METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

For the year ended June 30, 2022
Atlanta, Georgia

marta®

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2022

Atlanta, Georgia

Prepared by the Department of Finance

Raj Srinath, Chief Financial Officer

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INTRODUCTION

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

November 23, 2022

Board of Directors

Metropolitan Atlanta Rapid Transit Authority

Ladies and Gentlemen:

We are pleased to respectfully submit the Metropolitan Atlanta Rapid Transit Authority's (MARTA's) 29th Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022 to the MARTA Board of Directors, the 2.2 million residents of our partner jurisdictions and all interested in our financial condition. MARTA is a public body corporate and joint public instrumentality of the City of Atlanta and the counties of Fulton, DeKalb, Cobb, Clayton, and Gwinnett by action of the General Assembly of the State of Georgia for the purposes of planning, constructing, financing and operating a public transportation system. This report is published to fulfill the financial reporting requirements of the MARTA Act.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MARTA for its ACFR for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

The goal of an independent audit is to provide reasonable assurance that the financial statements of MARTA for the fiscal year ended June 30, 2022 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and any significant estimates made by management; and, evaluating the overall financial statement presentation.

The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion and that MARTA's financial statements for the fiscal year ended June 30, 2022, are presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

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

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

ORGANIZATION AND MANAGEMENT

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

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

THE RAPID TRANSIT SYSTEM

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

Heavy Rail

MARTA's rail system consists of 47.6 miles of operational double track and 38 fully functioning stations. The fixed heavy rail system, which consists of steel-wheel trains, operates at speeds up to 70 M.P.H. on steel rails using an electrified "third rail" as the power source. The heavy rail transit system has 258 air-conditioned vehicles operating as any combination of two vehicle married pairs, up to a maximum of eight vehicle. The rail system has lines running in east-west and north-south directions. The main lines intersect at the Five Points

Station, located in Atlanta's Downtown Business District. Currently, the active fleet consists of 80 CQ312 BREDA vehicles, 102 CQ311 Hitachi vehicles and 76 CQ310 Franco Belge vehicles.

Light Rail

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

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

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

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

Bus

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

MARTA's bus fleet and facilities consists of 514 diesel and compressed natural gas buses; a heavy maintenance facility and three operating garages; several park-and-ride lots and an extensive system of patron bus shelters and stops. MARTA operates 113 different bus routes providing approximately 27 million annual vehicle miles.

Mobility

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

Mobility services outside of the MARTA service area will be governed by intergovernmental agreement and adhere to federal guidelines. MARTA maintains a fleet size of 240 lift-equipped vans from 2 designated operating facilities to provide this service which is offered during the same hours and days as the regular bus and rail service. This service is managed under contract by three (3) contract service providers: First Transit, Gresham Transportation Services and Transdev; MARTA provides oversight.

Budget

MARTA adopts its Operating and Capital Budget in June of each year. Once adopted, total budgeted revenues and/or expenses cannot change. Budgets are allocated to monthly spending levels and a monthly Budget Performance Report is prepared. The monthly Budget Performance Report analyzes expenditures by office relative to monthly and total budgets, and revenues anticipated for the reporting period. For fiscal year 2022, the Authority had an approved budget of $1.3 billion with $557.1 million allocated to operating expenses and $749.2 million allocated to the capital improvement program and debt service expenses.

FINANCIAL RESULTS

In fiscal year 2022, MARTA's total net position was $1.53 billion. Net position increased by $252 million from the previous fiscal year when net position was $1.28 billion. Details to all financial results can be found in the accompanying Management's Discussion and Analysis, financial statements, and associated notes.

REGIONAL AND STATE OUTLOOK

Throughout fiscal year 2022, ridership continued to recover from the COVID-19 pandemic, which continued to impact travel behavior as well as creating a strain on MARTA's workforce.

In November 2021, the Investment in Infrastructure and Jobs Act (IIJA) was passed, which is the largest federal investment in history, increasing both federal formula funds as well as discretionary programs. MARTA GM/CEO Collie Greenwood testified at the US Senate Banking Committee in March 2022, discussing the positive impact the legislation will have in the MARTA service territory. MARTA will receive approximately 30% more in formula funds. MARTA got off to a strong start on discretionary grants, with the award of $15M Bus and Bus Facilities grant for the Clayton County Operations & Maintenance Facility. The Authority also received a $25M grant to support the Five Points Station Transformation and a $19.3M grant for low and emission vehicles. MARTA received two Senate earmarks, $5M for the Clayton O&M facility and $3.85M for additional battery electric buses.

MARTA continued to strengthen its relationship with the State of Georgia in fiscal year 2022 with the investment of $13.8M in the Five Points Station Transformation, making history by being the first MARTA project to bring together local, federal and state funding to advance a critical regional project.

DEBT ADMINISTRATION

As of June 30, 2022, MARTA had a total of $2.3 billion bonds outstanding and issued under one debt indenture. To be in compliance with the bond trust indentures, MARTA's estimated sales tax receipts must be at least twice the total debt service. The debt coverage ratio for fiscal year 2022 was 4.79. MARTA's Board has placed an additional restriction on the debt service coverage requirement, limiting the maximum estimated annual debt service to no more than 45% of the corresponding year's estimated sale tax receipts. The debt service percentage for fiscal year 2022 was 20.9%.

MAJOR INITIATIVES

In early 2022, MARTA and Stadler released the design of the interior and exterior of the new fleet of railcars, featuring clean, modern lines with minimalist paint treatment on the exterior, and an interior with open gangways, digital maps, destination displays, ADA accessible seating, and dedicated space for bicycles and signage. The new trains, which will begin revenue service in 2025, will complement other investments aimed at enhancing the customer experience such as better real-time information for bus and train arrival, the new rail station audio-visual information system, system wide elevator and escalator upgrades, restroom modernization, and a rehabilitation and restoration program to refresh MARTA's rail stations.

The first six New Flyer Battery Electric Buses (BEBs) began revenue service on May 1st, serving two routes between the Blue/Green line and North Avenue station. MARTA also was awarded additional federal funding to expand the fleet from a Senate earmark and another Low/No Emissions Vehicle grant from the Federal Transit Administration. The next 31 buses will operate out of Perry Garage and serve routes in underinvested communities in West and Southwest Atlanta.

Georgia Tech and MARTA partnered on a six-month pilot on-demand program, "MARTA Reach," which served four zones throughout the MARTA service territory, providing trips to and from rail stations or fixed-route bus stops, or within the service zone itself. Ridership grew throughout the pilot with favorable reviews from customers. MARTA will evaluate how to incorporate this type of service as the Bus Network Redesign is finalized and service changes are made in 2024.

MARTA's Capital Expansion Program advanced in Clayton County and the City of Atlanta, with the Summerhill Bus Rapid Transit (BRT) reaching 100% design and Clayton Southlake BRT and Campbellton Corridor BRT projects entering the federal Capital Investment Grant "Small Starts" program. Planning continued on the Streetcar East Extension, Campbellton Road Corridor and Metropolitan and Cleveland Avenue Arterial Rapid Transit projects.

The Authority renewed and expanded its partnership with HOPE Atlanta to meaningfully engage unsheltered people who are riding the system. Since 2020, the program successfully engaged 6,273, placing 551 in shelter, 1,227 connected to other service providers and 55 were reunited with their families.

MARTA continued its focus on enhancing the places that the transit system connects, with a particular focus on housing. The Goldman Sachs Urban Investment Group closed on its first $100 million deal for 250 affordable housing units at the terminus of Summerhill BRT and made an additional $100 million commitment to the program. The Greater Atlanta Transit-Oriented Affordable Housing Preservation Fund provided a $24.7 million loan for Lincoln Avenue Capital to acquire GE Towers, preserving 201 affordable housing units within a half mile or 10-minute walk from MARTA's West End rail station. Also in fiscal year 2022, MARTA and development partners HJ Russell and Place Properties opened Marchon apartment homes on the former King Memorial station parking lot, with 305 units.

CAPITAL PLAN PRIORITIES AND ISSUES

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

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

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

I. Vehicles

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

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

II. Facilities & Stations

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

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

III. Maintenance of Way

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

- Track maintenance and replacement
- Track structures
- Work equipment

IV. Systems

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

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

V. Other

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

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

AWARD

MARTA received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2021 Annual Comprehensive Financial Report.

ACKNOWLEDGEMENTS

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

Sincerely,

Raj Srinath
Chief Financial Officer

Collie Greenwood
General Manager/Chief Executive Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Atlanta Rapid Transit Authority
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Board of Directors

Officers


Rita A. Scott
CHAIRMAN


Roberta Abdul-Salaam
VICE CHAIR


Freda B. Hardage
IMMEDIATE PAST CHAIR


Roderick Frierson
SECRETARY


Robert L. Ashe III
TREASURER

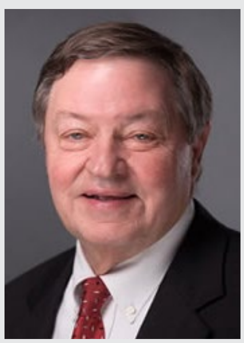
Directors


Stacy Blakly


Jim Durrett


William F. Floyd


Roderick Mullice


J. Al Pond


Kathryn Powers


Reginald Snyder


W. Thomas Worthy

Ex-Officio


Russell McMurry, PE


Heather Aquino

Collie J. Greenwood

GENERAL MANAGER

GM & Executive Staff

GENERAL MANAGER/CEO
Collie J. Greenwood

CHIEF LEGAL COUNSEL
Peter Andrews

CHIEF OF CAPITAL PROGRAMS, EXPANSION & INNOVATION
Manjeet Ranu

CHIEF ADMINISTRATION OFFICER
Luz Borrero

CHIEF OF STAFF
Melissa Mullinax

CHIEF FINANCIAL OFFICER
Raj Srinath

CHIEF CUSTOMER EXPERIENCE OFFICER
Rhonda Allen

CHIEF SAFETY & QUALITY ASSURANCE
Ralph McKinney

INTERIM CHIEF OPERATING OFFICER
George Wright

DEPUTY CHIEF SAFETY & QUALITY ASSURANCE
Gena Major

DEPUTY CHIEF FINANCIAL OFFICER
Kevin Hurley

DEPUTY CHIEF BUS OPERATIONS
Herold Humphrey

DEPUTY CHIEF MECHANICAL OFFICER
Daniel Hecht

AGM/CHIEF OF POLICE & EMERGENCY MANAGEMENT
Michael Kreher

AGM LABOR RELATIONS
LaShanda Dawkins

AGM RESEARCH & ANALYSIS
Robert Goodwin

AGM INFORMATION SECURITY OFFICER/CISO
Dean Mallis

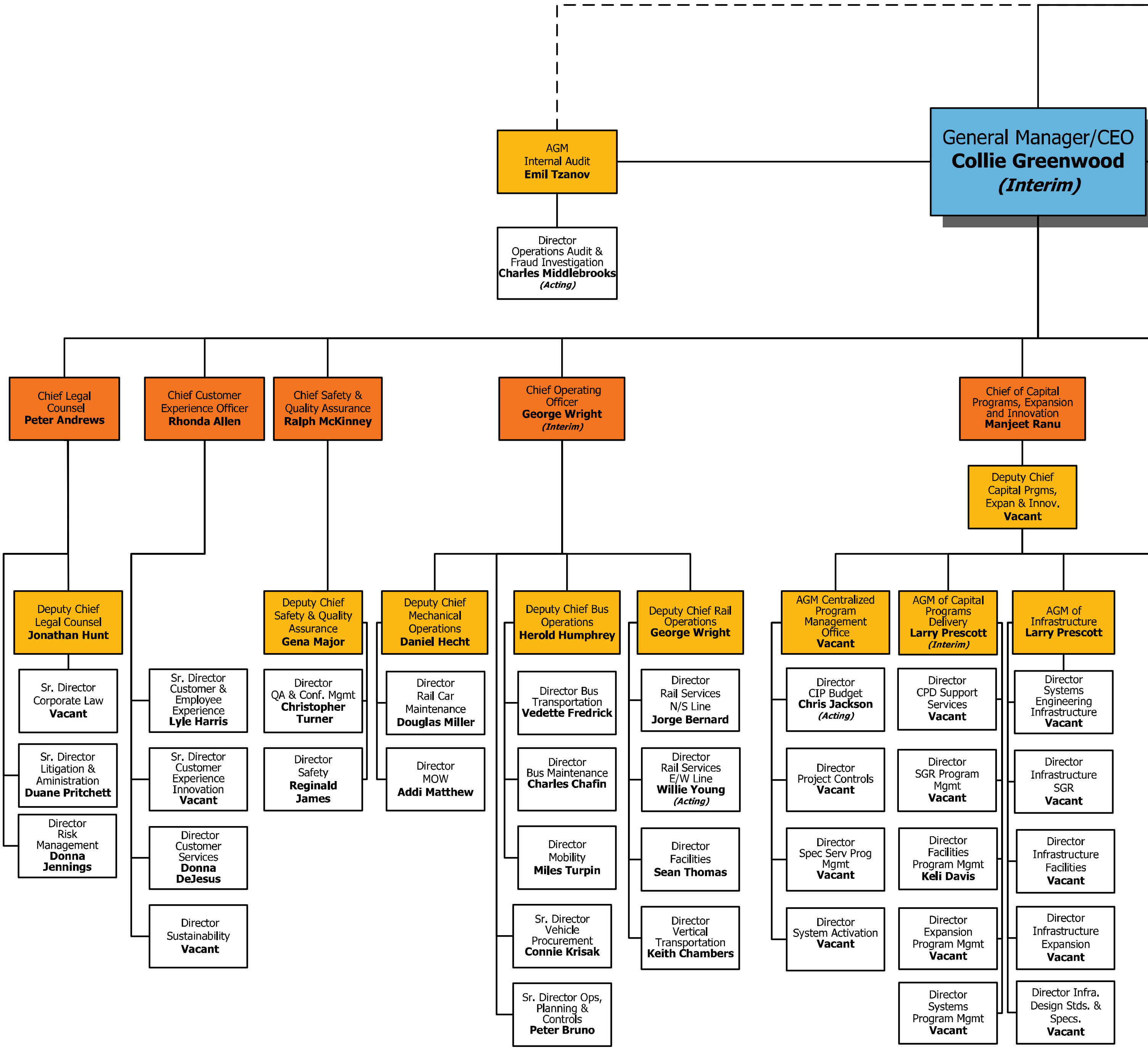
AGM INFRASTRUCTURE
Larry Prescott

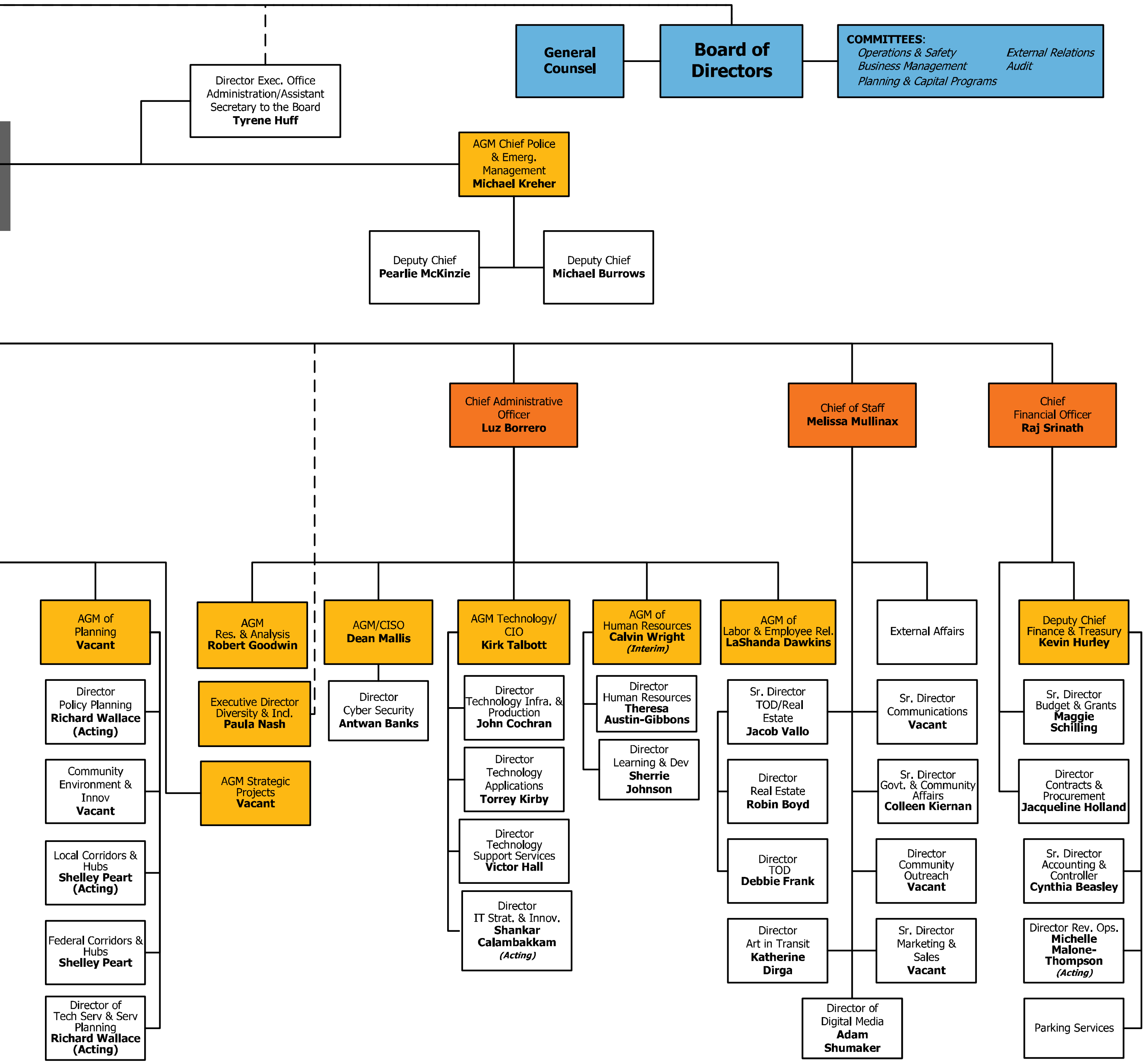
AGM INTERNAL AUDIT
Emil Tzanov

AGM TECHNOLOGY/CIO
Kirk Talbott

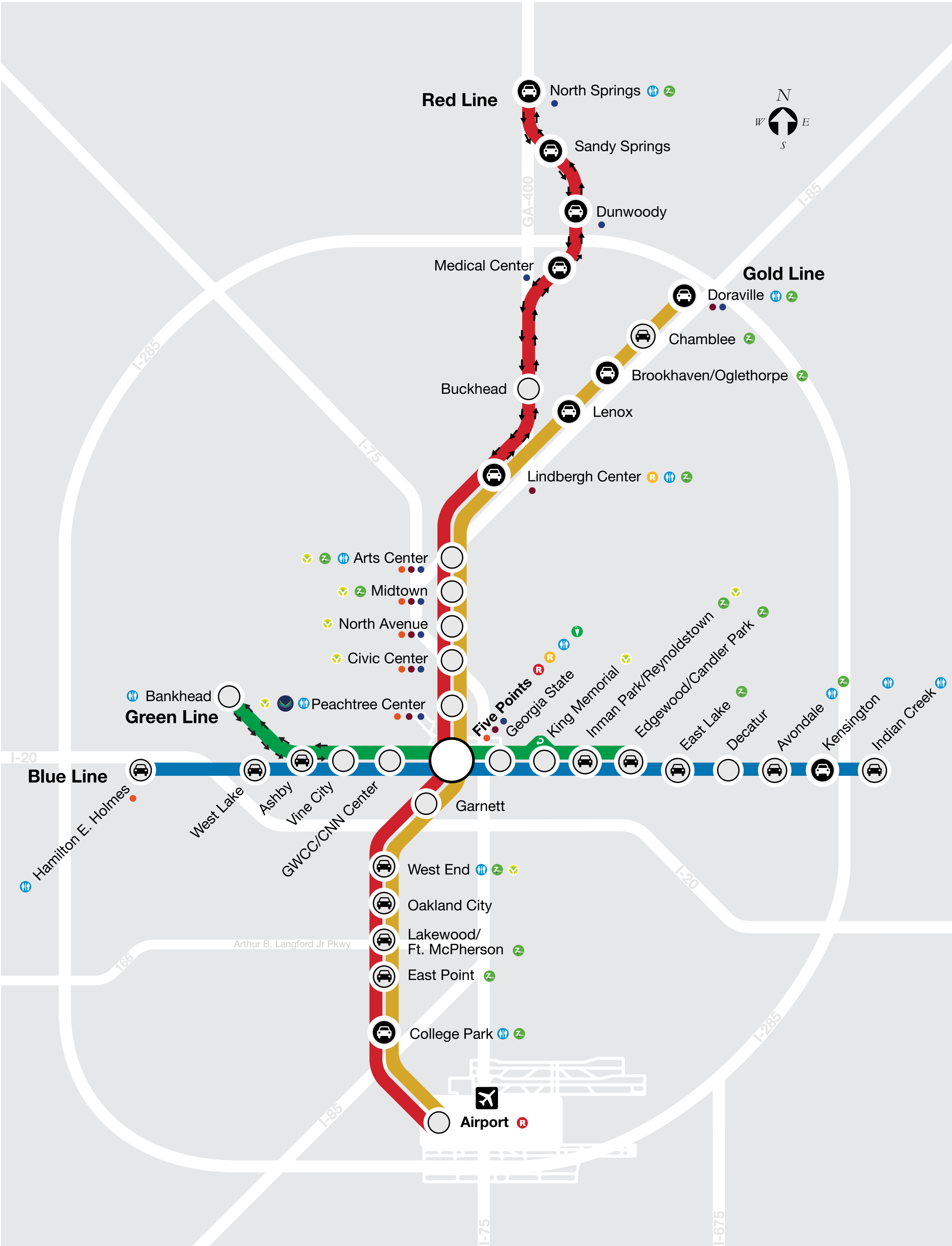
INTERIM AGM PLANNING
Shelley Peart

INTERIM AGM HUMAN RESOURCES
Calvin Wright


General Manager/CEO Collie Greenwood (Interim)
AGM Internal Audit Emil Tzanov
Director Operations Audit & Fraud Investigation Charles Middlebrooks (Acting)
Chief Legal Counsel Peter Andrews
Chief Customer Experience Officer Rhonda Allen
Chief Safety & Quality Assurance Ralph McKinney
Chief Operating Officer George Wright (Interim)
Chief of Capital Programs, Expansion and Innovation Manjeet Ranu
Deputy Chief Capital Prgms, Expan & Innov. Vacant
Deputy Chief Legal Counsel Jonathan Hunt
Sr. Director Corporate Law Vacant
Sr. Director Litigation & Aministration Duane Pritchett
Director Risk Management Donna Jennings
Sr. Director Customer & Employee Experience Lyle Harris
Sr. Director Customer Experience Innovation Vacant
Director Customer Services Donna DeJesus
Director Sustainability Vacant
Deputy Chief Safety & Quality Assurance Gena Major
Director QA & Conf. Mgmt Christopher Turner
Director Safety Reginald James
Deputy Chief Mechanical Operations Daniel Hecht
Director Rail Car Maintenance Douglas Miller
Director MOW Addi Matthew
Deputy Chief Bus Operations Herold Humphrey
Director Bus Transportation Vedette Fredrick
Director Bus Maintenance Charles Chafin
Director Mobility Miles Turpin
Sr. Director Vehicle Procurement Connie Krisak
Sr. Director Ops, Planning & Controls Peter Bruno
Deputy Chief Rail Operations George Wright
Director Rail Services N/S Line Jorge Bernard
Director Rail Services E/W Line Willie Young (Acting)
Director Facilities Sean Thomas
Director Vertical Transportation Keith Chambers
AGM Centralized Program Management Office Vacant
Director CIP Budget Chris Jackson (Acting)
Director Project Controls Vacant
Director Spec Serv Prog Mgmt Vacant
Director System Activation Vacant
AGM of Capital Programs Delivery Larry Prescott (Interim)
Director CPD Support Services Vacant
Director SGR Program Mgmt Vacant
Director Facilities Program Mgmt Keli Davis
Director Expansion Program Mgmt Vacant
Director Systems Program Mgmt Vacant
AGM of Infrastructure Larry Prescott
Director Systems Engineering Infrastructure Vacant
Director Infrastructure SGR Vacant
Director Infrastructure Facilities Vacant
Director Infrastructure Expansion Vacant
Director Infra. Design Stds. & Specs. Vacant



