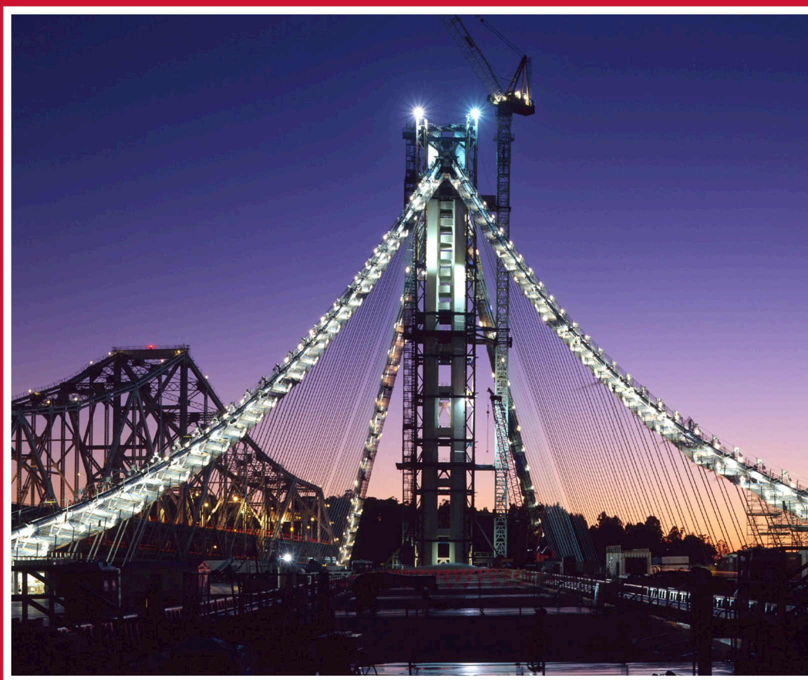
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013



Prepared by the
MTC Finance Section

State of California

Metropolitan Transportation Commission

Front cover photo credits

Top *(left to right)* Construction of the new Transbay Terminal: *Noah Berger*; Bike to Work Day: *Noah Berger*

Middle *(left to right)* Muni bus: *Karl Nielsen*; Caldecott Tunnel fourth bore: *Karl Nielsen*

Bottom *(right)* San Francisco-Oakland Bay Bridge New East Span: *Tom Paiva*

METROPOLITAN
TRANSPORTATION
COMMISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

Prepared by the
MTC Finance Section

State of California

Metropolitan Transportation Commission
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June 30, 2013 and 2012

METROPOLITAN
TRANSPORTATION
COMMISSION

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October 9, 2013

Honorable Chairman
Members of the Metropolitan Transportation Commission

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Metropolitan Transportation Commission (MTC), its blended and discretely presented component units and fiduciary funds for the fiscal year ended June 30, 2013. State law requires that MTC and its component units publish a complete audited financial statement within six months of the close of each fiscal year.

Responsibility for both accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures, rests with the management and staff of MTC. To the best of our knowledge and belief, the enclosed information and report is accurate in all material respects, presented in conformance with Generally Accepted Accounting Principles (GAAP) and reported in a manner that presents fairly the financial position and operating results of MTC, its blended and discretely presented component units and fiduciary funds as of June 30, 2013. All disclosures reasonably necessary to enable an understanding of the government's financial activities have been included.

MTC management and staff are also responsible for the accounting and internal financial controls. MTC maintains a system of internal controls designed, we believe, to provide reasonable protection for MTC's assets.

The goal of the independent audit is to provide reasonable assurance that the financial statements presented here for the fiscal year ended June 30, 2013, are free of material misstatement. In addition, MTC is required to undergo a Single Audit of Federal programs conducted under the provisions of OMB Circular A-133. The agency's Independent Auditors, PricewaterhouseCoopers LLP, have issued an unqualified opinion on the Metropolitan Transportation Commission's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

GAAP also requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements. This narrative is presented in the form of Management's Discussion and Analysis (MD&A) which can be found immediately following the independent auditor's report.

The CAFR for the fiscal year ended June 30, 2013 includes financial information for all funds, accounts and fiduciary activities for which MTC has financial accountability. MTC also participates in numerous boards, groups and associations. While MTC participates in such activities, MTC does not have an ongoing financial interest or administrative control and, as such, information related to these outside groups and associations are excluded from this report. MTC is also a member of the Regional Administrative Facility Corporation (RAFC), which is a joint powers facility management association consisting of MTC, the Association of Bay Area Governments (ABAG), and the Bay Area Rapid Transit District (BART). The MTC Commission does not have financial accountability for RAFC or its expenses and as such, RAFC is excluded from this report. See discussion on Related Party Transaction in the Notes to the Financial Statements, Note 12.

Profile of the Government:

MTC was established under the laws of the State of California in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area: Alameda, Contra Costa, Marin, Napa, the City and County of San Francisco, San Mateo, Santa Clara, Solano and Sonoma. The Commission consists of eighteen voting and three non-voting members representing the following:

Agency	**Voting Members**	**Non-Voting Members**
Alameda County	3	
Contra Costa County	2	
Marin County	1	
Napa County	1	
City & County of San Francisco	2	
San Mateo County	2	
Santa Clara County	3	
Solano County	1	
Sonoma County	1	
Association of Bay Area Governments (ABAG)	1	
San Francisco Bay Conservation & Development Commission	1	
U.S. Department of Transportation		1
U.S. Department of Housing & Urban Development		1
State Business, Transportation & Housing Agency		1
Total:	18	3

Each Commissioner's term of office is four years or until a successor is appointed.

MTC commissioners also serve as the governing authority for MTC Service Authority for Freeways & Expressways (MTC SAFE), and the Bay Area Toll Authority (BATA). The Commission is responsible for adopting budgets for operating and project costs, as well as setting general policy direction. An Executive Director appointed by the Commission is responsible for carrying out Commission direction and day-to-day administration of MTC and its employees. The Governor signed a bill in 2012 to increase the number MTC Commissioners from nineteen to twenty-one. The new MTC Commissioners include the mayors of Oakland and San Jose.

The 2013 fiscal year continued to be another challenging year with the economy recovering. There were significant accomplishments made by MTC as indicated in the Management's Discussion and Analysis highlights.

Awards and Acknowledgments:

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Metropolitan Transportation Commission for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the tenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of

Achievement, MTC had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated service of the finance staff. I thank the MTC finance staff for their hard work and dedication in producing this report in an accurate and timely manner.

Sincerely,

Brian Mayhew
Chief Financial Officer

METROPOLITAN
TRANSPORTATION
COMMISSION

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STAFFING ORGANIZATION
October 2013

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Chair

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Executive Director
Rosy Leyva
Commission Secretary
Beba Jimenez
Maria Leon

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CFO

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Vince Cabrieto
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Elena Federis
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Alan Lee
Jennifer Lee
Suk Li
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Mabel Melkonians
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JOINT POLICY COMMITTEE DIRECTOR
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Rupinder Singh
Kearey Smith
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Vacant - 3

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David Cooper
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Ellen Griffin
Pam Grove
Brenda Kahn
Georgia Lambert
Leslie Lara
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Julie Tunnell
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Vacant - 1

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Luis Barragan
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Betty Cecchini
Luz Campos
Robert Hoffman
Stephen Hohorst
RobinJames
Paula Johnson
Pratul Kant
Timo Kiessling
Thomas Lacap
Yong Lee
Ann Macaulay
Joel Markowitz
Irving Maxwell
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Denise Rodrigues
Nick Roethel
Valerie Stark
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Ashley Nguyen
Raymond Odunlami
Abhishek Parikh
Stefanie Pow
Robert Rich
Jay Stagi
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Emily Van Wagner
Radiah Victor
Lin Zhang

Vacant - 6

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Michael Brinton
Edgar Brown
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Sylvia Cox
Mark Dinh
Manuel Espiritu
Brian Gebhardt
Michele Gillaspie
Kelley Jackson
Raymond Jocson
Mike Lee
Jef Nazareno
Derek Toups
Lynn Valdivia
Jason Weinsten
David Weir
Beth Zelinski

Vacant - 1

BAHA (3)
Teri Green
Director

Valerie Campbell
Stephen Wolf

OFFICE OF GENERAL COUNSEL (5)
Adrienne Weil *
General Counsel

Cynthia Segal
Matthew Lavrinets
Brooke Abola

Ron Ceguera

191 Positions

* Advises Commission Directly

Steve Heminger
Executive Director

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Amy Rein Worth, Chair	Cities of Contra Costa County
Dave Cortese, Vice Chair	Santa Clara County
Alicia C. Aguirre	Cities of San Mateo County
Tom Azumbrado	US Department of Housing and Urban Development
Tom Bates	Cities of Alameda County
David Campos	City and County of San Francisco
Bill Dodd	Napa County and Cities
Dorene M. Giacopini	U.S. Department of Transportation
Federal D. Glover	Contra Costa County
Scott Haggerty	Alameda County
Anne W. Halsted	SF Bay Conservation and Development Commission
Steve Kinsey	Marin County and Cities
Sam Liccardo	San Jose Mayor's Appointee
Mark Luce	Association of Bay Area Governments
Jake Mackenzie	Sonoma County and Cities
Joe Pirzynski	Cities of Santa Clara County
Jean Quan	Oakland Mayor's Appointee
Bijan Sartipi	State Business, Transportation and Housing Agency
James P. Spering	Solano County and Cities
Adrienne J. Tissier	San Mateo County
Scott Wiener	San Francisco Mayor's Appointee

APPOINTED OFFICIALS

Steve Heminger	Executive Director
Adrienne Weil	Legal Counsel

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Transportation Commission, California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

pwc

Independent Auditor's Report

To the Commissioners of the
Metropolitan Transportation Commission:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission ("MTC" or "Commission") as of and for the years ended June 30, 2013 and June 30, 2012 and the related notes to the financial statements, which collectively comprise the Commission'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 the 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 opinions on the financial statements based on our audits. We conducted our audits 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 our 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, we consider internal control relevant to the Commission'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 Commission'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission at June 30, 2013 and June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1.H to the financial statements, the Commission changed its accounting policy for determining cash equivalents in 2013. Our opinions are not modified with respect to this matter.

Other Matters

The accompanying management's discussion and analysis appearing on pages 3 through 17 and the budgetary comparison and funding status information identified in the table of contents under *Required Supplementary Information* and appearing on pages 92 through 96 of this report are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary schedules identified in the table of contents under *Other Supplementary Information* and appearing on pages 98 through 120 of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, these supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The charts, schedules and other information identified in the table of contents under Statistical Section and appearing on pages 122 through 138 of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

PricewaterhouseCoopers LLP

October 9, 2013

Management's Discussion and Analysis

This section presents an overview of the financial activities of the Metropolitan Transportation Commission (MTC), as well as its blended and discretely presented component units as discussed separately below for the years ended June 30, 2013 and 2012. Except as otherwise stated, all amounts described below are expressed in thousands of dollars – '000 removed.

A. Financial Highlights

Fiscal 2013 was another busy and productive year for MTC and for the nine-county region. The region's unemployment rate dropped slightly from the previous fiscal year. The Regional Measure 1 projects were completed. Work will be completed by next fiscal year on projects funded with federal money, including the Doyle Drive Replacement project, the Caldecott Tunnel Fourth Bore and the Oakland Airport Connector.

Following are some of the highlights from fiscal year 2013:

- The Caldecott Tunnel fourth Bore Project broke through the lower level. The tunnel is expected to open by the end of the 2013.
- The Dumbarton bridge was closed Labor Day weekend September 2012 to complete the seismic repairs.
- Clipper®, the region's smart card program for public transit, saw weekday boardings average over 670,000 with over one million active cards in use.
- The Bay Area Toll Authority (BATA) increased its toll rates on the seven state-owned Bay Area bridges effective July 1, 2010 for two-axle vehicles, implemented a new carpool charge, and implemented congestion pricing on the Bay Bridge. The increase for the multi-axle vehicles was phased in over a two-year period. The first increase was implemented on July 1, 2011 and the second increase was implemented on July 1, 2012.
- All Electronic Tolling for the Golden Gate Bridge was implemented effective March 2013.
- The $2.4 billion dollar Regional Measure 1 program was completed and closed out.
- Sales tax revenue increased in the region for the third year in a row after two years of decline.
- The San Francisco - Oakland Bay Bridge new East Span opened Labor Day weekend 2013.
- The Governor signed a bill to expand MTC's Commission by two, from nineteen to a total of twenty-one, with the new members representing the mayors of Oakland and San Jose.

MTC and its operating units continue to provide valuable regional resources for seismic and transportation projects. All MTC operating units, MTC, BATA and MTC Service Authority for Freeways and Expressways (MTC SAFE) adopted FY 2012-2013 balanced budgets, without layoffs or significant reduction to MTC service levels for fiscal 2013.

B. Overview of the Financial Statements

The government-wide financial statements provide an overview of MTC, as well as its blended and discretely presented component units. The government-wide financial statements comprise a Statement of Net Position, a Statement of Activities and accompanying footnotes. The Statement of Net Position presents financial information on the government-wide net position of MTC at the end of the 2013 and 2012 fiscal years. The difference between the assets plus deferred outflow and liabilities plus deferred inflow is reported as "Net Position." The Statement of Activities presents government-wide information showing the change in net position resulting from revenues earned and expenses incurred during the 2013 and 2012 fiscal years. All changes in net position are recorded as revenues are earned and expenses are incurred, regardless of the timing of related cash flows.

MTC is composed of governmental and business-type funds and activities as well as two discretely presented component units. The governmental funds are comprised of the general fund, the special revenue funds and the capital project funds. The business or proprietary funds are MTC Clipper®, BATA, MTC SAFE, the Bay Area Infrastructure Authority (BAIFA), and the Bay Area Headquarters Authority (BAHA).

MTC Clipper® is an enterprise fund that oversees the region's smartcard program. BATA and MTC SAFE are blended component units (legally separate) whose transactions are presented as if they were business-type funds. BAIFA and BAHA are discretely presented component units on the government-wide financial statements. MTC also holds and administers three fiduciary funds further described in Section C below and in Note 1B to the Financial Statements.

MTC adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* in fiscal year June 30, 2012.

The government-wide Statement of Net Position and Statement of Activities are presented on pages 18 - 21 of this report with the accompanying footnotes being presented on pages 38 - 90.

C. Overview of the Fund Financial Statements

i.) *Governmental Funds*

Governmental funds are used to account for the MTC activities and are supported primarily by grants, contributions, sales taxes, and intergovernmental revenue sources. Governmental funds provide additional information not provided in the government-wide statements in that they focus on the annual inflows and outflows of resources as well as on the balance of resources available to be spent at fiscal year-end rather than the longer term focus of governmental activities as seen in the government-wide financial statements. The governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison of governmental funds to governmental activities.

MTC's governmental funds include a general fund, three major special revenue funds and other non-major funds. The financial statements of the governmental funds, prepared under the modified accrual basis of accounting are on pages 22 - 28 of this report. A schedule detailing the non-major special revenue funds are included on pages 98 - 99 of this report.

MTC adopts annual budgets for all funds. However, a comparison of budget-to-actual is required only for certain governmental funds (major funds) and these are presented on pages 92 - 95 of this report. A comparison of budget to actual is also presented for non-major funds on pages 100 - 104.

ii.) *Proprietary Funds*

Proprietary funds are used to report business-type activities. MTC has three proprietary funds, MTC Clipper®, BATA and MTC SAFE. BATA and MTC SAFE are presented as blended component units of MTC as proprietary funds on the government-wide and fund financial statements because they meet the GASB Statement No. 61 criteria. MTC administers the Clipper® program which handles the implementation and ongoing operations of the Bay Area smart card. This system allows transit riders to pay fares on transit systems throughout the Bay Area utilizing a single "smart" fare card when boarding bus, light rail, train or ferry transportation. BATA is responsible for collection and administration of all toll funds and has funding oversight responsibility for Caltrans maintenance activities for the seven state-owned bridges in the San Francisco Bay Area. BATA also has funding and administrative oversight responsibilities for the Regional Measure 1 (RM 1) and Regional Measure 2 (RM 2) programs approved by the voters in 1988 and 2004, respectively as well as the $8.8 billion seismic retrofit program. The RM 1 program was completed this fiscal year. MTC SAFE administers a freeway motorist aid system providing tow truck and call box services to stranded motorists in the nine Bay Area counties.

The financial statements of the proprietary funds are prepared on an accrual basis and are on pages 29 - 36.

iii.) *Fiduciary Funds*

Fiduciary funds are used to account for resources held in a trust or agent capacity for the benefit of parties outside MTC. These funds are not reflected in the government-wide financial statements, as the resources cannot be used to support the programs of MTC or those of its component units. The fiduciary funds of MTC use the economic resources measurement focus and the accrual basis of accounting.

MTC has three fiduciary funds, Transportation Development Act (TDA), BART Half-Cent Sales Tax (AB 1107), and the Clipper® funds. Revenue for the first two of these funds is derived from sales tax revenues. The revenues for the TDA fund are deposited in MTC's name as fiduciary with the respective treasurer in each of the nine counties in the region. The revenues for the AB 1107 fund are deposited with the State of California. MTC has administrative oversight for the allocation of these funds. The Clipper® fiduciary fund is used for the Clipper® smart card program. This fund tracks the cash balances and receivables held on behalf of the Clipper® program as well as the patron liability for the prepaid card balance.

The fiduciary funds financial statements are presented on page 37 of this report.

iv.) *Discretely Presented Component Units*

The Bay Area Infrastructure Financing Authority (BAIFA) was established in August 2006 as a separate public entity pursuant to the California Joint Exercise of Power Act, to plan capital projects and obtain funding in the form of grants, contributions, appropriations, loans and other assistance. BAIFA applies funds received to pay debt service on bonds issued by BAIFA to finance or refinance the related capital improvement projects. BAIFA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements as it does not meet the criteria for blending under the provisions of GASB Statement No. 61.

The Bay Area Headquarters Authority (BAHA) was established in September 2011 as a separate public entity pursuant to the California Joint Exercise of Power Act, to plan, acquire, and develop the new MTC/BATA office space and facilities and undertake related activities on behalf of MTC and BATA. BAHA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements as it does not meet the criteria for blending under the provisions of GASB Statement No. 61.

D. Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

E. Government-Wide Financial Analysis

Total government-wide liabilities and deferred inflows of resources exceeded total assets and deferred outflow of resources for fiscal 2013 by $4,956,413 and for fiscal year 2012 by $4,699,683 illustrated in the following table. This represents a decrease in net position for fiscal 2013 of $256,730 and a decrease of $506,623 for fiscal 2012. The cause of the net position deficit is the impact of BATA financing the bridge toll projects while Caltrans and the State of California own title to the bridges. As such, the asset value is recorded at the State of California and not on BATA's books. This deficit will be reduced through operating income earned in the future as the toll revenue debt is retired and the projects are completed.

i.) Statement of Net Position

The following table shows a portion of the MTC's government-wide statements of net position for the last three years:

Metropolitan Transportation Commission's Statement of Net Position ($000)

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Cash and investments	$ 852,600	$ 824,261	$ 790,583	$ 2,261,069	$ 2,953,231	$ 3,658,393	$ 3,113,669	$ 3,777,492	$ 4,448,976
Receivables	75,021	85,412	29,882	46,992	48,852	51,115	122,013	134,264	80,997
Other assets	8,420	8,421	8,302	13,271	28,327	1,788	21,691	36,748	10,090
Loan to other agency	5,000	21,000	21,000	-	-	-	5,000	21,000	21,000
Capital assets	6,270	6,901	7,515	23,112	19,192	17,825	29,382	26,093	25,340
Total assets	947,311	945,995	857,282	2,344,444	3,049,602	3,729,121	3,291,755	3,995,597	4,586,403
Deferred Outflow	-	-	-	444,874	487,522	241,672	444,874	487,522	241,672
Other liabilities	98,657	67,229	25,358	375,840	477,260	500,602	474,497	544,489	525,960
Long term liabilities	2,299	7,204	15,081	8,182,874	8,582,618	8,457,897	8,185,173	8,589,822	8,472,978
Total liabilities	100,956	74,433	40,439	8,558,714	9,059,878	8,958,499	8,659,670	9,134,311	8,998,938
Deferred Inflow	439,895	461,370	483,722	(406,523)	(412,879)	(461,525)	33,372	48,491	22,197
Net position									
Invested in capital assets, net of related debt	6,133	6,712	7,277	23,112	19,192	17,825	29,245	25,904	25,102
Restricted	376,344	406,868	332,378	200,000	200,000	200,000	576,344	606,868	532,378
Unrestricted (deficit)	23,983	(3,388)	(6,534)	(5,585,985)	(5,329,067)	(4,744,006)	(5,562,002)	(5,332,455)	(4,750,540)
Total Net position	$ 406,460	$ 410,192	$ 333,121	$ (5,362,873)	$ (5,109,875)	$ (4,526,181)	$ (4,956,413)	$ (4,699,683)	$ (4,193,060)

Total cash and investments decreased by $663,823 from 2012 to 2013 and decreased by $671,484 from fiscal 2011 to fiscal 2012. The decrease in fiscal 2013 for the business-type activities of $692,162 is mainly due to the drawdown of bond proceeds for project expenses, and the increase in the governmental funds of $28,339 is due to a $25,940 payment received in the BART Car Exchange fund that was accrued to the previous fiscal year. The decrease in fiscal 2012 for the business-type activities of $705,162 is mainly due to the drawdown of bond proceeds for project expenses, and the increase in the governmental funds of $33,678 is due mainly to more timely invoicing and less allocations expense from the STA fund.

Deferred outflow decreased by $42,648 or 8.7 percent in fiscal 2013 and increased by $245,850 or 101.7 percent in fiscal 2012. These differences are due to the valuation of the derivative instruments. Refer to Note 1.Q.

Long-term liabilities decreased by $404,649 or 4.7 percent in fiscal 2013 and increased by $116,844 or 1.4 percent in fiscal 2012. The fiscal 2013 decrease is due to a decrease of $216,006 from the valuation of the derivative instrument liability, $111,700 reduction in long term bonds payable and reclassification of the payable to BAIFA of $78,090 from long term to short term liability. The fiscal 2012 increase is due to an increase of $325,430 from the valuation of the derivative instrument liability, $165,000 reduction in long term payable to BAIFA, and $44,225 reduction in long term bonds payable.

Other liabilities decreased by $69,992 or 12.9 percent in fiscal 2013 compared to an increase of $18,529 or

3.5 percent in fiscal 2012. The decrease in fiscal 2013 is due to a reduction of $86,916 in the payment from BAIFA per the BAIFA schedule of payment, increase of the current portion of bonds payable of $5,625 and an increase in securities payable of $11,100. The increase in fiscal 2012 is mainly due to an increase of $15,000 in the BAIFA scheduled payment from BATA.

