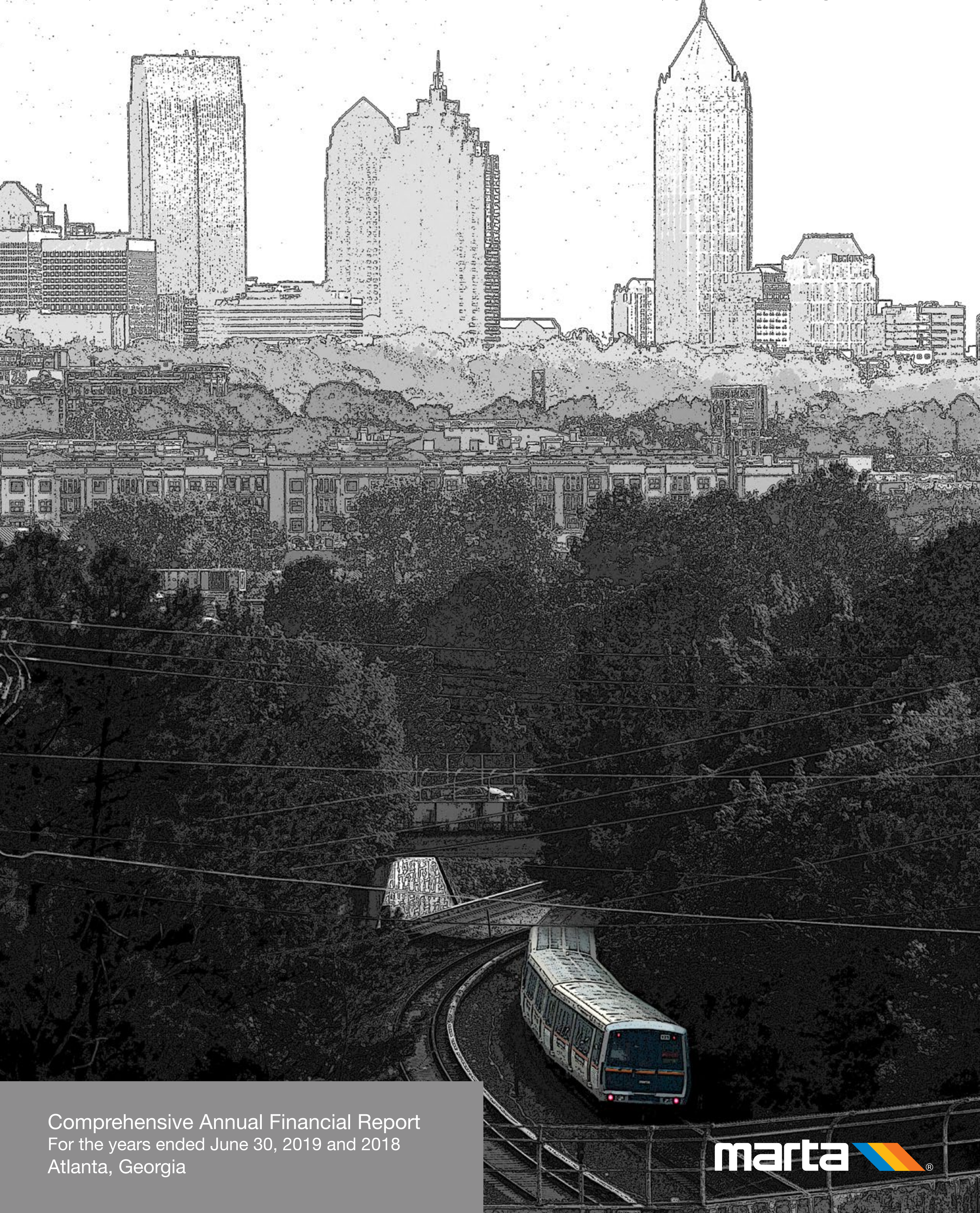
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY



Comprehensive Annual Financial Report
For the years ended June 30, 2019 and 2018
Atlanta, Georgia

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Comprehensive Annual Financial Report

For the Years Ended June 30, 2019 and 2018

Atlanta, Georgia

Prepared by the Department of Finance
Kevin Hurley, Interim Chief Financial Officer

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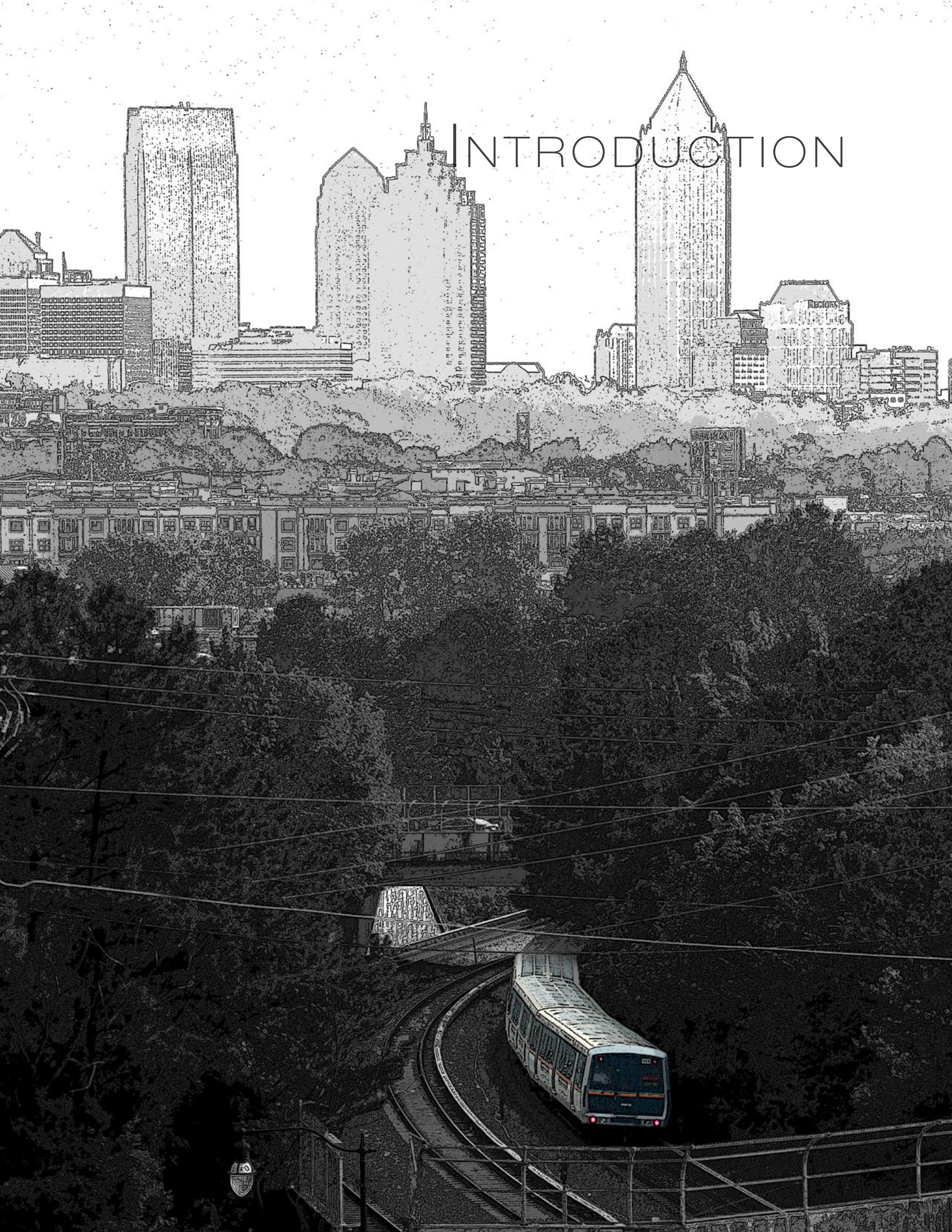
Introduction



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December 18, 2019

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

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) 26th Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019 to the MARTA Board of Directors, the citizens of this area and all interested in its 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 CAFR for the fiscal year ended June 30, 2018. 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 CAFR, whose contents conform to program standards. Such CAFR 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 enough 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 CAFR 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, 2019 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, 2019, 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 government 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 consists of 290 air-conditioned vehicles operating as any combination of two vehicle trains, up to a maximum of eight vehicle trains.

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. The design and construction of the fixed-rail system are divided into phases. Phases A, B, C, D and E are complete and in full revenue service. Currently, the fleet consists of 100 CQ312 BREDA vehicles, 96 CQ311Hitachi vehicles and 94 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). The system currently operates with four S70 street cars which are fueled by propulsion power.

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 559 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 110 different bus routes providing approximately 31 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 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.

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 211 Lift Vans from a designated operating facility 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 a contract by MV Transportation and 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 2019, the Authority had an approved budget of $981.5 million with $496.5 million allocated to operating expenses and $485.0 million allocated to the capital improvement program and debt service expenses.

FINANCIAL RESULTS

In fiscal year 2019, MARTA's total net position was $1.12 billion. Net position increased by $69.0 million from the previous fiscal year when net position was $1.05 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

In response to salutary developments in regional transit – including the $2.7 billion "More MARTA Atlanta" expansion program – MARTA developed a blueprint to guide the agency based on three key areas of focus: customers, employees and fiscal stewardship.

While making systemwide improvements, MARTA will also fund customer-centric projects in local jurisdictions:

- As part of an agreement with DeKalb County, MARTA will build 70 bus shelters and benches each year for the next five years to protect waiting customers from the elements while making them more comfortable, a project which represents a $1 million commitment.
- In Clayton County, MARTA is planning to spend $6 million in fiscal year 2020 on high-capacity transit/ commuter rail for future customers who will be travelling from the East Point MARTA Station to Jonesboro and Lovejoy; another $4 million will be spent in Clayton County on construction of a bus maintenance facility and $2 million will be used to explore promising bus rapid transit (BRT) corridors.
- The More MARTA Atlanta program is gaining momentum following a favorable vote on project sequencing by the MARTA Board of Directors. A total of $16 million will be drawn during the fiscal year to fund program-related activities such as renovating Five Points Station in Atlanta's downtown, early phases of BRT along Capitol Avenue and North Avenue, and three arterial rapid transit lines.
- MARTA is pursuing ongoing plans to transform real estate at its rail stations into "community hubs" that are centers of art, commerce and recreation. Leveraging the success of its increasingly popular transit-oriented developments (TOD) at rail stations, MARTA is working with Soccer in the Stations to add more playing fields in addition to those already at Five Points and West End. Artbound, MARTA's award-winning creative placemaking program, will be unveiling a slate of inspiring new performances, concerts, and exhibits.

DEBT ADMINISTRATION

As of June 30, 2019, MARTA had a total of $2.2 billion bonds outstanding and issued under one debt indenture. To be in compliance with the bond trust indentures, MARTA's estimated sales tax receipts must be at least twice the total debt service. The debt coverage ratio for fiscal year 2019 was 4.27. 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 2019 was 23.4%.

MAJOR INITIATIVES

MARTA is developing targeted programs for each focus area to fulfill the agency's overarching mission: *"To advocate and provide safe, multimodal transit services that advance prosperity, connectivity and equity for a more livable region."*

MARTA's commitment to achieve its stated mission includes prudently investing in the training and development of its workforce, the 4,500 + employees who are the lifeblood of the agency.

As part of a collective bargaining agreement that covers represented employees, MARTA's fiscal year 2020 Budget incorporates a three percent, across-the-board pay raise for three years; a longevity bonus for 20+ years of service, parity pay adjustments for bus and rail operators and mechanics as well as a one-time ratification bonus. A three percent, cost-of-living adjustment (COLA) pay increase is planned for non-represented employees in fiscal year 2020.

For front-line employees seeking to rise through the professional ranks, MARTA is creating a separate career track to sharpen their expertise in customer service and train them as station managers – a new job title with broad responsibilities. Employees who consistently demonstrate exemplary customer service will be recognized for their performance and eligible for incentives to advance their careers. MARTA intends to ramp up its schedule of learning and development courses available to employees at every level of the agency.

To create attractive opportunities for incumbent employees and to encourage job retention, MARTA is taking significant steps to right-size its workforce by eliminating or reducing pre-existing contract positions.

At the same time, MARTA will be re-implementing various cost reduction initiatives.

For its customers, MARTA avoided a fare increase for eight years which is evidence of the Authority's sound fiscal stewardship and its commitment to keeping transit an affordable and attractive travel choice for customers. While MARTA will again maintain its current fare structure in fiscal year 2020, the board of directors will be re-evaluating its existing fare increase policy in anticipation of changing economic and market conditions.

MARTA, a transit industry trailblazer when it introduced the Breeze card in 2006, is undertaking a forward-looking examination of its automated fare collection (AFC) system to prepare for the next generation of more customer friendly, cost-saving technologies.

As mobility options grow and competition for rideshare intensifies, MARTA is redoubling efforts to provide the world-class transit experience that customers demand and deserve.

In the coming months, MARTA will seek applicants for a Riders' Advisory Council. Comprised of representatives from each member jurisdiction, the council will meet regularly to discuss customer concerns, advise MARTA on actionable service improvements, and serve as a sounding board for transit initiatives. This initiative is the launch of a customer experience program to help identify and resolve issues that impact ridership or rider satisfaction. A Chief of Customer Experience – a senior leadership position – will be hired to coordinate and manage rider-related programs and activities.

To reduce air pollution and minimize delays, MARTA will spend $25 million on compressed natural gas buses in the fiscal year 2020 budget as it begins replacing much of its aging fleet with vehicles equipped with state-of-the-art features and customer amenities. MARTA also anticipates spending $40 million to begin replacing its railcar fleet, a major procurement that will cost $630 million during the next 10 years.

MARTA has also earmarked more than $16 million to rehabilitate its rail stations – another tangible customer benefit. In addition, MARTA will spend $6.6 million on the installation of its audio/visual information system (AVIS) with upgraded digital signage and speakers that will enable staff to communicate more clearly and effectively with rail station customers.

To bolster its largest and most extensive transit mode, MARTA is also allocating funding for "The Year of the Bus," a long-term initiative aimed at ensuring high-quality service on all 110 bus routes that traverse nearly 33 million vehicle miles annually

As fiscal year 2020 unfolds, MARTA's leadership and employees are steadfast in our dedication to provide quality transit services that benefit Metropolitan Atlanta today, tomorrow and for generations to come.

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 Capital Improvement Plan (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 then includes several 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 Trip 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
- Planning
- Research and Analysis
- Safety Management Systems
- Environmental and Hazard Mitigation

AWARDS

MARTA received the following awards and recognition during 2019:

- GFOA Award for Distinguished Budget Preparation for the Fiscal Year Beginning July 1, 2018.
- GFOA Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2018 Comprehensive Annual Financial Report.

ACKNOWLEDGEMENTS

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

Sincerely,

Kevin Hurley	Jeffrey Parker
Interim Chief Financial Officer	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 Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

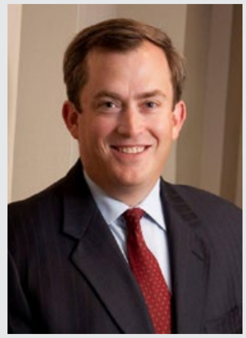
Executive Director/CEO

Board of Directors

Officers

Freda B. Hardage
CHAIRMAN

William F. Floyd
VICE CHAIR



Robert L. Ashe III
TREASURER

Roberta Abdul-Salaam
SECRETARY

Directors

Roderick E. Edmond

Ryan C. Glover

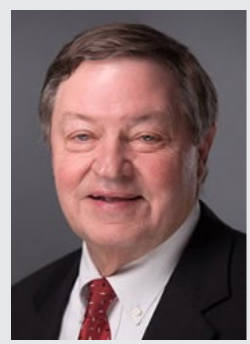
Jerry R. Griffin

Jim Durrett

Roderick Frierson

Rita A. Scott

Alicia M. Ivey



J. Al Pond

W. Thomas Worthy

Ex-Officio

Russell McMurry, PE

Christopher Tomlinson

Jeffrey A. Parker
GENERAL MANAGER

GM & Executive Staff

GENERAL MANAGER /CEO
Jeffrey A. Parker, AICP

CHIEF COUNSEL LEGAL SERVICES
Elizabeth O'Neill

CHIEF SYSTEM SAFETY, SECURITY & EMERGENCY MANAGEMENT
Wanda Dunham

CHIEF RAIL OPERATIONS
David Springstead

CHIEF OF CAPITAL PROGRAMS, EXPANSION & INNOVATION
Franklin Rucker

CHIEF ADMINISTRATIVE OFFICER
Luz Borrero

CHIEF OF STAFF
Melissa Mullinax

CHIEF FINANCIAL OFFICER
Gordon Hutchinson

AGM PLANNING
Heather Alhadeff

AGM CAPITAL PROGRAMS DELIVERY
Marsha Anderson Bomar

AGM HUMAN RESOURCES
LaShanda Dawkins

AGM EXTERNAL AFFAIRS
Virgil Fludd

AGM INFORMATION SECURITY OFFICER/CISO
Dean Mallis

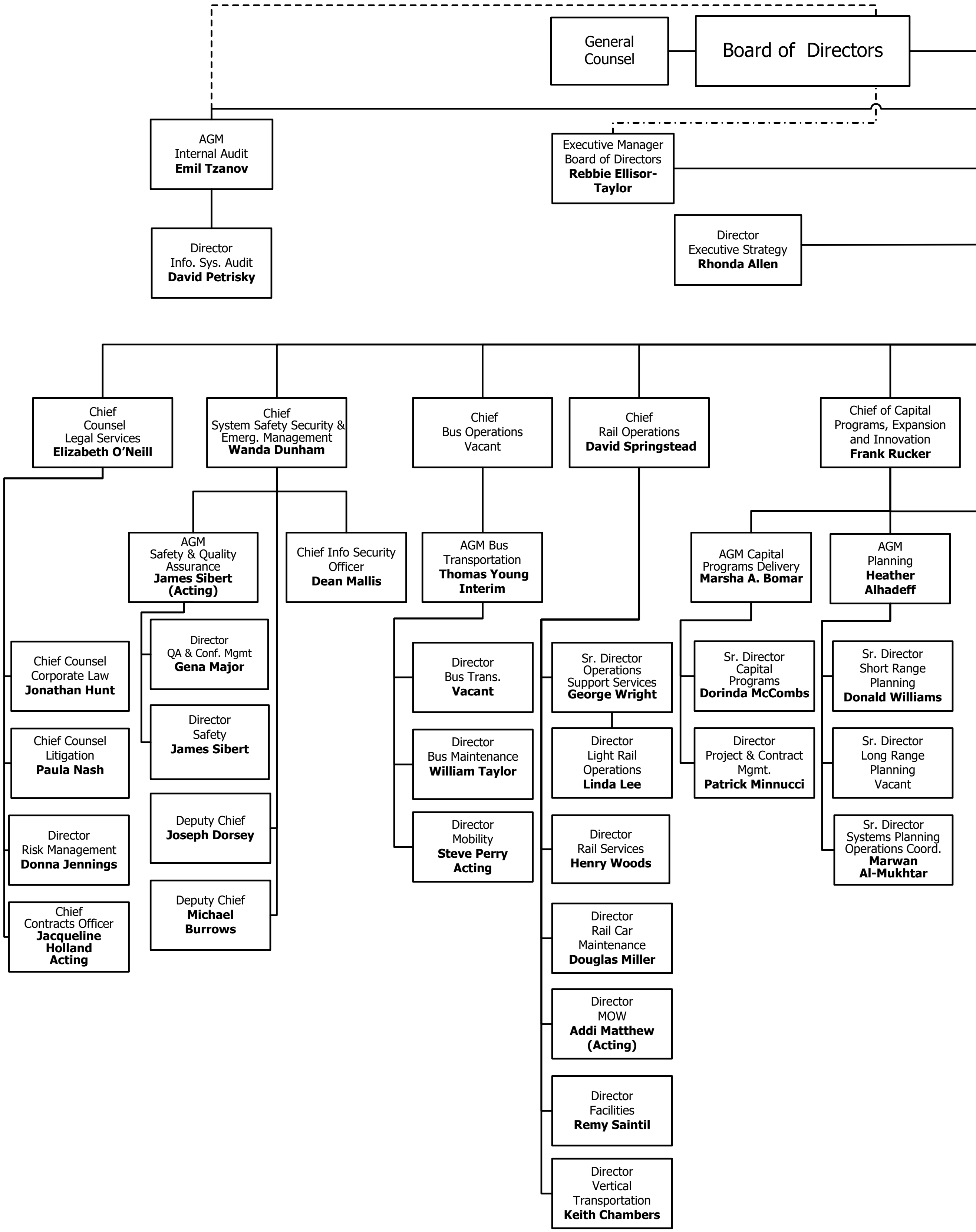
INTERIM AGM SAFETY & QUALITY ASSURANCE
James Sibert