Beginning 07/01/2022


Red Line
Gold Line
Green Line
Blue Line
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North Springs
Sandy Springs
Dunwoody
Medical Center
Buckhead
Lindbergh Center
Doraville
Chamblee
Brookhaven/Oglethorpe
Lenox
Arts Center
Midtown
North Avenue
Civic Center
Peachtree Center
Bankhead
Five Points
Georgia State
King Memorial
Inman Park/Reynoldstown
Edgewood/Candler Park
East Lake
Decatur
Avondale
Kensington
Indian Creek
Hamilton E. Holmes
West Lake
Ashby
Vine City
GWCC/CNN Center
Garnett
West End
Oakland City
Lakewood/
Ft. McPherson
East Point
College Park
Airport
GA-400
I-85
I-285
I-75
I-20
I-675
166
Arthur B. Langford Jr Pkwy

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FINANCIAL

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Metropolitan Atlanta Rapid Transit Authority (MARTA), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of MARTA, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan, which represents 54% and 39%, respectively, of the assets and 54% and 38%, respectively, of the net position of the fiduciary activities as of June 30, 2022, and 61% and 40%, respectively, of the revenues of the fiduciary activities for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan are based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, MARTA has adopted GASB Statement No. 87, *Leases*, for the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Prior-Year Comparative Information

We have previously audited MARTA's fiscal year 2021 financial statements, and we expressed unmodified opinions on the basic financial statements in our report dated November 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2022 on our consideration of MARTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MARTA's internal control over financial reporting or on compliance. That report is an integral part of anaudit performed in accordance with *Government Auditing Standards* in considering MARTA's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 21, 2022

As management of the Metropolitan Atlanta Rapid Transit Authority ("MARTA" or the "Authority"), we offer readers of MARTA's basic financial statements this narrative overview and analysis of the financial activities of MARTA for the fiscal years ended June 30, 2022 and 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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

Overview of Financial Statements

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

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

- The **Statement of Net Position** presents information on all of MARTA's assets, liabilities, deferred outflows, and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MARTA is improving or deteriorating.

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

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

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

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

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

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

Financial Position Summary

Over time, net position may serve as a useful indicator of MARTA's financial position. MARTA's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $1.53 billion at June 30, 2022, a $252 million increase from June 30, 2021 when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.28 billion. A more detailed discussion is found under the Financial Operations Highlights of this MD&A.

At June 30, 2022 and 2021, the largest portion of net position was net investment in capital assets representing 51% and 53% respectively. Net investment in capital assets includes land, rail system, buildings, transportation equipment, and right to use leased assets less any related outstanding debt used to acquire those assets. MARTA uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

The second largest portion of MARTA's net position in fiscal years 2022 and 2021 was unrestricted assets representing 44% and 42%, respectively.

At the end of the current fiscal year, MARTA was able to report a positive balance in all categories of net position. Fiscal years 2021 and 2020 had positive balances in all categories of net position as well.

(Dollars in Thousands)

The following table presents a condensed summary of net position as of June 30, 2022 and 2021:

	2022	2021
ASSETS:		
Current and Other Assets	$1,456,456	$1,386,416
Capital Assets	3,083,652	3,058,960
Derivative Assets	—	900
Net Pension Assets	116,512	69,307
Total Assets	4,656,620	4,515,583
DEFERRED OUTFLOWS OF RESOURCES		
Hedging	111	—
Pension	23,584	22,739
OPEB	14,564	20,331
Debt Refunding	38,836	31,995
Total Deferred Outflows of Resources	77,095	75,065
Total Assets and Deferred Outflows of Resources	4,733,715	4,590,648
LIABILITIES:		
Long Term Debt	2,286,765	2,657,582
Current and Other Liabilities	310,255	350,681
Derivative Liability	111	—
Net Pension Liability	39,108	67,667
Net OPEB Liability	67,646	111,901
Total Liabilities	2,703,885	3,187,831
DEFERRED INFLOW OF RESOURCES		
Leases	325,259	12,186
Hedging	—	900
Pension	132,347	94,160
OPEB	39,703	15,206
Total Deferred Inflows of Resources	497,309	122,452
Total Liabilities and Deferred Inflows of Resources	3,201,194	3,310,283
NET POSITION:		
Net Investment in Capital Assets	777,711	672,879
Restricted	76,840	74,031
Unrestricted	677,970	533,455
TOTAL NET POSITION	$ 1,532,521	$ 1,280,365

Current and other assets include cash, cash equivalents, investments, inventory, sales tax receivable, prepayments and restricted investments. Current and other assets increased by $70,040 (5%) in 2022. The increase is due to increase in cash and investments for the year. In 2021, there was an increase of $50,017 (4%) in this category.

Capital assets include land, rail systems, buildings, transportation equipment, right to use leased assets, and other capital assets. In 2022, there was an increase in this category of $24,692 (0.81%) due to increase in land, rail systems, transportation and other capital assets. In 2021, there was an increase in capital assets of $1,833 (0.06%) which was due to an increase in rail systems, transportation and other capital assets.

Net pension assets increased by $47,205 (68%) in 2022. In 2021, MARTA reported an increase in net pension assets of $36,121 (109%) .This increase in net pension asset is directly related to the performance of the pension fund investments in accordance with GASB 68.

Deferred outflows of resources pension increased in 2022 by $845 (4%) and decreased by $20,944 (48%) in 2021. The increase and decease in 2022 and 2021 respectively were due to the net differences between the projected and actual investment earnings for the pension plans.

Long-term debt outstanding holds the long-term portion of outstanding sales tax revenue bonds, lease, financed purchase liability and other long-term liabilities. The outstanding sales tax revenue bonds decreased by $66,458 (3%) in 2022 due to payment of matured bonds and decreased by $62,951 (3%) in 2021. The long-term debt also includes the lease and financed purchase liability which decreased by $304,359 (82%) primarily due to the South Line LILO Termination in 2022 and decreased by $11,468 (3%) in 2021 due to the payment of maturities of financed purchase liabilities.

Current and other liabilities include accounts payable, employee benefits, self-insurance, accrued interest, short-term maturities of financed purchase liabilities and other current liabilities. The liability decreased by $40,426 (12%) in 2022 and increased by $9,387 (3%) in 2021. The decrease in 2022 was due to decrease in self-insurance reserves and accrued interest payable while the increase in 2021 was due to the increase in account and contracts payable and self-insurance reserves.

Net pension liability decreased by $28,559 (42%) in 2022 and decreased by $29,702 (31%) in 2021. Both the decrease in 2022 and 2021 were directly related to the performance of the pension fund investments in accordance with GASB 68.

Deferred inflow of resources – leases increased by $313,073 (2569%) in 2022 due to the implementation and adoption of new accounting pronouncement, GASB 87, Leases.

Deferred inflow of resources – pension increased by $38,187 (41%) in 2022 and increased by $35,063 (59%) in 2021. Both the increase in 2022 and 2021 were due to the net differences between the projected and actual investment earnings for the pension plans.

Financial Operations Highlights

MARTA is a single enterprise fund providing public transportation. MARTA provides direct benefits to its users as well as substantial indirect benefits to the public at large (e.g., decreased traffic congestion, decreased need for road construction and maintenance, decreased need for parking, decreased air pollution levels, and increased availability of transportation for low-income citizens).

(Dollars in Thousands)

Therefore, the user charges are intended to finance only a portion of the cost of providing these services with additional proceeds obtained from the collections of sales and use tax under the Rapid Transit Contract and Assistance Agreement (MARTA Act) with the City of Atlanta and the counties of Fulton, DeKalb, and Clayton and from federal subsidies.

The sales tax is levied at a rate of 1% for each of the counties and 1.5% for the City of Atlanta until June 30, 2057, and 0.5% thereafter. See Note 4 of the Notes to the Financial Statements.

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

Under provisions of amendments to the MARTA Act, revenues, except the sales and use tax, are included in transit related revenues for purposes of this calculation. Transit related revenues were 77.2% and 80.0% of operating costs of the previous fiscal year, as defined under the MARTA Act, for the years ended June 30, 2022 and 2021, respectively.

The following table presents the summary of changes in net position as of June 30, 2022 and 2021:

	2022	2021
Operating Revenues	$ 71,960	$ 57,007
Operating Expenses	724,630	751,161
Operating Loss	(652,670)	(694,154)
Non-operating Revenues	840,336	768,714
Capital Grants and Contributions	62,748	65,308
Increase (Decrease) in Net Position	$ 250,414	$ 139,868

In 2022, operating revenues increased by $14,953 and operating expenses decreased by $26,531. The increase in operating revenue was due to an increase in passenger revenue as a result of increase in ridership after the prolonged impact of COVID-19. The majority of the decrease in operating expenses was related to decreases in maintenance and administrative costs. The increase in revenues resulted in an overall decrease in the operating loss of $41,484 from the previous year. In 2021, operating revenues decreased by $53,064 and operating expenses decreased by $3,462, which resulted in an overall increase in operating loss of $49,602.

Non-operating revenues increased by $71,622 (9%) in 2022 and $84,397 (12%) in 2021. The 2022 increase was due to sales tax revenue, while the 2021 increase was due to both sales tax revenue and CARES Act funding.

Capital grant and contributions decreased by $2,560 (4%) in 2022 compared to a increase of $3,666 (6%) in 2021.

(Dollars in Thousands)

The following table presents a summarized breakout of MARTA`s revenues, expenses and changes in net position as of June 30, 2022 and 2021:

	2022	2021
Summary of Revenues		
Operating		
Fare Revenues	$ 64,951	$ 51,642
Other Revenues	7,009	5,365
Total Operating Revenues	71,960	57,007
Non-Operating		
Sales and Use Tax	669,133	569,682
Ad Valorem Tax	33,453	33,452
Federal Revenues	249,769	280,504
Investment Income	12,168	3,613
Lease Revenues (Expenses)	(2,195)	667
Other Revenues	22,290	19,360
Gain/Loss on Sale of Property and Equipment	325	579
Total Non-operating Revenues	984,943	907,857
Total Revenues	1,056,903	964,864
Summary of Expenses		
Operating		
Transportation	227,844	230,367
Maintenance and Garage Operations	172,956	177,536
General and Administrative	72,126	93,803
Depreciation	251,704	249,455
Total Operating Expenses	724,630	751,161
Non-Operating		
Interest Expense	77,362	83,946
Amortization of Financing Related Charges and Income from Derivative Activity	(5,455)	(6,611)
(Gain) Loss on Investment Derivatives	—	(3)
Other Non-operating Expenses	72,700	61,811
Total Non-operating Expenses	144,607	139,143
Total Expenses	869,237	890,304
Income/(Loss) Before Capital Contributions	187,666	74,560
Capital Grants and Contributions	62,748	65,308
Increase (Decrease) in Net Position	250,414	139,868
Net Position July 1	1,280,365	1,140,497
Cumulative Effect of Adoption of New Accounting Principle	1,742	—
Net Position, July 1 Restated	1,282,107	1,140,497
Net Position, June 30	$ 1,532,521	$ 1,280,365

Net position increased by $252,156 (20%) in 2022 primarily due to the receipt of Federal CARES Act and ARP funding, sales tax revenue, and the effect of GASB 87 restatement. In 2021, net position increased by $139,868 (12%) primarily due to the receipt of federal CARES Act funding.

Total operating revenues include passenger revenues advertising, and parking fees. Total operating revenues increased by $14,953 (26%) in 2022 compared to a decrease of $53,064 (48%) in 2021. 2022 increase was a result of increase in ridership due to the reopening of the economy after the prolonged impact of COVID-19.

Sales and use tax revenue increased by $99,451 (17%) in 2022 compared to an increase of $47,784 (9%) in 2021. The 2022 increase was due to a rise in consumer spending on retail sales and the impact of inflation.

Lease expenses increased by $2,862 (429%) in 2022 as a result of unfavorable interest rates due to inflation. In 2021, there was a decrease by $2,965 (129%) as a result of favorable interest rate.

Gain/loss on sale of property and equipment decreased by $254 (44%) in 2022 due to fewer sales from the prior year. In 2021, there was a decrease of $2,082 (78%) from the previous year, also a result of fewer sales from the prior year.

Administrative expenses decreased by $21,677 (23%) in 2022 compared to a decrease of $214 (0.2%) in 2021. The 2022 decrease was due to a decrease in labor cost and benefits associated with pension, OPEB and healthcare costs.

Maintenance and garage operation expenses decreased by $4,580 (3%) in 2022 compared to an increase of $3,856 (2%) in 2021. The 2022 decrease was due to a decrease in labor cost and benefits associated with pension OPEB and healthcare costs.

Interest expense decreased by $6,584 (8%) in 2022 due to the maturities of some of the long term debt. In 2021, there was a decrease of $2,972 (3%).

Amortization of bond related expenses increased by $1,156 (17%) in 2022 compared to an increase of $800 (11%) in 2021.

Other non-operating expenses increased by $10,889 (18%) in 2022 compared to an increase of $11,850 (24%) in 2021 due to an increase in planning costs.

Capital Acquisitions and Construction Activities

In 2022, MARTA acquired $272,954 of capital assets. The expenditures on capital activity were primarily for the replacement, rehabilitation, and enhancement of facilities and equipment required to support transit operations, regulatory requirements, and system safety. The net increase in capital assets, including changes in accumulated depreciation and retirements, was $24,692 and $1,833 during the years ended June 30, 2022 and 2021, respectively. Additional information on MARTA's debt and capital asset activity and commitments can be found in Notes 6 and 7 to the financial statements.

(Dollars in Thousands)

The following table summarizes MARTA's net investment in capital assets as of June 30, 2022 and 2021:

	2022	2021
Capital Assets, net	$ 3,083,652	$ 3,058,960
Capital Debt		
Current Maturities of Bonds and Notes	(67,050)	(62,215)
Non current Maturities of Bonds and Notes	(2,220,492)	(2,286,950)
ESCO Financed Purchase Liability	(31,591)	(35,474)
Unspent ESCO Escrow Cash	5,512	7,316
Deferred Outflows of Resources	38,836	31,995
Capital Assets Included in Accounts Payable	(28,197)	(40,753)
Lease Liability	(2,959)	—
Total Capital Related Debt	(2,305,941)	(2,386,081)
Net Investment in Capital Assets	$ 777,711	$ 672,879

Long-Term Debt Administration

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

The Fixed and Variable rate Bonds carry debt ratings of Aa2 by Moody's Investors Service, AA+ by Standard & Poor's and AA- from Fitch Rating Service. MARTA's total bond debt outstanding was $2,287,542 and $2,349,165 as of June 30, 2022 and 2021, respectively. In 2022, MARTA issued refunding green bonds Series 2021D, 2021E-1 and 2021E-2 in the amount of $369,563 to refund portion of Bonds Series 2014A and full refund of Bonds Series 2015A. Additional information on MARTA`s long term debt can be found in Note 7 to the financial statements.

Economic Factors

The US Economy (GDP) was down to -1.4% in the first quarter and -0.9% in the second quarter of 2022. Consumption increased 2.7% in the first quarter and 1% in the second. Consumption growth experienced a decrease in the second half of 2022 due to a pullback in the purchases of services and goods. Investments have declined from 9.2% to -0.1% in the first and second quarters respectively. The federal funds rate has been trending upwards from 0.1% in the beginning of the year to 0.8% in the second quarter of 2022.

Nation-wide, the unemployment rate was 3.8% in the first quarter of 2022 and fell to 3.6% in the second quarter. The national cumulative change in jobs was at 4.6% compare to prior year. The Georgia cumulative change in jobs was much better than nationally at 5.1%. The average unemployment rate for both Georgia and Atlanta in 2021 was 4%. The State of Georgia had a personal income aggregate of $597.1B in 2021 seeing a growth of 7.8% over 2020. Atlanta had an aggregate of $386.4B in 2021 with a slightly higher growth of 8% over 2020.

Request for Information

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Net Position
June 30, 2022
(Dollars in Thousands)
(with summarized financial information as of June 30, 2021)

	2022	2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 46,147	$ 11,135
Investments	732,150	641,376
Material and Supplies Inventories	38,451	36,633
Sales Tax Receivables, Prepayments and Other	101,252	169,437
Total Unrestricted Current Assets	918,000	858,581
Restricted Cash and Cash Equivalents	5,512	7,316
Restricted Investments	170,281	161,058
Lease Receivables	6,562	—
Current portion, Restricted Investment held to pay Leases	—	2,198
Total Restricted Current Assets	182,355	170,572
Total Current Assets	1,100,355	1,029,153
Noncurrent Assets:		
Restricted Investment held to pay Leases	30,889	341,513
Lease Receivables	308,811	—
Restricted Investment - Railroad Trust	9,676	10,000
Total Restricted Non Current Assets	349,376	351,513
Capital Assets:		
Land, Non-depreciable	591,113	560,105
Construction in Progress, Non-depreciable	384,509	335,301
Total Non-depreciable	975,622	895,406
Rail System and Buildings	4,154,179	4,076,958
Transportation Equipment	1,615,664	1,559,322
Other - Capital Assets	1,698,324	1,649,842
Total Depreciable	7,468,167	7,286,122
Less Accumulated Depreciation/Amortization	(5,360,137)	(5,122,568)
Capital Assets - Net	3,083,652	3,058,960
Other Bond Related Costs - Bond Insurance	155	186
Net Pension Asset	116,512	69,307
Other - Noncurrent Assets	6,570	5,564
Derivative Assets - Commodity Swap	—	900
Total Noncurrent Assets	3,556,265	3,486,430
Total Assets	4,656,620	4,515,583
DEFERRED OUTFLOWS OF RESOURCES		
Hedging	111	—
Pension	23,584	22,739
OPEB	14,564	20,331
Debt Refunding	38,836	31,995
Total Deferred Outflows of Resources	77,095	75,065
Total Assets and Deferred Outflows of Resources	$ 4,733,715	$ 4,590,648

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Net Position
June 30, 2022
(Dollars in Thousands)
(with summarized financial information as of June 30, 2021)

	2022	2021
LIABILITIES		
Current Liabilities:		
Payable from NonRestricted Assets:		
Accounts and Contracts Payable	$ 115,297	$ 128,665
Salaries and Employee Benefits	27,224	26,791
Self-Insurance Accruals	18,798	16,486
Other Current Liabilities	7,655	3,481
Other Unearned Revenue	—	1,702
Total Current Liabilities Payable from NonRestricted Assets	168,974	177,125
Payable from Restricted Assets:		
Current Maturities of Sales Tax Revenue Bonds	67,050	62,215
Accrued Interest	37,531	41,279
Current Maturities of Financed Purchase	2,006	3,993
Total Current Liabilities Payable from Restricted Assets	106,587	107,487
Total Current Liabilities	275,561	284,612
Noncurrent Liabilities:		
Sales Tax Revenue Bonds, Less Current Maturities, Unamortized Premium and Discount	2,220,392	2,286,950
Notes Payable	100	—
Noncurrent Self Insurance Accruals	34,694	48,423
Other Long-term Liabilities	34,682	901
Unearned Revenue	—	16,745
Obligations Under Capital Lease	—	370,632
Financed Purchase	31,591	—
Derivative Liability - Commodity Swap	111	—
Net Pension Liability	39,108	67,667
Net OPEB Liability	67,646	111,901
Total Noncurrent Liabilities	2,428,324	2,903,219
Total Liabilities	2,703,885	3,187,831
DEFERRED INFLOWS OF RESOURCES		
Leases	325,259	12,186
Hedging	—	900
Pension	132,347	94,160
OPEB	39,703	15,206
Total Deferred Inflows of Resources	497,309	122,452
Total Liabilities and Deferred Inflows of Resources	3,201,194	3,310,283
NET POSITION		
Net Investment in Capital Assets	777,711	672,879
Restricted		
Debt Service	67,164	64,031
Capital Projects	9,676	10,000
Unrestricted	677,970	533,455
Total Net Position	1,532,521	1,280,365
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 4,733,715	$ 4,590,648

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Revenues, Expenses
And Changes in Net Position
For the Year Ended June 30, 2022
(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2021)

	2022	2021
Operating Revenues:		
Fare Revenues	$ 64,951	$ 51,642
Other Revenues	7,009	5,365
Total Operating Revenues	71,960	57,007
Operating Expenses:		
Transportation	227,844	230,367
Maintenance and Garage Operations	172,956	177,536
General and Administrative	72,126	93,803
Depreciation	251,704	249,455
Total Operating Expenses	724,630	751,161
Operating Loss	(652,670)	(694,154)
Nonoperating Revenues (Expenses):		
Sales and Use Tax	669,133	569,682
Ad Valorem Tax	33,453	33,452
Federal Revenues	249,769	280,504
Investment Income	12,168	3,613
Net Lease Transaction Activity	(2,195)	667
Other Revenues	22,290	19,360
Gain on Sale of Property and Equipment	325	579
Interest Expense	(77,362)	(83,946)
Amortization of Financing Related Charges	5,455	6,611
Other NonOperating Expenses	(72,700)	(61,811)
Gain (Loss) on Investment Derivatives	—	3
Total Nonoperating Revenues (Expenses)	840,336	768,714
Income/ (Loss) Before Capital Contributions	187,666	74,560
Capital Grants and Contributions	62,748	65,308
Net Position		
Increase /(Decrease) in Net Position	250,414	139,868
Net Position, July 1	1,280,365	1,140,497
Cumulative Effect of Adoption of New Accounting Principle	1,742	—
Net Position, July 1 Restated	$1,282,107	$1,140,497
Net Position, June 30	$1,532,521	$1,280,365