The net position decreased by $256,730 or 5.5 percent in 2013 following a decrease of $506,623 or 12.1 percent in 2012. The decrease in the net position for both fiscal years is mainly from the drawdowns of the Seismic Retrofit, RM 1, and RM 2 capital programs. BATA is the financing arm for the Regional Measures 1, 2, and Seismic Retrofit programs. The bond proceeds from these debt obligations are used to reimburse Caltrans for capital construction costs on the seven state-owned toll bridges. Since the bridges are not capitalized under BATA and title remains with Caltrans, the combination of distributions to Caltrans and increased debt to pay for project expenditures creates a negative asset, or deficit. The deficit will be eliminated by future toll revenues as projects are completed and debt service payments retire the outstanding bonds. This information is more fully described in Note 2 of this report. The increase in the governmental activities is mainly due to the increases in Exchange and BART Car Exchange revenue and less expenditures in the Rail and Transit reserves funds in 2013.

ii.) Statement of Activities

The net position for governmental activities decreased in fiscal 2013 and increased in 2012, and the net position for business-type activities decreased in both fiscal 2013 and 2012. The decrease in net position for governmental activities in fiscal 2013 is mainly due to the increase in project expenditures in the Rail Reserve fund associated with the Oakland Airport Connector. The increase in net position for governmental activities in fiscal 2012 is mainly due to the receipt of State Transit Assistance (STA) revenue for both fiscal 2012 and 2011 expenditures all in fiscal year 2012.

The decrease in net position for business-type activities is the result of BATA project financing and expense activities for both fiscal years. A breakdown of this activity is illustrated in the table below:

Metropolitan Transportation Commission's Statement of Activities ($000)

	Governmental Activities			Business-Type Activities			Total		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Revenues:									
Program Revenue:									
Charges for service	$ -	$ -	$ -	$ 690,181	$ 660,156	$ 622,906	$ 690,181	$ 660,156	$ 622,906
Operating grants and contributions	250,529	245,172	74,274	272,281	263,080	281,918	522,810	508,252	356,192
Capital grants and contributions	-	-	-	-	-	327	-	-	327
General revenues:									
Investment earnings	2,132	2,619	2,856	53,714	(70,557)	33,452	55,846	(67,938)	36,308
Total revenues	252,661	247,791	77,130	1,016,176	852,679	938,603	1,268,837	1,100,470	1,015,733
Expenses:									
General government	69,123	77,165	78,611	-	-	-	69,123	77,165	78,611
Allocation to other agencies	210,915	124,269	149,092	-	-	-	210,915	124,269	149,092
Toll bridge activities	-	-	-	1,189,447	1,352,120	1,569,444	1,189,447	1,352,120	1,569,444
Clipper® smart card	-	-	-	38,319	34,846	52,048	38,319	34,846	52,048
Congestion relief	-	-	-	17,763	18,693	17,939	17,763	18,693	17,939
Total expenses	280,038	201,434	227,703	1,245,529	1,405,659	1,639,431	1,525,567	1,607,093	1,867,134
Change in net position before transfers	(27,377)	46,357	(150,573)	(229,353)	(552,980)	(700,828)	(256,730)	(506,623)	(851,401)
Transfers in/(out)	23,645	30,714	29,473	(23,645)	(30,714)	(29,473)	-	-	-
Changes in net position	(3,732)	77,071	(121,100)	(252,998)	(583,694)	(730,301)	(256,730)	(506,623)	(851,401)
Net position - Beginning	410,192	333,121	454,221	(5,109,875)	(4,526,181)	(3,795,880)	(4,699,683)	(4,193,060)	(3,341,659)
Net position - Ending	$ 406,460	$ 410,192	$ 333,121	$ (5,362,873)	$ (5,109,875)	$ (4,526,181)	$ (4,956,413)	$ (4,699,683)	$ (4,193,060)

Management does not believe that Governmental Funds and Business-Type Activities are comparable for analytical purposes. While the combined schedules show a total picture of MTC responsibilities, the two activities must be seen in their respective parts to evaluate MTC's financial results. State and federal laws restrict MTC's various funding sources to specific responsibilities that cannot be combined or commingled. Additional explanation is included in the discussion of business-type activities as well as the schedule of governmental funds.

F. Financial Analysis of Business-Type Activities

The following table shows the results of operations for the last three years:

	Business-Type Activities ($000)								
	Bay Area Toll Authority			MTC SAFE			MTC Clipper		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Revenues:									
Toll revenues collected by Caltrans	$ 652,975	$ 625,863	$ 597,362	$ -	$ -	$ -	$ -	$ -	$ -
Other operating revenues	16,117	17,051	17,589	6,143	6,376	5,680	14,945	10,866	2,274
Total revenues	669,092	642,914	614,951	6,143	6,376	5,680	14,945	10,866	2,274
Operating expenses:									
Operating expenses incurred by Caltrans/Transbay JPA	28,108	27,576	26,103	-	-	-	-	-	-
Other operating expenses	108,286	91,592	91,288	16,160	17,001	16,182	30,603	24,519	19,372
Total operating expenses	136,394	119,168	117,391	16,160	17,001	16,182	30,603	24,519	19,372
Operating income/(loss)	532,698	523,746	497,560	(10,017)	(10,625)	(10,502)	(15,658)	(13,653)	(17,098)
Non-operating revenues/(expenses)									
Investment income/(charges)	53,707	(70,559)	33,446	7	2	6	-	-	-
BABs interest subsidy	72,065	76,562	72,639	-	-	-	-	-	-
Interest expense	(400,484)	(410,113)	(394,711)	-	-	-	-	-	-
Financing fees	(10,854)	(17,001)	(18,574)	-	-	-	-	-	-
Loss on swap termination	-	-	(15,683)	-	-	-	-	-	-
Other non-operating expense	(15,967)	(842)	(37,162)	-	-	-	-	-	-
Operating grants	171,031	154,659	158,708	13,011	12,845	11,882	14,191	19,015	39,017
Distrib to other agencies for capital purposes	(576,966)	(637,970)	(985,925)	(1,540)	(1,691)	(1,757)	(7,717)	(10,327)	(32,676)
Capital contribution to BAHA	(48,781)	(167,027)	-	(63)	-	-	-	-	-
Other non-operating revenue	651	-	-	-	-	-	1,334	-	-
Total non-operating revenues/(expenses)	(755,598)	(1,072,291)	(1,187,262)	11,415	11,156	10,131	7,808	8,688	6,341
Change in net position before transfers	(222,900)	(548,545)	(689,702)	1,398	531	(371)	(7,850)	(4,965)	(10,757)
Transfers	(32,049)	(34,329)	(40,280)	(924)	(253)	(902)	9,328	3,868	11,710
Change in net position	(254,949)	(582,874)	(729,982)	474	278	(1,273)	1,478	(1,097)	953
Net position - Beginning	(5,127,323)	(4,544,449)	(3,814,467)	17,591	17,313	18,586	(144)	953	-
Net position - Ending	$ (5,382,272)	$ (5,127,323)	$ (4,544,449)	$ 18,065	$ 17,591	$ 17,313	$ 1,334	$ (144)	$ 953

BATA is the largest of MTC's business-type activities and one of the highest-rated toll enterprises in the country.

BATA's toll revenue increased by $27,112 in fiscal 2013 and increased by $28,501 in fiscal 2012. The total number of paid toll vehicles for all bridges increased by 1.3 percent in fiscal 2013 and 1.1 percent in fiscal 2012. The revenue increase for both fiscal years is the result of increased paid traffic from two-axle vehicles and the scheduled rate increase for the multi-axle vehicles that was spread over this two year period. Detailed traffic count is available in the Statistical Section, Table 8.

BATA's other operating revenue, consisting primarily of toll violation payments, decreased by $934 in fiscal 2013 compared to a decrease of $538 in fiscal 2012. Violation revenue for fiscal 2013 decreased by 5.5 percent because of a cumulative adjustment made to the violation receivable in fiscal 2012. The violation revenue leveled off in fiscal 2012 as drivers got used to the new carpool toll first implemented in fiscal 2011. BATA's total operating expenses rose by $17,226 or 14.5 percent in fiscal 2013 and $1,777 or 1.5 percent increase for fiscal 2012. The increase in fiscal 2013 is from the cost of the Dumbarton Bus Enhancement Service of $2,442, increase in the Regional Express Lanes project by $8,770 and increases in depreciation expense and the ETC operating cost by $2,017 and $2,805 respectively. The increase in fiscal 2012 is mainly due to allocation expenses of $2,354 for the I-80/I-680 project and the Vallejo ferry service, an increase in operating expenses by Caltrans and JPA Transbay Terminal maintenance of $1,473 and a decrease in the purchase of toll tags by $2,307.

BATA's investment income for fiscal 2013 increased by $124,266 compared to a decrease of $104,005 in fiscal 2012. In fiscal 2013, investment income was comprised of $3,021 of investment income and $50,686 of unrealized gain on hedge termination. In fiscal 2012, interest charge was comprised of $6,800 of investment income and $77,360 of unrealized loss on hedge termination. The $50,686 gain and $77,360 loss on hedge termination in fiscals 2013 and 2012, respectively, represent income and a charge for the change in the market valuation of certain swaps that no longer qualify for hedge accounting as discussed in Note 1.Q to the financial statements. The investment income decreased in fiscal 2013 from fiscal 2012 mainly due to a lower cash balance on hand as project expenses caused draws on bond proceeds.

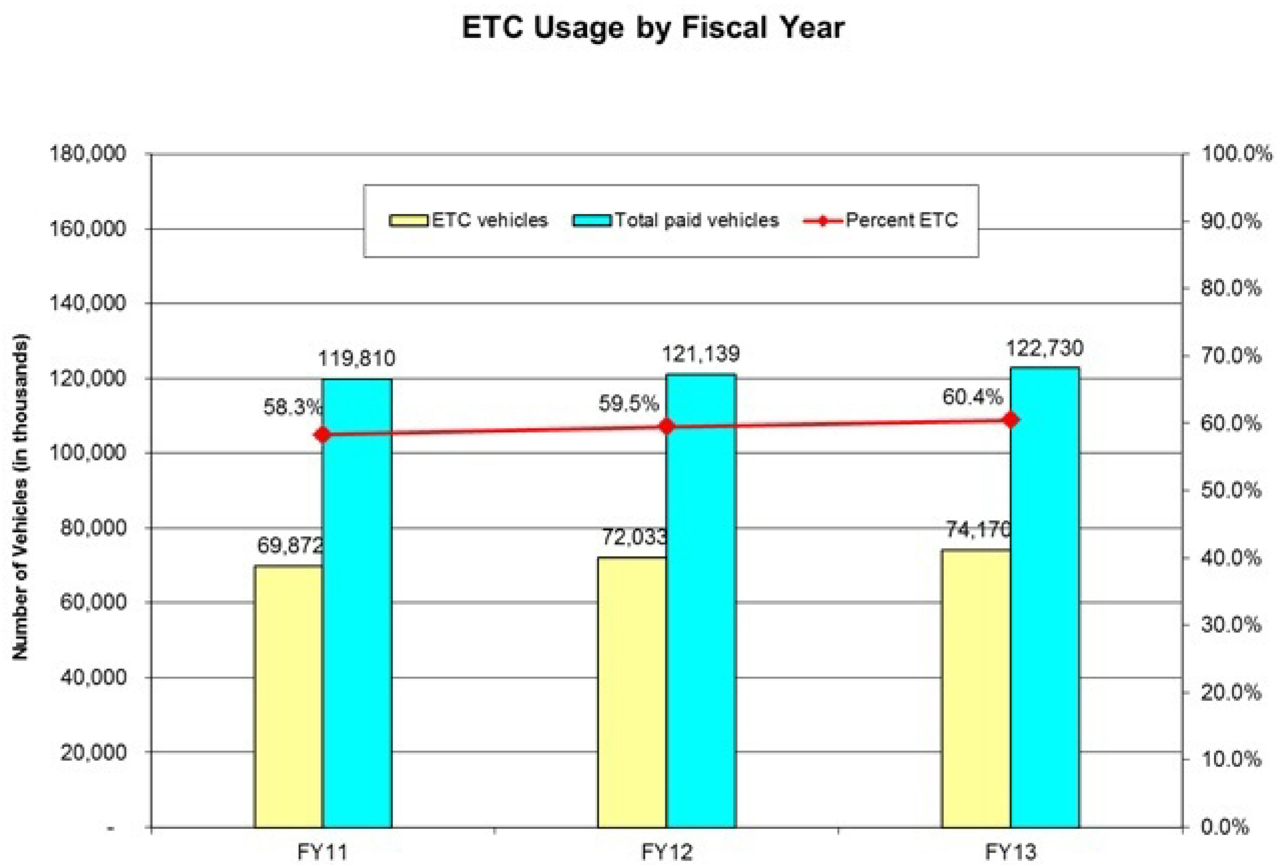
BATA's Build America Bonds interest subsidy consists of the federal subsidy from the U. S. Government. The decrease in fiscal 2013 of $4,497 reflects a lower payment from the U.S. Government due to the federal sequestration requirement. The increase in fiscal 2012 of $3,923 reflects the increase in BABs issued subsequent to fiscal 2011. The first BABs issuance by BATA was in November 2010.

BATA's interest expense decreased by $9,629 and increased by $15,402 for fiscal 2013 and fiscal 2012, respectively. The decrease of $9,629 in fiscal 2013 is attributed to three areas. First, interest expense on bonds decreased by $6,843 due to lower interest rates from the three bond reofferings and one advance refunding, then amortization of bond premium increased by $7,360 from the advance refunding, and the amortization of deferred charge increased by $4,547. The increase in fiscal 2012 is due mainly to a full year's interest expense for the 2010 Series S2-S3 bonds.

BATA's financing fees and other non-operating expense increased by $8,978 and decreased by $37,893 in fiscal 2013 and fiscal 2012, respectively. The increase in fiscal 2013 is due to the increase in cost of bond issuance expense of $15,126 and a reduction of $6,147 in financing and remarketing fees. The decrease in fiscal 2012 is due mainly to no bond issuance resulting in no cost of issuance expenses as compared with the previous fiscal year.

BATA's operating grants increased by $16,372 in fiscal 2013 and decreased by $4,049 in fiscal 2012. The change in both years is mainly due to the different amounts in the schedule of payment from the State of California for the 2006 SPAN issuance resulting in a $15,000 increase and $3,000 decrease in 2013 and 2012, respectively.

Revenue from the FasTrak® electronic toll collection program continues to increase. ETC revenue comprised 60.4 percent of the total paid vehicles in fiscal 2013 compared to 59.5 percent in the prior fiscal year. The graph below illustrates the increase in electronic toll collection usage for the last three years.



The growth in ETC processing has had the positive impact of improving traffic flow on the bridges, but has the side effect of increasing electronic processing costs as well as toll violations.

MTC SAFE operating revenues (DMV fees) decreased by $233 or 3.7 percent in fiscal year 2013 and increased by $696 or 12.3 percent in fiscal 2012. All nine counties had a decrease in DMV revenue for fiscal 2013. The highest percentage increases were from Santa Clara and San Francisco counties for fiscal 2012.

Operating expense for MTC SAFE decreased by $841 or 4.9 percent in 2013 and increased by $819 or 5.1 percent in 2012. The decrease in 2013 is primarily due to the decrease in repair and maintenance of $483 and salaries and benefits of $256. The increase in 2012 is due to increases in professional fees of $676 for the Freeway Performance Initiative and I-880 Interstate Corridor Management Engineering projects. The salaries and benefits and professional fees for the Freeway Performance Initiative project were moved from MTC to MTC SAFE in fiscal 2012.

Interest income increased by $5 in fiscal 2013 and decreased by $4 in fiscal 2012. The increase in fiscal 2013 is due to larger cash balances and the decrease in fiscal 2012 is mainly due to lower cash balances. The Local Assistance Program grant for both fiscal years was not awarded until late in the fiscal year, which caused a higher accounts receivable balance and a lower cash balance.

The MTC Clipper® enterprise fund was established during the 2011 fiscal year. This fund includes the Clipper® operating and capital expenditures. The cash held for the Clipper® smart card and the liability to patrons is reported as an agency fund in the Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds, in the Other Supplementary Information section.

G. Financial Analysis of Governmental Funds

The fund balance of the MTC governmental funds was $395,600 and $398,847 of June 30, 2013 and 2012, respectively, as reported under the modified accrual basis of accounting. The fund balance includes nonspendable amounts of $1,033 and $1,037 for prepaid items in fiscal 2013 and 2012, respectively, and amounts of $350,870 and $364,882 restricted for transportation and rail projects for fiscal 2013 and 2012, respectively. The committed amounts of $17,057 and $12,566 for fiscal 2013 and 2012, respectively, represent amounts designated by the Commission for specific purposes. The unassigned fund balances of $26,641 and $20,363 for fiscal 2013 and 2012, respectively, represent unassigned funds available for appropriation at the discretion of the MTC Board.

The fund balance of the State Transit Assistance (STA) fund increased by $671 in fiscal 2013 and increased by $28,955 in fiscal 2012. The increase in fund balance from the prior year is due to an increase in STA allocations of $33,660 in fiscal 2013. The fund balance for the Rail Reserves fund decreased by $21,450 in fiscal 2013 and increased by $9,600 in fiscal 2012. The decrease in fund balance from the prior year is due to an increase in project expenditures for the Oakland Airport Connector, one of three large capital projects included in this fund (BART to Warm Springs, e-BART, and the Oakland Airport Connector). The fund balance for the AB 664 fund decreased by $3,246 in fiscal 2013 and increased by $6,940 in fiscal 2012. The decrease in fund balance from the prior year is due to an increase in allocations for AC Transit's capital projects in fiscal 2013. The fund balance of the Non-Major funds increased by $17,672 in fiscal 2013 and increased by $27,303 in fiscal 2012. The increase in fund balance from the prior year is due to the increase in BART Car Exchange allocations of $15,500 for BART car improvements in fiscal 2013.

The following table illustrates the revenues and expenditures for the past three fiscal years. Refer to page 28 for the reconciliation of the governmental funds to the Statement of Activities.

	Governmental Funds ($000)		
	2013	2012	2011
Revenues:			
Sales taxes	$ 11,162	$ 10,504	$ 9,644
Grants - Federal	45,795	50,022	48,819
Grants - State	160,060	145,788	5,392
Local agencies revenues and refunds	41,148	46,022	18,419
Investment income	2,132	2,620	2,856
Total revenues	260,297	254,956	85,130
Expenditures:			
Current:			
General government	65,175	70,376	72,612
Allocations to other agencies	221,641	138,105	162,266
Capital outlay	373	170	66
Total expenditures	287,189	208,651	234,944
Other financing sources (uses)	23,645	30,714	29,473
Net change in fund balance	(3,247)	77,019	(120,341)
Fund balance - beginning	398,847	321,828	442,169
Fund balance - ending	$ 395,600	$ 398,847	$ 321,828

Total revenue increased by $5,341 or 2.1 percent in fiscal 2013 and by $169,826 or 199.5 percent in fiscal 2012. The increase in revenue for fiscal 2013 and 2012 is mainly due to the increase in state grant revenue from STA of $14,191 and $141,921 respectively. STA revenue in fiscal 2012 reflected both fiscal 2012 and 2011 due to the timing of receipt of the STA revenue from the State of California. MTC's sales tax revenue increased by $658 or 6.3 percent in fiscal 2013, compared to an increase of $860 or 8.9 percent in fiscal 2012. Sales tax revenue for all nine counties increased for the second year in a row after declining the two previous years. Overall, governmental fund expenditures increased by $78,538 in fiscal 2013 and decreased by $26,293 in fiscal 2012. General government expenditures decreased by $5,201 in fiscal 2013 and by $2,236 in fiscal 2012. Allocations to other agencies increased by $83,536 or 60.5 percent for fiscal 2013 compared to a decrease of $24,161 or 14.9 percent for fiscal 2012. The increase in fiscal 2013 is due to increases in allocations of $9,772 in AB664, $33,660 in STA, $30,521 in Rail Reserve, $12,693 in Non-Major and a decrease of $3,110 in General. The decrease in fiscal 2012 is due to the decrease in allocations of $7,798 in AB 664 and $17,382 in STA.

The capital outlay expenditures increased by $203 in fiscal 2013 and increased by $104 in fiscal 2012. The increase in fiscal 2013 is from the Urban Partnership project. The modest increase in fiscal 2012 is due to the purchase of computer hardware.

Other financing sources (uses) decreased by $7,069 in fiscal 2013 and increased by $1,241 in fiscal 2012.

The change in net position presented in the Statement of Activities for governmental activities decreased by

$3,732 in fiscal 2013 and increased by $77,072 in fiscal 2012. Net position for governmental funds was $406,460 and $410,192 for fiscal years 2013 and 2012, respectively. Program revenues increased by $5,357 or 2.2 percent in fiscal 2013, and increased by $170,898 or 230.1 percent in fiscal 2012. The increase in fiscal 2013 was due to the increase in STA revenue of $14,272 but was offset by a decrease of $8,834 in general government revenue. The increase in fiscal 2012 was due to the receipt and recording of STA funds.

H. General Fund Budget

The MTC general fund budget for fiscal 2013 was amended from the adopted budget by $.7 million in increased revenues, $.5 million in increased transfers and $1.2 million in increased expenditures. The actual revenue-to-expenditure balance for fiscal 2013 reflects a surplus of $3,106. The positive surplus budget variance of $5,342 is due to several differences in revenue and expenditures, including an underestimate of local revenue by $1.9 million. The expenditure variance includes $.9 million salaries and benefit savings from vacancies, and $2.2 million budgeted for contracts that were not spent. The actual overhead expenditures for fiscal 2013 exceeded the approved overhead rate so this amount will be recovered as part of a future overhead rate.

The deficit in both budget versions reflects encumbrances carried over from the prior fiscal year and were covered by the prior year's general fund balance.

The following provides a condensed view of the final budgeted results compared to actual results for the year ended June 30, 2013.

General Fund

($000)

	Adopted Budget	Final Budget	Actual	Variance
Revenues	$ 97,052	$ 97,728	$ 59,341	$ (38,387)
Expenditures	115,757	116,969	64,863	(52,106)
Excess/(Deficiency)	(18,705)	(19,241)	(5,522)	13,719
Transfers in	16,493	17,005	8,628	(8,377)
Net change in fund balance	(2,212)	(2,236)	3,106	5,342
Fund balance - beginning	28,617	28,617	27,782	(835)
Fund balance - ending	$ 26,405	$ 26,381	$ 30,888	$ 4,507

MTC's federal and state funding sources are on a reimbursement basis, so it is not unusual for actual revenue to lag behind the adopted budget. Actual expenditures were also well below budget because several major programs were budgeted but were not completed during the fiscal year.

I. Capital Asset Administration

MTC's investment in capital assets for all funds, governmental and proprietary, is $29,382 for fiscal 2013 and $26,093 for fiscal 2012 as reported under the accrual basis of accounting. Most of the increase of $3,289 in fiscal year 2013 is from the capitalized cost of the new bridge toll collection system. All six bridges have implemented the new system and the last bridge will be completed in fiscal 2014. Most of the $753 increase in fiscal 2012 is due to the expenses from the installation and implementation of the first bridge for the new toll collection system. The first installation was at the Benicia-Martinez Bridge and was completed in August 2013. Additional information on MTC's capital assets is disclosed in Note 4 of the financial statements. Assets relating to the seven state-owned bridges administered by BATA are recorded by Caltrans.