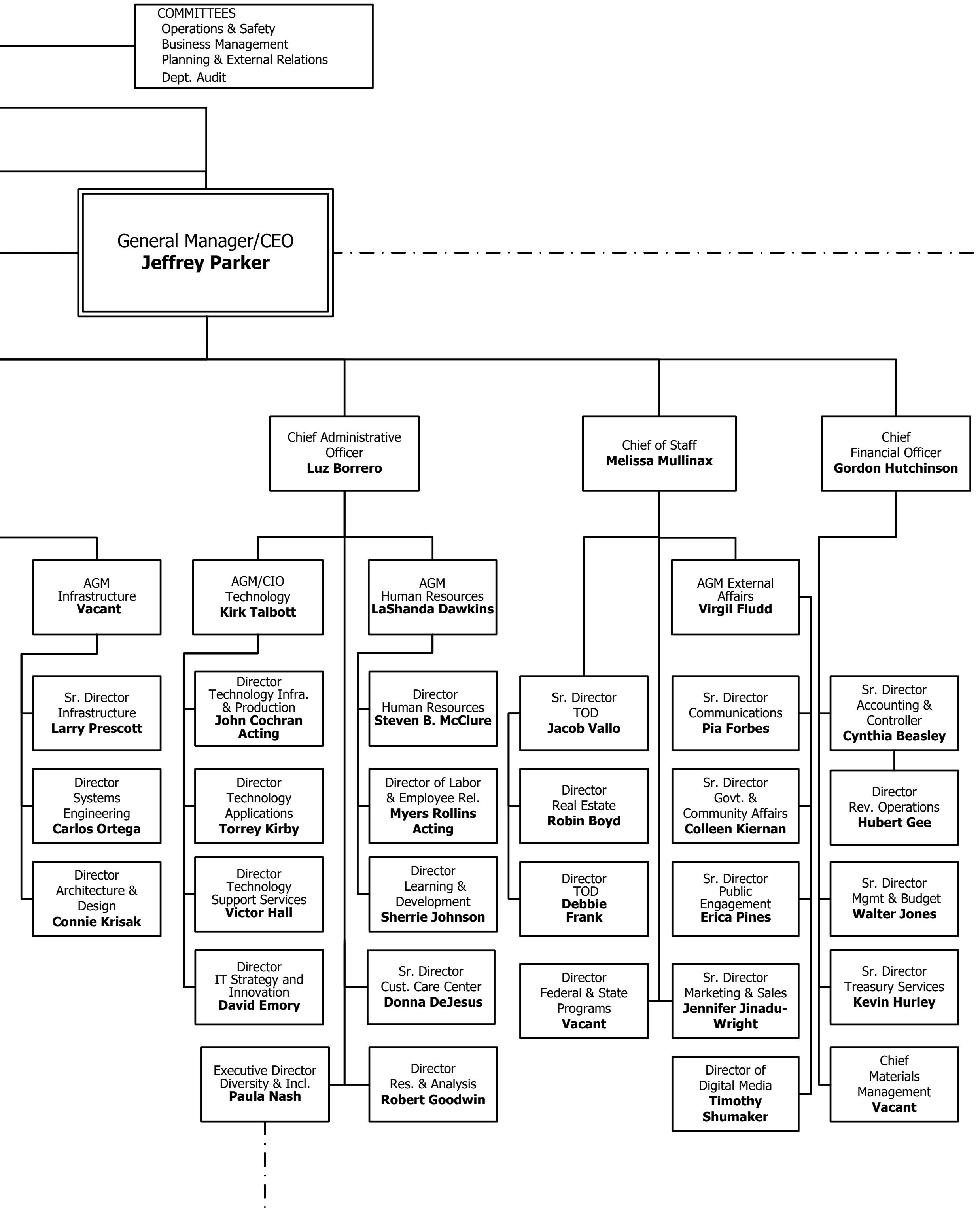
AGM INTERNAL AUDIT
Emil Tzanov

AGM TECHNOLOGY/CIO
Kirk Talbott

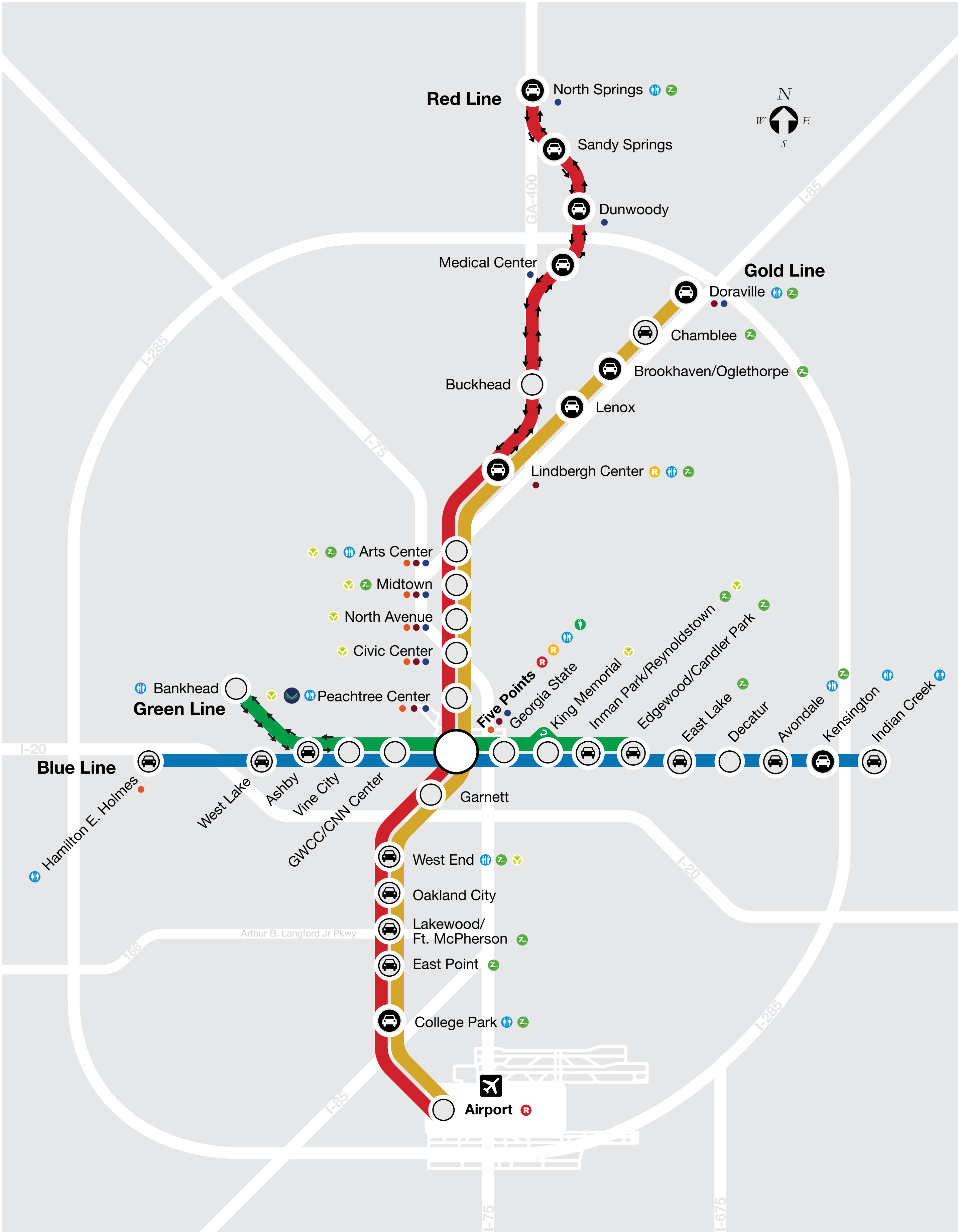
INTERIM AGM BUS OPERATION
Thomas Young

FY2019 Organizational Chart




COMMITTEES
Operations & Safety
Business Management
Planning & External Relations
Dept. Audit
General Manager/CEO
Jeffrey Parker
Chief Administrative Officer
Luz Borrero
Chief of Staff
Melissa Mullinax
Chief Financial Officer
Gordon Hutchinson
AGM Infrastructure
Vacant
AGM/CIO Technology
Kirk Talbott
AGM Human Resources
LaShanda Dawkins
AGM External Affairs
Virgil Fludd
Sr. Director Infrastructure
Larry Prescott
Director Systems Engineering
Carlos Ortega
Director Architecture & Design
Connie Krisak
Director Technology Infra. & Production
John Cochran
Acting
Director Technology Applications
Torrey Kirby
Director Technology Support Services
Victor Hall
Director IT Strategy and Innovation
David Emory
Executive Director Diversity & Incl.
Paula Nash
Director Human Resources
Steven B. McClure
Director of Labor & Employee Rel.
Myers Rollins
Acting
Director Learning & Development
Sherrie Johnson
Sr. Director Cust. Care Center
Donna DeJesus
Director Res. & Analysis
Robert Goodwin
Sr. Director TOD
Jacob Vallo
Director Real Estate
Robin Boyd
Director TOD
Debbie Frank
Director Federal & State Programs
Vacant
Sr. Director Communications
Pia Forbes
Sr. Director Govt. & Community Affairs
Colleen Kiernan
Sr. Director Public Engagement
Erica Pines
Sr. Director Marketing & Sales
Jennifer Jinadu-Wright
Director of Digital Media
Timothy Shumaker
Sr. Director Accounting & Controller
Cynthia Beasley
Director Rev. Operations
Hubert Gee
Sr. Director Mgmt & Budget
Walter Jones
Sr. Director Treasury Services
Kevin Hurley
Chief Materials Management
Vacant

Rail Map



Red Line
Gold Line
Green Line
Blue Line
North Springs
Sandy Springs
Dunwoody
Medical Center
Buckhead
Doraville
Chamblee
Brookhaven/Oglethorpe
Lenox
Lindbergh Center
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-285
I-75
I-85
I-20
I-675
166
Arthur B. Langford Jr Pkwy
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METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

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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 Financial Statements

We have audited the accompanying financial statements of the Metropolitan Atlanta Rapid Transit Authority (MARTA), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MARTA, as of June 30, 2019, and the changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matters

Prior-Year Comparative Information

We have previously audited MARTA's fiscal year 2018 financial statements, and we expressed an unmodified opinion on the basic financial statements in our report dated December 6, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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, Schedule of Employer Contributions – OPEB, and Schedule of Funding Progress - OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 an opinion on the financial statements that collectively comprise MARTA's basic financial statements. The accompanying Supplementary Schedule of Revenues and Expenses – Budget vs. Actual (Accrual Basis) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Supplementary Schedule of Revenues and Expenses – Budget vs. Actual (Budget Basis) 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Schedule of Revenues and Expenses – Budget vs. Actual (Budget Basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 22, 2019, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MARTA's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Atlanta, Georgia
November 22, 2019

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, 2019 and 2018. 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 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 Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, the Statements of Cash Flows, 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 statements are classified into four categories: 1) cash flows from operating activities, 2) cash flows from noncapital 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 postemployment benefit (OPEB) plan to its employees.

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 $1.12 billion at June 30, 2019, a $69 million increase from June 30, 2018, when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.05 billion. A more detailed discussion is found under the Financial Operations Highlights of this MD&A.

At June 30, 2019 and 2018, the largest portion of net position was net investment in capital assets representing 75% in both years. Net investment in capital assets includes land, rail system, buildings, and transportation equipment 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 2019 and 2018 was its unrestricted assets representing 15% and 16%, 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 2018 and 2017 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, 2019 and 2018:

	2019	2018
ASSETS:		
Current and Other Assets	$ 1,060,913	$ 955,421
Capital Assets	3,004,448	2,882,825
Derivative Asset	-	333
Net Pension Assets	-	22,536
Total Assets	4,065,361	3,861,115
DEFERRED OUTFLOWS OF RESOURES		
Hedging	89	-
Pension	100,760	88,648
OPEB	18,323	20,020
Debt Refunding	28,517	31,544
Total Deferred Outflows of Resources	147,689	140,212
Total Assets and Deferred Outflows of Resources	4,213,050	4,001,327
LIABILITIES:		
Long-term Debt	2,444,883	2,361,754
Current and Other Liabilities	333,761	294,011
Derivative Liability	89	-
Net Pension Liability	151,924	79,382
Net OPEB Liability	122,788	127,455
Total Liabilities	3,053,445	2,862,602
DEFERRED INFLOWS OF RESOURES		
Hedging	-	333
Capital Lease	14,424	15,681
Pension	9,191	50,442
OPEB	14,422	19,776
Toal Deferred Inflows of Resources	38,037	86,232
Total Liabilities and Deferred Inflows of Resources	3,091,482	2,948,834
NET POSITION:		
Net Investment in Capital Assets	810,197	773,897
Restricted	62,435	54,499
Unrestricted	248,936	224,097
TOTAL NET POSITION	$ 1,121,568	$ 1,052,493

Current and other assets include cash, cash equivalents, investments, inventory, sales tax receivable, prepayments and restricted investments. Current and other assets increased by $105,493 (11%) in 2019. The increase is due to the maturity of some investments and additional sale tax receivables for the year. In 2018, there was a decrease of $297,715 (24%) in this category due to fewer restricted investments.

Capital assets include land, rail systems, buildings, transportation equipment and other capital assets. In 2019, there was an increase in this category of $121,622. In 2019, the City of Atlanta donated to MARTA all assets related to the construction and operations of the Atlanta streetcar system; this increased capital assets by $57,757; in addition, MARTA purchased 236 new diesel, CNG and Mobility buses and vans. In 2018, there was a small increase in capital assets of $11,583 (0.4%).

Net pension assets decreased to zero in 2019. In 2018, MARTA reported net pension assets of $22,536. This decrease 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 2019 by $12,112 (14%) and decreased by $21,681 (20%) in 2018. Both the increase in 2019 and the decrease in 2018 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. The outstanding sales tax revenue bond increased by $60,929 (3%) in 2019 as MARTA issued new debt to help fund planned capital projects and decreased by $219,743 (9%) in 2018 when MARTA paid off two outstanding bonds. The long-term debt also includes the obligation under capital lease which increased by $29,866 (11%) in 2019.

Current and other liabilities include accounts payable, employee benefits, self-insurance, unearned revenue, accrued interest, short-term maturities of obligations under capital leases and other current liabilities. The liability increased by $61,951 (12%) in 2019 and decreased by $1,872 (0.35%) in 2018. Both the increase in 2019 and decrease in 2018 are due to the increase and decrease, respectively, in account and contracts payable and self-insurance reserves.

Net pension liability increased by $72,542 (91%) in 2019 and decreased by $17,629 (18%) in 2018. Both the increase in 2019 and the decrease in 2018 were directly related to the performance of the pension fund investments in accordance with GASB 68.

Deferred inflow of resources – pension decreased by $41,251 (82%) in 2019 and increased by $41,104 (440%) in 2018. Both the decrease in 2019 and the increase in 2018 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). 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

(Dollars in Thousands)

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 57.6% and 45.8% of operating costs of the previous fiscal year, as defined under the MARTA Act, for the years ended June 30, 2019 and 2018, respectively.

The following table presents the summary of changes in net position as of June 30, 2019 and 2018:

	2019	2018
Operating Revenues	$ 141,163	$ 148,480
Operating Expenses	762,782	715,680
Operating Loss	(621,619)	(567,200)
Nonoperating Revenues	569,116	453,351
Capital Grants and Contributions	121,578	29,962
Increase (Decrease) in Net Position	$ 69,075	$ (83,887)

In 2019, operating revenues decreased by $7,317 and operating expenses increased by $47,102 ; the decrease in operating revenue is due to a decrease in passenger fares. The majority of the increase in operating expenses is related to increases in maintenance and transportation costs and planning expenses linked to capital projects. The increase in expenses resulted in an overall increase in the operating loss of $54,419 from the previous year. In 2018, operating revenues decreased by $11 and operating expenses increased by $47,117, which resulted in an overall increase in operating loss of $47,128.

Nonoperating revenues increased by $115,765 (25%) in 2019 and $24,714 (6%) in 2018. Both year-over-year increases are the result of additional sales tax revenue and an increase in federal revenues.

Capital grant and contributions increased by $91,616 (306%) in 2019 compared to an increase of $15,193 (103%) in 2018. The 2019 increase was due to the donation of the streetcar assets from the City of Atlanta and federally funded purchases of new buses and Mobility vans.

(Dollars in Thousands)

The following table presents a summarized breakout of MARTA's revenues, expenses, and changes in net position as of June 30, 2019 and 2018:

Summary of Revenues	**2019**	**2018**
Operating		
Fare Revenues	$ 133,186	$ 138,254
Other Revenues	7,977	10,226
Total Operating Revenues	141,163	148,480
Non-Operating		
Sales and Use Tax	540,310	507,146
Federal Revenues	87,283	76,094
Investment Income	11,848	3,386
Capital Leases Revenues (Expenses)	(1,091)	(71,507)
Other Revenues	43,021	41,741
Gain/Loss on Sale of Property and Equipment	6,672	883
Total Nonoperating Revenues	688,043	557,743
Total Revenues	829,206	706,223
Summary of Expenses		
Operating		
Transportation	247,245	226,791
Maintenance and Garage Operations	175,466	151,800
General and Administrative	99,531	103,540
Depreciation	240,540	233,549
Total Operating Expenses	762,782	715,680
Non-Operating		
Interest Expense	84,172	78,077
Interest Expense Capitalized	(555)	(466)
Amortization of Financing Related Charges and Income from Derivative Activity	(9,494)	(5,237)
(Gain) Loss on Investment Derivatives	(78)	(588)
Other Nonoperating Expenses	44,882	32,606
Total Nonoperating Expenses	118,927	104,392
Total Expenses	881,709	820,072
Loss Before Capital Contributions	(52,503)	(113,849)
Capital Grants and Contributions	121,578	29,962
Increase (Decrease) in Net Position	69,075	(83,887)
Net Position, July 1	1,052,493	1,136,380
Net Position, June 30	$ 1,121,568	$ 1,052,493

Net position increased by $69,075 (7%) in 2019 due to additional capital grants and contributions compared to a decrease of $218,401 (17%) in 2018.

Total operating revenues include passenger revenues, advertising, and parking fees. Total operating revenues decreased by $7,317 (5%) in 2019 compared to a decrease of $11 (0.01%) in 2018. Decreases in both years were a result of a decline in ridership.

Sales and use tax revenue increased by $33,163 (7%) in 2019 compared to an increase of $68,107 (16%) in 2018 due to economic improvement resulting from growth in retail sales and employment.

Capital leases expenses decreased by $70,416 (98%) in 2019 as a result of matured liabilities of the capital leases being paid down in 2018. In 2018, there was an increase by $43,976 (160%) as a result of the paydown of the referenced matured liabilities.

Gain/loss on sale of property and equipment increased by $5,789 (656%) in 2019 due to the sale of Parcel DF7106 Northside in 2019. In 2018, there were fewer sales resulting in a decrease of $1,981 (69%) from the previous year.

