

# Annual Comprehensive Financial Report

For the Fiscal Year Ended  
June 30, 2023

Prepared by the MTC Finance Section  
State of California





METROPOLITAN  
TRANSPORTATION  
COMMISSION

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the Fiscal Year Ended  
June 30, 2023**

Prepared by the  
MTC Finance Section  
State of California

# Metropolitan Transportation Commission

June 30, 2023

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October 18, 2023

*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 Abn*  
San Francisco Bay Conservation  
and Development Commission

*David Canepa*  
San Mateo County

*Cindy Chavez*  
Santa Clara County

*Carol Dutra-Vernaci*  
Cities of Alameda County

*Dina El-Tawansy*  
California State  
Transportation Agency

*Victoria Fleming*  
Sonoma County and Cities

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

*Federal D. Glover*  
Contra Costa County

*Matt Maban*  
San Jose Mayor's Appointee

*Nate Miley*  
Alameda County

*Stephanie Moulton-Peters*  
Marin County and Cities

*Sue Noack*  
Cities of Contra Costa 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*  
U.S. Department of Housing  
and Urban Development

*James P. Spering*  
Solano County and Cities

*Sbeng Thao*  
Oakland Mayor's Appointee

*Andrew B. Fremier*  
Executive Director

*Alix Bockelman*  
Chief Deputy Executive Director

*Brad Paul*  
Deputy Executive Director,  
Local Government Services

Honorable Chair  
Members of the Metropolitan Transportation Commission

I am pleased to submit the Annual Comprehensive 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, 2023. 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 actual 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, 2023. 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 herein for the fiscal year ended June 30, 2023, 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, 2023. 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 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. MTC is governed by a body of eighteen voting and three non-voting members (Commission) 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), the Bay Area Infrastructure Financing Authority (BAIFA), and the Bay Area Housing Finance Authority (BAHFA). 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). BAHA was created by a Joint Exercise of Powers Agreement 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. Sales tax growth has generally been robust since the pandemic induced “flash recession”, though weakness has developed through the last half of the fiscal year. Unemployment rates are notably lower than statewide or national rates. Additionally, inflation is well below national rates and that of other major metropolitan areas in California – this is, however, partially driven by housing costs which are already high in the region.

General economic concerns about FY 2024 revolve around the Federal Reserve’s assertive campaign to lower high inflation and what effect higher interest rates might have on the national and regional economy over the next twelve to eighteen months. There also continue to be concerns about the persistence of remote work on San Francisco in particular, which is exacerbating conditions in the commercial real estate market and the retail sector in the city.

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 directly dependent on current economic conditions for allocation. 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 through a variety of economic conditions.

With respect to BATA, bridge toll levels can be raised if necessary to protect operating integrity, particularly funding of debt service and necessary rehabilitation projects for BATA. This flexibility is important given the reliance of BATA financial performance on bridge crossings, which continue to be impacted by the COVID-19 pandemic and associated effects, including the persistence of remote work.

Financial Policies and Long-Term Financial Planning:

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 2023 operating year and are available for unforeseen events in future fiscal years. 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.

BATA has also been appropriately conservative in reserving funds for liquidity purposes – liquidity which has been important in navigating through pandemic related declines in bridge traffic.



We are in the process of developing a multi-year financial plan for the MTC that will allow the agency to ensure its ability to address all of its mandates in a financially responsible way over the long term.

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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twentieth 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 annual comprehensive 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 annual comprehensive 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.

Respectfully submitted,



Derek Hansel  
Chief Financial Officer

# Metropolitan Transportation Commission

## Staffing Organization as of August 7, 2023

\*\* ABAG contracts with MTC for services. MTC's Executive Director reports to the ABAG Executive Board and MTC Commission.

MTC Commission  
Alfredo Pedroza  
Chair

ABAG Executive Board\*\*  
Jesse Arreguin  
President

OFFICE OF GENERAL COUNSEL\* (8)  
Kathleen Kane  
Ron Ceguera  
John Myers  
Andrea Visveshwara  
Matthew Lavrinets  
Cynthia Segal  
Vacant-2

EXECUTIVE DIRECTOR (6)  
Andrew B. Fremier

Chief Deputy Executive Director  
Alix Bockelman

CHIEF OPERATING OFFICER  
Nick Roethel

DEPUTY EXECUTIVE DIRECTOR  
LOCAL GOVERNMENT SERVICES  
Brad Paul

FINANCE (1)  
Chief Financial Officer  
Derek Hansel

ADMINISTRATION & HUMAN DEVELOPMENT (25)  
Nalungo Conley  
Director

FACILITIES & CONTRACT SERVICES (23)  
Denise Rodrigues  
Director

TECHNOLOGY SERVICES (43)  
Vacant  
Director

ELECTRONIC PAYMENTS (38)  
Carol Kuester  
Director

FIELD OPERATIONS & ASSET MANAGEMENT (35)  
Lisa Klein  
Director

DESIGN & PROJECT DELIVERY (25)  
Ashley Nguyen  
Director

FUNDING POLICY & PROGRAMS (30)  
Theresa Romell  
Director

REGIONAL PLANNING PROGRAM (49)  
Matt Maloney  
Director

LEGISLATION & PUBLIC AFFAIRS (23)  
Rebecca Long  
Director

REGIONAL NETWORK MANAGEMENT (2)  
Vacant  
Director

BAY AREA REGIONAL \*\* COLLABORATIVE (2)  
Vikrant Sood

BUDGETS & FINANCIAL PLANNING & ANALYSIS (9)  
Arleicka Conley  
Director

- Raegan Carmon
- Kim Chase
- Wally Charles
- Fred Castro
- Brandon Crain
- Chris Fong
- Ashley Gonzalez
- Alita Henderson
- John Kannegieser
- Susan Lima
- Ky-Nam Miller
- Alex Prestia
- Lety Rubalcava Gomez
- Doris Santa-Cruz
- Judis Santos
- Martha Silver
- Abbey Taunton
- Kimberly Ward
- Vacant-6

- George Alonzo
- Eva Bedford
- DeNise Blake
- Quianna Brandon
- Donna Bregman-Fletcher
- Michael Brinton
- Luz Campos
- Noah Cohen
- Ryan DeCoud
- Jerry Finer
- Deborah Gaines
- Jeremy Gladson
- Nicole Hicks
- Pico Junior
- Gertruda Luermann
- Andrew Nguyen
- Eddie Phillips
- Mey Phu
- Eric Wong
- Vacant-3

- Nisar Ahmed
- Mohamed Alani
- Felicia Alas
- Gavin Alavinejad
- Kyle Baker
- Janet Banner
- Arielle Blankroth
- Sean Bugler
- Shauna Callow
- Maurice Candido
- Ifenna Chikezie
- Kapeel Daryani
- Corey Dodge
- Queli Go
- Mengjie Han
- Matt Hines
- Stephen Hohorst
- Prashant Jawalikar
- Pratul Kant
- Lemar Karimi
- Yong Lee
- Mary Mattingly
- Yoosi Mills-Ghartey
- Gilbert Mingming
- Roslyn Morris-Singh
- Martin Munoz
- Alysha Nachtigall
- Aaron Priven
- Ravi Selvanayagam
- Michelle Tan
- Andrew Tate
- Brooke Terrin
- Maung Than
- Thiru Thiagarajah
- Jess Thomas
- Ofelia Walsh
- Atti Williams
- Edna Yeh
- Steve Zafft
- Vacant-4

- Jessica Alexis
- Chris Brown
- Lizette Cabie
- Albert Chiu
- Helise Cohn
- Sylvia Cox
- Eric Davis
- Maureen Devlin
- Mark Dinh
- Sarah Doggett
- Roger Dominguez
- Joseph Dong
- Alison Edwards
- Lydia Elias
- Manuel Espiritu
- Jeff Gerbracht
- Akash Ghosal
- Skyler Gonsalves
- Lysa Hale
- Katey Hinkle
- Kelley Jackson
- Raymond Jocson
- Liz Lam
- Jennifer Largaespada
- Edward Meng
- Sebi Osa-Idehen
- Wilfred Poon
- Monica Serrano
- Andrea Stenquist
- Lynn Valdivia
- Jason Weinstein
- David Weir
- Kevin Wong
- Vacant - 4

- Waleed Al Eadelat
- Stephen Baker
- Luis Barragan
- Sarah Burnworth
- YT Chang
- Albert Cheung
- Rosalynn Chongchaikit
- Katelyn Costa
- Gio DiFabio
- Pierce Gould
- Chelsea Gamulo
- James Go
- Ken Hoang
- Thomas Lacap
- Barbara Laurenson
- Peter Lee
- Gavin Lohry
- Angela Louie
- Jim Lydon
- Jaime Maldonado
- Christine Maley-Grubl
- Megan Nangle
- Trish Stoops
- Stephen Terrin
- Mario Ung
- Emily Van Wagner
- Stephen Wolf
- Raymond Woo
- May Yin
- Beth Zelinski
- Vacant - 3

- Lily Brown
- Erik Chang
- Cathy Chea
- Kevin Chen
- Diane Dohm
- Michelle Go
- Ayaka Habu
- Henry Hammel
- Stefanie Hom
- Lee Huo
- Laura Krull
- Pamela Kwan
- Jing Li
- Lulu Mao
- Maria Morse
- Robert Rich
- Toshi Shepard-Ohta
- Ingrid Supit
- Nicola Szibbo
- Britt Tanner
- Jeanette Weisman
- Vacant - 3

- Karl Anderson
- Kenji Anzai
- Thomas Arndt
- Mallory Atkinson
- William Bacon
- Alfredo Balderamos
- Craig Bosman
- Melanie Choy
- Adam Crenshaw
- Margaret Doyle
- Kenneth Folan
- Luis Garcia
- Crystal Giang
- Theresa Hannon
- Shruti Hari
- Kenneth Kao
- Terence Lee
- Shawn Lindahl
- Raleigh McCoy
- Libby Nachman
- Julieth Ortiz
- Allison Quach
- Bryan Redmond
- John Saelee
- Joel Shaffer
- Drennen Shelton
- Anne Spevack
- Sui Tan
- Vacant - 1

- Gillian Adams
- Jose A La Torre
- Manuel Avalos
- Harold Brazil
- Elizabeth Bugarin
- Ada Chan
- Cheryl Chi
- James Choe
- Joshua Croff
- Hannah Diaz
- Luis Elias
- Greg Erhardt
- Michael Germeraad
- Rachael Hartofelis
- Elliott Huang
- Shimon Israel
- Eli Kaplan
- Drew Levitt
- Whitney Libunao
- Lufeng Lin
- Joel Mandella
- Mariegail Mijares
- Adam Noelting
- Kara Oberg
- Aksel Olsen
- Heather Peters
- Chirag Rabari
- Daniel Saver
- Mark Shorett
- Krute Singa
- Kearey Smith
- Michael Smith
- Anup Tapase
- Elizabeth Theocharides
- Kaya Tollas
- Therese Trivedi
- Flavia Tsang
- Dave Vautin
- Kara Vuicich
- Yuqi Wang
- Michael Ziyambi
- Lisa Zorn
- Vacant-6

- Marcella Aranda
- Meg Avedikian
- Karin Betts
- David Cooper
- Georgia Gann Dohrmann
- Alex Eisenhart
- John Goodwin
- Gordon Hansen
- Mimi Heft
- Mark Jones
- Joey Kotfica
- Anna Liu
- Leslie Lara-Enriquez
- Clair McDevitt
- Miguel Osorio
- Mark Prado
- Julie Snyder
- Michele Stone
- Julie Teglovic
- Christina Wenzinger
- Leah Zippert
- Vacant-1

BAYREN ENERGY PROGRAM (7)  
Jane Elias  
Director

- Cindy Chen
- Fera Chandra
- Ryan Jacoby
- Karen Kristiansson
- Yeymi Rivas Reyes
- Vacant-1

BAY AREA HOUSING FINANCE AUTHORITY (7)  
Kate Hartley  
Director

- Somaya Abdelgany
- Ruben Anguiano
- Irene Farnsworth
- Beth Frankland
- Barry Roeder
- Vacant-1

SAN FRANCISCO ESTUARY PARTNERSHIP (15)  
Caitlin Sweeney  
Director

- Ben Botkin
- Natasha Daniels
- Diana Fu
- Susan Glendening
- Sasha Harris-Lovett
- Athena Honore
- Elizabeth Juvera
- Darcie Luce
- Karen McDowell
- James Muller
- Heidi Nutters
- Leslie Perry
- Sarina Seaton
- Alexandra Thomsen
- Vacant-0

FINANCIAL REPORTING & OPERATIONAL ACCOUNTING (23)  
Grace Martinez  
Director

- Brad Akard
- Suzanne Bode
- Mike Chang
- Benson Fu
- Rosaliza Galvez
- Tiffany Huynh
- Girma Kebede
- Betty Lam
- Rose Lapada Liu
- Kevin Lau
- July Linan
- Ivan Ma
- Tricia Mendoza
- Gabriel Orta
- Anna Pan
- Allen Tam
- Chris Tran
- Lily Wong
- Jennifer Ye
- Vacant-3

TREASURY & REVENUE (22)  
Natalie Perkins  
Director

- Catherine Cam
- Vince Cabrieto
- Komal Dayal
- Garvin Fu
- Kyung Hee Howard
- Celia Imperial
- William Leung
- Grace Li
- Winnie Lum
- Paul Nijjar
- Jackie Suen
- Ramil Tag-at
- Darren Wong
- Victor Wong
- Russell Yuen
- Vacant-6

DocuSigned by:  
*Andrew Fremier*  
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Andrew B. Fremier, Executive Director

393 FY 24 Positions (Regular, Time-limited, Tier 1, Tier 2, and Retired Annuitants)

\* General Counsel advises Commission and Executive Board Directly  
\*\* BARC is a multi-agency regional board

# **METROPOLITAN TRANSPORTATION COMMISSION**

## **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
Carol Dutra-Vernaci	Cities of Alameda County
Dina El-Tawansy	California State Transportation Agency (CalSTA)
Victoria Fleming	Sonoma County and Cities
Dorene M. Giacobini	U.S. Department of Transportation
Federal D. Glover	Contra Costa County
Matt Mahan	City of San Jose Mayor
Nate Miley	Alameda County
Stephanie Moulton-Peters	Marin County and Cities
Sue Noack	Cities of Contra Costa 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	U.S. Department of Housing and Urban Development
James P. Spering	Solano County and Cities
Sheng Thao	City of Oakland Mayor

## **APPOINTED OFFICIALS**

Andrew Fremier	Executive Director
Kathleen Kane	General Counsel



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Metropolitan Transportation Commission  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



## INDEPENDENT AUDITOR'S REPORT

Commissioners  
Metropolitan Transportation Commission  
San Francisco, California

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 unit, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2023, 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.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matters***

As discussed in Notes 1C, 4, and 6 to the financial statements, during the year ended June 30, 2023, the Commission adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements. There was no impact to net position as of July 1, 2022 as a result of adoption. Our opinions are not modified with respect to the above matters.

***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Report on Partial 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, 2022, 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 on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and schedule of changes in assets and liabilities for Transportation Development Act (TDA) and AB1107 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 18, 2023

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**Management's Discussion and Analysis (unaudited - \$ in thousands)**

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# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2023**

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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, 2023. Except as otherwise stated, all amounts described below are expressed in thousands of dollars.

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

The following are some of the highlights from fiscal year 2023:

- Sales tax revenue increased by 4.7% compared to FY 2022.
- Total traffic on the seven BATA bridges increased by 1.7% compared to FY 2022. While FY 2023 traffic is still 13.0% lower than pre-pandemic levels, traffic has increased for two consecutive years in FY 2022 and FY 2023.
- Express lane revenue increased by 13.9% compared to FY 2022.

#### **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 of resources and liabilities plus deferred inflows of resources 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 one discretely presented component unit. The governmental funds are comprised of the general fund and the special revenue funds, including a separate blended component unit Bay Area Housing and Finance Authority (BAHFA). The business or proprietary funds are MTC Clipper<sup>®</sup>, Bay Area Toll Authority (BATA), MTC Service Authority for Freeways and Expressways (MTC SAFE), the Bay Area Infrastructure Authority (BAIFA), and the Bay Area Headquarters Authority (BAHA).

BATA, MTC SAFE, and BAIFA are blended component units (legally separate) whose transactions are presented as business-type funds. MTC Clipper<sup>®</sup> is an enterprise fund that oversees the region's transit fare

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2023**

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payment program. BAHA is the discretely presented component unit 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 57-112.

## **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, five 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 33-40 of this report. A schedule detailing the non-major special revenue funds is included on pages 127-128 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 115-120 of this report. A comparison of budget to actual is also presented for non-major funds on pages 129-130.

### *ii.) Proprietary Funds*

Proprietary funds are used to report business-type activities. MTC has four proprietary funds: BATA, MTC SAFE, BAIFA and MTC Clipper<sup>®</sup>. BATA, MTC SAFE and BAIFA are presented as blended component units of MTC as proprietary funds on the government-wide and fund financial statements.

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

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motorists in the nine Bay Area counties.

BAIFA was established to plan capital projects and obtain funding in the form of grants, contributions, appropriations, loans and other assistance. BAIFA is also authorized to undertake certain programs and projects, including the development, financing, and operation of high-occupancy toll lanes in MTC's jurisdiction. In April 2013, BAIFA was delegated the authority to operate the express lanes by MTC through a cooperative agreement.

MTC administers the Clipper® 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.

The financial statements of the proprietary funds are prepared on an accrual basis and are on pages 42-53.

*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 uses the economic resources measurement focus and the accrual basis of accounting.

MTC recognizes the 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.

The fiduciary fund financial statements are presented on pages 54-55 of this report.

*iv.) Discretely Presented Component Unit*

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.

BAHA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements because it does not meet the criteria for blending under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB No. 61. The standalone financial statements for BAHA provide detailed financial information for this entity. Request for separately issued financial statements for BAHA should be addressed to the Treasurer of 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

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the data provided in the government-wide and fund financial statements.

**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	
	2023	2022	2023	2022	2023	2022
Cash and investments	\$ 746,722	\$ 777,648	\$ 2,958,126	\$ 2,865,087	\$ 3,704,848	\$ 3,642,735
Receivables	99,139	49,143	120,135	74,918	219,274	124,061
Other assets	7,065	14,488	456	10,458	7,521	24,946
Capital assets	1,484	303	245,822	214,597	247,306	214,900
<b>Total assets</b>	<b>854,410</b>	<b>841,582</b>	<b>3,324,539</b>	<b>3,165,060</b>	<b>4,178,949</b>	<b>4,006,642</b>
Deferred outflows of resources	21,595	15,881	370,738	437,089	392,333	452,970
Other liabilities	194,870	72,082	509,868	457,072	704,738	529,154
Long term liabilities	17,194	3,437	9,665,514	9,908,643	9,682,708	9,912,080
<b>Total liabilities</b>	<b>212,064</b>	<b>75,519</b>	<b>10,175,382</b>	<b>10,365,715</b>	<b>10,387,446</b>	<b>10,441,234</b>
Deferred inflows of resources	268,689	299,341	(265,224)	(272,774)	3,465	26,567
<b>Net position:</b>						
Net investment in capital assets	1,484	302	225,743	200,563	227,227	200,865
Restricted	371,258	513,053	396,850	732,375	768,108	1,245,428
Unrestricted (deficit)	22,511	(30,752)	(6,837,473)	(7,423,730)	(6,814,962)	(7,454,482)
<b>Total net position</b>	<b>\$ 395,253</b>	<b>\$ 482,603</b>	<b>\$ (6,214,880)</b>	<b>\$ (6,490,792)</b>	<b>\$ (5,819,627)</b>	<b>\$ (6,008,189)</b>

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Total cash and investments increased by \$62,113 in FY 2023. This is primarily driven by an increase in interest income realized as a result of the high interest-rate environment.

Total receivables increased by \$95,213 in FY 2023. The increase primarily resulted from \$34,114 receivables from transit operators for the Blue Ribbon Transit Transformation Action Plan program and an increase of \$25,364 in the interest receivable.

The increase in capital assets of \$32,406 is mainly due to the capitalization of MTC's Clipper fare payment system and related equipment.

Deferred outflows of resources decreased by \$60,637 in FY 2023, mainly due to the decrease in the deferred outflows of debt refunding.

Total liabilities decreased by \$53,788 in FY 2023 which is primarily due to the decrease in BATA debt and fair value of derivative instruments. This decrease was partially offset by outstanding invoices for the BART car exchange at June 30, 2023.

The net position increased by \$188,562 in FY 2023. The increase is mainly driven by the financial results of business-type activities. The negative net position is the result of BATA having issued over \$9 billion in 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 receipt of future toll revenue.

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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	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for service	\$ -	\$ -	\$ 925,470	\$ 854,456	\$ 925,470	\$ 854,456
Operating grants and contributions	225,096	176,445	113,712	113,516	338,808	289,961
Capital grants and contributions	-	-	36,729	23,443	36,729	23,443
<b>General revenues:</b>						
Sales tax	17,610	16,821	-	-	17,610	16,821
Unrestricted investment earnings (charges)	21,484	(1,316)	147,818	223,440	169,302	222,124
Return of contribution from BAHA	-	-	-	1,081	-	1,081
<b>Total revenues</b>	<b>264,190</b>	<b>191,950</b>	<b>1,223,729</b>	<b>1,215,936</b>	<b>1,487,919</b>	<b>1,407,886</b>
<b>Expenses:</b>						
General government	106,292	89,826	-	-	106,292	89,826
Allocation to other agencies	264,350	88,119	-	-	264,350	88,119
Housing	2,384	231	-	-	2,384	231
Toll bridge activities	-	-	809,326	786,132	809,326	786,132
Express lane activities	-	-	42,798	65,538	42,798	65,538
Clipper® smart card	-	-	52,858	39,539	52,858	39,539
Congestion relief	-	-	21,349	20,076	21,349	20,076
<b>Total expenses</b>	<b>373,026</b>	<b>178,176</b>	<b>926,331</b>	<b>911,285</b>	<b>1,299,357</b>	<b>1,089,461</b>
Change in net position before special item and transfers	(108,836)	13,774	297,398	304,651	188,562	318,425
Special item	-	-	-	(26,741)	-	(26,741)
Transfers in/(out)	21,486	17,940	(21,486)	(17,940)	-	-
<b>Changes in net position</b>	<b>(87,350)</b>	<b>31,714</b>	<b>275,912</b>	<b>259,970</b>	<b>188,562</b>	<b>291,684</b>
Net position - Beginning	482,603	450,889	(6,490,792)	(6,750,762)	(6,008,189)	(6,299,873)
<b>Net position - Ending</b>	<b>\$ 395,253</b>	<b>\$ 482,603</b>	<b>\$ (6,214,880)</b>	<b>\$ (6,490,792)</b>	<b>\$ (5,819,627)</b>	<b>\$ (6,008,189)</b>

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Total revenues increased by \$80,033 in FY 2023. The revenue increase in Governmental Activities is mainly due to increased revenue from new project grants received in FY 2023 and from investment earnings as a result of higher interest rate. The revenue increase in Business-Type Activities is the result of increased toll revenue offset by decreased investment earnings from reduced gain in the fair value of the derivative instruments associated with BATA.

Total expenses increased by \$209,896 in FY 2023. The increase is primarily related to the timing of various multi-year projects in the Governmental Activities such as in the Bart Car Exchange fund.

The net position improved by \$188,562 from \$(6,008,189) to \$(5,819,627) in FY 2023. The increase is mainly due to the financial results of business type activities. BATA's financial results drive the business-type activities deficit due to BATA's issuance of over \$9 billion in toll revenue bonds to fund seismic and Regional Measure 2 voter approved projects while the assets remain with the State of California and other transit operators. The Net Position in the Governmental Activities decreased mainly due to timing of revenue and expense recognition for the BART replacement car projects.

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>							
	BATA		BAIFA		MTC SAFE		MTC Clipper®	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues:								
Toll revenues	\$ 807,419	\$ 756,197	\$ 59,674	\$ 52,399	\$ -	\$ -	\$ -	\$ -
Other operating revenues	25,562	19,937	5,870	7,854	6,530	6,491	20,416	11,578
Total revenues	<u>832,981</u>	<u>776,134</u>	<u>65,544</u>	<u>60,253</u>	<u>6,530</u>	<u>6,491</u>	<u>20,416</u>	<u>11,578</u>
Operating expenses:								
Operating expenses incurred by Caltrans/Transbay JPA	8,817	8,274	-	-	-	-	-	-
Other operating expenses	187,199	182,073	34,233	31,359	21,328	20,076	47,597	36,453
Total operating expenses	<u>196,016</u>	<u>190,347</u>	<u>34,233</u>	<u>31,359</u>	<u>21,328</u>	<u>20,076</u>	<u>47,597</u>	<u>36,453</u>
Operating income/(loss)	636,965	585,787	31,311	28,894	(14,798)	(13,585)	(27,181)	(24,875)
Nonoperating revenues/(expenses)								
Investment income/(charges)	137,015	223,081	5,655	228	259	11	4,890	120
BABs interest subsidy	70,581	71,327	-	-	-	-	-	-
Interest expense	(433,681)	(434,114)	-	-	-	-	-	-
Financing fees and bond issuance costs	(9,101)	(15,503)	-	-	-	-	-	-
Other nonoperating expense	(29)	(6,039)	-	-	(21)	-	-	-
Caltrans/other agency grants and reimbursements	16,019	11,848	-	-	14,340	13,365	2,582	3,630
Distributions to Caltrans/other agencies	(170,422)	(140,130)	-	(17,163)	-	-	-	(3,086)
Capital, operating and maintenance expenses for other agencies	-	-	(8,565)	(17,016)	-	-	(5,261)	-
Return of contribution from BAHA	-	1,081	-	-	-	-	-	-
Other nonoperating revenues	1,891	5,660	3,347	943	-	8	4,952	6,737
Total nonoperating revenues/(expenses)	<u>(387,727)</u>	<u>(282,789)</u>	<u>437</u>	<u>(33,008)</u>	<u>14,578</u>	<u>13,384</u>	<u>7,163</u>	<u>7,401</u>
Change in net position before contribution, special item, and transfers	249,238	302,998	31,748	(4,114)	(220)	(201)	(20,018)	(17,474)
Capital grants	-	-	-	-	-	-	36,729	23,443
Violation penalty refund (special item)	(78)	(26,741)	-	-	-	-	-	-
Transfers	(50,687)	(135,800)	(201)	95,000	(883)	(796)	30,284	23,656
Change in net position	198,473	140,457	31,547	90,886	(1,103)	(997)	46,995	29,625
Net position - Beginning	<u>(6,882,569)</u>	<u>(7,023,026)</u>	<u>270,724</u>	<u>179,838</u>	<u>20,843</u>	<u>21,840</u>	<u>100,210</u>	<u>70,585</u>
Net position - Ending	<u>\$ (6,684,096)</u>	<u>\$ (6,882,569)</u>	<u>\$ 302,271</u>	<u>\$ 270,724</u>	<u>\$ 19,740</u>	<u>\$ 20,843</u>	<u>\$ 147,205</u>	<u>\$ 100,210</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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transportation projects under Regional Measures 1 and 2. However, BATA does not own the assets that are constructed. It is anticipated that the negative net position will resolve itself from future toll revenue and the amortization of toll revenue bond debt.

Net operating income for BATA was \$636,965 for FY 2023, a increase of \$51,178 or 9% from FY 2022. Major changes include:

- Total revenues increased by \$56,847 in FY 2023. Detailed traffic revenue information is available in the Statistical Section, Table 8.
- Total operating expenses rose by \$5,669 in FY 2023, mainly due to the increase in allocations to other agencies with the release of RM3 funds.

