Bay Area Infrastructure Financing Authority

A Component Unit of Metropolitan Transportation Commission

Financial Statements
As of and for the Year Ended June 30, 2020

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
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As of and for the Year Ended June 30, 2020

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Members of the Committee
Bay Area Infrastructure Financing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Bay Area Infrastructure Financing Authority (BAIFA), a component unit of the Metropolitan Transportation Commission, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise BAIFA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BAIFA, as of June 30, 2020, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior-Year Comparative Information

The partial comparative information presented herein as of and for the year ended June 30, 2019, was derived from the financial statements of BAIFA for the fiscal year ended June 30, 2019, which were audited by other auditors whose report dated October 29, 2019, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise BAIFA'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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Crowe LLP

San Francisco, California
October <>, 20

Management's Discussion and Analysis

This financial report is designed to provide a general overview of the Bay Area Infrastructure Financing Authority (BAIFA), a discretely presented component unit of Metropolitan Transportation Commission (MTC). This Management's Discussion and Analysis (MD&A) presents an overview of the financial activities of BAIFA for the years ended June 30, 2020. The discussion has been prepared by management and should be read in conjunction with the financial statements and the notes which follow.

BAIFA was created on August 1, 2006 by a Joint Exercise of Powers Agreement between MTC and the Bay Area Toll Authority (BATA). In October of 2011, pursuant to California Streets and Highways Code Section 149.7, the California Transportation Commission (CTC) approved MTC's application to develop and operate a 270-mile network of express lanes. Express lanes function as high-occupancy vehicle (HOV) lanes that allow vehicles not meeting HOV eligibility requirements to pay a toll to travel in the lane.

In April of 2013, MTC entered into a cooperative agreement with BAIFA through which MTC delegated the authority to develop and operate the Bay Area Express Lanes network to BAIFA. The planned Bay Area Express Lanes include portions of Interstates 80, 880 and 680. On October 9, 2017, the first MTC express lanes on Interstate 680 between Walnut Creek and San Ramon, both north and south directions, commenced revenue operations. The civil construction for MTC's second express lanes on Interstate 880 between Fremont and Oakland is completed and will begin operations on October 2, 2020. The construction for a new southbound express lane on Interstate 680 between Martinez and Walnut Creek started in October 2018. This new express lane is scheduled to open in spring 2021.

A. Financial Highlights

- BAIFA received $230,329,148 in capital contribution from BATA for the development of the Express Lanes.
- Express lane tolling was suspended from March 20 to May 31, 2020. Traffic fell 37 percent and toll revenues dropped 17 percent in FY 2020 compared to FY 2019.

B. Overview of the Financial Statements

BAIFA's financial statements include *Statement of Net Position*, *Statement of Revenues, Expenses and Changes in Net Position*, and *Statement of Cash Flows*. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The *Statement of Net Position* report assets, liabilities, deferred out/inflows of resources, and the difference as net position. The *Statement of Revenues, Expenses, and Changes in Net Position* consist of operating revenues and expenses and nonoperating revenues and expenses. The *Statement of Cash Flows* are presented using the direct method.

Statement of Net Position, *Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows* are presented on pages 7 – 10 of this report.

C. Financial Analysis

Statement of Net Position

The following table is a summary of BAIFA's statement of net position as of June 30 for the last two fiscal years:

	2020	2019
Cash and investments	$ 114,474,328	$ 13,948,848
Accounts receivable	293,437	809,657
Other assets	37,663	6,724
Capital assets	127,110,520	-
Total assets	241,915,948	14,765,229
Deferred outflows	410,892	327,919
Current liabilities	14,734,765	3,214,426
Non-current liabilities	599,089	100,357
Total liabilities	15,333,854	3,314,783
Deferred inflows	110,618	143,583
Net investment in capital assets	119,234,463	-
Restricted for capital projects	96,721,572	-
Unrestricted	10,926,333	11,634,782
Total net position	$ 226,882,368	$ 11,634,782

Cash and investments increased by $100,525,480 in fiscal year 2020. The increase is mainly a result of the transfer of Express Lanes Capital Program from BATA. As of June 30, 2020, total restricted cash and investments for Express Lanes Capital Program is $96.7 million. Accounts Receivable decreased by $516,220 in fiscal year 2020. The decrease is primarily due to the decrease in violation accrual receivables because of the suspension of Express Lane tolling. Other assets increased by $30,939 in fiscal year 2020. The increase in capital assets of $127,110,520 is mainly due to transfer of the capital assets of Express Lane Capital Program from BATA.

