



# FY 2018-2019 Financial Reports and Year End Audit Results

# Metropolitan Transportation Commission (MTC)

MTC is the primary government for all operating funds and component units.

Highlights of the Comprehensive Annual Financial Report (CAFR) include...





**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	BAHA	BAIFA
<b>ASSETS</b>					
Cash - unrestricted	\$ 233,828,476	\$ 198,947,643	\$ 432,776,119	\$ 21,083,125	\$ 13,948,848
Cash - restricted	791,148	134,462,035	135,253,183	4,780,457	-
Investments - unrestricted	188,413,734	762,580,398	950,994,132	-	-
Investments - restricted	392,965,102	1,590,303,411	1,983,268,513	-	-
Receivables:					
Accounts receivable	4,921,749	22,664,512	27,586,261	3,228,728	575,018
Interests receivable	2,842,770	28,006,440	30,849,210	42	-
Funding due from State/ Caltrans	73,953,517	8,745,354	82,698,871	-	-
Funding due from Federal	24,379,294	1,777,641	26,156,935	-	-
Prepaid items and other assets	1,426,361	433,152	1,859,513	375,948	3,332
Due from / (to) other funds	2,083,417	(2,083,417)	-	-	-
Due from other governments	1,218,721	452,964	1,671,685	-	234,639
Net pension assets	-	-	-	-	3,392
Land	-	-	-	33,933,809	-
Capital assets not being depreciated	10,730	80,529,967	80,540,697	884,159	-
Capital assets net of accumulated depreciation/ amortization	401,264	37,664,698	38,065,962	174,462,989	-
<b>TOTAL ASSETS</b>	<b>927,236,283</b>	<b>2,864,484,798</b>	<b>3,791,721,081</b>	<b>238,749,257</b>	<b>14,765,229</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount of refunding	-	468,708,078	468,708,078	-	-
Deferred outflows from pension	8,029,508	12,234,576	20,264,084	102,800	144,175
Deferred outflows from OPEB	10,105,462	3,781,599	13,887,061	129,378	183,744
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,134,970</b>	<b>484,724,253</b>	<b>502,859,223</b>	<b>232,178</b>	<b>327,919</b>

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

**Statement of Net Position:**

- **Total cash and investments for the Primary Government was \$3.5 billion.**

**MTC Net Position:**

- **Adjusting for BATA debt, MTC has a positive Net Position of \$3.3 billion.**

**Metropolitan Transportation Commission**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	BAHA	BAIFA
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	118,915,475	103,357,350	222,272,825	2,846,586	3,177,997
Accrued interest payable	3,032	103,406,517	103,409,549	-	-
Unearned revenue	5,219,029	107,441,902	112,660,931	587,176	-
Due to other governments	-	234,643	234,643	476,016	-
Due to 375 Beale Condo	-	-	-	651,615	-
Non-current liabilities					
Due within one year					
Long term debt	-	118,235,000	118,235,000	-	-
Other non-current liabilities	2,084,817	749,744	2,834,561	371,427	36,429
Due in more than one year					
Long term debt	-	9,525,191,484	9,525,191,484	-	-
Derivative instruments	-	443,108,680	443,108,680	-	-
Net Pension liability	19,889,459	9,323,602	29,213,061	69,659	-
Net OPEB liability	5,059,342	2,253,961	7,313,303	119,233	59,445
Regional Measure 3 Collection	-	65,746,714	65,746,714	-	-
Other non-current liabilities	2,301,384	11,702,728	14,004,112	186,760	40,912
<b>TOTAL LIABILITIES</b>	<b>153,472,538</b>	<b>10,490,752,325</b>	<b>10,644,224,863</b>	<b>5,308,472</b>	<b>3,314,783</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows from pension	5,107,659	1,911,355	7,019,014	65,394	143,583
Deferred revenues/Deferred charges	327,624,156	(327,624,156)	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>332,731,815</b>	<b>(325,712,801)</b>	<b>7,019,014</b>	<b>65,394</b>	<b>143,583</b>
<b>NET POSITION</b>					
Net investment in capital assets	279,411	118,194,665	118,474,076	209,280,957	-
Restricted for:					
Capital projects	529,376,950	4,454,292	533,831,242	4,780,457	-
Operations & Maintenance, under debt covenant	-	175,000,000	175,000,000	-	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-	-
Unrestricted	(70,489,461)	(7,163,479,430)	(7,233,968,891)	19,546,155	11,634,782
<b>TOTAL NET POSITION</b>	<b>\$ 459,166,900</b>	<b>\$ (6,815,830,473)</b>	<b>\$ (6,356,663,573)</b>	<b>\$ 233,607,569</b>	<b>\$ 11,634,782</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, 2019**

