Washington Metropolitan Area Transit Authority
Washington, DC

Annual Comprehensive Financial Report

For the fiscal years ended June 30, 2025 and 2024

metro

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
WASHINGTON, DC

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024

Thomas Webster, Executive Vice President
and Acting Chief Financial Officer

Liza Fitzgerald, Acting Vice President
and Comptroller

Prepared by the Office of Accounting

This Annual Comprehensive Financial Report was prepared by:

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

Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024

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SECTION ONE - INTRODUCTORY (UNAUDITED)

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December 8, 2025

Chair and Members of the Board of Directors:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Washington Metropolitan Area Transit Authority (Metro) for the fiscal year ended June 30, 2025. Metro's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and audited by a firm of independent certified public accountants retained by Metro.

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

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

RSM US LLP, a firm of licensed certified public accountants, issued an unmodified "clean" audit opinion on Metro's fiscal year 2025 financial statements on December 8, 2025. The independent auditor's report is located in the financial section of this report.

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

Washington Metropolitan Area Transit Authority

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Profile of the Authority

Metro was created in 1967 by an Interstate Compact (Compact) through legislation passed by the District of Columbia, State of Maryland, Commonwealth of Virginia, and United States Congress. Metro's vision is to be the region's trusted way to move more people safely and sustainably. In fulfillment of its vision, Metro provides the region with three coordinated types of transportation services: bus (Metrobus), rail (Metrorail), and paratransit (MetroAccess).

A District of Columbia, Maryland and Virginia Transit Partnership

Construction of the Metrorail system began in December 1969. Later, by February 1973, four area bus companies were acquired forming the basis for the Metrobus system. Metro began operating the first phase of the Metrorail in 1976. In May 1994, MetroAccess, the paratransit service for eligible customers whose disability prevents them from using bus or rail, began operation.

With 98 stations,128 miles of track, and six Metrorail lines (Blue, Green, Orange, Yellow, Red, and Silver) Metro is the second busiest rail transit system and the sixth largest bus network in the country. Metro serves a population of approximately six million within a 1,500-square–mile area. Its transit zone consists of the District of Columbia; the suburban Maryland counties of Montgomery and Prince George's; Northern Virginia counties of Arlington, Fairfax and Loudoun, and the cities of Alexandria, Fairfax and Falls Church. As of June 30, 2025, Metro maintained a fleet of 1,610 buses, 1,280 railcars, and 643 MetroAccess vehicles.

Organizational Structure

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

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

Budget Process

Metro's annual budget serves as the foundation for its financial planning and control. The GM/CEO and staff prepare and submit the budget to the Board for approval. The annual budget includes both an operating budget and a six-year capital improvement program consisting of one budgeted year and five planning years.

Metro begins planning each annual budget in August of the previous fiscal year. The budget must be adopted and implemented by June 30 for the fiscal year beginning on July 1. The budgeting process is divided into six major phases: development of key assumptions and priorities; budget review and justification; presentation of the proposed budget to the Board; Board discussion/public outreach and public hearings; budget adoption; and budget implementation. For fiscal year 2025, the Board approved an annual budget of approximately $5.0 billion, which included $2.4 billion dedicated to operations and $2.6 billion for capital improvement programs. The budget reflects 13,497 authorized staff positions. It is the responsibility of each department to manage its operations in such a manner to ensure that the use of Metro's funds is consistent with the goals and programs authorized by the Board.

Economic Condition

Local Economy

Metro's ridership and overall financial outlook are directly influenced by the population, economic conditions, and employment growth in the District of Columbia and the surrounding jurisdictions in Maryland and Virginia. Like transit agencies nationwide, the Covid-19 pandemic altered Metro's operating model through significantly reduced ridership beginning in fiscal year 2020. To provide relief and help transit agencies continue to offer safe and reliable service to customers, the federal government provided funding through the American Rescue Plan Act (ARPA). Metro fully spent its remaining ARPA funding during fiscal year 2025. In recent years, the Washington, DC Metropolitan Region has experienced a complex and evolving dynamic in its workforce and commuting patterns. While the immediate post-pandemic period saw a significant surge in remote and hybrid work, recent trends indicate a return to more traditional in-office schedules. Notably, policy shifts at the federal level have led to an increase in employees required to report to the office regularly, which has contributed to a rise in ridership.

Federal Presence and Ridership: The regional economy remains tightly linked to the federal government as it is the largest employer in the region. Metro plays a vital security role for the federal government, providing transportation for thousands of government employees traveling to and from federal agencies, such as the Pentagon and the Department of Homeland Security. Additionally, the importance of Metro in times of crisis has been repeatedly evident—from weather events to national emergencies such as 9/11. As the transit provider for the nation's capital, Metro is also depended upon for major events such as the National Cherry Blossom festival, Inauguration Day, sporting events and concerts, and first amendment activities.

Economic and Social Benefits to the Region: Metro connects people, providing safe, reliable transportation to families, commuters, and tourists. As a key component to our region's growth, Metro services connect people to jobs, schools, attractions, key destinations, and recreational activities through convenient, affordable, and accessible transportation options. Metro actively employs its Joint Development program to maximize the benefits of our real estate assets and support regional economic growth. Since 1978, Metro has been instrumental in delivering more than 55 buildings at 30 metro stations totaling 17 million square feet of mixed-use development. The fiscal benefits of these projects generate annual property, sales, and income taxes for state and local governments. In April 2022, Metro published its first 10-year Strategic Plan for Joint Development that identified 40 stations with land available for development. The Joint Development Plan was formulated to accelerate joint development, align Metro and jurisdictional interests, attract investment, and prioritize future station opportunities.

Financial Planning

Metro's Strategic Transformation Plan serves as a guide to fund improved services and a better customer experience over the next three years and beyond. The fiscal year 2026 budget includes operational and capital priorities for service optimization, financial stability, long-range planning, and investments that support increased efficiency and operational improvements.

Operations

The fiscal year 2026 operating budget totals $2.6 billion, underscoring Metro's commitment to providing safe, reliable, and affordable transportation for the region. Metro's operating budget includes the expenses necessary to operate Metrobus, Metrorail, and MetroAccess, funded through the revenues generated and jurisdictional subsidies provided to support these operations. Service enhancements in the fiscal year 2026 operating budget include the implementation of the Year One Better Bus Network and adding capacity on Metrorail to address ridership growth through changes to service patterns and frequency. Metro will expand weekend hours of operation on Metrorail to support regional travel needs. All fares will remain at fiscal year 2025 levels.

Long-Term Capital Improvement Program

The $2.4 billion fiscal year 2026 Capital Budget and the $12.9 billion six-year Capital Improvement Program (CIP) for fiscal years 2026-2031 provide for capital investments that demonstrate Metro's commitment to safety, state of good repair, and reliability of Metrorail, Metrobus, and MetroAccess service. The CIP program is constrained and acknowledges limited capital funding capacity due to the anticipated exhaustion of dedicated funding to service new debt by the end of fiscal year 2029.

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

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

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

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

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

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

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

Over the next few years, Metro anticipates making capital investments with a focus on state of good repair projects and improvements to its assets, enhancing the safety, reliability, and efficiency of the region's infrastructure.

The fiscal years 2026-2031 CIP includes funding from the Federal Transit Administration formula grant programs and federal funds approved under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008. PRIIA was reauthorized in 2021 for $1.5 billion over a 10-year period for Metro's capital and preventive maintenance projects, to be matched dollar-for-dollar with funding from the District of Columbia, Maryland, and Virginia. The remaining funding required over the five-year CIP will come in the form of jurisdictional capital contributions, annual dedicated capital funding, and debt.

Major Initiatives and Accomplishments

Service Excellence

Metro continues to aggressively implement a large capital program to enhance service reliability and convenience through major initiatives to upgrade the original construction of the system. These initiatives include investments to restore, modernize, and sustain the system; platform improvements; tunnel rehabilitation and water mitigation; the purchase of 8000-series railcars expected to be placed into service during fiscal year 2028; ventilation improvements; and bus and vehicle replacements.

In fiscal year 2025, Metro advanced automation on the Metrorail system by resuming Automatic Door Operations (ADO) and restoring Automatic Train Operation (ATO) for the first time in 15 years. The return of ADO allows train doors to open automatically after stopping at platforms, improving safety, enabling faster passenger entry and exit, and supporting more consistent schedules. Likewise, ATO returns the system to its original design by automating acceleration, deceleration, and speed control, while operators remain in the cab for oversight. Metro prepared for this milestone with major safety upgrades and comprehensive staff training.

Metro also fulfilled a crucial element of its service optimization concepts by implementing the first phase of the Better Bus Network Redesign in March 2025 and launching the new bus network in June 2025. The Better Bus Network Redesign was developed through two years of research, planning, and outreach. Launched to better meet the region's needs, this initiative redesigned the network with priority bus lanes, standardized stops, and technology, making connections across all transit providers easier and creating a network that is fast, frequent, and reliable.

On June 24, 2025, the American Public Transportation Association (APTA) honored Metro with two national awards: the Outstanding Public Transportation System Award and the Outstanding Partnership in Public Transportation Award. The Outstanding Public Transportation System Award recognized Metro's strong commitment to safety, reliability, and continuous improvement. The Outstanding Partnership in Public Transportation Award, received in collaboration with Kimley-Horn and Foursquare Integrated Transportation Planning, highlighted the success of the Better Bus initiative—a first-of-its-kind effort to transform and improve bus service across the region.

Talented Teams

In October 2024, the Metro Transit Police Department (MTPD) launched the Criminal Justice Academy to train its next generation of officers, beginning with an inaugural class of 22 graduates. By bringing this training in-house, Metro anticipates an annual savings of approximately $1.2 million. Additionally, the new academy enables MTPD to conduct more training sessions each year, accelerating the onboarding of qualified officers into the transit system and strengthening public safety across the network. The Criminal Justice Academy will provide MTPD staff with the opportunity to focus heavily on transit policing and training specific to Metro, while still meeting training requirements established by the State of Maryland, the Commonwealth of Virginia, and the District of Columbia. In addition to standard training as required by the jurisdictions, recruits will be trained in community engagement, de-escalation skills, crisis intervention, and handling civil disturbances.

Regional Opportunity and Partnership

Metro is focused on building a stronger, more connected region through its transit services and initiatives. During fiscal year 2025, Metro achieved several milestones under the joint development program in fiscal year 2025 including selecting developers for mixed-use buildings at Metro properties adjacent to the Deanwood Metro Station and North Bethesda Metro Station. The future development will bring new housing and retail options to the communities just steps away from the station entrance resulting in economic opportunities for the areas of northeast Washington, DC and Montgomery County. On April 27, 2025, Metro opened a brand-new parking garage and bus loop, adding 550 more parking spots for the community in front of the New Carrollton Metro Station, unlocking future development opportunities. These forms of transit-oriented developments generate new Metro ridership and revenue and add new housing, jobs, and tax revenue to the region.

To strengthen partnership with regional transit authorities, Metro officially launched MetroPulse on May 30, 2025. MetroPulse is a new mobile application aimed at enriching rider experience, allowing customers to plan trips with real-time service updates, chat directly with Metro's Customer Service team, and report service disruptions, safety hazards, or security concerns. MetroPulse is designed for riders traveling within the Metro service area and across local regional transit authorities within approximately 50 miles of downtown Washington, DC.

Financial Stewardship and Resource Management

Metro is committed to managing its resources with accountability and foresight to build a sustainable model that supports efficient operations and long-term capital planning. With the conclusion of federal relief funding in fiscal year 2025, Metro returns to its traditional funding sources for its operating budget—operating revenues and subsidies from Metro's jurisdictional partners in the Commonwealth of Virginia, the State of Maryland and the District of Columbia. The depletion of federal relief, evolving ridership patterns, and unprecedented inflation have placed recent financial strains on Metro. In preparation for the fiscal year 2025 budget, Metro faced a projected $750 million operating deficit for fiscal year 2025 under the previous subsidy agreement, which capped annual increases for Maryland and Virginia at three percent. Due to the high proportion of fixed costs in transit operations, eliminating this deficit through service cuts alone would have required drastic reductions that would severely impact service quality and reliability. However, through strong regional collaboration, Metro's jurisdictional partners committed an additional $463 million—exceeding the subsidy cap—stabilizing Metro's operations. Over the course of the year, Metro applied aggressive cost management strategies, including a wage freeze for non-represented and major union employees. Targeted service and fare adjustments were also implemented to help maintain core services within the available funding.

On May 28, 2025, Metro modernized its fare payment system with the launch of "Tap. Ride. Go."; a faster, more convenient way to pay fares using credit or debit cards. Building on earlier mobile wallet and smartwatch payment options, the program eliminates the need to visit a fare machine or load a fare card, making it especially convenient for visitors, tourists, business travelers, and occasional riders. By enabling customers to use their preferred payment methods, the program enhances flexibility and creates a more intuitive, streamlined rider experience.

Metro also advanced fare collection improvements. On September 19, 2024, Metro finished retrofitting more secure faregates at all 98 Metrorail stations, helping reduce fare evasion by 82 percent. Fare enforcement expanded to the Metrobus system in December 2024, further supporting revenue protection and system accountability.

Financial Reporting Updates

During fiscal year 2025, Metro adopted GASB Statement No. 101 (GASB 101), *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The adoption of GASB 101 resulted in Metro recording a liability for accumulated sick leave more likely than not to be used. For comparative purposes, Metro restated its financial statements for fiscal year 2024. Additional details on the implementation of GASB 101 can be found in the basic financial statements.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its ACFR for the fiscal year ended June 30, 2024. Metro has received this prestigious award for 37 years. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized financial report. This report must satisfy both US GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this current ACFR will meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,

Randy Clarke
General Manager and
Chief Executive Officer

Thomas Webster
Executive Vice President and
Acting Chief Financial Officer

Board of Directors
As of June 30, 2025

The Washington Metropolitan Area Transit Authority (WMATA) is governed by a 16-member Board of Directors composed of eight Principal and eight Alternate members. The District of Columbia, State of Maryland, Commonwealth of Virginia and the federal government each appoint two Principal and two Alternate members. Below are the members serving on the Board as of June 30, 2025.

Principal Directors

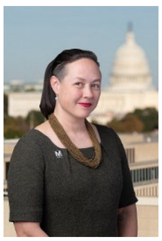
Valerie-Joy Santos was appointed to the Board as a Principal Director by the DC Council in December 2023, and was elected Chair of the Board in June 2024. She was most recently a Senior Urban Development Specialist with the World Bank. Before joining the World Bank, Ms. Santos served as Deputy Mayor for Planning and Economic Development in Washington, DC. During her tenure, the city implemented ambitious downtown and neighborhood revitalization initiatives, invested in transforming hundreds of acres of underutilized areas into parks as well as mixed-use and commercial developments – seeking to promote the Administration’s goals for expanding and diversifying the city’s tax base and enhancing quality of life in all neighborhoods.

Paul C. Smedberg was appointed to the Board as a Principal Director by the Northern Virginia Transportation Commission (NVTC) in January 2019, and was elected 1st Vice Chair in June 2024. He previously served as Board Chair from June 2019 – June 2024 and as an Alternate Director from January 2016 through January 2019. He served on the Alexandria City Council from 2003 to 2018, the Virginia Railway Express Operations Board from 2006 to 2018, serving as Chairman in 2013 and 2017, and the NVTC from 2006 to 2018, serving as Chairman in 2014 and 2018. In 2023, he was honored as Board Member of the Year by the American Public Transportation Association.

Joe McAndrew was appointed to the Board as a Principal Director in April 2023, serving as the Secretary of Transportation’s designee representing the State of Maryland. He was elected 1st Vice Chair in June 2023, and 2nd Vice Chair in June 2024. Mr. McAndrew began serving as Assistant Secretary for Planning and Project Development for the Maryland Secretary of Transportation on March 8, 2023. Mr. McAndrew, who served on Governor Wes Moore's Transition Team as Co-Chair of the Transportation Executive Policy Committee, joined the Maryland Department of Transportation after serving as Vice President of Government Affairs and Infrastructure for the Greater Washington Partnership. In this role, he led the Partnership’s policy and engagement work with federal, state and local elected officials, and led efforts to achieve a 21st century regional mobility and infrastructure ecosystem in the Capital Region. Mr. McAndrew also served as the Policy Director for Transportation for America.

Principal Directors (continued)

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



Dr. Tracy Hadden Loh was appointed to the Board as a Principal Director by the DC Council in November 2021, and she was elected 2nd Vice Chair from June 2023 – June 2024. Dr. Loh is a Fellow at Brookings Metro, where she studies commercial real estate. She also serves on the boards of Greater Greater Washington and District Bridges. Her most recent writing includes two co-authored chapters in "Hyperlocal: Place Governance in a Fragmented World." She previously served two years on the city council of Mount Rainier, a small town in Prince George's County, Maryland.

Matt Letourneau was appointed to the Board as a Principal Director by the NVTC in March 2019. He previously served as an Alternate Director from January through March 2019. He is Chairman of Metro Board's Finance and Capital Committee. He was elected to represent the Dulles District on the Loudoun County Board of Supervisors in 2011 and re-elected in 2015, 2019, and 2023. Mr. Letourneau has focused on building infrastructure and expanding amenities to the Dulles South area. Among the projects he has spearheaded are the widening of Route 606, the expansion of Loudoun County Parkway, Braddock Road improvements, the Metro Silver Line extension, the construction of the Dulles South Recreation and Community Center, Hanson Park, the Gum Spring Library, and several new schools. He continues to work to improve the Route 50 and Braddock Road transportation corridors and complete Northstar Boulevard and Arcola Boulevard. He represents Loudoun on the NVTC, and served as Chairman in 2019. Mr. Letourneau also served as Chairman of the Metropolitan Washington Council of Governments, after serving as Chairman in 2018 and Corporate President in 2014.

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

Principal Directors (continued)

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

Alternate Directors

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

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

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

Alternate Directors (continued)

April Rai was appointed to the Board as an Alternate Director by the U.S. Secretary of Transportation in December 2022. She was appointed President & CEO of the Conference of Minority Transportation Officials (COMTO) in December 2021. In this role, Ms Rai works to build upon COMTO's 50+ year history of ensuring equitable opportunities and maximum participation for minority individuals, veterans, people with disabilities and minority, women and disadvantaged business enterprises. With over 20 years of experience managing private, public sector and non-profit organizations, her career focus has centered on strategic partnership development, coalition building, people, and project management. Under the direction of the COMTO Board of Directors, Ms. Rai provides strategic leadership, guidance and ensures COMTO operates effectively to further the mission.

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

Thomas H. Graham was appointed to the board as an Alternate Director by the Washington Suburban Transit Commission in June 2019. Mr. Graham retired from Pepco Holdings Inc. in June 2016, where he held many positions, including Vice President of People Strategy and Human Resources. Currently Mr. Graham serves as a director of Washington Suburban Transit Commission, Green Branch Foundation (chairman), Boys & Girls Club of Greater Washington, American Association of Blacks in Energy (AABE) Emeritus Board, WesBanco Advisory Board, Goodwill of Greater Washington, Veterans Services Corporation, Renewable Energy & Infrastructure Group, Medstar - Southern MD Hospital, South Jersey Industries (People and Remuneration Chair), Summit Utilities (HR & Safety Chair) and Midwest Reliability Organization (Governance Chair/Lead Director).

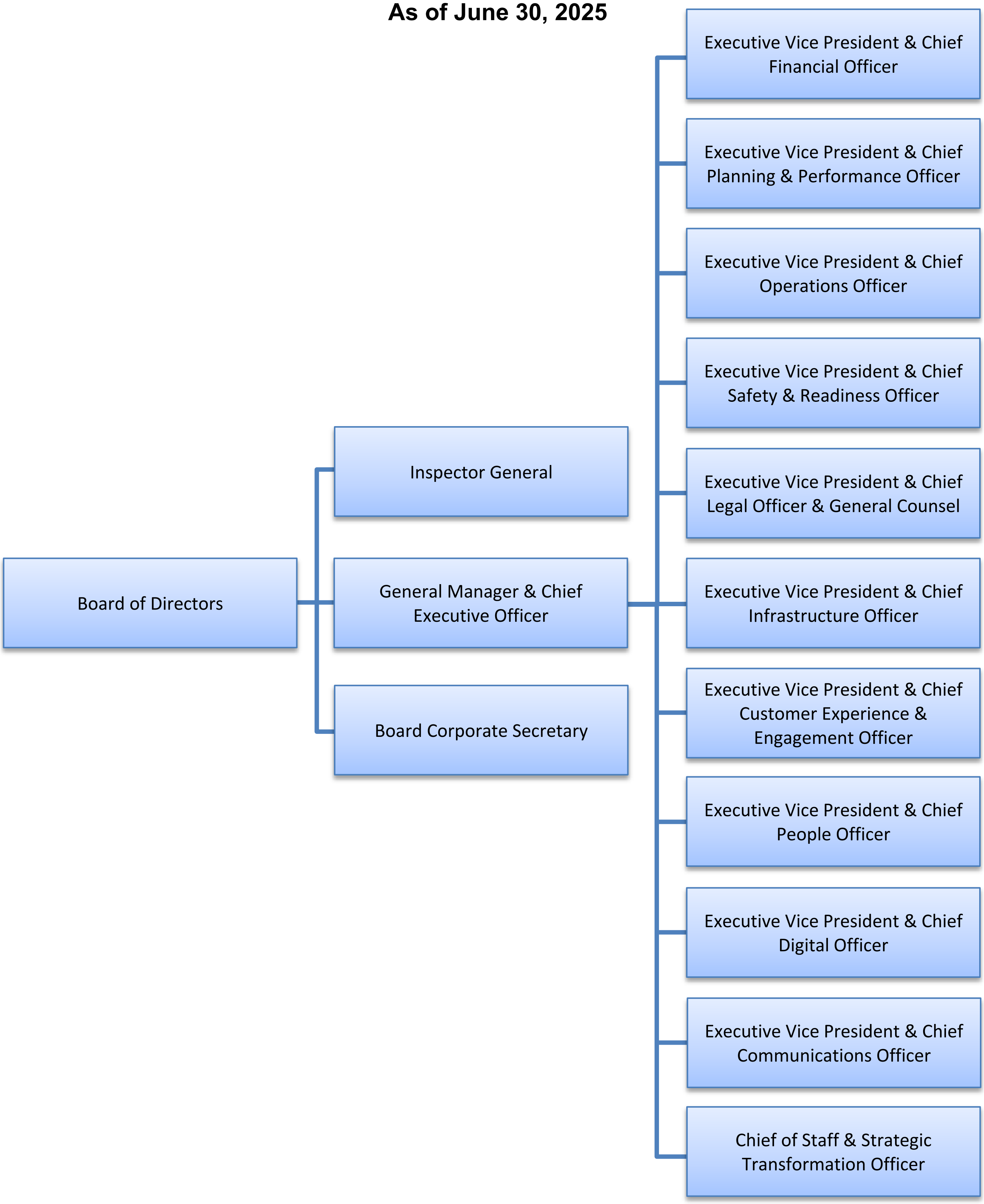
Dr. Bryna Helfer was appointed to the Board as an Alternate Director by the U.S. Secretary of Transportation in September 2021. She has a long career in public service with a wide range of experiences in the transportation industry including former positions as Deputy Assistant Secretary for Public Engagement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

The District of Columbia had one Alternate Director vacancy as of June 30, 2025.

General Manager and Chief Executive Officer's Leadership Team
As of June 30, 2025

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

Organizational Chart
As of June 30, 2025



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washington Metropolitan Area Transit Authority
District of Columbia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

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SECTION TWO - FINANCIAL

Independent Auditor's Report

Management's Discussion and Analysis (Unaudited)

Basic Financial Statements

Required Supplementary Information (Unaudited)

Other Supplementary Information

Independent Auditor's Report

Board of Directors
Washington Metropolitan Area Transit Authority

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the business-type activities and the fiduciary activities of the Washington Metropolitan Area Transit Authority (the Authority) as of and for the year ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Washington Metropolitan Area Transit Authority Retirement Plan (Retirement Plan), or the Washington Metropolitan Area Transit Authority Local 2 Retirement Plan (Local 2 Plan), which represent 80%, 80% and 57%, respectively, of the assets, net position and revenues of the fiduciary activities as of June 30, 2025, and 80%, 80% and 52%, respectively, of the assets, net position and revenues of the fiduciary activities as of June 30, 2024. Those statements were audited by other auditors whose reports has been furnished to us, and our opinions, insofar as it relates to the amounts included for Retirement Plan and the Local 2 Plan are based solely on the reports of the other auditors.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter
As discussed in Notes 2 and 14 to the basic financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, which resulted in the restatement of certain beginning balances as of July 1, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension asset/liability and related ratios, the schedules of employer contributions—pension plans, the schedule of changes in net OPEB liability and related ratios, the schedule of employer required contributions—Teamsters Local 922 Employers Health Trust Plan, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining fiduciary fund financial statements (other supplementary information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

RSM US LLP

Washington, D.C.
December 8, 2025

Management's Discussion and Analysis
June 30, 2025 and 2024
(Unaudited)

As management of the Washington Metropolitan Area Transit Authority (Metro), we offer readers of the basic financial statements this overview and analysis of the financial activities of Metro as of and for the years ended June 30, 2025 and 2024.

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

Fiscal Year 2025 Financial Highlights

- The assets and deferred outflows of resources of Metro exceeded its liabilities and deferred inflows of resources as of the close of the fiscal year by $10.5 billion (net position), of which, $13.0 billion, or 124.1%, represents Metro's net investment in capital assets.
- Metro incurred $1.3 billion in capital improvement costs, which included costs related to the Better Bus Network program, parking structures, station platform projects, the faregate modernization program, IT projects, administration and passenger facility upgrades.
- In July 2024, Metro issued the Series 2024A Second Lien Dedicated Revenue Bonds totaling $636.0 million, which will be used primarily to finance capital costs.
- In March 2021, Congress approved the American Rescue Plan Act of 2021 (ARPA) in response to the COVID-19 pandemic (pandemic). In August 2021, ARPA awarded a $1.2 billion federal grant to Metro to prevent, prepare for, and respond to the impact of the pandemic. In August 2022, Metro was awarded an additional ARPA federal grant supplementary allotment of $120.1 million. Metro expended the remaining $123.4 million of these grant awards during fiscal year 2025.
- Metro adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, (GASB 101), which provides guidance on the accounting and financial reporting for compensated absences for governments. As a result of the implementation, net position as of July 1, 2023, was restated resulting in a decrease of $41.7 million. Additionally, total liabilities and deferred inflows of resources as of June 30, 2024, increased by $45.9 million to record the cumulative impact of the implementation.

Fiscal Year 2024 Financial Highlights

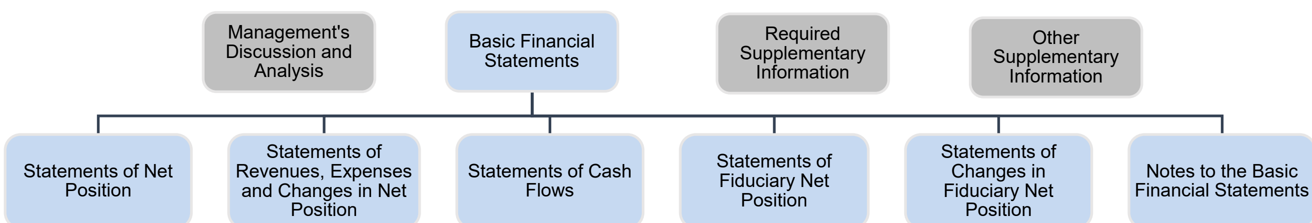
- The assets and deferred outflows of resources of Metro exceeded its liabilities and deferred inflows of resources as of the close of the fiscal year by $10.9 billion (net position), of which, $13.6 billion, or 124.9%, represents Metro's net investment in capital assets.
- Metro incurred $1.3 billion in capital improvement costs, which included costs related to the bus fleet rehabilitation and replacement program, railcar replacements, station platform projects, the faregate modernization program, and passenger facility upgrades.
- In July 2023, Metro placed into service its newly constructed 14-story, 326,000 square foot building at Eisenhower, located at 2401 Mill Road, Alexandria, VA 22314. The new building supports more than 1,400 employees and serves as the home of the new Metro Integrated Command and Communications Center (MICC). In addition to the MICC, the building is home to the data center, cybersecurity operations, bus and rail video teams, communications, and administrative support. Construction costs on the building totaled $264.8 million.

Fiscal Year 2024 Financial Highlights (continued)

- In August 2023, the Montgomery County Department of Transportation (MCDOT), in Maryland, donated assets associated with the Medical Center Metro Station to Metro. This transit station is located in Bethesda, Maryland and has entrances on both the east and west sides of Route 355 and a deep tunnel linking these entrances to the Metro Station's faregates and rail tracks. This donation increased Metro's capital assets by $41.8 million.
- In fiscal year 2024, Metro expended $532.6 million of the ARPA grant award.

Overview of the Financial Statements

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



Basic Financial Statements

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

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

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

Overview of the Financial Statements (continued)

Basic Financial Statements (continued)

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

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

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

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

The basic financial statements can be found on pages 22-98 of this report.

Required Supplementary Information

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

The required supplementary information can be found on pages 99-120 of this report.

Other Supplementary Information

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

The other supplementary information can be found on pages 121-125 of this report.