Current liabilities increased by $11,520,339 in fiscal year 2020. The increase is mainly due to the increases of $9 million in invoice payables and $3.5 million in retention payables as a result of the transfer of Express Lane Capital Program. Non-current liabilities increased by $498,732 in fiscal year 2020. The increase is mainly due to increase in net pension liabilities as allocated as the proportionate share of the total net pension liability of the Plan.

Statement of Revenues, Expenses, and Changes in Net Position

The following table is a summary of BAIFA's statement of revenues, expenses, and changes in net position for the last two fiscal years ended June 30:

	2020	2019
Operating revenues		
Total operating revenues	$ 10,756,154	$ 13,672,704
Operating expenses		
Express lane operating expenses	5,245,242	5,800,758
Other operating expenses	8,195,238	1,541,079
Total operating expenses	13,440,480	7,341,837
Net 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)
Contribution from BATA	230,329,148	-
Change in net position	215,247,586	3,685,788
Net position - beginning	11,634,782	7,948,994
Net position - ending	$ 226,882,368	$ 11,634,782

BAIFA's operating revenues decreased by $2,916,550 in fiscal year 2020. Toll revenues decreased by about $2 million, and other operating revenues decreased by $900,000 in fiscal year 2020. BAIFA suspended tolling on express lanes from March 20 to May 31, 2020.

Operating expenses increased by $6,098,643 in fiscal year 2020. The increase in fiscal year 2020 is mainly a result of expenses from the transferred capital program are accounted with those of the operating program. Depreciation expense increased from none to $3.6 million. Salaries and benefits, as well as overhead increased by $2.9 million offset by a decrease of $550,000 in professional fees.

Total nonoperating expenses increased by $9,752,157 in fiscal year 2020. BAIFA spent $15 million for distribution to other agencies for their capital projects, mainly for the I-880 corridor project, during fiscal year 2020. Meanwhile interest income increased by $1.9 million due to the cash and investments balances transferred from the capital program. In addition, there was no return of contribution to BATA in fiscal year 2020 compared to $2.9 million in fiscal year 2019.

D. Notes to the Financial Statements

The notes to the financial statements, beginning on page 11, provide additional information that is essential to a full understanding of the data provided in this management discussion and analysis as well as the financial statements.

E. Economic Factors

The San Francisco Bay Area economy entered a recession starting in April 2020 due to the COVID-19 pandemic. The April recession ended the longest running economic expansion since the post WWII era. Immediate impacts include:

- Sales tax revenue that had grown for nine straight years fell 14 percent for FY 2020.
- Unemployment which was close to 3.5 percent in January 2020 increases to over 9.6 percent by June 2020.
- Express lane traffic fell 37 percent and toll revenues dropped 17 percent in FY 2020 compared to FY 2019 total.
- The impact of shelter-in-place orders on commercial values is not known at this time.

There are some indications that the worst of the recession may be behind us with the growth in retail sales, and as housing construction continues to increase.

Requests for information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, Bay Area Infrastructure Financing Authority, 375 Beale Street, Suite 800, San Francisco, CA 94105.

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.

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.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Cash Flows
For the Year Ended June 30, 2020
(With Comparative information for the prior year)

	2020	2019
Cash flows from operating activities		
Cash receipts from users / operations	$ 11,282,629	$ 13,404,772
Other cash receipts	184,087	-
Cash payments to suppliers for goods and services	(6,934,485)	(3,907,344)
Cash payments for employee salaries and benefits	(2,261,075)	(796,699)
Net cash provided by operating activities	2,271,156	8,700,729
Cash flows from non-capital financing activities		
Distributions to other agencies	(14,837,208)	-
Return of contribution to BATA	-	(2,915,000)
Net cash used in non-capital financing activities	(14,837,208)	(2,915,000)
Cash flows from capital and related financing activities		
Contribution from BATA to BAIFA	14,103,555	-
Acquisition of capital assets	(22,018,336)	-
Net cash used in capital and related financing activities	(7,914,781)	-
Cash flows from investing activities		
Proceeds from maturities of investments	(280,594,100)	-
Purchase of investments	308,024,131	-
Interest and dividends on investments	2,605,191	269,921
Net cash provided by investing activities	30,035,222	269,921
Net increase in cash	9,554,389	6,055,650
Cash - Beginning of year	13,948,848	7,893,198
Cash - End of year	$ 23,503,237	$ 13,948,848