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
<b>OPERATING REVENUES</b>				
Toll revenues collected	\$ -	\$ 724,914,020	\$ -	\$ 724,914,020
Department of Motor Vehicles registration fees	-	-	6,865,827	6,865,827
Revenues from operators	19,512,881	-	-	19,512,881
Other operating revenues	1,460,359	26,649,053	-	28,109,412
<b>TOTAL OPERATING REVENUES</b>	<b>20,973,240</b>	<b>751,563,073</b>	<b>6,865,827</b>	<b>779,402,140</b>
<b>OPERATING EXPENSES</b>				
Operating expenses incurred by Caltrans	-	26,606,401	-	26,606,401
Operating expenses - Transbay JPA	-	5,026,046	-	5,026,046
Towing contracts	-	-	9,674,576	9,674,576
Professional fees	32,714,124	53,532,570	844,929	87,091,623
Allocations to other agencies	-	46,452,221	-	46,452,221
Salaries and benefits	2,700,953	10,710,303	810,728	14,221,984
Repairs and maintenance	3,000	-	434,257	437,257
Communication charges	30	290,941	178,755	469,726
Depreciation and amortization	-	8,132,738	369,002	8,501,740
Other operating expenses	1,536,858	23,656,268	580,151	25,773,277
<b>TOTAL OPERATING EXPENSES</b>	<b>36,954,965</b>	<b>174,407,488</b>	<b>12,892,398</b>	<b>224,254,851</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(15,981,725)</b>	<b>577,155,585</b>	<b>(6,026,571)</b>	<b>555,147,289</b>

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

**MTC Enterprise Funds:**

- Substantially all MTC operating enterprises are in sound financial condition and have positive net positions.
- After adjustments for debt, the BATA enterprise operation has a positive net position.

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income (charge)	1,048,843	(65,592,645)	466,769	(64,077,033)
Build America Bonds (BABs) interest subsidy	-	71,738,161	-	71,738,161
Interest expense	-	(451,812,293)	-	(451,812,293)
Financing fees and bond issuance costs	-	(9,822,335)	-	(9,822,335)
Other nonoperating expense	-	(397,979)	-	(397,979)
Caltrans/ other agency grants	2,978,384	9,291,780	5,632,529	17,902,693
Federal grants	5,257,310	-	2,669,641	7,926,951
Distributions to other agencies for their capital purposes	(11,799,346)	(146,573,332)	-	(158,372,678)
Distributions to Caltrans for their capital purposes	-	(103,746,197)	-	(103,746,197)
Return of contribution from BAHF and BAIFA	-	6,815,000	-	6,815,000
Loss on sale of capital assets	-	-	(207,998)	(207,998)
Other nonoperating revenues	3,998,682	9,842,361	-	13,841,043
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>1,483,873</b>	<b>(680,257,479)</b>	<b>8,560,941</b>	<b>(670,212,665)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(14,497,852)</b>	<b>(103,101,894)</b>	<b>2,534,370</b>	<b>(115,065,376)</b>
<b>TRANSFERS</b>				
Transfers to Metropolitan Transportation Commission	(83,545)	(31,063,071)	(6,086,669)	(37,233,285)
Transfers from Metropolitan Transportation Commission	15,305,478	-	-	15,305,478
Transfer between programs	4,600,000	(1,600,000)	(3,000,000)	-
<b>TOTAL TRANSFERS</b>	<b>19,821,933</b>	<b>(32,663,071)</b>	<b>(9,086,669)</b>	<b>(21,927,807)</b>
<b>CHANGE IN NET POSITION</b>	<b>5,324,081</b>	<b>(135,764,965)</b>	<b>(6,552,299)</b>	<b>(136,993,183)</b>
<b>Total net position - beginning</b>	<b>10,873,207</b>	<b>(6,717,488,562)</b>	<b>27,778,065</b>	<b>(6,678,837,290)</b>
<b>Total net position - ending</b>	<b>\$ 16,197,288</b>	<b>\$ (6,853,253,527)</b>	<b>\$ 21,225,766</b>	<b>\$ (6,815,830,473)</b>