Nonoperating revenues/(expenses) decreased by \$104,938 or about 37% from FY 2022. Major changes included:

- Net investment income decreased by \$86,066 in FY 2023. BATA had an investment gain of \$49,509 and unrealized gain of \$87,506 from the change in the fair value of derivative instruments. In FY 2022, the unrealized gain from the change in the fair value of derivative instruments was \$263,117.
- 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 in FY 2010 and FY 2011. The federal subsidy payment is expected to last for the life of the taxable bonds.
- Distributions to other agencies for capital purposes increased by \$30,292 in FY 2023. The increase was primarily due to the distribution to the Napa Valley Transportation Authority (NVTA) for construction of a new maintenance and administration building.

BAIFA ended FY 2023 with operating income of \$31,311, which was \$2,417 higher than the operating income reported in FY 2022. BAIFA's operating revenues are generated from the express lane operations and used to cover the operating expenses on BAIFA's express lanes. In FY 2023 major changes include:

- Operating revenues increased by \$5,291 in FY 2023, mainly the result of revenues from Interstate 880 express lanes \$4,269 higher than that in FY 2022.
- Operating expenses increased by \$2,874 in FY 2023, primarily due to the increase in professional fees from express lane operations.
- Total nonoperating revenues/(expenses) increased by \$33,445. The completion of the San Mateo County Highway 101 express lane project in February 2022 resulted in decreases of expenses on distribution to other agencies and capital, operating and maintenance expenses for other agencies in FY 2023.

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MTC SAFE ended FY 2023 with an operating loss of \$14,798, which was an increased loss of \$1,213 from FY 2022. The net position in FY 2023 decreased by \$1,103 compared to a decrease of \$997 in FY 2022. Major changes include:

- Operating revenues increased by \$39 in FY 2023. DMV revenues from Alameda, Contra Costa, Marin, Napa, Santa Clara, San Mateo, and Sonoma counties all increased slightly in a sum of \$43 while San Francisco and Solano counties had a decrease of \$4.
- Operating expenses increased by \$1,252 in FY 2023, primarily the result of the increase in towing contracts. Tow truck routes have been increased in Alameda and Contra Costa counties.
- Nonoperating grants increased by \$975 mainly due to the increase in SB1 grant to fund the Freeway Service Patrol program.

MTC Clipper® ended FY 2023 with an operating loss of \$27,181 which was an increase of \$2,306 compared to the operating loss recorded in FY 2022. Clipper® project costs are generally covered by grant (nonoperating) revenues; however, operating costs are covered by a combination of operating grants and operator payments. Operating losses are made up through transfers from other funds. Other major changes include:

- Operating revenues increased by \$8,838 in FY 2023, the results of an increase in transit ridership and an escheatment revenue during the fiscal year.
- Operating expenses for MTC Clipper® increased by \$11,144 in FY 2023, mainly due to the increases in professional fees from the increase of the transit ridership and depreciation of the Clipper capital assets.
- Nonoperating revenues/(expenses) decreased by \$238 primarily because of the higher capital, operating and maintenance expenses in FY 2023.

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**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 41 for the reconciliation of the governmental funds to the Statement of Activities.

	Governmental Funds	
	2023	2022
<b>Revenues:</b>		
Sales taxes	\$ 17,610	\$ 16,821
Grants - Federal	56,519	53,470
Grants - State	125,567	110,814
Local agencies revenues and refunds	45,464	13,351
Investment income	21,483	(1,316)
Total revenues	266,643	193,140
<b>Expenditures:</b>		
<b>Current:</b>		
General government	88,010	80,389
Allocations to other agencies	284,343	107,770
Capital outlay	1,280	11
Total expenditures	373,633	188,170
Other financing sources	21,632	17,939
Net change in fund balance	(85,358)	22,911
Fund balance - beginning	484,750	461,839
Fund balance - ending	\$ 399,392	\$ 484,750

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 2023 with a net change in fund balance of (\$85,358) compared to \$22,911 for FY 2022.

The MTC General Funds ended FY 2023 with a net change in fund balance surplus of \$25,764 which improved the fund balance to \$90,653. The general fund surplus increased by \$18,465 compared to FY 2022. The increase is primarily due to the timing related to project related expenditures.

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 2023 with a negative fund balance of \$41,360 compared with a negative balance of \$33,862 for FY 2022. The AB 664 Reserve is a toll funded rail support program

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**Management's Discussion and Analysis (unaudited - \$ in thousands)**

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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.

- STA fund ended FY2023 with a fund balance of \$152,004 compared to \$114,739 for FY 2022. The increase to fund balance is due to increases in the price of diesel fuel which in turn generate increase in sales tax on diesel fuel.
- Rail Reserves fund ended FY 2023 with a negative fund balance of \$73,044, a reduction from the negative \$78,893 ending FY 2022. 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 2023 with a fund balance of over \$166,418, a decrease of \$182,868 from FY 2022. 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.
- Bay Area Housing Finance Authority ended FY 2023 with a fund balance of \$17,042, a decrease of \$2,731 from FY2022. The significant decrease in revenues is mainly due to a \$20 million grant from the California Department of Housing and Community Development (HCD) received in fiscal year 2022 for the purpose of developing programming for BAHFA. The timing of program expenditures, which is across fiscal years, created a variance in the current year balances. BAHFA's interest increased by \$428 mainly due to higher interest rate of return in the fiscal year 2023. Total expenditures increased by \$2,931 mainly from salaries and benefits and an increase in program expenditures.

## **H. General Fund Budget**

The original MTC General Fund budget adopted for FY 2023 had a projected surplus of \$535 which increased to a projected surplus of \$1,251 in the final approved budget. The actual ending balance was a surplus of \$25,764 after transfers.

The final revenue budget was \$283,298 with actual year-end revenue of \$96,198, a shortfall of \$187,100. The final expenditure budget was \$310,925 with actual year-end expenditures of \$106,110 or \$204,815 under budget. The variance in both revenue and expenditure is due to the timing of project expenditures 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 expenditures 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.

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**Financial Statements for the year ended June 30, 2023**  
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The timing of project revenue and related expenditures in grant-related programs is generally dictated by project timing and not fiscal years.

	<u>General Fund</u>			
	Adopted Budget	Final Budget	Actual	Variance
Revenues	\$ 229,187	\$ 283,298	\$ 96,198	\$ (187,100)
Expenditures	256,847	310,925	106,110	204,815
Excess/(Deficiency)	(27,660)	(27,627)	(9,912)	17,715
Transfers in	28,195	28,878	35,530	6,652
Leases	-	-	146	146
Net change in fund balance	535	1,251	25,764	24,513
Fund balance - beginning	64,888	64,888	64,888	-
Fund balance - ending	<u>\$ 65,423</u>	<u>\$ 66,139</u>	<u>\$ 90,652</u>	<u>\$ 24,513</u>

Overall, the positive ending balance is a swing of \$24,513 impacting the MTC ending fund balance.

**I. Capital Asset Administration**

MTC's total investment in capital assets for all funds, governmental and proprietary is \$247,306 as reported under the accrual basis of accounting. In FY 2023 capital assets increased by \$32,406 which primarily due to the development of Clipper fare payment system software and related equipment. 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 2023, BATA refunded \$529,299 bonds. BATA administers a debt portfolio of \$9,586,593, and derivative instruments of \$1,440,000. All of BATA's interest rate 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 \$87,506. BATA's interest expense on the \$3,135,965 of federally taxable Build America Bonds (BABs) was \$212,798. The BABs subsidy for FY 2023 was \$70,581, and net interest expense was \$142,217.

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

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2023**  
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**K. Economic Factors Impacting MTC**

While the general economic picture nationally and regionally has largely stabilized and recovered from the challenges posed by the COVID-19 pandemic, there are a number of headwinds that MTC must face as we consider FY 2023-24 and beyond.

These headwinds include:

- Inflation, which has been running very high for the past 2 ½ years.
- Higher interest rates, partly driven by increases in short-term interest rates by the Federal Reserve, and partly by the market reaction to both inflation generally and the Federal Reserve's actions.
- The crisis in confidence associated with regional banks and their potential failure. This issue has already caused the failure of two banks in the Bay Area (Silicon Valley Bank and First Republic Bank).

**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.



**Metropolitan Transportation Commission**  
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**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	BAHA
<b>ASSETS</b>				
Cash-unrestricted	\$ 287,104,782	\$ 273,421,272	\$ 560,526,054	\$ 32,943,823
Cash-restricted	7,620,138	170,648,173	178,268,311	6,038,565
Investments-unrestricted	153,902,429	439,379,043	593,281,472	-
Investments-restricted	298,095,123	2,074,677,370	2,372,772,493	-
Receivables:				
Accounts receivable	2,150,336	57,338,394	59,488,730	275,765
Interests receivable	5,965,617	43,638,570	49,604,187	509
Lease receivable from external	-	-	-	16,791,760
Lease receivable from primary government	-	-	-	6,442,978
Funding due from State/ Caltrans	66,434,330	10,452,416	76,886,746	-
Funding due from Federal	23,442,737	8,507,668	31,950,405	-
Due from other governments	4,164,641	456,099	4,620,740	18,573
Prepaid items and other assets	1,146,232	198,126	1,344,358	167,937
Pension 115 Trust Account	2,900,000	-	2,900,000	-
Capital assets not being depreciated	207,377	91,802,540	92,009,917	35,181,320
Capital assets net of accumulated depreciation/ amortization	1,277,107	154,019,935	155,297,042	154,825,877
<b>TOTAL ASSETS</b>	<b>854,410,849</b>	<b>3,324,539,606</b>	<b>4,178,950,455</b>	<b>252,687,107</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount of refunding	-	359,158,282	359,158,282	-
Deferred outflows from pensions	13,778,370	7,387,987	21,166,357	152,424
Deferred outflows from OPEB	7,816,983	4,191,470	12,008,453	86,472
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>21,595,353</b>	<b>370,737,739</b>	<b>392,333,092</b>	<b>238,896</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	BAHA
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 183,192,445	\$ 161,303,178	\$ 344,495,623	\$ 1,461,254
Accrued interest payable	3,691	92,718,847	92,722,538	-
Unearned revenue	18,227,313	133,770,074	151,997,387	-
Internal balances	(9,377,320)	9,377,320	-	-
Due to other governments	-	-	-	1,028,902
Non-current liabilities				
Due within one year				
Long term debt, net of unamortized premium/discount	-	109,730,000	109,730,000	-
Compensated absences and others	2,823,933	2,968,272	5,792,205	80,056
Due in more than one year				
Long term debt, net of unamortized premium/discount	-	9,476,862,554	9,476,862,554	-
Derivative instruments	-	174,083,479	174,083,479	-
Net Pension liability	10,468,789	1,868,284	12,337,073	115,809
Net OPEB liability	2,803,704	1,503,350	4,307,054	31,016
Compensated absences and others	3,921,464	11,196,305	15,117,769	36,749
<b>TOTAL LIABILITIES</b>	<b>212,064,019</b>	<b>10,175,381,663</b>	<b>10,387,445,682</b>	<b>2,753,786</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from lease	-	-	-	22,274,014
Deferred inflows from pension	699,238	374,937	1,074,175	7,736
Deferred inflows from OPEB	1,556,413	834,548	2,390,961	17,217
Deferred revenues/Deferred charges	266,433,361	(266,433,361)	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>268,689,012</b>	<b>(265,223,876)</b>	<b>3,465,136</b>	<b>22,298,967</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,484,484	225,742,680	227,227,164	189,197,905
Restricted for:				
Capital projects	350,558,353	96,190,230	446,748,583	6,038,565
Pension	2,900,000	-	2,900,000	-
Operations & Maintenance, under debt covenant	-	188,000,000	188,000,000	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-
Housing	17,799,811	-	17,799,811	-
Regional Measure 3 - WETA	-	62,659,427	62,659,427	-
Unrestricted	22,510,523	(6,837,472,779)	(6,814,962,256)	32,636,780
<b>TOTAL NET POSITION</b>	<b>\$ 395,253,171</b>	<b>\$ (6,214,880,442)</b>	<b>\$ (5,819,627,271)</b>	<b>\$ 227,873,250</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2022**  
**(For comparative information purposes)**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	BAHA
<b>ASSETS</b>				
Cash-unrestricted	\$ 337,369,462	\$ 248,618,609	\$ 585,988,071	\$ 29,453,332
Cash-restricted	11,655,085	269,754,643	281,409,728	4,324,772
Investments-unrestricted	75,756,080	-	75,756,080	-
Investments-restricted	352,867,225	2,346,713,588	2,699,580,813	-
Receivables:				
Accounts receivable	2,438,143	36,518,743	38,956,886	200,635
Interests receivable	1,109,738	23,130,554	24,240,292	28,137
Lease receivable from external	-	-	-	24,736,403
Lease receivable from primary government	-	-	-	2,026,252
Funding due from State/ Caltrans	24,143,698	11,160,311	35,304,009	-
Funding due from Federal	20,425,335	3,867,959	24,293,294	-
Due from other government	3,100,442	618,922	3,719,364	-
Prepaid items and other assets	1,027,203	239,886	1,267,089	178,154
Pension 115 Trust Account	2,900,000	-	2,900,000	-
Net pension asset	6,522,562	8,984,901	15,507,463	66,892
Net OPEB asset	1,965,267	854,511	2,819,778	20,155
Capital assets not being depreciated	-	68,610,276	68,610,276	34,230,605
Capital assets net of accumulated depreciation/ amortization	302,540	145,986,580	146,289,120	160,644,400
<b>TOTAL ASSETS</b>	<b>841,582,780</b>	<b>3,165,059,483</b>	<b>4,006,642,263</b>	<b>255,909,737</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount of refunding	-	431,468,732	431,468,732	-
Deferred outflows from pension	10,963,929	3,482,546	14,446,475	112,439
Deferred outflows from OPEB	4,917,074	2,137,979	7,055,053	50,427
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>15,881,003</b>	<b>437,089,257</b>	<b>452,970,260</b>	<b>162,866</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2022**  
**(For comparative information purposes)**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	BAHA
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 53,192,004	\$ 148,289,776	\$ 201,481,780	\$ 863,534
Accrued interest payable	65	94,491,382	94,491,447	-
Unearned revenue	11,730,187	130,086,462	141,816,649	15,450
Internal balances	4,786,972	(4,786,972)	-	-
Due to other governments	-	-	-	699,081
Non-current liabilities				
Due within one year				
Long term debt	-	86,155,000	86,155,000	-
Other non-current liabilities	2,373,128	2,836,852	5,209,980	81,828
Due in more than one year				
Long term debt	-	9,640,641,699	9,640,641,699	-
Derivative instruments	-	261,589,656	261,589,656	-
Other non-current liabilities	3,437,041	6,411,327	9,848,368	42,257
<b>TOTAL LIABILITIES</b>	<b>75,519,397</b>	<b>10,365,715,182</b>	<b>10,441,234,579</b>	<b>1,702,150</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from lease	-	-	-	26,053,517
Deferred inflows from pension	16,496,807	7,172,923	23,669,730	169,180
Deferred inflows from OPEB	2,019,402	878,050	2,897,452	20,710
Deferred revenues/Deferred charges	280,825,285	(280,825,285)	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>299,341,494</b>	<b>(272,774,312)</b>	<b>26,567,182</b>	<b>26,243,407</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	302,175	200,562,938	200,865,113	194,753,128
Restricted for:				
Capital Projects	490,399,204	77,256,176	567,655,380	4,324,772
Pension	2,900,000	-	2,900,000	-
Operations & Maintenance, under debt covenant	-	174,000,000	174,000,000	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-
Housing	19,753,154	-	19,753,154	-
Regional Measure 3	-	431,119,100	431,119,100	-
Unrestricted	(30,751,641)	(7,423,730,344)	(7,454,481,985)	29,049,146
<b>TOTAL NET POSITION</b>	<b>\$ 482,602,892</b>	<b>\$ (6,490,792,130)</b>	<b>\$ (6,008,189,238)</b>	<b>\$ 228,127,046</b>

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

**Metropolitan Transportation Commission**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

	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 Unit
						Governmental Activities	Business-type Activities	Total	BAHA
<b>Functions</b>									
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 106,291,437	\$ -	\$ 65,455,904	\$ -	\$ 65,455,904	\$ (40,835,533)	\$ -	\$ (40,835,533)	\$ -
Transportation	264,350,136	-	159,640,226	-	159,640,226	(104,709,910)	-	(104,709,910)	-
Housing	2,384,164	-	-	-	-	(2,384,164)	-	(2,384,164)	-
<b>Total Governmental Activities</b>	<b>373,025,737</b>	<b>-</b>	<b>225,096,130</b>	<b>-</b>	<b>225,096,130</b>	<b>(147,929,607)</b>	<b>-</b>	<b>(147,929,607)</b>	<b>-</b>
Business-Type Activities:									
MTC Clipper® smart card	52,858,224	20,416,088	7,534,271	36,728,596	64,678,955	-	11,820,731	11,820,731	-
Toll Bridge Activities	809,326,236	832,980,639	88,491,307	-	921,471,946	-	112,145,710	112,145,710	-
Express Lane Activities	42,798,219	65,544,206	3,347,147	-	68,891,353	-	26,093,134	26,093,134	-
Congestion Relief	21,349,089	6,529,524	14,339,725	-	20,869,249	-	(479,840)	(479,840)	-
<b>Total Business-Type Activities</b>	<b>926,331,768</b>	<b>925,470,457</b>	<b>113,712,450</b>	<b>36,728,596</b>	<b>1,075,911,503</b>	<b>-</b>	<b>149,579,735</b>	<b>149,579,735</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 1,299,357,505</b>	<b>\$ 925,470,457</b>	<b>\$ 338,808,580</b>	<b>\$ 36,728,596</b>	<b>\$ 1,301,007,633</b>	<b>(147,929,607)</b>	<b>149,579,735</b>	<b>1,650,128</b>	<b>-</b>
<b>Component Unit:</b>									
BAHA	\$ 12,424,021	\$ 10,538,926	\$ 242,869	\$ -	\$ 10,781,795				(1,642,226)
<b>Total Component Unit</b>	<b>\$ 12,424,021</b>	<b>\$ 10,538,926</b>	<b>\$ 242,869</b>	<b>\$ -</b>	<b>\$ 10,781,795</b>				<b>(1,642,226)</b>
<b>General Revenues:</b>									
Sales tax						17,609,874	-	17,609,874	-
Unrestricted investment earnings						21,483,574	147,818,391	169,301,965	1,388,430
<b>Transfers</b>						<b>21,486,438</b>	<b>(21,486,438)</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues, Special Items, and Transfers</b>						<b>60,579,886</b>	<b>126,331,953</b>	<b>186,911,839</b>	<b>1,388,430</b>
<b>Change in Net Position</b>						<b>(87,349,721)</b>	<b>275,911,688</b>	<b>188,561,967</b>	<b>(253,796)</b>
<b>Net Position - Beginning</b>						<b>482,602,892</b>	<b>(6,490,792,130)</b>	<b>(6,008,189,238)</b>	<b>228,127,046</b>
<b>Net Position - Ending</b>						<b>\$ 395,253,171</b>	<b>\$ (6,214,880,442)</b>	<b>\$ (5,819,627,271)</b>	<b>\$ 227,873,250</b>

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

# Metropolitan Transportation Commission

## Statement of Activities

For the Year Ended June 30, 2022

(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 Unit
						Governmental Activities	Business-type Activities	Total	BAHA
<b>Functions</b>									
<b>Primary Government:</b>									
Governmental Activities:									
General Government	\$ 89,826,261	\$ -	\$ 65,630,229	\$ -	\$ 65,630,229	\$ (24,196,032)	\$ -	\$ (24,196,032)	\$ -
Transportation	88,118,693	-	110,814,370	-	110,814,370	22,695,677	-	22,695,677	-
Housing	230,640	-	-	-	-	(230,640)	-	(230,640)	-
<b>Total Governmental Activities</b>	<b>178,175,594</b>	<b>-</b>	<b>176,444,599</b>	<b>-</b>	<b>176,444,599</b>	<b>(1,730,995)</b>	<b>-</b>	<b>(1,730,995)</b>	<b>-</b>
Business-Type Activities:									
MTC Clipper® smart card	39,539,063	11,578,160	10,366,229	23,443,205	45,387,594	-	5,848,531	5,848,531	-
Toll Bridge Activities	786,131,573	776,133,557	88,833,935	-	864,967,492	-	78,835,919	78,835,919	-
Express Lane Activities	65,538,144	60,253,182	942,807	-	61,195,989	-	(4,342,155)	(4,342,155)	-
Congestion Relief	20,076,445	6,490,693	13,373,585	-	19,864,278	-	(212,167)	(212,167)	-
<b>Total Business-Type Activities</b>	<b>911,285,225</b>	<b>854,455,592</b>	<b>113,516,556</b>	<b>23,443,205</b>	<b>991,415,353</b>	<b>-</b>	<b>80,130,128</b>	<b>80,130,128</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 1,089,460,819</b>	<b>\$ 854,455,592</b>	<b>\$ 289,961,155</b>	<b>\$ 23,443,205</b>	<b>\$ 1,167,859,952</b>	<b>(1,730,995)</b>	<b>80,130,128</b>	<b>78,399,133</b>	<b>-</b>
<b>Component Unit:</b>									
BAHA	12,446,934	10,381,034	195,321	-	10,576,355				(1,870,579)
<b>Total Component Unit</b>	<b>\$ 12,446,934</b>	<b>\$ 10,381,034</b>	<b>\$ 195,321</b>	<b>\$ -</b>	<b>\$ 10,576,355</b>				<b>(1,870,579)</b>
<b>General Revenues:</b>									
Sales tax						16,821,183	-	16,821,183	-
Unrestricted investment earnings						(1,316,225)	223,440,468	222,124,243	1,090,530
Return of contribution from BAHA						-	1,080,623	1,080,623	(1,080,623)
<b>Special Items</b>									
Violation penalty refund						-	(26,741,329)	(26,741,329)	-
<b>Transfers</b>									
						17,939,957	(17,939,957)	-	-
<b>Total General Revenues, Special Items, and Transfers</b>						<b>33,444,915</b>	<b>179,839,805</b>	<b>213,284,720</b>	<b>9,907</b>
<b>Change in Net Position</b>						<b>31,713,920</b>	<b>259,969,933</b>	<b>291,683,853</b>	<b>(1,860,672)</b>
<b>Net Position - Beginning</b>						<b>450,888,972</b>	<b>(6,750,762,063)</b>	<b>(6,299,873,091)</b>	<b>229,987,718</b>
<b>Net Position - Ending</b>						<b>\$ 482,602,892</b>	<b>\$ (6,490,792,130)</b>	<b>\$ (6,008,189,238)</b>	<b>\$ 228,127,046</b>

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



**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2023**

	Special Revenue Funds							Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange	Bay Area Housing Finance Authority	Non-Major Governmental Funds	
<b>ASSETS</b>								
Cash - unrestricted	\$ 64,762,144	\$ 11,486,668	\$ 137,196,747	\$ 5,473,874	\$ -	\$ 17,338,234	\$ 50,847,115	\$ 287,104,782
Cash - restricted	6,747,189	-	-	-	872,949	-	-	7,620,138
Investments - unrestricted	-	92,543,248	-	26,136,033	-	-	35,223,148	153,902,429
Investment - restricted	-	-	-	-	298,095,123	-	-	298,095,123
Accounts receivable	2,107,346	-	-	-	-	-	42,990	2,150,336
Interest receivable	171,308	878,743	428,522	162,571	4,053,002	-	271,471	5,965,617
State / Caltrans funding receivable	4,381,890	-	27,979,153	-	-	-	34,073,290	66,434,333
Federal funding receivable	23,442,737	-	-	-	-	-	-	23,442,737
Due from Other Funds	16,607,287	-	-	-	-	-	-	16,607,287
Due from other governments	4,164,641	-	-	-	-	-	-	4,164,641
Pension 115 Trust	2,900,000	-	-	-	-	-	-	2,900,000
Prepaid items and other assets	1,146,231	-	-	-	-	-	-	1,146,231
<b>TOTAL ASSETS</b>	<b>\$ 126,430,773</b>	<b>\$ 104,908,659</b>	<b>\$ 165,604,422</b>	<b>\$ 31,772,478</b>	<b>\$ 303,021,074</b>	<b>\$ 17,338,234</b>	<b>\$ 120,458,014</b>	<b>\$ 869,533,654</b>
<b>LIABILITIES</b>								
Accounts payable and accrued expenditures	\$ 20,724,699	\$ 15,695,989	\$ 8,926,343	\$ -	\$ 136,603,223	\$ 296,462	\$ 669,779	\$ 182,916,495
Accrued interest payable	3,691	-	-	-	-	-	-	3,691
Deposit payable	250,000	-	-	-	-	-	-	250,000
Unearned revenue	13,282,051	-	-	-	-	-	-	13,282,051
Retention payable	25,953	-	-	-	-	-	-	25,953
Due to other funds	1,491,691	-	4,674,037	-	-	-	1,064,238	7,229,966
<b>TOTAL LIABILITIES</b>	<b>35,778,085</b>	<b>15,695,989</b>	<b>13,600,380</b>	<b>-</b>	<b>136,603,223</b>	<b>296,462</b>	<b>1,734,017</b>	<b>203,708,156</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	-	130,572,575	-	104,816,200	-	-	31,044,586	266,433,361
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>130,572,575</b>	<b>-</b>	<b>104,816,200</b>	<b>-</b>	<b>-</b>	<b>31,044,586</b>	<b>266,433,361</b>

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

**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2023**

	Special Revenue Funds							Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange	Bay Area Housing Finance Authority	Non-Major Governmental Funds	
<b>FUND BALANCES</b>								
<b>Nonspendable</b>								
Prepaid items	\$ 1,146,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,146,233
<b>Restricted for:</b>								
Transportation projects	-	-	152,004,042	-	-	-	32,136,460	184,140,502
Rail projects	-	-	-	-	166,417,851	-	-	166,417,851
Housing projects	-	-	-	-	-	17,041,772	-	17,041,772
Pension	2,900,000	-	-	-	-	-	-	2,900,000
<b>Committed to:</b>								
Benefits reserve	3,409,193	-	-	-	-	-	-	3,409,193
Liability reserve	1,058,311	-	-	-	-	-	-	1,058,311
Transportation projects	7,399,644	-	-	-	-	-	55,542,951	62,942,595
<b>Unassigned</b>	<u>74,739,307</u>	<u>(41,359,905)</u>	<u>-</u>	<u>(73,043,722)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,664,320)</u>
<b>TOTAL FUND BALANCES</b>	<u>90,652,688</u>	<u>(41,359,905)</u>	<u>152,004,042</u>	<u>(73,043,722)</u>	<u>166,417,851</u>	<u>17,041,772</u>	<u>87,679,411</u>	<u>399,392,137</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 126,430,773</u>	<u>\$ 104,908,659</u>	<u>\$ 165,604,422</u>	<u>\$ 31,772,478</u>	<u>\$ 303,021,074</u>	<u>\$ 17,338,234</u>	<u>\$ 120,458,014</u>	<u>\$ 869,533,654</u>

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, 2023**

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Governmental funds balance	\$ 399,392,137
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.	1,484,484
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.	(4,945,262)
Capital leases are not due and payable in the current period and, therefore, are not reported in the fund statement.	(134,629)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the fund statement.	(6,610,768)
Net pension 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.	2,610,343
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>3,456,866</u>
Net position of governmental activities	<u>\$ 395,253,171</u>