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

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Cash Flows
For the Year Ended June 30, 2020
(With Comparative information for the prior year)

Reconciliation of operating income / (loss) to net cash provided by operating activities	**2020**	**2019**
Operating income / (loss)	$ (2,684,326)	$ 6,330,867
Adjustments to reconcile operating income / (loss) to net cash provided by operating activities:		
Depreciation	3,626,432	-
Other revenues	184,087	-
Net effect of changes in:		
Accounts receivable	357,081	(305,863)
Prepaid expenses	3,068	231
Deferred outflows from pension	(164,212)	(33,681)
Deferred outflows from OPEB	81,239	(120,258)
Accounts payable and accrued expenses	181,422	2,752,875
Due from/(to) other governments	169,394	37,930
Net pension liability / asset	455,738	(90,668)
Net OPEB liability / asset	(96,844)	8,424
Compensated absences liability	191,042	9,306
Deferred inflows from pension	(67,422)	111,566
Deferred inflows from OPEB	34,457	-
Net cash provided by operating activities	$ 2,271,156	$ 8,700,729

Significant Noncash Investing, Capital, and Financing Activities		
Acquisition of capital assets under accounts payable and accrued liabilities	$ 4,339,322	$ -
Capital assets transferred net of $10M accrued capital asset purchases in AP and accrued liabilities	101,153,487	-

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

1. Reporting Entity

The Bay Area Infrastructure Financing Authority (BAIFA) was established on August 1, 2006 pursuant to the California Joint Exercise of Powers Act (Act) consisting of Sections 6500 through 6599.2 of the California Government Code. The Act provides for the joint exercise of powers common to Metropolitan Transportation Commission (MTC) and the Bay Area Toll Authority (BATA). BAIFA was authorized to obtain funding in the form of grants, contributions, appropriations, loans and other assistance from the United States government and from the State of California (the State) and apply funds received to pay debt service on notes issued by BAIFA to finance or refinance public transportation and related capital improvements projects.

BAIFA's governing body consists of six members: the chairs of MTC and BATA Oversight Committees, three members of MTC appointed by the board of supervisors of Alameda County, Contra Costa County, and Solano County, and, as a nonvoting member, the representative appointed to MTC by the secretary of the Business, Transportation and Housing Agency.

In October 2011, MTC obtained the approval from the California Transportation Commission (CTC) to develop and operate a 270-mile network of express lanes in the Bay Area. On March 27, 2013, the Joint Exercise of Powers Agreement between MTC and BATA dated August 1, 2006 was amended to authorize BAIFA to undertake programs and projects, including the development, financing, and operation of high-occupancy toll lanes in MTC's jurisdiction. In April 2013, MTC delegated its express lane authority to BAIFA through a cooperative agreement. The first BAIFA express lanes on Interstate 680 between Walnut Creek and San Ramon, both north and south directions, opened to traffic and started its revenue operations on October 9, 2017.

BATA has been housing the Express Lanes Capital Program since the establishment of the project in FY2012-13. In June 2019, BAIFA board approved the transfer of Express Lanes Capital Program from BATA to BAIFA. BATA transferred the Express Lanes Capital Program's asset, liability, and fund balance in amount of $230,329,148 to BAIFA in the fiscal year 2020.

BAIFA is a discretely presented component unit in the MTC financial statements because it does not qualify for blending under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*. As such, it is presented as a discretely presented component unit in the government-wide financial statements of MTC. Neither MTC nor BATA have any obligations for BAIFA's liabilities or other obligations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements for BAIFA have been prepared in accordance with accounting principles generally accepted in the United States of America using the economic resources measurement focus and the accrual basis of accounting.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

BAIFA follows Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* as amended.

New Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. GASB Statement No. 95 postpones the effective date of this statement by one year. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. GASB Statement No. 95 postpones the effective date of this statement by 18 months. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by 18 months. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. GASB Statement No. 95 postpones the effective date of this statement by one year. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 90, *Majority Equity Interests*, provides guidance on how to improve reporting of Majority Equity Interests. This statement improves the consistency and comparability of reporting a government's majority equity interest in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. GASB Statement No. 95 postpones the effective date of this statement by one year. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, provides single method of reporting conduit debt obligations. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer;

establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. GASB Statement No. 95 postpones the effective date of this statement by one year. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 92, *Omnibus 2020*, establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The initial requirements of this Statement are effective as follows: (a) The requirements in paragraphs 4, 5, 11, and 13 are effective upon issuance. (b) The requirements in paragraphs 6 and 7 are effective for fiscal years beginning after June 15, 2020. (c) The requirements in paragraphs 8, 9, and 12 are effective for reporting periods beginning after June 15, 2020. (d) The requirements in paragraph 10 are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. GASB Statement No. 95 postpones the effective date of this statement by one year. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for paragraphs 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. GASB Statement No. 95 postpones the effective date of paragraphs 13 and 14 of this statement by one year. BAIFA adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

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

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. The requirements of this Statement are effective immediately. BAIFA adopted this standard for fiscal year ended June 30, 2020. The adoption of the standard has no impact on BAIFA's financial statements.

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). The requirements of this statement are effective as follow: (a) The requirement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. (b) The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. (c) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. BAIFA adopted paragraphs 4 and 5 of this statement in fiscal year 2020. The adoption of paragraphs 4 and 5 does not have any material impact on BAIFA's financial statements. Management is evaluating the effect of the remaining paragraphs of this statement on BAIFA's financial statements.

Cash and Investments

BAIFA 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 BAIFA 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. Allowable investments 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.

BAIFA 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, *Fair Value Measurement and Application*), 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. BAIFA reports its money market securities and short-term investments at cost. This is permissible under this standard provided those investments have a remaining maturity at the time of purchase of one year or less and that the fair value of those investments is not 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 Statement of Revenues, Expenses and Changes in Net Position as interest income.

BAIFA considers all balances in demand deposit accounts and the California Asset Management Program (CAMP) to be cash and classifies all other highly liquid cash equivalents as short-term investments. Highly liquid cash equivalents are short-term investment that meet the following definitions:

- Readily convertible to known amounts of cash.
- So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Restricted Cash

Restricted cash is restricted for uses on capital projects. BAIFA's source of the restricted cash was transferred from BATA, which is restricted for capital purposes.

Prepaid Expenses

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

Capital Assets

Capital assets, consisting of construction in progress, furniture and equipment, as well as intangible assets, are reported at historical cost. Capital assets are defined by BAIFA as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of three years. BAIFA's intangible assets consist of purchased or licensed commercially available computer software.

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

Construction in progress is not depreciated. The other assets are depreciated using the straight-line method over the following estimated useful lives:

	Years
Furniture and equipment	3-25
Intangible assets	5-10

Net Pension and OPEB Asset

Net pension and OPEB asset are assets that employers have from the excess of the contribution to the pension plan. BAIFA net pension and OPEB assets are derived from BAIFA's proportional share of MTC's payroll cost for the relevant measurement year.

Net Pension and OPEB Liability

The net pension and OPEB liability are liabilities employers have for the employee benefits provided through defined benefit pension and OPEB plans. BAIFA net pension and OPEB liabilities are derived from BAIFA's proportional share of MTC's payroll costs for the relevant measurement year.

Deferred Outflows / Inflows of Resources from Pensions and Other Post-Employment Benefits (OPEB)

Deferred outflows of resources and deferred inflows of resources are recognized for:

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

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

**This amount is recognized in pension and OPEB expense using a systematic and rational method over a closed five-year period.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position consists of three sections: Net investment in capital assets, as well as restricted and unrestricted assets, if applicable. 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 BAIFA's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Toll Revenues

BAIFA recognizes the toll revenue as amounts are earned from the utilization of the express lanes.

Other Operating Revenues

BAIFA recognizes the violation fees and penalties earned as other operating revenues.

Operating and Nonoperating Revenues and Expenses

Operating revenues are revenues recorded from BAIFA’s principal operations. Operating expenses are those related to the entity’s service activities. Nonoperating revenues and expenses are all other revenues and expenses not related to the entity’s service activities.

Distributions to Others for their Capital Purposes

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

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.

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 BAIFA's prior year financial statements, from which this selected financial data was derived.