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Cash Flows
For the Year Ended June 30, 2022
(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2021)

	2022	2021
Cash Flows from Operating Activities:		
Cash Received from Providing Services	$ 68,127	$ 54,279
Cash Received from Other Sources	10,738	1,479
Cash Paid to Suppliers	(277,512)	(230,130)
Cash Paid for Benefits on Behalf of Employees	(124,748)	(125,502)
Cash Paid to Employees	(222,658)	(226,334)
Net Cash Used by Operating Activities	(546,053)	(526,208)
Cash Flows From Noncapital Financing Activities:		
Sales and Use Tax Collections	664,645	557,093
Ad Valorem Tax	33,452	35,384
Federal Operating Subsidy	321,639	358,511
Other Non-Capital Receipts	11,507	17,882
Net Cash Provided by Noncapital Financing Activities	1,031,243	968,870
Cash Flows From Capital and Related Financing Activities:		
Proceeds from Issuance of Notes	100	—
Proceeds from Issuance of Commercial Papers	324	—
Principal Paid on Revenue Bonds	(69,678)	(53,793)
Interest Paid on Revenue Bonds	(81,110)	(83,395)
Capital Contributions	65,513	62,057
Acquisition and Construction of Capital Assets	(266,507)	(242,938)
Net Cash Used by Capital and Related Financing Activities	(351,358)	(318,069)
Cash Flows from Investing Activities:		
Purchases of Investments	(4,047,260)	(4,273,778)
Proceeds from Sales and Maturities of Investments	3,946,095	4,115,923
Interest Received on Investments	541	4,768
Net Cash Provided (Used) by Investing Activities	(100,624)	(153,087)
Net Increase (Decrease) in Cash and Cash Equivalents	33,208	(28,494)
Cash and Cash Equivalents, Beginning of Year	18,451	46,945
Cash and Cash Equivalents, End of Year	$ 51,659	$ 18,451
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating Loss	$ (652,670)	$ (694,154)
Other Nonoperating Expenses	(61,959)	(60,332)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	251,704	249,455
Changes in Assets and Liabilities:		
Materials and Supplies Inventories	(1,819)	(2,768)
Prepayments and Other	(2,534)	(9,707)
Deferred Outflows from Pension	(844)	20,944
Deferred Inflows from Pension	38,186	35,064
Accounts Payable and Other Current Liabilities	(26,362)	7,202
Unearned Revenue	—	(183)
Net Pension Asset/Liability	(75,764)	(65,824)
Net Other Post-employment Benefits Liability	(44,255)	154
Deferred Outflows from OPEB	5,767	1,680
Deferred Inflows from OPEB	24,497	(7,739)
Net Cash Used by Operating Activities	$ (546,053)	$ (526,208)

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Cash Flows
For the Year Ended June 30, 2022
(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2021)

Supplemental Disclosure of Cash Flow Information	2022	2021
Noncash Activities:		
Capital Assets Included in Accounts Payable	$ 28,197	$ 40,753
Construction in Progress Financed Purchase	38,818	34,071
Amortization of Bond Premium, Discount, Bond Insurance and Loss on Debt Refunding	(5,455)	(6,611)
Interest Earnings on Lease	(11,470)	(1,559)
Interest Accrued on Lease	1,533	1,559
Unrealized Loss of Investments	2,036	(667)
Increase(Decrease) in Fair Value of Investments	609	173
Proceeds from Bond Refunding to Defease Bonds	382,789	387,645
Amount paid for Defeased Bonds	(370,710)	(368,265)
Interest Expense - ESCO	1,011	1,062
Interest Income - ESCO	(5)	(5)

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

	2022	2021
Cash and cash equivalents	$ 46,147	$ 11,135
Restricted cash and cash equivalents	5,512	7,316
Total cash and cash equivalents reported on the Statement of Net Position	$ 51,659	$18,451

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022
(Dollars in Thousands)
(with summarized financial information for the year ended June 30, 2021)

	2022 Pension and Other Employee Benefits	2021 Pension and Other Employee Benefits
ASSETS		
Receivables:		
Employee Contributions	$ 279	$ 307
Employer Contributions	824	1,352
Due from Brokers	3,279	3,483
Accrued Investment Income	1,172	1,230
Total Receivables	5,554	6,372
Investments at Fair Value:		
Equities	558,514	511,542
Partnerships	18,340	25,019
Mutual Funds	429,237	378,430
Fixed Income	270,360	268,824
Real Estate Funds	26,241	21,879
Derivatives	77	55
Short- term Investments	29,188	27,065
Total Investments	1,331,957	1,232,814
Total Assets	$ 1,337,511	$ 1,239,186
LIABILITIES		
Accounts Payable	$ 631	$ 554
Due to Brokers	16,008	9,524
Total Liabilities	16,639	10,078
NET POSITION		
Restricted for:		
Pensions	1,222,042	1,114,180
Postemployment Benefits other than Pensions	98,830	114,928
Total Net Position	1,320,872	1,229,108
Total Liabilities and Net Position	$ 1,337,511	$ 1,239,186

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022
(Dollars in Thousands)
(with summarized financial information for the year ended June 30 , 2021)

	2022 Pension and Other Employee Benefits	2021 Pension and Other Employee Benefits
ADDITIONS		
Contributions:		
Employee	$ 9,385	$ 9,408
Employer	40,107	40,822
Total Contributions	49,492	50,230
Investment Income		
Interest and Dividends	12,281	11,708
Net Increase in Fair Value of Investments	123,073	145,088
Real Estate Income	907	890
Securities Lending Income	43	45
Total Investment Earnings	136,304	157,731
Less Investment Costs		
Investment Activity Costs	(3,152)	(2,593)
Securities Lending Costs	(15)	(16)
Net Investment Earnings	133,137	155,122
Total Additions	182,629	205,352
DEDUCTIONS		
Benefits Paid to Participants or Beneficiaries	76,949	73,236
Medical, Dental, and Life Insurance for Retirees	13,039	13,566
Administrative Expenses	877	944
Total Deductions	90,865	87,746
Net increase in Fiduciary Net Position	91,764	117,606
NET POSITION RESTRICTED		
Net Position, July 1	1,229,108	1,111,502
Net Position, June 30	$ 1,320,872	$ 1,229,108

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

MARTA is a jointly governed organization. Of its fifteen-member board, three members are appointed by Fulton County, four members by DeKalb County, two members by Clayton County, three members by the City of Atlanta, and one member by the Governor. In addition, the Commissioner of the State Department of Transportation and the Executive Director of the Georgia Regional Transportation Authority serve as *ex-officio* members of the Board. None of the participating governments appoint a majority of MARTA's Board and none have an ongoing financial interest or responsibility. None of the participating governments had any significant financial transactions with MARTA during fiscal year ended June 30, 2022.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with MARTA's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in fair values of investment derivative instruments, including hedging derivative instruments that are determined to be ineffective, are reported as nonoperating revenues (expenses) on the Statements of Revenues, Expenses, and Changes in Net Position. See Note 8 for further information on these instruments.

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

Capital Assets - Capital assets are carried at cost and depreciated using the straight-line method based on the estimated useful lives of the related assets. Right-to-use lease assets are amortized over the shorter of the estimated useful life of the asset or the remaining lease term. Depreciable or amortized lives are as follows:

Rail system and buildings	5 - 50 years
Transportation equipment	5 - 20 years
Other property and equipment	3 - 20 years
Right-to-use lease for rail system and buildings	5 - 15 years
Right-to-use lease for transportation equipment	5 - 15 years
Right-to-use lease for other property and equipment	5 - 15 years

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond Proceeds, Premiums, Discounts, Issue Costs, and Losses on Refunding - Proceeds from the issuance of Sales Tax Revenue Bonds are initially deposited with the Bond Trustee in a Construction Fund as required by the Trust Indenture between MARTA and the Trustee. MARTA requisitions the funds as needed for construction of the transit system.
Bond premiums and discounts are amortized using the bond outstanding method, which is materially consistent with the effective interest method, over the term of the related debt. Losses on debt refunding are included in deferred outflows of resources and amortized over the shorter of the life of the refunded debt or the new debt, principally using the bond outstanding method. Debt issuance costs are fully expensed at issuance except for bond insurance costs which are amortized on a straight-line basis over the life of the related bond.

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

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

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

Federal Transit Administration CARES Act – The Coronavirus Aid Relief and Economic Security Act, also known as CARES Act, was signed into law on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic. The CARES Act, through the FTA formula funding provisions, provided MARTA with $298,641 of operating assistance, of which the remaining $19,613 was utilized in the current fiscal year. Thus, all CARES Act Funding has been exhausted.

Coronavirus Response and Relief Supplemental Appropriations Act -Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed into law on December 27, 2020 which includes funding in supplemental appropriations for COVID-19 relief. This funding helps to support the transit industry during the COVID-19 public health emergency. The CRRSAA Act, through FTA formula funding provisions, provided MARTA with $33,525 of operating assistance, of which $111 has been expended in the current fiscal year and cumulatively.

Federal Transit Administration America Rescue Funds - The American Rescue Plan Act of 2021 (ARP), was signed into law on March 11, 2021 to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. ARP, through the FTA formula funding provisions, provided MARTA with $285,686 of operating assistance, of which $147,058 has been expended in the current fiscal year and cumulatively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

(Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Adoption of New Accounting Pronouncements Effective for the Fiscal Year Ended June 30, 2022

GASB Statement No. 87, *Leases* ("GASB 87") increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The adoption of this statement requires MARTA, as lessee, to recognize a lease liability and an intangible right-to-use lease asset and requires MARTA, as lessor, to recognize a lease receivable and a deferred inflow of resources.

GASB 87 requires a restatement of beginning balances, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect of applying this statement should be reported as a restatement of beginning net position.

MARTA adopted GASB Statement No. 87 in Fiscal Year 2022. The cumulative effect of adopting this statement is reflected as an adjustment to beginning net position. MARTA presents single year financial statements; thus, a restatement of the prior year is not practical. The cumulative effect of applying this restatement to the beginning net position is summarized below:

Net Position, June 30, 2021 Restatement

Net Position, June 30, 2021	$1,280,365
Cumulative Effect of Implementation of GASB 87	1,742
Net Position, June 30, 2021, as Restated	$1,282,107

Impact on Financial Statements Balances as of July 1, 2021

Lease Receivable	$ 311,588
Deferred Inflow of Resources-Leases	$ (312,769)
Right to Use Lease Assets	$ 3,777
Lease Liability	$ (3,847)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption *of New Accounting Pronouncements Effective for the Fiscal Year Ended June 30, 2022*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") provides guidance on accounting requirements for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred and not included in the historical cost of a capital asset reported in the financial statement for an enterprise fund or business type activities. The adoption of this statement requires MARTA to expense such interest costs in the period it is incurred in its financial statements. There was no material impact as a result of adopting this statement.

GASB Statement No. 92, *Omnibus* ("GASB 92") provides guidance on the effective date of GASB 87, the applicability of GASB 73 and 74, the application of GASB 84 to OPEB and to the measurements of assets and liabilities related to asset retirement obligations. The adoption of this statement requires MARTA to follow the requirements for the respective affected statements mentioned above. There was no material impact as a result of adopting this statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates-paragraphs 11b,13 and 14* ("GASB 93") provides guidance on accounting and financial reporting requirements relating to the replacement of interbank offered rate (IBORs) such as the London Interbank Offered Rate (LIBOR) in hedging derivative instruments and leases. It identifies the appropriate benchmark interest rates for hedging derivative instruments and stipulates the exceptions to the hedge accounting termination provision for certain hedging derivative. The LIBOR ceased to exist in its current form at the end of December 31, 2022 prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other rates. Paragraphs 13 and 14 provide guidance on amendment to lease contract due to change in index rate and established that any change in rate for the variable payment of a lease contract that depend on LIBOR is not a lease modification. MARTA has effected the replaced LIBOR rate. There was no material impact as a result of adopting this statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 ("GASB 97") provides guidance on accounting and financial reporting requirements for IRC 457 deferred compensation plans for component unit that does not have governing boards and primary government performs such duties. This statement does not affect MARTA's financial statements.

GASB Statement No. 99, *Omnibus 2022*- Extension of the use of LIBOR for SNAP distribution, disclosures of nonmonetary transactions, pledges of future revenues, classification of certain provisions in GASB 34 and terminology updates related to GASB 53 and 63 ("GASB 99"). MARTA was required to adopt paragraphs 26-32 in May 2022 upon issuance of the statement. There was no material impact as result of adopting these paragraphs of the Statement. The remaining paragraphs will be implemented in fiscal year 2023 and 2024.

(Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

No.	GASB Statement	Fiscal Year	Applicable to MARTA
91	Conduit Debt Obligation	2023	No
94	Public - Private and Public - Public Partnerships and Availability Payment Arrangements	2023	No
96	Subscription - Based Information Technology Arrangements	2023	Yes
	Implementation Guide No. 2021-1	2023-2024	Yes
99	Omnibus 2022 - Leases, PPP, SBITAs, Financial	2023-2024	Yes
100	Accounting Changes and Error Corrections - An Amendment to GASB 62	2024	Yes
101	Compensated Absences	2025	Yes

2. CASH AND INVESTMENTS

Cash - At June 30, 2022 the carrying amount of MARTA's total cash on hand was $1,267.

At June 30, 2022, the carrying amount of MARTA's total cash on deposit was $50,392. Included in the bank balance of $52,495, $1,459 was covered by federal depository insurance and $51,036 was collateralized by government securities held by the pledging financial institution's trust department or agent in MARTA's name.

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

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

Fair Value Measurements - To the extent available, MARTA's investments are recorded at fair value and the derivatives are recorded at fair value level 2 using quoted prices for similar assets or liabilities in active markets as of June 30, 2022. GASB Statement No. 72 - Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and consider the assumption that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

2. CASH AND INVESTMENTS (continued)

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

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

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

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

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

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

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

(Dollars in Thousands)

2. CASH AND INVESTMENTS (continued)

As of June 30, 2022, MARTA had the following investments and maturities:

			Investment Maturities (in Years)			
Investment Type	Valuation Measurement Method	Value	Less than 1	1 - 5	6 - 10	More than 10
Repurchase Agreements	Cost	$ 182,287	$ 182,287	$ —	$ —	$ —
U.S. Treasuries	Fair value -Level 1	395,103	309,758	85,345	—	—
U.S. Agencies	Fair value -Level 1	212,205	103,424	108,697	84	—
Public Fund	Cost	39,241	39,241	—	—	—
Municipal	Cost	9,315	1,000	8,315	—	—
Supranational Bonds	Cost	73,956	26,896	47,060	—	—
Guaranteed Inv Contracts	Amortized Cost	30,889	—	—	—	30,889
Total		$ 942,996	$ 662,606	$249,417	$ 84	$ 30,889

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

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

(Dollars in Thousands)

2. CASH AND INVESTMENTS (continued)

Credit Quality Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The exposure of MARTA's debt securities to credit quality risk as of June 30, 2022 is as follows:

Investment Type		Book Value	Credit Rating	Rating Agency
Repurchase Agreements	$	182,287	A1/P-1	Moody's/S&P
U.S. Treasuries		395,103	AAA/AA+	Moody's/S&P
U.S. Agencies		212,205	AAA/AA+	Moody's/S&P
FDIC Public Fund		39,241	AAA/AA+	Moody's/S&P
Municipal-FDIC		9,315	A2/AA	Moody's/S&P
Supranational Bonds		73,956	AAA/AAA	Moody`s/S&P
Guaranteed Inv Contracts		30,889	A-2/P-2/A-/Baa1/Ba1	Moody's/S&P
	$	942,996		

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

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, MARTA will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2022 included in the investments of $942,996 were $9,717 of securities held by a trustee not in the name of MARTA. These investments are the only securities not held in MARTA's name as per the terms of a trust agreement between MARTA and a railroad company.

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

(Dollars in Thousands)

3. RESTRICTED ASSETS

Restricted assets consist of the following for the year ended June 30, 2022:

Restricted Cash and Investments:		**2022**
Sinking Fund	$	104,695
Other-SB 115 10% PY Operating Revenue		65,586
Investment Held to Pay Lease Obligation		30,889
Railroad Trust Fund Agreement		9,676
Pinnacle Escrow Cash		3,494
Gresham CD		2,018
Total Restricted Cash and Investments	$	216,358

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

The Georgia Legislature passed SB115 requiring MARTA to maintain in reserve ten percent of its prior fiscal year's operating revenue. Said operating budget reserve shall be utilized for ongoing operating expenses only in those circumstances requiring its use due to worsened economic conditions in the Atlanta region, or catastrophic loss such as an act of God or terrorism.

The reserve is maintained in the Unified Reserved Portfolio which is comprised of restricted and unrestricted asset. MARTA maintains a floor that is greater than 10% of its prior year operating revenue to comply with the SB115 requirement and the value of the floor equates to the value of the restricted assets within the portfolio. The value of the assets above the floor are considered unrestricted assets in the portfolio.

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

Under the terms of the railroad trust fund agreement between MARTA and a railroad company (the "Railroad"), MARTA has agreed to pay certain costs of purchasing insurance to protect the Railroad against the risk of liability from injury or damage to MARTA's passengers, employees, and property which may result from the Railroad's operations. At June 30, 2022, MARTA had placed certain investments in a special trust fund to guarantee its performance under this agreement. Interest earned on these funds are unrestricted.

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

MARTA placed a $2M Certificate of Deposit as third party loan collateral with Unity Bank. The CD will be converted to a Money Market account with the same institution. The account is anticipated to decrease over time as the loan balance decreases.

4. SALES AND USE TAX

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

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

During the year ended June 30, 2022 MARTA used 14% of the sales and use tax proceeds to subsidize the net operating costs.

5. FARE REVENUE

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

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

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

Transit related revenues for the year ended June 30, 2022 was 77.2% of operating costs of the previous fiscal year as defined under the MARTA Act.

(Dollars in Thousands)

6. CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2022 were as follows:

	Balance June 30, 2021	GASB 87 Implementation	Additions	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:					
Land	$ 560,105	—	$ 31,035	$ (27)	$ 591,113
Construction in progress	335,301	—	272,954	(223,746)	384,509
Total capital assets not being depreciated	895,406		303,989	(223,773)	975,622
Capital assets being depreciated:					
Rail systems & buildings	4,076,958	—	77,221	—	4,154,179
Transportation equipment	1,559,322	—	60,478	(4,136)	1,615,664
Furniture/fixtures/equipment/ vehicles	1,649,842	—	54,994	(10,888)	1,693,948
Right-to-use equipment	—	3,455	—	—	3,455
Right-to-use building	—	921	—	—	921
Total capital assets being depreciated	7,286,122	4,376	192,693	(15,024)	7,468,167
Less accumulated depreciation for:					
Rail systems & buildings	(2,671,470)	—	(112,993)	—	(2,784,463)
Transportation equipment	(1,191,280)	—	(68,301)	3,850	(1,255,731)
Furniture/fixtures/equipment/ vehicles	(1,259,818)	—	(69,902)	10,885	(1,318,835)
Right-to-use equipment amortization	—	(523)	(433)	—	(956)
Right-to-use building amortization	—	(76)	(76)	—	(152)
Total accumulated depreciation/ amortization	(5,122,568)	(599)	(251,705)	14,735	(5,360,137)
Total capital assets being depreciated/amortized, net	2,163,554	3,777	(59,012)	(289)	2,108,030
Capital assets, net	$ 3,058,960	$ 3,777	$ 244,977	$ (224,062)	$ 3,083,652

During the year ended June 30, 2022, new land parcels were purchased for $31,035 and are listed as assets. The new land parcels are not depreciable. The addition of land causes the decrease in construction in progress to be greater than the increase in capital assets by $31,035.

(Dollars in Thousands)

7. LONG-TERM DEBT

Long-term debt activities for the year ended June 30, 2022 were as follows:

Series	Year Issued	Principal Issued	Years of Maturity	Interest Rates	Balance June 30, 2021	Additions	Principal Retirements	Balance June 30, 2022
Sales Tax Revenue Bonds:								
2007A	2007	145,725	2033	5.25%	$ 145,725	$ —	$ (8,990)	$ 136,735
2012A	2012	311,075	2041	3.00%-5.00%	3,555	—	(2,085)	1,470
2014A	2015	286,700	2044	3.00%-5.00%	286,700	—	(271,695)	15,005
2015A	2015	87,015	2045	5.00%	87,015	—	(87,015)	—
2015B	2015	88,485	2045	2.00%-5.00%	88,485	—	(1,155)	87,330
2015C	2015	93,085	2029	5.00%	93,085	—	—	93,085
2016A*	2015	90,260	2029	5.00%	50,260	—	(12,140)	38,120
2016B	2016	242,985	2029	5.00%	242,985	—	—	242,985
2017A	2017	100,815	2047	3.00%-4.00%	100,815	—	—	100,815
2017C	2018	263,545	2039	3.25%-5.00%	261,875	—	(615)	261,260
2017D	2018	55,845	2030	4.00%-5.00%	55,565	—	(115)	55,450
2018A	2019	165,875	2025	3.00%-4.00%	161,470	—	(28,760)	132,710
2019A	2019	130,790	2047	3.00%-5.00%	130,790	—	—	130,790
2020A	2020	132,330	2047	3.00%-5.00%	132,330	—	—	132,330
2020B	2020	270,145	2040	0.20% - 2.68%	270,145	—	(1,350)	268,795
2021A	2021	117,500	2045	FRN	117,500	—	—	117,500
2021C	2021	100	2026	FRN	—	100	—	100
2021D	2021	275,630	2045	0.63%- 2.98%	—	275,630	—	275,630
2021E-1	2021	60,950	2040	3.00% - 5.00%	—	60,950	—	60,950
2021E-2	2021	32,983	2045	4.00% - 5.00%	—	32,983	—	32,983
Subtotal					$ 2,228,300	$369,663	$ (413,920)	$ 2,184,043
Less portion due within one year					(62,215)	(4,835)	—	(67,050)
Plus unamortized premium (discount)					120,865	13,226	(30,592)	103,499
Sales Tax Revenue Bonds total long-term portion					$ 2,286,950	$378,054	$ (444,512)	$ 2,220,492

* Bonds from Direct Placements

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Changes in Long Term Debt for the year ended June 30, 2022 were as follows:

	Balance June 30, 2021	Increase	Decrease	Balance June 30, 2022	Due within One Year
Revenue Bonds	$ 2,060,540	$ 369,563	$ (401,780)	$ 2,028,323	$ 54,630
Bonds From Direct Placement	167,760	—	(12,140)	155,620	12,420
Note Payable	—	100	—	100	—
Total	$ 2,228,300	$ 369,663	$ (413,920)	$ 2,184,043	$ 67,050

Variable rate assumed (3.82%) of 2021A bond is based on definition provided in Third Master Trust Indenture: The current 25 years Revenue Bond Index (as of 7/01/2022).