Financial Analysis – Business-Type Activities

Condensed Statements of Net Position

The following provides an overview of Metro's financial position as of June 30, 2025, 2024 and 2023:

Condensed Statements of Net Position
June 30, 2025, 2024 and 2023
(in thousands)

		(As Restated)		2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	%	Amount	%
Current assets	$ 1,654,879	$ 1,157,503	$ 840,517	$ 497,376	43.0	$ 316,986	37.7
Capital assets, net	17,799,277	17,722,751	17,542,027	76,526	0.4	180,724	1.0
Other noncurrent assets	814,010	788,361	730,338	25,649	3.3	58,023	7.9
Total assets	20,268,166	19,668,615	19,112,882	599,551	3.0	555,733	2.9
Deferred outflows of resources	999,546	1,247,076	1,281,928	(247,530)	(19.8)	(34,852)	(2.7)
Current liabilities	1,384,084	1,081,920	1,065,534	302,164	27.9	16,386	1.5
Noncurrent liabilities	8,154,730	7,672,055	6,637,748	482,675	6.3	1,034,307	15.6
Total liabilities	9,538,814	8,753,975	7,703,282	784,839	9.0	1,050,693	13.6
Deferred inflows of resources	1,224,352	1,306,346	1,330,990	(81,994)	(6.3)	(24,644)	(1.9)
Net position:							
Net investment in capital assets	13,038,595	13,554,461	14,273,852	(515,866)	(3.8)	(719,391)	(5.0)
Restricted for capital	88,942	127,660	129,093	(38,718)	(30.3)	(1,433)	(1.1)
Unrestricted deficit	(2,622,991)	(2,826,751)	(3,042,407)	203,760	7.2	215,656	7.1
Total net position	$ 10,504,546	$ 10,855,370	$ 11,360,538	$ (350,824)	(3.2)	$ (505,168)	(4.4)

<u>Current Year</u>

Metro's total net position, in the amount of $10.5 billion as of June 30, 2025, decreased by $350.8 million, or 3.2%, from June 30, 2024. The significant changes are described below:

- Current assets increased by $497.4 million, or 43.0%, primarily due to the following:
  - Cash and cash equivalents increased by $412.7 million, primarily due to a $400.0 million increase in cash and cash equivalents held within the operating reserve portfolio. This included $240.2 million in purchase of investments in June 2025 that did not settle until July 2025, resulting in a temporary increase in cash and cash equivalents at year-end. The increase was also due to the reimbursement of capital costs paid prior to the issuance of the Series 2024A Second Lien Dedicated Revenue Bonds.
  - Investments increased by $29.5 million, driven by a $118.7 million increase in investments held in the operating reserve largely consisting of funds received as reimbursement from the proceeds from the Series 2024A Second Lien Dedicated Revenue Bonds for capital costs paid prior to their issuance. This increase was partially offset by a $92.0 million decrease in investments that were sold or matured.
  - Accounts receivable, net of allowance, and other increased by $21.8 million largely due an increase in federal grants receivable.
  - Current lease receivables increased by $12.0 million, mainly due to higher accrued interest on leases where Metro is the lessor.
- Other noncurrent assets increased by $25.6 million, or 3.3%, as a result of an increase in lease receivables for additions and extensions of real estate lease agreements during the year.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Net Position (continued)

Current Year (continued)

- Deferred outflows of resources decreased by $247.5 million, or 19.8%, mainly due to the following:
  - Deferred outflows from pensions decreased by $294.6 million largely due to a decrease of $174.6 million related to difference between projected and actual earnings and a decrease of $92.8 million related to difference between expected and actual experience for the pension plans.
  - Deferred outflows from OPEB increased by $47.0 million, due to an increase of $40.9 million in difference between actual and expected experience.
- Current liabilities increased by $302.2 million, or 27.9%, primarily due to the following:
  - Accounts payable, security purchases increased $240.2 million due to the purchase of investments in June 2025 that did not settle until July 2025, resulting in a temporary increase in liabilities at year-end.
  - Accounts payable and accrued expenses increased by $27.1 million primarily due to an increase in accrued capital costs driven by capital projects.
  - Unearned revenue increased by $19.9 million, primarily due to an increase in unredeemed passenger fares.
  - Accrued interest payable increased by $14.2 million, largely due to the upcoming principal and interest payments for the 2024A Second Lien Bonds.
  - Lease and SBITA liabilities increased $10.1 million, driven by the addition of new agreements.
- Noncurrent liabilities increased $482.7 million, or 6.3%, primarily due to the following:
  - Bonds payable increased $547.0 million primarily due to the issuance of the 2024A Second Lien Bond.
  - Net OPEB liability increased by $160.6 million, primarily due to a $71.4 million increase in interest expense for the OPEB plan, a $65.1 million increase in the net differences between the projected and actual experience, and a $43.7 million increase in service cost largely due to changes in the healthcare cost trend rates. The increases were offset by $11.0 million increase in plan fiduciary net investment income.
  - Net pension liability decreased by $232.6 million primarily due to a decrease in net pension liability of $208.7 million for the Local 689 plan primarily as a result of an increase in the fair value of pension investments.
- Deferred inflows of resources decreased by $82.0 million, or 6.3%, due to the following:
  - Deferred inflows from OPEB decreased by $103.3 million primarily due to changes in actuarial assumptions, including updated normal and early retirement rates based on more recent experience.
  - Deferred inflows from lease revenue increased by $15.3 million due to three new real estate leases and extension of three fiber optic lease agreements.
- Net investment in capital assets decreased by $515.9 million, or 3.8%, primarily due to an increase in capital-related debt associated with the issuance of the Series 2024A Second Lien Dedicated Revenue Bonds.
- Restricted net position decreased by $38.7 million, or 30.3%, mostly due to a decrease in unspent dedicated funding that is restricted to pay capital costs.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Net Position (continued)

Prior Year

Metro's total net position, as restated, in the amount of $10.9 billion as of June 30, 2024, decreased by $505.2 million, or 4.4%, from June 30, 2023. The significant changes are described below:

- Current assets increased by $317.0 million, or 37.7%, primarily due to the following:
  - Investments increased by $280.9 million, mainly due to the investment of the reimbursement from the proceeds of the Series 2023A Dedicated Revenue Bonds and Series 2023A Second Lien Dedicated Revenue Bonds for capital costs paid prior to their issuance.
  - Restricted investments held with fiscal agent increased by $87.3 million, mainly due to the $82.8 million increase of invested funds held in the dedicated revenue debt servicing fund for debt payments on the Series 2021A, 2023A, and 2023A Second Lien Bonds.
  - Cash and cash equivalents increased by $56.2 million, driven by a $88.1 million increase in cash held within the operating reserve portfolio offset by a $20.3 million decrease in cash due to the purchase of investments.
  - Restricted cash and cash equivalents decreased by $54.3 million primarily due to the investment of proceeds from the Series 2023A Dedicated Revenue Bonds.
  - Restricted cash and cash equivalents held with fiscal agent decreased by $44.4 million mainly due to payments of debt service.
- Other noncurrent assets increased by $58.0 million, or 7.9%, mainly due to an increase in lease receivables of $58.8 million due to extensions of real estate lease agreements during the year.
- Deferred outflows of resources decrease by $34.9 million, or 2.7%, mainly due to the following:
  - Deferred outflows from OPEB decreased by $21.5 million, due to a decrease of $52.0 million as a result of assumption changes which includes updates to normal retirement and early retirement rates based on more recent experience and changes in discount rate from 3.54% to 3.65%. The decrease was offset by an increase of $28.9 million as a result of changes in the difference between expected and actual experience.
  - Deferred outflows from pensions decreased by $10.2 million due to changes in assumptions related to retirement rates and leave of absence, offset by increase in employer contributions.
- Current liabilities increased by $16.4 million, or 1.5%, primarily due to the following:
  - Bonds payable increased by $20.0 million and accrued interest payable increased by $22.1 million, largely due to the upcoming principal and interest payments for the 2023A Dedicated Revenue Bonds.
  - Accounts payable and accrued expenses increased by $19.9 million primarily due to an increase in accrued capital costs driven by capital projects.
  - Unearned revenue increased by $11.5 million, primarily due to an increase in unredeemed passenger fare.
  - Short-term retainage on contracts increased by $8.2 million, mainly due to higher amounts released for completed vendors contracts for projects that are ending including Potomac Yard Station and New Carrollton Parking.
  - Accrued salaries and benefits increased by $8.0 million, driven by two additional days accrued for hourly employees in the fiscal year.

Financial Analysis – Business-Type Activities (continued)

Condensed Statements of Net Position (continued)

Prior Year (continued)

- – The previously mentioned increases were offset by a decrease of $83.1 million in short-term compensated absence payable due to the implementation of GASB 101. As a result of the implementation, Metro reclassified the short-term portion of the compensated absences liability as noncurrent. Additional information on the GASB 101 restatement can be found in Note 14, Restatement.

- Noncurrent liabilities increased by $1.0 billion, or 15.6%, primarily due to the following:
  - – Long-term bonds payable increased by $758.6 million primarily from the issuance of the Series 2023A Second Lien Dedicated Revenue Bonds.
  - – Net pension liability increased by $95.9 million primarily because of a $484.3 million increase in interest expense, offset by a $406.6 million increase in the fair value of pension investments.
  - – Net OPEB liability increased by $58.2 million, primarily due to a $66.9 million increase in interest expense offset by an increase in investment income of $8.2 million for the OPEB plan.
  - – Noncurrent compensated absence payable increased by $136.3 million due to the implementation of GASB 101. This increase reflects the reclassification of $94.8 million from the current portion to noncurrent, along with a $45.9 million increase in the liability to recognize sick leave assessed as more likely than not to be used. Additional information on the GASB 101 restatement can be found in Note 14, Restatement.
- Deferred inflows of resources decreased by $24.6 million, or 1.9%, due to the following:
  - – Deferred inflows from OPEB decreased by $81.6 million primarily due to assumption changes including updates to normal and early retirement rates based on more recent experience and the differences between the expected and actual experience.
  - – Deferred inflows from lease revenue increased by $53.5 million due to added and extended real estate leases.
- Net investment in capital assets decreased by $719.4 million, or 5.0%, primarily due to an increase of $871.2 million in capital-related debt associated with the issuance of the Series 2023A Second Lien Dedicated Revenue Bonds, offset by a $180.7 million increase in capital assets, net.

Financial Analysis – Business-Type Activities (continued)

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

The following table provides an overview of the revenues, expenses, and changes in net position for the years ended June 30, 2025, 2024 and 2023:

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025, 2024 and 2023
(in thousands)

	2025	(As Restated) 2024	2023	2025 vs 2024 Amount	2025 vs 2024 %	2024 vs 2023 Amount	2024 vs 2023 %
Operating revenues:							
Passenger	$ 498,743	$ 384,879	$ 315,790	$ 113,864	29.6	$ 69,089	21.9
Other	70,038	56,353	49,043	13,685	24.3	7,310	14.9
Total operating revenues	568,781	441,232	364,833	127,549	28.9	76,399	20.9
Nonoperating revenues:							
Federal and jurisdictional	1,965,448	1,884,332	1,910,974	81,116	4.3	(26,642)	(1.4)
Other	68,069	61,055	31,844	7,014	11.5	29,211	91.7
Total nonoperating revenues	2,033,517	1,945,387	1,942,818	88,130	4.5	2,569	0.1
Total operating and nonoperating revenues	2,602,298	2,386,619	2,307,651	215,679	9.0	78,968	3.4
Operating expenses							
Labor and fringe benefits	2,133,105	2,054,793	1,801,804	78,312	3.8	252,989	14.0
Depreciation and amortization	1,227,987	1,227,038	1,107,700	949	0.1	119,338	10.8
Services	555,796	580,415	505,339	(24,619)	(4.2)	75,076	14.9
Other operating expenses	362,623	326,470	292,055	36,153	11.1	34,415	11.8
Total operating expenses	4,279,511	4,188,716	3,706,898	90,795	2.2	481,818	13.0
Nonoperating expenses	158,739	132,522	82,487	26,217	19.8	50,035	60.7
Total operating and nonoperating expenses	4,438,250	4,321,238	3,789,385	117,012	2.7	531,853	14.0
Loss before capital contributior	(1,835,952)	(1,934,619)	(1,481,734)	98,667	5.1	(452,885)	(30.6)
Capital contributions	1,485,128	1,471,137	4,267,444	13,991	1.0	(2,796,307)	(65.5)
Change in net position	(350,824)	(463,482)	2,785,710	112,658	(24.3)	(3,249,192)	(116.6)
Net position beginning of year	10,855,370	11,360,538	8,574,828	(505,168)	(4.4)	2,785,710	32.5
Restatement due to the adoption of GASB 101	-	(41,686)	-	41,686	(100.0)	(41,686)	(100.0)
Net position beginning of year, as restated	10,855,370	11,318,852	8,574,828	(463,482)	(4.1)	2,744,024	32.0
Net position, end of year	$ 10,504,546	$ 10,855,370	$ 11,360,538	$ (350,824)	(3.2)	$ (505,168)	(4.4)

Revenues

Current Year

Total fiscal year 2025 revenues in the amount of $4.1 billion, including capital contributions, increased by $229.7 million, or 6.0%, from fiscal year 2024. Federal and jurisdictional revenues, capital contributions and passenger revenues account for 48.1%, 36.3%, and 12.2% of total fiscal year 2025 revenues, respectively.

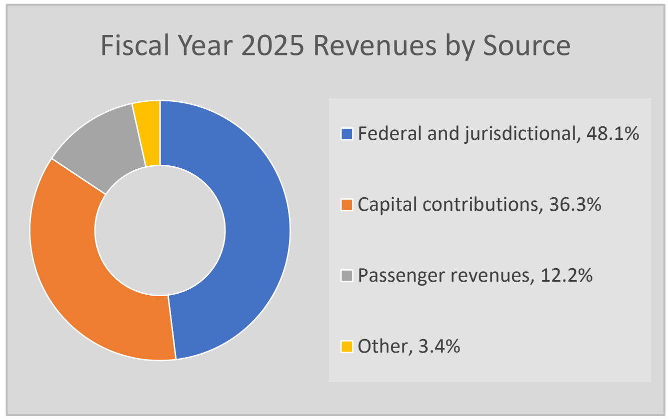
Financial Analysis – Business-Type Activities (continued)

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

Revenues (continued)

Current Year (continued)

- Total operating revenues increased by $127.5 million, or 28.9%, driven by a $113.9 million increase in passenger revenues due to higher ridership from an increase in local return-to-office policies and the fare increase implemented on June 30, 2024.
- Federal and jurisdictional revenues increased by $81.1 million, or 4.3%, from fiscal year 2024, mainly due to:
  - Jurisdictional revenue increased by $497.2 million, reflective of the collaboration with jurisdictional partners to increase local funding to address the operating deficit, helping to avoid drastic service cuts.
  - Federal grant revenue decreased by $416.0 million primarily due a $409.2 million reduction in ARPA funding usage, as ARPA funds were fully depleted in fiscal year 2025.

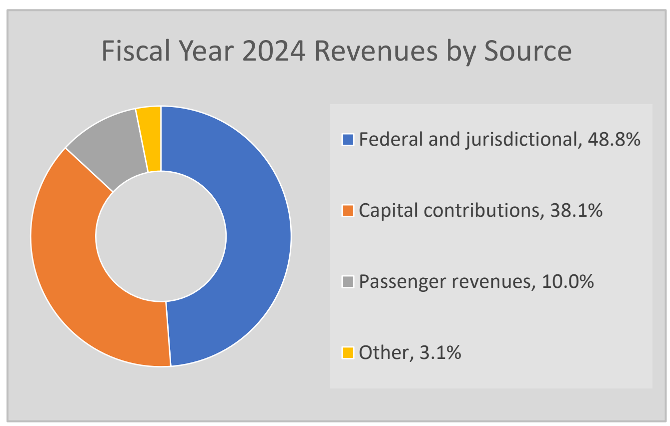


- Capital contributions increased by $14.0 million, or 1.0%, primarily due to a $28.1 million increase in federal grants resulting from the addition of four new grants, a $12.0 million increase in jurisdictional capital subsidies driven by higher expenditures funded by jurisdictional grants, and a $5.2 million increase in earnings on capital contributions. These gains were partially offset by a $31.5 million decrease in donated assets, which declined from $41.8 million in the prior year to $10.3 million in the current year.

Prior Year

Total fiscal year 2024 revenues in the amount of $3.9 billion, including capital contributions, decreased by $2.7 billion, or 41.3%, from fiscal year 2023. Federal and jurisdictional revenues, capital contributions and passenger revenues account for 48.8%, 38.1%, and 10% of total fiscal year 2024 revenues, respectively.

- Capital contributions decreased by $2.8 billion, or 65.5%, mainly due to donations of the Silver Line Extension and the Potomac Yards Station totaling $2.7 billion that occurred during the prior fiscal year, compared to $41.8 million in donated assets in the current fiscal year.



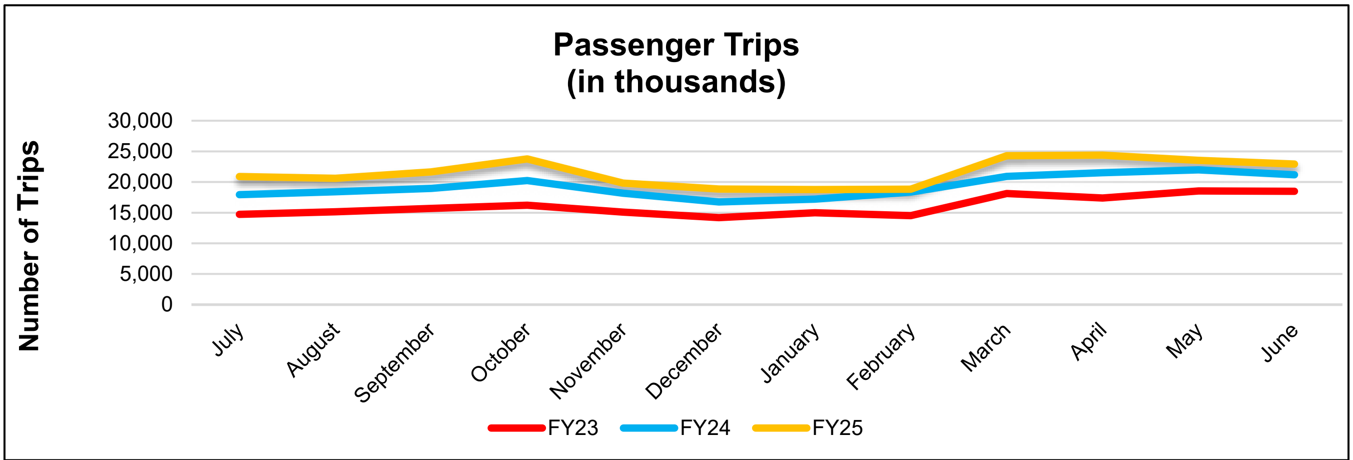
- Total operating revenues increased by $76.4 million, or 20.9%, as a result of an increase in passenger revenues in the amount of $69.1 million due to steady ridership recovery in fiscal year 2024 since the pandemic low.
- Federal and jurisdictional revenues decreased by $26.6 million, or 1.4%, from fiscal year 2023, mainly due to:
  - Federal grants decreased by $102.5 million due to lower operating shortfall supported by Federal grants.
  - Jurisdictional revenue increased by $75.9 million, mainly due to an increase in operating subsidy budget of $60.4 million as well as a decrease in ARPA credits of $18.7 million.

Financial Analysis – Business-Type Activities (continued)

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

Passenger Trips

Below is a trend of the number of passenger trips by month for the fiscal years ended June 30, 2025, 2024 and 2023 (in thousands):



Passenger trips increased in fiscal year 2025 from fiscal year 2024, by a cumulative total of 26.7 million trips, or 11.5%, due to the increase in local return-to-office policies and through continued service enhancements and reliability.

Passenger trips increased in fiscal year 2024 from fiscal year 2023, by a cumulative total of 38.6 million trips, or 20.0%, due to the expected gradual post-pandemic increase in rail and bus ridership and a partial restoration of late-night hours.

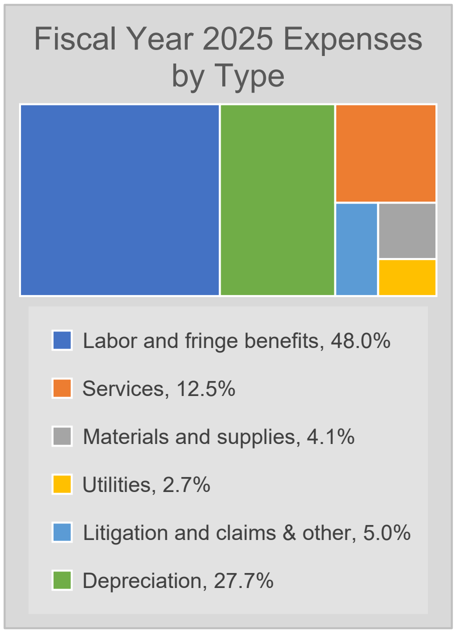
Expenses

<u>Current Year</u>

Total expenses for fiscal year 2025, in the amount of $4.4 billion, increased by $117.0 million, 2.7%, from fiscal year 2024.

Labor and fringe benefits are consistently Metro's largest expenses, comprising 48.0% of total expenses. Depreciation is the next largest expense, which is expected due to Metro's large capital asset base.

A review of significant changes is described below:



- Operating expenses increased by $90.8 million, or 2.2%, primarily due to the following:
  - Labor and fringe benefits increased by $78.3 million from fiscal year 2024, primarily due to an increase of $48.8 million in labor which was largely due to initiatives such as implementation of the Better Bus Network, special events, including the presidential inauguration and the Pride festival, and due to bus and rail operation activity increases. Fringe benefits increased by $29.5 million primarily due to an increase in the actuarial required contributions to the pension plans.

Financial Analysis – Business-Type Activities (continued)

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

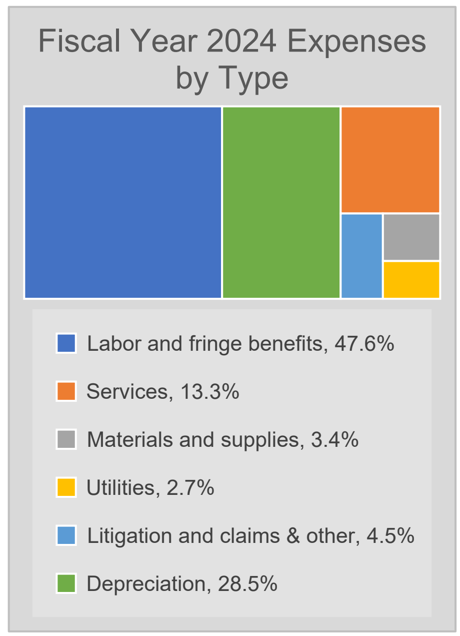
Expenses (continued)

Current Year (continued)

- Materials and supplies expense increased by $34.3 million due to a higher volume of parts required to support expanded operating activities and maintenance programs. This rise reflects both increased unit costs and greater consumption of components necessary to meet service demands.
- Services expense decreased by $24.6 million due to cost savings in paratransit services and through lower spending on external professional service contracts, particularly in the areas of finance and safety related functions.

- Nonoperating expenses increased by $26.2 million, or 19.8%, mainly due to a $30.4 million increase in interest expense associated with interest payments on the newly issued Series 2024A Second Lien Dedicated Revenue Bonds in July 2024.

Prior Year



Total expenses for fiscal year 2024, in the amount of $4.3 billion, increased by $531.9 million, or 14.0%, from fiscal year 2023. The increase is a result of the following:

- Operating expenses increased by $481.8 million, or 13.0%, primarily due to the following:
  - Labor and fringe benefits increased by $253.0 million from fiscal year 2023, due primarily to an increase of $161.8 million in pension expenses due to changes in assumptions related to retirement rates and leave of absence. Labor also increased by $86.9 million for a full year of the Silver Line Extension and filling vacancies. The implementation of GASB 101 contributed to a $4.2 million increase to fringe benefits. Additional information on the GASB 101 restatement can be found in Note 14, Restatement.
  - Depreciation and amortization increased by $119.3 million primarily due to a full year of deprecation for the Silver Line extension in fiscal year 2024 compared to half a year in fiscal year 2023. This increase was also driven by an increase in building deprecation, driven by the new Eisenhower Office Building being placed into service at the beginning of fiscal year 2024.
  - Services increased by $75.1 million primarily due to increases in Paratransit transportation service costs and an increase in professional services contracts, mainly those related to security and law enforcement to augment Metro Transit Police.
- Nonoperating expenses increased by $50.0 million, or 60.7%, largely due to interest expense increased with the issuances of the Series 2023A Dedicated Revenue Bond in March 2023 and the Series 2023A Second Lien Dedicated Revenue Bond in August 2023.

Capital Assets and Debt Administration – Business-Type Activities

Capital Assets

The following table shows the capital assets of Metro as of June 30, 2025, 2024 and 2023:

Schedule of Capital Assets
June 30, 2025, 2024 and 2023
(in thousands)

				2025 vs 2024		2024 vs 2023	
	2025	**2024**	**2023**	**Amount**	**%**	**Amount**	**%**
Land	$ 834,269	$ 773,669	$ 773,876	$ 60,600	7.8	$ (207)	(0.0)
Construction in progress	1,256,645	1,512,089	1,342,190	(255,444)	(16.9)	169,899	12.7
Buildings and improvements	2,160,502	2,108,558	1,844,001	51,944	2.5	264,557	14.3
Transit facilities	21,170,186	20,015,257	19,459,766	1,154,929	5.8	555,491	2.9
Revenue vehicles	5,381,178	5,389,404	5,288,099	(8,226)	(0.2)	101,305	1.9
Equipment and other	5,325,122	5,202,053	5,030,235	123,069	2.4	171,818	3.4
Lease and SBITA assets[1]	202,704	189,442	154,111	13,262	7.0	35,331	22.9
Total capital assets	36,330,606	35,190,472	33,892,278	1,140,134	3.2	1,298,194	3.8
Less: accumulated depreciation and amortization	18,531,329	17,467,721	16,350,251	1,063,608	6.1	1,117,470	6.8
Capital assets, net	$ 17,799,277	$ 17,722,751	$ 17,542,027	$ 76,526	0.4	$ 180,724	1.0

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

<u>Current Year</u>

Capital assets, net increased by $76.5 million, or 0.4%, from fiscal year 2024. Significant capital asset activity during fiscal year 2025 is as follows:

- Transit facilities increased by $1.2 billion, or 5.8%, due to various replacements and rehabilitation projects for tracks, escalators, elevators, digital modernization, and transit station platforms of $1.2 billion, offset by $30.6 million of track that was retired and replaced.
- Equipment and other increased by $123.1 million, or 2.4%, mainly due to the purchase of non-revenue vehicles and equipment, including new handheld radios, fareboxes, and IT equipment, totaling $147.6 million, offset by $24.5 million of retired and replaced equipment.
- Building and improvements increased by $51.9 million, or 2.5%, primarily due to the completion of several major projects. These included a new police substation—Police District III—at Morgan Boulevard Station, and the Shepherd Parkway CNG fueling facilities, together totaling $22.4 million. Additionally, $29.5 million was invested in various improvements and rehabilitations, such as roof replacements, parking structure upgrades, and other facility enhancements.
- Construction in progress decreased by $255.4 million, or 16.9%, due to the capitalization of several projects, including the Better Bus Network program, parking structures, station platform projects, the faregate modernization program, IT projects, administration and passenger facility upgrades.
- Revenue vehicles decreased by $8.2 million, or 0.2%. This change reflects a combination of fleet additions and retirements. Additions included 2 newly purchased buses, rehabilitation of 72 existing buses, and acquisition of 216 MetroAccess vans. These gains were offset by the retirement of 79 buses and 108 MetroAccess vans.
- Accumulated depreciation and amortization increased by $1.1 billion, or 6.1%, due to current year depreciation and amortization expense totaling $1.2 billion, offset by a reduction of $136.9 million related to the retirement of assets.

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

Capital Assets (continued)

Prior Year

Capital assets, net increased by $180.7 million, or 1.0%, from fiscal year 2023. Significant capital asset activity during fiscal year 2024 is as follows:

- Transit facilities increased by $555.5 million, or 2.9%, due to $41.8 million in donated assets from MCDOT. In addition, there were various replacements and rehabilitation projects for tracks, escalators, elevators, digital modernization, and transit station platforms of $540.7 million, offset by $27.2 million of track that was retired and replaced.
- Building and improvements increased by $264.6 million, or 14.3%, mainly pertaining to the completion of the Eisenhower office building in the amount of $264.8 million.
- Equipment and other increased by $171.8 million, or 3.4%, mainly due to the purchase of non-revenue vehicles and equipment, including new fareboxes and faregates, totaling $184.7, offset by $12.9 million of retired and replaced equipment.
- Construction in progress increased by $169.9 million, or 12.7%, due to costs of several projects in progress, including bus fleet rehabilitation and replacement program, railcar replacements, station platform projects, the faregate modernization program, and passenger facility upgrades.
- Revenue vehicles increased by $101.3 million, or 1.9%, which resulted from the purchase of 81 additional buses, 98 buses being rehabilitated, 23 additional MetroAccess vans, and ancillary costs to existing railcars. The increases were offset by retirements of 75 buses and 78 MetroAccess vans.
- Accumulated depreciation and amortization increased by $1.1 billion, or 6.8%, due to current year depreciation and amortization expense totaling $1.2 billion, offset by a reduction of $93.5 million related to the retirement of assets.