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

**Metropolitan Transportation Commission**  
**Balance Sheet - Governmental Funds**  
**June 30, 2019**

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	BART Car Exchange	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash - unrestricted	\$ 31,161,904	\$ 50,776,779	\$ 76,583,437	\$ 16,755,773	\$ -	\$ 58,550,583	\$ 233,828,476
Cash - restricted	178,810	-	-	-	612,338	-	791,148
Investment - unrestricted	227,042	132,142,836	-	24,834,501	-	31,209,355	188,413,734
Investment - restricted	-	-	-	-	392,965,102	-	392,965,102
Accounts receivable	753,906	-	167,843	-	-	-	921,749
Interest receivable	1,448	574,373	348,631	127,490	1,677,430	113,398	2,842,770
State/ Caltrans funding receivable	2,422,145	-	71,531,372	-	-	-	73,953,517
Federal funding receivable	24,379,294	-	-	-	-	-	24,379,294
Due from other funds	6,186,837	-	83,545	-	-	-	6,270,382
Due from other governments	1,218,721	-	-	-	-	-	1,218,721
Prepaid items and other assets	1,426,361	-	-	-	-	-	1,426,361
<b>TOTAL ASSETS</b>	<b>\$ 67,956,468</b>	<b>\$ 183,493,988</b>	<b>\$ 148,714,828</b>	<b>\$ 41,717,764</b>	<b>\$ 395,254,870</b>	<b>\$ 89,873,336</b>	<b>\$ 927,011,254</b>
<b>LIABILITIES</b>							
Accounts payable and accrued expenditures	\$ 15,855,995	\$ 30,190,365	\$ 63,426,638	\$ 5,056,281	\$ 4,420	\$ 3,805,948	\$ 118,339,647
Accrued interest payable	3,032	-	-	-	-	-	3,032
Deposit payable	250,000	-	-	-	-	-	250,000
Unearned revenue	2,964,556	-	-	-	-	-	2,964,556
Retention payable	325,828	-	-	-	-	-	325,828
Due to other funds	2,528,530	-	624,507	-	-	1,033,928	4,186,965
<b>TOTAL LIABILITIES</b>	<b>21,927,941</b>	<b>30,190,365</b>	<b>64,051,145</b>	<b>5,056,281</b>	<b>4,420</b>	<b>4,839,876</b>	<b>126,070,028</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred revenue	-	160,455,783	-	129,079,644	-	38,088,729	327,624,156
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>160,455,783</b>	<b>-</b>	<b>129,079,644</b>	<b>-</b>	<b>38,088,729</b>	<b>327,624,156</b>
<b>FUND BALANCES</b>							
<b>Nonspendable</b>							
Prepaid items	1,426,361	-	-	-	-	-	1,426,361
<b>Restricted for:</b>							
Transportation projects	-	-	84,663,683	-	-	15,156,649	99,820,332
Rail projects	-	-	-	-	395,250,450	-	395,250,450
<b>Committed to:</b>							
Benefits reserve	3,158,877	-	-	-	-	-	3,158,877
Transportation projects	2,518,085	-	-	-	-	31,788,082	34,306,167
<b>Unassigned</b>	<b>38,925,204</b>	<b>(7,152,160)</b>	<b>-</b>	<b>(92,418,161)</b>	<b>-</b>	<b>(60,645,117)</b>	<b>-</b>
<b>TOTAL FUND BALANCES</b>	<b>46,028,527</b>	<b>(7,152,160)</b>	<b>84,663,683</b>	<b>(92,418,161)</b>	<b>395,250,450</b>	<b>46,944,731</b>	<b>473,317,070</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 67,956,468</b>	<b>\$ 183,493,988</b>	<b>\$ 148,714,828</b>	<b>\$ 41,717,764</b>	<b>\$ 395,254,870</b>	<b>\$ 89,873,336</b>	<b>\$ 927,011,254</b>

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

## MTC Governmental Funds:

- Combined net worth of \$473 million.
- AB664 and rail reserves have negative fund balances primarily due to the unamortized portion of advance funding from BATA over a 50 year period.

**Metropolitan Transportation Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	BART Car Exchange	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Sales tax	\$ 14,780,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,780,747
Grants - Federal	49,227,115	-	-	-	-	-	49,227,115
Grants - State	3,444,519	-	283,484,414	-	-	3,308,186	290,237,119
Local agencies revenues and refunds	9,318,577	-	696,719	-	-	8,000,000	18,015,296
Investment income - unrestricted	785,671	4,190,220	1,845,535	938,799	-	2,001,682	9,761,907
Investment income - restricted	-	-	-	-	9,146,008	-	9,146,008
<b>TOTAL REVENUES</b>	<b>77,556,629</b>	<b>4,190,220</b>	<b>286,026,668</b>	<b>938,799</b>	<b>9,146,008</b>	<b>13,309,868</b>	<b>391,168,192</b>
<b>EXPENDITURES</b>							
Current:							
General government	84,438,538	13,163	-	5,590	4,421	10,230,569	94,692,281
Allocations to other agencies	15,706,738	35,523,122	262,825,306	5,678,087	-	3,575,379	323,308,632
Capital outlay	28,782	-	-	-	-	19,000	47,782
<b>TOTAL EXPENDITURES</b>	<b>100,174,058</b>	<b>35,536,285</b>	<b>262,825,306</b>	<b>5,683,677</b>	<b>4,421</b>	<b>13,824,948</b>	<b>418,048,695</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(22,617,429)</b>	<b>(31,346,065)</b>	<b>23,201,362</b>	<b>(4,744,878)</b>	<b>9,141,587</b>	<b>(515,080)</b>	<b>(26,880,503)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	22,232,978	8,248,725	83,545	6,697,490	-	1,944,408	39,207,146
Transfers out	-	-	(15,644,580)	-	-	(1,634,759)	(17,279,339)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>22,232,978</b>	<b>8,248,725</b>	<b>(15,561,035)</b>	<b>6,697,490</b>	<b>-</b>	<b>309,649</b>	<b>21,927,807</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(384,451)</b>	<b>(23,097,340)</b>	<b>7,640,327</b>	<b>1,952,612</b>	<b>9,141,587</b>	<b>(205,431)</b>	<b>(4,952,696)</b>
<b>Fund balances - beginning</b>	<b>46,412,978</b>	<b>15,945,180</b>	<b>77,023,356</b>	<b>(94,370,773)</b>	<b>386,108,863</b>	<b>47,150,162</b>	<b>478,269,766</b>
<b>Fund balances - ending</b>	<b>\$ 46,028,527</b>	<b>\$ (7,152,160)</b>	<b>\$ 84,663,683</b>	<b>\$ (92,418,161)</b>	<b>\$ 395,250,450</b>	<b>\$ 46,944,731</b>	<b>\$ 473,317,070</b>

