diesel-powered buses, resulting in significant fuel savings. 333 of these vehicles are replacement buses, while 57 are budgeted for expansion.

VIA has a very robust capital program, with VIA's "SmartMove" projects being a key focus. In FY16, VIA has $90M of capital spending budgeted, with 46% of this being for SmartMove. VIA's SmartMove projects are new customer-related facilities associated with implementation of VIA's Long Range Comprehensive Transportation Plan. SmartMove projects include seven new transit centers, two transfer locations, Southwest High-Capacity Transit Phase 1, Streetcar/High-Capacity Transit, and the Bus Stop Shelters/Amenities Program. The new transit centers are Centro Plaza (formerly the Westside Multimodal Transit Center Phase II), Stone Oak Park & Ride, Brooks Transit Center, Robert Thompson Transit Center, IH10 Park & Ride, SH151 Park & Ride, and Northeast Park & Ride. The two new transfer locations are Naco Pass and Five Points. The new bus rapid transit route project for the South/West Corridor is currently in the planning phase, and all of the transit technologies included in VIA's Long Range Comprehensive Transportation Plan will continue to be explored.

Other Key Projects Underway

VIA is implementing an extensive program to update bus stop shelters and amenities throughout the community. With increased funding made available by the Texas Department of Transportation, VIA will be able to focus on installing a total of nearly 1,000 new bus shelters throughout the community. Approximately 300 of these shelters have already been installed.

VIA is also in the process of implementing a state-of-the-art fare collection system. VIA will be implementing smart card technology in FY16, following implementation of new validating fareboxes and electronic fare media in FY14. VIA also plans to implement mobile ticketing in FY16. New technologies will also provide more fare options, decrease boarding time, and give riders greater flexibility.

FY16 will be a year of significant process for VIA, as the vision of a multimodal transit system for the San Antonio region continues to develop, and investments are made in transit system assets and improvements throughout the region. Additionally, strong FY15 sales tax receipts and cost-efficient operations have allowed VIA to expand bus service while remaining fiscally sound, with Stabilization Fund ("Rainy Day" Fund) and working capital balances at Board policy levels (60 days each).

Requests for Information

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

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Basic Financial Statements

VIA Metropolitan Transit
San Antonio, Texas
Statements of Net Position
September 30, 2015 and 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 20,970,701	$ 31,117,976
Investments	92,968,634	89,642,132
Accounts receivable:		
Federal government	10,001,156	2,388,898
State of Texas – sales taxes	27,521,414	27,398,931
Interest	212,464	599,063
Other	1,538,884	1,336,318
Inventory	3,491,746	3,618,697
Prepaid expenses and other current assets	464,765	425,467
Restricted assets:		
Cash and cash equivalents	20,103,176	31,611,324
Investments	102,534,962	63,896,196
State of Texas receivable – sales taxes	5,021,589	5,007,328
Total current assets	284,829,491	257,042,330
Noncurrent assets:		
Restricted cash and cash equivalents	3,811,003	3,805,336
Restricted investments	24,040,841	51,251,072
Capital assets:		
Land	32,841,276	31,812,673
Buildings and shelters	187,656,130	174,765,995
Revenue vehicles	176,182,078	174,165,810
Service vehicles	4,712,186	4,099,491
Equipment	54,858,544	45,113,736
Total capital assets	456,250,214	429,957,705
Less accumulated depreciation	304,146,833	283,755,778
Less allowance for capital projects	9,800,000	4,882,000
Construction in progress	58,820,976	54,805,294
Net capital assets	201,124,357	196,125,221
Other assets:		
Net other postemployment benefits ("OPEB") asset	4,302,687	4,302,687
Total other assets	4,302,687	4,302,687
Total noncurrent assets	233,278,888	255,484,316
Total assets	518,108,379	512,526,646
Deferred Outflows of Resources		
Pension	12,143,694	-
Fuel hedging	6,462,825	1,356,139
Total deferred outflows of resources	18,606,519	1,356,139
Total assets and deferred outflows of resources	$ 536,714,898	$ 513,882,785

The accompanying notes are an integral part of these statements.

	2015	2014
Liabilities		
Current liabilities:		
Accounts payable	$ 15,125,040	$ 13,122,162
Fuel hedging liability	6,462,825	1,356,139
Interest payable	580,698	899,522
Bonds payable	2,205,000	2,135,000
Accrued liabilities	5,595,483	4,894,554
Unearned revenue	1,039,728	835,276
Claims payable	6,442,148	6,618,537
Subtotal	37,450,922	29,861,190
Current liabilities – payable from restricted assets:		
Payable to CoSA and Bexar County	5,019,258	5,002,370
Retainage payable	1,592,742	163,542
Total current liabilities	44,062,922	35,027,102
Net pension liability	126,503,078	-
Long-term liabilities	79,875,092	83,272,295
Total liabilities	250,441,092	118,299,397
Deferred Inflows of Resources		
Pension	5,799,071	-
Total deferred inflows of resources	5,799,071	-
Total liabilities and deferred inflows of resources	$ 256,240,163	$ 118,299,397

Net Position		
Net investment in capital assets	$ 177,325,265	$ 171,241,292
Restricted for capital projects	100,721,318	101,174,318
Unrestricted	2,428,152	123,167,778
Total net position	$ 280,474,735	$ 395,583,388

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VIA Metropolitan Transit
San Antonio, Texas
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2015 and 2014

	2015	2014
Operating revenues:		
Line service	$ 20,880,726	$ 22,103,715
Robert Thompson Terminal	145,337	187,785
Other special events	169,079	181,786
VIAtrans	1,899,614	1,882,687
Charter	86,526	195,052
Real estate development	281,072	263,360
Ellis Alley Park and Ride	23,918	6,491
Bus advertising	814,530	749,530
Miscellaneous	436,382	759,723
Total operating revenues	24,737,184	26,330,129
Operating expenses:		
Line service	161,181,992	147,478,417
Robert Thompson Terminal	657,286	733,305
Other special events	618,448	592,886
VIAtrans	37,375,783	34,330,772
Vanpool	558,689	547,806
Charter	80,818	148,332
Promotional service	94,791	90,993
Real estate development	613	4,334
Business development and planning	6,588,687	5,858,692
Transit technology	685,274	694,331
Total operating expenses before depreciation	207,842,381	190,479,868
Depreciation on capital assets:		
Acquired with VIA equity	5,556,639	6,116,210
Acquired with grants	16,718,729	16,688,763
Allowance for capital projects	4,918,000	4,882,000
Total operating expenses after depreciation	235,035,749	218,166,841
Operating loss	(210,298,565)	(191,836,712)
Nonoperating revenues (expenses):		
Sales taxes	197,645,249	189,964,334
Grants reimbursement	27,047,155	26,045,513
Investment income	853,433	577,720
Bond interest and issuance costs	(3,000,034)	(3,542,815)
Gain (loss) on sale of assets	(1,252)	40,839
Less amounts remitted to CoSA and Bexar County	(30,637,238)	(29,541,042)
Total nonoperating revenues (expenses) – net	191,907,313	183,544,549
Loss before capital contributions	(18,391,252)	(8,292,163)
Capital contributions	21,974,093	14,028,533
Change in net position	3,582,841	5,736,370
Net position at beginning of year – as restated (Note 15)	276,891,894	389,847,018
Net position at end of year	$ 280,474,735	$ 395,583,388

The accompanying notes are an integral part of these statements.

VIA Metropolitan Transit
San Antonio, Texas
Statements of Cash Flows
Years Ended September 30, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Cash received from customers	$ 25,002,383	$ 26,444,828
Cash payments to vendors for goods and services	(74,929,271)	(69,529,643)
Cash payments for employee services, including salaried fringe benefits	(133,914,114)	(116,357,285)
Net cash used in operating activities	(183,841,002)	(159,442,100)
Cash Flows From Noncapital Financing Activities		
Sales taxes	197,492,647	187,238,666
Grants reimbursements received	22,376,436	34,590,137
Payments to CoSA, TxDOT, and Bexar County	(30,620,350)	(29,171,876)
Net cash provided by noncapital financing activities	189,248,733	192,656,927
Cash Flows From Capital and Related Financing Activities		
Proceeds from capital grants	19,201,475	14,846,128
Bond proceeds	-	67,431,796
Debt service	(5,611,677)	(3,060,056)
Proceeds from sale of assets	16,046	177,997
Purchase of capital assets	(26,704,705)	(35,938,653)
Net cash provided by (used in) capital and related financing activities	(13,098,861)	43,457,212
Cash Flows From Investing Activities		
Sale of investment securities	213,456,469	98,144,401
Purchase of investment securities	(228,196,939)	(183,952,414)
Interest earnings	781,844	544,124
Net cash used in investing activities	(13,958,626)	(85,263,889)
Net decrease in cash and cash equivalents	(21,649,756)	(8,591,850)
Cash and cash equivalents at beginning of year	66,534,636	75,126,486
Cash and cash equivalents at end of year	$ 44,884,880	$ 66,534,636

The accompanying notes are an integral part of these statements.

	2015	2014
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (210,298,565)	$ (191,836,712)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation on capital assets:		
Acquired with VIA equity	5,556,639	6,116,210
Acquired with grants	16,718,729	16,688,763
Allowance for capital projects	4,918,000	4,882,000
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(202,566)	147,302
Decrease in inventory	126,951	119,343
Decrease in prepaid expenses and other current assets	5,067,388	1,133,059
(Increase) decrease in prepaid pension	(12,143,694)	2,234,430
Increase (decrease) in interfund receivable	386,423	(392,187)
Increase (decrease) in accounts payable	(1,599,652)	705,966
Increase in accrued liabilities	7,629,345	759,726
Net cash used in operating activities	$ (183,841,002)	$ (159,442,100)
Reconciliation of Cash and Cash Equivalents Per Statements of Cash Flows to the Statements of Net Position		
Cash and cash equivalents at end of year:		
Unrestricted	$ 20,970,701	$ 31,117,976
Restricted – mandated purpose	23,914,179	35,416,660
Total cash and cash equivalents	$ 44,884,880	$ 66,534,636
Noncash Capital and Financing Activities		
Bond proceeds deposited into an escrow account for purposes of refunding:		
Revenue bonds	$ -	$ 10,200,000

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Note 1 – Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Advanced Transportation District ("ATD") Operations

ATD was approved by voters in November 2004 and began collecting sales taxes in April 2005. ATD's enabling legislation is Texas Transportation Code, Section 451, Subchapter O. CoSA voters also authorized ATD's imposition and collection of a sales and use tax in the amount of ¼ of 1% within CoSA (the "ATD Tax"), to be used for "Advanced Transportation" and " Mobility Enhancement" (as defined in Subchapter O) within its boundaries. One-half of the proceeds (1/8 of 1%) go to VIA (the "ATD Share"), one-fourth of the proceeds (1/16 of 1%) go to CoSA, and one-fourth of the proceeds (1/16 of 1%) go to "the Texas Department of Transportation ("TxDOT"), a county or municipality in which ATD is located, or a local government corporation created under Chapter 431 as the local share of a state or federal grant;" this third share has gone to TxDOT and Bexar County.

In accordance with Subchapter O, the ATD Share must be for "Advanced Transportation," defined as follows:

> "Advanced transportation" means light rail, commuter rail, commuter rail, fixed guideways, traffic management systems, bus ways, bus lanes, technologically advanced bus transit vehicles and systems, bus rapid transit vehicles and systems, passenger amenities, transit centers, stations, electronic transit-related information, fare and operating systems, high occupancy vehicle lanes, traffic signal prioritization and coordination systems, monitoring systems, and other advanced transportation facilities,

> equipment, operations, systems, and services, including planning, feasibility studies, operations, and professional and other services in connection with such facilities, equipment, operations, systems, and services.

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

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

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

ATD has transfers to MTA for depreciation expense reflected on the Statements of Cash Flows, although depreciation is technically a noncash item (it simply reflects the spreading of the cost of an asset over its useful life). However, since ATD reimburses MTA for a share of agency depreciation with cash each month, this transfer becomes a cash flow item for ATD. In FY15, ATD reimbursed MTA for 13.2% of VIA's depreciation expense (excluding the allowance for capital projects). This ATD depreciation cost allocation is based on bus service miles and labor costs, used to allocate direct depreciation (on buses and transit center facilities, for instance) and indirect depreciation (on administrative facilities and equipment, for instance), respectively.