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

**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2022**  
**(For comparative information purposes)**

	Special Revenue Funds							Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange	Bay Area Housing Finance Authority	Non-Major Governmental Funds	
<b>ASSETS</b>								
Cash - unrestricted	\$ 51,986,633	\$ 71,912,483	\$ 105,781,174	\$ 16,321,708	\$ -	\$ 19,841,704	\$ 71,525,760	\$ 337,369,462
Cash - restricted	7,878,503	-	-	-	3,776,582	-	-	11,655,085
Investments - unrestricted	-	50,083,704	-	15,347,304	-	-	10,325,072	75,756,080
Investment - restricted	-	-	-	-	352,867,225	-	-	352,867,225
Accounts receivable	2,395,153	-	-	-	-	-	42,990	2,438,143
Interest receivable	39,767	150,417	237,212	23,868	623,003	-	35,471	1,109,738
State/ Caltrans funding receivable	2,487,697	-	21,656,001	-	-	-	-	24,143,698
Federal funding receivable	20,425,335	-	-	-	-	-	-	20,425,335
Due from Other Funds	1,940,679	-	-	-	-	-	-	1,940,679
Due from other governments	3,100,442	-	-	-	-	-	-	3,100,442
Pension 115 Trust	2,900,000	-	-	-	-	-	-	2,900,000
Prepaid items and other assets	1,027,203	-	-	-	-	-	-	1,027,203
<b>TOTAL ASSETS</b>	<b>\$ 94,181,412</b>	<b>\$ 122,146,604</b>	<b>\$ 127,674,387</b>	<b>\$ 31,692,880</b>	<b>\$ 357,266,810</b>	<b>\$ 19,841,704</b>	<b>\$ 81,929,293</b>	<b>\$ 834,733,090</b>
<b>LIABILITIES</b>								
Accounts payable and accrued expenditures	\$ 16,903,580	\$ 18,407,351	\$ 8,854,121	\$ 62,615	\$ 7,981,322	\$ 27,887	\$ 107,183	\$ 52,344,059
Accrued interest payable	65	-	-	-	-	-	-	65
Deposit payable	250,000	-	-	-	-	-	-	250,000
Unearned revenue	9,238,582	-	-	-	-	-	-	9,238,582
Retention payable	597,955	-	-	-	-	-	-	597,955
Due to other funds	2,302,830	-	4,081,475	-	-	41,246	302,100	6,727,651
<b>TOTAL LIABILITIES</b>	<b>29,293,012</b>	<b>18,407,351</b>	<b>12,935,596</b>	<b>62,615</b>	<b>7,981,322</b>	<b>69,133</b>	<b>409,283</b>	<b>69,158,312</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	-	137,601,032	-	110,522,902	-	-	32,701,351	280,825,285
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>137,601,032</b>	<b>-</b>	<b>110,522,902</b>	<b>-</b>	<b>-</b>	<b>32,701,351</b>	<b>280,825,285</b>

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

**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2022**  
**(For comparative information purpose)**

	Special Revenue Funds							Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange	Bay Area Housing Finance Authority	Non-Major Governmental Funds	
<b>FUND BALANCES</b>								
<b>Nonspendable</b>								
Prepaid items	\$ 1,027,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,027,203
<b>Restricted for:</b>								
Transportation projects	-	-	114,738,791	-	-	-	26,374,926	141,113,717
Rail projects	-	-	-	-	349,285,488	-	-	349,285,488
Housing projects	-	-	-	-	-	19,772,571	-	19,772,571
Pension	2,900,000	-	-	-	-	-	-	2,900,000
<b>Committed to:</b>								
Benefits reserve	2,208,732	-	-	-	-	-	-	2,208,732
Liability reserve	1,171,720	-	-	-	-	-	-	1,171,720
Transportation projects	4,836,487	-	-	-	-	-	22,443,733	27,280,220
<b>Unassigned</b>	<u>52,744,258</u>	<u>(33,861,779)</u>	<u>-</u>	<u>(78,892,637)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,010,158)</u>
<b>TOTAL FUND BALANCES</b>	<u>64,888,400</u>	<u>(33,861,779)</u>	<u>114,738,791</u>	<u>(78,892,637)</u>	<u>349,285,488</u>	<u>19,772,571</u>	<u>48,818,659</u>	<u>484,749,493</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 94,181,412</u>	<u>\$ 122,146,604</u>	<u>\$ 127,674,387</u>	<u>\$ 31,692,880</u>	<u>\$ 357,266,810</u>	<u>\$ 19,841,704</u>	<u>\$ 81,929,293</u>	<u>\$ 834,733,090</u>

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, 2022**  
**(For comparative information purposes)**

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Governmental funds balance	\$ 484,749,493
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.	302,540
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.	(2,491,595)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the fund statement.	(5,810,169)
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.	989,684
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>4,862,939</u>
Net position of governmental activities	<u>\$ 482,602,892</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, 2023**

	Special Revenue Funds							Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange	Bay Area Housing Finance Authority	Non-Major Governmental Funds	
<b>REVENUES</b>								
Sales Taxes	\$ 17,609,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,609,874
Federal Grants	56,518,505	-	-	-	-	-	-	56,518,505
State Grants	10,363,491	-	111,760,937	-	-	-	3,442,511	125,566,939
Local agencies revenues and refunds	10,443,617	-	904,450	-	-	-	34,116,277	45,464,344
Investment income - unrestricted	1,262,216	3,525,106	1,524,933	991,176	-	430,822	2,572,557	10,306,810
Investment income - restricted	-	-	-	-	11,176,764	-	-	11,176,764
<b>TOTAL REVENUES</b>	<b>96,197,703</b>	<b>3,525,106</b>	<b>114,190,320</b>	<b>991,176</b>	<b>11,176,764</b>	<b>430,822</b>	<b>40,131,345</b>	<b>266,643,236</b>
<b>EXPENDITURES</b>								
Current:								
General Government	85,766,515	6,913	-	4,380	-	2,232,374	-	88,010,182
Allocations to other agencies	19,993,098	18,044,776	50,568,626	844,583	194,044,401	-	847,750	284,343,234
Capital outlay	350,430	-	-	-	-	929,247	-	1,279,677
<b>TOTAL EXPENDITURES</b>	<b>106,110,043</b>	<b>18,051,689</b>	<b>50,568,626</b>	<b>848,963</b>	<b>194,044,401</b>	<b>3,161,621</b>	<b>847,750</b>	<b>373,633,093</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(9,912,340)</b>	<b>(14,526,583)</b>	<b>63,621,694</b>	<b>142,213</b>	<b>(182,867,637)</b>	<b>(2,730,799)</b>	<b>39,283,595</b>	<b>(106,989,857)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	35,530,565	7,028,457	-	5,706,702	-	-	1,656,765	49,922,489
Transfers Out	-	-	(26,356,443)	-	-	-	(2,079,608)	(28,436,051)
Leases	146,063	-	-	-	-	-	-	146,063
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>35,676,628</b>	<b>7,028,457</b>	<b>(26,356,443)</b>	<b>5,706,702</b>	<b>-</b>	<b>-</b>	<b>(422,843)</b>	<b>21,632,501</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>25,764,288</b>	<b>(7,498,126)</b>	<b>37,265,251</b>	<b>5,848,915</b>	<b>(182,867,637)</b>	<b>(2,730,799)</b>	<b>38,860,752</b>	<b>(85,357,356)</b>
Fund balances - beginning	64,888,400	(33,861,779)	114,738,791	(78,892,637)	349,285,488	19,772,571	48,818,659	484,749,493
Fund balances - ending	\$ 90,652,688	\$ (41,359,905)	\$ 152,004,042	\$ (73,043,722)	\$ 166,417,851	\$ 17,041,772	\$ 87,679,411	\$ 399,392,137

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, 2022**  
**(For comparative information purposes)**

	Special Revenue Funds							Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange	Bay Area Housing Finance Authority	Non-Major Governmental Funds	
<b>REVENUES</b>								
Sales Taxes	\$ 16,821,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,821,183
Federal Grants	53,469,915	-	-	-	-	-	-	53,469,915
State Grants	26,532,642	-	80,870,728	-	-	-	3,411,000	110,814,370
Local agencies revenues and refunds	11,287,958	5,246	2,049,381	3,739	-	-	4,542	13,350,866
Investment income - unrestricted	64,124	299,572	(2,581,532)	57,552	-	3,211	71,153	(2,085,920)
Investment income - restricted	-	-	-	-	769,695	-	-	769,695
<b>TOTAL REVENUES</b>	<b>108,175,822</b>	<b>304,818</b>	<b>80,338,577</b>	<b>61,291</b>	<b>769,695</b>	<b>3,211</b>	<b>3,486,695</b>	<b>193,140,109</b>
<b>EXPENDITURES</b>								
Current:								
General Government	80,078,933	5,013	-	1,979	4,875	230,640	67,750	80,389,190
Allocations to other agencies	19,650,838	23,107,286	49,558,530	61,970	15,235,382	-	155,526	107,769,532
Capital outlay	10,783	-	-	-	-	-	-	10,783
<b>TOTAL EXPENDITURES</b>	<b>99,740,554</b>	<b>23,112,299</b>	<b>49,558,530</b>	<b>63,949</b>	<b>15,240,257</b>	<b>230,640</b>	<b>223,276</b>	<b>188,169,505</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>8,435,268</b>	<b>(22,807,481)</b>	<b>30,780,047</b>	<b>(2,658)</b>	<b>(14,470,562)</b>	<b>(227,429)</b>	<b>3,263,419</b>	<b>4,970,604</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	18,864,052	7,315,461	-	5,939,733	-	20,000,000	1,724,418	53,843,664
Transfers Out	(20,000,000)	-	(14,681,212)	-	-	-	(1,222,495)	(35,903,707)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,135,948)</b>	<b>7,315,461</b>	<b>(14,681,212)</b>	<b>5,939,733</b>	<b>-</b>	<b>20,000,000</b>	<b>501,923</b>	<b>17,939,957</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7,299,320</b>	<b>(15,492,020)</b>	<b>16,098,835</b>	<b>5,937,075</b>	<b>(14,470,562)</b>	<b>19,772,571</b>	<b>3,765,342</b>	<b>22,910,561</b>
Fund balances - beginning	57,589,080	(18,369,759)	98,639,956	(84,829,712)	363,756,050	-	45,053,317	461,838,932
Fund balances - ending	\$ 64,888,400	\$ (33,861,779)	\$ 114,738,791	\$ (78,892,637)	\$ 349,285,488	\$ 19,772,571	\$ 48,818,659	\$ 484,749,493

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, 2023**  
**(With comparative information for the prior year)**

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	2023	2022
<b>Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditures and Changes in Fund Balances)</b>	<b>\$ (85,357,356)</b>	<b>\$ 22,910,561</b>
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) capital outlays in the current period. See Note 1.N.	1,035,882	(113,357)
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.	11,434	-
Governmental funds report under absorption of applied overhead as unearned revenue; however, in the Statement of Activities, the underabsorption is reported as revenue.	(2,453,668)	(1,190,548)
Some items do not require the use of current financial resources and, therefore, are not reported in the governmental funds:		
Change in compensated absences	(800,599)	617,670
Change in net pension liability/asset and related accounts	1,620,659	9,551,514
Change in net OPEB liability/asset and related accounts	<u>(1,406,073)</u>	<u>(61,920)</u>
<b>Change in net position of governmental activities (per Statement of Activities)</b>	<b><u>\$ (87,349,721)</u></b>	<b><u>\$ 31,713,920</u></b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2023**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash - unrestricted	\$ 96,935,745	\$ 15,762,310	\$ 121,118,776	\$ 39,604,441	\$ 273,421,272
Cash - restricted	137,682,751	-	-	323,252	138,006,003
Investments - unrestricted	439,379,043	-	-	-	439,379,043
Due from other funds	15,401,413	1,491,691	3,446,825	6,034,264	26,374,193
Due from other governments	456,099	-	-	-	456,099
Accounts receivables	48,826,642	330	3,063,787	5,447,635	57,338,394
Accrued interest	42,144,449	25,524	449,457	1,019,140	43,638,570
Prepaid expenses and other assets	152,695	45,432	-	-	198,127
Funding due from State/ Caltrans	5,192,296	4,192,934	-	1,067,186	10,452,416
Funding due from Federal	-	-	-	8,507,668	8,507,668
<b>Total current assets</b>	<b>786,171,133</b>	<b>21,518,221</b>	<b>128,078,845</b>	<b>62,003,586</b>	<b>997,771,785</b>
Non-current assets:					
Cash - restricted	14,066,632	-	18,575,538	-	32,642,170
Investments - restricted	2,027,948,635	-	46,728,735	-	2,074,677,370
Capital assets not being depreciated	1,394,483	-	9,598,664	80,809,393	91,802,540
Capital assets, net of accumulated depreciation/amortization	7,113,594	359,329	110,135,103	36,411,909	154,019,935
<b>Total non-current assets</b>	<b>2,050,523,344</b>	<b>359,329</b>	<b>185,038,040</b>	<b>117,221,302</b>	<b>2,353,142,015</b>
<b>TOTAL ASSETS</b>	<b>2,836,694,477</b>	<b>21,877,550</b>	<b>313,116,885</b>	<b>179,224,888</b>	<b>3,350,913,800</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount of refunding	359,158,282	-	-	-	359,158,282
Deferred charges	266,433,361	-	-	-	266,433,361
Deferred outflows from pensions	5,202,286	314,055	812,549	1,059,097	7,387,987
Deferred outflows from OPEB	2,951,445	178,173	460,989	600,863	4,191,470
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>633,745,374</b>	<b>492,228</b>	<b>1,273,538</b>	<b>1,659,960</b>	<b>637,171,100</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2023**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 131,582,643	\$ 1,918,265	\$ 7,723,536	\$ 12,618,271	\$ 153,842,715
Accrued interest payable	92,718,847	-	-	-	92,718,847
Due to other funds	20,297,751	-	453,763	15,000,000	35,751,514
Unearned revenue	133,770,074	-	-	-	133,770,074
Retention payable	340,346	-	2,676,245	4,443,872	7,460,463
Long term debt, net of unamortized premium/discount - current	109,730,000	-	-	-	109,730,000
Compensated absences - current	1,021,925	60,339	149,530	181,123	1,412,917
SBITA liability - current	-	148,141	-	-	148,141
Lease liability - current	1,407,214	-	-	-	1,407,214
<b>Total current liabilities</b>	<b>490,868,800</b>	<b>2,126,745</b>	<b>11,003,074</b>	<b>32,243,266</b>	<b>536,241,885</b>
Non-current liabilities:					
Unearned revenue/ Patron deposits	4,197,352	-	-	-	4,197,352
Long term debt, net of unamortized premium/discount	9,476,862,554	-	-	-	9,476,862,554
Derivative instruments	174,083,479	-	-	-	174,083,479
Compensated absences	1,370,379	80,913	200,517	242,883	1,894,692
SBITA liability	-	68,497	-	-	68,497
Lease liability	5,035,764	-	-	-	5,035,764
Net Pension Liability	207,590	238,621	617,373	804,700	1,868,284
Net OPEB Liability	1,058,593	63,903	165,342	215,512	1,503,350
<b>Total non-current liabilities</b>	<b>9,662,815,711</b>	<b>451,934</b>	<b>983,232</b>	<b>1,263,095</b>	<b>9,665,513,972</b>
<b>TOTAL LIABILITIES</b>	<b>10,153,684,511</b>	<b>2,578,679</b>	<b>11,986,306</b>	<b>33,506,361</b>	<b>10,201,755,857</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows from pensions	264,012	15,939	41,238	53,748	374,937
Deferred inflows from OPEB	587,651	35,477	91,785	119,635	834,548
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>851,663</b>	<b>51,416</b>	<b>133,023</b>	<b>173,383</b>	<b>1,209,485</b>
<b>NET POSITION</b>					
Net investment in capital assets	1,149,236	359,329	116,751,198	107,482,917	225,742,680
Restricted for:					
Capital Projects	-	-	65,304,273	30,885,956	96,190,229
Operations & Maintenance, under debt covenant	188,000,000	-	-	-	188,000,000
Extraordinary loss reserve, under Caltrans Coop	50,000,000	-	-	-	50,000,000
Regional Measure 3 - WETA	62,659,427	-	-	-	62,659,427
Unrestricted	(6,985,904,986)	19,380,354	120,215,623	8,836,231	(6,837,472,778)
<b>TOTAL NET POSITION</b>	<b>\$ (6,684,096,323)</b>	<b>\$ 19,739,683</b>	<b>\$ 302,271,094</b>	<b>\$ 147,205,104</b>	<b>\$ (6,214,880,442)</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2022**  
**(For comparative information purposes)**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash - unrestricted	\$ 130,829,793	\$ 15,633,527	\$ 70,203,277	\$ 31,952,012	\$ 248,618,609
Cash - restricted	139,909,388	-	-	1,436,739	141,346,127
Due from other Funds	15,261,992	2,302,830	2,919,186	6,913,925	27,397,933
Due from other governments	618,922	-	-	-	618,922
Accounts receivables	30,016,660	-	3,040,313	3,461,770	36,518,743
Accrued interest	22,951,978	5,648	172,928	-	23,130,554
Prepaid expenses and other assets	235,496	3,027	488	875	239,886
Funding due from State/ Caltrans	6,169,249	4,990,067	-	995	11,160,311
Funding due from Federal	-	-	-	3,867,959	3,867,959
<b>Total current assets</b>	<b>345,993,478</b>	<b>22,935,099</b>	<b>76,336,192</b>	<b>47,634,275</b>	<b>492,899,044</b>
Non-current assets:					
Cash - restricted	122,612,335	-	5,796,181	-	128,408,516
Investments - restricted	2,276,690,332	-	70,023,256	-	2,346,713,588
Net Pension Asset	8,075,521	134,856	330,948	443,576	8,984,901
Net OPEB Asset	580,512	40,633	99,715	133,651	854,511
Capital assets not being depreciated	769,688	-	7,873,447	59,967,141	68,610,276
Capital assets, net of accumulated depreciation/amortization	2,991,305	187,890	120,701,148	22,106,237	145,986,580
<b>Total non-current assets</b>	<b>2,411,719,693</b>	<b>363,379</b>	<b>204,824,695</b>	<b>82,650,605</b>	<b>2,699,558,372</b>
<b>TOTAL ASSETS</b>	<b>2,757,713,171</b>	<b>23,298,478</b>	<b>281,160,887</b>	<b>130,284,880</b>	<b>3,192,457,416</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount of refunding	431,468,732	-	-	-	431,468,732
Deferred charges	280,825,285	-	-	-	280,825,285
Deferred outflows from pension	1,953,945	226,686	556,297	745,618	3,482,546
Deferred outflows from OPEB	1,452,434	101,664	249,487	334,394	2,137,979
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>715,700,396</b>	<b>328,350</b>	<b>805,784</b>	<b>1,080,012</b>	<b>717,914,542</b>

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

**Metropolitan Transportation Commission**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2022**  
**(For comparative information purposes)**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued expenditures	\$ 121,618,995	\$ 2,253,600	\$ 7,666,624	\$ 10,789,800	\$ 142,329,019
Accrued interest payable	94,491,382	-	-	-	94,491,382
Due to other funds	7,348,969	-	261,992	15,000,000	22,610,961
Unearned revenue	130,086,462	-	-	-	130,086,462
Retention payable	357,475	-	1,993,726	3,609,556	5,960,757
Long term debt - current	86,155,000	-	-	-	86,155,000
Compensated absences - current	994,424	60,117	155,540	202,741	1,412,822
Lease liability - current	1,424,030	-	-	-	1,424,030
Total current liabilities	442,476,737	2,313,717	10,077,882	29,602,097	484,470,433
Non-current liabilities:					
Unearned revenue/ Patron deposits	3,762,891	-	-	-	3,762,891
Long term debt, net	9,640,641,699	-	-	-	9,640,641,699
Derivative instruments	261,589,656	-	-	-	261,589,656
Compensated absences	1,440,241	87,068	225,271	293,634	2,046,214
Lease liability	602,222	-	-	-	602,222
Total non-current liabilities	9,908,036,709	87,068	225,271	293,634	9,908,642,682
<b>TOTAL LIABILITIES</b>	<b>10,350,513,446</b>	<b>2,400,785</b>	<b>10,303,153</b>	<b>29,895,731</b>	<b>10,393,113,115</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows from pensions	4,872,924	341,082	837,030	1,121,887	7,172,923
Deferred inflows from OPEB	596,503	41,752	102,462	137,333	878,050
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,469,427</b>	<b>382,834</b>	<b>939,492</b>	<b>1,259,220</b>	<b>8,050,973</b>
<b>NET POSITION</b>					
Net investment in capital assets	1,534,741	187,890	125,441,891	73,398,416	200,562,938
Restricted for:					
Capital projects	-	-	75,819,437	1,436,739	77,256,176
Operations & Maintenance, under debt covenant	174,000,000	-	-	-	174,000,000
Extraordinary loss reserve, under Caltrans Coop	50,000,000	-	-	-	50,000,000
Regional Measure 3	431,119,100	-	-	-	431,119,100
Unrestricted	(7,539,223,147)	20,655,319	69,462,698	25,374,786	(7,423,730,344)
<b>TOTAL NET POSITION</b>	<b>\$ (6,882,569,306)</b>	<b>\$ 20,843,209</b>	<b>\$ 270,724,026</b>	<b>\$ 100,209,941</b>	<b>\$ (6,490,792,130)</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, 2023**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
<b>OPERATING REVENUES</b>					
Toll revenues collected	\$ 807,418,981	\$ -	\$ 59,673,981	\$ -	\$ 867,092,962
Department of Motor Vehicles registration fees	-	6,529,524	-	-	6,529,524
Revenues from operators	-	-	-	16,416,088	16,416,088
Other operating revenues	25,561,658	-	5,870,225	4,000,000	35,431,883
<b>TOTAL OPERATING REVENUES</b>	<b>832,980,639</b>	<b>6,529,524</b>	<b>65,544,206</b>	<b>20,416,088</b>	<b>925,470,457</b>
<b>OPERATING EXPENSES</b>					
Operating expense incurred by Caltrans	3,049,183	-	-	-	3,049,183
Operating expenses - Transbay JPA	5,767,504	-	-	-	5,767,504
Towing contracts	-	17,927,641	-	-	17,927,641
Professional fees	83,009,724	917,515	18,386,215	32,197,980	134,511,434
Allocations to other agencies	56,835,100	-	-	3,987,387	60,822,487
Salaries and benefits	17,462,023	969,469	2,362,381	2,767,621	23,561,494
Repairs and maintenance	-	224,795	-	-	224,795
Communication charges	340,125	237,988	-	-	578,113
Depreciation and amortization	1,709,483	228,682	10,566,045	6,816,785	19,320,995
Other operating expenses	27,842,137	822,110	2,918,333	1,827,068	33,409,648
<b>TOTAL OPERATING EXPENSES</b>	<b>196,015,279</b>	<b>21,328,200</b>	<b>34,232,974</b>	<b>47,596,841</b>	<b>299,173,294</b>
<b>OPERATING INCOME (LOSS)</b>	<b>636,965,360</b>	<b>(14,798,676)</b>	<b>31,311,232</b>	<b>(27,180,753)</b>	<b>626,297,163</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, 2023**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income (loss)	\$ 137,014,729	\$ 258,822	\$ 5,654,909	\$ 4,889,931	\$ 147,818,391
Build America Bonds (BABs) interest subsidy	70,581,366	-	-	-	70,581,366
Interest expense	(433,680,527)	-	-	-	(433,680,527)
Financing fees and bond issuance costs	(9,101,403)	-	-	-	(9,101,403)
Other non-operating expense	(29,414)	(20,891)	-	-	(50,305)
Caltrans/other agency grants and reimbursements	16,019,079	14,339,725	-	-	30,358,804
Federal grants	-	-	-	2,581,693	2,581,693
Distribution to other agencies	(80,062,661)	-	-	-	(80,062,661)
Capital, operating and maintenance expenses for other agencies	-	-	(8,565,246)	(5,261,377)	(13,826,623)
Distribution to Caltrans for their capital purposes	(90,358,722)	-	-	-	(90,358,722)
Other nonoperating revenues	1,890,862	-	3,347,147	4,952,578	10,190,587
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(387,726,691)</b>	<b>14,577,656</b>	<b>436,810</b>	<b>7,162,825</b>	<b>(365,549,400)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>	<b>249,238,669</b>	<b>(221,020)</b>	<b>31,748,042</b>	<b>(20,017,928)</b>	<b>260,747,763</b>
<b>CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>					
Capital grants	-	-	-	36,728,595	36,728,595
Violation penalty refund (special item)	(78,232)	-	-	-	(78,232)
Transfers out	(45,160,142)	(882,506)	(200,974)	-	(46,243,622)
Transfers in	-	-	-	24,757,184	24,757,184
Transfer between programs	(5,527,312)	-	-	5,527,312	-
<b>TOTAL CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>	<b>(50,765,686)</b>	<b>(882,506)</b>	<b>(200,974)</b>	<b>67,013,091</b>	<b>15,163,925</b>
<b>CHANGE IN NET POSITION</b>	<b>198,472,983</b>	<b>(1,103,526)</b>	<b>31,547,068</b>	<b>46,995,163</b>	<b>275,911,688</b>
<b>Total net position - beginning</b>	<b>(6,882,569,306)</b>	<b>20,843,209</b>	<b>270,724,026</b>	<b>100,209,941</b>	<b>(6,490,792,130)</b>
<b>Total net position - ending</b>	<b>\$ (6,684,096,323)</b>	<b>\$ 19,739,683</b>	<b>\$ 302,271,094</b>	<b>\$ 147,205,104</b>	<b>\$ (6,214,880,442)</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, 2022**  
**(For comparative information purposes)**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper <sup>®</sup>	Total Enterprise Funds
<b>OPERATING REVENUES</b>					
Toll revenues collected	\$ 756,197,028	\$ -	\$ 52,398,523	\$ -	\$ 808,595,551
Department of Motor Vehicles registration fees	-	6,490,693	-	-	6,490,693
Revenues from operators	-	-	-	11,578,160	11,578,160
Other operating revenues	19,936,529	-	7,854,659	-	27,791,188
<b>TOTAL OPERATING REVENUES</b>	<b>776,133,557</b>	<b>6,490,693</b>	<b>60,253,182</b>	<b>11,578,160</b>	<b>854,455,592</b>
<b>OPERATING EXPENSES</b>					
Operating expenses incurred by Caltrans	2,701,257	-	-	-	2,701,257
Operating expenses - Transbay JPA	5,572,468	-	-	-	5,572,468
Towing contracts	-	16,716,968	-	-	16,716,968
Professional fees	91,394,302	984,115	15,654,158	26,146,687	134,179,262
Allocations to other agencies	40,768,961	-	-	1,991,242	42,760,203
Salaries and benefits	14,592,199	866,475	2,156,932	2,700,277	20,315,883
Repairs and maintenance	-	447,357	-	-	447,357
Communication charges	29,409	250,005	-	-	279,414
Depreciation and amortization	2,137,211	145,626	11,204,317	3,953,292	17,440,446
Other operating expenses	33,150,851	665,899	2,343,451	1,661,882	37,822,083
<b>TOTAL OPERATING EXPENSES</b>	<b>190,346,658</b>	<b>20,076,445</b>	<b>31,358,858</b>	<b>36,453,380</b>	<b>278,235,341</b>
<b>OPERATING INCOME (LOSS)</b>	<b>585,786,899</b>	<b>(13,585,752)</b>	<b>28,894,324</b>	<b>(24,875,220)</b>	<b>576,220,251</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, 2022**  
**(For comparative information purposes)**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper <sup>®</sup>	Total Enterprise Funds
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income (charge)	\$ 223,081,162	\$ 10,957	\$ 228,156	\$ 120,193	\$ 223,440,468
Build America Bonds (BABs) interest subsidy	71,326,571	-	-	-	71,326,571
Interest expense	(434,113,841)	-	-	-	(434,113,841)
Financing fees and bond issuance costs	(15,502,709)	-	-	-	(15,502,709)
Other non-operating expense	(6,038,810)	-	-	-	(6,038,810)
Caltrans/other agency grants and reimbursements	11,847,655	13,365,423	-	-	25,213,078
Federal grants	-	-	-	3,629,189	3,629,189
Distribution to other agencies	(54,900,429)	-	(17,163,246)	(3,085,683)	(75,149,358)
Capital, operating and maintenance expenses for other agencies	-	-	(17,016,040)	-	(17,016,040)
Distribution to Caltrans for their capital purpose	(85,229,126)	-	-	-	(85,229,126)
Return of contribution from BAHA	1,080,623	-	-	-	1,080,623
Other nonoperating revenues	5,659,709	8,162	942,807	6,737,039	13,347,717
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(282,789,195)</b>	<b>13,384,542</b>	<b>(33,008,323)</b>	<b>7,400,738</b>	<b>(295,012,238)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS, SPECIAL ITEMS AND TRANSFERS</b>	<b>302,997,704</b>	<b>(201,210)</b>	<b>(4,113,999)</b>	<b>(17,474,482)</b>	<b>281,208,013</b>
<b>CONTRIBUTIONS, SPECIAL ITEMS AND TRANSFERS</b>					
Capital Grants	-	-	-	23,443,206	23,443,206
Violation penalty refund (special item)	(26,741,329)	-	-	-	(26,741,329)
Transfers out	(30,332,843)	(795,718)	-	-	(31,128,561)
Transfers in	-	-	-	13,188,604	13,188,604
Transfer between programs	(105,467,280)	-	95,000,000	10,467,280	-
<b>TOTAL CONTRIBUTIONS, SPECIAL ITEMS, AND TRANSFERS</b>	<b>(162,541,452)</b>	<b>(795,718)</b>	<b>95,000,000</b>	<b>47,099,090</b>	<b>(21,238,080)</b>
<b>CHANGE IN NET POSITION</b>	<b>140,456,252</b>	<b>(996,928)</b>	<b>90,886,001</b>	<b>29,624,608</b>	<b>259,969,933</b>
<b>Total net position - beginning</b>	<b>(7,023,025,558)</b>	<b>21,840,137</b>	<b>179,838,025</b>	<b>70,585,333</b>	<b>(6,750,762,063)</b>
<b>Total net position - ending</b>	<b>\$ (6,882,569,306)</b>	<b>\$ 20,843,209</b>	<b>\$ 270,724,026</b>	<b>\$ 100,209,941</b>	<b>\$ (6,490,792,130)</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, 2023**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Fund MTC-Clipper®	Total
<b>Cash flows from operating activities</b>					
Cash receipts from users / operations	\$ 821,079,155	\$ 6,475,126	\$ 65,577,250	\$ 13,966,100	\$ 907,097,631
Cash payments to suppliers for goods and services	(162,604,277)	(20,241,151)	(26,220,125)	(38,086,591)	(247,152,144)
Cash payments for employee salaries and benefits	(16,947,284)	(1,014,382)	(2,401,639)	(2,908,338)	(23,271,643)
Cash receipts for interfund services	13,582,880	-	-	728,551	14,311,431
Cash payments for interfund services	-	(108,152)	-	-	(108,152)
Other cash receipts	338,230	45	2,850,059	8,952,578	12,140,912
Other cash payments	(6,444,076)	(12,784)	-	-	(6,456,860)
Net cash provided by/(used in) operating activities	649,004,628	(14,901,298)	39,805,545	(17,347,700)	656,561,175
<b>Cash flows from non-capital financing activities</b>					
Caltrans and other state and local agency grants	13,538,328	15,191,256	-	-	28,729,584
Build America Bonds interest subsidy	123,000,025	-	-	-	123,000,025
Interest paid on bonds	(418,256,857)	-	-	-	(418,256,857)
Financing fees	(8,943,811)	-	-	-	(8,943,811)
Federal grants	-	-	-	3,826,274	3,826,274
Transfers (to)/from other Funds	(36,929,627)	-	(148,624)	30,435,605	(6,642,646)
Bond principal payments	(86,155,000)	-	-	-	(86,155,000)
Proceeds for refunding bonds	1,065,101	-	-	-	1,065,101
Distributions to Caltrans	(89,138,901)	-	-	-	(89,138,901)
Distributions to other agencies	(78,912,632)	-	(2,553,606)	(5,261,377)	(86,727,615)
Net cash provided by/(used in) non-capital financing activities	(580,733,374)	15,191,256	(2,702,230)	29,000,502	(539,243,846)
<b>Cash flows from capital and related financing activities</b>					
Capital grant	-	-	-	30,242,239	30,242,239
Acquisition of capital assets	(197,719)	(400,121)	(2,081,360)	(39,226,890)	(41,906,090)
Net cash provided by/(used in) capital and related financing activities	(197,719)	(400,121)	(2,081,360)	(8,984,651)	(11,663,851)
<b>Cash flows from investing activities</b>					
Proceeds from maturities of investments	2,834,476,748	-	221,384,224	-	3,055,860,972
Purchase of investments	(3,048,800,608)	-	(198,089,703)	-	(3,246,890,311)
Interest and dividends received	1,583,937	238,946	5,378,380	3,870,791	11,072,054
Net cash provided by/(used in) investing activities	(212,739,923)	238,946	28,672,901	3,870,791	(179,957,285)
<b>Net increase/(decrease) in cash</b>	(144,666,388)	128,783	63,694,856	6,538,942	(74,303,807)
<b>Balances - beginning of year</b>	393,351,516	15,633,527	75,999,458	33,388,751	518,373,252
<b>Balances - end of year</b>	\$ 248,685,128	\$ 15,762,310	\$ 139,694,314	\$ 39,927,693	\$ 444,069,445