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

Right-To-Use Lease and SBITA Assets

The following table shows the right-to-use lease and SBITA assets of Metro as of June 30, 2025, 2024 and 2023:

Schedule of Right-to-Use Lease and SBITA Assets
June 30, 2025, 2024 and 2023
(in thousands)

				2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	%	Amount	%
Lease assets							
Land	$ 23,293	$ 22,923	$ 22,971	$ 370	1.6	$ (48)	(0.2)
Building	87,105	85,152	89,415	1,953	2.3	(4,263)	(4.8)
Equipment and other	479	-	-	479	100.0	-	0.0
Total lease assets	110,877	108,075	112,386	2,802	2.6	(4,311)	(3.8)
Less: accumulated amortization	38,679	32,357	29,001	6,322	19.5	3,356	11.6
Total lease assets, net	72,198	75,718	83,385	(3,520)	(4.6)	(7,667)	(9.2)
SBITA assets	91,827	81,367	41,725	10,460	12.9	39,642	95.0
Less: accumulated amortization	41,137	41,100	19,534	37	0.1	21,566	110.4
SBITA assets, net	50,690	40,267	22,191	10,423	25.9	18,076	81.5
Total right-to-use lease and SBITA assets, net	$ 122,888	$ 115,985	$ 105,576	$ 6,903	6.0	$ 10,409	9.9

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

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

Current Year

Right-to-use lease and SBITA assets, net of accumulated amortization, increased by $6.9 million, or 6.0% from fiscal year 2024. Significant activity during fiscal year 2025 is as follows:

- SBITA assets increased by $10.5 million, or 12.9%, due to twelve new SBITA agreements.
- Buildings increased by $2.0 million, or 2.3%, mainly due to the extension of one lease for warehouse and office spacing.
- Right-to-use lease assets accumulated amortization increased by $6.3 million due to current year amortization expenses for existing and new agreements.

Prior Year

Right-to-use lease and SBITA assets, net of accumulated amortization, increased by $10.4 million, or 9.9% from fiscal year 2023. Significant activity during fiscal year 2024 is as follows:

- SBITA assets increased by $39.6 million, or 95.0%, mainly due to twenty-seven new SBITA agreements.
- Buildings decreased by $4.3 million, or 4.8%, due to the expiration of nine leases, seven agreements for office space and two for vehicle parking and incidental construction staging and materials storage.
- Right-to-use lease and SBITA assets accumulated amortization increased by $3.4 million and $21.6 million, respectively due to current year amortization expenses for existing and new agreements.

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

Bonds and Other Debt

A schedule of Metro's debt activity for the years ended June 30, 2025, 2024 and 2023 is as follows:

Schedule of Outstanding Debt
June 30, 2025, 2024 and 2023
(in thousands)

				2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	%	Amount	%
Outstanding bonds	$ 3,853,240	$ 3,298,640	$ 2,562,235	$ 554,600	16.8	$ 736,405	28.7
Net unamortized bond premium	465,838	469,327	427,111	(3,489)	(0.7)	42,216	9.9
Total debt	$ 4,319,078	$ 3,767,967	$ 2,989,346	$ 551,111	14.6	$ 778,621	26.0

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

Bonds and Other Debt (continued)

Current Year

Metro's total debt increased by $551.1 million, or 14.6%, from fiscal year 2024. Significant activities are described below:

- Metro issued Series 2024A Second Lien Dedicated Revenue Bonds totaling $636.0 million, including a premium of $30.2 million, on July 24, 2024. The proceeds will be used to fund certain capital costs.
- Metro amortized $33.6 million of premiums on the Series 2017, 2018, 2020, 2021, 2023, and 2024 Bonds during the current fiscal year.
- Metro made total principal payments of $81.4 million on the Series 2017A1, 2017B, 2018, 2020A, 2021A, 2023A, and 2023A Second Lien Bonds during the current fiscal year.

Prior Year

Metro's total debt increased by $778.6 million, or 26.0%, from fiscal year 2023. Significant activities are described below:

- Metro issued Series 2023A Second Lien Dedicated Revenue Bonds totaling $797.8 million, including a premium of $75.2 million, on August 17, 2023. The proceeds will be used to fund certain capital costs.
- Metro amortized $33.0 million of premiums on the Series 2017, 2018, 2020, 2021 and 2023 Bonds during the current fiscal year.
- Metro made total principal payments of $61.4 million on the Series 2017A1, 2017B, 2018, 2020A, and 2021A Bonds during the current fiscal year.

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

Future Capital Plans – Business-Type Activities

Capital Improvement Program

The Board of Directors (Board) approved the fiscal years 2026-2031, $12.9 billion, Capital Improvement Program (CIP) on April 10, 2025. The six-year CIP focuses Metro's capital investments on safety, state of good repair, modernization, service reliability, and operating efficiency of Metrorail, Metrobus, and MetroAccess vehicles. The CIP includes Passenger Rail Investment and Improvement Act (PRIIA) funding authorized by Congress through Metro's Fiscal Year 2031 and assumptions about increases to Federal formula funding over the six-year planning horizon. Federal financial participation, including the increase in federal investment under the Infrastructure Investment and Jobs Act (IIJA), is critical for funding Metro's capital investment.

The fiscal year 2026 capital budget contains $2.4 billion in planned investments focused on enhanced system safety, state of good repair, reliability, security and customer experience. Metro updates the jurisdictions and the Board quarterly about the progress of the capital program.

Future Capital Plans – Business-Type Activities (continued)

Better Bus Initiative

Better Bus is Metro's overarching initiative to improve Metrobus for the region. In the coming years, Better Bus will bring numerous improvements to the region, including new facilities, zero-emissions vehicles, improved bus communications, and more bus lanes and transit signals. Looking ahead to fiscal year 2026, approval and implementation of the Better Bus Network Redesign will modernize the region's bus system for the first time in 50 years, resulting in a network that better serves current travel needs through service enhancements and route adjustments. As part of the initiative, Metro is also modernizing and rebuilding existing bus garages into state-of-the-art facilities. Some of the new features within the upgraded garages will include infrastructure to facilitate the operation of a zero-emission bus fleet to support transition to zero-emission operations by 2042.

Purple Line Construction Support

The Purple Line is a 16-mile light rail being constructed by the Maryland Transit Administration (MTA) to link Bethesda and New Carrolton and the project offers Metro a strategic opportunity to enhance regional opportunity and forge stronger partnerships. While the Purple Line is managed and funded by the MTA, Metro will support the design and construction efforts to integrate the Purple Line with the Metrorail system. The line will connect to four Metrorail stations: Bethesda, Silver Spring, College Park, and New Carrollton. The project will support future multi-modal connections that will increase transit access in the region. Metro is also working closely with the project team and other regional partners to minimize construction impacts to current routes, which is expected to last through 2027.

8000-Series Railcars

Metro has been working with Hitachi Rail Washington LLC to manufacture up to 800 new 8000-series railcars. The new rail cars will replace Metro's 2000- and 3000-series fleets that have been in operation since the early 1980s. The new 8000-series railcars will be electric vehicles, equipped with various new features including improved regenerative braking, smart doors that respond to obstructions, high-definition security cameras, modern ventilation systems, and heated floors. Hitachi Rail will assemble these railcars in a new facility in Hagerstown, Maryland, bringing new jobs to the area. Metro teams continue to engage in the final railcar design and pilot car production processes with the completion of the first pilot railcar projected in fiscal year 2028.

Economic Factors

The regional economy and job market in the Washington, DC metropolitan area has performed relatively well compared to other large metropolitan areas and the nation. According to the Federal Bureau of Labor Statistics, as of June 30, 2025, the Washington DC metropolitan area had an unemployment rate of 4.0%, compared to the national rate of 4.1%. The region gained over 51,000 jobs during the 12 months ending June 30, 2025.

The Federal government authorized several operating grants to help transit agencies respond to the pandemic. ARPA provided $30.5 billion, including $1.2 billion to Metro in August 2021 and an additional $120.1 million in August 2022. These funds supported operating expenses to retain staff and maintain services. Metro fully expended the grants by fiscal year 2025. Despite ongoing ridership challenges, Metro's recovery, cost management, and jurisdictional support helped avoid major service cuts and layoffs, sustaining the regional economy.

Requests for Information

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

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Business-Type Activities
Statements of Net Position
June 30, 2025 and 2024
(in thousands)

Exhibit 1
(continued)

	2025	(As Restated) 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 651,268	$ 238,615
Restricted cash and cash equivalents	40,178	26,467
Restricted cash and cash equivalents held with fiscal agent	33,078	34,273
Investments	346,708	317,175
Restricted investments	-	20,016
Restricted investments held with fiscal agent	149,224	129,038
Accounts receivable, net of allowance, and other	223,526	201,695
Lease receivables	45,330	33,343
Materials and supplies inventory, net of obsolescence	165,567	156,881
Total current assets	1,654,879	1,157,503
Noncurrent assets:		
Lease receivables	814,010	788,361
Capital assets, net of accumulated depreciation and amortization	17,799,277	17,722,751
Total noncurrent assets	18,613,287	18,511,112
Total assets	20,268,166	19,668,615
Deferred outflows of resources:		
Accumulated decrease in fair value of hedging derivatives	419	-
Deferred loss on debt defeasance	1,921	2,196
Deferred outflows from pensions	765,824	1,060,448
Deferred outflows from OPEB	231,382	184,432
Total deferred outflows of resources	999,546	1,247,076
Total assets and deferred outflows of resources	$ 21,267,712	$ 20,915,691

Business-Type Activities
Statements of Net Position
June 30, 2025 and 2024
(in thousands)

Exhibit 1 (concluded)

	2025	(As Restated) 2024
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 442,175	$ 415,059
Accounts payable, security purchases	240,234	-
Accrued salaries and benefits	99,401	92,459
Accrued interest payable	94,460	80,289
Unearned revenue	170,537	150,612
Due to other governments	114,283	130,704
Litigation and claims	70,709	70,298
Retainage on contracts	35,189	39,613
Bonds payable	85,545	81,390
Lease and SBITA payables	31,551	21,496
Total current liabilities	1,384,084	1,081,920
Noncurrent liabilities:		
Compensated absences	185,930	190,337
Litigation and claims	137,105	136,755
Retainage on contracts	56,018	39,361
Bonds payable	4,233,533	3,686,577
Lease and SBITA payables	90,178	95,041
Net pension liability	1,464,805	1,697,407
Net OPEB liability	1,987,161	1,826,577
Total noncurrent liabilities	8,154,730	7,672,055
Total liabilities	9,538,814	8,753,975
Deferred inflows of resources:		
Accumulated increase in fair value of hedging derivative instrument	-	491
Lease revenue	862,619	847,345
Deferred inflows from pensions	55,653	49,156
Deferred inflows from OPEB	306,080	409,354
Total deferred inflows of resources	1,224,352	1,306,346
Total liabilities and deferred inflows of resources	10,763,166	10,060,321
NET POSITION		
Net investment in capital assets	13,038,595	13,554,461
Restricted for:		
Capital	88,942	127,660
Unrestricted deficit	(2,622,991)	(2,826,751)
Total net position	$ 10,504,546	$ 10,855,370

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

Business-Type Activities — Exhibit 2
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2025 and 2024
(in thousands)

	2025	(As Restated) 2024
OPERATING REVENUES		
Passenger	$ 498,743	$ 384,879
Advertising	20,286	16,682
Rental	30,539	31,831
Other	19,213	7,840
Total operating revenues	568,781	441,232
OPERATING EXPENSES		
Labor and fringe benefits	2,133,105	2,054,793
Services	555,796	580,415
Materials and supplies	181,344	147,037
Utilities	118,378	117,064
Litigation and claims	46,824	43,173
Leases and rentals	6,097	6,828
Miscellaneous	9,980	12,368
Depreciation and amortization	1,227,987	1,227,038
Total operating expenses	4,279,511	4,188,716
Operating loss	(3,710,730)	(3,747,484)
NONOPERATING REVENUES (EXPENSES)		
Investment and interest income	54,116	49,177
Interest expense and fiscal charges	(158,739)	(129,251)
Net gain (loss) on disposition of assets	3,020	(3,271)
Other	10,933	11,878
Federal and jurisdictional:		
Federal grants	172,483	588,526
Jurisdictional subsidies	1,792,965	1,295,806
Total nonoperating revenues (expenses), net	1,874,778	1,812,865
Loss before capital contributions	(1,835,952)	(1,934,619)
Capital contributions	1,485,128	1,471,137
Change in net position	(350,824)	(463,482)
Total net position, beginning of year	10,855,370	11,360,538
Restatement due to the adoption of GASB 101	-	(41,686)
Total net position, beginning of year, as restated	10,855,370	11,318,852
Total net position, end of year	$ 10,504,546	$ 10,855,370

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

Business-Type Activities
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024
(in thousands)

Exhibit 3 (continued)

	2025	(As Restated) 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from operations	$ 545,165	$ 407,550
Cash received from other sources	10,933	11,878
Cash paid to suppliers	(900,255)	(952,263)
Cash paid to employees	(2,051,691)	(1,928,208)
Cash paid for operating litigation and claims	(46,063)	(44,716)
Net cash used in operating activities	(2,441,911)	(2,505,759)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from federal grants and jurisdictional subsidies	1,919,227	1,869,202
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments to construct capital assets	(1,195,045)	(1,235,377)
Payment for leasing and SBITA transactions	(35,474)	(38,936)
Receipts from leasing transactions	20,213	30,153
Receipts of interest from leasing transactions	8,957	11,461
Receipts from capital contributions	1,456,761	1,468,854
Payment of interest and fiscal charges	(177,936)	(139,875)
Principal payments on bonds	(81,390)	(61,395)
Proceeds from debt issuance	666,144	873,041
Jurisdictional receipts for debt service	38,949	40,533
Proceeds from sale of capital assets	3,020	3,317
Net cash provided by capital and related financing activities	704,199	951,776
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	4,167,611	2,778,945
Purchases of investments	(3,958,958)	(3,166,351)
Interest received from operational investments	35,001	29,718
Net cash provided by (used in) investing activities	243,654	(357,688)
Net change in cash and cash equivalents	425,169	(42,469)
Cash and cash equivalents, beginning of year	299,355	341,824
Cash and cash equivalents, end of year	$ 724,524	$ 299,355

Business-Type Activities — Exhibit 3
Statements of Cash Flows — (concluded)
For the Years Ended June 30, 2025 and 2024
(in thousands)

	2025	(As Restated) 2024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (3,710,730)	$ (3,747,484)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	1,227,987	1,227,038
Lease revenue	(30,539)	(31,831)
Miscellaneous receipts	10,933	11,878
Accumulated (decrease) increase in fair value of hedging derivative instrument	(910)	3,372
Effect of changes in operating assets and liabilities:		
(Increase) in accounts receivables, net of allowance, and other	(12,959)	(16,268)
(Increase) in materials and supplies inventory, net of obsolescence	(8,686)	(10,064)
Decrease in deferred outflows from pensions	294,624	10,239
(Increase) decrease in deferred outflows from OPEB	(46,950)	21,458
(Decrease) in accounts payable and accrued expenses	(19,107)	(78,900)
Increase in accrued salaries and benefits	6,942	7,928
(Decrease) increase in compensated absences	(4,407)	11,531
Increase in unearned revenue	19,925	11,458
Increase (decrease) in litigation and claims	761	(1,543)
(Decrease) increase in net pension liability	(232,602)	95,919
Increase in net OPEB liability	160,584	58,177
Increase in deferred inflows from pensions	6,497	2,974
(Decrease) in deferred inflows from OPEB	(103,274)	(81,641)
Total adjustments	1,268,819	1,241,725
Net cash used in operating activities	$ (2,441,911)	$ (2,505,759)
NONCASH OPERATING, INVESTING, CAPITAL AND FINANCING ACTIVITIES		
(Loss) gain in fair value of investments	$ (1,142)	$ 736
Donated assets included in capital asset additions	$ 10,346	$ 41,785
(Loss) on disposal of assets	$ -	$ (6,588)
Capital asset additions included in accounts payable	$ 296,149	$ 249,926
Use of federal interest included in capital contributions	$ -	$ 3,110
Obligations incurred for new right-to-use lease and SBITA assets	$ 17,766	$ 34,476

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

Fiduciary Activities Exhibit 4
Statements of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2025 and 2024
(in thousands)

	2025	2024
ASSETS		
Cash and cash equivalents	$ 15,020	$ 13,083
Receivables:		
Due from Retirement Plan	-	93
Accrued income receivable	90	16
Total Receivables	90	109
Investments:		
Equity index funds-domestic	162,379	163,029
Equity index funds-international	143,741	124,198
Bond index funds-domestic	142,018	99,946
Bond index funds-international	61,776	59,125
Real estate investment fund-domestic	26,935	63,066
Virginia pooled trust	138,172	127,021
Total investments	675,021	636,385
Total assets	690,131	649,577
LIABILITIES		
Accrued pension benefits	5,340	5,327
Due to Local 2 Plan	-	93
Accounts payable	349	331
Total liabilities	5,689	5,751
FIDUCIARY NET POSITION		
Restricted for:		
Pension benefits	546,270	516,805
Postemployment benefits other than pensions	138,172	127,021
Total fiduciary net position	$ 684,442	$ 643,826

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

Fiduciary Activities

Exhibit 5

Statements of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Years Ended June 30, 2025 and 2024
(in thousands)

	2025	2024
ADDITIONS		
Contributions:		
Employer	$ 93,956	$ 100,152
Nonemployer	77	-
Assets transferred from Retirement Plan	-	93
Total contributions	94,033	100,245
Investment Income:		
Net increase in investments	64,540	51,701
Interest, dividends and other	5,916	3,820
Total investment income	70,456	55,521
Less: Investment expenses	1,397	1,267
Net investment income	69,059	54,254
Total additions	163,092	154,499
DEDUCTIONS		
Benefits paid to participants or beneficiaries	118,388	122,437
Administrative expenses	4,088	4,287
Assets transferred to Local 2 Plan	-	93
Total deductions	122,476	126,817
Net increase in fiduciary net position	40,616	27,682
Fiduciary net position - beginning	643,826	616,144
Fiduciary net position - ending	$ 684,442	$ 643,826

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

Notes to the Basic Financial Statements
June 30, 2025 and 2024

1. Background, Governance and Reporting Entity

(a) Organization

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

(b) Governance

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

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

(c) Financial Reporting Entity

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

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

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

1. Background, Governance and Reporting Entity (continued)

(c) Financial Reporting Entity (continued)

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

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

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

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

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

2. Summary of Significant Accounting Policies

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

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

(a) Basis of Accounting

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

2. Summary of Significant Accounting Policies (continued)

(b) Cash and Cash Equivalents

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

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

(c) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of unspent proceeds from dedicated capital funding (Dedicated Funding) and from the issuances of Series 2024A and Series 2023A Dedicated Revenue Bonds that are restricted for capital costs. Dedicated Funding, which was enacted by legislation, is an annual revenue stream that is jointly provided to Metro by the State of Maryland, District of Columbia, and Commonwealth of Virginia to fund capital projects.

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

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

Restricted cash and cash equivalents held with fiscal agent include funds held in escrow for the debt servicing of Metro’s Gross Revenue Transit Bonds and Dedicated Revenue Bonds. These funds are managed by a trustee, who is authorized to use them solely for paying principal and interest. Amounts held for interest payments due within one fiscal year are reported as current assets.

(e) Investments

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

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

(f) Restricted Investments

Restricted investments consist of proceeds from the issuance of the Series 2023A Second Lien Dedicated Revenue Bonds that are externally restricted for the funding of certain capital costs. Restricted investments also include invested amounts from unspent dedicated capital funding proceeds, provided those investments had original maturities of three months or longer at the time of acquisition.

2. Summary of Significant Accounting Policies (continued)

(g) Restricted Investments Held with Fiscal Agent

Restricted investments held with fiscal agent include funds held in escrow for the debt servicing of Metro's Gross Revenue Transit Bonds and Dedicated Revenue Bonds. These funds are managed by a trustee, who is authorized to use them solely for paying principal and interest. Amounts held for interest payments due within one fiscal year are reported as current assets.

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

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

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

(i) Materials and Supplies Inventory, Net of Obsolescence

Materials and supplies inventory is reported using the average cost method, net of an allowance for obsolete inventory of $7.1 million and $11.7 million as of June 30, 2025 and 2024, respectively. Obsolete inventory is estimated by taking the average of the highest and lowest write-offs over the current and prior four years.

Metro revised its methodology for estimating the reserve balance for obsolete materials and supplies during fiscal year 2025, shifting from using the highest of the current and prior two years' write-offs to the average of the highest and lowest write-offs over the current and prior four years. This change better reflects the actual inventory that is or may become obsolete and ensures financial reporting aligns with the qualitative characteristics of reliability, relevance, and comparability. The revised methodology resulted in a $2.3 million decrease in materials and supplies inventory, net of obsolescence and a $2.3 million increase in materials and supplies expense for the fiscal year ending June 30, 2025, compared to the amount that would have been recognized under the previous approach. Metro applied this change prospectively and did not restate prior period financial statements.

(j) Capital Assets

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

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

2. Summary of Significant Accounting Policies (continued)

(j) Capital Assets (continued)

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

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

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

i) Lessee/Buyer

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

Measurement of Lease Amounts

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

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

Measurement of Subscription IT Amounts

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

2. Summary of Significant Accounting Policies (continued)

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

i) Lessee/Buyer (continued)

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

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

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

ii) Lessor

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

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

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

2. Summary of Significant Accounting Policies (continued)

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

ii) Lessor (continued)

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

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

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

(l) Accounts Payable and Accrued Expenses

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

(m) Accrued Salaries and Benefits

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

(n) Accrued Pension Benefits

The fiduciary activities accrued pension benefits consist of pension benefits due to the Retirement Plan and Local 2 Plan participants.

(o) Due to Other Governments

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

2. Summary of Significant Accounting Policies (continued)

(o) Due to Other Governments (continued)

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

(p) Compensated Absences

Metro's policy and collective bargaining agreements permit eligible employees to accumulate earned, but unused, sick, vacation, and compensatory leave benefits. Metro recognizes a liability for these accumulated leave balances when it is more likely than not that they will be used for time off, paid out in cash, or settled through other noncash means. When applicable, Metro applies a Last-in, First-out (LIFO) methodology, which considers the expected future accrual of leave and offsets it against anticipated future usage. Projected usage is estimated using a three-year average of historical leave usage data.

Vacation may be accumulated up to the maximum amounts shown in the table below:

Employee Group	**Years of Service**	**Maximum Annual Leave Carryover Limit**	**Disposition in Excess of Maximum Carryover Limit**
Executive and Senior Management	Not applicable	337.5 hours	Remaining balance is forfeited
Non-Represented:			
7.5 hour workdays	0–15 years 15+ years	225.0 hours 337.5 hours	Remaining balance is foreited
8 hour workdays	0–15 years 15+ years	240.0 hours 360.0 hours	Remaining balance is forfeited
Local 2:			
7.5 hour workdays	0–15 years 15+ years	225.0 hours 337.5 hours	100% converted to sick leave
8 hour workdays	0–15 years 15+ years	240.0 hours 360.0 hours	100% converted to sick leave
Fraternal Order of Police	Not applicable	400.0 hours	50% converted to sick leave
Special Police Officers	Not applicable	280.0 hours	Remaining balance is forfeited
Local 689	0–15 years 15+ years	240.0 hours 360.0 hours	Remaining balance is forfeited
Local 922	0–15 years 15+ years	240.0 hours 360.0 hours	Remaining balance is forfeited

2. Summary of Significant Accounting Policies (continued)

(p) Compensated Absences (continued)

Metro records a liability for all unused, accumulated vacation balances as of the end of the fiscal year. Generally, depending on the employees' respective group, remaining unused vacation amounts in excess of Metro's maximum carryover limit must be used by December 31 or June 30, or they are either forfeited, converted to sick leave, or paid out to employees and are no longer included as a compensated absence liability to Metro. However, on December 31, 2023, the carry-over limit enforcement for vacation was delayed until June 30, 2024, for non-represented employees. On November 28, 2024, the carry-over limit enforcement for vacation was further delayed for non-represented employees until June 30, 2025, given operational needs requiring employees to defer using leave in calendar year 2024.

Metro employees can earn between 12 and 13 days of sick leave per year, depending on the employees' respective group. Sick leave may be accumulated in an unlimited amount; however, unused sick leave is not paid out upon termination. Metro records a liability for unused, accumulated sick leave that is considered more likely than not to be used, which is included in the liability for compensated absences. Unused sick leave for employees enrolled in Metro's retirement plan is counted at retirement as additional time worked for calculation of the pension benefit and is not included in the liability for compensated absences. The accrued, unused sick leave balances that are considered more likely than not to be used as of June 30, 2025 and 2024 were $46.2 million and $45.9 million, respectively, and are included as a component of the compensated absences liability on the Statements of Net Position.

Metro's policy and collective bargaining agreements permit certain eligible employees to accumulate compensatory time. Non-represented, exempt employees may accrue compensatory time up to 75 hours in a calendar year. The other employee groups may accrue and carry forward compensatory time up to 240 hours in a calendar year. Compensatory time balances earned in excess of the maximum annual carryover limits as of December 31 each year are either paid out as overtime or forfeited, as dictated by the applicable policy or collective bargaining agreement. The compensatory balances accrued as of June 30, 2025 and 2024 were $3.5 million for each year. These amounts are included as a component of the compensated absences liability on the Statements of Net Position.

(q) Unearned Revenue

Unearned revenue primarily consists of unredeemed passenger fares.

(r) Litigation and Claims

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

(s) Retainage on Contracts

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

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

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

2. Summary of Significant Accounting Policies (continued)

(t) Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

(u) Hedging Derivative Instrument

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

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

(v) Operating and Nonoperating Revenues and Expenses

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

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

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

2. Summary of Significant Accounting Policies (continued)

(w) Capital Contributions

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

(x) Net Position

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

- **Net investment in capital assets** – This component of net position consists of right-to-use lease, SBITAs, and capital assets, net of accumulated amortization and depreciation, respectively, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** – This category represents the portion of net position with external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation that can be fulfilled by actions of Metro pursuant to those stipulations or that expire by the passage of time. Included in this category are unspent Dedicated Funding that is externally restricted for capital purposes and funds held in Metro's Gross Revenue and Dedicated Revenue debt service escrow accounts held with fiscal agent restricted to pay principal and interest payments. Also included in restricted net position are unspent bond proceeds, net of related debt, and unspent parking surcharges that are subject to external restrictions, net of the amounts owed to other governments. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, Metro considers restricted funds to have been spent first.
- **Unrestricted net position** – This category represents the portion of net position that is not classified as "restricted" or "net investment in capital assets." Unrestricted net position may be designated for specific purposes by action of management or the Board. The deficit balance will require future funding.

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

(y) Use of Estimates

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

2. Summary of Significant Accounting Policies (continued)

(z) GASB Pronouncements

Metro adopted the following GASB Statements in fiscal year 2025:

- **GASB Statement No. 101**, ***Compensated Absences:*** This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences.

  As a result of this Statement, Metro established a process to estimate a liability for leave that is more likely than not to be used and included that amount in the total liability for compensated absences. The adoption of this Statement resulted in the restatement of Metro’s basic financial statements as of June 30, 2024, to reflect the reporting of Metro’s leave that is more likely than not be used, paid out or settled by noncash means. Additional information on the GASB Statement No. 101 restatement can be found in Note 14, Restatement.

- **GASB Statement No. 102**, ***Certain Risk Disclosures:*** This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The adoption of this statement did not have an impact on Metro’s financial statements.

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

GASB Statement No.	GASB Statement Title	Adoption Required in Fiscal Year
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026

2. Summary of Significant Accounting Policies (continued)

(z) GASB Pronouncements (continued)

- **GASB Statement No. 103, Financial Reporting Model Improvements:** This Statement establishes new accounting and financial reporting requirements, and modifies existing requirements, related to management's discussion and analysis, unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units, budgetary comparison information, and financial trends information in the statistical section. The adoption of this Statement will have an impact on Metro's financial statements. Metro is currently evaluating the extent of such impact.

- **GASB Statement No. 104, Disclosure of Certain Capital Assets:** This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

  This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if the government has decided to pursue the sale of the capital asset and it is probable that the sale will be finalized within one year of the financial statement date. The adoption of this Statement will have an impact on Metro's financial statements. Metro is currently evaluating the extent of such impact.