Maintenance and garage operation expenses increased by $23,666 (16%) in 2019 compared to an increase of $11,459 (8%) in 2018 Both year-over-year increases were due to an increase in labor cost and benefits associated with pension, OPEB and healthcare.

Interest expense capitalized increased by $90 (20%) in 2019 due to acquisition of bonds and expenditures related to the completion of a capital project located at the Hamilton bus facility. In 2018, there was an increase of $466.

Amortization of bond related expenses increased by $4,257 (81%) in 2019 due to addition of amortized premium cost from Refunding Series 2018A issued July 2018 to refund Series 2017B compared to a decrease of $2,343 (31%) in 2018.

Gain or loss on investment derivatives decreased by $509 (87%) in 2019 due to higher market value of forward delivery agreements compared to an increase of $1,711 (152%) in 2018.

Other non-operating expenses increased by $12,276 (37%) in 2019 due to $10,000 in local funded planning projects cost compared to a decrease of $12,835 (28%) in 2018.

Capital Acquisitions and Construction Activities

In 2019, MARTA acquired $358,710 of capital assets, which included the $59,798 street car system assets donated to MARTA from the City of Atlanta. The expenditures on capital activity were primarily for the replacement, rehabilitation, and enhancement of facilities and equipment required to support transit operations, regulatory requirements, and system safety. The net increase (decrease) in capital assets, including changes in accumulated depreciation and retirements, was $121,623 and $11,582 during the years ended June 30, 2019 and 2018, 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, 2019 and 2018:

	2019	2018
Capital Assets, net	$ 3,004,448	$ 2,882,825
Capital Debt		
Current Maturities of Bonds and Notes	(51,825)	(44,160)
Noncurrent Maturities of Bonds	(2,134,845)	(2,081,582)
Deferred Outflows of Resources	28,517	31,544
Capital Assets Included in Accounts Payable	(36,098)	(14,730)
Total Capital Related Debt	(2,194,251)	(2,108,928)
Net Investment in Capital Assets	$ 810,197	$ 773,897

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 $2,186,670 and $2,125,742 as of June 30, 2019 and 2018, respectively. In 2018, MARTA issued a total of $295,060 Refunding Series 2018A bond to refund Series 2017B bond and Variable Rate Series 2018B for the third indenture series to finance certain capital projects. Additional information on MARTA`s long term debt can be found in Note 7 to the financial statements.

Economic Factors

The US Economy grew by 3.1% in the first quarter and 2.0% in the second quarter of 2019 due to better consumer spending and exports. Following an average of 181,400 new jobs in 2017, the year 2018 ended with 312,000 jobs created in December making it a strong year for the job market. The unemployment rate inched down from 4.4% in 2017 to 3.9 % in December 2018. After increasing to 2.1% in 2017, CPI inflation was 1.9 % in 2018, due in part to decrease in gasoline prices and prices of meats, poultry, fish and eggs.

Georgia's total tax collections amounted to $23.8 billion in fiscal year 2019, an increase of 4.8% from the year before. This increase was a result of 23.6% increase in corporate income tax, 10.2% increase in individual income tax and 7.7% increase in sales and use tax compared to fiscal year 2018. Georgia's employment decreased by 11,520 new jobs in the first half of 2019, lower than the 22,357 job gains in the last half of 2018. The unemployment rate averaged 3.7% in 2018.

Atlanta's employment rate decrease by 416 jobs in the first six months of 2019, lower than the 25,348 jobs additions in the last half 2018. Atlanta's unemployment rate was 3.7% in 2018. Atlanta's housing permits decreased by 13% from June 2018 to June 2019.

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.

Statement of Net Position
June 30, 2019
(Dollars in Thousands)
(with summarized Financial Information as of June 30,2018)

	2019	2018
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 22,001	$ 14,041
Investments	356,291	326,420
Material and Supplies Inventories	28,756	27,976
Sales Tax Receivables, Prepayments and Other	173,306	137,786
Total Unrestricted Current Assets	580,354	506,223
Restricted Investments	142,225	129,779
Current portion, Restricted Investment held to pay Capital Lease	10,609	20,471
Total Restricted Current Assets	152,834	150,250
Total Current Assets	733,188	656,473
Noncurrent Assets:		
Restricted Investment held to pay Capital Lease Obligations	316,142	287,383
Restricted Investment Derivatives	(331)	(409)
Restricted Investment - Railroad Trust	10,000	10,000
Total Restricted Non Current Assets	325,811	296,974
Capital Assets:		
Land, Non-depreciable	560,328	560,181
Construction in Progress, Non-depreciable	427,638	312,472
Total Non-depreciable	987,966	872,653
Rail System and Buildings	3,754,999	3,704,119
Transportation Equipment	1,469,283	1,411,525
Other - Capital Assets	1,472,523	1,408,321
Total Depreciable	6,696,805	6,523,966
Less Accumulated Depreciation	(4,680,323)	(4,513,793)
Capital Assets - Net	3,004,448	2,882,826
Other Bond Related Costs - Bond Insurance	268	330
Derivative Asset	-	333
Net Pension Asset	-	22,536
Other - Noncurrent Assets	1,646	1,643
Total Noncurrent Assets	3,332,172	3,204,641
Total Assets	4,065,360	3,861,114
DEFERRED OUTFLOWS OF RESOURCES:		
Hedging	89	-
Pension	100,760	88,648
OPEB	18,323	20,020
Debt Refunding	28,517	31,544
Total Deferred Outflows of Resources	147,689	140,212
Total Assets and Deferred Outflows of Resources	$ 4,213,050	$ 4,001,327

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

Statement of Net Position
June 30, 2019
(Dollars in Thousands)
(with summarized Financial Information as of June 30,2018)

	2019	2018
LIABILITIES		
Current Liabilities:		
Payable from NonRestricted Assets:		
Accounts and Contracts Payable	$ 120,687	$ 96,279
Salaries and Employee Benefits	21,208	19,657
Self-Insurance Accruals	19,076	18,483
Other Current Liabilities	7,004	5,016
Other Unearned Revenue	1,720	1,686
Total Current Liabilities Payable from NonRestricted Assets	169,695	141,121
Payable from Restricted Assets:		
Current Maturities of Sales Tax Revenue Bonds	51,825	44,160
Accrued Interest	41,019	39,142
Current Maturities of Obligations Under Capital Leases	10,521	20,399
Total Current Liabilities Payable from Restricted Assets	103,365	103,701
Total Current Liabilities	273,060	244,822
Noncurrent Liabilities:		
Sales Tax Revenue Bonds, Less Current Maturities, Unamortized Premium and Discount	2,134,845	2,081,582
Noncurrent Self Insurance Accruals	42,547	37,205
Other Long-term Liabilities	1,220	1,436
Unearned Revenue	16,934	10,548
Obligations Under Capital Leases	310,038	280,172
Derivative Liability - Commodity Swap	89	-
Net Pension Liability	151,924	79,382
Net OPEB Liability	122,788	127,455
Total Noncurrent Liabilities	2,780,385	2,617,780
Total Liabilities	3,053,445	2,862,602
DEFERRED INFLOWS OF RESOURCES:		
Capital Lease	14,424	15,681
Hedging	-	333
Pension	9,191	50,442
OPEB	14,422	19,776
Total Liabilities and Deferred Inflows of Resources	3,091,482	2,948,834
NET POSITION:		
Net Investment in Capital Assets	810,197	773,897
Restricted		
Debt Service	52,435	44,499
Capital Projects	10,000	10,000
Unrestricted	248,936	224,097
Total Net Position	1,121,568	1,052,493
Total Liabilities, Deferred Inflows of Resources, and Net Position	$4,213,050	$4,001,327

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

Statement of Revenues, Expenses And Changes in Net Position

For the Year Ended June 30, 2019
(Dollars in Thousands)
(with summarized Financial Information for the year ended June 30,2018)

	2019	2018
Operating Revenues:		
Fare Revenues	$ 133,186	$ 138,254
Other Revenues	7,977	10,226
Total Operating Revenues	141,163	148,480
Operating Expenses:		
Transportation	247,245	226,791
Maintenance and Garage Operations	175,466	151,800
General and Administrative	99,531	103,540
Depreciation	240,540	233,549
Total Operating Expenses	762,782	715,680
Operating Loss	(621,619)	(567,200)
Nonoperating Revenues (Expenses):		
Sales and Use Tax	540,310	507,146
Federal Revenues	87,283	76,094
Investment Income	11,848	3,386
Net Capital Lease Transaction Activity	(1,091)	(71,507)
Other Revenues	43,021	41,741
Gain on Sale of Property and Equipment	6,672	883
Interest Expense	(83,617)	(77,611)
Interest Expense Capitalized and Income from Derivative Activity	9,494	5,237
Other NonOperating Expenses	(44,882)	(32,606)
Gain (Loss) on Investment Derivatives	78	588
Total Nonoperating Revenues (Expenses)	569,116	453,351
Gain / (Loss) Before Capital Contributions	(52,503)	(113,849)
Capital Grants and Contributions	121,578	29,962
Net Position		
Increase /(Decrease) in Net Position	69,075	(83,887)
Net Position, July 1	1,052,493	1,136,380
Net Position, June 30	$ 1,121,568	$ 1,052,493

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

Statement of Cash Flows

For the Year Ended June 30, 2019
(Dollars in Thousands)
(with summarized Financial Information for the year ended June 30,2018)

	2019	2018
Cash Flows from Operating Activities:		
Cash Received from Providing Services	$ 136,626	$ 155,320
Cash Received from Other Sources	3,306	3,123
Cash Paid to Suppliers	(97,647)	(57,304)
Cash Paid for Benefits on Behalf of Employees	(145,363)	(144,907)
Cash Paid to Employees	(269,774)	(258,426)
Net Cash Used by Operating Activities	**(372,852)**	**(302,194)**
Cash Flows From Noncapital Financing Activities:		
Sales and Use Tax Collections	538,966	507,146
Ad Valorem Tax	28,825	27,330
Federal Operating Subsidy	76,059	76,094
Other Non-Capital Receipts	8,380	8,906
Net Cash Provided by Noncapital Financing Activities	**652,229**	**619,477**
Cash Flows From Capital and Related Financing Activities:		
Proceeds from issuance of Revenue Bonds	117,237	-
Principal paid on Revenue Bonds	(44,160)	(224,807)
Interest Paid on Revenue Bonds	(82,297)	(79,436)
Capital Contributions	61,780	29,962
Acquisition and Construction of Capital Assets	(293,422)	(244,470)
Net Cash Used by Capital and Related Financing Activities	**(240,862)**	**(518,751)**
Cash Flows from Investing Activities:		
Purchases of Investments	(3,490,783)	(2,699,578)
Proceeds from Sales and Maturities of Investments	3,448,636	2,888,739
Interest Received on Investments	11,591	3,386
Net Cash Provided (Used) by Investing Activities	**(30,555)**	**192,547**
Net Increase (Decrease) in Cash and Cash Equivalents	7,960	(8,922)
Cash and Cash Equivalents, Beginning of Year	14,041	22,963
Cash and Cash Equivalents, End of Year	**$ 22,001**	**$ 14,041**
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating Loss	$ (621,619)	$ (567,200)
Other Nonoperating Expenses	(41,577)	(29,338)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	240,540	233,549
Changes in Assets and Liabilities:		
Materials and Supplies Inventories	(780)	1,615
Prepayments and Other	(13,117)	3,246
Accounts Payable and Other Current Liabilities	25,361	38,546
Unearned Revenue	4,950	3,574
Net pension asset/liability	95,078	(40,165)
Other post-employment benefits liability	(4,666)	(27,831)
Deferred inflows/outflows from pension and OPEB	(57,021)	81,810
Net Cash Used by Operating Activities	**$ (372,852)**	**$ (302,194)**

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

Statement of Cash Flows

For the Year Ended June 30, 2019

(Dollars in Thousands)

(with summarized Financial Information for the year ended June 30,2018)

	2019	2018
Supplemental Disclosure of Cash Flow Information		
Noncash Activities:		
Capital Assets Included in Accounts Payable	$ 36,098	$ 14,730
Donated Capital Assets	59,798	-
Amortization of Bond Premium, Discount, Bond Insurance and		
Loss on Debt Refunding	(9,494)	(5,237)
Interest Earnings on Investments Held to Pay Capital Lease/Leaseback Liabilt	(2,566)	(4,189)
Interest Accrued on Capital Lease/Leaseback Libility		
Capital Lease/Leaseback Liabilty	2,566	4,632
Unrealized Loss of Investments	1,091	71,064
Increase(Decrease) in Fair Value of Investments	(231)	1,262
Proceeds from Bond Refunding to Defease Bonds	177,560	316,755

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 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, 2019.

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, 2018, 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 Capital Lease Obligations - To fund certain future obligations under capital leases resulting from various Lease-in/Lease-out ("LILO") transactions, MARTA has invested funds in government agency bonds and notes, and guaranteed investment contracts. The maturities of these investments have been tied to the payment dates identified in the underlying LILO agreements.

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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Rail system and buildings	5 - 50 years
Transportation equipment	5 - 20 years
Other property and equipment	3 - 20 years

MARTA uses a three-hundred-dollar capitalization threshold for its capital assets. Donated properties are reported at the acquisition 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 betterments are capitalized. MARTA capitalizes, as a cost of its constructed assets, the interest expense based upon the weighted average cost of borrowings of MARTA.

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

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

Unearned Revenues - Included in Unearned Revenues is the remaining unamortized balance of the unearned amount from the lease agreement on Parking. The unearned lease payment is being amortized over the remaining lives of the lease on a straight-line basis. See Note 10 for further information.

Bond Proceeds, Discount, 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 discount is 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2019

GASB Statement No. 83, Certain Asset Retirement Obligations addresses accounting and financial reporting for certain asset retirement obligations (AROs). A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will have to recognize a liability based on the guidance in this statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The adoption of this statement does not have an impact of the financial statements of MARTA.

GASB Statement No. 88, *Certain Disclosures Related to debt, including Direct Borrowings and Direct Placements* ("GASB 88") provides guidance to governments on the presentation of direct borrowings and direct placements of debt separately from other types of debt in their financial statement note disclosures. This Statement requires the disclosure of additional essential debt-related information for all types of debts, amount of unused credit lines and assets pledged as collateral. The adoption of this statement required MARTA to disclose the direct placement of its bonds in the Notes.

New Accounting Pronouncements Effective in Future Periods or Not Applicable – *MARTA has not determined the impact of adopting the following statements or has determined that the statements are not applicable to MARTA.*

GASB Statement No. 84, *Fiduciary Activities ("GASB 84")* will improve the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for MARTA's fiscal year ending June 30, 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 87, *Leases ("GASB 87")* establishes accounting and financial reporting model for leases based on the principles that leases are financing of rights to use an underlying asset and thereby ensuring the relevance and consistency of information on leasing activities. This Statement is effective for MARTA's fiscal year ending June 30, 2021.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period ("GASB 89") provides guidance to governments on accounting requirements for interest cost incurred before the end of a construction period. The Statement requires interest cost incurred before the end of the construction period to be expensed in the period it was incurred and not added to the historical cost of a capital asset reported in a business type activity or enterprise fund. This Statement is effective for MARTA`s fiscal year ending June 30, 2021.

GASB Statement No. 90, *Majority Equity Interests- an amendment of GASB Statements No. 14 and No. 61* ("GASB 90") provides guidance to governments to improve the reporting of majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement requires a government entity`s majority equity interest in a legally separate organization that meets the definition of an investment be disclosed in the financial statements. This Statement is not applicable to MARTA.

GASB Statement No. 91, *Accounting for Conduit Debt Obligations* ("GASB 91") provides guidance to governments on a single reporting method for conduit debt obligations and eliminates diversity related to commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures in the financial statements The Statement clarifies the definition of conduit debt obligations, establishes the standards for accounting and financial reporting requirements for conduit debt obligations. This Statement is not applicable to MARTA.

2. CASH AND INVESTMENTS

Cash - At June 30, 2019, the carrying amount of MARTA's total cash on hand was $1,170.

At June 30, 2019, the carrying amount of MARTA's total cash on deposit was $20,831. Included in the bank balance of $20,088 was $451 which was covered by federal depository insurance and $19,637 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.

2. CASH AND INVESTMENTS (continued)

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 market 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, 2019. 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.

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).

(Dollars in Thousands)

2. CASH AND INVESTMENTS (continued)

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 volatilities, 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).

As of June 30, 2019, MARTA had the following investments and maturities:

Investment Type	Valuation Measurement Method	Value	Investment Maturities (in Years) Less than 1	1 - 5	6 - 10	More than 10
Repurchase Agreements	Cost	$ 74,074	$ 74,074	$ -	$ -	$ -
U.S. Treasuries	Fair value -Level 1	269,958	220,293	46,690		2,975
Prime Banker`s Acceptance	Fair value -Level 1	38,568	38,568			
U.S. Agencies	Fair value -Level 1	372,255	89,526	12,133	32,288	238,308
FDIC Public Fund	Cost	35,498	35,498			
MUNICIPAL-FDIC	Cost	1,800	1,800			
Guaranteed Inv Contracts	Amortized Cost	43,114		16,412		26,702
Investment Derivative	Fair Value-Level 2	(331)				(331)
Total		$ 834,936	$ 459,759	$ 75,235	$ 32,288	$ 267,654

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, 2019 is as follows:

Investment Type	Book Value	Credit Rating	Rating Agency
Repurchase Agreements	$ 74,074	A1/P-1	Moody's/S&P
U.S. Treasuries	269,958	AAA+/AA+	Moody's/S&P
Prime Banker`s Acceptance	38,568	A1/P-1	Moody's/S&P
U.S. Agencies	372,255	AAA/AA+	Moody's/S&P
FDIC Public Fund	35,498	AAA/AA+/FDIC	Moody's/S&P
Municipal-FDIC	1,800	AA2/AA	Moody's/S&P
Guaranteed Inv Contracts	43,114	A-2/P-2/A-/Baa1/Ba1	Moody's/S&P
Investment Derivative	(331)		
	$ 834,936		

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, 2019, included in the investments of $834,936 were $10,386 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, 2019:

Restricted Cash and Investments:		2019
Sinking Fund	$	93,454
Railroad Trust Fund Agreement		10,000
Investment Held to Pay Capital Lease Obligation		326,751
Investment Derivatives		(331)
Other-SB 115 10% PY Operating Revenue		48,771
Total Restricted Cash and Investments	$	478,645

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

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, 2019, MARTA had placed certain investments in a special trust fund to guarantee its performance under this agreement. Interest earned on these funds are unrestricted.

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

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 Unreserve 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.

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. 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, 2019, MARTA used 46%, 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, 2019 was 57.6% of operating costs of the previous fiscal year as defined under the MARTA Act.

(Dollars in Thousands)

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30,2018	Additions	Decreases	Balance June 30,2019
Capital Assets, not being depreciated:				
Land	$ 560,181	$ 548	$ (401)	$ 560,328
Construction in progress	312,472	359,265	(244,099)	427,638
Total capital assets not being depreciated	872,653	359,813	(244,500)	987,966
Capital Assets being depreciated:				
Rail systems & buildings	3,704,119	57,031	(6,151)	3,754,999
Transportation equipment	1,411,525	101,440	(43,682)	1,469,283
Furniture/Fixtures/Equipment/Vehicles	1,408,321	85,082	(20,880)	1,472,523
Total capital assets being depreciated	6,523,965	243,553	(70,713)	6,696,805
Less accumulated depreciation for:				
Rail systems & buildings	(2,340,287)	(110,510)	2,869	(2,447,928)
Transportation equipment	(1,073,513)	(67,588)	42,499	(1,098,602)
Furniture/Fixtures/Equipment/Vehicles	(1,099,993)	(54,633)	20,833	(1,133,793)
Total accumulated depreciation	(4,513,793)	(232,731)	66,201	(4,680,323)
Total capital assets being depreciated, net	2,010,172	10,822	(4,512)	2,016,482
Capital Assets, net	$ 2,882,825	$ 370,635	$ (249,012)	$ 3,004,448

During the year ended June 30,2019, new land parcels were listed as assets but are not being depreciated. The land additions cause the decrease in construction-in-progress to be greater than the increase in capital assets. The variance of $548 is the addition of new land parcels included in the donation of the Atlanta Streetcar assets to MARTA.

