



FY 2019-2020 FINANCIAL REPORTS AND YEAR END AUDIT RESULTS



METROPOLITAN TRANSPORTATION COMMISSION (MTC)

MTC is the primary government responsible for all of operating funds and component units.
FY 2019-20 was a difficult operating year for all funds

FY 2019-20 financial highlights:

- MTC has a government-wide negative net of position of \$6.8 billion (page 28)
- The net position is positive \$2.3 billion after adjusting for BATA debt service
- Government-wide cash and investments (C&I) \$2.9 billion (page 27)

Unrestricted C&I	\$ 696 million
Restricted C&I	\$ 2,243 billion
- Governmental fund balance ended \$508 million up \$35 million (page 37)
- General Fund (MTC) FY 2019-20 total \$51 million up \$5 million (page 33)
- BATA toll revenue dropped 13%
 - Cash collections have been suspended
 - Violation collections have been suspended
 - RM3 toll revenue of \$183 million remains in escrow
 - I-680 Express Lane suspended the toll collection from April to June

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2020

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

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

27

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2020

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

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

28

MTC is comprised of Governmental and Business-Type Activities

- Liquidity is measured by cash and investments
 - Business activities \$2.1 billion
 - Governmental activities \$796 million
- After debt service adjustment all activities have positive net position at year end

2

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds
	MTC-Clipper*	Bay Area Toll Authority	Service Authority for Freeways and Expressways	
OPERATING REVENUES				
Toll revenues collected	\$ -	\$ 633,932,206	\$ -	\$ 633,932,206
Department of Motor Vehicles registration fees	-	-	6,588,427	6,588,427
Revenues from operators	16,688,372	-	-	16,688,372
Other operating revenues	1,638,130	29,840,801	-	31,478,931
TOTAL OPERATING REVENUES	18,326,502	663,773,007	6,588,427	688,687,936
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	26,633,349	-	26,633,349
Operating expenses - Transbay JPA	-	5,201,958	-	5,201,958
Towing contracts	-	-	14,699,329	14,699,329
Professional fees	30,423,537	52,548,318	577,454	83,549,309
Allocations to other agencies	1,518,804	43,884,737	-	45,403,541
Salaries and benefits	2,470,125	9,747,888	810,258	13,028,271
Repairs and maintenance	-	-	433,285	433,285
Communication charges	3,699	150,191	160,123	314,013
Depreciation and amortization	-	2,910,229	217,434	3,127,663
Other operating expenses	1,835,051	21,874,899	673,705	24,383,655
TOTAL OPERATING EXPENSES	36,251,216	162,951,569	17,571,588	216,774,373
OPERATING INCOME (LOSS)	(17,924,714)	\$60,821,438	(10,983,161)	471,913,563

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

44

- Only BATA had an overall negative operating balance for the proprietary funds

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
For the Year Ended June 30, 2020

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

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

45

BATA had an operating surplus but cash deficit

- Operating surplus of \$501 million
- Ending deficit of \$460 million – including:
 - \$230 million transferred to BAIFA for the Express Lane Network (ELN)
 - \$134 million rehab and other projects

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2020

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

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

33

- General Fund net increase \$5 million
 - Cost controls/timing of grant funding offset lost revenue
- Rail Reserves has only remaining negative fund balance from the unamortized portion of a 50 year advance from BATA

- Combined Governmental Funds ending balance \$508 million, up \$35 million for FY 2019-20