Presentational Reclassifications of Prior Year Amount

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

Recent Event

During FY 2020, a novel strain of coronavirus spread around the world and was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020 the State of California issued a statewide shelter-in-place order that continues to have a significant impact on the operations and business results of BAIFA. As a result of the shelter-in-place order BAIFA temporarily suspended toll collection from March 20 to May 31, 2020. BAIFA cannot predict the extent and duration of changes in traffic volume will have on future Express Lane operations and financial performance. BAIFA has not included any contingencies in the financial statements specific to this recent event.

3. Cash and Investments

A. A summary of Cash and Investments as shown on the Statement of Net Position at June 30, 2020 is as follows:

Cash - unrestricted	$ 17,752,756
Cash - restricted	$ 5,750,481
Investments - restricted	90,971,091
Total Restricted Cash and Investments	$ 96,721,572
Total Cash and Investments	$ 114,474,328

B. The composition of cash at June 30, 2020 is as follows:

Cash at banks	$ 23,454,755
Money market mutual funds	36,625
Government Pools	
California Asset Management Program	11,857
Total Cash	$ 23,503,237

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 active markets;
- 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, 2020:

Government-sponsored enterprises notes: 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.

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

Investments by fair value level at June 30, 2020	Level 1	Level 2	Level 3	Total
Government Sponsored Enterprises				
Federal Home Loan Bank	$ -	$ 90,971,091	$ -	$ 90,971,091
Total Investments Measured at Fair Value	$ -	$ 90,971,091	$ -	$ 90,971,091

C. Deposit and Investment Risk Factors

There are many factors that can affect the value of deposits and investments such as credit risk, custodial credit risk, concentration of credit risk, and interest rate risk.

i.) Credit Risk

Generally, credit risk is the risk that an issuer of an investment fails to fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Government-Sponsored Enterprises (GSE) holdings carry "AA+/Aaa/AAA" ratings from Standard & Poor's, Moody's and Fitch, respectively.

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.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, BAIFA may not be able to recover its deposits that are in the possession of an outside party. All checking accounts are insured by the Federal Depository Insurance Corporation (FDIC) up to the limit of $250,000.

Under California Government Code Sections 53651 and 53652, depending on specific types of eligible securities, a bank must deposit eligible securities to be posted as collateral with its agent with the securities having a fair value of 110% to 150% of BAIFA's cash on deposit.

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, 2020 are as follows:

Federal Home Loan Bank (FHLB) 100%

iv.) Interest Rate Risk

Interest rate risk is the potential adverse effect resulting from changes in market interest rates on the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The weighted average maturity of BAIFA's government sponsored enterprises securities at June 30, 2020 is 0.17 years.

4. Capital Assets

A summary of capital assets for the period ended June 30, 2020 is as follows:

	Beginning Balance 7/1/2019	Transfer	Increases	Decreases	Ending Balance 6/30/2020
Capital assets, not being depreciated					
Construction in progress	$ -	$ 80,403,102	$ 18,899,142	$ -	$ 99,302,244
Total capital assets, not being depreciated	-	80,403,102	18,899,142	-	99,302,244
Capital assets, being depreciated:					
Furniture and equipment	-	20,698,830	-	-	20,698,830
Intangible assets	-	17,142,134	-	-	17,142,134
Total capital assets being depreciated	-	37,840,964	-	-	37,840,964
Less accumulated depreciation for:					
Furniture and equipment	-	3,142,097	1,761,198	-	4,903,295
Intangible assets	-	3,264,159	1,865,234	-	5,129,393
Total accumulated depreciation	-	6,406,256	3,626,432	-	10,032,688
Total capital assets, being depreciated, net	-	31,434,708	(3,626,432)	-	27,808,276
Total capital assets, net	$ -	$ 111,837,810	$ 15,272,710	$ -	$ 127,110,520

5. Employees' Retirement Plan

MTC, the primary government, provides a defined benefit pension plan, the Miscellaneous Employee Pension Plan ("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.

BAIFA reports its participation in the Plan under the cost-sharing plan requirements of GASB Statement No. 68. MTC allocated BAIFA's pension related balances based on BAIFA's proportional share of payroll costs. The percentage of the allocation for the fiscal year 2020 is 1.29%, which was based on the fiscal year 2019 measurement year.