In November 2021, MARTA executed a combined $300 Million Subordinate Commercial Paper/direct purchase notes program with JP Morgan Chase Bank consisting of Subordinate Sales Tax Revenue Commercial Paper Notes, Series 2021B and Subordinate Sales Tax Revenue Variable Rate Notes, Series 2021C for the purpose of funding the cost of certain capital projects to enhance life safety, maintain the system in a state of good repair and pay issuance cost on the Notes. An initial draw on Series 2021B for issuance costs in the amount of $324 has subsequently been paid in full. A note for $100 of Series 2021C will be outstanding for the life of the program and currently matures on November 18, 2026.

	Balance June 30, 2021	Increase	Decrease	Balance June 30, 2022
2021B Commercial Paper	—	324	(324)	—
Total	$ —	$ 324	$ (324)	$ —

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

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

Currently 84.5% of the outstanding Bonds are redeemable at the discretion of MARTA within the next ten years at a price equal to par.

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Annual debt service analysis of Principal and Interest for the year ended June 30, 2022 were as follows:

	Bonds / Notes		Bonds from Direct Placements	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 54,630	$ 70,556	$ 12,420	$ 3,855
2024	56,740	70,872	12,705	3,569
2025	58,740	68,795	12,995	3,285
2026	68,880	66,581	—	2,978
2027	71,290	63,964	—	2,978
2028-2032	400,705	272,523	—	14,900
2033-2037	490,420	185,265	—	14,908
2038-2042	524,672	91,759	21,505	14,900
2043-2047	278,756	25,568	95,995	6,218
2048	23,590	402	—	—
	$ 2,028,423	$ 916,285	$ 155,620	$ 67,591

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Amount due within one year on long-term debt for the year ended June 30, 2022 were as follows:

Series	Principal
2007A	$ 9,475
2012A	1,470
2014A	7,360
2015B	1,195
2016A*	12,420
2017C	650
2017D	120
2018A	30,520
2020B	1,760
2021D	2,080
	$ 67,050

* 2016A is a direct placement

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

7. LONG-TERM DEBT (continued)

MARTA has pledged future sales tax and title ad valorem tax revenues to repay $2,287,542 in sales tax revenue bonds issued in calendar years 2007, 2012, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 of which $2,220,392 is considered long-term debt. Proceeds from the bonds were used for the rehabilitation or expansion of MARTA's rail and bus systems. Principal and interest on the bonds are payable through FY2048, from the sales tax and title ad valorem tax revenues. Annual principal and interest on the bonds are expected to require no more than 45% of such net revenues. Principal and interest paid for in the year ended June 30, 2022 was $139,577.

In November 2021, MARTA issued Subordinate Sales Tax Revenue Commercial Paper Notes, Series 2021B and Subordinate Sales Tax Variable Rates Notes Series 2021C for the purpose of funding the cost of certain capital projects to enhance life safety and maintain the System in a state of good repair, paying certain costs of issuance of the Series 2021B Notes and refinancing Series 2021B Notes previously issued. As a result of the revolving credit agreement and issuance of Notes Payable Series 2021C, MARTA recognized the debt as a long term debt and an increase in debt service of $100. There are a variety of operational and financial covenants associated with the Notes. Management believes that MARTA follows all such covenants.

In December 2021, MARTA issued refunding green bonds Series 2021D, 2021E-1 and 2021E-2 in the amount of $382,789 to refund portion of Bonds Series 2014A and full refund of Bonds Series 2015A. As a result, a total amount of $370,710 is considered defeased, and the liability for this bond and the corresponding assets in the trust accounts have been removed from MARTA's Statement of Net Position. As a result of the refunding, MARTA recognized an increase in debt service of $12,079 and an economic gain of $47,303. There are a variety of operational and financial covenants associated with the Bonds. Management believes that MARTA follows all such covenants.

In prior years, MARTA has defeased various bond issued by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in trust funds. The investments and fixed earnings from the investments are enough to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore, removed as a liability from MARTA's financial statements. As of June 30, 2022, the total outstanding escrow funds $590,596 of these defeasance bonds remain outstanding.

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

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Sales and use tax revenues are initially deposited into a Sinking Fund held by the bond trustee as required by the Bond Trust Indentures. At June 30, 2022, amounts held in the Sinking Funds exceeded the amounts required to be held pursuant to the Bond Trust Indentures. All such amounts are classified as restricted cash and investments in the Statement of Net Position.

Following is a summary of activity in the Sinking Funds for the year ended June 30, 2022:

	2022
Balance, Beginning of the Year	$ 105,310
Sales and Use Tax Proceeds	143,861
Investment Income	109
Principal and Interest Payments on Bonds	(139,577)
Debt Refunding	(351,705)
Excess of Sales Tax Withheld	346,604
Trustee Fees	93
Balance, End of the Year	$ 104,695

At June 30, 2022, MARTA reported $38,836 in deferred outflow of resources related to debt refunding cost for unamortized deferred loss on bonds refunding as follows:

	Deferred Outflows of Resources Debt Refunding
	2022
Unamortized Deferred Loss Bond Refunding	$ 31,995
Current Year Amortization	(3,210)
Addition to Deferred Loss - Debt Refunding	10,051
Total Deferred Outflow of Resources - Debt Refunding	$ 38,836

(Dollars in Thousands)

8. LONG-TERM LIABILITIES

Changes in Long-term Liabilities related to self-insurance reserves, other liabilities, financed purchase, and derivative liability for the year ended June 30, 2022 were as follows:

	Balance June 30, 2021	Increase	Decrease	Balance June 30, 2022	Due within One Year
Self-Insurance Reserves	$ 64,909	$ 18,311	$ (29,728)	$ 53,492	$ 18,798
Other Liabilities	4,382	37,955	—	42,337	7,655
Financed Purchase	35,474	—	(1,877)	33,597	2,006
Derivative Liability	—	111	—	111	—
Total	$ 104,765	$ 56,377	$ (31,605)	$ 129,537	$ 28,459

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

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

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

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

(Dollars in Thousands)

9. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value balances and notional amounts of hedging and investment derivative instruments outstanding and the corresponding changes in fair value of such derivative instruments for the year ended June 30, 2022, were as follows:

	Changes in Fair Value			
	Fiscal Year Classification	**Change Amount**	**Year End Amount**	**Fair Value Notional**
Hedging derivatives:				
Natural Gas Commodity Swaps	Deferred Outflow of resources	$ (539)	$ (537)	$ 400
Diesel Commodity Swaps	Deferred Inflow of resources	(471)	426	3,024
Total		$ (1,010)	$ (111)	$ 3,424

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

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

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

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

(Dollars in Thousands)

9. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

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

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

Two contracts were terminated on June 30, 2022. A summary of agreements is as follows:

Execution Dates	Effective Dates	Termination Dates	Fixed Price	Counter Party	Net Settlement in FY 2022	
Natural Gas:						
6/28/2021	8/1/2021	6/30/2022	3.487 per MMBtu	Fifth Third	$	588
5/04/2022	7/1/2022	6/30/2023	6.327 per MMBtu	Fifth Third	$	—
5/04/2022	7/1/2023	6/30/2024	6.327 per MMBtu	Fifth Third	$	—
Diesel:						
4/20/2020	7/1/2021	6/30/2022	1.345 per gallon	JP Morgan	$	1,510
5/4/2022	7/1/2022	6/30/2023	3.061 per gallon	Cargill, Inc.	$	—
5/4/2022	7/1/2023	6/30/2024	3.061 per gallon	Cargill, Inc.	$	—

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

(Dollars in Thousands)

10. FINANCED PURCHASE OBLIGATIONS

Pinnacle Financed Purchase

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

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

The following is a schedule by year of the future minimum payments under the Pinnacle agreement as of June 30, 2022:

2023	$ 2,006
2024	2,043
2025	1,514
2026	2,052
2027	2,369
2028 - 2032	11,102
2033 - 2037	12,511
Present value of net minimum payments	33,597
Less: current principal maturities	(2,006)
Obligations under Financed Purchase - long term	$ 31,591

The liability of these obligation changed in 2022 and 2021 as follows:

Outstanding - June 30, 2021	$ 35,474
Net change in obligation	(1,877)
Outstanding - June 30, 2022	$ 33,597

As part of this project, MARTA also entered into a performance assurance support services agreement with the contractor, Schneider Electric Buildings Americas, Inc. that provides an energy savings guarantee of $55,357 over the course of 17 years. No financial savings or transactions have been recognized in relation to the agreement for the year ended June 30, 2022 as construction is not yet completed. Project is expected to be completed by July 2023.

11. LONG TERM LEASES

Lessor

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

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

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

MARTA recognized $10,007 in lease-related interest revenue and $2,721 in lease revenue associated with the lessor leases in fiscal year 2022.

11. LONG TERM LEASES (continued)

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

Fiscal Years	Principal	Interest	Total
2023	$ 1,141	$ 6,177	$ 7,318
2024	1,860	6,248	8,108
2025	1,740	6,313	8,053
2026	626	6,381	7,007
2027	529	6,464	6,993
2028 - 2032	2,743	33,712	36,455
2033 - 2037	2,927	36,318	39,245
2038 - 2042	3,448	39,582	43,030
2043 - 2047	4,025	43,550	47,575
2048 - 2052	4,453	48,470	52,923
2053 - 2057	4,934	54,488	59,422
2058 - 2062	5,427	61,891	67,318
2063 - 2067	6,388	70,945	77,333
2068 - 2072	34,028	55,490	89,518
2073 - 2077	70,976	33,366	104,342
2078 - 2082	103,126	19,252	122,378
2083 - 2087	13,259	8,914	22,173
2088 - 2092	12,682	6,978	19,660
2093 - 2097	14,363	4,777	19,140
2098 - 2102	11,467	2,434	13,901
2103 - 2107	4,022	1,211	5,233
2108 - 2112	3,087	710	3,797
2113 - 2117	2,451	210	2,661
2118 - 2122	250	5	255
Total	**$ 309,952**	**$ 553,886**	**$ 863,838**

11. LONG TERM LEASES (continued)

Deferred Inflow of Resources Related to GASB 87

The deferred inflow of resources is initially measured as the initial amount of the lease receivable. It is recognized as revenue over the life of the lease term on a straight-line basis. As of June 30, 2022, our deferred inflow of resources has a balance of $325,259.

Lindbergh Partnership Parking Agreement

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

Capital Event Participation Rent / Uptown Square Apartments

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

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

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

Capital Event Participation Rent / Avondale Station Project

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

Capital Event Participation Rent / Edgewood-Candler Park Station Project

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

(Dollars in Thousands)

11. LONG TERM LEASES (continued)

Resurgens Plaza South Inc. Lease

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

Lessee

MARTA is a lessee for non-cancellable series of leases that include radio antenna sites, office space, insertion equipment, copiers, and WAN connectivity for remote sites. MARTA implemented GASB 87 in fiscal year 2022 to account for such leases and made a restatement entry of $4,376 for right to use assets and $1,108 of accumulated amortization to account for the leases under GASB 87 in fiscal year 2022.

MARTA recognized $478 in liability reductions and $79 in interest payments associated with the leases in fiscal year 2022.

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

Future lease payments and interest are scheduled to be paid under non-cancellable leases.

Fiscal Years	Principal Payments	Interest Payments	Total
2023	$ 324	$ 71	$ 395
2024	346	64	410
2025	348	55	403
2026	353	46	399
2027	358	38	396
2028 - 2032	952	107	1,059
2033 - 2036	279	14	293
Total	$ 2,960	$ 395	$ 3,355

(Dollars in Thousands)

11. LONG TERM LEASES (continued)

LILO Lease

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

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

In December 2021, MARTA terminated the South Line LILO arrangement and obligation was paid in full by the Trustee, Wilmington Trust Company to the lenders. Collateral and lease payment requirements were eliminated during the termination. As a result, the total assets of $315,315 and total liabilities of $312,790 were removed from MARTA`s Statement of Net Position and the associated deferred tax benefit sold amount of $9,962 was recognized on the South Line LILO accounts for the termination on MARTA`s Statement of Revenues, Expenses and Changes in Net Position.

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

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

The following table shows the net book value of the rail cars under the lease/leaseback transactions as of June 30, 2022:

Lease Date	Property	Net Book Value
9/29/2005	40 Breda CQ 312 Rail Cars	29,070

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

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

(Dollars in Thousands)

11. LONG TERM LEASES (continued)

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

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

The following is a schedule by year of the future minimum lease payments under these LILO arrangements as of June 30, 2022.

Fiscal Years	
2033	$ 656
2034	7,925
2035	22,308
Present value of net minimum lease payments	$ 30,889
Less: current principal maturities	—
Obligations under lease - long term	$ 30,889

The liability of these leases changed in 2022 and 2021 as follows:

Outstanding - June 30, 2021	$ 339,151
Net change in obligation	(308,262)
Outstanding - June 30, 2022	$ 30,889

Deferred Inflow Related to LILO Lease

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

The deferred tax benefit sold amount is recorded as deferred inflow of resources over the life of the leases. The deferred inflow as of June 30, 2022 is $1,661.

12. PENSION PLANS

Defined Benefits Pension Plan

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

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

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

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

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of the pension plans have been determined on the same basis as they are reported by the plans. The financial statements of the plans were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contribution are recognized when due and payable in accordance with the statues governing the plans. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade-date basis. The fiduciary net position of each of the Union and Non-Rep plans are reflected in the measurement of the plans' net pension liability, net pension assets, deferred outflows and inflows of resources related to pension, and pension expense. Both the Union and the Non-Rep Plans measurement dates and fiscal year ends are December 31, 2021.

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

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

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

(Dollars in Thousands)

12. PENSION PLANS (continued)

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

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

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

	January 1, 2022		
	Union Plan	Non-Rep Plan	Combined
Inactive plan members or beneficiaries currently receiving benefits	2,328	1,450	3,778
Inactive plan members entitled to but not yet receiving benefits	338	157	495
Active plan members	2,677	296	2,973
Total	5,343	1,903	7,246

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

For the year ended June 30, 2022, MARTA contributed $11,226 and plan participants contributed $1,671 to the Non-Rep Plan. For the year ended June 30, 2022, MARTA contributed $9,853 and plan participants contributed $5,834 to the Union Plan.

***Net Pension* Liability (Asset) -** The net pension liability at June 30, 2022 was measured as of December 31, 2021 for both the Union Plan and Non-Rep Plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 for the Non-Rep Plan and as of January 1, 2021, rolled forward to January 1, 2022 for the Union Plan. The reporting date for both plans is June 30, 2022. At June 30, 2022, MARTA reported a net pension liability of $39,108 for the Non-Rep Plan and net pension asset of $116,512 for the Union Plan.

(Dollars in Thousands)

12. PENSION PLANS (continued)

Actuarial Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As results are compared to past expectations and new estimates are made about the future, actuarial determinations better reflect current and future conditions. Actuarial calculations consider a long-term perspective. Calculations for June 30, 2022 reflect the substantive plan in effect as of as of year ended December 31, 2021 and the current sharing pattern of costs between employer and employee.

	Union	Non-Rep
Pension (Revenue) Expense	$(17,364)	$515
Actuarial Valuation Date	1/1/21, rolled forward to 1/1/22	1/1/22
Actuarial Cost Method	Entry Age Normal Cost Method	Individual Entry age
Amortization Method	Level Percentage of Pay, Closed	Fixed Dollar, Closed
Remaining Amortization Period	15 Years, Closed	10 years, Closed
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.00%	5.50%
Inflation	2.50%	2.25%
Projected Salary Increases:		
Plan Members	4.50%	4.50%
Transit Police	4.50%	4.50%
Cost of Living	None	3.00%
Merit or Seniority	1.00% per year	1.00% per year
Postretirement Benefit Increases	None	None
Mortality Assumption:		
Healthy	RP-2014 Blue Collar Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational.
Disabled	RP-2014 Mortality Table for Disabled Lives with fully generational using 1/2 of Scale MP-2016	None. No future mortality improvement was projected.

The assumptions listed above were based on the results of an actuarial experience study for the five years ending January 1, 2018. Assumptions were updated January 1, 2022.

(Dollars in Thousands)

12. PENSION PLANS (continued)

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date – In the Non-Rep Plan, the inflation rate increased from 2.00% to 2.25%. In the Union Plan, the investment rate of return decreased from 7.25% to 7.00%.

Changes in Assumptions and Benefit Terms Since the Measurement Date – There were no changes in assumptions or benefit terms between the measurement date and June 30, 2022.

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2022 was 7.00% for the Union Plan and 5.50% for the Non-Rep Plan. This is the long-term expected return on pension plan investments. The projection of cash flows assumes employer and plan member contributions will continue at the current rates. The fiduciary net position projects to cover all future benefit payments of current plan members based upon complete closed group cash flow analysis.

Sensitivity of Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the plans at June 30, 2022, calculated using the discount rate of 7.00% for the Union Plan and 5.50% for the Non-Rep Plan, as well as what the individual plans' net pension (asset)/liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease Discount Rate	Current Discount Rate	1% Increase Discount Rate
Union Plan Discount Rate	6.00%	7.00%	8.00%
Plan Net Pension Liability/(Asset)	$(55,597)	$(116,512)	$(168,425)
Non-Rep Plan Discount Rate	4.50%	5.50%	6.50%
Plan Net Pension Liability	$99,000	$39,108	$(11,000)

(Dollars in Thousands)

12. PENSION PLANS (continued)

***Long-Term Expected Rate of Return* -** The long-term expected rate of returns on the Union and Non-Rep Plan investments were determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of June 30, 2022 are:

	Union		Non-Rep	
Asset Class	Target Allocation	Expected Rate of Return	Target Allocation	Expected Rate of Return
Domestic Large Cap Equity	20.0%	5.40%	24.00%	4.25%
Domestic Mid Cap Equity	10.0%	5.70%	n/a	n/a
Domestic Small Cap Equity	10.0%	6.20%	9.00%	4.45%
International Equity	25.0%	6.00%	24.00%	4.55%
Opportunistic Equity	n/a	n/a	n/a	n/a
Domestic Fixed income	30.0%	n/a	25.50%	-0.50%
US Broad Equity	n/a	n/a	n/a	n/a
Non US Fixed	n/a	n/a	n/a	n/a
Global Fixed Income	n/a	n/a	7.50%	-1.45%
Global Ex-US Equity	n/a	n/a	n/a	n/a
Real Estate	n/a	n/a	5.00%	3.50%
Alternatives/Convertibles	5.0%	9.40%	5.00%	3.38%

(Dollars in Thousands)

12. PENSION PLANS (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
	(a)	(b)	(a) - (b)
UNION PLAN			
Balance 12/31/2020	$ 576,373	$ 645,680	$ (69,307)
Service Cost	15,528	—	15,528
Interest	40,016	—	40,016
Difference Between Expected & Actual Experience	(951)	—	(951)
Contributions - Employer	—	11,018	(11,018)
Contributions - Employee	—	6,010	(6,010)
Net Investment Income	—	98,286	(98,286)
Benefit Payments	(40,572)	(40,572)	—
Administrative Expenses	(611)	(611)	—
Changes in Assumptions	13,517	—	13,517
Changes in Benefit Terms	—	—	—
Other	—	—	—
Member Buybacks	—	—	—
Net Changes	26,927	74,131	(47,204)
Balance 12/31/2021	$ 603,300	$ 719,812	$ (116,512)
NON-REP PLAN			
Balance at 12/31/2020	$ 536,167	$ 468,500	$ 67,667
Service Cost	3,708		3,708
Interest	28,706	—	28,706
Difference Between Expected & Actual Experience	2,000	—	2,000
Contributions - Employer	—	15,629	(15,629)
Contributions - Employee	—	1,708	(1,708)
Net Investment Income	—	56,215	(56,215)
Benefit Payments	(36,377)	(36,377)	—
Administrative Expenses	—	(266)	266
Changes in Assumptions	—	—	—
Changes in Benefit Terms	10,400	—	10,400
Other	—	1	(1)
Member Buybacks	—	88	(88)
Net Changes	8,437	36,998	(28,561)
Balance 12/31/2021	$ 544,604	$ 505,496	$ 39,108

(Dollars in Thousands)

12. PENSION PLANS (continued)

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

For the year ended June 30, 2022, MARTA recognized pension expense of $16,849.

At June 30, 2022, MARTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		
	Union Plan	**Non-Rep Plan**	**Combined**
Net difference between projected and actual earnings on investments	$ —	$ —	$ —
Changes in benefits terms	—	—	—
Difference between expected and actual experience	839	—	839
Changes of assumptions	10,134	—	10,134
Contribution made subsequent to the measurement date	7,119	5,492	12,611
Total	$ 18,092	$ 5,492	$ 23,584

	Deferred Inflows of Resources		
	Union Plan	**Non-Rep Plan**	**Combined**
Net difference between projected and actual earnings on investments	$ (76,624)	$ (53,952)	$ (130,576)
Changes in benefits terms	—	—	—
Difference between expected and actual experience	(1,771)	—	(1,771)
Changes of assumptions	—	—	—
Total	$ (78,395)	$ (53,952)	$ (132,347)

(Dollars in Thousands)

12. PENSION PLANS (continued)

Deferred outflows of resources of $12,611 related to pensions resulting from contributions made subsequent to the December 31, 2021 measurement date will be recognized as a reduction of the net pension liability in the subsequent future reporting period. Other amounts reported as collective deferred outflows and deferred inflows of resources to be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources		
Year Ending June 30	**Union Plan**	**Non-Rep Plan**	**Combined**
2023	$ (14,986)	$ (12,691)	$ (27,677)
2024	(27,192)	(22,140)	(49,332)
2025	(14,461)	(12,843)	(27,304)
2026	(10,783)	(6,278)	(17,061)
Total	$ (67,422)	$ (53,952)	$ (121,374)

DEFINED CONTRIBUTION PENSION PLAN

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

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

Contributions - For the year ending June 30, 2022, MARTA contributed $4,868 and plan participants contributed $4,825 to the DC Plan.

13. EMPLOYEE BENEFITS

DEFERRED COMPENSATION PLAN

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

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

OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

The fiduciary net position of the OPEB plan is reflected in the measurement of the plan’s net OPEB liability, deferred outflows, deferred inflows and OPEB expense. The OPEB Plan actuarial valuation date is June 30, 2020 and the measurement date is June 30, 2021.

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

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

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Plan Membership **-** Below are the total employees and retirees covered under the OPEB Plan for the actuarial plan year ended June 30, 2021:

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

Contributions **–** The normal annual costs of the plan are funded by employer and retiree contributions that are pay as you go. MARTA maintains a trust for future OPEB funding above the pay as you go. However, no benefits have been paid from the OPEB Trust. MARTA contributed $15.0 million to the OPEB Trust for the fiscal year ending June 30, 2022.

Net OPEB Liability - The net OPEB liability was measured as of June 30, 2021, for the OPEB Plan. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. At June 30, 2021, MARTA reported a net OPEB liability of $67,646.