(Dollars in Thousands)

7. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2019 was as follows:

Long Term Debt

Series	Year Issued	Principal Issued	Year of Maturity	Interest Rates	Balance June 30, 2018	Additions	Principal Retirements/Refundings	Balance June 30, 2019
Sales Tax Revenue Bonds:								
2005A*	2005	190,490	2021	5.00%	$ 83,685	$ -	$ (20,940)	$ 62,745
2007A*	2007	145,725	2033	5.25%	145,725	-	-	145,725
2012A*	2012	311,075	2041	3.00%-5.00%	254,320	-	-	254,320
2012B*	2012	17,930	2021	4.00%-5.00%	11,830	-	(3,780)	8,050
2013A*	2013	22,980	2021	3.00%-5.00%	15,355	-	(4,865)	10,490
2014A*	2015	286,700	2044	3.00%-5.00%	286,700	-	-	286,700
2015A	2015	87,015	2045	5.00%	87,015	-	-	87,015
2015B	2015	88,485	2045	2.00%-5.00%	88,485	-	-	88,485
2015C*	2015	93,085	2029	5.00%	93,085	-	-	93,085
2016A*	2015	90,260	2029	5.00%	80,260	-	(10,000)	70,260
2016B*	2016	242,985	2029	5.00%	242,985	-	-	242,985
2017A	2017	100,815	2047	3.00%-4.00%	100,815	-	-	100,815
2017B*	2017	180,800	2025	FRN	180,800	-	(180,800)	-
2017C*	2018	263,545	2039	3.25%-5.00%	263,545	-	(520)	263,025
2017D*	2018	55,845	2030	4.00%-5.00%	55,845	-	(55)	55,790
2018A*	2019	165,875	2025	3.00%-4.00%	-	165,875		165,875
2018B	2019	117,500	2045	FRN	-	117,500		117,500
Subtotal					$ 1,990,450	$ 283,375	$ (220,960)	$ 2,052,865
Less portion due within one year					(44,160)	(7,665)	-	(51,825)
Plus unamortized premium (discount)					135,292	11,685	(13,171)	133,805
Sales Tax Revenue Bonds total long-term portion					$ 2,081,582	$ 287,395	$ (234,131)	$ 2,134,845

Changes in Long Term Debt for the year ended June 30, 2019 were as follows:

	Balance June 30, 2018	Increase	Decrease	Balance June 30, 2019	Due Within One Year
Revenue Bonds	$ 1,910,190	$ 165,875	$ (210,960)	$ 1,865,105	$ (41,825)
Revenue Bonds From Direct Placement	80,260	117,500	(10,000)	187,760	(10,000)
Total	$ 1,990,450	$ 283,375	$ (220,960)	$ 2,052,865	$ (51,825)

Variable rate assumed (3.99%) of 2018B bond is based on definition provided in Third Master Trust Indenture: The current 25 years Revenue Bond Index (as of 6/27/2019).

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

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 2018B Bond, 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 77% of the outstanding Bonds are redeemable at the discretion of MARTA within ten years from their issue date at redemption prices above par.

Annual debt service analysis of Principal and Interest for the year ended June 30, 2019, were as follows:

	Bonds		Bonds from Direct Placements	
Year Ending June 30	Principal	Interest	Principal	Interest
2020	$ 41,825	$ 78,873	$ 10,000	$ 6,254
2021	45,240	76,832	10,000	6,037
2022	48,725	74,686	12,140	5,770
2023	50,790	72,678	12,420	5,487
2024	52,300	70,739	12,705	5,198
2025-2029	299,180	316,415	12,995	23,942
2030-2034	375,595	240,172	-	23,780
2035-2039	467,225	148,975	-	23,780
2040-2044	341,785	35,387	91,915	43,536
2045-2048	142,440	6,789	25,585	2,046
	$ 1,865,105	$ 1,121,546	$ 187,760	$ 145,830

(Dollars in Thousands)

7. LONG-TERM DEBT (continued)

Amount due within one year on long-term debt for the year ended June 30, 2019 were as follows:

Series	Principal
2005A	$ 30,600
2007A	-
2012A	-
2012B	3,930
2013A	5,120
2014A	-
2015A	-
2015B	-
2015C	-
2016A	10,000
2016B	-
2017A	-
2017C	560
2017D	110
2018A	1,505
2018B *	-
	$ 51,825

* Variable Rate Bond
2016A and 2018B are direct placements

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 $2,186,671 in sales tax revenue bonds issued in calendar years 2005, 2007, 2012, 2013, 2015, 2016, 2017 and 2018 of which $2,134,845 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 2048, 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, 2019 was $126,457.

In July 2018, MARTA issued the Refunding Series 2018A bond to refund Series 2017B bond. As a result, a total amount of $176,800 is considered defeasance and the liability for this bond and the corresponding assets in the trust account have been removed from MARTA's Statement of Net Position. As a result of the Refunding Series 2018A bond, MARTA recognized an increase in debt service of $760 and an economic gain of $7,689.

In July 2018, MARTA issued New Bonds Variable rate Series 2018B for the third indenture series to finance certain capital projects. As a result, an increased in Long Term Liability amounting to $117,500 will be reported on MARTA's Statements of Net Position.

The Series 2018B Bond is variable-rate sales tax revenue bonds. This series was issued in the aggregate principal amount of $117,500. There are a variety of operational and financial covenants associated with the Bonds. Management believes that MARTA follows all such covenants.

The 2016A Bond is a fixed-rate sales tax revenue bond. This series was issued in the aggregate principal amount of $90,260. 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, 2019, the total outstanding escrow funds were $329,002 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, 2019, amounts held in the Sinking Funds exceeded the amounts required to be held pursuant to the Bond Trust Indentures. All such amounts are classified as restricted cash and investments in the Statements of Net Position.

Following is a summary of activity in the Sinking Funds for the year ended June 30, 2019:

	2019
Balance, Beginning of the year	$ 83,641
Sales and Use Tax Proceeds	135,623
Investment Income	468
Principal and Interest Payments on Bonds	(126,457)
Debt Refunding	(176,800)
Excess of Sales Tax Withheld	176,912
Trustee Fees	67
Balance, End of the year	$ 93,454

At June 30, 2019, MARTA reported $28,517 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
	2019
Unamortized Deferred Loss Bond Refunding	$ 31,544
Current Year Amortization	(3,027)
Total Deferred Outflow of Resources-Debt Refunding	$ 28,517

(Dollars in Thousands)

8. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value balances and notional amounts of hedging and investment derivative instruments outstanding at June 30, 2019, and the corresponding changes in fair value of such derivative instruments for the year ended June 30, 2019, were as follows:

	Changes in Fair Value			
	Fiscal Year Classification	Change Amount	Year End Amount	Fair Value Notional
Hedging derivatives:				
Diesel Commodity Swaps	Deferred Outflow of resources	$ (421)	$ (89)	$ 6,216
Investment derivatives:				
Forward delivery arrangements	Gain/Loss on Investment Derivatives	$ 78	$ (331)	$ 33,752

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 Statements of Net Position. The gain or loss of the ineffective portion is recognized immediately in the Statements of Revenues, Expenses, and Changes in Net Position.

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

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

(Dollars in Thousands)

8. 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, 2019. A summary of agreements is as follows:

Execution Dates	Effective Dates	Termination Dates	Fixed Price	Counterparty	Net Settlement in FY 2019
Diesel:					
4/20/2018	7/1/2018	6/30/2019	2.024 per gallon	JP Morgan Ventures	$ (18)
7/20/2018	8/1/2019	6/30/2019	2.0734 per gallon	Citi Energy, Inc.	$ (56)
1/11/2019	7/1/2019	6/30/2020	1.8715 per gallon	JP Morgan Ventures	$ 23
5/24/2019	7/1/2019	6/30/2020	1.910 per gallon	Cargill, Inc.	$ (37)

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.

Forward Delivery Agreements - MARTA has entered into these forward delivery arrangements for speculative purposes to obtain a higher long-term yield and not for the purpose of hedging any financial risk. Therefore, the fair value of these forward delivery arrangements will be classified as derivative investments in the Statements of Net Position and the gains or losses are reported as non-operating revenues (expenses) on the Statements of Revenues, Expenses, and Changes in Net Position. MARTA is required to make monthly deposits into debt service sinking funds for the principal and interest payments due semi-annually on its bonds. MARTA, via the trustee, currently invests these deposits in money market funds or short-term permitted investments that mature on or before the debt service payment dates.

On August 15, 2006, MARTA and its bond trustee, US Bank, entered into a debt service forward delivery agreement with the issuer, Bank of America, NA, with respect to the debt service fund related to Series N Bonds, issued in the original aggregate principal amount of $122,245, Series P Bonds, issued in the original aggregate principal amount of $296,755, and Series 2005A Bonds, issued in the original aggregate principal amount of $190,490.

8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

When MARTA entered into these agreements, an upfront cash payment of $11,350 was received by MARTA which represented the present value of the future interest cash flows. The cash received was recorded as deferred revenue and is being amortized over the life of the agreements. Due to the extinguishment of Series N and P, the outstanding unamortized amount of $601 as of June 30, 2017 was all recognized as revenue. The unamortized unearned revenue for Series 2005A was $419 for June 30, 2019.

Fair Value - The forward delivery arrangements are classified as investment derivatives and are reported at fair value level 2a; quoted prices for similar assets or liabilities in active markets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Fair value is determined using one of the following three valuation approaches:

1) **Market Approach** - Uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities. Using quoted market prices is a technique that is consistent with the market approach.

2) **Income Approach** - Converts future amounts (for example, cash flows or earnings) to a single current amount (such as would be determined by using the discounted present value technique). When the income approach is used, the fair value measurement reflects current market expectations about those future amounts. Acceptable valuation techniques include present value techniques; option-pricing models, such as the Black-Scholes-Merton formula, and the multi-period excess earnings method, which is used to measure the fair value of certain intangible assets.

3) **Cost Approach** - Reflects the amount that would be required to replace the service capacity of an asset (often referred to as current replacement cost). From the perspective of a market participant (seller), the price that would be received for the asset is determined based on the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence. Obsolescence can be physical, functional (technical), or economic (external).

The fair market values of MARTA's forward delivery arrangements are not exchange-traded instruments that have a directly quotable price, and therefore are required to be valued using Level 2 inputs. Level 2 inputs, as described by GASB 72, are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Furthermore, if an asset or liability has 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).

8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 volatilities, 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).

MARTA used Hilltop Securities' internally developed models that use readily observable market parameters as the inputs. The Hilltop valuation models use input parameters that are actively quoted and can be validated using external sources, including industry data services.

Regarding forward delivery agreements, Hilltop uses pricing models that incorporate the contractual terms of the swap, including: the deposit schedule, eligible securities, implied on-market rate on the trade date, and any upfront payments made. Level 2 market-based inputs used by Hilltop's forward delivery pricing models include: the term structure of interest rates as implied by the U.S. Treasury curve and by various swap curves; spreads for taxable and tax-exempt swap rates (risk premiums); spreads for credit risk(s); and discount factors derived from the London Interbank Offering Rate (LIBOR) swap curve. In order to calculate the fair market value of forward delivery agreements, Hilltop's valuation models calculate the present values of the residual cash flows of the remaining deposits as of the valuation date.

The residual cash flows are based on the difference of the current on-market forward rate and the implied on-market rate as of the trade date of the transaction. The remaining residual cash flows are discounted using discount factors derived from the appropriate interest rate curve, the sum of these discounted cash flows result in a present value amount equal to the fair market value.

9. CAPITAL LEASE OBLIGATIONS

MARTA has 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 capital lease obligations. The funds invested in U.S. Agency Bonds and Notes and Guaranteed Investment Contracts to fund these future capital 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 nonoperating revenues and expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

(Dollars in Thousands)

9. CAPITAL LEASE OBLIGATIONS (continued)

The following table summarizes MARTA's outstanding capital lease/leaseback transactions as of June 30, 2019:

Lease Date	Property	Fair Market 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
3/22/2001	16 Hitachi CQ 310 Rail Cars	$ 36,800	$ 7,595	$ 5,862	$ 1,733	1/15/2020	12/15/2020
9/29/2005	30 Breda CQ 312 Rail Cars	93,300	16,274	11,376	3,839	1/02/2034	12/15/2034
9/29/2005	10 Breda CQ 312 Rail Cars	31,500	5,488	3,793	1,333	1/02/2034	12/15/2034
9/29/2003	Marta South Line	782,072	102,230	67,457	27,312	1/02/2032	12/15/2032

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

Lease Date	Property	Net Book Value 6/30/2019
3/22/2001	16 Hitachi CQ 310 Rail Cars	$ 2,492
9/29/2005	40 Breda CQ 312 Rail Cars	41,300
9/29/2003	MARTA South Line	314,640

The assets associated with the lease deal 2001-2 have been liquidated to pay off the last liability on September 2018.

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.

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.

(Dollars in Thousands)

9. CAPITAL LEASE OBLIGATIONS (continued)

The following is a schedule by year of the future minimum lease payments under these LILO arrangements as of June 30, 2019:

2020	$	10,521
2021		10,146
2022		2,021
2023		1,988
2024		1,943
2025 - 2029		6,384
2030 - 2034		268,272
2035		19,284
Present value of net minimum lease payments	$	320,559
Less: current principal maturities		(10,521)
Obligations under capital lease -long term	$	310,038

The liability of these leases changed in 2019 and 2018 as follows:

Outstanding - June 30, 2018	$	300,571
Net change in obligation		19,988
Outstanding - June 30, 2019	$	320,559

Deferred Inflow Related to Capital 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, 2019 was $14,424.

10. UNEARNED REVENUE

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.

As of June 30, 2019, the unamortized portion of unearned revenue from Lindbergh Multi Family Parking Rights was $1,293.

Capital Event Partnership 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 total lease amount of $4,679 is to be amortized over 98 years.

As of June 30, 2019, the unamortized portion of unearned revenue from Capital Event Partnership Rent was $4,147.

Capital Event Partnership 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.

As of June 30, 2019, the unamortized portion of unearned revenue from AC Property Lease was $6,389.

Capital Event Partnership 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.

As of June 30, 2019, the unamortized portion of unearned revenue from Avondale Station project Lease was $522.

(Dollars in Thousands)

10. UNEARNED REVENUE (continued)

Resurgens Plaza South Inc. Lease

MARTA and Resurgens Plaza South Inc. entered into a Lease Agreement for Johnson Town South Site dated May 29, 1984. It was amended in 2017, which extended the lease to 99 years from July 2017 to 2104. Upon completion of the extension transaction, the Resurgens Plaza South Inc. paid MARTA $4,250 on July 17, 2017.

As of June 30, 2019, the unamortized portion of unearned revenue from Resurgens Plaza South agreement was $4,164.

11. OPERATING LEASES

MARTA leases air rights and ground over and adjacent to its stations to third parties for the construction of mixed-use developments.

During the year ended June 30, 2001, MARTA began a Transit Oriented Development Program whereby MARTA ground leases office, retail, and residential space. The AT&T Towers and related parking and retail space were completed 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 in joint development. MARTA has identified development partners at five rail stations: King Memorial, Edgewood/Candler Park, Avondale, Brookhaven/Oglethorpe, and Chamblee.

Future lease payments scheduled to be received under non-cancelable operating leases are as follows at June 30, 2019.

Fiscal Year	Amount
2020	$ 8,394
2021	8,448
2022	8,500
2023	8,663
2024	8,372
	$ 42,377

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. 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, 2018.

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, 2019		
	Union Plan	**Non-Rep Plan**	**Combined**
Inactive plan members or beneficiaries currently receiving benefits	2,254	1,377	3,631
Inactive plan members entitled to but not yet receiving benefits	377	158	535
Active plan members	2,439	467	2,906
Total	5,070	2,002	7,072

Contributions - MARTA is required to contribute an actuarially 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, 2019, MARTA contributed $17,746 and plan participants contributed $2,456 to the Non-Rep Plan. For the year ended June 30, 2019, MARTA contributed $9,939 and plan participants contributed $5,380 to the Union Plan.

***Net Pension* Liability -** The net pension liability at June 30, 2019 was measured as of December 31, 2018 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, 2019 for the Non-Rep Plan and as of January 1, 2018, rolled forward to January 1, 2019 for the Union Plan. The reporting date for both plans is June 30, 2019. At June 30, 2019, MARTA reported a net pension liability of $151,924.

(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, 2019 reflect the substantive plan in effect as of as of year ended December 31, 2018 and the current sharing pattern of costs between employer and employee.

	Union		Non-Rep	
Pension Expense	$28,301		$41,098	
Actuarial Valuation Date	1/1/2018, rolled forward to 1/1/2019		1/1/2019	
Actuarial Cost Method	Entry Age Normal Cost Method		Individual Entry age	
Amortization Method	Level Percentage of Pay, Closed		Fixed Dollar, Closed	
Remaining Amortization Period	18 years, Open		13 years, Closed	
Asset Valuation Method	Market Value		Market Value	
Actuarial Assumptions:				
Investment Rate of Return	7.25%		6.00%	
Inflation	2.10%		2.50%	
Projected Salary Increases:				
Plan Members	4.50%		3.00%	
Transit Police	4.50%		3.50%	
Cost of Living	None		None	
Merit or Seniority	1.00%	per year	1.00%	per year
Postretirement Benefit Increases	None		None	
Mortality Assumption:				
Healthy	RP-2014 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2016 set forward by 1 year		RP-2014 Employee and Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2016, fully generational.	
Disabled	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016		RP-2014 Employee and Healthy Annuitant Mortality Tables separated by Sex, Projection Scale BB to valuation date.	

(Dollars in Thousands)

12. PENSION PLANS (continued)

The assumptions listed above were based on the results of an actuarial experience study for the five years ending January 1, 2019.

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date – In the Union Plan, the inflation rate decreased from 2.80% to 2.10%. In the Non-Rep Plan, a one-time lump sum COLA was paid to pensioners and DROP's in January 2019.

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, 2019.

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2019 and 2018 was 7.25% for the Union Plan and 6.00% 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, 2019, calculated using the discount rate of 7.25% for the Union Plan and 6.00% 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	6.25%	7.25%	8.25%
Plan Net Pension Liability/(Asset)	$ 91,283	$ 36,900	$ (9,537)
Non-Rep Plan Discount Rate	5.00%	6.00%	7.00%
Plan Net Pension Liability	$ 170,000	$ 115,024	$ 69,000

(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, 2019 are:

	Union		Non-Rep	
Asset Class	**Expected Rate of Return**	**Target Allocation**	**Expected Rate of Return**	**Target Allocation**
Domestic Large Cap Equity	5.20%	20.0%	n/a	n/a
Domestic Mid Cap Equity	5.50%	10.0%	n/a	n/a
Domestic Small Cap Equity	5.80%	10.0%	n/a	n/a
International Equity	5.40%	25.0%	4.75%	12.0%
Domestic Fixed income	0.90%	30.0%	1.50%	25.5%
US Broad Equity	n/a	n/a	4.90%	33.0%
Non US Fixed	n/a	n/a	-0.85%	7.5%
Global Ex-US Equity	n/a	n/a	5.00%	12.0%
Real Estate	n/a	n/a	4.00%	5.0%
Alternatives/Convertibles	8.60%	5.0%	3.95%	5.0%

(Dollars in Thousands)

12. PENSION PLANS (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
UNION PLAN			
Balance at 12/31/2017	**$ 540,042**	**$ 562,578**	**$ (22,536)**
Changes for the year:			
Service Cost	13,036	-	13,036
Interest	38,706	-	38,706
Difference Between Expected & Actual Experience	(10,361)	-	(10,361)
Contributions - Employer	-	9,129	(9,129)
Contributions - Employee	-	5,137	(5,137)
Net Investment Income	-	(26,423)	26,423
Benefit Payments	(38,499)	(38,499)	-
Adminstrative Expenses	(589)	(589)	-
Changes in Assumptions	5,898	-	5,898
Changes in Benefit Terms	-	-	-
Net Changes	**8,191**	**(51,245)**	**59,436**
Balance 12/31/2018	**$ 548,234**	**$ 511,334**	**$ 36,900**
NON-REP PLAN			
Balance at 12/31/2017	**$ 497,061**	**$ 417,679**	**$ 79,382**
Changes for the year:			
Service Cost	5,135	-	5,135
Interest	29,002	-	29,002
Difference Between Expected & Actual Experience	(118)	-	(118)
Contributions - Employer	-	19,434	(19,434)
Contributions - Employee	-	2,424	(2,424)
Net Investment Income	-	(22,247)	22,247
Benefit Payments	(37,643)	(37,643)	-
Adminstrative Expenses	-	(263)	263
Changes in Assumptions	-	-	-
Changes in Benefit Terms	1,000	-	1,000
Other	-	9	(9)
Member Buybacks	-	20	(20)
Net Changes	**(2,623)**	**(38,265)**	**35,641**
Balance 12/31/2018	**$ 494,437**	**$ 379,414**	**$ 115,024**

(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, 2019, MARTA recognized pension expense of $69,399.