In fiscal year 2020, BAIFA has pension expense of $427,835, net pension liability of $452,346, deferred outflows from pension $308,387, and deferred inflows from pension of $76,161.

For additional information on employees' retirement plan, refer to MTC's Comprehensive Annual Financial Report Note 8. A copy of MTC's Comprehensive Annual Financial Report may be obtained by writing to the Chief Financial Officer, Metropolitan Transportation Commission, 375 Beale Street, Suite 800, San Francisco, CA 94105.

6. Other Post Employment Benefits (OPEB)

MTC, the primary government, provides post-employment medical coverage to all eligible retired employees and their eligible dependents. MTC established Section 115 irrevocable benefit trust fund for its other post-employment benefit (OPEB) plan with the Public Agency Retirement Services (PARS). The trust is a public agency agent multiple-employer post-retirement health benefit trust which provide public agencies of administration in the funding of each agency's respective other post-employment benefit obligation.

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

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.

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.

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.

BAIFA reports its participation in the OPEB plan under the cost-sharing plan requirements of GASB Statement No. 75. MTC allocated the OPEB related balances to BAIFA based on BAIFA's proportional share of payroll costs. The percentage of the allocation for fiscal year 2020 is 1.29 %, which was based on the fiscal year 2019 measurement year.

In fiscal year 2020, BAIFA has OPEB expenses of $80,405, net OPEB asset of $37,399, deferred outflows from OPEB of $102,505, and deferred inflows from OPEB of $34,457.

For additional information on employees' OPEB plan, refer to MTC's Comprehensive Annual Financial Report Note 9.

7. Compensated Absences

MTC's regular staff employees accumulate vacation pay and sick leave pay based on the agreement with the Committee for Staff Representation pursuant to the Meyers–Milias–Brown Act. A liability exists for accumulated vacation and sick leave. Unused accumulated sick and vacation leave is paid at the time of employment termination up to a maximum of 240 hours for sick leave as well as the total accumulated vacation leave up to a maximum of 500 hours per employee.

MTC allocated the compensated absences liability related balance to BAIFA based on BAIFA's proportional share of payroll costs for the relevant year. In fiscal year 2020, BAIFA's percentage is 3.78% and has a compensated absences liability of $121,640 for short term and $146,743 for long term. For additional information on compensated absences, refer to MTC's Comprehensive Annual Financial Report Note 10.

8. Commitment and Contingencies

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, 2020, there are approximately $170,568,100 in future capital expenditure commitments.

9. Related Party Transactions

BATA administers the FasTrak® system in the San Francisco Bay Area, and all FasTrak® accounts are processed by BATA's Regional Customer Service Center ("BATA's RCSC"). In January 2017, BAIFA signed a cooperative agreement with BATA for the use of FasTrak® system for the express lanes toll facilities and FasTrak® accounts as the payment device for users of the express lanes. BATA, through BATA's RCSC, processes all trip records received by BAIFA, and charges BAIFA for all services provided in accordance with fee schedules provided by BATA to BAIFA.

In fiscal year 2020, BATA charged BAIFA $224,880 for monthly fee and $297,501 for bank charge of transactions processed.

10. Capital Contribution to BAIFA from BATA

BATA has been housing the Express Lanes Capital Program since the establishment of this project in fiscal year 2012-13. In October 2017, the first BAIFA Express Lanes entered into operation in Contra Costa on Interstate 680. As additional express lanes go into the operating phase, it is more appropriate to transfer the Express Lanes Capital Project to BAIFA. In fiscal year 2020, BATA transferred its Express Lanes Capital Project to BAIFA. The total transferred of $230,329,148 in net assets and liabilities was reported under special item as Capital Contribution from BATA. Assets and liabilities transferred at carrying value as of 7/1/2019 consisted of the following: cash of $14,103,555, investments of $118,395,552, interest receivable of $465,440; capital assets net of accumulated depreciation of $111,837,810, and liabilities of $14,473,209.