Discount Rate - The discount rate used to measure the Total OPEB Liability for the Plan Year ending June 30, 2021, is 6.5%. This rate is based on the long-term expected yield rate on current and expected future assets. A separate cash flow projection, if employer contributions will continue at the current rates, shows the OPEB Plan's projected Fiduciary Net Position being greater than the benefit payments projected for each future period assuming this pattern continues. Therefore, the long-term expected rate of return on Plan Investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

Actuarial Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarial calculations consider a long-term perspective. Calculations reflect the substantive plan in effect as of year ending June 30, 2021, and the current sharing pattern of costs between employer and employee. As results are compared to past expectations and new estimates are made about the future, actuarial determinations better reflect current and future conditions.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date - There were no changes in assumptions or benefit terms.

The following assumptions are for the OPEB plan and were based on the results of an actuarial experience study for the period ending June 30, 2021.

Discount Rate:	6.5%
Investment Rate of Return:	6.5%
Inflation Rate:	2.50%
Healthcare Cost Trend:	8.50% for 2021-22 PY and decreases to an ultimate rate of 5.0% by PY 2031-32
Election on Health Care Coverage	100% of eligible active employees will elect coverage and 10% of eligible retirees who previously opted out will elect coverage
Dependents Coverage	Non-spouse dependent coverage was not assumed
New Entrant Assumption	An open group projection has been employed for developing expected liabilities and benefit payouts
Age of Participants with Unrecorded Dates of Birth	Average age of Participants with recorded dates of birth and the same vested status

Healthcare Trend Rates

Year	Trend	Year	Trend
2021-22	8.50%	2028-29	5.75%
2022-23	7.25%	2029-30	5.50%
2023-24	7.00%	2030-31	5.25%
2024-25	6.75%	2031 and after	5.00%
2025-26	6.50%		
2026-27	6.25%		
2027-28	6.00%		

Health Care Age Based Cost Adjustment

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

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

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

UNION PLAN

Mortality Rates

Pre- and Post-Retirement:	RP-2014 Blue Collar Mortality Table with fully generational projection using 1/2 of Scale MP-2016 set forward by 1 year
Post-Disablement:	RP-2014 Disabled Mortality Table with fully generational projection using 1/2 of Scale MP-2016
Salary Scale:	4.5% compounded annually

Withdrawal Rates - Sample Rates as Shown

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

Retirement Ages - Rates as shown

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

Healthcare Claims Cost

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

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

NON-REPRESENTED PLAN

Mortality Rates

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

Withdrawal Ages - Sample Rates as Shown

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

Retirement Ages - Rates as Shown

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

Healthcare Claims Cost (Monthly)

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

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the plan, calculated using the discount rate of 6.5%, as well as what the individual plans' net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
Total OPEB Liability (TOL)	$ 195,500	$ 182,546	$ 170,856
Plan Fiduciary Net Position	114,900	114,900	114,900
Plan Net OPEB Liability	$ 80,600	$ 67,646	$ 55,956
Plan Fiduciary Net Position as a Percentage of the TOL	58.8%	62.9%	67.2%

Sensitivity of Net OPEB Liability to Changes in the Health Cost Trend Rates - The following presents the net OPEB liability of the plan, calculated using the healthcare cost trend is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 7.5% decreasing to 4.0%	Current Healthcare Cost Trend Rates 8.5% decreasing to 5.0%	1% Increase 9.5% decreasing to 6.0%
Total OPEB Liability (TOL)	$ 171,527	$ 182,546	$ 194,940
Plan Fiduciary Net Position	114,900	114,900	114,900
Plan Net OPEB Liability	$ 56,627	$ 67,646	$ 80,040
Plan Fiduciary Net Position as a Percentage of the TOL	67.0%	62.9%	58.9%

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Long-Term Expected Rate of Return – The building-block method determines the long-term expected rate of return on OPEB plan investments. The method weights best estimate of expected future real rates of return for each major asset class. Multiplying the weights by the target asset allocation percentage and adding expected inflation produces the long-term expected rate of return. The discount rate used to measure the total OPEB liability was 6.5%. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation as of June 30, 2021, are:

Asset Class	Target Allocation Percentage	Long-term Expected Real Rate of Return
Domestic Equity - Large Cap	37%	6.50%
Domestic Equity - Small/Mid Cap	8%	6.70%
International Equity	30%	6.80%
Domestic Fixed income	25%	1.75%
	100%	

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020	**$ 200,589**	**$ 88,688**	**$ 111,901**
Changes for the year:			
Service Cost	7,005	—	7,005
Interest on TOL, Service Cost and Benefit Payments	14,532	—	14,532
Difference between Expected and Actual Experience	(18,372)	—	(18,372)
Employer Contributions	—	14,997	(14,997)
Active Employee Contributions *	—	—	—
Net Investment Income	—	23,212	(23,212)
Benefit Payments	(11,997)	(11,997)	—
Administrative Expenses	—	—	—
Changes in Plan Assumptions	(9,211)	—	(9,211)
Changes in Plan Benefits	—	—	—
Other Changes	—	—	—
Net Changes	(18,043)	26,212	(44,255)
Balances at June 30, 2021	$ 182,546	$ 114,900	$ 67,646

*Active employees do not contribute to the OPEB plan.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

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

For the year ended June 30, 2021, MARTA recognized OPEB expense of $(536).

At June 30, 2022, MARTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Difference between expected and actual experience	$ —	$ (21,420)
Net difference between projected and actual earnings on investments	—	(11,314)
Changes of assumptions	1,104	(6,969)
Employer contribution subsequent to the measure date	13,460	—
Total	$ 14,564	$ (39,703)

Deferred outflows of resources of $13,460 related to OPEB resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent future reporting period. Other amounts reported as collective deferred outflows and deferred inflows of resources to be recognized in OPEB expense as follows:

Year Ending June 30:	Deferred Outflows (Inflows) of Resources
2022	$ (13,975)
2023	(10,758)
2024	(9,746)
2025	(4,120)
Total	$ (38,599)

Changes in Assumptions and Benefit Terms Since the Measurement Date – There were no changes in assumptions or benefit terms between the measurement date and June 30, 2022.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

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

Investments	Valuation Measurement Method		2021
US Equities	Fair Value - Level 1	$	51,539
International Equities	Fair Value - Level 1		28,108
Domestic Bonds	Fair Value - Level 2		29,281
Short-Term Investments	Fair Value - Level 1		6,000
Total Assets			114,928
Liabilities			28
Net Asset Available for Benefits		$	114,900
Annual Money-Weighted Rate of Return			26.20%

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

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the OPEB Plan will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Of the OPEB Plan's investments at June 30, 2021, all the securities are held by a trustee and are in the name of the OPEB Plan.

Foreign Currency Risk - The risk that changes in exchange rates will adversely impact the fair value of an investment. The OPEB Plan holds $28,108 of investments that are exposed to this risk.

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

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

(Dollars in Thousands)

14. FIDUCIARY - OTHER POST EMPLOYMENT BENEFITS(OPEB)

Statement of Fiduciary Net Position
Other Post Employment Benefits other than Pensions (OPEB)
For the Year Ended June 30, 2022

	Other Post Employment Benefits
ASSETS	
Investments at Fair Value:	
Equities	$ 83,851
Fixed Income	12,660
Short- term Investments	2,353
Total Investments	98,864
Total Assets	$ 98,864
LIABILITIES	
Due to Brokers	$ 34
Total Liabilities	34
NET POSITION	
Restricted for:	
Post Employment Benefits other than Pensions	98,830
Total Net Position	98,830
Total Liabilities and Net Position	$ 98,864

(Dollars in Thousands)

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

Statement of Changes in Fiduciary Net Position
Other Post Employment Benefits other than Pensions
For the Year Ended June 30, 2022

	Other Post Employment Benefits
ADDITIONS	
Contributions:	
Employee	$ 1,579
Employer	13,460
Total Contributions	15,039
Investment Income	
Interest and Dividends	1,487
Net Increase (Decrease) in Fair Value of Investments	(19,585)
Total Investment Earnings (Loss)	(18,098)
Less Investment Costs	
Investment Activity Costs	—
Net Investment Earnings (Loss)	(18,098)
Total Additions	(3,059)
DEDUCTIONS	
Medical, Dental, and Life Insurance for Retirees	13,039
Total Deductions	13,039
Net increase (decrease) in Fiduciary Net Position	(16,098)
NET POSITION RESTRICTED	
Net Position, July 1	114,928
Net Position, June 30	$ 98,830

(Dollars in Thousands)

15. RISK MANAGEMENT

MARTA is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. MARTA is self-insured for workers' compensation claims up to $2,500 per occurrence, automobile liability claims,public liability and property damage claims up to $10,000 per occurrence. MARTA carries excess insurance coverage for amounts exceeding the self-insured retentions. For property insurance the limits over the self-insured retention are $ 250,000 and for casualty insurance, the limits over the self-insured retention are $150,000.

There have been no significant reductions in insurance coverage during the year ended June 30, 2022 and the amount of claims settlements did not exceed insurance coverage in any of the past three years.

The changes in the liabilities for self-insurance for the year ended June 30, 2022 were as follows:

	Workers' Compensation	Public Liability and Property	Total
Balance, June 30, 2020	$ 28,469	$ 30,767	$ 59,236
Incurred claims, net of any changes in estimates	8,746	17,444	26,190
Payments	(9,718)	(10,799)	(20,517)
Balance, June 30, 2021	27,497	37,412	64,909
Incurred claims, net of any changes in estimates	9,886	8,425	18,311
Payments	(10,565)	(19,163)	(29,728)
Balance, June 30, 2022	$ 26,818	$ 26,674	$ 53,492
Due within one year	$ 9,799	$ 8,999	$ 18,798

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported and incremental claims adjustment expenses.

Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors.

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

16. COMMITMENTS AND CONTINGENCIES

Commitments **-** MARTA's long-range plan provides for the planning, construction, financing, and operation of a rapid transit system in multiple phases, consisting of approximately 60 miles of double track and 45 stations, of which 47.6 miles and 38 stations were in service June 30, 2022. At June 30, 2022, MARTA was committed to future capital expenditures for various other projects including expansion efforts.

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

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

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

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

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

Contingencies **-** MARTA is a defendant in several lawsuits relating to alleged personal injuries and alleged damages to property and business as a result of its operations. Claims have also been filed with MARTA that relate to disputes between MARTA and various contractors under contracts that MARTA had entered prior to FY2022. Claims that are measurable and probable have been reflected in the financial statements.

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

Business Disruption - In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a global pandemic. COVID-19 has impacted economic activity, financial markets globally and locally and has resulted in a decrease in passenger fare revenue for the Authority for fiscal years 2020 – 2022.

Since the onset of the pandemic, both bus and rail ridership are down significantly. However, Sales Tax revenue has remained constant, and expenses are in line with normal year-over-year growth. Although the State of Georgia and the metropolitan area remain open for business, there is the threat that the spread and mutation of the virus continue to represent a significant risk that operations could continue to be disrupted. To help mitigate the impact of the disruption in operations, MARTA carefully managed the COVID Relief funding received and has created comprehensive health and safety guidelines.

The extent to which COVID-19 impacts MARTA will depend on future developments, which are still highly uncertain and cannot be predicted. For the year ending June 30, 2022, MARTA experienced slightly higher ridership than budgeted but remains approximately 50% below pre-pandemic levels.

17. POLLUTION REMEDIATION OBLIGATION

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

MARTA has three active bus facilities and a closed maintenance facility at which underground fuel storage tanks have released fuel at various times in prior years. MARTA has for a number of years and continues to use various methods to remediate the effects of these releases.

In prior years, MARTA was named as a potentially responsible party (PRP) for the cleanup of the Crimes Landfill located in Gwinnett County, Georgia. However, during fiscal year 2013, MARTA paid $240.3 to the Crimes Landfill Trust in return for release of any and all liabilities in regard to the site.

MARTA estimates that $1,846 is its obligation to remediate the sites at the bus and maintenance facilities at June 30, 2022 which is included in other current liabilities on the Statement of Net Position.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

UNION

Total Pension Liability:	**2021**	**2020**	**2019**	**2018**	**2017**
Service Cost	$ 15,528	$ 14,793	$ 13,319	$ 13,036	$ 12,199
Interest	40,016	40,154	39,340	38,706	37,614
Change in Benefit Terms	—	—	—	—	—
Difference between Expected and Actual Experience	(951)	1,657	(4,694)	(10,361)	2,670
Change in Assumptions	13,517	—	—	5,898	1,051
Benefit Payments	(40,572)	(37,334)	(37,933)	(38,499)	(38,807)
Administrative Expense	(611)	(566)	(596)	(589)	(705)
Net Change in Total Pension Liability	$ 26,927	$ 18,704	$ 9,436	$ 8,191	$ 14,022
Total Pension Liability					
Beginning of the Year	576,373	557,669	548,233	540,042	526,020
Net Increase (Decrease)	26,927	18,704	9,436	8,191	14,022
Total Pension Liability End of the Year	$ 603,300	$576,373	$557,669	$548,233	$540,042
Plan Fiduciary Net Position:					
Employee Contributions	$ 6,010	$ 5,837	$ 5,699	$ 5,137	$ 4,947
Employer Contributions	11,018	10,674	10,404	9,129	9,041
Members Buybacks	—	—	—	—	—
Net Investment Income	98,286	76,214	101,948	(26,423)	68,793
Benefits Payments	(40,572)	(37,334)	(37,933)	(38,499)	(38,807)
Administrative Expense	(611)	(566)	(596)	(589)	(705)
Other	—	—	—	—	—
Net Change in Plan Fiduciary Net Position	$ 74,131	$ 54,825	$ 79,521	$(51,245)	$ 43,269
Total Fiduciary Net Position					
Beginning of the Year	645,680	590,855	511,334	562,578	519,309
Net Increase (Decrease)	74,132	54,825	79,521	(51,245)	43,269
Total Plan Fiduciary Net Position End of the Year	$ 719,812	$645,680	$590,855	$511,334	$562,578
Plan's Net Position Liability/(Asset)	$(116,512)	$ (69,307)	$(33,186)	$ 36,899	$(22,536)
Plan Fiduciary Net Position as % of TPL	119.3%	112.0%	106.0%	93.3%	104.2%
Covered Payroll	136,197	131,937	128,600	112,843	111,751
Plan's NPL as % of Covered Payroll	-85.6%	-52.5%	-25.8%	32.7%	-20.2%

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

UNION

Total Pension Liability:	**2016**	**2015**	**2014**	**2013**	**2012**
Service Cost	$11,677	$11,476	$11,099	$11,004	$ 9,870
Interest	38,448	35,684	35,109	34,672	34,932
Change in Benefit Terms	(1,180)	323	—	—	—
Difference between Expected and Actual Experience	(4,055)	(1,763)	(2,287)	(5,092)	(17,095)
Change in Assumptions	—	29,188	—	—	—
Benefit Payments	(38,031)	(36,727)	(35,123)	(33,491)	(30,075)
Administrative Expense	(928)	(851)	(588)	(553)	(549)
Net Change in Total Pension Liability	$ 5,931	$37,330	$ 8,210	$ 6,540	$(2,917)
Total Pension Liability					
Beginning of the Year	520,089	482,759	474,549	468,009	470,926
Net Increase (Decrease)	5,931	37,330	8,210	6,540	(2,917)
Total Pension Liability End of the Year	$526,020	$520,089	$482,759	$474,549	$468,009
Plan Fiduciary Net Position:					
Employee Contributions	$ 4,828	$ 4,719	$ 4,392	$ 4,812	$ 4,521
Employer Contributions	8,807	8,630	8,077	8,839	6,218
Members Buybacks	—	—	—	—	—
Net Investment Income	41,493	(7,547)	31,954	84,100	47,576
Benefits Payments	(38,031)	(36,727)	(35,123)	(33,491)	(30,075)
Administrative Expense	(928)	(851)	(588)	(553)	(549)
Other	—	—	—	—	—
Net Change in Plan Fiduciary Net Position	$16,169	$(31,776)	$ 8,713	$63,707	$27,691
Total Fiduciary Net Position					
Beginning of the Year	503,140	535,836	526,203	462,497	434,806
Net Increase (Decrease)	16,169	(32,696)	8,713	63,706	27,691
Total Plan Fiduciary Net Position End of the Year	$519,309	$503,140	$534,916	$526,203	$462,497
Plan's Net Position Liability (NPL)	$ 6,712	$16,948	$(52,157)	$(51,654)	$ 5,512
Plan Fiduciary Net Position as % of TPL	98.7%	96.7%	110.8%	110.9%	98.8%
Covered Payroll	108,865	106,678	99,587	109,119	105,030
Plan's NPL as % of Covered Payroll	6.2%	15.9%	-52.4%	-47.3%	5.2%

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

NON-REP

Total Pension Liability:	**2021**	**2020**	**2019**	**2018**	**2017**
Service Cost	$ 3,708	$ 4,240	$ 4,471	$ 5,136	$ 4,747
Interest	28,706	28,372	28,832	29,002	30,292
Change in Benefit Terms	10,400	—	—	1,000	2,800
Difference between Expected and Actual Experience	2,000	(2,105)	2,785	(118)	4,409
Change in Assumptions	—	12,234	36,094	—	26,064
Benefit Payments	(36,377)	(35,903)	(37,291)	(37,643)	(36,647)
Administrative Expense	—	—	—	—	—
Net Change in Total Pension Liability	$ 8,437	$ 6,838	$34,891	$(2,623)	$31,665
Total Pension Liability					
Beginning of the Year	536,167	529,329	494,438	497,061	465,396
Net Increase (Decrease)	8,437	6,838	34,891	(2,622)	31,665
Total Pension Liability End of the Year	$544,604	$536,167	$529,329	$494,438	$497,061
Plan Fiduciary Net Position:					
Employee Contributions	$ 1,708	$ 1,990	$ 2,250	$ 2,424	$ 2,533
Employer Contributions	15,629	15,146	19,493	19,434	13,540
Members Buybacks	88	17	29	20	48
Net Investment Income	56,215	55,668	68,425	(22,247)	63,383
Benefits Payments	(36,377)	(35,903)	(37,291)	(37,643)	(36,647)
Administrative Expense	(266)	(378)	(361)	(263)	(275)
Other	1	—	1	9	1
Net Change in Plan Fiduciary Net Position	$36,998	$36,540	$52,546	$(38,265)	$42,583
Total Fiduciary Net Position					
Beginning of the Year	468,500	431,960	379,414	417,679	375,096
Net Increase (Decrease)	36,998	36,540	52,546	(38,265)	42,583
Total Plan Fiduciary Net Position End of the Year	$505,496	$468,500	$431,960	$379,414	$417,679
Plan's Net Position Liability (NPL)	$39,108	$67,667	$97,369	$115,024	$79,382
Plan Fiduciary Net Position as % of TPL	92.8%	87.4%	81.6%	76.7%	84.0%
Covered Payroll	22,563	25,303	28,998	31,145	34,571
Plan's NPL as % of Covered Payroll	173.3%	267.4%	335.8%	369.3%	229.6%

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

NON-REP

Total Pension Liability:	**2016**	**2015**	**2014**	**2013**	**2012**
Service Cost					
Interest	5,656	6,051	5,602	5,994	7,358
Change in Benefit Terms	32,430	31,569	31,475	30,517	31,878
Difference between Expected and Actual Experience	(37,000)	—	—	—	(26,143)
Change in Assumptions	1,987	9,181	4,158	(1,032)	2,452
Benefit Payments	15,000	—	15,914	10,648	11,228
Administrative Expense	(33,470)	(34,383)	(34,023)	(31,084)	(27,986)
Net Change in Total Pension Liability	$(15,397)	$ 12,418	$ 23,126	$ 15,043	$ (1,213)
Total Pension Liability					
Beginning of the Year	480,793	468,375	445,249	430,206	431,419
Net Increase (Decrease)	(15,397)	12,418	23,126	15,043	(1,213)
Total Pension Liability End of the Year	$465,396	$480,793	$468,375	$445,249	$430,206
Plan Fiduciary Net Position:					
Employee Contributions	$ 2,626	$ 2,818	$ 2,902	$ 3,389	$ 3,416
Employer Contributions	26,339	20,114	20,623	21,619	24,036
Members Buybacks	55	82	44	90	31
Net Investment Income	22,568	(2,994)	19,772	66,798	33,194
Benefits Payments	(33,470)	(34,383)	(34,023)	(31,084)	(27,986)
Administrative Expense	(231)	(245)	(227)	(351)	(1,315)
Other	133	9	10	341	415
Net Change in Plan Fiduciary Net Position	$ 18,020	$(14,598)	$ 9,102	$ 60,801	$ 31,790
Total Fiduciary Net Position					
Beginning of the Year	357,076	371,675	362,573	301,771	269,981
Net Increase (Decrease)	18,020	(14,598)	9,102	60,802	31,790
Total Plan Fiduciary Net Position End of the Year	$375,096	$357,076	$371,675	$362,573	$301,771
Plan's Net Position Liability (NPL)	$90,300	$123,717	$96,701	$82,676	$128,435
Plan Fiduciary Net Position as % of TPL	80.6%	74.3%	79.4%	81.4%	70.1%
Covered Payroll	38,966	42,301	45,099	45,668	49,338
Plan's NPL as % of Covered Payroll	231.7%	292.5%	214.4%	181.0%	260.3%

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

UNION

	2022	2021	2020
Actuarial Assumptions:			
Investment Rate of Return	7.00%	7.25%	7.25%
Inflation	2.50%	2.50%	2.50%
Projected Salary Increases:			
Cost of Living	None	None	None
Merit or Seniority	1.00% per year	1.00% per year	1.00% year
Mortality Assumptions:			
Healthy	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year
Disabled	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016

NON-REP

	2022	2021	2020
Actuarial Assumptions:			
Investment Rate of Return	5.50%	5.50%	5.50%
Inflation	2.25%	2.00%	2.25%
Mortality Assumptions:			
Healthy	RP-2014 Mortality for Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational	RP-2014 Mortality for Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational	RP-2014 Mortality for Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2019, fully generational
Disabled	None. No future mortality improvement was projected	None. No future mortality improvement was projected	None. No future mortality improvement was projected

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

UNION

	2019	2018	2017
Actuarial Assumptions:			
Investment Rate of Return	7.25%	7.25%	6.70%
Inflation	2.50%	2.10%	2.80%
Projected Salary Increases:	None	None	3.00%
Cost of Living	1.00% per year	1.00% per year	1.00% per year
Merit or Seniority			
Mortality Assumptions:			
Healthy	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2016, fully generational.	RP-2000 Combined Health Mortality Tables separated by Sex, Project Scale BB to valuation date.	RP-2000 Combined Health Mortality Tables separated by Sex, Project Scale BB to valuation date.
Disabled	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2016	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014

NON-REP

	2019	2018	2017
Actuarial Assumptions:			
Investment Rate of Return	6.00%	6.00%	6.70%
Inflation	2.50%	2.50%	2.50%
Mortality Assumptions:			
Healthy	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2016, fully generational.	RP-2000 Combined Health Mortality Tables separated by Sex, Project Scale BB to valuation date.	RP-2000 Combined Health Mortality Tables separated by Sex, Project Scale BB to valuation date.
Disabled	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by Sex, Projection Scale BB to valuation date.	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by Sex, Projection Scale BB to valuation date.	None. No future mortality improvement was projected