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

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

The following are condensed financial statements for ATD:

Condensed Statements of Net Position

	2015	2014
Assets		
Total assets – current	$ 57,388,379	$ 58,562,185
Total assets – noncurrent	395,130	396,227
Total assets	$ 57,783,509	$ 58,958,412
Liabilities		
Payable to MTA	$ 2,776,375	$ 2,933,015
Other current liabilities	6,085,097	6,298,638
Total current liabilities	8,861,472	9,231,653
Total long-term liabilities	35,984,843	36,830,997
Total liabilities	$ 44,846,315	$ 46,062,650
Net Position		
Net investment in capital assets	$ (6,465,710)	$ (7,351,811)
Restricted for capital projects	395,130	396,227
Unrestricted	19,007,774	19,851,346
Total net position	$ 12,937,194	$ 12,895,762

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

	2015	2014
Operating revenues – line services	$ 3,505,355	$ 3,742,617
Operating expenses before depreciation	29,949,027	26,970,612
Depreciation on capital assets	2,934,539	2,892,617
Operating loss	(29,378,211)	(26,120,612)
Nonoperating revenues:		
Sales taxes	61,274,476	59,082,086
Amount remitted to CoSA, TxDOT, and Bexar County	(30,637,238)	(29,541,042)
Other nonoperating revenues	(1,038,353)	(1,243,881)
Total nonoperating revenues	29,598,885	28,297,163
Transfer out	(179,242)	(6,139,540)
Change in net position	41,432	(3,962,989)
Net position at beginning of year	12,895,762	16,858,751
Net position at end of year	$ 12,937,194	$ 12,895,762

Condensed Statements of Cash Flows

	2015	2014
Net cash used in operating activities	$ (26,230,511)	$ (23,105,251)
Net cash provided by noncapital financing activities	27,702,309	26,288,684
Net cash provided by (used in) capital and related financing activities	(2,308,263)	25,519,373
Net cash used in investing activities	965,929	(25,254,960)
Net increase in cash and cash equivalents	129,464	3,447,846
Cash and cash equivalents at beginning of year	6,220,030	2,772,184
Cash and cash equivalents at end of year	$ 6,349,494	$ 6,220,030

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

The statements of net position and the statements of revenues, expenses, and changes in net position report information on all nonfiduciary activities of the primary government and its component units. Business-type activities are supported to a significant extent on fees charged for support.

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes are recognized as revenues in the period in which the underlying sales transaction that generated the sales tax occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and qualifying expenditures have been incurred. Capital grant funds used to acquire or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met.

GASB Implementation

VIA adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27,* ("GASB Statement No. 68") to improve accounting and financial reporting by state and local governments for pensions. It also improved information provided by state and local governmental employers about financial support for pensions that is provided by other entities. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27*, Accounting for Pensions by State and Local Government Employers,* as well as the requirements of GASB Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. As permitted by GASB Statement No. 68, prior fiscal year was not restated since information required for the implementation of GASB Statement No. 68 was not available for fiscal year 2014. However, as disclosed in Note 15, fiscal year 2015 beginning net position was restated.

VIA adopted GASB Statement No. 69*, Government Combinations and Disposals of Government Operations*, which establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement required disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. As used in this statement, the term *government combination* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The guidance provided by this statement had no current impact to VIA.

VIA adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which addresses the issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB Statement No. 68, as amended, requires that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Future GASB Statements

The following GASB Statements will be implemented in future years.

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The statement is effective for years beginning after June 15, 2015.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*, will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. This statement establishes requirements for defined benefit pensions that were not within the scope of GASB Statement No. 68 and it establishes requirements for defined contribution pensions that were not within the scope of GASB Statement No. 68. It also amends certain provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 68 for pension plans and pensions that are within their respective scopes. The requirements of this statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement No. 67 or for pensions that are within the scope of GASB Statement No. 68 are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by other postemployment benefit (“OPEB”) plans that are administered through trusts that meet the specified criteria. This statement is effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, improves financial reporting by (1) raising the category of GASB Implementation Guides in GAAP hierarchy; thus, providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. The requirements of this statement are effective for reporting periods beginning after June 15, 2015.

GASB Statement No. 77, *Tax Abatement Disclosures*, improves financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015.

C. Accounts Receivable

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. As of September 30, 2015 and 2014, there was no allowance for doubtful accounts.

D. Sales Tax

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

E. Inventory

Inventory, comprised primarily of fuel and repair parts, is stated at the lower of cost or net realizable value. Cost is determined by the average-cost method.

F. Capital Assets

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

The following estimated useful lives are used in providing for depreciation:

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

G. Compensated Absences

VIA accrues employee vacation leave as earned. Sick leave is not accrued since terminated employees are not paid for accumulated sick leave.

H. Estimated Liabilities

Estimated liabilities include amounts provided for:

- Claims made against VIA involving public injuries and damages related to transit operations
- Claims incurred, but unpaid, and claims incurred, but not reported, as of year-end against VIA's self-insured employees' health program
- Claims made against VIA involving employee injuries that are work-related
- Fair value of fixed-rate swaps for fuel

In management's opinion, the amounts accrued are sufficient to satisfy all claims as of September 30, 2015.

I. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

J. Operating and Nonoperating Revenues and Expenses

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

K. Operating Revenues

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

Line Service – includes revenues related to all regularly scheduled bus routes available to the general public for a fare.

Robert Thompson Terminal – includes revenues related to the operation and maintenance of the Robert Thompson Terminal, which provides services for various Alamodome events.

Other Special Events – include revenues from services provided for various community events throughout the year.

VIAtrans – includes revenues from transportation services provided to the mobility-impaired who are unable to ride the regular line buses.

Charter – includes revenues from transportation services provided to private operators.

Real Estate Development – includes revenues from the rental of the Sunset Depot Complex, the Amtrak facility, and office space.

Ellis Alley Park and Ride – includes revenues related to the collection of parking fees at the Ellis Alley Park and Ride facility.

Bus Advertising – includes revenues related to the placement of advertisements on the bus and van system.

Miscellaneous – includes a variety of miscellaneous revenues, such as fees for the Alamodome facility, station concessions, and sale of scrap material.

L. Operating Expenses

VIA's operating expenses, excluding depreciation, are classified in the following cost centers.

Line Service – includes expenses related to all regularly scheduled bus routes available to the general public for a fare.

Robert Thompson Terminal – includes expenses related to the operation and maintenance of the Robert Thompson Terminal, which provides services for various Alamodome events.

Other Special Events – include expenses related to services provided for various community events throughout the year.

VIAtrans – include expenses related to transportation services provided to the mobility-impaired who are unable to ride the regular line buses.

Vanpool – includes expenses related to the provision of shared-ride service used generally for work commute trips.

Charter – includes expenses related to transportation services provided to private operators.

Promotional Service – includes expenses related to community related charters, including school educational program.

Real Estate Development – includes expenses related to the operations and maintenance of the Sunset Depot Complex, the Amtrak facility, and office space.

Business Development and Planning – includes expenses related to planning, designing, constructing, opening, and implementing new capital projects related to new modes of service or new operating facilities.

Transit Technology – includes expenses related to the operation and maintenance of information technology that services transit operations.

M. Statements of Cash Flows

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

N. Reclassification

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

O. Pension

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

Note 2 – Budget

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

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

Note 3 – Cash and Investments

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

A. Cash

As of September 30, 2015, the carrying amount of VIA's cash and cash equivalents on the statements of net position was $44,884,880 ($66,534,636 in 2014), and the bank balance was $45,896,964 ($66,930,675 in 2014). All deposits are insured by federal depository insurance and/or collateralized with securities held by VIA's agent in VIA's name. VIA's cash deposits are held at BBVA Compass and Frost Bank, which qualified as public depositories under Texas law and are deemed to be insured and not subject to classification by credit risk. On a daily basis, VIA participates in a sweep of cash balances to achieve higher yields.

B. Investments

VIA invests in securities of the United States Treasury or agencies of the United States, and these investments are held in safekeeping by VIA's custodial bank, Wells Fargo Bank, N.A., and are registered as accounts of VIA. These investments are carried at amortized cost, which approximates fair value, if they have a remaining maturity at the time of purchase or one year or less. All investments with a maturity of one year or more are carried at fair value.

VIA also invests in TexPool (a Texas local government investment pool) and CDs. TexPool investments consist exclusively of United States government securities, repurchase agreements collateralized by United States government securities, and AAA-rated no-load money market mutual funds. The Comptroller of the Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the "Trust Company"), which is authorized to operate TexPool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. Although TexPool is not registered with the Securities and Exchange Commission as an investment company, VIA believes it operates as a Rule 2a-7-like pool, as described in GASB Statement No. 59. As such, TexPool uses amortized cost to report net position and share prices, since that amount approximates fair value. VIA's investment in TexPool is reported under "cash and cash equivalents" on the statements of net position. VIA invests in CDs through the Certificate of Deposit Account Registry Service ("CDARS"). Deposits are placed with a CDARS network member – Frost Bank. Frost Bank then uses the CDARS service to place VIA's funds into CDs issued by other members of the CDARS network. This occurs in increments below the standard Federal Deposit Insurance Corporation ("FDIC") insurance maximum ($250,000), so that both principal and interest are eligible for FDIC insurance.

The following table shows VIA's investments and their maturities as of September 30:

	2015 Investment Maturities				
Investments	**Less Than 90 Days**	**From 91 Days to 180 Days**	**From 181 Days to 364 Days**	**Greater Than 365 Days**	**Carrying Amount**
United States Treasury Notes	$ -	$ -	$ 37,157,391	$ 17,979,390	$ 55,136,781
Federal Home Loan Mortgage Bank Agency Securities	31,485,103	12,490,008	9,999,585	-	53,974,696
Freddie Mac Agency Securities	-	23,866,955	40,042,800	6,061,451	69,971,206
Fannie Mae Agency Securities	-	9,999,009	22,942,090	-	32,941,099
Total United States Treasury and agency securities	31,485,103	46,355,972	110,141,866	24,040,841	212,023,782
Certificates of deposit	7,520,655	-	-	-	7,520,655
TexPool	32,325,813	-	-	-	32,325,813
Total investments	$ 71,331,571	$ 46,355,972	$ 110,141,866	$ 24,040,841	$ 251,870,250

Investments	Less Than 90 Days	From 91 Days to 180 Days	From 181 Days to 364 Days	Greater Than 365 Days	Carrying Amount
	2014 Investment Maturities				
United States Treasury Notes	$ -	$ -	$ -	$ 5,231,250	$ 5,231,250
Federal Home Loan Mortgage Bank Agency Securities	25,395,140	9,747,690	-	-	35,142,830
Federal Farm Credit Bank Agency Securities	-	-	29,995,188	-	29,995,188
Freddie Mac Agency Securities	13,801,088	-	-	46,019,827	59,820,915
Fannie Mae Agency Securities	4,999,310	47,498,361	14,595,826	-	67,093,497
Total United States Treasury and agency securities	44,195,538	57,246,051	44,591,014	51,251,077	197,283,680
Certificates of deposit	7,505,720	-	-	-	7,505,720
TexPool	55,826,884	-	-	-	55,826,884
Total investments	$ 107,528,142	$ 57,246,051	$ 44,591,014	$ 51,251,077	$ 260,616,284

Interest Rate Risk – Interest rate risk, the risk that changes in market interest rates, will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses due to rising interest rates, VIA's investment policy limits its investment maturities to no more than ten years. Currently, 90% of VIA's investment portfolio is invested in maturities less than one year (80% in 2014). Investment maturities are as follows:

Maturity	Percentage of Portfolio September 30, 2015	2014
Less than 90 days	28%	41%
From 91 days to 180 days	18%	22%
From 181 days to 364 days	44%	17%
Greater than 365 days	10%	20%

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, investments issued or explicitly guaranteed by the United States government are excluded from this requirement.