J. Long-Term Debt Administration

During fiscal 2013, BATA completed three reofferings for $1.05 billion and one fixed rate advance refunding transaction of $907,525. All BATA's swaps that were effective in fiscal 2012 were also effective in fiscal 2013. The fair value of the ineffective swaps increased by $50,686 in fiscal 2013 as compared to a deccrease of $77,360 in fiscal 2012. BATA's interest expense on the $3,275 billion of federally taxable Build America Bonds (BABs) was $218,747 and the federal subsidy was $72,065 for a net of $146,682.

Component Unit – BAIFA In December 2006, BATA entered into a contribution agreement with BAIFA. Under the contribution agreement, BATA pledged and assigned its rights to future scheduled payments of $1,135,000 from the State of California to BAIFA. Annual payments to BAIFA represent a part of the state's share of the Seismic Retrofit and Replacement Program. BAIFA issued State Payment Acceleration Notes (SPANs) of $972,320 secured solely by the State's payments. BAIFA deposited a portion of the bond proceeds of $887,991 in the project fund for reimbursement to BATA for the seismic project expenses in return for the pledged revenues. The remaining note proceeds were deposited into the Pledged Revenue Fund, Reserve Fund or payment for the cost of issuance. BAIFA has already reimbursed BATA for the costs of seismic retrofit projects. BAIFA also has received $835,000 of the $1,135,000 revenue scheduled to be paid by 2014 to BATA. Refer to Note 1.N.

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

K. Economic Factors Impacting MTC

The Bay Area economy is recovering. Unemployment and the number of home foreclosures have decreased from the prior year and sales taxes have increased. These impacts include:

- Sales tax revenue increased for the third straight fiscal year by 6.3 percent and 8.9 percent for June 30, 2013 and June 30, 2012, respectively, after declining two years in a row. Sales tax revenue for fiscal 2014 is projected to be slightly higher than fiscal year 2013.
- The federal planning funds under Moving Ahead for Progress in the 21st Century Act (MAP-21) are expected to be less next fiscal year.
- Unemployment in the Bay Area has decreased from last fiscal year and is at 6.7 percent as of June 2013.
- Building construction and permitting activity is up, and demand for consumer goods is up.

Requests for information

This financial report is designed to provide a general overview of the Metropolitan Transportation Commission's financial position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan Transportation Commission, 101 8th Street, Oakland, CA 94607.

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2013

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	BAIFA	BAHA
ASSETS					
Cash - unrestricted	$ 266,379,666	$ 413,189,196	$ 679,568,862	$ -	$ -
Cash - restricted	100,968	81,839,440	81,940,408	8,415,210	6,317,213
Investments - unrestricted	460,724,320	342,217,485	802,941,805	-	-
Investments - restricted	125,394,717	1,423,823,350	1,549,218,067	119,414,531	108,379,480
Derivative instruments - asset	-	12,619,827	12,619,827	-	-
Receivables:					
Accounts receivable	7,278,583	13,603,018	20,881,601	-	129,743
Due from Bay Area Toll Authority	-	-	-	78,070,212	-
Interest	317,068	22,632,893	22,949,961	3,710	10,128
State/ Caltrans funding	49,864,122	3,728,880	53,593,002	-	-
Funding due from Federal	17,561,410	7,026,932	24,588,342	-	-
Prepaid items	1,035,329	540,069	1,575,398	-	253,225
Bond prepaid insurance	-	111,567	111,567	990,984	-
Loan to other agency	5,000,000	-	5,000,000	-	-
Net OPEB asset	7,384,385	-	7,384,385	-	-
Land	-	-	-	-	33,933,809
Capital assets not being depreciated	109,578	2,051,610	2,161,188	-	63,950,608
Capital assets net of accumulated depreciation	6,160,749	21,060,216	27,220,965	-	3,358,186
TOTAL ASSETS	947,310,895	2,344,444,483	3,291,755,378	206,894,647	216,332,392
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on derivative instruments	-	267,200,597	267,200,597	-	-
Deferred amount of refunding	-	177,673,721	177,673,721	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	444,874,318	444,874,318	-	-
LIABILITIES					
Accounts payable and accrued liabilities	79,331,184	67,594,937	146,926,121	-	1,546,024
Security Trade Payable	11,100,000	-	11,100,000	-	-
Accrued interest payable	-	96,686,869	96,686,869	6,769,792	-
Unearned revenue	590,861	61,862,005	62,452,866	-	-
Due to Caltrans	-	31,402,112	31,402,112	-	-
Noncurrent liabilities:					
Long term debt					
Due within one year	-	46,165,000	46,165,000	-	-
Due in more than one year	-	7,830,910,576	7,830,910,576	347,895,661	-
Due to / (from) other funds					
Due within one year	5,940,735	(5,940,735)	-	-	-
Due to BAIFA					
Due within one year	-	78,070,212	78,070,212	-	-
Other noncurrent liabilities					
Due within one year	1,695,185	-	1,695,185	-	-
Due in more than one year	2,298,587	351,963,879	354,262,466	-	-
TOTAL LIABILITIES	100,956,552	8,558,714,855	8,659,671,407	354,665,453	1,546,024
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on derivative instruments	-	12,619,827	12,619,827	-	-
Deferred revenue from swap amendment	-	20,751,666	20,751,666	-	-
Deferred revenue/ Deferred charge	439,894,538	(439,894,538)	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	439,894,538	(406,523,045)	33,371,493	-	-
NET POSITION					
Invested in capital assets, net of related debt	6,133,632	23,111,826	29,245,458	-	101,242,603
Restricted for:					
Capital projects	365,445,733	-	365,445,733	-	113,543,765
Operations & Maintenance, under debt covenant	-	150,000,000	150,000,000	-	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-	-
Net OPEB asset	7,384,385	-	7,384,385	-	-
STA Reserve	1,254,051	-	1,254,051	-	-
Other purposes	2,259,385	-	2,259,385	-	-
Unrestricted	23,982,619	(5,585,984,835)	(5,562,002,216)	(147,770,806)	-
TOTAL NET POSITION	$ 406,459,805	$ (5,362,873,009)	$ (4,956,413,204)	$(147,770,806)	$ 214,786,368

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

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2012

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	BAIFA	BAHA
ASSETS					
Cash - unrestricted	$ 259,971,405	$ 464,429,931	$ 724,401,336	$ -	$ -
Cash - restricted	5,923,543	91,162,207	97,085,750	94,395,841	3,533,490
Investments - unrestricted	469,818,993	464,962,513	934,781,506	-	-
Investments - restricted	88,547,312	1,932,676,251	2,021,223,563	106,786,487	69,985,387
Derivative instruments - asset	-	27,282,560	27,282,560	-	-
Receivables:					
Accounts receivable	26,167,533	11,083,546	37,251,079	-	123,564
Due from Bay Area Toll Authority	-	-	-	243,076,962	-
Interest	981,880	24,571,441	25,553,321	24,982	1,850
State/ Caltrans funding	36,709,130	3,563,851	40,272,981	-	-
Funding due from Federal	21,553,109	9,633,462	31,186,571	-	-
Prepaid items	1,036,706	571,234	1,607,940	-	117,682
Bond prepaid insurance	-	473,541	473,541	1,233,674	-
Loan to other agency	21,000,000	-	21,000,000	-	-
Net OPEB asset	7,384,385	-	7,384,385	-	-
Land	-	-	-	-	33,933,809
Capital assets not being depreciated	-	7,893,271	7,893,271	-	56,015,624
Capital assets net of accumulated depreciation	6,900,882	11,299,033	18,199,915	-	3,400,999
TOTAL ASSETS	945,994,878	3,049,602,841	3,995,597,719	445,517,946	167,112,405
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on derivative instruments	-	432,519,979	432,519,979	-	-
Deferred amount of refunding	-	55,002,118	55,002,118	-	-
TOTAL DEFERRED OUTFLOWS OF RESURCES	-	487,522,097	487,522,097	-	-
LIABILITIES					
Accounts payable and accrued liabilities	46,993,899	92,365,567	139,359,466	-	372,171
Accrued interest payable	-	98,938,581	98,938,581	11,258,333	-
Unearned revenue	528,194	55,606,278	56,134,472	-	-
Due to Caltrans	-	42,958,653	42,958,653	-	-
Noncurrent liabilities:					
Long term debt					
Due within one year	-	40,540,000	40,540,000	-	-
Due in more than one year	-	7,942,610,597	7,942,610,597	568,445,707	-
Due to / (from) other funds					
Due within one year	18,135,280	(18,135,280)	-	-	-
Due in more than one year	5,000,000	(5,000,000)	-	-	-
Due to BAIFA					
Due within one year	-	164,986,500	164,986,500	-	-
Due in more than one year	-	78,090,462	78,090,462	-	-
Other noncurrent liabilities					
Due within one year	1,571,268	-	1,571,268	-	-
Due in more than one year	2,204,274	566,917,025	569,121,299	-	-
TOTAL LIABILITIES	74,432,915	9,059,878,383	9,134,311,298	579,704,040	372,171
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on derivative instruments	-	27,282,560	27,282,560	-	-
Deferred revenue from swap amendment	-	21,208,198	21,208,198	-	-
Deferred revenue/ Deferred charge	461,369,673	(461,369,673)	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	461,369,673	(412,878,915)	48,490,758	-	-
NET POSITION					
Invested in capital assets, net of related debt	6,712,008	19,192,304	25,904,312	-	93,350,432
Restricted for:					
Capital projects	373,025,182	-	373,025,182	-	73,389,802
Operations & Maintenance, under debt covenant	-	150,000,000	150,000,000	-	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-	-
Long-term loan/ interest receivable	21,000,000	-	21,000,000	-	-
Net OPEB asset	7,384,385	-	7,384,385	-	-
STA Reserve	2,389,269	-	2,389,269	-	-
Other purposes	3,069,589	-	3,069,589	-	-
Unrestricted	(3,388,143)	(5,329,066,834)	(5,332,454,977)	(134,186,094)	-
TOTAL NET POSITION	$ 410,192,290	$ (5,109,874,530)	$ (4,699,682,240)	$(134,186,094)	$ 166,740,234

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

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2013

		Program Revenues				Net (Expenses) Revenue and Changes in Net Position				
						Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	BAIFA	BAHA
Functions:										
Primary Government:										
Governmental Activities:										
General Government	$ 69,122,603	$ -	$ 90,468,180	$ -	$ 90,468,180	$ 21,345,577	$ -	21,345,577	$ -	$ -
Transportation	210,915,679	-	160,060,327	-	160,060,327	(50,855,352)	-	(50,855,352)	-	-
Total Governmental Activities	280,038,282	-	250,528,507	-	250,528,507	(29,509,775)	-	(29,509,775)	-	-
Business-type Activities										
MTC Clipper® smart card	38,319,247	14,945,020	15,523,984	-	30,469,004	-	(7,850,243)	(7,850,243)	-	-
Toll bridge activities	1,189,447,185	669,092,477	243,746,733	-	912,839,210	-	(276,607,975)	(276,607,975)	-	-
Congestion relief	17,762,774	6,143,217	13,010,449	-	19,153,666	-	1,390,892	1,390,892	-	-
Total Business-Type Activities	1,245,529,206	690,180,714	272,281,166	-	962,461,880	-	(283,067,326)	(283,067,326)	-	-
Total Primary Government	$ 1,525,567,488	$ 690,180,714	$ 522,809,673	$ -	$ 1,212,990,387	(29,509,775)	(283,067,326)	(312,577,101)	-	-
Component Units:										
BAIFA	13,760,544	-	175,832	-	175,832				$ (13,584,712)	$ -
BAHA	2,478,663	1,053,297	-	49,399,918	50,453,215				-	47,974,552
Total Component Units	$ 16,239,207	$ 1,053,297	$ 175,832	$ 49,399,918	$ 50,629,047				$ (13,584,712)	$ 47,974,552
General Revenues:										
Restricted investment earnings						144,217	-	144,217	-	312
Unrestricted investment earnings						1,987,626	53,714,294	55,701,920	-	71,270
Transfers						23,645,447	(23,645,447)	-	-	-
Total General Revenues and Transfers						25,777,290	30,068,847	55,846,137	-	71,582
Change in Net Position						(3,732,485)	(252,998,479)	(256,730,964)	(13,584,712)	48,046,134
Net Position - Beginning						410,192,290	(5,109,874,530)	(4,699,682,240)	(134,186,094)	166,740,234
Net Position - Ending						$ 406,459,805	$ (5,362,873,009)	$ (4,956,413,204)	$ (147,770,806)	$ 214,786,368

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

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2012

		Program Revenues				Net (Expenses) Revenue and Changes in Net Position: Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	BAIFA	BAHA
Functions:										
Primary Government:										
Governmental Activities:										
General government	$ 77,165,020	$ -	$ 99,383,305	$ -	$ 99,383,305	$ 22,218,285	$ -	$ 22,218,285	$ -	$ -
Transportation	124,269,186	-	145,788,090	-	145,788,090	21,518,904	-	21,518,904	-	
Total Governmental Activities	201,434,206	-	245,171,395	-	245,171,395	43,737,189	-	43,737,189	-	-
Business-type Activities:										
MTC Clipper® smart card	34,846,108	10,866,419	19,014,796	-	29,881,215	-	(4,964,893)	(4,964,893)	-	-
Toll bridge activities	1,352,120,141	642,913,769	231,220,775	-	874,134,544	-	(477,985,597)	(477,985,597)	-	-
Congestion relief	18,692,766	6,375,994	12,844,389	-	19,220,383	-	527,617	527,617	-	-
Total Business-type Activities	1,405,659,015	660,156,182	263,079,960	-	923,236,142	-	(482,422,873)	(482,422,873)	-	-
Total Primary Government	$ 1,607,093,221	$ 660,156,182	$ 508,251,355	$ -	$ 1,168,407,537	43,737,189	(482,422,873)	(438,685,684)	-	-
Component Units:										
BAIFA	23,536,774	-	418,887	-	418,887				$ (23,117,887)	$ -
BAHA	1,350,439	1,060,076	-	167,026,515	168,086,591				-	166,736,152
Total Component Units	$ 24,887,213	$ 1,060,076	$ 418,887	$ 167,026,515	$ 168,505,478				$ (23,117,887)	$ 166,736,152
General Revenues:										
Restricted investment earnings						203,961	-	203,961	-	38
Unrestricted investment earnings						2,416,237	(70,556,543)	(68,140,306)	-	4,044
Transfers						30,714,239	(30,714,239)	-	-	-
Total General Revenues and Transfers						33,334,437	(101,270,782)	(67,936,345)	-	4,082
Change in Net Position						77,071,626	(583,693,655)	(506,622,029)	(23,117,887)	166,740,234
Net Position - Beginning						333,120,664	(4,526,180,875)	(4,193,060,211)	(111,068,207)	-
Net Position - Ending						$410,192,290	$(5,109,874,530)	$(4,699,682,240)	$ (134,186,094)	$ 166,740,234

The accompanying notes are an integral part of these financial statements

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2013

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash - unrestricted	$ 23,881,920	$ 61,587,580	$ 56,636,274	$ 70,748,570	$ 53,525,322	$ 266,379,666
Cash - restricted	-	-	-	-	100,968	100,968
Investment - unrestricted	215,839	195,063,058	-	241,450,344	23,995,079	460,724,320
Investment - restricted	-	-	-	-	125,394,717	125,394,717
Receivables						
Accounts	314,523	-	-	5,000,000	6,964,060	12,278,583
Interest	131	38,264	28,238	117,674	132,761	317,068
State/ Caltrans funding	3,561,516	-	46,302,606	-	-	49,864,122
Federal funding	16,751,345	-	-	-	810,065	17,561,410
Due from other funds	3,072,174	-	1,703,153	-	848,084	5,623,411
Prepaid items	1,032,579	-	-	-	2,750	1,035,329
TOTAL ASSETS	$ 48,830,027	$ 256,688,902	$ 104,670,271	$ 317,316,588	$ 211,773,806	$ 939,279,594
LIABILITIES						
Accounts payable and accrued expenditures	$ 12,958,564	$ 4,924,148	$ 29,746,706	$ 30,529,883	$ 1,171,883	$ 79,331,184
Unearned revenue	1,789,776	-	-	-	-	1,789,776
Security trade payable	-	-	-	11,100,000	-	11,100,000
Due to other funds	3,193,445	-	3,339,098	5,000,000	31,603	11,564,146
TOTAL LIABILITIES	17,941,785	4,924,148	33,085,804	46,629,883	1,203,486	103,785,106
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	215,284,280	-	173,597,227	51,013,031	439,894,538
TOTAL DEFERRED INFLOWS OF RESOURCES	-	215,284,280	-	173,597,227	51,013,031	439,894,538
FUND BALANCES						
Nonspendable						
Prepaid items	1,032,579	-	-	-	-	1,032,579
Restricted for:						
Transportation projects	1,254,051	36,480,474	71,584,467	-	15,389,251	124,708,243
Rail projects	-	-	-	97,089,478	129,071,794	226,161,272
Committed to:						
Benefits reserve	727,038	-	-	-	-	727,038
Building reserve	-	-	-	-	499,769	499,769
Transportation projects	1,233,794	-	-	-	14,596,475	15,830,269
Unassigned:						
Unassigned	26,640,780	-	-	-	-	26,640,780
TOTAL FUND BALANCES	30,888,242	36,480,474	71,584,467	97,089,478	159,557,289	395,599,950
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 48,830,027	$ 256,688,902	$ 104,670,271	$ 317,316,588	$ 211,773,806	$ 939,279,594

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

Metropolitan Transportation Commission
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2013

Governmental fund balance	$ 395,599,950
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	6,270,327
Other Post Employment Benefit (OPEB) assets are not current financial resources and, therefore, are not reported in the funds	7,384,385
Unearned revenue is reported as revenue on Statement of Activities	1,198,915
Capital leases are not due and payable in the current period and, therefore, are not reported in the funds	(136,695)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	(3,857,077)
Net position of governmental activities	$ 406,459,805

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

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2012

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash - unrestricted	$ 23,229,314	$ 50,071,709	$ 63,245,098	$ 73,373,148	$ 50,052,136	$ 259,971,405
Cash - restricted	-	-	-	-	5,923,543	5,923,543
Investment - unrestricted	215,333	217,514,121	-	227,099,841	24,989,698	469,818,993
Investment - restricted	-	-	-	-	88,547,312	88,547,312
Receivables						
Accounts	227,466	-	-	8,000,000	25,940,067	34,167,533
Interest	991	78,443	35,000	818,185	49,261	981,880
State/ Caltrans funding	2,351,426	-	34,357,704	-	-	36,709,130
Federal funding	21,053,386	-	-	-	499,723	21,553,109
Due from other funds	2,263,273	-	3,465,705	-	608,252	6,337,230
Prepaid items	1,036,706	-	-	-	-	1,036,706
TOTAL ASSETS	$ 50,377,895	$ 267,664,273	$ 101,103,507	$ 309,291,174	$ 196,609,992	$ 925,046,841
LIABILITIES						
Accounts payable and accrued expenditures	$ 13,717,195	$ 2,163,590	$ 30,036,564	$ 8,807	$ 1,067,743	$ 46,993,899
Unearned revenue	1,363,555	-	-	-	-	1,363,555
Due to other funds	7,515,049	2,214	153,252	8,630,000	171,995	16,472,510
TOTAL LIABILITIES	22,595,799	2,165,804	30,189,816	8,638,807	1,239,738	64,829,964
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	225,771,902	-	182,112,573	53,485,198	461,369,673
TOTAL DEFERRED INFLOWS OF RESOURCES	-	225,771,902	-	182,112,573	53,485,198	461,369,673
FUND BALANCES						
Nonspendable						
Prepaid items	1,036,706	-	-	-	-	1,036,706
Restricted for:						
Transportation projects	2,389,269	39,726,567	70,913,691	-	12,862,023	125,891,550
Rail projects	-	-	-	118,539,794	120,450,263	238,990,057
Committed to:						
Benefits reserve	1,076,467	-	-	-	-	1,076,467
Building reserve	-	-	-	-	499,769	499,769
Liability reserve	456,647	-	-	-	-	456,647
Transportation projects	2,459,843	-	-	-	8,073,001	10,532,844
Unassigned:						
Unrestricted/Unassigned	20,363,164	-	-	-	-	20,363,164
TOTAL FUND BALANCES	27,782,096	39,726,567	70,913,691	118,539,794	141,885,056	398,847,204
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 50,377,895	$ 267,664,273	$ 101,103,507	$ 309,291,174	$ 196,609,992	$ 925,046,841

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

Metropolitan Transportation Commission
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2012

Governmental fund balance	$ 398,847,204
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	6,900,882
Other Post Employment Benefit (OPEB) assets are not current financial resources and, therefore, are not reported in the funds	7,384,385
Unearned revenue is reported as revenue on Statement of Activities	835,361
Capital leases are not due and payable in the current period and, therefore, are not reported in the funds	(188,874)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	(3,586,668)
Other long-term assets are not available for current-period expenditures and, therefore, are deferred in the funds	13,000,000
Other long-term liabilities are not available for current-period expenditures and, therefore, are deferred in the funds	(13,000,000)
Net position of governmental activities	$ 410,192,290

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

Metropolitan Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2013

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Sales tax	$ 11,161,663	$ -	$ -	$ -	$ -	$ 11,161,663
Grants - Federal	44,542,352	-	-	-	1,252,999	45,795,351
Grants - State	831,410	-	156,112,456	-	3,116,461	160,060,327
Local agencies revenues and refunds	2,783,630	-	356,023	8,000,000	30,007,960	41,147,613
Investment income (charge) - unrestricted	22,359	393,543	(64,173)	980,616	655,281	1,987,626
Investment income - restricted	-	-	-	-	144,217	144,217
TOTAL REVENUES	59,341,414	393,543	156,404,306	8,980,616	35,176,918	260,296,797
EXPENDITURES						
Current:						
General government	53,988,135	25,662	-	8,035,187	3,126,278	65,175,262
Allocations to other agencies	10,725,976	14,101,596	149,507,138	30,521,091	16,785,854	221,641,655
Capital outlay	148,699	-	-	-	223,882	372,581
TOTAL EXPENDITURES	64,862,810	14,127,258	149,507,138	38,556,278	20,136,014	287,189,498
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(5,521,396)	(13,733,715)	6,897,168	(29,575,662)	15,040,904	(26,892,701)
OTHER FINANCING SOURCES (USES)						
Transfers in	8,771,320	10,487,622	-	8,515,346	2,891,840	30,666,128
Transfers out	(143,778)	-	(6,226,392)	(390,000)	(260,511)	(7,020,681)
TOTAL OTHER FINANCING SOURCES (USES)	8,627,542	10,487,622	(6,226,392)	8,125,346	2,631,329	23,645,447
NET CHANGE IN FUND BALANCES	3,106,146	(3,246,093)	670,776	(21,450,316)	17,672,233	(3,247,254)
Fund balances - beginning	27,782,096	39,726,567	70,913,691	118,539,794	141,885,056	398,847,204
Fund balances - ending	$ 30,888,242	$ 36,480,474	$ 71,584,467	$ 97,089,478	$ 159,557,289	$ 395,599,950