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - Pension
Year Ended June 30, 2022
(Dollars in Thousands)

UNION

FISCAL YEAR ENDED JUNE 30	2022	2021	2020	2019	2018
Contributions					
Actuarially Determined Contribution	$ 9,853	$ 11,189	$ 10,257	$ 9,812	$ 9,278
Actual Employer Contributions	9,853	11,489	10,257	9,812	9,278
Contribution Deficiency (Excess)	—	(300)	—	—	—
Covered Payroll	$121,793	$138,306	$126,792	$121,284	$114,680
Actual Contributions as % of Covered Payroll	8.09%	8.31%	8.09%	8.09%	8.09%

NON-REP

FISCAL YEAR ENDED JUNE 30	2022	2021	2020	2019	2018
Contributions					
Actuarially Determined Contribution	$ 9,147	$ 12,853	$ 15,741	$ 14,664	$ 13,181
Actual Employer Contributions	11,266	17,967	16,899	17,647	17,158
Contribution Deficiency (Excess)	(2,119)	(5,114)	(1,158)	(2,983)	(3,977)
Covered Payroll	$ 22,339	$ 25,124	$ 28,673	$ 31,425	$ 34,157
Actual Contributions as % of Covered Payroll	50.43%	71.51%	58.94%	56.16%	50.23%

*Based on a blend of the overlapping Calendar Year results. The 6/30/2017 through 6/30/2022 results are based on the unaudited cash statements for the preceding 12 months and the applicable contribution rate.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - Pension
Year Ended June 30, 2022
(Dollars in Thousands)

UNION

FISCAL YEAR ENDED JUNE 30	2017	2016	2015	2014	2013
Contributions					
Actuarially Determined Contribution	$8,924	$ 8,719	$ 8,729	$ 7,510	$ 7,064
Actual Employer Contributions	8,924	8,719	8,354	8,458	7,528
Contribution Deficiency (Excess)	—	—	375	(948)	(464)
Covered Payroll	$110,308	$107,772	$103,133	$104,353	$107,074
Actual Contributions as % of Covered Payroll	8.09%	8.09%	8.10%	8.11%	7.03%

NON-REP

FISCAL YEAR ENDED JUNE 30	2017	2016	2015	2014	2013
Contributions					
Actuarially Determined Contribution	$19,787	$23,211	$18,296	$18,646	$22,947
Actual Employer Contributions	24,346	19,787	20,369	21,121	22,827
Contribution Deficiency (Excess)	$(4,559)	3,424	(2,073)	(2,475)	120
Covered Payroll	$ 38,231	$ 43,402	$ 43,700	$ 45,384	$ 47,503
Actual Contributions as % of Covered Payroll	63.68%	45.59%	46.61%	46.54%	48.05%

*Based on a blend of the overlapping Calendar Year results. The 6/30/2017 through 6/30/2022 results are based on the unaudited cash statements for the preceding 12 months and the applicable contribution rate.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Year Ended June 30, 2022
(Dollars in Thousands)

	2021	2020	2019	2018	2017
Total OPEB Liability:					
Service Cost (BOY)	$ 7,005	$ 7,150	$ 6,915	$ 6,751	$ 6,521
Interest	14,532	14,137	14,396	14,133	15,259
Change in Benefit Terms	—	—	5,114	—	—
Difference between Expected and Actual Experience	(18,372)	(3,975)	(19,310)	(265)	(7,362)
Change in Assumptions	(9,211)	—	3,956	—	(15,402)
Benefit Payments	(11,997)	(11,526)	(15,009)	(17,020)	15,335
Administrative Expense	—	—	—	—	—
Net Change in Total OPEB Liability	$ (18,043)	$ 5,786	$ (3,938)	$ 3,599	$ (16,319)
Total OPEB Liability					
Beginning of the Year	200,589	194,803	198,741	195,143	211,461
Net Increase (Decrease)	(18,043)	5,786	(3,938)	3,599	(16,319)
End of the Year	$ 182,546	$ 200,589	$ 194,803	$ 198,741	$ 195,142
Plan Fiduciary Net Position:					
Employer Contributions	$ 14,997	$ 14,526	$ 18,009	$ 20,020	$ 20,772
Active Employee Contributions *	—	—	—	—	—
Net Investment Income	23,212	2,632	4,103	5,265	6,867
Benefit Payments	(11,997)	(11,526)	(15,009)	(17,020)	(15,335)
Administrative Expense	—	—	—	—	—
Net Change in Plan Fiduciary Net Position	$ 26,212	$ 5,632	$ 7,103	$ 8,265	$ 12,304
Total Fiduciary Net Position					
Beginning of the Year	88,688	83,056	75,953	67,688	55,384
Net Increase (Decrease)	26,212	5,632	7,103	8,265	12,304
End of the Year	$ 114,900	$ 88,688	$ 83,056	$ 75,953	$ 67,688
Plan's Net Position Liability (NPL)	$ 67,646	$ 111,901	$ 111,747	$ 122,788	$ 127,455
Plan Fiduciary Net Position as % of TOL	62.9%	44.2%	42.6%	38.2%	34.7%
Covered Employee Payroll	$ 223,839	$ 219,089	$ 211,603	$ 196,714	$ 189,100
Plan's NPL as % of Covered Employee Payroll	51.3%	51.1%	52.8%	62.4%	67.4%

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

Notes to Schedule – Changes in benefits and assumptions: In FY22, the discount rate used to calculate liabilities has been decreased from 7.0% to 6.5%. The health care trend rate starting point increased from 7.50% to 8.50%. Mortality rates for the Non-Represented Plan have been updated. Spousal coverage election rate has been reduced from 70% to 50%.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - OPEB
Year Ended June 30, 2022
(Dollars in Thousands)

FISCAL YEAR ENDING	2022	2021	2020	2019	2018	2017
Contributions						
Actuarially Determined Contributions	$14,997	$15,002	$14,526	$18,009	$20,020	$20,772
Employer Contributions (ERC)	14,997	15,002	14,526	18,009	20,020	20,772
Contributions (Excess)/ Deficiency	—	—	—	—	—	—
Covered Employee Payroll	$199,039	$ 223,839	$ 219,089	$ 211,603	$196,714	$ 189,100
ERC as % of Covered Employee Payroll	7.53 %	6.70 %	6.63 %	8.51 %	10.18 %	10.98%

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

<u>Notes to Schedule</u>:

Valuation Date:	June 30, 2020, rolled forward to June 30, 2021
Discount Rate:	6.5%
Investment Rate of Return:	6.5%
Inflation Rate:	2.50%
Healthcare Cost Trend:	8.50% for PY 2021-22 and decreases to an ultimate rate of 5.0% by PY 2031-32

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplemental Information
Combining Schedule of Fiduciary Net Position
Year Ended June 30, 2022
(Dollars in Thousands)

	Total	Defined Benefit Pension Rep	Defined Benefit Pension Non-Rep	Other Post Employee Benefits
ASSETS				
Receivables:				
Employee Contributions	$ 279	$ 245	$ 34	$ —
Employer Contributions	824	446	378	—
Due from Brokers	3,279	81	3,198	—
Accrued Investment Income	1,172	442	730	—
Total Receivables	5,554	1,214	4,340	—
Investments at Fair Value:				
Equities	558,514	167,163	307,500	83,851
Partnerships	18,340	18,340	—	—
Mutual Funds	429,237	429,237	—	—
Fixed Income	270,360	88,080	169,620	12,660
Real Estate Funds	26,241	—	26,241	—
Derivatives	77	—	77	—
Short- term Investments	29,188	13,429	13,406	2,353
Total Investments	1,331,957	716,249	516,844	98,864
Total Assets	$ 1,337,511	$ 717,463	$ 521,184	$ 98,864
LIABILITIES				
Accounts Payable	$ 631	$ 306	$ 325	$ —
Due to Brokers	16,008	611	15,363	34
Total Liabilities	16,639	917	15,688	34
NET POSITION				
Restricted for:				
Pensions	1,222,042	716,546	505,496	—
Post Employment Benefits other than Pensions	98,830	—	—	98,830
Total Net Position	1,320,872	716,546	505,496	98,830
Total Liabilities and Net Position	$ 1,337,511	$ 717,463	$ 521,184	$ 98,864

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplemental Information
Combining Schedule of Changes in Fiduciary Net Position
Year Ended June 30, 2022
(Dollars in Thousands)

	Total	Defined Benefit Pension Rep	Defined Benefit Pension Non-Rep	Other Post Employee Benefits
ADDITIONS				
Contributions:				
Employee	$ 9,385	$ 6,010	$ 1,796	$ 1,579
Employer	40,107	11,019	15,628	13,460
Total Contributions	49,492	17,029	17,424	15,039
Investment Income				
Interest and Dividends	12,281	6,716	4,078	1,487
Net Increase (Decrease) in Fair Value of Investments	123,073	90,194	52,464	(19,585)
Real Estate Income	907	—	907	—
Securities Lending Income	43	—	43	—
Total Investment Earnings (Loss)	136,304	96,910	57,492	(18,098)
Less Investment Costs				
Investment Activity Costs	(3,152)	(1,890)	(1,262)	—
Securities Lending Costs	(15)	—	(15)	—
Net Investment Earnings (Loss)	133,137	95,020	56,215	(18,098)
Total Additions	182,629	112,049	73,639	(3,059)
DEDUCTIONS				
Benefits Paid to Participants or Beneficiaries	76,949	40,572	36,377	—
Medical, Dental, and Life Insurance for Retirees	13,039	—	—	13,039
Administrative Expenses	877	611	266	—
Total Deductions	90,865	41,183	36,643	13,039
Net increase (Decrease) in Fiduciary Net Position	91,764	70,866	36,996	(16,098)
NET POSITION RESTRICTED				
Net Position, July 1	1,229,108	645,680	468,500	114,928
Net Position, June 30	$ 1,320,872	$ 716,546	$ 505,496	$ 98,830

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Supplemental Schedule of Revenues and Expenses
Budget vs. Actual (Budget Basis)
Year Ended June 30, 2022
(Dollars in Thousands)

	Budget	Actual (Budget Basis)	Variance Favorable/ (Unfavorable)
Operating Revenues			
Fare Revenue	$ 62,352	$ 64,951	$ 2,599
Other Revenue	7,990	7,009	(981)
Total Operating Revenues	70,342	71,960	1,618
Operating Expenses			
Transportation	265,808	227,844	37,964
Maintenance & Garage Operations	178,307	172,956	5,351
General and Administrative	112,948	72,126	40,822
Total Operating Expenses	557,063	472,926	84,137
Operating Loss	(486,721)	(400,966)	85,755
Nonoperating Revenues			
Sales and Use Tax	557,799	669,133	111,334
Federal Operating Revenue	186,400	249,769	63,369
Investment Income	4,300	12,168	7,868
Other Revenues	34,816	55,743	20,927
	783,315	986,813	203,498
Increase in Net Position- Budget Basis	$ 296,594	$ 585,847	$ 289,253
Basis Differences			
Depreciation		(251,704)	
Gain on Sales of Property and Equipment		325	
Interest Expense		(77,362)	
Amortization of Financing Related Charges		5,455	
Other - Nonoperating Expense		(72,700)	
Capital Grants and Contributions		62,748	
Net Lease Transaction Activity		(2,195)	
Increase in Net Position - GAAP Basis		$ 250,414	

See notes to supplemental schedule

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Notes to the Supplemental Schedule
Year Ended June 30, 2022
(Dollars in Thousands)

1. BUDGETARY HIGHLIGHTS

MARTA adopts its Operating and Capital Budget in June of each year. Once adopted, total budgeted revenues and/or expenses cannot change. Operating revenue performed favorable to the budget, ending the year $1,618 (2.30%) more than budget due to the increase in ridership after the prolonged adverse impact of COVID-19. Nonoperating revenues were $203,498 (25.98%) favorable to the budget. The largest favorable variance was Sales and Use Tax which was $111,334 more than budgeted. MARTA continued a number of cost containment measures in fiscal year 2022 by focusing on increasing productivity and efficiencies while reducing cost. The fiscal year 2022 total operating expenses were $472,926 which excludes depreciation. This was $84,137 (15.10%) less than the fiscal year 2022 budget, which was $862 (0.15%) less than the previous year's budget.

STATISTICAL

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STATISTICAL SECTION - Unaudited

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

	Schedules
FINANCIAL TRENDS	95-101
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	
REVENUE CAPACITY	105-107
These schedules contain information to help the reader assess the Authority's sources of revenue especially the most significant revenue source, the sales and use tax.	
DEBT CAPACITY	111-115
These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	
DEMOGRAPHIC & ECONOMIC INFORMATION	119-122
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	
OPERATING INFORMATION	125-131
These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	

SOURCES

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

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FINANCIAL TRENDS

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Condensed Summary of Net Position

Last Ten Fiscal Years
(Dollars in Millions)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
ASSETS:										
Current and Other Assets	$ 1,456	$ 1,386	$ 1,336	$ 1,061	$ 955	$ 1,253	$ 1,086	$ 1,161	$ 1,033	$ 1,039
Capital Assets	3,084	3,059	3,057	3,004	2,883	2,871	2,966	3,049	3,056	3,028
Net Pension Assets	117	69	33	-	23	-	-	53	-	-
Derivative Assets	-	1	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2	-	-
Total Assets	4,657	4,515	4,426	4,065	3,861	4,124	4,052	4,265	4,089	4,067
DEFERRED OUTFLOWS OF RESOURCES										
Hedging	-	-	1	-	-	-	-	2	-	4
Pension	24	23	44	101	89	110	-	41	-	-
OPEB	14	20	22	18	20	-	-	-	-	-
Debt Refunding	39	32	26	29	31	21	25	10	12	16
Total Deferred Outflows of Resources	77	75	93	148	140	131	153	53	12	20
Total Assets and Deferred Outflows of Resources	4,734	4,590	4,519	4,213	4,001	4,255	4,205	4,318	4,101	4,087
LIABILITIES:										
Long-term Debt Outstanding	2,287	2,657	2,732	2,444	2,361	2,345	2,176	2,132	1,792	1,881
Current and Other Liabilities	310	351	341	334	294	532	536	693	884	747
Derivative Liability	-	-	1	-	-	-	-	2	-	-
Net Pension Liability	39	68	97	152	79	97	141	96	-	-
Net OPEB Liability	68	112	112	123	128	1	1	1	-	-
Total Liabilities	2,704	3,188	3,283	3,053	2,862	2,975	2,854	2,924	2,676	2,628
DEFERRED INFLOWS OF RESOURCES										
Hedging	-	1	-	-	333	-	-	-	-	-
Lease	325	12	13	15	16	-	-	-	-	-
Pension	132	94	59	9	50	9	3	2	-	-
OPEB	40	15	23	15	20	-	-	-	-	-
Total Deferred Inflows of Resources	497	122	95	39	419	9	3	2	-	-
Total Liabilities and Deferred Inflows of Resources	3,201	3,310	3,378	3,092	3,281	2,984	2,857	2,926	2,676	2,628
NET POSITION:										
Net Investment in Capital Assets	778	673	623	810	774	222	503	478	647	654
Restricted	77	74	66	62	54	936	857	929	789	788
Unrestricted	678	533	452	249	224	113	(12)	(14)	(11)	17
TOTAL NET POSITION	$ 1,533	$ 1,280	$ 1,141	$ 1,121	$ 1,052	$ 1,271	$ 1,348	$ 1,393	$ 1,425	$ 1,459

Summary of Revenues, Expenses and Changes in Net Position

Last Ten Fiscal Years
(Dollars in Millions)

	2022[1]	2021[1]	2020[1]	2019	2018	2017	2016	2015	2014	2013
Operating Revenues										
Fare Revenues	$65	$52	$102	$133	$138	$138	$141	$146	$140	$141
Other Revenues	$7	$5	8	8	10	10	11	11	12	10
Total Operating Revenues	72	57	110	141	148	148	152	157	153	151
Non-Operating Revenues										
Sales and Use Tax	669	570	522	540	507	439	410	378	347	339
Federal Revenues	250	281	235	87	76	85	76	83	103	120
Investment Income	12	4	12	12	3	2	2	1	1	2
Net Leases Transaction Activity	-	—	(2)	(1)	(71)	(27)	32	5	7	(32)
Other Revenues	56	53	44	43	42	50	42	28	32	17
Gain (Loss) on Sale of Property and Equip.	-	0	3	7	-	-	-	-	-	-
Total Non-operating Revenues	985	908	814	688	558	552	562	494	490	445
Total Revenues	1,057	965	924	829	706	700	715	651	642	596
Summary of Expenses Operating:										
Transportation	228	230	241	247	227	220	206	187	182	183
Maintenance and Garage Operations	173	178	174	175	152	140	144	131	142	138
General and Administrative	72	94	94	100	103	73	83	82	89	79
Depreciation	252	249	246	241	234	236	243	225	210	220
Total Operating Expenses	725	751	755	763	716	669	676	625	623	619
Non-Operating Expenses										
Interest Expenses	77	84	87	84	78	84	83	86	76	79
Interest Expenses Capitalized	-	-	-	-	-	-	-	(1)	(1)	(2)
Amortization of Financing Related Charges and Income from Derivative Activity	(5)	(7)	(7)	(9)	(5)	(7)	(5)	(2.70)	(4)	(6)
(Gain) Loss on Investment Derivatives	-	-	(1)	(1)	(1)	-	-	(1)	-	-
Other Non-operating Expenses	72	62	50	45	33	45	39	44	62	81
Total Non-operating Expenses	144	139	129	119	106	123	117	125	124	152
Total Expenses	869	890	884	882	822	792	793	750	747	771
Income/(Loss) Before Capital Contributions	188	75	40	(53)	(114)	(92)	(78)	(99)	(105)	(175)
Capital Grants and Contributions	63	65	62	122	30	15	32	82	71	47
Increase (Decrease) in Net Position	251	140	102	69	(84)	(78)	(45)	(17)	(34)	(128)
Net Position, July 1	1,280	1,140	1,039	1,052	1,136	1,348	1,393	1,410	1,459	1,587
Cumulative Effect of Adoption of New Accounting Principle	2	-	-	-	-	-	-	-	-	-
Net Position , July 1 Restated	1,282	1,140	1,039	1,052	1,136	1,348	1,393	1,410	1,459	1,587
Net Position, June 30	$1,533	$1,280	$1,141	$1,121	$1,052	$1,271	$1,348	$1,393	$1,425	$1,459

(1) Sales and Use Tax, Fare revenue and Operating expenses were impacted by COVID-19. Federal revenues include COVID Stimulus funds.

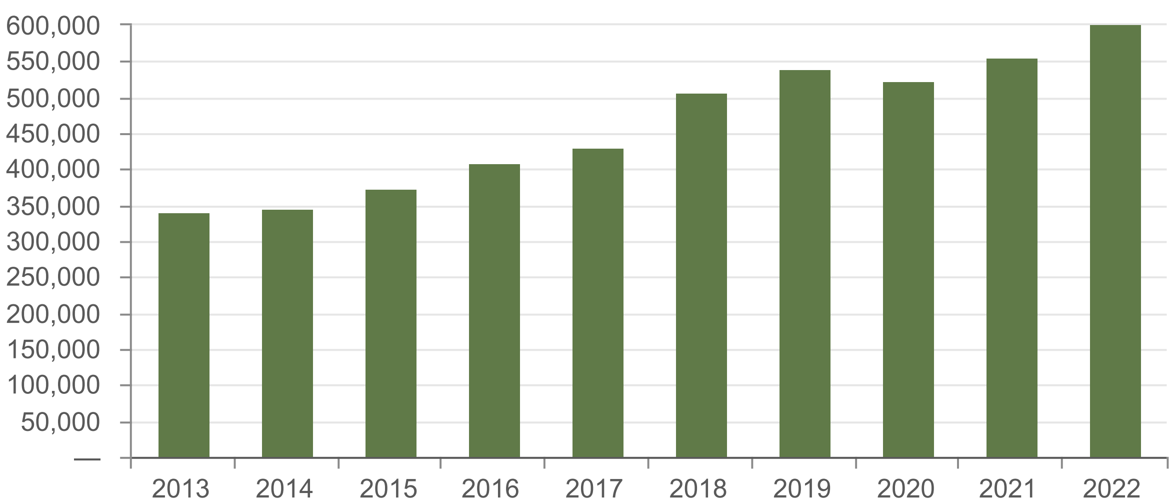
Sales Tax Collection and Usage

Last Ten Fiscal Years

(Dollars in Thousands)

			Usage [2 & 3]				
					Sales Tax for Operations		
Fiscal Year	Sales Tax[1]	Percent Change	Sinking Fund Withheld	Capital Construction	Subsidy	Percent Used	Overage/ (Shortage)
2013	$ 340,491	0.4%	$ 135,279	$ 35,075	$ 161,550	47%	$ 8,587
2014	345,825	1.6	132,723	40,190	158,218	46	14,694
2015	372,384	7.7	146,184	40,008	151,235	41	34,957
2016	409,846	10.1	150,834	62,530	159,470	39	37,012
2017	429,886	4.9	130,570	95,550	170,207	40	33,559
2018	507,264	18.0	123,806	149,509	213,046	40	20,903
2019	538,966	6.2	135,623	148,707	248,868	46	5,768
2020	524,832	(2.6)	141,682	135,429	193,176	37	54,545
2021[1]	557,093	6.2	147,570	146,575	108,050	19	154,898
2022[1]	664,645	19.3	143,861	207,072	92,594	14	221,118

Sales & Use Tax Receipts



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

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

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

Revenues and Operating Assistance Comparison to Industry Trend Data

Last Ten Fiscal Years
(As a Percentage of Total)

	Fiscal Year	Operating and Other Miscellaneous Revenue: Fares	Operating and Other Miscellaneous Revenue: Other[2]	Operating and Other Miscellaneous Revenue: Total	Operating Assistance: Sales & Use Tax	Operating Assistance: Federal	Operating Assistance: Total	Total Revenue
Transportation Industry[1]								
	2013	32.5%	3.8%	36.3%	54.7%	8.9%	63.7%	100%
	2014	32.0	3.9	35.9	55.5	8.6	64.1	100
	2015	32.5	4.9	37.4	54.3	8.3	62.6	100
	2016	31.3	5.0	36.3	55.6	8.0	63.7	100
	2017	31.4	5.0	36.3	55.2	8.5	63.7	100
	2018	30.7	5.4	36.1	55.3	8.6	63.9	100
	2019	29.5	4.5	34.0	58.1	7.9	66.0	100
	2020*	*	*	*	*	*	*	*
	2021*	*	*	*	*	*	*	*
	2022*	*	*	*	*	*	*	*
MARTA								
	2013	23.6%	-0.5%	23.1%	56.8%	20.1%	76.9%	100%
	2014	21.9	8.0	29.9	54.1	16.0	70.1	100
	2015	22.5	6.8	29.3	58.0	12.7	70.7	100
	2016	19.8	12.2	32.0	57.3	10.7	68.0	100
	2017	19.7	5.5	25.2	62.7	12.1	74.8	100
	2018	19.6	-2.2	17.4	71.8	10.8	82.6	100
	2019	16.1	8.3	24.4	65.1	10.5	75.6	100
	2020[3]	11.1	7.0	18.1	56.5	25.4	81.9	100
	2021[3]	5.4	6.5	11.9	59.0	29.1	88.1	100
	2022[3]	6.2	6.9	13.1	63.3	23.6	86.9	100

* Not Available
[1] Source: The American Public Transportation Association, APTA 2020 Fact Book, Appendix A Historical Table 87.
[2] Other Revenue includes interest, auxiliary, and other non-operating income.
[3] Fares, Sales & Use Tax, and Federal Revenues were impacted by COVID-19.

