



Fiscal Year 2021-2022 Financial Reports and Year End Audit Results



METROPOLITAN
TRANSPORTATION
COMMISSION

November 16, 2022

Derek Hansel
Chief Financial Officer



How to Read the Financial Statements

- **MTC's financial statements present the results several legal entities and programs – these incorporations into MTC's overall financial statements is required by accounting standards**
- **Governmental Funds (page 33 & 34):**
 - General Fund
 - AB664 Reserve
 - State Transit Assistance
 - Rail Reserves
 - BART Car Exchange
 - BAHFA
 - Non-Major Funds
- **Business Type Activities (page 42 & 43):**
 - Bay Area Toll Authority (BATA)
 - BAIFA
 - MTC SAFE
 - MTC Clipper
- **Component Units:**
 - BAHA

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	BAHA
ASSETS				
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 governments	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 assets	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
TOTAL ASSETS	841,582,780	3,165,059,483	4,006,642,263	255,909,737
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount of refunding	-	431,468,732	431,468,732	-
Deferred outflows from pensions	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
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,881,003	437,089,257	452,970,260	162,866

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



Metropolitan Transportation Commission
Statement of Net Position
June 30, 2022

	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	Total
			BAHA
LIABILITIES			
Accounts payable and accrued liabilities	\$ 53,192,004	\$ 148,289,776	\$ 201,481,780
Accrued interest payable	65	94,491,382	94,491,447
Unearned revenue	11,730,187	130,086,462	141,816,649
Internal balances	4,786,972	(4,786,972)	-
Due to other governments	-	-	-
Non-current liabilities			699,081
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
Due in more than one year			81,828
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
TOTAL LIABILITIES	75,519,397	10,365,715,182	10,441,234,579
			1,702,150
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from lease	-	-	-
Deferred inflows from pension	16,496,807	7,172,923	23,669,730
Deferred inflows from OPEB	2,019,402	878,050	2,897,452
Deferred revenues/Deferred charges	280,825,285	(280,825,285)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	299,341,494	(272,774,312)	26,567,182
			26,243,407
NET POSITION			
Net Investment in Capital Assets	302,175	200,562,938	200,865,113
Restricted for:			194,753,128
Capital projects	490,399,204	77,256,176	567,655,380
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)
TOTAL NET POSITION	\$ 482,602,892	\$ (6,490,792,130)	\$ (6,008,189,238)
			\$ 228,127,046

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

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2022

	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	
ASSETS								
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
TOTAL ASSETS	\$ 94,181,412	\$ 122,146,604	\$ 127,674,387	\$ 31,692,880	\$ 357,266,810	\$ 19,841,704	\$ 81,929,293	\$ 834,733,090
LIABILITIES								
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
TOTAL LIABILITIES	29,293,012	18,407,351	12,935,596	62,615	7,981,322	69,133	409,283	69,158,312
DEFERRED INFLOWS OF RESOURCES								
Deferred revenue	-	137,601,032	-	110,522,902	-	-	32,701,351	280,825,285
TOTAL DEFERRED INFLOWS OF RESOURCES	-	137,601,032	-	110,522,902	-	-	32,701,351	280,825,285

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

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2022

	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	
FUND BALANCES								
Nonspendable								
Prepaid items	\$ 1,027,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,027,203
Restricted for:								
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
Committed to:								
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
Unassigned	<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>
TOTAL FUND BALANCES	<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>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<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
Statement of Net Position - Proprietary Funds
June 30, 2022

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
ASSETS					
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
Total current assets	345,993,478	22,935,099	76,336,192	47,634,275	492,899,044
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
Total non-current assets	2,411,719,693	363,379	204,824,695	82,650,605	2,699,558,372
TOTAL ASSETS	2,757,713,171	23,298,478	281,160,887	130,284,880	3,192,457,416
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount of refunding	431,468,732	-	-	-	431,468,732
Deferred charges	280,825,285	-	-	-	280,825,285
Deferred outflows from pensions	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
TOTAL DEFERRED OUTFLOWS OF RESOURCES	715,700,396	328,350	805,784	1,080,012	717,914,542