At June 30, 2019, MARTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Union Plan	Non-Rep Plan	Combined
	Deferred Outflows of Resources		
Net difference between projected and actual earnings on investments	$ 41,308	$ 20,343	$ 61,651
Changes in benefits terms	15	-	15
Difference between expected and actual experience	1,280	5,058	6,338
Changes of assumptions	6,222	9,718	15,940
Employer contribution subsequent to the measurement date	6,788	10,028	16,816
Total	$ 55,613	$ 45,147	$ 100,760

	Union Plan	Non-Rep Plan	Combined
	Deferred Inflows of Resources		
Net difference between projected and actual earnings on investments	$ -	$ -	$ -
Changes in benefits terms	(326)	-	(326)
Difference between expected and actual experience	(8,865)	-	(8,865)
Changes of assumptions	-	-	-
Total	$ (9,191)	$ -	$ (9,191)

(Dollars in Thousands)

12. PENSION PLANS (continued)

Deferred outflows of resources of $16,816 related to pensions resulting from contributions made subsequent to the December 31, 2018 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:

	Union Plan	Non-Rep Plan	Combined
	Deferred Outflows (Inflows) of Resources		
Year Ending June 30			
2020	$ 15,102	$ 15,385	$ 30,487
2021	5,396	6,080	$ 11,476
2022	5,871	4,205	$ 10,076
2023	13,265	9,449	$ 22,714
Total	$ 39,634	$ 35,119	$ 74,753

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 MassMutual 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, 2019, MARTA contributed $3,974 and plan participants contributed $3,934 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 per year or if age 50 and over, not to exceed $25 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 Statements of Net Position.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - In addition to providing pension benefits, MARTA provides certain health care benefits for retiree 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, 2017, rolled forward to June 30, 2018 and the measurement date is June 30, 2018.

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 is 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, 2017:

	Union		Non-Rep		Combined	
	Healthcare	Life Insurance	Healthcare	Life Insurance	Healthcare	Life Insurance
Inactive Plan Members or Beneficiaries	436	1,935	270	1,230	706	3,165
Active Plan Members	2,264	2,344	428	1,391	2,692	3,735
	2,700	4,279	698	2,621	3,398	6,900

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 $20.0 million to the OPEB Trust for the fiscal years ending June 30, 2019.

Net OPEB Liability - The net OPEB liability was measured as of June 30, 2018 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, 2017. At June 30, 2019, MARTA reported a net OPEB liability of $122,788.

Discount Rate - The discount rate used to measure the Total OPEB Liability for the Plan Year ending June 30, 2018 is 7.0%. 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, 2018 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.

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date - The discount rate stayed at 7.0%, but the health care trend rate starting point decreased from 8.00% to 7.75%.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

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, 2017.

Discount Rate:	7.0%
Investment Rate of Return:	7.0%
Inflation Rate:	2.25%
Healthcare Cost Trend:	7.75% for 2018-19 PY, decreasing by 0.25% per year to an ultimate rate of 5.0% for 2029 and later
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
2017-18	8.00%	2024-25	6.25%
2018-19	7.75%	2025-26	6.00%
2019-20	7.50%	2026-27	5.75%
2020-21	7.25%	2027-28	5.50%
2021-22	7.00%	2028-29	5.25%
2022-23	6.75%	2029 and after	5.00%
2023-24	6.50%		

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 of the retiree pass
Retiree Transit Pass Usage	3 rides per month with 55% 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

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	828
55	974
60	1,170
64	1,379

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

NON-REPRESENTED PLAN

Mortality Rates

Pre- and Post-Retirement: RP-2000 Combined Healthy Table sex distinct, Projected to valuation date with Scale BB

Post-Disablement: RP-2000 Disabled Retiree Table sex distinct, Projected to valuation date with Scale BB

Withdrawal Rages - Sample Rates as Shown

		Transit Police	
Age	Non-Police	Under 5 YOS	5 YOS or more
30	9.26%	16.66%	7.41%
35	6.14%	11.05%	4.91%
40	3.38%	7.86%	2.71%
45	2.63%	6.09%	2.10%

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

Age	Cost
50	817
55	961
60	1,154
64	1,361

(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 7.0%, 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 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Total OPEB Liability (TOL)	$ 212,392	$ 198,741	$ 186,351
Plan Fiduciary Net Position	75,953	75,953	75,953
Plan Net OPEB Liability	$ 136,439	$ 122,788	$ 110,398
Plan Fiduciary Net Position as a Percentage of the TOL	35.8%	38.2%	40.8%

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 6.75% decreasing to 3.75%	Current Healthcare Cost Trend Rates 7.75% decreasing to 5.00%	1% Increase 8.75% decreasing to 5.75%
Total OPEB Liability (TOL)	$ 184,566	$ 198,741	$ 214,642
Plan Fiduciary Net Position	75,953	75,953	75,953
Plan Net OPEB Liability	$ 108,613	$ 122,788	$ 138,689
Plan Fiduciary Net Position as a Percentage of the TOL	41.2%	38.2%	35.4%

(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 7.0%. Best estimates of arithmetic real rates of return for each major asset class included in the plans' target asset allocation are:

Asset Class	Target Allocation Percentage	Long-term Expected Real Rate of Return
Domestic Equity		
Large Cap	30%	6.75%
Small/Mid Cap	11%	7.00%
International Equity	27%	6.75%
Domestic Fixed income	32%	3.00%
	100%	

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	**$ 195,143**	**$ 67,688**	**$ 127,455**
Changes for the year:			
Service Cost	6,751	-	6,751
Interest on TOL, Service Cost and Benefit Payments	14,133	-	14,133
Difference between Expected and Actual Experience	(265)	-	(265)
Employer Contributions	-	20,020	(20,020)
Active Employee Contributions *	-	-	-
Net Investment Income	-	5,265	(5,265)
Benefit Payments	(17,020)	(17,020)	-
Administrative Expenses	-	-	-
Changes in Actuarial Assumptions	-	-	-
Net Changes	**3,599**	**8,265**	**(4,666)**
Balances at June 30, 2018	**$ 198,741**	**$ 75,953**	**$ 122,788**

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

*Active employees do not contribute to the OPEB plan.

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

For the year ended June 30, 2019, MARTA recognized OPEB expense of $9,999.

At June 30, 2019, MARTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Balance of Deferred Outflows and Inflows Due to:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (4,085)
Net difference between projected and actual earnings on investments	-	(2,216)
Changes of assumptions	-	(8,122)
Employer contribution subsequent to the measure date	18,323	-
Total	$ 18,323	$ (14,422)

Deferred outflows of resources of $18,323 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
2019	$ (6,146)
2020	(6,146)
2021	(2,010)
2022	(120)
2023	-
Total	$ (14,422)

Changes in Assumptions and Benefit Terms Since the Prior Measurement Date: The morality rates for the Union Plan were changed. The retirement rates for the Non-Represented Plan were changed. The health care cost trend rate starting point decreased from 8.0% to 7.75%.

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, 2019.

(Dollars in Thousands)

13. EMPLOYEE BENEFITS (continued)

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

	Valuation Measurement Method	2018
Investments		
US Equities	Fair Value - Level 1	$ 32,081
International Equities	Fair Value - Level 1	19,524
Domestic Bonds	Fair Value - Level 2	21,376
Short-Term Investments	Fair Value - Level 1	3,002
Total Assets		75,982
Liabilities		(29)
Net Asset Available for Benefits		$ 75,953

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, 2018, 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 $19,524 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. 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 risks and public liability and property damage claims up to $5,000 per occurrence. MARTA carries liability insurance for amounts exceeding the self-insured limits. For property and casualty insurance, the coverage over the self-insured retention is $5,000 to $150,000.

There have been no significant reductions in insurance coverage during the year ended June 30, 2019 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, 2019 was as follows:

	Workers' Compensation	Public Liability and Property Damage	Total
Balance, June 30, 2018	$ 30,039	$ 25,649	$ 55,688
Incurred claims, net of any changes in estimates	9,175	15,242	$ 24,417
Payments	(8,567)	(9,915)	$ (18,482)
Balance, June 30, 2019	$ 30,647	$ 30,976	$ 61,623
Due within one year	$ 10,204	$ 8,872	$ 19,076

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 number 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.

15. 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, 2019. At June 30, 2019, MARTA was committed to future capital expenditures for various other projects.

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, railcars, buses, replacement and rehabilitation of transit operating equipment, development work for construction support techniques, upgrading the fire protection 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 has entered in fiscal year 2019. 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.

16. 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 several years and continues to use various methods to remediate the effects of these releases.

MARTA estimates that $3,064 is its obligation to remediate the sites at the bus and maintenance facilities at June 30, 2019 which is included in current liabilities on the Statements of Net Position.

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 regarding the site.

17. SUBSEQUENT EVENTS

MARTA has natural gas and diesel fuel hedge contracts in place to fully hedge fuel for the fiscal year 2020 budget period. In addition, MARTA has diesel fuel contracts in place to hedge a portion of its diesel fuel price risk for the fiscal year 2021 budget period. MARTA may execute additional fuel hedge contracts to complete fuel hedging for fiscal year 2021. Fuel Swap transactions will be determined through a bid process conducted at points in fiscal year as dictated by market conditions. MARTA may also use established brokerage firms to procure individual futures contracts to hedge against budget volatility. The purchases and settlements will be executed and settled by MARTA. These contracts will be executed to hedge fiscal years 2021 and 2022 at levels not to exceed 80% of the forecast usage for any year.

MARTA executed a fixed rate bond $130.8M par new money transaction, Series 2019A, to support the Capital Improvement Program. The sale was conducted through a competitive request for proposal (RFP) process and approved by the MARTA Board of Directors on June 13, 2019 and closed on July 2, 2019. The bonds mature over a 28-year period. Seven bids were received, and the winning bid had a True Interest Cost (TIC) rate of 2.98%.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Year Ended June 30, 2019
(Dollars in Thousands)

UNION

	2018	2017	2016	2015	2014
Total Pension Liability:					
Service Cost	$ 13,036	$ 12,199	$ 11,677	$ 11,476	$ 11,099
Interest	38,706	37,614	38,448	35,684	35,109
Change in Benefit Terms	-	-	(1,180)	323	-
Difference between Expected and Actual Experience	(10,361)	2,670	(4,055)	(1,763)	(2,287)
Change in Assumptions	5,899	1,051	-	29,188	-
Benefit Payments	(38,499)	(38,807)	(38,031)	(36,727)	(35,123)
Administrative Expense	(589)	(705)	(928)	(851)	(588)
Net Change in Total Pension Liability	$ 8,192	$ 14,022	$ 5,931	$ 37,330	$ 8,210
Total Pension Liability					
Beginning of the Year	540,042	526,020	520,089	482,759	474,549
Net Increase (Decrease)	8,192	14,022	5,931	37,330	8,210
Total Pension Liability End of the Year	$ 548,234	$ 540,042	$ 526,020	$ 520,089	$ 482,759
Plan Fiduciary Net Position:					
Employee Contributions	$ 9,129	$ 4,947	$ 4,828	$ 4,719	$ 4,392
Employer Contributions	5,137	9,041	8,807	8,630	8,077
Members Buybacks	-	-	-	-	-
Net Investment Income	(26,423)	68,793	41,493	(7,547)	31,954
Benefits Payments	(38,499)	(38,807)	(38,031)	(36,727)	(35,123)
Administrative Expense	(589)	(705)	(928)	(851)	(588)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	$ (51,245)	$ 43,269	$ 16,169	$ (31,776)	$ 8,713
Total Fiduciary Net Position					
Beginning of the Year	562,578	519,309	503,140	535,836	526,203
Net Increase (Decrease)	(51,245)	43,269	16,169	(32,696)	8,713
Total Plan Fiduciary Net Position End of the Year	$ 511,334	$ 562,578	$ 519,309	$ 503,140	$ 534,916
Plan's Net Position Liability (NPL)	$ 36,900	$ (22,536)	$ 6,711	$ 16,948	$ (52,157)
Plan Fiduciary Net Position as % of TPL	93.3%	104.2%	98.7%	96.7%	110.8%
Covered Payroll	112,843	111,751	108,865	106,678	99,587

* 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, 2019
(Dollars in Thousands)

UNION

	2013	2012	2011	2010	2009
Total Pension Liability:					
Service Cost	$ 11,004	$ 9,870	$ 10,114	$ 12,239	$ 12,129
Interest	34,672	34,932	34,847	34,119	33,061
Change in Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(5,092)	(17,095)	2,283	(5,486)	(2,862)
Change in Assumptions	-	-	(16,182)	-	-
Benefit Payments	(33,491)	(30,075)	(28,207)	(28,739)	(26,885)
Administrative Expense	(553)	(549)	(583)	(541)	(518)
Net Change in Total Pension Liability	$ 6,540	$ (2,917)	$ 2,272	$ 11,592	$ 14,925
Total Pension Liability					
Beginning of the Year	468,009	470,926	468,654	457,062	442,137
Net Increase (Decrease)	6,540	(2,917)	2,272	11,592	14,925
Total Pension Liability End of the Year	$ 474,549	$ 468,009	$ 470,926	$ 468,654	$ 457,062
Plan Fiduciary Net Position:					
Employee Contributions	$ 4,812	$ 4,521	$ 3,671	$ 2,669	$ 2,847
Employer Contributions	8,839	6,218	6,941	11,360	5,392
Members Buybacks	-	-	-	-	-
Net Investment Income	84,100	47,576	456	55,248	72,988
Benefits Payments	(33,491)	(30,075)	(28,207)	(28,739)	(26,885)
Administrative Expense	(553)	(549)	(583)	(541)	(518)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	$ 63,707	$ 27,691	$ (17,722)	$ 39,996	$ 53,824
Total Fiduciary Net Position					
Beginning of the Year	462,497	434,806	452,528	412,531	358,707
Net Increase (Decrease)	63,706	27,691	(17,722)	39,996	53,824
Total Plan Fiduciary Net Position End of the Year	$ 526,203	$ 462,497	$ 434,806	$ 452,528	$ 412,531
Plan's Net Position Liability (NPL)	$ (51,654)	$ 5,512	$ 36,120	$ 16,126	$ 44,530
Plan Fiduciary Net Position as % of TPL	110.9%	98.8%	92.3%	96.6%	90.3%
Covered Payroll	109,119	105,030	108,930	116,744	108,031

* 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, 2019
(Dollars in Thousands)

NON-REP

	2018	2017	2016	2015	2014
Total Pension Liability:					
Service Cost	$ 5,136	$ 4,747	$ 5,656	$ 6,051	$ 5,602
Interest	29,002	30,292	32,430	31,569	31,475
Change in Benefit Terms	1,000	2,800	(37,000)	-	-
Difference between Expected and Actual Experience	(118)	4,409	1,987	9,181	4,158
Change in Assumptions	-	26,064	15,000	-	15,914
Benefit Payments	(37,643)	(36,647)	(33,470)	(34,383)	(34,023)
Administrative Expense	-	-	-	-	-
Net Change in Total Pension Liability	$ (2,622)	$ 31,665	$ (15,397)	$ 12,418	$ 23,126
Total Pension Liability					
Beginning of the Year	497,061	465,396	480,793	468,375	445,249
Net Increase (Decrease)	(2,622)	31,665	(15,397)	12,418	23,126
Total Pension Liability End of the Year	$ 494,438	$ 497,061	$ 465,396	$ 480,793	$ 468,375
Plan Fiduciary Net Position:					
Employee Contributions	$ 2,424	$ 2,533	$ 2,626	$ 2,818	$ 2,902
Employer Contributions	19,434	13,540	26,339	20,114	20,623
Members Buybacks	20	48	55	82	44
Net Investment Income	(22,247)	63,383	22,568	(2,994)	19,772
Benefits Payments	(37,643)	(36,647)	(33,470)	(34,383)	(34,023)
Administrative Expense	(263)	(275)	(231)	(245)	(227)
Other	9	1	133	9	10
Net Change in Plan Fiduciary Net Position	$ (38,265)	$ 42,583	$ 18,020	$ (14,598)	$ 9,102
Total Fiduciary Net Position					
Beginning of the Year	417,679	375,096	357,076	371,675	362,573
Net Increase (Decrease)	(38,265)	42,583	18,020	(14,598)	9,102
Total Plan Fiduciary Net Position End of the Year	$ 379,414	$ 417,679	$ 375,096	$ 357,076	$ 371,675
Plan's Net Position Liability (NPL)	$ 115,024	$ 79,382	$ 90,300	$ 123,717	$ 96,701
Plan Fiduciary Net Position as % of TPL	76.7%	84.0%	80.6%	74.3%	79.4%
Covered Payroll	31,145	34,571	38,966	42,301	45,099

* 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, 2019
(Dollars in Thousands)

NON-REP

	2013	2012	2011	2010	2009
Total Pension Liability:					
Service Cost	$ 5,994	$ 7,358	$ 7,124	$ 7,043	$ 7,978
Interest	30,517	31,878	30,054	28,593	28,402
Change in Benefit Terms	-	(26,143)	-	-	-
Difference between Expected and Actual Experience	(1,032)	2,452	9,121	10,086	(9,539)
Change in Assumptions	10,648	11,228	5,540	-	-
Benefit Payments	(31,084)	(27,986)	(27,527)	(25,174)	(21,618)
Administrative Expense	-	-	-	-	-
Net Change in Total Pension Liability	$ 15,043	$ (1,213)	$ 24,312	$ 20,548	$ 5,225
Total Pension Liability					
Beginning of the Year	430,206	431,419	407,108	386,560	381,335
Net Increase (Decrease)	15,043	(1,213)	24,312	20,548	5,225
Total Pension Liability End of the Year	$ 445,249	$ 430,206	$ 431,419	$ 407,108	$ 386,559
Plan Fiduciary Net Position:					
Employee Contributions	$ 3,389	$ 3,416	$ 3,366	$ 3,225	$ 3,411
Employer Contributions	21,619	24,036	21,825	20,543	17,324
Members Buybacks	90	31	21	33	121
Net Investment Income	66,798	33,194	3,999	28,564	37,664
Benefits Payments	(31,084)	(27,986)	(27,527)	(25,174)	(21,618)
Administrative Expense	(351)	(1,315)	(1,192)	(1,086)	(903)
Other	341	415	242	136	172
Net Change in Plan Fiduciary Net Position	$ 60,801	$ 31,790	$ 735	$ 26,241	$ 36,171
Total Fiduciary Net Position					
Beginning of the Year	301,771	269,981	269,246	243,005	206,834
Net Increase (Decrease)	60,802	31,790	735	26,241	36,171
Total Plan Fiduciary Net Position End of the Year	$ 362,573	$ 301,771	$ 269,981	$ 269,246	$ 243,005
Plan's Net Position Liability (NPL)	$ 82,676	$ 128,435	$ 161,438	$ 137,862	$ 143,554
Plan Fiduciary Net Position as % of TPL	81.4%	70.1%	62.6%	66.1%	62.9%
Covered Payroll	45,668	49,338	58,225	58,140	58,614
Plan's NPL as % of Covered Payroll	181.0%	260.3%	277.3%	237.1%	244.9%