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

Metropolitan Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2012

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Sales tax	$ 10,504,062	$ -	$ -	$ -	$ -	$ 10,504,062
Grants - Federal	48,185,057	-	-	-	1,837,247	50,022,304
Grants - State	781,193	-	141,921,292	-	3,085,605	145,788,090
Local agencies revenues and refunds	5,486,431	-	487,885	8,000,000	32,047,262	46,021,578
Investment income (charge) - unrestricted	10,400	401,850	310,905	1,402,186	290,896	2,416,237
Investment income - restricted	-	-	-	-	203,961	203,961
TOTAL REVENUES	64,967,143	401,850	142,720,082	9,402,186	37,464,971	254,956,232
EXPENDITURES						
Current:						
General government	53,834,331	26,033	-	8,034,994	8,481,201	70,376,559
Allocations to other agencies	13,835,513	4,329,189	115,847,223	-	4,092,774	138,104,699
Capital outlay	149,813	-	-	-	20,277	170,090
TOTAL EXPENDITURES	67,819,657	4,355,222	115,847,223	8,034,994	12,594,252	208,651,348
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(2,852,514)	(3,953,372)	26,872,859	1,367,192	24,870,719	46,304,884
OTHER FINANCING SOURCES (USES)						
Transfers in	8,876,354	10,915,880	3,051,577	8,863,066	2,760,870	34,467,747
Transfers out	(1,803,140)	(22,439)	(969,608)	(630,000)	(328,321)	(3,753,508)
TOTAL OTHER FINANCING SOURCES (USES)	7,073,214	10,893,441	2,081,969	8,233,066	2,432,549	30,714,239
NET CHANGE IS FUND BALANCES	4,220,700	6,940,069	28,954,828	9,600,258	27,303,268	77,019,123
Fund balances - beginning	23,561,396	32,786,498	41,958,863	108,939,536	114,581,788	321,828,081
Fund balances - ending	$ 27,782,096	$ 39,726,567	$ 70,913,691	$ 118,539,794	$ 141,885,056	$ 398,847,204

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

Metropolitan Transportation Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Years Ended June 30, 2013 and 2012

	2013	2012
Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditures and Changes in Fund Balances)	$ (3,247,254)	$ 77,019,123
Governmental funds reported capital outlays as expenditures. However , in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeds (does not exceed) non capital lease capital outlays in the current period. See Note 1.M.	(630,555)	(614,313)
Repayment of the principal of the long-term receivable from BART is not recorded as a long-term asset in the governmental funds. Loan advances (repayments received) to/(from) the agency were recorded as expenditures (income) in the governmental fund but were capitalized as a long-term asset in the Statement of Net Position.	(8,000,000)	(8,000,000)
Repayment of Intra-equity loan between MTC and BATA as discussed above.	8,000,000	8,000,000
Principal repayment on capital leases in an expenditure in the governmental funds; however, the principal element of the repayment reduces long-term liabilities in the Statement of Net Position. The amount is the effect of the differing treatment of capital lease principal repayment.	52,180	49,785
Governmental funds report over absorption of applied overhead as unearned revenue; however in the Statement of Activities, the overabsorption is reported as revenue.	363,553	835,361
Some items do not require the use of current financial resources and, therefore, are not reported in the governmental funds:		
Compensated absences	(270,409)	(218,330)
Change in net position of governmental activities (per Statement of Activities)	$ (3,732,485)	$ 77,071,626

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

Metropolitan Transportation Commission
Statement of Net Position - Proprietary Funds
June 30, 2013

	Business-Type Activities -Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
ASSETS				
Current assets:				
Cash - unrestricted	$ 836,732	$ 402,310,789	$ 10,041,675	$ 413,189,196
Cash - restricted	-	71,808,690	-	71,808,690
Short term investments - unrestricted	-	342,110,992	106,493	342,217,485
Due from other funds	4,479,122	5,000,000	1,421,025	10,900,147
Accounts receivable	4,658,385	8,702,412	242,221	13,603,018
Accrued interest	-	22,632,828	65	22,632,893
Prepaid expenses	-	472,232	67,837	540,069
State/ Caltrans funding	72,067	972,865	2,683,948	3,728,880
Federal funding	5,219,063	-	1,807,869	7,026,932
Total current assets	15,265,369	854,010,808	16,371,133	885,647,310
Non-current assets:				
Cash - restricted	-	10,030,750	-	10,030,750
Investments - restricted	-	1,423,823,350	-	1,423,823,350
Derivative instruments - assets	-	12,619,827	-	12,619,827
Bond prepaid insurance	-	111,567	-	111,567
Capital assets, net of accumulated depreciation/ amortization	-	19,572,721	3,539,105	23,111,826
Total non-current assets	-	1,466,158,215	3,539,105	1,469,697,320
TOTAL ASSETS	15,265,369	2,320,169,023	19,910,238	2,355,344,630
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on derivative instruments	-	267,200,597	-	267,200,597
Deferred charge	-	617,568,259	-	617,568,259
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	884,768,856	-	884,768,856
LIABILITIES				
Current liabilities:				
Accounts payable	10,529,876	54,280,456	1,844,986	66,655,318
Accrued interest payable	-	96,686,869	-	96,686,869
Due to other funds	3,254,945	1,704,467	-	4,959,412
Unearned revenue	-	61,862,005	-	61,862,005
Retention payable	146,087	793,062	470	939,619
Long term debt - current	-	46,165,000	-	46,165,000
Due to Caltrans	-	31,402,112	-	31,402,112
Due to Bay Area Infrastructure Financing Authority	-	78,070,212	-	78,070,212
Total current liabilities	13,930,908	370,964,183	1,845,456	386,740,547
Non-current liabilities:				
Unearned revenue/ Patron deposits	-	6,848,372	-	6,848,372
Long term debt, net	-	7,830,910,576	-	7,830,910,576
Derivative instruments - liability	-	345,115,507	-	345,115,507
Total non-current liabilities	-	8,182,874,455	-	8,182,874,455
TOTAL LIABILITIES	13,930,908	8,553,838,638	1,845,456	8,569,615,002
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on derivative instruments	-	12,619,827	-	12,619,827
Deferred revenue from swap amendment	-	20,751,666	-	20,751,666
TOTAL DEFERRED INFLOWS OF RESOURCES	-	33,371,493	-	33,371,493
NET POSITION				
Invested in capital assets, net of related debt	-	19,572,721	3,539,105	23,111,826
Restricted for:				
Operations & Maintenance, under debt covenant	-	150,000,000	-	150,000,000
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	-	50,000,000
Unrestricted	1,334,461	(5,601,844,973)	14,525,677	(5,585,984,835)
TOTAL NET POSITION	$ 1,334,461	$ (5,382,272,252)	$ 18,064,782	$ (5,362,873,009)

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

Metropolitan Transportation Commission
Statement of Net Position - Proprietary Funds
June 30, 2012

	Business-Type Activities -Enterprise Funds			
	MTC-Clipper	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
ASSETS				
Current assets:				
Cash - unrestricted	$ 981,833	$ 458,519,896	$ 4,928,202	$ 464,429,931
Cash - restricted	-	63,425,571	-	63,425,571
Short term investments - unrestricted	-	464,856,269	106,244	464,962,513
Short term investments - restricted	-	499,010,068	-	499,010,068
Due from other funds	1,220,938	17,013,287	4,391,706	22,625,931
Accounts receivable	2,357,196	8,684,582	41,768	11,083,546
Accrued interest	-	24,571,347	94	24,571,441
Prepaid expenses	-	496,637	74,597	571,234
State/ Caltrans funding	284,975	715,709	2,563,167	3,563,851
Federal funding	5,945,558	-	3,687,904	9,633,462
Total current assets	10,790,500	1,537,293,366	15,793,682	1,563,877,548
Non-current assets:				
Cash - restricted	-	27,736,636	-	27,736,636
Investments - restricted	-	1,433,666,183	-	1,433,666,183
Derivative instruments - assets	-	27,282,560	-	27,282,560
Due from other funds	-	5,000,000	-	5,000,000
Bond prepaid insurance	-	473,541	-	473,541
Capital assets, net of accumulated depreciation/ amortization	-	15,331,231	3,861,073	19,192,304
Total non-current assets	-	1,509,490,151	3,861,073	1,513,351,224
TOTAL ASSETS	10,790,500	3,046,783,517	19,654,755	3,077,228,772
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on derivative instruments	-	432,519,979	-	432,519,979
Deferred charge	-	516,371,791	-	516,371,791
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	948,891,770	-	948,891,770
LIABILITIES				
Current liabilities:				
Accounts payable	7,629,707	80,460,068	2,014,761	90,104,536
Accrued interest payable	-	98,938,581	-	98,938,581
Due to other funds	3,043,051	1,431,976	15,624	4,490,651
Unearned revenue	-	55,606,278	-	55,606,278
Retention payable	261,062	1,966,832	33,137	2,261,031
Long term debt - current	-	40,540,000	-	40,540,000
Due to Caltrans	-	42,958,653	-	42,958,653
Due to Bay Area Infrastructure Financing Authority	-	164,986,500	-	164,986,500
Total current liabilities	10,933,820	486,888,888	2,063,522	499,886,230
Non-current liabilities:				
Unearned revenue/ Patron deposits	-	5,795,825	-	5,795,825
Due to Bay Area Infrastructure Financing Authority	-	78,090,462	-	78,090,462
Long term debt, net	-	7,942,610,597	-	7,942,610,597
Derivative instruments - liability	-	561,121,200	-	561,121,200
Total non-current liabilities	-	8,587,618,084	-	8,587,618,084
TOTAL LIABILITIES	10,933,820	9,074,506,972	2,063,522	9,087,504,314
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on derivative instruments	-	27,282,560	-	27,282,560
Deferred revenue from swap amendment	-	21,208,198	-	21,208,198
TOTAL DEFERRED INFLOWS OF RESOURCES	-	48,490,758	-	48,490,758
NET POSITION				
Invested in capital assets, net of related debt	-	15,331,231	3,861,073	19,192,304
Restricted for:				
Operations & Maintenance, under debt covenant	-	150,000,000	-	150,000,000
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	-	50,000,000
Unrestricted	(143,320)	(5,342,653,674)	13,730,160	(5,329,066,834)
TOTAL NET POSITION	$ (143,320)	$ (5,127,322,443)	$ 17,591,233	$ (5,109,874,530)

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

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
OPERATING REVENUES				
Toll revenues collected	$ -	$ 652,975,339	$ -	$ 652,975,339
Department of Motor Vehicles registration fees	-	-	6,108,321	6,108,321
Other operating revenues	14,945,020	16,117,138	34,896	31,097,054
TOTAL OPERATING REVENUES	14,945,020	669,092,477	6,143,217	690,180,714
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	24,617,098	-	24,617,098
Operating expenses - Transbay JPA	-	3,491,022	-	3,491,022
Towing contracts	-	-	8,687,129	8,687,129
Professional fees	25,941,118	42,431,139	3,489,543	71,861,800
Allocations to other agencies	-	39,661,565	-	39,661,565
Salaries and benefits	1,867,961	7,912,587	2,004,281	11,784,829
Repairs and maintenance	-	-	428,598	428,598
Communication charges	120	66,395	139,419	205,934
Depreciation and amortization	-	3,900,766	331,648	4,232,414
Other operating expenses	2,793,528	14,314,381	1,079,402	18,187,311
TOTAL OPERATING EXPENSES	30,602,727	136,394,953	16,160,020	183,157,700
OPERATING INCOME (LOSS)	(15,657,707)	532,697,524	(10,016,803)	507,023,014
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	-	53,707,358	6,936	53,714,294
Build America Bonds (BABs) interest subsidy	-	72,065,403	-	72,065,403
Interest expense	-	(400,483,838)	-	(400,483,838)
Financing fees	-	(10,853,862)	-	(10,853,862)
Other non-operating expense	-	(15,967,283)	(16)	(15,967,299)
Caltrans/ other agency operating grants	532,041	171,030,693	5,528,790	177,091,524
Federal operating grants	13,657,943	-	7,481,659	21,139,602
Distributions to other agencies for their capital purposes	(7,716,520)	(187,415,814)	-	(195,132,334)
Distributions to Caltrans for their capital purposes	-	(389,550,464)	(1,539,828)	(391,090,292)
Capital contribution to Bay Area Headquarters Authority	-	(48,780,971)	(62,910)	(48,843,881)
Other non-operating revenue	1,334,000	650,637	-	1,984,637
TOTAL NONOPERATING REVENUES (EXPENSES)	7,807,464	(755,598,141)	11,414,631	(736,376,046)
INCOME (LOSS) BEFORE TRANSFERS	(7,850,243)	(222,900,617)	1,397,828	(229,353,032)
TRANSFERS				
Transfers to Metropolitan Transportation Commission	-	(28,764,693)	(924,279)	(29,688,972)
Transfers from Metropolitan Transportation Commission	5,653,525	390,000	-	6,043,525
Transfer between programs	3,674,499	(3,674,499)	-	-
TOTAL TRANSFERS	9,328,024	(32,049,192)	(924,279)	(23,645,447)
CHANGE IN NET POSITION	1,477,781	(254,949,809)	473,549	(252,998,479)
Total net position - beginning	(143,320)	(5,127,322,443)	17,591,233	(5,109,874,530)
Total net position - ending	$ 1,334,461	$ (5,382,272,252)	$ 18,064,782	$ (5,362,873,009)

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

Metropolitan Transportation Commission

Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds

For the Year Ended June 30, 2012

	MTC-Clipper	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
OPERATING REVENUES				
Toll revenues collected	$ -	$ 625,863,157	$ -	$ 625,863,157
Department of Motor Vehicles registration fees	-	-	6,343,390	6,343,390
Other operating revenues	10,866,420	17,050,612	32,604	27,949,636
TOTAL OPERATING REVENUES	10,866,420	642,913,769	6,375,994	660,156,183
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	23,834,823	-	23,834,823
Operating expenses - Transbay JPA	-	3,740,989	-	3,740,989
Towing contracts	-	-	8,856,073	8,856,073
Professional fees	22,312,860	32,392,614	3,218,630	57,924,104
Allocations to other agencies	-	36,795,388	-	36,795,388
Salaries and benefits	1,501,237	7,594,121	2,260,538	11,355,896
Repairs and maintenance	-	-	911,506	911,506
Communication charges	130	62,539	264,276	326,945
Depreciation and amortization	-	1,884,205	379,203	2,263,408
Other operating expenses	704,769	12,863,091	1,110,927	14,678,787
TOTAL OPERATING EXPENSES	24,518,996	119,167,770	17,001,153	160,687,919
OPERATING INCOME (LOSS)	(13,652,576)	523,745,999	(10,625,159)	499,468,264
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	461	(70,559,335)	2,331	(70,556,543)
Build America Bonds (BABs) interest subsidy	-	76,561,538	-	76,561,538
Interest expense	-	(410,113,398)	-	(410,113,398)
Financing fees	-	(17,001,139)	-	(17,001,139)
Other non-operating expense	-	(841,687)	(10)	(841,697)
Caltrans/ other agency operating grants	1,011,646	154,659,237	4,804,362	160,475,245
Federal operating grants	18,003,149	-	8,040,027	26,043,176
Distributions to other agencies for their capital purposes	(10,327,112)	(174,712,847)	(26,589)	(185,066,548)
Distributions to Caltrans for their capital purposes	-	(463,256,785)	(1,665,014)	(464,921,799)
Capital contribution to Bay Area Headquarters Authority	-	(167,026,515)	-	(167,026,515)
TOTAL NONOPERATING REVENUES (EXPENSES)	8,688,144	(1,072,290,931)	11,155,107	(1,052,447,680)
INCOME (LOSS) BEFORE TRANSFERS	(4,964,432)	(548,544,932)	529,948	(552,979,416)
TRANSFERS				
Transfers to Metropolitan Transportation Commission	(1,096,990)	(29,481,060)	(1,002,667)	(31,580,717)
Transfers from Metropolitan Transportation Commission	236,478	630,000	-	866,478
Transfer between programs	4,728,414	(5,478,414)	750,000	-
TOTAL TRANSFERS	3,867,902	(34,329,474)	(252,667)	(30,714,239)
CHANGE IN NET POSITION	(1,096,530)	(582,874,406)	277,281	(583,693,655)
Total net position - beginning	953,210	(4,544,448,037)	17,313,952	(4,526,180,875)
Total net position - ending	$ (143,320)	$ (5,127,322,443)	$ 17,591,233	$ (5,109,874,530)

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

Metropolitan Transportation Commission
Statement of Cash Flow - Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Cash flows from operating activities				
Cash receipts from users	$ 14,340,101	$ 659,343,030	$ 6,097,573	$ 679,780,704
Cash payments to Caltrans, suppliers and employees for services	(26,756,810)	(126,943,282)	(16,029,789)	(169,729,881)
Other receipts/ (payments)	(1,867,961)	18,004,399	(178,438)	15,958,000
Net cash provided by/(used in) operating activities	(14,284,670)	550,404,147	(10,110,654)	526,008,823
Cash flows from non-capital financing activities				
Caltrans and other state and local agency grants	415,458	169,807,955	5,215,104	175,438,517
Build Amercia Bonds interest subsidy	-	73,730,618	-	73,730,618
Interest paid on bonds	-	(407,291,435)	-	(407,291,435)
Financing fees	-	(9,678,801)	-	(9,678,801)
Federal operating grants	14,384,438	-	9,361,695	23,746,133
Transfers (to)/from MTC and SAFE	6,069,840	(9,570,840)	2,244,111	(1,256,889)
Due from MTC	-	16,000,000	-	16,000,000
Bond principal payments	-	(40,540,000)	-	(40,540,000)
Payment for refunding of bonds	-	(191,931,270)	-	(191,931,270)
Distributions to Caltrans	-	(401,112,987)	(1,498,226)	(402,611,213)
Distributions to other agencies	(6,730,167)	(224,400,138)	-	(231,130,305)
Capital contribution to BAHA	-	(48,780,971)	(62,910)	(48,843,881)
Due to BAIFA	-	(165,000,000)	-	(165,000,000)
Other non-operating revenues	-	650,637	-	650,637
Other non-operating expenses	-	(8,504,379)	-	(8,504,379)
Net cash provided by non-capital financing activities	14,139,569	(1,246,621,611)	15,259,774	(1,217,222,268)
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	(4,263,098)	(42,363)	(4,305,461)
Net cash (used in) capital and related financing activities	-	(4,263,098)	(42,363)	(4,305,461)
Cash flows from investing activities				
Proceeds from maturities of investments	-	6,705,681,972	-	6,705,681,972
Purchase of investments	-	(6,075,602,794)	(349)	(6,075,603,143)
Interest and dividends received	-	4,869,510	7,065	4,876,575
Net cash provided by/(used in) investing activities	-	634,948,688	6,716	634,955,404
Net increase/(decrease) in cash	(145,101)	(65,531,874)	5,113,473	(60,563,502)
Balances - beginning of year	981,833	549,682,103	4,928,202	555,592,138
Balances - end of year	$ 836,732	$ 484,150,229	$ 10,041,675	$ 495,028,636

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

Metropolitan Transportation Commission
Statement of Cash Flow - Proprietary Funds, *continued*
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Reconciliation of operating income to net cash provided by/(used in) operating activities				
Operating income (loss)	$ (15,657,707)	$ 532,697,524	$ (10,016,803)	$ 507,023,014
Adjustments to reconcile operating net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	3,900,766	331,648	4,232,414
Net effect of changes in:				
Due (to)/from MTC	(574,319)	-	(213,334)	(787,653)
Due from BAIFA	-	(6,750)	-	(6,750)
Accounts receivable	(604,919)	1,453,604	3,200	851,885
Prepaid expenses and other assets	-	(126,777)	6,761	(120,016)
Due to Caltrans	-	5,982	-	5,982
Deferred revenue	-	6,255,727	-	6,255,727
Patron deposits	-	1,059,527	-	1,059,527
Accounts payable and accrued expenses	2,585,054	5,671,700	(211,378)	8,045,376
State funding due	(32,779)	(507,156)	(10,748)	(550,683)
Net cash provided by/(used in) operating activities	$ (14,284,670)	$ 550,404,147	$ (10,110,654)	$ 526,008,823
Significant Noncash Investing, Capital, and Financing Activities				
Refunding bond proceeds received in escrow trust fund	$ -	$ 1,053,359,222	$ -	$ 1,053,359,222
Debt refunded through escrow trust fund	-	(1,115,051,467)	-	(1,115,051,467)
Bond reoffering proceeds to convert the int rate mode	-	1,050,000,000	-	1,050,000,000
Debt defeasance through the bond reoffering	-	(1,050,000,000)	-	(1,050,000,000)

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

Metropolitan Transportation Commission
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Cash flows from operating activities				
Cash receipts from users	$ 10,460,443	$ 629,027,346	$ 6,008,840	$ 645,496,629
Cash payments to Caltrans, suppliers and employees for services	(24,289,065)	(115,811,955)	(16,490,007)	(156,591,027)
Other receipts (payments)	-	14,104,259	101,846	14,206,105
Net cash provided by/(used in) operating activities	(13,828,622)	527,319,650	(10,379,321)	503,111,707
Cash flows from non-capital financing activities				
Caltrans and other state and local agency grants	3,074,167	154,223,548	7,986,686	165,284,401
Build America Bonds interest subsidy	-	76,561,538	-	76,561,538
Interest paid on bonds	-	(412,018,270)	-	(412,018,270)
Financing fees	-	(16,979,388)	-	(16,979,388)
Federal operating grants	19,688,875	-	7,203,982	26,892,857
Transfers (to)/from MTC and SAFE	6,358,850	(15,895,526)	(1,004,942)	(10,541,618)
Bond principal payments	-	(38,695,000)	-	(38,695,000)
Distributions to Caltrans	-	(442,565,725)	(2,354,091)	(444,919,816)
Distributions to other agencies	(16,807,076)	(225,442,406)	(26,589)	(242,276,071)
Due to BAIFA	-	(150,000,000)	-	(150,000,000)
Capital contribution to BAHA	-	(167,026,515)	-	(167,026,515)
Net cash provided by non-capital financing activities	12,314,816	(1,237,837,744)	11,805,046	(1,213,717,882)
Cash flows from capital and related financing activities				
Transfer between programs	-	-	750,000	750,000
Acqusition of capital assets	-	(2,532,540)	(178,230)	(2,710,770)
Net cash (used in) capital and related financing activities	-	(2,532,540)	571,770	(1,960,770)
Cash flows from investing activities				
Proceeds from maturities of investments	-	8,804,680,689	-	8,804,680,689
Purchase of investments	-	(8,057,339,299)	(427)	(8,057,339,726)
Interest and dividends received	461	6,484,316	2,398	6,487,175
Net cash provided by/(used in) investing activities	461	753,825,706	1,971	753,828,138
Net increase/(decrease) in cash	(1,513,345)	40,775,072	1,999,466	41,261,193
Balances - beginning of year	2,495,178	508,907,031	2,928,736	514,330,945
Balances - end of year	$ 981,833	$ 549,682,103	$ 4,928,202	$ 555,592,138

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

Metropolitan Transportation Commission
Statement of Cash Flows - Proprietary Funds, *continued*
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Reconciliation of operating income to net cash provided by/(used in) operating activities				
Operating income/(loss)	$(13,652,577)	$ 523,746,000	$(10,625,159)	$ 499,468,264
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	1,884,205	379,203	2,263,408
Net effect of changes in:				
Due (to)/from MTC	(1,319,846)	-	69,242	(1,250,604)
Due from BAIFA	-	14,990	-	14,990
Accounts receivable	(405,976)	(4,135,923)	(1,744)	(4,543,643)
Prepaid expenses and other assets	-	(3,135)	(19,527)	(22,662)
Due to Caltrans	-	3,139,478	-	3,139,478
Deferred revenue	-	3,850,181	-	3,850,181
Patron deposits	-	488,588	-	488,588
Accounts payable and accrued expenses	1,549,777	(1,664,734)	153,214	38,257
State funding due	-	-	(334,550)	(334,550)
Net cash provided by/(used in) operating activities	$(13,828,622)	$ 527,319,650	$(10,379,321)	$ 503,111,707

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

Metropolitan Transportation Commission
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash and investments	$ 117,147,205	$ 117,410,887
Accounts receivable	14,055,635	9,179,249
Interest receivable	15,388	23,866
TOTAL ASSETS	$ 131,218,228	$ 126,614,002
LIABILITIES		
Accounts payable and accrued liabilities	$ 53,077,124	$ 45,657,307
Due to other governments	78,141,104	80,956,695
TOTAL LIABILITIES	$ 131,218,228	$ 126,614,002

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Metropolitan Transportation Commission (MTC) was established under the laws of the State of California in Government Code Section 66500 et seq. in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area, which includes the City and County of San Francisco and the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma.