Metropolitan Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds					Non-Major Governmental Funds	Total Governmental Funds
	General	AB 664 Net Toll Revenue Reserve	State Transit Assistance	Rail Reserves	BART Car Exchange		
REVENUES							
Sales tax	\$ 14,076,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,076,093
Grants - Federal	53,899,280	-	-	-	-	-	53,899,280
Grants - State	6,861,058	-	284,180,894	-	-	-	291,041,952
Local agencies revenues and refunds	9,380,648	-	33,876	-	-	-	9,414,524
Investment income - unrestricted	537,383	2,787,509	1,780,888	592,188	-	-	5,797,968
Investment income - restricted	-	-	-	-	6,231,005	-	6,231,005
TOTAL REVENUES	84,754,462	2,787,509	285,995,658	592,188	6,231,005	8,709,995	389,070,817
EXPENDITURES							
Current:							
General government	85,238,531	11,735	-	4,768	4,770	306,099	85,565,903
Allocations to other agencies	24,785,811	1,355,519	260,370,148	3,364,133	-	2,181,976	292,057,587
Capital outlay	12,013	-	-	-	-	-	12,013
TOTAL EXPENDITURES	110,036,355	1,367,254	260,370,148	3,368,901	4,770	2,488,075	377,635,503
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(25,281,893)	1,420,255	25,625,510	(2,776,713)	6,226,235	6,221,920	11,435,314
OTHER FINANCING SOURCES (USES)							
Transfers in	30,184,716	7,925,106	-	6,434,730	-	1,868,125	46,412,677
Transfers out	-	-	(11,470,222)	-	-	(11,023,985)	(22,494,207)
TOTAL OTHER FINANCING SOURCES (USES)	30,184,716	7,925,106	(11,470,222)	6,434,730	-	(9,155,860)	23,918,470
NET CHANGE IN FUND BALANCES	4,902,823	9,345,361	14,155,288	3,658,017	6,226,235	(2,933,940)	35,353,784
Fund balances - beginning	46,028,527	(7,378,737)	84,663,683	(92,418,161)	395,250,450	46,944,731	473,090,493
Fund balances - ending	\$ 50,931,350	\$ 1,966,624	\$ 98,818,971	\$ (88,760,144)	\$ 401,476,685	\$ 44,010,791	\$ 508,444,277

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

37

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

Schedule VI

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 6,332,691	\$ 6,156,743	\$ 4,923,634	\$ 3,969,969	\$ 3,699,768	\$ 3,710,617
Interest	12,111,258	10,871,494	10,572,028	10,131,302	9,499,032	8,852,738
Changes of assumptions	-	(5,335,069)	9,136,825	-	(2,410,626)	-
Difference between expected and actual experience	6,335,416	(1,053,719)	(3,383,252)	(352,537)	515,758	-
Benefit payments and refunds of contribution	(6,188,088)	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Net change in total pension liability	18,591,277	4,603,024	16,215,517	8,969,454	6,650,396	8,158,478
Total pension liability - beginning	162,980,509	158,377,485	142,161,968	133,192,514	126,542,118	118,383,640
Total pension liability - ending	\$ 181,571,786	\$ 162,980,509	\$ 158,377,485	\$ 142,161,968	\$ 133,192,514	\$ 126,542,118
Plan Fiduciary Net Position						
Contributions - employer	\$ 6,066,267	\$ 5,457,108	\$ 5,196,976	\$ 4,128,694	\$ 3,819,020	\$ 3,313,040
Contributions - member	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	9,132,264	10,586,685	12,110,384	535,476	2,304,601	15,270,089
Benefit payments and refunds of contributions	(6,188,088)	(6,036,425)	(5,033,718)	(4,779,280)	(4,653,536)	(4,404,877)
Administrative expenses	(95,412)	(189,652)	(158,667)	(64,478)	(119,062)	-
Other miscellaneous income/(expense) ²	309	(360,152)	-	-	-	-
Net change in plan fiduciary net position	12,912,021	11,994,986	14,239,520	1,668,516	3,106,465	16,488,399
Plan Fiduciary Net Position - beginning	133,701,181	121,706,195	107,466,675	105,798,159	102,691,694	86,203,295
Plan Fiduciary Net Position - ending	\$ 146,613,202	\$ 133,701,181	\$ 121,706,195	\$ 107,466,675	\$ 105,798,159	\$ 102,691,694
Net Pension Liability - ending	\$ 34,958,584	\$ 29,279,328	\$ 36,671,290	\$ 34,695,293	\$ 27,394,355	\$ 23,850,424
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.75%	82.04%	76.85%	75.59%	79.43%	81.15%
Covered Payroll¹	34,846,017	33,455,049	27,722,133	23,713,316	22,111,218	20,191,937
Plan Net Pension Liability as a Percentage of Covered Payroll¹	100.32%	87.52%	132.28%	146.31 %	123.89 %	118.12 %

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

² 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 six years' data is available.