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

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

**Schedule VI**

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 6,156,743	\$ 4,923,634	\$ 3,969,969	\$ 3,699,768	\$ 3,710,617
Interest	10,871,494	10,572,028	10,131,302	9,499,032	8,852,738
Changes of assumptions	(5,335,069)	9,136,825	-	(2,410,626)	-
Difference between expected and actual experience	(1,053,719)	(3,383,252)	(352,537)	515,758	-
Benefit payments and refunds of contribution	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Net change in total pension liability	4,603,024	16,215,517	8,969,454	6,650,396	8,158,478
<b>Total pension liability - beginning</b>	<b>158,377,486</b>	<b>142,161,969</b>	<b>133,192,515</b>	<b>126,542,119</b>	<b>118,383,641</b>
<b>Total pension liability - ending</b>	<b>\$ 162,980,510</b>	<b>\$ 158,377,486</b>	<b>\$ 142,161,969</b>	<b>\$ 133,192,515</b>	<b>\$ 126,542,119</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 5,457,108	\$ 5,196,976	\$ 4,128,694	\$ 3,819,020	\$ 3,313,040
Contributions - member	2,537,731	2,124,545	1,848,104	1,755,442	2,310,147
Net plan to plan resource movement	(309)	-	-	-	-
Net investment income	10,586,685	12,110,384	535,476	2,304,601	15,270,089
Benefit payments and refunds of contributions	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Administrative expenses	(189,652)	(158,667)	(64,478)	(119,062)	-
Other miscellaneous income/(expense) <sup>2</sup>	(360,152)	-	-	-	-
Net change in plan fiduciary net position	11,994,986	14,239,520	1,668,516	3,106,465	16,488,399
<b>Plan Fiduciary Net Position - beginning</b>	<b>121,706,196</b>	<b>107,466,676</b>	<b>105,798,160</b>	<b>102,691,695</b>	<b>86,203,296</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 133,701,182</b>	<b>\$ 121,706,196</b>	<b>\$ 107,466,676</b>	<b>\$ 105,798,160</b>	<b>\$ 102,691,695</b>
<b>Net Pension Liability - ending</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</b>	<b>82.04%</b>	<b>76.85%</b>	<b>75.59%</b>	<b>79.43%</b>	<b>81.15%</b>
<b>Covered Payroll<sup>1</sup></b>	<b>33,455,049</b>	<b>27,722,133</b>	<b>23,713,316</b>	<b>22,111,218</b>	<b>20,191,937</b>
<b>Plan Net Pension Liability as a Percentage of Covered Payroll<sup>1</sup></b>	<b>87.52%</b>	<b>132.28%</b>	<b>146.31 %</b>	<b>123.89 %</b>	<b>118.12 %</b>

<sup>1</sup> Fiscal year 2015 covered-employee payroll has been revised to covered payroll in accordance with the implementation guidance in GASB Statement 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*.

<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 five years' data is available.

## Pension Liability:

- Balance as of June 30, 2018 Actuarial Valuation
  - MTC's net pension liability decreased by \$8 million.
  - An additional payment of \$9.2 million was made in FY 2018-19.
- Changes in assumptions and investments may affect the future net pension liability.

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

**Schedule VIII**

	2018*	2017*
<b>Total OPEB liability</b>		
Service Cost	\$ 2,608,053	\$ 2,495,744
Interest on the total OPEB liability	1,718,583	1,574,575
Changes of benefit terms	-	-
Difference between actual and expected experience	-	-
Changes of assumptions	-	-
Benefit payments	(1,026,974)	(937,878)
Administrative expense	-	-
Net change in total OPEB liability	3,299,662	3,132,441
<b>Total OPEB liability - beginning</b>	<b>36,096,169</b>	<b>32,963,728</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 39,395,831</b>	<b>\$ 36,096,169</b>
<b>OPEB Fiduciary Net Position</b>		
Benefit payments	\$ (1,026,974)	\$ (937,878)
Contribution from employer	4,196,184	3,961,391
Net investment income	(151,961)	(70,798)
Administrative expense	(57,409)	(52,142)
Net change in plan fiduciary net position	2,959,840	2,900,573
<b>Plan fiduciary net position - beginning</b>	<b>28,944,010</b>	<b>26,043,437</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>31,903,850</b>	<b>28,944,010</b>
 Plan net OPEB liability - ending (a) - (b)	 <u>\$ 7,491,981</u>	 <u>\$ 7,152,159</u>
Plan fiduciary net position as a percentage of the total OPEB liability	80.98%	80.19%
 Covered-employee payroll	 \$ 34,954,872	 \$ 28,784,959
 Plan net OPEB liability of as a percentage of covered-employee payroll	 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.

**OPEB (pages 100 - 105):**

- **Balance as of June 30, 2018 Actuarial Valuation**
  - **Total OPEB liability increased by \$3 million.**
  - **The unfunded OPEB liability is now \$7.5 million.**
  - **A payment of \$8 million was made in FY 2018-19.**
- **Changes in assumptions and investments may affect the future net OPEB liability.**



**Metropolitan Transportation Commission  
Schedule of Computations Demonstrating  
Bond Covenant Compliance - BATA Proprietary Fund  
For the Year Ended June 30, 2019**

**Schedule 11**

	2019
<b>Revenues</b>	
Toll revenues collected	\$ 724,914,020
Investment income	65,777,670
Other operating revenues	<u>26,649,053</u>
Revenues subtotal	817,340,743
Build America Bonds (BABs) interest subsidy	71,738,161
Derivative investment income (charge)	<u>(131,370,314)</u>
Total revenues	<u>757,708,590</u>
<b>Operating expenses</b>	
Operating expenses incurred by Caltrans	26,606,401
Services and charges - BATA	67,312,513
Transbay Terminal JPA operations	<u>5,026,046</u>
Total operating expenses before depreciation and amortization	98,944,960
Depreciation and amortization	<u>8,132,738</u>
Total operating expenses	<u>107,077,698</u>
Net operating income	650,630,892
<b>Nonoperating expenses (revenues)</b>	
Interest expense	451,812,293
Financing fees and bond issuance costs	9,822,336
Other nonoperating expenses	397,979
Caltrans/other agency operating grants	(9,291,780)
Other nonoperating revenues	(9,842,361)
Refund of contribution from BAHA and BAIFA	<u>(6,815,000)</u>
Total nonoperating expenses	<u>436,083,467</u>
Income before operating transfers	214,547,425
<b>Operating transfers</b>	
MTC / CLIPPER administrative & operating transfers	14,327,903
MTC transit transfers:	
AB 664 expenses	8,248,725
90% rail expenses	6,697,490
2% transit expenses	1,944,408
Allocations to other agencies (RM2)	<u>46,452,221</u>
Total operating transfers	<u>77,670,747</u>
Net income before capital transfers	136,876,678
<b>Capital project expenses (revenues)</b>	
Capital expenses	20,877,569
Distribution to Caltrans for their capital purposes	103,746,197
Distributions to other agencies for their capital purposes	146,573,332
Distributions to MTC	4,444,545
Transfer from SAFE	<u>(3,000,000)</u>
Total capital project expenses	<u>272,641,643</u>
<b>Change in net position</b>	(135,764,965)
<b>Total net position - beginning</b>	<u>(6,717,488,562)</u>
<b>Total net position - ending</b>	<u>\$ (6,853,253,527)</u>

**Metropolitan Transportation Commission  
Schedule of Computations Demonstrating  
Bond Covenant Compliance - BATA Proprietary Fund *continued*  
For the Year Ended June 30, 2019**

**Schedule 11**

	2019
<b>Senior Bond - Debt Service Covenant</b>	
Net revenue <sup>1</sup>	\$ 790,734,342
Debt service <sup>2</sup>	267,246,281
Debt service coverage <sup>4</sup>	2.96
Debt service coverage - bond covenant requirement	1.20
Net revenue <sup>1</sup> plus operations & maintenance reserve	\$ 965,734,342
Fixed charges <sup>3</sup> , operating transfer and costs <sup>7</sup>	333,052,451
Fixed charges coverage	2.90
Fixed charges coverage - bond covenant requirement	1.25
<b>Combined Bonds - Debt Service Covenant</b>	
Net revenue <sup>1</sup>	\$ 790,734,342
Debt service <sup>3,10</sup> , operating transfer and costs <sup>7,11</sup>	521,525,174
Sum sufficient coverage	1.52
Sum sufficient coverage - bond covenant requirement	1.00
Net revenue <sup>1,6</sup>	\$ 730,776,073
Debt service <sup>3</sup>	443,959,132
Subordinate debt service coverage	1.65
Subordinate debt service coverage - bond covenant requirement	1.20
Self insurance reserve - Caltrans Cooperative Agreement <sup>9</sup>	\$ 50,000,000
Operations & maintenance reserve <sup>8,9</sup>	175,000,000
Rehabilitation reserve <sup>9</sup>	210,000,000
Project/self insurance reserve & variable rate risk reserve <sup>9</sup>	\$ 565,000,000

<sup>1</sup> Revenues subtotal less Caltrans operating expenses.

<sup>2</sup> Senior debt service expense less BABs interest subsidy on senior bonds plus principal retirement of \$53,280,000.

<sup>3</sup> Total debt service expense less BABs interest subsidy plus principal retirement of \$63,885,000.