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

Credit Risk Ratings as of September 30, 2015

Investments and Days to Maturity	Minimum Legal Rating	Investment Rating	Rating Organization	Carrying Amount	Percentage Invested
United States Treasury Notes:					
From 181 days to 364 days	N/A	N/A	N/A	$ 37,157,391	14.7%
Greater than 365 days	N/A	N/A	N/A	17,979,390	7.1%
Federal Home Loan Mortgage Bank Agency Securities:					
Less than 90 days	A-1	Aaa	Moody's	31,485,103	12.5%
From 91 days to 180 days	A-1	Aaa	Moody's	12,490,008	5.0%
From 181 days to 364 days	A-1	Aaa	Moody's	9,999,585	4.0%
Freddie Mac Agency Securities:					
From 91 days to 180 days	A-1	Aaa	Moody's	23,866,955	9.5%
From 181 days to 364 days	A-1	Aaa	Moody's	40,042,800	15.9%
Equal to or greater than 365 days	A-1	Aaa	Moody's	6,061,451	2.4%
Fannie Mae Agency Securities:					
From 91 days to 180 days	A-1	Aaa	Moody's	9,999,009	4.0%
From 181 days to 364 days	A-1	Aaa	Moody's	22,942,090	9.1%
Total United States Treasury and agency securities				212,023,782	84.2%
Certificates of deposit	AAA	AAAm	Standard & Poor's	7,520,655	3.0%
TexPool	AAA	AAAm	Standard & Poor's	32,325,813	12.8%
Total investments				$ 251,870,250	100.0%

Credit Risk Ratings as of September 30, 2014

Investments and Days to Maturity	Minimum Legal Rating	Investment Rating	Rating Organization	Carrying Amount	Percentage Invested
United States Treasury Notes:					
Greater than 365 days	N/A	N/A	N/A	$ 5,231,250	2.0%
Federal Home Loan Mortgage Bank Agency Securities:					
Less than 90 days	A-1	Aaa	Moody's	25,395,140	9.8%
From 91 days to 180 days	A-1	Aaa	Moody's	9,747,690	3.7%
Federal Farm Credit Bank Agency Securities:					
Equal to or greater than 365 days	A-1	Aaa	Moody's	29,995,188	11.5%
Freddie Mac Agency Securities:					
Less than 90 days	A-1	Aaa	Moody's	13,801,088	5.3%
Equal to or greater than 365 days	A-1	Aaa	Moody's	46,019,827	17.7%
Fannie Mae Agency Securities:					
Less than 90 days	A-1	Aaa	Moody's	4,999,310	1.9%
From 91 days to 180 days	A-1	Aaa	Moody's	47,498,361	18.2%
From 181 days to 364 days	A-1	Aaa	Moody's	14,595,826	5.6%
Total United States Treasury and agency securities				197,283,680	75.7%
Certificates of deposit	AAA	AAAm	Standard & Poor's	7,505,720	2.9%
TexPool	AAA	AAAm	Standard & Poor's	55,826,884	21.4%
Total investments				$ 260,616,284	100.0%

Concentration of Credit Risk – As a means of limiting its exposure to concentration of credit risk, VIA's investment policy limits the maximum percentage allowed in each type of investment. Direct obligations such as United States Treasury Notes are limited to 95.0% of VIA's investment portfolio; indirect obligations, such as Federal Home Loan Mortgage Bank Agency Securities, Freddie Mac Agency Securities, and Fannie Mae Agency Securities, are limited to 85% of VIA's investment portfolio; and fully collateralized CDs are limited to 50.0% of VIA's investment portfolio. As of September 30, 2015, VIA's investment portfolio consists of 21.8% (2.0% in 2014) in direct obligations and 62.4% (73.7% in 2014) in indirect obligations.

The following table reflects the percentage amount invested in each issuer as a percentage of the total portfolio:

Investments	Percentage of Portfolio September 30, 2015	2014
United States Treasury Notes	22%	2%
Federal Home Loan Mortgage Bank Agency Securities	21%	13%
Federal Farm Credit Bank Agency Securities	0%	12%
Freddie Mac Agency Securities	28%	23%
Fannie Mae Agency Securities	13%	26%
TexPool	13%	21%
Certificates of deposit	3%	3%

C. Financial Hedges for Fuel

VIA's has a fuel hedging program that was developed and implemented in 2009, with the goal of managing fuel price risk and providing for fuel price certainty for a period of up to 60 months (changed to 36 months as per Resolution 4-29-14-07). Since the price of fuel needed to provide mass transit service has a significant impact on VIA's operating budget, VIA seeks to limit exposure to the impact of fuel price variability. Tactics that may be used to achieve the price risk management goals include Fixed Price Future Delivery Contracts, Guaranteed Price Contracts (Swaps), Maximum/Minimum Price Contracts (Collars), and Maximum Price Contracts (Caps).

For fiscal year 2014, VIA hedged approximately 73% of budgeted diesel fuel usage volumes, 74% of budgeted unleaded gasoline usage volumes, and 98% of budgeted propane usage volumes. In January 2012, VIA entered into a fixed rate swap with KS&T covering 3,120,000 gallons of diesel fuel at $2.9150/gallon. In March 2014, VIA entered into a fixed rate swap with BP to cover an additional 1,350,216 gallons of diesel fuel at $2.8770/gallon. Both swaps were settled monthly against Platts US Gulf Coast Ultra Low Sulfur Diesel. In January 2012, VIA also entered into a fixed rate swap with KS&T covering 360,000 gallons of unleaded gasoline at $2.5275/gallon. The swap was settled monthly against Platts Gulf Coast Unleaded Gasoline. In October 2012, VIA entered into a fixed rate swap with Shell Trading Company covering 1,560,000 gallons of propane in fiscal year 2014 at $0.9735/gallon. The swap was settled monthly against OPIS Mont Belvieu Propane.

For fiscal year 2015, VIA hedged approximately 90% of budgeted diesel fuel usage volumes, 89% of budgeted unleaded gasoline usage volumes, and 95% of budgeted propane volumes. In January 2012, VIA entered into a fixed rate swap with KS&T covering 2,460,000 gallons of diesel fuel at $2.8850/gallon. In March 2014, VIA entered into a fixed rate swap with BP covering an additional 3,300,192 gallons of diesel fuel at $2.8150/gallon. Both swaps were settled monthly against Platts US Gulf Coast Ultra Low Sulfur Diesel. In January 2012, VIA also entered into a fixed rate swap with KS&T covering 360,000 gallons of unleaded gasoline at $2.4975/gallon. In October 2015, VIA entered into a fixed rate swap with J.P. Morgan Ventures Energy Corporation ("J.P. Morgan") to cover an additional 165,000 gallons of unleaded gasoline at $2.2200/gallon. Both swaps were settled monthly against Platts Gulf Coast Unleaded Gasoline. Additionally, in September 2014, VIA entered into an agreement with BP to cover 899,640 gallons of propane at $1.0750/gallon. The propane swap was settled monthly against OPIS Mont Belvieu Propane.

For fiscal year 2016, VIA has hedged approximately 77% of budgeted diesel fuel usage volumes, 83% of budgeted unleaded gasoline usage volumes, and 91% of budgeted propane volumes. In October 2014, VIA entered into a fixed rate swap with J.P. Morgan covering 5,000,000 gallons of diesel fuel at $2.5100/gallon. The swap will be settled monthly against Platts Gulf Coast Ultra Low Sulfur Diesel. In October 2014, VIA also entered into a fixed rate swap with J.P. Morgan covering 540,000 gallons of unleaded gasoline at $2.2325/gallon. The swap will be settled monthly against Platts Gulf Coast Unleaded Gasoline. In November 2014, VIA entered into a fixed rate swap with J.P. Morgan to cover 900,000 gallons of propane at $0.8600/gallon. The propane swap will be settled monthly against OPIS Mont Belvieu Propane.

For fiscal year 2017, VIA has hedged approximately 39% of anticipated diesel fuel usage volumes and 38% of anticipated unleaded gasoline usage volumes. In March 2015, VIA entered into a fixed rate swap with BP covering 1,999,872 gallons of diesel fuel at $1.97 per gallon 3017. The swap will be settled monthly against Platts US Gulf Coast Ultra Low Sulfur Diesel. In March 2015, VIA also entered into a fixed rate swap with J.P. Morgan to cover 249,996 gallons of unleaded gasoline at $1.664 per gallon. The swap will be settled monthly against Platts US Gulf Coast Unleaded Gasoline.

VIA's credit risk is minimized since counterparties to the swaps are required to meet minimum long-term ratings or meet collateral posting requirements. As of September 30, 2015, VIA has outstanding swaps with BP and J.P. Morgan, two nationally recognized commodity traders. As of September 30, 2015, the credit rating for BP was "A-" with Standard & Poors and "Baa1" with Moody's, and the credit rating for J.P. Morgan was "A" with Standard & Poors and "A3" with Moody's.

The maximum amount of loss to VIA due to credit risk, based on the fair value of the hedging derivative instruments as of September 30, 2015, is $0. On September 30, 2015, the outstanding diesel fuel swaps had a combined negative value $5,600,823, the outstanding gasoline fuel swap had a negative value of $509,226, and the outstanding propane fuel swap had an outstanding negative value of $352,776, resulting in a total liability of $6,462,825 (liability of $1,356,139 in 2014). As of that date, based on the fair value of the hedging instruments, the counterparty had the credit risk.

Under VIA's International Swaps and Derivatives Association ("ISDA") Agreement with BP, VIA has a credit limit of $35,000,000, and BP has a credit limit of $35,000,000. For exposure above those credit limits, cash is the only acceptable collateral. As per VIA's ISDA agreement with J.P. Morgan, VIA has a credit limit of $10,000,000, and J.P. Morgan has a credit limit of $55,000,000. For exposure above those credit limits, cash is the only acceptable collateral.

VIA's outstanding hedges do not involve any basis risk, since the fuel products VIA physically purchases to provide service are based on the same index and are the same products used for the financial contracts (swaps) – Platts Gulf Coast Ultra Low Sulfur Diesel, Platts Gulf Coast Unleaded Gasoline and OPIS Mt. Belvieu Propane.

Note 4 – Restricted and Unrestricted Cash and Investments

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

Restricted

A. ***Retainage*** – represents assets equal to the liability payable to contractors for retainage withheld from periodic payments, plus interest earnings.

B*.** ***Bond Construction Fund – represents bond proceeds and interest to be used for capital expenditures.

C. ***Bond Fund – Principal and Interest Due*** – used for setting aside funds for upcoming principal and interest payments on outstanding bonds.

D*.** ***Capital Grant Local Share – represents assets to provide for VIA's matching share of the Federal Transit Administration ("FTA") 49 U.S. Code Section 5307 and Section 5309 grants.

E. ***Local Assistance Program*** – represents assets to provide for the enhancement of visual, operational, and structural vehicle right-of-way improvements.

Unrestricted

A. ***VIAcare*** – represents assets to provide for unusually large medical claims from VIA's self-insured employees' health program.

B. ***Property Insurance Deductibles*** – represent assets to provide for the insurance policy deductible on VIA's vehicles, buildings, and contents.

C. ***Uninsured Property*** – represents assets to provide for replacement of certain assets which do not equal or exceed the deductible per occurrence amount of the property insurance policy.

D. ***Stabilization Fund*** – represents assets to provide a level of financial resources to protect against revenue shortfalls or unpredicted one-time expenditures.

E. ***VIA Capital Fund*** – represents assets to provide for capital asset acquisitions.

F. ***Working Capital*** – represents assets designated to provide VIA with sufficient operating funds to pay its day-to-day operational obligations.

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

	Cash and Cash Equivalents	Investments	2015 Total	2014 Total
Restricted Cash and Investments				
Mandated purposes:				
Retainage	$ 1,461,307	$ -	$ 1,461,307	$ 209,620
Capital assets:				
Bond construction fund	8,178,848	39,997,060	48,175,908	49,226,067
Bond fund – principal and interest due	3,811,002	-	3,811,002	3,805,336
Capital grant local share:				
TxDOT grant	10,463,022	82,040,971	92,503,993	92,204,224
FTA grants	-	4,537,772	4,537,772	5,118,681
Total restricted cash and investments	23,914,179	126,575,803	150,489,982	150,563,928
Unrestricted Cash and Investments				
Board-approved purposes:				
VIAcare	-	6,400,016	6,400,016	5,139,229
Property insurance deductibles	-	500,000	500,000	500,000
Uninsured property	-	815,381	815,381	945,805
Stabilization fund	-	35,070,000	35,070,000	33,370,000
VIA capital fund	-	36,083,936	36,083,936	47,435,074
Working capital:				
MTA	20,706,787	8,913,214	29,620,001	28,340,000
ATD	263,914	5,186,087	5,450,001	5,030,000
Total unrestricted cash and investments	20,970,701	92,968,634	113,939,335	120,760,108
Total cash, cash equivalents, and investment balances	$ 44,884,880	$ 219,544,437	$ 264,429,317	$ 271,324,036

Note 5 – Capital Contributions

Capital contributions consist of funds received through various grants to assist in the acquisition of capital assets. A major portion of these contributions is through the annual and discretionary capital grants provided by FTA, as well as past grant contributions received from the state of Texas. Generally, an FTA grant will provide 80% of the total project cost, and VIA will match the grant funds by paying the remaining 20%. The capital contribution accounts record the funds received through these various grants.

Note 6 – Capital Grants

VIA has received various federal capital grants. The capital grants amended budgets at September 30, 2015 totaled $276,196,602 ($327,503,047 in 2014), of which $252,911,790 has been expended to date ($276,247,704 in 2014).

Note 7 – Capital Assets

Components of capital assets are summarized as follows:

	Balance at September 30, 2014	Additions	Deletions	Transfers	Balance at September 30, 2015
Land*	$ 31,812,673	$ 1,028,603	$ -	$ -	$ 32,841,276
Buildings and shelters	174,765,995	788,514	-	12,101,621	187,656,130
Revenue and service vehicles	178,265,301	930,320	(1,240,659)	2,939,302	180,894,264
Equipment	45,113,736	760,299	(643,229)	9,627,738	54,858,544
	429,957,705	3,507,736	(1,883,888)	24,668,661	456,250,214
Accumulated depreciation:					
Buildings and shelters	129,193,302	7,193,666	-	-	136,386,968
Revenue and service vehicles	119,431,663	10,658,905	(1,240,659)	-	128,849,909
Equipment	35,130,813	4,422,797	(643,654)	-	38,909,956
	283,755,778	22,275,368	(1,884,313)	-	304,146,833
Allowance for capital projects	4,882,000	4,918,000	-	-	9,800,000
Net capital assets before construction in progress	141,319,927	(23,685,632)	425	24,668,661	142,303,381
Construction in progress*:					
Buildings and shelters	42,838,973	25,137,330	-	(12,101,621)	55,874,682
Revenue and service vehicles	2,279,032	885,217	-	(2,939,302)	224,947
Equipment	9,687,289	2,661,796	-	(9,627,738)	2,721,347
Total construction in progress	54,805,294	28,684,343	-	(24,668,661)	58,820,976
Net capital assets	$ 196,125,221	$ 4,998,711	$ 425	$ -	$ 201,124,357

*Capital assets not being depreciated.

	Restated Balance at September 30, 2013	Additions	Deletions	Transfers	Balance at September 30, 2014
Land*	$ 31,729,733	$ 82,940	$ -	$ -	$ 31,812,673
Buildings and shelters	172,366,347	304,995	(216,090)	2,310,743	174,765,995
Revenue and service vehicles	176,499,484	4,829,471	(4,764,562)	1,700,908	178,265,301
Equipment	43,205,799	1,250,117	(493,910)	1,151,730	45,113,736
	423,801,363	6,467,523	(5,474,562)	5,163,381	429,957,705
Accumulated depreciation:					
Buildings and shelters	121,292,354	8,068,419	(167,471)	-	129,193,302
Revenue and service vehicles	113,682,344	10,513,880	(4,764,561)	-	119,431,663
Equipment	31,326,125	4,222,674	(417,986)	-	35,130,813
	266,300,823	22,804,973	(5,350,018)	-	283,755,778
Allowance for capital projects	-	4,882,000	-	-	4,882,000
Net capital assets before construction in progress	157,500,540	(21,219,450)	(124,544)	5,163,381	141,319,927
Construction in progress*:					
Buildings and shelters	20,766,452	23,773,429	-	(1,700,908)	42,838,973
Revenue and service vehicles	1,965,827	2,623,948	-	(2,310,743)	2,279,032
Equipment	7,765,256	3,073,763	-	(1,151,730)	9,687,289
Total construction in progress	30,497,535	29,471,140	-	(5,163,381)	54,805,294
Net capital assets	$ 187,998,075	$ 8,251,690	$ (124,544)	$ -	$ 196,125,221

*Capital assets not being depreciated.

The following is a summary of depreciation expense:

Description	Years Ended September 30, 2015	2014
Capital assets acquired with VIA equity	$ 5,556,639	$ 6,116,210
Capital assets acquired with grants	16,718,729	16,688,763
	22,275,368	22,804,973
Allowance for capital projects	4,918,000	4,882,000
	$ 27,193,368	$ 27,686,973

Note 8 – Sales Taxes

Sales taxes are a significant revenue source for VIA. Sales taxes receivable represents approximately 70% of accounts receivable (excluding restricted assets accounts receivable) at September 30, 2015 (86% in 2014). These revenues are reported as nonoperating revenues in the statements of revenues, expenses, and changes in net position. Included below is a summary of sales tax revenues:

Sales Tax Revenues

Description	Years Ended September 30, 2015	Years Ended September 30, 2014
MTA	$ 136,370,773	$ 130,882,248
ATD	61,274,476	59,082,086
	$ 197,645,249	$ 189,964,334

Sales taxes for MTA increased by $5,488,525 in 2015 and increased by $11,383,232 in 2014. ATD sales taxes increased $2,192,390 in 2015 and increased by $4,804,442 in 2014. In fiscal years 2015 and 2014, of the amount collected by ATD, ¼ is remitted to CoSA and ¼ is remitted to TxDOT/Bexar County.

Sales Tax Receivable From State of Texas

Description	September 30, 2015	September 30, 2014
MTA	$ 22,499,826	$ 22,391,602
ATD	10,043,177	10,014,657
	$ 32,543,003	$ 32,406,259

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

Note 9 – Defined Benefit Retirement Plan

Plan Description

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

Benefits Provided

Benefit provisions are established by VIA and can be amended at any time; however, no amendment shall authorize any part of the net position to be used for purposes other than benefit payments or administrative expenses. Employees retiring at age 65 or at age 55 with 25 years or more of credited service shall, upon application to the Plan administrator, receive a monthly retirement pension based on the higher of the following 2 methods:

- *Career Average Method* – For each year or fraction of year of credited service between April 1, 1965 and February 1, 1973, 1.5% of the monthly base salary as of February 1, 1973, plus 2.0% of the excess, if any, of such salary over $300; plus for each year or fraction of year of credited service between February 1, 1973 and September 30, 1989, 1.5% of the monthly base salary at the beginning of each plan year, plus 2.0% of the excess, if any, of such salary over $300; plus for each year beginning October 1, 1989 and after, 1/12th of 2.0% of the compensation earned during each plan year. Compensation is defined as base salary or base wage plus overtime, bonuses, and employee deferrals under Internal Revenue Service Code, Sections 125 or 457, but excluding "sold" vacation pay and sick pay, and certain other amounts.

- *Final Average Method* – With 25 years or more of credited service 2.00%, or with less than 25 years of credited service, 1.75% of the final average monthly compensation for each year or fraction of year of credited service. Final average monthly compensation is defined as the average monthly base salary or base wage during 36 consecutive months of highest compensation prior to termination or retirement.

Disability Benefits

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

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

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

Retiree Health Benefits
All retired participants receiving a retirement benefit and all disabled participants receiving a disability retirement benefit on or after January 1, 2007 shall be provided a retiree health benefit in a monthly amount equal to $8 multiplied by the number of years of the retired participant's or disabled participant's credited service.

Benefit terms do not provide for an ad hoc cost of living or supplement in future years.

Effective July 1, 2013, the Plan was closed for participation to new employees. All new employees are eligible for a defined contribution plan described in Note 10.

Employees Covered by Benefit Terms
The following table summarizes the number of participants with a benefit in the Plan as of the most recent valuation date, October 1, 2013:

Inactive Plan members or beneficiaries currently receiving benefits	807
Inactive Plan members entitled to but not yet receiving benefits	115
Active Plan members	1,439
Total Plan members	2,361

Contributions

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

Net Pension Liability

VIA's net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2013 and rolled forward to September 30, 2014, using the following actuarial assumptions:

Inflation	3.00%
Salary increases	4.25%-6.75%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Cost of living	None
Mortality rates	RP-2000 Combined healthy mortality table projected to 2010 with scale AA

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study completed in 2011 and adopted by the Board. The period covered was October 1, 2005 through October 1, 2010.

Long-Term Expected Rate of Return

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by 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 Plan's target asset allocation as of September 30, 2014 are summarized in the table below:

Asset Class	Long-Expected Arithmeti Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
Domestic Equity – Large Cap	7.77%	22%	1.71%
International Equity – Small Cap	9.20%	13%	1.17%
Global Equity	8.56%	25%	2.14%
Fixed Income	2.83%	30%	0.85%
Real Estate	5.30%	10%	0.53%
		Total Expected Arithmetic Real Return:	6.40%
		Inflation Assumption for Actuarial Valuation:	3.00%
		Total Expected Arithmetic Nominal Return:	9.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that VIA contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of VIA, calculated using the discount rate of 7.5%, as well as what VIA's net pension liability would be if it were calculated using a discount rate that is 1.0 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

Discount Rate Sensitivity

1.0% Decrease 6.5%	Current Single Discount Rate Assumption 7.5%	1.0% Increase 8.5%
$165,530,183	$126,503,078	$93,130,988

Changes in Net Pension Liability

Total Pension Liability	
Service cost	$ 8,053,350
Interest	25,024,697
Benefit changes	-
Difference between expected and actual experience	-
Assumption changes	-
Benefit payments	(17,168,273)
Refunds	(217,847)
Net change in total pension liability	15,691,927
Total pension liability – beginning	338,329,011
Total pension liability – ending	$ 354,020,938
Plan Fiduciary Net Position	
Contributions – employer	$ 9,798,508
Contributions – employee	4,227,570
Pension plan net investment income	22,741,162
Benefit payments	(17,168,273)
Refunds	(217,847)
Pension plan administrative expense	(215,172)
Net change in Plan fiduciary net position	19,165,948
Plan fiduciary net position – beginning	208,351,912
Plan fiduciary net position – ending	$ 227,517,860
VIA's net pension liability – ending	$ 126,503,078

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

For the year ended September 30, 2015, recognized pension expense was $12,123,558. At September 30, 2015, VIA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Outflows of Resources	Inflows of Resources
1	Differences between expected and actual experience	$ -	$ -
2	Assumption changes	-	-
3	Net difference between projected and actual earnings on Plan investments	-	5,799,071
4	Contributions paid subsequent to the measurement date	12,143,694	-
		$ 12,143,694	$ 5,799,071

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Deferred Inflows of Resources
2015	$ (1,449,768)
2016	(1,449,768)
2017	(1,449,768)
2018	(1,449,767)
2019	-
Thereafter	-
Total	$ (5,799,071)

Note 10 – Defined Contribution Retirement Plan

A. Plan Description

VIA Metropolitan Transit Defined Contribution Retirement Plan is a “money purchase” pension plan and trust. This is an account-type plan, in which all benefits received come directly from participant accounts in the plan.

VIA Metropolitan Transit Defined Contribution Retirement Plan is a “public retirement system” under the laws of Texas and a “governmental plan” under the Internal Revenue Code. As a result, it is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

B. Eligibility and Benefits

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

C. Funding Policy

VIA follows the policy of funding the plan through mandatory employee contributions at the rate of 6% of compensation. VIA's contributions to the Employer Contribution Account will be made at the rate of 6% of compensation. Together, mandatory employee contributions and VIA employer contributions will equal 12% of compensation. VIA's required contribution for the fiscal year ended September 30, 2015 totaled $585,839 ($685,951 in 2014).

Note 11 – Postemployment Benefits Other Than Pensions

A. Plan Description

In addition to providing pension benefits, VIA provides certain healthcare and life insurance benefits to retired employees. For healthcare, VIA indirectly subsidizes the medical insurance premiums paid by retirees, since premiums are calculated with active workers and retirees pooled together. The Postemployment Benefit Plan is a single-employer defined benefit retirement plan. As of October 1, 2013, there are 293 retirees and dependents receiving VIA healthcare benefits and 622 participating in the VIA life insurance program. VIA provides, at no cost, base coverage for life insurance of $6,000 or $12,000, based on age, for retirees at a premium rate paid to a life insurance company. Any additional premium to provide coverage in excess of the base amount is shared by VIA and the retirees. The Postemployment Benefit Plan does not have a separate audit performed; however, additional information may be obtained by writing to VIA Metropolitan Transit, P.O. Box 12489, San Antonio, Texas 78212-0489, or by calling (210) 362-2000.