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, 2023**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Fund MTC-Clipper®	Total
<b>Reconciliation of operating income to net cash provided by/(used in) operating activities</b>					
Operating income (loss)	\$ 636,965,360	\$ (14,798,676)	\$ 31,311,232	\$ (27,180,753)	\$ 626,297,163
Adjustments to reconcile operating net cash provided by/(used in) operating activities:					
Depreciation and amortization	1,709,483	228,682	10,566,045	6,816,785	19,320,995
Other revenues	446,400	-	2,850,059	4,952,578	8,249,037
Other expenses	(6,000,000)	(20,891)	-	-	(6,020,891)
Capital, operating and maintenance expenses for other agencies	-	-	(8,686,269)	-	(8,686,269)
Net effect of changes in:					
Due (to)/from other Funds	13,582,880	(71,367)	(388,218)	728,550	13,851,845
Due from other governments	162,823	-	-	-	162,823
Accounts receivable	(16,468,653)	(330)	473,613	(2,190,797)	(18,186,167)
Prepaid expenses and other assets	82,801	(42,405)	488	875	41,759
Due from Caltrans	28,126	-	-	-	28,126
Accounts payable and accrued expenses	14,128,569	(335,336)	3,770,204	(75,031)	17,488,406
Unearned revenue	3,683,612	-	-	-	3,683,612
Patron deposits	439,481	-	-	-	439,481
State funding due	(270,993)	(54,397)	-	(259,192)	(584,582)
Deferred outflows from pension	(3,248,341)	(87,369)	(256,252)	(313,479)	(3,905,441)
Deferred outflows from OPEB	(1,499,011)	(76,509)	(211,502)	(266,469)	(2,053,491)
Net pension asset / liability	8,283,111	373,477	948,321	1,248,276	10,853,185
Net OPEB asset / liability	1,639,105	104,536	265,057	349,163	2,357,861
Compensated absences liability	(42,361)	(5,933)	(30,764)	(72,369)	(151,427)
SBITA liability	-	216,638	-	-	216,638
Deferred inflows from pension	(4,608,912)	(325,143)	(795,792)	(1,068,139)	(6,797,986)
Deferred inflows from OPEB	(8,852)	(6,275)	(10,677)	(17,698)	(43,502)
<b>Net cash provided by/(used in) operating activities</b>	<u>\$ 649,004,628</u>	<u>\$ (14,901,298)</u>	<u>\$ 39,805,545</u>	<u>\$ (17,347,700)</u>	<u>\$ 656,561,175</u>

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

Refunding bond proceeds received in escrow/redemption fund	\$ 716,865,000	\$ -	\$ -	\$ -	\$ 716,865,000
Debt refunded through escrow/redemption fund	(716,865,000)	-	-	-	(716,865,000)
Acquisition of capital assets under accounts payable/acquired liabilities	\$ -	\$ -	\$ 2,982,569	\$ 11,412,681	\$ 14,395,250
SBITA liability	-	216,638	-	-	216,638
Deferred amount on refunding	(72,310,450)	-	-	-	(72,310,450)
Amortization of Bond premium/discount	(43,384,855)	-	-	-	(43,384,855)
Amortization of deferred charge	(14,391,924)	-	-	-	(14,391,924)
Net increase in fair value of derivative instruments	87,506,177	-	-	-	87,506,177

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, 2022**  
**(For comparative information purposes)**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Fund MTC-Clipper®	Total
<b>Cash flows from operating activities</b>					
Cash receipts from users / operations	\$ 793,091,071	\$ 6,525,212	\$ 61,384,477	\$ 11,390,642	\$ 872,391,402
Cash payments to suppliers for goods and services	(158,094,318)	(18,326,420)	(33,403,333)	(27,937,940)	(237,762,011)
Cash payments for employee salaries and benefits	(15,349,574)	(989,638)	(2,615,878)	(3,279,340)	(22,234,430)
Cash receipts for interfund services	2,119,076	8,162	-	13,513,398	15,640,636
Cash payments for interfund services	(2,488,106)	(50,000)	-	-	(2,538,106)
Other cash receipts	5,145,561	-	-	6,737,039	11,882,600
Other cash payments	-	-	(44,376)	-	(44,376)
<b>Net cash provided by/(used in) operating activities</b>	<b>624,423,710</b>	<b>(12,832,684)</b>	<b>25,320,890</b>	<b>423,799</b>	<b>637,335,715</b>
<b>Cash flows from non-capital financing activities</b>					
Caltrans and other state and local agency grants	9,746,320	13,822,534	-	-	23,568,854
Proceeds from issuance of bonds	700,000,000	-	-	-	700,000,000
Build America Bonds interest subsidy	71,437,383	-	-	-	71,437,383
Interest paid on bonds	(411,454,789)	-	-	-	(411,454,789)
Financing fees	(16,186,983)	-	-	-	(16,186,983)
Federal grants	-	-	-	7,218,523	7,218,523
Transfers (to)/from other funds	(24,694,426)	-	-	22,093,038	(2,601,388)
Due to/(from) other funds	(15,000,000)	-	-	-	(15,000,000)
Bond principal payments	(76,705,000)	-	-	-	(76,705,000)
Proceeds for refunding bonds	13,779,797	-	-	-	13,779,797
Distributions to Caltrans	(81,414,524)	-	-	-	(81,414,524)
Distributions to other agencies	(66,514,504)	-	(23,300,978)	(3,085,683)	(92,901,165)
Return of contribution from BAHA	1,080,623	-	-	-	1,080,623
Contribution from BATA to BAIFA	(95,000,000)	-	95,000,000	-	-
<b>Net cash provided by/(used in) non-capital financing activities</b>	<b>9,073,897</b>	<b>13,822,534</b>	<b>71,699,022</b>	<b>26,225,878</b>	<b>120,821,331</b>
<b>Cash flows from capital and related financing activities</b>					
Capital grant	-	-	-	21,639,897	21,639,897
Acquisition of capital assets	(581,589)	-	(9,807,289)	(28,096,145)	(38,485,023)
<b>Net cash provided by/(used in) capital and related financing activities</b>	<b>(581,589)</b>	<b>-</b>	<b>(9,807,289)</b>	<b>(6,456,248)</b>	<b>(16,845,126)</b>
<b>Cash flows from investing activities</b>					
Proceeds from maturities of investments	2,828,887,849	-	74,671,630	-	2,903,559,479
Purchase of investments	(3,791,311,950)	-	(134,895,131)	-	(3,926,207,081)
Interest and dividends received	5,912,166	5,404	55,476	120,193	6,093,239
<b>Net cash provided by/(used in) investing activities</b>	<b>(956,511,935)</b>	<b>5,404</b>	<b>(60,168,025)</b>	<b>120,193</b>	<b>(1,016,554,363)</b>
<b>Net increase/(decrease) in cash</b>	<b>(323,595,917)</b>	<b>995,254</b>	<b>27,044,598</b>	<b>20,313,622</b>	<b>(275,242,443)</b>
<b>Balances - beginning of year</b>	<b>716,947,433</b>	<b>14,638,273</b>	<b>48,954,860</b>	<b>13,075,129</b>	<b>793,615,695</b>
<b>Balances - end of year</b>	<b>\$ 393,351,516</b>	<b>\$ 15,633,527</b>	<b>\$ 75,999,458</b>	<b>\$ 33,388,751</b>	<b>\$ 518,373,252</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, 2022**  
**(For comparative information purposes)**

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Fund MTC-Clipper®	Total
<b>Reconciliation of operating income to net cash provided by/(used in) operating activities</b>					
Operating income/(loss)	\$ 585,786,899	\$ (13,585,752)	\$ 28,894,324	\$ (24,875,220)	\$ 576,220,251
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:					
Depreciation and amortization	2,137,210	145,625	11,204,317	3,953,292	17,440,444
Other revenues	4,296,239	8,162	-	6,737,039	11,041,440
Other expenses	-	-	(44,376)	-	(44,376)
Capital, operating and maintenance expenses for other agencies	-	-	(17,082,240)	-	(17,082,240)
Net effect of changes in:					
Due (to)/from other funds	2,118,779	19,648	(2,657,194)	13,513,398	12,994,631
Due from other governments	(2,348,222)	-	2,255,709	-	(92,513)
Accounts receivable	12,333,601	-	1,532,780	(440,748)	13,425,633
Prepaid expenses and other assets	132,482	73,562	(488)	-	205,556
Due to Caltrans	(666,279)	-	-	-	(666,279)
Accounts payable and accrued expenses	16,056,728	656,175	1,656,420	1,861,870	20,231,193
Unearned revenue	13,590,421	-	-	-	13,590,421
Patron deposits	(8,504,338)	-	-	-	(8,504,338)
State funding due	247,565	34,520	-	253,231	535,316
Deferred outflows from pension	692,591	69,258	190,489	167,232	1,119,570
Deferred outflows from OPEB	(660,248)	(40,952)	(96,282)	(147,121)	(944,603)
Net pension asset / liability	(6,211,191)	(569,153)	(1,426,853)	(1,783,175)	(9,990,372)
Net OPEB asset	694,443	57,081	146,855	167,749	1,066,128
Compensated absences liability	536,054	14,291	54,957	59,259	664,561
Deferred inflows from pension	4,285,138	296,033	723,580	982,934	6,287,685
Deferred inflows from OPEB	(94,162)	(11,182)	(31,108)	(25,941)	(162,393)
<b>Net cash provided by/(used in) operating activities</b>	<b>\$ 624,423,710</b>	<b>\$ (12,832,684)</b>	<b>\$ 25,320,890</b>	<b>\$ 423,799</b>	<b>\$ 637,335,715</b>

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

Acquisition of capital assets under accounts payable/accrued liabilities	-	-	3,132,704	8,674,962	11,807,666
Deferred amount on refunding	(10,185,112)	-	-	-	(10,185,112)
Amortization of Bond premium/discount	42,223,692	-	-	-	42,223,692
Amortization of deferred charge	(14,979,612)	-	-	-	(14,979,612)
Net increase in fair value of derivative instruments	263,116,667	-	-	-	263,116,667

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

**Metropolitan Transportation Commission**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**

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	<u>Clipper® Custodial Fund</u>
<b>ASSETS</b>	
Cash	\$ 184,859,661
Accounts receivable	3,500,439
Due from operators	<u>631,150</u>
Total assets	<u>188,991,250</u>
<b>LIABILITIES</b>	
Accounts payable	28,572,925
Due to operators	3,167,006
Due to other governments	<u>483,402</u>
Total liabilities	<u>32,223,333</u>
<b>NET POSITION</b>	<u><u>\$ 156,767,917</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, 2023**

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	<u>Clipper® Custodial Fund</u>
<b>ADDITIONS</b>	
Clipper card deposits	\$ 147,270,957
Third party deposits	52,121,060
Others	<u>3,247,492</u>
Total additions	<u>202,639,509</u>
 <b>DEDUCTIONS</b>	
Distribution to operators	166,905,940
Distribution to third party	9,449,698
Other deductions	<u>9,253,734</u>
Total deductions	<u>185,609,372</u>
Net change in fiduciary net position	17,030,137
Net position - beginning	<u>139,737,780</u>
Net position - ending	<u>\$ 156,767,917</u>

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

**Metropolitan Transportation Commission**  
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**June 30, 2023**

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# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

### 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 and charges 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 unit. MTC is the primary government as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61. 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 a discretely presented component unit – Bay Area Headquarters Authority (BAHA). BAHA financial statements are presented in a separate column on the face of the government-wide financial statements in the far-right column.

#### ***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 secured 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, 2023**

### **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 amendments, and BATA's statutory responsibilities were increased pursuant to AB144, adopted in 2005. The most current amendment extended the agreement through July 2025.

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

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

BAIFA was established in August 2006 by an agreement of MTC and BATA 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. 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 2013, MTC delegated its express lanes authority to BAIFA through a cooperative agreement. In April 2022, the Joint Powers Agreement that established BAIFA was amended. Formerly BAIFA's board consisted of MTC and BATA Oversight Committee chairs and four Commissioners. The amendment modified the composition of BAIFA's board to match the composition of MTC's board. As a result of the new board composition, BAIFA meets the blending criteria under paragraph 53 of GASB 14, *The Financial Reporting Entity*, as amended by GASB No. 61. Starting from fiscal year 2022, BAIFA is presented as a major enterprise fund.

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

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2023**

### **Notes to Financial Statements**

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#### **iv.) 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 and is governed by the same board that governs the MTC; as such BAHFA meets the blending criteria under paragraph 53 of GASB No. 14, *The Financial Reporting Entity*, as amended by GASB No. 61. BAHFA is presented as a special revenue major governmental fund.

Requests for separately issued financial statements for BAHFA should be addressed to the Treasurer, Bay Area Housing Finance Authority, 375 Beale Street, Suite 800, San Francisco, CA 94105.

#### ***Discretely presented component unit***

A component unit is a legally separate organization for which 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 one discretely presented component unit, the Bay Area Headquarters Authority (BAHA).

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

BAHA was established in September 2011 by an agreement of MTC and BATA 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. 14, *The Financial Reporting Entity* as amended by GASB No. 61, it doesn't meet the blending criteria under paragraph 53; therefore it is reported as a discretely presented 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

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

### Notes to Financial Statements

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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.

#### ***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 the 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 the nine counties.

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

### Notes to Financial Statements

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**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.

**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.

**Bay Area Housing Finance Authority Fund** – BAHFA is authorized to raise revenue by imposing various special taxes, including a parcel tax, and certain business taxes, within its jurisdiction and to issue general obligation bonds secured by the levy of ad valorem property taxes, in accordance with applicable constitutional requirements, and revenue bonds payable from the revenues of the authority, other than revenues generated from ad valorem property taxes.

#### *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.

In fiscal year 2023, the following funds are considered non-major: the Transit Reserve Fund and the Exchange Fund.

The following funds are considered major governmental funds: MTC General Fund, AB 664 Net Toll Revenue Reserve Fund, STA Fund, Rail Reserves Fund, BART Car Exchange Fund, and BAHFA. 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 Non-major Enterprise Fund - Clipper®**

In July 2010, MTC assumed responsibility for operating Clipper®, the region's transit fare payment program, under a 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® receives payment from participating transit operators for service provided related to the operations of this program. MTC Clipper® Fund is presented as a non-major fund in the business type

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

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activities. The Clipper® card patron deposits 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 restricted benefit of the transit agencies that participate in the Clipper® Card Program.

### **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 considers 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, under the modified accrual basis of accounting.

#### *New Accounting Pronouncements*

GASB Statement No. 91, *Conduit Debt Obligations*, provides a 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. MTC adopted this standard for fiscal year ended June 30, 2023. The adoption of the standard 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. MTC adopted this standard for fiscal year ended June 30, 2023. The adoption of the standard has no impact on MTC's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, provides guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. MTC adopted this standard for fiscal year ended June 30, 2023. See

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

### Notes to Financial Statements

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Note 6 for further information on the impact of the adoption of GASB Statement 96.

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement are effective as follows: (a) The requirements in paragraph 26-32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by the pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. (b) The requirements in paragraphs 11-25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (c) The requirements in paragraphs 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. MTC adopted paragraphs 26-32 in fiscal year 2022 and paragraphs 11-25 in fiscal year 2023. The adoption of the above requirements has no impact on MTC's financial statements. Management is currently evaluating the effect of the remaining paragraphs of this statement on MTC's financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and errors corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this statement on MTC's financial statements.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences and associated salary-related payments by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statements are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect 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 that differs from 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 public meetings for discussion of the proposed annual budget and at the conclusion of the public meetings, 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.

The primary difference between the budgetary basis of accounting and GAAP concerns capital assets.

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**Financial Statements for the year ended June 30, 2023**  
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Depreciation and amortization expenses per GAAP are not budgeted for all fund types and budgeted capital expenditures are not recorded as expenses for the proprietary fund types per GAAP. In addition, unrealized gains and losses under GASB Statement No. 31 are not budgeted as revenues and expenses as well as some long-term expenses such as Pension, OPEB and bond related payments.

**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 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 2023, 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	\$	7,399,644
AB 664 Net Toll Revenue		56,054,507
State Transit Assistance Funds		36,809,990
Rail Reserves		1,326,004
Non-major Governmental Funds		21,174,008

**F. Net Position**

Net position, presented in the government-wide financial statements, represents the residual interest in assets plus deferred outflows of resources after liabilities and deferred inflows of resources 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 of resources 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, 2023 and classified fund balances into the following five categories:



# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2023**

### **Notes to Financial Statements**

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- 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 BAHFA.
- 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.
- 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.

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2023**

### **Notes to Financial Statements**

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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 valuation of one year or less and that the fair value of those investments is not 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.X 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), money market funds, 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 loss 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.

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**J. Capital Assets**

Capital assets, which include buildings and improvements, furniture and equipment, right-to-use lease assets, 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 (except for intangible right-to-use lease building, the measurement of which is discussed in Note 1.S). 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.

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
Lease equipment	5
Automobiles	5
Call boxes	10
Right-to-use lease building	Lease term

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).

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

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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.

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

GASB Statement No. 68 requires the actuarial valuations to be performed at least every two years. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation performed within 30 months and 1 day prior to 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, 2021. CalPERS then rolled forward the total pension liability to June 30, 2022, and this is the basis for reporting MTC's net pension liability at June 30, 2023.

For purposes of measuring the net pension liability/asset, 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 the net pension liability/asset, deferred outflows and deferred inflows from pension, and pension expenses to its blended and discretely presented component units and funds based on their share of MTC's payroll cost of the measurement year.

For additional information on the Plan, refer to Note 9.

#### **L. Other Post Employment Benefits (OPEB)**

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 Public Agency Retirement Services (PARS). The benefit trust fund is reported as OPEB plan fiduciary net position in the Net OPEB Liability on the Statement of Net Position. 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.

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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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

GASB Statement No. 75 requires the actuarial valuations to be performed at least every two years. If a valuation is not performed as of the measurement date, the total OPEB liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation performed within 30 months and 1 day prior to the employer's fiscal year end. Accordingly, for financial reporting purposes, MTC's net OPEB liability/asset at June 30, 2023 was determined using the update procedures to roll forward OPEB liability/asset from the actuarial valuation of June 30, 2021 to the measurement date of June 30, 2022.

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

For additional information on the Plan, refer to Note 10.

**M. Compensated Absences**

MTC's regular staff employees accumulate vacation pay and sick leave pay pursuant to 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 11 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.

**O. Unearned Revenue**

The unearned revenue in MTC 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 certain funds collected by the Regional Customer Service Center (RCSC). These funds collected by the RCSC are prepayments for tolls or represent a

**Metropolitan Transportation Commission**  
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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.

**P. Deferred Inflows/Outflows of Resources - Revenue and Charges**

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 made a lump sum payment of \$506,986,537 (equal to the net 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 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 the fiscal year ended 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 and Outflows of Resources in accordance with GASB Statement No. 65. The amortization charge for the current fiscal year was \$14,391,924.

**Q. Deferred Amount on Refunding**

Deferred amount on refunding represents the unamortized amount of the difference 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 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

**Metropolitan Transportation Commission**  
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employees determined as of the beginning of the measurement period.

\*\*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 9 and 10 for additional information.

**S. Subscription-Based Information Technology Arrangements (SBITAs)**

MTC has entered into several subscription-based contracts to use vendor-provided information technology. MTC measured the SBITA liability at the present value of payments expected to be made during the SBITA agreement term. Subsequently, the SBITA liability is reduced by the principal portion of the payments made. The SBITA asset is measured at the amount of the initial measurement of the SBITA liability, adjusted for the payments made at or before the agreement commencement date, plus certain initial direct costs. The SBITA asset is amortized on a straight-line basis over the shorter of the SBITA agreement term or the useful life of the SBITA asset.

The key estimates and judgments used to determine the discount rate, SBITA agreement term and SBITA payments are as follows:

- MTC uses the estimated incremental borrowing rate as the discount rate.
- The SBITA agreement term includes the noncancelable period of the agreement.
- The SBITA payments included in the measurement of the SBITA liability are composed of fixed or variable payments specified on the SBITA agreements.

**T. Leases**

***Lessor***

BAHA, the discretely presented component unit of MTC, is a lessor that leases office spaces of Bay Area Metro Center (BAMC) at 375 Beale Street, San Francisco to both governmental and private sector tenants. BAHA recognizes a lease receivable and a deferred inflow of resources in the government-wide and its financial statements.

MTC adopted GASB Statement No. 87 *Leases* for the fiscal year ended June 30, 2022. On the implementation date July 1, 2021, BAHA recorded \$35,706,435 lease receivable and deferred inflow of resources. BAHA measured the lease receivable at the present value of payments expected to be received during the lease terms. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is recognized as revenue over the life of the lease term.

The key estimates and judgments used to determine the discount rate, lease term and lease receipts are as follows:

# Metropolitan Transportation Commission

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- BAHA uses the estimated incremental borrowing rate of its tenants as the discount rate or leases. For its governmental tenants, BAHA uses the tax-exempt Municipal Market Data (MMD) rate plus the relevant spread as the discount rate. For its private sector tenants, BAHA uses the weighted average discount rate of similar borrowers.
- The lease term includes the noncancelable period of the lease.
- The lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessees.

BAHA monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

In December 2022, BAHA and BATA signed a 3rd lease amendment which extended the lease term for five (5) more years to September 2027. With the monthly rent schedules in the amendment, BAHA remeasured the lease receivable and deferred inflows of resources and recognized a net increase of \$5,831,772 in fiscal year 2023.

#### *Lessee*

BATA is a lessee that leases office space in BAMC from BAHA. BATA recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements.

MTC has leased ten (10) color copiers for thirty-six (36) months from Canon Financial Services in fiscal year 2023. MTC recognizes a lease liability and a right-to-use lease asset (lease asset) in the governmental financial statements.

MTC adopted GASB Statement No. 87 *Leases* for the fiscal year ended June 30, 2022. MTC and BATA measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is measured at the amount of the initial measurement of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the lease asset.

The key estimates and judgments used to determine the discount rate, lease term and lease receipts are as follows:

- MTC uses the estimated incremental borrowing rate as the discount rate for leases. For BATA's office lease from BAHA, the rate is the tax-exempt MMD rate plus the relevant spread because BATA is a governmental lessee of BAHA. MTC uses the weighted average discount rate which BAHA has for its private sector tenants for the Canon printer lease.
- The lease term includes the noncancelable period of the lease.
- The lease payments included in the measurement of the lease liability are composed of fixed payments to BAHA and Canon Financial Services.