3. Plans of Financing

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

The shares of the jurisdictions' operating subsidy requirements per the approved fiscal years 2025 and 2024 budgets are as follows:

Jurisdiction	2025	2024
District of Columbia	37.8 %	35.8 %
Prince George's County, Maryland	20.3	22.1
Montgomery County, Maryland	15.7	15.7
Fairfax County, Virginia	12.7	13.3
All other jurisdictions	13.5	13.1
Total	100.0 %	100.0 %

3. Plans of Financing (continued)

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

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

Capital contributions for the years ended June 30, 2025 and 2024 are as follows (in thousands):

Capital Contributions	2025	2024
Federal grants and interest utilized	$ 461,375	$ 433,226
Dedicated Funding	500,000	500,000
Jurisdictional capital subsidies	482,460	470,420
Donated assets	10,346	41,785
Other capital contributions	30,947	25,706
Total	$ 1,485,128	$ 1,471,137

4. Cash, Deposits, and Investments

Business-Type Activities

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

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

4. Cash, Deposits and Investments (continued)

Fiduciary Activities

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

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

(a) Cash and Cash Equivalents

Business-Type Activities

The carrying amounts and bank balances as of June 30, 2025 and 2024 are as follows (in thousands):

Cash and Cash Equivalents	June 30, 2025 Carrying Amount	June 30, 2025 Bank Balance
Unrestricted:		
Deposits insured or collateralized	$ 8,866	$ 13,805
Money market account	838	838
Government agency discount note	638,372	638,256
Cash on hand	3,192	-
Restricted:		
Deposits insured or collateralized	3,659	3,672
Government agency discount note	69,597	69,591
Total cash and cash equivalents	$ 724,524	$ 726,162

Cash and Cash Equivalents	June 30, 2024 Carrying Amount	June 30, 2024 Bank Balance
Unrestricted:		
Deposits insured or collateralized[1]	$ (3,281)	$ 332
Money market account	91	91
Government agency discount note	238,335	238,269
Cash on hand	3,470	-
Restricted:		
Deposits insured or collateralized	2,539	2,539
Government agency discount note	58,201	58,178
Total cash and cash equivalents	$ 299,355	$ 299,409

[1] Unrestricted deposits insured or collateralized includes outstanding checks in the amount of $3.7 million.

4. Cash, Deposits and Investments (continued)

(a) Cash and Cash Equivalents (continued)

Business-Type Activities (continued)

The bank deposit account balances are Federal Deposit Insurance Corporation insured up to $250,000, and any excess amounts are fully collateralized by the pledge of eligible collateral. The depository banks pledge collateral to Metro, which is held in a restricted account at a Federal Reserve Bank as a custodian, and at the Bank of New York Mellon as a custodian and collateral agent.

As of June 30, 2025 and 2024, the amounts reported in restricted deposits insured or collateralized consist of amounts received from parking garage surcharges; funds held with fiscal agent for debt servicing principal and interest payments; and a portion of the unspent proceeds from the issuance of the Series 2024A and Series 2023A Dedicated Revenue Bond.

As of June 30, 2025 and 2024, the amounts recorded in restricted government agency discount note consist of a portion of the unspent proceeds from the Series 2024A and Series 2023A; amounts received from dedicated funding as well as funds held with fiscal agent for debt servicing principal and interest payments.

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

Fiduciary Activities

Cash and cash equivalents in the amount of $15.0 million and $13.1 million as of June 30, 2025 and 2024, respectively, consist of amounts in the Northern Trust Short-Term Investment Fund, which are composed of high quality and highly liquid money market instruments with short maturities.

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

(b) Investments

i) Concentration of Credit Risk

Concentration of credit risk exists when an investor has significant exposure to one issuer that could lead to large losses should the issuer default. The business-type activities do not have a policy addressing concentration of credit risk. Metro’s United States Agency investments includes securities issued by the Federal Home Loan Bank and comprised 20.1% and 79.8% of the total investment balances as of June 30, 2025 and 2024, respectively.

ii) Interest Rate Risk

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

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

ii) Interest Rate Risk (continued)

Business-Type Activities

The business-type activities do not have a formal investment policy for interest rate risk. However, as a means of limiting its exposure to fair value losses Metro's practice is to structure its investment portfolio maturities to meet cash flow requirements.

As of June 30, 2025 and 2024, the business-type activities investments are as follows (in thousands):

		Investment Maturities as of June 30, 2025			
Investment Type	Fair Value June 30, 2025	Less than 6 Months	7 Months – 1 Year	1–3 Years	More than 3 Years
United States Treasuries	$ 395,189	$ 332,927	$ 60,201	$ -	$ 2,061
United States Agencies	100,743	45,468	19,778	-	35,497
Total	$ 495,932	$ 378,395	$ 79,979	$ -	$ 37,558

		Investment Maturities as of June 30, 2024			
Investment Type	Fair Value June 30, 2024	Less than 6 Months	7 Months – 1 Year	1–3 Years	More than 3 Years
United States Treasuries	$ 94,049	$ -	$ 44,191	$ 47,870	$ 1,988
United States Agencies	372,180	192,568	90,799	941	87,872
Total	$ 466,229	$ 192,568	$ 134,990	$ 48,811	$ 89,860

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

ii) Interest Rate Risk (continued)

Fiduciary Activities

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

As of June 30, 2025 and 2024, the fixed income funds in the fiduciary activities have the following investments (in thousands):

		Investment Maturities as of June 30, 2025			
Investment Type	Fair Value June 30, 2025	Less than 6 Months	7 Months - 1 Year	1-3 Years	More than 3 Years
1-10 Year TIPS Index fund	$ 21,565	$ 21,565	$ -	$ -	$ -
FIAM tactical bond fund	61,776	61,776	-	-	-
Aggregate bond index fund	32,396	32,396	-	-	-
PIMCO all asset fund	51,987	51,987	-	-	-
IR&M core bond fund	36,070	36,070	-	-	-
Total	$ 203,794	$ 203,794	$ -	$ -	$ -

		Investment Maturities as of June 30, 2024			
Investment Type	Fair Value June 30, 2024	Less than 6 Months	7 Months - 1 Year	1-3 Years	More than 3 Years
1-10 Year TIPS Index fund	$ 20,183	$ 20,183	$ -	$ -	$ -
FIAM tactical bond fund	59,125	59,125	-	-	-
Aggregate bond index fund	31,242	31,242	-	-	-
PIMCO all asset fund	48,521	48,521	-	-	-
Total	$ 159,071	$ 159,071	$ -	$ -	$ -

iii) Credit Risk

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

Business-Type Activities

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

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

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

iii) Credit Risk (continued)

Business-Type Activities (continued)

The following tables summarize the rating of Metro's business-type activities from Moody's Investor Services as of June 30, 2025 and 2024 (in thousands):

Investment Type	Fair Value June 30, 2025	Rating
United States Treasuries	$ 395,189	Aa1
United States Agencies	100,743	Aa1
Total	$ 495,932	

Investment Type	Fair Value June 30, 2024	Rating
United States Treasuries	$ 94,049	Aaa
United States Agencies	372,180	Aaa
Total	$ 466,229	

Fiduciary Activities

The fiduciary activities have no formal credit risk policies. The fixed income mutual funds included in the fiduciary activities were not rated.

The following table includes the fiduciary activities fixed income funds as of June 30, 2025 and 2024 (in thousands):

Investment Type	Fair Value June 30, 2025	Fair Value June 30, 2024
1-10 Year TIPS index fund	$ 21,565	$ 20,183
FIAM tactical bond fund	61,776	59,125
Aggregate bond index fund	32,396	31,242
PIMCO all asset fund	51,987	48,521
IR&M core bond fund	36,070	-
Total fixed income mutual funds	$ 203,794	$ 159,071

iv) Custodial Credit Risk

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

Business-Type Activities

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

4. Cash, Deposits and Investments (continued)

(b) Investments (continued)

iv) Custodial Credit Risk (continued)

Fiduciary Activities

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

5. Fair Value Measurements

Business-Type Activities

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

The business-type activities have the following recurring fair value measurements as of June 30, 2025 and 2024 (in thousands):

	June 30, 2025			
	Fair Value	Level 1	Level 2	Level 3
United States Treasuries	$ 395,189	$ 395,189	$ -	$ -
United States Agencies	100,743	13,615	87,128	-
Total investments	$ 495,932	$ 408,804	$ 87,128	$ -
Fuel swap derivative	$ (419)	$ -	$ (419)	$ -

	June 30, 2024			
	Fair Value	Level 1	Level 2	Level 3
United States Treasuries	$ 94,049	$ 94,049	$ -	$ -
United States Agencies	372,180	208,744	163,436	-
Total investments	$ 466,229	$ 302,793	$ 163,436	$ -
Fuel swap derivative	$ 491	$ -	$ 491	$ -

United States Treasuries are valued using prices quoted in active markets. The United States Agencies are valued using Level 1 pricing methodologies that include prices quoted in active markets, institutional bond quotes and pricing tapes, as well as Level 2 pricing methodologies that include matrix pricing and market corroborated pricing. The fuel swap derivative is valued using an income approach, which is a mathematical approximation of the market, derived from proprietary models that are based on certain assumptions regarding past, present and future market conditions, as well as certain financial information.

5. Fair Value Measurements (continued)

Fiduciary Activities

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

The fiduciary activities have the following investments reported at fair value as of June 30, 2025 and 2024 (in thousands):

	June 30, 2025	June 30, 2024
Equity index funds:		
CF Arrowstreet Int'L equity	$ 115,066	$ 96,419
Schroder's International Stock Fund	28,675	27,778
S&P Small Cap 600	4,852	6,027
S&P 400 index fund-lending	4,195	4,549
S&P 500 index fund-lending	21,886	23,735
Loomis Sayles Multisector	34,404	31,181
Russell 1000 index fund non lending	50,827	72,851
Russell 1000 value index fund non lending	22,126	-
Russell 2000 index fund non lending	24,089	24,687
Bond index funds:		
FIAM Tactical bond fund	61,776	59,125
1-10 year TIPS index fund	21,565	20,183
Aggregate bond index fund	32,396	31,242
PIMCO all asset fund	51,987	48,521
IR&M core bond fund	36,070	-
Real estate investment funds:		
IR&M core bond real estate fund	-	34,903
US real estate investment fund	26,935	28,163
Virginia pooled trust	138,172	127,021
Total investments	$ 675,021	$ 636,385

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

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

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

6. Accounts Receivable, Net of Allowance, and Other

Amounts in accounts receivable, net of allowance, and other for business-type activities are as follows at June 30, 2025 and 2024 (in thousands):

	June 30, 2025	June 30, 2024
Accounts receivable, net of allowance:		
Federal grants receivables	$ 128,040	$ 119,223
Jurisdictional receivables	15,327	15,322
Other government agency receivables	39,401	41,653
All other receivables	50,274	37,462
Allowance for doubtful accounts	(14,786)	(17,278)
Total accounts receivable, net of allowance	218,256	196,382
Prepaid items	5,270	5,313
Total accounts receivable, net of allowance, and other	$ 223,526	$ 201,695

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

7. Capital Assets

Capital assets activity for the years ended June 30, 2025 and 2024 is as follows (in thousands):

	June 30, 2024	Additions	Reductions	June 30, 2025
Capital assets not being depreciated:				
Land	$ 773,669	$ 60,600	$ -	$ 834,269
Construction in progress	1,512,089	1,253,136	(1,508,580)	1,256,645
Total capital assets not being depreciated	2,285,758	1,313,736	(1,508,580)	2,090,914
Capital assets being depreciated:				
Buildings and improvements	2,108,558	51,944	-	2,160,502
Transit facilities	20,015,257	1,185,609	(30,680)	21,170,186
Revenue vehicles	5,389,404	73,536	(81,762)	5,381,178
Equipment and other	5,202,053	147,602	(24,533)	5,325,122
Total capital assets being depreciated	32,715,272	1,458,691	(136,975)	34,036,988
Less accumulated depreciation for:				
Buildings and improvements	806,633	51,891	-	858,524
Transit facilities	9,440,900	717,136	(30,680)	10,127,356
Revenue vehicles	3,058,691	214,909	(81,762)	3,191,838
Equipment and other	4,088,040	210,288	(24,533)	4,273,795
Total accumulated depreciation	17,394,264	1,194,224	(136,975)	18,451,513
Total capital assets being depreciated, net	15,321,008	264,467	-	15,585,475
Total capital assets, net excluding lease and SBITA assets	17,606,766	1,578,203	(1,508,580)	17,676,389
Lease and SBITA assets, net of amortization (Note 8)	115,985	6,945	(42)	122,888
Total capital assets, net of depreciation and amortization	$ 17,722,751	$ 1,585,148	$ (1,508,622)	$ 17,799,277

During fiscal year 2025, Metro made substantial capital investments to enhance infrastructure and fleet operations. Key projects included the replacement of traction power systems totaling $283.8 million, completion of a new replacement parking garage and bus loop valued at $105.2 million, track and tunnel rehabilitation efforts amounting to $121.7 million, and installation of fiber optic cables worth $93.0 million. Fleet additions comprised 2 new buses at $2.4 million, 216 MetroAccess vans valued at $23.9 million, and 158 non-revenue vehicles totaling $11.3 million. Additionally, transit facility infrastructure related to the Potomac Yard Station, valued at $10.3 million, was transferred from the City of Alexandria, Virginia.

Metro recognized an impairment loss in fiscal year 2025 following the construction stoppage and repurposing of land for a railcar heavy repair and overhaul facility. The impairment resulted in a $49.0 million reduction in Construction in Progress on the Statements of Net Position and a corresponding increase in operating expenses on the Statements of Revenues, Expenses, and Changes in Net Position.

Additions to construction in progress include capitalized labor of approximately $256.4 million in fiscal year 2025.

7. Capital Assets (continued)

Capital assets activity for the years ended June 30, 2024 and 2023 is as follows (in thousands):

	June 30, 2023	Additions	Reductions	June 30, 2024
Capital assets not being depreciated:				
Land	$ 773,876	$ -	$ (207)	$ 773,669
Construction in progress	1,342,190	1,320,611	(1,150,712)	1,512,089
Total capital assets not being depreciated	2,116,066	1,320,611	(1,150,919)	2,285,758
Capital assets being depreciated:				
Buildings and improvements	1,844,001	284,282	(19,725)	2,108,558
Transit facilities	19,459,766	582,670	(27,179)	20,015,257
Revenue vehicles	5,288,099	141,398	(40,093)	5,389,404
Equipment and other	5,030,235	184,727	(12,909)	5,202,053
Total capital assets being depreciated	31,622,101	1,193,077	(99,906)	32,715,272
Less accumulated depreciation for:				
Buildings and improvements	770,088	50,961	(14,416)	806,633
Transit facilities	8,785,689	682,390	(27,179)	9,440,900
Revenue vehicles	2,879,016	219,768	(40,093)	3,058,691
Equipment and other	3,866,923	232,954	(11,837)	4,088,040
Total accumulated depreciation	16,301,716	1,186,073	(93,525)	17,394,264
Total capital assets being depreciated, net	15,320,385	7,004	(6,381)	15,321,008
Total capital assets, net excluding lease and SBITA assets	17,436,451	1,327,615	(1,157,300)	17,606,766
Lease and SBITA assets, net of amortization (Note 8)	105,576	14,577	(4,168)	115,985
Total capital assets, net of depreciation and amortization	$ 17,542,027	$ 1,342,192	$ (1,161,468)	$ 17,722,751

During fiscal year 2024, Metro placed into service a new office building at Eisenhower Avenue totaling $264.8 million. Metro also placed into service new fareboxes and faregates totaling $58.7 million, purchased 81 new buses totaling $54.8 million, 23 new Metro Access vans totaling $1.7 million, and 87 new non-revenue vehicles totaling $7.6 million. Also, during the fiscal year, the Montgomery County Department of Transportation, in Maryland, donated transit facility infrastructure valued at $41.8 million.

Additions to construction in progress include capitalized labor of approximately $259.1 million in fiscal year 2024.

8. Leases and Similar Subscription-Based IT Arrangements

(a) Lessee/Buyer

Right-to-Use Lease and Subscription Assets

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

Right-to-use lease and SBITA asset activity for the years ended June 30, 2025 and 2024 is as follows (in thousands):

	June 30, 2024	Additions	Deductions	June 30, 2025
Right-to-use lease assets				
Land	$ 22,923	$ 370	$ -	$ 23,293
Buildings	85,152	2,670	(717)	87,105
Equipment and other	-	479	-	479
Total right-to-use lease assets	108,075	3,519	(717)	110,877
Less accumulated amortization for:				
Land	8,090	2,116	-	10,206
Buildings	24,267	4,747	(678)	28,336
Equipment and other	-	137	-	137
Total accumulated amortization	32,357	7,000	(678)	38,679
Total lease assets, net	75,718	(3,481)	(39)	72,198
SBITA assets	81,367	37,189	(26,729)	91,827
Less accumulated amortization	41,100	26,763	(26,726)	41,137
SBITA assets, net	40,267	10,426	(3)	50,690
Total right-to-use lease and SBITA assets, net	$ 115,985	$ 6,945	$ (42)	$ 122,888

	June 30, 2023	Additions	Deductions	June 30, 2024
Right-to-use lease assets				
Land	$ 22,971	$ 751	$ (799)	$ 22,923
Buildings	89,415	10,900	(15,163)	85,152
Total right-to-use lease assets	112,386	11,651	(15,962)	108,075
Less accumulated amortization for:				
Land	5,979	2,111	-	8,090
Buildings	23,022	13,039	(11,794)	24,267
Total accumulated amortization	29,001	15,150	(11,794)	32,357
Total lease assets, net	83,385	(3,499)	(4,168)	75,718
SBITA assets	41,725	44,069	(4,427)	81,367
Less accumulated amortization	19,534	25,993	(4,427)	41,100
SBITA assets, net	22,191	18,076	-	40,267
Total right-to-use lease and SBITA assets, net	$ 105,576	$ 14,577	$ (4,168)	$ 115,985

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

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

(b) Lessor

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

Revenues recognized in the reporting period for variable payments not previously included in the measurement of the lease receivables were $1.0 million and $1.4 million as of June 30, 2025 and 2024, respectively. These payments represent participation rent, which is a percentage of the lessees' gross revenues.

Principal and interest received from leases totaled $30.5 million and $21.0 million, respectively, in fiscal year 2025 and $31.8 million and $18.7 million, respectively, in fiscal year 2024.

9. Due to Other Governments

The current amounts due to other governments as of June 30, 2025 and 2024 are as follows (in thousands):

	June 30, 2025	June 30, 2024
Due to Jurisdictions:		
Parking garage surcharges	$ 3,734	$ 2,812
Reimbursable advances	21,096	38,472
Federal share of capital asset disposals	89,453	89,420
Total due to other governments	$ 114,283	$ 130,704

10. Long-Term Liabilities

Changes in long-term liabilities for the years ended June 30, 2025 and 2024 are as follows (in thousands):

	(As Restated) June 30, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
Long-term liabilities:					
Bonds payable:					
Series 2017A1	$ 109,050	$ -	$ (11,120)	$ 97,930	$ 11,675
Series 2017A2	48,855	-	-	48,855	-
Series 2017B	435,725	-	(14,085)	421,640	14,810
Series 2018	217,025	-	(6,475)	210,550	6,805
Series 2020A	531,975	-	(13,690)	518,285	14,390
Series 2021A	766,210	-	(19,150)	747,060	20,130
Series 2023A	392,000	-	(6,640)	385,360	6,980
Series 2023A Second Lien	797,800	-	(10,230)	787,570	10,755
Series 2024A Second Lien	-	635,990	-	635,990	-
Unamortized premium	469,327	30,154	(33,643)	465,838	-
Total bonds payable	3,767,967	666,144	(115,033)	4,319,078	85,545
Compensated absences	190,337	63,492	(67,899)	185,930	-
Litigation and claims	207,053	69,654	(68,893)	207,814	70,709
Retainage on contracts	78,974	16,696	(4,463)	91,207	35,189
Lease payables	83,532	3,826	(9,563)	77,795	8,733
SBITA payables	33,005	36,439	(25,510)	43,934	22,818
Total long-term liabilities	$ 4,360,868	$ 856,251	$ (291,361)	$ 4,925,758	$ 222,994

	(As Restated) June 30, 2023	Additions	Reductions	(As Restated) June 30, 2024	Due Within One Year
Long-term liabilities:					
Bonds payable:					
Series 2017A1	$ 119,645	$ -	$ (10,595)	$ 109,050	$ 11,120
Series 2017A2	48,855	-	-	48,855	-
Series 2017B	449,125	-	(13,400)	435,725	14,085
Series 2018	223,185	-	(6,160)	217,025	6,475
Series 2020A	545,000	-	(13,025)	531,975	13,690
Series 2021A	784,425	-	(18,215)	766,210	19,150
Series 2023A	392,000	-	-	392,000	6,640
Series 2023A Second Lien	-	797,800	-	797,800	10,230
Unamortized premium	427,111	75,241	(33,025)	469,327	-
Total bonds payable	2,989,346	873,041	(94,420)	3,767,967	81,390
Compensated absences[1]	178,806	115,326	(103,795)	190,337	-
Litigation and claims	208,596	62,901	(64,444)	207,053	70,298
Retainage on contracts	91,962	33,806	(46,794)	78,974	39,613
Lease payables	85,572	12,810	(14,850)	83,532	8,182
SBITA payables	18,527	36,522	(22,044)	33,005	13,314
Total long-term liabilities	$ 3,572,809	$ 1,134,406	$ (346,347)	$ 4,360,868	$ 212,797

[1] Compensated absences' additions and amounts due within one year were both restated due to the implementation of GASB Statement No. 101. Additional information on the GASB Statement No. 101 restatement can be found in Note 14, Restatement.

10. Long-Term Liabilities (continued)

(a) Lines of Credit

In fiscal year 2025, Metro entered into a new line of credit expiring on September 30, 2025. Metro extended three existing lines of credit, which expire on September 30, 2025, October 3, 2025, and October 15, 2026. Metro also amended two existing lines of credit that will both expire on October 15, 2026. The total amount available under the combined six lines of credit as of June 30, 2025, is $500.0 million.

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

At June 30, 2025 and 2024, there were no outstanding balances on any of the lines of credit. There was no activity associated with these lines during either of these years.

10. Long-Term Liabilities (continued)

(b) Bonds Payable

Metro may issue bonds pursuant to the Compact and the Bond Resolution of Metro. The following bonds are outstanding at June 30, 2025 and 2024 (in thousands):

	June 30, 2025		
	Principal	Unamortized Premium	Net
Series 2017A1, 5.0% dated July 12, 2017, due semi-annually through July 1, 2032	$ 97,930	$ 7,829	$ 105,759
Series 2017A2, 5.0% dated July 12, 2017, due semi-annually through July 1, 2034	48,855	5,622	54,477
Series 2017B, 5.0% dated August 17, 2017 due semi-annually through July 1, 2042	421,640	55,429	477,069
Series 2018, 5.0% dated December 18, 2018 due semi-annually through July 1, 2043	210,550	19,965	230,515
Series 2020A, 4.0% to 5.0% dated June 11, 2020 due semi-annually through July 15, 2045	518,285	103,480	621,765
Series 2021A, 3.0% to 5.0% dated June 08, 2021 due semi-annually through July 15, 2046	747,060	141,245	888,305
Series 2023A, 4.1% to 5.5% dated March 14, 2023 due semi-annually through July 15, 2051	385,360	31,802	417,162
Series 2023A 2nd Lien, 5.0% to 5.3% dated August 17, 2023, due semi-annually through July 15, 2054	787,570	70,652	858,222
Series 2024A 2nd Lien, 4.4% to 5.3% dated July 24, 2024, due semi-annually through July 15, 2059	635,990	29,814	665,804
	$ 3,853,240	$ 465,838	$ 4,319,078

10. Long-Term Liabilities (continued)

(b) Bonds Payable (continued)

	June 30, 2024		
	Principal	Unamortized Premium	Net
Series 2017A1, 5.0% dated July 12, 2017, due semi-annually through July 1, 2032	$ 109,050	$ 10,113	$ 119,163
Series 2017A2, 5.0% dated July 12, 2017, due semi-annually through July 1, 2034	48,855	6,209	55,064
Series 2017B, 5.0% dated August 17, 2017 due semi-annually through July 1, 2042	435,725	60,451	496,176
Series 2018, 5.0% dated December 18, 2018 due semi-annually through July 1, 2043	217,025	21,589	238,614
Series 2020A, 4.0% to 5.0% dated June 11, 2020 due semi-annually through July 15, 2045	531,975	111,529	643,504
Series 2021A, 3.0% to 5.0% dated June 08, 2021 due semi-annually through July 15, 2046	766,210	152,668	918,878
Series 2023A, 4.1% to 5.5% dated March 14, 2023 due semi-annually through July 15, 2051	392,000	33,417	425,417
Series 2023A 2nd Lien, 5.0% to 5.3% dated August 17, 2023, due semi-annually through July 15, 2054	797,800	73,351	871,151
	$ 3,298,640	$ 469,327	$ 3,767,967

i) Series 2017 Bonds

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

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

10. Long-Term Liabilities (continued)

(b) Bonds Payable (continued)

i) Series 2017 Bonds (continued)

Series 2017B Gross Revenue Transit Bonds

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

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

ii) Series 2018 Bonds

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

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

iii) Series 2020A Bonds

On June 11, 2020, Metro issued Dedicated Revenue Bonds Series 2020A, totaling $545.0 million, with a premium of $149.9 million, primarily to finance capital costs.

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

iv) Series 2021A Bonds

On June 8, 2021, Metro issued Dedicated Revenue Bonds Series 2021A, totaling $784.4 million, with a premium of $189.0 million, primarily to finance capital costs with a focus on the environment and sustainability.

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

10. Long-Term Liabilities (continued)

(b) Bonds Payable (continued)

v) Series 2023A Bonds

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

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

vi) Series 2023A Second Lien Bonds

On August 17, 2023, Metro issued Second Lien Dedicated Revenue Bonds Series 2023A, totaling $797.8 million, with a premium of $75.2 million, to fund certain capital costs.

The Second Lien Series 2023A Bonds will be repaid with Metro's Dedicated Funding revenue. The Bonds were issued with coupon rates between 5.0% to 5.3%, payable semi-annually on January 15 and July 15 each year. Principal payments are due annually from July 15, 2025 through July 15, 2054. The ratings of the uninsured bonds were AA from Standard and Poor's and AA from Kroll as of August 17, 2023.

vii) Series 2024A Second Lien Bonds

On July 24, 2024, Metro issued Second Lien Dedicated Revenue Bonds Series 2024A, totaling $636.0 million, with a premium of $30.2 million, primarily to finance certain capital costs.

The Second Lien Series 2024A Bonds will be repaid with Metro's Dedicated Funding revenue. The Bonds were issued with coupon rates between 4.4% to 5.3%, payable semi-annually on January 15 and July 15 each year. Principal payments are due annually from July 15, 2047 through July 15, 2059. The ratings of the uninsured bonds were AA from Standard and Poor's and AA from Kroll as of July 24, 2024.

10. Long-Term Liabilities (continued)

(c) Bond Covenants

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

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

(d) Bonds Debt Service Requirements

Debt service requirements for the bonds payable as of June 30, 2025 are as follows (in thousands):

Fiscal Year	Principal	Interest
2026	$ 85,545	$ 184,582
2027	89,915	180,195
2028	94,515	175,584
2029	99,335	170,738
2030	104,415	165,644
2031-2035	607,645	742,379
2036-2040	667,945	589,092
2041-2045	751,420	417,406
2046-2050	464,970	269,880
2051-2055	388,590	173,757
2056-2060	498,945	63,395
	3,853,240	3,132,652
Unamortized premium	465,838	-
	$ 4,319,078	$ 3,132,652

10. Long-Term Liabilities (continued)

(e) Pledged Revenues

i) Dedicated Revenue Bonds

Metro has pledged certain dedicated funding revenues to repay the Series 2020A, 2021A, 2023A, 2023A Second Lien and 2024A Second Lien Dedicated Revenue Bonds. The District of Columbia, Maryland and Virginia provide an annual dedicated revenue stream in the amount of $500.0 million to fund capital costs. Virginia's funding statute provides for the dedicated funding to be deposited into both available for debt service (unrestricted) and not available for debt service (restricted) accounts. Dedicated funding received from the District of Columbia and Maryland is unrestricted. Metro may only pledge the unrestricted dedicated funding for debt service as security for the Dedicated Revenue Bonds.

Unrestricted dedicated funding and debt service requirements on the Dedicated Revenue Bonds for the years ended June 30, 2025 and 2024 are as follows (in thousands):

Dedicated Revenue Bonds	2025	2024
Unrestricted dedicated funding	$ 475,036	$ 466,019
Debt service:		
Interest	132,646	115,368
Principal	49,710	31,240
Total debt service	$ 182,356	$ 146,608
Percentage of debt service payment to Unrestricted Dedicated Funding revenue	38.4%	31.5%

The total principal and interest remaining on the Dedicated Revenue Bonds is $5.8 billion and $4.4 billion as of June 30, 2025 and 2024, respectively, payable through July 15, 2059.

ii) Gross Revenue Transit Bonds

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

10. Long-Term Liabilities (continued)

(e) Pledged Revenues (continued)

ii) Gross Revenue Transit Bonds (continued)

Gross revenues recognized, as defined by the Transit Bonds' indentures, for the years ended June 30, 2025 and 2024 are as follows (in thousands):

Gross Revenues	2025	2024
Series 2017 Bonds:		
Passenger revenues	$ 470,570	$ 364,376
Other pledged revenues	115,873	109,570
Jurisdictional subsidies	1,792,965	1,295,806
Unrestricted Dedicated Funding	475,036	466,019
Total Series 2017 Bonds	$ 2,854,444	$ 2,235,771
Series 2018 Bonds:		
Passenger revenues	$ 470,570	$ 364,376
Other pledged revenues	115,873	109,570
Jurisdictional subsidies	1,792,965	1,295,806
Total Series 2018 Bonds	$ 2,379,408	$ 1,769,752

Principal and interest requirements on the Gross Revenue Transit Bonds for the years ended June 30, 2025 and 2024 are as follows (in thousands):

	2025	2024
Debt service:		
Interest	$ 39,741	$ 40,533
Principal	31,680	30,155
Total debt service	$ 71,421	$ 70,688
Percentage of debt service payments to gross revenues for the Series 2017 Bonds	2.5%	3.2%
Percentage of debt service payments to gross revenues for the Series 2018 Bonds	3.0%	4.0%

As of June 30, 2025 and 2024, the total principal and interest payments outstanding on the Gross Revenue Transit Bonds is $1.2 billion.