* 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 Actuarial Assumptions and Benefits
Year Ended June 30, 2019
(Dollars in Thousands)

UNION

	2019	2018	2017	2016
Actuarial Assumptions:				
Investment Rate of Return	7.25%	7.25%	7.50%	7.50%
Inflation	2.10%	2.80%	2.80%	2.80%
Projected Salary Increases:				
Cost of Living	None	3.00%	3.00%	3.00%
Merit or Seniority	1.00% per year	1.00% per year	1.00% per year	1.00% per year
Mortality Assumption:				
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	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014
Disabled	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2016	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014	RP-2014 Blue Collar Mortality Table using 1/2 of Scale MP-2014

NON-REP

	2019	2018	2017	2016
Actuarial Assumptions:				
Investment Rate of Return	6.00%	6.00%	6.70%	6.90%
Inflation	2.50%	2.50%	2.50%	2.50%
Mortality Assumption:				
Healthy	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by sex, Projection Scale MP-2016, fully generational.	RP-2014 Employee and Healthy Annuitant Mortality Tables separated by Sex, Projection Scale BB to valuation date.	RP-2000 Combined Health Mortality Tables separted by Sex, Project Scale BB to valuation date.	RP-2000 Combined Health Mortality Tables separted 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.	RP-2000 Combined Health Mortality Tables separted by Sex, Project Scale BB to valuation date.	None. No future mortality improvement was projected.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - Pension
Year Ended June 30, 2019
(Dollars in Thousands)

UNION

FISCAL YEAR ENDED JUNE 30	2019	2018	2017	2016	2015
Contributions					
Actuarially Determined Contribution	$ 10,721	$ 9,278	$ 8,924	$ 8,719	$ 8,729
Actual Employer Contributions	10,721	9,278	8,924	8,719	8,354
Contribution Deficiency (Excess)	-	-	-	-	375
Covered Payroll	$ 132,523	$ 114,680	$ 110,308	$ 107,772	$ 103,133
Actual Contributions as % of Covered Payroll	8.09%	8.09%	8.09%	8.09%	8.10%

NON-REP

FISCAL YEAR ENDED JUNE 30	2019	2018	2017	2016	2015
Contributions					
Actuarially Determined Contribution	$ 14,664	$ 13,181	$ 19,787	$ 23,211	$ 18,296
Actual Employer Contributions	17,647	17,158	24,346	19,787	20,369
Contribution Deficiency (Excess)	(2,982)	(3,977)	(4,559)	3,424	(2,073)
Covered Payroll	$ 31,425	$ 34,157	$ 38,231	$ 43,402	$ 43,700
Actual Contributions as % of Covered Payroll	56.16%	50.23%	63.68%	45.59%	46.61%

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Employer Contributions - Pension
Year Ended June 30, 2019
(Dollars in Thousands)

UNION

FISCAL YEAR ENDED JUNE 30	2014	2013	2012	2011	2010
Contributions					
Actuarially Determined Contribution	$ 7,510	$ 7,064	$ 8,918	$ 10,631	$ 8,376
Actual Employer Contributions	8,458	7,528	6,579	9,150	8,376
Contribution Deficiency (Excess)	(948)	(465)	2,339	1,480	-
Covered Payroll	$ 104,353	$ 107,074	$ 106,980	$ 112,837	$ 112,387
Actual Contributions as % of Covered Payroll	8.11%	7.03%	6.15%	8.11%	7.45%

NON-REP

FISCAL YEAR ENDED JUNE 30	2014	2013	2012	2011	2010
Contributions					
Actuarially Determined Contribution	$ 18,646	$ 22,947	$ 23,349	$ 20,653	$ 19,804
Actual Employer Contributions	21,121	22,827	22,930	21,184	18,933
Contribution Deficiency (Excess)	(2,475)	119	419	(531)	871
Covered Payroll	$ 45,384	$ 47,503	$ 53,782	$ 58,182	$ 58,377
Actual Contributions as % of Covered Payroll	46.54%	48.05%	42.64%	36.41%	32.43%

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Year Ended June 30, 2019
(Dollars in Thousands)

	2018	2017
Total OPEB Liability:		
Service Cost (BOY)	$ 6,751	$ 6,521
Interest	14,133	15,259
Change in Benefit Terms	-	-
Difference between Expected and Actual Experience	(265)	(7,362)
Change in Assumptions	-	(15,402)
Benefit Payments	(17,020)	(15,335)
Administrative Expense	-	-
Net Change in Total OPEB Liability	$ 3,599	$ (16,319)
Total OPEB Liability		
Beginning of the Year	195,143	211,461
Net Increase (Decrease)	3,599	(16,319)
End of the Year	$ 198,741	$ 195,143
Plan Fiduciary Net Position:		
Employer Contributions	$ 20,020	$ 20,772
Active Employee Contributions *	-	-
Net Investment Income	5,265	6,867
Benefit Payments	(17,020)	(15,335)
Administrative Expense	-	-
Net Change in Plan Fiduciary Net Position	$ 8,265	$ 12,304
Total Fiduciary Net Position		
Beginning of the Year	67,688	55,384
Net Increase (Decrease)	8,265	12,304
End of the Year	$ 75,953	$ 67,688
Plan's Net Position Liability (NPL)	$ 122,788	$ 127,455
Plan Fiduciary Net Position as % of TOL	38.2%	34.7%
Covered Payroll	$ 196,714	$ 189,100
Plan's NPL as % of Covered Payroll	62.42%	67.40%

*Active employees do not contribute to the OPEB Plan.

**The year in the column header represents the measurement period ending June 30th.

***Information for additional years will be displayed as it becomes available.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Required Supplementary Information
Schedule of Employers Contributions - OPEB

Year Ended June 30, 2019

(Dollars in Thousands)

FISCAL YEAR ENDING	**2018**	**2017**
Contributions		
Actuarially Determined Contributions	$ 20,020	$ 20,772
Employer Contributions (ERC)	20,020	20,772
Contributions (Excess)/Deficiency	-	-
Covered Payroll	$ 196,714	$ 189,100
ERC as % of Covered Payroll	10.18%	10.98%

*The year in the column header represents the measurement period ending June 30th.

**Information for additional years will be displayed as it becomes available.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

Supplemental Schedule of Revenues and Expenses
Budget vs. Actual (Budget Basis)

For the Year Ended June 30, 2019

(Dollars in Thousands)

	Budget	Actual (Budget Basis)	Variance Favorable/ (Unfavorable)
Operating Revenues			
Fare Revenue	$ 133,056	$ 133,186	$ 130
Other Revenue	5,883	7,977	2,094
Total Operating Revenues	138,939	141,163	2,224
Operating Expenses			
Transportation	235,729	247,245	(11,516)
Maintenance & Garage Operations	170,950	175,466	(4,516)
General and Administrative	89,772	99,531	(9,759)
Total Operating Expenses	496,451	522,242	(25,791)
Operating Loss	(357,512)	(381,079)	(23,567)
Non-Operating Revenues			
Sales and Use Tax	523,899	540,310	16,411
Federal Operating Revenue	74,400	87,283	12,883
Investment Income	3,250	11,848	8,598
Other Revenues	34,250	43,021	8,771
	635,799	682,462	46,663
Increase in Net Position- Budget Basis	$ 278,287	$ 301,383	$ 23,096
Basis Differences			
Depreciation		(240,540)	
Gain on Sales of Property and Equipment		6,672	
Interest Expense		(83,617)	
Amortization of Financing Related Charges and Income from Derivative Activity		9,494	
Other - Nonoperating Expense		(44,882)	
Capital Grants		121,578	
Net Capital Lease Transaction Activity		(1,091)	
Gain on Investment Derivatives		78	
Increase in Net Position - GAAP Basis		$ 69,075	

See notes to supplemental schedule

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
Notes to the Supplemental Schedule
Year Ended June 30, 2019
(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 $2,224 (1.60%) more than budget. Nonoperating revenues were $42,194 (6,64%) favorable to the budget. The largest favorable variance was Sales and Use Tax which was $16,411 more than budgeted. MARTA continued a number of cost containment measures in fiscal year 2019 by focusing on increasing productivity and efficiencies while reducing cost. The fiscal year 2019 total operating expenses were $522,242 which excludes depreciation. This was $25,791 (5.20%) more than the fiscal year 2019 budget, which was $34,863 (7.6%) more than the previous year's budget.

Statistical

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STATISTICAL SECTION - Unaudited

This part of the Comprehensive Annual 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.

FINANCIAL TRENDS........ Schedules **81-87**

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........ Schedules **91-93**

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........ Schedules **97-101**

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........ Schedules **105-108**

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........ Schedules **111-117**

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 comprehensive annual 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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
ASSETS:										
Current and Other	$1,061	$955	$1,253	$1,086	$1,161	$1,033	$1,039	$1,013	$968	$1,084
Capital	3,004	2,883	2,871	2,966	3,049	3,056	3,028	3,078	3,158	3,272
Net Pension	-	23	-	-	53	-	-	-	-	-
Derivative	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2	-	-	-	-	-
Total Assets	4,065	3,861	$4,124	4,052	4,265	4,089	4,067	4,091	4,126	4,356
DEFERRED OUTFLOWS OF RESOURCES										
Hedging	-	-	-	-	2	-	4	23	29	-
Pension	101	89	110	128	41	-	-	-	-	-
OPEB	18	20	-	-	-	-	-	-	-	-
Debt Refunding	29	31	21	25	10	12	16	-	-	-
Total Deferred Outflows of Resources	148	140	131	153	53	12	20	23	29	-
Total Assets and Deferred Outflows of Resources	4,213	4,001	4,255	4,205	4,318	4,101	4,087	4,114	4,155	4,356
LIABILITIES:										
Long-term Debt Outstanding	2,444	2,362	2,345	2,176	2,131	1,792	1,881	1,910	1,652	1,691
Current and Other	334	294	532	536	693	884	747	617	826	816
Derivative	-	-	-		2	-	-	-	-	-
Net Pension	152	79	97	141	96	-	-	-	-	-
Net OPEB	123	128	1	1	1	-	-	-	-	-
Total Liabilities	3,053	2,863	2,975	2,854	2,924	2,676	2,628	2,527	2,476	2,507
DEFERRED INFLOWS OF RESOURCES										
Hedging	-	-	-	-	-	-	-	-	1	-
Capital Lease	15	16	-	-	-	-	-	-	-	-
Pension	9	50	9	3	2	-	-	-	-	-
OPEB	15	20	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	39	86	9	3	2	-	-	-	-	1
Total Libilities and Deferred Inflows of Resources	3,092	2,949	2,984	2,857	2,926	2,676	2,628	2,527	2,477	2,507
NET POSITION:										
Net Invested in Capital Assets	810	774	222	503	478	647	654	796	915	987
Restricted	62	54	936	857	929	789	788	768	717	709
Unrestricted	249	224	113	(12)	(14)	(11)	17	23	44	153
TOTAL NET POSITION	$1,121	$1,052	$1,271	$1,348	$1,393	$1,425	$1,459	$1,587	$1,676	$1,849

Summary of Revenues, Expenses and Changes in Net Position

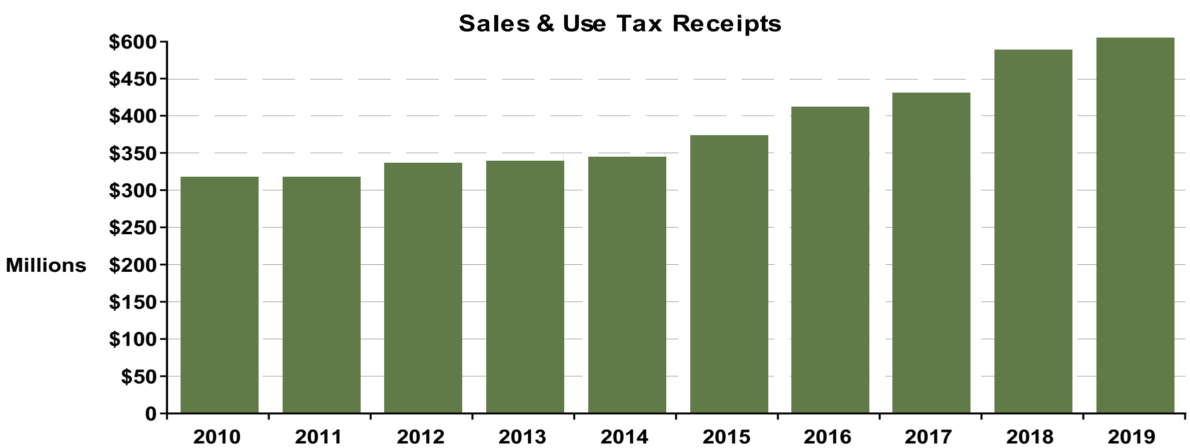
Last Ten Fiscal Years
(Dollars in Millions)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenues										
Fare Revenues	$133	$138	$138	$141	$146	$140	$141	$133	$116	$110
Other Revenues	8	10	10	11	11	12	10	11	11	13
Total Operating Revenues	141	148	148	152	157	153	151	144	127	122
Non-Operating Revenues										
Sales and Use Tax	540	507	439	410	378	347	339	341	320	308
Federal Revenues	87	76	85	76	83	103	120	71	86	101
Investment Income	12	3	2	2	1	1	2	1	1	2
Net Capital Leases Transaction Activity	(1)	(71)	(27)	32	5	7	(32)	52	(12)	50
Other Revenues	43	42	50	42	28	32	17	13	13	11
Gain (Loss) on Sale of Property and Equip.	7	1	3	0	0	(0)	(1)	(0)	(1)	(0)
Total Nonoperating Revenues	688	558	552	562	494	490	445	477	407	471
Total Revenues	829	706	700	715	651	642	596	621	534	594
Summary of Expenses Operating:										
Transportation	247	227	220	206	187	182	183	186	184	180
Maintenance and Garage Operations	175	152	140	144	131	142	138	147	147	147
General and Administrative	100	103	73	83	82	89	79	79	80	76
Depreciation	241	234	236	243	225	210	220	230	222	227
Total Operating Expenses	763	716	669	676	625	623	619	642	633	630
Non-Operating Expenses										
Interest Expenses	84	78	84	83	86	76	79	70	73	74
Interest Expenses Capitalized	(0)	(0)	(0)	(0)	(1)	(1)	(2)	(1)	(0)	(0)
Amortization of Financing Related Charges and Income from Derivative Activity	(9)	(5)	(7)	(5)	(3)	(4)	(6)	(3)	1	(5)
(Gain) Loss on Investment Derivatives	(1)	(1)	1	0	(1)	(8)	0	(9)	(8)	(6)
Other Nonoperating Expenses	45	33	45	39	44	62	81	51	35	39
Total Nonoperating Expenses	119	105	123	117	125	124	152	109	101	102
Total Expenses	882	821	792	792	750	747	771	751	734	732
Loss Before Capital Contributions	(53)	(114)	(92)	(78)	(99)	(105)	(175)	(130)	(200)	(138)
Capital Grants and Contributions	122	30	15	32	82	71	47	40	27	34
Increase (Decrease) in Net Position	69	(84)	(77)	(45)	(17)	(34)	(128)	(90)	(173)	(104)
Net Position, July 1 as previously presented	1,052	1,271	1,348	1,393	1,425	1,459	1,587	1,676	1,849	1,953
Prior period adjustment	0	(135)	0	0	(15)	0	0	0	0	0
Net Position, July 1	1,052	1,136	1,348	1,393	1,410	1,459	1,587	1,676	1,849	1,953
Net Position, June 30	$1,121	$1,052	$1,271	$1,348	$1,393	$1,425	$1,459	$1,587	$1,676	$1,849

Sales Tax Collection and Usage

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Sales Tax[1]	Percent Change	Usage (2 & 3): Sinking Fund Withheld	Usage (2 & 3): Capital Construction	Sales Tax for Operations: Subsidy	Sales Tax for Operations: Percent Used	Sales Tax for Operations: Overage/ (Shortage)
2010	$317,775	(2.9)%	$123,471	$35,417	$180,452	57%	($21,565)
2011	319,229	0.5	126,386	33,228	194,573	61	(34,958)
2012	339,156	6.2	124,948	17,739	196,891	58	(422)
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



[1] Sales Tax Collection is stated on the cash basis.

[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 suspends the 50/50 sales tax restriction.

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

Revenues and Operating Assistance Comparison to Industry Trend Data

Last Ten Fiscal Years
(As a Percentage of Total)

		Operating and Other Miscellaneous Revenue			Operating Assistance			
	Fiscal Year	Fares	Other[2]	Total	Sales & Use Tax	Federal	Total	Total Revenue
Transportation Industry[1]								
	2010	32.1%	5.4%	37.5%	53.1%	9.4%	62.5%	100.0%
	2011	32.8	4.9	37.8	52.5	9.8	62.2	100.0
	2012	32.5	4.6	37.2	54.0	8.9	62.8	100.0
	2013	32.5	3.8	36.3	54.7	8.9	63.7	100.0
	2014	32.0	3.9	35.9	55.5	8.6	64.1	100.0
	2015**	32.5	4.9	37.4	54.3	8.3	62.6	100.0
	2016**	31.3	5.0	36.3	55.6	8.0	63.7	100.0
	2017**	31.4	5.0	36.3	55.2	8.5	63.7	100.0
	2018*	*	*	*	*	*	*	*
	2019*	*	*	*	*	*	*	*
MARTA								
	2010	18.4%	12.8%	31.2%	51.8%	17.0%	68.8%	100.0%
	2011	21.7	2.3	24.0	59.9	16.1	76.0	100.0
	2012	21.4	12.3	33.7	54.9	11.4	66.3	100.0
	2013	23.6	-0.5	23.1	56.8	20.1	76.9	100.0
	2014	21.9	8.0	29.9	54.1	16.0	70.1	100.0
	2015	22.5	6.8	29.3	58	12.7	70.7	100.0
	2016	19.8	12.2	32.0	57.3	10.7	68.0	100.0
	2017	19.7	5.5	25.2	62.7	12.1	74.8	100.0
	2018	19.6	-2.2	17.4	71.8	10.8	82.6	100.0
	2019	16.1	8.3	24.4	65.1	10.5	75.6	100.0

* Not Available

** Revised

(1) Source: The American Public Transportation Association, APTA April 2017 Fact Book, Appendix A Historical Table 87.

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

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
2010	$180,360	$146,875	$76,125	$227,032	$630,392	$73,964	$27,660	$732,016
2011	183,875	146,844	79,743	222,304	632,766	73,076	21,704	727,546
2012	186,144	146,672	78,660	230,392	641,868	69,792	36,733	748,393
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

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	Total Operating Expenses
2010	$302,260	$22,633	$49,680	$17,891	$9,077	$ -	$227,032	$1,819	$630,392
2011	307,041	25,029	45,506	18,956	11,734	-	222,304	2,196	632,766
2012	309,851	24,880	48,785	18,257	7,383	-	230,392	2,320	641,868
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

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	Total Operating Expenses [1]
Transportation Industry[2]									
	2010	65.2%	6.6%	10.7%	3.4%	2.6%	13.8%	(2.3)%	100.0%
	2011	65.0	6.6	11.4	3.3	2.6	13.3	(2.2)	100.0
	2012	64.0	6.9	11.7	3.2	2.2	13.8	(-1.8)	100.0
	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	*	*	*	*	*	*	*	*
	2019	*	*	*	*	*	*	*	*
MARTA									
	2010	74.9%	5.6%	12.3%	4.4%	2.3%	0.0%	0.5%	100.0%
	2011	74.8	6.1	11.1	4.6	2.9	0.0	0.5	100.0
	2012	75.3	6.1	11.9	4.4	1.8	0.0	0.5	100.0
	2013	75.5	6.6	11.1	4.1	1.8	0.0	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

* Not Available
[1] Excludes Depreciation Expenses
[2] Source: The American Public Transportation Association, APTA 2019 PublicTransportation Fact Book.