Required Supplementary Information

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Schedule of Proportionate Share of Net Pension Liability / Asset (unaudited)
For the Measurement Periods Ended June 30
Last Ten Years *

Measurement Period	Miscellaneous Plan Tier I & II 2019	Miscellaneous Plan Tier I & II 2018	Miscellaneous Plan Tier I & II 2017
Proportion of the collective net pension liability/asset	1.29%	0.01%	0.24%
Proportionate share of the collective net pension liability/(asset)	$ 452,346	$ (3,392)	$ 87,276
Covered payroll	$ 450,889	$ 407,062	$ -
Proportionate share of the collective net pension liability/(asset) as a percentage of its covered payroll	100.32%	-0.83%	NA
Plan's fiduciary net position as a percentage of the Plan's total pension liability	80.75%	82.04%	76.85%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed consistent with the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent.

* Only three years' data is available.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Schedule of Pension Contributions (unaudited)
For the Fiscal Years Ended June 30
Last Ten Years *

Fiscal Year	Miscellaneous Plan Tier I & II 2020		Miscellaneous Plan Tier I & II 2019	Miscellaneous Plan Tier I & II 2018
Actuarially determined contribution	$ 90,334		$ 703	$ 12,988
Contributions in relation to the actuarially determined contributions	(203,731)		(703)	(12,988)
Contribution deficiency (excess)	$ (113,397)	(1)	$ -	$ -
Covered payroll (2)	$ 1,317,380		$ 450,889	$ 407,062
Actual contributions as a percentage of covered payroll	13.72%		0.16%	3.19%

(1) Additional payment above the Actuarially Determined Contribution to paydown the Unfunded Pension Liability.
(2) Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2018-19 were derived from the June 30, 2016 funding valuation report.

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method / Period	For details, see June 30, 2016 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.375% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

* Only three years' data is available.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Schedule of Proportionate Share of Net OPEB Liability / Asset (unaudited)
For the Measurement Periods Ended June 30
Last Ten Years *

Measurement Period	Miscellaneous Plan Tier I & II 2019	Miscellaneous Plan Tier I & II 2018	Miscellaneous Plan Tier I & II 2017
Proportion of the collective net OPEB liability/(Asset)	1.29%	0.79%	0.71%
Proportionate share of the collective net OPEB liability/(As:	$ (37,399)	$ 59,445	$ 51,021
Covered-employee payroll	$ 1,317,380	$ 450,889	$ 407,062
Proportionate share of the collective net OPEB liability/(Asset) as a percentage of its covered-employee payroll	-2.84%	13.18%	12.53%
Plan's fiduciary net position as a percentage of the Plan's total OPEB liability	106.80%	80.98%	80.19%

Notes to Schedule:

Benefit Changes: None in 2019.

Changes of Assumptions: In 2019, the demographic assumptions were updated to CalPERS 1997-2015 Experience Study. There were no changes in the discount rate. However, the inflation rate increases from 2.50 percent to 2.75 percent.

* 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.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Schedule of OPEB Contributions (unaudited)
For the Fiscal Years Ended June 30
Last Ten Years *

	Miscellaneous Plan Tier I & II		Miscellaneous Plan Tier I & II		Miscellaneous Plan Tier I & II	
Fiscal Year	**2020**		**2019**		**2018**	
Actuarially determined contribution	$ 38,663		$ 26,149	(1)	$ 22,490	(1)
Contributions in relation to the actuarially determined contributions	(61,553)		(89,625)		(22,490)	
Contribution deficiency (excess)	$ (22,890)		$ (63,476)		$ -	
Covered-employee payroll for OPEB	$ 1,317,380		$ 450,889		$ 407,062	
Actual contributions as a percentage of covered-employee payroll (2)	4.67%		19.88%		5.52%	

(1) The July 1, 2017 actuarial valuation provided the Actuarially Determined Contributions for fiscal years ending 6/30/2018 and 6/30/2019.
(2) Additional payment above the Actuarially Determined Contribution to paydown the Unfunded OPEB Liability.

Notes to Schedule:

Actuarially determined contribution rates are calculated as of July 1, 2019, one year 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 Cost Method
Amortization method	Level percentage of pay
Amortization period	20 years fixed period for 2019/20
Asset valuation method	Investment gains and losses spread over a period of five years
Inflation	2.75%
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Investment rate of return	4.50%
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019

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

Other Supplementary Information

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Toll Revenues and Traffic Count (in Number of Trip Transactions) (unaudited)
By Fiscal Year

Fiscal Year	Toll Revenues		Trip Count
2018*	$	7,850,387	3,850,837
2019	$	11,730,498	4,491,172
2020	$	9,701,727	3,288,664

* Nine months ended as of June 30, 2018.