The MTC's principal sources of revenue to fund its governmental operations include state grants, a percentage of the sales tax revenues collected in the nine Bay Area counties under the State Transportation Development Act of 1971 (TDA) and grants from the U.S. Department of Transportation, Office of the Secretary of Transportation (U.S. DOT), including the Federal Highway Administration (FHWA), Federal Transit Administration (FTA) and other federal, state and local agencies. These are the principal sources of revenue susceptible to accrual under the modified accrual method described later within this note. Fees are the primary source of revenue for the proprietary funds described in this note.

The accompanying financial statements present MTC, its blended component units, and its discretely presented component units. MTC is the primary government as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Nos. 39 and 61. Its governing board is separately appointed and it is fiscally independent of other governments. The blended component units discussed below are included as part of the reporting entity because their boards are substantially the same as the primary government's board. The blended component units, although legally separate entities are, in substance, part of the MTC's operations, and financial data from these units are combined with financial data of MTC in preparing the government-wide financial statements. The Commission serves as the governing body for MTC and all its blended component units.

MTC has two discretely presented component units – Bay Area Infrastructure Financing Authority (BAIFA) and Bay Area Headquarters Authority (BAHA). As such, BAIFA and BAHA are presented in a separate column on the face of the government-wide financial statements in the far right columns.

Blended component units

i.) Bay Area Toll Authority

The Bay Area Toll Authority (BATA) is a public agency created by Senate Bill 226 effective January 1, 1998 with responsibilities for the disposition of toll revenues collected from the seven State owned toll bridges in the San Francisco Bay Area. The bridges are the Antioch Bridge, Benicia-Martinez Bridge, Carquinez Bridge, Dumbarton Bridge, Richmond-San Rafael Bridge, San Francisco-Oakland Bay Bridge and San Mateo-Hayward Bridge. BATA is a proprietary fund as it generates revenue from toll bridge receipts and its debt is collateralized solely by toll revenue as more fully described in Note 5, Long-Term Debt.

Pursuant to Senate Bill 226, a five year Cooperative Agreement was signed on March 2, 1998 defining the roles and responsibilities of BATA and Caltrans with respect to the collection and disposition of toll bridge revenues. The current ten-year agreement was signed in 2006 and amended and restated in June 2011.

Under the terms of the Cooperative Agreement, BATA has responsibility for cash management and electronic toll collection while Caltrans' responsibilities include the ownership, operation and maintenance of the bridges. BATA's FasTrak® Center consolidated its operations to include Golden Gate Bridge, Highway and Transportation District on May 30, 2005.

BATA is required to prepare and adopt a budget by July 1 for each fiscal year. BATA adopted a Long Range Plan for Regional Measure 1 projects as required by the Streets and Highways Code. With the concurrence of Caltrans, the plan gives first priority to projects and expenditures that are deemed necessary by Caltrans to preserve and protect the bridges as provided by the Streets and Highway Code and to pay Caltrans for costs incurred and as authorized in the annual budgets adopted by BATA.

In 1988, voters in seven Bay Area counties (Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and Solano) approved Regional Measure 1 (RM 1). RM 1 equalized the tolls on all seven toll bridges and authorized a series of regional projects. In 1998, responsibility for RM 1 was transferred from Caltrans to BATA.

In March 2004, seven Bay Area counties approved Regional Measure 2 (RM 2). RM 2 increased the bridge toll by one dollar for all seven state-owned bridges in order to fund various capital and operating programs for congestion relief. BATA controls the RM 2 allocations. This dollar surcharge became effective July 1, 2004.

The California State Legislature approved Assembly Bill (AB) 144 on July 18, 2005, which transferred additional Caltrans responsibilities to BATA. This responsibility includes consolidation of all the toll bridge revenue, including administration of the state seismic dollar and administration of the seismic retrofit program. The bill also gave BATA unlimited project-level toll revenue setting authority to complete all authorized projects and programs including the Seismic Retrofit Program.

AB 144 also created a new seismic project oversight board, called the Toll Bridge Project Oversight Committee. This Committee consists of representatives from Caltrans, BATA, and the California Transportation Commission. This Committee has oversight of the state toll bridge seismic retrofit program, which includes reviewing bid documents, change orders, and monitoring ongoing costs.

ii.) MTC Service Authority for Freeways and Expressways (MTC SAFE)

In June 1988, the MTC SAFE was created to receive fees collected by the Department of Motor Vehicles pursuant to Streets and Highways Code Section 2555 et seq., which permits the collection of up to $1 per registered vehicle in participating counties. These fees represent charges for services rendered to external users. The MTC SAFE is responsible for administering a freeway motorist aid system in the participating counties, referred to as the Call Box program. The following counties are participants in the MTC SAFE: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

In 1993, the MTC SAFE's responsibilities were expanded, pursuant to a jointly adopted Memorandum of Understanding between the MTC SAFE, Caltrans, and the California Highway Patrol (CHP), to participate in the development and implementation of a Freeway Service Patrol (FSP) program in the San Francisco Bay Area. The three principal sources of funding for the FSP program are state-legislated grants, federal grants, and funding from federal traffic mitigation programs. In addition, the Call Box program supports the FSP program by transferring funds each year.

Discretely presented component units

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. It can also be an organization whose relationship with the primary government is such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. MTC has two discretely presented component units, BAIFA and BAHA.

iii.) Bay Area Infrastructure Financing Authority (BAIFA)

BAIFA was established in August 2006 pursuant to the California Joint Exercise of Powers Act (Act), consisting of Sections 6500 through 6599.2 of the California Government Code which authorizes to BAIFA the joint exercise powers common to MTC and BATA. The governing board of BAIFA consists of the MTC and BATA Oversight Committee chairs and four Commissioners. BAIFA is authorized to plan, obtain funding, issue debt and apply funds received to pay debt service on bonds issued by BAIFA to finance or refinance public transportation and related capital improvements projects. BAIFA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements because it does not meet the criteria for blending under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* - *an amendment of GASB Statements No. 14 and No. 39*. Requests for separately issued financial statements for BAIFA should be addressed to the Treasurer and Auditor, Bay Area Infrastructure Financing Authority, 101 Eighth Street, Oakland, CA 94607.

iv.) Bay Area Headquarters Authority (BAHA)

BAHA was established in September 2011 pursuant to the California Joint Exercise of Powers Act, consisting of Sections 6500 through 6599.2 of the California Government Code which authorizes BAHA the exercise powers common to MTC and BATA. The governing board of BAHA consists of four MTC Commissioners and two BATA Commissioners. BAHA is authorized to plan, acquire, develop and operate directly or through contract BAHA's office space and facilities. On October 14, 2011 BAHA acquired property located on 375 Beale Street, San Francisco, California for the purpose of establishing a Bay Area Regional Headquarters for the MTC, Bay Area Air Quality Management District, and the Association of Bay Area Government. BAHA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements because it does not meet the criteria for blending under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- an amendment of GASB Statement No. 14 and N*o. 39. Requests for separately issued financial statement for BAHA should be addressed to the Treasurer and Auditor, Bay Area Headquarters Authority, 375 Beale Street, San Francisco, CA 94105.

B. <u>Government-Wide and Fund Financial Statements</u>

Basis of presentation - governmental wide statements

The government-wide financial statements (i.e. Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of MTC and its component units. The effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Basis of presentation - fund financial statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following funds:

i.) MTC General Fund

MTC General Fund is used to account for financial resources not accounted for or reported in another fund.

ii.) MTC Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. MTC maintains various special revenue funds as follows:

Major Funds

AB 664 Net Toll Revenue Reserve Fund – Under Section 30884 (a) of the Streets and Highways Code, the AB 664 Net Toll Revenue Fund receives 16 percent of the base toll revenues collected on the three southern bridges, San Francisco-Oakland Bay Bridge, Dumbarton Bridge and San Mateo-Hayward Bridge. These funds are allocated by policy, 70 percent to East Bay and 30 percent to West Bay, to agency capital projects that further the development of public transit in the vicinity of the three southern bridges.

State Transit Assistance (STA) Fund – State Transit Assistance Funds are used for transit and paratransit operating assistance, transit capital projects, and regional transit coordination. STA funds are derived from the state sales tax on fuel and apportioned by state statute between population-based and revenue-based accounts. PUC Section 99313 defines population-based funds and PUC Section 99314 defines revenue-based funds.

Rail Reserve Fund – Under Section 30914 (a.4) of the Streets and Highways Code, the Rail Reserve Fund receives 21 percent of base toll revenues collected on the San Francisco-Oakland Bay Bridge. These funds are allocated exclusively for rail transit capital extension and improvement projects that are designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge. 70 percent of the Rail Reserves are allocated for East Bay rail improvements and the remaining 30 percent for West Bay rail improvements.

Non-major Funds

Transit Reserve Fund – MTC maintains a Transit Reserve Fund pursuant to RM 1. The calculation of the transit reserves is set forth in Section 30913 (b) of the Streets and Highways Code as one third of 2 percent of base toll revenues collected on all seven Bay Area state-owned bridges.

Caltrans also has a Cooperative Agreement with BATA and MTC whereby Caltrans transferred state funding to MTC for ferry operations and other transit/bicycle projects.

Exchange Fund – Exchange Funds are used for MTC projects adopted as part of its Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) program. The restriction is established by Commission resolution.

BART Car Exchange Fund – Funds deposited are restricted to the purpose of BART car replacement projects. MTC and BART established the funding exchange program whereby MTC will program Federal Funds for current BART projects with BART depositing an equal amount of local funds into an account set aside for the BART car fleet replacement. The project began in fiscal 2013.

Feeder Bus Fund – Funds from local agencies are used to reimburse various transit operators for operating the BART Express Bus Program.

Proposition 1B Fund – This fund includes revenue from the Caltrans Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) grant. This is a grant funded by Proposition 1B Regional Transit Connectivity Program funds. MTC's Hub Signage Project, which improves signage at major transportation hubs, is the only project in this fund for fiscal years 2013 and 2012.

MTC Capital Projects Fund – MTC Capital Projects Fund, which includes the building improvement reserve, is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and development of capital facilities and other capital assets.

iii.) MTC Enterprise Fund - Clipper®

In July 2010, MTC assumed responsibility for operating the Clipper® smart card program per the Memorandum of Understanding with seven Bay Area transit organizations. Clipper® smart card operating and capital costs are incurred by the MTC Clipper® fund. MTC Clipper® seeks payment from participating transit operators for service provided related to the operations and capital expenditures of this program. The cash account and patron liability is held as an agency fund. See Note 1.B (iv) for information on the Clipper® program agency fund. Prior to July 2011, the operating portion of the Clipper® program was part of the general fund and the capital portion of the Clipper® program was part of the capital projects fund.

iv.) MTC Fiduciary Funds

MTC reports the following fiduciary funds to account for assets held by MTC in a trustee capacity or as an agent. These agency funds are custodial in nature, do not have a measurement of results of operations and they are on the accrual basis of accounting.

AB 1107 Fund – BART Half-Cent Sales Tax (AB 1107) funds are used to account for the activities of the AB 1107 Program. AB 1107 funds are sales tax revenue collected under the ordinance adopted pursuant to Section 29140 of the Public Utilities Code. These funds are administered by MTC for allocation to the Alameda-Contra Costa Transit District (AC Transit) and the City and County of San Francisco for its municipal railway system (MUNI) on the basis of regional priorities established by the MTC.

Transportation Development Act (TDA) Program fund – Funds are used to account for the activities of the TDA Program. In accordance with state regulations and memoranda of understanding with operators and local municipalities, MTC is responsible for the administration of sales tax revenue derived from the TDA.

Clipper® Program Fund – These agency funds are used to reimburse transit operators for rides taken by patrons using the Clipper® smart card. Funds received from patrons for the purchase of a Clipper® smart card to use for transit rides are also deposited into this fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

MTC presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* as amended and adopted GASB 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments which is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. GASB Statement No. 62 incorporates into GASB's authoritative literature certain accounting and financial reporting guidance that includes pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The adoption of GASB Statement No. 62 had an impact on the calculation of the amortization of the bond premium on MTC's financial statements.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which addresses issues, related to service concession arrangements (SCAs) between public-private or public-public partnership. The requirements in this Statement will improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and government operators. This standard was issued in November 2010 and is effective for periods beginning after December 15, 2011. This standard does not apply to the MTC.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 39*, which modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of this statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. This standard was issued in November 2010 and is effective for the period beginning after June 15, 2012. This standard was adopted for fiscal year ended June 30, 2012. The adoption of this standard did not have an impact on MTC's financial statements. Each of MTC's component units were reviewed again under this standard and no changes were made.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects of government's net position. This standard was adopted for fiscal year ended June 30, 2012. The adoption of this statement reclassified Net Assets to Net Position, and identified two new elements to make up a Statement of Net Position. For additional information and impact on adoption see Note 1.O and 1.Q.

GASB Statement No. 64, *Derivative Instrument-Application of Hedge Accounting Termination Provisions*, sets forth criteria to establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty or a swap counterparty's credit support provider is replaced. This standard was issued in June 2011 and is effective for periods beginning after June 15, 2011. This standard was adopted for the fiscal year ended June 30, 2012. The adoption of this statement did not have any impact to the financial statements.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, sets forth criteria to properly classify previously reported assets and liabilities as deferred outflows or inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows or inflows of resources. This standard was issued in March 2012 and is effective for period beginning after December 15, 2012. This standard was adopted for fiscal year ended June 30, 2012. The adoption of this statement recognized previously capitalized bond issuance costs as an expense.

GASB Statement No. 66, *Technical Corrections* - 2012, *an amendment of GASB Statements No. 10 and No. 62*, resolves conflicting guidance from the issuance of Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. It also clarifies the differences between the provisions in GASB Statement No. 54 and GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. It also clarifies the differences between GASB Statement No. 62 and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases, regarding the reporting of certain operating lease transactions*, and GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan and the recognition of servicing fees related to mortgage loans that are sold. This standard was adopted for fiscal year June 30, 2012. The adoption of the statement did not have an impact on MTC's financial statements.

GASB Statement No. 67, *Accounting and Financial Reporting for Pension Plans*, an amendment to GASB Statement No. 25, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position and a statement of changes in fiduciary net position. It enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and also requires the presentation of new information about annual money-weighted rates of return in the notes and in 10-year RSI schedules. This standard was issued in June 2012 and is effective for periods beginning after June 15, 2013. This standard is not expected to have any impact on the financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment to GASB Statement No. 27 requires governments providing pensions through pension plans administered as trusts or similar arrangements that meet certain criteria and requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This standard was issued in June 2013 and is effective for periods beginning after June 15, 2014. Management is currently evaluating the effect of this standard on the financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by government about combination arrangements in which they engage and for disposals of government operations. This standard was issued in January 2013 and is effective for government operations occurring in financial reporting periods beginning after December 15, 2013. This standard is not expected to have any impact on the financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexhange Financial Guarantees*, requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. It also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This standard was issued in April 2013 and is effective for reporting periods beginning after June 15, 2013. This standard is not expected to have any impact on the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough afterwards to pay liabilities of the current period. All revenue sources included in the governmental funds, namely federal, state and local grants as well as sales tax revenue, utilize this revenue recognition methodology.

In fiscal years 2013 and 2012, the following funds are considered non-major: Transit Reserve Fund, Exchange Fund, BART Car Exchange, Feeder Bus Fund, Proposition 1B Fund and Capital Projects Fund. The following funds are considered major governmental funds: MTC General Fund, STA Fund, Rail Reserve Fund, and AB 664 Net Toll Revenue Reserves Fund.

The balance sheet and statements of revenues, expenditures and changes in fund balances and budget to actual statements of revenues and change in fund balances are presented for these funds.

D. Budgetary Accounting

Enabling legislation and adopted policies and procedures provide that MTC approve an annual budget by June 30 of each year. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental and proprietary funds. MTC also approves a life-to-date project budget whenever new capital projects are approved. MTC presents a preliminary budget in May and a final budget in June. MTC conducts hearings for discussion of the proposed annual budget and at the conclusion of the hearings, but not later than June 30, adopts the final budget for the following fiscal year. The appropriated budget is prepared by fund, project and expense type. The legal level of control is at the fund level and the governing body must approve additional appropriations. Budget amendments are recommended when needed. Operating appropriations lapse at fiscal year-end.

MTC employs the following practices and procedures in establishing budgetary data as reflected in the basic financial statements:

- Annual budgets are adopted on the modified accrual basis of accounting for governmental fund types. These include the general fund, plus major and non-major special revenue funds. Capital budgets are adopted on a project life-to-date basis.
- Annual budgets are adopted on the accrual basis for the proprietary fund types.

E. Encumbrances

Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the General and Capital Project funds are classified as committed and are included in the "transportation projects" category. These encumbrances, along with encumbrances of balances in funds that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

	2013	2012
General Fund	$ 1,233,794	$ 2,459,843
AB 664 Net Toll Revenue	36,378,971	39,194,871
State Transit Assistance Funds	15,047,181	4,289,352
Rail Reserve	97,089,477	118,539,794
Non-major Governmental Funds	12,998,372	11,848,259

F. Net Position

Net position, presented in the government-wide financial statements, represents the residual interest in assets plus deferred outflow after liabilities and deferred inflow are deducted. MTC's net position consists of three sections: Invested in capital assets, net of related debt, as well as restricted and unrestricted. Net position is reported as restricted when constraints are imposed by creditors, grantors, contributors, laws or regulations or other governments or enabling legislation.

Restricted net position consists of amounts restricted for capital projects and other purposes as follows:

	2013	2012
Capital Projects	$365,445,733	$373,025,182
Other Purposes:		
O&M reserve, under debt covenant	150,000,000	150,000,000
Extraordinary loss reserve, under Caltrans COOP	50,000,000	50,000,000
Long-term receivable restricted for rail projects	-	21,000,000
Net OPEB Asset	7,384,385	7,384,385
STA	1,254,051	2,389,269
Other	2,259,385	3,069,589
Total Other Purposes	$210,897,821	$233,843,243

G. Fund Balances

Fund balances, presented in the governmental fund financial statements, represent the difference between assets, liabilities and deferred inflows and outflows reported in a governmental fund. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds.

MTC evaluated each of its funds at June 30, 2013 and June 30, 2012 and classified fund balances into the following five categories:

- Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items, are reported in the general fund.
- Restricted – Items that are restricted by external parties such as creditors or imposed by grants, law or legislation. MTC has legislative restrictions on amounts collected for various transportation and rail projects included in the AB 664 Toll Revenue, STA, BART Car Exchange, Transit Reserve, Feeder Bus, Rail Reserve, Proposition 1B and Capital Projects funds.
- Committed – Items that have been committed by formal action by the entity's highest level of decision-making authority, which MTC considers to be Commission resolutions. This level of approval has been reported in the general fund, capital projects fund and the exchange fund in establishing the benefits reserve, building reserve and professional services reserve, respectively.
- Assigned – Items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. MTC considers this level of authority to be the Administration Committee. There are no such restrictions on MTC's fund balances.
- Unassigned – This category is for any balances that have no restrictions placed upon them.

MTC reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. MTC reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

GASB Statement No. 54 also clarifies definitions for governmental fund types. MTC evaluated each of its funds at June 30, 2013 and June 30, 2012 and provided additional information with respect to the purpose of each fund (see Note 1.B.). For MTC, this evaluation did not result in a reclassification of funds within the governmental fund types for fiscal years 2013 and 2012.

H. Cash and Investments

MTC applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, 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. Investments are stated at fair value based upon quoted market prices. MTC reports its money market investments and securities at amortized 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 Statements of Revenues, Expenditures and Changes in Fund Balance for all governmental fund types and in the Statements of Revenues, Expenditures and Changes in Net Position for the proprietary funds. Accounting for derivative investments is described in Note 1.T.

MTC invests its available cash under the prudent investor rule. The prudent investor rule states, in essence, that “in investing … property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstance then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs.” This policy affords the MTC a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Sections 53600, et seq. Investments allowed under the MTC investment policy include the following:

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit issued by a nationally or state chartered bank
- Bankers’ acceptances
- 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 the MTC investment policy.

Cash

During fiscal year 2013, MTC changed the classification of investments that were purchased with a maturity date of three months or less from cash equivalents to investments. GASB Statement No.9 *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* constitutes this as a change in accounting policy and accordingly, the cash equivalents, short-term investments and statements of cash flows have been revised for fiscal year 2012. This change did not have an effect on MTC's net position or change in net position as of or for any period presented. The change of the policy provides operational improvement and facilitates tracking of investing activities from a cash flow perspective.