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BATA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**U. Toll Revenues Collected**

BATA accounts for the electronic tolls collected from the operation of the bridges as revenue. BAIFA accounts for the electronic tolls collected from the operation of the express lanes as revenue. BATA and BAIFA recognize electronic toll revenue as amounts are earned.

**V. Other Operating Revenues**

Violation fees and penalties collected and escheatment revenue are recognized as other operating revenues in the Statement of Revenues, Expenses and Changes in Net Position for BATA and BAIFA.

**W. Operating Expenses Incurred by Caltrans**

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

**X. Investment Income and Derivative Instruments**

Investment income (loss) 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, 2023:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total 2023</u>
Investment income (loss)	\$ 21,483,574	\$ 60,312,214	\$ 81,795,788
Investment derivatives	<u>-</u>	<u>87,506,177</u>	<u>87,506,177</u>
Total Fiscal Year 2023	<u>\$ 21,483,574</u>	<u>\$ 147,818,391</u>	<u>\$ 169,301,965</u>

**Y. 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

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invoices are received by MTC through 60 days after the end of the fiscal year. See Note 2 for further details.

**Z. 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.

**AA. Capital, Operating, and Maintenance expenses for other agencies**

Expenses incurred by BAIFA for other agencies' capital projects, operating, and maintenance costs.

**AB. 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.

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

The interest subsidy on BABs issued by BATA was \$70,581,366 for fiscal year 2023. Of this amount, \$17,388,912 was not received as of June 30, 2023, and therefore was included as year-end accrual. The BABs interest subsidy is scheduled to be received from the Federal government on April 1 and October 1 of each year. The two interest subsidy payments in fiscal year 2023 were reduced due to the Federal budget and sequestration constraints. In fiscal year 2023, the payments were impacted by a reduction of 5.7% of the subsidy amount.

**AD. 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.

**AE. 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.

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**AF. 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.

**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 negative net position will be reduced through operating income earned in the future as toll revenue debt is retired and projects are completed. In FY 2011, AB 664 and Rail Reserves received a lump sum payments of \$248,049,407 and \$200,200,625 respectively (equal to the net 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, 2023 is as follows:

Unrestricted cash	\$ 560,526,054
Unrestricted investments	593,281,472
Total unrestricted cash and investments	<u>1,153,807,526</u>
Restricted cash	178,268,311
Restricted investments	2,372,772,493
Total restricted cash and investments	<u>2,551,040,804</u>
Total cash and investments	<u>\$ 3,704,848,330</u>

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The details of restricted cash and investments are as follows:

FasTrak® program	\$ 141,569,338
Debt service reserve fund	863,469,253
Operations & maintenance reserve	188,000,000
Extraordinary loss reserve	50,000,000
Rehabilitation reserve	314,000,000
Projects / self-insurance reserves	280,000,000
Variable rate risk reserve	280,000,000
Capital projects	72,374,714
BART car exchange project	298,968,072
RM3 - WETA	<u>62,659,427</u>
Total restricted cash and investments	<u><u>\$2,551,040,804</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. Tolls 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, and the Variable rate risk reserve are described in Note 5. The BART car exchange project is described in Note 1.B.ii.

**B.** The composition of cash and investments at June 30, 2023 is as follows:

**Cash**

Cash at banks	\$ 165,780,997
Money market mutual funds	180,683,984
Government Pool Investments	255,132,637
County of Alameda	<u>137,196,747</u>
Total Cash	<u><u>\$ 738,794,365</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>\$ 184,859,661</u>
Total cash - fiduciary fund	<u><u>\$ 184,859,661</u></u>

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## Financial Statements for the year ended June 30, 2023

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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	1%
BlackRock T-Fund Institutional	Less than 1%

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	1%
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 US 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 US 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.

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## **Financial Statements for the year ended June 30, 2023**

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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 mutual fund holdings are highly rated by Standard & Poor's and Moody's. 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, 2023:

Government-sponsored enterprises notes, US Treasuries 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.

Investments by fair value level at June 30, 2023	Level 1	Level 2	Level 3	Total
U.S. Treasury	\$ 1,687,230,249	\$ -	\$ -	\$ 1,687,230,249
Government-Sponsored Enterprises:				
Federal Home Loan Bank	-	973,798,273	-	973,798,273
Federal Home Loan Mortgage Corporation	-	247,189,951	-	247,189,951
Federal National Mortgage Association	-	33,824,438	-	33,824,438
Federal Farm Credit Bank	-	6,811,054	-	6,811,054
Total	-	1,261,623,716	-	1,261,623,716
Municipal Bonds	-	17,200,000	-	17,200,000
Total Investments Measured at Fair Value	<u>\$ 1,687,230,249</u>	<u>\$ 1,278,823,716</u>	<u>\$ -</u>	<u>\$ 2,966,053,965</u>

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 Bay Area Air Quality Management District (BAAQMD) Certificates of Participation (COP). 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 investment 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

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with U.S. 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, 2023 are as follows:

U.S. Treasury	57%
Federal Home Loan Bank (FHLB)	33%
Federal Home Loan Mortgage Corporation (FHLMC)	8%

**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 includes an investment in the Bay Area Air Quality Management District (BAAQMD) Certificates of Participation (COP). The COP has a tender provision that allows the security to be tendered with seven days' notice and there is no significant risk of market value loss. The interest rate on the COP is reset weekly based on the SIFMA Municipal Swap Index plus a spread.

The weighted average maturities of MTC's U.S. Treasury and GSE securities (expressed in number of years) at June 30, 2023 are as follows:

U.S. Treasury	0.58
Government-sponsored enterprises	
Federal Home Loan Bank	1.68
Federal Farm Credit Bank	2.25
Federal Home Loan Mortgage Corporation	2.06
Federal National Mortgage Association	2.25



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**4. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	<b>Beginning Balance July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance June 30, 2023</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 207,377	\$ -	\$ 207,377
Total capital assets, not being depreciated	<u>-</u>	<u>207,377</u>	<u>-</u>	<u>207,377</u>
Capital assets, being depreciated/amortized:				
Furniture and equipment	1,515,373	5,418	(10,652)	1,510,139
Intangible assets	462,873	929,247	-	1,392,120
Lease Equipment	-	146,063	-	146,063
Automobiles	31,393	-	-	31,393
Total capital assets being depreciated/amortized	<u>2,009,639</u>	<u>1,080,728</u>	<u>(10,652)</u>	<u>3,079,715</u>
Less accumulated depreciation/amortization for:				
Furniture and equipment	1,479,996	22,353	(10,652)	1,491,697
Intangible assets	195,710	71,635	-	267,345
Lease Equipment	-	12,173	-	12,173
Automobiles	31,393	-	-	31,393
Total accumulated depreciation/amortization	<u>1,707,099</u>	<u>106,161</u>	<u>(10,652)</u>	<u>1,802,608</u>
Total capital assets, being depreciated/amortized, net	<u>302,540</u>	<u>974,567</u>	<u>-</u>	<u>1,277,107</u>
Governmental activities capital assets, net	<u>\$ 302,540</u>	<u>\$ 1,181,944</u>	<u>\$ -</u>	<u>\$ 1,484,484</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 68,610,276	\$ 23,192,264	\$ -	\$ 91,802,540
Total capital assets, not being depreciated	<u>68,610,276</u>	<u>23,192,264</u>	<u>-</u>	<u>91,802,540</u>
Capital assets, being depreciated/amortized:				
Furniture and equipment	154,409,069	20,918,000	-	175,327,069
Building/Tenant improvements	5,163,153	-	-	5,163,153
Automobiles	80,259	41,067	-	121,326
Intangible assets	72,580,147	204,457	-	72,784,604
SBITA assets	-	359,053	-	359,053
Lease assets	3,390,287	5,831,773	-	9,222,060
Total capital assets being depreciated/amortized	<u>235,622,915</u>	<u>27,354,350</u>	<u>-</u>	<u>262,977,265</u>
Less accumulated depreciation/amortization for:				
Furniture and equipment	41,780,010	12,604,392	-	54,384,402
Building/Tenant improvements	4,846,359	60,342	-	4,906,701
Automobiles	40,401	13,442	-	53,843
Intangible assets	41,566,688	5,038,511	-	46,605,199
SBITA assets	-	146,629	-	146,629
Lease assets	1,402,877	1,457,679	-	2,860,556
Total accumulated depreciation/amortization	<u>89,636,335</u>	<u>19,320,995</u>	<u>-</u>	<u>108,957,330</u>
Total capital assets, being depreciated/amortized, net	<u>145,986,580</u>	<u>8,033,355</u>	<u>-</u>	<u>154,019,935</u>
Business-type activities capital assets, net	<u>\$ 214,596,856</u>	<u>\$ 31,225,619</u>	<u>\$ -</u>	<u>\$ 245,822,475</u>

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

Governmental activities:	
General government	\$ 106,161
Total depreciation/amortization expense - governmental activities	<u>\$ 106,161</u>
Business-type activities:	
Toll bridge activities	\$ 1,709,483
Congestion relief	228,682
Express lane activities	10,566,045
MTC Clipper smart card®	6,816,785
Total depreciation/amortization expense - business-type activities	<u>\$ 19,320,995</u>

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#### 5. Long-Term Debt

In March 2023, BATA issued its Senior Toll Revenue Bonds, Series 2023 A and B of \$285,000,000 to refund all of the Authority's outstanding Toll Revenue Bonds, 2006 C-1, 2007 C-1, and 2008 A-1. The 2023 Series A and B bonds are variable rate bonds with a final maturity of April 2055 and bear interest at a daily rate.

The majority of the proceeds of the 2023 Series A and B, along with a cash contribution from BATA were deposited into an Escrow Fund held by the Senior Trustee. BATA also made a cash contribution to pay for costs of issuance.

In May 2023, BATA issued its Senior Fixed Rate Toll Revenue Bonds, Series 2023 F-1 of \$391,055,000 to purchase a portion of the Authority's outstanding Toll Revenue Bonds, 2019 F-1, 2021 F-1, and 2010 S-1. The 2023 Series F-1 bonds have a final maturity date of April 2054 and bear interest at stated fixed rates between 5.000 percent and 5.250 percent.

The majority of the proceeds of the 2023 Series F-1 were used to pay the interest and purchase price of the bonds tendered to the Authority.

The difference between the cash flows required to service the old debt and the cash flows required to service the new debt is \$29,327,791. The transaction provided a present value economic gain of \$24,830,280.

The 2023 F-1 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*.

In June 2023, BATA issued its Senior Fixed Rate Toll Revenue Bonds, Series 2023 F-2 of \$40,810,000 to purchase a portion of the Authority's outstanding Toll Revenue Bonds, 2019 F-1. The 2023 Series F-2 bonds have a final maturity date of April 2054 and bear interest at the stated fixed rate of 4.125 percent.

The majority of the proceeds of the 2023 Series F-2 together with a cash contribution from BATA were used to pay the interest and purchase price of the bonds tendered to the Authority.

The difference between the cash flows required to service the old debt and the cash flows required to service the new debt is \$24,598,148. The transaction provided a present value economic gain of \$5,537,382.

The 2023 F-2 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*.

There is no outstanding debt that was defeased in-substance from prior periods as of June 30, 2023.

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

BATA has a principal balance of \$1,727,150,000 in term/index rate bonds. The term/index rate bond series are detailed as follows:

<u>Series</u>	<u>Par Amount</u>	<u>Term/ Index Rate</u>	<u>Effective Date</u>	<u>End of Term/Index Rate Period</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
2017 Series A	\$120,645,000	2.950%	2/23/2017	4/1/2026
2017 Series B	\$120,645,000	2.850%	2/23/2017	4/1/2025
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
2021 Series A	\$204,835,000	2.000%	3/17/2021	4/1/2028
2021 Series B	\$56,850,000	SIFMA Swap Index plus 0.28%	3/17/2021	4/1/2024
2021 Series C	\$100,000,000	SIFMA Swap Index plus 0.45%	3/17/2021	4/1/2026
2021 Series D	\$150,000,000	SIFMA Swap Index plus 0.30%	12/21/2021	4/1/2027
2021 Series E	\$126,715,000	SIFMA Swap Index plus 0.41%	12/21/2021	4/1/2028

***Variable Rate Demand Bonds:***

BATA has a principal balance of \$976,730,000 in Variable Rate Demand Bonds. The Variable Rate Demand Bonds are backed by various Letter of Credit providers and are reset at a Weekly or Daily Rate by various remarketing agents. The Variable Rate Demand Bonds series are detailed as follows:

<u>Series</u>	<u>Par Amount</u>	<u>Interest Rate Mode</u>	<u>Letter of Credit Providers</u>	<u>Short Term Rating (S&amp;P/Moody's /Fitch)</u>	<u>Letter of Credit Expiration Date</u>	<u>Remarketing Agents</u>
2007 Series A2	\$75,000,000	Weekly	MUFG Bank, Ltd.	A1/P1/F1	10/20/2026	JP Morgan Securities, LLC
2007 Series B2	\$75,000,000	Weekly	Sumitomo Mitsui Banking Corporation	A1/P1/F1	10/20/2026	Citigroup Global Markets Inc.
2007 Series C2	\$25,000,000	Weekly	MUFG Bank, Ltd.	A1/P1/F1	10/20/2026	Goldman Sachs & Co
2007 Series D2	\$100,000,000	Weekly	Bank of America, N.A.	A1/P1/F1+	10/20/2026	BofA Securities, Inc.
2007 Series G1	\$50,000,000	Weekly	Bank of America, N.A.	A1/P1/F1+	10/20/2026	Barclays Capital Inc.
2008 Series C1	\$25,000,000	Weekly	Sumitomo Mitsui Banking Corporation	A1/P1/F1	10/20/2026	Citigroup Global Markets Inc
2008 Series E1	\$50,000,000	Weekly	MUFG Bank, Ltd.	A1/P1/F1	10/20/2026	Morgan Stanley & Co. LLC.
2019 Series A	\$100,000,000	Weekly	Bank of America, N.A.	A1/P1/F1+	8/1/2024	BofA Securities, Inc.
2019 Series B	\$57,160,000	Weekly	Sumitomo Mitsui Banking Corporation	A1/P1/F1	8/1/2024	JP Morgan Securities, LLC
2019 Series C	\$52,200,000	Weekly	Bank of America, N.A.	A1/P1/F1+	8/1/2024	Goldman Sachs & Co
2019 Series D	\$82,370,000	Weekly	Sumitomo Mitsui Banking Corporation	A1/P1/F1	8/1/2024	JP Morgan Securities, LLC
2023 Series A	\$175,000,000	Daily	Barcays Bank PLC	A1/P1/F1	4/1/2027	JP Morgan Securities, LLC
2023 Series B	\$110,000,000	Daily	Barcays Bank PLC	A1/P1/F1	4/1/2028	BofA Securities, Inc.

As of June 30, 2023, 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, 2023 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, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2023</b>	<b>Due Within One Year<sup>(8)</sup></b>
2001 Revenue Bond Series A	5/24/2001	3.69% <sup>(2)</sup>	2036	\$ 150,000,000	\$ 150,000,000	\$ -	\$ -	\$ 150,000,000	\$ -
2006 Revenue Bond Series C	2/8/2006	3.60% <sup>(2)</sup>	2045	275,000,000	125,000,000	-	(125,000,000) <sup>(5)</sup>	-	-
2007 Revenue Bond Series C1	5/15/2007	3.60% <sup>(2)</sup>	2047	50,000,000	50,000,000	-	(50,000,000) <sup>(5)</sup>	-	-
2007 Revenue Bond Series G1	5/15/2007	3.60% <sup>(2)</sup>	2047	50,000,000	50,000,000	-	-	50,000,000	-
2007 Revenue Bond Series (A2,B2,C2,D2)	10/25/2007	3.60% <sup>(2)</sup>	2047	275,000,000	275,000,000	-	-	275,000,000	-
2008 Revenue Bond Series (A1,B1,C1,E1,G1)	6/5/2008	3.60% <sup>(2)</sup>	2045	345,000,000	345,000,000	-	(110,000,000) <sup>(5)</sup>	235,000,000	-
2009 Revenue Bond Series F2 (BABs)	11/5/2009	4.07% <sup>(1,3)</sup>	2049	1,300,000,000	1,300,000,000	-	-	1,300,000,000	-
2010 Revenue Bond Series S1 (BABs)	7/1/2010	4.54% <sup>(1,3)</sup>	2050	1,500,000,000	1,422,515,000	-	(61,550,000) <sup>(6)</sup>	1,360,965,000	21,560,000
2010 Revenue Bond Series S3 (BABs)	11/4/2010	4.49% <sup>(1,3)</sup>	2050	475,000,000	475,000,000	-	-	475,000,000	-
2017 Revenue Bond Series (A,B)	2/23/2017	2.90% <sup>(1)</sup>	2047	402,165,000	246,650,000	-	(5,360,000) <sup>(8)</sup>	241,290,000	5,890,000
2017 Revenue Bond Series F1	2/23/2017	4.00% <sup>(1)</sup>	2056	300,000,000	75,000,000	-	-	75,000,000	-
2017 Revenue Bond Series (G,H)	8/23/2017	2.07% <sup>(1)</sup>	2053	342,725,000	342,725,000	-	-	342,725,000	-
2017 Revenue Bond Series S7	8/23/2017	4.04% <sup>(1)</sup>	2049	1,402,175,000	1,353,890,000	-	(15,860,000) <sup>(8)</sup>	1,338,030,000	17,420,000
2018 Revenue Bond Series A	12/20/2018	2.63% <sup>(1)</sup>	2045	319,735,000	194,735,000	-	-	194,735,000	-
2019 Revenue Bond Series S8	8/1/2019	3.00% <sup>(1)</sup>	2056	203,270,000	121,620,000	-	-	121,620,000	-
2019 Revenue Bond Series (A,B,C,D)	8/1/2019	3.60% <sup>(2)</sup>	2053	291,730,000	291,730,000	-	-	291,730,000	-
2019 Revenue Bond Series F1	9/26/2019	2.69% <sup>(1)</sup>	2054	869,195,000	869,195,000	-	(490,279,000) <sup>(6,7,8)</sup>	378,916,000	40,570,000
2021 Revenue Bond Series A	3/17/2021	2.00% <sup>(1)</sup>	2056	204,835,000	204,835,000	-	-	204,835,000	-
2021 Revenue Bond Series (B,C)	3/17/2021	3.60% <sup>(2)</sup>	2056	156,850,000	156,850,000	-	-	156,850,000	-
2021 Revenue Bond Series F1	3/17/2021	2.08% <sup>(1)</sup>	2040	349,205,000	349,205,000	-	(42,405,000) <sup>(6)</sup>	306,800,000	-
2021 Revenue Bond Series (D,E)	12/21/2021	4.36% <sup>(4)</sup>	2056	276,715,000	276,715,000	-	-	276,715,000	-
2021 Revenue Bond Series F2	12/21/2021	2.60% <sup>(1)</sup>	2056	338,500,000	338,500,000	-	-	338,500,000	-
2021 Revenue Bond Series F3	12/21/2021	3.13% <sup>(1)</sup>	2055	361,500,000	361,500,000	-	-	361,500,000	-
2021 Revenue Bond Series S10	12/21/2021	3.18% <sup>(1)</sup>	2050	274,240,000	274,240,000	-	-	274,240,000	-
2023 Revenue Bond Series (A,B)	3/21/2023	3.60% <sup>(2)</sup>	2055	285,000,000	-	285,000,000 <sup>(5)</sup>	-	285,000,000	-
2023 Revenue Bond Series F1	5/2/2023	5.02% <sup>(1)</sup>	2054	391,055,000	-	391,055,000 <sup>(6)</sup>	-	391,055,000	24,290,000
2023 Revenue Bond Series F2	6/22/2023	4.13% <sup>(1)</sup>	2054	40,810,000	-	40,810,000 <sup>(7)</sup>	-	40,810,000	-
				<u>\$ 11,229,705,000</u>	<u>9,649,905,000</u>	<u>716,865,000</u>	<u>(900,454,000)</u>	<u>9,466,316,000</u>	<u>\$ 109,730,000</u>
Net unamortized bond premium / (discount)					76,891,699	-	43,384,855	120,276,554	
Net long-term debt as of June 30, 2023					<u>\$ 9,726,796,699</u>	<u>\$ 716,865,000</u>	<u>\$ (857,069,145)</u>	<u>\$ 9,586,592,554</u>	

(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 6/30/2023 SIFMA rate plus the spread related to the respective bond.

(5) The 2023 Series A and 2023 Series B bonds were issued as senior variable rate bonds on 3/21/2023 to fully refund the 2006 Series C1, the 2007 Series C1, and the 2008A1 bonds.

(6) The 2023 Series F1 bonds were issued as senior fixed rate bonds on 5/2/2023 to refund \$61,550,000 of the 2010 Series S1, \$369,344,000 of the 2019 Series F1, and \$42,405,000 of the 2021 Series F1 bonds.

(7) The 2023 Series F2 bonds were issued as senior fixed rate bonds on 6/22/2023 to refund \$56,000,000 of the 2019 Series F1 bonds.

(8) 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, 2023 are as follows:

**Business-type activities**

<b>Fiscal Year Ending</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>
2024	\$ 109,730,000	\$ 356,910,137	\$ 466,640,137
2025	126,173,000	355,855,543	482,028,543
2026	127,496,000	357,978,463	485,474,463
2027	172,040,000	358,708,024	530,748,024
2028	180,553,000	352,286,757	532,839,757
2029-2033	1,013,879,000	1,667,279,174	2,681,158,174
2034-2038	1,201,770,000	1,439,549,508	2,641,319,508
2039-2043	1,469,735,000	1,179,324,799	2,649,059,799
2044-2048	1,911,345,000	851,283,584	2,762,628,584
2049-2053	2,080,293,000	427,062,461	2,507,355,461
2054-2056	1,073,302,000	77,974,922	1,151,276,922
	<u>\$ 9,466,316,000</u>	<u>\$ 7,424,213,372</u>	<u>\$ 16,890,529,372</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 has established a Reserve Fund under the 2001 Master Indenture. The senior lien Reserve Fund solely secures the senior lien bonds and the balance is required to be no less than the lesser of Maximum Annual Debt Service on all Senior Bonds and 125% of average Annual Debt Service on all Senior Bonds.

BATA covenanted in the Master Indenture that no Additional Bonds (as defined in the Master Indenture) shall be issued, unless Net Revenue is no less than 1.5 times of the combined Maximum Annual Debt Service costs of all outstanding parity bonds and the additional bonds to be issued. 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 no less 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 9.

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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 Reserve Accounts under the 2010 Subordinate Indenture. Each outstanding series of subordinate bonds has a Reserve Account funded at the maximum annual amount of interest payable for and securing that series of bonds.

BATA covenanted in the 2010 Subordinate Indenture that no Additional Bonds (as defined in the 2010 Subordinate Indenture) shall be issued unless the Available Revenue equates to no less than 1.2 times of the combined Maximum Annual Debt Service costs of all outstanding parity bonds and the additional bonds to be issued.

In the first supplemental indenture dated June 2010, BATA covenanted to maintain toll revenue at levels that result in Available Revenue no less 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 including the Coverage Ratios with the Senior and Subordinate Trustees.

As of June 30, 2023, the 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	\$375,000,000	\$377,695,927
Subordinate Debt	\$154,850,510	\$162,683,524

<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, 2023</u>
External Designation:			
O & M	2x Caltrans budgeted O&M costs	\$18.6 million	\$188 million
Extraordinary loss	BATA/Caltrans Coop Agreement	\$50 million	\$50 million
BATA designation:			
Rehab reserve	2x Rehab budget (\$157m/yr)	\$314 million	\$314 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 instruments fair value in a payable to the counterparty position was \$174,083,479 at June 30, 2023, and recorded in the Statement of Net Position as a liability. The changes in the fair value of investment derivatives instruments were recorded to investment income. See Note 1.X 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, 2023 classified by type, and the changes in fair value of such derivative instruments during FY 2023 as reported in the financial statements are as follows:

	Change in Fair Value during		Fair Value at June 30, 2023		
	FY 2023				
Business-type Activities	Classification	Amount	Classification	Amount	Notional
Pay-fixed interest rate swap	Investment Income	\$ 87,506,177	Noncurrent Liabilities	\$(174,083,479)	\$ 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, 2023 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+	Aa1
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	A-	A1



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**Investment Derivative Instruments at June 30, 2023:**

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%	\$ -	\$ (5,501,938)	\$ -	\$ (5,501,938)
\$75 million	Morgan Stanley Capital Services LLC.	4.09%	-	(10,501,758)	-	(10,501,758)
\$110 million	Wells Fargo Bank, N.A.	3.64%	-	(12,312,145)	-	(12,312,145)
\$30 million	Bank of America, N.A.	3.63%	-	(4,188,657)	-	(4,188,657)
\$115 million	Citibank Bank, N.A., New York	3.64%	-	(12,871,702)	-	(12,871,702)
\$245 million	JP Morgan Chase Bank, N.A.	4.00%	-	(37,424,675)	-	(37,424,675)
\$50 million	Bank of America, N.A.	3.63%	-	(7,391,207)	-	(7,391,207)
\$260 million	Citibank Bank, N.A. New York	3.64%	-	(30,950,103)	-	(30,950,103)
\$125 million	Bank of America, N.A.	2.96%	-	(7,504,004)	-	(7,504,004)
\$60 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%	-	(8,440,592)	-	(8,440,592)
\$85 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%	-	(12,675,315)	-	(12,675,315)
\$170 million	The Bank of New York Mellon	3.64%	-	(25,350,214)	-	(25,350,214)
\$40 million	The Bank of New York Mellon	2.22%	-	1,028,831	-	1,028,831
	Total Derivative Instruments - Fair Value		\$ -	\$ (174,083,479)	\$ -	\$ (174,083,479)

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 11-14.

<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 \$174 million on June 30, 2023. However, BATA intends 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, 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, 2023, none of the counterparties was required to post collateral with a third-party safekeeping agent.

**6. Subscription-Based Information Technology Arrangements (SBITAs)**

MTC Service Authority for Freeways and Expressways (SAFE) has entered into several subscription-based contracts to use vendor-provided information technology. Most SBITAs have initial terms of up to 3 years. At the time of contract commencement or conversion, the term of the SBITA will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal. There was no commitment under SBITAs before the commencement of the subscription term.

On June 30, 2023, SAFE had net SBITA assets of \$212,424 and SBITA liabilities of \$216,638. SBITA assets were reported in capital assets and SBITA liabilities were reported in non-current liabilities (compensated absences and others) on the Statement of Net Position.

The future principal and interest payments as of June 30, 2023, were as follows:

Year Ending	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 148,141	\$ 7,059	\$ 155,200
2025	68,497	1,703	70,200
Total	<u>\$ 216,638</u>	<u>\$ 8,762</u>	<u>\$ 225,400</u>

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**7. Leases**

**A. Lease receivable**

BAHA is a lessor that leases office spaces of BAMC to both governmental and private sector tenants. The leases are noncancelable leases with the remaining lease terms ranging from 1 year to 5 years. Some of the leases include options to extend for up to 10 years. BAHA recognized \$9,323,528 in lease revenue and \$784,152 in interest revenue from leasing during fiscal year 2023. BAHA also recognized a deferred inflow of resource associated with the leases that will be recognized as revenue over the lease term. The balance of the deferred inflow of resources as of June 30, 2023 was \$22,274,014.

The future principal and interest payments of lease receivable as of June 30, 2023, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,143,179	\$ 492,964	\$ 9,636,143
2025	5,696,572	227,659	5,924,231
2026	4,036,337	128,370	4,164,707
2027	3,709,428	38,131	3,747,559
2028	649,222	665	649,887
Total	<u>\$ 23,234,738</u>	<u>\$ 887,789</u>	<u>\$ 24,122,527</u>

**B. Lease payable**

BATA leases office space in BAMC from BAHA. In May 2023 BAHA and BATA signed an agreement which the rent payment schedules were effective on December 1, 2022 with a lease term expiration date in September 2027. The balance of lease liability as of June 30, 2023 was \$6,442,978.