Total Expenses by Function

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Transportation	Maintenance	General and Administrative	Depreciation	Total Operating Expenses	Interest	Other	Total
2013	$ 183,216	$ 137,747	$ 78,779	$ 219,607	$ 619,349	$ 77,150	$74,873	$ 771,372
2014	181,860	141,584	89,298	209,759	622,501	74,518	49,964	746,983
2015	186,527	131,276	82,354	225,082	625,239	84,845	40,389	750,473
2016	206,252	143,576	83,271	242,536	675,635	83,177	33,644	792,456
2017	219,867	140,341	72,747	235,608	668,563	84,124	38,984	791,671
2018	226,791	151,800	103,540	233,549	715,680	77,611	26,781	820,072
2019	247,245	175,466	99,531	240,540	762,782	83,617	35,310	881,709
2020(1)	241,307	173,680	94,017	245,619	754,623	86,918	42,222	883,763
2021(1)	230,367	177,536	93,803	249,455	751,161	83,946	55,197	890,304
2022(1)	227,844	172,956	72,126	251,704	724,630	77,362	67,245	869,237

(1) Impacted by COVID-19

Total Operating Expenses by Object

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Labor and Benefits	Services	Material and Supplies	Utilities	Casualty/ Liability Costs	Purchased Transportation	Depreciation	Other [2]	Total Operating Expenses
2013	$ 301,934	$ 26,305	$ 44,265	$ 16,510	$ 7,178	–	$ 219,607	$ 3,550	$ 619,349
2014	305,107	30,902	44,243	15,800	12,558	–	209,759	4,132	622,501
2015	300,385	32,465	41,543	13,723	8,103	–	225,082	3,938	625,239
2016	329,462	34,170	41,682	13,854	5,321	4,108	242,536	4,502	675,635
2017	304,955	35,890	38,607	12,857	9,701	26,682	235,608	4,263	668,563
2018	331,416	38,536	43,039	15,289	22,128	24,696	233,549	7,027	715,680
2019	366,938	41,578	39,842	14,929	17,903	30,002	240,540	11,050	762,782
2020[1]	360,009	38,770	38,601	13,885	15,770	31,758	245,619	10,211	754,623
2021[1]	352,158	45,543	30,484	14,818	25,867	29,809	249,455	3,027	751,161
2022[1]	354,049	50,013	45,553	14,660	17,771	34,191	251,704	(43,311)	724,630

[1] Impacted by COVID-19

[2] Includes GASB 68 and GASB 75 adjustments

Operating Expenses Comparison to Industry Trend Data

Last Ten Fiscal Years
(As a Percentage of Total)

	Fiscal Year	Labor and Benefits	Services	Material and Supplies	Utilities	Casualty/ Liability Costs	Purchased Transportation	Other [4]	Total Operating Expenses [1]
Transportation Industry[2]									
	2013	60.7%	7.1%	11.2%	3.1%	2.4%	13.7%	1.8%	100.0%
	2014	61.1	6.9	11.0	3.2	2.5	13.6	1.7	100.0
	2015	62.0	7.0	10.0	3.0	2.0	14.0	2.0	100.0
	2016	62.0	8.0	9.0	3.0	3.0	14.0	1.0	100.0
	2017	62.0	8.0	9.0	3.0	3.0	14.0	1.0	100.0
	2018	61.0	8.0	9.0	3.0	3.0	14.0	2.0	100.0
	2019	61.0	9.0	8.0	3.0	3.0	15.0	1.0	100.0
	2020	*	*	*	*	*	*	*	*
	2021	*	*	*	*	*	*	*	*
	2022	*	*	*	*	*	*	*	*
MARTA									
	2013	75.5%	6.6%	11.1%	4.1%	1.8%	—%	0.9%	100.0%
	2014	73.9	7.5	10.7	3.8	3.0	0.0	1.1	100.0
	2015	75.1	8.1	10.4	3.4	2.0	0.0	1.0	100.0
	2016	76.1	7.9	9.6	3.2	1.2	0.9	1.1	100.0
	2017	70.4	8.3	8.9	3.0	2.2	6.2	1.0	100.0
	2018	68.7	8.0	8.9	3.2	4.6	5.1	1.5	100.0
	2019	70.3	8.0	7.6	2.9	3.4	5.7	2.1	100.0
	2020[3]	71.2	7.7	7.6	2.7	3.1	6.3	1.4	100.0
	2021[3]	70.2	9.0	6.1	3.0	5.2	5.9	0.6	100.0
	2022[3]	74.9	10.6	9.6	3.1	3.8	7.2	-9.2	100.0

* Not Available
[1]Excludes Depreciation Expense
[2]Source: The American Public Transportation Association, APTA 2021 Public Transportation Fact Book
[3]Impacted by COVID-19
[4] Includes GASB 68 and GASB 75 adjustment.

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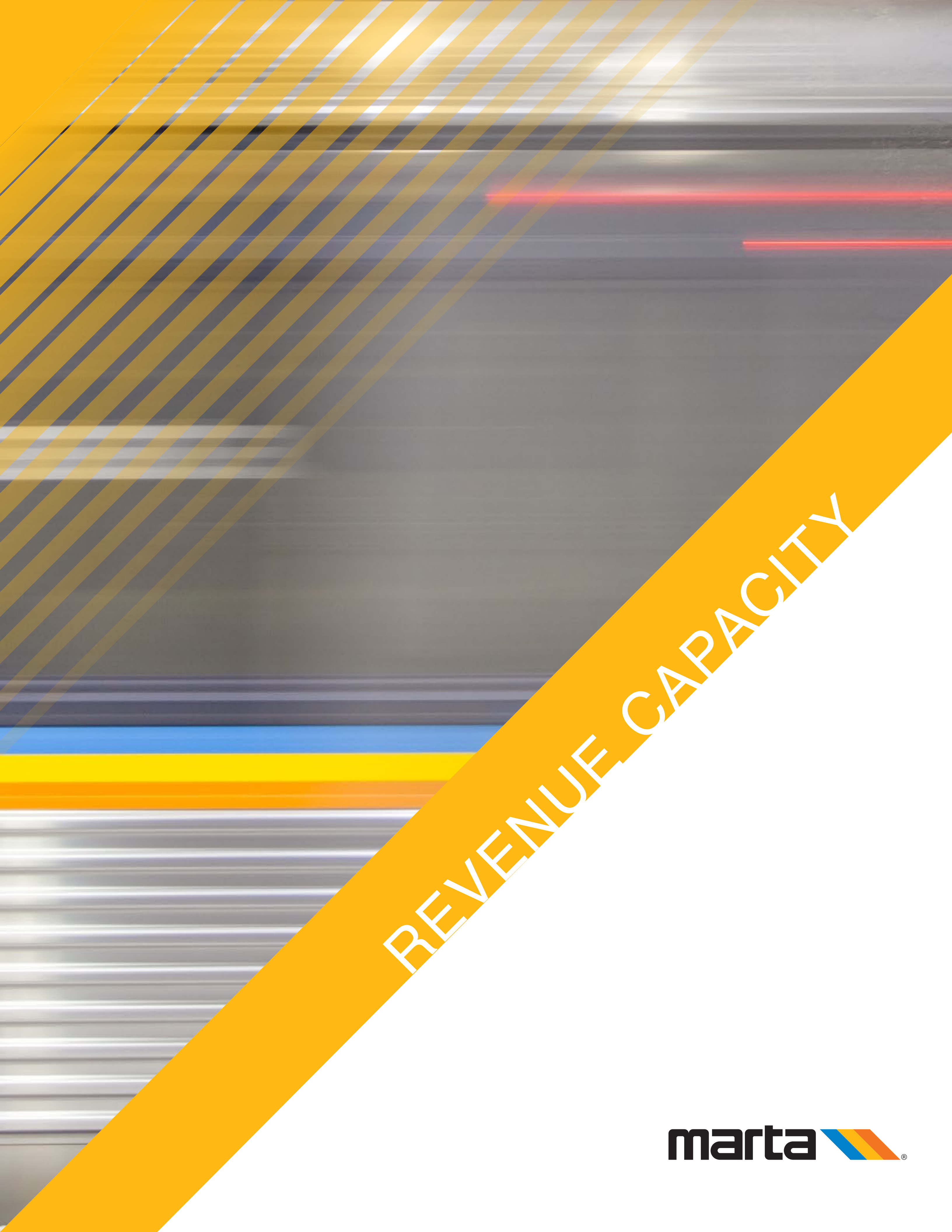

REVENUE CAPACITY

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Revenues by Source

Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Fare Revenues[1]	Federal Operating Revenues[2]	Sales & Use Tax [3]	Auxiliary Transportation	Investment Income	Non-Transportation[4]	Total
2013	$ 140,697	$ 119,774	$ 338,893	$ 10,480	$ 1,729	$ (15,167)	$ 596,406
2014	140,318	102,847	347,289	12,335	688	38,685	642,162
2015	146,417	82,643	377,743	10,777	604	33,009	651,193
2016	141,360	76,288	409,718	11,052	1,568	74,635	714,621
2017	137,914	84,976	439,039	10,577	2,225	25,505	700,236
2018	138,254	76,094	507,146	10,226	3,386	(28,883)	706,223
2019	133,186	87,283	540,310	7,977	11,848	48,602	829,206
2020[1&2]	102,420	234,634	521,898	7,651	12,108	44,817	923,528
2021[1&2]	51,642	280,504	569,682	5,365	3,613	54,058	964,864
2022[1&2]	64,951	249,769	669,133	7,009	12,168	53,873	1,056,903

(1) Fare Revenues decreased as a result of decline in ridership from the effect of COVID-19.
Fare Revenues increased by $13,309 (26%) compared to 2021 as a result of an increase in ridership from reopening of the economy after the prolonged impact of COVID-19.

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

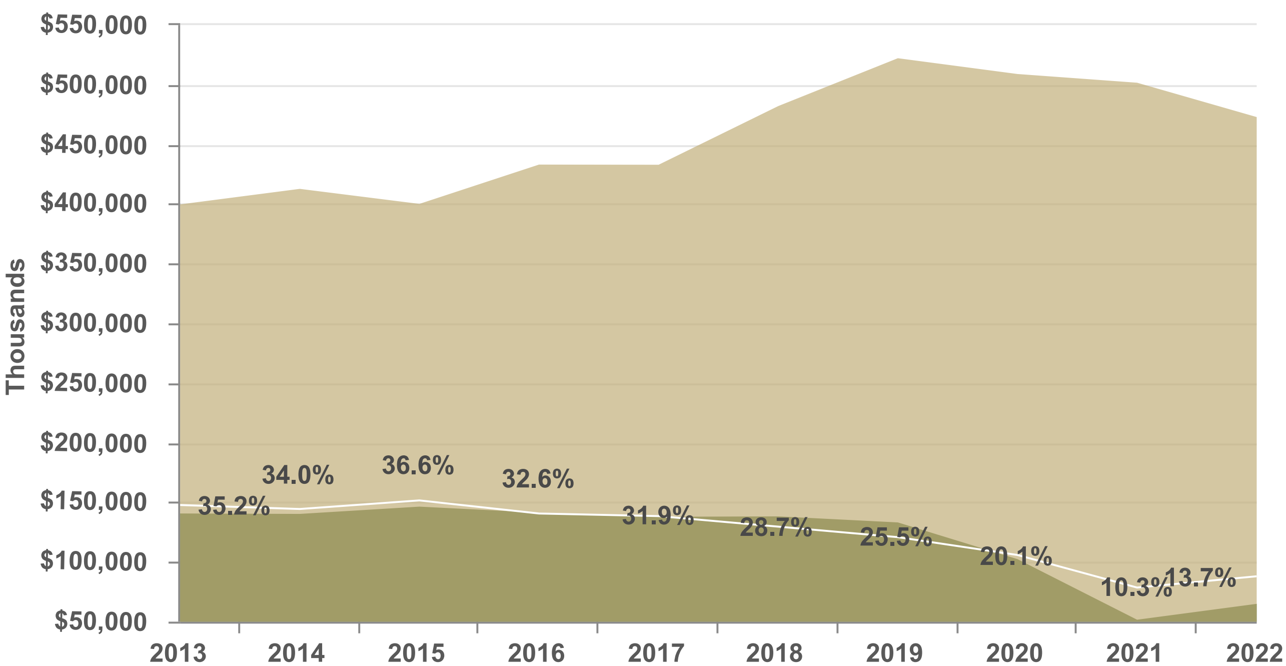
(3) MARTA is a public corporate body created as joint public instrumentality and does not have the power to impose any tax on any subject of taxation. MARTA receives 1% sales tax from Fulton County, Dekalb County and Clayton County and 1.5% form the City of Atlanta levied on its behalf by the aforementioned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

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

Farebox Recovery Percentage

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year		Farebox Revenue	Percent Change		Operating Expenses [2]	Percent Change	Farebox Recovery
2013	$	140,697	5.9%	$	399,742	(2.9)%	35.2%
2014		140,318	(0.3)		412,742	3.3	34.0
2015		146,417	4.3		400,157	(3.0)	36.6
2016		141,360	(3.5)		433,099	8.2	32.6
2017		137,914	(2.4)		432,955	—	31.9
2018		138,254	0.2		482,132	11.4	28.7
2019		133,186	(3.7)		522,242	8.3	25.5
2020[1& 3]		102,420	(23.1)		509,004	(2.5)	20.1
2021[1& 3]		51,642	(49.6)		501,706	(1.4)	10.3
2022[1& 3]		64,951	25.8		472,926	(1.4)	13.7



(1) Operating Revenue was impacted by COVID-19
(2) Excludes Depreciation Expense
(3) Operating Expenses were impacted by COVID-19

Sales & Use Tax Rates Direct and Overlapping Governments

Last Ten Fiscal Years

Year	State of Georgia [1]	MARTA [2]	DeKalb County (3 & 8)	Fulton County (4 & 8)	Clayton County (5)	Cobb County (6)	Gwinnett County (7)
2013	4%	1%	3%	3%	3%	2%	2%
2014	4	1	3	3	3	2	2
2015	4	1	2	2	3	2	2
2016	4	1	2	2	3	2	2
2017	4	1	2	3	3	2	2
2018	4	1	3.9	3.9	3	2	2
2019	4	1	3.9	3.9	3	2	2
2020	4	1	3.9	3.9	3	2	2
2021	4	1	3.9	3.9	3	2	2
2022	4	1	4.5	4.5	4	2	2

(1) Charged in all counties.
(2) Charged in counties in the MARTA district which have a service contract with MARTA, currently Fulton, DeKalb and Clayton counties.
(3) Education tax and homestead tax effective July 1, 1997.
(4) Local option tax effective April 1, 1983. Education tax effective July 1, 1997.
(5) Local option tax effective April 1, 1994. Education tax effective July 1, 1997. Special purpose tax effective July 1, 1998.
(6) Education tax effective April 1, 1999.
(7) Special purpose tax effective April 1, 1992. Education tax effective July 1, 1997.
(8) Local other purpose tax levied only within the City of Atlanta effective October 1, 2004.

Source: Georgia Department of Revenue

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DEBT CAPACITY

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Sales and Use Tax Revenue Bond Debt Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Sales & Use Tax	Debt Service Requirements			Debt Service Coverage [1]
		Principal	Interest	Total	
2013	$338,893	$51,035	$73,936	$124,971	2.71%
2014	347,289	80,875	76,723	157,598	2.20
2015	377,743	55,255	78,817	134,072	2.82
2016	409,718	59,425	86,018	145,443	2.82
2017	439,039	24,660	84,132	108,792	4.04
2018	507,146	38,520	75,498	114,018	4.45
2019	540,310	44,160	82,297	126,457	4.27
2020[2]	521,898	51,825	84,979	136,804	3.81
2021[3]	569,682	55,240	83,945	139,185	4.09
2022[3]	669,133	62,215	77,362	139,577	4.79

(1) Bond indebtedness is limited by the Trust Indenture and the Trustee in each bond year to the extent that estimated amounts of sales and use tax received are at least equal to two (2) times the aggregate amount of total debt service.
(2) Sales and Use Tax was impacted by COVID-19.
(3) Sales and Use Tax increased as a result of a rise in consumer spending on retail sales and the impact of inflation.

Sales & Use Tax Revenue Bond Debt Service Limit

June 30, 2022
(Dollars in Thousands)

Sales & Use Tax	$	669,133
Debt Service Limitation [1]		45%
Debt Service Limit		301,110
Required for Debt Service [2]		139,577
Excess	$	161,533

[1] The MARTA Board established a limit for the annual debt service to be paid for by sales and use tax revenue bonds to no more than 45% of the estimated sales tax receipts for the year.
[2] From page 113 - Sales & Use Tax Revenue Bond Debt Service Limit.

Sales & Use Tax Revenue Bond Debt Service Limit

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Sales & Use Tax	Required for Debt Service	Ratio of Debt Service [1]
2013	$338,893	$124,971	36.9
2014	347,289	127,419	36.7
2015	377,743	134,072	35.5
2016	409,718	145,443	35.5
2017	439,039	108,792	24.8
2018	507,146	114,018	22.5
2019	540,310	126,457	23.4
2020[2]	521,898	136,804	26.2
2021[3]	569,682	139,185	24.4
2022[3]	669,133	139,577	20.9

(1) The MARTA Board established a limit for the annual debt service to be paid for by sales and use tax revenue bonds to no more than 45% of the estimated sales tax receipts for the year.
(2) Sales and Use Tax was impacted by COVID-19.
(3) Sales and Use Tax increased as a result of a rise in consumer spending on retail sales and the impact of inflation.

Sales & Use Tax Revenue Bond Debt Ratios

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Net Outstanding Sales Tax Revenue Bond (1)	Capital Leases (1)	Total Debt Outstanding	Total Unlinked Passenger Count (2)	Per Capita (3)	As a Share of Personal Income (4)
2013	$ 1,880,484	$ 409,045	$ 2,289,529	129,320	$18	2.33**
2014	1,791,781	430,004	2,221,785	128,540	17	2.16**
2015	2,131,498	452,067	2,583,565	135,406	19	2.36**
2016	2,176,583	311,633	2,488,216	132,724	19	2.09**
2017	2,345,485	324,663	2,670,148	125,741	21	2.09**
2018	2,125,742	300,571	2,426,313	119,442	20	1.79**
2019	2,186,670	320,559	2,507,229	116,665	21	1.70**
2020(5)	2,405,142	394,415	2,799,557	93,669	30	1.80**
2021(5)	2,349,165	374,625	2,723,790	45,873	59	*
2022(5)	2,287,542	-	2,287,542	50,754	45	*

* Not available

** Revised

(1) From MARTA Financial Statements 2013 to 2022

(2) See "Unlinked Passenger Changes" on Page 127

(3) Outstanding Debt per Unlinked Passenger Count on Page 127

(4) Outstanding Debt per Total Service District Personal Income, revised in FY 2022: see Trends in Personal Income on page 119.

(5 Total Unlinked Passenger Count was impacted by COVID-19.

Computation of Overlapping Debt

(Dollars in Thousands)

Jurisdiction:	Amount Outstanding	Percentage Applicable to MARTA	Amount Applicable to MARTA
Fulton County Library Bonds[1]	$ 234,408	100	$ 234,408
Fulton County School District[1]	11,495	100	11,495
Fulton County Urban Redevelopment Agency[1]	91,984	100	91,984
DeKalb County[2]	195,873	100	195,873
Municipalities:			
Atlanta[2]	268,807	100	268,807
Alpharetta[1]	84,270	100	84,270
Hapeville[1]	9,015	100	9,015
Fairburn[1]	7,387	100	7,387
Johns Creek[1]	39,232	100	39,232
Union City[1]	11,222	100	11,222
Milton[1]	48,279	100	48,279
Roswell[1]	5,363	100	5,363
Fulton-DeKalb Hospital Authority Series 2012[2]	31,870	100	31,870
Atlanta-Fulton County Recreation Authority - Zoo 2007[2]	3,007	75	2,255
South Fulton Regional Jail Authority (Fulton Project)[1]	11,685	100	11,685
East Point Building Authority[1]	35,445	100	35,445
Total Overlapping Debt	$ 1,089,342		$ 1,088,590

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

(1) Source: Year Ended December 31, 2020 CAFR for the Fulton County

(2) Source: Year Ended December 31, 2021 ACFR for the City of Atlanta and Dekalb County

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Trends in Personal Income

Last Ten Fiscal Years
(Dollars in Thousands)

Calendar Year	Clayton County	Fulton County	DeKalb County	Total Service District(1)	% Change Clayton County	% Change Fulton County	% Change DeKalb County	PER CAPITA*** Personal Income Clayton County	Fulton County	DeKalb County
2013	$ 6,678,032	$60,834,268	$30,413,797	$97,926,097	0.7%	1.5%	2.4%	$25,215	61,778	42,541
2014	7,018,256	63,937,957	31,963,587	102,919,800	5.1	5.1	5.1	26,232	64,174	44,261
2015	7,129,808	70,716,189	31,466,648	109,312,645	1.6	10.6	-1.6	26,025	69,977	42,819
2016	7,466,751	77,713,366	34,026,710	119,206,827	4.7	9.4	8.1	26,702	78,794	45,522
2017	7,698,857	83,820,696	36,519,269	128,038,822	4.7	6.2	6.7	27,058	80,683	48,557
2018*	7,933,521	91,897,602	38,765,531	138,596,654	3.6	4.6	4.8	27,430	87,395	51,310
2019***	8,283,608	99,005,158	40,238,177	147,526,943	3.3	6.4	3.2	28,329	92,961	52,950
2020***	9,570,169	103,089,572	42,998,584	155,658,325	15.4	2.9	6.6	32,702	955,683	56,428
2021**	**	**	**	**	**	**	**	**	**	**
2022**	**	**	**	**	**	**	**	**	**	**

* Revised per latest update from US Department of commerce BEA dated November 16, 2021

** Not available

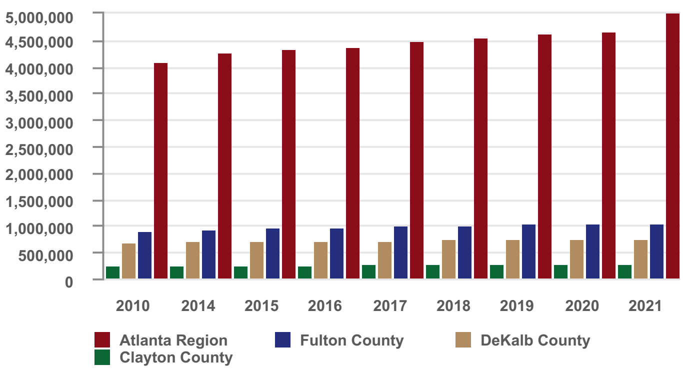
*** Actual dollar amounts

(1) Represents Total Personal Income

Population and Employment

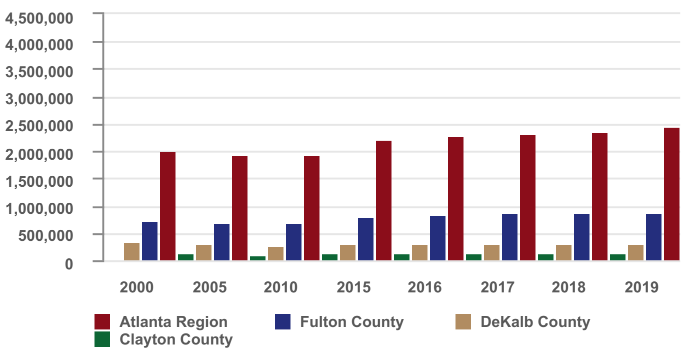
June 30, 2022

Population Growth Since 2010



Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2010	259,424	920,581	691,893	4,107,750
2014	264,700	958,100	712,900	4,272,300
2015	266,900	970,400	718,400	4,332,600
2016	270,600	985,700	725,000	4,401,800
2017	275300	1,002,800	733,900	4,480,100
2018	279,400	1,020,370	744,530	4,555,900
2019	283,900	1,037,070	753,030	4,628,400
2020**	297,417	1,069,023	763,831	4,974,480
2021**	297,100	1,065,334	757,718	4,992,026
2022*	*	*	*	*

Employment Growth Since 2000



Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2000	*	730,900	346,900	1,991,500
2005	126400	691,100	299,400	1,936,700
2010	119,055	692,677	281,026	1,925,328
2015	130,143	818,902	301,880	2,198,411
2016	128,599	856,499	307,448	2,277,889
2017	130,233	878,099	312,424	2,320,307
2018**	129,834	885,725	319,250	2,426,455
2019**	133,790	890,730	319,335	2,473,164
2020*	*	*	*	*

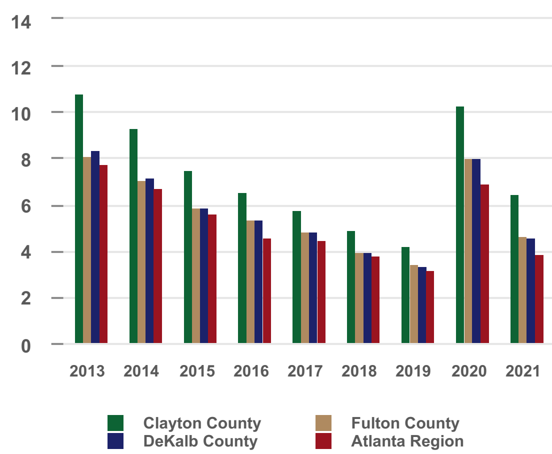
*Not available
**Revised

Source: Atlanta Regional Commission

Unemployment Rates

Last Ten Fiscal Years

Unemployment Rates Since 2013



Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2013	10.8	8.1	8.4	7.8
2014	9.3	7.1	7.2	6.7
2015	7.5	5.9	5.9	5.6
2016	6.6	5.4	5.4	4.6
2017	5.8	4.8	4.8	4.5
2018	4.9	4.0	4.0	3.8
2019	4.2	3.5	3.4	3.2
2020	10.3	8.0	8.0	6.9
2021	6.5	4.7	4.6	3.9
2022**	**	**	**	**

** Not Available

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

Top Ten Corporate Employers in the Atlanta Region

Current Year and Nine Years Ago

	2021			2012		
Company	Number of Full Time Employees	Rank	Percentage of Total Employment	Number of Full Time Employees	Rank	Percentage of Total Employment
Emory Healthcare, Inc.	32,594	1	1.09%			
Delta Air Lines, Inc.	27,535	2	0.92	28,000	1	121.00%
Northside Hospital	23,600	3	0.79			
The Home Depot	18,600	4	0.62	9,000	6	0.36
WellStar Health System				9,717	4	0.39
Piedmont Healthcare	16,000	5	0.57			
UPS	11,300	6	0.38	10,849	3	0.44
Publix Super Markets	10,757	7	0.36			
Children's Healthcare of Atlanta	7,711	8	0.26			
Cox Enterprises, Inc.	7,417	9	0.25	7,065	8	0.29
Argengright Holdings LLC	7,410	10	0.25			
AT&T				18,339	2	0.74
Lockheed Martin Aeronautics Co.				6,400	9	0.26
Sun Trust Bank				7,126	7	0.29
Wells Fargo & Company				5,200	10	0.21
	162,924		5.49	113,392		4.58

Sources: Book of Lists December 2021

OPERATING INFORMATION

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Transit Service Effort & Accomplishments Per Mile

Last Ten Fiscal Years
(Vehicle Miles In Thousands)

Fiscal Year	Revenue Vehicle Miles (1) Bus	Rail	Total	% Change	Operating Expense (2) Per Mile	Operating Expense (2) Per Passenger Mile (1) (3)	Unlinked Passenger Trips Per Mile (1) (3)
2013	22,743	17,916	40,659	—%	$9.83	$0.59	3.1
2014	22,443	18,086	40,529	—	10.18	0.61	3.2
2015	23,138	22,215	45,353	12	8.82	0.54	2.9
2016	25,181	22,268	47,449	5	9.13	0.59	2.8
2017	26,239	22,334	48,573	2	8.91	0.60	2.6
2018	27,163	22,373	49,536	2	9.73	0.70	2.4
2019	28,122	22,511	50,633	2	10.31	0.75	2.3
2020(4)	28,303	20,431	48,734	(4)	10.44	0.97	1.9
2021(4)	26,018	17,253	43,271	(11)	11.59	2.05	1.1
2022(4)	23,919	17,937	41,856	(3)	11.29	1.60	1.2

(1) Does not include demand response.

(2) Operating expense excludes depreciation.

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

(4) Impacted by COVID-19.

Transit Service Effort and Accomplishments Per Hour

Last Ten Fiscal Years
(Vehicle Hours In Thousands)

Fiscal Year	Revenue Vehicle Hours [1] Bus	Rail	Total	% Change	Operating Expense [2] Per Hour	Operating Expense [2] Per Passenger Trip [1] [3]	Unlinked Passenger Trips Per Revenue Vehicle Hour [1] [3]
2013	1,863	683	2,546	—%	$136.97	$3.09	50.8
2014	1,829	686	2,515	(1)	164.10	3.21	51.1
2015	1,896	836	2,732	9	146.44	2.94	49.8
2016	2,043	838	2,881	5	150.33	3.27	46.1
2017	2,114	840	2,954	3	146.57	3.44	42.6
2018	2,205	841	3,046	3	158.29	4.04	39.2
2019	2,279	845	3,124	3	167.17	4.48	37.3
2020[4]	2,323	771	3,094	(1)	164.51	5.43	30.3
2021[4]	2,103	651	2,754	(11)	182.20	10.94	16.7
2022[4]	1,886	675	2,561	(7)	184.69	9.32	19.8

(1) Does not include demand response.

(2) Operating expense excludes depreciation.

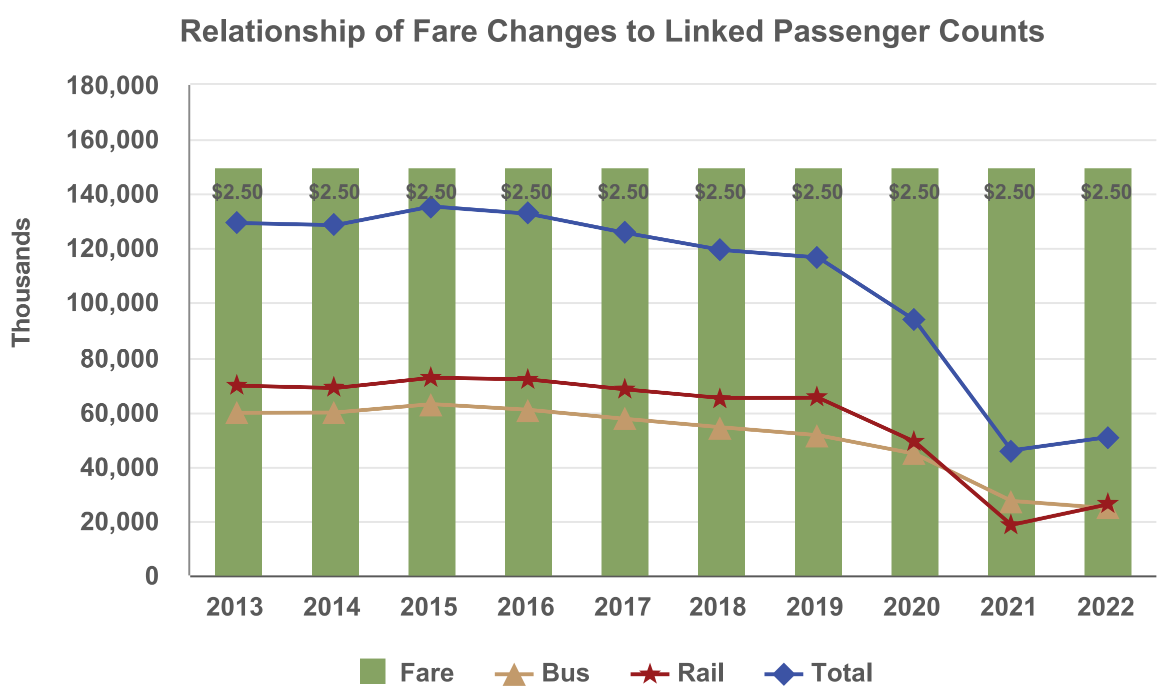
(3) Unlinked Passenger figures count passengers each time that person boards a transit vehicle from the initial point of origin until he or she reaches a final destination.

(4) Impacted by COVID-19.

Unlinked Passenger Changes

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

Fiscal Year	Bus[1]	% Change	Rail[1]	% Change	Total[1]	% Change
2013	59,690	(3.1)%	69,630	(4.2)%	129,320	(3.7)%
2014	59,778	0.1	68,762	(1.2)	128,540	(0.6)
2015	62,869	5.2	72,537	5.5	135,406	5.3
2016	60,779	(3.3)	71,945	(0.8)	132,724	(2.0)
2017	57,460	(5.5)	68,281	(5.1)	125,741	(5.3)
2018	54,355	(5.4)	65,087	(4.7)	119,442	(5.0)
2019	51,448	(5.3)	65,217	0.2	116,665	(2.3)
2020	44,638	(13.2)	49,031	(24.8)	93,669	(19.7)
2021[2]	27,339	(38.8)	18,533	(62.2)	45,872	(51.0)
2022[2]	24,674	(9.7)	26,080	40.7	50,754	10.6



[1]Unlinked passenger count is any transit vehicle passenger boarding, whether it is the first boarding of an origin-to-destination journey or a subsequent transfer.
[2]Impacted by COVID-19.

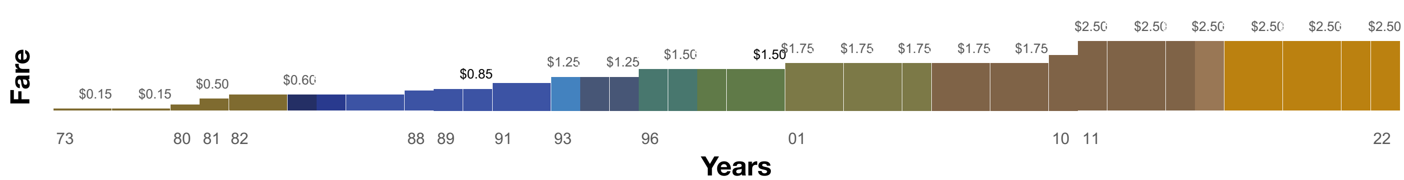
Fare Structure

For the Fiscal Year Ended June 30, 2022

Regular Fare		
Single Trip (stored on Breeze Card or Breeze Ticket)		$2.50
Round Trip-including transfers(stored on Breeze Card or Breeze Ticket)		$5.00
Ten(10) single trips(10 trips on Breeze Card or Breeze Ticket)		$25.00
Discounted Fare		
Twenty (20) single trips (20 trips stored on one Breeze Card or Breeze Ticket)		$42.50
30 day pass (unlimited travel for 30 consecutive days, all regular service)		$95.00
7 day pass (unlimited travel for 7 consecutive days, all regular service)		$23.75
Day passes (unlimited travel for consecutive days, all regular service). Price per day:	1 day:	$9.00
	2 day:	$14.00
	3 day:	$16.00
	4 day:	$19.00

Atlanta Streetcar	
One Way Trip (ADULT)	$1.00
Child (Up to 2 children, 46" & under w/paid adult)*	
One Day Pass	$3.00
and older and disabled customers using regular service)	$1.00
Mobility Service (Demand response for certified customers)	$4.00
Personal care attendant may ride free (if required)	
Discounted Mobility Service (20 single trips)	$68.00

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



Vehicles Operated in Maximum Service

Last Ten Fiscal Years

Fiscal Year	Bus	Rail	Total[1]
2013	446	182	628
2014	444	180	624
2015	450	180	630
2016	453	180	633
2017	466	206	672
2018	465	196	661
2019	448	178	626
2020	425	178	603
2021	442	128	570
2022	407	210	617

[1]Does not include demand response.

Number of Employees

Last Ten Fiscal Years

Fiscal Year	Full-Time	Part-Time	Total
2013	4,234	186	4,420
2014	4,356	191	4,547
2015	4,317	208	4,525
2016	4,356	288	4,644
2017	4,249	264	4,513
2018	3,940	212	4,152
2019	4,319	118	4,437
2020	4,238	251	4,489
2021	4,523	198	4,721
2022	4,375	143	4,518

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

Miscellaneous Statistical Data

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Population served	1,720,800	1,646,800	1,626,211	1,618,865	2,079,829	1,967,468	2,019,388	1,986,022	1,697,633	1,684,862
Size of area served (in square miles)	614	597	597	592	567	567	567	515	485	467
Number of Bus Routes	113	111	44	110	108	100	100	97	92	91
Annual Bus Passenger Miles (in millions) (Excludes Paratransit/Demand Response)	117.4	120.1	196.1	244	246	251	259	257	233	231
Miles of Bus Route	1,811	1,796	1,805	1,775	1,741	1,600	1,659	1,636	1,449	1,439
-Average On Time Performance	80.8 %	82.0 %	77.1 %	77.1 %	78.6 %	78.5 %	78.8 %	79.6 %	77.6 %	76.4 %
Miles of Rail Route	48	48	48	48	51	48	48	48	48	48
-Average On Time Performance	96.8 %	97.6 %	97.8 %	96.8 %	97.1 %	98.0 %	96.6 %	96.2 %	96.4 %	97.5 %
Annual Rail Passenger Miles (in millions)	180.8	125.0	330.2	449.0	449.9	468.8	477.3	472.8	444.9	444.0
Number of Rail Stations	38	38	38	38	38	38	38	38	38	38
Number of Bus Stop Locations	8,971	8,949	9,035	9,088	9,193	9,136	9,210	8,941	8,885	8,954
Number of Bus Park And Ride Facilities	8	8	8	8	7	7	7	6	6	9
Number of Bus Shelters	1013	896	790	698	681	652	754	741	738	791
Bus Passenger Parking Capacity	2,801	2,981	2,981	2,981	3,053	2,843	2,807	2,750	2,691	2,686
Rail Passenger Parking Capacity	19,730	22,057	22,057	20,947	20,300	21,200	21,645	21,992	21,420	22,554
No. of Buses in Active Fleet	583	539	538	594	555	550	569	565	531	528
-Average Vehicle Age (in years)	6.4	5.4	4.0	5.4	5.4	6.4	5.4	4.4	6.5	8.6
No. of Mobility Vehicles in Active Fleet	239	240	242	208	211	210	211	198	187	171
-Average Vehicle Age (in years)	3.5	2.5	2.0	2.6	3.8	2.9	1.9	1.9	3.6	5.2
No. of Rapid Rail Vehicles in Active Fleet	258	262	250	290	306	316	336	336	336	336
-Average Vehicle Age (in years)	32.6	32.6	31.0	29.6	28.6	27.6	27.6	26.6	25.6	24.6
No. of Streetcars[(1)]	4	4	4	4	—	—	—	—	—	—
-Average Vehicle Age (in years)	7.1	6.1	5.0	4.1	—	—	—	—	—	—
Annual Mobility Vehicle Miles (in millions)	8.1	5.0	8.7	10.4	10.0	9.3	8.5	8.2	7.7	7.7
Investment In Property and Equipment (in billions)	$ 8.444	$ 8.181	$ 7,955	$ 7,685	$ 7,397	$ 7,166	$ 7,030	$ 6,941	$ 6,781	$ 6,560

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

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

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of Metropolitan Atlanta Rapid Transit Authority (MARTA) as of and for the year ended June 30, 2022 and related notes to the financial statements, which collectively comprise MARTA's basic financial statements, and have issued our report thereon dated November 21, 2022. Our report includes an emphasis of matter related to the adoption of GASB Statement No. 87, *Leases*, for the year ended June 30, 2022. Our report also includes a reference to other auditors who audited the financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan, as described in our report on MARTA's financial statements. The financial statements of the MARTA/ATU Local No. 732 Employees Retirement Plan and the MARTA Non-Represented Pension Plan were not audited in accordance with *Government Auditing Standards.*

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 21, 2022

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

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Metropolitan Atlanta Rapid Transit Authority's (MARTA's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on MARTA'S major federal program for the year ended June 30, 2022. MARTA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MARTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the business-type activities and the fiduciary activities of MARTA as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements. We issued our report thereon dated November 21, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 21, 2022

Program Description	Assistance Listing Number	Grant Number	Total Program Award	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation					
Federal Transit Cluster:					
General capital assistance					
Federal transit capital improvement grants					
Capital improvement	20.500	GA-04-0031	66,539,000	2,923,351	-
Federal transit formula grants (urbanized area formula program)					
Capital assistance	20.507	GA-95-X013	12,375,000	1,297	-
Capital assistance	20.507	GA-95-X027	54,000,000	122,136	-
Capital assistance	20.507	GA-95-X335	41,591,969	23,685	-
Capital assistance	20.507	GA-90-X234	1,758,200	297,108	-
Capital assistance	20.507	GA-90-X350	53,464,569	8,546	-
Capital assistance	20.507	GA-2018-022	16,564,560	(42,196)	-
Capital assistance	20.507	GA-2019-015	7,804,719	328,594	280,002
Capital assistance	20.507	GA-2020-021	4,700,000	643,450	-
Subtotal ALN 20.507 - capital			192,259,017	1,382,620	280,002
Capital assistance	20.526	GA-2019-017	10,574,000	1,239,849	-
Capital assistance	20.526	GA-2020-010	4,500,000	323,428	-
Capital assistance	20.526	GA-2021-013	8,875,246	2,054,627	-
Capital assistance	20.526	GA-2021-014	37,756,664	10,691,388	-
Subtotal ALN 20.526 - capital			61,705,910	14,309,292	-
Subtotal – capital			320,503,927	18,615,263	280,002
General operating assistance					
Operating (Formula grant)	20.507	GA-90-X305	43,973,521	352,153	-
Operating (Formula grant)	20.507	GA-2017-021	65,224,624	2,711,762	-
Operating (Formula grant)	20.507	GA-2016-016	63,600,000	51,725	-
Operating (Formula grant)	20.507	GA-2018-017	35,903,804	525,557	-
Operating (Formula grant)	20.507	GA-2020-014	112,706,360	49,438	-
Operating (Formula grant)	20.507	GA-2021-016	137,014,538	61,597,181	-
COVID-19 – Formula grant	20.507	GA-2020-011	298,641,024	19,613,148	-
COVID-19 – Formula grant	20.507	GA-2022-001	285,686,157	147,057,907	-
COVID-19 – Formula grant	20.507	GA-2022-004	33,524,951	111,490	-
Subtotal ALN 20.507 - operating			1,076,274,979	232,070,361	
Operating (Formula grant)	20.525	GA-2020-014	122,763,041	10,571,036	-
Operating (Formula grant)	20.525	GA-2019-020	91,620,534	2,144,545	-
Operating (Formula grant)	20.525	GA-2021-016	137,014,538	33,408,781	-
Subtotal ALN 20.525 - operating			351,398,113	46,124,362	-
Subtotal - operating			1,427,673,092	278,194,724	-
Total Federal Transit Cluster			1,748,177,019	296,809,986	280,002
Public Transportation Research, Technical Assistance, and Training:					
Capital Assistance	20.514	GA-2016-025	5,543,745	645,285	-
Capital Assistance	20.933	GA-2020-022	56,826,000	913,388	-
Total Public Transportation Research, Technical Assistance, and Training			62,369,745	1,558,673	-

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

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2022

Program Description	Assistance Listing Number	Grant Number	Total Program Award	Federal Expenditures	Passed Through to Subrecipients
Transit Services Program Cluster:					
Capital assistance	20.521	GA-57-X002	5,331,033	99,190	99,190
Capital assistance	20.521	GA-57-X015	1,107,164	33,465	-
Total Transit Services Program Cluster			6,438,197	132,655	99,190
Total U.S. Department of Transportation			1,816,984,961	298,501,315	379,192
U.S. Department of Homeland Security:					
Rail and Transit Security:					
Capital assistance	97.075	EMW2019RA00013	326,364	56,027	-
Capital assistance	97.075	EMW2017RRA0022	1,000,000	333,299	-
Capital assistance	97.075	EMW2020RA00017	888,501	170,195	-
Total U.S. Department of Homeland Security Grants			2,214,865	559,521	-
Office of Planning and Budget:					
Operating (Formula grant)	21.027	FY21 S-2021-OPB	294,205	294,205	-
Local Food Promotion Program Grants:					
Operating (Formula grant)	10.172	USDA LFPP	664,177	124,439	124,439
Total Federal Awards			$1,820,158,208	$299,479,479	$ 503,631

Subtotals of Multiple Awards

Program Description	Assistance Listing Number	Federal Expenditures
Federal Transit Grants	20.507	233,452,982

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

NOTE 1 - REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Metropolitan Atlanta Rapid Transit Authority (MARTA) as disclosed in the notes to the basic financial statements for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MARTA, it is not intended to and does not present the financial position, changes in net position, or cash flows of MARTA.

NOTE 2 - BASIS OF ACCOUNTING

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

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

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

NOTE 3 – MATCHING FUNDS

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

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

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

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

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METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

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