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

Metropolitan Transportation Commission
Statement of Net Position - Proprietary Funds
June 30, 2022

	Bay Area Toll Authority	Service Authority for Freeways and Expressways	BAIFA	Non-major Proprietary Fund MTC-Clipper®	Total Enterprise Funds
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	\$ 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
TOTAL LIABILITIES	10,350,513,446	2,400,785	10,303,153	29,895,731	10,393,113,115
DEFERRED INFLOWS OF RESOURCES					
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
TOTAL DEFERRED INFLOWS OF RESOURCES	5,469,427	382,834	939,492	1,259,220	8,050,973
NET POSITION					
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)
TOTAL NET POSITION	\$ (6,882,569,306)	\$ 20,843,209	\$ 270,724,026	\$ 100,209,941	\$ (6,490,792,130)

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

Financial Highlights

- **Government-wide “net position” - \$(6,008) million**
- **Total long-term debt of \$9,727 million**
- **General Fund balance of \$64.9 million**
- **Total Cash and Investment of \$3,643 million**
- **Continue to maintain “Hard Deck” of \$1,060 million**
- **Bridge traffic up by 9.8 million vehicles**
- **Total Bridge toll revenue is \$756.2 million (including RM3)**
- **Net Pension Asset (6/30/21) - \$15.6 million**
- **Net OPEB Asset (6/30/21) - \$2.8 million**

Governmental Funds

- **MTC General Fund and Special Revenue Funds with restricted purposes**
- **Deficits are driven by allocations out of the AB664 Reserve and the BART Car Exchange, both of which are covered by invested funds in those funds**
- **MTC General Fund surplus continued to increase (in FY22 up to \$7.3 million)**

Enterprise Funds

- **MTC has four “business type” enterprise funds**
- **BAIFA has been added in this grouping and is removed from treatment as a “Component Unit” with the change in Board composition**
 - Operating income of \$28.9 million and a net position of \$270.7 million
 - Cash and Investments of \$146 million
- **BATA**
 - Ended FY 2022 with a \$141 million surplus
 - Toll Revenue of \$756 million, including RM3
 - Funded \$85 million for Caltrans capital projects
 - Distributed \$55 million RM2
 - Reserved \$26.7 million for violation penalty refunds
 - Cash and Investments climbed to \$2,670 million, tied primarily to issuance of bonds in 2021
 - Met all Debt coverage tests
- **MTC SAFE**
 - Change in net position of \$1 million
 - Ending net position of \$20.8 million
- **MTC Clipper**
 - Change in net position of \$29.6 million, primarily due to capital grants for Clipper 2.0
 - Ending net position of \$100.2 million
 - Operator payments of \$11.6 million, up nearly \$4 million from FY2021

Pensions and Other Post-employment Benefits (OPEB)

- **Current Pension Calculations**
 - Total assets of \$222.4 million
 - Current liability of \$206.8 million
 - Net Pension Asset of \$15.6 million
 - This doesn't include PARS 115 Trust assets
 - PERS FY22 performance was below discount rate of 6.8% - this will negatively impact going-forward calculations
- **MTC OPEB account is now a surplus**
 - Assets of \$52.8 million
 - Current Liability of \$49.9 million
 - Net OPEB Asset of \$2.8 million

Bay Area Headquarters Authority (BAHA)

- **Bay Area Metro Center**
- **Rent payments remain current despite pandemic**
- **Cash and investment of \$31.2 million**
- **\$4.7 million restricted for capital**

Response to MTC Internal Controls Recommendations

- **Management concurs with Crowe LLP observations**
- **Better incorporation of financial reporting section in reviewing contracts/amendments for capital projects – especially complex agreements**
- **Develop improved capital asset accounting function**
- **Strengthen review and incorporation of new accounting pronouncements, and seek outside counsel as appropriate**

Questions