B. Funding Policy

VIA's funding policy is to fund 100% of the annual other postemployment benefits ("OPEB") cost by the end of each fiscal year. OPEB funding is handled through a Section 115 trust.

C. Annual OPEB Cost and Net OPEB Obligation

VIA's ARC is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows VIA's annual OPEB cost as of September 30, 2015, the amount actually contributed to the plan, and changes in VIA's net OPEB obligation:

Annual required contribution	$ 1,659,203
Interest on net OPEB asset	(322,702)
Adjustment to annual required contribution	244,271
Annual OPEB cost	1,580,772
Contributions made	(1,580,772)
Increase in net OPEB obligation (asset)	-
Net OPEB obligation (asset) at beginning of year	(4,302,687)
Net OPEB obligation (asset) at end of year	$ (4,302,687)

The following table shows VIA's annual OPEB cost as of September 30, 2014, the amount actually contributed to the plan, and changes in VIA's net OPEB obligation:

Annual required contribution	$ 1,603,095
Interest on net OPEB asset	(322,702)
Adjustment to annual required contribution	244,271
Annual OPEB cost	1,524,664
Contributions made	(1,524,664)
Increase in net OPEB obligation (asset)	-
Net OPEB obligation (asset) at beginning of year	(4,302,687)
Net OPEB obligation (asset) at end of year	$ (4,302,687)

Three-Year Trend Information

Fiscal Year Ended	Annual OPEB Cost ("AOC")	Percentage of AOC Contributed	Net OPEB Asset
September 30, 2015	$ 1,580,772	100.0%	$ 4,302,687
September 30, 2014	1,524,664	100.0%	4,302,687
September 30, 2013	1,236,237	100.0%	4,302,687

D. Funded Status and Funding Progress

As of October 1, 2013, the most recent actuarial valuation date, the plan was 31% funded. The actuarial accrued liability for benefits was $21,805,189, and the actuarial value of assets was $6,866,735, resulting in an unfunded (surplus) actuarial accrued liability (“UAAL”) of $14,938,454. The covered payroll (annual payroll of active employees covered by the plan) was $73,480,430, and the ratio of the UAAL to the covered payroll was 20%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedule Of Funding Progress – Unaudited, presented as Required Supplementary Information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefits costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the fiscal year ended September 30, 2015 (and the plan year ended December 31, 2014), the actuarial valuation date was October 1, 2013, date of the most recent valuation report. VIA provided rollforward calculation for fiscal year 2015 since the most recent valuation report is dated October 1, 2013. The actuarial cost method used was the “projected unit credit” method, the amortization method used was the “level percentage open” method, and the remaining amortization period was 30 years. The assumed investment rate of return was 7.50%. Projected salary increases are comprised of a 3.00% inflation rate, a 1.25% productivity rate, and variable merit or longevity component. The healthcare trend rate used was 7.50% in 2015, decreasing 0.2% per year to an ultimate trend of 4.5% in 2026.

Note 12 – Risk Management

VIA is exposed to various risks or torts; theft of, damage to, and destruction of assets; injuries to employees, patrons, and the general public; and natural disasters. During the fiscal year, VIA was self-funded for workers’ compensation, unemployment compensation, employee health coverage, and public liability coverage. VIA purchased insurance coverage for fire and extended coverage on buildings and contents and fire, lightning, and windstorm insurance coverage for its revenue vehicles for damages in excess of $500,000.

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

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

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

A. Property and Casualty Coverage

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

B. Public Liability Coverage

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

C. Workers' Compensation

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

D. Employee Health Coverage

VIA offers health insurance coverage through its self-insured program VIAcare. As of January 1, 2015, Aetna is the third-party administrator for this program; prior to that, VIA self-administered the program. On an annual basis, an actuarial valuation is performed to establish the level of reserves, determine appropriate funding levels for the medical benefits for the calendar year, and establish the monthly premiums for VIAcare. Claims adjudication is administered in accordance with the benefit provisions, exclusions, and limitations, as stipulated in the VIAcare plan document. A reconciliation of changes in the aggregate liabilities for medical claims for the current year is presented below.

At September 30, 2015, VIA recorded claims payable of $6,442,148 for its self-insured programs based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* ($6,618,537 in 2014). The statement requires a liability for claims to be reported if it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims payable amounts for the most recent period are presented below.

	Property and Casualty and Public Liability Coverage	Workers' Compensation	Employee Health Coverage	Total
Claims payable at September 30, 2013	$ 2,019,727	$ 2,870,554	$ 1,440,000	$ 6,330,281
Current period claims and changes in estimates	563,515	2,299,006	13,682,302	16,544,823
Claim payments	(637,887)	(2,073,378)	(13,545,302)	(16,256,567)
Claims payable at September 30, 2014	1,945,355	3,096,182	1,577,000	6,618,537
Current period claims and changes in estimates	1,376,796	1,495,223	19,034,652	21,906,671
Claim payments	(864,023)	(2,167,385)	(19,051,652)	(22,083,060)
Claims payable at September 30, 2015	$ 2,458,128	$ 2,424,020	$ 1,560,000	$ 6,442,148

Note 13 – Long-Term Debt

MTA Farebox Revenue Bonds

On August 29, 2012, MTA issued a par amount of $5,100,000 of Series 2012-1 MTA Farebox Revenue Bonds. VIA anticipates utilizing proceeds for the purpose of financing the design, construction, acquisition, and equipping of multimodal transportation improvements to the Transit Authority System and to pay costs of issuance. The bonds are dated July 1, 2012 and have an interest rate of 1.3% through July 15, 2014. Thereafter, the interest rate is a floating rate equal to 65.0% of LIBOR, plus 105 basis points, not to exceed a maximum rate of 15.0%. Interest on the bonds is payable on January 15 and July 15 of each year, commencing January 15, 2013. Principal payments are due and payable on July 15 of each year from 2015 through 2022. These bonds were paid off during the year ended September 30, 2014.

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

MTA Contractual Obligations

On August 29, 2012, MTA issued a par amount of $3,200,000 of Series 2012-2 MTA Contractual Obligations. VIA anticipates utilizing proceeds for the purpose of financing acquisition of personal property in support of the Transit Authority System and to pay costs of issuance. The interest rate is 1.97% and the stated final maturity is July 15, 2019. Interest on the bonds is payable on January 15 and July 15 of each year, commencing January 15, 2013. Principal payments are due and payable on July 15 of each year from 2013 through 2019.

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

ATD Sales Tax Revenue Bonds

On August 29, 2012, the ATD issued a par amount of $5,100,000 of Series 2012-3 ATD Sales Tax Revenue Bonds. VIA anticipates utilizing proceeds for the purpose of financing the design, construction, acquisition, and equipping of multimodal transportation improvements and to pay costs of issuance. The bonds are dated July 1, 2012 and have an interest rate of 1.25% through July 15, 2014. Thereafter, the interest rate is a floating rate equal to 65.00% of LIBOR, plus 100 basis points not to exceed a maximum of 15.00%. Interest on the bonds is payable on January 15 and July 15 of each year, commencing January 15, 2013. Principal payments are due and payable on July 15 of each year from 2015 through 2022. These bonds were paid off during the year ended September 30, 2014.

VIA ATD imposes and collects within its boundaries a sales and use tax equal to ¼ of 1% (the "ATD Tax"), the proceeds from which are divided three ways: one-half of the proceeds of the ATD Tax are retained by ATD (the "ATD Share") and used for projects including advanced transit services, passenger amenities, equipment, and other Advanced Transportation (as defined by statute) purposes; one-fourth of the proceeds of the ATD Tax are delivered to CoSA, as the only "participating unit" (defined by statute) within the ATD, and used thereby to construct, improve, and maintain streets, sidewalks, and related infrastructure designed to improve mobility and other Advanced Transportation or Mobility Enhancement (as defined by statute) within ATD; and the remaining ¼ of the proceeds of the ATD Tax are for use as the local share for state and federal grants for improved highways, transportation infrastructure designed to improve mobility, and other Advanced Transportation or Mobility Enhancement purposes within ATD.

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

MTA Farebox Revenue and Refunding Bonds

On November 13, 2013, MTA issued a par amount of $39,965,000 of Series 2013 MTA Farebox Revenue and Refunding Bonds. VIA anticipates utilizing proceeds to: pay a portion of the costs of capital projects, primarily projects defined as VIA's SmartMove program, as well as VIA's new automated fare collection system; refund VIA's Series 2012-1 MTA Farebox Revenue Bonds; fund the Reserve Fund for the bonds; and pay the costs of issuance of the bonds. VIA's SmartMove program includes the following capital projects: streetcar starter lines; Westside Multimodal Transit Center; Robert Thompson Transit Center; Brooks Transit Center, U.S. 281 Park and Ride; and Downtown Amenities. The bonds are dated October 1, 2013 and have an interest rate varying between 1.00% and 5.25%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing February 15, 2014. Principal payments are due and payable on August 1 of each year from 2014 through 2038. Since the bonds increased the term of the originally issued debt from a short-term to a long-term obligation there was no economic gain.

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

ATD Sales Tax Revenue and Refunding Bonds

On July 30, 2014, ATD issued a par amount of $32,925,000 of Series 2014 ATD Sales Tax Revenue and Refunding Bonds. VIA anticipates utilizing proceeds to: pay a portion of the costs of capital projects, primarily projects defined as VIA's SmartMove program, as well as VIA's new automated fare collection system; refund VIA's Series 2012-3 ATD Sales Tax Revenue Bonds; and pay the costs of issuance of the bonds. VIA's SmartMove program includes the following capital projects: streetcar starter lines; Westside Multimodal Transit Center; Robert Thompson Transit Center; Brooks Transit Center, U.S. 281 Park and Ride; and Downtown Amenities. The bonds are dated July 1, 2014 and have an interest rate varying between 2% and 5%. Interest on the bonds is payable on February 1 and August 1 of each year, commencing August 1, 2015. Principal payments are due and payable on August 1 of each year from 2015 through 2038. Since the bonds increased the term of the originally issued debt from a short-term to a long-term obligation there was no economic gain.

VIA ATD imposes and collects within its boundaries a sales and use tax equal to ¼ of 1% (the "ATD Tax"), the proceeds from which are divided three ways: one-half of the proceeds of the ATD Tax are retained by ATD (the "ATD Share") and used for projects including advanced transit services, passenger amenities, equipment, and other Advanced Transportation (as defined by statute) purposes; one-fourth of the proceeds of the ATD Tax are delivered to CoSA, as the only "participating unit" (defined by statute) within the ATD, and used thereby to construct, improve, and maintain streets, sidewalks, and related infrastructure designed to improve mobility and other Advanced Transportation or Mobility Enhancement (as defined by statute) within ATD; and the remaining ¼ of the proceeds of the ATD Tax are for use as the local share for state and federal grants for improved highways, transportation infrastructure designed to improve mobility, and other Advanced Transportation or Mobility Enhancement purposes within ATD.

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

Changes in long-term obligations for the year ended September 30, 2015 are as follows:

	Interest Rate Payable	Original Issue	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Series 2012-2 MTA Contractual Obligations	1.97%	$ 3,200,000	$ 2,325,000	$ -	$ (445,000)	$ 1,880,000	$ 455,000
Series 2013 MTA Farebox Revenue and Refunding Bonds	1.00% - 5.25%	39,965,000	38,860,000	-	(905,000)	37,955,000	945,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00% - 5.00%	32,925,000	32,925,000	-	(785,000)	32,140,000	805,000
Total bonds		76,090,000	74,110,000	-	(2,135,000)	71,975,000	2,205,000
Bond premium		N/A	6,358,751	-	(307,524)	6,051,227	-
Compensated absences		N/A	5,723,707	990,770	(495,385)	6,219,092	2,165,227
Total long-term liabilities		$ 76,090,000	$ 86,192,458	$ 990,770	$ (2,937,909)	$ 84,245,319	$ 4,370,227

Changes in long-term obligations for the year ended September 30, 2014 are as follows:

	Interest Rate Payable	Original Issue	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Series 2012-1 MTA Farebox Revenue Bonds	1.30% - 15.00%	$ 5,100,000	$ 5,100,000	$ -	$ (5,100,000)	$ -	$ -
Series 2012-2 MTA Contractual Obligations	1.97%	3,200,000	2,765,000	-	(440,000)	2,325,000	445,000
Series 2012-3 ATD Sales Tax Revenue Bonds	1.25% - 15.00%	5,100,000	5,100,000	-	(5,100,000)	-	-
Series 2013 MTA Farebox Revenue and Refunding Bonds	1.00% - 5.25%	39,965,000	-	39,965,000	(1,105,000)	38,860,000	905,000
Series 2014 ATD Sales Tax Revenue and Refunding Bonds	2.00% - 5.00%	32,925,000	-	32,925,000	-	32,925,000	785,000
Total revenue bonds		86,290,000	12,965,000	72,890,000	(11,745,000)	74,110,000	2,135,000
Bond premium		N/A	-	6,453,453	(94,702)	6,358,751	266,368
Compensated absences		N/A	5,350,294	671,508	(298,095)	5,723,707	2,005,892
Net pension liability		N/A	-	1,487,097	-	1,487,097	-
Total long-term liabilities		$ 86,290,000	$ 18,315,294	$ 81,502,058	$ (12,137,797)	$ 87,679,555	$ 4,407,260

The following is a schedule of the required payments for these bonds:

Year Ending September 30,	Principal	Interest	Total Requirements
2016	$ 2,205,000	$ 3,474,186	$ 5,679,186
2017	2,285,000	3,395,223	5,680,223
2018	2,365,000	3,313,262	5,678,262
2019	2,460,000	3,219,605	5,679,605
2020	2,070,000	3,120,450	5,190,450
2021-2025	11,940,000	13,993,750	25,933,750
2026-2030	15,160,000	10,771,950	25,931,950
2031-2035	19,365,000	6,562,888	25,927,888
2036-2038	14,125,000	1,435,500	15,560,500
	$ 71,975,000	$ 49,286,814	$ 121,261,814

Note 14 – Commitments and Contingencies

A. Grants

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

B. Public-Injury Lawsuits

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

C. Pending Claims and Litigation

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

D. Construction Commitments

Significant construction commitments outstanding as of September 30, 2015 are as follows:

Project Description	Amount
Centro Plaza	$ 3,117,892

Note 15 – Prior Period Adjustment

During fiscal year 2015, VIA adopted GASB Statement No. 68. Net position at October 1, 2014 was restated as follows:

	MTA	ATD	Total
Net position at October 1, 2014 – as previously reported	$ 382,687,626	$ 12,895,762	$ 395,583,388
Adoption of GASB Statement No. 68:			
Record beginning net pension liability	(129,977,099)	-	(129,977,099)
Remove GASB Statement No. 27 liability from prior year	1,487,097	-	1,487,097
Remove contributions made during fiscal year 2014	9,798,508	-	9,798,508
Net position at October 1, 2014 – as restated	$ 263,996,132	$ 12,895,762	$ 276,891,894

Note 16 – Allowance for Streetcar Project Capitalized Costs

In July 2014, VIA's management and its Board put its Streetcar Project on hold to ensure alignment with the CoSA's development of a transportation plan. VIA is also updating its own Long-Range Comprehensive Transportation Plan, which will cover the present through 2040. Both plans are projected to be complete by mid-2016.

VIA still has a rail project in its five-year capital program (with $150,000,000 in spending for that time frame). Currently, the project is programmed to be funded by the FTA, private and local support, and VIA funds. The project is also in the Metropolitan Planning Organization's Long Range Transportation Plan and 2015-2019 Transportation Improvement Program.

VIA believes it is probable that the updated transportation plans will include a streetcar/light rail project that utilizes all or part of VIA's 5.9-mile route alignment included in the original Streetcar Project. Streetcar Project costs as of September 30, 2015 are $19,549,574, which VIA has capitalized as construction in progress. Determining exactly what portion of the 5.9-mile route alignment will ultimately be used is not possible at this time. In 2014, management determined that a 25% allowance for capital projects was a prudent amount to book as a contra-account to construction in progress in the event that the final project does not fully reflect the Streetcar Project for which the streetcar costs were originally incurred. The 25% equated to $4,882,000 at that time and was reported in the Statement of Revenues, Expenses, and Changes in Net Position as a component of depreciation expense for the year ended September 30, 2014.

With the passage of another year, management has reassessed the adequacy of the allowance account and will book an additional allowance amount that will bring the total allowance to $9,800,000, approximately 50% of the $19,549,579 streetcar cost total. The additional allowance amount booked in FY15 is $4,918,000. Management believes this is a prudent and appropriate amount based on how development of the transportation plans is progressing.

Management of VIA will continue to periodically reassess the adequacy of the allowance as developments under the updated transportation plans occur. The periodic assessments will be made based on consideration of approved transportation plans that are developed, route alignments involved, and the extent to which costs already incurred for work performed can be expected to reduce costs that would otherwise be necessary for the selected project alignment. As noted above, the updated transportation plans are expected to be complete by mid-2016.

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Required Supplementary Information

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Changes in Net Pension Liability – Unaudited
Year Ended September 30, 2015

Total Pension Liability	
Service cost	$ 8,053,350
Interest on the total pension liability	25,024,697
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments – including refunds of employee contributions	(17,386,120)
Net change in total pension liability	15,691,927
Total pension liability – beginning	338,329,011
Total pension liability – ending (a)	$ 354,020,938
Plan Fiduciary Net Position	
Contributions – employer	$ 9,798,508
Contributions – employee	4,227,570
Net investment income	22,741,162
Benefit payments – including refunds of employee contributions	(17,168,273)
Administrative expense	(215,172)
Other	(217,847)
Net change in plan fiduciary net position	19,165,948
Plan fiduciary net position – beginning	208,351,912
Plan fiduciary net position – ending (b)	$ 227,517,860
Net pension liability – ending (a) – (b)	$ 126,503,078
Plan fiduciary net position as a percentage of the total pension liability	64.3%
Covered employee payroll	$ 71,690,366
Net pension liability as a percentage of covered employee payroll	176.5%

GASB Statement No. 68 requires this schedule to be presented for a ten year period. VIA adopted GASB Statement No. 68 during 2015, therefore, only the first year (2015) is presented. The full trend information will be accumulated over the next nine years.

VIA Metropolitan Transit
San Antonio, Texas
Schedule of VIA's Pension Contributions – Unaudited
September 30, 2015

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	$ 2,155,666	$ 2,155,666	$ -	$ 54,538,103	3.95%
2006	2,467,782	2,467,782	-	58,423,556	4.22%
2007	3,055,878	3,055,878	-	56,822,389	5.38%
2008	4,917,777	4,917,777	-	58,765,875	8.37%
2009	5,039,382	5,039,382	-	63,566,356	7.93%
2010	6,252,395	6,252,395	-	66,748,265	9.37%
2011	7,320,891	7,320,891	-	69,772,318	10.49%
2012	8,185,552	8,258,760	(73,208)	69,947,664	11.81%
2013	11,498,776	10,639,132	859,644	74,276,531	14.32%
2014	13,555,866	9,798,508	3,757,358	71,690,366	13.67%

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Funding Progress – Unaudited
Year Ended September 30, 2015

Schedule of Funding Progress – Postretirement Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded (Surplus) AAL ("UAAL")	Fund Ratio	Covered Payroll	UAAL (Surplus) as a Percentage of Covered Payroll
October 1, 2013	$6,866,735	$21,805,189	$14,938,454	31%	$73,480,430	20%
October 1, 2011	$3,800,747	$13,229,068	$9,428,321	29%	$69,772,318	14%
October 1, 2010	$2,652,921	$10,478,347	$7,825,426	25%	$66,748,265	12%

The actuarial methods and assumptions used for VIA's defined benefit retirement plan and postemployment benefits other than pensions are as follows.

Note 1 – Schedule of VIA's Pension Contributions

Valuation Date: Actuarially determined contributions are calculated as of October 1, and become effective for the following fiscal year (i.e., a 12-month delay in the effective date of the contribution requirement).

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years remaining as of September 30, 2014
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	4.25% to 6.75%, service related assumption, including inflation
Investment rate of return	7.50%, net of pension plan expenses, including inflation
Retirement age	Experience-based table of rates that are specific to the type of retirement eligibility. Assumption was last updated during the 2011 valuation pursuant to an experience study performed in 2010.
Mortality	RP-2000 Mortality Table projected to the year 2010 with Scale AA

Other information: VIA's funding policy is to contribute the Plan's normal cost and an amortization payment to fund the unfunded actuarially accrued liability. The amortization payment is determined as a level percentage of payroll (assuming a 3.50% payroll growth), which includes the payroll of employees who earn benefits in the defined contribution plan.

VIA initiated the current funding policy for determining the actuarially determined contributions and VIA's actual contributions beginning with the 2011 actuarial valuation, which identified the contribution requirement for fiscal year 2013, and included a phase-in strategy to increase into these contribution requirements. Based on this phase-in strategy, VIA will contribute $1,000,000 less than the actuarially determined contribution for fiscal year 2014, and $1,000,000 less than the actuarially determined amount for fiscal year 2015. VIA will contribute the actuarially determined contributions for fiscal year 2016 and each fiscal year thereafter.

Note 2 – Postemployment Benefits Other Than Pension

For the fiscal year ended September 30, 2015 (and the plan year ended December 31, 2014), the actuarial valuation date was October 1, 2013. The actuarial cost method used was the "projected unit credit" method, the amortization method used was the "level percentage open" method, and the remaining amortization period was 30 years. The assumed investment rate of return was 7.50%. Projected salary increases are comprised of a 3.00% inflation rate, a 1.25% productivity rate, and variable merit or longevity component. The healthcare trend rate used was 7.50% in 2015, decreasing 0.25% per year to an ultimate trend of 4.50% in 2026.

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Other Supplementary Information

VIA Metropolitan Transit
San Antonio, Texas
Combining Schedule of Net Position
September 30, 2015

	MTA	ATD	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 20,706,787	$ 263,914	$ -	$ 20,970,701
Investments	71,587,332	21,381,302	-	92,968,634
Accounts receivable:				
Federal government	10,001,156	-	-	10,001,156
State of Texas – sales taxes	22,499,826	5,021,588	-	27,521,414
Interest	186,768	25,696	-	212,464
ATD	2,776,375	-	(2,776,375)	-
Other	1,538,884	-	-	1,538,884
Inventory	3,491,746	-	-	3,491,746
Prepaid expenses and other current assets	464,765	-	-	464,765
Restricted assets:				
Cash and cash equivalents	14,412,726	5,690,450	-	20,103,176
Investments	82,551,122	19,983,840	-	102,534,962
State of Texas receivable – sales taxes	-	5,021,589	-	5,021,589
Total current assets	230,217,487	57,388,379	(2,776,375)	284,829,491
Noncurrent assets:				
Restricted cash and cash equivalents	3,415,873	395,130	-	3,811,003
Restricted investments	24,040,841	-	-	24,040,841
Capital assets:				
Land	32,841,276	-	-	32,841,276
Buildings and shelters	187,656,130	-	-	187,656,130
Revenue vehicles	176,182,078	-	-	176,182,078
Service vehicles	4,712,186	-	-	4,712,186
Equipment	54,858,544	-	-	54,858,544
Total capital assets	456,250,214	-	-	456,250,214
Less accumulated depreciation	304,146,833	-	-	304,146,833
Less allowance for capital projects	9,800,000	-	-	9,800,000
Construction in progress	58,820,976	-	-	58,820,976
Net capital assets	201,124,357	-	-	201,124,357
Other assets:				
Net OPEB asset	4,302,687	-	-	4,302,687
Total other assets	4,302,687	-	-	4,302,687
Total noncurrent assets	232,883,758	395,130	-	233,278,888
Total assets	463,101,245	57,783,509	(2,776,375)	518,108,379
Deferred Outflows of Resources				
Pension	12,143,694	-	-	12,143,694
Fuel hedging	6,462,825	-	-	6,462,825
Total deferred outflows of resources	18,606,519	-	-	18,606,519
Total assets and deferred outflows of resources	$ 481,707,764	$ 57,783,509	$ (2,776,375)	$ 536,714,898