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Revenue Capacity

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Revenues by Source

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Fare Revenues	Federal Operating Revenues[1]	Sales & Use Tax [2]	Auxiliary Transportation	Investment Income	Non-Transportation[3]	Total
2010	$109,546	$100,960	$307,525	$12,745	$2,181	$61,219	$594,176
2011	115,828	85,777	319,850	11,401	1,272	(281)	533,847
2012	132,870	70,576	340,945	11,294	833	64,570	621,088
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	76,289	409,718	11,052	1,568	74,635	714,622
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

(1) Federal Operating Revenues are not generated by MARTA; thus, they are not own-source revenues.

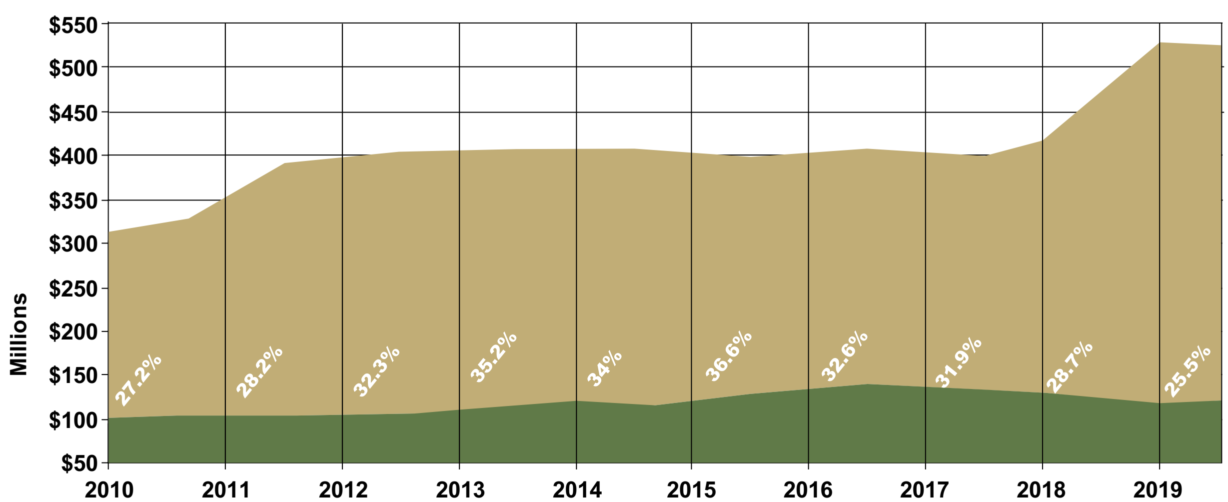
(2) MARTA is a public corporate body created as a joint public instrumentality and does not have the power to impose any tax on any subject of taxation. MARTA receives a 1% sales tax from Fulton County, DeKalb County and Clayton County and 1.5% from the City of Atlanta levied on its behalf by the aforementioned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

(3) 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 (1)	Percent Change	Farebox Recovery
2010	$109,546	4.1%	$403,360	3.2%	27.2%
2011	115,828	5.7	410,462	1.8	28.2
2012	132,870	14.7	411,476	0.2	32.3
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	(0.0)	31.9
2018	138,254	0.2	482,132	11.4	28.7
2019	133,186	(3.7)	522,242	8.3	25.5



(1) Excludes Depreciation Expense

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)
2010	4%	1%	3%	3%	3%	2%	2%
2011	4	1	3	3	3	2	2
2012	4	1	3	3	3	2	2
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	2.75	3	2	2
2018	4	1	3.9	3.9	3	2	2
2019	4	1	3.9	3.9	3	2	2

(1) Charged in all counties.

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

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

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

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

(6) Education tax effective April 1, 1999.

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

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

(9) Special Purpose Local Option Sales Tax increased by .75 percent effective April 01, 2017 for outside of Atlanta.
Total Sales Tax rate inside the City of Atlanta increased by .50 percent for MARTA Sales Tax.

*Revised

Source: Georgia Department of Revenue

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Debt Capacity

Early MARTA expansion: Train-line construction

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Sales & Use Tax Revenue Bond Debt Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

		Debt Service Requirements			
Fiscal Year	**Sales & Use Tax**	**Principal**	**Interest**	**Total**	**Debt Service Coverage (1)**
2010	$307,525	$54,930	$67,622	$122,552	2.51%
2011	319,850	58,370	73,397	131,767	2.43
2012	340,945	62,860	69,750	132,610	2.57
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

(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.

* Actual debt service paid in FY 2014 of $157,598 includes refunding of bond series 2003A of $30,179.
For purposes of calculating ratio of debt service for FY 2014, the $30,179 was deducted from the debt service requirements.

** Actual debt service paid in FY 2016 of $535,273 includes refunding of bond series 2007B of $389,830.
For purposes of calculating ratio of debt service for FY 2016, the $389,830 was deducted from the debt service requirements

***Actual debt service paid in FY 2017 of $191,090 includes refunding of bond series 2006A and series N &P of $166,430.
For purposes of calculating ratio of debt service for FY 2017, the $166,430 was deducted from the debt service requirements.

Sales & Use Tax Revenue Bond Debt Service Limit

June 30, 2019
(Dollars in Thousands)

Sales & Use Tax	$540,310
Debt Service Limitation [1]	45%
Debt Service Limit	243,140
Required for Debt Service [2]	126,457
Excess	$116,683

[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 99 - Sales & Use Tax Revenue Bond Debt Service requirement.

Sales & Use Tax Revenue Bond Debt Service Limit

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Sales & UseTax	Required for Debt Service	Ratio of Debt Service [1]
2010	$307,525	$122,552	39.9
2011	319,850	131,767	41.2
2012	340,945	132,610	38.9
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

(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.

* Actual debt service paid in fiscal year 2014 of $157,598 included refunding of bond series 2003A of $30,179. For purposes of calculating Ratio of Debt Service for fiscal year 2014, the $30,179 was deducted from the debt service requirements.

** Actual debt service paid in FY 2016 of $535,273 included refunding of bond series 2007B of $389,830. For purposes of calculating ratio of debt service for FY 2016, the $389,830 was deducted from the debt service requirements.

***Actual debt service paid in FY 2017 of $191,090 included refunding of bond series 2006A and series N & P of $166,430. For purposes of calculating ratio of debt service for FY 2017, the $166,430 was deducted from required for debt service.

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]
2010	$1,916,104	$369,536	$2,285,640	145,741	$15.68	2.65%**
2011	1,651,725	388,335	2,040,060	139,333	14.64	2.17**
2012	1,910,275	390,859	2,301,134	134,308	17.13	2.35**
2013	1,880,484	409,045	2,289,529	129,320	17.70	2.34**
2014	1,791,781	430,004	2,221,785	128,540	17.28	2.16**
2015	2,131,498	452,067	2,583,565	135,406	19.08	2.36**
2016	2,176,583	311,633	2,488,216	132,724	18.75	2.09**
2017	2,345,485	324,663	2,670,148	125,741	21.24	2.13**
2018	2,125,742	300,571	2,426,313	119,442	20.31	*
2019	2,186,670	320,559	2,507,229	116,665	21.49	*

* Not available

** Revised

(1) From MARTA Financial Statements FY 2010 to FY 2019

(2) See "Unlinked Passenger Changes" on Page 113

(3) Outstanding Debt per Unlinked Passenger Count

(4) Outstanding Debt per Total Service District Personal Income , revised in FY 2019: see Trends in Personal Income on page 105.

Computation of Overlapping Debt

December 31, 2018
(Dollars in Thousands)

Jurisdiction:	Amount Outstanding	Percentage Applicable to MARTA	Amount Applicable to MARTA
Fulton County Library Bonds	$245,227	100%	$245,227
Fulton County School District	32,715	100	32,715
Fulton County Urban Redevelopment Agency	59,651	100	59,651
DeKalb County	276,934	100	276,934
Municipalities:			
Atlanta	329,147	94.02	309,480
Alpharetta	91,089	100	91,089
Hapeville	11,630	100	11,630
Fairburn	7,975	100	7,975
Johns Creek	41,340	100	41,340
Union City	13,085	100	13,085
Milton	34,385	100	34,385
Roswell	8,426	100	8,426
Fulton-DeKalb Hospital Authority Series 2012	68,585	100	68,585
Atlanta-Fulton County Recreation Authority (Zoo 2007)	7,640	95.52	7,297
South Fulton Regional Jail Authoriy (Fulton Project)	12,825	100	12,825
East Point Building Authority	45,570	100	45,570
Total Overlapping Debt	$1,286,224		$1,266,214

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.

Sources: Year Ended December 31, 2018 CAFR for the City of Atlanta, Fulton County, and Dekalb County.

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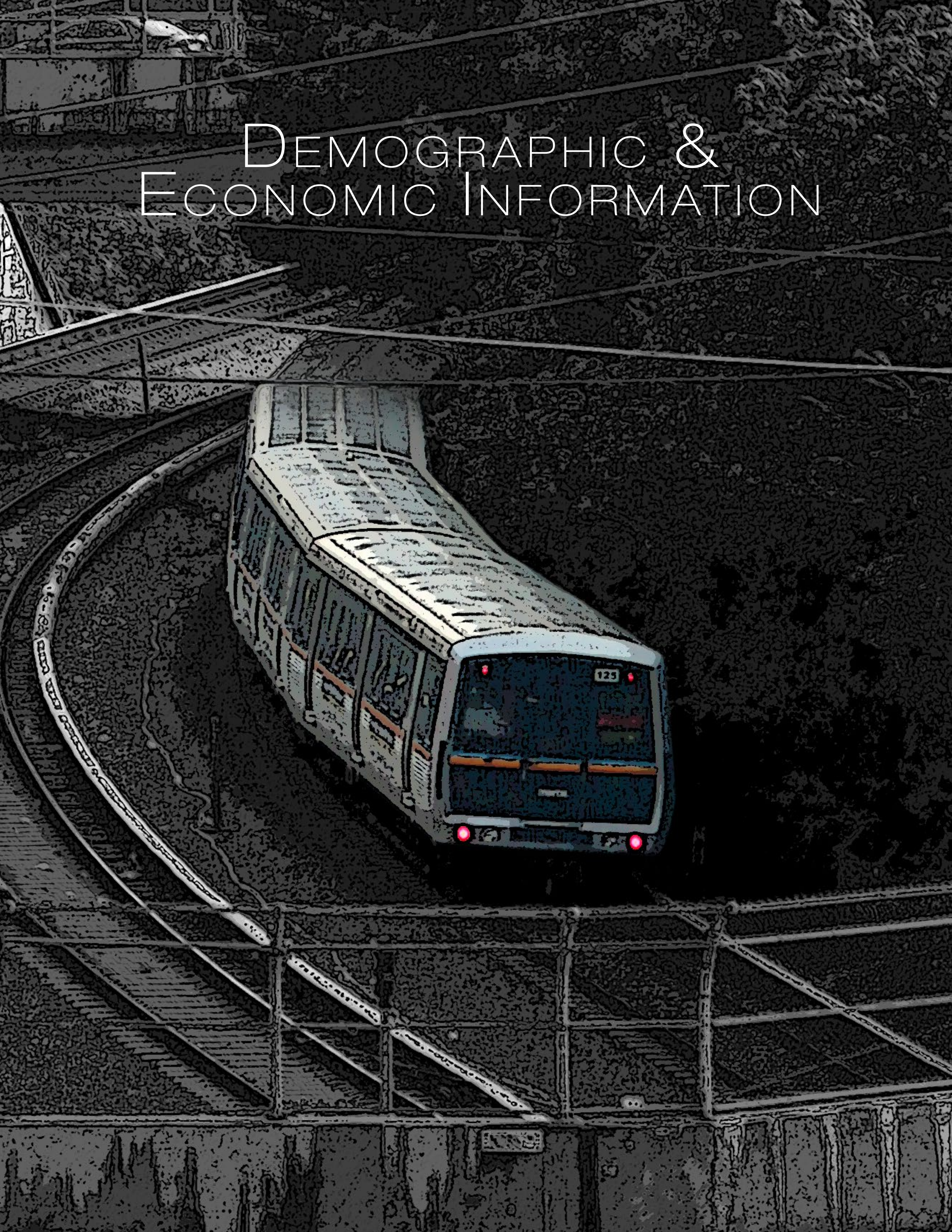
Demographic & Economic Information



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Trends in Personal Income

Last Ten Fiscal Years
(Dollars in Thousands)

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	PER CAPITA*** Personal Income Fulton County	PER CAPITA*** Personal Income DeKalb County
2010	$6,547,961	$52,626,432	$26,950,612	$86,125,005	1.8%	.5%	0.9%	$25,202	$56,823	$38,914
2011	6,969,372	57,492,241	29,401,659	93,863,272	6.4	9.2	9.1	26,536	60,495	42,126
2012	6,633,794	61,741,749	29,694,392	98,069,935	-4.8	7.4	1.0	24,915	63,134	41,923
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 *	7,461,902	77,346,370	34,015,539	118,823,811	4.7	9.4	8.1	26,649	75,515	45,555
2017 *	7,781,551	82,057,605	35,713,163	125,552,319	4.3	6.1	5.0	27,289	78,794	47,412
2018 **	**	**	**	**	**	**	**	**	**	**
2019 **	**	**	**	**	**	**	**	**	**	**

* Revised per latest update from US Department of commerce BEA dated November 15, 2018

** Not available

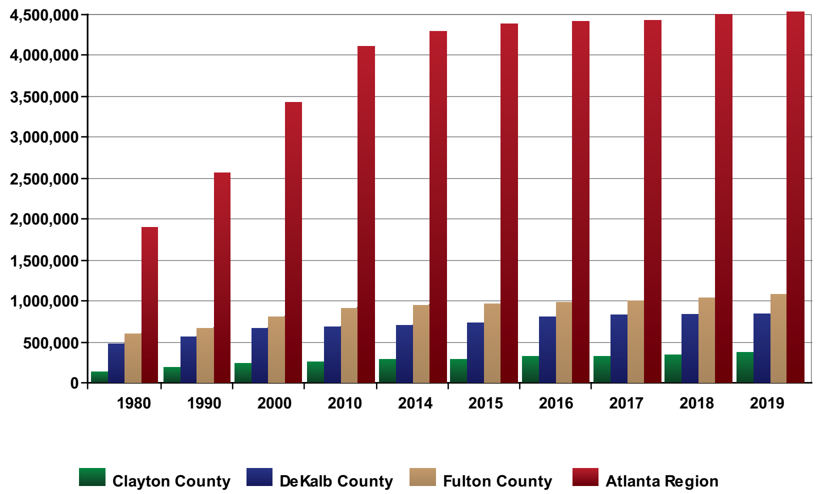
*** Actual dollar amounts

(1) Represents Total Personal Income.

Population and Employment

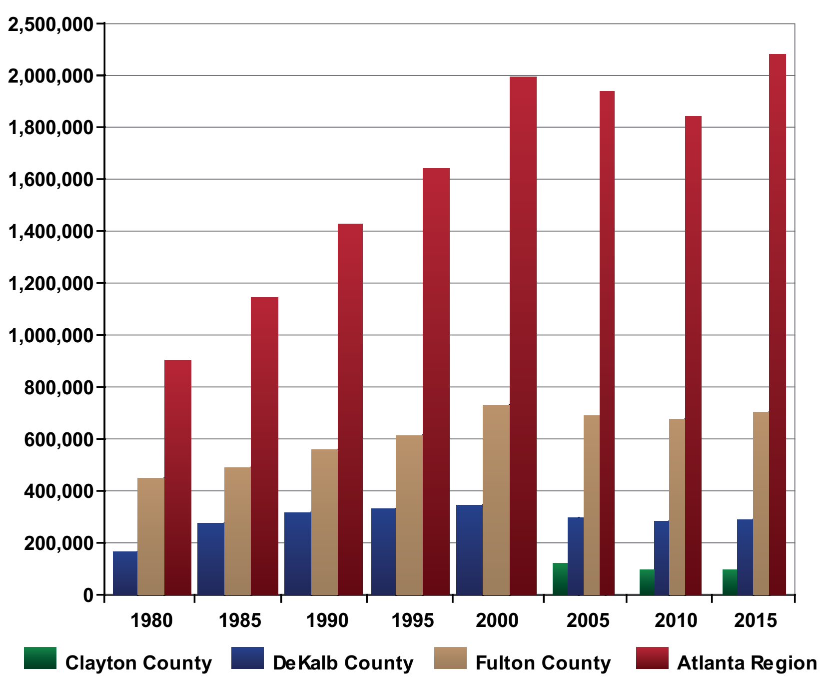
June 30, 2019

Population Growth Since 1980



Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
1980	150,357	589,904	483,024	1,896,182
1990	184,100	670,800	553,800	2,557,800
2000	236,517	816,000	665,900	3,429,379
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**	275,300	1,002,800	733,900	4,480,100
2018**	279,400	1,020,370	744,530	4,555,900
2019	283,900	1,037,070	753,030	4,628,400

Employment Growth Since 1980



Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
1980	*	445,341	218,142	901,157
1985	*	490,000	279,000	1,146,850
1990	*	560,600	318,300	1,426,000
1995	*	616,000	331,800	1,640,000
2000	*	730,900	346,900	1,991,500
2005	126,400	691,100	299,400	1,936,700
2010	113,036	679,041	280,111	1,842,224
2015	114,053	704,791	262,943	2,205,993

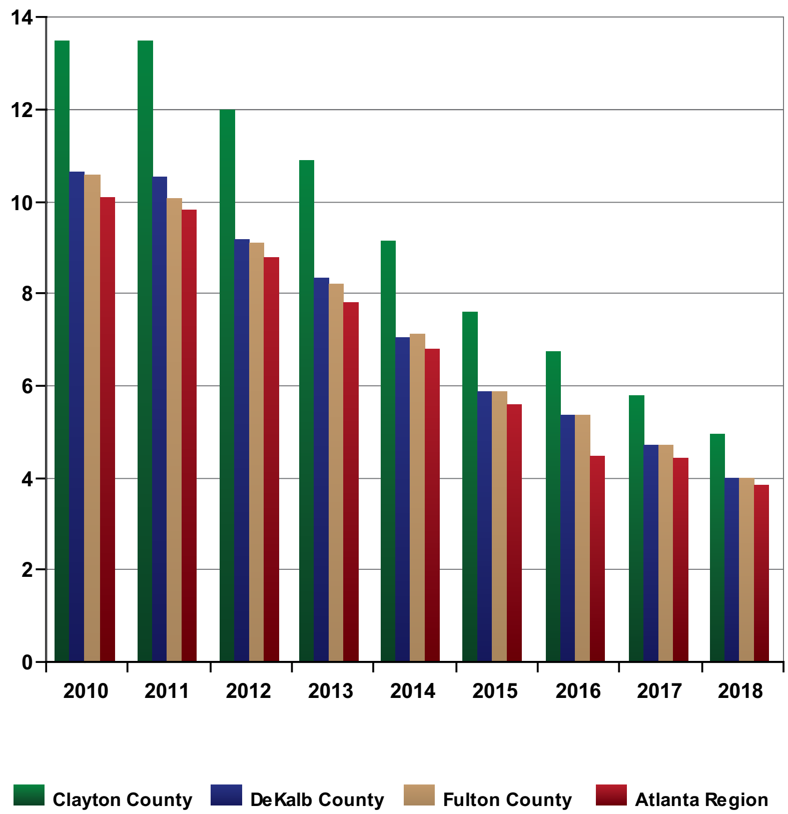
Source: Atlanta Regional Commission

* Not available
** Revised

Unemployment Rates

Last Ten Fiscal Years

Unemployment Rates Since 2010



Year	Clayton County	Fulton County	DeKalb County	Atlanta Region
2010	13.5	10.5	10.8	10.3
2011	13.4	10.2	10.5	9.9
2012	12.0	9.1	9.4	8.8
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**	**	**	**	**

* Revised

** 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

	2018			2009		
Company	Number of Full Time Employees	Rank	Percentage of Total Employment	Number of Full Time Employees	Rank	Percentage of Total Employment
Delta Air Lines, Inc.	34,500	1	1.167%	25,000	1	1.03
Emory Healthcare, Inc.	32,091	2	1.086	-	-	-
The Home Depot	16,510	3	0.559	9,000	6	0.37
Northside Hospital	16,000	4	0.541	-	-	-
Piedmont Hospital	15,900	5	0.538	-	-	-
Wellstar Health System, Inc.	15,353	6	0.519	9,057	5	0.37
The Kroger Co.	15,000	7	0.508	-	-	-
AT&T, Inc.	15,000	8	0.508	20,325	3	0.83
United Parcel Service, Inc. (UPS)	14,594	9	0.494	-	-	-
Marriott International	12,000	10	0.406	-	-	-
Publix Super Markets, Inc.	9,494		0.321	9,633	4	0.40
Children's Healthcare of Atlanta	9,000		0.305	-	-	-
Cox Enterprises, Inc.	8,894		0.301	6,947	8	0.28
	214,336		7.25	79,962		3.28

Sources: Metro Atlanta Chamber of Commerce, 2019.