10. Long-Term Liabilities (continued)

(f) Lease Liabilities

The net present value of Metro's minimum future lease payments for non-cancelable leases as of June 30, 2025, is as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2026	$ 8,733	$ 1,783	$ 10,516
2027	9,328	1,595	10,923
2028	4,921	1,440	6,361
2029	4,218	1,349	5,567
2030	4,323	1,261	5,584
2031-2035	18,643	4,963	23,606
2036-2040	19,094	2,363	21,457
2041-2045	7,593	471	8,064
2046-2050	942	32	974
Total lease payments	$ 77,795	$ 15,257	$ 93,052

(g) SBITA Liabilities

The net present value of Metro's minimum future subscription payments for non-cancelable SBITAs as of June 30, 2025, is as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2026	$ 22,818	$ 1,220	$ 24,038
2027	14,422	581	15,003
2028	3,363	159	3,522
2029	1,678	71	1,749
2030	1,162	31	1,193
2031-2035	491	6	497
Total SBITA payments	$ 43,934	$ 2,068	$ 46,002

(h) Interest Expense and Fiscal Charges

Interest expense and fiscal charges incurred during the years ended June 30, 2025 and 2024 is as follows (in thousands):

	2025	2024
Bonds	$ 186,426	$ 156,175
Amortization of premium	(33,643)	(33,025)
Issuance costs	2,873	3,139
Leases	1,716	2,194
SBITAs	1,367	768
Total interest expense and fiscal charges	$ 158,739	$ 129,251

11. Pension Plans

(a) Description of Pension Plans

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

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

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

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

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

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

Below is a summary of each respective Plan's membership as of June 30, 2025 and 2024:

	June 30, 2025					
Plan Membership	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan	Total
Active	100	9,179	371	521	18	10,189
Inactive, receiving benefits	1,177	5,972	314	297	344	8,104
Inactive, not receiving benefits	304	1,552	143	49	38	2,086
Total membership	1,581	16,703	828	867	400	20,379

	June 30, 2024					
Plan Membership	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan	Total
Active	112	8,634	382	480	19	9,627
Inactive, receiving benefits	1,185	5,893	306	294	342	8,020
Inactive, not receiving benefits	308	1,520	135	45	40	2,048
Total membership	1,605	16,047	823	819	401	19,695

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

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

i) Retirement Plan

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

Eligible Employees

All full-time regular management and non-union employees hired prior to January 1, 1999, certain Transit Police Officials who are not covered by any other Metro pension plan, and Special Police Officers represented by Teamsters Local 639 hired prior to February 25, 2016, are eligible to participate in the Retirement Plan. After five years of service, participants are 100.0% vested.

Benefits

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

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

Contributions and Funding Policy

Metro is required to contribute, pursuant to the Compact, an amount equal to the actuarially determined contribution. Metro contributions totaled $30.8 million and $29.7 million for the years ended June 30, 2025 and 2024, respectively. Participants are not required to contribute to the Retirement Plan.

Plan actuaries determine the dollar amount of assets to be transferred between plans to account for participants who transfer between plans. The dollar amount of the assets is based on the present value of benefits transferred and the funded status of the respective plans. The assets transferred from the Retirement Plan to the Local 2 Plan were $0.1 million for fiscal year 2024.

ii) Local 689 Plan

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

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

ii) Local 689 Plan(continued)

Eligible Employees

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

Benefits

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

Contributions and Funding Policy

Metro is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. Employee and Metro contributions totaled $33.3 million and $230.1 million, respectively, for the year ended June 30, 2025. Employee and Metro contributions totaled $31.0 million and $218.6 million, respectively, for the year ended June 30, 2024.

iii) Transit Police Plan

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

Eligible Employees

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

Benefits

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

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

iii) Transit Police Plan (continued)

Contributions and Funding Policy

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

Employee and Metro contributions totaled $3.3 million and $12.3 million, respectively, for the year ended June 30, 2025. Employee and Metro contributions totaled $3.0 million and $11.6 million, respectively, for the year ended June 30, 2024.

iv) Local 922 Plan

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

Eligible Employees

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

Benefits

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

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

iv) Local 922 Plan (continued)

Contributions and Funding Policy

Metro is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. Based upon the collective bargaining agreement, employees contribute 1.0% of wages for the period November 1, 2014 through October 31, 2015 and 3.0% of wages beginning November 1, 2015. Employee contributions shall continue until such time as the Plan actuary certifies that the fair value funded ratio equals or exceeds 100% (as determined using the funding assumptions then in effect), at which time employee contributions cease. Employee contributions to the Plan ceased November 1, 2021. If the funded ratio subsequently falls below 95%, employee contributions of 3% shall resume until such time as the Plan's actuary certifies that the market value of funded ratio returns to 100%. The Trustees elected to keep the employee contributions turned off as of November 1, 2023. Effective November 1, 2024, employee contributions of 3% of wages resumed due to the January 1, 2024 market value funded ratio falling below 95%. Employee and Metro contributions totaled $0.9 million and $7.8 million, for the year ended June 30, 2025. Metro contributions totaled $3.9 million for the year ended June 30, 2024.

v) Local 2 Plan

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

Eligible Employees

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

Benefits

The normal retirement eligibility is age 65 with five years of credited service. The annual normal retirement benefit comprises of 1.6% of final average compensation multiplied by years of credited service (including any unused sick leave as credited service for purpose of normal retirement benefit), plus 0.9% of final average compensation in excess of the Social Security breakpoint multiplied by years of credited service (including any unused sick leave as credited service for purpose of normal retirement benefit amount) not in excess of 20 years. Early retirement benefits are available upon reaching age 55 with 10 years of credited service or after the sum of years of service plus attained age is 83 or more. The maximum normal retirement benefit is not to exceed 80.0% of final average compensation. The Local 2 Plan provides retired participants annual COLA increases, permits both early and later retirement, and provides for benefits in the event of death, disability, and terminated vested employment.

11. Pension Plans (continued)

(a) Description of Pension Plans (continued)

v) Local 2 Plan (continued)

Contributions and Funding Policy

Metro is required to contribute per the collective bargaining agreement an amount equal to the actuarially determined contribution. Metro contributions totaled $4.9 million and $7.4 million for the years ended June 30, 2025 and 2024, respectively.

Plan actuaries determine the dollar amount of assets to be transferred between plans to account for participants who transfer between plans. The dollar amount of the assets is based on the present value of benefits transferred and the funded status of the respective plans. The assets contributed to the Retirement Plan from the Local 2 Plan were $0.1 million for fiscal year 2024.

(b) Measurement of Total Pension Liability

Metro's total pension liability reported at June 30, 2025 and 2024 for each of the Plans were measured as of their fiscal year end dates, and were determined using the following actuarial assumptions as of each of the Plan's respective measurement dates:

	June 30, 2025				
	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan
Measurement date	6/30/2024	6/30/2024	12/31/2024	12/31/2024	6/30/2024
Inflation rate	2.5%	2.5%	2.5%	3.0%	2.5%
Salary and wage rate increases	3.0% to 6.3%	3.0% to 3.5%	3.0% to 7.0%	3.5%	3.0% to 6.3%
Long-term rate of return, net of expense, including price of inflation	7.0%	7.5%	7.0%	7.0%	7.0%

	June 30, 2024				
	Retirement Plan	Local 689 Plan	Transit Police Plan	Local 922 Plan	Local 2 Plan
Measurement date	6/30/2023	6/30/2023	12/31/2023	12/31/2023	6/30/2023
Inflation rate	2.5%	2.5%	2.5%	3.0%	2.5%
Salary and wage rate increases	3.0% to 6.3%	3.0% to 3.5%	3.0% to 7.0%	1.5% to 3.5%	3.0% to 6.3%
Long-term rate of return, net of expense, including price of inflation	7.0%	7.5%	7.0%	7.0%	7.0%

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

i) Retirement Plan

The Pub-2010 General Healthy Non-Annuitant Mortality Tables projected generationally using Scale MP-2020 were used for mortality assumptions for the Retirement Plan fiscal year ending June 30, 2024 and 2023.

The actuarial assumptions used in the Retirement Plan's June 30, 2024 and 2023 valuations were set as a result of an experience study conducted for the five years ending June 30, 2021.

The long-term expected rate of return on Retirement Plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Retirement Plan's target asset allocation as of June 30, 2024 and 2023 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2024**	**2023**	**2024**	**2023**
Global equity, excluding US	22.0%	22.0%	7.5%	7.7%
Large cap	18.0%	18.0%	6.7%	6.7%
Multi-sector fixed income	18.0%	18.0%	6.1%	6.0%
Core bonds	16.0%	16.0%	4.9%	4.7%
Global asset allocation	10.0%	10.0%	6.2%	6.1%
Small cap	7.0%	7.0%	7.4%	7.5%
Core real estate	5.0%	5.0%	6.1%	5.8%
TIPS	4.0%	4.0%	4.7%	4.4%

The discount rate used to measure the Retirement Plan's total pension liability was 7.0% for June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that Metro contributions would be made at rates equal to the actuarially determined contribution rates. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

ii) Local 689 Plan

The RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2021 was used for the mortality assumptions for the Local 689 Plan for the fiscal year ending June 30, 2024 and June 30, 2023.

The actuarial assumptions used in the Local 689 Plan's June 30, 2024 and 2023 valuations were based on the results of an experience study conducted for the twelve years ending December 31, 2022.

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

Best estimates of arithmetic real rates of return for each major asset class included in the Local 689 Plan's target asset allocation as of June 30, 2024 and 2023 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2024**	**2023**	**2024**	**2023**
Large cap equities	35.0%	40.0%	6.1%	5.9%
Fixed income	25.0%	18.0%	1.4%	1.4%
Non-U.S. developed equities	10.0%	10.0%	5.0%	4.8%
Real estate	10.0%	7.0%	4.2%	5.0%
Fund of hedge funds	5.0%	5.0%	3.6%	3.6%
Mid cap equities	5.0%	5.0%	6.2%	6.2%
Private equity	5.0%	5.0%	9.5%	10.5%
Small cap equities	5.0%	5.0%	5.4%	5.4%
Global tactical assets allocation	0.0%	5.0%	0.0%	6.0%

The discount rate used to measure the Local 689 Plan's total pension liability for June 30, 2024 and 2023 was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee and Metro contributions would continue to be made at the rates set forth in the most recent collective bargaining agreement. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

iii) Transit Police Plan

The PubS-2010 Mortality table based on Scale MP-2021 were used for the fiscal years ended December 31, 2024 and 2023. The actuarial assumptions used in the Transit Police Plan's December 31, 2024 and 2023 valuations were based on the results of an actuarial experience study conducted for the five years ending January 1, 2015.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

iii) Transit Police Plan (continued)

A Deferred Retirement Option Program (DROP) was provided during the 2022 Plan Year and was recognized in the December 31, 2022, valuation for those who selected the DROP prior to December 31, 2022. The DROP became effective July 8, 2022, and will end September 30, 2029. The DROP allows active participants to retire from the Plan and remain on active duty in a Transit Police capacity for up to five years. Participants must have 25 years of service to be eligible. The deferred benefit will be credited to the Participant's DROP account and compounded with 5% annual interest until the DROP retirement date, which is when active duty ends, and pension benefits are paid to the retiree. The DROP retirement benefit is payable beginning on the DROP retirement date. The DROP retirement benefit equals the normal retirement benefit based on service and final average earnings on the date of the DROP election increased by COLA increases from the DROP election date through the DROP retirement date. The DROP account balance as of December 31, 2024 is $0.9 million.

A longevity bonus was implemented based on the latest collective bargaining agreement. The longevity bonus equal to 1% of base compensation is added to compensation at the end of a police officer's 16th, 20th and 22nd year of service. There are no retroactive increases, except that police officers with 22 or more years of service on the contract ratification date will receive a one-time 1% of base compensation increase to their compensation

The long-term expected rate of return on Transit Police Plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation (2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Transit Police Plan's target asset allocation is the same as of December 31, 2024 and 2023 and are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2024**	**2023**	**2024**	**2023**
Equity composite	45.0%	45.0%	4.7%	5.2%
Global bond composite	35.0%	35.0%	1.8%	1.8%
International equity composite	10.0%	10.0%	4.9%	5.6%
Real estate	5.0%	5.0%	4.2%	4.2%
Infrastructure	5.0%	5.0%	5.3%	5.3%

The discount rate used to measure the Transit Police Plan's total pension liability was 7.0% for December 31, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Metro contributions will be made according to the funding method used in the annual valuation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

iv) Local 922 Plan

The RP-2000 Healthy Combined Mortality table with Blue Collar Adjustment, projected fully generational with Scale AA, was used for the mortality assumptions for the Local 922 Plan years ended December 31, 2024 and 2023.

The actuarial assumptions used in the Local 922 Plan's December 31, 2024 and 2023 valuations were based on the results of an actuarial experience study conducted for the eight years ending December 31, 2014.

Compensation increases were updated to reflect the Memorandum of Understanding, dated October 6, 2020. The ultimate rate used for salary increases effective in 2024 was 3.5% to better reflect the expectation for future wage increases. Likewise, the ultimate COLA rate was changed effective 2024 to 3.0% per year. For the new Collective Bargaining Agreement (CBA) for January 1, 2024 – October 31, 2028, there will not be any COLA for the first contract year. For the remaining contract years, the COLA will only be paid if the CPI-W exceeds the general wage increase from May to May up to a maximum combined total increase of 5.0%.

The long-term expected rate of return on Local 922 Plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%).

Best estimates of arithmetic real rates of return for each major asset class included in the Local 922 Plan's target asset allocation as of December 31, 2024 and 2023 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2024**	**2023**	**2024**	**2023**
Core bonds	28.0%	28.0%	3.4%	3.4%
Large cap equities	25.0%	25.0%	6.7%	6.7%
International equities	14.0%	14.0%	7.0%	7.0%
Global asset allocations	10.0%	10.0%	5.7%	5.7%
Emerging market blended debt	8.0%	8.0%	5.2%	5.2%
Small/mid cap equities	5.0%	5.0%	7.2%	7.2%
TIPS	5.0%	5.0%	2.7%	2.7%
Alternative investment classes	5.0%	5.0%	6.0%	6.0%

The discount rate used to measure the Local 922 Plan's total pension liability for December 31, 2024 and 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Metro contributions will be made according to the valuation method. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(b) Measurement of Total Pension Liability (continued)

v) Local 2 Plan

The Pub-2010 General Healthy Non-Annuitant Mortality Tables projected generationally using Scale MP-2020 were used for mortality assumptions for the Local 2 Plan fiscal year ending June 30, 2024 and 2023.

The actuarial assumptions used in the Local 2 Plan's June 30, 2024 and 2023 valuations were set as a result of an experience study conducted for the five years ending June 30, 2021. All other assumptions were based on the results of an actuarial experience study conducted for the five years ending June 30, 2014.

The long-term expected rate of return on Local 2 Plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, and by adding expected inflation (2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Local 2 Plan's target asset allocation as of June 30, 2024 and 2023 are summarized as follows:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2024**	**2023**	**2024**	**2023**
Global equity, excluding US	25.0%	25.0%	7.5%	7.7%
US equity large cap	20.0%	20.0%	6.7%	6.7%
Global multi-sector fixed income	18.0%	18.0%	6.1%	6.0%
Core bonds	10.0%	10.0%	4.9%	4.7%
Global asset allocation	10.0%	10.0%	6.2%	6.1%
Small/mid cap equities	7.0%	7.0%	7.4%	7.5%
TIPS	5.0%	5.0%	4.7%	4.4%
Core real estate	5.0%	5.0%	6.1%	5.8%

The discount rate used to measure the Local 2 Plan's total pension liability was 7.0% for June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that Metro contributions would be made at rates equal to the actuarially determined contribution rates. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

11. Pension Plans (continued)

(c) Changes in Net Pension Liability

Changes in Metro's net pension liability reported for the fiscal years ended June 30, 2025 and 2024, based on each Plan's respective measurement dates, are as follows (in thousands):

Retirement Plan

	2025		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 526,145	$ 353,592	172,553
Changes for the year:			
Service cost	798	-	798
Interest	35,213	-	35,213
Differences between expected and actual experience	6,779	-	6,779
Contributions – employer	-	29,741	(29,741)
Transfer of funds from Retirement Plan	-	(93)	93
Net investment income	-	27,880	(27,880)
Benefit payments, including refunds of employee contributions	(47,798)	(47,798)	-
Administrative expenses	-	(143)	143
Net change	(5,008)	9,587	(14,595)
Balance, end of year	$ 521,137	$ 363,179	$ 157,958

	2024		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 522,189	$ 347,331	174,858
Changes for the year:			
Service cost	843	-	843
Interest	34,981	-	34,981
Differences between expected and actual experience	14,729	-	14,729
Contributions – employer	-	28,277	(28,277)
Net investment income	-	24,720	(24,720)
Benefit payments, including refunds of employee contributions	(46,597)	(46,597)	-
Administrative expenses	-	(139)	139
Net change	3,956	6,261	(2,305)
Balance, end of year	$ 526,145	$ 353,592	$ 172,553

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Local 689 Plan

	2025		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 5,727,706	$ 4,327,649	$ 1,400,057
Changes for the year:			
Service cost	112,691	-	112,691
Interest	421,502	-	421,502
Differences between expected and actual experience	18,546	-	18,546
Changes in assumptions			
Contributions – employer	-	218,599	(218,599)
Contributions – employee	-	31,911	(31,911)
Net investment income	-	512,451	(512,451)
Benefit payments, including refunds of employee contributions	(296,176)	(296,176)	-
Administrative expenses	-	(1,149)	1,149
Other	-	(368)	368
Net change	256,563	465,268	(208,705)
Balance, end of year	$ 5,984,269	$ 4,792,917	$ 1,191,352

	2024		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 5,342,609	$ 4,074,504	$ 1,268,105
Changes for the year:			
Service cost	103,352	-	103,352
Interest	393,180	-	393,180
Differences between expected and actual experience	162,279	-	162,279
Changes in assumptions	620	-	620
Contributions – employer	-	187,202	(187,202)
Contributions – employee	-	30,453	(30,453)
Net investment income	-	310,891	(310,891)
Benefit payments, including refunds of employee contributions	(274,334)	(274,334)	-
Administrative expenses	-	(1,068)	1,068
Other	-	1	(1)
Net change	385,097	253,145	131,952
Balance, end of year	$ 5,727,706	$ 4,327,649	$ 1,400,057

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Transit Police Plan

	2025		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 385,747	$ 310,889	$ 74,858
Changes for the year:			
Service cost	9,839	-	9,839
Interest	26,293	-	26,293
Changes of benefit terms	1,517	-	1,517
Differences between expected and actual experience	4,652	-	4,652
Contributions – employer	-	11,604	(11,604)
Contributions – employee	-	3,236	(3,236)
Net investment income	-	33,428	(33,428)
Benefit payments, including refunds of employee contributions	(18,903)	(18,903)	-
Administrative expenses	-	(91)	91
Net change	23,398	29,274	(5,876)
Balance, end of year	$ 409,145	$ 340,163	$ 68,982

	2024		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 370,646	$ 280,885	$ 89,761
Changes for the year:			
Service cost	9,419	-	9,419
Interest	25,256	-	25,256
Changes in assumptions	(1,213)	-	(1,213)
Contributions – employer	-	11,575	(11,575)
Contributions – employee	-	3,035	(3,035)
Net investment income	-	33,865	(33,865)
Benefit payments, including refunds of employee contributions	(18,361)	(18,361)	-
Administrative expenses	-	(110)	110
Net change	15,101	30,004	(14,903)
Balance, end of year	$ 385,747	$ 310,889	$ 74,858

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Local 922 Plan

	2025		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 277,877	$ 255,021	$ 22,856
Changes for the year:			
Service cost	5,478	-	5,478
Interest	19,375	-	19,375
Differences between expected and actual experience	3,691	-	3,691
Contributions – employer	-	6,435	(6,435)
Contributions – employee	-	221	(221)
Net investment income	-	19,018	(19,018)
Benefit payments, including refunds of employee contributions	(13,372)	(13,372)	-
Administrative expenses	-	(71)	71
Net change	15,172	12,231	2,941
Balance, end of year	$ 293,049	$ 267,252	$ 25,797

	2024		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 276,943	$ 238,949	$ 37,994
Changes for the year:			
Service cost	5,822	-	5,822
Interest	19,359	-	19,359
Differences between expected and actual experience	12,743	-	12,743
Changes in assumptions	(24,367)	-	(24,367)
Contributions – employer	-	3,697	(3,697)
Net investment income	-	25,069	(25,069)
Benefit payments, including refunds of employee contributions	(12,623)	(12,623)	-
Administrative expenses	-	(71)	71
Net change	934	16,072	(15,138)
Balance, end of year	$ 277,877	$ 255,021	$ 22,856

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Local 2 Plan

	2025		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 173,546	$ 146,463	$ 27,083
Changes for the year:			
Service cost	186	-	186
Interest	11,617	-	11,617
Differences between expected and actual experience	4,556	-	4,556
Contributions – employer	-	7,362	(7,362)
Transfer of funds from Retirement Plan	-	93	(93)
Net investment income	-	15,372	(15,372)
Benefit payments, including refunds of employee contributions	(15,563)	(15,563)	-
Administrative expenses	-	(101)	101
Net change	796	7,163	(6,367)
Balance, end of year	$ 174,342	$ 153,626	$ 20,716

	2024		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance, beginning of year	$ 172,464	$ 141,694	$ 30,770
Changes for the year:			
Service cost	189	-	189
Interest	11,554	-	11,554
Differences between expected and actual experience	4,528	-	4,528
Contributions – employer	-	8,031	(8,031)
Net investment income	-	12,016	(12,016)
Benefit payments, including refunds of employee contributions	(15,189)	(15,189)	-
Administrative expenses	-	(89)	89
Net change	1,082	4,769	(3,687)
Balance, end of year	$ 173,546	$ 146,463	$ 27,083

11. Pension Plans (continued)

(c) Changes in Net Pension Liability (continued)

Total Net Pension Liability

	2025		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 7,091,021	$ 5,393,614	$ 1,697,407
Changes for the year:			
Service cost	128,992	-	128,992
Interest	514,000	-	514,000
Changes of benefit terms	1,517	-	1,517
Differences between expected and actual experience	38,224	-	38,224
Contributions – employer	-	273,741	(273,741)
Contributions – employee	-	35,368	(35,368)
Net investment income	-	608,149	(608,149)
Benefit payments, including refunds of employee contributions	(391,812)	(391,812)	-
Administrative expenses	-	(1,555)	1,555
Other	-	(368)	368
Net change	290,921	523,523	(232,602)
Balance, end of year	$ 7,381,942	$ 5,917,137	$ 1,464,805

	2024		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	$ 6,684,851	$ 5,083,363	$ 1,601,488
Changes for the year:			
Service cost	119,625	-	119,625
Interest	484,330	-	484,330
Differences between expected and actual experience	193,066	-	193,066
Changes in assumptions	(23,747)	-	(23,747)
Contributions – employer	-	238,782	(238,782)
Contributions – employee	-	33,488	(33,488)
Net investment income	-	406,561	(406,561)
Benefit payments, including refunds of employee contributions	(367,104)	(367,104)	-
Administrative expenses	-	(1,477)	1,477
Other	-	1	(1)
Net change	406,170	310,251	95,919
Balance, end of year	$ 7,091,021	$ 5,393,614	$ 1,697,407

11. Pension Plans (continued)

(d) Pension Deferred Outflows and Inflows of Resources

At June 30, 2025 and 2024, Metro reported deferred outflows and inflows of resources for the respective Plans as follows (in thousands):

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Retirement Plan:		
Differences between projected and actual investment earnings	$ 15,291	$ -
Contributions made after the measurement date	30,822	-
Subtotal	46,113	-
Local 689 Plan:		
Differences between projected and actual investment earnings	-	25,669
Differences between expected and actual experience	371,799	4,601
Changes in assumptions	52,964	8,796
Contributions made after the measurement date	230,073	-
Subtotal	654,836	39,066
Transit Police Plan:		
Differences between projected and actual investment earnings	8,643	-
Differences between expected and actual experience	6,451	1,819
Changes in assumptions	6,656	1,964
Contributions made after the measurement date	6,505	-
Subtotal	28,255	3,783
Local 922 Plan:		
Differences between projected and actual investment earnings	18,455	-
Differences between expected and actual experience	9,140	620
Changes in assumptions	-	12,184
Contributions made after the measurement date	3,218	-
Subtotal	30,813	12,804
Local 2 Plan:		
Differences between projected and actual investment earnings	911	-
Contributions made after the measurement date	4,896	-
Subtotal	5,807	-
Total Plans:		
Differences between projected and actual investment earnings	43,300	25,669
Differences between expected and actual experience	387,390	7,040
Changes in assumptions	59,620	22,944
Contributions made after the measurement date	275,514	-
Total	$ 765,824	$ 55,653

11. Pension Plans (continued)

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

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Retirement Plan:		
Differences between projected and actual investment earnings	$ 24,689	$ -
Contributions made after the measurement date	29,741	-
Subtotal	54,430	-
Local 689 Plan:		
Differences between projected and actual investment earnings	136,086	-
Differences between expected and actual experience	466,976	9,188
Changes in assumptions	87,607	12,315
Contributions made after the measurement date	218,599	
Subtotal	909,268	21,503
Transit Police Plan:		
Differences between projected and actual investment earnings	23,577	-
Differences between expected and actual experience	3,639	3,842
Changes in assumptions	9,949	2,946
Contributions made after the measurement date	5,802	
Subtotal	42,967	6,788
Local 922 Plan:		
Differences between projected and actual investment earnings	26,395	-
Differences between expected and actual experience	9,557	2,590
Changes in assumptions	1,461	18,275
Contributions made after the measurement date	1,848	
Subtotal	39,261	20,865
Local 2 Plan:		
Differences between projected and actual investment earnings	7,160	-
Contributions made after the measurement date	7,362	-
Subtotal	14,522	-
Total Plans:		
Differences between projected and actual investment earnings	217,907	-
Differences between expected and actual experience	480,172	15,620
Changes in assumptions	99,017	33,536
Contributions made after the measurement date	263,352	-
Total	$ 1,060,448	$ 49,156

Deferred outflows of resources from contributions made after the measurement date for each of the Plans as of June 30, 2025 and 2024 will be recognized as a reduction in the net pension liability in the fiscal years ending June 30, 2026 and 2025, respectively.

11. Pension Plans (continued)

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

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

	Deferred Outflows (Inflows)					
June 30,	**Retirement Plan**	**Local 689 Plan**	**Transit Police Plan**	**Local 922 Plan**	**Local 2 Plan**	**Total**
2026	$ 2,876	$ 83,157	$ 8,890	$ 6,927	$ (716)	$ 101,134
2027	14,159	228,160	14,289	9,232	4,270	270,110
2028	(992)	56,148	(4,179)	(1,088)	(1,563)	48,326
2029	(752)	9,151	(1,808)	(280)	(1,080)	5,231
2030	-	8,199	775	-	-	8,974
Thereafter	-	882	-	-	-	882
Total	$ 15,291	$ 385,697	$ 17,967	$ 14,791	$ 911	$ 434,657

(e) Pension Expense

Pension expense recognized by Metro for the fiscal years ended June 30, 2025 and 2024 is as follows (in thousands):

	Pension Expense	
Plan	**2025**	**2024**
Retirement Plan	$ 24,544	$ 34,965
Local 689 Plan	293,363	311,802
Transit Police Plan	18,139	16,764
Local 922 Plan	11,133	7,576
Local 2 Plan	7,244	9,215
Total	$ 354,423	$ 380,322

11. Pension Plans (continued)

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

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

Plan	Discount Rate	June 30, 2025 1% Decrease	Current Rate	1% Increase
Retirement Plan	7.0%	$ 202,433	$ 157,958	$ 119,507
Local 689 Plan	7.5%	1,954,935	1,191,352	563,393
Transit Police Plan	7.0%	117,331	68,982	16,915
Local 922 Plan	7.0%	62,537	25,797	(4,667)
Local 2 Plan	7.0%	35,314	20,716	8,014
Total net pension liability (asset)		$ 2,372,550	$ 1,464,805	$ 703,162

Plan	Discount Rate	June 30, 2024 1% Decrease	Current Rate	1% Increase
Retirement Plan	7.0%	$ 218,344	$ 172,553	$ 133,034
Local 689 Plan	7.5%	2,127,141	1,400,057	798,711
Transit Police Plan	7.0%	119,397	74,858	24,888
Local 922 Plan	7.0%	57,511	22,856	(5,899)
Local 2 Plan	7.0%	41,944	27,083	14,185
Total net pension liability (asset)		$ 2,564,337	$ 1,697,407	$ 964,919

(g) Deferred Compensation Plan

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

(h) Defined Contribution Retirement Plan

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

11. Pension Plans (continued)

(h) Defined Contribution Retirement Plan (continued)

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

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

Metro contributed $18.4 million and $18.1 million for the years ended June 30, 2025 and 2024, respectively.

12. Other Postemployment Benefits

(a) WMATA Healthcare Plan

i) Description of Plan

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

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

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

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

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

i) Description of Plan (continued)

Below is a summary of the WMATA Healthcare Plan's membership as of June 30, 2025 and 2024:

Plan Membership	June 30, 2025	June 30, 2024
Active	17,370	17,228
Inactive, receiving benefits	12,663	12,398
Total membership	30,033	29,626

Eligible Employees and Benefits

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

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

The amount of contributions made by Metro for the WMATA Healthcare Plan during the fiscal years ended June 30, 2025 and 2024 was $58.3 million and $63.0 million, respectively.

Contributions and Funding Policy

Metro administers the WMATA Healthcare Plan on a pay-as-you-go basis and additional ad-hoc funding contributions based upon budgetary results at the end of each fiscal year. Metro did not make ad-hoc funding contributions for the years ended June 30, 2025 and 2024. Employees are not required to contribute to the WMATA Healthcare Plan. As per the Memorandum of Understanding, dated August 19, 2024, between Metro and Local 689, during fiscal year 2025, assets held by the Local 689 Transit Employees' Retiree Health Fund as of July 1, 2024, were transferred to the Transit Employees' Health & Welfare Plan for the express purpose of financing the retiree health care for the Local 689 employees hired on or after January 1, 2010.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

ii) Measurement of Total OPEB Liability

Metro’s total OPEB liability reported at June 30, 2025 and 2024 were determined using actuarial valuations as of June 30, 2024 and 2023, respectively, which is the WMATA Healthcare Plan’s fiscal year end.

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

	June 30, 2025	June 30, 2024
Measurement date	6/30/2024	6/30/2023
Salary and wage increases, including inflation	3.5%	3.5%
Health care cost trend rate:		
Pre-65 years old	8.6%	7.8%
65 years and older	10.1%	8.1%
Medicare Advantage Part D (MAPD)	13.5%	4.5%
Employer Group Waiver Program (EGWP)	9.3%	N/A
Discount rate	3.9%	3.7%
Expected rate of return	7.5%	7.5%

The Pub-2010 General Classification, Mortality Table, projected using Scale MP-2021 was used for mortality assumptions for fiscal years ending June 30, 2025 and 2024.

Retirement rates, withdrawal rates, and disability rates were based on the most recent actuarial experience studies for the Retirement Plan, Local 689 Plan, Transit Police Plan, and Local 2 Plan. Please refer to Note 11.(b), *Measurement of Total Pension Liability*, for information on the dates of experience studies for each plan.

The changes in the assumptions during the fiscal year ended June 30, 2025 reflect the changes in the discount rate, which increased from 3.7% to 3.9%, and changes in the health care cost trend rates, which increased from 7.8% to 8.6% for participants under 65 years of age, and from 8.1% to 10.1% for participants 65 years and older. The MAPD health care trend rate increased from 4.5% to 13.5%. Beginning with the fiscal year ended June 30, 2025, the EGWP health care cost trend rate of 9.3% was applied, which was not applicable in the prior year. The health care cost trend rate assumptions were based on the national average information available from the Standard and Poor’s Healthcare Economic Index, National Health Expenditure data, plan renewal data and vendor prescription reports, with adjustments based on provisions of the benefits provided with Metro. Multiple healthcare cost trend rate assumptions were used for different benefit components and participant groups (pre-65 and post-65 age groups).

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

ii) Measurement of Total OPEB Liability (continued)

The healthcare cost trend rates used to calculate the total OPEB liability as of June 30, 2025 and 2024 are as follows:

	June 30, 2025				June 30, 2024			
Fiscal Year	**Pre-65**	**Post-65**	**MAPD**	**EGWP**	**Pre-65**	**Post-65**	**MAPD**	**EGWP**
2024	8.6%	10.1%	13.5%	9.7%	7.8%	8.1%	4.5%	N/A
2025	8.4%	9.8%	12.8%	9.3%	7.5%	7.8%	10.0%	N/A
2026	7.9%	9.2%	11.8%	9.0%	7.2%	7.4%	9.3%	N/A
2027	7.4%	8.6%	10.8%	8.5%	6.8%	7.0%	8.8%	N/A
2028	6.9%	7.9%	9.8%	7.9%	6.4%	6.6%	8.0%	N/A
2029	6.4%	7.3%	8.8%	7.2%	6.0%	6.2%	7.3%	N/A
2030	5.8%	6.6%	7.5%	7.1%	5.6%	5.8%	6.5%	N/A
2031	5.3%	5.9%	6.5%	6.6%	5.3%	5.3%	6.0%	N/A
2032	4.8%	5.2%	5.5%	5.5%	4.9%	4.9%	5.3%	N/A
2033+	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	N/A

Best estimates of the real rates of return for each major asset class included in the WMATA Healthcare Plan's target asset allocation as of June 30, 2025 and 2024 are summarized in the following table:

	Target Allocation		Long-Term Expected Real Rate of Return	
Asset Class	**2025**	**2024**	**2025**	**2024**
Large cap equities (Domestic)	21.0%	21.0%	7.2%	7.2%
Small cap equities (Domestic)	10.0%	10.0%	8.6%	8.6%
International equities (Developed)	13.0%	13.0%	8.0%	8.1%
Emerging markets	5.0%	5.0%	9.3%	9.3%
Private equity	10.0%	10.0%	10.5%	10.6%
Long/short equity	6.0%	6.0%	5.6%	5.8%
Core bonds	5.0%	5.0%	2.6%	2.6%
Core plus	11.0%	11.0%	2.9%	2.9%
Liquid absolute return	4.0%	4.0%	3.3%	3.3%
Core real estate	10.0%	10.0%	6.5%	6.5%
Opportunistic real estate	5.0%	5.0%	9.5%	9.5%

The WMATA Healthcare Plan assets are not sufficient to achieve a long-term rate of return to cover the WMATA Healthcare Plan liabilities; therefore, the municipal bond rate was used for all periods to project the actuarial present value of benefit payments. The municipal bond rate was obtained from the Bond Buyer General Obligation 20-Bond Municipal Bond Index and was 3.9% and 3.7% for the fiscal years ended June 30, 2025 and 2024, respectively.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

iii) Changes in Net OPEB Liability

Changes in Metro's net OPEB liability based on the measurement date for the fiscal years ended June 30, 2025 and 2024, respectively, are as follows (in thousands):

	2025		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance, beginning of year	$ 1,942,666	$ 116,089	$ 1,826,577
Changes for the year:			
Service cost	43,734	-	43,734
Interest	71,363	-	71,363
Differences between expected and actual experience	65,070	-	65,070
Administrative expenses	-	(70)	70
Changes in assumptions	54,398	-	54,398
Benefit payments	(63,049)	(63,049)	-
Contribution - employer	-	63,049	(63,049)
Net investment income	-	11,002	(11,002)
Net change	171,516	10,932	160,584
Balance, end of year	$ 2,114,182	$ 127,021	$ 1,987,161

	2024		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance, beginning of year	$ 1,876,328	$ 107,928	$ 1,768,400
Changes for the year:			
Service cost	42,887	-	42,887
Interest	66,877	-	66,877
Differences between expected and actual experience	42,969	-	42,969
Administrative expenses	-	(67)	67
Changes in assumptions	(25,792)	-	(25,792)
Benefit payments	(60,603)	(60,603)	-
Contribution - employer	-	60,603	(60,603)
Net investment income	-	8,228	(8,228)
Net change	66,338	8,161	58,177
Balance, end of year	$ 1,942,666	$ 116,089	$ 1,826,577

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

iv) OPEB Expense

OPEB expense recognized by Metro was $68.7 million and $61.0 million during fiscal years ending June 30, 2025 and 2024, respectively.

v) OPEB Deferred Outflows and Inflows of Resources

At June 30, 2025 and 2024, Metro reported deferred outflows and inflows of resources as follows (in thousands):

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 1,994	$ -
Differences between projected and actual experience	94,742	35,595
Contributions after measurement date	58,316	-
Changes in assumptions	76,330	270,485
Total	$ 231,382	$ 306,080

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ 4,387	$ -
Differences between projected and actual experience	53,835	48,407
Contributions after measurement date	63,049	-
Changes in assumptions	63,161	360,947
Total	$ 184,432	$ 409,354

Deferred outflows of resources from contributions made after the measurement date for OPEB as of June 30, 2025 and 2024 will be recognized as a reduction in the net OPEB liability in the fiscal years ending June 30, 2026 and 2025, respectively.

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

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

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

June 30,	Deferred Outflows (Inflows)
2026	$ (43,832)
2027	(59,483)
2028	(54,823)
2029	10,085
2030	15,039
Total	$ (133,014)

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

Health Care Cost Trend Sensitivity

The following presents Metro's net OPEB liability as of June 30, 2025 and 2024 calculated using health care cost trend rates as of June 30, 2024 and 2023, respectively, as well as what the amounts would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates (in thousands):

	Net OPEB Liability *		
	1% Decrease	Current Rate	1% Increase
June 30, 2025	$ 1,693,008	$ 1,987,161	$ 2,357,226
June 30, 2024	$ 1,550,884	$ 1,826,577	$ 2,175,555

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

12. Other Postemployment Benefits (continued)

(a) WMATA Healthcare Plan (continued)

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

Discount Rate Sensitivity

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

The following presents the net OPEB liability as of June 30, 2025 and 2024, calculated using the WMATA Healthcare Plan's discount rates as of June 30, 2024 and 2023, as well as what the amounts would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate (in thousands):

	Discount	Net OPEB Liability		
	Rate	1% Decrease	Current Rate	1% Increase
June 30, 2025	3.9%	$ 2,321,375	$ 1,987,161	$ 1,718,234
June 30, 2024	3.7%	$ 2,138,588	$ 1,826,577	$ 1,576,368

(b) Local 922 Health Trust

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

The Health Trust is administered by a Joint Board of Trustees consisting of two Local 922 union representatives and two employer representatives and is governed by the terms of the Local 922 collective bargaining agreement. Plan provisions may be amended through negotiation between Metro and the Local 922 union. Retiree health benefits were discontinued for Metro's Local 922 union employees hired on or after January 1, 2012. At June 30, 2025 and 2024, Metro had 39 and 38 participants, respectively, covered under the Health Trust.

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

12. Other Postemployment Benefits (continued)

(b) Local 922 Health Trust (continued)

Between November 1, 2022 and October 31, 2023 Metro was required to contribute $1,145 per month for each participant, and between November 1, 2023 and October 31, 2024 Metro was required to contribute $1,210 per month. Effective November 1, 2024, the required contribution amount was increased to $1,270 per month for each participant. Metro contributed $0.5 million in each of the fiscal years ended June 30, 2025 and 2024.

13. Commitments and Contingencies

(a) Litigation and Claims

i) Insured Claims

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

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

- Workers' Compensation claims up to $2.5 million with excess coverage to statutory maximum;
- Third party bodily injury, and property damage liability claims up to $7.5 million for bus related claims and $5.0 million for all other types of claims with excess coverage up to $200.0 million.

Metro carries insurance for the following:

- Property and business interruption claims up to $600.0 million with deductibles of $10.0 million for derailments; $5.0 million for track and roadbed, stations and tunnels, and flood; and $1.0 million for all other loss or damage. Additionally, fine arts are insured up to $5.0 million after a $1,000.0 deductible;
- Pollution claims up to $50.0 million with a $5.0 million deductible. Pollution Liability – Storage Tanks claims up to $1.0 million with deductibles of $5,000.0 to $500,000.0 depending on age of the tank and a deductible of $500,000.0 for pollution discovered during the removal of storage tanks;
- Directors, officers and employment practices liability claims up to $20.0 million after a $1.0 million deductible and an additional $5.0 million for D&O Side A coverage;
- Fiduciary liability claims up to $20.0 million after a $1.0 million deductible;
- Medical facilities liability claims up to $10.0 million after a $100,000.0 deductible per occurrence;
- Crime claims up to $5.0 million after a $1.0 million deductible;
- Privacy and Network Security claims up to $20.0 million after a $1.0 million deductible.

13. Commitments and Contingencies (continued)

(a) Litigation and Claims (continued)

i) Insured Claims (continued)

Effective July 1, 2022, Metro entered into an agreement with a sponsored captive insurance company to create the WMATA Insurance Captive (the Insurance Company). The Insurance Company is a protected cell captive insurance company whose sole purpose is to insure the risks of Metro through the issuance of insurance policies that will be fully reinsured. As of June 30, 2025, the Insurance Company issued the following insurance policies to Metro, all of which were fully reinsured between the private market and the United States Terrorism Risk Insurance Program Reauthorization Act of 2019:

- Chemical, Biological, Nuclear and Radiological Terrorism claims up to $200.0 million per occurrence for certified acts and $50.0 million for non-certified acts after a $1.0 million deductible;
- Terrorism and Sabotage claims up to $1.0 billion per occurrence after a $1.0 million deductible.

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

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

The actuarially developed liability for the years ended June 30, 2025 and 2024, discounted at 4.9%, and 3.9%, respectively, is as follows (in thousands):

	2025	2024
Estimated net present value of the liability for litigation and claims, beginning of year	$ 207,053	$ 208,596
Incurred new claims	69,654	62,901
Changes in estimate for claims of prior periods	(3,429)	1,686
Payments on claims	(65,464)	(66,130)
Estimated net present value of the liability for litigation and claims, end of year	$ 207,814	$ 207,053
Due within one year	$ 70,709	$ 70,298

13. Commitments and Contingencies (continued)

(a) Litigation and Claims (continued)

ii) Insured Claims $1.0 Million and Greater

Third Party Claims

As of June 30, 2025 and 2024, there were six liability claims in both fiscal years with estimated losses exceeding $1.0 million, all of which fell within the $5.0 million SIR. Additionally, as of June 30, 2025 and 2024, there was one liability claim in both fiscal years with over $5.0 million SIR.

Workers' Compensation

As of June 30, 2025 and 2024, there were nine and eight workers' compensation claims, respectively, in which the outstanding liability is greater than $1.0 million, with an aggregate total of $14.5 million and $14.3 million, respectively.

Property Claims

As of June 30, 2025 and 2024, Metro had no claims with an estimate loss exceeding the $1.0 million SIR.

Directors and Officers/Employment Practices Liability

As of June 30, 2025 and 2024, Metro had no claims with an estimated loss exceeding the $1.0 million SIR.

iii) Uninsured Claims $1.0 Million and Greater

As of June 30, 2025 and 2024, there were 32 and 25 uninsured claims, respectively, that if supported by an adverse ruling, could each exceed $1.0 million.

iv) Pollution Claims

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

As of June 30, 2025 and 2024, Metro recorded a liability, measured at its potential amount as identified by the District, using the expected cash flow technique, in the amount of $1.7 million as a current liability in litigations and claims on the Statements of Net Position.

13. Commitments and Contingencies (continued)

(a) Litigation and Claims (continued)

iv) Pollution Claims (continued)

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

(b) Hedging Derivative Instrument

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

Payment between the swap parties is the difference between the swap price per gallon and the unweighted arithmetic average of the daily settlement prices for the first nearby month for Heating Oil–New York Harbor (NYMEX) as of June 30, 2025, and Ultra Low Sulfur Diesel–NYMEX as of June 30, 2024.

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

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

The following table shows the terms and a summary of the fair value of the diesel fuel swap agreement as of June 30, 2025 and 2024:

	Per Calculation Effective Date	Period Maturity Date	Monthly Notional Gallons	Annual Notional Gallons	Fair Value (in thousands)
June 30, 2025	July 1, 2025	June 30, 2026	699,369 - 949,216	9,803,068	$ (419)
June 30, 2024	July 1, 2024	June 30, 2025	627,370 - 851,495	8,793,855	$ 491

Metro is exposed to credit risk when swap fair values are positive. Metro's policy for mitigating credit risk is to require the counterparty to have a long-term investment grade rating of BBB or higher by Standard and Poor's, Moody's, or Fitch. As of June 30, 2025, the fair value of the swap was negative, and the long-term investment grade rating for the counterparty was AA- from Fitch.

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

13. Commitments and Contingencies (continued)

(c) Construction and Capital Commitments

Construction and capital improvement costs are funded by federal grants, jurisdictional matching funds, third party agreements, and debt. As of June 30, 2025 and 2024, Metro had committed to expend $687.9 million and $695.4 million, respectively, on future construction, capital improvement and other miscellaneous projects.

14. Restatement

Metro implemented the provisions of GASB 101 effective July 1, 2023. This Statement provides updated guidance on the accounting and financial reporting for compensated absences for governments. As of July 1, 2023, the implementation resulted in a $41.7 million decrease to net position and resulted in an increase in compensated absence liability of $41.7 million. In accordance with Metro's LIFO (last-in, first-out) policy—which considers the expected future accrual of leave and offsets it against anticipated future usage—the current portion of the compensated absences liability, as of June 30, 2024, was reclassified as noncurrent. The net impact in the Statement of Revenues, Expenses, and Changes in Net position as a result of the implementation was an increase of $4.2 million in expenses during the fiscal year ended June 30, 2024, and restated total liabilities and net position as of June 30, 2024 are as follows (in thousands):

June 30, 2024	Net Position, Beginning of Year	Total Assets and Deferred Outflows of Resources	Total Liabilities and Deferred Inflows of Resources
Balance, as previously reported	$ 11,360,538	$ 20,915,691	$ 10,014,439
Adjustment due to implementation of GASB 101	(41,686)	-	45,882
Balance, as restated	$ 11,318,852	$ 20,915,691	$ 10,060,321

15. Subsequent Events

On July 23, 2025, Metro issued the Washington Metropolitan Area Transit Authority Second Lien Dedicated Revenue Bonds, Series 2025A totaling $653.5 million. The Bonds were issued to fund certain capital costs and pay the costs of issuing the Second Lien Series 2025A Bonds. The uninsured ratings of the bonds were "AA" from Standard and Poor's and "AA" from Kroll, respectively.

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

Exhibit 6 (continued)

	2025	2024	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016
Retirement Plan:										
Total pension liability:										
Service cost	$ 798	$ 843	$ 817	$ 948	$ 1,057	$ 1,226	$ 1,425	$ 1,670	$ 1,797	$ 1,953
Interest	35,213	34,981	32,801	33,379	34,033	34,734	35,032	35,249	35,549	36,104
Changes of benefit terms	-	-	-	-	-	(577)	-	362	736	(1,102)
Differences between expected and actual experience	6,779	14,729	15,344	2,472	-	(1,372)	2,594	1,814	(1,710)	(5,072)
Changes in assumptions	-	-	28,136	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(47,798)	(46,597)	(45,337)	(44,530)	(44,112)	(43,610)	(42,603)	(41,306)	(39,760)	(39,542)
Net change in total pension liability	(5,008)	3,956	31,761	(7,731)	(9,022)	(9,599)	(3,552)	(2,211)	(3,388)	(7,659)
Total pension liability – beginning	526,145	522,189	490,428	498,159	507,181	516,780	520,332	522,543	525,931	533,590
Total pension liability – ending	$ 521,137	$ 526,145	$ 522,189	$ 490,428	$ 498,159	$ 507,181	$ 516,780	$ 520,332	$ 522,543	$ 525,931
Plan fiduciary net position:										
Contributions – employer	$ 29,741	$ 28,277	$ 25,871	$ 22,538	$ 21,606	$ 21,269	$ 20,778	$ 20,349	$ 19,877	$ 20,398
Net investment income	27,880	24,720	(47,652)	80,349	11,099	18,274	22,307	42,042	1,896	14,698
Benefit payments, including refunds of member contributions	(47,798)	(46,597)	(45,337)	(44,530)	(44,112)	(43,610)	(42,603)	(41,306)	(39,760)	(39,542)
Administrative expenses	(143)	(139)	(174)	(149)	(335)	(326)	(102)	(123)	(135)	(16)
Transfer of funds (to) from Local 2 Plan	(93)	-	884	-	-	(507)	-	249	438	(1,078)
Net change in total pension liability	9,587	6,261	(66,408)	58,208	(11,742)	(4,900)	380	21,211	(17,684)	(5,540)
Plan fiduciary net position – beginning	353,592	347,331	413,739	355,531	367,273	372,173	371,793	350,582	368,266	373,806
Plan fiduciary net position – ending	$ 363,179	$ 353,592	$ 347,331	$ 413,739	$ 355,531	$ 367,273	$ 372,173	$ 371,793	$ 350,582	$ 368,266
Net pension liability	$ 157,958	$ 172,553	$ 174,858	$ 76,689	$ 142,628	$ 139,908	$ 144,607	$ 148,539	$ 171,961	$ 157,665

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

Exhibit 6
(continued)

	2025	2024	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016
Retirement Plan:										
Plan fiduciary net position as a percentage of the total pension liability	69.69%	67.20%	66.51%	84.36%	71.37%	72.41%	72.02%	71.45%	67.09%	70.02%
Covered payroll	$ 8,544	$ 9,371	$ 9,829	$ 10,610	$ 12,920	$ 13,744	$ 15,366	$ 17,899	$ 21,492	$ 23,265
Net pension liability as a percentage of covered payroll	1848.76%	1841.32%	1779.00%	722.82%	1103.93%	1017.96%	941.08%	829.87%	800.12%	677.69%

1 Data reported for fiscal years 2016 through 2025 is based on the Retirement Plan's measurement dates of June 30, 2015 through 2024, respectively, from the most recent actuarial valuation accounting disclosures report.

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

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

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

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

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

Exhibit 6
(continued)

	2025	2024[2]	2023[3]	2022[4]	2021[5]	2020[6]	2019	2018	2017	2016
Local 689 Plan:										
Total pension liability:										
Service cost	$ 112,691	$ 103,352	$ 96,982	$ 94,181	$ 86,499	$ 78,507	$ 82,170	$ 80,611	$ 78,200	$ 71,473
Interest	421,502	393,180	350,399	330,348	324,811	296,691	285,869	272,852	260,365	251,235
Differences between expected and actual experience	18,546	162,279	371,574	105,191	(14,027)	62,743	(18,013)	6,783	(2,484)	(29,971)
Changes in assumptions	-	620	10,571	(22,872)	94,168	135,761	-	-	-	(13,395)
Benefit payments, including refunds of employee contributions	(296,176)	(274,334)	(247,757)	(232,701)	(222,519)	(215,157)	(205,151)	(183,562)	(171,814)	(159,466)
Net change in total pension liability	256,563	385,097	581,769	274,147	268,932	358,545	144,875	176,684	164,267	119,876
Total pension liability – beginning	5,727,706	5,342,609	4,760,840	4,486,693	4,217,761	3,859,216	3,714,341	3,537,657	3,373,390	3,253,514
Total pension liability – ending	$ 5,984,269	$ 5,727,706	$ 5,342,609	$ 4,760,840	$ 4,486,693	$ 4,217,761	$ 3,859,216	$ 3,714,341	$ 3,537,657	$ 3,373,390
Plan fiduciary net position:										
Contributions – employer	$ 218,599	$ 187,202	$ 163,813	$ 156,348	$ 133,489	$ 110,043	$ 116,653	$ 118,975	$ 127,516	$ 136,075
Contributions – employee	31,911	30,453	25,852	23,843	23,643	23,572	21,727	22,777	22,183	6,894
Net investment income	512,451	310,891	(413,688)	1,097,912	126,706	239,294	299,482	373,693	4,441	130,680
Benefit payments, including refunds of member contributions	(296,176)	(274,334)	(247,757)	(232,701)	(222,519)	(215,157)	(205,151)	(183,562)	(171,814)	(159,466)
Administrative expenses	(1,149)	(1,068)	(941)	(989)	(1,038)	(999)	(976)	(869)	(873)	(865)
Other	(368)	1	(47)	(1)	(90)	(147)	(100)	(2)	(46)	-
Net change in total pension liability	465,268	253,145	(472,768)	1,044,412	60,191	156,606	231,635	331,012	(18,593)	113,318
Plan fiduciary net position – beginning	4,327,649	4,074,504	4,547,272	3,502,860	3,442,669	3,286,063	3,054,428	2,723,416	2,742,009	2,628,691
Plan fiduciary net position – ending	$ 4,792,917	$ 4,327,649	$ 4,074,504	$ 4,547,272	$ 3,502,860	$ 3,442,669	$ 3,286,063	$ 3,054,428	$ 2,723,416	$ 2,742,009
Net pension liability	$ 1,191,352	$ 1,400,057	$ 1,268,105	$ 213,568	$ 983,833	$ 775,092	$ 573,153	$ 659,913	$ 814,241	$ 631,381

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

Exhibit 6
(continued)

	2025	2024[2]	2023[3]	2022[4]	2021[5]	2020[6]	2019	2018	2017	2016
Local 689 Plan:										
Plan fiduciary net position as a percentage of the total pension liability	80.09%	75.56%	76.26%	95.51%	78.07%	81.62%	85.15%	82.23%	76.98%	81.28%
Covered payroll	$ 955,053	$ 900,821	$ 859,933	$ 822,845	$ 794,216	$ 757,448	$ 759,138	$ 775,487	$ 762,642	$ 745,231
Net pension liability as a percentage of covered payroll	124.74%	155.42%	147.47%	25.95%	123.87%	102.33%	75.50%	85.10%	106.77%	84.72%

1 Data reported for fiscal years 2016 through 2025 is based on the Local 689 Plan's measurement dates of June 30, 2015 through 2024, respectively, from the most recent actuarial valuation accounting disclosures report.

2 During fiscal year 2024, the retirement rates were changed to reflect retirement experience during the past five years. Additionally, 60% of leave of absence employees are assumed to return to work and 40% of eligible sick leave employees are assumed to receive a disability pension. Previously 55% of leave of absence employees were assumed to return to work.

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

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

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

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

Schedules of Changes in Net Pension Asset/Liability and Related Ratios **Exhibit 6**
Last Ten Fiscal Years[1] **(continued)**
(in thousands)

	2025[2]	2024	2023[3]	2022[4]	2021[5]	2020	2019	2018	2017[6]	2016
Transit Police Plan:										
Total pension liability:										
Service cost	$ 9,839	$ 9,419	$ 9,280	$ 9,786	$ 9,519	$ 8,549	$ 8,311	$ 7,949	$ 6,772	$ 6,094
Interest	26,293	25,256	23,969	21,538	20,774	19,862	19,384	17,175	17,469	16,900
Changes of benefit terms	1,517	-	-	-	-	6,634	-	-	-	-
Differences between expected and actual experience	4,652	(1,213)	2,682	976	3,180	(7,075)	(5,665)	2,792	(2,221)	(2,726)
Changes in assumptions	-	-	413	19,348	(6,874)	-	-	17,870	3,802	-
Benefit payments, including refunds of employee contributions	(18,903)	(18,361)	(17,487)	(16,251)	(15,052)	(14,787)	(14,581)	(13,846)	(12,943)	(12,406)
Net change in total pension liability	23,398	15,101	18,857	35,397	11,547	13,183	7,449	31,940	12,879	7,862
Total pension liability – beginning	385,747	370,646	351,789	316,392	304,845	291,662	284,213	252,273	239,394	231,532
Total pension liability – ending	$ 409,145	$ 385,747	$ 370,646	$ 351,789	$ 316,392	$ 304,845	$ 291,662	$ 284,213	$ 252,273	$ 239,394
Plan fiduciary net position:										
Contributions - employer	$11,604	$ 11,575	$ 10,950	$ 10,697	$ 12,041	$ 11,942	$ 12,647	$ 12,355	$ 9,778	$ 8,748
Contributions - employee	3,236	3,035	2,947	2,932	3,168	2,659	2,480	2,446	2,408	2,407
Net investment income	33,428	33,865	(54,522)	42,697	33,156	42,883	(9,469)	36,453	16,784	(5,396)
Benefit payments, including refunds of member contributions	(18,903)	(18,361)	(17,487)	(16,251)	(15,052)	(14,787)	(14,581)	(13,846)	(12,943)	(12,406)
Administrative expenses	(91)	(110)	(113)	(103)	(222)	(249)	(249)	(261)	(250)	(252)
Net change in total pension liability	29,274	30,004	(58,225)	39,972	33,091	42,448	(9,172)	37,147	15,777	(6,899)
Plan fiduciary net position – beginning	310,889	280,885	339,110	299,138	266,047	223,599	232,771	195,624	179,847	186,746
Plan fiduciary net position – ending	$ 340,163	$ 310,889	$ 280,885	$ 339,110	$ 299,138	$ 266,047	$ 223,599	$ 232,771	$ 195,624	$ 179,847
Net pension liability	$ 68,982	$ 74,858	$ 89,761	$ 12,679	$ 17,254	$ 38,798	$ 68,063	$ 51,442	$ 56,649	$ 59,547

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

Exhibit 6 (continued)

	2025[2]	2024	2023[3]	2022[4]	2021[5]	2020	2019	2018	2017[6]	2016
Transit Police Plan:										
Plan fiduciary net position as a percentage of the total pension liability	83.14%	80.59%	75.78%	96.40%	94.55%	87.27%	76.66%	81.90%	77.54%	75.13%
Covered payroll	$ 38,267	$ 36,642	$ 36,162	$ 38,433	$ 37,532	$ 35,414	$ 35,853	$ 34,485	$ 34,265	$ 34,122
Net pension liability as a percentage of covered payroll	180.26%	204.30%	248.22%	32.99%	45.97%	109.56%	189.84%	149.17%	165.33%	174.51%

1 Data reported for fiscal years 2016 through 2025 is based on the Transit Police Plan's measurement dates of December 31, 2015 through 2024, respectively, from the most recent actuarial valuation accounting disclosures report.

2 During fiscal year 2025, the Deferred Retirement Option Program (DROP) election date was extended from September 30, 2026, through September 30, 2029 and the DROP period from three years to five years. Participants in the DROP as of September 30, 2024 are eligible for the extension of the DROP period to five years. A longevity bonus for police officers was implemented. The longevity bonus equal to 1% of base compensation is added to compensation at the end of a police officer's 16th, 20th and 22nd year of service. There are no retroactive increases, except that police officers with 22 or more years of service on the contract ratification date will receive a one-time 1% of base compensation increase to their compensation.

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

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

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

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

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

Exhibit 6 (continued)

	2025	2024[2]	2023[3]	2022[4]	2021	2020[5]	2019	2018	2017	2016
Local 922 Plan:										
Total pension liability:										
Service cost	$ 5,478	$ 5,822	$ 5,190	$ 4,428	$ 4,583	$ 4,839	$ 4,586	$ 4,670	$ 4,493	$ 4,463
Interest	19,375	19,359	18,666	17,836	16,841	17,015	16,617	15,553	14,717	13,757
Changes of benefit terms	-	-	-	(642)	-	(11,256)	-	-	-	-
Differences between expected and actual experience	3,691	12,743	(2,480)	(5,399)	3,551	(3,404)	(6,819)	3,400	347	213
Changes in assumptions	-	(24,367)	-	5,843	(683)	-	-	-	-	2,318
Benefit payments, including refunds of employee contributions	(13,372)	(12,623)	(11,595)	(10,359)	(9,525)	(9,333)	(8,547)	(8,159)	(7,438)	(6,809)
Net change in total pension liability	15,172	934	9,781	11,707	14,767	(2,139)	5,837	15,464	12,119	13,942
Total pension liability – beginning	277,877	276,943	267,162	255,455	240,688	242,827	236,990	221,526	209,407	195,465
Total pension liability – ending	$ 293,049	$ 277,877	$ 276,943	$ 267,162	$ 255,455	$ 240,688	$ 242,827	$ 236,990	$ 221,526	$ 209,407
Plan fiduciary net position:										
Contributions – employer	$ 6,435	$ 3,697	$ 3,293	$ 4,147	$ 4,630	$ 4,784	$ 6,140	$ 6,833	$ 5,803	$ 5,583
Contributions – employee	221	-	-	824	952	1,021	946	938	963	369
Net investment income	19,018	25,069	(45,890)	27,237	31,878	38,033	(7,294)	30,712	11,553	(2,275)
Benefit payments, including refunds of member contributions	(13,372)	(12,623)	(11,595)	(10,359)	(9,525)	(9,333)	(8,547)	(8,159)	(7,438)	(6,809)
Administrative expenses	(71)	(71)	(110)	(84)	(211)	(185)	(200)	(176)	(258)	(219)
Net change in total pension liability	12,231	16,072	(54,302)	21,765	27,724	34,320	(8,955)	30,148	10,623	(3,351)
Plan fiduciary net position – beginning	255,021	238,949	293,251	271,486	243,762	209,442	218,397	188,249	177,626	180,977
Plan fiduciary net position – ending	$ 267,252	$ 255,021	$ 238,949	$ 293,251	$ 271,486	$ 243,762	$ 209,442	$ 218,397	$ 188,249	$ 177,626
Net pension liability (asset)	$ 25,797	$ 22,856	$ 37,994	$ (26,089)	$ (16,031)	$ (3,074)	$ 33,385	$ 18,593	$ 33,277	$ 31,781

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

Exhibit 6
(continued)

	2025	2024[2]	2023[3]	2022[4]	2021	2020[5]	2019	2018	2017	2016
Local 922 Plan:										
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.20%	91.77%	86.28%	109.76%	106.28%	101.28%	86.25%	92.15%	84.98%	84.82%
Covered payroll	$ 47,931	$ 41,949	$ 34,772	$ 32,650	$ 33,643	$ 32,016	$ 31,915	$ 32,578	$ 31,066	$ 30,251
Net pension liability (asset) as a percentage of covered payroll	53.82%	54.48%	109.27%	-79.91%	-47.65%	-9.60%	104.61%	57.07%	107.12%	105.06%

1 Data reported for fiscal years 2016 through 2025 is based on the Local 922 Plan's measurement dates of December 31, 2015 through 2024, respectively, from the most recent actuarial valuation accounting disclosures report.

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

3 During fiscal year 2023, the compensation increase assumption was updated to reflect the current Memorandum of Understanding, dated October 6, 2020. In addition, an additional one time 14% wage increase was applied in order to reflect a rebound in pay levels for the 2022 year and stabilize the contributions required.

4 During fiscal year 2022, the compensation increase assumption was updated to reflect the current Memorandum of Understanding, dated October 6, 2020. In addition, an additional one time 17% wage increase was applied in order to reflect a rebound in pay levels for the 2021 year and stabilize the contributions required.

5 During fiscal year 2020, the compensation increase assumption and the cost of living assumption were adjusted to reflect the recent Memorandum of Understanding, dated February 7, 2019 regarding the new collective bargaining agreement.

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

Exhibit 6
(continued)

	2025	2024	2023[2]	2022[3]	2021[4]	2020[5]	2019	2018	2017	2016
Local 2 Plan:										
Total pension liability:										
Service cost	$ 186	$ 189	$ 189	$ 259	$ 271	$ 281	$ 322	$ 464	$ 572	$ 676
Interest	11,617	11,554	11,214	11,512	11,648	11,934	12,045	12,166	12,321	12,300
Changes of benefit terms	-	-	-	-	-	561	-	(348)	(699)	1,028
Differences between expected and actual experience	4,556	4,528	2,322	(1,619)	-	(860)	(658)	(577)	(1,952)	(2,115)
Changes in assumptions	-	-	11,588	-	-	3,439	575	-	-	-
Benefit payments, including refunds of employee contributions	(15,563)	(15,189)	(14,660)	(13,744)	(13,811)	(13,796)	(13,658)	(12,702)	(11,689)	(11,324)
Net change in total pension liability	796	1,082	10,653	(3,592)	(1,892)	1,559	(1,374)	(997)	(1,447)	565
Total pension liability – beginning	173,546	172,464	161,811	165,403	167,295	165,736	167,110	168,107	169,554	168,989
Total pension liability – ending	$ 174,342	$ 173,546	$ 172,464	$ 161,811	$ 165,403	$ 167,295	$ 165,736	$ 167,110	$ 168,107	$ 169,554
Plan fiduciary net position:										
Contributions – employer	$ 7,362	$ 8,031	$ 7,048	$ 5,555	$ 5,423	$ 4,806	$ 4,700	$ 4,748	$ 4,824	$ 5,156
Net investment income	15,372	12,016	(17,774)	34,827	2,575	8,134	10,864	17,581	2,006	6,684
Benefit payments, including refunds of member contributions	(15,563)	(15,189)	(14,660)	(13,744)	(13,811)	(13,796)	(13,658)	(12,702)	(11,689)	(11,324)
Administrative expenses	(101)	(89)	(130)	(91)	(178)	(164)	(96)	(67)	(99)	(74)
Transfer of funds (to) from Retirement Plan	93	-	(884)	-	-	507	-	(249)	(438)	1,078
Net change in total pension liability	7,163	4,769	(26,400)	26,547	(5,991)	(513)	1,810	9,311	(5,396)	1,520
Plan fiduciary net position – beginning	146,463	141,694	168,094	141,547	147,538	148,051	146,241	136,930	142,326	140,806
Plan fiduciary net position – ending	$ 153,626	$ 146,463	$ 141,694	$ 168,094	$ 141,547	$ 147,538	$ 148,051	$ 146,241	$ 136,930	$ 142,326
Net pension liability (assets)	$ 20,716	$ 27,083	$ 30,770	$ (6,283)	$ 23,856	$ 19,757	$ 17,685	$ 20,869	$ 31,177	$ 27,228

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

Exhibit 6
(concluded)

	2025[2]	2024	2023[3]	2022[4]	2021[5]	2020[6]	2019	2018	2017	2016
Local 2 Plan:										
Plan fiduciary net position as a percentage of the total pension liability	88.12%	84.39%	82.16%	103.88%	85.58%	88.19%	89.33%	87.51%	81.45%	83.94%
Covered payroll	$ 2,305	$ 2,288	$ 2,277	$ 3,031	$ 4,119	$ 4,159	$ 4,089	$ 4,930	$ 7,290	$ 9,052
Net pension liability as a percentage of covered payroll	898.74%	1183.55%	1351.34%	-207.29%	579.17%	475.04%	432.50%	423.31%	427.67%	300.80%

See accompanying notes to the required supplementary information.

1 Data reported for fiscal years 2016 through 2025 is based on the Local 2 Plan's measurement dates of June 30, 2015 through 2024, respectively, from the most recent actuarial valuation accounting disclosures report.

2 During fiscal year 2025, the assumed salary increases were adjusted to reflect the Memorandum of Understanding regarding the collective bargaining agreement covering fiscal year 2022 through 2025.

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

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

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

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

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

Exhibit 7
(continued)

	2025[2]	2024	2023	2022	2021	2020	2019	2018	2017	2016
Retirement Plan:										
Actuarially determined contribution	$ 30,822	$ 29,741	$ 28,277	$ 25,871	$ 22,538	$ 21,606	$ 21,269	$ 20,778	$ 20,349	$ 19,877
Contributions in relation to the actuarially determined contribution	30,822	29,741	28,277	25,871	22,538	21,606	21,269	20,778	20,349	19,877
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	Not Available	$ 8,544	$ 9,371	$ 9,829	$ 10,610	$ 12,920	$ 13,744	$ 15,366	$ 17,899	$ 21,492
Contributions as a percentage of covered payroll	Not Available	348.10%	301.75%	263.21%	212.42%	167.23%	154.75%	135.22%	113.69%	92.49%
Local 689 Plan:										
Actuarially determined contribution	$ 230,073	$ 218,599	$ 187,202	$ 163,813	$ 156,348	$ 133,489	$ 110,043	$ 116,653	$ 118,975	$ 127,516
Contributions in relation to the actuarially determined contribution	230,073	218,599	187,202	163,813	156,348	133,489	110,043	116,653	118,975	127,516
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	Not Available	$ 955,053	$ 900,821	$ 859,933	$ 822,845	$ 794,216	$ 757,448	$ 759,138	$ 775,487	$ 762,642
Contributions as a percentage of covered payroll	Not Available	22.89%	20.78%	19.05%	19.00%	16.81%	14.53%	15.37%	15.34%	16.72%
Transit Police Plan:										
Actuarially determined contribution	$ 12,303	$ 11,589	$ 11,262	$ 10,823	$ 11,345	$ 11,992	$ 12,319	$ 12,501	$ 11,067	$ 9,263
Contributions in relation to the actuarially determined contribution	12,307	11,589	11,262	10,823	11,345	11,992	11,766	13,974	10,662	8,747
Contribution deficiency (excess)	$ (4)	$ -	$ -	$ -	$ -	$ -	$ 553	$ (1,473)	$ 405	$ 516
Covered payroll	$ 40,358	$ 38,267	$ 36,642	$ 36,162	$ 38,433	$ 37,532	$ 35,414	$ 35,853	$ 34,485	$ 34,243
Contributions as a percentage of covered payroll	30.49%	30.28%	30.74%	29.93%	29.52%	31.95%	33.22%	38.98%	30.92%	25.54%

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

Exhibit 7
(concluded)

	2025[2]	2024	2023	2022	2021	2020	2019	2018	2017	2016
Local 922 Plan:										
Actuarially determined contribution	$ 7,177	$ 5,066	$ 3,495	$ 3,720	$ 4,388	$ 4,707	$ 5,462	$ 6,487	$ 6,318	$ 5,694
Contributions in relation to the actuarially determined contribution	7,804	3,899	2,867	3,905	4,553	4,106	5,794	7,832	5,430	5,558
Contribution deficiency (excess)	$ (627)	$ 1,167	$ 628	$ (185)	$ (165)	$ 601	$ (332)	$ (1,345)	$ 888	$ 136
Covered payroll	$ 51,718	$ 47,931	$ 41,949	$ 34,772	$ 32,650	$ 33,643	$ 32,016	$ 31,915	$ 32,578	$ 31,066
Contributions as a percentage of covered payroll	15.09%	8.13%	6.83%	11.23%	13.94%	12.20%	18.10%	24.54%	16.67%	17.89%
Local 2 Plan:										
Actuarially determined contribution	$ 4,896	$ 4,633	$ 8,031	$ 7,048	$ 5,555	$ 5,423	$ 4,806	$ 4,700	$ 4,748	$ 4,824
Contributions in relation to the actuarially determined contribution	4,896	7,361	8,031	7,048	5,555	5,423	4,806	4,700	4,748	4,824
Contribution deficiency (excess)	$ -	$ (2,728)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	Not Available	$ 2,305	$ 2,288	$ 2,277	$ 3,031	$ 4,119	$ 4,159	$ 4,089	$ 4,930	$ 7,290
Contributions as a percentage of covered payroll	Not Available	319.32%	350.95%	309.54%	183.28%	131.67%	115.57%	114.94%	96.31%	66.17%

See accompanying notes to the required supplementary information.

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

2 Covered payroll in fiscal year 2025 was not available in the most recent actuarial valuations for the WMATA Retirement, Local 689, and Local 2 Plans.

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

Exhibit 8

	2025	2024	2023	2022	2021[2]	2020	2019	2018[3]	2017
WMATA Healthcare Plan:									
Total OPEB liability:									
Service cost	$ 43,734	$ 42,887	$ 62,836	$ 67,165	$ 58,735	$ 56,444	$ 58,829	$ 74,229	$ 54,562
Interest	71,363	66,877	49,232	52,278	83,560	83,307	78,075	66,012	72,064
Changes of benefit terms	-	-	-	-	(261,657)	-	-	(58,194)	-
Differences between expected and actual experience	65,070	42,969	(63,063)	33,395	(16,214)	8,383	-	182,842	348,360
Changes in assumptions	54,398	(25,792)	(360,011)	(179,644)	164,673	131,888	(108,094)	(333,670)	-
Benefit payments	(63,049)	(60,603)	(57,884)	(52,417)	(52,624)	(55,952)	(53,461)	(48,988)	(51,337)
Net change in total OPEB liability	171,516	66,338	(368,890)	(79,223)	(23,527)	224,070	(24,651)	(117,769)	423,649
Total OPEB liability – beginning	1,942,666	1,876,328	2,245,218	2,324,441	2,347,968	2,123,898	2,148,549	2,266,318	1,842,669
Total OPEB liability – ending	$ 2,114,182	$ 1,942,666	$ 1,876,328	$ 2,245,218	$ 2,324,441	$ 2,347,968	$ 2,123,898	$ 2,148,549	$ 2,266,318
Plan fiduciary net position:									
Contributions - employer	$ 63,049	$ 60,603	$ 57,884	$ 52,417	$ 130,897	$ 65,952	$ 56,461	$ -	$ -
Contributions - nonemployer	-	-	-	-	-	-	-	-	-
Net investment income	11,002	8,228	(10,980)	27,011	633	135	1	-	-
Benefit payments, including refunds of member contributions	(63,049)	(60,603)	(57,884)	(52,417)	(52,624)	(55,952)	(53,461)	-	-
Administrative expenses	(70)	(67)	(81)	(64)	-	-	-	-	-
Net change in total OPEB liability	10,932	8,161	(11,061)	26,947	78,906	10,135	3,001	-	-
Plan fiduciary net position – beginning	116,089	107,928	118,989	92,042	13,136	3,001	-	-	-
Plan fiduciary net position – ending	$ 127,021	$ 116,089	$ 107,928	$ 118,989	$ 92,042	$ 13,136	$ 3,001	$ -	$ -
Net OPEB liability	$ 1,987,161	$ 1,826,577	$ 1,768,400	$ 2,126,229	$ 2,232,399	$ 2,334,832	$ 2,120,897	$ 2,148,549	$ 2,266,318

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

Exhibit 8
(continued)

	2025	2024	2023	2022	2021[2]	2020	2019	2018[3]	2017
WMATA Healthcare Plan:									
Plan fiduciary net position as a percentage of the total OPEB liability	6.01%	5.98%	5.75%	5.30%	3.96%	0.56%	0.14%	-	-
Covered payroll	$ 544,500	$ 551,100	$ 557,500	$ 587,700	$ 559,000	$ 540,000	$ 583,000	$ 558,000	$ 627,000
Net OPEB liability as a percentage of covered payroll	364.95%	331.44%	317.20%	361.79%	399.36%	432.38%	363.79%	385.04%	361.45%

See accompanying notes to the required supplementary information.

1 Amounts reported for the Authority's fiscal years ended June 30, 2017 through 2025 are based on the WMATA Healthcare Plan's fiscal years ended June 30, 2016 through 2024, respectively, which are the measurement dates used by Metro. Changes in the net OPEB liability for the fiscal years prior to 2017, or prior to the measurement date of June 30, 2016, were not available and, accordingly, are not included in the schedule.

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

3 Metro established a qualified trust to accumulate assets for OPEB benefits in fiscal year 2018.

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

Exhibit 9

Fiscal Year Ending	Required Contribution
June 30, 2025	$ 508,200
June 30, 2024	$ 507,360
June 30, 2023	$ 532,720
June 30, 2022	$ 489,065
June 30, 2021	$ 450,485
June 30, 2020	$ 447,670
June 30, 2019	$ 385,200
June 30, 2018	$ 413,600

See accompanying notes to the required supplementary information.

[1] Employer contributions for fiscal years prior to 2018 were not available and, therefore, not included in the schedule.

Notes to the Required Supplementary Information

1. Pension Plans

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

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

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

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

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

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

(b) Schedules of Employer Contributions – Pension Plans

The Schedules of Employer Contributions provide the actuarially determined contribution for each plan. The actuarially determined contribution rates are calculated as of the respective plans' fiscal year end, one year prior to the beginning of the fiscal year in which contributions are reported. For example, Metro's actuarially determined contribution for the fiscal year ending June 30, 2025 is based on the July 1, 2024 funding valuation provided by Metro's actuary.

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

1. Pension Plans (continued)

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

Retirement Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2025	7/1/2024	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2024	7/1/2023	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2023	7/1/2022	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2022	7/1/2021	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2021	7/1/2020	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2020	7/1/2019	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2019	7/1/2018	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2018	7/1/2017	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2017	7/1/2016	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%
2016	7/1/2015	Entry age	Smoothed fair value	Level dollar	14 years open	7.00%	2.50%	3.00% to 6.30%

For fiscal years 2023 through 2025, the mortality table used was the Pub-2010 General Health Non-Annuitant Mortality tables projected generationally using Scale MP-2020. For fiscal years 2016 through 2022, the mortality tables used were the RP-2000 Fully Generational Combined Mortality tables projected with Scale AA.

1. Pension Plans (continued)

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

Local 689 Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increase
2025	1/1/2024	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	0.78% to 10.50%
2024	1/1/2023	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	2.50% to 10.50%
2023	1/1/2022	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	2.50% to 10.50%
2022	1/1/2021	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	2.50% to 5.73%
2021	1/1/2020	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.50%	2.50%	2.00% to 3.50%
2020	1/1/2019	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	1.50% to 3.50%
2019	1/1/2018	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2018	1/1/2017	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2017	1/1/2016	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%
2016	1/1/2015	Aggregate Cost	Smoothed fair value	Level percentage of payroll	30 years	7.90%	2.50%	3.00% to 3.50%

The mortality table used for fiscal years 2023 through 2025 was the RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2021. The mortality table used for fiscal year 2022 was the RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2020. The mortality table used for fiscal year 2021 was the RP-2014 Blue Collar Mortality Table projected with 90% of Scale MP-2019. The mortality table used for fiscal year 2020 was the RP-2014 Blue Collar projected with Scale MP-2015. The mortality table used for fiscal years 2016 through 2019 was the RP-2000 Blue Collar Mortality Table with Scale AA.

1. Pension Plans (continued)

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

Transit Police Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2025	1/1/2025	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2024	1/1/2024	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2023	1/1/2023	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2022	1/1/2022	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2021	1/1/2021	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2020	1/1/2020	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00%
2019	1/1/2019	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2018	1/1/2018	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.00%	2.50%	3.00% to 7.00%
2017	1/1/2017	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.50%	2.50%	3.00% to 7.00%
2016	1/1/2016	Aggregate Cost	Smoothed fair value	Level percentage of payroll	5 years	7.50%	2.50%	3.00% to 7.00%

The mortality table used for fiscal years 2022 through 2025 was the PubS-2010 Mortality table based on Scale MP-2021. The mortality table used for fiscal year 2021 was the RP 2014 Blue Collar Mortality table with generational projection by scale MP-2020. The mortality table used for fiscal years 2016 through 2020 was the RP-2014 Blue Collar Mortality table with generational projection by Scale MP-2015.

1. Pension Plans (continued)

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

Local 922 Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2025	1/1/2024	Entry age normal cost	Smoothed fair value	Level dollar	15 years layered	7.00%	3.00%	1.50% to 3.50%
2024	1/1/2023	Entry age normal cost	Smoothed fair value	Level dollar	15 years layered	7.00%	3.00%	1.50% to 3.50%
2023	1/1/2022	Entry age normal cost	Smoothed fair value	Level dollar	15 years layered	7.00%	1.50%	1.50% to 4.50%
2022	1/1/2021	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	1.50%	1.50% to 4.50%
2021	1/1/2020	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	1.50%	1.50% to 4.50%
2020	1/1/2019	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	1.50%	4.50%
2019	1/1/2018	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	3.00%	4.50%
2018	1/1/2017	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	3.00%	4.00% to 4.50%
2017	1/1/2016	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	3.00%	4.00% to 4.50%
2016	1/1/2015	Entry age normal cost	Smoothed fair value	Level dollar	20 years closed	7.00%	3.00%	4.00% to 4.50%

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

1. Pension Plans (continued)

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

Local 2 Plan:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Amortization Method	Amortization Period	Assumed Rate of Return	Inflation Rate	Salary Increases
2025	7/1/2024	Entry age	Smoothed fair value	Level dollar	9 years open	7.00%	2.50%	3.00% to 6.30%
2024	7/1/2023	Entry age	Smoothed fair value	Level dollar	9 years open	7.00%	2.50%	3.00% to 6.30%
2023	7/1/2022	Entry age	Smoothed fair value	Level dollar	9 years open	7.00%	2.50%	3.00% to 6.30%
2022	7/1/2021	Entry age	Smoothed fair value	Level dollar	9 years open	7.30%	2.50%	3.00% to 6.30%
2021	7/1/2020	Entry age	Smoothed fair value	Level dollar	9 years open	7.30%	2.50%	3.00% to 6.30%
2020	7/1/2019	Entry age	Smoothed fair value	Level dollar	9 years open	7.30%	2.50%	3.00% to 6.30%
2019	7/1/2018	Entry age	Smoothed fair value	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2018	7/1/2017	Entry age	Smoothed fair value	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2017	7/1/2016	Entry age	Smoothed fair value	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%
2016	7/1/2015	Entry age	Smoothed fair value	Level dollar	9 years open	7.50%	2.50%	3.00% to 6.30%

For fiscal years 2023 through 2025, the mortality tables used were the Pub-2010 General Healthy Non-Annuitant Mortality tables projected generationally using Scale MP-2020. The mortality table used for fiscal years 2016 through 2022 were the RP-2000 Fully Generational Combined Mortality Table projected with Scale AA.

2. Other Postemployment Benefits (OPEB)

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

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

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

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

The data reported in the Schedule of Changes in Net OPEB Liability and Related Ratios for the WMATA Healthcare Plan for Metro's fiscal years ending June 30, 2025 and 2024 are based upon the measurement dates of June 30, 2024 and 2023, respectively. The changes in the assumptions during the fiscal year ended June 30, 2025 reflect the changes in the discount rate, which increased from 3.7% to 3.9%, and changes in the health care cost trend rates, which increased from 7.8% to 8.6% for participants under 65 year of age, and from 8.1% to 10.1% for participants 65 years and older. The Medicare Advantage Part D health care trend rate increased from 4.5% to 13.5%. Beginning with the fiscal year ended June 30, 2025, the EGWP health care cost trend rate of 9.3% was applied, which was not applicable in the prior year The changes in the assumptions during the fiscal year ended June 30, 2024 reflect the changes in the discount rate, which was increased from 3.5% to 3.7%. The changes in benefit terms during fiscal year 2021 was a change from a partially self-insured plan to a fully insured Medicare Advantage Part D plan for non-represented, Local 2, and Special Police employees.

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

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

The data reported in the Schedule of Employer Required Contributions consists of the total amount of contributions Metro makes to the Teamsters Local 922 Employers Health Trust for retirees during Metro's respective fiscal year-end. Metro is required to make a fixed contribution per retiree in accordance with the collective bargaining agreement. Metro was required to contribute $1,080 per month through October 31, 2022, and then $1,145 per month through October 31, 2023, and then $1,210 per month through October 31, 2024. Effective November 1, 2024, the required contribution amount was increased to $1,270 per month.

This schedule is intended to show information for 10 years. The employer required contributions for years prior to the fiscal years ending June 30, 2018 were not available and accordingly, were not included in the schedule. Additional years will be displayed as they become available.

Fiduciary Activities
Pension and Other Employee Benefit Trust Funds

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

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

Fiduciary Activities
Combining Statements of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2025
(in thousands)

Exhibit 10
(continued)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ASSETS				
Cash and cash equivalents	$ 9,989	$ 5,031	$ -	$ 15,020
Receivables:				
Accrued income Receivable	17	73	-	90
Total receivables	17	73	-	90
Investments:				
Equity index funds-domestic	124,550	37,829	-	162,379
Equity index funds-international	92,593	51,148	-	143,741
Bond index funds-domestic	109,531	32,487	-	142,018
Bond index funds-international	33,537	28,239	-	61,776
Real estate investment fund-domestic	19,104	7,831	-	26,935
Virginia pooled trust	-	-	138,172	138,172
Total investments	379,315	157,534	138,172	675,021
Total assets	389,321	162,638	138,172	690,131
LIABILITIES				
Accrued pension benefits	4,029	1,311	-	5,340
Accounts payable	210	139	-	349
Total liabilities	4,239	1,450	-	5,689
FIDUCIARY NET POSITION				
Restricted for:				
Pension benefits	385,082	161,188	-	546,270
Postemployment benefits other than pensions	-	-	138,172	138,172
Total fiduciary net position	$ 385,082	$ 161,188	$ 138,172	$ 684,442

Fiduciary Activities — Exhibit 10 (concluded)
Combining Statements of Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
June 30, 2024
(in thousands)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ASSETS				
Cash and cash equivalents	$ 11,094	$ 1,989	$ -	$ 13,083
Receivables:				
Due from WMATA Retirement Plan	-	93	-	93
Accrued income Receivable	11	5	-	16
Total receivables	11	98	-	109
Investments:				
Equity index funds-domestic	121,137	41,892	-	163,029
Equity index funds-international	79,803	44,395	-	124,198
Bond index funds-domestic	68,898	31,048	-	99,946
Bond index funds-international	31,301	27,824	-	59,125
Real estate investment fund-domestic	55,258	7,808	-	63,066
Virginia pooled trust	-	-	127,021	127,021
Total investments	356,397	152,967	127,021	636,385
Total assets	367,502	155,054	127,021	649,577
LIABILITIES				
Accrued pension benefits	4,015	1,312	-	5,327
Due to Local 2 Plan	93	-	-	93
Accounts payable	215	116	-	331
Total liabilities	4,323	1,428	-	5,751
FIDUCIARY NET POSITION				
Restricted for:				
Pension benefits	363,179	153,626	-	516,805
Postemployment benefits other than pensions	-	-	127,021	127,021
Total fiduciary net position	$ 363,179	$ 153,626	$ 127,021	$ 643,826

See accompanying independent auditor’s report.

Fiduciary Activities
Combining Statements of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit 11 (continued)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ADDITIONS				
Contributions:				
Employer	$ 30,822	$ 4,895	$ 58,239	$ 93,956
Nonemployer	-	-	77	77
Total contributions	30,822	4,895	58,316	94,033
Investment Income:				
Net increase in investments	36,190	17,121	11,229	64,540
Interest, dividends and other	4,017	1,899	-	5,916
Total investment income	40,207	19,020	11,229	70,456
Less: Investment expenses	888	509	-	1,397
Net investment income	39,319	18,511	11,229	69,059
Total additions	70,141	23,406	69,545	163,092
DEDUCTIONS				
Benefits paid to participants or beneficiaries	48,077	15,745	54,566	118,388
Administrative expenses	161	99	3,828	4,088
Total deductions	48,238	15,844	58,394	122,476
Net increase in fiduciary net position	21,903	7,562	11,151	40,616
Fiduciary net position - beginning	363,179	153,626	127,021	643,826
Fiduciary net position - ending	$ 385,082	$ 161,188	$ 138,172	$ 684,442

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Fiduciary Activities — Exhibit 11 (concluded)
Combining Statements of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust Funds
For the Year Ended June 30, 2024
(in thousands)

	Pension		OPEB	
	Retirement Plan	Local 2 Plan	WMATA Healthcare Plan	Total
ADDITIONS				
Contributions:				
Employer	$ 29,741	$ 7,362	$ 63,049	$ 100,152
Assets transferred from Retirement Plan	-	93	-	93
Total contributions	29,741	7,455	63,049	100,245
Investment Income:				
Net increase in investments	26,131	14,568	11,002	51,701
Interest, dividends and other	2,493	1,327	-	3,820
Total investment income	28,624	15,895	11,002	55,521
Less: Investment expenses	744	523	-	1,267
Net investment income	27,880	15,372	11,002	54,254
Total additions	57,621	22,827	74,051	154,499
DEDUCTIONS				
Benefits paid to participants or beneficiaries	47,798	15,563	59,076	122,437
Administrative expenses	143	101	4,043	4,287
Assets transferred to Local 2 Plan	93	-	-	93
Total deductions	48,034	15,664	63,119	126,817
Net increase in fiduciary net position	9,587	7,163	10,932	27,682
Fiduciary net position - beginning	353,592	146,463	116,089	616,144
Fiduciary net position - ending	$ 363,179	$ 153,626	$ 127,021	$ 643,826

See accompanying independent auditor’s report.

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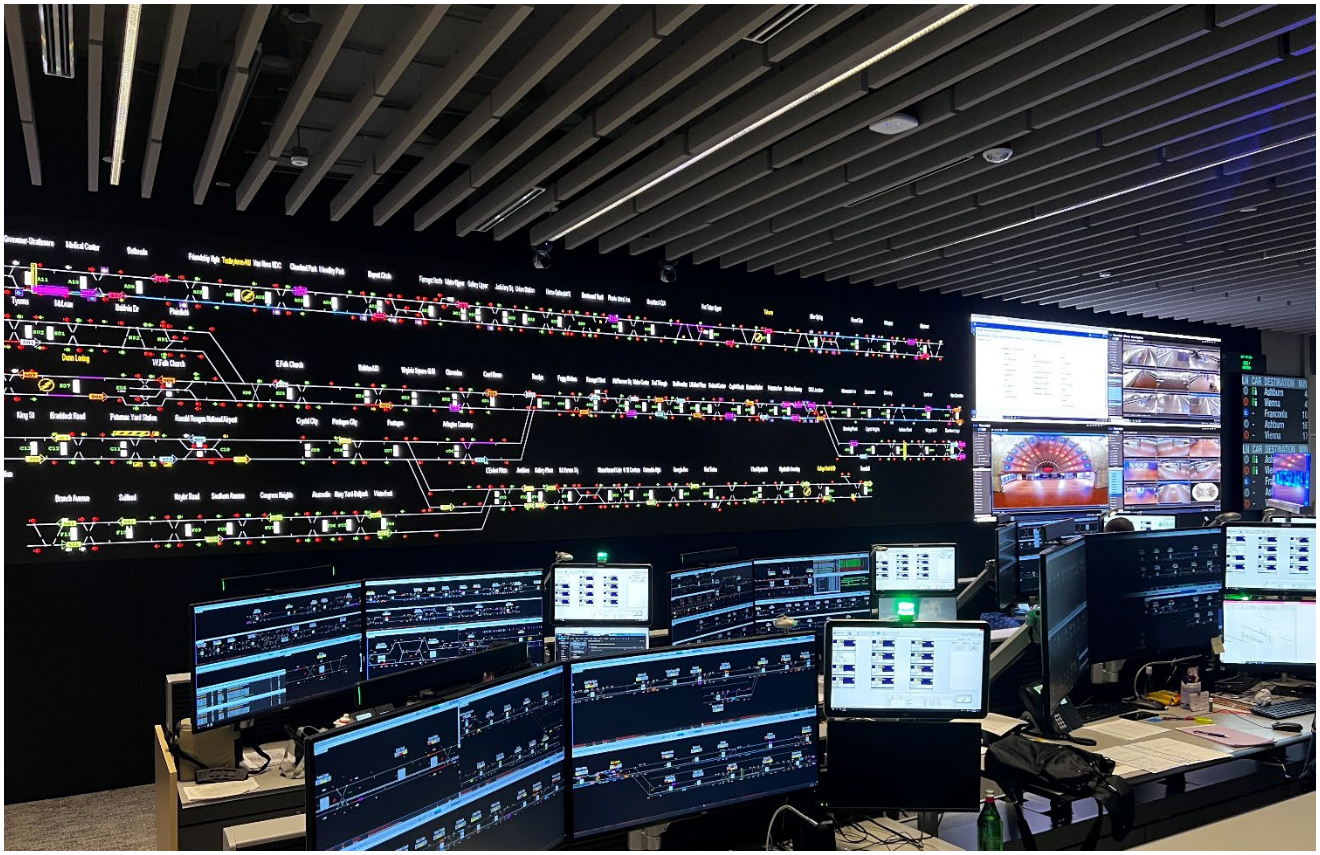
SECTION THREE - STATISTICAL (UNAUDITED)



Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Exhibit 12

	2025	2024[1]	2023	2022[2]	2021[3]	2020[4]	2019[4]	2018[4,5]	2017[6]	2016
Net investment in capital assets	$ 13,038,595	$ 13,554,461	$ 14,273,852	$ 11,423,047	$ 11,187,494	$ 11,582,955	$ 11,315,608	$ 11,327,174	$ 11,610,645	$ 11,573,665
Restricted	88,942	127,660	129,093	69,965	258,243	121,007	62,745	70,385	-	-
Unrestricted deficit	(2,622,991)	(2,826,751)	(3,042,407)	(2,918,184)	(2,948,858)	(3,340,623)	(3,275,015)	(2,912,191)	(2,888,725)	(1,048,596)
Total net position	$ 10,504,546	$ 10,855,370	$ 11,360,538	$ 8,574,828	$ 8,496,879	$ 8,363,339	$ 8,103,338	$ 8,485,368	$ 8,721,920	$ 10,525,069

1 Fiscal year 2024 unrestricted net position was restated due to the adoption of GASB Statement No. 101, *Compensated Absences.*

2 Fiscal year 2022 net investment in capital assets and unrestricted net position were restated due to the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs).

3 Fiscal year 2021 net investment in capital assets and unrestricted net position were restated due to the adoption of GASB Statement No. 87, *Leases.*

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

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

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

Source: Metro's fiscal years 2016 – 2025 Annual Comprehensive Financial Reports.

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

Exhibit 13

	2025	2024[1]	2023	2022[2]	2021[3,4]	2020[5]	2019	2018[6]	2017[7]	2016
Operating revenues:										
Passenger	$ 498,743	$ 384,879	$ 315,790	$ 229,732	$ 108,188	$ 531,513	$ 730,061	$ 753,699	$ 741,044	$ 809,407
Other	70,038	56,353	49,043	34,982	37,245	51,061	59,617	46,824	47,769	49,758
Total operating revenues	568,781	441,232	364,833	264,714	145,433	582,574	789,678	800,523	788,813	859,165
Nonoperating revenues:										
Federal and jurisdictional	1,965,448	1,884,332	1,910,974	1,677,086	1,788,707	1,502,025	1,121,805	1,120,346	1,074,539	927,960
Other	68,069	61,055	31,844	40,963	19,654	18,061	20,195	14,400	19,202	18,532
Total nonoperating revenues	2,033,517	1,945,387	1,942,818	1,718,049	1,808,361	1,520,086	1,142,000	1,134,746	1,093,741	946,492
Total operating and nonoperating revenues:	2,602,298	2,386,619	2,307,651	1,982,763	1,953,794	2,102,660	1,931,678	1,935,269	1,882,554	1,805,657
Operating expenses										
Labor and fringe benefits	2,133,105	2,054,793	1,801,804	1,401,633	1,290,965	1,485,709	1,347,638	1,173,802	1,321,567	1,310,954
Depreciation and amortization	1,227,987	1,227,038	1,107,700	1,102,003	1,096,322	1,020,525	1,014,981	994,205	915,034	835,184
Services	555,796	580,415	505,339	383,720	441,603	457,614	448,261	337,587	267,053	224,087
Other operating expenses	362,623	326,470	292,055	249,398	253,662	243,029	277,175	267,048	658,969	259,747
Total operating expenses	4,279,511	4,188,716	3,706,898	3,136,754	3,082,552	3,206,877	3,088,055	2,772,642	3,162,623	2,629,972
Nonoperating expenses	158,739	132,522	82,487	75,995	62,643	44,148	201,153	53,339	21,586	23,886
Total operating and nonoperating expenses	4,438,250	4,321,238	3,789,385	3,212,749	3,145,195	3,251,025	3,289,208	2,825,981	3,184,209	2,653,858
Loss before capital contributions and extraordinary items	(1,835,952)	(1,934,619)	(1,481,734)	(1,229,986)	(1,191,401)	(1,148,365)	(1,357,530)	(890,712)	(1,301,655)	(848,201)
Capital contributions	1,485,128	1,471,137	4,267,444	1,307,935	1,346,819	1,410,114	975,500	983,574	722,213	1,153,762
Extraordinary items	-	-	-	-	16,600	(1,748)	-	-	-	-
(Decrease) increase in net position	$ (350,824)	$ (463,482)	$ 2,785,710	$ 77,949	$ 172,018	$ 260,001	$ (382,030)	$ 92,862	$ (579,442)	$ 305,561

1 Fiscal year 2024 operating expenses were restated due to the adoption of GASB Statement No. 101, *Compensated Absences.*
2 Fiscal year 2022 operating and nonoperating expenses were restated due to the adoption of GASB Statement No. 96, *SBITA*s.
3 Fiscal year 2021 operating and nonoperating revenues, and expenses were restated due to the adoption of GASB Statement No. 87, *Leases*.
4 Fiscal year 2021 extraordinary items represent proceeds from fire insurance recoveries received in FY21.
5 Fiscal year 2020 extraordinary items represent an impairment loss on a building due to a fire.
6 Fiscal year 2018 unrestricted net position was adjusted as a result of the cumulative effect of a change in accounting principle.
7 Fiscal year 2017 operating expenses increased due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

Source: Metro's fiscal years 2016 – 2025 Annual Comprehensive Financial Reports.

Revenue Base
Last Ten Fiscal Years
(in thousands)

Exhibit 14

	2025	2024	2023	2022	2021[1]	2020	2019	2018	2017	2016
Operating revenues:										
Passenger revenue	$498,743	$384,879	$315,790	$229,732	$108,188	$531,513	$730,061	$753,699	$741,044	$809,407
Advertising revenue	20,286	16,682	17,807	11,257	14,233	25,947	29,042	22,590	21,926	22,792
Rental revenue	30,539	31,831	31,072	23,719	23,009	24,823	30,265	23,994	25,601	26,722
Other revenue	19,213	7,840	164	6	3	291	310	240	242	244
Total operating revenues	568,781	441,232	364,833	264,714	145,433	582,574	789,678	800,523	788,813	859,165
Nonoperating revenues:										
Investment income (loss)	33,123	30,525	7,756	43	45	2,519	4,790	1,827	(98)	224
Interest income from leasing transactions	20,993	18,652	11,328	9,838	10,459	-	-	2,049	5,206	10,621
Gain on disposition of assets	3,020	-	2,921	22,700	-	-	-	-	-	-
Other	10,933	11,878	9,839	8,382	9,150	15,542	15,405	10,524	14,094	7,687
Total nonoperating revenues	68,069	61,055	31,844	40,963	19,654	18,061	20,195	14,400	19,202	18,532
Total revenues	$636,850	$502,287	$396,677	$305,677	$165,087	$600,635	$809,873	$814,923	$808,015	$877,697

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

Source: Metro's fiscal years 2016 – 2025 Annual Comprehensive Financial Reports.

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

	Metrobus			Metrorail							
	Peak/Off Peak			Peak				Off Peak			
Fiscal Year	DC Base	MD Base	VA Base	Boarding Charge		Each Additional Composite Mile		Boarding Charge		Each Additional Composite Mile	
2025	$2.25	$2.25	$2.25	$2.25	(0-3 miles)	$0.45	(3+ miles)	$2.25	(0-3 miles)	$0.45	(3+ miles)
						$6.75	(Max. fare)			$6.75	(Max. fare)
2024	$2.25	$2.25	$2.25	$2.25	(0-3 miles)	$0.45	(3+ miles)	$2.25	(0-3 miles)	$0.45	(3+ miles)
						$6.75	(Max. fare)			$6.75	(Max. fare)
2023	$2.00	$2.00	$2.00	$2.00	(0-3 miles)	$0.40	(3+ miles)	$2.00	(0-3 miles)	$0.40	(3+ miles)
						$6.00	(Max. fare)			$6.00	(Max. fare)
2022	$2.00	$2.00	$2.00	$2.25	(0-3 miles)	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$6.00	(Max. fare)			$3.85	(Max. fare)
2021	$2.00	$2.00	$2.00	$2.25	(0-3 miles)	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$6.00	(Max. fare)			$3.85	(Max. fare)
2020	$2.00	$2.00	$2.00	$2.25	(0-3 miles)	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$6.00	(Max. fare)			$3.85	(Max. fare)
2019	$2.00	$2.00	$2.00	$2.25	(0-3 miles)	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$6.00	(Max. fare)			$3.85	(Max. fare)
2018	$2.00	$2.00	$2.00	$2.25	(0-3 miles)	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$6.00	(Max. fare)			$3.85	(Max. fare)
2017	$2.00	$2.00	$2.00	$2.25	(0-3 miles)	$0.33	(3-6 miles)	$2.00	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$6.00	(Max. fare)			$3.85	(Max. fare)
2016	$1.75	$1.75	$1.75	$2.15	(0-3 miles)	$0.33	(3-6 miles)	$1.75	(0-3 miles)	$0.24	(3-6 miles)
						$0.29	(6+ miles)			$0.22	(6+ miles)
						$5.90	(Max. fare)			$3.60	(Max. fare)
						$5.90	(Max. fare)			$3.60	(Max. fare)

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

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

Exhibit 16

	2025	2024	2023	2022	2021[2]	2020	2019	2018	2017	2016
Transit bonds	$ 867,820	$ 909,017	$ 948,973	$ 987,717	$ 1,025,296	$ 1,061,744	$ 1,147,154	$ 1,067,819	$ 483,641	$ 498,878
Dedicated revenue bonds	3,451,258	2,858,950	2,040,373	1,633,508	1,653,280	693,439	-	-	-	-
Lease and SBITA payables	121,729	116,537	104,099	83,579	61,747	-	-	-	-	-
Tax advantage leases	-	-	-	-	-	-	-	-	152,081	258,649
Total debt	$ 4,440,807	$ 3,884,504	$ 3,093,445	$ 2,704,804	$ 2,740,323	$ 1,755,183	$ 1,147,154	$ 1,067,819	$ 635,722	$ 757,527
Total personal income	$573,371,285	$573,371,285	$529,083,813	$513,737,735	$485,550,913	$467,176,430	$453,978,195	$432,558,000	$409,203,181	$396,039,729
Outstanding debt ratio	0.8%	0.7%	0.6%	0.5%	0.6%	0.4%	0.3%	0.2%	0.2%	0.2%
Service area population	6,436	6,305	6,374	6,356	6,386	6,297	6,256	6,218	6,155	6,099
Outstanding debt per capita	$ 690	$ 616	$ 485	$ 426	$ 429	$ 279	$ 183	$ 172	$ 103	$ 124
Total annual unlinked passenger trips	304,662	262,474	231,024	156,898	89,940	273,546	354,656	351,299	352,546	379,142
Total debt ratio as a percentage of annual unlinked passenger trips	1457.6%	1480.0%	1339.0%	1723.9%	3046.8%	641.6%	323.5%	304.0%	180.3%	199.8%

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

2 Due to the adoptions of GASB Statement No. 96, *SBITAs*, and GASB Statement No. 87, *Leases*, in fiscal year 2021 Metro started recognizing debt related to its noncancellable leases of assets like land, buildings, equipment, and purchases of subscription-based information technology arrangements.

Sources:

- Total debt: Metro's fiscal years 2016 – 2025 Annual Comprehensive Financial Reports.
- Total personal income: US Bureau of Economic Analysis. Total personal income information for the fiscal years 2016 – 2023 are based on 2015 – 2022 data, and fiscal years 2024 – 2025 are based on 2023 latest available data updated February 20, 2025.
- Service area population: US Census Bureau, Population Division. Estimates for fiscal years 2016 – 2025 reflect population estimates as of April 1, 2013 to July 1, 2024 available as of March 2025.
- Total annual unlinked passenger trips: Exhibit 21, *Operating Indicators*, in the statistical section.

Pledged Revenue Coverage[1] Exhibit 17
Last Ten Fiscal Years (continued)
(in thousands)

	2025	2024	2023	2022	2021[2]	2020	2019	2018[6]	2017	2016
Gross Revenue Transit Bonds, excluding Series 2018:[3]										
Operating revenues	$ 521,395	$ 412,892	$ 348,476	$ 254,534	$ 141,544	$ 550,524	$ 745,318	$ 758,081	$ 747,409	$ 814,126
Other	65,048	61,054	28,923	18,262	19,654	18,061	20,195	12,351	13,996	7,911
Jurisdictional operating subsidies	1,792,965	1,295,806	1,219,944	938,294	1,050,931	1,230,024	1,070,271	1,058,495	891,548	895,973
Unrestricted dedicated funding	475,036	466,019	487,125	464,596	460,228	468,383	-	-	-	-
Total pledged revenues	$ 2,854,444	$ 2,235,771	$ 2,084,468	$ 1,675,686	$ 1,672,357	$ 2,266,992	$ 1,835,784	$ 1,828,927	$ 1,652,953	$ 1,718,010
Principal	$ 31,680	$ 30,155	$ 28,695	$ 27,315	$ 26,000	$ 75,550	$ 179,125	$ 58,690	$ 8,285	$ 7,900
Interest	39,741	40,533	42,041	44,564	44,841	46,141	45,454	43,655	23,485	14,854
Total debt service	$ 71,421	$ 70,688	$ 70,736	$ 71,879	$ 70,841	$ 121,691	$ 224,579	$ 102,345	$ 31,770	$ 22,754
Coverage ratio	2.5%	3.2%	3.4%	4.3%	4.2%	5.4%	12.2%	5.6%	1.9%	1.3%
Series 2018 Bonds:[4]										
Operating revenues	$ 521,395	$ 412,892	$ 348,476	$ 254,534	$ 141,544	$ 550,524	$ 745,318	$ -	$ -	$ -
Other	65,048	61,054	28,923	18,262	19,654	18,061	20,195	-	-	-
Jurisdictional operating subsidies	1,792,965	1,295,806	1,219,944	938,294	1,050,931	1,230,024	1,070,271	-	-	-
Total pledged revenues	$ 2,379,408	$ 1,769,752	$ 1,597,343	$ 1,211,090	$ 1,212,129	$ 1,798,609	$ 1,835,784	$ -	$ -	$ -
Principal	$ 31,680	$ 30,155	$ 28,695	$ 27,315	$ 26,000	$ 75,550	$ 179,125	$ -	$ -	$ -
Interest	39,741	40,533	42,041	44,564	44,841	46,141	45,454	-	-	-
Total debt service	$ 71,421	$ 70,688	$ 70,736	$ 71,879	$ 70,841	$ 121,691	$ 224,579	$ -	$ -	$ -
Coverage ratio	3.0%	4.0%	4.4%	5.9%	5.8%	6.8%	12.2%	-	-	-

Pledged Revenue Coverage[1] Last Ten Fiscal Years (in thousands)

Exhibit 17 (concluded)

	2025	2024	2023	2022	2021[2]	2020	2019	2018[6]	2017	2016
Dedicated Revenue Bonds:[5]										
Unrestricted dedicated funding	$ 475,036	$ 466,019	$ 487,125	$ 464,596	$ 460,228	$ 468,383	$ -	$ -	$ -	$ -
Debt service:										
Interest	132,646	115,368	67,125	64,321	29,649	2,223	-	-	-	-
Principal	49,710	31,240	-	-	-	-	-	-	-	-
Total debt service	$ 182,356	$ 146,608	$ 67,125	$ 64,321	$ 29,649	$ 2,223	-	-	-	-
Coverage ratio	38.4%	31.5%	13.8%	13.8%	6.4%	0.5%	-	-	-	-

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

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

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

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

5 Includes Series 2020A, Series 2021A, Series 2023A, Series 2023A Second Lien, and Series 2024A Second Lien Dedicated Revenue Bonds.

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

Source: Metro's fiscal years 2016 – 2025 Annual Comprehensive Financial Reports.

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

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2025	6,436	$ 573,371,285	$ 89,396	4.0%
2024	6,305	$ 573,371,285	$ 90,939	3.3%
2023	6,374	$ 529,083,813	$ 83,007	2.5%
2022	6,356	$ 513,737,735	$ 80,827	3.7%
2021	6,386	$ 485,550,913	$ 76,034	5.1%
2020	6,297	$ 467,176,430	$ 74,190	8.4%
2019	6,256	$ 453,978,195	$ 72,567	3.4%
2018	6,218	$ 432,558,000	$ 69,565	3.7%
2017	6,155	$ 409,203,181	$ 66,483	3.9%
2016	6,099	$ 396,039,729	$ 64,935	4.1%

Sources:

- Population: US Census Bureau, Population Division. Estimates for fiscal years 2016 – 2025 reflect midyear population estimates as of April 1, 2013 to July 1, 2024 available as of March 2025.
- Total personal income: US Bureau of Economic Analysis. Total personal income information for the fiscal years 2016 – 2023 are based on 2015 – 2022 data, and fiscal years 2024 – 2025 are based on 2023 latest available data updated February 20, 2025.
- Unemployment rate: US Bureau of Labor Statistics. Unemployment rates are as of July 31 of the indicated fiscal years.

Major Private Employers **Exhibit 19**
Current Fiscal Year and Nine Years Ago

	2025			2016		
Employer	**Rank**	**Area Employees**	**Percentage of Total Employment**	**Rank**	**Area Employees**	**Percentage of Total Employment**
Inova Health System	1	25,000	0.7%	2	16,000	0.5%
MedStar Health	2	20,030	0.6%	1	16,598	0.5%
Amazon.com Inc.	3	20,000	0.6%			
Marriott International Inc.	4	16,585	0.5%	3	15,286	0.5%
Deloitte LLP and Subsidiaries	5	14,482	0.4%	9	8,013	0.3%
Booz Allen Hamilton Holding Corp.	6	14,481	0.4%	4	11,010	0.4%
Capital One Financial Corp.	7	12,808	0.4%			
Leidos Holdings Inc.	8	10,524	0.3%			
The World Bank Group	9	9,030	0.3%			
General Dynamics Corp.	10	8,000	0.2%	10	8,000	0.3%
Science Applications International Corp.	10	8,000	0.2%			
Verizon Communications Inc				5	11,000	0.4%
Giant Food LLC				6	10,666	0.3%
Safeway Inc.				7	9,081	0.3%
Lockheed Martin Corp.				8	9,000	0.3%
Total		158,940	4.6%		114,654	3.8%

Sources:

- Washington Business Journal, Largest Employers in Greater DC 2025
- Washington Business Journal, Book of Lists 2016 - Largest Employers —Ranked by Nonfederal Public and Private Metro-Area Employees in 2015, Volume 34, Issue 35.

Authorized Employee Positions
Last Ten Fiscal Years

Exhibit 20

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Non-Represented[1]	3,056	2,943	2,881	2,585	2,663	2,485	2,377	2,205	2,339	2,286
Local 2	1,388	1,229	1,211	1,075	1,103	1,121	1,110	1,102	1,229	1,210
Local 639	85	104	109	123	126	119	121	121	138	138
Local 689	8,151	8,054	8,071	7,834	8,035	7,772	7,892	8,038	8,562	8,591
Local 922	417	388	361	348	357	362	372	378	379	374
Transit Police	400	395	399	370	380	366	388	388	385	396
Total authority positions	13,497	13,113	13,032	12,335	12,664	12,225	12,260	12,232	13,032	12,995

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

Source: Metro's Office of Management and Budget Services.

Operating Indicators
Last Ten Fiscal Years

Exhibit 21
(continued)

Fiscal Year	Vehicles Operated In Maximum Service[1]	Annual Vehicle Revenue Miles[2]	Annual Vehicle Revenue Hours[3]	Annual Unlinked Passenger Trips[4]	Annual Passenger Miles Traveled[5]
2025:					
Metrobus	1,124	38,364,705	3,896,936	124,032,263	350,445,485
Metrorail	896	95,577,792	4,093,662	179,589,512	959,561,506
MetroAccess	588	16,655,919	1,289,805	1,039,844	12,704,470
Total	2,608	150,598,416	9,280,403	304,661,619	1,322,711,461
2024:					
Metrobus	1,148	38,580,473	3,860,426	117,539,605	339,331,979
Metrorail	992	98,625,151	4,283,925	143,537,550	795,207,355
MetroAccess	634	18,967,586	1,604,134	1,396,962	16,071,615
Total	2,774	156,173,210	9,748,485	262,474,117	1,150,610,949
2023:					
Metrobus	1,148	37,991,955	3,774,118	102,855,922	307,224,136
Metrorail	904	72,468,652	3,185,833	126,773,716	589,321,101
MetroAccess	675	18,952,524	1,704,836	1,394,146	16,059,711
Total	2,727	129,413,131	8,664,787	231,023,784	912,604,948
2022:					
Metrobus	1,147	36,331,203	3,595,310	79,512,639	251,623,377
Metrorail	998	53,126,512	2,302,036	76,077,714	404,715,396
MetroAccess	662	19,251,997	1,670,819	1,307,178	13,699,189
Total	2,807	108,709,712	7,568,165	156,897,531	670,037,962
2021:					
Metrobus	1,010	29,213,222	2,914,017	52,325,667	162,783,718
Metrorail	998	72,843,843	3,142,911	36,550,201	199,671,853
MetroAccess	720	14,179,483	1,391,435	1,064,502	8,775,801
Total	2,728	116,236,548	7,448,363	89,940,370	371,231,372
2020:					
Metrobus	1,278	31,622,828	3,182,178	97,210,648	275,963,172
Metrorail	998	78,847,615	3,421,264	174,540,714	985,922,295
MetroAccess	1,028	17,366,054	1,787,230	1,794,584	20,342,876
Total	3,304	127,836,497	8,390,672	273,545,946	1,282,228,343

Operating Indicators **Exhibit 21**
Last Ten Fiscal Years **(concluded)**

Fiscal Year	Vehicles Operated In Maximum Service[1]	Annual Vehicle Revenue Miles[2]	Annual Vehicle Revenue Hours[3]	Annual Unlinked Passenger Trips[4]	Annual Passenger Miles Traveled[5]
2019:					
Metrobus	1,379	37,413,280	3,784,849	123,333,115	367,558,782
Metrorail	920	85,106,645	3,667,616	228,974,810	1,313,511,151
MetroAccess	1,092	21,969,382	2,214,347	2,348,324	24,377,770
Total	3,391	144,489,307	9,666,812	354,656,249	1,705,447,703
2018:					
Metrobus	1,278	37,061,070	3,767,231	119,681,096	366,498,831
Metrorail	888	81,751,483	3,537,625	229,233,254	1,314,002,629
MetroAccess	973	22,414,842	2,220,627	2,384,612	25,618,933
Total	3,139	141,227,395	9,525,483	351,298,962	1,706,120,393
2017:					
Metrobus	1,290	40,026,923	3,949,021	123,124,352	369,020,804
Metrorail	954	78,379,605	3,208,614	227,053,037	1,326,262,650
MetroAccess	885	21,330,012	2,037,988	2,368,549	22,768,393
Total	3,129	139,736,540	9,195,623	352,545,938	1,718,051,847
2016:					
Metrobus	1,301	39,363,678	3,878,258	127,687,553	399,016,612
Metrorail	954	77,967,424	3,169,676	249,173,213	1,475,685,198
MetroAccess	919	20,734,461	1,988,992	2,281,047	18,903,138
Total	3,174	138,065,563	9,036,926	379,141,813	1,893,604,948

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

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

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

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

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

Source: National Transit Database. Fiscal year 2025 data is based on preliminary information available. Data for fiscal years 2024 and prior are final reported results.

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metro System Map

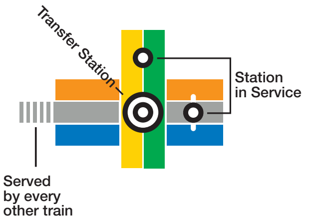
wmata.com
Information: 202-GO-METRO | TTY: 202-962-2033
Metro Transit Police: 202-962-2121 | Text: MYMTPD (696873)

Terminal stations

- **R** **Red Line** • Glenmont / Shady Grove
- **O** **Orange Line** • New Carrollton / Vienna
- **B** **Blue Line** • Franconia-Springfield / Downtown Largo
- **G** **Green Line** • Branch Av / Greenbelt
- **Y** **Yellow Line** • Huntington / Mt Vernon Sq
- **S** **Silver Line** • Ashburn / Downtown Largo & New Carrollton

Station Features
- P Parking
- H Hospital
- Airport

Connecting Rail Systems
AMTRAK VRE MARC



♿ Metro is accessible.

N
Map is not to scale

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