Pension Liability

- Current PERS (FY 2018-19) actuarial liability \$35 million up \$6 million from FY 2017-18
- PERS actuarial assumptions are not current - but two years in arrears
- FY 2019 numbers do not reflect changes made during FY 2019-20
 - Prepayments made in FY 2019-20
 - PERS "Fresh Start" program
 - Re-amortized liability from 25 to 12 years
 - Retired longest/most expensive debt
 - reduced annual payment from \$4.5 million to \$2.5 million
- FY 2021 unfunded liability estimate \$22 million
- Changes in assumptions and investment returns may still affect future pension liability

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

Schedule VIII

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

OPEB

- Current OPEB liability
 - \$42.6 million
 - Increase of \$3.2 million
- Current unfunded liability (asset)
 - \$2.9 million
- Surplus assets can be used for benefit payments or additional funding for unfunded pension liability
- Changes in assumptions and investment returns may affect the future OPEB liability

Metropolitan Transportation Commission
Schedule of BATA Debt Service Coverage Ratios
For the Year Ended June 30, 2020

Schedule 10

	2020
Revenues	
Toll revenues collected	\$ 633,932,206
Investment income	38,281,463
Other operating revenues	29,840,801
Revenues subtotal	702,054,470
Build America Bonds (BABs) interest subsidy	71,885,581
Derivative investment income (charge)	(201,597,075)
Total revenues	572,342,976
Operating expenses	
Operating expenses incurred by Caltrans	26,633,349
Services and charges - BATA	67,793,177
Transbay Terminal JPA operations	5,201,958
Total operating expenses before depreciation and amortization	99,628,484
Depreciation and amortization	2,910,229
Total operating expenses	102,538,713
Net operating income	469,804,263
Nonoperating expenses (revenues)	
Interest expense	455,188,820
Financing fees and bond issuance costs	16,172,468
Other nonoperating expenses	135,706
Caltrans/other agency operating grants	(8,597,705)
Other nonoperating revenues	(4,434,130)
Refund of contribution from BAHA	(2,000,000)
Total nonoperating expenses	456,465,159
Income before operating transfers	13,339,104
Operating transfers	
MTC / CLIPPER administrative & operating transfers	19,858,116
MTC transit transfers:	
AB 664 expenses	7,925,106
90% rail expenses	6,434,730
2% transit expenses	1,868,125
Allocations to other agencies (RM2)	43,884,737
Total operating transfers	79,970,814
Net loss before capital transfers	(66,631,710)
Capital project expenses (revenues)	
Capital expenses	16,528,118
Distribution to Caltrans for their capital purposes	55,254,009
Distributions to other agencies for their capital purposes	79,388,265
Distributions to MTC/ Clipper	12,276,125
Capital contribution to BAIFA	230,329,148
Total capital project expenses	393,775,665
Change in net position	(460,407,375)
Total net position - beginning	(6,853,253,527)
Total net position - ending	\$ (7,313,660,902)

- BATA managed a minor operating gain - despite
 - 13% drop in toll revenue
 - Suspension of cash payments and violation assessments
- Total operating revenue
 - \$702 million FY 2019-20
 - \$817 million FY 2018-19
- Expenses
 - Operating - \$103 million
 - Debt Service - \$456 million
 - Operating Transfers - \$ 80 million
 - Capital Transfers - \$394 million
- BATA ended FY 2019-20 with a negative cash flow of \$331 million after capital transfers

Metropolitan Transportation Commission
Schedule of BATA Debt Service Coverage Ratios* continued
For the Year Ended June 30, 2020

Schedule 10

	2020
Fixed Charge	
Net revenue ¹	\$ 675,421,121
Debt service ^{4,9} , plus operating transfer and costs ^{3,6}	601,179,647
Sum sufficient ratio	1.12
Minimum threshold	1.00
Fixed Charge, plus Operations & Maintenance	
Net revenue ¹ , plus operations & maintenance reserve	\$ 855,421,121
Senior debt service ^{2,9} , plus operating transfer ³	359,423,182
Sum sufficient, plus operations & maintenance reserve ratio	2.38
Minimum threshold	1.25
Net Revenue / Senior Debt Service	
Net revenue ¹	\$ 675,421,121
Senior debt service ^{2,9}	290,478,371
Debt service ratio	2.33
Minimum threshold	1.20
Available Revenue / Debt Service	
Available revenue ⁵	\$ 616,225,649
Debt service ^{4,9,10}	501,215,220
Debt service ratio	1.23
Minimum threshold	1.20
Reserve Designations⁷	
Self insurance reserve - Caltrans Cooperative Agreement	\$ 50,000,000
Operations & maintenance reserve ⁸	180,000,000
Rehabilitation reserve	210,000,000
Project/self insurance reserve & variable rate risk reserve	560,000,000

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

¹ Revenues less Caltrans operating expenses and Maintenance B.