MTC leased ten color printers from Canon Financial Services in early 2023. The lease term is thirty-six months with monthly payment of \$4,328.70 including tax. The lease liability balance as of June 30, 2023 was \$134,629.

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
BATA	\$ 2,026,252	\$ 7,234,649	\$ (2,817,923)	\$ 6,442,978
MTC	-	146,063	(11,434)	134,629

BATA licenses Conduent Inc. that collects and processes electronic toll revenues for BATA to use the office space as the FasTrak® Customer Service Center. This agreement does not qualify as a lease under GASB 87.

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The total future principal and interest payments as of June 30, 2023, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,454,257	\$ 85,265	\$ 1,539,522
2025	1,521,672	63,673	1,585,345
2026	1,577,752	40,429	1,618,181
2027	1,608,773	17,089	1,625,862
2028	415,153	519	415,672
Total	<u>\$ 6,577,607</u>	<u>\$ 206,975</u>	<u>\$ 6,784,582</u>

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

The composition of interfund transfers as of June 30, 2023, is as follows:

<b>Transfer Out:</b>	<b>Transfer In:</b>					<b>Total</b>
	<b>General</b>	<b>AB 664 Net Toll Revenue Reserve</b>	<b>Rail Reserves</b>	<b>Non-Major Governmental Funds</b>	<b>Non-Major Enterprise Fund MTC Clipper®</b>	
Non-Major Governmental Funds	\$ 2,079,608	\$ -	\$ -	\$ -	\$ -	\$ 2,079,608
STA	1,599,259	-	-	-	24,757,184	26,356,443
BAIFA	200,974	-	-	-	-	200,974
BATA	30,768,218	7,028,457	5,706,702	1,656,765	5,527,312	50,687,454
SAFE	882,506	-	-	-	-	882,506
Total	<u>\$ 35,530,565</u>	<u>\$ 7,028,457</u>	<u>\$ 5,706,702</u>	<u>\$ 1,656,765</u>	<u>\$ 30,284,496</u>	<u>\$ 80,206,985</u>

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 \$30,768,214 was transferred from BATA to the General fund which represents the annual transfer to MTC for administration and contribution and transfer to support the Bay Area Forward projects.
- The transfer amount from BATA to AB 664 Toll Reserves, Rail Reserves and Non-Major funds totaling \$14,391,924 is the amortization of the deferred revenue for these funds. See Note 1.P for further details.
- An amount of \$5,527,312 was transferred from BATA to MTC Clipper® to support their operations.
- An amount of \$24,757,184 was transferred from STA to MTC Clipper® to support their capital projects.

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<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
	Non-Major	
General	Governmental Funds	\$ 1,064,238
General	STA	580,989
General	BAIFA	52,350
General	BATA	14,909,710
BAIFA	BATA	3,446,825
Non-Major Enterprise Fund MTC Clipper®	STA	4,093,048
Non-Major Enterprise Fund MTC Clipper®	BATA	1,941,216
SAFE	General	1,491,691
BATA	BAIFA	401,413
BATA	MTC Clipper	15,000,000

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, 2023 are as follows:

- An amount of \$1,491,691 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 \$1,941,216 represents expenses incurred for the MTC-Clipper 1 projects, but not yet reimbursed from BATA
- An amount of \$4,093,048 represents expenses incurred for the MTC-Clipper 2 projects, but not yet reimbursed from STA
- An amount of \$14,909,709 represents the annual transfer for administration and contribution to the General Fund, but not yet transferred from BATA.
- An amount of \$15,000,000 represents advance for the MTC-Clipper 2 project received from BATA.
- An amount of \$3,446,825 represents express lanes revenue incurred for BAIFA, but not yet collected from BATA.

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**9. 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 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 annual comprehensive 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, 2023, are summarized as follows:

Hire date	PERS Classic Miscellaneous Prior to January 1, 2013	PEPRA Miscellaneous On or after January 1, 2013
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%

# Metropolitan Transportation Commission

## Financial Statements for the year ended June 30, 2023

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Employees Covered at the measurement date of June 30, 2023 are as follows:

Active employees	293
Inactive employees or beneficiaries currently receiving benefits	186
Inactive employees entitled to but not yet receiving benefits	169

#### ***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 necessary 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 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, 2023, MTC's retirement contributions are allocated as follows:

- Tier 1 - The total Public Employees' Retirement System (PERS) contribution rate is 23.92 percent (consisting of 15.92 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, 2023 is 16.87 percent by MTC and 7.05 percent by members.
- Tier 2 - The total PERS contribution rate is 23.17 percent (consisting of 15.92 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, 2023 is 15.92 percent by MTC and 7.25 percent by members.

Total actual contribution made for fiscal year 2023 is \$6,803,986. No additional contribution was made in fiscal year 2023. The contribution is charged to its blended and discretely presented component units and funds on their share of MTC's payroll cost for the relevant year.

#### **B. Net Pension Liability/(Asset)**

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

MTC's net pension liability/(asset) is measured as the total pension liability, less the Plan's fiduciary net position. For the measurement period ended June 30, 2022, the total pension liability was determined using the annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures.

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Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

<sup>(1)</sup>The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

***Discount Rate***

The discount rate used to measure the total pension liability is 6.90%. 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 benefit 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. Using historical returns of all of the funds' assets classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.



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The expected real rates of return by asset class are as follows:

Asset Class*	Assumed Asset Allocation	Real Return *, **
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

\* An expected inflation of 2.30% used for this period.

\*\* Figures are based on the 2021 Asset Liability Management study.

**C. Pension Plan Fiduciary Net Position**

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

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

The following table shows the changes in net pension liability/(asset) recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$ 206,800,947	\$ 222,375,302	\$ (15,574,355)
Changes Recognized for the Measurement Period:			
Service Cost	7,693,472	-	7,693,472
Interest on Total Pension Liability	14,472,658	-	14,472,658
Changes of Assumptions	3,115,013	-	3,115,013
Difference between Expected and Actual Experience	(12,954)	-	(12,954)
Contributions from Employers	-	11,568,641	(11,568,641)
Contributions from Employees	-	3,162,455	(3,162,455)
Net Investment Income	-	(17,351,617)	17,351,617
Benefit Payments, including Refunds of Employee Contributions	(8,002,138)	(8,002,138)	-
Administrative Expense	-	(138,527)	138,527
Net Changes during 2021-22	17,266,051	(10,761,186)	28,027,237
Balance at June 30, 2022	\$ 224,066,998	\$ 211,614,116	\$ 12,452,882

	Primary Government					Primary Government Total
	Business-Type Activities					
	Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAIFA	
Net pension liability/(asset) for fiscal year 2023	\$ 10,468,789	\$ 207,590	\$ 238,621	\$ 804,700	\$ 617,373	\$ 12,337,073

	Component Unit	
	BAHA	Grand Total
Net pension liability/(asset) for fiscal year 2023	\$ 115,809	\$ 12,452,882

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate.

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Primary Government			
Governmental Activities	\$ 37,346,793	\$ 10,468,789	\$ (11,627,943)
Business-Type Activities			
Bay Area Toll Authority	740,566	207,590	(230,575)
MTC SAFE	851,266	238,621	(265,042)
MTC Clipper	2,870,720	804,700	(893,800)
BAIFA	2,202,442	617,373	(685,731)
Component Unit			
BAHA	413,142	115,809	(128,632)
Plan's Net Pension Liability / (Asset)	<u>\$ 44,424,929</u>	<u>\$ 12,452,882</u>	<u>\$ (13,831,723)</u>

*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 expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

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

The EARSL for the Plan for the measurement period ended June 30, 2022 is 4.8 years which was obtained by dividing the total service years of 3,110 (the sum of remaining service lifetimes of the active employees) by 648 (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 recognized pension expense of \$5,310,598 for fiscal year 2023 based on the measurement period ended June 30, 2022. The pension expense is allocated to its blended and discretely presented component units and funds as follows:

	<u>Primary Government</u>						
	<u>Business-Type Activities</u>						<u>Primary government Total</u>
	<u>Governmental Activities</u>	<u>Bay Area Toll Authority</u>	<u>MTC SAFE</u>	<u>MTC Clipper</u>	<u>BAIFA</u>		
Pension expense for fiscal year 2023	\$ 2,774,343	\$ 2,085,273	\$ 61,142	\$ 204,486	\$ 155,463		\$ 5,280,707
		<u>Component Unit</u>		<u>Grand Total</u>			
		<u>BAHA</u>		<u>5,310,598</u>			
Pension expense for fiscal year 2023		\$ 29,891		<u>\$ 5,310,598</u>			

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For the fiscal year of 2023, 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	BAIFA	
Changes in assumptions	\$ 1,593,813	\$ 601,776	\$ 36,328	\$ 122,512	\$ 93,991	\$ 2,448,420
Difference between expected and actual experience	972,241	367,088	22,161	74,733	57,336	1,493,559
Net difference between projected and actual earnings on plan investments	6,814,887	2,573,087	155,334	523,837	401,893	10,469,038
Employer contributions for fiscal year 2023	4,397,429	1,660,335	100,232	338,015	259,329	6,755,340
<b>Total</b>	<b>\$ 13,778,370</b>	<b>\$ 5,202,286</b>	<b>\$ 314,055</b>	<b>\$ 1,059,097</b>	<b>\$ 812,549</b>	<b>\$ 21,166,357</b>

	Component Unit	
	BAHA	Grand Total
Changes in assumptions	\$ 17,632	\$ 2,466,052
Difference between expected and actual experience	10,755	1,504,314
Net difference between projected and actual earnings on plan investments	75,391	10,544,429
Employer contributions for fiscal year 2023	48,646	6,803,986
<b>Total</b>	<b>\$ 152,424</b>	<b>\$ 21,318,781</b>

	Deferred Inflows of Resources					
	Primary Government					
	Business-Type Activities					Primary Government Total
	Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAIFA	
Changes in assumptions	\$ (67,606)	\$ (25,527)	\$ (1,542)	\$ (5,197)	\$ (3,988)	\$ (103,860)
Difference between expected and actual experience	(631,632)	(238,485)	(14,397)	(48,551)	(37,250)	(970,315)
<b>Total</b>	<b>\$ (699,238)</b>	<b>\$ (264,012)</b>	<b>\$ (15,939)</b>	<b>\$ (53,748)</b>	<b>\$ (41,238)</b>	<b>\$ (1,074,175)</b>

	Component Unit	
	BAHA	Grand Total
Changes in assumptions	\$ (749)	\$ (104,609)
Difference between expected and actual experience	(6,987)	(977,302)
<b>Total</b>	<b>\$ (7,736)</b>	<b>\$ (1,081,911)</b>

Total employer contribution made for this fiscal year is \$6,803,986. In the proceeding table, deferred outflows of resources related to employer contributions subsequent to the measurement date and will be recognized as a decrease in the net pension liability in the year ended June 30, 2024.

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

<b>Year ended</b>	<b>Deferred Outflows/(Inflows) of Resources</b>						<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>				<b>Component Unit</b>	
		<b>Bay Area Toll Authority</b>	<b>MTC SAFE</b>	<b>MTC Clipper</b>	<b>BAIFA</b>	<b>BAHA</b>	
2023	\$ 2,006,101	\$ 757,441	\$ 45,726	\$ 154,202	\$ 118,306	\$ 22,192	\$ 3,103,968
2024	1,238,024	467,439	28,218	95,163	73,009	13,696	1,915,549
2025	847,954	320,161	19,328	65,179	50,006	9,380	1,312,008
2026	4,589,624	1,732,898	104,612	352,790	270,661	50,774	7,101,359

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

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

***Plan Description***

MTC established a Section 115 irrevocable benefit trust fund for its other post-employment benefit (OPEB) plan with the Public Agency Retirement Services (PARS). The trust assets are dedicated to providing OPEB benefits to employees in accordance with the benefit terms described below.

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, 2022, the date of the roll-forward actuarial valuation:

Active employees	307
Inactive employees or beneficiaries currently receiving benefit payments	131
Inactive employees entitled to but not yet receiving benefit payments	<u>8</u>
	<u><u>446</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, 2023, MTC paid the retiree benefit expense on a pay-as-you-go basis of \$1,450,423, and made a contribution of \$3,149,577 to the Trust fund at PARS. MTC's implied subsidy amount for fiscal year 2023 is \$350,000.

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

MTC's net OPEB liability / (asset) was measured as of June 30, 2022 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:

<u>For the fiscal year 2022</u>	<u>Actuarial Assumptions</u>
Discount rate	3.75%
Inflation	2.75%
Investment rate of return	3.75%
Healthcare cost trend rates	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4.0% in 2076

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Mortality CalPERS 1997-2015 Experience Study  
Mortality Improvement Mortality projected fully generational with Scale MP-2020

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:

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

***Change in assumptions***

The long-term expected rate of return on investments used to measure the total OPEB liability was decreased from 4.5 percent in FY 2022 to 3.75 percent in FY 2023.

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.75 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, 2023.

	Increase / (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance as of June 30, 2022	\$ 49,933,745	\$ 52,773,678	\$ (2,839,933)
Service cost	3,500,690	-	3,500,690
Interest on the total OPEB liability	1,971,258	-	1,971,258
Contributions - employer	-	3,505,195	(3,505,195)
Net investment income	-	(5,119,258)	5,119,258
Benefit payments	(1,735,099)	(1,735,099)	-
Administrative expense	-	(91,992)	91,992
Net changes	3,736,849	(3,441,154)	7,178,003
Balance as of June 30, 2022	\$ 53,670,594	\$ 49,332,524	\$ 4,338,070

	Primary Government					Primary Government Total
	Governmental Activities	Business-Type Activities				
		Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAIFA	
Net OPEB Liability for fiscal year 2023	\$ 2,803,704	\$ 1,058,593	\$ 63,903	\$ 215,512	\$ 165,342	\$ 4,307,054

	Component Unit		Grand Total
	BAHA		
Net OPEB Liability for fiscal year 2023	\$ 31,016		\$ 4,338,070

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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 (2.75%)	Current Discount Rate (3.75%)	1% Increase in Discount Rate (4.75%)
Primary Government			
Governmental Activities	\$ 8,067,399	\$ 2,803,704	\$ (1,457,097)
Business-Type Activities			
Bay Area Toll Authority	3,046,004	1,058,593	(550,155)
MTC SAFE	183,875	63,903	(33,211)
MTC Clipper	620,116	215,512	(112,003)
BAIFA	475,756	165,342	(85,929)
Component Unit			
BAHA	89,246	31,016	(16,119)
Net OPEB Liability / (Asset)	<u>\$ 12,482,396</u>	<u>\$ 4,338,070</u>	<u>\$ (2,254,514)</u>

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	\$ (2,471,510)	\$ 2,803,704	\$ 9,530,446
Business-Type Activities			
Bay Area Toll Authority	(933,167)	1,058,593	3,598,406
MTC SAFE	(56,332)	63,903	217,221
MTC Clipper	(189,977)	215,512	732,576
BAIFA	(145,752)	165,342	562,036
Component Unit			
BAHA	(27,341)	31,016	105,431
Net OPEB Liability / (Asset)	<u>\$ (3,824,079)</u>	<u>\$ 4,338,070</u>	<u>\$ 14,746,116</u>

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

For the year ended June 30, 2023, the MTC recognized OPEB expenses of \$5,178,151. The OPEB expenses are allocated to its blended and discretely presented component units and funds as follows:

	<u>Primary Government</u>					<u>Primary Government Total</u>
	<u>Business-Type Activities</u>					
	<u>Governmental Activities</u>	<u>Bay Area Toll Authority</u>	<u>MTC SAFE</u>	<u>MTC Clipper</u>	<u>BAIFA</u>	
OPEB expense for fiscal year 2023	\$ 3,667,863	\$ 985,220	\$ 73,304	\$ 238,850	\$ 176,263	\$ 5,141,500
		<u>Component Unit</u>				
		<u>BAHA</u>	<u>Grand Total</u>			
OPEB expense for fiscal year 2023		\$ 36,651	<u>\$ 5,178,151</u>			

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2023**  
**Notes to Financial Statements**

At June 30, 2023, 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						Primary Government Total
Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAIFA		
Changes in assumptions	\$ 564,825	\$ 213,260	\$ 12,874	\$ 43,416	\$ 33,309	\$ 867,684
Difference between expected and actual experience	958,129	361,760	21,839	73,648	56,504	1,471,880
Difference between projected and actual earnings on pension plan investments	4,032,242	1,522,449	91,908	309,941	237,792	6,194,332
Employer contributions for fiscal year 2023	2,261,787	853,976	51,552	173,858	133,384	3,474,557
Total	<u>\$ 7,816,983</u>	<u>\$ 2,951,445</u>	<u>\$ 178,173</u>	<u>\$ 600,863</u>	<u>\$ 460,989</u>	<u>\$ 12,008,453</u>

	Component Unit	
	BAHA	Grand Total
Changes in assumptions	\$ 6,248	\$ 873,932
Difference between expected and actual experience	10,599	1,482,479
Difference between projected and actual earnings on pension plan investments	44,605	6,238,937
Employer contributions for fiscal year 2023	25,020	3,499,577
Total	<u>\$ 86,472</u>	<u>\$ 12,094,925</u>

Deferred Inflows of Resources						
Primary Government						
Business-Type Activities						Primary Government Total
Governmental Activities	Bay Area Toll Authority	MTC SAFE	MTC Clipper	BAIFA		
Changes in assumptions	\$ 1,003,966	\$ 379,065	\$ 22,884	\$ 77,171	\$ 59,206	\$ 1,542,292
Difference between expected and actual experience	552,447	208,586	12,593	42,464	32,579	848,669
Total	<u>\$ 1,556,413</u>	<u>\$ 587,651</u>	<u>\$ 35,477</u>	<u>\$ 119,635</u>	<u>\$ 91,785</u>	<u>\$ 2,390,961</u>

	Component Unit	
	BAHA	Grand Total
Changes in assumptions	\$ 11,106	\$ 1,553,398
Difference between projected and actual earnings on plan investments	6,111	854,780
Total	<u>\$ 17,217</u>	<u>\$ 2,408,178</u>

The \$3,499,577 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, 2024.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2023**  
**Notes to Financial Statements**

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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 <sup>(R)</sup>	BAIFA	BAHA		
2024	\$ 861,526	\$ 325,286	\$ 19,637	\$ 66,223	\$ 50,807	\$ 9,531	\$ 1,333,010	
2025	989,090	373,449	22,545	76,028	58,330	10,942	1,530,384	
2026	1,232,208	465,243	28,086	94,716	72,667	13,631	1,906,551	
2027	913,879	345,052	20,830	70,247	53,894	10,110	1,414,012	
2028	(157)	(60)	(4)	(12)	(9)	(2)	(244)	
Thereafter	2,237	848	50	168	131	23	3,457	

**11. Compensated Absences**

The compensated absences liability which is included in the other noncurrent liabilities of the government-wide Statement of Net Position totals \$9,918,378 for Primary Government, and \$64,154 for its Component Unit. 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, 2023 is as follows:

	Beginning Balance	Change in proportion	Beginning Balance After Change in proportion	Additions	Reductions	Ending Balance	Due Within
	July 1, 2022					June 30, 2023	One Year
<b>Primary Government</b>							
Governmental Activities	\$ 5,810,169	\$ 375,515	\$ 6,185,684	\$ 2,039,777	\$ (1,614,693)	\$ 6,610,768	\$ 2,823,933
Business-Type Activities	3,459,036	(364,110)	3,094,926	1,020,576	(807,893)	3,307,609	1,412,917
Total	<u>\$ 9,269,205</u>	<u>\$ 11,405</u>	<u>\$ 9,280,610</u>	<u>\$ 3,060,353</u>	<u>\$ (2,422,586)</u>	<u>\$ 9,918,377</u>	<u>\$ 4,236,850</u>
<b>Component Unit</b>							
BAHA	\$ 71,434	\$ (11,405)	\$ 60,029	\$ 19,795	\$ (15,670)	\$ 64,154	\$ 27,405
Total	<u>\$ 71,434</u>	<u>\$ (11,405)</u>	<u>\$ 60,029</u>	<u>\$ 19,795</u>	<u>\$ (15,670)</u>	<u>\$ 64,154</u>	<u>\$ 27,405</u>

# **Metropolitan Transportation Commission**

## **Financial Statements for the year ended June 30, 2023**

### **Notes to Financial Statements**

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## **12. 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 (RM3)**

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%. RM3 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. In January 2023, these legal challenges ultimately were dismissed by the California Supreme Court. In March 2023, the board authorized a release of the escrowed RM3 funds to meet the purpose of RM3.

### **BAIFA**

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, 2023, there are approximately \$17,469,000 in future capital expenditure commitments.

### **MTC Clipper®**

MTC Clipper® has entered into contracts with external parties to develop and provide the fare payment system software and equipment. As of June 30, 2023, there are approximately \$55,717,000 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, 2023, there are approximately \$3,167,000 in future capital expenditure commitments.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2023**  
**Notes to Financial Statements**

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**13. 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 transfers its risks by purchasing commercial insurance through an insurance broker, who obtains the appropriate insurance coverage needed by MTC from insurance companies. No settlement amounts have exceeded commercial insurance coverage for the past three years. Insurance coverage is subject to market volatility. Therefore, where it makes financial sense, MTC retains part or all its risk but only after diligent executive review of any risk retention decision.

**14. 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 now operating as Advancing California Finance Authority and ABAG Publicly Owned Energy Resources, that were previously performed by ABAG staff. The consolidation of ABAG's staff and functions into MTC was effective on July 1, 2017.

On October 23, 2019, MTC board approved an operational advance to ABAG in the amount not to exceed \$8 million to assist ABAG with its cash flows needs. The advance will be drawn by ABAG as needed. ABAG will be charged a 1% fee on any drawn amounts. MTC authorized up to \$2 million of the operational advance for longer term project loans which included \$1 million for the ABAG Bay Area Regional Energy Network (BayREN) Water Bill Savings Program. On December 8, 2021, the MTC Commission approved an extension of the ABAG Operational Advance for Liquidity and Cash Flow through December 2023. As of June 30, 2023, total outstanding loan that was utilized for the BayREN Water Bill Saving program is \$250,000.

**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 2023, BAHA assessed \$4,090,429 from the three condominium owners for the common area operations and refunded \$366,976 to condominium owners. As of June 30, 2023, BAHA has \$413,652 payables to 375 Beale Condo.

**Metropolitan Transportation Commission**  
**Financial Statements for the year ended June 30, 2023**  
**Notes to Financial Statements**

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**15. Subsequent Event**

Bay Area Toll Authority (BATA) elected and received confirmation from ISDA the adherence to the ISDA 2020 IBOR Fallbacks Protocol. Under the protocol, US dollar LIBOR transactions would fall back to the Secured Overnight Financing Rate (SOFR). Effective July 1, 2023, SOFR replaced US Dollar LIBOR in connection with BATA's outstanding Qualified Swap Agreements.



**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, 2023

Schedule I

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Sales Taxes	\$ 15,800,000	\$ 15,800,000	\$ 17,609,874	\$ 1,809,874
Federal Grants	176,077,451	228,085,611	56,518,505	(171,567,106)
State Grants	29,900,924	22,213,874	10,363,491	(11,850,383)
Local agencies revenues and refunds	7,088,810	16,878,282	10,443,617	(6,434,665)
Investment income - unrestricted	320,000	320,000	1,262,216	942,216
<b>TOTAL REVENUES</b>	<b>229,187,185</b>	<b>283,297,767</b>	<b>96,197,703</b>	<b>(187,100,064)</b>
<b>EXPENDITURES</b>				
General Government	247,355,563	299,432,570	85,766,515	213,666,055
Allocations to other agencies	8,582,000	10,582,000	19,993,098	(9,411,098)
Capital outlay	910,000	910,000	350,430	559,570
<b>TOTAL EXPENDITURES</b>	<b>256,847,563</b>	<b>310,924,570</b>	<b>106,110,043</b>	<b>204,814,527</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(27,660,378)</b>	<b>(27,626,803)</b>	<b>(9,912,340)</b>	<b>17,714,463</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	28,195,411	28,878,284	35,530,565	6,652,281
Leases	-	-	146,063	146,063
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>28,195,411</b>	<b>28,878,284</b>	<b>35,676,628</b>	<b>6,798,344</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>535,033</b>	<b>1,251,481</b>	<b>25,764,288</b>	<b>24,512,807</b>
Fund balances - beginning	64,888,400	64,888,400	64,888,400	-
Fund balances - ending	<u>\$ 65,423,433</u>	<u>\$ 66,139,881</u>	<u>\$ 90,652,688</u>	<u>\$ 24,512,807</u>

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, 2023

Schedule II

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Investment income - unrestricted	\$ -	\$ -	\$ 3,525,106	\$ 3,525,106
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>3,525,106</b>	<b>3,525,106</b>
<b>EXPENDITURES</b>				
General Government	-	-	6,913	(6,913)
Allocations to other agencies	19,226,571	19,226,571	18,044,776	1,181,795
<b>TOTAL EXPENDITURES</b>	<b>19,226,571</b>	<b>19,226,571</b>	<b>18,051,689</b>	<b>1,174,882</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(19,226,571)</b>	<b>(19,226,571)</b>	<b>(14,526,583)</b>	<b>4,699,988</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	24,655,028	24,655,028	7,028,457	(17,626,571)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>24,655,028</b>	<b>24,655,028</b>	<b>7,028,457</b>	<b>(17,626,571)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,428,457</b>	<b>5,428,457</b>	<b>(7,498,126)</b>	<b>(12,926,583)</b>
Fund balances - beginning	(33,861,779)	(33,861,779)	(33,861,779)	-
Fund balances - ending	\$ (28,433,322)	\$ (28,433,322)	\$ (41,359,905)	\$ (12,926,583)

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, 2023**

**Schedule III**

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State Grants	\$ 83,509,142	\$ 104,901,785	\$ 111,760,937	\$ 6,859,152
Local agencies revenues and refunds	-	-	904,450	904,450
Investment income - unrestricted	-	-	1,741,882	1,741,882
<b>TOTAL REVENUES</b>	<b>83,509,142</b>	<b>104,901,785</b>	<b>114,407,269</b>	<b>9,505,484</b>
<b>EXPENDITURES</b>				
Allocations to other agencies	198,247,933	219,640,576	50,568,626	169,071,950
<b>TOTAL EXPENDITURES</b>	<b>198,247,933</b>	<b>219,640,576</b>	<b>50,568,626</b>	<b>169,071,950</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(114,738,791)</b>	<b>(114,738,791)</b>	<b>63,838,643</b>	<b>178,577,434</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	114,738,791	114,738,791	-	(114,738,791)
Transfers Out	-	-	(26,356,443)	(26,356,443)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>114,738,791</b>	<b>114,738,791</b>	<b>(26,356,443)</b>	<b>(141,095,234)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>37,482,200</b>	<b>37,482,200</b>
Fund balances - beginning	114,738,791	114,738,791	114,738,791	-
Fund balances - ending	\$ 114,738,791	\$ 114,738,791	\$ 152,220,991	\$ 37,482,200
<b>RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES</b>				
Unrealized loss under GASB 31			(216,949)	
Fund Balances - GAAP Basis			<u>\$ 152,004,042</u>	

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, 2023

Schedule IV

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Investment income - unrestricted	\$ -	\$ -	\$ 991,176	\$ 991,176
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>991,176</b>	<b>991,176</b>
<b>EXPENDITURES</b>				
General Government	-	-	4,380	(4,380)
Allocations to other agencies	5,706,702	5,706,702	844,583	4,862,119
<b>TOTAL EXPENDITURES</b>	<b>5,706,702</b>	<b>5,706,702</b>	<b>848,963</b>	<b>4,857,739</b>
<b>REVENUES UNDER EXPENDITURES</b>	<b>(5,706,702)</b>	<b>(5,706,702)</b>	<b>142,213</b>	<b>5,848,915</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	5,706,702	5,706,702	5,706,702	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>5,848,915</b>	<b>5,848,915</b>
Fund balances - beginning	(78,892,637)	(78,892,637)	(78,892,637)	-
Fund balances - ending	<u>\$ (78,892,637)</u>	<u>\$ (78,892,637)</u>	<u>\$ (73,043,722)</u>	<u>\$ 5,848,915</u>

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, 2023

Schedule V

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Local agencies revenues and refunds	\$ 10,720,374	\$ 10,720,374	\$ -	\$ (10,720,374)
Investment income - restricted	456,390	456,390	11,176,764	10,720,374
<b>TOTAL REVENUES</b>	<b>11,176,764</b>	<b>11,176,764</b>	<b>11,176,764</b>	<b>-</b>
<b>EXPENDITURES</b>				
Allocations to other agencies	194,044,401	194,044,401	194,044,401	-
<b>TOTAL EXPENDITURES</b>	<b>194,044,401</b>	<b>194,044,401</b>	<b>194,044,401</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(182,867,637)</b>	<b>(182,867,637)</b>	<b>(182,867,637)</b>	<b>-</b>
Fund balances - beginning	349,285,488	349,285,488	349,285,488	-
Fund balances - ending	\$ 166,417,851	\$ 166,417,851	\$ 166,417,851	\$ -

See accompanying Report of Independent Auditors.