<sup>4</sup> Based on debt outstanding from May 24, 2001 to February 26, 2019.

<sup>5</sup> Fixed charges comprise debt service.

<sup>6</sup> Net revenues less Maintenance A transfer and net of BATA service charges against other agency operating grants.

<sup>7</sup> Operating transfer and costs include RM 2 operating costs less amortization of Transit Transfer to MTC (Transit Transfer obligation for the next 42 years was fulfilled in early September 2010).

<sup>8</sup> Minimum required operation & maintenance reserve is \$59 million, but currently maintained at \$175 million.

<sup>9</sup> Designated reserves through BATA resolution.

<sup>10</sup> Debt service includes Maintenance A transfer.

<sup>11</sup> Financing costs.



# Bay Area Headquarters Authority (BAHA)

**BAHA is responsible for the management and operation of the Bay Area Metro Center (BAMC), including sales (of condominium interests in BAMC) and leasing activity, and maintaining BAMC.**

**Highlights of the BAHA Financial Statements include...**



**Bay Area Headquarters Authority**  
**Statements of Net Position**  
**June 30, 2019 and 2018**

	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash - unrestricted	\$ 21,083,125	\$ 17,705,858
Cash - restricted	4,780,457	3,627,118
Accounts receivable	3,228,728	237,904
Due from other governments	-	4,438
Accrued interest	42	18
Prepaid expenses	375,948	553,468
Total current assets	29,468,300	22,128,804
Non-current assets:		
Capital assets, not being depreciated	34,817,968	33,933,809
Capital assets, net of accumulated depreciation	174,462,989	185,202,008
Total non-current assets	209,280,957	219,135,817
<b>TOTAL ASSETS</b>	<b>238,749,257</b>	<b>241,264,621</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows from pension	102,800	343,203
Deferred outflows from OPEB	129,378	112,705
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>232,178</b>	<b>455,908</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	583,390	446,901
Retention payable	70,696	422,384
Accrued liabilities	2,192,500	1,863,000
Unearned revenue	587,176	-
Compensated absences liability	25,651	58,596
Tenants' security deposits	345,776	52,651
Due to other government	476,016	476,016
Due to 375 Beale Condo	651,615	773,279
Total current liabilities	4,932,820	4,092,827
Non-current liabilities:		
Net pension liability	69,659	381,354
Net OPEB liability	119,233	181,305
Compensated absences liability	28,808	62,187
Tenants' security deposits	157,952	160,452
Total non-current liabilities	375,652	785,298
<b>TOTAL LIABILITIES</b>	<b>5,308,472</b>	<b>4,878,125</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows from pension	65,394	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>65,394</b>	<b>-</b>
<b>NET POSITION</b>		
Net investment in capital assets	209,280,957	219,135,817
Restricted (expendable) for capital projects	4,780,457	3,627,118
Unrestricted	19,546,155	14,079,469
<b>TOTAL NET POSITION</b>	<b>\$ 233,607,569</b>	<b>\$ 236,842,404</b>

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

- Cash assets are up \$4.5 million.
  - Cash of \$4.7 million is restricted for the 1st floor retail space.
- Consecutive years of positive net position.

**Bay Area Headquarters Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2019 and 2018**

	2019	2018
<b>OPERATING REVENUE</b>		
Rental income	\$ 9,318,889	\$ 8,044,593
Assessment fees	152,000	-
Other operating revenues	499,544	484,542
<b>TOTAL OPERATING REVENUE</b>	<b>9,970,433</b>	<b>8,529,135</b>
<b>OPERATING EXPENSES</b>		
Salaries and benefits	411,866	1,226,051
Professional fees	590,653	1,403,185
Repairs and maintenance	989,511	988,124
Property management service	255,764	266,336
Property management commission	31,969	40,857
Insurance	179,794	179,855
Security	499,772	459,087
Cleaning service	650,551	618,436
Communication charges	-	32,951
Utilities	420,386	453,286
Computer maintenance and services	442,222	403,193
Supplies and equipment rental	31,554	184,419
Refund of excess assessment fees	-	901,385
Depreciation	6,638,385	6,433,075
Overhead	266,144	536,690
Possessory tax	599,002	1,346,538
Other	527,200	398,393
<b>TOTAL OPERATING EXPENSES</b>	<b>12,534,773</b>	<b>15,871,861</b>
<b>OPERATING LOSS</b>	<b>(2,564,340)</b>	<b>(7,342,726)</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>		
Interest income	187,496	226,876
Other nonoperating revenues	131,311	152,326
Loss on sale of capital assets	(254,989)	-
Return of contribution to BATA	(3,900,000)	-
Miscellaneous income	266	532,630
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(3,835,916)</b>	<b>911,832</b>
<b>LOSS BEFORE CAPITAL CONTRIBUTION / TRANSFERS</b>	<b>(6,400,256)</b>	<b>(6,430,894)</b>
<b>CAPITAL CONTRIBUTION / TRANSFERS</b>		
Contribution from BAAQMD	3,150,000	-
Tenant contribution for tenant improvements	15,421	56,370
<b>TOTAL CAPITAL CONTRIBUTION / TRANSFERS</b>	<b>3,165,421</b>	<b>56,370</b>
<b>CHANGE IN NET POSITION</b>	<b>(3,234,835)</b>	<b>(6,374,524)</b>
<b>Net position - Beginning of year</b>	<b>236,842,404</b>	<b>243,216,928 *</b>
<b>Net position - End of year</b>	<b>\$ 233,607,569</b>	<b>\$ 236,842,404</b>

\* In fiscal year 2018, beginning balance was restated due to the adoption of GASB statement No. 75.  
See Note 6 for additional information.

- The building is now fully occupied.
- Rental income increased by approximately \$1.3 million as a result of additional temporary office space leased.
- BAHA operations show a positive cash flow for FY 2018-19, excluding depreciation.
- In FY 2018-19, BAHA returned \$3.9 million to BATA.
- BAAQMD acquired 8th floor office space for a purchase price of \$4.4 million.
- San Francisco Bay Conservation & Development Commission (BCDC) moved into BAMC in mid-August 2019.

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



# 375 Beale Condominium Corporation

The 375 Beale Condominium Corporation (Condo Corp) is managed by the three condominium owners, BAHA, BAAQMD and the Association of Bay Area Governments (ABAG).

Highlights of the Condo Corp Financial Statements include...



**375 Beale Condominium Corporation**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended June 30, 2019 and 2018**

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	2019	2018
<b>Operating Revenues</b>		
Assessment fees	\$ 5,462,864	\$ 5,299,175
Refund of excess assessment fees	(811,613)	(1,224,203)
Net assessment fees	4,651,251	4,074,972
Total operating revenues	4,651,251	4,074,972
<b>Operating Expenses</b>		
Common area	3,137,932	2,992,007
Shared services	1,523,036	1,089,052
Total operating expenses	4,660,968	4,081,059
Operating loss	(9,717)	(6,087)
<b>Nonoperating Revenues</b>		
Interest income	9,717	5,196
Miscellaneous revenues	-	891
Total nonoperating revenues	9,717	6,087
Change in Net Position	-	-
Net Position - Beginning of Year	-	-
Net Position - End of Year	\$ -	\$ -

- **Net Assessment Fees are aligned with operating costs for the year.**
- **There was a \$811,613 refund of assessment fees to MTC and the BAAQMD. ABAG's operating costs are capped.**
- **The operation is intended to be self-supporting with any positive or negative adjustment made in the following year.**

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



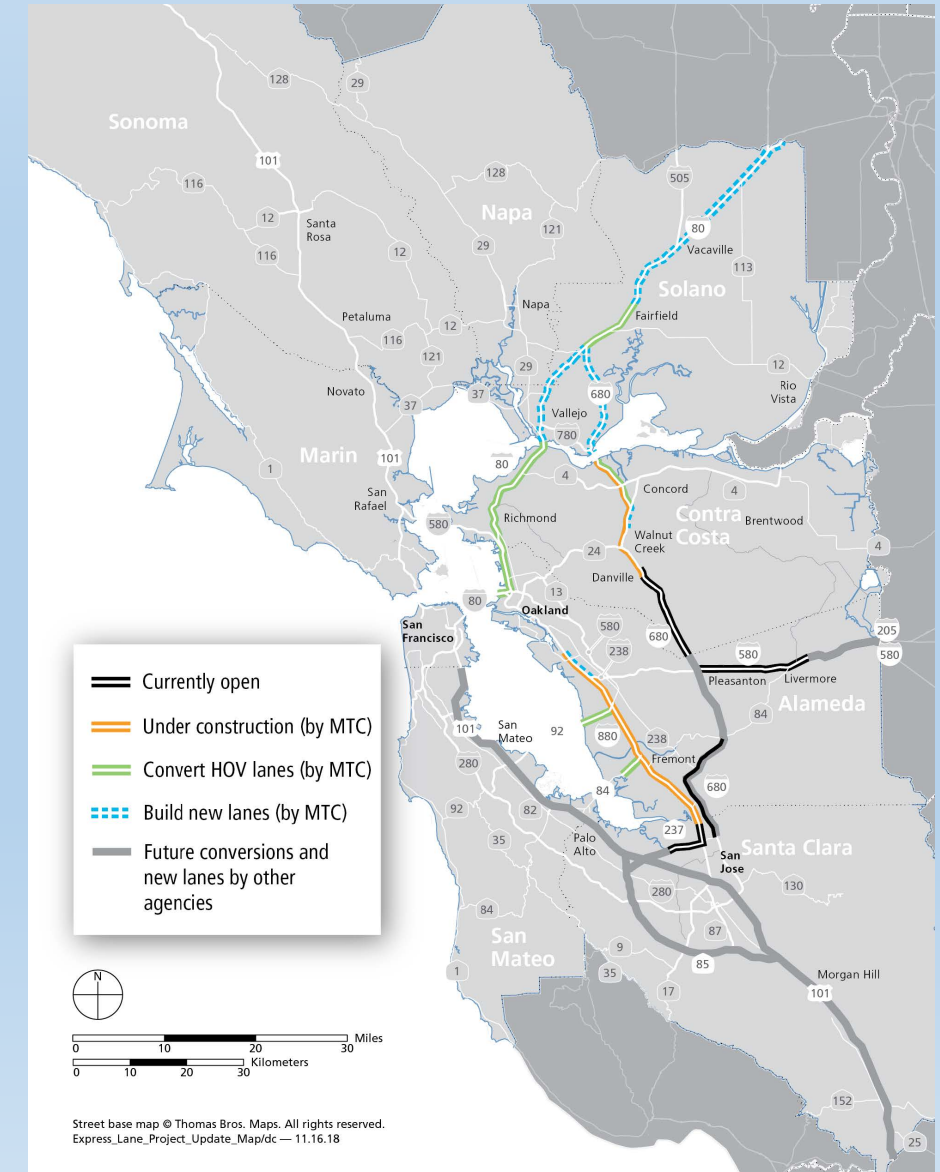
# Bay Area Infrastructure Financing Authority (BAIFA)



BAY AREA **EXPRESS LANES**

**BAIFA's mission is to develop and manage the 270 mile Express Lane Network (ELN) which went operational in October 2017. The FY 2018-19 financial report is the second year under the new ELN operating responsibilities.**

**Highlights of the BAIFA Financial Statements include...**





**Bay Area Infrastructure Financing Authority**  
**Statements of Net Position**  
**June 30, 2019 and 2018**

	2019	2018
<b>Assets</b>		
Current assets		
Cash	\$ 13,948,848	\$ 7,893,198
Accounts receivable	575,018	269,155
Due from other governments	234,639	491,407
Prepaid expenses	3,332	3,562
Total current assets	14,761,837	8,657,322
Non-current assets		
Net pension assets	3,392	-
Total non-current assets	3,392	-
Total Assets	14,765,229	8,657,322
<b>Deferred outflows of resources</b>		
Deferred outflows from pension	144,175	110,494
Deferred outflows from OPEB	183,744	63,486
Total deferred outflows of resources	327,919	173,980
<b>Liabilities</b>		
Current liabilities		
Accounts payable	900,139	396,551
Accrued liabilities	2,277,858	28,570
Due to other governments	-	218,838
Compensated absences liabilities	36,429	33,006
Total current liabilities	3,214,426	676,965
Non-current liabilities		
Net pension liabilities	-	87,276
Net OPEB liabilities	59,445	51,021
Compensated absences liabilities	40,912	35,029
Total non-current liabilities	100,357	173,326
Total Liabilities	3,314,783	850,291
<b>Deferred inflows of resources</b>		
Deferred inflows from pension	143,583	32,017
Total deferred inflows of resources	143,583	32,017
<b>Net Position</b>		
Unrestricted	11,634,782	7,948,994
Total net position	\$ 11,634,782	\$ 7,948,994

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

- BAIFA ended FY 2018-19 with nearly \$14 million in cash, \$6.1 million more than FY 2017-18.
- In June 2019, the BAIFA board approved the transfer of Express Lanes Capital Program from BATA to BAIFA.
- In FY 2019-20, full assets and liabilities will be included in the financial statements going forward.

**Bay Area Infrastructure Financing Authority**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended June 30, 2019 and 2018**

	2019	2018
<b>Operating Revenues</b>		
Toll revenues collected	\$ 11,730,498	\$ 7,850,387
Other operating revenues	<u>1,942,206</u>	<u>1,230,351</u>
Total operating revenues	<u>13,672,704</u>	<u>9,080,738</u>
<b>Operating Expenses</b>		
Salaries and benefits	681,387	681,675
Professional fees	5,800,758	2,739,164
Bank charges	375,391	285,408
Overhead	393,367	334,322
Other operating expenses	<u>90,934</u>	<u>63,088</u>
Total operating expenses	<u>7,341,837</u>	<u>4,103,657</u>
Operating income	<u>6,330,867</u>	<u>4,977,081</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	269,921	56,913
Contribution from BATA	-	2,915,000
Return of contribution to BATA	<u>(2,915,000)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(2,645,079)</u>	<u>2,971,913</u>
<b>Change in Net Position</b>	<u>3,685,788</u>	<u>7,948,994</u>
<b>Net Position - Beginning of year</b>	<u>7,948,994</u>	<u>-</u>
<b>Net Position - Ending of year</b>	<u>\$ 11,634,782</u>	<u>\$ 7,948,994</u>

- Express lane operations ended the first two operating years with a surplus.
- Revenue increased by 34% compared to FY 2017-18. The number of trip transactions increased by 640,335.
- BAIFA returned approximately \$2.9 million to capital funding.
- Ending Net Position is up \$3.6 million.
- All capital and operating costs will be transferred from BATA in FY 2019-20, with the anticipation of a positive return on investments.

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