The following tables reflect the impact of the change to the statement of net position and the statement of cash flows as of and for the year ended June 30, 2012:

Statement of net position - Proprietary Funds / Bay Area Toll Authority

	Balance as of June 30, 2012		
	As reported	**Adjustment**	**As revised**
Current assets			
Cash - unrestricted	$ 923,376,165	$ (464,856,269)	$ 458,519,896
Cash - restricted	136,092,929	(72,667,358)	63,425,571
Short term investments - unrestricted	-	464,856,269	464,856,269
Short term investments - restricted	426,342,710	72,667,358	499,010,068
Total current assets	1,537,293,366	-	1,537,293,366
Non-current assets			
Cash - restricted	319,741,601	(292,004,965)	27,736,636
Short term investments - restricted	1,141,661,218	292,004,965	1,433,666,183
Total non-current assets	1,509,490,151	-	1,509,490,151
Total net position	$ (5,127,322,443)	$ -	$ (5,127,322,443)

Statement of net position - Government-wide / Business -Type Activities

	Balance as of June 30, 2012		
	As reported	**Adjustment**	**As revised**
Assets			
Cash - unrestricted	$ 929,286,200	$ (464,856,269)	$ 464,429,931
Cash - restricted	455,834,530	(364,672,323)	91,162,207
Investments - unrestricted	106,244	464,856,269	464,962,513
Investments - restricted	1,568,003,928	364,672,323	1,932,676,251
Total assets	3,049,602,841	-	3,049,602,841
Total net position	$ (5,109,874,530)	**$** -	$ (5,109,874,530)

Statement of cash flows - Proprietary Funds / Bay Area Toll Authority

	For the year ended June 30, 2012		
	As reported	**Adjustment**	**As revised**
Net cash provided by / (used in) investing activities	$ 85,362,766	$ 668,462,940	$ 753,825,706
Balances - beginning of year	2,006,898,563	(1,497,991,532)	508,907,031
Balances - end of year	$ 1,379,210,695	$ (829,528,592)	$ 549,682,103

Deposits in the cash management pool of the County of Alameda are presented as investments as they are available for immediate withdrawal or deposit at any time without prior notice or penalty and there is no significant risk of principal.

Restricted Cash

Certain cash is restricted as these assets are either advances used for a specific purpose with the balance being refunded upon project completion, prepaid customer deposits for the FasTrak® program, or funds restricted for debt service.

Restricted Investments

Certain investments are classified as restricted on the Statement of Net Position because their use is limited externally by applicable bond covenants, laws or regulations or there exists an imposed restriction through enabling legislation.

Non-current Cash and Investments

Certain cash and investments are non-current as these funds are not available to be expended for current operations with the next fiscal year.

I. Capital Assets

Capital assets, which include buildings and improvements, office furniture and equipment, leased equipment, automobiles and call boxes and software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital asset acquisitions are recorded at historical cost. MTC's intangible assets consist of internally developed software. Depreciation and amortization expenses for the governmental activities are charged against general government function.

Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. However, capital assets that do not meet the threshold on an individual basis but are material collectively are capitalized.

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

Depreciation and amortization are computed using the straight-line method that is based upon the estimated useful lives of individual capital assets. The estimated useful lives of capital assets are as follows:

	Years
Buildings and improvements	10-45
Office furniture and equipment	3-10
Intangible assets	5-7
Leased equipment	5
Automobiles	3
Call boxes	10

J. Retirement Plans

MTC provides a defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission (the "Plan") which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the Public Employees' Retirement System (CalPERS). CalPERS provides an actuarial determined contribution rate that is applied to eligible covered payroll cost on a monthly basis by MTC. These costs are included in salaries and benefits expense. For additional information on MTC's retirement plan, refer to Note 8.

K. Post Employment Healthcare Benefits

MTC pays certain health care insurance premiums for retired employees. These costs are not recorded in a fiduciary fund by MTC as the assets underlying these future benefits are not managed by MTC. Funds have been deposited into an irrevocable trust currently administered by Public Agency Retirement Services (PARS). The annual required contribution is recorded in salaries and benefits. See Note 9 for further detail on the cost and obligations associated with these other post employment benefits (OPEB).

L. 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. The compensated absences liability presented in the government-wide governmental activities totals $3,857,077 and $3,586,668 at June 30, 2013 and 2012, respectively. 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 (a maximum of 500 hours) per employee. A summary of changes in compensated absences for the year ended June 30, 2013 is as follows:

	Beginning Balance July 1, 2012	Additions	Reductions	Ending Balance June 30, 2013	Due Within One Year
Compensated Absences	$ 3,586,668	$ 2,369,393	$ (2,098,984)	$ 3,857,077	$ 1,640,497

A summary of changes in compensated absences for the year ended June 30, 2012 is as follows:

	Beginning Balance July 1, 2011	Additions	Reductions	Ending Balance June 30, 2012	Due Within One Year
Compensated Absences	$ 3,368,338	$ 2,484,923	$ (2,266,593)	$ 3,586,668	$ 1,519,090

M. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balance – total governmental funds and changes in net position of governmental activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures." However, in the statement of activities the cost of those assets is allocated over their estimated useful life and reported as depreciation expense.

The details of the $(630,555) and $(614,313) difference for fiscal 2013 and 2012 are as follows:

	2013	2012
Capital outlay	$ 148,700	$ 149,813
Depreciation expense	(779,255)	(764,126)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at change in net position of governmental activities	$ (630,555)	$ (614,313)

N. Pledged Revenue to Bay Area Infrastructure Financing Authority

In December 2006, BATA entered into a contribution agreement with the State of California whereby BATA pledged to transfer the state's future scheduled payments designated for the Toll Bridge Seismic Retrofit Program to BAIFA. BAIFA issued $972,320,000 of bonds called State Payment Acceleration Notes (SPANs) collateralized solely by BATA's pledge of State payments. BAIFA agreed to apply the proceeds from the SPANs for the costs of issuance and for the seismic retrofit program. The scheduled payments are identified and authorized by state statutes. State payments pledged by BATA total $1,135,000,000. Pledged State payments are scheduled from fiscal years 2007 to 2014. In the contribution agreement, BATA pledged and assigned to BAIFA all BATA's rights to the future State payments.

In fiscal year 2013, the amount of pledged payments from the State received by BATA and paid to BAIFA was $165,000,000.

The accounting for the above transactions are prescribed by GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria to ascertain whether proceeds derived from an exchange of an interest in expected cash flows from specific receivables or specific future revenues for immediate cash payments be reported as revenue or as collateralized borrowing. BATA adopted this pronouncement early for fiscal 2007 and as a result reported the exchange of the SPAN proceeds for the interest in expected future cash flow from Caltrans as collateralized borrowing by BATA and a receivable by BAIFA.

O. Deferred Revenue/Deferred Charge

Deferred revenue includes a lump sum payment from BATA to MTC. Details of the transaction are described below.

Street and Highway codes sections 30890, 30911 and 30914 require BATA to transfer a specific percentage of the net base toll collection to MTC annually. The transfers are called AB 664 Net Toll Revenue Reserve, Transit Reserve, and Rail Reserve transfers. In April 2010, MTC entered into a funding agreement with BATA, whereby BATA would make a lump sum payment equal to the present value of the next 50 years of the above funds transfers by September 30, 2010. MTC and BATA agreed that the payment would fulfill BATA's entire responsibility to make AB 664 Net Toll Reserve, Transit Reserve, and Rail Reserve fund transfers for the next 50 years. MTC would use the payment to fund the planned essential regional transportation projects.

GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*, as amended by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes the criteria to account for the above transactions. The $506,986,537 lump sum payment from BATA to MTC met the criteria of the intra-entity sale of future revenues for fiscal year June 30, 2011. GASB Statement No. 48 paragraph 15, requires the intra-entity sale of future revenue to be accounted for as a deferred charge and deferred revenue and be amortized over the life of the agreement. The balances in the deferred revenue and deferred charge are reported under Deferred Inflows of Resources in accordance with GASB Statement No. 65, paragraph 13. The amortization for this fiscal year is $21,475,135.

Deferred revenue also consists of a payment from JP Morgan Chase Bank, N.A. for an amendment of the $245 million swap. This deferred revenue will be amortized over the life of the swap. See Note 5 for more details on this transaction.

Deferred charge also includes the deferred amount from the bond refunding.

P. Unearned Revenue

The unearned revenue in BATA consists of the funds collected by the Regional Customer Service Center (RCSC). The funds collected by RCSC are prepayments for tolls or represent a deposit from patrons. The patrons are issued transponders with the prepaid amounts for usage against tolls on the California bridges. Patrons are required to contribute a deposit if they pay by check.

Q. Deferred Outflow/Inflow on Derivative Instruments

Derivative instruments used by BATA are swap contracts that have a variable or fixed payment based on the price of an underlying interest rate or index. Hedging derivative instruments are used to reduce financial risks, such as offsetting increases in interest costs, by offsetting changes in cash flows of the debt, the hedged item. These derivative instruments are evaluated to determine if the derivative instrument is effective in reducing the identified financial risk at year end. If the derivative instrument is determined to be an effective hedge, its fair value is an asset or liability with a corresponding deferred outflow or inflow on the Statement of Net Position. Deferred outflow or inflow constitutes changes in fair value of effectively hedged derivative instruments. This account is neither an asset nor a liability. If the derivative instrument is determined to be an ineffective hedge or when there is no hedgeable item, the derivative instrument is considered to be an investment derivative; its fair value is an asset or liability on the Statement of Net Position and the change in fair value is recognized against investment revenue in the Statement of Activities. See additional discussion in Note 5.

R. Toll Revenues Collected

After tolls are collected by Caltrans and transferred to BATA, BATA accounts for the electronic tolls and cash collected from the operation of the bridges as revenue. The revenues are used for RM 1, RM 2 and Seismic Retrofit programs. BATA recognizes toll revenue as amounts are collected from vehicle utilization of the toll bridges.

S. Operating Expenditures Incurred by Caltrans

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

T. Investment Income

Investment income (charge) is comprised of interest income from investments and the changes in the fair value of investment derivative instruments. The investment derivative component is in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which requires the change in fair value of derivative instruments which no longer have an underlying item to effectively hedge, to be reported in investment income. The following table shows the breakdown of investment income for the fiscal years ended June 30, 2013 and 2012:

	Governmental Activities	BATA	MTC Clipper/ SAFE	Total Business-Type Activities	Total 2013	Total 2012
Investment income	$ 2,131,843	$ 3,021,047	$ 6,936	$ 3,027,983	$ 5,159,826	$ 9,423,379
Investment derivative	-	50,686,311	-	50,686,311	50,686,311	(77,359,724)
	$ 2,131,843	$ 53,707,358	$ 6,936	$ 53,714,294	$ 55,846,137	$ (67,936,345)

U. Distributions to Caltrans for Their Capital Purposes

In accordance with the Cooperative Agreement between BATA and Caltrans, BATA reimburses Caltrans for bridge capital expenses. Expenses are reflected to the extent Caltrans bills are presented to MTC that relate to the period through the end of the fiscal year.

V. Distributions to Others for Their Capital Purposes

Expenses are recorded to the extent of the invoices presented to MTC through the end of the fiscal year.

W. 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.

X. Build America Bonds Interest Subsidy

The interest subsidy on the BABs was $72,065,403 for fiscal 2013. Of this amount, $17,475,171 is included as a year-end accrual. The federal government makes a semiannual payment on April 1 and October 1 of each year. The April 2013 payment was short $2,830,921 due to the federal sequestration requirement. The payment was impacted by a reduction of 8.7% of the subsidy amount. Future impact is not known until the federal government adopts its budget in October.

Y. Operating and Non-operating Revenues and Expenses

Operating revenues are those necessary for principal operations of the entity. Operating expenses are those related to user service activities. Non-operating revenues and expenses are all other revenues and expenses not related to user service activities.

Z. Revision of Certain Fiscal 2012 Balances

Certain fiscal 2012 financial statement balances as previously reported by MTC's General Fund have been revised in the accompanying fiscal 2012 statements to correctly reflect the accounting for indirect cost expenditures incurred in fiscal 2012 that were not available for reimbursement by granting agencies in fiscal 2012 or 2013. In the previously issued fiscal 2012 financial statements, MTC had reduced expenditures incurred that were in excess of amounts reimbursable under the direct cost rate in effect for fiscal 2012. Under the *modified accrual basis of accounting*, those expenditures should have been recorded in fiscal 2012 along with unearned revenue representing the future reimbursement. Management does not believe these adjustments are material to the fiscal 2012 financial statements.

Amounts as previously reported as well as adjusted in the accompanying financial statements are as follows:

Balance Sheet - Governmental Funds

	Balance as of June 30, 2012		
	As reported	Adjustment	As revised
Federal funding (Receivables)	$ 19,989,623	$ 1,063,763	$ 21,053,386
Total Assets	49,314,132	1,063,763	50,377,895
Accounts payable and accrued expenditures	13,181,626	535,569	13,717,195
Unearned revenue	-	1,363,555	1,363,555
Total Liabilities	20,696,675	1,899,124	22,595,799
Unrestricted / Unassigned	21,198,525	(835,361)	20,363,164
Total Fund Balances	$ 28,617,457	$ (835,361)	$ 27,782,096

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

	For the year ended June 30, 2012		
	As reported	Adjustment	As revised
Grants - Federal	$ 47,691,590	$ 493,467	$ 48,185,057
Total Revenues	64,473,676	493,467	64,967,143
General Government Expenditures	52,505,503	1,328,828	53,834,331
Total Expenditures	66,490,829	1,328,828	67,819,657
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(2,017,153)	(835,361)	(2,852,514)
Net Change in Fund Balances	5,056,061	(835,361)	4,220,700
Fund Balances - beginning	23,561,396	-	23,561,396
Fund Balances - ending	$ 28,617,457	$ (835,361)	$ 27,782,096

Statement of Net Position - Government-wide

	Balance as of June 30, 2012		
	As reported	Adjustment	As revised
Funding due from Federal (Receivables)	$ 20,489,346	$ 1,063,763	$ 21,553,109
Total Assets	944,931,115	1,063,763	945,994,878
Accounts payable and accrued liabilities	45,458,330	535,569	46,996,899
Unearned revenue	-	528,194	528,194
Total Liabilities	73,369,152	1,063,763	74,432,915
Total Net Position	$410,192,290	$ -	$410,192,290

Statement of Activities - Government-wide

	For the year ended June 30, 2012		
	As reported	Adjustment	As revised
General Government Operating Grants and Contributions	$ 98,054,477	$ 1,328,828	$ 99,383,305
Total Governmental Operating Grants and Contributions	243,842,567	1,328,828	245,171,395
General Government Expenses	75,836,192	1,328,828	77,165,020
Total Governmental Expenses	200,105,378	1,328,828	201,434,206
Total Governmental Activities	43,737,189	-	43,737,189
Change in Net position	77,071,626	-	77,071,626
Net Position - Beginning	333,120,664	-	333,120,664
Net Position - Ending	$410,192,290	$ -	$410,192,290

2. NET POSITION

MTC's negative net position arises from its business-type activities. For the business-type activities, BATA is responsible for providing Caltrans funding for bridge repairs related to the seven state-owned bridges. Expenses related to these payments to Caltrans are treated as expenses since BATA does not own or maintain title to the bridges. This deficit will be reduced through operating income earned in the future as the toll revenue debt is retired and projects are completed.

3. CASH AND INVESTMENTS

A. A summary of Cash and Investments as shown on the Statement of Net Position for all funds at June 30, 2013 and 2012 is as follows:

	2013	2012
Unrestricted cash	$ 679,568,862	$ 724,401,336
Unrestricted investments	802,941,805	934,781,506
Total unrestricted cash and investments	1,482,510,667	1,659,182,842
Restricted cash	81,940,408	97,085,750
Restricted investments	1,549,218,067	2,021,223,563
Total restricted cash and investments	1,631,158,475	2,118,309,313
Total cash and investments	$ 3,113,669,142	$ 3,777,492,155

The details of restricted cash and investments are as follows:

	2013	2012
FasTrak® program	$ 69,126,499	$ 61,474,589
Escrow account	14,882	1,495,617
Operations & maintenance reserve	150,000,000	150,000,000
Debt service reserve	427,025,751	455,624,170
Bond proceeds for capital projects	9,495,658	505,244,082
Extraordinary loss reserve	50,000,000	50,000,000
Rehabilitation reserve	120,000,000	120,000,000
Projects/operating reserves	580,000,000	680,000,000
Variable rate risk reserve	100,000,000	-
BART car exchange project	125,495,685	94,470,855
Total restricted cash and investments	$ 1,631,158,475	$ 2,118,309,313

Restricted cash on the FasTrak® program consists of customer prepaid tolls and deposits from patrons. The patrons are issued transponders with the prepaid amounts for usage against tolls on the California bridges. Tolls are deducted from customers' prepaid toll accounts as customers cross the bridge. Operations & maintenance, Debt service reserve, Bond proceeds for capital projects, Extraordinary loss reserves, Rehab reserve, Projects/Operating reserve as well as the Variable rate risk reserve are described in Note 5. The BART car exchange project is described in Note 1.B.ii.

B. The composition of cash and investments at June 30, 2013 and 2012 is as follows:

	2013	2012
Cash at banks	$ 267,113,861	$ 349,933,154
Money market mutual funds	294,172,760	260,346,538
County of Alameda	57,464,355	64,072,978
Government-sponsored enterprises:		
Federal Home Loan Bank	878,168,076	1,088,597,538
Federal Home Loan Mortgage Corporation	779,300,742	1,152,444,615
Federal National Mortgage Association	421,155,387	486,055,310
Federal Farm Credit Bank	113,345,010	91,360,609
Municipal Bonds	180,648,170	284,359,605
Local Agency Investment Fund	322,564	321,808
Certificates of Deposit	48,250,000	-
Commercial Paper	51,951,169	-
Corporate Bonds	21,777,048	-
Total cash and investments	$3,113,669,142	$3,777,492,155

MTC holds a position in the investment pool of County of Alameda in the amount of $57,464,355 and $64,072,978 at June 30, 2013 and 2012, respectively. The Transportation Development Act (TDA) requires that STA and local TDA funds be deposited with the County Treasury. The County of Alameda is restricted by state code in the types of investments it can make. Further, the County Treasurer has a written investment policy approved by the Board of Supervisors and also has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper prime rated by at least two agencies if maturity is greater than 30 days, banker's acceptances, repurchase agreements, reverse repurchase agreements, and the State Treasurer's investment pool. The position in the external investment pool at the County of Alameda is recorded at fair value at June 30, 2013 and 2012 determined by the fair value of the pool's underlying portfolio. The investment holdings with the County of Alameda account for approximately 2 percent of MTC's investment portfolio. Deposits with the County of Alameda are available for immediate withdrawal.

MTC holds $322,564 and $321,808 at June 30, 2013 and 2012 in the Local Agency Investment Fund (LAIF). MTC's investment policy allows investment in LAIF as authorized by Government Code section 16429. LAIF is a program created by statute as an investment alternative for California's local governments and special districts. LAIF investments account for approximately 0.01 percent of MTC's total cash and investment portfolio.

MTC's portfolio includes four money market mutual fund investments at June 30, 2013 and at June 30, 2012. The mutual fund investments in MTC's investment portfolio are expressed as a percentage of MTC's total cash and investments as follows:

	2013	2012
B of A Government Reserves Adviser	1%	1 %
Dreyfus Gov't Cash Mgmt Institutional	less than 1%	less than 1 %
BlackRock T- Fund Institutional	1%	less than 1 %
California Asset Management Program	7%	6 %

B of A Government Reserves Adviser funds are part of the overnight sweep fund utilized by Bank of America checking accounts and invested in short-term debt securities that have relatively low risk, including, in some cases, securities issued or guaranteed by the U.S. Government. The fund is rated “AAA/Aaa” by both Standard & Poor's and Moody's.

The Dreyfus Government Cash Management Institutional fund is part of the overnight sweep fund utilized by Bank of New York custodial accounts and invests in securities issued or guaranteed as to the principal and interest by the U.S. government or its agents or instrumentalities, and repurchase agreements. The fund is rated “AAA/Aaa” by both Standard & Poor's and Moody's.

The BlackRock T-Fund Institutional fund is part of the overnight sweep fund utilized by Union Bank accounts, and invests primarily in money market instruments including U.S. Treasury bills, notes, obligations guaranteed by the U.S. Treasury and repurchase agreements fully collateralized by such obligations. The fund is rated “AAA/Aaa” by both Standard & Poor's and Moody's.

The California Asset Management Program (CAMP) fund is a joint powers authority and common law trust. The Trust's Cash Reserve Portfolio is a short-term money market portfolio, which seeks to preserve principal, provide daily liquidity and earn a high level of income consistent with its objectives of preserving principal.

CAMP's money market portfolio is rated "AAA" by Standard & Poor's.

State law and MTC policy limit mutual fund investments to 20 percent of the portfolio, with no more than 10 percent of the portfolio in any single fund. All the mutual fund holdings are highly rated by Standard & Poor's and Moody's, and are considered to be cash and investments.

The Government-Sponsored Enterprises (GSE) holdings carry "AA+/AAA/Aaa" ratings from Standard & Poor's, Moody's and Fitch, respectively. Neither State law nor MTC policy imposes a limit to the amount of GSE within the portfolio. The GSE holdings include Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Federal Farm Credit Bank (FFCB).

Municipal bonds are comprised of variable rate demand obligations (VRDOs) issued by various California local agencies. The VRDOs are presented as investments. VRDOs have liquidity instruments that allow the securities to be put one day or with seven days' notice, depending on the security.

C. Deposit and Investment Risk Factors

There are many factors that can affect the value of investments. MTC invests substantially in fixed income securities, which are affected by credit risk, custodial credit risk, concentration of credit risk, and interest rate risk. The credit ratings of MTC's income securities holdings are discussed in Note 1.H.

i.) Credit Risk

Fixed income securities are subject to credit risk, which is the possibility that the security issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline.

A bond's credit quality is an assessment of the issuer's ability to pay principal and interest on the bond. Credit quality may be evaluated by a nationally recognized independent credit-rating agency. The lower the rating is, the greater the chance (in the opinion of the rating agency) that the bond issuer will default, or fail to meet its obligations. See credit ratings in B. above.

ii.) Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be recovered. All securities are held in independent safekeeping accounts maintained with Union Bank or Bank of New York Mellon (BONY) and are held under MTC's name. As a result, custodial credit risk is remote.

iii.) Concentration of Credit Risk

Concentration of credit risk is the risk associated with lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory or credit developments. Investments in issuers that represent 5 percent or more of total cash and investments at June 30, 2013 and 2012 are as follows:

	2013	2012
Federal Home Loan Bank (FHLB)	28%	29%
Federal National Mortgage Association	14%	13%
Federal Home Loan Mortgage Corporation	25%	31%

iv.) Interest Rate Risk

Interest rate risk is the risk that the market value of fixed-income securities will decline because of rising interest rates. The prices of fixed-income securities with a longer time to maturity, measured by duration in years, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. MTC's policy is to buy and hold investments to maturity.

MTC holds $129.7 million in investments tied to floating rate benchmarks. The rate on the investment will reset on the LIBOR (London Interbank Offering Rate) or Federal funds indices.

Investment	Par Value	Structure	Final Maturity
FFCB	$10 million	1 mo LIBOR-(net) 1 bps to maturity	11/13
FFCB	$15 million	6 mo LIBOR-(net) 16 bps to maturity	11/13
FHLB	$30 million	Daily Fed Funds+(net) 8 bps to maturity	11/13
FHLB	$14 million	Daily Fed Funds +(net) 12 bps to maturity	3/14
FHLB	$19.1 million	Daily Fed Funds + (net) 11.5 bps to maturity	1/14
GECC	$3.6 million	3 mo LIBOR+(net) 75 bps to maturity	1/15
GECC	$10 million	3 mo LIBOR+(net) 50 bps to maturity	2/14
WFC	$8 million	3 mo LIBOR +(net) 92 bps to maturity	6/15
FFCB	$20 million	1 mo LIBOR +(net) 2.5 bps to maturity	9/15

MTC's investment portfolio consists of some variable rate demand obligations (VRDOs). VRDOs have liquidity instruments that allow the securities to be put either with one day or with seven days' notice, depending on the security, and there is no significant risk of principal. Interest rates on the securities are reset daily or weekly and will fluctuate with the market at any given time which could result in an increase or decrease to the interest revenue earned.

The weighted average maturities of MTC's Government Sponsored Enterprises (GSE) securities (expressed in number of years) at June 30, 2013 and 2012 are as follows:

	2013	2012
Government-sponsored enterprises		
Federal Home Loan Bank	0.77	0.48
Federal Farm Credit Bank	1.51	1.57
Federal Home Loan Mortgage Corporation	0.32	0.40
Federal National Mortgage Association	0.81	0.87

4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2013 is as follows:

Governmental activities	**Beginning Balance July 1, 2012**	**Increases**	**Decreases**	**Ending Balance June 30, 2013**
Capital assets, not being depreciated:				
Office furniture and equipment	$ -	$ 109,578	$ -	$ 109,578
Total capital assets, not being depreciated	-	109,578	-	109,578
Capital assets, being depreciated:				
Buildings and improvements	12,774,203	-	-	12,774,203
Office furniture and equipment	2,719,691	39,122	(245,574)	2,513,239
Leased equipment	266,638	-	-	266,638
Automobiles	138,454	-	(80,417)	58,037
Total capital assets being depreciated	15,898,986	39,122	(325,991)	15,612,117
Less accumulated depreciation for:				
Buildings and improvements	6,371,263	647,222	-	7,018,485
Office furniture and equipment	2,403,952	78,705	(245,574)	2,237,083
Leased equipment	84,435	53,328	-	137,763
Automobiles	138,454	-	(80,417)	58,037
Total accumulated depreciation	8,998,104	779,255	(325,991)	9,451,368
Total capital assets, being depreciated, net	6,900,882	(740,133)	-	6,160,749
Governmental activities capital assets, net	$ 6,900,882	$ (630,555)	$ -	$ 6,270,327

Business-type activities	**Beginning Balance July, 1 2012**	**Increases**	**Decreases**	**Ending Balance June 30, 2013**
Capital assets, not being depreciated:				
Office furniture and equipment	$ 836,629	$ 8,099	$ (836,629)	$ 8,099
Intangible assets	5,829,074	890,000	(5,829,074)	890,000
Call boxes	1,227,568	-	(74,057)	1,153,511
Total capital assets, not being depreciated	7,893,271	898,099	(6,739,760)	2,051,610
Capital assets, being depreciated:				
Office furniture and equipment	7,293,219	6,797,999	-	14,091,218
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	147,431	-	-	147,431
Intangible assets	6,849,078	7,111,862	-	13,960,940
Call boxes	11,513,772	83,753	(196,546)	11,400,979
Total capital assets being depreciated	28,937,700	13,993,614	(196,546)	42,734,768
Less accumulated depreciation for:				
Office furniture and equipment	4,096,485	1,485,305	-	5,581,790
Building and improvements	869,792	130,420	-	1,000,212
Automobiles	93,687	31,056	-	124,743
Intangible assets	2,568,038	2,327,329	-	4,895,367
Call boxes	10,010,665	258,304	(196,529)	10,072,440
Total accumulated depreciation	17,638,667	4,232,414	(196,529)	21,674,552
Total capital assets, being depreciated, net	11,299,033	9,761,200	(17)	21,060,216
Business-type activities capital assets, net	$ 19,192,304	$ 10,659,299	$ (6,739,777)	$ 23,111,826

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

Governmental activities:	
General government	$ 779,255
Total depreciation expense - governmental activities	$ 779,255
Business-type activities:	
Toll bridge	$ 3,900,766
Congestion relief	331,648
Total depreciation expense - business-type activities	$ 4,232,414

A summary of changes in capital assets for the year ended June 30, 2012 is as follows:

Governmental activities	**Beginning Balance July, 1 2011**	**Increases**	**Decreases**	**Ending Balance June 30, 2012**
Capital assets, not being depreciated:				
Construction in progress	-	-	-	-
Office furniture and equipment	$ 16,395	$ -	$ (16,395)	$ -
Total capital assets, not being depreciated	16,395	-	(16,395)	-
Capital assets, being depreciated:				
Buildings and improvements	12,719,048	55,155	-	12,774,203
Office furniture and equipment	2,608,638	111,053	-	2,719,691
Leased equipment	266,638	-	-	266,638
Automobiles	154,249	-	(15,795)	138,454
Total capital assets being depreciated	15,748,573	166,208	(15,795)	15,898,986
Less accumulated depreciation for:				
Buildings and improvements	5,724,649	646,614	-	6,371,263
Office furniture and equipment	2,339,767	64,185	-	2,403,952
Leased equipment	31,108	53,327	-	84,435
Automobiles	154,249	-	(15,795)	138,454
Total accumulated depreciation	8,249,773	764,126	(15,795)	8,998,104
Total capital assets being depreciated, net	7,498,800	(597,918)	-	6,900,882
Governmental activities capital assets, net	$ 7,515,195	$ (597,918)	$ (16,395)	$ 6,900,882

Business-type activities	**Beginning Balance July, 1 2011**	**Increases**	**Decreases**	**Ending Balance June 30, 2012**
Office furniture and equipment	$ -	$ 836,629	$ -	$ 836,629
Intangible assets	3,362,370	2,466,704	-	5,829,074
Call boxes	1,034,330	193,238	-	1,227,568
Total capital assets, not being depreciated	4,396,700	3,496,571	-	7,893,271
Capital assets, being depreciated:				
Office furniture and equipment	7,188,921	104,298	-	7,293,219
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	117,411	30,020	-	147,431
Intangible assets	6,849,078	-	-	6,849,078
Call boxes	11,607,703	-	(93,931)	11,513,772
Total capital assets being depreciated	28,897,313	134,318	(93,931)	28,937,700
Less accumulated depreciation for:				
Office furniture and equipment	3,275,762	820,723	-	4,096,485
Building and improvements	739,372	130,420	-	869,792
Automobiles	61,913	31,774	-	93,687
Intangible assets	1,591,270	976,768	-	2,568,038
Call boxes	9,800,865	303,723	(93,923)	10,010,665
Total accumulated depreciation	15,469,182	2,263,408	(93,923)	17,638,667
Total capital assets, being depreciated, net	13,428,131	(2,129,090)	(8)	11,299,033
Business-type activities capital assets, net	$ 17,824,831	$ 1,367,481	$ (8)	$ 19,192,304

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

Governmental activities:	
General government	$ 764,126
Total depreciation expense - governmental activities	$ 764,126
Business-type activities:	
Toll bridge	$ 1,884,205
Congestion relief	379,203
Total depreciation expense-business-type activities	$ 2,263,408

5. LONG-TERM DEBT

Toll Revenue Bonds were issued by BATA in May 2001, February 2006, April 2006, May 2007, October 2007, June 2008, August 2008, August 2009, November 2009, July 2010, November 2010, September 2012, October 2012, December 2012, January 2013, May 2013 and June 2013 to (i) finance the cost of the design and construction of eligible projects of Regional Measure 1, Regional Measure 2, and the Seismic Retrofit projects for the Bay Area Bridges, (ii) to finance a Reserve Fund, (iii) pay costs incurred in connection with the issuance of the bonds, and (iv) defease or refund bonds.

Senior Toll Revenue Fixed Rate Bonds (2009 Series F1) were issued during August 2009 to (i) refund and fix the 2001 Series B-C, 2003 Series C, 2004 Series A-C, 2006 Series B1, and 2007 Series G2-G3, (ii) make a cash deposit to the Reserve Fund, and (iii) pay the costs of issuing the 2009 Series F1 bonds.

The refundings were recorded as a current refunding in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities,* as amended by paragraph 5 and 6 of Statement No. 65*, Items Previously Reported as Assets and Liabilities.*

Senior Toll Revenue Fixed Rate Bonds (2009 Series F2) were issued in November 2009 to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund, and (iii) pay the costs of issuing the 2009 Series F2 bonds. The Toll Revenue bonds were issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act (ARRA) of 2009. BATA will receive a direct Federal subsidy payment against a portion of the interest expense on the BABs.

Subordinate Toll Revenue Bonds were issued July 2010 (2010 Series S1) to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the Series 2010 S1 Bonds and (iii) pay the costs of issuing the 2010 Series S1 Bonds. The Toll Revenue Bonds were issued as Federally Taxable BABs under ARRA. BATA will receive a direct Federal subsidy payment against a portion of the interest expense on the BABs.

Subordinate Toll Revenue Bonds were issued in November 2010 (2010 Series S2 and S3) to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the 2010 Series S2 and the 2010 Series S3 Bonds and (iii) pay the costs of issuing the 2010 Series S2 and the 2010 Series S3 Bonds. Toll Revenue bonds in the amount of $410 million were issued as Tax Exempt Bonds and $475 million were issued as Federally Taxable BABs under ARRA. BATA will receive a direct Federal subsidy payment against a portion of the interest expense for the BABs.

Senior Toll Revenue Bonds were reoffered during November 2010 for the 2001 Series A, 2006 Series C1-C4, 2007 Series A1, C1, G1, A2, B2, C2, D2, E3, and 2008 Series A1-E1and G1. The transaction was completed to replace the liquidity facilities with letters of credit issued by the financial institutions and does not provide any economic gain or loss. The reoffering was recorded as a current refunding in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities,* as amended by paragraph 5 and 6 of Statement No. 65*, Items Previously Reported as Assets and Liabilities.*

During fiscal year 2013, BATA completed three reoffering transactions for a total of $1.050 billion of its Senior Toll Revenue Bonds and one advance refunding transaction of $907,525,000 for its fixed rate bonds.

Senior Toll Revenue Bonds were reoffered in September 2012 to convert the Interest Rate Mode for the 2006 Series C2, C3, C4 and the 2008 Series D1. The 2006 Series Interest Rate Mode was converted from a Weekly Rate to a Term Rate with a Term Rate of 1.45%. The 2008 Series Interest Rate Mode was converted from a Weekly Rate to an Index Rate of 67% of 3-month LIBOR plus a fixed spread of 0.80%. Both series have a rate period maturing in August 2017.

Senior Toll Revenue Fixed Rate Bonds 2012 Series F-1 were issued during October 2012 to defease an outstanding portion of the 2006 Series F Bonds and an outstanding portion of the 2007 Series F Bonds. The proceeds from the 2012 Series F along with funds released from the Reserve Fund and BATA's additional funds were deposited into the Escrow Fund held by the Trustee. The Trustee will use the monies on deposit in the Escrow Fund to purchase certain non-callable senior debt Government Obligations and they will be used to pay the interest and redemption price of the Refunded Bonds on or prior to the redemption dates. The transaction provided an economic gain of $66,319,512.

The 2012 Series F-1 bonds were recorded as an advance refunding in-substance defeasance in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities,* as amended by paragraph 5 and 6 of Statement No. 65*, Items Previously Reported as Assets and Liabilities.*

Senior Toll Revenue Bonds were reoffered for the 2001 Series A, 2007 Series A1 and E3 and 2008 Series B1 and G1. The 2007 series Interest Rate Mode was converted from a Weekly Rate to an Index Rate of the SIFMA Index plus a fixed spread of 0.70% with the rate period maturing October 2019. The 2008 Series Interest Rate Mode was converted from a Weekly Interest Rate to an Index Rate of the SIFMA Index plus a fixed spread of 1.10% with a rate period maturing April 2024. The 2001 Series Interest Rate Mode was converted from a Weekly Rate to an Index Rate of the SIFMA Index plus a fixed spread of 1.25% with a rate maturing April 2027. The conversion for the 2007 and 2008 Series was completed in December 2012. The conversion for the 2001 Series was completed in January 2013.

Senior Toll Revenue Bonds were reoffered for the 2006 Series C1, 2008 Series A1 and 2007 Series C1 to convert the Interest Rate Mode from a Weekly Rate to an Index Rate of the SIFMA Index plus a fixed spread of 0.90% with a rate period maturing May 2023. The conversion date for the 2006 and 2008 Series was May 2013. The conversion date for the 2007 Series was June 2013.

Component Unit – BAIFA – State Payment Acceleration Notes (SPANs) were issued during December 2006 (2006 SPANs) to (i) finance the costs of the design and construction of the Toll Bridge Seismic Retrofit Capital Program for the Bay Area bridges, and (ii) pay costs incurred in connection with the issuance of the 2006 SPANs. More information is presented in Note 1.N.

A summary of changes in long-term debt for the year ended June 30, 2013 is as follows:

Business-type activities	Issue Date	Interest Rate	Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2012	Additions	Reductions	Ending Balance June 30, 2013	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	4.10% (2)	2036	$ 150,000,000	$ 150,000,000 (5)	$ -	$ -	$ 150,000,000	$ -
2006 Revenue Bond Series C	2/8/2006	3.71% (2)	2045	275,000,000	275,000,000 (6)	-	-	275,000,000	-
2006 Revenues Bond Series F	4/25/2006	4.58% (1)	2016	1,149,205,000	982,250,000	-	(875,055,000) (12)	107,195,000	34,145,000
2007 Revenue Bond Series F	5/15/2007	4.88% (1)	2018	310,950,000	302,980,000	-	(236,160,000) (12)	66,820,000	8,200,000
2007 Revenue Bond Series (A1, C1, G1)	5/15/2007	3.71% (2)	2047	150,000,000	150,000,000 (7)	-	-	150,000,000	-
2007 Revenue Bond series (A2-D2, E3)	10/25/2007	3.71% (2)	2047	375,000,000	375,000,000 (8)	-	-	375,000,000	-
2008 Revenue Bonds Series (A1- E1, G1)	6/5/2008	3.71% (2)	2045	507,760,000	507,760,000 (9)(10)	-	-	507,760,000	3,820,000
2008 Revenue Bond Series F1	8/28/2008	5.13% (1)	2047	707,730,000	707,730,000	-	-	707,730,000	-
2009 Revenue Bond Series F1	8/20/2009	5.14% (1)	2044	768,720,000	768,720,000	-	-	768,720,000	-
2009 Revenue Bond Series F2 (BABs)	11/5/2009	4.07% (1,4)	2049	1,300,000,000	1,300,000,000	-	-	1,300,000,000	-
2010 Revenue Bond Series S1 (BABs)	7/1/2010	4.53% (1,4)	2050	1,500,000,000	1,500,000,000	-	-	1,500,000,000	-
2010 Revenue Bond Series S2	11/4/2010	4.98% (1)	2050	410,000,000	410,000,000	-	-	410,000,000	-
2010 Revenue Bond Series S3 (BABs)	11/4/2010	4.49% (1,4)	2050	475,000,000	475,000,000	-	-	475,000,000	-
2012 Revenue Bond Series F1	10/23/2012	4.65% (1)	2031	907,525,000	-	907,525,000 (12)	-	907,525,000	-
				$ 8,986,890,000	$ 7,904,440,000	$ 907,525,000	$ (1,111,215,000)	$ 7,700,750,000	$ 46,165,000
Unamortized bond premium /discount					78,710,597	154,102,083	(56,487,104)	176,325,576	
Net long-term debt as of June 30, 2013					$ 7,983,150,597	$1,061,627,083	$ (1,167,702,104)	$ 7,877,075,576	
Component Unit-BAIFA 2006 SPANs	12/14/2006	5.00% (3)	2017	$ 972,320,000	$ 540,720,000	$ -	$ (215,450,000) (11)	$ 325,270,000	$ -
Unamortized bond premium					27,725,707	-	(5,100,046)	22,625,661	
Net long-term debt as of June 30, 2013					$ 568,445,707	$ -	$ (220,550,046)	$ 347,895,661	

(1) Interest rates on Fixed rate bonds are calculated on weighted outstanding coupon rates.
(2) Total variable rate demand bonds (VRDBs) of $1,457,760,000 hedged with $1,440,000,000 notional swaps; as such the weighted swap and unhedged variable rate bond is presented. VRDBs are presented as long term debt in accordance with GASB Interpretation No. 1 as MTC has liquidity commitments. New liquidity agreements with an effective date of November 1, 2010 have been executed with expiration date of 10/31/2014 and are not cancelable by the lender.
(3) 2006 Bay Area Infrastructure Financing Authority SPANs were issued as fixed rate bonds with a final maturity of 2017. The bonds carried interest ranging from 4.0% in 2007 to 5.0% in 2017, or weighted outstanding coupon rate of 5.0%.
(4) Federal Taxable Build America Bonds.
(5) The 2001 Series A Bonds were reoffered on 1/10/13 and converted from a Weekly Rate to a SIFMA Index Rate plus fixed spread.
(6) The 2006 Series C-2, C-3 and C-4 Bonds were reoffered on 9/4/12 and converted from a Weekly Rate to a Term Rate, Series C-1 Bonds were reoffered on 5/1/13 and converted from a Weekly Rate to a SIFMA Index Rate plus a fixed spread.
(7) The 2007 series A-1 and C-1 Bonds were reoffered on 12/20/12 and 6/3/13 respectively and converted from a Weekly Rate to a SIFMA Index Rate plus a fixed spread.
(8) The 2007 Series E-3 Bonds were reoffered on 12/20/12 and converted from a Weekly Rate to a SIFMA Index Rate plus a fixed spread.
(9) The 2008 Series D-1 Bonds were reoffered on 9/4/12 and converted from a Weekly Rate to a 67 % of 3-month Libor Index Rate plus a fixed spread.
(10) The 2008 Series B-1 and G-1 Bonds were reoffered on 12/20/12 and A-1 Bonds were reoffered on 5/1/13. These were converted from a Weekly Rate to a SIFMA Index Rate plus a fixed spread.
(11) Optional redemption payment of $215,450 million.
(12) The 2012F Series Bonds were issued to refund a portion of the Authority's outstanding 2006 Series F Bonds and a portion of the Authority's outstanding 2007 Series F Bonds.

A summary of changes in long-term debt for the year ended June 30, 2012 is as follows:

Business-type activities	Issue Date	Interest Rate		Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2011	Additions	Reductions		Ending Balance June 30, 2012	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	4.10%	(2)	2036	$ 150,000,000	$ 150,000,000	$ -	$ -		$ 150,000,000	$ -
2006 Revenue Bond Series C	2/8/2006	3.71%	(2)	2045	1,000,000,000	275,000,000	-	-		275,000,000	-
2006 Revenue Bond Series F	4/25/2006	4.59%	(1)	2031	1,149,205,000	1,013,465,000	-	(31,215,000)		982,250,000	32,630,000
2007 Rev Bond Ser(A1,C1,G1)	5/15/2007	3.71%	(2)	2047	500,000,000	150,000,000	-	-		150,000,000	-
2007 Revenue Bond Series F	5/15/2007	4.44%	(1)	2031	310,950,000	310,460,000	-	(7,480,000)		302,980,000	7,910,000
2007 Rev Bond Ser(A2-D2,E3)	10/25/2007	3.71%	(2)	2047	500,000,000	375,000,000	-	-		375,000,000	-
2008 Revenue Bond Series(A1-E1, G1)	6/5/2008	3.71%	(2)	2045	507,760,000	507,760,000	-	-		507,760,000	-
2008 Revenue Bond Series F1	8/28/2008	5.32%	(1)	2047	707,730,000	707,730,000	-	-		707,730,000	-
2009 Revenue Bond Series F1	8/20/2009	5.09%	(1)	2044	768,720,000	768,720,000	-	-		768,720,000	-
2009 Revenue Bond Series F2	11/5/2009	4.14%	(1,4)	2049	1,300,000,000	1,300,000,000	-	-		1,300,000,000	-
2010 Revenue Bond Series S1 Sub	7/1/2010	4.62%	(1,4)	2050	1,500,000,000	1,500,000,000	-	-		1,500,000,000	-
2010 Revenue Bond Series S2 Sub	11/4/2010	4.89%	(1)	2050	410,000,000	410,000,000	-	-		410,000,000	-
2010 Revenue Bond Series S3 Sub	11/4/2010	4.56%	(1,4)	2050	475,000,000	475,000,000	-	-		475,000,000	-
					$ 9,279,365,000	$ 7,943,135,000	$ -	$ (38,695,000)		$ 7,904,440,000	$ 40,540,000
Unamortized bond premium /discount						82,395,872	-	(3,685,275)		78,710,597	
Net long-term debt as of June 30, 2012						$ 8,025,530,872	$ -	$ (42,380,275)		$ 7,983,150,597	
Component Unit-BAIFA 2006 SPANs	12/14/2006	4.27%	(5)	2017	$ 972,320,000	$ 692,465,000	$ -	$ (151,745,000)	(3)	$ 540,720,000	$ -
Unamortized bond premium						32,594,592	-	(4,868,885)		27,725,707	
Net long-term debt as of June 30, 2012						$ 725,059,592	$ -	$ (156,613,885)		$ 568,445,707	

(1) Fixed rate bonds
(2) Total variable rate demand bonds (VRDBs)of $1,457,760,000 hedged with $1,440,000,000 notional swaps; as such the weighted swap and unhedged variable rate bond is presented. VRDBs are presented as long term debt in accordance with GASB Interpretation No. 1 as MTC has liquidity commitments. New liquidity agreements with an effective date of November 1, 2010 have been executed with expiration dates of 11/1/2013 and 10/31/2014 and are not cancelable by the lender.
(3)Optional redemption payments of $151.745 million.
(4) Federal Taxable Build America Bonds
(5) 2006 Bay Area Infrastructure Financing Authority SPANs were issued as fixed rate bonds with a final maturity of 2017. The bonds carried interest rates ranging from 4.0% in 2007 to 5.0% in 2017, or an all-in true interest cost of 4.27%.

Annual funding requirements

The annual funding requirements (principal and interest) for the debt outstanding of the business-type activities at June 30, 2013 are as follows:

Business-type activities

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2014	$ 46,165,000	$ 354,020,400	$ 400,185,400
2015	48,195,000	351,914,760	400,109,760
2016	56,915,000	349,716,051	406,631,051
2017	54,835,000	347,050,529	401,885,529
2018	55,760,000	341,038,196	396,798,196
2019-2023	473,245,000	1,648,462,506	2,121,707,506
2024-2028	661,405,000	1,492,560,544	2,153,965,544
2029-2033	858,405,000	1,309,791,032	2,168,196,032
2034-2038	1,174,670,000	1,090,506,554	2,265,176,554
2039-2043	1,464,860,000	795,401,062	2,260,261,062
2044-2048	1,722,930,000	471,427,415	2,194,357,415
2049-2050	1,083,365,000	77,722,127	1,161,087,127
	$ 7,700,750,000	$ 8,629,611,176	$ 16,330,361,176

Component Unit - BAIFA

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2014	$ -	$ 16,247,237	$ 16,247,237
2015	-	16,247,237	16,247,237
2016	-	16,247,237	16,247,237
2017	-	16,247,237	16,247,237
2018	325,270,000	16,247,237	341,517,237
	$ 325,270,000	$ 81,236,185	$ 406,506,185

Bond Covenants – BATA

The Bay Area Toll Authority Bridge Toll Revenue Bonds are payable solely from pledged "Revenues" and all amounts held by the trustee in each fund and account (with exclusions) established under the Master Indenture dated as of May 1, 2001. Revenues and exclusions to the trustee funds and accounts are defined within the Master Indenture. BATA established a Reserve account under the 2001 Master Indenture.