² Senior debt service expense less BABs interest subsidy on senior bonds plus principal retirement of \$88,440,000.

³ Operating transfer and costs include RM 2 operating costs less amortization of Transit Transfer to MTC (Transit Transfer obligation for the next 41 years was fulfilled in early September 2010).

⁴ Total Senior and Subordinate debt service expense less BABs interest subsidy plus principal retirement of \$157,065,000.

⁵ Revenues less Caltrans and BATA operating expenses, includes Maintenance B.

⁶ Debt related obligations and Maintenance A.

⁷ Designated reserves through BATA resolution.

⁸ Minimum required operations & maintenance reserve is \$59 million but is currently maintained at \$180 million.

⁹ Excludes one-time prepayment of FY 20/21 principal payments and related interest and expenses using BATA operating reserve funds.

Total Senior principal and related interest and expenses is \$88,319,125; and total Subordinate principal and related interest and expenses is \$71,873,894.

¹⁰ Excludes optional redemption of Subordinate Bonds, 2014 Series S5 of \$25,000,000 on 10/1/19.

- BATA met all four debt coverage tests but by the closest margin in BATA history
- The available revenue test demonstrates revenue coverage of operations and debt
 - Actual Coverage 1.23
 - Required Coverage 1.20
- Not meeting coverage does not automatically force a toll increase
- Despite capital draws and a difficult operating year, BATA managed to maintain all of its \$1 billion dedicated operating reserve



BAY AREA HEADQUARTERS AUTHORITY (BAHA)

BAHA is responsible for the management and operation of the Bay Area Metro Center

The Metro Center is now reasonably self sufficient

Highlights of the BAHA financial statements include:

- State of California, Bay Conservation & Development Commission (BCDC) moved into BAMC in August 2019
- The building is now fully occupied and rent payments remain current despite being mainly vacant since March 2020
- BAHA operations show a positive cash flow for FY 2019-20, excluding depreciation
- In FY 2019-20, BAHA returned \$2.0 million to BATA for the 375 Beale building purchase and improvement costs

Bay Area Headquarters Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Net Position
June 30, 2020
(With comparative information for the prior year)

	2020	2019
ASSETS		
Current assets:		
Cash - unrestricted	\$ 22,092,401	\$ 21,083,125
Accounts receivable	90,026	3,228,728
Due from 375 Beale Condo	151,957	-
Accrued interest	-	42
Prepaid expenses	170,068	375,948
Total current assets	22,504,452	24,687,843
Non-current assets:		
Cash - restricted	6,708,664	4,780,457
Net OPEB asset	26,334	-
Capital assets, not being depreciated	34,002,258	34,817,968
Capital assets, net of accumulated depreciation	172,214,176	174,462,989
Total non-current assets	212,951,432	214,061,414
TOTAL ASSETS	235,455,884	238,749,257
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pension	217,144	102,800
Deferred outflows from OPEB	72,175	129,378
TOTAL DEFERRED OUTFLOWS OF RESOURCES	289,319	232,178
LIABILITIES		
Current liabilities:		
Accounts payable	443,012	583,390
Retention payable	240,241	70,696
Accrued liabilities	898,616	2,192,500
Unearned revenue	558,441	587,176
Compensated absences liability	19,613	25,651
Tenants' security deposits	52,651	345,776
Due to other government	476,020	476,016
Due to 375 Beale Condo	-	651,615
Total current liabilities	2,688,594	4,932,820
Non-current liabilities:		
Net pension liability	318,510	69,659
Net OPEB liability	-	119,233
Compensated absences liability	23,661	28,808
Tenants' security deposits	-	157,952
Total non-current liabilities	342,171	375,652
TOTAL LIABILITIES	3,030,765	5,308,472
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pension	53,783	65,394
Deferred inflows from OPEB	24,262	-
TOTAL DEFERRED INFLOWS OF RESOURCES	78,045	65,394
NET POSITION		
Net investment in capital assets	205,976,193	209,210,261
Restricted (expendable) for capital projects	6,708,664	4,780,457
Unrestricted	19,951,536	19,616,851
TOTAL NET POSITION	\$ 232,636,393	\$ 233,607,569

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

- Cash assets are almost \$29 million
 - Unrestricted \$22 million up \$1.0 million
 - Restricted \$6.7 million, which is up \$1.9 million, mainly from the BCDC payment for tenant improvements
 - \$6.7 million is restricted for capital projects such as the 1st floor Temazcal multi-use space.
- Current liabilities dropped by \$2.2 million reflecting a reduction in the possessory interest tax due and security deposit liabilities to tenants.

Bay Area Headquarters Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020
(With comparative information for the prior year)

	2020	2019
OPERATING REVENUE		
Rental income	\$ 9,477,725	\$ 9,318,889
Assessment fees	-	152,000
Other operating revenues	795,819	499,544
TOTAL OPERATING REVENUE	10,273,544	9,970,433
OPERATING EXPENSES		
Salaries and benefits	541,570	411,866
Professional fees	243,403	590,653
Repairs and maintenance	949,568	989,511
Property management service	269,776	255,764
Property management commission	42,314	31,969
Insurance	200,297	179,794
Security	560,295	499,772
Cleaning service	733,485	650,551
Utilities	444,786	420,386
Computer maintenance and services	410,030	442,222
Supplies and equipment rental	12,256	31,554
Depreciation	6,770,116	6,638,385
Overhead	203,276	266,144
Possessory tax	684,905	599,002
Other	329,203	527,200
TOTAL OPERATING EXPENSES	12,395,280	12,534,773
OPERATING LOSS	(2,121,736)	(2,564,340)
NONOPERATING REVENUES AND EXPENSES		
Interest income	266,789	187,496
Other nonoperating revenues	132,697	131,311
Loss on sale of capital assets	-	(254,989)
Return of contribution to BATA	(2,000,000)	(3,900,000)
Miscellaneous income	31,791	266
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,568,723)	(3,835,916)
LOSS BEFORE CAPITAL CONTRIBUTION / TRANSFERS	(3,690,459)	(6,400,256)
CAPITAL CONTRIBUTION / TRANSFERS		
Capital contribution from MTC/BATA	119,000	-
Capital contribution from BAAQMD	82,000	3,150,000
Tenant contribution for tenant improvements	2,518,283	15,421
TOTAL CAPITAL CONTRIBUTION / TRANSFERS	2,719,283	3,165,421
CHANGE IN NET POSITION	(971,176)	(3,234,835)
Net position - Beginning of year	233,607,569	236,842,404
Net position - End of year	\$ 232,636,393	\$ 233,607,569

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

- Total operating revenue was \$10.2 million, an increase of 3%
 - Increase is the result of scheduled increases in lease payments
- Operating expenses are \$5.6 million (excluding depreciation), a decrease of \$300 thousand from FY 2018-19
- BAHA continues to show improving cash flow (excluding depreciation)
 - FY 2019-20 \$3.0 million
 - FY 2018-19 \$238 thousand
- In FY 2019-20, BAHA returned \$2.0 million to BATA
- BAHA is now nearly fully self supporting, including depreciation

375 BEALE CONDOMINIUM CORPORATION

375 Beale Condominium Corporation (Condo Corp) is a non-profit organization formed to manage the three condominium unit owners' common interest development in 375 Beale Street, San Francisco, California.

The 375 Beale Condo Corp is managed by the executive officers of the three condominium owners, BAHA, Bay Area Air Quality Management District (BAAQMD) and the Association of Bay Area Governments (ABAG). Highlights of the Condo Corp financial statements include:

- There was a refund of assessment fees in the amount of \$494,233 for MTC and BAAQMD. There is no refund due to ABAG because their operating costs are capped (page 7 and 8).
- Net Assessment Fees of approximately \$5.0 million are aligned with operating costs for the year (page 8).
- The operation is intended to be self-supporting during the operating years with any positive or negative adjustment made in the following year.