	MTA	ATD	Eliminations	Total
Liabilities				
Current liabilities:				
Accounts payable	$ 15,125,040	$ -	$ -	$ 15,125,040
Fuel hedging liability	6,462,825	-	-	6,462,825
Payable to MTA	-	2,776,375	(2,776,375)	-
Interest payable	319,859	260,839	-	580,698
Bonds payable	1,400,000	805,000	-	2,205,000
Accrued liabilities	5,595,483	-	-	5,595,483
Unearned revenue	1,039,728	-	-	1,039,728
Claims payable	6,442,148	-	-	6,442,148
Subtotal	36,385,083	3,842,214	(2,776,375)	37,450,922
Current liabilities – payable from restricted assets:				
Payable to CoSA, TxDOT, and Bexar County	-	5,019,258	-	5,019,258
Retainage payable	1,592,742	-	-	1,592,742
Total current liabilities	37,977,825	8,861,472	(2,776,375)	44,062,922
Net pension liability	126,503,078	-	-	126,503,078
Long-term liabilities	43,890,249	35,984,843	-	79,875,092
Total liabilities	$ 208,371,152	$ 44,846,315	$ (2,776,375)	$ 250,441,092
Deferred Inflows of Resources				
Pension	5,799,071	-	-	5,799,071
Total deferred inflows of resources	5,799,071	-	-	5,799,071
Total liabilities and deferred inflows of resources	214,170,223	44,846,315	(2,776,375)	256,240,163

	MTA	ATD	Eliminations	Total
Net Position				
Net invested in capital assets	$ 183,790,975	$ (6,465,710)	$ -	$ 177,325,265
Restricted for capital projects	100,326,188	395,130	-	100,721,318
Unrestricted	(16,579,622)	19,007,774	-	2,428,152
Total net position	$ 267,537,541	$ 12,937,194	$ -	$ 280,474,735
Total liabilities, deferred inflow of resources and net position	$ 481,707,764	$ 57,783,509	$ (2,776,375)	$ 536,714,898

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VIA Metropolitan Transit
San Antonio, Texas
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2015

	MTA	ATD	Total
Operating revenues:			
Line service	$ 17,375,371	$ 3,505,355	$ 20,880,726
Robert Thompson Terminal	145,337	-	145,337
Other special events	169,079	-	169,079
VIAtrans	1,899,614	-	1,899,614
Charter	86,526	-	86,526
Real estate development	281,072	-	281,072
Ellis Alley Park and Ride	23,918	-	23,918
Bus advertising	814,530	-	814,530
Miscellaneous	436,382	-	436,382
Total operating revenues	21,231,829	3,505,355	24,737,184
Operating expenses:			
Line service	132,574,295	28,607,697	161,181,992
Robert Thompson Terminal	657,286	-	657,286
Other special events	618,448	-	618,448
VIAtrans	37,375,783	-	37,375,783
Vanpool	-	558,689	558,689
Charter	80,818	-	80,818
Promotional service	94,791	-	94,791
Real estate development	613	-	613
Business development and planning	6,491,320	97,367	6,588,687
Transit technology	-	685,274	685,274
Total operating expenses before depreciation	177,893,354	29,949,027	207,842,381
Depreciation on capital assets:			
Acquired with VIA equity	4,828,206	728,433	5,556,639
Acquired with grants	14,512,623	2,206,106	16,718,729
Allowance for capital projects	4,918,000	-	4,918,000
Total operating expenses after depreciation	202,152,183	32,883,566	235,035,749
Operating loss	(180,920,354)	(29,378,211)	(210,298,565)
Nonoperating revenues (expenses):			
Sales taxes	136,370,773	61,274,476	197,645,249
Grants reimbursement	27,047,155	-	27,047,155
Investment income (loss)	776,769	76,664	853,433
Bond interest	(1,885,017)	(1,115,017)	(3,000,034)
Gain (loss) on sale of assets	(1,252)	-	(1,252)
Less amounts remitted to CoSA and Bexar County	-	(30,637,238)	(30,637,238)
Total nonoperating revenues (expenses) – net	162,308,428	29,598,885	191,907,313
Income (loss) before capital contributions and transfers	(18,611,926)	220,674	(18,391,252)
Capital contributions	21,974,093	-	21,974,093
Transfer in	179,242	-	179,242
Transfer out	-	(179,242)	(179,242)
Change in net position	3,541,409	41,432	3,582,841
Net position at beginning of year – as restated (Note 15)	263,996,132	12,895,762	276,891,894
Net position at end of year	$ 267,537,541	$ 12,937,194	$ 280,474,735

VIA Metropolitan Transit
San Antonio, Texas
Combining Schedule of Cash Flows
Year Ended September 30, 2015

	MTA	ATD	Total
Cash Flows From Operating Activities			
Cash received from customers	$ 21,476,674	$ 3,525,709	$ 25,002,383
Cash payments to vendors for goods and services	(56,709,865)	(18,219,406)	(74,929,271)
Cash payments for employee services, including salaried fringe benefits	(122,377,300)	-	(122,377,300)
Cash payments for MTA employee services	-	(11,536,814)	(11,536,814)
Net cash used in operating activities	(157,610,491)	(26,230,511)	(183,841,002)
Cash Flows From Noncapital Financing Activities			
Sales taxes	136,251,947	61,240,700	197,492,647
Grants reimbursements received	22,376,436	-	22,376,436
Payments to CoSA and Bexar County	-	(30,620,350)	(30,620,350)
Cash transfer for depreciation allocation	2,918,041	(2,918,041)	-
Net cash provided by noncapital financing activities	161,546,424	27,702,309	189,248,733
Cash Flows From Capital and Related Financing Activities			
Proceeds from capital grants	19,201,475	-	19,201,475
Debt service	(3,303,414)	(2,308,263)	(5,611,677)
Proceeds from sale of assets	16,046	-	16,046
Purchase of capital assets	(26,704,705)	-	(26,704,705)
Net cash used in capital and related financing activities	(10,790,598)	(2,308,263)	(13,098,861)
Cash Flows From Investing Activities			
Sale of investment securities	153,988,442	59,468,027	213,456,469
Purchase of investment securities	(169,634,626)	(58,562,313)	(228,196,939)
Interest earnings	721,629	60,215	781,844
Net cash provided by (used in) investing activities	(14,924,555)	965,929	(13,958,626)
Net increase (decrease) in cash and cash equivalents	(21,779,220)	129,464	(21,649,756)
Cash and cash equivalents at beginning of year	60,314,606	6,220,030	66,534,636
Cash and cash equivalents at end of year	$ 38,535,386	$ 6,349,494	$ 44,884,880

	MTA	ATD	Total
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating loss	$ (180,920,354)	$ (29,378,211)	$ (210,298,565)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation on capital assets:			
Acquired with VIA equity	4,828,206	728,433	5,556,639
Acquired with grants	14,512,623	2,206,106	16,718,729
Allowance for capital projects	4,918,000	-	4,918,000
Changes in assets and liabilities:			
Increase in accounts receivable	(202,566)	-	(202,566)
Decrease in inventory	126,951	-	126,951
Decrease in prepaid expenses and other current assets	5,067,388	-	5,067,388
Decrease in prepaid pension	(12,143,694)	-	(12,143,694)
Decrease in interfund receivable	173,262	213,161	386,423
Decrease in accounts payable	(1,599,652)	-	(1,599,652)
Increase in accrued liabilities	7,629,345		7,629,345
Net cash used in operating activities	$ (157,610,491)	$ (26,230,511)	$ (183,841,002)
Reconciliation of Cash and Cash Equivalents Combining Statements of Net Position			
Cash and cash equivalents at end of year:			
Unrestricted	$ 20,706,787	$ 263,914	$ 20,970,701
Restricted – mandated purpose	17,828,599	6,085,580	23,914,179
Total cash and cash equivalents	$ 38,535,386	$ 6,349,494	$ 44,884,880

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual
Year Ended September 30, 2015

	MTA		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Line service	$ 19,571,261	$ 17,375,371	$ (2,195,890)
Robert Thompson Terminal	211,309	145,337	(65,972)
Other special events	193,911	169,079	(24,832)
VIAtrans	1,914,516	1,899,614	(14,902)
Charter	198,970	86,526	(112,444)
Real estate development	249,524	281,072	31,548
Ellis Alley Park and Ride	6,000	23,918	17,918
Bus advertising	814,500	814,530	30
Miscellaneous	553,100	436,382	(116,718)
Total operating revenues	23,713,091	21,231,829	(2,481,262)
Operating expenses – excluding depreciation:			
Line service	131,121,191	132,574,295	(1,453,104)
Robert Thompson Terminal	661,260	657,286	3,974
Other special events	690,671	618,448	72,223
VIAtrans	36,262,707	37,375,783	(1,113,076)
Charter	130,204	80,818	49,386
Promotional service	99,401	94,791	4,610
Real estate development	2,526	613	1,913
Business development and planning	8,436,560	6,491,320	1,945,240
Total operating expenses – excluding depreciation	177,404,520	177,893,354	(488,834)
Operating loss	(153,691,429)	(156,661,525)	(2,970,096)
Nonoperating revenues (expenses):			
Sales taxes	134,820,000	136,370,773	1,550,773
Grants reimbursement	26,961,900	27,047,155	85,255
Investment income	670,000	776,769	106,769
Bond interest and issuance costs	(947,919)	(1,885,017)	(937,098)
Gain on sale of assets	-	(1,252)	(1,252)
Total nonoperating revenues (expenses) – net	161,503,981	162,308,428	804,447
Income before depreciation	7,812,552	5,646,903	(2,165,649)
Less depreciation	-	24,258,829	(24,258,829)
Income (loss) after depreciation	$ 7,812,552	$ (18,611,926)	$ (26,424,478)

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual – Continued
Year Ended September 30, 2015

	ATD		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Line service	$ 4,098,174	$ 3,505,355	$ (592,819)
Total operating revenues	4,098,174	3,505,355	(592,819)
Operating expenses – excluding depreciation:			
Line service	29,246,597	28,607,697	638,900
Vanpool	559,125	558,689	436
Business development and planning	97,052	97,367	(315)
Transit technology	684,516	685,274	(758)
Total operating expenses – excluding depreciation	30,587,290	29,949,027	638,263
Operating loss	(26,489,116)	(26,443,672)	45,444
Nonoperating revenues (expenses):			
Sales taxes	61,340,000	61,274,476	(65,524)
Investment income	34,000	76,664	42,664
Bond interest and amortization	(397,168)	(1,115,017)	(717,849)
Less amounts remitted to CoSA and Bexar County	(30,670,000)	(30,637,238)	32,762
Total nonoperating revenues (expenses) – net	30,306,832	29,598,885	(707,947)
Net income before depreciation	3,817,716	3,155,213	(662,503)
Less depreciation	-	2,934,539	(2,934,539)
Net income after depreciation	$ 3,817,716	$ 220,674	$ (3,597,042)

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Operating Expenses by Expense Category and Cost Center
Year Ended September 30, 2015

	MTA		
	Line Service	**Robert Thompson Terminal**	**Other Special Events**
Labor	$ 50,483,466	$ 236,811	$ 224,603
Fringe benefits	-	-	-
Services	2,410,276	35,758	53,908
Materials and supplies	24,032,885	90,192	78,151
Utilities	877,266	26,243	1,685
Casualty and liability	1,056,643	5,409	2,576
Taxes	1,043,895	3,657	3,573
Purchased transportation	-	-	-
Miscellaneous expense	601,808	1,277	430
Leases and rentals	36,034	3,022	32,572
Expense transfer to Capital Program	-	-	-
Fringe distribution	32,553,530	152,945	139,772
Expense transfers	19,478,492	101,972	81,178
Subtotal	132,574,295	657,286	618,448
Depreciation:			
Direct	13,013,136	31,594	26,416
Indirect	3,445,451	16,178	14,938
Fringe	20,062	97	80
Allowance	-	-	-
Subtotal depreciation	16,478,649	47,869	41,434
Total operating expenses – including depreciation	$ 149,052,944	$ 705,155	$ 659,882

MTA				
VIAtrans	**Charter**	**Promotional Service**	**Real Estate Development**	**Business Development and Planning**
$ 9,763,682	$ 28,243	$ 39,760	$ -	$ 630,045
-	-	-	-	-
442,442	4,511	125	-	4,675,564
2,957,091	8,779	10,469	369	29,243
334,453	124	187	-	-
84,515	369	437	244	-
159,280	435	459	-	-
13,394,999	-	-	-	-
27,515	21	26	-	480,324
-	9	12	-	-
-	-	-	-	-
6,411,725	25,922	27,881	-	430,208
3,800,081	12,405	15,435	-	245,936
37,375,783	80,818	94,791	613	6,491,320
1,994,108	3,023	3,583	53,995	-
666,243	2,050	2,716	-	42,997
3,876	15	18	-	253
-	-	-	-	4,918,000
2,664,227	5,088	6,317	53,995	4,961,250
$ 40,040,010	$ 85,906	$ 101,108	$ 54,608	$ 11,452,570

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Operating Expenses by Expense Category and Cost Center – Continued
Year Ended September 30, 2015

	ATD			
	Line Service	Vanpool	Business Development and Planning	Transit Technology
Labor	$ 10,557,891	$ 47,220	$ 46,565	$ 311,470
Fringe benefits	-	-	-	-
Services	290,160	-	-	11,719
Materials and supplies	5,563,768	-	-	5,202
Utilities	163,662	-	-	-
Casualty and liability	289,751	223,900	-	-
Taxes	284,973	-	-	-
Purchased transportation	-	235,090	-	-
Miscellaneous expense	16,385	392	-	-
Leases and rentals	166,744	-	-	16,165
Expense transfer to Capital Program	-	-	-	-
Fringe distribution	6,906,849	32,094	30,903	208,088
Expense transfers	4,367,514	19,993	19,899	132,630
Subtotal	28,607,697	558,689	97,367	685,274
Depreciation:				
Direct	2,182,181	-	-	-
Indirect	720,391	3,222	3,167	21,227
Fringe	4,191	19	17	124
Allowance	-	-	-	-
Subtotal depreciation	2,906,763	3,241	3,184	21,351
Total operating expenses – including depreciation	$ 31,514,460	$ 561,930	$ 100,551	$ 706,625

Subtotal	MTA Indirect	ATD Indirect	Combined MTA and ATD Fringe Benefits	Total
$ 72,369,756	$ 12,834,103	$ 132,367	$ 420,284	$ 85,756,510
-	-	-	55,068,428	55,068,428
7,924,463	4,222,279	55,707	534,544	12,736,993
32,776,149	450,959	-	7,002	33,234,110
1,403,620	1,028,421	-	-	2,432,041
1,663,844	42,183	-	-	1,706,027
1,496,272	1,713	-	-	1,497,985
13,630,089	-	-	-	13,630,089
1,128,178	1,075,464	5,523	54,331	2,263,496
254,558	71,721	-	119,375	445,654
-	-	-	(928,952)	(928,952)
46,919,917	8,418,630	87,640	(55,426,187)	-
28,275,535	(28,145,473)	(281,237)	151,175	-
207,842,381	-	-	-	207,842,381
17,308,036	4,967,332	-	-	22,275,368
4,938,580	(4,967,332)	-	28,752	-
28,752	-	-	(28,752)	-
4,918,000	-	-	-	4,918,000
27,193,368	-	-	-	27,193,368
$ 235,035,749	$ -	$ -	$ -	$ 235,035,749

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Single Audit Section

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Padgett Stratemann

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*

To Board of Trustees
VIA Metropolitan Transit
San Antonio, Texas

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 of VIA Metropolitan Transit ("VIA") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise VIA's basic financial statements, and have issued our report thereon dated February 23, 2016, which included a reference to the restatement of beginning net position related to the implementation of a new accounting standard.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered VIA's internal control over financial reporting (internal control) to determine 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 VIA's internal control. Accordingly, we do not express an opinion on the effectiveness of VIA'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 VIA'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 may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether VIA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and the Public Funds Investment Act, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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* or the Public Funds Investment Act.

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 VIA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VIA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Padgett, Stratemann + Co., L.L.P.

San Antonio, Texas
February 23, 2016

PS&Co.

Padgett Stratemann

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by OMB Circular A-133

To the Board of Trustees
VIA Metropolitan Transit
San Antonio, Texas

Report on Compliance for Each Major Federal Program

We have audited VIA Metropolitan Transit's ("VIA") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on VIA's major federal programs for the year ended September 30, 2015. VIA's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of VIA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about VIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of VIA's compliance.

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Opinion on Each Major Federal Program

In our opinion, VIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of VIA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered VIA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of VIA's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Padgett, Stratemann + Co., L.L.P.

San Antonio, Texas
February 23, 2016

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X None Reported
Noncompliance material to the financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	X None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	____ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.500/20.507/20.526	Federal Transit Cluster
20.513/20.521	Enhanced Mobility of Seniors and Individuals with Disabilities/New Freedom Program

Dollar threshold used to distinguish between Type A and Type B programs:	$1,466,052	
Auditee qualified as low-risk auditee?	X Yes	____ No

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number
United States Department of Transportation:		
Federal Transit Administration:		
Direct Programs:		
Federal Transit – ARRA Urbanized Area Formula – Economic Recovery	20.507	TX-96-X029-02
Federal Transit – Formula Grant	20.507	TX-90-X861-02
Federal Transit – Capital Investment Grant	20.500	TX-04-0048-00
Federal Transit – Capital Investment Grant	20.500	TX-04-0054-00
Federal Transit – Formula Grant	20.507	TX-90-X896-02
Federal Transit – Capital Investment Grant	20.500	TX-04-0066-00
Federal Transit – Capital Investment Grant	20.500	TX-04-0071-00
Federal Transit – Formula Grant	20.507	TX-90-X928-01
Federal Transit – Capital Investment Grant	20.500	TX-04-0076-00
Federal Transit – Formula Grant	20.507	TX-95-X029-02
Federal Transit – Capital Investment Grant	20.500	TX-04-0086-00
Federal Transit – Capital Investment Grant	20.500	TX-04-0091-00
Federal Transit – Capital Investment Grant	20.500	TX-04-0092-00
Federal Transit – Capital Investment Grant	20.500	TX-04-0095-00
Federal Transit – Capital Investment Grant	20.500	TX-04-0097-00
Federal Transit – Formula Grant	20.507	TX-90-X977-01
Federal Transit – Formula Grant	20.507	TX-90-Y009-02
Federal Transit – Capital Investment Grant	20.500	TX-04-0108-00
Federal Transit – Bus and Bus Facilities Formula Grant	20.526	TX-34-0001-00
Federal Transit – Formula Grant	20.507	TX-90-Y116-00
Federal Transit – Formula Grant	20.507	TX-90-Y129-01
Federal Transit – Formula Grant	20.507	TX-95-X093-00
Total Federal Transit Cluster		
ARRA Transportation Investment/Greenhouse Gas and Energy Reduction (“TIGGER”) – Economic Recovery	20.523	TX-77-0001
Transportation Investment Generating Economic Recovery (“TIGER”)	20.933	TX-79-0001
New Freedom – “Will-Call Plus”	20.521	TX-57-X012
New Freedom – “I Travel”	20.521	TX-57-X016
Enhanced Mobility for Seniors and Individuals with Disabilities (VIA 5310)	20.513	TX-16-X012-01
Alternatives Analysis Grant	20.522	TX-39-0005
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	TX-16-X012-00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	FY 14 Appropriated Grant 5310
Indirect Program:		
Metropolitan Planning Organization (UPWP): Federal Transit Administration/Federal Highway Administration Highway Planning and Construction	20.205	PL-112
Total United States Department of Transportation		

Program or Federal Grant Award Amount	Federal Grant Expenditures Cumulative September 30, 2014	Current Year	Cumulative September 30, 2015
$ 31,234,746	$ 30,943,625	$ 291,121	$ 31,234,746
23,575,307	23,529,046	46,261	23,575,307
2,000,000	1,996,277	3,723	2,000,000
2,952,040	2,933,633	18,407	2,952,040
24,800,836	23,841,077	790,417	24,631,494
475,000	400,612	67,108	467,720
1,550,000	1,205,423	344,063	1,549,486
24,343,569	24,256,359	87,210	24,343,569
4,000,000	3,492,751	444,519	3,937,270
22,400,517	19,303,424	331,847	19,635,271
3,117,087	2,070,867	178,088	2,248,955
3,000,000	2,734,571	265,429	3,000,000
148,000	76,864	-	76,864
3,000,000	868,438	360,112	1,228,550
3,000,000	2,077,786	908,438	2,986,224
25,236,398	20,265,708	1,934,053	22,199,761
28,241,591	25,302,635	748,833	26,051,468
3,936,000	2,527,559	404,788	2,932,347
3,181,130	190,877	2,401	193,278
29,190,249	25,262,463	70,803	25,333,266
28,670,452	-	26,060,000	26,060,000
1,600,000	-	152,117	152,117
269,652,922	213,279,995	33,509,737	246,789,732
5,000,000	4,874,638	61,418	4,936,056
15,000,000	1,905,139	12,805,841	14,710,980
1,123,458	588,516	433,569	1,022,085
271,680	49,488	96,777	146,265
172,164	-	-	-
900,000	859,374	40,626	900,000
113,965	55,216	58,749	113,965
-	-	19,308	19,308
200,000	-	200,000	200,000
292,434,189	221,612,366	47,226,025	268,838,391

VIA Metropolitan Transit
San Antonio, Texas
Schedule of Expenditures of Federal Awards – Continued
Year Ended September 30, 2015

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number
Passed Through Grants:		
Federal Transit – Formula Grant (5307 JARC PT AAACOG)	20.507	TX-90-Y009-02
Federal Transit – Formula Grant (5307 JARC PT AAACOG)	20.507	TX-90-Y116-00
Federal Transit – Formula Grant (5307 JARC PT AAACOG)	20.507	TX-90-Y129-01
New Freedom	20.521	TX57-X032-01
Enhanced Mobility for Seniors and Individuals with Disabilities (AACOG 5310)	20.513	TX-16-X012-01
Enhanced Mobility for Seniors and Individuals with Disabilities (Kirby 5310)	20.513	TX-16-X012-01
Enhanced Mobility for Seniors and Individuals with Disabilities (St Gregory 5310)	20.513	TX-16-X012-01
Enhanced Mobility for Seniors and Individuals with Disabilities (Presa 5310)	20.513	TX-16-X012-01
Vets Transp & Comm Living VTCLI (AACOG)	20.500	TX-04-0109-00
VTCLI Research Funding (AACOG)	20.514	TX-26-0016-00
Total Passed Through Grants		
The Department of Homeland Security Act of 2002, H.R. 5005-8, P.L. 107-296:		
Transportation Security Administration National Explosives Detection Canine Team Program:		
Original Award	97.075	HSTS0214HNCP525
Modification Administrative to Original Award	97.075	HSTS0214HNCP525
Modification P00001 to Agreement No: HST02-15-H-NCP493	97.075	HSTS02-15-H-NCP493
Total Federal Assistance		

Program or Federal Grant Award Amount	Federal Grant Expenditures		
	Cumulative September 30, 2014	Current Year	Cumulative September 30, 2015
$ 26,000	$ -	$ 26,000	$ 26,000
290,680	-	56,503	56,503
327,000	-	203,499	203,499
1,683,082	539,603	572,682	1,112,285
296,000	-	97,371	97,371
37,000	25,000	9,472	34,472
65,000	-	60,283	60,283
642,074	256,304	301,944	558,248
791,120	-	-	-
50,000	-	-	-
4,207,956	820,907	1,327,755	2,148,662
151,500	-	151,500	151,500
12,625	-	12,625	12,625
151,500	-	150,507	150,507
315,625	-	314,632	314,632
$ 296,957,770	$ 222,433,273	$ 48,868,412	$ 271,301,685

VIA Metropolitan Transit
San Antonio, Texas
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2015

Note 1

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of VIA and is presented on the accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. All expenditures are recognized following, as applicable, either the cost principles in the OMB Compliance Supplement, 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 2

The following grants are passed through to subrecipients:

Program Title	Federal CFDA Number	Expenditures September 30, 2015
New Freedom	20.521	$ 572,682
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	469,071
Federal Transit – Formula Grant	20.507	286,002