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]
2010	27,030	22,061	49,091	(5)%	$8.22	$0.81	2.6
2011	23,059	18,662	41,721	(15)	9.84	0.57	2.9
2012	22,804	17,661	40,465	(3)	10.17	0.60	3.1
2013	22,743	17,916	40,659	0	9.83	0.59	3.1
2014	22,443	18,086	40,529	(0)	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

[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.

Source: National Transit Database

Transit Service Effort and Accomplishments Per Hour

Last Ten Fiscal Years
(Vehicle Hours In Thousands)

Fiscal Year	Revenue Vehicle Hours (1)				Operating Expense (2) Per Hour	Operating Expense (2) Per Passenger Trip (1) (3)	Unlinked Passenger Trips Per Revenue Vehicle Hour (1) (3)
	Bus	Rail	Total	% Change			
2010	2,137	829	2,966	(5)%	$135.96	$2.77	49.1
2011	1,867	709	2,576	(13)	141.50	2.95	54.1
2012	1,877	674	2,551	(1)	161.30	3.06	52.7
2013	1,863	683	2,546	(0)	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

(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.

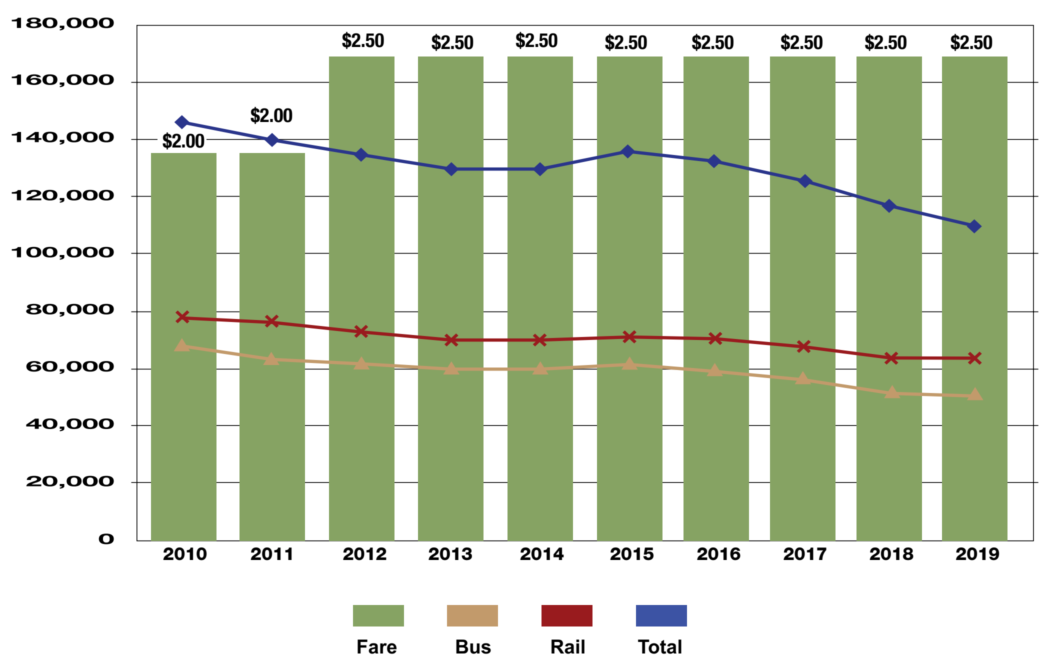
Source: National Transit Database

Unlinked Passenger Changes

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

Fiscal Year	Bus[1]	%Change	Rail[1]	%Change	Total[1]	%Change
2010	68,009	(6.5)%	77,732	(6.7)%	145,741	(6.6)%
2011	63,105	(7.2)	76,228	(1.9)	139,333	(4.4)
2012	61,597	(2.4)	72,711	(4.6)	134,308	(3.6)
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)

Relationship of Fare Changes to Linked Passenger Counts



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

Source: National Transit Database

Fare Structure

For the Fiscal Year Ended June 30, 2019

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)*	$0.00
One Day Pass	$3.00

Reduced Fare (for pre-qualified customers 65 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

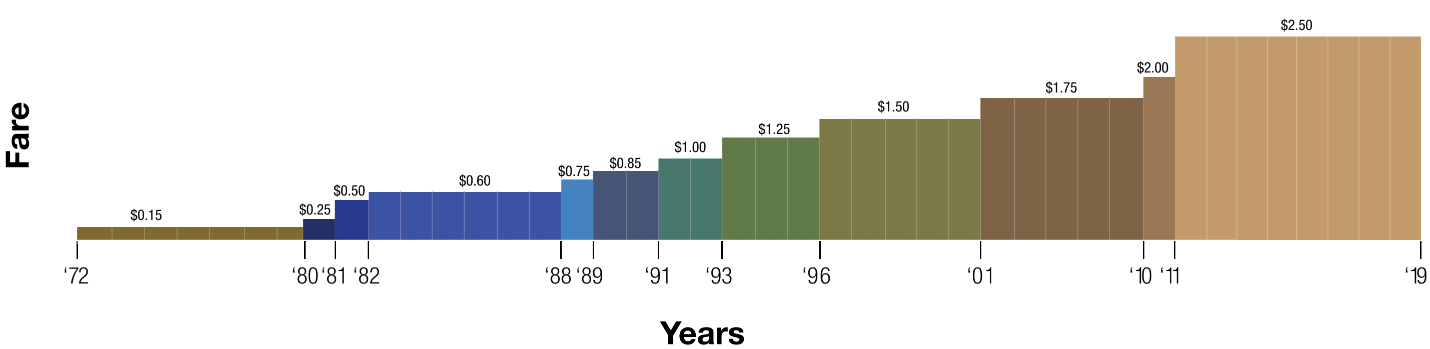
K-12 Program (Grade School and High School students K-12, Monday through Friday	$14.40
Ten(10) trip pass (to/from school), all regular school	

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]
2010	491	188	679
2011	490	188	678
2012	443	182	625
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

[1] Does not include demand response

Number of Employees

Last Ten Fiscal Years

Fiscal Year	Full-Time	Part-Time	Total
2010	4,505	208	4,713
2011	4,223	206	4,429
2012	4,275	222	4,497
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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Population served	1,618,865	2,079,829	1,967,468	2,019,388	1,986,022	1,697,633	1,684,862	1,649,492	1,619,099	1,781,030
Size of area served (in square miles)	592	567	567	567	515	485	467	483	483	475
Number of Bus Routes	110	108	100	100	97	92	91	92	92	92
Annual Bus Passenger Miles (in millions) (Excludes Paratransit/Demand Response)	243.6	245.6	251.2	258.6	257.03	232.8	230.6	228.2	236.2	272.6
Miles of Bus Route	1,775	1,741	1,600	1,659	1,636	1,449	1,439	1,445	1,435	1,784
-Average On Time Performance	77.1%	78.6%	78.5%	78.8%	79.6%	77.6%	76.4%	74.6%	72.1%	72.4%
Miles of Rail Route	48	50.7	48	48	48	48	48	48	48	48
-Average On Time Performance	96.8%	97.1%	98.0%	96.6%	96.2%	96.4%	97.5%	97.8%	97.6%	97.0%
Annual Rail Passenger Miles (in millions)	449.0	449.9	468.8	477.3	472.8	444.9	444.0	463.2	487.6	493.2
Number of Rail Stations	38	38	38	38	38	38	38	38	38	38
Number of Bus Stop Locations	9,088	9,193	9,136	9,210	8,941	8,885	8,954	8,913	8,700	8,700
Number of Bus Park And Ride Facilities	8	7	7	7	6	6	9	8	8	8
Number of Bus Shelters	698	681	652	754	741	738	791	791	772	750
Bus Passenger Parking Capacity	2,981	3,053	2,843	2,807	2,750	2,691	2,686	2,744	2,711	2,607
Rail Passenger Parking Capacity	20,947	20,300	21,200	21,645	21,992	21,420	22,554	21,607	21,677	22,301
No. of Buses in Active Fleet	594	555	550	569	565	532	528	531	531	597
-Average Vehicle Age (in years)	5.4	5.4	6.4	5.4	4.4	6.5	8.6	7.6	6.6	5.6
No. of Mobility Vehicles in Active Fleet	208	211	210	211	198	187	171	172	172	173
-Average Vehicle Age (in years)	2.6	3.8	2.9	1.9	1.9	3.6	5.2	4.2	3.2	2.2
No. of Rapid Rail Vehicles	290	306	316	336	336	336	336	338	338	338
-Average Vehicle Age (in years)	29.6	28.6	27.6	27.6	26.6	25.6	24.6	23.6	22.6	21.6
No. of Streetcars*	4	-	-	-	-	-	-	-	-	-
-Average Vehicle Age (in years)	4.1	-	-	-	-	-	-	-	-	-
Annual Mobility Vehicle Miles (in millions)	10.4	10.0	9.3	8.5	8.2	7.7	7.7	8.4	7.3	7.2
Investment In Property and Equipment (in billions)	$7.685	$7.397	$7.166	$7.030	$6.941	$6.781	$6.560	$6.440	$6.297	$6.224

* In FY 2019 MARTA assumed the ownership and operation of the streetcars.

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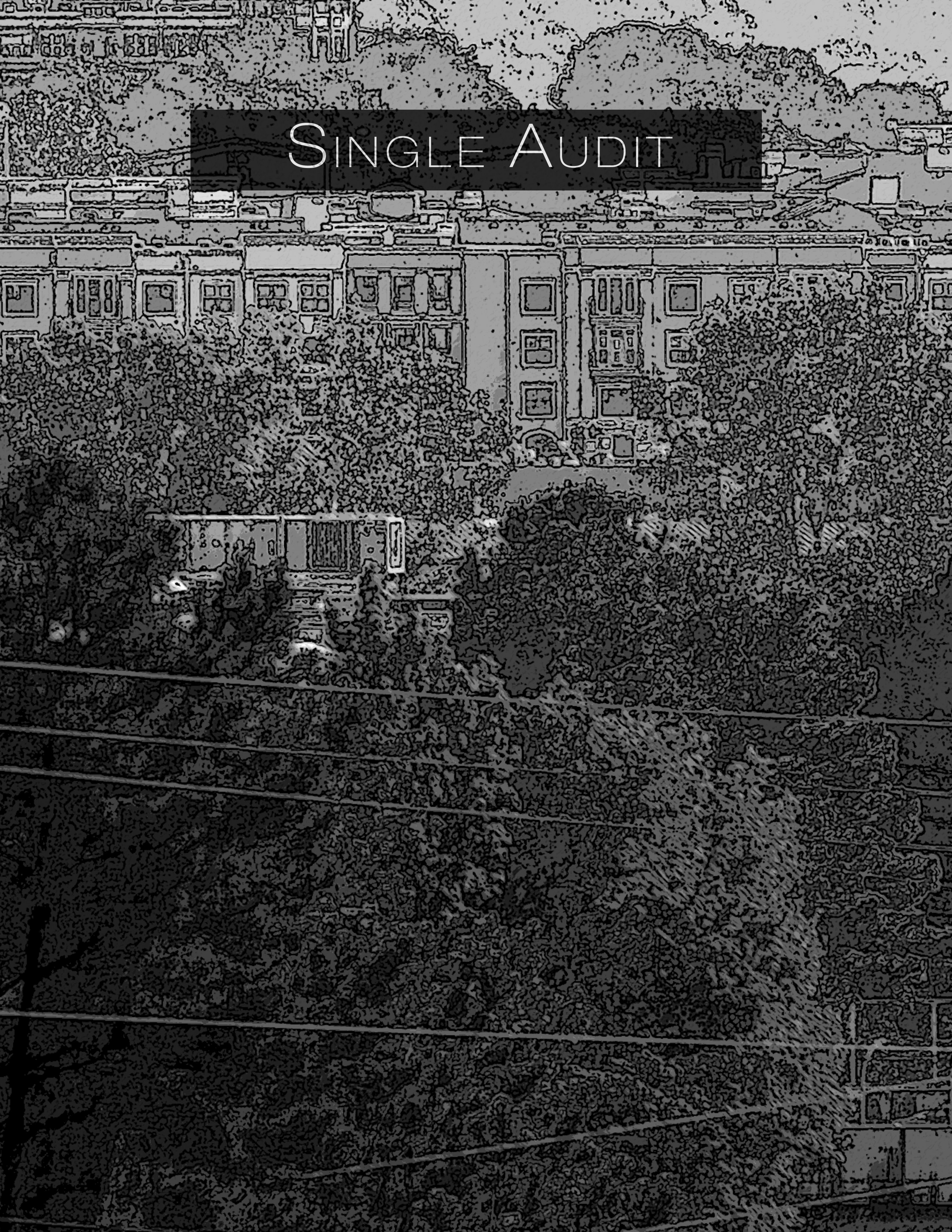
Single Audit



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

Board of Directors
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Metropolitan Atlanta Rapid Transit Authority (MARTA), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements, and have issued our report thereon dated November 22, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MARTA's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this 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 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 22, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 Each Major Federal Program

We have audited Metropolitan Atlanta Rapid Transit Authority's (MARTA's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of MARTA's major federal programs for the year ended June 30, 2019. MARTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, MARTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

(Continued)

Report on Internal Control Over Compliance

Management of MARTA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered MARTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MARTA's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 MARTA as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise MARTA's basic financial statements. We issued our report thereon dated November 22, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 22, 2019

Schedule of Expenditures of Federal Awards

For The Year Ended June 30, 2019

Program Description	Federal CFDA Number	Grant Number	Total Program Award	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation					
Federal Transit Cluster:					
General capital assistance					
Federal transit capital improvement grants					
Capital improvement	20.500	GA-2016-007	$ 2,000,000	$ 449,562	$ -
Capital improvement	20.500	GA-04-0031	66,539,000	1,276,525	-
Subtotal			68,539,000	1,726,087	-
Federal transit formula grants (urbanized area formula program)					
Capital assistance	20.507	GA-90-X313	60,453,050	278,184	-
Capital assistance	20.507	GA-95-X028	2,499,999	6,346	-
Capital assistance	20.507	GA-95-X027	54,000,000	3,605,101	-
Capital assistance	20.507	GA-95-X020	5,086,100	385,919	-
Capital assistance	20.507	GA-95-X029	6,255,726	2,052,495	-
Capital assistance	20.507	GA-2017-031	5,000,000	4,000,000	-
Capital assistance	20.507	GA-2017-020	7,874,313	5,784,450	-
Capital assistance	20.507	GA-2018-022	16,564,560	1,461,375	-
Capital assistance	20.507	GA-2019-013	5,000,000	4,000,000	-
Capital assistance	20.525	GA-54-0001	119,633,750	8,104,658	-
Capital assistance	20.525	GA-2016-013	38,312,500	4,072,978	-
Capital assistance	20.525	GA-2017-032	59,730,485	7,282,372	-
Capital assistance	20.526	GA-2017-029	5,123,104	4,088,311	-
Subtotal			385,533,587	45,122,189	-
General operating assistance					
Operating (Formula grant)	20.507	GA-90-X305	43,973,521	160,175	-
Operating (Formula grant)	20.507	GA-90-X328	53,055,328	829,014	-
Operating (Formula grant)	20.507	GA-2017-021	65,224,624	6,678,158	-
Operating (Formula grant)	20.507	GA-2016-016	63,600,000	9,133,619	-
Operating (Formula grant)	20.507	GA-2018-017	35,903,804	939,539	-
Operating (Formula grant)	20.507	GA-2019-014	31,905,994	25,027,779	-
Operating (Formula grant)	20.507	GA-2019-016	10,500,000	8,400,000	-
Operating (Formula grant)	20.525	GA-2019-020	91,620,534	45,050,682	-
Subtotal			395,783,805	96,218,966	-
Total Federal Transit Cluster			849,856,392	143,067,242	-
Highway Planning and Construction Cluster:					
Capital assistance	20.205	GA-90-X130	40,348,000	856,820	-
Total Highway Planning and Construction Cluster			40,348,000	856,820	-
Public Transportation Research, Technical Assistance, and Training:					
Capital Assistance	20.514	GA-26-7015	4,704,294	220,376	-
Capital Assistance	20.514	GA-2016-025	5,543,745	808,485	-
Total Public Transportation Research, Technical Assistance, and Training			10,248,039	1,028,861	-
Clean Fuels:					
Capital Assistance	20.519	GA-58-001	22,341,062	3,665,484	-

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

Schedule of Expenditures of Federal Awards

For The Year Ended June 30, 2019

Program Description	Federal CFDA 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	$ 242,230	$ -
Capital assistance	20.521	GA-57-X015	1,107,164	15,631	-
Total Transit Services Program Cluster			6,438,197	257,861	-
Nonexchange Transactions (Donated Assets – Note 4):					
Donated Street Car Assets	20.U01	N/A	38,201,781	38,201,781	-
Total U.S. Department of Transportation			967,433,471	187,078,049	-
U.S. Department of Homeland Security:					
Rail and Transit Security:					
Capital assistance	97.075	EMW2018RA00011	437,097	437,097	-
National Explosives Detection Canine Team Program:					
Capital assistance	97.072	15HCP443	3,232,000	925,091	-
Total U.S. Department of Homeland Security Grants			3,669,097	1,362,188	-
Local Food Promotion Program Grants:					
Capital assistance	10.172	FY17 USDA	700,000	109,372	-
Total Federal Awards			$ 971,802,568	$188,549,609	$ -

Program Description	Federal CFDA Number	Federal Expenditures
Subtotals of Multiple Awards		
Federal Transit Grants	20.507	72,742,155
State of Good Repair Grants	20.525	19,460,007

See accompanying notes to the schedule of expenditures 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, 2019. 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 and Fulton counties and the City of Atlanta, and also from the sale of associated sales tax revenue bonds, as required.

NOTE 4 – DONATED ASSETS

On July 1, 2018, the City of Atlanta donated all capital assets related to the Streetcar Transit System to MARTA. The Federal Transit Administration, through the U.S. Department of Transportation, funded a portion of the construction and purchase of the streetcar assets. The total estimated fair value of the assets donated to MARTA was $59,798,058 and the estimated federal portion of this was $38,201,781. MARTA was not provided with a detailed schedule comprising the federal portion by federal grant and since it was funded through several federal grants, the donated assets were classified as CFDA # 20.UNK.

Schedule of Findings and Questioned Costs

For The Year Ended June 30, 2019

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:

CFDA Number	Name of Federal Program of Cluster
20.500 / 20.507 / 20.525 / 20.526	Federal Transit Cluster
20.519	Clean Fuels
20.U01	Donated Street Car Assets

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.

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY