

# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2021

Prepared by the MTC Finance Section  
State of California





## **Metropolitan Transportation Commission**

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# Metropolitan Transportation Commission

June 30, 2021

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*Alfredo Pedroza, Chair*  
Napa County and Cities

*Nick Josefowitz, Vice Chair*  
San Francisco Mayor's Appointee

*Margaret Abe-Koga*  
Cities of Santa Clara County

*Eddie Ahn*  
San Francisco Bay Conservation  
and Development Commission

*David Canepa*  
San Mateo County

*Cindy Chavez*  
Santa Clara County

*Damon Connolly*  
Marin County and Cities

*Carol Dutra-Vernaci*  
Cities of Alameda County

*Dina El-Tawansy*  
California State  
Transportation Agency

*Victoria Fleming*  
Sonoma County and Cities

*Dorene M. Giacomini*  
U.S. Department of Transportation

*Federal D. Glover*  
Contra Costa County

*Sam Liccardo*  
San Jose Mayor's Appointee

*Nate Miley*  
Alameda County

*Gina Papan*  
Cities of San Mateo County

*David Rabbitt*  
Association of Bay Area Governments

*Hillary Ronen*  
City and County of San Francisco

*Libby Schauf*  
Oakland Mayor's Appointee

*James P. Spering*  
Solano County and Cities

*Amy R. Worth*  
Cities of Contra Costa County

*Vacant*  
U.S. Department of Housing  
and Urban Development

*Therese W. McMillan*  
Executive Director

*Alix Bockelman*  
Deputy Executive Director, Policy

*Andrew B. Fremier*  
Deputy Executive Director, Operations

*Brad Paul*  
Deputy Executive Director,  
Local Government Services

October 27, 2021

## Honorable Chair Members of the Metropolitan Transportation Commission

I am pleased to submit the Comprehensive Annual Financial Report for the Metropolitan Transportation Commission (MTC), its blended and discretely presented component units and fiduciary funds for the fiscal year ended June 30, 2021. State law requires that MTC and its component units publish a complete audited financial statement within six months of the close of each fiscal year.

Responsibility for both accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures, rests with the management and staff of MTC. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making these representations, management of MTC has established a comprehensive system of internal controls designed to both protect the government's assets from loss or misuse and to compile the information necessary to produce financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and reported in a manner that presents fairly the financial position and operating results of MTC, its blended and discretely presented component units and fiduciary funds as of June 30, 2021. The cost of internal controls should not outweigh their benefits, therefore MTC's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement.

The goal of the independent audit is to provide reasonable assurance that the financial statements presented here for the fiscal year ended June 30, 2021, are free of material misstatement. In addition, MTC is required to undergo a Single Audit of Federal Programs conducted under the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The agency's independent auditor, Crowe LLP, has issued an unmodified opinion on the Metropolitan Transportation Commission's financial statements for the year ended June 30, 2021. The independent auditor's report is located in the front of the financial section of this report.

GAAP also requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements. This narrative is presented in the form of Management's Discussion and Analysis (MD&A), which can be found immediately following the independent auditor's report.

The Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021, includes financial information for all funds, accounts and fiduciary activities for which MTC has financial accountability. MTC also participates in numerous boards, groups and associations. While MTC participates in such activities, MTC does not have an ongoing financial interest or administrative control over such entities and, as such, information related to these outside groups and associations are excluded from this report.

Profile of the Government:

MTC was established under the laws of the State of California in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area: Alameda, Contra Costa, Marin, Napa, the City and County of San Francisco, San Mateo, Santa Clara, Solano and Sonoma. The Commission consists of eighteen voting and three non-voting members representing the following:

<b>Agency</b>	<b>Voting Members</b>	<b>Non-Voting Members</b>
Alameda County	3	
Contra Costa County	2	
Marin County	1	
Napa County	1	
City & County of San Francisco	2	
San Mateo County	2	
Santa Clara County	3	
Solano County	1	
Sonoma County	1	
Association of Bay Area Governments (ABAG)	1	
San Francisco Bay Conservation & Development Commission	1	
U.S. Department of Transportation		1
U.S. Department of Housing & Urban Development		1
California State Transportation Agency		1
Total:	18	3

Each commissioner’s term of office is four years or until a successor is appointed.

MTC commissioners also serve as the governing authority for MTC Service Authority for Freeways & Expressways (MTC SAFE), the Bay Area Toll Authority (BATA) as well as the Bay Area Housing Finance Authority (BAHFA). While BAHFA was authorized by state stature during FY 2021, the Authority does not yet have an active budget or financial activity and as such does not appear in this report. The Commission is responsible for adopting budgets for operating and project costs, as well as setting general policy direction. An Executive Director appointed by the Commission is responsible for carrying out Commission direction and day-to-day administration of MTC and its employees. Some of the commissioners are also members of the Bay Area Headquarters Authority (BAHA) and Bay Area Infrastructure Financing Authority (BAIFA). These are two Joint Powers Authorities exercising joint powers between MTC and BATA.

### Local economy:

The Bay Area is one of the strongest and most diversified economies in the nation including several Fortune 500 companies and major research universities. However, the region ended an eight-year streak of continuing economic growth during FY 2020 but recovered a significant amount of the loss during FY 2021. The statewide shelter-in-place order issued in March, 2020 brought the local Bay Area economy almost to a standstill while the impact of the pandemic pushed the national economy into a formal recession starting in April 2020. However, the national economy recovered by December 2020 with the local economy lagging in economic growth and unemployment. We expect a more robust recovery of local jobs and economic growth during FY 2022.

Some of the encouraging signs from FY 2021, revenue from retail sales for FY 2021 was nearly identical to FY 2019. In addition, bridge toll traffic recovered to nearly 90% of pre-pandemic levels after being down over 50% as recently as April 2020. MTC has every expectation the current economic recovery will continue through FY 2022.

MTC is fortunate to have significant diversity in our overall revenue stream. Over 60% of all governmental fund revenue is derived from various state and federal grant resources that are not dependent on the overall economy for allocation. In addition, both bridge toll and express lane toll levels can be raised if necessary to protect operating integrity, particularly debt service costs in BATA. While the time to economic recovery will certainly impact MTC revenue, the nature of MTC's grant responsibilities and strong liquidity across all funds and entities will assure that MTC can continue to administer regional transportation planning and funding with little interruption in service while we wait out yet another recession.

### Long-term financial planning:

There is no surprise that the recent economic recession put pressure on managing MTC expenses. Since the Great Recession sales tax revenue has grown over 60%. Over the same period, however, staffing and affiliated costs have risen over 68%, including the incorporation of the entire operating functions and 70 employees from the consolidation of MTC and the Association of Bay Area Governments (ABAG) operations. Increased pressure on operating costs combined with the vulnerability of some MTC revenue sources to economic swings requires ongoing review of opportunities to evaluate operating costs for potential savings.

Unfunded retirement benefits is one of the fastest growing benefit expenses yet offers significant opportunities for savings. Post-Retirement benefits have grown from 16% to 33% of MTC annual payroll since FY 2014. Over that time the annual Actuarial Determined Contribution (ADC) nearly doubled. MTC has developed a multi-year plan to eliminate the unfunded post-employment liability. MTC has already completed the retirement of the unfunded Other Post Employment Benefit (OPEB) liability through an IRS Section 115 Trust. MTC has made additional pension contributions through CalPERS and completed a new "Fresh Start" re-amortizing the remaining liability over 12 years. MTC opened a second IRS Section 115 Trust to prefund pension obligations and will use excess funding in the OPEB trust to prefund potential changes in pension computations. So far, MTC has reduced the unfunded liability payment by over \$2.0



million annually and will save more than \$20 million in future interest costs.

Financial Policies:

MTC continues to maintain strong financial policies for budget and reserve structures that help protect against economic swings and maintain operating liquidity. MTC policies require submission of balanced budgets with reasonable estimates for future revenue and expense projections. Further, MTC has established a series of reserve funds equal to at least 50% of the respective operating budgets. All operating reserves remained intact through the FY 2021 operating year and are available for unforeseen events in FY 2022. These reserves provide the valuable operating liquidity necessary to run MTC's significant grant funded projects, allowing contracts and projects to proceed on a readiness basis rather than forcing delays for cash-flow management.

Awards and Acknowledgments:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Metropolitan Transportation Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the eighteenth consecutive year that MTC has received this prestigious award. In order to be awarded a Certificate of Achievement, MTC had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and delivery of this report would not have been possible without the help of the dedicated staff at MTC. I thank everyone who contributed, especially the MTC finance staff for their hard work and dedication in producing this report in an accurate and timely manner.

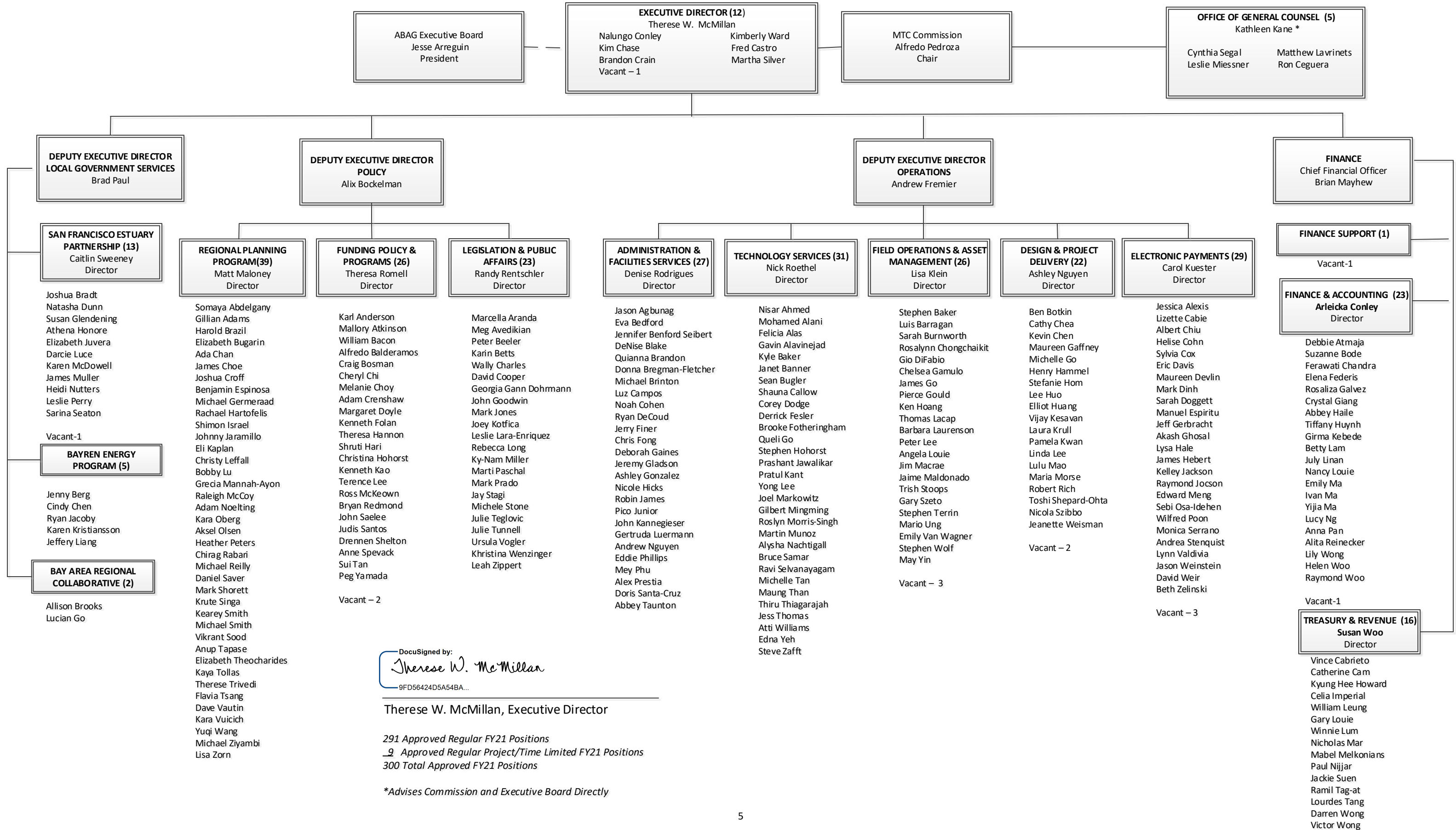
Sincerely,



Brian Mayhew  
Chief Financial Officer

# Metropolitan Transportation Commission

## Staffing Organization as of April 1, 2021



DocuSigned by:  
  
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Therese W. McMillan, Executive Director

291 Approved Regular FY21 Positions  
 9 Approved Regular Project/Time Limited FY21 Positions  
 300 Total Approved FY21 Positions

\*Advises Commission and Executive Board Directly

## COMMISSIONERS

Alfredo Pedroza, Chair	Napa County and Cities
Nick Josefowitz, Vice Chair	San Francisco Mayor's Appointee
Margaret Abe-Koga	Cities of Santa Clara County
Eddie H. Ahn	SF Bay Conservation and Development Commission
David Canepa	San Mateo County
Cindy Chavez	Santa Clara County
Damon Connolly	Marin County and Cities
Carol Dutra-Vernaci	Cities of Alameda County
Dina El-Tawansy	California State Transportation Agency (CalSTA)
Victoria Fleming	Sonoma County and Cities
Dorene M. Giacopini	U.S. Department of Transportation
Federal D. Glover	Contra Costa County
Sam Liccardo	San Jose Mayor's Appointee
Nate Miley	Alameda County
Gina Papan	Cities of San Mateo County
David Rabbitt	Association of Bay Area Governments
Hillary Ronen	City and County of San Francisco
Libby Schaaf	Oakland Mayor's Appointee
James P. Spering	Solano County and Cities
Amy R. Worth	Cities of Contra Costa County
Vacant	U.S. Department of Housing and Urban Development

## APPOINTED OFFICIALS

Therese W. McMillan	Executive Director
Kathleen Kane	Legal Counsel



Government Finance Officers Association

Certificate of  
Achievement  
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Presented to

**Metropolitan Transportation Commission  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## INDEPENDENT AUDITOR'S REPORT

Commissioners  
Metropolitan Transportation Commission  
San Francisco, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission (the "Commission"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Notes 1C and 1AB to the financial statements, during the year ended June 30, 2021, the Commission adopted new accounting guidance, GASB Statement No. 84, Fiduciary Activities, which resulted in the removal of activities previously identified as agency funds and reporting a custodial fund for the Clipper Card Program. The new accounting guidance also resulted in a restatement of the July 1, 2020 governmental activities net position and the State Transit Assistance fund balance in the amount of \$21,451,307. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Prior-Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended June 30, 2020, from which such partial information was derived.

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, other supplementary information, statistical section, and schedule of changes in assets and liabilities for Transportation Development Act and AB1107, 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.

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

The introductory section, statistical section, and the schedule of changes in assets and liabilities for Transportation Development Act and AB1107 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Crowe LLP

San Francisco, California  
October 27, 2021

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Management's Discussion and Analysis (unaudited)**

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# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2021**

### **Management's Discussion and Analysis (unaudited)**

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#### **Management's Discussion and Analysis**

This section presents an overview of the financial activities of the Metropolitan Transportation Commission (MTC), as well as its blended and discretely presented component units as discussed separately below for the year ended June 30, 2021. Except as otherwise stated, all amounts described below are expressed in thousands of dollars.

#### **A. Financial Highlights**

Fiscal year 2021 was a busy and complex year for MTC. Fiscal Year 2021 started with serious concerns about a continuation of the recession that started in March of 2020. From March to June 2020, the national economy declined approximately 35% from the pre-pandemic level of January 2020, the sharpest decline since the “1929 Crash” starting the Great Depression. The implementation of statewide shelter-in-place orders compounded our economic concerns. In order to protect against a prolonged economic slump, MTC put a premium on controlling expenses to maintain our operating programs and reserves. Some impacts include:

- Total sales tax revenue fell by 5% during FY 2020, mostly in April through June. The FY 2020 decline was the first in nine years and was expected to continue through FY 2021. Fortunately, sales tax revenue recovered approximately equal to the FY 2020 level of \$14 million and only \$600 thousand behind the highest single year, FY 2019.
- Total traffic on the seven BATA bridges fell for the second straight year, falling 13% and another 9% for FY 2020 and FY 2021, respectively. However, traffic exceeded 90% of FY 2019 levels in each of the last three months of FY 2021.
- Cash collection on the seven BATA bridges ceased permanently on March 20, 2020 with cash invoices replacing cash toll collections throughout FY 2021. The cost and impact on BATA revenue is still being evaluated.
- The I-680 Express Lane resumed the toll collection on June 1, 2020. The I-880 Express Lane stretching from Oakland to Milpitas opened for traffic on October 2, 2020.

Despite the revenue and operational impacts of the pandemic, there were several positive aspects to the MTC financial operations during FY 2021:

- MTC continued its planned campaign to eliminate unfunded post-employment benefits.
- MTC completely retired its unfunded OPEB liability and now has a \$6 million net asset.
- The pension liability has been reduced by more than half in the last three years.
  - Annual liability payments dropped from \$4.0 million to under \$2.0 million.
  - “Fresh Start” program reduced funding term to 12 years.
  - Total interest savings from “Fresh Start” will exceed \$20 million.
- All MTC operating units adopted balanced budgets for FY 2021.
- Controlling operational expenses helped control salary and benefit costs which allowed MTC to post a positive ending balance for FY 2021.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2021**

### **Management's Discussion and Analysis (unaudited)**

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- MTC and all operating units maintained their respective operating reserves of at least six months operating revenue throughout the pandemic years of FY 2020 and FY 2021.
- With the opening of the I-880 express lane, the combined express lane revenue grew to \$18 million during FY 2021 compared to \$10 million in FY 2020.
- MTC successfully defended the Regional Measure 3 (RM3) toll increase approved by the voters in November 2018. Unfortunately, \$276 million in collected RM3 toll revenue remained in escrow pending the outcome of the plaintiff's appeal to the State Supreme Court.

To protect against economic downturns, MTC maintains a series of operating reserves that are equal to a minimum of six months operating costs. While MTC incorporated strategic cost-control initiatives into our financial planning for FY 2021, the strength of our financial flexibility and integrity is in maintaining the system of operating reserves throughout the agency.

## **B. Overview of the Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of MTC's finances. The government-wide financial statements comprise of a Statement of Net Position, a Statement of Activities, and accompanying notes.

The Statement of Net Position presents financial information on all of MTC's assets, liabilities, deferred outflows and inflows of resources. The difference between the assets plus deferred outflows and liabilities plus deferred inflows is reported as "Net Position."

The Statement of Activities presents government-wide information showing the change in net position resulting from revenues earned and expenses incurred during the fiscal year. All changes in net position are recorded as revenues are earned and expenses are incurred, regardless of the timing of related cash flows.

MTC is composed of governmental and business-type funds and activities as well as two discretely presented component units. The governmental funds are comprised of the general fund and the special revenue funds. The business or proprietary funds are MTC Clipper<sup>®</sup>, BATA, MTC SAFE, the Bay Area Infrastructure Authority (BAIFA), and the Bay Area Headquarters Authority (BAHA).

MTC Clipper<sup>®</sup> is an enterprise fund that oversees the region's transit fare payment program. BATA and MTC SAFE are blended component units (legally separate) whose transactions are presented as business-type funds. BAIFA and BAHA are discretely presented component units on the government-wide financial statements. MTC also holds and administers a fiduciary fund further described in Section C below and in Note 1.B to the financial statements.

The government-wide Statement of Net Position and Statement of Activities are presented on pages 27-32 of this report with the accompanying notes being presented on pages 55-107.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Management's Discussion and Analysis (unaudited)**

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**C. Overview of the Fund Financial Statements**

*i.) Governmental Funds*

Governmental funds are used to account for MTC activities and are supported primarily by grants, sales taxes, and intergovernmental revenue sources. Governmental funds financial statements provide additional information not provided in the government-wide statements in that they focus on the annual inflows and outflows of resources as well as the balance of resources available to be spent at fiscal year-end rather than the longer-term focus of governmental activities as seen in the government-wide financial statements. The governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison of governmental funds to governmental activities.

MTC's governmental funds include a general fund, four major special revenue funds, and other non-major funds. The financial statements of the governmental funds, prepared under the modified accrual basis of accounting are on pages 33-38 of this report. A schedule detailing the non-major special revenue funds is included on pages 121-122 of this report.

MTC adopts annual budgets for all funds. However, a comparison of budget-to-actual is required only for certain governmental funds (general fund and major special revenue funds) and these are presented on pages 110-114 of this report. A comparison of budget to actual is also presented for non-major funds on pages 123-125.

*ii.) Proprietary Funds*

Proprietary funds are used to report business-type activities. MTC has three proprietary funds, MTC Clipper<sup>®</sup>, BATA and MTC SAFE. BATA and MTC SAFE are presented as blended component units of MTC as proprietary funds on the government-wide and fund financial statements. MTC administers the Clipper<sup>®</sup> program which handles the implementation and ongoing operations of the Bay Area's transit fare payment program. This system allows transit riders to pay fares throughout the Bay Area utilizing a single "smart" fare card when boarding bus, light rail, train or ferry transportation. BATA is responsible for collection and administration of all toll funds and has funding oversight responsibility for Caltrans maintenance activities for the seven state-owned bridges in the San Francisco Bay Area. BATA also has funding and administrative oversight responsibilities for the Regional Measure 1 (RM 1), Regional Measure 2 (RM 2), and Regional Measure 3 (RM 3) programs approved by the voters in 1988, 2004, and 2017 respectively as well as the seismic retrofit program. MTC SAFE administers a freeway motorist aid system providing tow truck and call box services to stranded motorists in the nine Bay Area counties.

The financial statements of the proprietary funds are prepared on an accrual basis and are on pages 40-51.

**Metropolitan Transportation Commission**  
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*iii.) Fiduciary Fund*

Fiduciary funds are used to account for resources held in a trust capacity for the benefit of parties outside MTC. These funds are not reflected in the government-wide financial statements, as the resources cannot be used to support the programs of MTC or those of its component units. The fiduciary fund of MTC use the economic resources measurement focus and the accrual basis of accounting.

MTC has Clipper® card program as a fiduciary fund. The Clipper® card program is a transit fare payment program that tracks the cash balances and receivables held on behalf of the Clipper® card program, as well as the patron liability for the prepaid card balance.

The fiduciary fund financial statements are presented on pages 52-53 of this report.

*iv.) Discretely Presented Component Units*

The Bay Area Infrastructure Financing Authority (BAIFA) was established in August 2006 as a separate public entity pursuant to the California Joint Exercise of Powers Act, to plan capital projects and obtain funding in the form of grants, contributions, appropriations, loans and other assistance. The Joint Exercise of Powers Agreement was amended in March 2013 to authorize BAIFA to undertake programs and projects, including the development, financing, and operation of high-occupancy toll lanes in MTC's jurisdiction. In April 2013, MTC delegated its express lane authority to BAIFA through a cooperative agreement.

The Bay Area Headquarters Authority (BAHA) was established in September 2011 as a separate public entity pursuant to the California Joint Exercise of Powers Act, to plan, acquire, and develop the new MTC/BATA office space and facilities and undertake related activities on behalf of MTC and BATA.

Both BAIFA and BAHA are presented as proprietary funds in the discretely presented component unit columns of the government-wide financial statements because they do not meet the criteria for blending under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The standalone financial statements for BAIFA and BAHA provide detailed financial information for these two entities. Request for separately issued financial statements for BAIFA and BAHA should be addressed to the Treasurer of BAIFA or BAHA, 375 Beale Street, Suite 800, San Francisco, CA 94105.

**D. Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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**E. Government-Wide Financial Analysis**

The following tables detail the Statement of Net Position, detailing the change in assets, liabilities and change in net position as well as the Statement of Activities for MTC.

*i.) Statement of Net Position*

The following table shows a summary of MTC's government-wide statements of net position for the last two years:

	<u>Metropolitan Transportation Commission's Statement of Net Position</u>					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Cash and investments	\$ 758,919	\$ 795,540	\$ 2,108,810	\$ 2,144,912	\$ 2,867,729	\$ 2,940,452
Receivables	43,642	97,403	84,413	71,120	128,055	168,523
Other assets	8,441	2,730	3,991	896	12,432	3,626
Capital assets	416	245	1,971	3,338	2,387	3,583
<b>Total assets</b>	<b>811,418</b>	<b>895,918</b>	<b>2,199,185</b>	<b>2,220,266</b>	<b>3,010,603</b>	<b>3,116,184</b>
Deferred outflows	16,650	22,598	446,549	462,301	463,199	484,899
Other liabilities	54,058	75,424	344,615	273,117	398,673	348,541
Long term liabilities	22,742	27,593	9,579,039	9,989,377	9,601,781	10,016,970
<b>Total liabilities</b>	<b>76,800</b>	<b>103,017</b>	<b>9,923,654</b>	<b>10,262,494</b>	<b>10,000,454</b>	<b>10,365,511</b>
Deferred inflows	300,379	317,492	(294,126)	(309,115)	6,253	8,377
<b>Net position:</b>						
Net investment in capital assets	270	194	1,771	3,138	2,041	3,332
Restricted	487,346	524,026	232,701	233,864	720,047	757,890
Unrestricted (deficit)	(36,727)	(26,213)	(7,218,266)	(7,507,814)	(7,254,993)	(7,534,027)
<b>Total net position</b>	<b>\$ 450,889</b>	<b>\$ 498,007</b>	<b>\$ (6,983,794)</b>	<b>\$ (7,270,812)</b>	<b>\$ (6,532,905)</b>	<b>\$ (6,772,805)</b>

Total cash and investments decreased by \$72,723 in FY 2021. The decrease in the Business-Type Activities is mainly related to BATA. A combination of factors led to the cash and investment drop:

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- Traffic from the BATA toll bridges dropped by 9% for FY 2021 as a result of the continuing pandemic.
- Suspension of cash toll payments impacted revenue collection and cash flow.

While BATA has initiated an invoice process in lieu of the cash toll payments, that process will add considerable delay in the collection of toll revenue. The decrease in the Governmental Activities is mainly due to project payments to the Bay Area Rapid Transit District (BART) for replacement of BART rail cars.

Deferred outflows decreased by \$21,700 in FY 2021, mainly due to the decrease in the deferred outflows from pension.

Total liabilities decreased by \$365,057 in FY 2021. The change is mainly due to a reduction on BATA debt.

The net position increased by \$239,900 in FY 2021. The increase is mainly due to the recognition of the RM3 revenue. The negative net position is the result of BATA issuing over \$9,000,000 in project financing toll revenue bonds while the assets themselves remain with the State of California and other transit agencies. The negative net position in Business-Type Activities will be resolved through future toll revenue. The negative net position (unrestricted) in the Governmental Activities is the result of post-retirement liabilities for pension. The reduction from FY 2020 is the result of a planned program through MTC to eliminate the unfunded post-retirement liabilities on an accelerated basis.

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ii.) *Statement of Activities*

The Statement of Activities details the revenue/expense and change in Net Position for MTC. A breakdown of this MTC activity is detailed in the table below.

<u>Metropolitan Transportation Commission's Statement of Activities</u>						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for service	\$ -	\$ -	\$ 877,182	\$ 688,688	\$ 877,182	\$ 688,688
Operating grants and contributions	143,181	360,604	115,784	107,653	258,965	468,257
Capital grants and contributions	-	-	11,122	7,328	11,122	7,328
<b>General revenues:</b>						
Sales tax	14,118	14,076	-	-	14,118	14,076
Investment earnings (charges)	2,679	13,298	123,495	(161,817)	126,174	(148,519)
Return of contribution from BAHA/ BAIFA	-	-	1,000	2,000	1,000	2,000
<b>Total revenues</b>	<b>159,978</b>	<b>387,978</b>	<b>1,128,583</b>	<b>643,852</b>	<b>1,288,561</b>	<b>1,031,830</b>
<b>Expenses:</b>						
General government	100,422	105,557	-	-	100,422	105,557
Allocation to other agencies	110,298	267,272	-	-	110,298	267,272
Toll bridge activities	-	-	747,116	769,092	747,116	769,092
Clipper® smart card	-	-	52,385	57,879	52,385	57,879
Congestion relief	-	-	16,989	17,616	16,989	17,616
<b>Total expenses</b>	<b>210,720</b>	<b>372,829</b>	<b>816,490</b>	<b>844,587</b>	<b>1,027,210</b>	<b>1,217,416</b>
Change in net position before special item and transfers	(50,742)	15,149	312,093	(200,735)	261,351	(185,586)
Special item	-	-	-	(230,329)	-	(230,329)
Transfers in/(out)	25,075	23,918	(25,075)	(23,918)	-	-
Changes in net position	(25,667)	39,067	287,018	(454,982)	261,351	(415,915)
Net position - Beginning*	476,556	458,940	(7,270,812)	(6,815,830)	(6,794,256)	(6,356,890)
Net position - Ending	<b>\$ 450,889</b>	<b>\$ 498,007</b>	<b>\$ (6,983,794)</b>	<b>\$ (7,270,812)</b>	<b>\$ (6,532,905)</b>	<b>\$ (6,772,805)</b>

\* In fiscal year 2021 beginning balance of Governmental Activities was restated due to the adoption of GASB Statement No. 84.

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Total revenue increased by \$256,731 in FY 2021. The revenue increase in Business-Type Activities is mainly due to the RM3 revenues which were not reported in the prior years. An increase in the investment earnings is the result of a decrease in the market value of the BATA structured swap portfolio.

Total expense decreased by \$190,206 in FY 2021. There is a decrease of \$28,097 in Business-Type Activities, mainly due to a reduction in Caltrans cash collection costs and RM2 capital expense. There is a reduction of \$162,109 in Governmental Activities related to the timing of various multi-year projects.

No special items in FY 2021. FY 2020 special item was the capital contribution of \$230,329 from BATA to BAIFA.

The negative net position decreased by \$239,900 for FY 2021. The decrease is mainly due to the recognition of RM3 revenue. BATA caused the Business-Type Activities deficit due to BATA's issuance of \$9,000,000 in toll revenue bonds to fund seismic and voter approved projects while the assets remain with the State of California and other transit operators. The Net Position in the Governmental Activities improved as MTC continues its plan to reduce unfunded benefit liabilities.

Management does not believe that Governmental Activities and Business-Type Activities are comparable for analytical purposes. While the combined schedules show a total picture of MTC responsibilities, the two activities must be viewed in their respective parts to evaluate MTC's financial results. State and federal laws restrict MTC's various funding sources to specific responsibilities that cannot be combined or commingled. Additional explanations are included in the discussion of Business-Type Activities as well as the schedule of governmental funds that follows.



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**F. Financial Analysis of Business-Type Activities**

The following table shows the results of operations for the last two years:

	<u>Business-Type Activities</u>					
	Bay Area Toll Authority		MTC SAFE		MTC Clipper	
	2021	2020	2021	2020	2021	2020
Revenues:						
Toll revenues	\$ 830,405	\$ 633,932	\$ -	\$ -	\$ -	-
Other operating revenues	32,416	29,841	6,697	6,588	7,664	18,327
Total revenues	<u>862,821</u>	<u>663,773</u>	<u>6,697</u>	<u>6,588</u>	<u>7,664</u>	<u>18,327</u>
Operating expenses:						
Operating expenses incurred by Caltrans/Transbay JPA	7,237	31,835	-	-	-	-
Other operating expenses	142,030	131,117	16,989	17,572	26,697	36,251
Total operating expenses	<u>149,267</u>	<u>162,952</u>	<u>16,989</u>	<u>17,572</u>	<u>26,697</u>	<u>36,251</u>
Operating income/(loss)	713,554	500,821	(10,292)	(10,984)	(19,033)	(17,924)
Nonoperating revenues/(expenses)						
Investment income/(charges)	123,439	(163,316)	6	192	51	1,306
BABs interest subsidy	71,723	71,886	-	-	-	-
Interest expense	(436,732)	(455,189)	-	-	-	-
Financing fees and bond issuance costs	(11,071)	(16,172)	-	-	-	-
Other nonoperating expense	-	(136)	-	-	-	-
Operating grants	7,876	8,598	11,378	11,917	11,856	10,818
Distributions to other agencies for capital purposes	(150,046)	(134,642)	-	-	(25,688)	(21,628)
Return of contribution from BAHA/BAIFA	1,000	2,000	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	(44)	-	-
Other nonoperating revenues	12,935	4,434	16	-	-	-
Total nonoperating revenues/(expenses)	<u>(380,876)</u>	<u>(682,537)</u>	<u>11,400</u>	<u>12,065</u>	<u>(13,781)</u>	<u>(9,504)</u>
Change in net position before contribution, special item, and transfers	332,678	(181,716)	1,108	1,081	(32,814)	(27,428)
Capital grants	-	-	-	-	11,122	7,328
Special item - contribution to BAIFA	-	(230,329)	-	-	-	-
Transfers	(42,043)	(48,362)	(557)	(1,018)	17,524	25,462
Change in net position	290,635	(460,407)	551	63	(4,168)	5,362
Net position - Beginning	<u>(7,313,661)</u>	<u>(6,853,254)</u>	<u>21,289</u>	<u>21,226</u>	<u>21,559</u>	<u>16,197</u>
Net position - Ending	<u>\$ (7,023,026)</u>	<u>\$ (7,313,661)</u>	<u>\$ 21,840</u>	<u>\$ 21,289</u>	<u>\$ 17,391</u>	<u>\$ 21,559</u>

BATA is the largest of MTC's Business-Type Activities and one of the highest-rated transportation enterprises in the country. The negative net position is the result of BATA financing the seismic retrofit and other regional

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constructed. The negative net position will resolve itself from future toll revenue and the amortization of toll revenue bond debt.

Net operating income in BATA was \$713,554 for FY 2021, an increase of \$212,733 or 42% from FY 2020. Major changes include:

- Total revenues increased by \$199,048 in FY 2021, of which \$182,723 was a RM3 revenue for the past years not previously reported. Detailed traffic count is available in the Statistical Section, Table 7.
- Total operating expenses fell by \$13,685 in FY 2021, mainly due to the reduction in operating expenses by Caltrans.

Nonoperating revenue/(expense) decreased by \$301,661 or about 44 percent from FY 2020. Major changes included:

- Net investment income increased by \$286,755 in FY 2021. BATA had investment earnings of \$3,440 and unrealized gain of \$119,999 from the change in the fair value of derivative investments.
- The Build America Bonds interest subsidy is the federal subsidy from the U. S. Government. The interest subsidy offsets the interest cost on taxable bonds issued by BATA between FY 2010 and FY 2013. The federal subsidy payment is expected to last for the life of the taxable bonds.
- Distributions to other agencies for capital purposes increased by \$15,404 in FY2021. The increase was primarily due to the distribution to San Francisco Municipal Transportation Agency (MUNI) for the purchase of light rail vehicles.

MTC SAFE ended FY 2021 with an operating loss of \$10,292 which is a decreased operating loss of \$692 from FY 2020. However, MTC SAFE ended FY 2021 with positive change in net position of \$551 compared to \$63 in FY 2020. Major changes include:

- Operating revenues increased by \$109 in FY 2021. Except for San Mateo county all other eight counties had an increase in DMV revenues.
- Operating expenses decreased by \$583 in FY 2021, primarily the result of decreases in towing contract and repairs and maintenance expenses compared to FY 2020.
- Nonoperating grants decreased by \$539 mainly due to a decrease of billing to the Local Assistance Program (LAP) and SB1 grant to fund the Freeway Service Patrol program.

MTC Clipper ended FY 2021 with an operating loss of \$19,033 which was \$1,109 higher than the operating loss recorded in FY2020. Clipper project costs are generally covered by grant (nonoperating) revenue, however, operating costs are covered by a combination of operating grants and operator payments. Operating losses are made up through transfers. Other major changes include:

- Operating revenues decreased by \$10,663 in FY 2021, primarily the result of a decrease in transit ridership during the pandemic period.
- Operating expenses for MTC Clipper® decreased by \$9,554 in FY 2021, mainly due to a decrease in professional fees.

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- Distribution to other agencies increased by \$4,060 in FY 2021, mainly due to the development costs of the Clipper system.

**G. Financial Analysis of Governmental Funds**

The following table details the revenues and expenditures in the governmental funds for the past two fiscal years. Refer to page 39 for the reconciliation of the governmental funds to the Statement of Activities.

	Governmental Funds	
	2021	2020
<b>Revenues:</b>		
Sales taxes	\$ 14,118	\$ 14,076
Grants - Federal	56,689	53,899
Grants - State	75,384	294,384
Local agencies revenues and refunds	13,062	13,415
Investment income	2,679	13,298
<b>Total revenues</b>	<b>161,932</b>	<b>389,072</b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government	82,914	85,566
Allocations to other agencies	128,930	292,058
Capital outlay	317	12
<b>Total expenditures</b>	<b>212,161</b>	<b>377,636</b>
Other financing sources (uses)	25,075	23,918
<b>Net change in fund balance</b>	<b>(25,154)</b>	<b>35,354</b>
Fund balance - beginning *	486,993	473,090
<b>Fund balance - ending</b>	<b>\$ 461,839</b>	<b>\$ 508,444</b>
* In fiscal year 2021 beginning balance of STA fund balance was restated due to the adoption of GASB Statement No. 84		

A large component of all Governmental Fund revenue at MTC is derived from grants. While grant revenue helps insulate MTC from economic swings, the timing of project expenditures, which often cross fiscal years, can have a significant impact on year end balances. The MTC Governmental Funds ended FY 2021 with a negative balance of \$25,154 compared to \$35,354 for FY 2020.

The MTC General Funds ended FY 2021 with a surplus of \$6,658 which improved the fund balance to \$57,589. The general fund surplus increased by \$1,755 compared to FY 2020. The increase is primarily due to additional grant received from the Surface Transportation Program (STP) and the Regional Early Action Planning (REAP).

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Within the governmental funds there are several Special Revenue funds with revenue restricted by statute or adopted policy to certain programs. Highlights of the Special Revenue Funds include:

- AB 664 Toll Revenue Reserve fund ended FY 2021 with a negative fund balance of over \$18 million compared with a positive balance of \$2.0 million for FY 2020. The AB 664 Reserve is a toll funded rail support program where 50 years of toll revenue was advanced in FY 2010. The decrease in fund balance reflects utilization of advanced revenue to pay for appropriate rail projects.
- State Transit Assistance (STA) fund ended FY2021 with a fund balance of just over \$98 million, up from a restated balance of \$77 million for FY 2020 (see note 1 AB). The increase to fund balance is generally caused by a reduction in project transfers related to delays in the Clipper II and transit fair discount projects.
- Rail Reserves fund ended FY 2021 with a negative fund balance of \$84.8 million, a reduction from the negative \$88.8 million ending FY 2020. The Rail Reserve is another toll funded transit program where a 50-year toll revenue stream was advanced in FY 2010. The negative fund balance will be worked off with the amortization of the toll revenue.
- The Bart Car Exchange fund ended FY 2021 with a fund balance of over \$364 million, a decrease of \$37.7 million from FY 2020. The program is funded with payments exchanged between MTC and BART which are reserved for the purchase of future BART rail cars. The decrease in fund balance resulted from the purchase of new BART replacement cars. The balance will continue to draw down with the delivery of additional new rail cars.

#### **H. General Fund Budget**

The original MTC General Fund budget adopted for FY 2021 had a projected deficit of \$6,630 which increased to \$7,396 with the final approved budget. The actual ending balance was a positive \$6,658 after transfers.

The final revenue budget was \$235,871 with actual year-end revenue of \$88,307, a shortfall of \$147,564. The final expense budget was \$319,704 with actual year-end expenses of \$100,946 or \$218,758 under budget. The variance in both revenue and expense is the timing of project expenses against the grant revenue that reimburses MTC. Project budgets are adopted at the start of the project, for the entire project, even though the project may occur over several years. The grant revenue, on the other hand follows project expenses so it is often mismatched on an annual budget basis. As such, given the size of the annual grant portfolio, it is not unusual to see significant variances in the budget-to-actual numbers.

The timing of project revenue and related expenses in grant-related programs is generally dictated by project timing and not fiscal years. General government costs were down over \$2.6 million mainly due to cost saving measures that were implemented with the FY 2021 budget adoption, including, targeted delays in hiring, limiting backfill positions for temporary leaves and controlling the timing of contract and support costs.

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	<u>General Fund</u>			
	Adopted Budget	Final Budget	Actual	Variance
Revenues	\$ 231,403	\$ 235,871	\$ 88,307	\$ (147,564)
Expenditures	301,737	319,704	100,946	218,758
Excess/(Deficiency)	(70,334)	(83,833)	(12,639)	71,194
Transfers in	63,704	76,437	19,297	(57,140)
Net change in fund balance	(6,630)	(7,396)	6,658	14,054
Fund balance - beginning	50,931	50,931	50,931	-
Fund balance - ending	<u>\$ 44,301</u>	<u>\$ 43,535</u>	<u>\$ 57,589</u>	<u>\$ 14,054</u>

Overall, the positive ending balance is a swing of \$14,054 impacting the MTC ending fund balance.

**I. Capital Asset Administration**

MTC's total investment in capital assets for all funds, governmental and proprietary is \$2,387 as reported under the accrual basis of accounting. In FY 2021 capital assets decreased by \$1,196. Assets relating to the seven state-owned bridges administered by BATA are owned by Caltrans. MTC's capital assets are disclosed in Note 4 to the financial statements.

**J. Long-Term Debt Administration**

During FY 2021, BATA completed advance refunding of \$710,890. BATA administers a debt portfolio of \$8,960,260, and derivative instruments of \$1,440,000. All of BATA's swaps were ineffective for accounting purposes. Therefore, the changes in fair values of investment derivative instruments are reported within the investment income classification in the Statements of Revenue, Expenses and Changes in Net Position. The fair value of the swap portfolio increased by \$119,999. BATA's interest expense on the \$3,218,165 of federally taxable Build America Bonds (BABs) was \$216,222. The BABs subsidy for FY 2021 was \$71,723, and the net interest expense was \$144,499.

Additional information on MTC's long-term debt can be found in Note 5 to the financial statements.

**K. Economic Factors Impacting MTC**

The Bay Area economy ended a nine-year expansion during FY 2020 with a sudden "crash" at the end of FY 2020 but quickly recovered during FY 2021. In fact, the "crash" was the steepest drop in GDP since the Great Depression. The recovery was just as rapid with the economy recovering and even surpassing the pre-pandemic level by December 2020. The change in economic conditions had significant impact on MTC and its various enterprise operations, including:

- Sales tax revenue was projected to fall 14% from the FY 2019 total, falling for the second consecutive year, after nine straight fiscal years of growth. Instead, the increase in internet sales combined with a federal court decision that removed the federal prohibition on the assessment of state sales tax, produced revenue of over \$14 million, almost exactly the level of FY 2020 and only \$600 thousand below FY 2019. MTC projects strong sales tax revenue growth for FY 2022 with the combination of the reopening economy and state sales

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tax assessments on internet sales.

- Total toll traffic dropped by nearly 50% in March 2020 but recovered to 80% of FY 2019 levels by June 2020. Traffic on the seven BATA toll bridges have continued to increase reaching over 90% of FY 2019 traffic totals during FY 2021. We expect traffic to continue to recover over time, reaching the FY 2019 total by FY 2025.
- Unemployment in the Bay Area dipped below 3% in June 2019 and increased to over 9.6% by June 2020. Unemployment remains stubbornly high in California at 7.7%, and well above the national trend of 5.2%.
- Office occupancy is down 20% from pre-pandemic levels with an uncertain future given the level of remote workers in the Bay Area. As such, the impact of the current economic slowdown may not be known for some time.
- Signs of an improving economy include strength in housing prices and construction. However, the short recession did nothing to improve the critically low supply of affordable housing in the San Francisco Bay Area.

MTC has taken steps to prepare for and mitigate economic swings. All MTC funds and enterprise funds have a stated goal of maintaining reserve funds equal to at least 50% of the operating revenue. All MTC funds maintained their respective reserve balances through the tough economy of FY 2021 and will continue to maintain those reserves going into FY 2022. In addition, MTC has worked diligently to control future costs by reducing long-term unfunded liabilities. The OPEB liability was fully retired and has maintained a surplus through FY 2021 and MTC retired enough of the future pension obligation to reduce future payments by over \$2.0 million annually and reducing the unfunded amortization from 25 to 12 years saving over \$20 million in future interest costs.

#### **L. Future Initiatives**

On June 28, 2021 as part of the California State budget, MTC was awarded a grant of \$20 million which will be programmed and used for the Bay Area Housing Finance Authority (BAHFA) purposes starting in FY 2022.

The Bay Area Housing Finance Authority (BAHFA) was created through state law to finance and improve the inventory of affordable housing in the Bay Area. BAHFA is authorized to place various funding mechanisms, including a regional ad valorem tax, before the voters and, if approved, issue bonds against the revenue source to expand the supply of affordable housing. BAHFA is not included in the FY2021 Financial Report because the Authority does not yet have an established budget. MTC expects to develop an operational business plan and budget during FY 2022.

#### **Requests for information**

This financial report is designed to provide a general overview of the Metropolitan Transportation Commission's financial position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan Transportation Commission, 375 Beale Street, Suite 800, San Francisco, CA 94105.

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**Statement of Net Position**  
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	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BAHA	BAIFA
<b>ASSETS</b>					
Cash - unrestricted	\$ 317,814,583	\$ 142,791,368	\$ 460,605,951	\$ 26,519,487	\$ 28,607,260
Cash - restricted	5,897,502	601,869,467	607,766,969	4,679,943	20,347,600
Investments - unrestricted	67,747,022	-	67,747,022	-	-
Investments - restricted	367,459,705	1,364,149,108	1,731,608,813	-	9,799,755
Receivables:					
Accounts receivable	1,645,350	43,041,859	44,687,209	336,811	3,585,909
Interests receivable	360,415	19,127,679	19,488,094	-	248
Funding due from State/ Caltrans	18,019,785	15,405,182	33,424,967	-	-
Funding due from Federal	19,622,507	6,079,023	25,701,530	-	-
Prepaid items and other assets	979,822	452,941	1,432,763	131,407	-
Due from other governments	3,994,112	758,806	4,752,918	-	2,488,106
Pension 115 Trust Account	2,900,000	-	2,900,000	-	-
Net pension asset	-	1,864,330	1,864,330	-	-
Net OPEB asset	4,561,628	1,674,069	6,235,697	39,758	246,570
Capital assets not being depreciated	255,909	225,000	480,909	34,156,444	19,698,357
Capital assets net of accumulated depreciation/ amortization	159,988	1,746,056	1,906,044	166,548,235	112,541,761
<b>TOTAL ASSETS</b>	<b>811,418,328</b>	<b>2,199,184,888</b>	<b>3,010,603,216</b>	<b>232,412,085</b>	<b>197,315,566</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount of refunding	-	441,653,844	441,653,844	-	-
Deferred outflows from pension	13,815,800	3,855,330	17,671,130	120,415	746,786
Deferred outflows from OPEB	2,834,343	1,040,171	3,874,514	24,703	153,205
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>16,650,143</b>	<b>446,549,345</b>	<b>463,199,488</b>	<b>145,118</b>	<b>899,991</b>

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



**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BAHA	BAIFA
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	38,581,281	94,720,919	133,302,200	1,145,314	16,476,355
Accrued interest payable	39	92,363,953	92,363,992	-	-
Unearned revenue	8,402,082	116,496,041	124,898,123	13,704	-
Internal balances	2,878,866	(2,878,866)	-	-	-
Due to other governments	235,758	2,488,106	2,723,864	1,075,323	232,397
Non-current liabilities					
Due within one year					
Long term debt	-	39,905,000	39,905,000	-	-
Other non-current liabilities	3,960,222	1,520,930	5,481,152	93,263	200,760
Due in more than one year					
Long term debt	-	9,039,470,391	9,039,470,391	-	-
Derivative instruments	-	524,706,323	524,706,323	-	-
Net Pension liability	20,274,607	1,773,896	22,048,503	176,707	1,095,905
Other non-current liabilities	2,467,617	13,087,923	15,555,540	25,305	125,094
<b>TOTAL LIABILITIES</b>	<b>76,800,472</b>	<b>9,923,654,616</b>	<b>10,000,455,088</b>	<b>2,529,616</b>	<b>18,130,511</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows from pension	2,103,023	771,788	2,874,811	18,331	113,450
Deferred inflows from OPEB	2,471,107	906,873	3,377,980	21,538	133,571
Deferred revenues/Deferred charges	295,804,897	(295,804,897)	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>300,379,027</b>	<b>(294,126,236)</b>	<b>6,252,791</b>	<b>39,869</b>	<b>247,021</b>
<b>NET POSITION</b>					
Net investment in capital assets	269,983	1,771,056	2,041,039	200,580,939	126,984,374
Restricted for:					
Capital projects	484,446,492	2,701,378	487,147,870	4,679,943	30,147,355
Pension	2,900,000	-	2,900,000	-	-
Operations & Maintenance, under debt covenant	-	180,000,000	180,000,000	-	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-	-
Unrestricted	(36,727,503)	(7,218,266,581)	(7,254,994,084)	24,726,836	22,706,296
<b>TOTAL NET POSITION</b>	<b>\$ 450,888,972</b>	<b>\$ (6,983,794,147)</b>	<b>\$ (6,532,905,175)</b>	<b>\$ 229,987,718</b>	<b>\$ 179,838,025</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2020**  
**(For comparative information purposes)**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BAHA	BAIFA
<b>ASSETS</b>					
Cash - unrestricted	\$ 304,673,278	\$ 305,802,714	\$ 610,475,992	\$ 22,092,401	\$ 17,752,756
Cash - restricted	33,826,215	298,582,320	332,408,535	6,708,664	5,750,481
Investments - unrestricted	86,178,336	-	86,178,336	-	-
Investments - restricted	370,862,475	1,540,526,573	1,911,389,048	-	90,971,091
Receivables:					
Accounts receivable	1,371,382	35,085,069	36,456,451	90,026	217,937
Interests receivable	1,270,490	21,716,555	22,987,045	-	10,255
Funding due from State/ Caltrans	70,323,623	12,171,429	82,495,052	-	-
Funding due from Federal	23,372,030	1,780,100	25,152,130	-	-
Prepaid items and other assets	673,167	126,320	799,487	170,068	264
Due from other governments	1,065,095	367,315	1,432,410	151,957	65,245
Net OPEB asset	2,056,870	769,708	2,826,578	26,334	37,399
Capital assets not being depreciated	-	280,250	280,250	34,002,258	99,302,243
Capital assets net of accumulated depreciation/ amortization	245,381	3,057,865	3,303,246	172,214,176	27,808,276
<b>TOTAL ASSETS</b>	<b>895,918,342</b>	<b>2,220,266,218</b>	<b>3,116,184,560</b>	<b>235,455,884</b>	<b>241,915,947</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount of refunding	-	446,387,079	446,387,079	-	-
Deferred outflows from pension	16,960,559	13,804,591	30,765,150	217,144	308,387
Deferred outflows from OPEB	5,637,494	2,109,623	7,747,117	72,175	102,505
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>22,598,053</b>	<b>462,301,293</b>	<b>484,899,346</b>	<b>289,319</b>	<b>410,892</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2020**  
**(For comparative information purposes)**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BAHA	BAIFA
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	69,063,433	69,665,395	138,728,828	1,581,869	14,613,124
Accrued interest payable	6,837	94,551,854	94,558,691	-	-
Unearned revenue	3,047,760	108,908,687	111,956,447	558,441	-
Internal balances	899,353	(899,353)	-	-	-
Due to other governments	105,555	65,246	170,801	476,020	-
Non-current liabilities					
Due within one year					
Other non-current liabilities	2,301,664	825,865	3,127,529	72,264	121,640
Due in more than one year					
Long term debt	-	9,140,323,768	9,140,323,768	-	-
Derivative instruments	-	644,705,755	644,705,755	-	-
Net Pension liability	24,878,035	9,309,693	34,187,728	318,510	452,346
Regional Measure 3 collection	-	182,723,433	182,723,433	-	-
Other non-current liabilities	2,714,790	12,314,700	15,029,490	23,661	146,743
<b>TOTAL LIABILITIES</b>	<b>103,017,427</b>	<b>10,262,495,043</b>	<b>10,365,512,470</b>	<b>3,030,765</b>	<b>15,333,853</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows from pension	4,200,778	1,571,988	5,772,766	53,783	76,161
Deferred inflows from OPEB	1,895,082	709,165	2,604,247	24,262	34,457
Deferred revenues/Deferred charges	311,396,195	(311,396,195)	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>317,492,055</b>	<b>(309,115,042)</b>	<b>8,377,013</b>	<b>78,045</b>	<b>110,618</b>
<b>NET POSITION</b>					
Net investment in capital assets	194,094	3,138,115	3,332,209	205,976,193	119,234,463
Restricted for:					
Capital projects	524,026,016	3,864,001	527,890,017	6,708,664	96,721,572
Operations & Maintenance, under debt covenant	-	180,000,000	180,000,000	-	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-	-
Unrestricted	(26,213,197)	(7,507,814,606)	(7,534,027,803)	19,951,536	10,926,333
<b>TOTAL NET POSITION</b>	<b>\$ 498,006,913</b>	<b>\$ (7,270,812,490)</b>	<b>\$ (6,772,805,577)</b>	<b>\$ 232,636,393</b>	<b>\$ 226,882,368</b>

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

**Metropolitan Transportation Commission**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Primary Government			Component Units	
						Governmental Activities	Business-type Activities	Total	BAHA	BAIFA
<b>Functions</b>										
<b>Primary Government:</b>										
Governmental Activities:										
General Government	\$ 100,422,369	\$ -	\$ 67,797,227	\$ -	\$ 67,797,227	\$ (32,625,142)	\$ -	\$ (32,625,142)	\$ -	\$ -
Transportation	110,297,886	-	75,383,928	-	75,383,928	(34,913,958)	-	(34,913,958)	-	-
<b>Total Governmental Activities</b>	<b>210,720,255</b>	<b>-</b>	<b>143,181,155</b>	<b>-</b>	<b>143,181,155</b>	<b>(67,539,100)</b>	<b>-</b>	<b>(67,539,100)</b>	<b>-</b>	<b>-</b>
Business-Type Activities:										
MTC Clipper® smart card	52,384,899	7,664,195	11,855,614	11,122,129	30,641,938	-	(21,742,961)	(21,742,961)	-	-
Toll bridge activities	747,115,923	862,820,772	92,534,021	-	955,354,793	-	208,238,870	208,238,870	-	-
Congestion relief	16,989,479	6,697,594	11,394,548	-	18,092,142	-	1,102,663	1,102,663	-	-
<b>Total Business-Type Activities</b>	<b>816,490,301</b>	<b>877,182,561</b>	<b>115,784,183</b>	<b>11,122,129</b>	<b>1,004,088,873</b>	<b>-</b>	<b>187,598,572</b>	<b>187,598,572</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 1,027,210,556</b>	<b>\$ 877,182,561</b>	<b>\$ 258,965,338</b>	<b>\$ 11,122,129</b>	<b>\$ 1,147,270,028</b>	<b>(67,539,100)</b>	<b>187,598,572</b>	<b>120,059,472</b>	<b>-</b>	<b>-</b>
<b>Component Units:</b>										
BAHA	\$ 12,429,227	\$ 10,590,749	\$ 182,076	\$ -	\$ 10,772,825				(1,656,402)	-
BAIFA	76,906,314	29,698,089	96,371	-	29,794,460				-	(47,111,854)
<b>Total Component Units</b>	<b>\$ 89,335,541</b>	<b>\$ 40,288,838</b>	<b>\$ 278,447</b>	<b>\$ -</b>	<b>\$ 40,567,285</b>				<b>(1,656,402)</b>	<b>(47,111,854)</b>
<b>General Revenues:</b>										
Sales tax						14,117,813	-	14,117,813	-	-
Unrestricted investment earnings						2,679,092	123,495,333	126,174,425	7,727	67,511
Return of contribution from BAHA						-	1,000,000	1,000,000	(1,000,000)	-
<b>Transfers</b>						<b>25,075,562</b>	<b>(25,075,562)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>						<b>41,872,467</b>	<b>99,419,771</b>	<b>141,292,238</b>	<b>(992,273)</b>	<b>67,511</b>
<b>Change in Net Position</b>						<b>(25,666,633)</b>	<b>287,018,343</b>	<b>261,351,710</b>	<b>(2,648,675)</b>	<b>(47,044,343)</b>
<b>Net Position - Beginning*</b>						<b>476,555,605</b>	<b>(7,270,812,490)</b>	<b>(6,794,256,885)</b>	<b>232,636,393</b>	<b>226,882,368</b>
<b>Net Position - Ending</b>						<b>\$ 450,888,972</b>	<b>\$ (6,983,794,147)</b>	<b>\$ (6,532,905,175)</b>	<b>\$ 229,987,718</b>	<b>\$ 179,838,025</b>

\* In fiscal year 2021, beginning balance of Governmental Activities was restated due to the adoption of GASB Statement 84. See Note 1 AB for further information.

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

**Metropolitan Transportation Commission**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**  
**(For comparative information purposes)**

	Program Revenues					Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Primary Government			Component Units	
						Governmental Activities	Business-type Activities	Total	BAHA	BAIFA
<b>Functions</b>										
<b>Primary Government:</b>										
Governmental Activities:										
General Government	\$ 105,558,075	\$ -	\$ 66,220,957	\$ -	\$ 66,220,957	\$ (39,337,118)	\$ -	\$ (39,337,118)	\$ -	\$ -
Transportation	267,271,776	-	294,383,221	-	294,383,221	27,111,445	-	27,111,445	-	-
<b>Total Governmental Activities</b>	<b>372,829,851</b>	<b>-</b>	<b>360,604,178</b>	<b>-</b>	<b>360,604,178</b>	<b>(12,225,673)</b>	<b>-</b>	<b>(12,225,673)</b>	<b>-</b>	<b>-</b>
Business-Type Activities:										
MTC Clipper® smart card	57,879,237	18,326,502	10,818,040	7,328,320	36,472,862	-	(21,406,375)	(21,406,375)	-	-
Toll bridge activities	769,090,836	663,773,007	84,917,416	-	748,690,423	-	(20,400,413)	(20,400,413)	-	-
Congestion relief	17,616,049	6,588,427	11,917,285	-	18,505,712	-	889,663	889,663	-	-
<b>Total Business-Type Activities</b>	<b>844,586,122</b>	<b>688,687,936</b>	<b>107,652,741</b>	<b>7,328,320</b>	<b>803,668,997</b>	<b>-</b>	<b>(40,917,125)</b>	<b>(40,917,125)</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 1,217,415,973</b>	<b>\$ 688,687,936</b>	<b>\$ 468,256,919</b>	<b>\$ 7,328,320</b>	<b>\$ 1,164,273,175</b>	<b>(12,225,673)</b>	<b>(40,917,125)</b>	<b>(53,142,798)</b>	<b>-</b>	<b>-</b>
<b>Component Units:</b>										
BAHA	\$ 12,395,280	\$ 10,273,544	\$ 164,488	\$ 2,719,283	\$ 13,157,315				762,035	-
BAIFA	28,177,379	10,756,154	184,087	-	10,940,241				-	(17,237,138)
<b>Total Component Units</b>	<b>\$ 40,572,659</b>	<b>\$ 21,029,698</b>	<b>\$ 348,575</b>	<b>\$ 2,719,283</b>	<b>\$ 24,097,556</b>				<b>762,035</b>	<b>(17,237,138)</b>
<b>General Revenues:</b>										
Sales tax						14,076,093	-	14,076,093	-	-
Unrestricted investment earnings						13,297,700	(161,817,274)	(148,519,574)	266,789	2,155,576
Return of contribution from BAHA						-	2,000,000	2,000,000	(2,000,000)	-
<b>Special Items</b>										
Capital Contributions from BATA to BAIFA						-	(230,329,148)	(230,329,148)	-	230,329,148
<b>Transfers</b>						23,918,470	(23,918,470)	-	-	-
<b>Total General Revenues, Special Item and Transfers</b>						<b>51,292,263</b>	<b>(414,064,892)</b>	<b>(362,772,629)</b>	<b>(1,733,211)</b>	<b>232,484,724</b>
<b>Change in Net Position</b>						<b>39,066,590</b>	<b>(454,982,017)</b>	<b>(415,915,427)</b>	<b>(971,176)</b>	<b>215,247,586</b>
<b>Net Position - Beginning</b>						<b>458,940,323</b>	<b>(6,815,830,473)</b>	<b>(6,356,890,150)</b>	<b>233,607,569</b>	<b>11,634,782</b>
<b>Net Position - Ending</b>						<b>\$ 498,006,913</b>	<b>\$ (7,270,812,490)</b>	<b>\$ (6,772,805,577)</b>	<b>\$ 232,636,393</b>	<b>\$ 226,882,368</b>

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

**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange		
<b>ASSETS</b>							
Cash - unrestricted	\$ 41,183,708	\$ 89,136,654	\$ 92,249,748	\$ 24,275,239	\$ -	\$ 70,969,234	\$ 317,814,583
Cash - restricted	5,787,317	-	-	-	110,185	-	5,897,502
Investment - unrestricted	-	49,997,650	-	7,349,787	-	10,399,585	67,747,022
Investment - restricted	-	-	-	-	367,459,705	-	367,459,705
Accounts receivable	1,645,350	-	-	-	-	-	1,645,350
Interest receivable	191	50,336	287,487	8,342	13,805	254	360,415
State/ Caltrans funding receivable	2,386,880	-	15,632,905	-	-	-	18,019,785
Federal funding receivable	19,622,506	-	-	-	-	-	19,622,506
Due from other funds	2,736,063	-	-	-	-	-	2,736,063
Due from other governments	3,994,112	-	-	-	-	-	3,994,112
Pension 115 Trust	2,900,000	-	-	-	-	-	2,900,000
Prepaid items and other assets	979,822	-	-	-	-	-	979,822
<b>TOTAL ASSETS</b>	<b>\$ 81,235,949</b>	<b>\$ 139,184,640</b>	<b>\$ 108,170,140</b>	<b>\$ 31,633,368</b>	<b>\$ 367,583,695</b>	<b>\$ 81,369,073</b>	<b>\$ 809,176,865</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenditures	\$ 12,352,533	\$ 12,637,906	\$ 7,621,957	\$ 445	\$ 3,827,645	\$ 1,301,481	\$ 37,741,967
Accrued interest payable	39	-	-	-	-	-	39
Deposit payable	250,000	-	-	-	-	-	250,000
Unearned revenue	7,101,030	-	-	-	-	-	7,101,030
Retention payable	589,313	-	-	-	-	-	589,313
Due to other funds	3,118,196	-	1,908,227	-	-	588,506	5,614,929
Due to other governments	235,758	-	-	-	-	-	235,758
<b>TOTAL LIABILITIES</b>	<b>23,646,869</b>	<b>12,637,906</b>	<b>9,530,184</b>	<b>445</b>	<b>3,827,645</b>	<b>1,889,987</b>	<b>51,533,036</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue	-	144,916,493	-	116,462,635	-	34,425,769	295,804,897
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>144,916,493</b>	<b>-</b>	<b>116,462,635</b>	<b>-</b>	<b>34,425,769</b>	<b>295,804,897</b>
<b>FUND BALANCES</b>							
<b>Nonspendable</b>							
Prepaid items	979,822	-	-	-	-	-	979,822
<b>Restricted for:</b>							
Transportation projects	-	-	98,639,956	-	-	22,050,487	120,690,443
Rail projects	-	-	-	-	363,756,050	-	363,756,050
Pension	2,900,000	-	-	-	-	-	2,900,000
<b>Committed to:</b>							
Benefits reserve	5,534,545	-	-	-	-	-	5,534,545
Liability reserve	124,279	-	-	-	-	-	124,279
Transportation projects	3,776,578	-	-	-	-	23,002,830	26,779,408
<b>Unassigned</b>	<b>44,273,856</b>	<b>(18,369,759)</b>	<b>-</b>	<b>(84,829,712)</b>	<b>-</b>	<b>-</b>	<b>(58,925,615)</b>
<b>TOTAL FUND BALANCES</b>	<b>57,589,080</b>	<b>(18,369,759)</b>	<b>98,639,956</b>	<b>(84,829,712)</b>	<b>363,756,050</b>	<b>45,053,317</b>	<b>461,838,932</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 81,235,949</b>	<b>\$ 139,184,640</b>	<b>\$ 108,170,140</b>	<b>\$ 31,633,368</b>	<b>\$ 367,583,695</b>	<b>\$ 81,369,073</b>	<b>\$ 809,176,865</b>

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

**Metropolitan Transportation Commission**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2021**

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Governmental funds balance	\$ 461,838,932
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statement.	415,897
Underabsorption of applied overhead is recorded as unearned revenue as it is not available in the current period and, therefore, not reported in the fund statement.	(1,301,053)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the fund statement.	(6,427,839)
Net pension liability and related accounts (deferred outflows/inflows) are not due and payable in the current period and, therefore, are not reported in the fund statement.	(8,561,829)
Net OPEB liability/asset and related accounts (deferred outflows/inflows) are not due and payable in the current period and, therefore, are not reported in the fund statement.	<u>4,924,864</u>
Net position of governmental activities	<u><u>\$ 450,888,972</u></u>

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

**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2020**  
**(For comparative information purposes)**

	Special Revenue Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange		
<b>ASSETS</b>							
Cash - unrestricted	\$ 34,865,920	\$ 88,266,081	\$ 82,780,656	\$ 26,962,381	\$ -	\$ 71,798,240	\$ 304,673,278
Cash - restricted	3,730,519	-	-	-	30,095,696	-	33,826,215
Investment - unrestricted	-	66,554,701	-	7,296,124	-	12,327,511	86,178,336
Investment - restricted	-	-	-	-	370,862,475	-	370,862,475
Accounts receivable	1,371,382	-	-	-	-	-	1,371,382
Interest receivable	846	233,470	483,887	9,916	523,284	19,087	1,270,490
State/ Caltrans funding receivable	1,703,680	-	68,619,943	-	-	-	70,323,623
Federal funding receivable	23,372,030	-	-	-	-	-	23,372,030
Due from other funds	5,025,510	-	2,847,590	-	-	-	7,873,100
Due from other governments	1,065,095	-	-	-	-	-	1,065,095
Prepaid items and other assets	673,167	-	-	-	-	-	673,167
<b>TOTAL ASSETS</b>	<b>\$ 71,808,149</b>	<b>\$ 155,054,252</b>	<b>\$ 154,732,076</b>	<b>\$ 34,268,421</b>	<b>\$ 401,481,455</b>	<b>\$ 84,144,838</b>	<b>\$ 901,489,191</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenditures	\$ 10,970,443	\$ 556,951	\$ 55,859,483	\$ 383,651	\$ 4,770	\$ 488,569	\$ 68,263,867
Accrued interest payable	6,837	-	-	-	-	-	6,837
Deposit payable	250,000	-	-	-	-	-	250,000
Unearned revenue	3,700,441	-	-	-	-	-	3,700,441
Retention payable	549,566	-	-	-	-	-	549,566
Due to other funds	5,293,957	-	53,622	-	-	3,424,874	8,772,453
Due to other governments	105,555	-	-	-	-	-	105,555
<b>TOTAL LIABILITIES</b>	<b>20,876,799</b>	<b>556,951</b>	<b>55,913,105</b>	<b>383,651</b>	<b>4,770</b>	<b>3,913,443</b>	<b>81,648,719</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue	-	152,530,677	-	122,644,914	-	36,220,604	311,396,195
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>152,530,677</b>	<b>-</b>	<b>122,644,914</b>	<b>-</b>	<b>36,220,604</b>	<b>311,396,195</b>
<b>FUND BALANCES</b>							
<b>Nonspendable</b>							
Prepaid items	673,167	-	-	-	-	-	673,167
<b>Restricted for:</b>							
Transportation projects	3,496,984	1,966,624	98,818,971	-	-	18,266,752	122,549,331
Rail projects	-	-	-	-	401,476,685	-	401,476,685
<b>Committed to:</b>							
Benefits reserve	9,547,203	-	-	-	-	-	9,547,203
Liability reserve	281,027	-	-	-	-	-	281,027
Transportation projects	4,740,833	-	-	-	-	25,744,039	30,484,872
<b>Unassigned</b>	<b>32,192,136</b>	<b>-</b>	<b>-</b>	<b>(88,760,144)</b>	<b>-</b>	<b>-</b>	<b>(56,568,008)</b>
<b>TOTAL FUND BALANCES</b>	<b>50,931,350</b>	<b>1,966,624</b>	<b>98,818,971</b>	<b>(88,760,144)</b>	<b>401,476,685</b>	<b>44,010,791</b>	<b>508,444,277</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 71,808,149</b>	<b>\$ 155,054,252</b>	<b>\$ 154,732,076</b>	<b>\$ 34,268,421</b>	<b>\$ 401,481,455</b>	<b>\$ 84,144,838</b>	<b>\$ 901,489,191</b>

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



**Metropolitan Transportation Commission**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2020**  
**(For comparative information purposes)**

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Governmental funds balance	\$ 508,444,277
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statement.	245,381
Underabsorption of applied overhead is recorded as unearned revenue as it is not available in the current period and, therefore, not reported in the fund statement.	652,681
Capital leases are not due and payable in the current period and, therefore, are not reported in the fund statement.	(51,287)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the fund statement.	(4,965,167)
Net pension liability and related accounts (deferred outflows/inflows) are not due and payable in the current period and, therefore, are not reported in the fund statement.	(12,118,254)
Net OPEB liability and related accounts (deferred outflows/inflows) are not due and payable in the current period and, therefore, are not reported in the fund statement.	<u>5,799,282</u>
Net position of governmental activities	<u>\$ 498,006,913</u>

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

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	Special Revenue Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange		
<b>REVENUES</b>							
Sales tax	\$ 14,117,813	\$ -	\$ -	\$ -	\$ -	\$ -	14,117,813
Grants - Federal	56,689,023	-	-	-	-	-	56,689,023
Grants - State	7,499,903	-	64,509,346	-	-	3,374,680	75,383,929
Local agencies revenues and refunds	9,982,579	-	3,079,356	-	-	-	13,061,935
Investment income - unrestricted	17,400	412,662	1,765,125	66,925	-	36,762	2,298,874
Investment income - restricted	-	-	-	-	380,218	-	380,218
<b>TOTAL REVENUES</b>	<b>88,306,718</b>	<b>412,662</b>	<b>69,353,827</b>	<b>66,925</b>	<b>380,218</b>	<b>3,411,442</b>	<b>161,931,792</b>
<b>EXPENDITURES</b>							
Current:							
General government	81,997,085	6,262	-	1,929	4,770	904,248	82,914,294
Allocations to other agencies	18,632,562	28,356,967	40,797,424	2,316,843	38,096,083	730,570	128,930,449
Capital outlay	316,647	-	-	-	-	-	316,647
<b>TOTAL EXPENDITURES</b>	<b>100,946,294</b>	<b>28,363,229</b>	<b>40,797,424</b>	<b>2,318,772</b>	<b>38,100,853</b>	<b>1,634,818</b>	<b>212,161,390</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(12,639,576)</b>	<b>(27,950,567)</b>	<b>28,556,403</b>	<b>(2,251,847)</b>	<b>(37,720,635)</b>	<b>1,776,624</b>	<b>(50,229,598)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	19,297,306	7,614,184	-	6,182,279	-	1,794,835	34,888,604
Transfers out	-	-	(7,284,109)	-	-	(2,528,933)	(9,813,042)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>19,297,306</b>	<b>7,614,184</b>	<b>(7,284,109)</b>	<b>6,182,279</b>	<b>-</b>	<b>(734,098)</b>	<b>25,075,562</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>6,657,730</b>	<b>(20,336,383)</b>	<b>21,272,294</b>	<b>3,930,432</b>	<b>(37,720,635)</b>	<b>1,042,526</b>	<b>(25,154,036)</b>
Fund balances - beginning	50,931,350	1,966,624	77,367,662 *	(88,760,144)	401,476,685	44,010,791	486,992,968
Fund balances - ending	\$ 57,589,080	\$ (18,369,759)	\$ 98,639,956	\$ (84,829,712)	\$ 363,756,050	\$ 45,053,317	\$ 461,838,932

\* In fiscal year 2021, beginning balance was restated due to the adoption of GASB Statement 84. See Note 1 AB for further information.

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

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**  
**(For comparative information purposes)**

	Special Revenue Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange		
<b>REVENUES</b>							
Sales tax	\$ 14,076,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,076,093
Grants - Federal	53,899,280	-	-	-	-	-	53,899,280
Grants - State	6,861,058	-	284,180,894	-	-	3,341,268	294,383,220
Local agencies revenues and refunds	9,380,648	-	33,876	-	-	4,000,000	13,414,524
Investment income - unrestricted	537,383	2,787,509	1,780,888	592,188	-	1,368,727	7,066,695
Investment income - restricted	-	-	-	-	6,231,005	-	6,231,005
<b>TOTAL REVENUES</b>	<b>84,754,462</b>	<b>2,787,509</b>	<b>285,995,658</b>	<b>592,188</b>	<b>6,231,005</b>	<b>8,709,995</b>	<b>389,070,817</b>
<b>EXPENDITURES</b>							
Current:							
General government	85,238,531	11,735	-	4,768	4,770	306,099	85,565,903
Allocations to other agencies	24,785,811	1,355,519	260,370,148	3,364,133	-	2,181,976	292,057,587
Capital outlay	12,013	-	-	-	-	-	12,013
<b>TOTAL EXPENDITURES</b>	<b>110,036,355</b>	<b>1,367,254</b>	<b>260,370,148</b>	<b>3,368,901</b>	<b>4,770</b>	<b>2,488,075</b>	<b>377,635,503</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(25,281,893)</b>	<b>1,420,255</b>	<b>25,625,510</b>	<b>(2,776,713)</b>	<b>6,226,235</b>	<b>6,221,920</b>	<b>11,435,314</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	30,184,716	7,925,106	-	6,434,730	-	1,868,125	46,412,677
Transfers out	-	-	(11,470,222)	-	-	(11,023,985)	(22,494,207)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,184,716</b>	<b>7,925,106</b>	<b>(11,470,222)</b>	<b>6,434,730</b>	<b>-</b>	<b>(9,155,860)</b>	<b>23,918,470</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,902,823</b>	<b>9,345,361</b>	<b>14,155,288</b>	<b>3,658,017</b>	<b>6,226,235</b>	<b>(2,933,940)</b>	<b>35,353,784</b>
Fund balances - beginning	46,028,527	(7,378,737)	84,663,683	(92,418,161)	395,250,450	46,944,731	473,090,493
Fund balances - ending	\$ 50,931,350	\$ 1,966,624	\$ 98,818,971	\$ (88,760,144)	\$ 401,476,685	\$ 44,010,791	\$ 508,444,277

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

**Metropolitan Transportation Commission**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2021**  
**(With comparative information for the prior year)**

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	2021	2020
<b>Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditures and Changes in Fund Balances)</b>	\$(25,154,036)	\$ 35,353,784
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeds (does not exceed) non capital lease capital outlays in the current period. See Note 1.N.	170,516	(166,613)
Principal repayment on capital leases is an expenditure in the governmental funds; however, the principal element of the repayment reduces long-term liabilities in the Statement of Net Position. The amount is the effect of the differing treatment of capital lease principal repayment.	51,287	81,296
Governmental funds report under absorption of applied overhead as unearned revenue; however, in the Statement of Activities, the underabsorption is reported as revenue.	(1,953,734)	(1,092,845)
Some items do not require the use of current financial resources and, therefore, are not reported in the governmental funds:		
Change in compensated absences	(1,462,672)	(711,550)
Change in net pension liability	3,556,424	4,849,356
Change in net OPEB liability/asset	<u>(874,418)</u>	<u>753,162</u>
<b>Change in net position of governmental activities (per Statement of Activities)</b>	<u><u>\$(25,666,633)</u></u>	<u><u>\$ 39,066,590</u></u>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2021**

	Business-Type Activities -Enterprise Funds			Total Enterprise Funds
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>ASSETS</b>				
Current assets:				
Cash - unrestricted	\$ 10,373,751	\$ 117,779,344	\$ 14,638,273	\$ 142,791,368
Cash - restricted	2,701,378	136,218,342	-	138,919,720
Due from other funds	3,864,478	-	3,118,196	6,982,674
Due from other governments	-	758,806	-	758,806
Accounts receivable	2,491,863	40,549,996	-	43,041,859
Accrued interest	-	19,127,585	94	19,127,679
Prepaid expenses and other assets	875	375,477	76,589	452,941
Funding due from State/ Caltrans	358,346	9,565,138	5,481,698	15,405,182
Funding due from Federal	6,079,023	-	-	6,079,023
Total current assets	25,869,714	324,374,688	23,314,850	373,559,252
Non-current assets:				
Cash - restricted	-	462,949,747	-	462,949,747
Investments - restricted	-	1,364,149,108	-	1,364,149,108
Net Pension Assets	-	1,864,330	-	1,864,330
Net OPEB assets	301,400	1,274,955	97,714	1,674,069
Capital assets, net of accumulated depreciation/ amortization	-	1,637,540	333,516	1,971,056
Total non-current assets	301,400	1,831,875,680	431,230	1,832,608,310
<b>TOTAL ASSETS</b>	26,171,114	2,156,250,368	23,746,080	2,206,167,562
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount of refunding	-	441,653,844	-	441,653,844
Deferred charges	-	295,804,897	-	295,804,897
Deferred outflows from pension	912,850	2,646,536	295,944	3,855,330
Deferred outflows from OPEB	187,273	792,186	60,712	1,040,171
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	1,100,123	740,897,463	356,656	742,354,242

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2021**

	Business-Type Activities -Enterprise Funds			Total Enterprise Funds
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenditures	5,499,795	84,555,755	1,597,425	91,652,975
Accrued interest payable	-	92,363,953	-	92,363,953
Due to other funds	-	4,103,808	-	4,103,808
Due to other governments	-	2,488,106	-	2,488,106
Unearned revenue	-	116,496,041	-	116,496,041
Retention payable	2,301,226	766,718	-	3,067,944
Long term debt - current	-	39,905,000	-	39,905,000
Compensated absences - current	269,309	1,169,744	81,877	1,520,930
<b>Total current liabilities</b>	<b>8,070,330</b>	<b>341,849,125</b>	<b>1,679,302</b>	<b>351,598,757</b>
Non-current liabilities:				
Unearned revenue/ Patron deposits	-	12,140,232	-	12,140,232
Long term debt, net	-	9,039,470,391	-	9,039,470,391
Derivative instruments	-	524,706,323	-	524,706,323
Compensated absences	167,807	728,867	51,017	947,691
Net pension liability	1,339,599	-	434,297	1,773,896
<b>Total non-current liabilities</b>	<b>1,507,406</b>	<b>9,577,045,813</b>	<b>485,314</b>	<b>9,579,038,533</b>
<b>TOTAL LIABILITIES</b>	<b>9,577,736</b>	<b>9,918,894,938</b>	<b>2,164,616</b>	<b>9,930,637,290</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pension	138,953	587,786	45,049	771,788
Deferred inflows from OPEB	163,274	690,665	52,934	906,873
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>302,227</b>	<b>1,278,451</b>	<b>97,983</b>	<b>1,678,661</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	1,437,540	333,516	1,771,056
Restricted for:				
Capital Projects	2,701,378	-	-	2,701,378
Operations & Maintenance, under debt covenant	-	180,000,000	-	180,000,000
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	-	50,000,000
Unrestricted	14,689,896	(7,254,463,098)	21,506,621	(7,218,266,581)
<b>TOTAL NET POSITION</b>	<b>\$ 17,391,274</b>	<b>\$ (7,023,025,558)</b>	<b>\$ 21,840,137</b>	<b>\$ (6,983,794,147)</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2020**  
**(For comparative information purposes)**

	Business-Type Activities -Enterprise Funds			Total Enterprise Funds
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>ASSETS</b>				
Current assets:				
Cash - unrestricted	\$ 21,888,117	\$ 268,187,378	\$ 15,727,219	\$ 305,802,714
Cash - restricted	3,864,001	111,648,554	-	115,512,555
Due from other funds	1,068,098	2,219,263	2,668,728	5,956,089
Due from other governments	-	367,315	-	367,315
Accounts receivable	3,602,883	31,482,186	-	35,085,069
Accrued interest	-	21,716,137	418	21,716,555
Prepaid expenses and other assets	-	92,154	34,166	126,320
Funding due from State/ Caltrans	17,046	7,295,513	4,858,870	12,171,429
Funding due from Federal	1,780,100	-	-	1,780,100
<b>Total current assets</b>	<b>32,220,245</b>	<b>443,008,500</b>	<b>23,289,401</b>	<b>498,518,146</b>
Non-current assets:				
Cash - restricted	-	183,069,765	-	183,069,765
Investments - restricted	-	1,540,526,573	-	1,540,526,573
Net Pension Assets	141,573	584,453	43,682	769,708
Capital assets, net of accumulated depreciation/ amortization	-	2,912,324	425,791	3,338,115
<b>Total non-current assets</b>	<b>141,573</b>	<b>1,727,093,115</b>	<b>469,473</b>	<b>1,727,704,161</b>
<b>TOTAL ASSETS</b>	<b>32,361,818</b>	<b>2,170,101,615</b>	<b>23,758,874</b>	<b>2,226,222,307</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount of refunding	-	446,387,079	-	446,387,079
Deferred charges	-	311,396,195	-	311,396,195
Deferred outflows from pension	1,167,385	12,277,013	360,193	13,804,591
Deferred outflows from OPEB	388,024	1,601,876	119,723	2,109,623
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,555,409</b>	<b>771,662,163</b>	<b>479,916</b>	<b>773,697,488</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2020**  
**(For comparative information purposes)**

	Business-Type Activities -Enterprise Funds			Total Enterprise Funds
	MTC-Clipper <sup>®</sup>	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenditures	5,927,504	57,972,378	2,185,451	66,085,333
Accrued interest payable	-	94,551,854	-	94,551,854
Due to other funds	2,567,574	2,489,162	-	5,056,736
Due to other governments	-	65,246	-	65,246
Unearned revenue	-	108,908,687	-	108,908,687
Retention payable	1,402,947	2,177,115	-	3,580,062
Compensated absences - current	148,689	628,971	48,205	825,865
Total current liabilities	<u>10,046,714</u>	<u>266,793,413</u>	<u>2,233,656</u>	<u>279,073,783</u>
Non-current liabilities:				
Unearned revenue/ Patron deposits	-	11,318,401	-	11,318,401
Regional Measure 3 Collection	-	182,723,433	-	182,723,433
Long term debt, net	-	9,140,323,768	-	9,140,323,768
Derivative instruments	-	644,705,755	-	644,705,755
Compensated absences	179,374	758,772	58,153	996,299
Net pension liability	1,712,339	7,069,018	528,336	9,309,693
Total non-current liabilities	<u>1,891,713</u>	<u>9,986,899,147</u>	<u>586,489</u>	<u>9,989,377,349</u>
<b>TOTAL LIABILITIES</b>	<u>11,938,427</u>	<u>10,253,692,560</u>	<u>2,820,145</u>	<u>10,268,451,132</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pension	289,137	1,193,638	89,213	1,571,988
Deferred inflows from OPEB	130,437	538,482	40,246	709,165
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>419,574</u>	<u>1,732,120</u>	<u>129,459</u>	<u>2,281,153</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	2,712,324	425,791	3,138,115
Restricted for:				
Capital projects	3,864,001	-	-	3,864,001
Operations & Maintenance, under debt covenant	-	180,000,000	-	180,000,000
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	-	50,000,000
Unrestricted	17,695,225	(7,546,373,226)	20,863,395	(7,507,814,606)
<b>TOTAL NET POSITION</b>	<u>\$ 21,559,226</u>	<u>\$ (7,313,660,902)</u>	<u>\$ 21,289,186</u>	<u>\$ (7,270,812,490)</u>

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



**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>OPERATING REVENUES</b>				
Toll revenues collected	\$ -	\$ 830,404,755	\$ -	\$ 830,404,755
Department of Motor Vehicles registration fees	-	-	6,697,594	6,697,594
Revenues from operators	7,660,541	-	-	7,660,541
Other operating revenues	3,654	32,416,017	-	32,419,671
<b>TOTAL OPERATING REVENUES</b>	<b>7,664,195</b>	<b>862,820,772</b>	<b>6,697,594</b>	<b>877,182,561</b>
<b>OPERATING EXPENSES</b>				
Operating expenses incurred by Caltrans	-	1,853,406	-	1,853,406
Operating expenses - Transbay JPA	-	5,384,027	-	5,384,027
Towing contracts	-	-	14,161,434	14,161,434
Professional fees	20,328,105	71,409,971	649,125	92,387,201
Allocations to other agencies	1,577,297	32,954,751	-	34,532,048
Salaries and benefits	2,964,969	13,339,813	944,601	17,249,383
Repairs and maintenance	-	-	154,369	154,369
Communication charges	-	53,177	289,904	343,081
Depreciation and amortization	-	1,576,138	156,215	1,732,353
Other operating expenses	1,826,923	22,695,871	633,829	25,156,623
<b>TOTAL OPERATING EXPENSES</b>	<b>26,697,294</b>	<b>149,267,154</b>	<b>16,989,477</b>	<b>192,953,925</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(19,033,099)</b>	<b>713,553,618</b>	<b>(10,291,883)</b>	<b>684,228,636</b>

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

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income (charge)	50,568	123,439,058	5,707	123,495,333
Build America Bonds (BABs) interest subsidy	-	71,722,983	-	71,722,983
Interest expense	-	(436,732,299)	-	(436,732,299)
Financing fees and bond issuance costs	-	(11,070,782)	-	(11,070,782)
Caltrans/ other agency grants	1,959,706	7,876,473	11,378,429	21,214,608
Federal grants	9,895,908	-	-	9,895,908
Distributions to other agencies for their capital purposes	(25,687,604)	(101,687,453)	-	(127,375,057)
Distributions to Caltrans for their capital purposes	-	(48,358,237)	-	(48,358,237)
Return of contribution from BAHA	-	1,000,000	-	1,000,000
Other nonoperating revenues	-	12,934,564	16,119	12,950,683
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(13,781,422)</b>	<b>(380,875,693)</b>	<b>11,400,255</b>	<b>(383,256,860)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>	<b>(32,814,521)</b>	<b>332,677,925</b>	<b>1,108,372</b>	<b>300,971,776</b>
<b>CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>				
Capital Grants	11,122,129	-	-	11,122,129
Transfers out	-	(30,600,345)	(557,421)	(31,157,766)
Transfers in	6,082,204	-	-	6,082,204
Transfer between programs	11,442,236	(11,442,236)	-	-
<b>TOTAL CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>	<b>28,646,569</b>	<b>(42,042,581)</b>	<b>(557,421)</b>	<b>(13,953,433)</b>
<b>CHANGE IN NET POSITION</b>	<b>(4,167,952)</b>	<b>290,635,344</b>	<b>550,951</b>	<b>287,018,343</b>
<b>Total net position - beginning</b>	<b>21,559,226</b>	<b>(7,313,660,902)</b>	<b>21,289,186</b>	<b>(7,270,812,490)</b>
<b>Total net position - ending</b>	<b>\$ 17,391,274</b>	<b>\$ (7,023,025,558)</b>	<b>\$ 21,840,137</b>	<b>\$ (6,983,794,147)</b>

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

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Net Position-**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**  
**(For comparative information purposes)**

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	MTC-Clipper <sup>®</sup>	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>OPERATING REVENUES</b>				
Toll revenues collected	\$ -	\$ 633,932,206	\$ -	\$ 633,932,206
Department of Motor Vehicles registration fees	-	-	6,588,427	6,588,427
Revenues from operators	16,688,372	-	-	16,688,372
Other operating revenues	1,638,130	29,840,801	-	31,478,931
<b>TOTAL OPERATING REVENUES</b>	<b>18,326,502</b>	<b>663,773,007</b>	<b>6,588,427</b>	<b>688,687,936</b>
<b>OPERATING EXPENSES</b>				
Operating expenses incurred by Caltrans	-	26,633,349	-	26,633,349
Operating expenses - Transbay JPA	-	5,201,958	-	5,201,958
Towing contracts	-	-	14,699,329	14,699,329
Professional fees	30,423,537	52,548,318	577,454	83,549,309
Allocations to other agencies	1,518,804	43,884,737	-	45,403,541
Salaries and benefits	2,470,125	9,747,888	810,258	13,028,271
Repairs and maintenance	-	-	433,285	433,285
Communication charges	3,699	150,191	160,123	314,013
Depreciation and amortization	-	2,910,229	217,434	3,127,663
Other operating expenses	1,835,051	21,874,899	673,705	24,383,655
<b>TOTAL OPERATING EXPENSES</b>	<b>36,251,216</b>	<b>162,951,569</b>	<b>17,571,588</b>	<b>216,774,373</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(17,924,714)</b>	<b>500,821,438</b>	<b>(10,983,161)</b>	<b>471,913,563</b>

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

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Net Position-**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**  
**(For comparative information purposes)**

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	MTC-Clipper <sup>®</sup>	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income (charge)	1,306,218	(163,315,610)	192,118	(161,817,274)
Build America Bonds (BABs) interest subsidy	-	71,885,581	-	71,885,581
Interest expense	-	(455,188,820)	-	(455,188,820)
Financing fees and bond issuance costs	-	(16,172,467)	-	(16,172,467)
Other nonoperating expense	-	(135,706)	-	(135,706)
Caltrans/ other agency operating grants	4,641,065	8,597,705	11,917,285	25,156,055
Federal grants	6,176,975	-	-	6,176,975
Distributions to other agencies for their capital purposes	(21,628,021)	(79,388,265)	-	(101,016,286)
Distributions to Caltrans for their capital purposes	-	(55,254,009)	-	(55,254,009)
Return of contribution from BAHA and BAIFA	-	2,000,000	-	2,000,000
Loss on sale of capital assets	-	-	(44,461)	(44,461)
Other nonoperating revenues	-	4,434,130	-	4,434,130
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(9,503,763)</b>	<b>(682,537,461)</b>	<b>12,064,942</b>	<b>(679,976,282)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(27,428,477)</b>	<b>(181,716,023)</b>	<b>1,081,781</b>	<b>(208,062,719)</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital Grants	7,328,320	-	-	7,328,320
Special item: Capital Contribution to BAIFA	-	(230,329,148)	-	(230,329,148)
Transfers out	-	(34,095,184)	(1,018,361)	(35,113,545)
Transfers in	11,195,075	-	-	11,195,075
Transfer between programs	14,267,020	(14,267,020)	-	-
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>32,790,415</b>	<b>(278,691,352)</b>	<b>(1,018,361)</b>	<b>(246,919,298)</b>
<b>CHANGE IN NET POSITION</b>	<b>5,361,938</b>	<b>(460,407,375)</b>	<b>63,420</b>	<b>(454,982,017)</b>
<b>Total net position - beginning</b>	<b>16,197,288</b>	<b>(6,853,253,527)</b>	<b>21,225,766</b>	<b>(6,815,830,473)</b>
<b>Total net position - ending</b>	<b>\$ 21,559,226</b>	<b>\$ (7,313,660,902)</b>	<b>\$ 21,289,186</b>	<b>\$ (7,270,812,490)</b>

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

**Metropolitan Transportation Commission**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
<b>Cash flows from operating activities</b>				
Cash receipts from users / operations	\$ 8,256,392	\$ 680,944,767	\$ 6,701,387	\$ 695,902,546
Cash payments to suppliers for goods and services	(24,829,078)	(115,661,847)	(16,510,922)	(157,001,847)
Cash payments for employee salaries and benefits	(3,028,144)	(12,466,297)	(889,427)	(16,383,868)
Cash receipts for interfund services	-	2,176,066	-	2,176,066
Cash payments for interfund services	-	-	(1,100,001)	(1,100,001)
Other cash receipts	3,654	16,195,001	16,119	16,214,774
Net cash provided by/(used in) operating activities	(19,597,176)	571,187,690	(11,782,844)	539,807,670
<b>Cash flows from non-capital financing activities</b>				
Caltrans and other state and local agency grants	1,959,706	5,977,372	10,751,807	18,688,885
Build America Bonds interest subsidy	-	71,791,050	-	71,791,050
Interest paid on bonds	-	(416,095,341)	-	(416,095,341)
Financing fees	-	(11,281,752)	-	(11,281,752)
Federal grants	6,878,765	-	-	6,878,765
Transfers (to)/from MTC and SAFE	12,160,486	(24,793,441)	-	(12,632,955)
Bond principal payments	-	(79,040,000)	-	(79,040,000)
Distributions to Caltrans	-	(52,432,486)	-	(52,432,486)
Distributions to other agencies	(24,143,556)	(94,174,226)	-	(118,317,782)
Return of contribution from BAHA	-	1,000,000	-	1,000,000
Net cash provided by/(used in) non-capital financing activities	(3,144,599)	(599,048,824)	10,751,807	(591,441,616)
<b>Cash flows from capital and related financing activities</b>				
Capital grant	10,014,218	-	-	10,014,218
Acquisition of capital assets	-	(434,706)	(63,940)	(498,646)
Net cash provided by/(used in) capital and related financing activities	10,014,218	(434,706)	(63,940)	9,515,572
<b>Cash flows from investing activities</b>				
Proceeds from maturities of investments	-	3,985,294,691	-	3,985,294,691
Purchase of investments	-	(3,814,287,746)	-	(3,814,287,746)
Interest and dividends received	50,568	11,330,631	6,031	11,387,230
Net cash provided by/(used in) investing activities	50,568	182,337,576	6,031	182,394,175
<b>Net increase/(decrease) in cash</b>	(12,676,989)	154,041,736	(1,088,946)	140,275,801
<b>Balances - beginning of year</b>	25,752,118	562,905,697	15,727,219	604,385,034
<b>Balances - end of year</b>	\$ 13,075,129	\$ 716,947,433	\$ 14,638,273	\$ 744,660,835

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

**Metropolitan Transportation Commission**  
**Statement of Cash Flows - Proprietary Funds, *continued***  
**For the Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds			Total
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>Reconciliation of operating income to net cash provided by/(used in) operating activities</b>				
Operating income (loss)	\$ (19,033,099)	\$ 713,553,618	\$ (10,291,883)	\$ 684,228,636
Adjustments to reconcile operating net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	1,576,138	156,215	1,732,353
Other revenues	-	13,106,458	16,119	13,122,577
Other expenses	-	(639)	-	(639)
Net effect of changes in:				
Due (to)/from MTC	-	2,176,066	(1,006,889)	1,169,177
Due from other governments	-	2,235,551	-	2,235,551
Accounts receivable	833,031	(7,544,785)	-	(6,711,754)
Prepaid expenses and other assets	(875)	(157,472)	(42,423)	(200,770)
Due to Caltrans	-	955,589	-	955,589
Accounts payable and accrued expenses	(1,073,478)	17,891,238	(588,025)	16,229,735
Unearned revenue	-	7,587,354	-	7,587,354
Patron deposits	-	809,455	-	809,455
State funding due	(237,180)	849,036	3,793	615,649
Deferred outflows from pension	254,535	9,630,477	64,249	9,949,261
Deferred outflows from OPEB	200,751	809,690	59,011	1,069,452
Net pension asset / liability	(372,740)	(8,933,348)	(94,039)	(9,400,127)
Net OPEB asset	(159,827)	(690,502)	(54,032)	(904,361)
Compensated absences liability	109,053	510,868	26,536	646,457
Regional Measure 3 collection liability	-	(182,723,433)	-	(182,723,433)
Deferred inflows from pension	(150,184)	(605,852)	(44,164)	(800,200)
Deferred inflows from OPEB	32,837	152,183	12,688	197,708
<b>Net cash provided by/(used in) operating activities</b>	<b>\$ (19,597,176)</b>	<b>\$ 571,187,690</b>	<b>\$ (11,782,844)</b>	<b>\$ 539,807,670</b>

**Significant Noncash Investing, Capital, and Financing Activities**

Refunding bond proceeds received in escrow/redemption fund	\$	-	\$ 721,561,904	\$	-	\$ 721,561,904
Debt refunded through escrow/redemption fund		-	(721,561,904)		-	(721,561,904)
Deferred amount on refunding		-	(4,733,235)		-	(4,733,235)
Amortization of Bond premium/discount		-	38,500,280		-	38,500,280
Amortization of deferred charge		-	(15,591,298)		-	(15,591,298)
Net increase in fair value of derivative instruments		-	119,999,432		-	119,999,432

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

**Metropolitan Transportation Commission**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2020**  
**(For comparative information purposes)**

	Business-Type Activities - Enterprise Funds			Total
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>Cash flows from operating activities</b>				
Cash receipts from users / operations	\$ 17,422,049	\$ 770,489,010	\$ 6,652,633	\$ 794,563,692
Cash payments to suppliers for goods and services	(34,184,871)	(145,042,180)	(15,544,335)	(194,771,386)
Cash payments for employee salaries and benefits	(3,033,967)	(11,491,242)	(853,392)	(15,378,601)
Other cash receipts	1,638,130	3,943,695	-	5,581,825
Other cash payments	-	(305,103)	-	(305,103)
<b>Net cash provided by/(used in) operating activities</b>	<b>(18,158,659)</b>	<b>617,594,180</b>	<b>(9,745,094)</b>	<b>589,690,427</b>
<b>Cash flows from non-capital financing activities</b>				
Caltrans and other state and local agency grants	4,641,065	8,280,393	10,922,898	23,844,356
Build America Bonds interest subsidy	-	71,929,564	-	71,929,564
Interest paid on bonds	-	(445,298,470)	-	(445,298,470)
Financing fees	-	(15,235,529)	-	(15,235,529)
Federal grants	6,914,747	-	-	6,914,747
Transfers (to)/from MTC and SAFE	30,421,634	(36,271,607)	(4,955,754)	(10,805,727)
Bond principal payments	-	(303,105,000)	-	(303,105,000)
Payment for refunding bonds	-	(196,421,730)	-	(196,421,730)
Distributions to Caltrans	-	(57,358,258)	-	(57,358,258)
Distributions to other agencies	(21,635,480)	(98,028,523)	-	(119,664,003)
Return of contribution from BAHA	-	2,000,000	-	2,000,000
Transfer to BAIFA	-	(14,103,555)	-	(14,103,555)
Other nonoperating expenses	-	(6,859,248)	-	(6,859,248)
<b>Net cash provided by/(used in) non-capital financing activities</b>	<b>20,341,966</b>	<b>(1,090,471,963)</b>	<b>5,967,144</b>	<b>(1,064,162,853)</b>
<b>Cash flows from capital and related financing activities</b>				
Capital grant	6,249,406	-	-	6,249,406
Acquisition of capital assets	-	(323,568)	-	(323,568)
<b>Net cash provided by/(used in) capital and related financing activities</b>	<b>6,249,406</b>	<b>(323,568)</b>	<b>-</b>	<b>5,925,838</b>
<b>Cash flows from investing activities</b>				
Proceeds from maturities of investments	-	5,693,456,358	-	5,693,456,358
Purchase of investments	-	(4,998,603,626)	-	(4,998,603,626)
Interest and dividends received	1,306,218	43,058,314	192,415	44,556,947
<b>Net cash provided by/(used in) investing activities</b>	<b>1,306,218</b>	<b>737,911,046</b>	<b>192,415</b>	<b>739,409,679</b>
<b>Net increase/(decrease) in cash</b>	<b>9,738,931</b>	<b>264,709,695</b>	<b>(3,585,535)</b>	<b>270,863,091</b>
<b>Balances - beginning of year</b>	<b>16,013,187</b>	<b>298,196,002</b>	<b>19,312,754</b>	<b>333,521,943</b>
<b>Balances - end of year</b>	<b>\$ 25,752,118</b>	<b>\$ 562,905,697</b>	<b>\$ 15,727,219</b>	<b>\$ 604,385,034</b>

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

**Metropolitan Transportation Commission**  
**Statement of Cash Flows - Proprietary Funds, *continued***  
**For the Year Ended June 30, 2020**  
**(For comparative information purposes)**

	Business-Type Activities - Enterprise Funds			Total
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
<b>Reconciliation of operating income to net cash provided by/(used in) operating activities</b>				
Operating income/(loss)	\$ (17,924,714)	\$ 500,821,438	\$(10,983,161)	\$ 471,913,563
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	2,910,229	217,434	3,127,663
Other revenues	-	4,711,659	-	4,711,659
Other expenses	-	(135,706)	-	(135,706)
Net effect of changes in:				
Due (to)/from MTC	-	-	132,447	132,447
Due from other governments	-	(83,748)	-	(83,748)
Accounts receivable	750,723	(12,778,196)	-	(12,027,473)
Prepaid expenses and other assets	18,149	258,026	5,657	281,832
Due to Caltrans	-	95,567	-	95,567
Accounts payable and accrued expenses	(421,929)	4,750,317	993,904	5,322,292
Unearned revenue	-	1,466,785	-	1,466,785
Patron deposits	-	681,862	-	681,862
State funding due	(17,046)	(484,780)	64,206	(437,620)
Deferred outflows from pension	(614,717)	(765,629)	(189,669)	(1,570,015)
Deferred outflows from OPEB	307,527	1,269,561	94,888	1,671,976
Net pension liability	187,346	(257,748)	56,493	(13,909)
Net OPEB liability	(547,304)	(2,302,061)	(174,304)	(3,023,669)
Compensated absences liability	35,289	179,091	16,024	230,404
Regional Measure 3 Collection	-	116,976,719	-	116,976,719
Deferred inflows from pension	(62,420)	(257,688)	(19,259)	(339,367)
Deferred inflows from OPEB	130,437	538,482	40,246	709,165
<b>Net cash provided by/(used in) operating activities</b>	<b>\$ (18,158,659)</b>	<b>\$ 617,594,180</b>	<b>\$ (9,745,094)</b>	<b>\$ 589,690,427</b>

**Significant Noncash Investing, Capital, and Financing Activities**

Refunding bond proceeds received in escrow trust fund	\$	- \$ 1,480,058,912	\$	- \$ 1,480,058,912
Debt refunded through escrow trust fund		- (1,707,982,680)		- (1,707,982,680)
Amortization of deferred amount on refunding		- (22,320,999)		- (22,320,999)
Amortization of Bond premium/discount		- (108,517,716)		- (108,517,716)
Amortization of deferred charge		- (16,227,961)		- (16,227,961)
Net decrease in fair value of derivative instruments		- (201,597,075)		- (201,597,075)
Capital assets transferred net of \$10M accrued capital asset purchases in AP and accrued liabilities		- (101,153,487)		- (101,153,487)

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



**Metropolitan Transportation Commission**  
**Statement of Fiduciary Net Position**  
**June 30, 2021**

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	<u>Clipper® Custodial Fund</u>
<b>ASSETS</b>	
Cash	\$ 153,305,432
Accounts receivable	3,310,646
Due from operators	<u>1,018,664</u>
Total assets	<u>157,634,742</u>
 <b>LIABILITIES</b>	
Accounts payable	40,034,106
Patron prepaid balances	116,149,632
Due to operators	1,072,936
Due to other governments	<u>378,068</u>
Total liabilities	<u>157,634,742</u>
 <b>NET POSITION</b>	 <u><u>\$ -</u></u>

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

**Metropolitan Transportation Commission**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2021**

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	<u>Clipper® Custodial Fund</u>
<b>ADDITIONS</b>	
Fare revenues	\$ 35,346,385
Card fees revenues	2,436,456
Reimbursement from others	1,056,724
Other revenues	<u>550,082</u>
Total additions	<u>39,389,647</u>
 <b>DEDUCTIONS</b>	
Distribution to operators	35,346,385
Distribution to others	2,986,538
Miscellaneous fees	<u>1,056,724</u>
Total deductions	<u>39,389,647</u>
Net change in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

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

**Metropolitan Transportation Commission**  
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**June 30, 2021**

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# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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## 1. Summary of Significant Accounting Policies

### A. Reporting Entity

The Metropolitan Transportation Commission (MTC) was established under the laws of the State of California in Government Code Section 66500 et seq. in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area, which includes the City and County of San Francisco and the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma.

MTC's principal sources of revenue to fund its governmental operations include state grants, a percentage of the sales tax revenues collected in the nine Bay Area counties under the State Transportation Development Act of 1971 (TDA) and grants from the U.S. Department of Transportation, Office of the Secretary of Transportation (U.S. DOT), including the Federal Highway Administration (FHWA), Federal Transit Administration (FTA) and other federal, state and local agencies. These are the principal sources of revenues susceptible to accrual under the modified accrual method described later within this note. Fees are the primary source of revenue for the proprietary funds described in this note.

The accompanying financial statements present MTC, its blended component units, and its discretely presented component units. MTC is the primary government as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. Its governing board is separately appointed and is fiscally independent of other governments. The blended component units discussed below are included as part of the reporting entity because their boards are substantially the same as the primary government's board, and the management of the primary government has the operational responsibility for the component units. The blended component units, although legally separate entities are, in substance, part of MTC's operations and financial data from these units are combined with financial data of MTC in preparing the government-wide financial statements. The MTC board also serves as the governing body for all its blended component units.

MTC has two discretely presented component units – Bay Area Infrastructure Financing Authority (BAIFA) and Bay Area Headquarters Authority (BAHA). Both BAIFA and BAHA financial statements are presented in separate columns on the face of the government-wide financial statements in the far-right columns.

#### ***Blended component units***

##### **i.) Bay Area Toll Authority (BATA)**

The Bay Area Toll Authority (BATA) is a public agency created by Senate Bill 226 effective January 1, 1998 with responsibilities for the disposition of toll revenues collected from the seven State owned toll bridges in the San Francisco Bay Area. The bridges are the Antioch Bridge, Benicia-Martinez Bridge, Carquinez Bridge, Dumbarton Bridge, Richmond-San Rafael Bridge, San Francisco-Oakland Bay Bridge and San Mateo-Hayward Bridge. BATA is a proprietary fund as it generates revenue from toll bridge receipts and its debt is collateralized solely by toll revenues as more fully described in Note 5, Long-Term Debt.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2021**

### **Notes to Financial Statements**

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Pursuant to Senate Bill 226, a five-year Cooperative Agreement was signed on March 2, 1998 defining the roles and responsibilities of BATA and Caltrans with respect to the collection and disposition of toll bridge revenues. The agreement has been extended through several amendment. The most current amendment extended the agreement through July 2025.

Under the terms of the Cooperative Agreement, BATA has responsibility for cash management and electronic toll collection while Caltrans' responsibilities include the ownership, operation and maintenance of the bridges. See Note 1U for information on Caltrans' operating expenditures. BATA is presented as major enterprise fund.

#### **ii.) MTC Service Authority for Freeways and Expressways (MTC SAFE)**

In June 1988, MTC SAFE was created to receive fees collected by the Department of Motor Vehicles pursuant to Streets and Highways Code Section 2555 et seq., which permits the collection of up to \$1 per registered vehicle in participating counties. These fees represent charges for services rendered to external users. MTC SAFE is responsible for administering a freeway motorist aid system in the participating counties, referred to as the Call Box program. All 9 Bay Area counties are participants in the MTC SAFE: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

In 1993, MTC SAFE's responsibilities were expanded, pursuant to a jointly adopted Memorandum of Understanding between MTC SAFE, Caltrans, and the California Highway Patrol (CHP), to participate in the development and implementation of a Freeway Service Patrol (FSP) program in the San Francisco Bay Area. The three principal sources of funding for the FSP program are state grants, federal grants, and funding from federal traffic mitigation programs. MTC SAFE is presented as major enterprise fund.

#### **iii.) Bay Area Housing Finance Authority (BAHFA)**

On October 8, 2019, the Bay Area Housing Finance Authority (BAHFA) was established pursuant to the California Government Code Section 64510 (a)(1) to provide a regional financing mechanism for affordable housing production, preservation, and tenant protection in the San Francisco Bay area, including charter cities. California Government Code Section 64510 (a)(2) states that BAHFA is a separate legal entity but governed by the same board that governs the MTC.

#### ***Discretely presented component units***

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. It can also be an organization whose relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. MTC has two discretely presented component units, BAIFA and BAHA.

#### **iv.) Bay Area Infrastructure Financing Authority (BAIFA)**

BAIFA was established in August 2006 pursuant to the California Joint Exercise of Powers Act (Act) consisting of Sections 6500 through 6599.2 of the California Government Code. The Act provides for the joint exercise of powers common to MTC and BATA. There are six Commissioners on the governing board for BAIFA. BAIFA's board consists of MTC and BATA Oversight Committee chairs and four Commissioners. BAIFA is authorized to undertake programs and projects, including the development, financing, and operation of high-occupancy toll lanes in MTC's jurisdiction. In April

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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2013, MTC delegated its express lanes authority to BAIFA through a cooperative agreement. In October 2017, the express lanes on Interstate 680 between Walnut Creek and San Ramon both north and south directions opened to traffic and started to collect toll revenues. BAIFA is presented as a discretely presented component unit in the government-wide financial statements of MTC. Although BAIFA meets the component unit criteria under paragraph 15 to 33 of the GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- an amendment of GASB Statements No. 14 and No. 34*, it doesn't meet the blending criteria under paragraph 53, therefore it is reported as a discretely component unit.

Requests for separately issued financial statements for BAIFA should be addressed to the Treasurer, Bay Area Infrastructure and Financing Authority, 375 Beale Street, Suite 800, San Francisco, CA 94105.

#### v.) Bay Area Headquarters Authority (BAHA)

BAHA was established in September 2011 pursuant to the California Joint Exercise of Powers Act, consisting of Sections 6500 through 6599.2 of the California Government Code, which authorizes BAHA to exercise powers common to MTC and BATA. There are six Commissioners on the governing board for BAHA. BAHA's board consists of four MTC Commissioners and two BATA Commissioners. BAHA is authorized to plan, acquire, and develop its office space and facilities directly or through contract. On October 14, 2011 BAHA acquired property located at 375 Beale Street, in San Francisco, California for the purpose of establishing a Bay Area Regional Headquarters for MTC, the Bay Area Air Quality Management District, and the Association of Bay Area Governments. The three agencies moved to the new building, Bay Area Metro Center (BAMC), in fiscal year 2016. BAHA is presented as a discretely presented component unit in the government-wide financial statements of MTC. Although BAHA meets the component unit criteria under paragraph 15 to 33 of the GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- an amendment of GASB Statements No. 14 and No. 34*, it doesn't meet the blending criteria under paragraph 53, therefore it is reported as a discretely component unit. Requests for separately issued financial statements for BAHA should be addressed to the Treasurer, Bay Area Headquarters Authority, 375 Beale Street, Suite 800, San Francisco, CA 94105.

## **B. Government-Wide and Fund Financial Statements**

### *Basis of presentation - government-wide statements*

The government-wide financial statements (i.e. Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of MTC and its component units. The effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities* which rely to a significant extent on fees and charges for support.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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#### *Basis of presentation - fund financial statements*

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following funds:

#### **i.) MTC General Fund**

MTC General Fund is used to account for financial resources not accounted for or reported in another fund.

#### **ii.) MTC Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. MTC maintains various special revenue funds as follows:

#### ***Major Funds***

**AB 664 Net Toll Revenue Reserve Fund** – Under Section 30884 (a) of the Streets and Highways Code, the AB 664 Net Toll Revenue Fund receives 16 percent of the base toll revenues collected on the three southern bridges, San Francisco-Oakland Bay Bridge, Dumbarton Bridge and San Mateo-Hayward Bridge. These funds are allocated by policy, 70 percent to East Bay and 30 percent to West Bay, to agency capital projects that further the development of public transit in the vicinity of the three southern bridges.

**State Transit Assistance (STA) Fund** – State Transit Assistance Funds are used for transit and paratransit operating assistance, transit capital projects, and regional transit coordination. The revenues are derived from the state sales tax on fuel and apportioned by state statute between population-based and revenue-based accounts. PUC Section 99313 defines the population-based and PUC Section 99314 defines the revenue-based accounts. The STA revenue received by MTC is based on the population of nine counties. On April 28, 2017, Senate Bill (SB) 1 was signed by the Governor to provide additional revenues to the STA Fund for transit infrastructure repair and service improvements. This investment in public transit is referred to as the State of Good Repair (SGR) program. The SGR program follows the same state-wide distribution policies as the regular STA fund, with revenue and population based accounts. However, unlike the regular STA program, recipients of the SGR program must have their projects pre-approved by Caltrans. MTC receives SGR revenue based on the population of nine counties.

**Rail Reserves Fund** – Under Section 30914 (a.4) of the Streets and Highways Code, the Rail Reserves Fund receives 21 percent of base toll revenues collected on the San Francisco-Oakland Bay Bridge. These funds are allocated exclusively for rail transit capital extension and improvement projects that are designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge. 70 percent of the Rail Reserves are allocated for East Bay rail improvements and the remaining 30 percent for West Bay rail improvements.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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**BART Car Exchange Fund** – Funds deposited are restricted to the purpose of BART car replacement projects. MTC and BART established the funding exchange program whereby MTC will program Federal Funds for current BART projects with BART depositing an equal amount of local funds into an account set aside for the BART car fleet replacement. The project began in fiscal year 2013.

#### *Non-Major Funds*

**Transit Reserve Fund** – MTC maintains a Transit Reserve Fund pursuant to Regional Measure 1. The calculation of the transit reserves is set forth in Section 30913 (b) of the Streets and Highways Code as one third of two percent of base toll revenues collected on all seven Bay Area state-owned bridges.

Caltrans also has a Cooperative Agreement with BATA and MTC whereby Caltrans transfers state funding to MTC for ferry operations and other transit/bicycle projects.

**Exchange Fund** – Exchange Funds are used for MTC projects adopted as part of its Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) program. The restriction is established by Commission resolution.

**Proposition 1B Fund** – This fund includes revenue from the Caltrans Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) grant. This is a grant program funded by Proposition 1B Regional Transit Connectivity Program funds. The grant funded the MTC's Hub Signage Project, which improves signage at major transportation hubs.

In fiscal year 2021, the following funds are considered non-major: Transit Reserve Fund, Exchange Fund, and Proposition 1B Fund. The following funds are considered major governmental funds: MTC General Fund, STA Fund, Rail Reserves Fund, AB 664 Net Toll Revenue Reserve Fund, and BART Car Exchange Fund. The balance sheet and statements of revenues, expenditures and changes in fund balances and budget to actual statements of revenues and change in fund balances are presented for these funds.

#### **iii.) MTC Enterprise Fund - Clipper®**

In July 2010, MTC assumed responsibility for operating Clipper® the region's transit fare payment program under the Memorandum of Understanding with seven Bay Area transit organizations. Clipper® transit fare payment program operating and capital costs are incurred by MTC's Clipper® fund. MTC Clipper® seeks payment from participating transit operators for service provided related to the operations and capital expenditures of this program. MTC Clipper® Fund is presented as a major fund in the Business Type Activities. The cash account and patron liability are held as a custodial fund. See Note 1.B (iv) for information on the Clipper® program custodial fund.

#### **iv.) MTC Fiduciary Fund**

The MTC Fiduciary Fund is a Custodial Fund which is used to account for assets held by MTC in a trustee capacity for the benefit of the transit agencies that participate in the Clipper® Card Program. Clipper® Card Program is an automated fare payment system for intra- and inter-operator transit trips in the San Francisco Bay Area.



**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

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**C. Measurement Focus, Basis of Accounting and Financial Statements Presentation**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and *the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough afterwards to pay liabilities of the current period. MTC consider revenue to be available if they are collected within 270 days after year end. All revenue sources included in the governmental funds, namely federal, state and local grants as well as sales tax revenue, utilize this revenue recognition methodology. Expenditures generally are recorded when liabilities are incurred, as under the accrual basis of accounting.

***New Accounting Pronouncements***

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this statement are effective for reporting periods beginning after December 19, 2019. MTC adopted this standard for fiscal year ended June 30, 2021. The adoption of this statement changed the TDA, AB 1107, Clipper card program, STA and SGR revenue-based reporting. MTC is now reporting the Clipper card program as a custodial fund on the fiduciary fund statements, and no longer required to report the financial activities of TDA, AB 1107, STA and SGR revenue-based funding in its financial statements. The removal of the TDA and AB 1107 activities from the Fiduciary Fund do not have any impact on the Fiduciary Net Position. The impact of removing the STA and SGR revenue-based funding resulted in a restatement of STA July 1, 2020 fund balance and Governmental Activities July 1, 2020 Net Position by \$21,451,307. See note 1AB for further information on the impact of the adoption of GASB Statement 84.

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the effect of this statement on MTC's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management is currently evaluating the effect of this statement on MTC's financial statements.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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GASB Statement No. 90, *Majority Equity Interests*, provides guidance on how to improve reporting of Majority Equity Interests. This statement improves the consistency and comparability of reporting a government's majority equity interest in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. MTC adopted this standard for fiscal year ended June 30, 2021. The adoption of the standard has no impact on MTC's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, provides single method of reporting conduit debt obligations. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Management is currently evaluating the effect of this statement on MTC's financial statements.

GASB Statement No. 92, *Omnibus 2020*, establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The initial requirements of this Statement are effective as follows: (a) The requirements in paragraphs 4, 5, 11, and 13 are effective upon issuance. (b) The requirements in paragraphs 6 and 7 are effective for fiscal years beginning after June 15, 2021. (c) The requirements in paragraphs 8, 9, and 12 are effective for reporting periods beginning after June 15, 2021. (d) The requirements in paragraph 10 are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. Management is currently evaluating the effect of this statement on MTC's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Management is currently evaluating the effect of paragraphs 11b, 13, and 14 on MTC's financial statements. The adoption of the remaining paragraphs has no impact on MTC's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*, establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Management is currently evaluating the effect of this statement on MTC's financial statements.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, establishes standards of accounting and financial reporting for SBITAs by a government end user (a government). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Management is currently evaluating the effect of this statement on MTC's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). The requirements of this statement are effective as follow: (a) The requirement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. (b) The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. (c) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. MTC adopted paragraphs 4 and 5 of this statement in fiscal year 2020. Management is evaluating the effect of the remaining paragraphs of this statement on MTC's financial statements.

#### **D. Budgetary Accounting**

Enabling legislation and adopted policies and procedures provide that MTC and its operating entities approve an annual budget by June 30 of each year. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental and proprietary funds. MTC also approves a life-to-date project budget whenever new projects are approved. MTC presents a preliminary budget in May and a final budget in June. MTC conducts hearings for discussion of the proposed annual budget and at the conclusion of the hearings, but not later than June 30, adopts the final budget for the following fiscal year. The appropriated budget is prepared by fund, project and expense type. The legal level of control is at the fund level and the governing body must approve additional appropriations. Budget amendments are recommended when needed. Operating appropriations lapse at fiscal year-end.

MTC employs the following practices and procedures in establishing budgetary data as reflected in the basic financial statements:

- Annual budgets are adopted on the modified accrual basis of accounting for governmental fund types. These include the general fund, plus major and non-major special revenue funds. Capital budgets are adopted on a project life-to-date basis.
- Annual budgets are adopted on the accrual basis for the proprietary fund types.

#### **E. Encumbrances**

Encumbrance accounting is employed in the general and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides additional guidance on the classification within the fund

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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balances section of amounts that have been encumbered. Encumbrances of balances within the general fund are classified as committed and are included in the "transportation projects" category. For the fiscal year 2021, these encumbrances, along with encumbrances of balances in funds that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

General Fund	\$	3,776,578
AB 664 Net Toll Revenue		65,696,016
State Transit Assistance Funds		44,043,659
Rail Reserves		2,232,556
Non-major Governmental Funds		17,155,586

#### **F. Net Position**

Net position, presented in the government-wide financial statements, represents the residual interest in assets plus deferred outflows after liabilities and deferred inflows are deducted. MTC's Net position consists of three sections: net investment in capital assets, as well as restricted and unrestricted. Net position is reported as restricted when constraints are imposed by creditors, grantors, contributors, laws or regulations or other governments or enabling legislation. Unrestricted net position is the net amount of the residual value that is not included in the restricted categories of net position. It is MTC's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **G. Fund Balances**

Fund balances, presented in the governmental fund financial statements, represent the difference between assets, liabilities and deferred inflows and outflows reported in a governmental fund. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds.

MTC evaluated each of its funds at June 30, 2021 and classified fund balances into the following five categories:

- Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items, are reported in the general fund.
- Restricted – Items that are restricted by external parties such as creditors or imposed by grants, law or legislation. MTC has legislative restrictions on amounts collected for various transportation and rail projects included in the AB 664 Toll Revenue, STA, BART Car Exchange, Transit Reserve, Rail Reserves, and Proposition 1B.
- Committed – Items that have been committed by formal action by the entity's highest level of decision-making authority, which MTC considers to be Commission resolutions. This level of approval has been reported in the general fund and the exchange fund.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

### Notes to Financial Statements

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- Assigned – Items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. MTC considers this level of authority to be the Administration Committee. This restriction is currently not used on MTC's fund balances.
- Unassigned – This category is the residual classification for the general fund. This category represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures exceed amounts restricted or committed, it may be necessary to report a negative unassigned fund balance.

MTC reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. MTC reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

#### **H. Cash and Investments**

MTC invests its available cash under the prudent investor rule. The prudent investor rule states, in essence, that “in investing ... property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstance then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs.” This policy affords MTC a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Sections 53600, et seq. Investments allowed under MTC's investment policy include the following:

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit issued by a nationally or state chartered bank
- Authorized pooled investment programs
- Commercial paper – Rated “A1” or “P1”
- Corporate notes – Rated “A” or better
- Municipal bonds
- Mutual funds – Rated “AAA”
- Other investment types authorized by state law and not prohibited in MTC's investment policy.

MTC applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, as amended (including by GASB Statement No. 72), which generally requires investments to be recorded at fair value with the difference between cost and fair value recorded as an unrealized gain or loss. MTC reports its money market securities and short-term investments at cost. This is permissible under this standard provided those investments have a remaining maturity at the time of purchase of one year or less and that the fair value of those investments is not

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

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significantly affected by the credit standing of the issuer or other factors. Net increases or decreases in the fair value of investments are shown in the Statements of Revenues, Expenditures and Changes in Fund Balance for all governmental fund types and in the Statements of Revenues, Expenses and Changes in Net Position for the proprietary funds. Accounting for derivative investments is described in Note 1.V Investments purchased, but not yet settled in cash, are included in security trade payables in the statement of net position.

***Cash***

MTC considers all balances in demand deposit accounts to be cash. Deposits in the cash management pool of the County of Alameda, Local Agency Investment Fund (LAIF), and California Asset Management Program (CAMP) are presented as cash as they are available for immediate withdrawal or deposit at any time without prior notice or penalty and there is minimal risk of principal.

***Restricted Cash***

Certain cash is restricted as these assets are either for a specific purpose, escrow accounts with the balance being refunded upon project completion, prepaid customer deposits for the FasTrak<sup>®</sup> program or funds restricted for debt service, or other legal restrictions.

***Restricted Investments***

Certain investments are classified as restricted on the Statement of Net Position because they are either for a specific purpose, or their use is limited externally by applicable bond covenants, laws or regulations or there exists an imposed restriction through enabling legislation.

***Non-Current Cash and Investments***

Certain cash and investments are non-current as these funds are restricted as to withdrawal or use for other than current operations that are designated for disbursement in the acquisition or construction of non-current assets, or that are segregated for the liquidation of long-term debts.

**I. Prepaid Items**

Certain payments to vendors applicable to future accounting periods are recorded as prepaid items based on the consumption method.

**J. Capital Assets**

Capital assets, which include buildings and improvements, furniture and equipment, leased equipment, automobiles and call boxes and software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital asset acquisitions are recorded at historical cost. MTC's intangible assets consist of purchased and licensed commercially available computer software and internally developed software. Depreciation and amortization expenses for the governmental activities are charged against general government function.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

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Capital assets are defined by MTC as assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than three years. However, capital assets that do not meet the threshold on an individual basis but are material collectively are capitalized. MTC follows the guidance in GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion & Analysis - for State and Local Governments* and GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* for recording capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset service lives are not capitalized.

Depreciation and amortization are computed using the straight-line method that is based upon the estimated useful lives of individual capital assets. The estimated useful lives of capital assets are as follows:

	<u>Years</u>
Buildings and improvements	7-45
Furniture and equipment	3-25
Intangible assets	5-10
Leased equipment	5
Automobiles	5
Call boxes	10

During fiscal year 2021, MTC revised its estimated useful lives of automobiles. The change was made to reflect the estimated periods during which such asset will remain in service. The estimated life for automobiles has been extended to 5 years from 3 years. The change did not have material impact in MTC's financial statement as the majority of automobiles have been fully depreciated prior to this change.

When assets have been evaluated for impairment, in which the use of capital assets is discontinued or a decision has been made to sell assets and the assets are not continuing to be used, the depreciation and amortization ceases.

#### **K. Retirement Plans**

MTC provides a defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission (the "Plan"), which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to Plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS).

GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, and amendment to GASB Statement No. 27, requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

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**Financial Statements for the year ended June 30, 2021**  
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Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

GASB Statement No. 68 allows use of a measurement date up to 12 months before the employer's fiscal year end. Accordingly, for financial reporting purposes, MTC's total pension liability was determined by CalPERS using a valuation date of June 30, 2019. CalPERS then rolled forward the total pension liability to June 30, 2020, and this is the basis for reporting MTC's net pension liability at June 30, 2021.

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about MTC's fiduciary net position of the Plan and additions to / deletions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

MTC allocates pension liability, deferred outflows and deferred inflows from pension, and pension expenses to its blended and discretely presented component units based on their share of MTC's payroll cost of the measurement year.

For additional information on the Plan, refer to Note 7.

**L. Post Employment Healthcare Benefits**

MTC provides post employment medical coverage to all eligible retired employees and their eligible dependents. MTC post employment medical plan is the same medical plan as for its active employees. MTC established a Section 115 irrevocable benefit trust fund for its post employment benefit plan with the Public Agency Retirement Services (PARS). The benefit trust fund is not recorded in a fiduciary fund by MTC as the assets underlying these future benefits are not managed by MTC. The annual determined contribution to the trust fund is recorded in salaries and benefits expense.

For purposes of measuring the net OPEB liability / asset, deferred outflows and deferred inflows of resources related to OPEB, OPEB expense, information about fiduciary net position of MTC's OPEB Plan and additions to / deletions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 75 requires that reported results must pertain to liability and assets information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020



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Measurement Period (MP)

July 1, 2019 to June 30, 2020

GASB 75 allows use of measurement date up to twelve months before the employer's fiscal year end. Accordingly, for financial reporting purposes, MTC's net OPEB liability / asset at June 30, 2021 was determined using the actuarial valuation and measurement date of June 30, 2020.

MTC allocates OPEB liability / asset, deferred outflows and deferred inflows from OPEB, and OPEB expenses to its blended and discretely presented component units based on their share of MTC's payroll cost of the measurement year.

For additional information on the Plan, refer to Note 8.

**M. Compensated Absences**

MTC's regular staff employees accumulate vacation pay and sick leave pay based on the agreement with the Committee for Staff Representation pursuant to the Meyers-Milias-Brown Act. A liability exists for accumulated vacation and sick leave. Unused accumulated sick and vacation leave is paid at the time of employment termination up to a maximum of 240 hours for sick leave as well as the total accumulated vacation leave of an employee. See Note 9 for additional information.

**N. Reconciliation of Government-Wide and Fund Financial Statements**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net change in fund balance – total governmental funds and changes in net position of governmental activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures.” However, in the Statement of Activities the cost of those assets is allocated over their estimated useful life and reported as depreciation expense.

The details of the fiscal year 2021 reconciling items are as follows:

Capital outlay	\$ 316,647
Depreciation expense	<u>(146,131)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ 170,516</u>

**O. Unearned Revenue**

The unearned revenue in MTC and MTC-Clipper consists of State and Local grants prior to meeting the revenue recognition criteria. When revenue recognition criteria are met, unearned revenue will be reclassified to revenue earned. The unearned revenue in BATA consists of the funds collected by the Regional Customer Service Center (RCSC). The funds collected by the RCSC are prepayments for tolls or represent a deposit from patrons. The patrons are issued transponders with the prepaid amounts for usage against tolls on the San Francisco Bay Area bridges and Bay Area Express Lanes.

**Metropolitan Transportation Commission**  
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**P. Deferred inflows/outflows of resources - revenue, charges and refundings**

Deferred revenue includes the unamortized portion of a lump sum payment from BATA to MTC. Details of the transaction are described below.

Streets and Highways codes sections 30890, 30911 and 30914 require BATA to transfer a specific percentage of the net base toll collection to MTC annually. The transfers are called AB 664 Net Toll Revenue Reserve, Transit Reserve and Rail Reserves transfers. In April 2010, MTC entered into a funding agreement with BATA, whereby BATA would make a lump sum payment of \$506,986,537 equal to the present value of the next 50 years of these funds' transfers. The funds were transferred on September 30, 2010. MTC and BATA agreed that the payment would fulfill BATA's entire responsibility to make AB 664 Net Toll Reserve, Transit Reserve, and Rail Reserves fund transfers for the next 50 years. MTC is using the payment to fund the planned essential regional transportation projects.

GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*, as amended by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes the criteria to account for the above transactions. The lump sum payment from BATA to MTC met the criteria of the intra-entity sale of future revenues for fiscal year June 30, 2011. GASB Statement No. 48 requires the intra-entity sale of future revenue to be accounted for as a deferred charge and deferred revenue and amortized over the life of the agreement. The balances in the deferred revenue and deferred charge are reported under Deferred Inflows of Resources in accordance with GASB Statement No. 65. The amortization charge for the fiscal year was \$15,591,298.

**Q. Deferred Amount on Refunding**

Deferred amount on refunding represent the unamortized amount of the different between the reacquisition price and the net carrying value of the old debt from the defeasance of the current and advance bond refundings.

**R. Deferred Outflows/Inflows of resources on Pensions and Other Post-Employment Benefits (OPEB)**

Deferred outflows and deferred inflows of resources are recognized for:

- Changes in the total pension and OPEB liability arising from differences between expected and actual experience with regard to economic or demographic factors.\*
- The effects of changes of assumptions about future economic or demographic factors or of other inputs.\*
- Difference between projected and actual investment earnings on defined benefit pension and OPEB plan investments.\*\*

\*The balances on these accounts are recognized in pension and OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of employees determined as of the beginning of the measurement period.

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\*\*The difference between projected and actual earnings amount is recognized in pension and OPEB expense using a systematic and rational method over a closed five-year period.

Deferred outflows of resources are also used to report MTC's contribution to CalPERS and PARS subsequent to the measurement date of the net pension and OPEB liability and before the end of the reporting period. See Notes 7 and 8 for additional information.

**S. Toll Revenues Collected**

BATA accounts for the electronic tolls collected from the operation of the bridges as revenue. BATA recognizes electronic toll revenue as amounts are earned.

**T. Other Operating Revenues**

Violation fees and penalties collected and escheatment revenue are recognized as other operating revenues.

**U. Operating Expenditures Incurred by Caltrans**

In accordance with the Cooperative Agreement between BATA and Caltrans, BATA reimburses Caltrans for certain costs incurred for bridge operating expenditures. These expenses include maintenance, administration, operations and overhead costs.

**V. Investment Income and Derivative Instruments**

Investment income (charge) is comprised of interest income from investments and the changes in the fair value of investment derivative instruments. The investment derivative instrument component is in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, which requires the change in fair value of derivative instruments which are not an effective hedge, for accounting purposes, to be reported in investment income. The following table shows the breakdown of investment income and changes in fair values for the fiscal year ended June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total 2021</u>
Investment income	\$ 2,679,092	\$ 3,495,901	\$ 6,174,993
Investment derivatives	-	119,999,432	119,999,432
Total - FY 2021	<u>\$ 2,679,092</u>	<u>\$ 123,495,333</u>	<u>\$ 126,174,425</u>

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**W. Distributions to Caltrans for their Capital Purposes**

In accordance with the Cooperative Agreement between BATA and Caltrans, BATA reimburses Caltrans for bridge capital expenses. Expenses are recorded or accrued related to the period to the extent the invoices are received by MTC through 60 days after the end of the fiscal year. See Note 2 for further details.

**X. Distributions to Others for their Capital Purposes / Allocation to Other Agencies**

Expenses are recorded or accrued related to the period to the extent the invoices are received by MTC through 60 days after the end of the fiscal year.

**Y. Use of Estimates**

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

**Z. Build America Bonds (BABs) Interest Subsidy**

The interest subsidy on the BABs was \$71,722,983 for fiscal year 2021. Of this amount, \$17,841,630 was not received as of June 30, 2021, therefore was included as year-end accrual. The Federal government makes a semiannual payment to MTC on April 1 and October 1 of each year. The two interest subsidy payments in fiscal years 2021 were short due to the Federal budget and sequestration constraints. In fiscal year 2021, the payments were impacted by a reduction of 5.7% of the subsidy amount.

**AA. Operating and Nonoperating Revenues and Expenses**

Operating revenues are those necessary for principal operations of the entity. Operating expenses are those related to user service activities. Nonoperating revenues and expenses are all other revenues and expenses not related to user service activities.

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**AB. GASB Statement 84 Impact of adoption**

The impact of adoption of GASB Statement 84 on the fund balance and net position at July 1, 2020 is summarized as follows:

	<u>State Transit Assistance</u>	<u>Governmental Activities</u>
Fund balance / Net position at July 1, 2020 as previously reported	\$ 98,818,970	\$ 498,006,913
Impact of adoption of GASB 84	<u>(21,451,308)</u>	<u>(21,451,308)</u>
Fund balance / Net position at July 1, 2020 as restated	<u>\$ 77,367,662</u>	<u>\$ 476,555,605</u>

**AC. Prior Year Comparative Information**

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with MTC's prior year financial statements, from which this selected financial data was derived. The fiscal year 2020 STA financial statements in the governmental fund are not restated to reflect the impact of the adoption of GASB Statement 84.

**AD. Presentational Reclassifications of Prior Year Amounts**

Certain prior year amounts have been reclassified to conform to the current year presentation. There is no effect on changes in fund balance or net position as a result of these reclassifications.

**AE. Recent Event**

During FY 2020, a novel strain of coronavirus spread around the world and was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020 the State of California issued a statewide shelter-in-place which was subsequently rescinded in June, 2021. Traffic on the bridges fell by 13% and an estimated 9% for FY 2020 and FY 2021, respectively. In addition, Caltrans removed the cash-toll collectors. The traffic and revenue decline was met by board actions to delay capital spending, control costs and creation of a new cash-toll invoicing system. As a result, BATA maintained an operating surplus (excluding derivative charges and capital expenses) and met all bond covenant requirements for both FY 2020 and FY 2021. MTC met the expected revenue decline for FY 2021 with similar expense and cashflow controls. The combination of expense controls and an unexpected jump in sales tax revenue helped MTC maintain an operating surplus for both FY 2020 and FY 2021. MTC cannot predict the extent and duration of the economic slowdown including changes in traffic volume on the seven state-owned toll bridges in the San Francisco Bay Area (Bridge System). MTC has not included any contingencies in the financial statements specific to this recent event.

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**2. Net Position / Fund Balance Deficit**

MTC's negative net position/fund balance arises from BATA enterprise fund and AB 664 and Rail Reserves governmental funds. BATA is responsible for providing Caltrans funding for bridge construction and repairs related to the seven state-owned bridges in the San Francisco Bay Area. Expenses related to these payments to Caltrans are treated as expenses since BATA does not own or maintain title to the bridges. BATA's deficit will be reduced through operating income earned in the future as the toll revenue debt is retired and projects are completed. AB 664 and Rail Reserves received a lump sum payments of \$248,049,407 and \$200,200,625 respectively. These represent the present value of the next 50 years of funding from BATA through an agreement signed in 2010. The advance payments were recorded as a deferred revenue and amortized yearly. The cash advance is to be used to fund the planned essential of AB 664 and Rail Reserves projects at any time. Over the years AB 664 and Rail Reserves allocated funds for transportation projects exceeding the revenue amortization creating a deficit in the funds. AB 664 and Rail Reserves' deficit will be reduced through the yearly amortization of the advance payment.

**3. Cash and Investments**

A. A summary of Cash and Investments as shown on the Statement of Net Position for all funds at June 30, 2021 is as follows:

Unrestricted cash	\$ 460,605,951
Unrestricted investments	67,747,022
Total unrestricted cash and investments	<u>528,352,973</u>
Restricted cash	607,766,969
Restricted investments	1,731,608,813
Total restricted cash and investments	<u>2,339,375,782</u>
Total cash and investments	<u>\$ 2,867,728,755</u>

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The details of restricted cash and investments are as follows:

FasTrak® program	\$ 147,858,998
Escrow account	204,088
Debt service fund	539,710,859
Operations & maintenance reserve	180,000,000
Extraordinary loss reserve	50,000,000
Rehabilitation reserve	210,000,000
Projects / self-insurance reserves	280,000,000
Variable rate risk reserve	280,000,000
Capital projects	8,488,695
BART car exchange project	367,569,890
Regional Measure 3	<u>275,543,252</u>
Total restricted cash and investments	<u><u>\$2,339,375,782</u></u>

Restricted cash on the FasTrak® program consists of customer prepaid tolls and deposits from patrons. The patrons are issued transponders with the prepaid amounts for usage against tolls on the San Francisco Bay Area bridges and Bay Area Express Lanes network. Toll amounts are deducted from customers' prepaid toll accounts as customers cross a bridge or use the express lane. The operations & maintenance reserve, Debt service reserve, Extraordinary loss reserve, Rehabilitation reserve, Projects/Self-insurance reserve as well as the Variable rate risk reserve are described in Note 5. The BART car exchange project is described in Note 1.B.ii. The Regional Measure 3 is described in Note 10.

**B.** The composition of cash and investments at June 30, 2021 is as follows:

**Cash**

Cash at banks	\$ 318,075,181
Money market mutual funds	267,891,204
Government Pool Investments	390,156,787
County of Alameda	<u>92,249,748</u>
Total Cash	<u><u>\$1,068,372,920</u></u>

MTC holds a position in the investment pool of County of Alameda for STA funds. Deposits with the County of Alameda are available for immediate withdrawal.

**Fiduciary fund**

Cash at bank - Clipper®	<u>\$ 153,305,432</u>
Total cash - fiduciary fund	<u><u>\$ 153,305,432</u></u>

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2021

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The mutual fund investments in MTC's investment portfolio are expressed as a percentage of MTC's total cash and investments as follows:

Money Market Mutual Funds	
BlackRock Treasury Trust Fund	4%
Morgan Stanley Government Portfolio	3%
BlackRock T-Fund Institutional	2%

The government pool investments in MTC's investment portfolio are expressed as a percentage of MTC's total cash and investments as follows:

Government Pool Investments	
Local Agency Investment Fund	7%
California Asset Management Program	6%

#### Money Market Mutual Funds

The BlackRock Treasury Trust Fund is part of the overnight sweep fund utilized by Bank of New York trustee accounts, and by Bank of America checking accounts. The fund invests 100% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

The Morgan Stanley Government Portfolio is part of the overnight sweep fund utilized by Union Bank and Bank of New York custodial accounts. The fund invests in obligations issued or guaranteed by the U.S. Government and its agencies and instrumentalities and in repurchase agreements collateralized by such securities. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

The BlackRock T-Fund Institutional fund is part of the overnight sweep fund utilized by Union Bank trustee accounts. The fund invests primarily in money market instruments including U.S. Treasury bills, notes, obligations guaranteed by the U.S. Treasury and repurchase agreements fully collateralized by such obligations. The fund is rated "AAA/Aaa" by Standard & Poor's and Moody's, respectively.

#### Government Pools

The California State Local Agency Investment Fund (LAIF) is a program created by state statute as an investment alternative for California's local governments and special districts. LAIF funds are available for immediate withdrawal. Therefore, the position in LAIF is classified as cash. LAIF is unrated.

The California Asset Management Program (CAMP) fund is a joint powers authority and common law trust. The Trust's Cash Reserve Portfolio is a short-term money market portfolio, which seeks to preserve principal, provide daily liquidity and earn a high level of income consistent with its objectives of preserving principal. CAMP funds are available for immediate withdrawal. Therefore, the position in CAMP is classified as cash. CAMP's money market portfolio is rated "AAA" by Standard & Poor's.

State law and MTC policy limit mutual fund investments to 20 percent of the portfolio, with no more than 10 percent of the portfolio in any single fund except for mutual funds supporting bond proceeds. All the



# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2021**

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mutual fund holdings are highly rated by Standard & Poor's and Moody's. However, this limit does not apply to Joint Powers Authority Funds, county or state investment pools.

#### **Investments**

GASB Statement No. 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2021:

Government-sponsored enterprises notes and municipal bonds: These investments are valued on the basis of prices provided by ICE Data Pricing and Reference Data LLC. In determining the value of a particular investment at bid, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

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The following tables set forth by level, within the fair value hierarchy, MTC's investments at fair value.

<b>Investments by fair value level at June 30, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury	\$ -	\$ 1,074,792,523	\$ -	\$ 1,074,792,523
Government-Sponsored Enterprises:				
Federal Home Loan Bank	-	394,217,905	-	394,217,905
Federal Home Loan Mortgage Corporation	-	268,161,242	-	268,161,242
Federal National Mortgage Association	-	37,084,165	-	37,084,165
Total	-	699,463,312	-	699,463,312
Municipal Bonds	-	25,100,000	-	25,100,000
Total Investments Measured at Fair Value	\$ -	\$ 1,799,355,835	\$ -	\$ 1,799,355,835

Refer to Note 5 for the investment derivative instruments valuations.

The U.S. Treasury and Government-Sponsored Enterprises (GSE) holdings carry “AA+/Aaa/AAA” ratings from Standard & Poor's, Moody's and Fitch, respectively. Neither state law nor MTC policy imposes a limit to the amount of U.S. Treasury and GSE debt securities that can be held in the portfolio.

Municipal Bonds include holdings in East Bay Municipal Utility District (EBMUD) Water System Revenue Refunding Bonds and Bay Area Air Quality Management District (BAAQMD) Certificates of Participation (COP). EBMUD carries “AAA/Aa1” ratings from Standard & Poor's and Moody's, respectively. The BAAQMD COP is a private placement security and is not rated.

**C. Deposit and Investment Risk Factors**

There are many factors that can affect the value of investments. MTC invests substantially in fixed-income securities, which are affected by credit risk, custodial credit risk, concentration of credit risk, and interest rate risk. The credit ratings of MTC’s income securities holdings are discussed in Note 1.H.

**i.) Credit Risk**

Fixed income securities are subject to credit risk, which is the possibility that the security issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make these payments will cause security prices to decline.

A bond’s credit quality is an assessment of the issuer’s ability to pay principal and interest on the bond. Credit quality may be evaluated by a nationally recognized independent credit rating agency. The lower the rating is, the greater the chance (in the opinion of the rating agency) that the bond issuer will fail to meet its obligations or potentially default.

**ii.) Custodial Credit Risk**

Custodial credit risk is the risk that securities held by the custodian and in the custodian's name may be lost and not be recovered. All MTC securities are held in independent safekeeping accounts maintained

# Metropolitan Transportation Commission

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with Union Bank or Bank of New York Mellon (BONY) and are held under MTC's name. As a result, custodial credit risk is remote.

#### iii.) Concentration of Credit Risk

Concentration of credit risk is the risk associated with lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory or credit developments. Investments in issuers that represent 5 percent or more of total investments at June 30, 2021 are as follows:

U.S. Treasury	60%
Federal Home Loan Bank (FHLB)	22%
Federal Home Loan Mortgage Corporation (FHLMC)	15%

#### iv.) Interest Rate Risk

Interest rate risk is the risk that the market value of fixed-income securities will decline because of rising interest rates. The prices of fixed-income securities with a longer time to maturity, measured by duration in years, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Since MTC's policy is to buy and hold investments to maturity, marked-to-market will always equal par value when they mature.

MTC's investment portfolio consists of some variable rate demand obligations (VRDOs). VRDOs have liquidity instruments that allow the securities to be put back to the bank either with one day or with seven days' notice, depending on the security, and there is no significant risk of market value loss. Interest rates on the securities are reset daily or weekly and will fluctuate with the market at any given time.

The weighted average maturities of MTC's U.S. Treasury and GSE securities (expressed in number of years) at June 30, 2021 are as follows:

U.S. Treasury	0.25
Government-sponsored enterprises	
Federal Home Loan Bank	4.12
Federal Home Loan Mortgage Corporation	4.07
Federal National Mortgage Association	4.25

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**4. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	<b>Beginning Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance June 30, 2021</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 320,067	\$ (64,158)	\$ 255,909
Total capital assets, not being depreciated	<u>-</u>	<u>320,067</u>	<u>(64,158)</u>	<u>255,909</u>
Capital assets, being depreciated:				
Furniture and equipment	1,504,590	-	-	1,504,590
Intangible assets	146,226	60,738	-	206,964
Leased equipment	362,667	-	-	362,667
Automobiles	62,279	-	(30,886)	31,393
Total capital assets being depreciated	<u>2,075,762</u>	<u>60,738</u>	<u>(30,886)</u>	<u>2,105,614</u>
Less accumulated depreciation for:				
Furniture and equipment	1,374,245	55,835	-	1,430,080
Intangible assets	88,140	33,346	-	121,486
Leased equipment	315,310	47,357	-	362,667
Automobiles	52,686	9,593	(30,886)	31,393
Total accumulated depreciation	<u>1,830,381</u>	<u>146,131</u>	<u>(30,886)</u>	<u>1,945,626</u>
Total capital assets, being depreciated, net	<u>245,381</u>	<u>(85,393)</u>	<u>-</u>	<u>159,988</u>
Governmental activities capital assets, net	<u>\$ 245,381</u>	<u>\$ 234,674</u>	<u>\$ (64,158)</u>	<u>\$ 415,897</u>
	<b>Beginning Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance June 30, 2021</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 280,250	\$ 225,000	\$ (280,250)	\$ 225,000
Total capital assets, not being depreciated	<u>280,250</u>	<u>225,000</u>	<u>(280,250)</u>	<u>225,000</u>
Capital assets, being depreciated:				
Furniture and equipment	14,934,413	302,866	(99,711)	15,137,568
Building/Tenant improvements	5,163,153	-	-	5,163,153
Automobiles	87,942	56,941	(64,624)	80,259
Intangible assets	23,668,163	60,737	-	23,728,900
Call boxes	1,816,452	-	-	1,816,452
Total capital assets being depreciated	<u>45,670,123</u>	<u>420,544</u>	<u>(164,335)</u>	<u>45,926,332</u>
Less accumulated depreciation for:				
Furniture and equipment	14,506,008	171,318	(99,711)	14,577,615
Building/Tenant improvements	4,725,676	60,341	-	4,786,017
Automobiles	87,942	5,694	(64,624)	29,012
Intangible assets	21,751,443	1,424,443	-	23,175,886
Call boxes	1,541,189	70,557	-	1,611,746
Total accumulated depreciation	<u>42,612,258</u>	<u>1,732,353</u>	<u>(164,335)</u>	<u>44,180,276</u>
Total capital assets, being depreciated, net	<u>3,057,865</u>	<u>(1,311,809)</u>	<u>-</u>	<u>1,746,056</u>
Business-type activities capital assets, net	<u>\$ 3,338,115</u>	<u>\$ (1,086,809)</u>	<u>\$ (280,250)</u>	<u>\$ 1,971,056</u>

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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 146,131
Total depreciation expense - governmental activities	<u>\$ 146,131</u>
Business-type activities:	
Toll bridge activities	\$ 1,576,138
Congestion relief	156,215
Total depreciation expense - business-type activities	<u>\$ 1,732,353</u>

## 5. Long-Term Debt

In March 2021, BATA issued its Toll Revenue Bonds, 2021 Series A, B, and C of \$361,685,000 to defease all of the Authority’s outstanding Toll Revenue Bonds, 2014 Series E, 2014 Series H, and 2017 Series D. Concurrently, BATA also issued its Toll Revenue Bonds, 2021 Series F-1 of \$349,205,000 to defease a portion of the Authority’s outstanding Toll Revenue Bonds, 2012 Series F-1 and 2017 Series F-1.

The 2021 Series A has a Term Rate Period of April 2028, and bears interest at the stated Term Rate. The 2021 Series B and 2021 Series C have an Index Rate Period of April 2024 and April 2026, respectively and bears interest based on the SIFMA Index Rate, plus a spread. At the end of each respective initial Term Rate and Index Rate Period, BATA can change the Interest Rate Mode associated with the bonds. Depending on the interest rate environment when the bonds are remarketed, the interest rate on the bonds may be higher than the initial Term Rate and Index Rate.

The proceeds of the 2021 Series A, B, and C, along with a cash contribution from BATA were deposited into a Redemption Fund held by the Senior Trustee. BATA also made a cash contribution for the transaction to pay for costs of issuance.

The 2021 Series A, B, and C refunding transaction was recorded as a current refunding in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt* and GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*.

The 2021 Series F-1 bonds have a final maturity date of April 2040 and bear interest at the stated fixed rate between 0.879 percent and 2.982 percent. The 2021 Series F-1 is a federally taxable bond.

The proceeds of the 2021 Series F-1, along with a cash contribution from BATA were deposited into an Escrow Fund held by the Senior Trustee. The funds on deposit were used to purchase certain non-callable senior Government Obligations to be used to pay the interest and redemption of the refunded bonds on or prior to the redemption date. BATA also made a cash contribution for the transaction to pay for costs of issuance.

The 2021 Series F-1 refunding transaction was recorded as an advance refunding in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt* and GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*.

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The difference between the cash flows required to service the old debt and the cash flows required to service the new debt is \$101,360,853. The transactions provided a present value economic gain of \$85,313,042.

In June 2021, BATA made a prepayment to fund certain principal and related interest becoming due and payable in fiscal year 2022. This affected Subordinate Toll Revenue Bonds, 2010 Series S-1, 2017 Series S-7, and 2019 Series S-9.

BATA irrevocably placed cash with a subordinate bonds escrow agent to be used solely for satisfying scheduled payments of both principal and interest becoming due and payable in fiscal year 2022 for the related bonds.

These transactions were recorded as an in-substance defeasance in accordance with GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

There is no outstanding debt that was defeased in-substance from prior periods as of June 30, 2021.

***Term / Index Rate Bonds:***

BATA has a principal balance of \$2,021,310,000 in term/index rate bonds. The term/index rate bond series are detailed as follows:

<u>Series</u>	<u>Par</u>	<u>Term/ Index Rate</u>	<u>Effective Date</u>	<u>Maturity Date</u>
2008 Series B1	\$110,000,000	SIFMA Swap Index plus 1.10%	12/20/2012	4/1/2024
2008 Series G1	\$50,000,000	SIFMA Swap Index plus 1.10%	12/20/2012	4/1/2024
2001 Series A	\$150,000,000	SIFMA Swap Index plus 1.25%	1/10/2013	4/1/2027
2006 Series C1	\$125,000,000	SIFMA Swap Index plus 0.90%	5/1/2013	5/1/2023
2008 Series A1	\$110,000,000	SIFMA Swap Index plus 0.90%	5/1/2013	5/1/2023
2007 Series C1	\$50,000,000	SIFMA Swap Index plus 0.90%	6/3/2013	5/1/2023
2017 Series A	\$125,225,000	2.950%	2/23/2017	4/1/2026
2017 Series B	\$125,225,000	2.850%	2/23/2017	4/1/2025
2017 Series C	\$151,715,000	2.100%	2/23/2017	4/1/2022
2017 Series G	\$153,975,000	2.000%	8/23/2017	4/1/2024
2017 Series H	\$188,750,000	2.125%	8/23/2017	4/1/2025
2018 Series A	\$194,735,000	2.625%	12/20/2018	4/1/2026
2018 Series B	\$125,000,000	2.250%	12/20/2018	4/1/2022
2021 Series A	\$204,835,000	2.000%	3/17/2021	4/1/2056
2021 Series B	\$56,850,000	SIFMA Swap Index plus 0.28%	3/17/2021	4/1/2056
2021 Series C	\$100,000,000	SIFMA Swap Index plus 0.45%	3/17/2021	4/1/2056

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*Variable Rate Demand Bonds:*

BATA has a principal balance of \$691,730,000 in Variable Rate Demand Bonds. The Variable Rate Demand Bonds are backed by various Letter of Credit providers and are reset at a Weekly Rate by various remarketing agents. The Variable Rate Demand Bonds series are detailed as follows:

<u>Series</u>	<u>Par Amount</u>	<u>Letter of Credit Providers</u>	<u>Short Term Rating</u> <u>(S&amp;P/Moody's</u> <u>/Fitch)</u>	<u>Letter of Credit</u> <u>Expiration</u> <u>Date</u>	<u>Remarketing Agents</u>
2007 Series A2	\$75,000,000	MUFG Bank, Ltd.	A1/P1/F1	10/20/2026	JP Morgan Securities, LLC
2007 Series B2	\$75,000,000	Sumitomo Mitsui Banking Corporation	A1/P1/F1	10/20/2026	Citigroup Global Markets Inc.
2007 Series C2	\$25,000,000	MUFG Bank, Ltd.	A1/P1/F1	10/20/2026	Goldman Sachs & Co
2007 Series D2	\$100,000,000	Bank of America, N.A.	A1/P1/F1+	10/20/2026	BofA Securities, Inc.
2007 Series G1	\$50,000,000	Bank of America, N.A.	A1/P1/F1+	10/20/2026	Barclays Capital Inc.
2008 Series C1	\$25,000,000	Sumitomo Mitsui Banking Corporation	A1/P1/F1	10/20/2026	Citigroup Global Markets Inc
2008 Series E1	\$50,000,000	MUFG Bank, Ltd.	A1/P1/F1	10/20/2026	Morgan Stanley & Co. LLC.
2019 Series A	\$100,000,000	Bank of America, N.A.	A1/P1/F1+	8/1/2024	BofA Securities, Inc.
2019 Series B	\$57,160,000	Sumitomo Mitsui Banking Corporation	A1/P1/F1	8/1/2024	JP Morgan Securities, LLC
2019 Series C	\$52,200,000	Bank of America, N.A.	A1/P1/F1+	8/1/2024	Goldman Sachs & Co
2019 Series D	\$82,370,000	Sumitomo Mitsui Banking Corporation	A1/P1/F1	8/1/2024	JP Morgan Securities, LLC

As of June 30, 2021, there were no outstanding draws. Commitment fees are paid quarterly to the Letter of Credit Providers. In the event the bonds covered under the Reimbursement Agreement become bank bonds, the maximum interest rate on the bonds would be 15%.

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A summary of changes in long-term debt for the year ended June 30, 2021 is as follows:

<b>Business-type activities</b>	<b>Issue Date</b>	<b>Interest Rate</b>		<b>Calendar Year Maturity</b>	<b>Original Amount</b>	<b>Beginning Balance July 1, 2020</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2021</b>	<b>Due Within One Year<sup>(9)</sup></b>
2001 Revenue Bond Series A	5/24/2001	3.69%	(2)	2036	\$ 150,000,000	\$ 150,000,000	\$ -	\$ -	\$ 150,000,000	\$ -
2006 Revenue Bond Series C	2/8/2006	3.60%	(2)	2045	275,000,000	125,000,000	-	-	125,000,000	-
2007 Revenue Bond Series C1	5/15/2007	3.60%	(2)	2047	50,000,000	50,000,000	-	-	50,000,000	-
2007 Revenue Bond Series G1	5/15/2007	3.60%	(2)	2047	50,000,000	50,000,000	-	-	50,000,000	-
2007 Revenue Bond Series (A2,B2,C2,D2)	10/25/2007	3.60%	(2)	2047	275,000,000	275,000,000	-	-	275,000,000	-
2008 Revenue Bond Series (A1,B1,C1,E1,G1)	6/5/2008	3.60%	(2)	2045	345,000,000	345,000,000	-	-	345,000,000	-
2009 Revenue Bond Series F2 (BABs)	11/5/2009	4.07%	(1,3)	2049	1,300,000,000	1,300,000,000	-	-	1,300,000,000	-
2010 Revenue Bond Series S1 (BABs)	7/1/2010	4.53%	(1,3)	2050	1,500,000,000	1,462,935,000	-	(19,770,000) <sup>(8)</sup>	1,443,165,000	-
2010 Revenue Bond Series S3 (BABs)	11/4/2010	4.49%	(1,3)	2050	475,000,000	475,000,000	-	-	475,000,000	-
2012 Revenue Bond Series F1	10/23/2012	5.00%	(1)	2031	907,525,000	103,720,000	-	(67,615,000) <sup>(7)</sup>	36,105,000	36,105,000
2014 Revenue Bond Series E	12/18/2014	2.00%	(1)	2034	143,675,000	143,675,000	-	(143,675,000) <sup>(6)</sup>	-	-
2014 Revenue Bond Series H	12/18/2014	0.74%	(4)	2034	71,830,000	71,830,000	-	(71,830,000) <sup>(6)</sup>	-	-
2017 Revenue Bond Series (A,B,C)	2/23/2017	2.60%	(1)	2047	402,165,000	402,165,000	-	-	402,165,000	3,800,000
2017 Revenue Bond Series D	2/23/2017	0.72%	(5)	2045	156,850,000	156,850,000	-	(156,850,000) <sup>(6)</sup>	-	-
2017 Revenue Bond Series F1	2/23/2017	4.00%	(1)	2056	300,000,000	300,000,000	-	(225,000,000) <sup>(7)</sup>	75,000,000	-
2017 Revenue Bond Series (G,H)	8/23/2017	2.07%	(1)	2053	342,725,000	342,725,000	-	-	342,725,000	-
2017 Revenue Bond Series S7	8/23/2017	4.05%	(1)	2049	1,402,175,000	1,368,275,000	-	(14,385,000) <sup>(8)</sup>	1,353,890,000	-
2018 Revenue Bond Series (A,B)	12/20/2018	2.48%	(1)	2045	319,735,000	319,735,000	-	-	319,735,000	-
2019 Revenue Bond Series SH	2/26/2019	5.00%	(1)	2049	126,240,000	126,240,000	-	-	126,240,000	-
2019 Revenue Bond Series S8	8/1/2019	3.80%	(1)	2056	203,270,000	203,270,000	-	-	203,270,000	-
2019 Revenue Bond Series (A,B,C,D)	8/1/2019	3.60%	(2)	2053	291,730,000	291,730,000	-	-	291,730,000	-
2019 Revenue Bond Series F1	9/26/2019	2.76%	(1)	2054	869,195,000	869,195,000	-	-	869,195,000	-
2019 Revenue Bond Series S9	9/26/2019	2.23%	(1)	2023	103,535,000	61,035,000	-	(44,885,000) <sup>(8)</sup>	16,150,000	-
2021 Revenue Bond Series A	3/17/2021	2.00%	(1)	2056	204,835,000	-	204,835,000 <sup>(6)</sup>	-	204,835,000	-
2021 Revenue Bond Series (B,C)	3/17/2021	3.60%	(2)	2056	156,850,000	-	156,850,000 <sup>(6)</sup>	-	156,850,000	-
2021 Revenue Bond Series F1	3/17/2021	2.04%	(1)	2040	349,205,000	-	349,205,000 <sup>(7)</sup>	-	349,205,000	-
					\$ 10,771,540,000	8,993,380,000	710,890,000	(744,010,000)	8,960,260,000	\$ 39,905,000
Net unamortized bond premium/(discount)						146,943,768	11,745,140	(39,573,517)	119,115,391	
Net long-term debt as of June 30, 2021						\$ 9,140,323,768	\$ 722,635,140	\$ (783,583,517)	\$ 9,079,375,391	

(1) Interest rates on fixed rate bonds/term rate bonds are calculated on weighted outstanding coupon rates.

(2) Weighted swap rate is presented for variable rate bonds that are hedged with a swap. Variable rate bonds are presented as long-term debt in accordance with GASB Interpretation No. 1 because MTC has liquidity commitments.

(3) Federal Taxable Build America Bonds.

(4) The interest rate presented is the 3/16/2021 SIFMA rate plus the spread related to the respective bond. The 2014 Series H was fully refunded on 3/17/2021.

(5) The interest rate presented is the 12/30/2020 3-Month LIBOR rate plus the spread related to the respective bond. The 2017 Series D was fully refunded on 3/17/2021.

(6) Issuance of the 2021 Series A,B,C bonds to fully refund bonds, 2014 Series E, 2014 Series H, and 2017 Series D on 3/17/2021.

(7) Issuance of the 2021 Series F1 bonds to partially refund bonds, 2012 Series F1 and 2017 Series F1 on 3/17/2021. The 2021 Series F1 bonds are federally taxable.

(8) In-substance defeasance of FY21/22 scheduled principal payments on 6/29/2021.

(9) Scheduled payments.



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**Annual funding requirements**

The annual funding requirements for the debt and swap outstanding of the business-type activities at June 30, 2021 are as follows:

**Business-type activities**

<b>Fiscal Year Ending</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>
2022	\$ 39,905,000	\$ 341,319,320	\$ 381,224,320
2023	122,955,000	335,059,142	458,014,142
2024	116,730,000	330,205,693	446,935,693
2025	133,525,000	323,511,001	457,036,001
2026	136,165,000	313,816,730	449,981,730
2027-2031	1,001,610,000	1,440,961,351	2,442,571,351
2032-2036	1,248,230,000	1,237,413,426	2,485,643,426
2037-2041	1,491,120,000	1,015,026,223	2,506,146,223
2042-2046	1,796,165,000	748,537,524	2,544,702,524
2047-2051	2,025,075,000	348,290,488	2,373,365,488
2052-2056	848,780,000	57,126,390	905,906,390
	<u>\$ 8,960,260,000</u>	<u>\$ 6,491,267,288</u>	<u>\$ 15,451,527,288</u>

**Bond Covenants – BATA**

The Bay Area Toll Authority Senior Toll Bridge Revenue Bonds are payable solely from pledged "Revenue" and all amounts held by the trustee in each fund and account (with exclusions) established under the Master Indenture dated as of May 1, 2001 (the 2001 "Master Indenture"). Pledged "Revenue" and exclusions to the trustee funds and accounts are defined within the Master Indenture. BATA established a Reserve fund under the 2001 Master Indenture.

BATA covenanted in the Master Indenture that no additional bonds shall be issued, unless Net Revenue is greater than 1.5 times of the combined Maximum Annual Debt Service of all outstanding parity bonds. Parity bonds have the same priority of claim or lien against pledged Revenue.

In the fifth supplemental indenture dated February 2006, BATA covenanted to maintain toll revenue at levels that result in Net Revenue greater than 1.2 times Annual Debt Service costs as defined in the Master Indenture. In addition, BATA agreed to maintain tolls at a level where Net Revenue plus the balance in the Operations and Maintenance Fund is at least 1.25 times total "Fixed Costs". BATA also has the legal requirement of maintaining tolls at a level exceeding 1.0 times all fixed costs. See Schedule 10.

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The senior lien bonds issued by BATA are secured by a first lien on all toll revenue.

The Bay Area Toll Authority's Subordinate Toll Bridge Revenue Bonds are payable solely from pledged "Revenue" and all amounts held by the trustee in each fund and account (with exclusions) established under the Subordinate Indenture dated June 1, 2010 (the "2010 Subordinate Indenture"). "Pledged Revenue" and exclusions to the trustee funds and accounts are defined within the 2010 Subordinate Indenture. BATA has established a Reserve fund account under the 2010 Subordinate Indenture.

BATA covenanted in the 2010 Subordinate Indenture that no additional bonds shall be issued unless the Available Revenue equates to greater than 1.2 times of the combined Maximum Annual Debt Service costs of all outstanding parity bonds.

In the first supplemental indenture dated June 2010, BATA covenanted to maintain toll revenue at levels that result in Available Revenue greater than 1.2 times Annual Debt Service costs.

BATA is required to compute Coverage Ratios described in the Indentures based on the BATA adopted budget within ten business days after the start of the fiscal year and to file a Certificate of the Authority with the Senior and Subordinate Trustees.

As of June 30, 2021, the current Reserve Requirement and the fair value of the cash and investment securities in the Debt Service reserves are as follows:

	<u>Reserve Requirement<sup>(1)</sup></u>	<u>Fair Value of Cash &amp; Securities</u>
Senior Debt	\$326,000,000	\$350,158,094
Subordinate Debt	\$160,525,325	\$168,667,734

<sup>(1)</sup>The debt service reserve requirements are recalculated on an annual basis on April 1.

BATA maintains certain designated reserves:

<u>Designation</u>	<u>Requirement</u>	<u>Required Amount</u>	<u>June 30, 2021</u>
External Designation:			
O & M	2x Caltrans budgeted O&M costs	\$59.4 million	\$180 million
Extraordinary loss	BATA/Caltrans Coop Agreement	\$50 million	\$50 million
BATA designation:			
Rehab reserve	2x Rehab budget (\$105m/yr)	\$210 million	\$210 million
Variable rate risk reserve	BATA designation	\$280 million	\$280 million
Project/ Self Insurance Reserves	BATA designation	\$280 million	\$280 million

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**Derivative Instruments**

Investment derivatives fair value in a payable to the counterparty position was \$524,706,323 at June 30, 2021, and recorded in the Statement of Net Position as a liability. The changes in the fair value of investment derivatives were recorded to investment income. See Note 1.W for further details.

Voluntary cancellation of any or all of the swap transactions is subject to a valuation calculation at the time of termination. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2021 classified by type, and the changes in fair value of such derivative instruments since June 30, 2020 as reported in the financial statements are as follows:

Business-type Activities	Increase (decrease) in Fair Value since June 30, 2020		Fair Value at June 30, 2021		
	Classification	Amount	Classification	Amount	Notional
Pay-fixed interest rate swap	Investment Income	\$ 119,999,432	Noncurrent Liabilities	\$(524,706,323)	\$ 1,440,000,000

**Objective and Terms of Hedging Derivative Instruments**

BATA entered into interest rate swaps to manage exposure to fluctuations in interest rates and interest expenses. Management is aware that swap transactions contain certain associated risks not traditionally associated with fixed-rate issues, particularly the risk of counterparty default. However, management has structured the transactions with reasonable safeguards, including downgrade and collateral provisions required of all counterparties, as well as management's unilateral ability to cancel any transaction with 15 days' notice.

The following tables display the terms of the derivative instruments outstanding along with the credit rating as of June 30, 2021 of the associated counterparty as well as the fair value of the derivative instruments.

	Standard & Poor's	Moody's
Bank of America, N.A.	A+	Aa2
The Bank of New York Mellon	AA-	Aa2
Citibank, N.A., New York	A+	Aa3
Wells Fargo Bank, N.A.	A+	Aa2
Goldman Sachs Mitsui Marine Derivative Products LP	AA-	Aa2
JP Morgan Chase Bank, N.A.	A+	Aa2
Morgan Stanley Capital Services LLC	BBB+	A1

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**Investment Derivative Instruments at June 30, 2021:**

Amortized Notional Value	Counterparty	Fixed Payer Rate <sup>(A)</sup>	Fair Value due from / (to) Counterparty			
			Level 1	Level 2	Level 3	Total
\$75 million	Wells Fargo Bank, N.A.	3.29%	\$ -	\$ (19,894,542)	\$ -	\$ (19,894,542)
\$75 million	Morgan Stanley Capital Services LLC.	4.09%	-	(26,586,332)	-	(26,586,332)
\$110 million	Wells Fargo Bank, N.A.	3.64%	-	(35,170,968)	-	(35,170,968)
\$30 million	Bank of America, N.A.	3.63%	-	(12,050,077)	-	(12,050,077)
\$115 million	Citibank Bank, N.A., New York	3.64%	-	(36,769,416)	-	(36,769,416)
\$245 million	JP Morgan Chase Bank, N.A.	4.00%	-	(108,221,455)	-	(108,221,455)
\$50 million	Bank of America, N.A.	3.63%	-	(21,132,662)	-	(21,132,662)
\$260 million	Citibank Bank, N.A. New York	3.64%	-	(87,666,604)	-	(87,666,604)
\$125 million	Bank of America, N.A.	2.96%	-	(37,114,812)	-	(37,114,812)
\$60 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%	-	(24,183,880)	-	(24,183,880)
\$85 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%	-	(36,073,518)	-	(36,073,518)
\$170 million	The Bank of New York Mellon	3.64%	-	(72,146,044)	-	(72,146,044)
\$40 million	The Bank of New York Mellon	2.22%	-	(7,696,013)	-	(7,696,013)
	Total Derivative Instruments - Fair Value		\$ -	\$ (524,706,323)	\$ -	\$ (524,706,323)

The fair value was determined by an independent outside pricing service. The inputs to the valuation methodology are observable pursuant to the fair value hierarchy and are derived principally from or corroborated by observable market data by correlation or other means in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Refer to Note 3B for the description of hierarchy levels (Level 1, Level 2, and Level 3).

Effective and maturity dates are presented in the Supplementary Information, Schedule 12-15.

<sup>(A)</sup> BATA paying fixed rate, receiving variable rate based on LIBOR Index.

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The termination value or fair market value which BATA would pay to terminate all swaps on a voluntary basis is \$525 million on June 30, 2021. However, BATA's intent is to maintain the swap transactions for the life of the related financings, notwithstanding market opportunities to restructure.

Swaps are subject to credit risk, which is the possibility that the counterparty will fail to make interest payment in a timely manner or that there are negative perceptions of the issuer's ability to make these interest payments.

A swap's credit quality is an assessment of the counterparty's ability to pay the interest on the swap. Credit quality may be evaluated by a national recognized independent credit-rating agency. The lower the rating is, the greater the chance (in the opinion of the rating agency) that the counterparty will fail to meet its obligations or potentially default.

The swap contracts address credit risk by requiring the counterparties to post collateral if: 1) a counterparty's credit rating is equal to "A-", "A", or "A+" as determined by S&P or is equal to "A3", "A2", or "A1" by Moody's and the termination value of its swaps exceeds \$10 million, payable to BATA; or 2) a counterparty's credit rating is below "A-" as determined by S&P or "A3" as determined by Moody's and the termination value of its swaps is greater than \$0, payable to BATA.

As of June 30, 2021, none of the counterparties was required to post collateral with a third party safekeeping agent.

**6. Interfund Receivables, Payables and Transfers**

The composition of interfund transfers as of June 30, 2021, is as follows:

Transfer Out:	Transfer In:					
	General	AB 664 Net Toll Revenue Reserve	Rail Reserves	Non-Major Governmental Funds	MTC Clipper®	Total
Non-Major	\$ 2,443,719	\$ -	\$ -	\$ -	\$ 85,214	\$ 2,528,933
STA	1,287,119	-	-	-	5,996,990	7,284,109
BATA	15,009,047	7,614,184	6,182,279	1,794,835	11,442,236	42,042,581
SAFE	557,421	-	-	-	-	557,421
Total	\$ 19,297,306	\$ 7,614,184	\$ 6,182,279	\$ 1,794,835	\$ 17,524,440	\$ 52,413,044

Transfers are used to move revenues from the fund with collection authority to the program fund that accounts for the various projects. These interfund transfers have been eliminated in the government-wide financial statements. The significant transfers are described below:

- An amount of \$15,009,047 was transferred from BATA to the General fund which represents the annual 1% transfer for MTC administration and the Bay Area Forward projects.
- The transfer amount from BATA to AB 664 Toll Reserves, Rail Reserves and Non-Major funds totaling \$15,591,298 is the amortization of the deferred revenue for these funds. See Note 1.P for

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further details.

- An amount of \$11,442,236 was transferred from BATA to MTC Clipper® to support their operations.
- An amount of \$5,996,990 was transferred from STA to MTC Clipper® to support their capital projects.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-Major	\$ 588,506
General	STA	611,697
General	BATA	1,535,860
MTC Clipper®	STA	1,296,530
MTC Clipper®	BATA	2,567,948
SAFE	General	3,118,196

Interfund receivables and payables between funds are due to timing differences resulting from when expenditures are incurred and payments are made. These interfund balances have been eliminated in the government-wide financial statements.

The significant interfund balances at June 30, 2021 are as follows:

- An amount of \$3,118,196 represents an advance the General fund received from SAFE to support the Regional Travel Information Systems and I-880 Corridor Operations projects
- An amount of \$2,567,948 represents expenses incurred for the MTC-Clipper 1 projects, but not yet reimbursed from BATA
- An amount of \$1,296,530 represents expenses incurred for the MTC-Clipper 2 projects, but not yet reimbursed from STA
- An amount of \$1,535,860 represents expenses incurred for the Bay Bridge Forward projects, MTC Fare Coordination & Integration Study and 1% admin fees, but not yet reimbursed from BATA

## **7. Employees' Retirement Plan**

### **A. General Information about the Pension Plan**

#### *Plan Description*

The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. An agent multiple-employer plan is one in which the assets of multiple employers are pooled for investment purposes, but separate accounts are maintained for each individual employer. A menu of benefit provisions as well as other requirements are established by state statutes within the Public

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Employees’ Retirement Law. MTC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS website or by writing to CalPERS Fiscal Services Division, PO Box 942703, Sacramento, California 94229.

***Benefits Provided***

MTC’s Miscellaneous Employee Pension Plan (“the Plan”), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to ten months of full-time employment for one year's credit. Classic members (hired before January 1, 2013) with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Public Employees' Pension Reform Act 2013 (PEPRA) Miscellaneous members (hired after January 1, 2013) with at least five years of service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the third Level, 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2021, are summarized as follows:

<u>Hire date</u>	<u>PERS Classic Miscellaneous Prior to January 1, 2013</u>	<u>PEPRA Miscellaneous On or after January 1, 2013</u>
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefit as a % of eligible compensation	2% - 2.5%	1% - 2%

Employees Covered at the measurement date of June 30, 2021 are as follows:

Active employees	279
Inactive employees or beneficiaries currently receiving benefits	164
Inactive employees entitled to but not yet receiving benefits	213

***Contribution Description***

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. The employer (MTC) is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer (MTC) to

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satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For current reporting period ended June 30, 2021, MTC's retirement contributions are allocated as follows:

- Tier 1 - The total Public Employees' Retirement System (PERS) contribution rate is 28.756 percent (consisting of 20.756 percent employer rate and 8.0 percent member rate). Per MTC and employee agreement, the shared contribution for the current reporting period ended June 30, 2021 is 21.386 percent by MTC and 7.37 percent by members.
- Tier 2 - The total PERS contribution rate is 27.137 percent (consisting of 20.756 percent employer rate and 7.25 percent member rate). Per MTC and employee agreement, the shared contribution for the current reporting period ended June 30, 2021 is 20.756 percent by MTC and 7.25 percent by members.

Total actual contribution made for fiscal year 2021 is \$11,932,097 which consists of \$6,932,097 employer actuarially determined contribution and an additional contribution of \$5,000,000. The contribution is charged to its blended and discretely presented component units on their share of MTC's payroll cost for the relevant year.

**B. Net Pension Liability**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

MTC's net pension liability is measured as the total pension liability, less the Plan's fiduciary net position. For the measurement period ended June 30, 2020, the total pension liability was determined using the annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures.

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection
	Allowance floor on purchasing power applies, 2.5% thereafter

<sup>(1)</sup>The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be obtained at CalPERS website.



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***Discount Rate***

The discount rate used to measure the total pension liability is 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 of plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the fund's assets classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects fiscal year 2021 long-term expected real rate of return by asset class.

Asset Class*	Assumed Asset Allocation	Real Return Years 1-10**	Real Return Years 11+***
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	0	(0.92)

\* Fixed income is included in Global Debt Securities; Liquidity is included in short-term investments; Inflation assets are included in both Global Equity Securities and Global Debt Securities.

\*\* An expected inflation of 2.00% used for this period

\*\*\* An expected inflation of 2.92% used for this period

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**C. Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019	\$ 181,571,786	\$ 146,613,202	\$ 34,958,584
Changes Recognized for the Measurement Period:			
Service Cost	6,538,852	-	6,538,852
Interest on Total Pension Liability	13,029,835	-	13,029,835
Difference between Expected and Actual Experience	908,440	-	908,440
Contributions from Employers	-	23,203,828	(23,203,828)
Contributions from Employees	-	2,817,516	(2,817,516)
Net Investment Income	-	8,164,271	(8,164,271)
Benefit Payments, including Refunds of Employee Contributions	(7,028,381)	(7,028,381)	-
Administrative Expense	-	(206,689)	206,689
Net Changes during 2019-20	13,448,746	26,950,545	(13,501,799)
Balance at June 30, 2020	\$ 195,020,532	\$ 173,563,747	\$ 21,456,785

	Primary Government Business-Type Activities				Primary Government Total
	Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	
Net pension liability/(asset) for fiscal year 2021	\$ 20,274,607	\$ (1,864,330)	\$ 434,297	\$ 1,339,599	\$ 20,184,173

	Component Units			Grand Total
	BAHA	BAIFA	Component Units Total	
Net pension liability/(asset) for fiscal year 2021	\$ 176,707	\$ 1,095,905	\$ 1,272,612	\$ 21,456,785

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate.

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
<b>Primary Government</b>			
Governmental Activities	\$ 46,179,031	\$ 20,274,607	\$ (1,059,295)
Business-Type Activities			
Bay Area Toll Authority	(4,246,344)	(1,864,330)	97,406
MTC SAFE	989,189	434,297	(22,691)
MTC Clipper	3,051,175	1,339,599	(69,990)
<b>Component Units</b>			
BAHA	402,482	176,707	(9,232)
BAIFA	2,496,119	1,095,905	(57,258)
<b>Plan's Net Pension Liability / (Asset)</b>	<b>\$ 48,871,652</b>	<b>\$ 21,456,785</b>	<b>\$ (1,121,060)</b>

*Amortization of Deferred Outflows and Deferred Inflows of Resources*

Under GASB Statement 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

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The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	Five year straight-line amortization
All other amounts	Straight-line amortization over the average expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of beginning of the measurement period

**Expected Average Remaining Service Lifetime (EARSL)**

The EARSL for the Plan for the measurement period ended June 30, 2020 is 4.8 years which was obtained by dividing the total service years of 2,893 (the sum of remaining service lifetimes of the active employees) by 604 (the total number participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to zero years. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**E. Pension Expenses and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

MTC incurred a pension expense of \$8,287,759 for fiscal year 2021 based on the measurement period ended June 30, 2020. The pension expense is allocated to its blended and discretely presented component units as follows:

	Primary Government					Primary government Total
	Business-Type Activities					
	Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper		
Pension expense for fiscal year 2021	\$ 5,639,712	\$ 1,446,636	\$ 123,033	\$ 339,226	\$ 7,548,607	

	Component Units			Grand Total
	BAHA	BAIFA	Component Units Total	
	Pension expense for fiscal year 2021	\$ (376)	\$ 739,528	

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For the fiscal year of 2021, MTC has deferred outflows and deferred inflows of resources related to pensions as follows:

Deferred Outflows of Resources					
Primary Government					
Business-Type Activities					Primary Government Total
Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper		
Changes in assumptions	\$ 710,051	\$ 198,456	\$ 15,210	\$ 46,915	\$ 970,632
Difference between expected and actual experience	3,125,503	873,565	66,951	206,511	4,272,530
Net idfference between projected and actual earnings on plan investments	784,971	219,396	16,815	51,865	1,073,047
Employer contributions for fiscal year 2021	9,195,275	1,355,119	196,968	607,559	11,354,921
<b>Total</b>	<b>\$ 13,815,800</b>	<b>\$ 2,646,536</b>	<b>\$ 295,944</b>	<b>\$ 912,850</b>	<b>\$ 17,671,130</b>

Component Units				
	BAHA	BAIFA	Component Units Total	Grand Total
Changes in assumptions	\$ 6,189	\$ 38,380	\$ 44,569	\$ 1,015,201
Difference between expected and actual experience	27,241	168,943	196,184	4,468,714
Net difference between projected and actual earnings on plan investments	6,842	42,430	49,272	1,122,319
Employer contributions for fiscal year 2021	80,143	497,033	577,176	11,932,097
<b>Total</b>	<b>\$ 120,415</b>	<b>\$ 746,786</b>	<b>\$ 867,201</b>	<b>\$ 18,538,331</b>

Deferred Inflows of Resources					
Primary Government					
Business-Type Activities					Primary Government Total
Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper		
Changes in assumptions	\$ (1,536,633)	\$ (429,483)	\$ (32,917)	\$ (101,530)	\$ (2,100,563)
Difference between expected and actual experience	(566,390)	(158,303)	(12,132)	(37,423)	(774,248)
<b>Total</b>	<b>\$ (2,103,023)</b>	<b>\$ (587,786)</b>	<b>\$ (45,049)</b>	<b>\$ (138,953)</b>	<b>\$ (2,874,811)</b>

Component Units				
	BAHA	BAIFA	Component Units Total	Grand Total
Changes in assumptions	\$ (13,395)	\$ (82,835)	\$ (96,230)	\$ (2,196,793)
Difference between expected and actual experience	(4,936)	(30,615)	(35,551)	(809,799)
<b>Total</b>	<b>\$ (18,331)</b>	<b>\$ (113,450)</b>	<b>\$ (131,781)</b>	<b>\$ (3,006,592)</b>

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The \$11,932,097 included an additional \$5,000,000 contribution made for this fiscal year. In the proceeding table, the additional payment is reported as deferred outflows of resources related to employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

The amount reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year ended	Deferred Outflows/(Inflows) of Resources						
	Governmental Activities	Business-Type Activities			Component Units		Total
		Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAHA	BAIFA	
2022	\$ 238,378	\$ 66,626	\$ 5,106	\$ 15,750	\$ 2,078	\$ 12,885	\$ 340,823
2023	400,149	111,840	8,571	26,439	3,488	21,629	572,116
2024	1,355,012	378,719	29,026	89,529	11,808	73,467	1,937,561
2025	523,963	146,446	11,224	34,620	4,567	28,322	749,142

**8. Other Post Employment Benefits (OPEB)**

**A. General Information about the Other Post-Employment Benefit (OPEB)**

*Plan Description*

MTC established Section 115 irrevocable benefit trust fund for its other post-employment benefit (OPEB) plan with the Public Agency Retirement Services (PARS). The trust is a public agency agent multiple-employer post-retirement health benefit trust which provide public agencies of administration in the funding of each agency’s respective other post-employment benefit obligation.

MTC contracts its health benefit program with the Public Employees’ Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS for both active and retired employees.

*Benefit Provided*

MTC’s defined benefit OPEB plan provides medical coverage to all eligible retired employees and their eligible dependents. MTC maintains the same medical plans for its retirees as for its active employees. Once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. The costs of the medical benefit are shared between the employer (95%) and retiree (5%) with a cap.

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***Eligibility***

Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 with 5 years of service with CalPERS agency. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26.

The number of participants eligible to receive benefits at July 1, 2020, the date of the roll-forward actuarial valuation:

Active employees	283
Inactive employees or beneficiaries currently receiving benefit payments	111
Inactive employees entitled to but not yet receiving benefit payments	<u>8</u>
	<u><u>402</u></u>

***Contribution***

The obligation of MTC to contribute to the OPEB plan is established and may be amended by the MTC's Commission. MTC contributes annually to the Trust fund based on the recommended actuarial determined contribution (ADC) amount which is determined by the funding policy and the most recent measurement available when the contribution for the reporting period was adopted. For the fiscal year ended June 30, 2021, MTC pays the retiree benefit expense on a pay-as-you-go basis of \$1,254,523, and made a contribution of \$3,245,477 to the Trust fund at PARS. MTC implied subsidy amount for fiscal year 2021 is \$264,000.

**B. Net OPEB Liability / (Asset)**

MTC's net OPEB liability / (asset) was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by the roll-forward actuarial valuation.

***Actuarial Assumptions***

The total OPEB liability in the roll-forward actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

For the fiscal year 2020	Actuarial Assumptions
Discount rate	4.50%
Inflation	2.75%
Investment rate of return	4.50%
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019

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The long-term expected rate of return on OPEB plan investments was based on the investment policy of the PARS Trust where MTC invests its assets to fund its OPEB liabilities. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Expected Real Rate of Return</b>
Fixed Income	100.00%	N/A
Total	100.00%	

***Discount Rate***

The discount rate used to measure the total OPEB liability was 4.50 percent which reflects the MTC's current policy of funding its OPEB liabilities. The projection of cash flows used to determine the discount rate assumed that MTC's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan fiduciary net position is available in the separately issued PARS financial report. Copies of the PARS report may be obtained by writing to PARS, 4350 Von Karman Avenue, Newport Beach, CA 92660, or from PARS' website at [www.pars.org](http://www.pars.org).



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**D. Changes in the Net OPEB Liability / (Asset)**

The following tables show the changes in net OPEB liability / (asset) recognized for the year ended June 30, 2021.

	Increase / (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balance as of June 30, 2020	\$ 42,608,169	\$ 45,498,480	\$ (2,890,311)
Service cost	2,975,424	-	2,975,424
Interest on the total OPEB liability	2,019,186	-	2,019,186
Differences between expected and actual experience	-	-	-
Changes in Assumption	-	-	-
Contributions - employer	-	4,757,000	(4,757,000)
Net investment income	-	3,956,341	(3,956,341)
Benefit payments	(1,425,610)	(1,425,610)	-
Administrative expense	-	(87,017)	87,017
Net changes	3,569,000	7,200,714	(3,631,714)
Balance as of June 30, 2021	\$ 46,177,169	\$ 52,699,194	\$ (6,522,025)

	Primary Government				Primary Government Total
	Business-Type Activities			MTC Clipper	
	Governmental Activities	Bay Area Toll Authority	MTC SAFE		
Net OPEB Asset for fiscal year 2021	\$ (4,561,628)	\$ (1,274,955)	\$ (97,714)	\$ (301,400)	\$ (6,235,697)

	Component Units			Grand Total
	BAHA	BAIFA	Component Units Total	
Net OPEB Asset for fiscal year 2021	\$ (39,758)	\$ (246,570)	\$ (286,328)	\$ (6,522,025)

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*Sensitivity of the net OPEB liability / (asset) to changes in the discount rate*

The following presents what the MTC's net OPEB liability / (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (3.50%)	Current Discount Rate (4.50%)	1% Increase in Discount Rate (5.50%)
<b>Primary Government</b>			
Governmental Activities	\$ 541,779	\$ (4,561,628)	\$ (8,664,025)
Business-Type Activities			
Bay Area Toll Authority	151,425	(1,274,955)	(2,421,557)
MTC SAFE	11,605	(97,714)	(185,590)
MTC Clipper	35,797	(301,400)	(572,457)
<b>Component Units</b>			
BAHA	4,722	(39,758)	(75,512)
BAIFA	29,285	(246,570)	(468,317)
<b>Net OPEB Liability / (Asset)</b>	<b>\$ 774,613</b>	<b>\$ (6,522,025)</b>	<b>\$ (12,387,458)</b>

The following presents what the MTC's net OPEB liability / (asset) would be if it were calculated using healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

*Sensitivity of the net OPEB liability / (asset) to changes in the healthcare cost trend rates*

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
<b>Primary Government</b>			
Governmental Activities	\$ (9,589,227)	\$ (4,561,628)	\$ 1,881,893
Business-Type Activities			
Bay Area Toll Authority	(2,680,147)	(1,274,955)	525,981
MTC SAFE	(205,408)	(97,714)	40,312
MTC Clipper	(633,587)	(301,400)	124,342
<b>Component Units</b>			
BAHA	(83,577)	(39,758)	16,402
BAIFA	(518,327)	(246,570)	101,722
<b>Net OPEB Liability / (Asset)</b>	<b>\$ (13,710,273)</b>	<b>\$ (6,522,025)</b>	<b>\$ 2,690,652</b>

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

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**E. OPEB Expenses and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the MTC recognized OPEB expenses of \$2,971,784. The OPEB expenses are allocated to its blended and discretely presented component units as follows:

	Primary Government				Primary Government Total
	Business-Type Activities				
	Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	
OPEB expense for fiscal year 2021	\$ 2,178,137	\$ 635,754	\$ 45,592	\$ 159,902	\$ 3,019,385

	Component Units			Grand Total
	BAHA	BAIFA	Component Units Total	
OPEB expense for fiscal year 2021	\$ 42,687	\$ (90,288)	\$ (47,601)	\$ 2,971,784

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

At June 30, 2021, MTC reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources					
Primary Government					
Business-Type Activities					
Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	Primary Government Total	
Difference between expected and actual experience	\$ 1,530,626	\$ 427,803	\$ 32,785	\$ 101,133	\$ 2,092,347
Employer contributions for fiscal year 2021	1,303,717	364,383	27,927	86,140	1,782,167
Total	\$ 2,834,343	\$ 792,186	\$ 60,712	\$ 187,273	\$ 3,874,514

Component Units				
	BAHA	BAIFA	Component Units Total	Grand Total
Difference between expected and actual experience	\$ 13,340	\$ 82,735	\$ 96,075	\$ 2,188,422
Employer contributions for fiscal year 2021	11,363	70,470	81,833	1,864,000
Total	\$ 24,703	\$ 153,205	\$ 177,908	\$ 4,052,422

Deferred Inflows of Resources					
Primary Government					
Business-Type Activities					
Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	Primary Government Total	
Changes in assumptions	\$ 1,603,845	\$ 448,268	\$ 34,355	\$ 105,970	\$ 2,192,438
Net difference between projected and actual earnings on plan investments	867,262	242,397	18,579	57,304	1,185,542
Total	\$ 2,471,107	\$ 690,665	\$ 52,934	\$ 163,274	\$ 3,377,980

Component Units				
	BAHA	BAIFA	Component Units Total	Grand Total
Changes in assumptions	\$ 13,979	\$ 86,693	\$ 100,672	\$ 2,293,110
Net difference between projected and actual earnings on plan investments	7,559	46,878	54,437	1,239,979
Total	\$ 21,538	\$ 133,571	\$ 155,109	\$ 3,533,089

The \$1,864,000 contribution made in the preceding table is reported as deferred outflows of resources related to employer contributions subsequent to the measurement date and will be recognized as an increase to the net OPEB asset in the year ended June 30, 2022.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

Amounts currently reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended:	Deferred Outflows/(Inflows) of Resources							Total
	Business-Type Activities							
	Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAHA	BAIFA		
2022	\$ (24,021)	\$ (6,714)	\$ (515)	\$ (1,587)	\$ (209)	\$ (1,298)	\$ (34,344)	
2023	(202,617)	(56,631)	(4,340)	(13,388)	(1,766)	(10,952)	(289,694)	
2024	(412,955)	(115,419)	(8,846)	(27,285)	(3,599)	(22,322)	(590,426)	
2025	(274,908)	(76,835)	(5,889)	(18,164)	(2,396)	(14,860)	(393,052)	
2026	(11,809)	(3,301)	(253)	(780)	(103)	(638)	(16,884)	
Thereafter	(14,175)	(3,962)	(304)	(937)	(123)	(766)	(20,267)	

**9. Compensated Absences**

The compensated absences liability which is included in the other noncurrent liabilities of the government-wide Statement of Net Position totals \$8,896,459 for Primary Government, and \$391,771 for Component Units. The general fund is typically used to liquidate this liability when it becomes due and payable. A summary of changes in compensated absences for the year June 30, 2021 is as follows:

Primary Government	Beginning Balance	Change in proportion	Beginning Balance After Change in proportion	Additions	Reductions	Ending Balance June 30, 2021	Due Within One Year
	July 1, 2020						
Governmental Activities	\$ 4,965,167	\$ (52,376)	\$ 4,912,791	\$ 2,594,704	\$ (1,079,657)	\$ 6,427,839	\$ 3,960,222
Business-Type Activities	1,822,164	64,603	1,886,767	996,500	(414,646)	2,468,621	1,520,930
Total	\$ 6,787,331	\$ 12,227	\$ 6,799,558	\$ 3,591,204	\$ (1,494,303)	\$ 8,896,459	\$ 5,481,152

Component Units	Beginning Balance	Change in proportion	Beginning Balance After Change in proportion	Additions	Reductions	Ending Balance June 30, 2021	Due Within One Year
	July 1, 2020						
BAHA	\$ 43,275	\$ 7,105	\$ 50,380	\$ 26,609	\$ (11,072)	\$ 65,917	\$ 40,612
BAIFA	268,382	(19,332)	249,050	131,536	(54,732)	325,854	200,760
Total	\$ 311,657	\$ (12,227)	\$ 299,430	\$ 158,145	\$ (65,804)	\$ 391,771	\$ 241,372

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

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**10. Commitments and Contingencies**

MTC's grant funded projects are subject to audit by the respective grantors. The final determination of allowable project costs can be made only after the grantors' audits are completed and final rulings by the grantors' administrative departments are obtained. Disallowed expenditures, if any, must be borne by nonfederal funds. In the opinion of MTC's management, such disallowances, if any, would not have a material adverse effect on the accompanying government-wide financial statements.

MTC is involved in various claims and litigation that are considered normal to MTC's activities. In the opinion of MTC's management, the ultimate resolution of these matters will not have a material adverse effect on MTC's government-wide financial position.

**Regional Measure 3 (RM 3)**

Pursuant to California Senate bill 565 signed into law in October 2017, MTC was authorized to place a new regional toll measure before the voters. The voters approved RM 3 in November 2017 by 54%. RM 3 authorized BATA to implement a toll increase of up to \$ 3.00 starting with \$1.00 in January 2019 and subsequent \$1.00 increases in January 2022 and 2025. Funds from RM3 are to be used for \$4.45 billion in traffic relief projects and a cap of 16% for specified transit operating support. Following approval by the voters, two lawsuits were filed contesting the validity of the state approval. In July 2019, the trial court affirmed the state action and dismissed the law suits. The court consolidated the cases for appeal purposes. In June 2020, the First Court District of Appeal dismissed the lawsuit. Subsequently, the plaintiff filed an appeal to the California Supreme Court and BATA is waiting on the decision. However, based on the likelihood of the potential loss, total RM 3 revenue including the prior year accumulated toll revenue and interest earnings in the amount of \$182,723,433 was recognized in fiscal year 2021. The board also directed that the funds collected from the RM 3 be maintained in external escrow trust until litigation in the matter is resolved.

**BAIFA - Discretely Presented Component Unit**

BAIFA entered into contracts with external parties to construct express lanes, provide traffic control in the construction area, and develop the toll collection system. As of June 30, 2021, there are approximately \$42,163,000 in future capital expenditure commitments.

**BAHA - Discretely Presented Component Unit**

BAHA has entered into contracts with multiple external parties to perform the building and tenant improvements construction and working space furnishing in the Bay Area Metro Center (BAMC). As of June 30, 2021, there are approximately \$1,245,420 in future capital expenditure commitments.

**11. Risk Management**

MTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. MTC purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by MTC from insurance companies. To date, there

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2021**

### **Notes to Financial Statements**

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have been no significant reductions in any of MTC's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the past three years.

## **12. Related Party Transactions**

### **MTC - Primary Government**

On May 30, 2017 MTC and ABAG signed a Contract for Services agreement which states that the MTC Executive Director and the consolidated staff will perform all of the duties and programmatic work for ABAG and its Local Collaboration Programs, which are ABAG Finance Authority for Non-Profit Corporations and ABAG Publicly Owned Energy Resources, that were previously performed by ABAG staff. The consolidation of ABAG's staff and function to MTC was effective on July 1, 2017.

On November 14, 2018, MTC board approved an operational advance to ABAG in the amount not to exceed \$10 million to assist ABAG in its cash flows needs. The advance will be drawn by ABAG as needed. ABAG will be charged 1% fee on any drawn amounts. On October 23, 2019, the MTC Commission approved an extension of the ABAG Operational Advance for Liquidity and Cash Flow through December 2021, unless reauthorized in advance by MTC and ABAG. MTC authorized up to \$2 million of the operational advance for longer term project loans, and authorized up to \$1 million of the longer term project loans for the ABAG Bay Area Regional Energy Network (BayREN) Water Bill Savings Program. During fiscal year 2021, ABAG utilized the operational advance in the amount of \$2 million. ABAG repaid \$1 million in fiscal year 2021, and the remaining balance in July 2021.

On October 8, 2019, the Bay Area Housing Finance Authority (BAHFA) was established pursuant to the California Government Code Section 64510 (a)(1) to provide a regional financing mechanism for affordable housing production, preservation, and tenant protection in the San Francisco Bay area, including charter cities. California Government Code Section 64510 (a)(2) states that BAHFA is governed by the same board that governs the MTC, and that BAHFA is a separate legal entity of MTC. Even though BAHFA is governed by the same board as MTC, MTC does not have substantive authority to approve BAHFA's budget; BAHFA's tax rates; and BAHFA's issuance of bonded debt, therefore, BAHFA is not fiscally dependent on MTC.

### **BAHA - Discretely Presented Component Unit**

On June 22, 2017, 375 Beale Condominium Corporation ("375 Beale Condo") was incorporated in the State of California. The 375 Beale Condo started to exercise its custodial responsibility on behalf of the three owner occupants, BAHA, Bay Area Air Quality Management District (BAAQMD), and ABAG on July 1, 2017. The 375 Beale Condo assessed both facility common and agency common assessment fees to meet all required expenditures of the common area and joint used space. The Bay Area Metro Center (BAMC) building has been subdivided into four condominium units. BAHA owns two units, and BAAQMD and ABAG each owns one. 375 Beale Condo's governing board consists of four directors appointed by the owners of each unit.

BAHA contracted Cushman and Wakefield of California, Inc. (C&W) to provide day-to-day property management services on behalf of the three condominium unit owners. For the fiscal year 2021, BAHA assessed \$3,747,498 from the three condominium owners for the common area operations and refunded \$545,958 to condominium owners. As of June 30, 2021, BAHA has \$599,307 payables to 375 Beale Condo.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2021**  
**Notes to Financial Statements**

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**13. Subsequent Events**

Pursuant to the 2021-22 California Budget Act which was adopted on June 28, 2021, MTC will receive \$20 million from the state of California for the Bay Area Housing Finance Authority.



# Metropolitan Transportation Commission

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# Metropolitan Transportation Commission

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and

### Actual - General Fund (unaudited)

For the Year Ended June 30, 2021

Schedule I

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Sales tax	\$ 10,962,523	\$ 10,962,523	\$ 14,117,813	\$ 3,155,290
Grants - Federal	189,597,871	193,204,898	56,689,023	(136,515,875)
Grants - State	15,197,031	15,884,103	7,499,903	(8,384,200)
Local agencies revenues and refunds	15,587,860	15,762,315	9,982,579	(5,779,736)
Investment income - unrestricted	57,500	57,500	17,400	(40,100)
<b>TOTAL REVENUES</b>	<b>231,402,785</b>	<b>235,871,339</b>	<b>88,306,718</b>	<b>(147,564,621)</b>
<b>EXPENDITURES</b>				
General government	249,278,188	267,245,681	81,997,085	185,248,596
Allocations to other agencies	50,952,341	50,952,341	18,632,562	32,319,779
Capital outlay	1,506,000	1,506,000	316,647	1,189,353
<b>TOTAL EXPENDITURES</b>	<b>301,736,529</b>	<b>319,704,022</b>	<b>100,946,294</b>	<b>218,757,728</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(70,333,744)</b>	<b>(83,832,683)</b>	<b>(12,639,576)</b>	<b>71,193,107</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	63,703,889	76,436,668	19,297,306	(57,139,362)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(6,629,855)</b>	<b>(7,396,015)</b>	<b>6,657,730</b>	<b>14,053,745</b>
Fund balances - beginning	50,931,350	50,931,350	50,931,350	-
Fund balances - ending	\$ 44,301,495	\$ 43,535,335	\$ 57,589,080	\$ 14,053,745

<sup>(1)</sup> Budget prepared in accordance with GAAP.

See accompanying Report of Independent Auditors.

**Metropolitan Transportation Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and**  
**Actual - AB 664 Net Toll Revenue Reserve Fund (unaudited)**  
**For the Year Ended June 30, 2021**

**Schedule II**

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Investment income - unrestricted	\$ -	\$ -	\$ 412,662	\$ 412,662
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>412,662</b>	<b>412,662</b>
<b>EXPENDITURES</b>				
General government	-	-	6,262	(6,262)
Allocations to other agencies	93,970,081	93,970,081	28,356,967	65,613,114
<b>TOTAL EXPENDITURES</b>	<b>93,970,081</b>	<b>93,970,081</b>	<b>28,363,229</b>	<b>65,606,852</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(93,970,081)</b>	<b>(93,970,081)</b>	<b>(27,950,567)</b>	<b>66,019,514</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	82,735,695	82,735,695	7,614,184	(75,121,511)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>82,735,695</b>	<b>82,735,695</b>	<b>7,614,184</b>	<b>(75,121,511)</b>
<b>NET CHANGE IN FUND BALANCES</b>				
Fund balances - beginning	1,966,624	1,966,624	1,966,624	-
Fund balances - ending	<u>\$ (9,267,762)</u>	<u>\$ (9,267,762)</u>	<u>\$ (18,369,759)</u>	<u>\$ (9,101,997)</u>

<sup>(1)</sup> Budget prepared in accordance with GAAP.

See accompanying Report of Independent Auditors.

**Metropolitan Transportation Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and**  
**Actual - State Transit Assistance Fund (unaudited)**  
**For the Year Ended June 30, 2021**

**Schedule III**

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Grants - State	\$ 78,268,606	\$ 65,278,835	\$ 64,509,346	\$ (769,489)
Local agencies revenues and refunds	-	-	3,079,356	3,079,356
Investment income - unrestricted	-	-	1,765,125	1,765,125
<b>TOTAL REVENUES</b>	<u>78,268,606</u>	<u>65,278,835</u>	<u>69,353,827</u>	<u>4,074,992</u>
<b>EXPENDITURES</b>				
Allocations to other agencies	<u>155,636,268</u>	<u>142,646,497</u>	<u>40,797,424</u>	<u>101,849,073</u>
<b>TOTAL EXPENDITURES</b>	<u>155,636,268</u>	<u>142,646,497</u>	<u>40,797,424</u>	<u>101,849,073</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(77,367,662)	(77,367,662)	28,556,403	105,924,065
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	77,367,662	77,367,662	-	(77,367,662)
Transfers out	-	-	(7,284,109)	(7,284,109)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>77,367,662</u>	<u>77,367,662</u>	<u>(7,284,109)</u>	<u>(84,651,771)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	21,272,294	21,272,294
Fund balances - beginning	<u>77,367,662</u>	<u>77,367,662</u>	<u>77,367,662</u> *	<u>-</u>
Fund balances - ending	<u>\$ 77,367,662</u>	<u>\$ 77,367,662</u>	<u>\$ 98,639,956</u>	<u>\$ 21,272,294</u>

<sup>(1)</sup> Budget prepared in accordance with GAAP.

\* In fiscal year 2021, beginning balance was restated due to the adoption of GASB Statement 84. See Note 1 AB for further information.

See accompanying Report of Independent Auditors.

**Metropolitan Transportation Commission**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and**  
**Actual - Rail Reserves Fund (unaudited)**  
**For the Year Ended June 30, 2021**

**Schedule IV**

	<u>Original Budget <sup>(1)</sup></u>	<u>Final Budget <sup>(1)</sup></u>	<u>Actual</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Investment income - unrestricted	\$ -	\$ -	\$ 66,925	\$ 66,925
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>66,925</u>	<u>66,925</u>
<b>EXPENDITURES</b>				
General government	-	-	1,929	(1,929)
Allocations to other agencies	6,182,279	6,182,279	2,316,843	3,865,436
<b>TOTAL EXPENDITURES</b>	<u>6,182,279</u>	<u>6,182,279</u>	<u>2,318,772</u>	<u>3,863,507</u>
<b>REVENUES UNDER EXPENDITURES</b>	(6,182,279)	(6,182,279)	(2,251,847)	3,930,432
<b>OTHER FINANCING SOURCES</b>				
Transfers in	6,182,279	6,182,279	6,182,279	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>3,930,432</u>	<u>3,930,432</u>
Fund balances - beginning	(88,760,144)	(88,760,144)	(88,760,144)	-
Fund balances - ending	<u>\$ (88,760,144)</u>	<u>\$ (88,760,144)</u>	<u>\$ (84,829,712)</u>	<u>\$ 3,930,432</u>

<sup>(1)</sup> Budget prepared in accordance with GAAP.

See accompanying Report of Independent Auditors.

# Metropolitan Transportation Commission

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

### BART Car Exchange Fund (unaudited)

For the Year Ended June 30, 2021

Schedule V

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Investment income - restricted	\$ -	\$ -	\$ 380,218	\$ 380,218
<b>TOTAL REVENUES</b>	-	-	380,218	380,218
<b>EXPENDITURES</b>				
General government	-	-	4,770	(4,770)
Allocations to other agencies	-	161,000,000	38,096,083	122,903,917
<b>TOTAL EXPENDITURES</b>	-	161,000,000	38,100,853	122,899,147
<b>NET CHANGE IN FUND BALANCES</b>	-	(161,000,000)	(37,720,635)	123,279,365
Fund balances - beginning	401,476,685	401,476,685	401,476,685	-
Fund balances - ending	\$ 401,476,685	\$ 240,476,685	\$ 363,756,050	\$ 123,279,365

<sup>(1)</sup> Budget prepared in accordance with GAAP.

See accompanying Report of Independent Auditors.

**Metropolitan Transportation Commission**  
**Schedule of Changes in the Net Pension Liability (unaudited)**  
**For the Measurement Periods Ended June 30**  
**Last Ten Years\***

**Schedule VI**

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 6,538,852	\$ 6,332,691	\$ 6,156,743	\$ 4,923,634	\$ 3,969,969	\$ 3,699,768	\$ 3,710,617
Interest	13,029,835	12,111,258	10,871,494	10,572,028	10,131,302	9,499,032	8,852,738
Changes of assumptions	-	-	(5,335,069)	9,136,825	-	(2,410,626)	-
Difference between expected and actual experience	908,440	6,335,416	(1,053,719)	(3,383,252)	(352,537)	515,758	-
Benefit payments and refunds of contribution	(7,028,381)	(6,188,088)	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Net change in total pension liability	13,448,746	18,591,277	4,603,024	16,215,517	8,969,454	6,650,396	8,158,478
<b>Total pension liability - beginning</b>	<u>181,571,786</u>	<u>162,980,509</u>	<u>158,377,485</u>	<u>142,161,968</u>	<u>133,192,514</u>	<u>126,542,118</u>	<u>118,383,640</u>
<b>Total pension liability - ending</b>	<u>\$ 195,020,532</u>	<u>\$ 181,571,786</u>	<u>\$ 162,980,509</u>	<u>\$ 158,377,485</u>	<u>\$ 142,161,968</u>	<u>\$ 133,192,514</u>	<u>\$ 126,542,118</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 23,203,828	\$ 6,066,267	\$ 5,457,108	\$ 5,196,976	\$ 4,128,694	\$ 3,819,020	\$ 3,313,040
Contributions - member	2,817,516	2,619,718	2,537,731	2,124,545	1,848,104	1,755,442	2,310,147
Net plan to plan resource movement	-	1,376,963	(309)	-	-	-	-
Net investment income	8,164,271	9,132,264	10,586,685	12,110,384	535,476	2,304,601	15,270,089
Benefit payments and refunds of contributions	(7,028,381)	(6,188,088)	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Administrative expenses	(206,689)	(95,412)	(189,652)	(158,667)	(64,478)	(119,062)	-
Other miscellaneous income/(expense) <sup>2</sup>	-	309	(360,152)	-	-	-	-
Net change in plan fiduciary net position	26,950,545	12,912,021	11,994,986	14,239,520	1,668,516	3,106,465	16,488,399
<b>Plan Fiduciary Net Position - beginning</b>	<u>146,613,202</u>	<u>133,701,181</u>	<u>121,706,195</u>	<u>107,466,675</u>	<u>105,798,159</u>	<u>102,691,694</u>	<u>86,203,295</u>
<b>Plan Fiduciary Net Position - ending</b>	<u>\$ 173,563,747</u>	<u>\$ 146,613,202</u>	<u>\$ 133,701,181</u>	<u>\$ 121,706,195</u>	<u>\$ 107,466,675</u>	<u>\$ 105,798,159</u>	<u>\$ 102,691,694</u>
<b>Net Pension Liability - ending</b>	<u>\$ 21,456,785</u>	<u>\$ 34,958,584</u>	<u>\$ 29,279,328</u>	<u>\$ 36,671,290</u>	<u>\$ 34,695,293</u>	<u>\$ 27,394,355</u>	<u>\$ 23,850,424</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	89.00%	80.75%	82.04%	76.85%	75.59%	79.43%	81.15%
<b>Covered Payroll<sup>1</sup></b>	36,306,211	34,846,017	33,455,049	27,722,133	23,713,316	22,111,218	20,191,937
<b>Plan Net Pension Liability as a Percentage of Covered Payroll</b>	59.10%	100.32%	87.52%	132.28%	146.31 %	123.89 %	118.12 %

<sup>1</sup> Fiscal year 2015 covered-employee payroll has been revised to covered payroll in accordance with the implementation guidance in GASB Statement 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*. The covered payroll includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19 and 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17, and 2019-20.



**Metropolitan Transportation Commission**  
**Schedule of Changes in the Net Pension Liability (unaudited), *Continued***  
**For the Measurement Periods Ended June 30**  
**Last Ten Years\***

**Schedule VI**

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<sup>2</sup> During FY 17-18, as a result of GASB 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during FY 17-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

\* Only seven years' data is available.

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None during the years 2020 and 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**Metropolitan Transportation Commission**  
**Schedule of Employer Contributions - Pension (unaudited)**  
**For the Fiscal Years Ended June 30**  
**Last Ten Years**

**Schedule VII**

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 6,932,097	\$ 6,981,257	\$ 6,066,260	\$ 5,457,084	\$ 5,198,407	\$ 4,128,694	\$ 3,819,020	\$ 3,311,675	\$ 3,103,791	\$ 2,892,933
Contributions in relation to the actuarially determined contribution	(11,932,097)	(23,202,600)	(6,066,260)	(5,457,084)	(5,198,407)	(4,128,694)	(3,819,020)	(3,311,675)	(3,103,791)	(2,892,933)
Contribution deficiency (excess)	\$ (5,000,000) <sup>(1)</sup>	\$ (16,221,343) <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll <sup>(2)</sup>	\$ 39,015,440	\$ 36,306,211	\$ 34,846,017	\$ 33,455,049	\$ 27,722,133	\$ 23,713,316	\$ 22,111,218	\$ 20,191,937	\$ 18,966,022	\$ 17,799,482
Actual contributions as a percentage of covered payroll	30.58%	63.91%	17.41%	16.31%	18.75%	17.41%	17.27%	16.40%	16.36%	16.25%

<sup>(1)</sup> Additional payment above the Actuarially Determined Contribution to paydown the Unfunded Pension Liability

<sup>(2)</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19 and 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17, and 2019-20.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2019-20 were derived from the June 30, 2017 funding valuation report.

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method / Period	For details, see June 30, 2017 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.875%
Investment Rate of Return	7.25% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90 % of Scale MP-2016 published by the Society of Actuaries.

**Metropolitan Transportation Commission**  
**Schedule of Changes in Net OPEB Liability / (Asset) and Related Ratios (unaudited)**  
**For the Measurement Periods Ended June 30**  
**Last Ten Years**

**Schedule VIII**

	2020*	2019*	2018*	2017*
<b>Total OPEB liability</b>				
Service Cost	\$ 2,975,424	\$ 2,725,415	\$ 2,608,053	\$ 2,495,744
Interest on the total OPEB liability	2,019,186	1,867,508	1,718,583	1,574,575
Difference between actual and expected experience	-	2,894,367	-	-
Changes of assumptions	-	(3,032,822)	-	-
Benefit payments	(1,425,610)	(1,242,130)	(1,026,974)	(937,878)
Administrative expense	-	-	-	-
Net change in total OPEB liability	3,569,000	3,212,338	3,299,662	3,132,441
<b>Total OPEB liability - beginning</b>	<b>42,608,169</b>	<b>39,395,831</b>	<b>36,096,169</b>	<b>32,963,728</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 46,177,169</b>	<b>\$ 42,608,169</b>	<b>\$ 39,395,831</b>	<b>\$ 36,096,169</b>
<b>OPEB Fiduciary Net Position</b>				
Benefit payments	\$ (1,425,610)	\$ (1,242,130)	\$ (1,026,974)	\$ (937,878)
Contribution from employer	4,757,000	12,231,193	4,196,184	3,961,391
Net investment income	3,956,341	2,668,391	(151,961)	(70,798)
Administrative expense	(87,017)	(62,824)	(57,409)	(52,142)
Net change in plan fiduciary net position	7,200,714	13,594,630	2,959,840	2,900,573
<b>Plan fiduciary net position - beginning</b>	<b>45,498,480</b>	<b>31,903,850</b>	<b>28,944,010</b>	<b>26,043,437</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 52,699,194</b>	<b>\$ 45,498,480</b>	<b>\$ 31,903,850</b>	<b>\$ 28,944,010</b>
Plan net OPEB liability / (asset) - ending (a) - (b)	\$ (6,522,025)	\$ (2,890,311)	\$ 7,491,981	\$ 7,152,159
Plan fiduciary net position as a percentage of the total OPEB liability / (asset)	114.1%	106.80%	80.98%	80.19%
Covered-employee payroll	\$ 38,352,763	\$ 36,884,523	\$ 34,954,872	\$ 28,784,959
Plan net OPEB liability / (asset) of as a percentage of covered-employee payroll	17.0%	(7.84%)	21.43%	24.85%

\* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule of Changes in Net OPEB Liability / (Asset) and Related Ratios:

Benefits Changes: None in 2020.

Changes of Assumptions: There were no changes in demographic assumptions, the discount rate, or the inflation rate in 2020. In 2019, the demographic assumptions were updated to the CalPERS 1997-2015 Experience Study. There were no changes in the discount rate. However, the inflation rate increases from 2.5 percent to 2.75 percent.

**Metropolitan Transportation Commission**  
**Schedule of Employer Contributions - OPEB (unaudited)**  
**For the Fiscal Years Ended June 30**  
**Last Ten Fiscal Years**

**Schedule IX**

	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
Actuarially determined contribution	\$ 3,081,000	\$ 2,988,000	\$ 3,295,593	\$ 3,152,650
Contributions in relation to the actuarially determined contribution	<u>(1,864,000) <sup>(2)</sup></u>	<u>(4,757,000)</u>	<u>(11,295,593)</u>	<u>(3,152,650)</u>
Contribution deficiency (excess)	<u>\$ 1,217,000</u>	<u>\$ (1,769,000) <sup>(1)</sup></u>	<u>\$ (8,000,000) <sup>(1)</sup></u>	<u>\$ -</u>
Covered-employee payroll	\$ 40,927,707	\$ 38,352,763	\$ 36,884,523	\$ 34,954,872

<sup>(1)</sup> Additional payment above the Actuarially Determined Contribution to paydown the Unfunded OPEB Liability.

<sup>(2)</sup> Net of \$2.9 million reimbursement from the trust account.

**Notes to Schedule:**

Actuarially determined contribution rates are calculated as of June 30, 2019 two years prior to the end of fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entrv Age Normal Cost Method
Amortization method	Level percentage of pay
Amortization period	19 years fixed period for 2020/21
Asset valuation method	Investment gains and losses spread over a period of five years
Inflation	2.75 percent
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Investment rate of return	4.50 percent
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019

\* Future years' information will be displayed up to 10 years as information becomes available.

## **OTHER SUPPLEMENTARY INFORMATION**

**Metropolitan Transportation Commission**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2021**

**Schedule 1**

	Transit Reserves	Exchange	Prop 1B Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash - unrestricted	\$ 46,640,434	\$ 24,328,800	\$ -	\$ 70,969,234
Investment - unrestricted	10,399,585	-	-	10,399,585
<b>Receivables</b>				
Interest receivables	254	-	-	254
<b>TOTAL ASSETS</b>	<u>\$ 57,040,273</u>	<u>\$ 24,328,800</u>	<u>\$ -</u>	<u>\$ 81,369,073</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenditures	\$ 397,232	\$ 904,249	\$ -	\$ 1,301,481
Due to other funds	166,786	421,720	-	588,506
<b>TOTAL LIABILITIES</b>	<u>564,018</u>	<u>1,325,969</u>	<u>-</u>	<u>1,889,987</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues	34,425,769	-	-	34,425,769
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>34,425,769</u>	<u>-</u>	<u>-</u>	<u>34,425,769</u>
<b>FUND BALANCES</b>				
Restricted for:				
Transportation projects	22,050,487	-	-	22,050,487
Committed to:				
Transportation projects	-	23,002,830	-	23,002,830
<b>TOTAL FUND BALANCES</b>	<u>22,050,487</u>	<u>23,002,830</u>	<u>-</u>	<u>45,053,317</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 57,040,274</u>	<u>\$ 24,328,799</u>	<u>\$ -</u>	<u>\$ 81,369,073</u>

**Metropolitan Transportation Commission**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2021**

**Schedule 2**

	Transit Reserves	Exchange	Prop 1B Fund	Total Non-Major Governmental Funds
<b>REVENUES</b>				
Grants - State	\$ 3,374,680	\$ -	\$ -	\$ 3,374,680
Investment income - unrestricted	26,843	9,902	17	36,762
<b>TOTAL REVENUES</b>	<b>3,401,523</b>	<b>9,902</b>	<b>17</b>	<b>3,411,442</b>
<b>Expenditures</b>				
Current:				
General government	-	904,248	-	904,248
Allocations to other agencies	730,570	-	-	730,570
<b>TOTAL EXPENDITURES</b>	<b>730,570</b>	<b>904,248</b>	<b>-</b>	<b>1,634,818</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>2,670,953</b>	<b>(894,346)</b>	<b>17</b>	<b>1,776,624</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,794,835	-	-	1,794,835
Transfers out	(596,855)	(1,846,863)	(85,215)	(2,528,933)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,197,980</b>	<b>(1,846,863)</b>	<b>(85,215)</b>	<b>(734,098)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,868,933</b>	<b>(2,741,209)</b>	<b>(85,198)</b>	<b>1,042,526</b>
Fund balances - beginning	18,181,554	25,744,039	85,198	44,010,791
Fund balances - ending	<b>\$ 22,050,487</b>	<b>\$ 23,002,830</b>	<b>\$ -</b>	<b>\$ 45,053,317</b>

# Metropolitan Transportation Commission

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Transit Reserves Fund

For the Year Ended June 30, 2021

Schedule 3

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Grants - State	\$ 3,656,386	\$ 3,656,386	\$ 3,374,680	\$ (281,706)
Investment income - unrestricted	-	-	26,843	26,843
<b>TOTAL REVENUES</b>	<b>3,656,386</b>	<b>3,656,386</b>	<b>3,401,523</b>	<b>(254,863)</b>
<b>EXPENDITURES</b>				
Allocations to other agencies	27,367,257	27,367,257	730,570	26,636,687
<b>TOTAL EXPENDITURES</b>	<b>27,367,257</b>	<b>27,367,257</b>	<b>730,570</b>	<b>26,636,687</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(23,710,871)</b>	<b>(23,710,871)</b>	<b>2,670,953</b>	<b>26,381,824</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	23,710,871	23,710,871	1,794,835	(21,916,036)
Transfers out	-	-	(596,855)	(596,855)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>23,710,871</b>	<b>23,710,871</b>	<b>1,197,980</b>	<b>(22,512,891)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>3,868,933</b>	<b>3,868,933</b>
Fund balances - beginning	18,181,554	18,181,554	18,181,554	-
Fund balances - ending	<u>\$ 18,181,554</u>	<u>\$ 18,181,554</u>	<u>\$ 22,050,487</u>	<u>\$ 3,868,933</u>

<sup>(1)</sup> Budget prepared in accordance with GAAP.



# Metropolitan Transportation Commission

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Exchange Fund

For the Year Ended June 30, 2021

Schedule 4

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Local agencies revenues and refunds	\$ -	\$ 139,115,607	\$ -	\$ (139,115,607)
Investment income - unrestricted	-	-	9,902	9,902
<b>TOTAL REVENUES</b>	-	139,115,607	9,902	(139,105,705)
<b>EXPENDITURES</b>				
General government	-	-	(904,248)	(904,248)
<b>TOTAL EXPENDITURES</b>	-	-	904,248	(904,248)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	139,115,607	(894,346)	(140,009,953)
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(1,846,863)	(1,846,863)
<b>TOTAL OTHER FINANCING USES</b>	-	-	(1,846,863)	(1,846,863)
<b>NET CHANGE IN FUND BALANCES</b>	-	139,115,607	(2,741,209)	(141,856,816)
Fund balances - beginning	25,744,039	25,744,039	25,744,039	-
Fund balances - ending	\$ 25,744,039	\$ 164,859,646	\$ 23,002,830	\$ (141,856,816)

<sup>(1)</sup> Budget prepared in accordance with GAAP.

# Metropolitan Transportation Commission

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -

### Prop 1B Fund

For the Year Ended June 30, 2021

Schedule 5

	Original Budget <sup>(1)</sup>	Final Budget <sup>(1)</sup>	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Grants - State	\$ -	\$ -	\$ -	\$ -
Investment income - unrestricted	-	-	17	17
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>17</b>
<b>EXPENDITURES</b>				
General government	85,198	85,198	-	85,198
<b>TOTAL EXPENDITURES</b>	<b>85,198</b>	<b>85,198</b>	<b>-</b>	<b>85,198</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(85,198)</b>	<b>(85,198)</b>	<b>17</b>	<b>85,215</b>
<b>OTHER FINANCING (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(85,215)	(85,215)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>-</b>	<b>(85,215)</b>	<b>(85,215)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(85,198)</b>	<b>(85,198)</b>	<b>(85,198)</b>	<b>-</b>
Fund balances - beginning	85,198	85,198	85,198	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

<sup>(1)</sup> Budget prepared in accordance with GAAP.

**Metropolitan Transportation Commission**  
**Schedule of Expenditures by Natural Classification**  
**For the Year Ended June 30, 2021**

**Schedule 6**

Expenditures by natural classification	
Salaries & benefits	\$ 43,273,024
Travel	2,646
Professional fees	34,807,851
Overhead	3,509,838
Printing & reproduction	65,335
Other	338,391
Reported as general government expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds <sup>(1)</sup>	<u>\$ 81,997,085</u>
Salaries & benefits - MTC Governmental	\$ 43,273,024
Salaries & benefits - MTC Clipper <sup>®</sup>	3,050,543
Salaries & benefits - BATA	12,466,297
Salaries & benefits - SAFE	974,353
Salaries & benefits - BAHA	465,382
Salaries & benefits - BAIFA	2,415,683
Total salaries & benefits	<u>\$ 62,645,282</u>
Indirect Cost - MTC Governmental	\$ 3,509,838
Indirect Cost - MTC Clipper <sup>®</sup>	1,579,846
Indirect Cost - SAFE	503,805
Indirect Cost - BAHA	244,399
Indirect Cost - BAIFA	1,246,720
Total Indirect Cost	<u>\$ 7,084,608</u>

<sup>(1)</sup> General government expenditures - by Fund	
General Fund	\$ 81,997,085
Total general government expenditures	<u>\$ 81,997,085</u>

**Metropolitan Transportation Commission**  
**Schedule of Overhead, Salaries and Benefits Expenditures -**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

**Schedule 7**

	Direct Costs*	Allowable Indirect Costs	Unallowable Costs	Total
Salaries	\$ 25,891,707	\$ 9,526,993	\$ (501)	\$ 35,418,199
Benefits	18,898,621	6,833,490	1,494,972	27,227,083
Total salaries and benefits	<u>\$ 44,790,328</u>	<u>\$ 16,360,483</u>	<u>\$ 1,494,471</u>	<u>\$ 62,645,282</u>
Reimbursable overhead:**				
Agency temps		\$ 143,868	\$ -	\$ 143,868
Training		195,407	1,252	196,659
Personnel recruitment		87,498	-	87,498
Public hearing		4,278	323	4,601
Advertising		13,671	-	13,671
Communications		63,104	-	63,104
Utilities		1,658	-	1,658
Parking		10,380	-	10,380
Storage rental		35,831	16	35,847
Computer maintenance & repair		46,312	-	46,312
Auto expense		5,847	-	5,847
Office supplies & Furniture / Fixture		6,554	-	6,554
Printing & graphics supplies		10,043	-	10,043
Computer supplies		33,971	-	33,971
Computer software		1,607,157	-	1,607,157
Computer hardware		321,478	-	321,478
Postage & mailing		47,090	2,102	49,192
Memberships		48,538	41,900	90,438
Library acquisitions & subscriptions		120,217	-	120,217
Law library		2,655	-	2,655
Hosted services		1,049,221	327	1,049,548
Advisory member stipend		23,150	78,200	101,350
Audit fees		515,868	-	515,868
Newswire service		16,658	-	16,658
Insurance		177,453	-	177,453
Other		17,924	109,788	127,712
Miscellaneous		-	50,456	50,456
Travel		8,422	2,658	11,080
Professional fees		1,557,033	19,858	1,576,891
Building maintenance		<u>606,442</u>	<u>-</u>	<u>606,442</u>
Subtotal indirect costs		6,777,728	306,880	7,084,608
Carry forward provision for fiscal year ended June 30, 2019		787,852	-	787,852
Depreciation expense		<u>141,203</u>	<u>4,928</u>	<u>146,131</u>
Total indirect costs including depreciation expense		<u>\$ 7,706,783</u>	<u>\$ 311,808</u>	<u>\$ 8,018,591</u>
Indirect costs recovered***		<u>\$ 25,233,147</u>		
Indirect (over)/under absorbed		<u>\$ (1,165,881)</u>		

\*Direct costs include MTC, BATA, SAFE, BAHA, and BAIFA salaries and benefits per Indirect Cost Plan for fiscal year 2021.

\*\* Overhead distributed to MTC, BATA, SAFE, BAHA, and BAIFA per Indirect Cost Plan for fiscal year 2021.

\*\*\* Indirect costs recovered at 57.17% per Indirect Cost Plan for fiscal year 2021.

**Metropolitan Transportation Commission**  
**Schedule of Expenditures - Federal Highway Administration Grant**  
**FY2021 OWPMTC**  
**For the Year Ended June 30, 2021**

**Schedule 8**

	Total
<b>Authorized Expenditures</b>	
Federal	\$ 8,728,486
Total authorized expenditures	<u>8,728,486</u>
<b>Actual Expenditures *</b>	
<i>Program No. Program Name</i>	
MTC	
1112 Implement Public Information Program and Tribal Government Coordination	2,726,638
1113 Support Partnership Board	583,186
1121 Regional Transportation Plan	1,240,450
1122 Analyze Regional Data using GIS and Planning Models	1,520,601
1125 Active Transportation Planning	101,622
1127 Regional Trails	440,970
1212 Performance Measurement and Monitoring	22,301
1511 Conduct Financial Analysis and Planning	175,000
1512 Federal Programming, Monitoring and TIP Management	960,884
1517 Transit Sustainability Planning	<u>625,000</u>
Total Expenditures	<u>8,396,652</u>
Balance of Federal Highway Administration Grant	<u>\$ 331,834</u>

\*Toll credit match rate (11.47%)

**Metropolitan Transportation Commission**  
**Toll Bridge Rate Schedule**  
**For the Year Ended June 30, 2021**

**Schedule 9**

Toll Rate for fiscal Year Ending June 30, 2021:

Number of Axles Per Vehicle	2021	
2 axles	\$ 6.00	(1),(2)
3 axles	16.00	
4 axles	21.00	
5 axles	26.00	
6 axles	31.00	
7 axles or more	36.00	

(1) During peak hours on all bridges, a reduced-rate toll of \$3.00 is collected on high-occupancy and inherently-low-emission two-axle vehicles. On the San Francisco-Oakland Bay Bridge, a weekday toll of \$7.00 is collected on all other two-axle vehicles during peak hours, and a weekday toll of \$5.00 is collected on all two-axle vehicles during non-peak hours.

(2) Weekday congestion pricing on the San Francisco-Oakland Bay Bridge was suspended indefinitely during the COVID-19 coronavirus pandemic starting from April 23, 2020. Weekday toll is \$6 on the San Francisco-Oakland Bay Bridge. The current \$6 toll rate on Saturdays and Sundays will remain unchanged, as well as the \$3 toll rate for three-person carpools and qualifying clean-air vehicles.

**Metropolitan Transportation Commission**  
**Schedule of BATA Debt Service Coverage Ratios**  
**For the Year Ended June 30, 2021**

**Schedule 10**

	2021
<b>Revenues</b>	
Toll revenues collected	\$ 830,404,755
Investment income	3,439,626
Other operating revenues	<u>32,416,017</u>
Revenues subtotal	866,260,398
Build America Bonds (BABs) interest subsidy	71,722,983
Derivative investment income (charge)	<u>119,999,432</u>
Total revenues	<u>1,057,982,813</u>
<b>Operating expenses</b>	
Operating expenses incurred by Caltrans	1,853,406
Services and charges - BATA	94,005,233
Transbay Terminal JPA operations	<u>5,384,027</u>
Total operating expenses before depreciation and amortization	101,242,666
Depreciation and amortization	<u>1,576,138</u>
Total operating expenses	<u>102,818,804</u>
Net operating income	955,164,009
<b>Nonoperating expenses (revenues)</b>	
Interest expense	436,732,299
Financing fees and bond issuance costs	11,070,782
Caltrans/other agency operating grants	(7,876,473)
Other nonoperating revenues	(12,934,564)
Refund of contribution from BAHA	<u>(1,000,000)</u>
Total nonoperating expenses	<u>425,992,044</u>
Income before transfers	529,171,965
<b>Transfers</b>	
MTC / CLIPPER administrative & transfers	17,427,657
MTC transit transfers:	
AB 664 expenses	7,614,184
90% rail expenses	6,182,279
2% transit expenses	1,794,835
Allocations to other agencies (RM2)	<u>32,954,751</u>
Total transfers	<u>65,973,706</u>
Net income before capital project expenses	463,198,259
<b>Capital project expenses</b>	
Capital expenses	13,493,599
Distribution to Caltrans for their capital purposes	48,358,237
Distributions to other agencies for their capital purposes	101,687,453
Distributions to MTC/ Clipper	<u>9,023,626</u>
Total capital project expenses	<u>172,562,915</u>
<b>Change in net position</b>	290,635,344
<b>Total net position - beginning</b>	<u>(7,313,660,902)</u>
<b>Total net position - ending</b>	<u>\$ (7,023,025,558)</u>

**Metropolitan Transportation Commission**  
**Schedule of BATA Debt Service Coverage Ratios\* *continued***  
**For the Year Ended June 30, 2021**

**Schedule 10**

	2021
<b>Fixed Charge</b>	
Net revenue <sup>1,10</sup>	\$ 864,406,992
Debt service <sup>4,9</sup> , plus operating transfer and costs <sup>3,6</sup>	421,689,286
Sum sufficient ratio	2.05
Minimum threshold	1.00
<b>Fixed Charge, plus Operations &amp; Maintenance</b>	
Net revenue <sup>1,10</sup> , plus operations & maintenance reserve	\$ 1,044,406,992
Senior debt service <sup>2</sup> , plus operating transfer <sup>3</sup>	247,983,923
Sum sufficient, plus operations & maintenance reserve ratio	4.21
Minimum threshold	1.25
<b>Net Revenue / Senior Debt Service</b>	
Net revenue <sup>1,10</sup>	\$ 864,406,992
Senior debt service <sup>2</sup>	192,217,488
Debt service ratio	4.50
Minimum threshold	1.20
<b>Available Revenue / Debt Service</b>	
Available revenue <sup>5,10</sup>	\$ 778,278,233
Debt service <sup>4,9</sup>	356,987,153
Debt service ratio	2.18
Minimum threshold	1.20
<b>Reserve Designations<sup>7</sup></b>	
Self insurance reserve - Caltrans Cooperative Agreement	\$ 50,000,000
Operations & maintenance reserve <sup>8</sup>	180,000,000
Rehabilitation reserve	210,000,000
Project/self insurance reserve & variable rate risk reserve	560,000,000

\* This schedule provides actual operating results for informational purposes only and is not provided to satisfy any covenants requirements.  
The Toll Covenant calculation required under the Senior and Subordinate Indentures has been filed with the Senior and Subordinate trustees.

<sup>1</sup> Revenues less Caltrans operating expenses and Maintenance B.

<sup>2</sup> Senior debt service expense less BABs interest subsidy on senior bonds plus principal retirement of \$0.

<sup>3</sup> Operating transfer and costs include RM 2 operating costs less amortization of Transit Transfer to MTC (Transit Transfer obligation for the next 40 years was fulfilled in early September 2010).

<sup>4</sup> Total Senior and Subordinate debt service expense less BABs interest subsidy plus principal retirement of \$0.

<sup>5</sup> Revenues less Caltrans and BATA operating expenses, includes Maintenance B.

<sup>6</sup> Debt related obligations and Maintenance A.

<sup>7</sup> Designated reserves through BATA resolution.

<sup>8</sup> Minimum required operations & maintenance reserve is \$61.6 million but is currently maintained at \$180 million.

<sup>9</sup> Excludes one-time prepayment of certain FY 21/22 principal payments and related interest and expenses using BATA operating reserve funds.  
Total Subordinate principal and related interest and expenses is \$87,062,162.

<sup>10</sup> Includes RM3 toll revenue collected since January 1, 2019.



**Metropolitan Transportation Commission**  
**Schedule of Operating Revenues and Expenses - BATA Proprietary Fund - By Bridge**  
**For the Year Ended June 30, 2021**

**Schedule 11**

	Carquinez Bridge	Benicia - Martinez Bridge	Antioch Bridge	Richmond - San Rafael Bridge	San Francisco - Oakland Bay Bridge	San Mateo - Hayward Bridge	Dumbarton Bridge	Total
<b>Operating revenues</b>								
Toll revenues collected	\$ 146,766,410	\$ 135,700,939	\$ 22,283,694	\$ 91,869,474	\$ 274,514,747	\$ 102,872,225	\$ 56,397,266	\$ 830,404,755
Other operating revenues	6,207,059	6,039,539	1,178,903	3,435,409	9,280,609	3,936,160	2,338,338	32,416,017
Total operating revenues	<u>152,973,469</u>	<u>141,740,478</u>	<u>23,462,597</u>	<u>95,304,883</u>	<u>283,795,356</u>	<u>106,808,385</u>	<u>58,735,604</u>	<u>862,820,772</u>
<b>Operating expenses</b>								
Operating expenditures-by Caltrans & Transbay JPA	402,631	340,919	92,470	160,547	5,865,776	219,109	155,981	7,237,433
Services and charges	18,999,431	17,566,966	2,884,703	11,892,828	35,536,905	13,317,173	7,300,826	107,498,832
Allocations to other agencies	5,824,449	5,385,314	884,332	3,645,855	10,894,165	4,082,501	2,238,135	32,954,751
Depreciation	279,441	258,921	42,860	174,096	518,416	195,110	107,294	1,576,138
Total operating expenses	<u>25,505,952</u>	<u>23,552,120</u>	<u>3,904,365</u>	<u>15,873,326</u>	<u>52,815,262</u>	<u>17,813,893</u>	<u>9,802,236</u>	<u>149,267,154</u>
<b>Operating income</b>	<u>\$ 127,467,517</u>	<u>\$ 118,188,358</u>	<u>\$ 19,558,232</u>	<u>\$ 79,431,557</u>	<u>\$ 230,980,094</u>	<u>\$ 88,994,492</u>	<u>\$ 48,933,368</u>	<u>\$ 713,553,618</u>

**Metropolitan Transportation Commission**  
**Schedule of Interest Rate Swaps Summary-BATA Proprietary Fund**  
**For the Year Ended June 30, 2021**

**Schedule 12**

Counterparty	Series 2001	Series 2006	Series 2007	Total	Percentage by counterparty	Ratings (S&P/Moodys)
Citibank, N.A., New York	\$ -	\$ 115,000,000	\$ 260,000,000	\$ 375,000,000	26%	A+/Aa3
Wells Fargo Bank, N.A.	75,000,000	110,000,000	-	185,000,000	13%	A+/Aa2
JP Morgan Chase Bank, N.A.	-	245,000,000	-	245,000,000	17%	A+/Aa2
Bank of America, N.A.	-	155,000,000	50,000,000	205,000,000	14%	A+/Aa2
Goldman Sachs Mitsui Marine Derivative Products LP	-	60,000,000	85,000,000	145,000,000	10%	AA-/Aa2
The Bank of New York Mellon	-	-	210,000,000	210,000,000	15%	AA-/Aa2
Morgan Stanley Capital Services LLC	75,000,000	-	-	75,000,000	5%	BBB+/A1
<b>Total swap notional</b>	<b>\$ 150,000,000</b>	<b>\$ 685,000,000</b>	<b>\$ 605,000,000</b>	<b>\$ 1,440,000,000</b>		
<b>Fair value</b>	<b>\$ (46,480,874)</b>	<b>\$ (253,510,608)</b>	<b>\$ (224,714,841)</b>	<b>\$ (524,706,323)</b>		

**Metropolitan Transportation Commission**  
**Schedule of Interest Rate Swaps for Series 2001 - BATA Proprietary Fund**  
**For the Year Ended June 30, 2021**

**Schedule 13**

	Series 2001 A	Series 2001 A	Total
Notional amount	\$75,000,000	\$75,000,000	\$150,000,000
Trade date	1/22/2014	6/26/2015	
Effective date	1/1/2014	7/1/2015	
Swap mode	65% One Mth LIBOR	65% One Mth LIBOR	
Maturity	4/1/2036	4/1/2036	
Swap rate	4.09%	3.29%	
Counterparty (CP)	Morgan Stanley Capital Services LLC	Wells Fargo Bank, N.A.	
S&P/Moody's ratings	BBB+/A1	A+/Aa2	
Ratings outlook	Positive/Stable	Stable/Negative	
Fair value due from/ (to) CP <sup>(1)</sup>	\$(26,586,332)	\$(19,894,542)	\$(46,480,874)
Credit risk			
CP Collateral Posting <sup>(2)</sup>			
1a) CP = "A-", "A", or "A+" (S&P) or	No	Yes	
1b) CP = "A3", "A2", or "A1" (Moody's) and	Yes	No	
2) Termination value >\$10 million	No	No	
or			
CP Collateral Posting <sup>(2)</sup>			
1c) CP < A- (S&P) or	Yes	No	
1d) CP < A3 (Moody's) and	No	No	
2) Termination value > \$0	No	No	
Ratings termination risk <sup>(3)</sup>			
CP can terminate if BATA's Sr bond ratings (S&P or Moody's) is below	BBB-/Baa3	BBB+/Baa1	

<sup>(1)</sup> Fair value is presented in accordance with GASB Statement No. 72.

<sup>(2)</sup> Unilateral collateral posting by counterparty.

<sup>(3)</sup> Unilateral termination at BATA's discretion unless ratings fall below the levels as listed in the table above.

**Metropolitan Transportation Commission**  
**Schedule of Interest Rate Swaps for Series 2006 - BATA Proprietary Fund**  
**For the Year Ended June 30, 2021**

**Schedule 14**

	Series 2006	Series 2006	Series 2006	Series 2006	Series 2006	Series2006	Total
Notional amount	\$245,000,000	\$115,000,000	\$30,000,000	\$110,000,000	\$60,000,000	\$125,000,000	\$685,000,000
Trade date	4/1/2011	3/20/2012	5/25/2006	3/20/2012	8/28/2008	6/26/2015	
Effective date	4/1/2011	2/8/2006	2/8/2006	3/1/2012	8/1/2008	7/1/2015	
Swap mode	75.105% One Mth LIBOR	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	
Swap rate	4.00%	3.64%	3.63%	3.64%	3.64%	2.96%	
Counterparty (CP)	JP Morgan Chase Bank, N.A.	Citibank, N.A., New York	Bank of America, N.A.	Wells Fargo Bank, N.A.	Goldman Sachs Mitsui Marine Derivative Products LP	Bank of America, N.A.	
S&P/Moody's ratings	A+/Aa2	A+/Aa3	A+/Aa2	A+/Aa2	AA-/Aa2	A+/Aa2	
Ratings outlook	Positive/Stable	Stable/Stable	Positive/Stable	Stable/Negative	Stable/No outlook provided	Positive/Stable	
Fair value due from/ (to) CP <sup>(1)</sup>	\$(108,221,455)	\$(36,769,416)	\$(12,050,077)	\$(35,170,968)	\$(24,183,880)	\$(37,114,812)	\$(253,510,608)
Credit risk							
CP Collateral Posting <sup>(2)</sup>							
1a) CP = "A-", "A", or "A+" (S&P) or	Yes	Yes	Yes	Yes	No	Yes	
1b) CP = "A3", "A2", or "A1" (Moody's) and	No	No	No	No	No	No	
2) Termination value > \$10 million	No	No	No	No	No	No	
or							
CP Collateral Posting <sup>(2)</sup>							
1c) CP < A- (S&P) or	No	No	No	No	No	No	
1d) CP < A3 (Moody's) and	No	No	No	No	No	No	
2) Termination value > \$0	No	No	No	No	No	No	
Ratings termination risk <sup>(3)</sup>							
CP can terminate if BATA's Sr bond ratings (S&P or Moody's) is below	BBB-/Baa3	BBB-/Baa3	BBB/Baa2(Insured)	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

(1) Fair value is presented in accordance with GASB Statement No. 72.

(2) Unilateral collateral posting by counterparty.

(3) Unilateral termination at BATA's discretion unless ratings fall below the levels as listed in the table above.

**Metropolitan Transportation Commission**  
**Schedule of Interest Rate Swaps for Series 2007 - BATA Proprietary Fund**  
**For the Year Ended June 30, 2021**

**Schedule 15**

	Series 2007	Series 2007	Series 2007	Series 2007	Series 2007	Total
Notional amount	\$260,000,000	\$50,000,000	\$85,000,000	\$170,000,000	\$40,000,000	\$605,000,000
Trade date	1/2/2009	5/25/2006	8/28/2008	9/2/2008	6/26/2015	
Effective date	11/1/2007	11/1/2007	8/1/2008	9/2/2008	7/1/2015	
Swap mode	53.8% One Mth Libor+0.74%	68% One Mth LIBOR	68% One Mth LIBOR	68% One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2047	4/1/2047	
Swap rate	3.64%	3.63%	3.64%	3.64%	2.22%	
Counterparty (CP)	Citibank, N.A., New York	Bank of America, N.A.	Goldman Sachs Mitsui Marine Derivative Products LP	The Bank of New York Mellon	The Bank of New York Mellon	
S&P/Moody's ratings	A+/Aa3	A+/Aa2	AA-/Aa2	AA-/Aa2	AA-/Aa2	
Ratings outlook	Stable/Stable	Positive/Stable	Stable/No outlook provided	Stable/Stable	Stable/Stable	
Fair value due from/(to) CP <sup>(1)</sup>	\$(87,666,604)	\$(21,132,662)	\$(36,073,518)	\$(72,146,044)	\$(7,696,013)	\$ (224,714,841)
Credit risk						
CP Collateral Posting <sup>(2)</sup>						
1a) CP = "A-", "A", or "A+" (S&P) or	Yes	Yes	No	No	No	
1b) CP = "A3", "A2", or "A1" (Moody's) and	No	No	No	No	No	
2) Termination value > \$10 million or	No	No	No	No	No	
CP Collateral Posting <sup>(2)</sup>						
1c) CP <A- (S&P) or	No	No	No	No	No	
1d) CP <A3 (Moody's) and	No	No	No	No	No	
2) Termination value >\$0	No	No	No	No	No	
Ratings termination risk <sup>(3)</sup>						
CP can terminate if BATA's Sr bond ratings (S&P or Moody's) is below	BBB-/Baa3	BBB/Baa2 (Insured)	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

<sup>(1)</sup> Fair value is presented in accordance with GASB Statement No. 72.

<sup>(2)</sup> Unilateral collateral posting by counterparty.

<sup>(3)</sup> Unilateral termination at BATA's discretion unless ratings fall below the levels as listed in the table above.

# STATISTICAL SECTION

This part of MTC's comprehensive annual financial report presents detailed information to aid in understanding information contained in the financial statements, note disclosures, and required supplementary information. Some tables are not presented with ten years of data as the information was not available for these periods.

<b>Contents</b>	<b>Page</b>
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<b>Financial Trends</b>	<b>138</b>
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These schedules provide trend information to assist the reader in understanding the change in MTC's financial performance over time.

<b>Revenue Capacity</b>	<b>143</b>
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These schedules include information to help the reader assess MTC's most significant local revenue source, toll bridge revenues.

<b>Debt Capacity</b>	<b>148</b>
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These schedules provide information to help the reader assess the affordability of MTC's current levels of outstanding debt and its ability to issue additional debt in the future.

<b>Demographic and Economic Information</b>	<b>150</b>
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These schedules offer demographic and economic indicators to help the reader understand the environment in which MTC's financial activities take place.

<b>Operating Information</b>	<b>153</b>
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These schedules contain service and infrastructure data to help the reader understand how the information in MTC's financial report relates to the services provided and the activities performed.

**Metropolitan Transportation Commission**  
**Net Position by Component (\$000) (unaudited)**  
**By Fiscal Year**

**Table 1**

	FISCAL YEAR									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 6,712	\$ 6,134	\$ 5,737	\$ 5,080	\$ 5,072	\$ 364	\$ 358	\$ 279	\$ 194	\$ 270
Restricted	406,868	376,343	372,455	392,812	471,623	489,425	528,724	495,071	524,026	487,347
Unrestricted	(3,388)	23,983	28,005	33,891	(24,215)	(72,160)	(70,871)	(36,410)	(26,213)	(36,728)
Total governmental activities net position	<u>\$ 410,192</u>	<u>\$ 406,460</u>	<u>\$ 406,197</u>	<u>\$ 431,783</u>	<u>\$ 452,480</u>	<u>\$ 417,629</u>	<u>\$ 458,211</u>	<u>\$ 458,940</u>	<u>\$ 498,007</u>	<u>\$ 450,889</u>
Business-type activities										
Net investment in capital assets	\$ 19,192	\$ 23,112	\$ 27,033	\$ 28,516	\$ 56,525	\$ 78,054	\$ 89,436	\$ 114,328	\$ 3,138	\$ 1,771
Restricted	200,000	200,000	200,000	200,000	203,559	200,266	201,343	229,454	233,864	232,702
Unrestricted	(5,329,066)	(5,585,985)	(6,076,858)	(6,601,447)	(6,891,081)	(6,888,421)	(6,969,616)	(7,159,612)	(7,507,815)	(7,218,267)
Total business-type activities net position	<u>\$ (5,109,874)</u>	<u>\$ (5,362,873)</u>	<u>\$ (5,849,825)</u>	<u>\$ (6,372,931)</u>	<u>\$ (6,630,997)</u>	<u>\$ (6,610,101)</u>	<u>\$ (6,678,837)</u>	<u>\$ (6,815,830)</u>	<u>\$ (7,270,813)</u>	<u>\$ (6,983,794)</u>
Total primary government										
Net investment in capital assets	\$ 25,904	\$ 29,246	\$ 32,770	\$ 33,596	\$ 61,597	\$ 78,418	\$ 89,794	\$ 114,607	\$ 3,332	\$ 2,041
Restricted	606,868	576,343	572,455	592,812	675,182	689,691	730,067	724,525	757,890	720,049
Unrestricted	(5,332,454)	(5,562,002)	(6,048,853)	(6,567,556)	(6,915,296)	(6,960,581)	(7,040,487)	(7,196,022)	(7,534,028)	(7,254,995)
Total primary government net position	<u>\$ (4,699,682)</u>	<u>\$ (4,956,413)</u>	<u>\$ (5,443,628)</u>	<u>\$ (5,941,148)</u>	<u>\$ (6,178,517)</u>	<u>\$ (6,192,472)</u>	<u>\$ (6,220,626)</u>	<u>\$ (6,356,890)</u>	<u>\$ (6,772,806)</u>	<u>\$ (6,532,905)</u>

**Metropolitan Transportation Commission**  
**Changes in Net Position (\$000) (unaudited)**  
**By Fiscal Year**

**Table 2**

	FISCAL YEAR									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 77,165	\$ 69,123	\$ 78,763	\$ 81,168	\$ 77,038	\$ 103,883	\$ 87,487	\$ 104,246	\$ 105,558	\$ 100,422
Transportation	124,269	210,916	237,098	195,039	156,045	204,294	192,139	307,829	267,272	110,298
Total governmental activities expenses	<u>201,434</u>	<u>280,039</u>	<u>315,861</u>	<u>276,207</u>	<u>233,083</u>	<u>308,177</u>	<u>279,626</u>	<u>412,075</u>	<u>372,830</u>	<u>210,720</u>
Business-type activities:										
Clipper smart card	34,846	38,319	37,393	37,264	44,090	45,094	44,885	48,754	57,879	52,385
Toll bridge activities	1,352,120	1,189,447	1,586,156	1,008,115	935,544	980,645	988,187	886,760	769,091	747,116
Congestion relief	18,693	17,763	12,742	11,697	10,419	11,463	10,696	13,100	17,616	16,989
Total business-type activities expenses	<u>1,405,659</u>	<u>1,245,529</u>	<u>1,636,291</u>	<u>1,057,076</u>	<u>990,053</u>	<u>1,037,202</u>	<u>1,043,768</u>	<u>948,614</u>	<u>844,586</u>	<u>816,490</u>
Total primary government expenses	<u>\$ 1,607,093</u>	<u>\$ 1,525,568</u>	<u>\$ 1,952,152</u>	<u>\$ 1,333,283</u>	<u>\$ 1,223,136</u>	<u>\$ 1,345,379</u>	<u>\$ 1,323,394</u>	<u>\$ 1,360,689</u>	<u>\$ 1,217,416</u>	<u>\$ 1,027,210</u>
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	\$ 245,171	\$ 250,529	\$ 301,254	\$ 303,823	\$ 233,919	\$ 247,211	\$ 303,748	\$ 357,187	\$ 360,604	\$ 143,181
Business-type activities:										
Charges for services	660,156	690,181	713,147	740,510	760,872	772,292	785,383	779,402	688,688	877,183
Operating grants and contributions	263,080	272,281	393,471	95,622	102,705	88,931	90,664	107,751	107,653	115,784
Capital grants and contributions	-	-	81,209	-	3,559	9,220	11,294	3,658	7,328	11,122
Total business-type activities program revenues	<u>923,236</u>	<u>962,462</u>	<u>1,187,827</u>	<u>836,132</u>	<u>867,136</u>	<u>870,443</u>	<u>887,341</u>	<u>890,811</u>	<u>803,669</u>	<u>1,004,089</u>
Total primary government program revenues	<u>\$ 1,168,407</u>	<u>\$ 1,212,991</u>	<u>\$ 1,489,081</u>	<u>\$ 1,139,955</u>	<u>\$ 1,101,055</u>	<u>\$ 1,117,654</u>	<u>\$ 1,191,089</u>	<u>\$ 1,247,998</u>	<u>\$ 1,164,273</u>	<u>\$ 1,147,270</u>
Net (expense)/revenue										
Governmental activities	\$ 43,737	\$ (29,510)	\$ (14,607)	\$ 27,616	\$ 836	\$ (60,966)	\$ 24,122	\$ (54,888)	\$ (12,226)	\$ (67,539)
Business-type activities	<u>(482,423)</u>	<u>(283,067)</u>	<u>(448,464)</u>	<u>(220,944)</u>	<u>(122,917)</u>	<u>(166,759)</u>	<u>(156,427)</u>	<u>(57,803)</u>	<u>(40,917)</u>	<u>187,599</u>
Total primary government net expense	<u>\$ (438,686)</u>	<u>\$ (312,577)</u>	<u>\$ (463,071)</u>	<u>\$ (193,328)</u>	<u>\$ (122,081)</u>	<u>\$ (227,725)</u>	<u>\$ (132,305)</u>	<u>\$ (112,691)</u>	<u>\$ (53,143)</u>	<u>\$ 120,060</u>

\* Starting fiscal year 2019 sales tax is presented in the General Revenues in accordance with GASB Statement No. 34 and No. 52.



**Metropolitan Transportation Commission**  
**Changes in Net Position (\$000) (unaudited), *continued***  
**By Fiscal Year**

**Table 2**

	FISCAL YEAR									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Sale tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,781	\$ 14,076	\$ 14,118
Unrestricted investment earnings	2,620	2,132	1,935	2,013	2,877	4,257	9,427	18,908	13,298	2,679
Gain on sale of capital assets	-	-	-	-	-	6,628	-	-	-	-
Transfers	30,714	23,645	12,409	15,336	16,984	15,231	17,142	21,928	23,918	25,076
Total governmental activities	<u>33,334</u>	<u>25,777</u>	<u>14,344</u>	<u>17,349</u>	<u>19,861</u>	<u>26,116</u>	<u>26,569</u>	<u>55,617</u>	<u>51,292</u>	<u>41,873</u>
Business-type activities:										
Unrestricted investment earnings	(70,557)	53,714	(1,256)	(277,337)	(175,359)	171,808	105,878	(64,077)	(161,817)	123,495
Contributed capital	-	-	-	-	-	29,700	-	6,815	2,000	1,000
Special / Extraordinary items	-	-	-	-	-	1,378	-	-	(230,329)	-
Transfers	(30,714)	(23,645)	(12,409)	(15,336)	(16,984)	(15,231)	(17,142)	(21,928)	(23,918)	(25,076)
Total business-type activities	<u>(101,271)</u>	<u>30,069</u>	<u>(13,665)</u>	<u>(292,673)</u>	<u>(192,343)</u>	<u>187,655</u>	<u>88,736</u>	<u>(79,190)</u>	<u>(414,064)</u>	<u>99,419</u>
Total primary government	<u>\$ (67,937)</u>	<u>\$ 55,846</u>	<u>\$ 679</u>	<u>\$ (275,324)</u>	<u>\$ (172,482)</u>	<u>\$ 213,771</u>	<u>\$ 115,305</u>	<u>\$ (23,573)</u>	<u>\$ (362,772)</u>	<u>\$ 141,292</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 77,072	\$ (3,733)	\$ (263)	\$ 44,965	\$ 20,697	\$ (34,850)	\$ 50,691	\$ 729	\$ 39,066	\$ (25,666)
Business-type activities	(583,694)	(252,998)	(462,129)	(513,617)	(315,260)	20,896	(67,691)	(136,993)	(454,981)	287,018
Total primary government	<u>\$ (506,622)</u>	<u>\$ (256,731)</u>	<u>\$ (462,392)</u>	<u>\$ (468,652)</u>	<u>\$ (294,563)</u>	<u>\$ (13,954)</u>	<u>\$ (17,000)</u>	<u>\$ (136,264)</u>	<u>\$ (415,915)</u>	<u>\$ 261,352</u>

\* Starting fiscal year 2019 sales tax is presented in the General Revenues in accordance with GASB Statement No. 34 and No. 52.

**Metropolitan Transportation Commission**  
**Fund Balances of Governmental Funds (\$000) (unaudited)**  
**By Fiscal Year**

**Table 3**

	FISCAL YEAR									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General fund										
Nonspendable	\$ 1,037	\$ 1,033	\$ 1,209	\$ 1,328	\$ 1,305	\$ 823	\$ 822	\$ 1,426	\$ 673	\$ 980
Restricted for	2,389	1,254	528	512	158	49	27	-	3,497	2,900
Committed to	3,992	1,961	2,688	3,132	6,014	4,002	3,956	5,677	14,569	9,435
Unassigned	20,363	26,641	29,750	31,705	32,893	36,791	41,608	38,926	32,192	44,274
Total general fund	<u>\$ 27,781</u>	<u>\$ 30,889</u>	<u>\$ 34,175</u>	<u>\$ 36,677</u>	<u>\$ 40,370</u>	<u>\$ 41,665</u>	<u>\$ 46,413</u>	<u>\$ 46,029</u>	<u>\$ 50,931</u>	<u>\$ 57,589</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -
Restricted for	362,492	349,615	339,144	384,916	432,015	449,183	492,175	495,071	520,529	484,446
Committed to	8,573	15,096	21,501	28,024	28,985	30,216	34,051	31,788	25,744	23,003
Unassigned	-	-	-	(10,445)	(40,998)	(92,221)	(94,371)	(99,797)	(88,760)	(103,199)
Total all other governmental funds	<u>\$ 371,065</u>	<u>\$ 364,711</u>	<u>\$ 360,645</u>	<u>\$ 402,495</u>	<u>\$ 420,002</u>	<u>\$ 387,178</u>	<u>\$ 431,857</u>	<u>\$ 427,062</u>	<u>\$ 457,513</u>	<u>\$ 404,250</u>

**Metropolitan Transportation Commission**  
**Changes in Fund Balances of Governmental Funds (\$000) (unaudited)**  
**By Fiscal Year**

**Table 4**

	FISCAL YEAR									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Revenues</b>										
Sales taxes	\$ 10,504	\$ 11,162	\$ 11,735	\$ 12,374	\$ 12,812	\$ 13,089	\$ 13,650	\$ 14,781	\$ 14,076	\$ 14,118
Grants - Federal	50,022	45,795	52,831	56,491	48,950	65,220	54,365	49,227	53,899	56,689
Grants - State	145,788	160,060	151,916	148,032	115,262	105,027	222,417	290,237	294,383	75,384
Local agencies revenues and refunds	46,022	41,148	88,712	86,553	57,917	63,532	13,247	18,015	13,415	13,062
Investment income - unrestricted	2,620	2,132	1,935	2,013	2,878	4,257	9,427	18,908	13,298	2,679
<b>Total revenues</b>	<b>254,956</b>	<b>260,297</b>	<b>307,129</b>	<b>305,463</b>	<b>237,819</b>	<b>251,125</b>	<b>313,106</b>	<b>391,168</b>	<b>389,071</b>	<b>161,932</b>
<b>Expenditures</b>										
General government	70,376	65,175	70,387	68,463	63,439	68,456	64,713	94,692	85,566	82,914
Allocation to other agencies	138,105	221,642	249,434	207,804	169,527	228,987	215,949	323,535	292,058	128,931
Capital outlay	170	372	496	180	639	165	159	48	12	317
Contribution to Bay Area Headquarters Authority	-	-	-	-	-	11,423	-	-	-	-
<b>Total expenditures</b>	<b>208,651</b>	<b>287,189</b>	<b>320,317</b>	<b>276,447</b>	<b>233,605</b>	<b>309,031</b>	<b>280,821</b>	<b>418,275</b>	<b>377,636</b>	<b>212,162</b>
<b>Excess of revenues over (under) expenditures</b>	<b>46,305</b>	<b>(26,892)</b>	<b>(13,188)</b>	<b>29,016</b>	<b>4,214</b>	<b>(57,906)</b>	<b>32,285</b>	<b>(27,107)</b>	<b>11,435</b>	<b>(50,230)</b>
<b>Other financing sources (uses)</b>										
Transfer in	34,468	30,666	31,249	33,190	32,082	29,597	31,737	39,207	46,413	34,889
Transfer out	(3,754)	(7,021)	(18,841)	(17,854)	(15,098)	(14,366)	(14,595)	(17,279)	(22,494)	(9,813)
Sale of capital assets	-	-	-	-	-	11,147	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>30,714</b>	<b>23,645</b>	<b>12,408</b>	<b>15,336</b>	<b>16,984</b>	<b>26,378</b>	<b>17,142</b>	<b>21,928</b>	<b>23,919</b>	<b>25,076</b>
<b>Net change in fund balances</b>	<b>\$ 77,019</b>	<b>\$ (3,247)</b>	<b>\$ (780)</b>	<b>\$ 44,352</b>	<b>\$ 21,198</b>	<b>\$ (31,528)</b>	<b>\$ 49,427</b>	<b>\$ (5,179)</b>	<b>\$ 35,354</b>	<b>\$ (25,154)</b>

**Metropolitan Transportation Commission**  
**Primary Government Revenues (unaudited)**  
**By Fiscal Year**

**Table 5**

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Sale Tax	Unrestricted Investment Earnings/Charges	Return of Contribution from BAHA & BAIFA	Total
2012	\$ 660,156,182	\$ 508,251,355	\$ -	\$ -	\$ (67,936,345)	\$ -	1,100,471,192
2013	<sup>1</sup> 690,180,714	522,809,673	-	-	55,846,137	-	1,268,836,524
2014	<sup>2</sup> 713,146,710	694,725,536	81,209,050	-	678,986	-	1,489,760,282
2015	<sup>3</sup> 740,510,656	399,445,120	-	-	(275,323,755)	-	864,632,021
2016	760,871,690	336,623,906	3,559,290	-	(172,481,342)	-	928,573,544
2017	772,292,468	336,142,333	9,219,623	-	176,065,210	29,700,000	1,323,419,634
2018	785,383,349	394,411,700	11,294,137	-	115,304,370	-	1,306,393,556
2019	<sup>*</sup> 779,402,140	464,937,885	3,658,253	14,780,747	(45,169,118)	6,815,000	1,224,424,907
2020	688,687,936	468,256,919	7,328,320	14,076,093	(148,519,574)	2,000,000	1,031,829,694
2021	877,182,561	258,965,338	11,122,129	14,117,813	126,174,425	1,000,000	1,288,562,266

<sup>1</sup> Excludes \$908 million bond proceeds

<sup>2</sup> Excludes \$900 million bond proceeds

<sup>3</sup> Excludes \$2.213 billion bond proceeds

\* Starting fiscal year 2019 sales tax is presented in General Revenues in accordance with GASB Statement No. 34 and No. 52.

**Metropolitan Transportation Commission**  
**Primary Government Expenses by Function (unaudited)**  
**By Fiscal Year**

**Table 6**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Transportation</u>	<u>Toll Bridge Activities</u>	<u>Congestion Relief</u>	<u>Clipper<sup>®</sup></u>	<u>Total</u>
2012	\$ 77,165,020	\$ 124,269,186	\$ 1,352,120,141	\$ 18,692,766	\$ 34,846,108	\$ 1,607,093,221
2013	69,122,603	210,915,679	1,189,447,185	17,762,774	38,319,247	1,525,567,488
2014	78,763,519	237,097,812	1,586,156,184	12,742,160	37,392,814	1,952,152,489
2015	81,168,440	195,038,682	1,008,115,070	11,696,862	37,264,816	1,333,283,870
2016	77,038,765	156,045,404	935,543,616	10,418,605	44,090,317	1,223,136,707
2017	103,883,046	204,294,737	980,644,892	11,463,126	45,093,517	1,345,379,318
2018	87,487,224	192,138,705	988,187,231	10,696,201	44,884,890	1,323,394,251
2019	104,246,259	307,828,471	886,759,624	13,100,396	48,754,311	1,360,689,061
2020	105,558,075	267,271,776	769,090,836	17,616,049	57,879,237	1,217,415,973
2021	100,422,369	110,297,886	747,115,923	16,989,479	52,384,899	1,027,210,556

**Metropolitan Transportation Commission**  
**Toll Revenues - By Bridge (unaudited)**  
**By Fiscal Year**

**Table 7**

<u>Fiscal Year</u>	<u>San Francisco-Oakland Bay</u>	<u>San Mateo-Hayward Bridge</u>	<u>Dumbarton Bridge</u>	<u>Carquinez Bridge</u>	<u>Benicia-Martinez Bridge</u>	<u>Antioch Bridge</u>	<u>Richmond-San Rafael Bridge</u>	<u>Revenue</u>
2012	\$ 215,612,429	\$ 81,627,375	\$ 48,539,902	\$ 106,862,308	\$ 95,967,433	\$ 11,982,407	\$ 65,271,303	\$ 625,863,157
2013	221,544,298	85,968,027	50,626,212	112,580,359	101,036,856	12,449,046	68,770,541	652,975,339
2014	222,048,270	91,087,608	54,087,642	113,605,892	105,084,694	13,033,474	72,559,357	671,506,937
2015	228,421,032	93,335,417	57,162,481	117,429,187	109,471,720	13,611,031	75,523,984	694,954,852
2016	229,130,964	98,997,393	58,501,070	121,273,702	114,971,355	13,874,932	77,382,940	714,132,356
2017	227,403,833	100,495,035	59,316,788	123,022,647	116,977,648	15,425,397	78,142,955	720,784,303
2018	225,681,648	102,082,870	60,097,355	125,656,833	117,765,960	16,926,707	79,139,058	727,350,431
2019	223,035,517	101,867,795	60,575,355	125,716,697	117,814,910	17,879,738	78,024,008	724,914,020
2020	197,549,108	85,976,170	49,979,480	112,430,483	102,676,385	16,157,895	69,162,685	633,932,206
2021	* 274,514,747	102,872,225	56,397,266	146,766,410	135,700,939	22,283,694	91,869,474	830,404,755

\* Included Regional Measure 3 (RM3) revenue collected for the period from January 2019 to June 2021.

**Metropolitan Transportation Commission**  
**Paid and Free Vehicles - By Bridge (in Number of Vehicles) (unaudited)**  
**By Fiscal Year**

**Table 8**

Fiscal Year	San Francisco-Oakland Bay Bridge	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Total Traffic
2012	44,460,209	16,241,002	9,929,399	20,065,557	18,266,053	2,181,315	12,523,905	123,667,440
2013	45,071,936	16,692,221	10,205,793	20,176,369	18,531,052	2,128,525	12,785,217	125,591,113
2014	45,332,246	17,758,098	10,909,076	20,397,621	19,237,717	2,193,962	13,561,516	129,390,236
2015	46,994,056	18,240,477	11,591,256	21,123,039	20,055,430	2,347,039	14,201,661	134,552,958
2016	47,754,079	19,502,252	11,889,024	22,002,165	21,210,960	2,411,138	14,606,825	139,376,443
2017	47,996,192	19,918,887	12,046,423	22,457,814	21,784,617	2,735,244	14,849,279	141,788,456
2018	48,219,514	20,270,536	12,193,573	23,060,921	22,066,372	3,024,272	15,019,243	143,854,431
2019	47,774,136	20,244,619	12,319,014	22,988,908	21,927,095	3,213,313	14,832,118	143,299,203
2020	41,806,818	16,926,831	10,133,024	20,450,173	18,965,889	2,972,388	12,972,413	124,227,536
2021	39,324,095	13,434,159	7,463,706	19,906,990	17,753,585	3,020,672	11,994,599	112,897,806

**Metropolitan Transportation Commission**  
**Average Toll Rate Revenues (\$000) - By Bridge (unaudited)**  
**By Fiscal Year**

**Table 9**

Fiscal Year	Antioch Bridge	Benicia-Martinez Bridge	Carquinez Bridge	Richmond Bridge	San Mateo - Hayward Bridge	Dumbarton Bridge	San Francisco - Oakland Bay Bridge
<b>2012</b>							
No. of paid vehicles ('000s)	2,124	17,908	19,613	12,320	16,016	9,777	43,382
Average toll rate	\$ 5.64	\$ 5.36	\$ 5.45	\$ 5.30	\$ 5.10	\$ 4.96	\$ 4.97
Total revenues	\$ 11,982	\$ 95,967	\$ 106,862	\$ 65,271	\$ 81,627	\$ 48,540	\$ 215,612
<b>2013</b>							
No. of paid vehicles ('000s)	2,078	18,101	19,685	12,558	16,426	10,010	43,872
Average toll rate	\$ 5.99	\$ 5.58	\$ 5.72	\$ 5.48	\$ 5.23	\$ 5.06	\$ 5.05
Total revenues	\$ 12,449	\$ 101,037	\$ 112,580	\$ 68,771	\$ 85,968	\$ 50,626	\$ 221,544
<b>2014</b>							
No. of paid vehicles ('000s)	2,142	18,791	19,856	13,309	17,434	10,712	44,037
Average toll rate	\$ 6.08	\$ 5.59	\$ 5.72	\$ 5.45	\$ 5.22	\$ 5.05	\$ 5.04
Total revenues	\$ 13,033	\$ 105,085	\$ 113,606	\$ 72,559	\$ 91,088	\$ 54,088	\$ 222,048
<b>2015</b>							
No. of paid vehicles ('000s)	2,289	19,586	20,529	13,914	17,902	11,379	45,535
Average toll rate	\$ 5.95	\$ 5.59	\$ 5.72	\$ 5.43	\$ 5.21	\$ 5.02	\$ 5.02
Total revenues	\$ 13,611	\$ 109,472	\$ 117,429	\$ 75,524	\$ 93,335	\$ 57,163	\$ 228,421
<b>2016</b>							
No. of paid vehicles ('000s)	2,346	20,637	21,241	14,267	19,079	11,648	46,038
Average toll rate	\$ 5.91	\$ 5.57	\$ 5.71	\$ 5.42	\$ 5.19	\$ 5.02	\$ 4.98
Total revenues	\$ 13,875	\$ 114,971	\$ 121,274	\$ 77,383	\$ 98,997	\$ 58,501	\$ 229,131
<b>2017</b>							
No. of paid vehicles ('000s)	2,655	21,043	21,516	14,450	19,404	11,767	45,979
Average toll rate	\$ 5.81	\$ 5.56	\$ 5.72	\$ 5.41	\$ 5.18	\$ 5.04	\$ 4.95
Total revenues	\$ 15,425	\$ 116,978	\$ 123,022	\$ 78,143	\$ 100,495	\$ 59,317	\$ 227,404
<b>2018</b>							
No. of paid vehicles ('000s)	2,938	21,156	21,997	14,600	19,701	11,868	46,042
Average toll rate	\$ 5.76	\$ 5.57	\$ 5.71	\$ 5.42	\$ 5.18	\$ 5.06	\$ 4.90
Total revenues	\$ 16,927	\$ 117,766	\$ 125,657	\$ 79,139	\$ 102,083	\$ 60,097	\$ 225,681
<b>2019</b>							
No. of paid vehicles ('000s)	3,118	21,192	22,023	14,454	19,732	12,004	45,761
Average toll rate	\$ 5.73	\$ 5.56	\$ 5.71	\$ 5.40	\$ 5.16	\$ 5.05	\$ 4.87
Total revenues	\$ 17,880	\$ 117,815	\$ 125,717	\$ 78,024	\$ 101,868	\$ 60,575	\$ 223,036
<b>2020</b>							
No. of paid vehicles ('000s)	2,841	18,336	19,429	12,657	16,531	9,874	40,114
Average toll rate	\$ 5.69	\$ 5.60	\$ 5.79	\$ 5.46	\$ 5.20	\$ 5.06	\$ 4.92
Total revenues	\$ 16,158	\$ 102,676	\$ 112,430	\$ 69,163	\$ 85,976	\$ 49,980	\$ 197,549
<b>2021</b>							
No. of paid vehicles ('000s)	2,639	16,049	17,104	11,130	12,462	6,857	35,476
Average toll rate	\$ 8.44	\$ 8.46	\$ 8.58	\$ 8.25	\$ 8.25	\$ 8.22	\$ 7.74
Total revenues*	\$ 22,284	\$ 135,701	\$ 146,766	\$ 91,869	\$ 102,872	\$ 56,397	\$ 274,515

\* Included Regional Measure 3 (RM3) revenue collected for the period from January 2019 to June 2021.



**Metropolitan Transportation Commission**  
**Ratios of General Bonded Debt Outstanding (unaudited)**  
**By Fiscal Year**

**Table 10**

<u>Fiscal Year</u>	<u>Toll Revenue Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Toll Revenues</u>	<u>Revenue Bonds</u>
2012	\$ 7,983,150,597	\$ 455,624,170	\$ 7,527,526,427	\$ 625,863,157	60
2013	7,877,075,576	427,025,751	7,450,049,825	652,975,339	58
2014	8,711,105,575	475,439,245	8,235,666,330	671,506,937	62
2015	9,428,211,727	510,833,790	8,917,377,937	694,954,852	65
2016	9,356,475,813	515,292,195	8,841,183,618	714,132,356	62
2017	9,617,638,394	526,223,870	9,091,414,524	720,784,303	63
2018	9,732,050,322	519,966,477	9,212,083,845	727,350,431	62
2019	9,643,426,484	527,588,817	9,115,837,667	724,914,020	62
2020	9,140,323,768	534,211,465	8,606,112,303	633,932,206	68
2021	9,079,375,391	539,710,859	8,539,664,532	830,404,755 *	76

\* Included Regional Measure 3 (RM3) revenue collected for the period from January 2019 to June 2021.

**Metropolitan Transportation Commission**  
**Pledged-Revenue Coverage (unaudited)**  
**By Fiscal Year**

**Table 11**

Fiscal Year	Toll Revenue Bonds						Coverage
	Toll Revenues	Less: Operating	Net Available Revenue	Debt Service			
				Principal	Interest <sup>(1)</sup>		
2012	\$ 625,863,157	\$ 119,167,770	\$ 506,695,387	\$ 38,695,000	\$ 333,551,860	1.36	
2013	652,975,339	136,394,953	516,580,386	40,540,000	328,418,435	1.40	
2014	671,506,937	149,382,450	522,124,487	46,165,000	373,729,994	1.24	
2015	694,954,852	150,674,360	544,280,492	48,195,000	360,391,933	1.33	
2016	714,132,356	149,654,060	564,478,296	56,915,000	371,776,680	1.32	
2017	720,784,303	165,217,440	555,566,863	54,835,000	381,073,698	1.27	
2018	727,350,431	168,219,801	559,130,630	55,760,000	383,817,204	1.27	
2019	724,914,020	174,407,488	550,506,532	63,885,000	380,074,132	1.24	
2020	633,932,206	162,951,569	470,980,637	118,235,000	383,303,239	0.94 <sup>(2)</sup>	
2021	830,404,755 *	149,267,154	681,137,601	-	365,009,316	1.87	

\* Included Regional Measure 3 (RM3) revenue collected for the period from January 2019 to June 2021.

<sup>(1)</sup> Net of Build America Bonds (BABs) interest subsidy.

<sup>(2)</sup> BATA has designated reserves to cover any operating shortfalls. Refer to Schedule 10 for debt service coverage ratios.

**Metropolitan Transportation Commission**  
**Miscellaneous Statistics (unaudited)**  
**June 30, 2021**

**Table 12**

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Date of Incorporation	1970
Form of Government	Commissioners with Appointed Executive Director
Number of Commissioners	18 Voting and 3 Non-Voting Members
Number of Employees (Approved Positions)	289
Type of Tax Support	3.5% of TDA Sales Tax
Region in Which Commission Operates	San Francisco Bay Area San Jose, San Francisco & Oakland Combined Statistical Area including San Benito & Santa Cruz
Number of Counties in the Region	9
Area of Authority in Square Miles	6,980
Population of Region in Which Commission Operates	7,790,537
Number of Toll Bridges in the Region	8
Traffic for All Toll Bridges - Number of Vehicles (excluding Golden Gate Bridge, Highway and Transportation District)	112,897,806
Toll Revenues (excluding Golden Gate Bridge, Highway and Transportation District)	\$830,404,755
Number of Call Boxes in the Region	374

**Metropolitan Transportation Commission**  
**Demographic Statistics for Nine San Francisco Bay Area Counties (unaudited)**  
**Last Ten Calendar Years**

**Table 13**

Year	Population <sup>1</sup>	Per Capita Income <sup>2, 5</sup>	Median Age <sup>2, 5</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2012	7,249,563	N/A	N/A	994,207	8.69 %
2013	7,327,626	N/A	N/A	1,004,436	6.69 %
2014	7,420,453	N/A	N/A	1,013,055	5.34 %
2015	7,510,942	N/A	N/A	1,019,853	4.20 %
2016	7,649,565	N/A	N/A	1,021,840	4.24 %
2017	7,714,638	N/A	N/A	1,022,684	3.65 %
2018	7,772,586	N/A	N/A	1,022,674	3.07 %
2019	7,783,460	N/A	N/A	1,015,200	2.76 %
2020	7,790,537	N/A	N/A	1,009,363	12.07 %
2021	7,823,826	N/A	N/A	977,976	5.67 %

**Data Sources**

<sup>1</sup> State of California, Dept. of Finance, Demographic Research Unit

<sup>2</sup> Bureau of Census

<sup>3</sup> California Department of Education

<sup>4</sup> State of California, Employment Development Department - every ten years

<sup>5</sup> Bureau of Census conducts survey every ten years for the Median Age and Per Capita Income of the nine-county region as a whole.

N/A - Not Available

**Metropolitan Transportation Commission**  
**Ten Largest Employers (unaudited)**  
**Fiscal Years 2021 and 2012**

**Table 14**

2021 <sup>(1)</sup>				2012 <sup>(2)</sup>			
Employer	Employees	Rank	Percentage of City of San Francisco Total Employment	Employer	Employees	Rank	Percentage of City of San Francisco Total Employment
Kaiser Permanente	46,749	1	29.93%	Kaiser Permanente	28,091	1	15.92%
Sutter Health	18,710	2	11.99%	City and County of San Francisco	26,108	2	14.80%
Facebook	15,407	3	9.88%	University of California, San Francisco	22,500	3	12.76%
Safeway Inc.	14,999	4	9.61%	University of California, Berkeley	21,139	4	11.98%
Wells Fargo Bank	12,533	5	8.03%	State of California	17,928	5	10.16%
Genentech	10,023	6	6.42%	Wells Fargo Bank	16,531	6	9.37%
Tesla Inc.	10,000	7	6.41%	Safeway Inc.	13,661	7	7.74%
Salesforce	9,450	8	6.06%	Stanford University	12,126	8	6.87%
PG&E Corp.	9,300	9	5.96%	Contra Costa County	9,500	9	5.39%
Allied Universal	8,487	10	5.67%	Alameda County	8,813	10	5.00%

Data Sources

<sup>1</sup>2021 Book of Lists, San Francisco Business Times

<sup>2</sup>2012 Book of Lists, San Francisco Business Times

**Metropolitan Transportation Commission**  
**Full-Time Equivalent Employees by Function (unaudited)**  
**Last Ten Fiscal Years**

**Table 15**

Functions	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
General government	74	68	69	64	77	74	86	94	74	70
Transportation	64	73	76	76	83	79	122	119	150	148
Business-type Activities										
Toll bridge activities	33	34	41	54	58	64	65	63	67	70
Congestion relief	5	5	5	4	5	5	4	5	5	5
BAHA	-	-	-	3	6	10	9	8	8	7
	<u>176</u>	<u>180</u>	<u>191</u>	<u>201</u>	<u>229</u>	<u>232</u>	<u>286</u>	<u>289</u>	<u>304</u>	<u>300</u>

**Metropolitan Transportation Commission**  
**Ratio of Retiree Medical Premium to Covered Payroll (unaudited)**  
**By Fiscal Year**

**Table 16**

Fiscal Year	Retiree Premiums	Covered Payroll*	% of Covered Payroll
2012	\$ 632,904	\$17,799,482	3.56%
2013	679,688	18,966,022	3.58%
2014	658,421	20,191,937	3.26%
2015	743,290	22,111,218	3.36%
2016	763,647	23,713,316	3.22%
2017	776,100	27,772,133	2.79%
2018	835,827	33,455,049	2.50%
2019	1,010,937	34,846,017	2.90%
2020	1,171,894	36,306,211	3.23%
2021	1,254,523	39,015,440	3.21%

\* From MTC records

**Metropolitan Transportation Commission**  
**Schedule of Changes in Assets and Liabilities for Transportation Development**  
**Act (TDA) and AB 1107 (unaudited)**  
**For the Year Ended June 30, 2021**

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
County of Alameda				
Assets				
Cash	\$ 23,888,567	\$ 89,005,099	\$ 76,785,248	\$ 36,108,418
Interest receivables	143,254	89,155	143,254	89,155
<b>Total Assets</b>	<b>\$ 24,031,821</b>	<b>\$ 89,094,254</b>	<b>\$ 76,928,502</b>	<b>\$ 36,197,573</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 1,630,262	\$ 84,961,318	\$ 75,818,004	\$ 10,773,576
Due to other governments	22,401,559	4,132,936	1,110,498	25,423,997
<b>Total Liabilities</b>	<b>24,031,821</b>	<b>89,094,254</b>	<b>76,928,502</b>	<b>36,197,573</b>
County of Contra Costa				
Assets				
Cash	\$ 28,761,039	\$ 54,331,647	\$ 47,254,413	\$ 35,838,273
<b>Total Assets</b>	<b>28,761,039</b>	<b>54,331,647</b>	<b>47,254,413</b>	<b>35,838,273</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 800,721	\$ 46,215,716	\$ 45,836,116	\$ 1,180,321
Due to other governments	27,960,318	8,115,931	1,418,297	34,657,952
<b>Total Liabilities</b>	<b>28,761,039</b>	<b>54,331,647</b>	<b>47,254,413</b>	<b>35,838,273</b>
County of Marin				
Assets				
Cash	\$ 691,256	\$ 14,191,247	\$ 11,532,102	\$ 3,350,401
Interest receivables	16,147	4,489	16,147	4,489
<b>Total Assets</b>	<b>707,403</b>	<b>14,195,736</b>	<b>11,548,249</b>	<b>3,354,890</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 388,659	\$ 11,084,421	\$ 11,047,739	\$ 425,341
Due to other governments	318,744	3,111,315	500,510	2,929,549
<b>Total Liabilities</b>	<b>707,403</b>	<b>14,195,736</b>	<b>11,548,249</b>	<b>3,354,890</b>
County of Napa				
Assets				
Cash	\$ 2,760,518	\$ 11,293,721	\$ 5,677,019	\$ 8,377,220
<b>Total Assets</b>	<b>2,760,518</b>	<b>11,293,721</b>	<b>5,677,019</b>	<b>8,377,220</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 89,443	\$ 5,799,838	\$ 5,291,974	\$ 597,307
Due to other governments	2,671,075	5,493,883	385,045	7,779,913
<b>Total Liabilities</b>	<b>2,760,518</b>	<b>11,293,721</b>	<b>5,677,019</b>	<b>8,377,220</b>



**Metropolitan Transportation Commission**  
**Schedule of Changes in Assets and Liabilities for Transportation Development**  
**Act (TDA) and AB 1107 (unaudited), *continued***  
**For the Year Ended June 30, 2021**

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
County of San Francisco				
Assets				
Cash	\$ 5,531,932	\$ 35,733,474	\$ 39,234,455	\$ 2,030,951
Interest receivables	22,008	8,269	22,008	8,269
Total Assets	<u>5,553,940</u>	<u>35,741,743</u>	<u>39,256,463</u>	<u>2,039,220</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 3,718,585	\$ 32,752,264	\$ 36,224,704	\$ 246,145
Due to other governments	1,835,355	2,989,479	3,031,759	1,793,075
Total Liabilities	<u>5,553,940</u>	<u>35,741,743</u>	<u>39,256,463</u>	<u>2,039,220</u>
County of San Mateo				
Assets				
Cash	\$ 4,927,536	\$ 43,090,127	\$ 42,848,515	\$ 5,169,148
Interest receivables	100,100	55,895	100,100	55,895
Total Assets	<u>5,027,636</u>	<u>43,146,022</u>	<u>42,948,615</u>	<u>5,225,043</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 452,587	\$ 40,698,721	\$ 40,596,558	\$ 554,750
Due to other governments	4,575,049	2,447,301	2,352,057	4,670,293
Total Liabilities	<u>5,027,636</u>	<u>43,146,022</u>	<u>42,948,615</u>	<u>5,225,043</u>
County of Santa Clara				
Assets				
Cash	\$ 7,628,231	\$ 122,891,753	\$ 122,014,301	\$ 8,505,683
Total Assets	<u>7,628,231</u>	<u>122,891,753</u>	<u>122,014,301</u>	<u>8,505,683</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 1,245,507	\$ 116,465,816	\$ 117,039,365	\$ 671,958
Due to other governments	6,382,724	6,425,937	4,974,936	7,833,725
Total Liabilities	<u>7,628,231</u>	<u>122,891,753</u>	<u>122,014,301</u>	<u>8,505,683</u>
County of Solano				
Assets				
Cash	\$ 32,862,196	\$ 23,111,712	\$ 17,015,882	\$ 38,958,026
Total Assets	<u>32,862,196</u>	<u>23,111,712</u>	<u>17,015,882</u>	<u>38,958,026</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 730,456	\$ 16,004,536	\$ 15,891,704	\$ 843,288
Due to other governments	32,131,740	7,107,176	1,124,178	38,114,738
Total Liabilities	<u>32,862,196</u>	<u>23,111,712</u>	<u>17,015,882</u>	<u>38,958,026</u>

**Metropolitan Transportation Commission**  
**Schedule of Changes in Assets and Liabilities for Transportation Development**  
**Act (TDA) and AB 1107 (unaudited), *continued***  
**For the Year Ended June 30, 2021**

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
County of Sonoma				
Assets				
Cash	\$ 11,737,906	\$ 38,408,133	\$ 25,847,541	\$ 24,298,498
Total Assets	<u>11,737,906</u>	<u>38,408,133</u>	<u>25,847,541</u>	<u>24,298,498</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 284,408	\$ 20,846,147	\$ 20,557,579	\$ 572,976
Due to other governments	11,453,498	17,561,986	5,289,962	23,725,522
Total Liabilities	<u>11,737,906</u>	<u>38,408,133</u>	<u>25,847,541</u>	<u>24,298,498</u>
Total TDA funds				
Assets				
Cash	\$ 118,789,181	\$ 432,056,913	\$ 388,209,476	\$ 162,636,618
Interest receivables	281,509	157,808	281,509	157,808
Total Assets	<u>119,070,690</u>	<u>432,214,721</u>	<u>388,490,985</u>	<u>162,794,426</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 9,340,628	\$ 374,828,777	\$ 368,303,743	\$ 15,865,662
Due to other governments	109,730,062	57,385,944	20,187,242	146,928,764
Total Liabilities	<u>119,070,690</u>	<u>432,214,721</u>	<u>388,490,985</u>	<u>162,794,426</u>
AB 1107				
Assets				
Cash	\$ 6,268,263	\$ 86,241,476	\$ 92,509,739	\$ -
Total Assets	<u>6,268,263</u>	<u>86,241,476</u>	<u>92,509,739</u>	<u>-</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 6,268,263	\$ 86,241,476	\$ 92,509,739	\$ -
Total Liabilities	<u>\$ 6,268,263</u>	<u>\$ 86,241,476</u>	<u>\$ 92,509,739</u>	<u>\$ -</u>