# Metropolitan Transportation Commission

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

### Actual - Bay Area Housing Finance Authority

For the Year Ended June 30, 2023

Schedule VI

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Investment income - unrestricted	\$ -	\$ -	\$ 430,822	\$ 430,822
<b>TOTAL REVENUES</b>	-	-	430,822	430,822
<b>EXPENDITURES</b>				
General Government	18,328,710	18,328,710	2,232,374	16,096,336
Capital Outlay	-	-	929,247	(929,247)
<b>TOTAL EXPENDITURES</b>	18,328,710	18,328,710	3,161,621	15,167,089
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(18,328,710)	(18,328,710)	(2,730,799)	15,597,911
<b>OTHER FINANCING SOURCES</b>				
Transfers In	18,328,710	18,328,710	-	(18,328,710)
<b>TOTAL OTHER FINANCING SOURCES</b>	18,328,710	18,328,710	-	(18,328,710)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(2,730,799)	(2,730,799)
Fund balances - beginning	1,500,000	1,500,000	19,772,571	18,272,571
Fund balances - ending	\$ 1,500,000	\$ 1,500,000	\$ 17,041,772	\$ 15,541,772

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 VII**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 7,693,472	\$ 6,780,723	\$ 6,538,852	\$ 6,332,691	\$ 6,156,743	\$ 4,923,634	\$ 3,969,969	\$ 3,699,768	\$ 3,710,617
Interest	14,472,658	13,811,498	13,029,835	12,111,258	10,871,494	10,572,028	10,131,302	9,499,032	8,852,738
Changes of assumptions	3,115,013	-	-	-	(5,335,069)	9,136,825	-	(2,410,626)	-
Difference between expected and actual experience	(12,954)	(1,674,380)	908,440	6,335,416	(1,053,719)	(3,383,252)	(352,537)	515,758	-
Benefit payments and refunds of contribution	(8,002,138)	(7,137,426)	(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	17,266,051	11,780,415	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>	<b>206,800,947</b>	<b>195,020,532</b>	<b>181,571,786</b>	<b>162,980,509</b>	<b>158,377,485</b>	<b>142,161,968</b>	<b>133,192,514</b>	<b>126,542,118</b>	<b>118,383,640</b>
<b>Total pension liability - ending</b>	<b>\$ 224,066,998</b>	<b>\$ 206,800,947</b>	<b>\$ 195,020,532</b>	<b>\$ 181,571,786</b>	<b>\$ 162,980,509</b>	<b>\$ 158,377,485</b>	<b>\$ 142,161,968</b>	<b>\$ 133,192,514</b>	<b>\$ 126,542,118</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 11,568,641	\$ 11,934,636	\$ 23,203,828	\$ 6,066,267	\$ 5,457,108	\$ 5,196,976	\$ 4,128,694	\$ 3,819,020	\$ 3,313,040
Contributions - member	3,162,455	3,005,578	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	(17,351,617)	41,182,147	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	(8,002,138)	(7,137,426)	(7,028,381)	(6,188,088)	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Administrative expenses	(138,527)	(173,380)	(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	(10,761,186)	48,811,555	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>	<b>222,375,302</b>	<b>173,563,747</b>	<b>146,613,202</b>	<b>133,701,181</b>	<b>121,706,195</b>	<b>107,466,675</b>	<b>105,798,159</b>	<b>102,691,694</b>	<b>86,203,295</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 211,614,116</b>	<b>\$ 222,375,302</b>	<b>\$ 173,563,747</b>	<b>\$ 146,613,202</b>	<b>\$ 133,701,181</b>	<b>\$ 121,706,195</b>	<b>\$ 107,466,675</b>	<b>\$ 105,798,159</b>	<b>\$ 102,691,694</b>
<b>Net Pension Liability/Asset - ending</b>	<b>\$ 12,452,882</b>	<b>\$ (15,574,355)</b>	<b>\$ 21,456,785</b>	<b>\$ 34,958,584</b>	<b>\$ 29,279,328</b>	<b>\$ 36,671,290</b>	<b>\$ 34,695,293</b>	<b>\$ 27,394,355</b>	<b>\$ 23,850,424</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/Asset</b>	94.44%	107.53%	89.00%	80.75%	82.04%	76.85%	75.59%	79.43%	81.15%
<b>Covered Payroll<sup>1</sup></b>	41,289,893	39,015,440	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/Asset as a Percentage of Covered Payroll</b>	30.16%	-39.92%	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 Statement No. 67, No. 68, and No. 73*. The covered payroll includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

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

**Schedule VII**

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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 nine years' data is available.

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

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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

**Schedule VIII**

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 6,803,986	\$ 6,572,400	\$ 6,932,097	\$ 6,981,257	\$ 6,066,260	\$ 5,457,084	\$ 5,198,407	\$ 4,128,694	\$ 3,819,020	\$ 3,311,675
Contributions in relation to the actuarially determined contribution	(6,803,986)	(11,572,400)	(11,932,097)	(23,202,600)	(6,066,260)	(5,457,084)	(5,198,407)	(4,128,694)	(3,819,020)	(3,311,675)
Contribution deficiency (excess)	\$ -	\$ (5,000,000)	\$ (5,000,000) <sup>(1)</sup>	\$ (16,221,343) <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll <sup>(2)</sup>	\$ 47,188,698	\$ 41,289,893	\$ 39,015,440	\$ 36,306,211	\$ 34,846,017	\$ 33,455,049	\$ 27,722,133	\$ 23,713,316	\$ 22,111,218	\$ 20,191,937
Actual contributions as a percentage of covered payroll	14.42%	28.03%	30.58%	63.91%	17.41%	16.31%	18.75%	17.41%	17.27%	16.40%

<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 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method / Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.5%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% 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 IX**

	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>						
Service Cost	\$ 3,500,690	\$ 3,064,687	\$ 2,975,424	\$ 2,725,415	\$ 2,608,053	\$ 2,495,744
Interest on the total OPEB liability	1,971,258	2,181,789	2,019,186	1,867,508	1,718,583	1,574,575
Difference between actual and expected experience	-	(1,135,036)	-	2,894,367	-	-
Changes of assumptions	-	1,160,466	-	(3,032,822)	-	-
Benefit payments	(1,735,099)	(1,515,330)	(1,425,610)	(1,242,130)	(1,026,974)	(937,878)
Net change in total OPEB liability	3,736,849	3,756,576	3,569,000	3,212,338	3,299,662	3,132,441
<b>Total OPEB liability - beginning</b>	<b>49,933,745</b>	<b>46,177,169</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>\$ 53,670,594</b>	<b>\$ 49,933,745</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	\$ (1,735,099)	\$ (1,515,330)	\$ (1,425,610)	\$ (1,242,130)	\$ (1,026,974)	\$ (937,878)
Contribution from employer	3,505,195	1,864,000	4,757,000	12,231,193	4,196,184	3,961,391
Net investment income	(5,119,258)	(86,795)	3,956,341	2,668,391	(151,961)	(70,798)
Administrative expense	(91,992)	(187,391)	(87,017)	(62,824)	(57,409)	(52,142)
Net change in plan fiduciary net position	(3,441,154)	74,484	7,200,714	13,594,630	2,959,840	2,900,573
<b>Plan fiduciary net position - beginning</b>	<b>52,773,678</b>	<b>52,699,194</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>\$ 49,332,524</b>	<b>\$ 52,773,678</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)	\$ 4,338,070	\$ (2,839,933)	\$ (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)	91.92%	105.69%	114.1%	106.80%	80.98%	80.19%
Covered-employee payroll	\$ 43,373,191	\$ 40,927,707	\$ 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	10%	(6.94%)	(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:

Changes of Assumptions: There were no changes of assumptions in 2022. In 2021, discount rate changed from 4.5% to 3.75%, medical trend rate for Kaiser Senior Advantage was decreased, mortality improvement scale was updated to Scale MP-2020, and new claims costs and senior advantage age costs were removed. 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. Discount rate was decreased from 4.5% in 2020 to 3.75% in 2021. The inflation rate increased from 2.5 percent in 2018 to 2.75 percent in 2019. There were no change in inflation rate in 2019-2021.

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

**Schedule X**

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,616,000	\$ 3,177,000	\$ 3,081,000	\$ 2,988,000	\$ 3,295,593	\$ 3,152,650
Contributions in relation to the actuarially determined contribution	<u>(3,499,577)</u>	<u>(3,505,195)</u>	<u>(1,864,000)</u> <sup>(2)</sup>	<u>(4,757,000)</u>	<u>(11,295,593)</u>	<u>(3,152,650)</u>
Contribution deficiency (excess)	<u>\$ 116,423</u>	<u>\$ (328,195)</u>	<u>\$ 1,217,000</u>	<u>\$ (1,769,000)</u> <sup>(1)</sup>	<u>\$ (8,000,000)</u> <sup>(1)</sup>	<u>\$ -</u>
Covered-employee payroll	\$ 49,861,312	\$ 43,373,191	\$ 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, 2021 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	Entry Age Normal, Level percentage of pay
Amortization method	Level percentage of pay
Amortization period	17-year fixed period for 2022/23
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75%
Healthcare cost trend rates	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Discount rate	3.75%
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020

\* 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, 2023**

**Schedule 1**

	<u>Transit Reserves</u>	<u>Exchange</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS</b>			
Cash - unrestricted	\$ 28,673,105	\$ 22,174,010	\$ 50,847,115
Investments - unrestricted	35,223,148	-	35,223,148
<b>Receivables</b>			
Accounts receivables	42,990	-	42,990
Interest receivable	151,656	119,815	271,471
State/ Caltrans funding receivable	-	34,073,290	34,073,290
TOTAL ASSETS	<u>\$ 64,090,899</u>	<u>\$ 56,367,115</u>	<u>\$ 120,458,014</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 669,779	\$ -	\$ 669,779
Due to other funds	240,074	824,164	1,064,238
TOTAL LIABILITIES	<u>909,853</u>	<u>824,164</u>	<u>1,734,017</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenues	31,044,586	-	31,044,586
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>31,044,586</u>	<u>-</u>	<u>31,044,586</u>
<b>FUND BALANCES</b>			
Restricted for:			
Transportation projects	32,136,460	-	32,136,460
Committed to:			
Transportation projects	-	55,542,951	55,542,951
TOTAL FUND BALANCES	<u>32,136,460</u>	<u>55,542,951</u>	<u>87,679,411</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 64,090,899</u>	<u>\$ 56,367,115</u>	<u>\$ 120,458,014</u>

**Metropolitan Transportation Commission**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Schedule 2**

	<u>Transit Reserves</u>	<u>Exchange</u>	<u>Total Non-Major Governmental Funds</u>
<b>REVENUES</b>			
State Grants	\$ 3,442,511	\$ -	\$ 3,442,511
Local agencies revenues and refunds	42,990	34,073,287	34,116,277
Investment income - unrestricted	1,999,392	573,165	2,572,557
<b>TOTAL REVENUES</b>	<b>5,484,893</b>	<b>34,646,452</b>	<b>40,131,345</b>
<b>Expenditures</b>			
Current:			
Allocations to other agencies	847,750	-	847,750
<b>TOTAL EXPENDITURES</b>	<b>847,750</b>	<b>-</b>	<b>847,750</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>4,637,143</b>	<b>34,646,452</b>	<b>39,283,595</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,656,765	-	1,656,765
Transfers Out	(532,374)	(1,547,234)	(2,079,608)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,124,391</b>	<b>(1,547,234)</b>	<b>(422,843)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,761,534</b>	<b>33,099,218</b>	<b>38,860,752</b>
Fund balances - beginning	26,374,926	22,443,733	48,818,659
Fund balances - ending	<b>\$ 32,136,460</b>	<b>\$ 55,542,951</b>	<b>\$ 87,679,411</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, 2023

Schedule 3

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
State Grants	\$ 3,729,880	\$ 3,729,880	\$ 3,442,511	\$ (287,369)
Local agencies revenues and refunds	-	-	42,990	42,990
Investment income - unrestricted	-	-	1,999,392	1,999,392
<b>TOTAL REVENUES</b>	<u>3,729,880</u>	<u>3,729,880</u>	<u>5,484,893</u>	<u>1,755,013</u>
<b>EXPENDITURES</b>				
Allocations to other agencies	<u>26,526,089</u>	<u>26,526,089</u>	<u>847,750</u>	<u>25,678,339</u>
<b>TOTAL EXPENDITURES</b>	<u>26,526,089</u>	<u>26,526,089</u>	<u>847,750</u>	<u>25,678,339</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(22,796,209)	(22,796,209)	4,637,143	27,433,352
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	22,796,209	22,796,209	1,656,765	(21,139,444)
Transfers Out	-	-	(532,374)	(532,374)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>22,796,209</u>	<u>22,796,209</u>	<u>1,124,391</u>	<u>(21,671,818)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	5,761,534	5,761,534
Fund balances - beginning	<u>26,374,926</u>	<u>26,374,926</u>	<u>26,374,926</u>	-
Fund balances - ending	<u>\$ 26,374,926</u>	<u>\$ 26,374,926</u>	<u>\$ 32,136,460</u>	<u>\$ 5,761,534</u>

# Metropolitan Transportation Commission

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

For the Year Ended June 30, 2023

Schedule 4

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Local agencies revenues and refunds	\$ -	\$ 600,000	\$ 34,073,287	\$ 33,473,287
Investment income - unrestricted	573,165	573,165	573,165	-
<b>TOTAL REVENUES</b>	<u>573,165</u>	<u>1,173,165</u>	<u>34,646,452</u>	<u>33,473,287</u>
<b>EXPENDITURES</b>				
General Government	1,547,234	1,547,234	-	1,547,234
<b>TOTAL EXPENDITURES</b>	<u>1,547,234</u>	<u>1,547,234</u>	<u>-</u>	<u>1,547,234</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(974,069)	(374,069)	34,646,452	31,926,053
<b>OTHER FINANCING USES</b>				
Transfers Out	-	-	(1,547,234)	(1,547,234)
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>-</u>	<u>(1,547,234)</u>	<u>(1,547,234)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(974,069)	(374,069)	33,099,218	33,473,287
Fund balances - beginning	22,443,733	22,443,733	22,443,733	-
Fund balances - ending	<u>\$ 21,469,664</u>	<u>\$ 22,069,664</u>	<u>\$ 55,542,951</u>	<u>\$ 33,473,287</u>

**Metropolitan Transportation Commission**  
**Schedule of Expenditures by Natural Classification**  
**For the Year Ended June 30, 2023**

**Schedule 5**

Expenditures by natural classification	
Salaries & benefits	\$ 45,408,981
Travel	100,781
Professional fees	35,225,468
Overhead	5,021,668
Printing & reproduction	285
Other	9,332
Reported as general government expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund <sup>(1)</sup>	<u>\$ 85,766,515</u>
Salaries & benefits - MTC General Fund	\$ 45,408,980
Salaries & benefits - MTC Clipper <sup>®</sup>	2,980,394
Salaries & benefits - BATA	17,267,900
Salaries & benefits - SAFE	1,014,054
Salaries & benefits - BAHA	453,847
Salaries & benefits - BAIFA	2,509,271
Salaries & benefits - BAHFA	1,315,006
Total salaries & benefits	<u>\$ 70,949,452</u>
Indirect Cost - MTC General Fund	\$ 5,021,667
Indirect Cost - MTC Clipper <sup>®</sup>	1,449,962
Indirect Cost - SAFE	493,337
Indirect Cost - BAHA	220,797
Indirect Cost - BAIFA	1,220,760
Indirect Cost - BAHFA	639,750
Total Indirect Cost	<u>\$ 9,046,273</u>

<sup>(1)</sup>General government expenditures - by Fund

**Metropolitan Transportation Commission**  
**Schedule of Overhead, Salaries and Benefits Expenditures -**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

**Schedule 6**

	Direct Costs*	Allowable Indirect Costs	Unallowable Costs	Total
Salaries	\$ 32,926,638	\$ 9,384,027	\$ -	\$ 42,310,665
Benefits	22,886,413	6,686,223	(933,849)	28,638,787
Total salaries and benefits	<u>\$ 55,813,051</u>	<u>\$ 16,070,250</u>	<u>\$ (933,849)</u>	<u>\$ 70,949,452</u>
Reimbursable overhead:**				
Agency temps		\$ 152,271	\$ -	\$ 152,271
Training		158,340	76,990	235,330
Personnel recruitment		103,086	56	103,142
Public hearing		1,046	-	1,046
Advertising		40,113	-	40,113
Communications		51,324	-	51,324
Utilities		2,300	-	2,300
Meeting room/Equipment rental		17,687	12,710	30,397
Parking		2,363	-	2,363
Storage rental		32,088	111	32,199
Computer maintenance & repair		39,964	-	39,964
Auto expense		1,909	-	1,909
Office supplies		35,338	-	35,338
Printing & graphics supplies		17,141	24,300	41,441
Computer supplies		3,997	-	3,997
Computer software		1,087,256	-	1,087,256
Computer hardware		349,329	-	349,329
Lease Principal/Interest		12,986	-	12,986
Postage & mailing		37,580	472	38,052
Memberships		33,603	62,437	96,040
Library acquisitions & subscriptions		79,727	-	79,727
Law library		27,963	-	27,963
Hosted services		2,403,386	549	2,403,935
Advisory member stipend		76,200	65,000	141,200
Audit fees		359,151	-	359,151
Newswire service		10,814	-	10,814
Insurance		342,540	-	342,540
Other		16,410	99,461	115,871
Miscellaneous		-	35,279	35,279
Travel		6,263	242,462	248,725
Professional fees		2,032,704	-	2,032,704
Building maintenance		891,567	-	891,567
Subtotal indirect costs		8,426,446	619,827	9,046,273
Carry forward provision for fiscal year ended June 30, 2022		(1,165,881)	-	(1,165,881)
Depreciation expense		93,988	-	93,988
Total indirect costs including depreciation expense		<u>\$ 7,354,553</u>	<u>\$ 619,827</u>	<u>\$ 7,974,380</u>
Indirect costs recovered***		<u>\$ 27,044,343</u>		
Indirect (over)/under absorbed		<u>\$ (3,619,540)</u>		

\*Direct costs include MTC, BATA, SAFE, BAHA, BAIFA, and BAHFA salaries and benefits per Indirect Cost Plan for fiscal year 2023.

\*\* Overhead distributed to MTC, BATA, SAFE, BAHA, BAIFA, and BAHFA per Indirect Cost Plan for fiscal year 2023.

\*\*\* Indirect costs recovered at 48.65% per Indirect Cost Plan for fiscal year 2023.

**Metropolitan Transportation Commission**  
**Schedule of Expenditures - Federal Highway Administration Grant**  
**FY2023 OWPMTC**  
**For the Year Ended June 30, 2023**

**Schedule 7**

	Total
<b>Authorized Expenditures</b>	
Federal	<u>\$ 10,378,221</u>
Total authorized expenditures	<u>10,378,221</u>
<b>Actual Expenditures *</b>	
<i>Program No. Program Name</i>	
MTC	
1112 Implement Public Information Program and Tribal Government Coordination	2,600,759
1113 Support Partnership Board	317,987
1121 Regional Transportation Plan	744,888
1122 Analyze Regional Data using GIS and Planning Models	3,778,409
1125 Active Transportation Planning	107,882
1127 Regional Trails	439,130
1212 Performance Measurement and Monitoring	14,707
1511 Conduct Financial Analysis and Planning	96,366
1512 Federal Programming, Monitoring and TIP Management	819,513
1517 Transit Sustainability Planning	177,782
1622 Next Gen Freeway Pricing Study	<u>349,412</u>
Total Expenditures	<u>9,446,835</u>
Balance of Federal Highway Administration Grant	<u><u>\$ 931,386</u></u>

\*Toll credit match rate (11.47%)

**Metropolitan Transportation Commission**  
**Toll Bridge Rate Schedule**  
**For the Year Ended June 30, 2023**

**Schedule 8**

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Toll Rate for fiscal Year Ending June 30, 2023:

Number of Axles Per Vehicle	2023	
2 axles	\$ 7.00	*
3 axles	17.00	
4 axles	22.00	
5 axles	27.00	
6 axles	32.00	
7 axles or more	37.00	

\* During peak hours on all bridges, a reduced-rate toll of \$3.50 is collected on high-occupancy and inherently-low-emission two-axle vehicles. Congestion pricing on the San Francisco-Oakland Bay Bridge was suspended indefinitely during COVID-19 pandemic starting from April 23, 2020.

**Metropolitan Transportation Commission**  
**Schedule of BATA Debt Service Coverage Ratios**  
**For the Year Ended June 30, 2023**

**Schedule 9**

	2023
<b>Revenues</b>	
Toll revenues collected	\$ 807,418,981
Investment income	73,195,066
Unrealized Gain/Loss on revaluation	(23,686,514)
Other operating revenues	<u>25,561,658</u>
Revenues subtotal	882,489,191
Build America Bonds (BABs) interest subsidy - Senior Lien Bonds	26,872,342
Build America Bonds (BABs) interest subsidy - Subordinate Lien Bonds	43,709,024
Derivative investment income (charge)	<u>87,506,177</u>
Total revenues	<u>1,040,576,734</u>
<b>Operating expenses</b>	
Violation Penalty Refund	78,232
Operating expenses incurred by Caltrans*	3,049,183
Services and Maintenance - BATA	113,339,782
Transbay Terminal JPA operations	<u>5,767,504</u>
Total operating expenses before depreciation and amortization	122,234,701
Depreciation and amortization	<u>1,709,483</u>
Total operating expenses	<u>123,944,184</u>
Net operating income	916,632,550
<b>Nonoperating expenses (revenues)</b>	
Senior Lien Interest expense	218,142,950
Subordinate Interest expense	198,341,373
Amortization of gain/loss from bond refunding	23,468,853
Amortization of bond premium & discount	(6,272,649)
Financing fees	4,356,747
Bond issuance costs	4,744,656
Other nonoperating expenses	29,414
Caltrans/other agency operating grants and reimbursements	(16,019,079)
Other nonoperating revenues	<u>(1,890,862)</u>
Total nonoperating expenses	424,901,403
Income before transfers	<u>491,731,147</u>
<b>Transfers</b>	
MTC / CLIPPER administrative & transfers	33,657,159
MTC transit transfers	14,391,924
Allocations to other agencies (RM2)	<u>56,835,100</u>
Total transfers	<u>104,884,183</u>
Net income before capital project expenses	386,846,964
<b>Capital project expenses</b>	
Capital project expenses**	<u>188,373,980</u>
<b>Change in net position</b>	198,472,984
<b>Total net position - beginning</b>	<u>(6,882,569,306)</u>
<b>Total net position - ending</b>	<u>\$ (6,684,096,322)</u>
Senior lien principal payment	\$ 70,295,000
Subordinate lien principal payment	\$ 15,860,000

\* Maintenance B Expenses incurred totaled \$3,049,183 for FY 2023.

\*\* Within the \$188 million capital project expenses, \$7,465,489 is classified as Maintenance A Expenses.

**Metropolitan Transportation Commission**  
**Schedule of BATA Debt Service Coverage Ratios\* *continued***  
**For the Year Ended June 30, 2023**

**Schedule 9**

	2023
<b>Fixed Charge</b>	
Net revenue <sup>1</sup>	\$ 903,126,522
Debt service <sup>4</sup> , plus operating transfer and costs <sup>3,6</sup>	540,139,856
Sum sufficient ratio	1.67
<b>Fixed Charge, plus Operations &amp; Maintenance</b>	
Net revenue <sup>1</sup> , plus operations & maintenance reserve	\$ 1,091,126,522
Senior debt service <sup>2</sup> , plus operating transfer <sup>3</sup>	357,825,371
Sum sufficient, plus operations & maintenance reserve ratio	3.05
Minimum threshold	1.25
<b>Net Revenue / Senior Debt Service</b>	
Net revenue <sup>1</sup>	\$ 903,126,522
Senior debt service <sup>2</sup>	261,565,608
Debt service ratio	3.45
Minimum threshold	1.20
<b>Available Revenue / Debt Service</b>	
Available revenue <sup>5</sup>	\$ 805,805,819
Debt service <sup>4</sup>	432,057,957
Debt service ratio	1.87
Minimum threshold	1.20
<b>Reserve Designations<sup>7</sup></b>	
Operations & maintenance reserve	\$ 188,000,000
Rehabilitation reserve	314,000,000
Emergency reserve - Caltrans Cooperative Agreement	50,000,000
Variable Rate Risk Reserve	280,000,000
Project/self insurance reserve	280,000,000

\* 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.

<sup>2</sup> Senior debt service expense less BABs interest subsidy on senior bonds plus principal retirement of \$70,295,000.

<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 \$86,155,000.

<sup>5</sup> Revenues less Caltrans and BATA operating expenses.

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

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



# Metropolitan Transportation Commission

## Schedule of Operating Revenues and Expenses - BATA Proprietary Fund - By Bridge

For the Year Ended June 30, 2023

Schedule 10

	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	\$ 135,134,494	\$ 132,646,859	\$ 22,069,221	\$ 88,254,605	\$ 263,666,692	\$ 104,559,826	\$ 61,087,284	\$ 807,418,981
Other operating revenues	<u>3,334,738</u>	<u>5,049,168</u>	<u>963,745</u>	<u>2,549,437</u>	<u>10,133,399</u>	<u>2,605,272</u>	<u>925,899</u>	<u>25,561,658</u>
Total operating revenues	<u>138,469,232</u>	<u>137,696,027</u>	<u>23,032,966</u>	<u>90,804,042</u>	<u>273,800,091</u>	<u>107,165,098</u>	<u>62,013,183</u>	<u>832,980,639</u>
<b>Operating expenses</b>								
Operating expenditures-by Caltrans & Transbay JPA	468,323	447,826	200,496	332,345	6,708,136	446,872	212,689	8,816,687
Services and charges	21,386,598	21,267,176	3,557,446	14,024,702	42,288,471	16,551,669	9,577,947	128,654,009
Allocations to other agencies	9,447,894	9,395,137	1,571,562	6,195,651	18,681,653	7,311,982	4,231,221	56,835,100
Depreciation	<u>284,173</u>	<u>282,586</u>	<u>47,269</u>	<u>186,353</u>	<u>561,906</u>	<u>219,929</u>	<u>127,267</u>	<u>1,709,483</u>
Total operating expenses	<u>31,586,988</u>	<u>31,392,725</u>	<u>5,376,773</u>	<u>20,739,051</u>	<u>68,240,166</u>	<u>24,530,452</u>	<u>14,149,124</u>	<u>196,015,279</u>
<b>Operating income</b>	<u>\$ 106,882,244</u>	<u>\$ 106,303,302</u>	<u>\$ 17,656,193</u>	<u>\$ 70,064,991</u>	<u>\$ 205,559,925</u>	<u>\$ 82,634,646</u>	<u>\$ 47,864,059</u>	<u>\$ 636,965,360</u>

**Metropolitan Transportation Commission**  
**Schedule of Interest Rate Swaps Summary-BATA Proprietary Fund**  
**For the Year Ended June 30, 2023**

**Schedule 11**

Counterparty	Series 2001	Series 2006	Series 2007	Total	Percentage by counterparty	Ratings (S&P/Moody's)
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+/Aa1
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%	A-/A1
Total swap notional	\$ 150,000,000	\$ 685,000,000	\$ 605,000,000	\$ 1,440,000,000		
Fair value	\$ (16,003,696)	\$ (82,741,775)	\$ (75,338,008)	\$ (174,083,479)		

**Metropolitan Transportation Commission**  
**Schedule of Interest Rate Swaps for Series 2001 - BATA Proprietary Fund**  
**For the Year Ended June 30, 2023**

**Schedule 12**

	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	A-/A1	A+/Aa2	
Ratings outlook	Stable/Stable	Stable/Stable	
Fair value due from/ (to) CP <sup>(1)</sup>	\$(10,501,758)	\$(5,501,938)	\$(16,003,696)
Credit risk			
CP Collateral Posting <sup>(2)</sup>			
1a) CP = "A-", "A", or "A+" (S&P) or	Yes	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	No	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, 2023**

**Schedule 13**

	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+/Aa1	A+/Aa2	AA-/Aa2	A+/Aa1	
Ratings outlook	Stable/Stable	Stable/Stable	Stable/Stable	Stable/Stable	Stable/No outlook provided	Stable/Stable	
Fair value due from/ (to) CP <sup>(1)</sup>	\$(37,424,675)	\$(12,871,702)	\$(4,188,657)	\$(12,312,145)	\$(8,440,592)	\$(7,504,004)	\$(82,741,775)
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	

<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 2007 - BATA Proprietary Fund**  
**For the Year Ended June 30, 2023**

**Schedule 14**

	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+/Aa1	AA-/Aa2	AA-/Aa2	AA-/Aa2	
Ratings outlook	Stable/Stable	Stable/Stable	Stable/No outlook provided	Stable/Stable	Stable/Stable	
Fair value due from/(to) CP <sup>(1)</sup>	\$(30,950,103)	\$(7,391,207)	\$(12,675,315)	\$(25,350,214)	\$1,028,831	\$ (75,338,008)
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	No	No	No	No	No	
or						
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	Yes	
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>143</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>148</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>153</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>155</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>158</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 5,737	\$ 5,080	\$ 5,072	\$ 364	\$ 358	\$ 279	\$ 194	\$ 270	\$ 302	\$ 1,484
Restricted	372,455	392,812	471,623	489,425	528,724	495,071	524,026	487,347	513,053	371,258
Unrestricted	<u>28,005</u>	<u>33,891</u>	<u>(24,215)</u>	<u>(72,160)</u>	<u>(70,871)</u>	<u>(36,410)</u>	<u>(26,213)</u>	<u>(36,728)</u>	<u>(30,752)</u>	<u>22,511</u>
Total governmental activities net position	<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>	<u>\$ 482,603</u>	<u>\$ 395,253</u>
Business-type activities										
Net investment in capital assets	\$ 27,033	\$ 28,516	\$ 56,525	\$ 78,054	\$ 89,436	\$ 114,328	\$ 3,138	\$ 1,771	\$ 200,563	\$ 225,743
Restricted	200,000	200,000	203,559	200,266	201,343	229,454	233,864	232,702	732,375	396,850
Unrestricted	<u>(6,076,858)</u>	<u>(6,601,447)</u>	<u>(6,891,081)</u>	<u>(6,888,421)</u>	<u>(6,969,616)</u>	<u>(7,159,612)</u>	<u>(7,507,815)</u>	<u>(7,218,267)</u>	<u>(7,423,730)</u>	<u>(6,837,473)</u>
Total business-type activities net position	<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>	<u>\$ (6,490,792)</u>	<u>\$ (6,214,880)</u>
Total primary government										
Net investment in capital assets	\$ 32,770	\$ 33,596	\$ 61,597	\$ 78,418	\$ 89,794	\$ 114,607	\$ 3,332	\$ 2,041	\$ 200,865	\$ 227,227
Restricted	572,455	592,812	675,182	689,691	730,067	724,525	757,890	720,049	1,245,428	768,108
Unrestricted	<u>(6,048,853)</u>	<u>(6,567,556)</u>	<u>(6,915,296)</u>	<u>(6,960,581)</u>	<u>(7,040,487)</u>	<u>(7,196,022)</u>	<u>(7,534,028)</u>	<u>(7,254,995)</u>	<u>(7,454,482)</u>	<u>(6,814,962)</u>
Total primary government net position	<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>	<u>\$ (6,008,189)</u>	<u>\$ (5,819,627)</u>

# Metropolitan Transportation Commission

## Changes in Net Position (\$000) (unaudited)

### By Fiscal Year

Table 2

	FISCAL YEAR									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 78,763	\$ 81,168	\$ 77,038	\$ 103,883	\$ 87,487	\$ 104,246	\$ 105,558	\$ 100,422	\$ 89,826	\$ 106,291
Transportation	237,098	195,039	156,045	204,294	192,139	307,829	267,272	110,298	88,119	264,350
Housing	-	-	-	-	-	-	-	-	231	2,384
Total governmental activities expenses	<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>	<u>178,176</u>	<u>373,025</u>
Business-type activities:										
Clipper smart card	37,393	37,264	44,090	45,094	44,885	48,754	57,879	52,385	39,539	52,858
Toll bridge activities	1,586,156	1,008,115	935,544	980,645	988,187	886,760	769,091	747,116	786,132	809,326
Express lane activities	-	-	-	-	-	-	-	-	65,538	42,798
Congestion relief	12,742	11,697	10,419	11,463	10,696	13,100	17,616	16,989	20,076	21,349
Total business-type activities expenses	<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>	<u>911,285</u>	<u>926,331</u>
Total primary government expenses	<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>	<u>\$ 1,089,461</u>	<u>\$ 1,299,356</u>
<b>Program Revenues</b>										
Governmental activities:										
Operating grants and contributions	\$ 301,254	\$ 303,823	\$ 233,919	\$ 247,211	\$ 303,748	\$ 357,187	\$ 360,604	\$ 143,181	\$ 176,445	\$ 225,096
Business-type activities:										
Charges for services	713,147	740,510	760,872	772,292	785,383	779,402	688,688	877,183	854,456	925,470
Operating grants and contributions	393,471	95,622	102,705	88,931	90,664	107,751	107,653	115,784	113,516	113,712
Capital grants and contributions	81,209	-	3,559	9,220	11,294	3,658	7,328	11,122	23,443	36,729
Total business-type activities program revenues	<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>	<u>991,415</u>	<u>1,075,911</u>
Total primary government program revenues	<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>	<u>\$ 1,167,860</u>	<u>\$ 1,301,007</u>
Net (expense)/revenue										
Governmental activities	\$ (14,607)	\$ 27,616	\$ 836	\$ (60,966)	\$ 24,122	\$ (54,888)	\$ (12,226)	\$ (67,539)	\$ (1,731)	\$ (147,929)
Business-type activities	<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>	<u>80,130</u>	<u>149,580</u>
Total primary government net expense	<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>	<u>\$ 78,399</u>	<u>\$ 1,651</u>

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



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

**Table 2**

	FISCAL YEAR									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,781	\$ 14,076	\$ 14,118	\$ 16,821	\$ 17,610
Unrestricted investment earnings	1,935	2,013	2,877	4,257	9,427	18,908	13,298	2,679	(1,316)	21,484
Gain on sale of capital assets	-	-	-	6,628	-	-	-	-	-	-
Transfers	12,409	15,336	16,984	15,231	17,142	21,928	23,918	25,076	17,940	21,486
Total governmental activities	<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>	<u>33,445</u>	<u>60,580</u>
Business-type activities:										
Unrestricted investment earnings	(1,256)	(277,337)	(175,359)	171,808	105,878	(64,077)	(161,817)	123,495	223,440	147,818
Contributed capital	-	-	-	29,700	-	6,815	2,000	1,000	1,081	-
Special / Extraordinary items	-	-	-	1,378	-	-	(230,329)	-	(26,741)	-
Transfers	(12,409)	(15,336)	(16,984)	(15,231)	(17,142)	(21,928)	(23,918)	(25,076)	(17,940)	(21,486)
Total business-type activities	<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>	<u>179,840</u>	<u>126,332</u>
Total primary government	<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>	<u>\$ 213,285</u>	<u>\$ 186,912</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (263)	\$ 44,965	\$ 20,697	\$ (34,850)	\$ 50,691	\$ 729	\$ 39,066	\$ (25,666)	\$ 31,714	\$ (87,349)
Business-type activities	(462,129)	(513,617)	(315,260)	20,896	(67,691)	(136,993)	(454,981)	287,018	259,970	275,912
Total primary government	<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>	<u>\$ 291,684</u>	<u>\$ 188,563</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Nonspendable	\$ 1,209	\$ 1,328	\$ 1,305	\$ 823	\$ 822	\$ 1,426	\$ 673	\$ 980	\$ 1,027	\$ 1,146
Restricted for	528	512	158	49	27	-	3,497	2,900	2,900	2,900
Committed to	2,688	3,132	6,014	4,002	3,956	5,677	14,569	9,435	8,217	11,867
Unassigned	<u>29,750</u>	<u>31,705</u>	<u>32,893</u>	<u>36,791</u>	<u>41,608</u>	<u>38,926</u>	<u>32,192</u>	<u>44,274</u>	<u>52,744</u>	<u>74,739</u>
Total general fund	<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>	<u>\$ 64,888</u>	<u>\$ 90,652</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for	339,144	384,916	432,015	449,183	492,175	495,071	520,529	484,446	510,171	367,600
Committed to	21,501	28,024	28,985	30,216	34,051	31,788	25,744	23,003	22,444	55,543
Unassigned	<u>-</u>	<u>(10,445)</u>	<u>(40,998)</u>	<u>(92,221)</u>	<u>(94,371)</u>	<u>(99,797)</u>	<u>(88,760)</u>	<u>(103,199)</u>	<u>(112,754)</u>	<u>(114,404)</u>
Total all other governmental funds	<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>	<u>\$ 419,861</u>	<u>\$ 308,739</u>

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

**Table 4**

	FISCAL YEAR									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Sales taxes	\$ 11,735	\$ 12,374	\$ 12,812	\$ 13,089	\$ 13,650	\$ 14,781	\$ 14,076	\$ 14,118	\$ 16,821	\$ 17,610
Grants - Federal	52,831	56,491	48,950	65,220	54,365	49,227	53,899	56,689	53,470	56,519
Grants - State	151,916	148,032	115,262	105,027	222,417	290,237	294,383	75,384	110,814	125,567
Local agencies revenues and refunds	88,712	86,553	57,917	63,532	13,247	18,015	13,415	13,062	13,351	45,464
Investment income	1,935	2,013	2,878	4,257	9,427	18,908	13,298	2,679	(1,316)	21,484
<b>Total revenues</b>	<u>307,129</u>	<u>305,463</u>	<u>237,819</u>	<u>251,125</u>	<u>313,106</u>	<u>391,168</u>	<u>389,071</u>	<u>161,932</u>	<u>193,140</u>	<u>266,644</u>
<b>Expenditures</b>										
General government	70,387	68,463	63,439	68,456	64,713	94,692	85,566	82,914	80,389	88,010
Allocation to other agencies	249,434	207,804	169,527	228,987	215,949	323,535	292,058	128,931	107,769	284,343
Capital outlay	496	180	639	165	159	48	12	317	11	1,280
Contribution to Bay Area Headquarters Authority	-	-	-	11,423	-	-	-	-	-	-
<b>Total expenditures</b>	<u>320,317</u>	<u>276,447</u>	<u>233,605</u>	<u>309,031</u>	<u>280,821</u>	<u>418,275</u>	<u>377,636</u>	<u>212,162</u>	<u>188,169</u>	<u>373,633</u>
<b>Excess of revenues over (under) expenditures</b>	(13,188)	29,016	4,214	(57,906)	32,285	(27,107)	11,435	(50,230)	4,971	(106,989)
<b>Other financing sources (uses)</b>										
Transfer in	31,249	33,190	32,082	29,597	31,737	39,207	46,413	34,889	53,844	49,922
Transfer out	(18,841)	(17,854)	(15,098)	(14,366)	(14,595)	(17,279)	(22,494)	(9,813)	(35,904)	(28,436)
Lease	-	-	-	-	-	-	-	-	-	146
Sale of capital assets	-	-	-	11,147	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>12,408</u>	<u>15,336</u>	<u>16,984</u>	<u>26,378</u>	<u>17,142</u>	<u>21,928</u>	<u>23,919</u>	<u>25,076</u>	<u>17,940</u>	<u>21,632</u>
<b>Net change in fund balances</b>	<u>\$ (780)</u>	<u>\$ 44,352</u>	<u>\$ 21,198</u>	<u>\$ (31,528)</u>	<u>\$ 49,427</u>	<u>\$ (5,179)</u>	<u>\$ 35,354</u>	<u>\$ (25,154)</u>	<u>\$ 22,911</u>	<u>\$ (85,357)</u>

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

**Table 5**

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Sales Tax	Unrestricted Investment Earnings/Charges	Return of Contribution from BAHA & BAIFA	Special Item		
2014	<sup>1</sup> \$ 713,146,710	\$ 694,725,536	\$ 81,209,050	\$ -	\$ 678,986	\$ -	\$ -	1,489,760,282	
2015	<sup>2</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	* 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	(230,329,148)	801,500,546	
2021	877,182,561	258,965,338	11,122,129	14,117,813	126,174,425	1,000,000	-	1,288,562,266	
2022	854,455,592	289,961,155	23,443,205	16,821,183	222,124,243	1,080,623	(26,741,329)	1,381,144,672	
2023	925,470,457	338,808,580	36,728,596	17,609,874	169,301,965	-	-	1,487,919,472	

<sup>1</sup> Excludes \$900 million bond proceeds

<sup>2</sup> Excludes \$2.213 billion bond proceeds

\* Starting fiscal year 2019 sales tax is presented in General Revenues in accordance with GASB Statements 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>Housing</u>	<u>Toll Bridge Activities</u>	<u>Express Lanes</u>	<u>Congestion Relief</u>	<u>Clipper<sup>®</sup></u>	<u>Total</u>
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	4,103,657	10,696,201	44,884,890	1,327,497,908
2019	104,246,259	307,828,471	-	886,759,624	7,341,837	13,100,396	48,754,311	1,368,030,898
2020	105,558,075	267,271,776	-	769,090,836	28,177,379	17,616,049	57,879,237	1,245,593,352
2021	100,422,369	110,297,886	-	747,115,923	76,906,314	16,989,479	52,384,899	1,104,116,870
2022	89,826,261	88,118,693	230,640	786,131,573	65,538,144	20,076,445	39,539,063	1,089,460,819
2023	106,291,437	264,350,136	2,384,164	809,326,236	42,798,219	21,349,089	52,858,224	1,299,357,505

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

**Table 7**

Fiscal Year	San Francisco-Oakland Bay	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Revenue
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
2022	249,939,763	95,399,517	53,051,378	130,358,179	122,076,544	20,893,162	84,478,485	756,197,028
2023	263,666,692	104,559,826	61,087,284	135,134,494	132,646,859	22,069,221	88,254,605	807,418,981

\* 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
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
2022	42,501,474	15,533,072	8,902,963	20,694,987	18,814,256	3,177,785	13,037,699	122,662,236
2023	42,753,265	15,863,073	9,617,034	20,554,958	19,849,935	3,235,278	12,874,061	124,747,604

**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>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	\$ 225,682
<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
<b>2022</b>							
No. of paid vehicles ('000s)	2,833	17,285	18,068	12,217	14,497	8,213	38,801
Average toll rate	\$ 7.37	\$ 7.06	\$ 7.21	\$ 6.91	\$ 6.58	\$ 6.46	\$ 6.44
Total revenues	\$ 20,893	\$ 122,077	\$ 130,358	\$ 84,478	\$ 95,400	\$ 53,051	\$ 249,940
<b>2023</b>							
No. of paid vehicles ('000s)	2,816	17,573	17,654	11,962	14,774	8,828	38,359
Average toll rate	\$ 7.84	\$ 7.55	\$ 7.65	\$ 7.38	\$ 7.08	\$ 6.92	\$ 6.87
Total revenues	\$ 22,069	\$ 132,647	\$ 135,134	\$ 88,255	\$ 104,560	\$ 61,087	\$ 263,667

\* 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**

Fiscal Year	Toll Revenue Bonds	Less: Amounts Available in Debt Service Fund	Total	Toll Revenues	Per Toll Vehicle
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
2022	9,726,796,699	904,720,166	8,822,076,533	756,197,028	72
2023	9,586,592,554	863,469,253	8,723,123,301	807,418,981	70

\* 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	Principal	Interest <sup>(1)</sup>		
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	
2022	756,197,028	190,346,658	565,850,370	39,905,000	362,787,270	1.41	
2023	807,418,981	196,015,279	611,403,702	86,155,000	363,099,161	1.36	

\* 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, 2023**

**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)	370
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	7,548,792
Number of Toll Bridges in the Region	8
Traffic for All Toll Bridges - Number of Vehicles (excluding Golden Gate Bridge, Highway and Transportation District)	124,747,604
Toll Revenues (excluding Golden Gate Bridge, Highway and Transportation District)	\$807,418,981
Number of Call Boxes in the Region	318

**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>
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 %
2022	7,696,482	N/A	N/A	943,427	2.50 %
2023	7,548,792	N/A	N/A	932,599	3.78 %

**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 2023 and 2014**

**Table 14**

2023 <sup>(1)</sup>				2014 <sup>(2)</sup>			
Employer	Employees	Rank	Percentage of Bay Area Total Employment	Employer	Employees	Rank	Percentage of Bay Area Total Employment
Kaiser Permanente	41,497	1	21.4%	Kaiser Permanente	30,803	1	16.6%
City and County of San Francisco	36,822	2	19.0%	City and County of San Francisco	26,901	2	14.5%
University of California, San Francisco	29,475	3	15.2%	University of California, San Francisco	22,664	3	12.2%
University of California, Berkeley	23,524	4	12.1%	University of California, Berkeley	21,390	4	11.6%
Safeway Inc.	14,374	5	7.4%	Safeway Inc.	18,450	5	10.0%
Salesforce	11,953	6	6.2%	State of California	15,982	6	8.6%
Wells Fargo & Co	10,178	7	5.3%	Wells Fargo Bank	15,111	7	8.2%
United Airlines	10,000	8	5.2%	Stanford University	12,973	8	7.0%
Sutter Health	9,700	9	5.0%	US Postal Service	11,092	9	6.1%
Allied Universal	6,195	10	3.2%	Contra Costa County	9,800	10	5.3%

Data Sources

<sup>1</sup>2023 Book of Lists, San Francisco Business Times

<sup>2</sup>2014 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
General government	69	64	77	74	86	94	74	70	70	66
Transportation	76	76	83	79	122	119	150	148	170	182
Business-type Activities										
Toll bridge activities	41	54	58	64	65	63	67	70	74	83
Express lane activities	-	-	-	-	-	-	-	-	-	12
MTC Clipper	-	-	-	-	-	-	-	-	-	14
Congestion relief	5	4	5	5	4	5	5	5	6	5
BAHA	-	3	6	10	9	8	8	7	7	8
	<u>191</u>	<u>201</u>	<u>229</u>	<u>232</u>	<u>286</u>	<u>289</u>	<u>304</u>	<u>300</u>	<u>327</u>	<u>370</u>

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

**Table 16**

<u>Fiscal Year</u>	<u>Retiree Premiums</u>	<u>Covered Payroll*</u>	<u>% of Covered Payroll</u>
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	27,722,133	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%
2022	1,416,805	41,289,893	3.43%
2023	1,450,423	47,188,698	3.07%

\* Per CalPERS Payment Summary FY 22-23 Covered Payroll

## **OTHER INFORMATION**



**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, 2023**

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
County of Alameda				
Assets				
Cash	\$ 50,950,450	\$ 122,556,699	\$ 121,982,915	\$ 51,524,234
Interest receivables	64,530	174,082	64,530	174,082
<b>Total Assets</b>	<b>\$ 51,014,980</b>	<b>\$ 122,730,781</b>	<b>\$ 122,047,445</b>	<b>\$ 51,698,316</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 1,124,175	\$ 111,531,884	\$ 111,116,633	\$ 1,539,426
Due to other governments	49,890,805	11,198,897	10,930,812	50,158,890
<b>Total Liabilities</b>	<b>\$ 51,014,980</b>	<b>\$ 122,730,781</b>	<b>\$ 122,047,445</b>	<b>\$ 51,698,316</b>
County of Contra Costa				
Assets				
Cash	\$ 50,337,794	\$ 67,773,058	\$ 62,758,148	\$ 55,352,704
<b>Total Assets</b>	<b>\$ 50,337,794</b>	<b>\$ 67,773,058</b>	<b>\$ 62,758,148</b>	<b>\$ 55,352,704</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 289,064	\$ 58,146,549	\$ 57,378,267	\$ 1,057,346
Due to other governments	50,048,730	9,626,509	5,379,881	54,295,358
<b>Total Liabilities</b>	<b>\$ 50,337,794</b>	<b>\$ 67,773,058</b>	<b>\$ 62,758,148</b>	<b>\$ 55,352,704</b>
County of Marin				
Assets				
Cash	\$ 5,782,623	\$ 14,692,558	\$ 19,989,645	\$ 485,536
Interest receivables	1,117	-	1,117	-
<b>Total Assets</b>	<b>\$ 5,783,740</b>	<b>\$ 14,692,558</b>	<b>\$ 19,990,762</b>	<b>\$ 485,536</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 308,935	\$ 19,258,981	\$ 19,439,051	\$ 128,865
Due to other governments	5,474,805	(4,566,423)	551,711	356,671
<b>Total Liabilities</b>	<b>\$ 5,783,740</b>	<b>\$ 14,692,558</b>	<b>\$ 19,990,762</b>	<b>\$ 485,536</b>
County of Napa				
Assets				
Cash	\$ 10,809,744	\$ 13,149,777	\$ 18,825,224	\$ 5,134,297
<b>Total Assets</b>	<b>\$ 10,809,744</b>	<b>\$ 13,149,777</b>	<b>\$ 18,825,224</b>	<b>\$ 5,134,297</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 2,844,949	\$ 15,122,530	\$ 17,792,291	\$ 175,188
Due to other governments	7,964,795	(1,972,753)	1,032,933	4,959,109
<b>Total Liabilities</b>	<b>\$ 10,809,744</b>	<b>\$ 13,149,777</b>	<b>\$ 18,825,224</b>	<b>\$ 5,134,297</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, 2023**

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
County of San Francisco				
Assets				
Cash	\$ 2,958,480	\$ 52,810,527	\$ 49,607,402	\$ 6,161,605
Interest receivables	8,553	45,617	8,553	45,617
<b>Total Assets</b>	<b>\$ 2,967,033</b>	<b>\$ 52,856,144</b>	<b>\$ 49,615,955</b>	<b>\$ 6,207,222</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 68,687	\$ 45,213,017	\$ 45,041,956	\$ 239,748
Due to other governments	2,898,346	7,643,127	4,573,999	5,967,474
<b>Total Liabilities</b>	<b>\$ 2,967,033</b>	<b>\$ 52,856,144</b>	<b>\$ 49,615,955</b>	<b>\$ 6,207,222</b>
County of San Mateo				
Assets				
Cash	\$ 17,657,355	\$ 56,435,015	\$ 60,085,130	\$ 14,007,240
Interest receivables	50,411	112,505	50,411	112,505
<b>Total Assets</b>	<b>\$ 17,707,766</b>	<b>\$ 56,547,520</b>	<b>\$ 60,135,541</b>	<b>\$ 14,119,745</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 1,250,607	\$ 56,850,548	\$ 57,869,557	\$ 231,598
Due to other governments	16,457,159	(303,028)	2,265,984	\$ 13,888,147
<b>Total Liabilities</b>	<b>\$ 17,707,766</b>	<b>\$ 56,547,520</b>	<b>\$ 60,135,541</b>	<b>\$ 14,119,745</b>
County of Santa Clara				
Assets				
Cash	\$ 17,784,779	\$ 145,809,632	\$ 149,388,476	\$ 14,205,935
<b>Total Assets</b>	<b>\$ 17,784,779</b>	<b>\$ 145,809,632</b>	<b>\$ 149,388,476</b>	<b>\$ 14,205,935</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 639,268	\$ 145,206,326	\$ 143,653,017	\$ 2,192,577
Due to other governments	17,145,511	603,306	5,735,459	12,013,358
<b>Total Liabilities</b>	<b>\$ 17,784,779</b>	<b>\$ 145,809,632</b>	<b>\$ 149,388,476</b>	<b>\$ 14,205,935</b>
County of Solano				
Assets				
Cash	\$ 46,484,635	\$ 27,972,112	\$ 24,837,730	\$ 49,619,017
<b>Total Assets</b>	<b>\$ 46,484,635</b>	<b>\$ 27,972,112</b>	<b>\$ 24,837,730</b>	<b>\$ 49,619,017</b>
Liabilities				
Accounts payable and accrued liabilities	\$ 1,456,208	\$ 25,919,337	\$ 23,669,356	\$ 3,706,189
Due to other governments	45,028,427	2,052,775	1,168,374	45,912,828
<b>Total Liabilities</b>	<b>\$ 46,484,635</b>	<b>\$ 27,972,112</b>	<b>\$ 24,837,730</b>	<b>\$ 49,619,017</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, 2023**

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
County of Sonoma				
Assets				
Cash	\$ 32,089,923	\$ 34,143,564	\$ 30,718,826	\$ 35,514,661
Total Assets	<u>\$ 32,089,923</u>	<u>\$ 34,143,564</u>	<u>\$ 30,718,826</u>	<u>\$ 35,514,661</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 1,040,818	\$ 28,237,490	\$ 28,255,165	\$ 1,023,143
Due to other governments	31,049,105	5,906,074	2,463,661	34,491,518
Total Liabilities	<u>\$ 32,089,923</u>	<u>\$ 34,143,564</u>	<u>\$ 30,718,826</u>	<u>\$ 35,514,661</u>
Total TDA fund				
Assets				
Cash	\$ 234,855,783	\$ 535,342,941	\$ 538,193,495	\$ 232,005,229
Interest receivables	124,611	332,204	124,611	332,204
Total Assets	<u>\$ 234,980,394</u>	<u>\$ 535,675,145</u>	<u>\$ 538,318,106</u>	<u>\$ 232,337,433</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 9,022,711	\$ 505,486,662	\$ 504,215,293	\$ 10,294,080
Due to other governments	225,957,683	30,188,483	34,102,813	222,043,353
Total Liabilities	<u>\$ 234,980,394</u>	<u>\$ 535,675,145</u>	<u>\$ 538,318,106</u>	<u>\$ 232,337,433</u>
AB 1107				
Assets				
Cash	\$ -	\$ 109,109,192	\$ 109,109,192	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 109,109,192</u>	<u>\$ 109,109,192</u>	<u>\$ -</u>
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 109,109,192	\$ 109,109,192	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 109,109,192</u>	<u>\$ 109,109,192</u>	<u>\$ -</u>