375 Beale Condominium Corporation
Statement of Net Position
June 30, 2020
(With comparative information for the prior year)

	2020	2019
Assets		
Current assets		
Cash	\$ 332,004	\$ 210,803
Accounts receivable	401,801	99,991
Due from BAHA	-	651,615
Prepaid expenses	-	1,055
Total assets	733,805	963,464
Liabilities		
Current liabilities		
Accounts payable	41,881	91,173
Accrued liabilities	45,312	54,496
Due to condominium owners	494,233	817,746
Due to BAHA	151,957	-
Unearned revenue	422	49
Total liabilities	733,805	963,464
Net Position	\$ -	\$ -

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

375 Beale Condominium Corporation
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020
(With comparative information for the prior year)

	2020	2019
Operating Revenues		
Assessment fees	\$ 5,461,872	\$ 5,462,864
Refund of excess assessment fees	(494,233)	(811,613)
Other operating revenue	1,328	-
Total operating revenues	4,968,967	4,651,251
Operating Expenses		
Common area	3,250,943	3,137,932
Shared services	1,720,071	1,523,036
Total operating expenses	4,971,014	4,660,968
Operating loss	(2,047)	(9,717)
Nonoperating Revenues		
Interest income	2,047	9,717
Total nonoperating revenues	2,047	9,717
Change in Net Position	-	-
Net Position - Beginning of Year	-	-
Net Position - End of Year	\$ -	\$ -

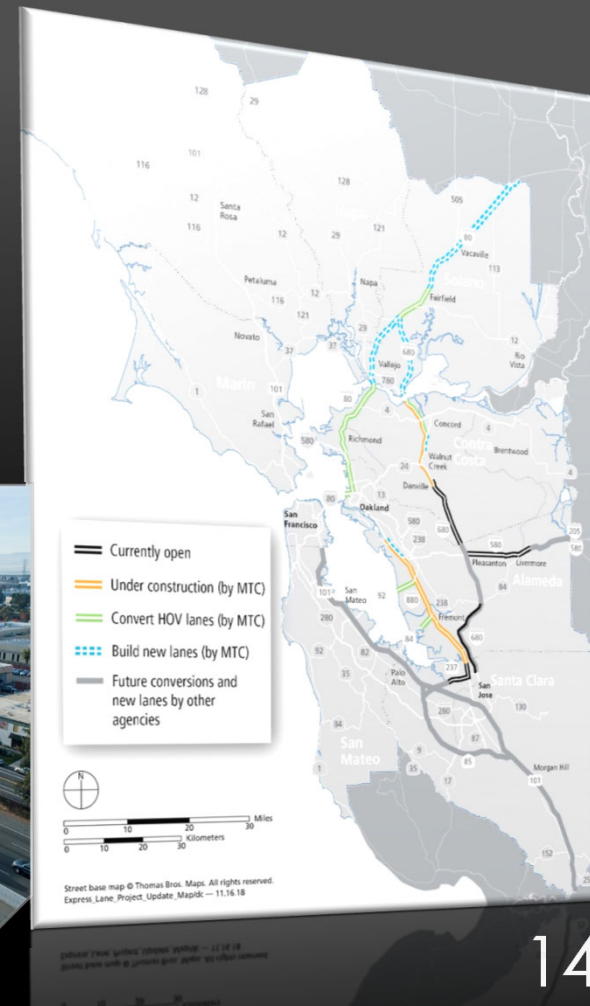
The accompanying notes are an integral part of these financial statements.

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY (BAIFA)

BAIFA mission is to develop and manage the 270 mile Express Lane Network (ELN) which went operational in October 2017

Highlights of the BAIFA financial statement include:

- BAIFA ended FY 2019-20 with nearly \$114.5 million in cash and investments (page 7)
- Express lane tolling was suspended from March 20 to May 31, 2020
 - Express lane traffic declined by 37%
 - Toll revenues decreased 17%
- BATA contributed \$230.3 million to BAIFA for the development of the Express Lanes (page 8)
- In October 2020, Interstate 880 Express Lanes in Alameda County began operations



Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Net Position
June 30, 2020
(With comparative information for the prior year)

	2020	2019
Assets		
Current assets		
Cash - unrestricted	\$ 17,752,756	\$ 13,948,848
Accounts receivable	217,937	575,018
Interest receivable	10,255	-
Due from other governments	65,245	234,639
Prepaid expenses	264	3,332
Total current assets	18,046,457	14,761,837
Non-current assets		
Cash - restricted	5,750,481	-
Investment - restricted	90,971,091	-
Net pension asset	-	3,392
Net OPEB asset	37,399	-
Capital assets, not being depreciated	99,302,244	-
Capital assets, net of accumulated depreciation	27,808,276	-
Total non-current assets	223,869,491	3,392
Total Assets	241,915,948	14,765,229
Deferred outflows of resources		
Deferred outflows from pension	308,387	144,175
Deferred outflows from OPEB	102,505	183,744
Total deferred outflows of resources	410,892	327,919
Liabilities		
Current liabilities		
Accounts payable	10,725,488	900,139
Retention payable	3,536,735	-
Accrued liabilities	350,902	2,277,858
Compensated absences liability	121,640	36,429
Total current liabilities	14,734,765	3,214,426
Non-current liabilities		
Net pension liability	452,346	-
Net OPEB liability	-	59,445
Compensated absences liability	146,743	40,912
Total non-current liabilities	599,089	100,357
Total Liabilities	15,333,854	3,314,783
Deferred inflows of resources		
Deferred inflows from pension	76,161	143,583
Deferred inflows from OPEB	34,457	-
Total deferred inflows of resources	110,618	143,583
Net Position		
Net investment in capital assets	119,234,463	-
Restricted (expendable) for capital projects	96,721,572	-
Unrestricted	10,926,333	11,634,782
Total net position	\$ 226,882,368	\$ 11,634,782

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

- In July 2019, the entire Express Lanes Capital Program transferred from BATA to BAIFA.
 - Cash and investments increased to \$114.5 million
 - Total assets increased to \$242 million as more lanes are completed
- Current liabilities increased by over \$11 million as construction contracts are relocated to BAIFA
- The bulk of the cash and investment assets - \$91 million, are restricted for capital purposes

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020
(With comparative information for the prior year)

	2020	2019
Operating Revenues		
Toll revenues	\$ 9,701,727	\$ 11,730,498
Other operating revenues	1,054,427	1,942,206
Total operating revenues	10,756,154	13,672,704
Operating Expenses		
Salaries and benefits	2,695,073	681,387
Professional fees	5,245,242	5,800,758
Bank charges	297,501	375,391
Overhead	1,323,992	393,367
Depreciation	3,626,432	-
Other operating expenses	252,240	90,934
Total operating expenses	13,440,480	7,341,837
Operating income / (loss)	(2,684,326)	6,330,867
Nonoperating Revenues (Expenses)		
Interest income	2,155,576	269,921
Distribution to other agencies for their capital purposes	(14,736,899)	-
Return of contribution to BATA	-	(2,915,000)
Miscellaneous income	184,087	-
Total nonoperating revenues (expenses)	(12,397,236)	(2,645,079)
Special Item		
Contribution from BATA	230,329,148	-
Total special item	230,329,148	-
Change in Net Position	215,247,586	3,685,788
Net Position - Beginning of year	11,634,782	7,948,994
Net Position - Ending of year	\$ 226,882,368	\$ 11,634,782

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

- Toll revenue decreased by \$2.0 million due to the suspension of express lane tolling.
- Operating expenses increased by \$6.1 million in FY 2019-20 as more of the projects are operational
- BAIFA has a net operating loss of \$2.7 million
 - Income before depreciation, \$942 thousand
 - Depreciation expense was added when the projects were transferred from BATA.
- Distribution to other agencies increased \$14.7 million, mainly for the I-880 corridor project.
- As a result of COVID-19 and Shelter-in-Place orders, BAIFA is uncertain of future financial impacts

STAFF RECOMMENDATION

- Staff requests that the Audit Committee accept the combined reports including the Metropolitan Transportation Commission (MTC) Comprehensive Annual Financial Report (CAFR) and associated reports for the fiscal year ending June 30, 2020.

Any
Questions