The current Senior debt reserve requirement is $317,326,000 to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service payments. As of June 30, 2013, the market valuation of the reserves is $317,167,708. All investment securities credited to the Reserve Fund is valued as of April 1 of each year.

In the fifth supplemental indenture dated February 2006, BATA covenanted to maintain toll revenue at levels that result in net operating revenue greater than 1.2 times annual debt service costs as defined in the master indenture dated May 1, 2001. In addition, BATA has agreed to maintain tolls at a level where net operating revenue plus the balance in the operations and maintenance reserve is at least 1.25 times total “fixed costs” as well as maintaining tolls at levels exceeding 1.0 times all fixed costs as costs are defined in this indenture.

BATA has also covenanted in the 2001 Indenture that no additional bonds shall be issued, unless Net Revenue equates to greater than 150 percent of the combined maximum annual debt service of all outstanding parity bonds.

BATA has covenanted to maintain an operations and maintenance reserve of two times the adopted operations and maintenance budget for Caltrans toll operations and maintenance costs. At June 30, 2013, BATA had restricted $150 million as the restricted operations and maintenance reserve. BATA has also covenanted to maintain an emergency extraordinary loss reserve of not less than $50 million as referenced in the Cooperative Agreement with Caltrans. These amounts are shown as restricted assets for the year ended June 30, 2013. In addition, the BATA board has authorized a total of $800 million for emergency extraordinary loss reserves, which includes $120 million bridge rehabilitation, $580 million in projects/operating reserves well as $100 million in variable rate risk.

The Senior bonds issued by BATA are collateralized by a first lien on all of its revenues after a provision for Caltrans costs for operations and maintenance of toll facilities and are not an obligation of the MTC primary government or any component unit other than BATA.

The Bay Area Toll Authority's Subordinate Bridge Toll Revenue Bonds are payable solely from pledged "Revenues" and all amounts held by the trustee in each fund and account (with exclusions) established under the Subordinate Indenture dated June 1, 2010. Revenues and exclusions to the trustee funds and accounts are defined within the Subordinate Indenture. BATA established a Subordinate Debt Reserve fund account under the 2010 Subordinate Indenture. The current reserve requirement of $109,699,751 is to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. As of June 30, 2013 the market valuation of the reserves is $109,343,010. All investment securities credited to the Reserve Fund is valued as of April 1 of each year.

In the first supplemental indenture dated June 2010, BATA covenanted to maintain toll revenue at levels that result in operating revenue greater than 1.2 times annual debt service costs as defined in the Subordinate Indenture dated June 2010.

BATA has also covenanted in the 2010 Subordinate Indenture that no additional bonds shall be issued unless the Available Revenue equates to greater than 120 percent of the combined maximum annual debt service of all outstanding parity bonds.

Bond Covenants – BAIFA

The BAIFA State Payment Acceleration Notes (SPANs) are payable solely from "Pledged Revenues" of BAIFA. The Indenture of Trust, dated December 1, 2006, defines Pledged Revenues as all scheduled payments allocated by the California Transportation Commission (CTC) to BAIFA, as well as revenue and all amounts held by the Trustee in each fund and account established under the indenture.

The SPANs issued by BAIFA do not constitute debt of the State, MTC, or BATA or any other political subdivisions of the State, MTC or BATA. More information is presented in Note 1.N.

Derivative Instruments

The fair value of the hedged and investment derivatives in a payable to counterparty position was ($345,115,507) and ($561,121,200) at June 30, 2013 and June 30, 2012 respectively, and recorded in the Statement of Net Position as a liability. The fair value of the hedged derivatives in a due from counterparty position was $12,619,827 and $27,282,560 at June 30, 2013 and June 30, 2012, respectively, and recorded in the Statement of Net Position as an asset. The change in the hedging derivative liabilities was recorded as deferred outflows of $267,200,597 and $432,519,979 at June 30, 2013 and June 30, 2012 respectively. The change in the hedging derivative assets from June 30, 2012 to June 30, 2013 of $14,662,733 resulted in a deferred inflow of $12,619,827 at June 30, 2013. The change in investment derivatives of $50,686,311 increase and $77,359,724 decrease for fiscal year 2013 and fiscal year 2012, respectively, was recorded as an offset to investment income. See Note 1.T. for further details.

Cancellation of any or all of the swap transactions is subject to a fair market value calculation at the time of termination. Fair market value is calculated as the value at which the parties would voluntarily terminate the swap contract. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2013 classified by type, and the changes in fair value of such derivative instruments since June 30, 2012 as reported in the financial statements are as follows:

	Decrease in Fair Value since June 30, 2012		Fair Value at June 30, 2013		
Business-type Activities	**Classification**	**Amount**	**Classification**	**Amount**	**Notional**
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred Outflow of Resources	$ 165,319,382	Noncurrent Liabilities	$ (267,200,597)	$ 1,076,000,000
Pay-fixed interest rate swap	Investment Income	(50,686,311)	Noncurrent Liabilities	(77,914,910)	364,000,000
Fair Value hedges:					
Receive-fixed interest swap	Deferred Inflow of Resources, net	14,662,733	Noncurrent Assets	12,619,827	485,545,000

There were no changes in fiscal 2013 as to the effectiveness of the swaps from the prior year.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the derivative instruments outstanding along with the credit rating as of June 30, 2013 of the associated counterparty as well as the fair value of the derivative instrument.

	Standard & Poor's	Moody's
Bank of America, N.A.	A	A3
Bank of New York Mellon, N. A,	AA-	Aa1
Citibank, N.A.	A	A3
Wells Fargo N.A.	AA-	Aa3
Goldman Sachs Mitsui Marine Derivative Products	AAA	Aa2
JP Morgan Chase Bank, N.A.	A+	Aa3
Morgan Stanley Capital Services	A-	Baa1

Amortized Notional Value	Counterparty	Fixed Payer Rate(A)	Value due from / (to) counterparty June 30, 2013	Value due from / (to) counterparty June 30, 2012
$75 million	Wells Fargo Bank, N.A.	4.10%	$ (22,751,617)	$ (33,155,801)
$75 million	Morgan Stanley Capital Services Inc.	4.09%	(22,637,576)	(33,027,512)
$110 million	Wells Fargo Bank, N.A.	3.64%	(21,439,303)	(35,249,686)
$30 million	Bank of America, N.A.	3.63%	(7,312,403)	(12,054,956)
$115 million	Citibank, N.A. New York	3.64%	(22,413,757)	(36,851,833)
$245 million	JP Morgan Chase Bank, N.A.	4.00%	(65,361,186)	(108,116,697)
$50 million	Bank of America, N.A.	3.63%	(12,397,670)	(20,558,173)
$260 million	Citibank, N.A. New York	3.64%	(51,805,524)	(85,496,874)
$125 million	Bank of America, N.A.	3.64%	(30,641,523)	(50,454,960)
$60 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%	(14,707,931)	(24,218,381)
$85 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%	(21,220,112)	(35,133,761)
$170 million	Bank of New York Mellon, N.A.	3.64%	(42,439,972)	(70,267,035)
$40 million	Bank of New York Mellon, N.A.	3.64%	(9,986,933)	(16,535,531)
	Total Fixed Payer Swap		(345,115,507)	(561,121,200)
		Fixed Receiver Rate(B)		
$139.1 million	JP Morgan Chase Bank, N.A.	3.71%	3,774,252	8,038,160
$146.4 million	Bank of New York Mellon, N.A.	3.79%	3,933,317	8,426,367
$40 million	Bank of America, N.A.	3.76%	909,037	2,147,882
$160 million	Bank of America, N.A.	3.70%	4,003,221	8,670,151
	Total Fixed Receiver Swap		12,619,827	27,282,560
	Total Derivative Instrument - Fair Value		$ (332,495,680)	$ (533,838,640)

(A) Cash flow hedge paying fixed rate receiving variable rate based on LIBOR index
(B) Fair value hedge receiving fixed rate paying variable rate based on SIFMA index

The termination value, or fair market value, BATA would pay to terminate all swaps on a voluntary basis is $345 million and $561 million on June 30, 2013 and June 30, 2012, respectively, and would receive is $13 million and $27 million on June 30, 2013 and June 30, 2012, respectively. The fair value was determined by an independent outside pricing service. BATA's intent, however, is to maintain the swap transactions for the life of the financing, notwithstanding market opportunities to restructure.

In January 2002, BATA completed a contract to swap variable-to-fixed rate bonds with a notional amount of $300 million. In July 2009, $150 million of the swap associated with Ambac was terminated. Morgan Stanley Capital Services serves as the other counterparty with a notional of $75 million. In May 2011, Citigroup Financial Products novated $75 million to Wells Fargo Bank, N.A. with terms and conditions unchanged. BATA will pay each respective counterparty a fixed rate ranging from 4.09% to 4.10% respectively while receiving a variable rate payment based on 65 percent of the one-month LIBOR index.

In November 2005, BATA approved a contract to swap variable-to-fixed rate bonds with a notional amount of $1 billion with an effective date of February 2006. In July 2009, $315 million of the swap associated with Ambac was terminated. In March 2012, Citibank, N.A. novated $110 million of its $225 million variable to fix swap to Wells Fargo, N.A. with terms and conditions unchanged. The other counterparties to the transaction are JP Morgan Chase Bank, N.A. for $245 million, Citibank for $115 million, Goldman Sachs Mitsui Marine Derivative Products for $60 million and Bank of America for $155 million. BATA will pay each counterparty a fixed rate ranging from 3.63 percent to 4.00 percent while receiving a variable rate payment based on varying percentages of LIBOR. In April 2011, the counterparty JP Morgan Chase Bank, N.A. AAA Enhanced ISDA to this transaction was amended to JP Morgan Chase bank, N.A.

In November 2005, BATA completed another contract to swap variable-to-fixed rate bonds with a notional amount of $1 billion with an effective date of November 2007. In July 2009, $125 million of the swap associated with Ambac was terminated. In April 2011, $270 million of the swap associated with JP Morgan AAA ISDA was terminated. The remaining counterparties to the transaction are Citibank for $260 million, Bank of New York Mellon for $210 million, Goldman Sachs Mitsui Marine Derivative Products for $85 million and Bank of America for $50 million. BATA will pay each counterparty a fixed rate ranging from 3.63 percent to 3.64 percent while receiving a variable rate payment based on varying percentages of LIBOR.

In August 2008, BATA entered into four Securities Industry and Financial Market Association (SIFMA) fixed-to-float swaps. The counterparties to the transactions were JP Morgan Chase Bank, N.A. of $146.9 million, Bank of New York Mellon for $146.4 million, Citibank, N.A. for $105.4 million, and Bank of America, N.A. for $160 million. BATA received from each counterparty a fixed rate ranging from 3.90 percent to 4.00 percent while paying the SIFMA index. Each counterparty has a right, but not the obligation, to terminate the swaps on April 1, 2011.

In April 2011, JP Morgan Chase Bank, N.A., Bank of New York Mellon and Bank of America, N.A. extended and amended their SIFMA swaps. The collective banks extended the cancellation option and amended the swap rates with the notional amounts unchanged. The counterparties to the transactions are JP Morgan Chase Bank, N.A. for $142.4 million, Bank of New York Mellon for $146.4 million and Bank of America, N.A. for $160 million. The amended fixed rates BATA will receive from the counterparties range from 3.70 percent to 3.79 percent while paying the SIFMA index. Each counterparty has a right, but not the obligation, to terminate the swaps on April 1, 2014 without receiving a termination payment.

In April 2011, Citibank, N.A. novated $40 million of its $105.4 million SIFMA fixed-to-float swap to Bank of America, N.A. and exercised the par cancellation option terminating the remaining swap notional balance of $65.4 million. There was no exchange of payments. Also, in April 2011, BATA terminated the JP Morgan Chase Bank, N.A. AAA Enhanced ISDA 5-year Constant Maturity Swap (CMS) fixed payer swap for $19,622,000 and recorded a loss on swap termination of $15,683,211. BATA also amended the swap with JP Morgan Chase Bank, N.A. AAA Enhanced ISDA from receiving a 10-year LIBOR percentage of a CMS fixed payer swap to a 75.105% of a one-month LIBOR. The value of the amendment to BATA was $21,850,000 as a result of the amendment. This payment was reported in deferred revenue and will be amortized over the life of the swap. The counterparty was also amended from JP Morgan Chase Bank, N.A. AAA Enhanced ISDA to JP Morgan Chase Bank, N.A. The swap notional amount was unchanged at $245 million.

BATA entered into fixed to floating rate swaps as a means of lowering long-term debt costs while maintaining a hedge against increases in short-term rates. Management is aware that swap transactions contain certain associated risks not traditionally associated with fixed-rate issues, particularly the risk of counterparty failure. However, management has structured the transaction with reasonable safeguards, including downgrade and collateral provisions required of all counterparties, as well as management's unilateral ability to cancel any transaction with 15 days' notice.

The swap contracts address credit risk by requiring the counterparties to post collateral if: 1) the counterparty's credit rating is equal to or greater than "A-" and below "AA-" as determined by S&P or is equal to or greater than "A3" and below "Aa3" as determined by Moody's and the market value of its swaps exceeds $10 million; or 2) the counterparty's credit rating is below "A-" as determined by S&P or "A3" as determined by Moody's.

As a result of the Moody's downgrade of Morgan Stanley Capital Services in June 2012, an additional termination event was triggered when its long term rating was downgraded to Baa1. As of June 30, 2013, counterparties were not required to post collateral with a third party safekeeping agent.

The Debt and Swap Payment Tables that follow show the total interest cost of the swap payments. The total cost is determined by calculating the fixed rate payment to the counterparty, netting the variable rate payment received from the counterparty, total variable bond interest payments to bondholders, plus any associated administrative costs associated with the swap and variable rate obligation.

Debt and Swap Payments Tables

As of June 30, 2013, debt service requirements of the variable rate debt and net swap payments for 2001 Series A effective January 14, 2002 and May 2, 2011, are as follows:

Payment Date	Notional Amortization	Variable Interest[B]	Interest Rate Swaps, Net[C]	Total Payment
4/1/2014	$ -	$ 1,965,000	$ 5,953,500	$ 7,918,500
4/1/2015	-	1,965,000	5,953,500	7,918,500
4/1/2016	-	1,965,000	5,953,500	7,918,500
4/1/2017	-	1,965,000	5,953,500	7,918,500
4/1/2018	-	1,965,000	5,953,500	7,918,500
4/1/2019-2036	150,000,000	18,239,160	90,239,184	108,478,344
	$150,000,000	$ 28,064,160	$120,006,684	$148,070,844

As of June 30, 2013, debt service requirements of the Term rate debt for 2006 Series C2 - C4, the weekly rate debt for 2007 Series A2 - D2, the SIFMA index rate for 2006 Series C1 and 2007 Series E3, the prorated portion of the weekly rate debt for 2008 Series E1, and net swap payments for 2006 Swap Series, effective February 8, 2006, August 28, 2008, September 2, 2008, April 1, 2011, and March 1, 2012 are as follows:

Payment Date	Notional Amortization	Variable Interest[B] (1)	Interest Rate Swaps, net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2014	$ -	$ 4,280,000	$ 23,270,255	$ 3,487,500	$ 31,037,755
4/1/2015	-	4,278,843	23,270,255	3,461,459	31,010,557
4/1/2016	-	4,277,649	23,270,255	3,434,600	30,982,504
4/1/2017	-	4,277,649	23,270,255	3,434,600	30,982,504
4/1/2018	-	2,192,649	23,270,255	5,122,100	30,585,004
4/1/2019-2047	685,000,000	14,308,658	491,078,707	158,416,475	663,803,840
	$685,000,000	$ 33,615,448	$607,429,982	$ 177,356,734	$818,402,164

As of June 30, 2013, debt service requirements of the weekly rate debt for 2007 Series G1 and 2008 Series C1, the prorated portion of the weekly rate debt for 2008 Series E1, the SIFMA index rate debt for 2007 Series A1 and C1, and 2008 Series A1, B1, and G1, the LIBOR index rate date for 2008 Series D1, and net swap payments for 2007 Swap Series , effective November 1, 2007, August 28, 2008, and September 2, 2008, are as follows:

Payment Date	Notional Amortization	Variable Interest[B] (2)	Interest Rate Swaps, net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2014	$ -	$ 5,331,549	$ 19,341,765	$ 900,000	$ 25,573,314
4/1/2015	-	5,331,384	19,341,765	896,280	25,569,429
4/1/2016	-	5,331,213	19,341,765	892,443	25,565,421
4/1/2017	-	5,331,213	19,341,765	892,443	25,565,421
4/1/2018	-	3,899,664	19,341,765	2,636,193	25,877,622
4/1/2019-2047	605,000,000	25,583,850	435,474,884	125,111,233	586,169,967
	$605,000,000	$ 50,808,873	$532,183,709	$ 131,328,592	$714,321,174

As of June 30, 2013, debt service requirements of the fixed rate debt and net swap payments for 2008 Series F, effective April 1, 2011, are as follows:

Payment Date	Notional Amortization	Fixed Interest[G] (3)	Interest Rate Swaps, net[C]	Total Payment
4/1/2014	$ 1,400,000	$ 24,886,848	$ (17,731,374)	$ 7,155,474
4/1/2015	1,500,000	24,886,848	(17,680,248)	7,206,600
4/1/2016	1,700,000	24,886,848	(17,625,470)	7,261,378
4/1/2017	1,500,000	24,886,848	(17,563,389)	7,323,459
4/1/2018	1,600,000	24,886,848	(17,508,611)	7,378,237
4/1/2019-2047	477,845,000	512,961,185	(376,173,560)	136,787,625
	$ 485,545,000	$ 637,395,425	$ (464,282,652)	$ 173,112,773

(1) Variable outstanding par $685 million
(2) Variable outstanding adjusted to $605 million to match swap
(3) Fixed outstanding par $707.73 million, but adjusted to $485.5 million to match swap

The table below summarizes total swap costs as of June 30, 2013.

	Series 2001 Bonds[A H]	Series 2006 Weekly Reset	Series 2006 Index[I]	Series 2006 Term[J]
Interest Rate Swap				
Fixed payment to counterparty	4.10%	3.77%	3.77%	3.77%
LIBOR percentage of payments[D]	(0.13)%	(0.37)%	(0.37)%	(0.37)%
Net Interest rate swap payments[C]	3.97%	3.40%	3.40%	3.40%
Variable rate bond coupon payments[B]	1.31%	0.05%	0.81%	1.45%
Synthetic interest rate on bonds	5.28%	3.45%	4.21%	4.85%
Remarketing/liquidity fee[E]	0.00%	1.13%	0.00%	0.00%
Total Cost	5.28%	4.58%	4.21%	4.85%

	Series 2007 Weekly Reset	Series 2007 Index[K]
Interest Rate Swap		
Fixed payment to counterparty	3.63%	3.63%
LIBOR percentage of payments[D]	(0.44)%	(0.44)%
Net Interest rate swap payments[C]	3.19%	3.19%
Variable rate bond coupon payments[B]	0.04%	1.01%
Synthetic interest rate on bonds	3.23%	4.20%
Remarketing/liquidity fee[E]	1.13%	0.00%
Total Cost	4.36%	4.20%

	Series 2008 Bonds
Interest Rate Swap	
Fixed payment from counterparty	(3.73)%
SIFMA[F]	0.08%
Net interest rate swap receipts[C]	(3.65)%
Fixed rate bond coupon payments[G]	5.13%
Synthetic interest rate on bonds	1.48%
Fees	0.00%
Total Cost	1.48%

A Converted to 65% one month LIBOR on 1/1/06
B Weighted average variable rate bond reset as of June 2013
C Net payment /(receipt)
D Average LIBOR rates as of June 2013 reset
E Weighted average remarketing/liquidity fees of the weekly rate debt
F SIFMA rate as of June 2013 reset
G Weighted coupon
H Index period for 2001 A ends 4/1/2027, reverts back to SIFMA with remarketing/liquidity fees
I Index period for 2006 C1 ends 5/1/2023 and for 2007 E3 ends 10/1/2019, both revert back to SIFMA with remarketing/liquidity fees
J Term rate period for 2006 C2-C4 ends 8/1/2017, reverts back to SIFMA with remarketing/liquidity fees
K Index period for 2007 A1 ends 10/1/2019, 2007 C1 and 2008 A1 ends 5/1/2023, 2008 B1 and 2008 G1 ends 4/1/2024, and 2008 D1 ends 8/1/2017, all revert back to SIFMA with remarketing / liquidity fee

6. LEASES

Capital Leases

MTC's copier equipment is under a capital lease which will expire in fiscal year 2016. The assets and liabilities under this capital lease are recorded at the present value of the minimum lease payments. Minimum future lease payments under the capital lease are comprised of the following:

Governmental Activities

Year Ending June 30	Amount
2014	$ 59,952
2015	59,952
2016	24,980
Total	144,884
Less interest amounts	(8,189)
Present value of net minimum lease payments	$ 136,695

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund transfers as of June 30, 2013, is as follows:

	Transfer In:						
Transfer Out:	General	AB 664 Net Toll Revenue Reserve	Rail Reserves	Non-Major Governmental Funds	MTC Clipper®	BATA	Total
Non-Major	$ 173,333	$ -	$ -	$ -	$ 87,178	$ -	$ 260,511
Rail Reserves	-	-	-	-	-	390,000	390,000
STA	617,139	-	-	186,684	5,422,569	-	6,226,392
General	-	-	-	-	143,778	-	143,778
BATA	7,056,569	10,487,622	8,515,346	2,705,156	3,674,499	-	32,439,192
SAFE	924,279	-	-	-	-	-	924,279
Total	$ 8,771,320	$ 10,487,622	$ 8,515,346	$ 2,891,840	$ 9,328,024	$ 390,000	$ 40,384,152

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	MTC Clipper ®	2,753,842
General	Non-Major	(52,607)
General	BATA	370,939
STA	General	1,254,051
STA	MTC Clipper ®	449,102
Non-Major	General	518,369
Non-Major	BATA	154,656
Non-Major	STA	123,058
Non-Major	MTC Clipper ®	52,001
MTC Clipper®	Non-Major	84,210
MTC Clipper®	STA	3,216,040
MTC Clipper®	BATA	1,178,872
SAFE	General	1,421,025
BATA	Rail Reserve	5,000,000

The composition of interfund transfers as of June 30, 2012, is as follows:

Transfer In:

Transfer Out:	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	MTC Clipper®	BATA	SAFE	Total
Non-Major	$ 151,178	$ -	$ 151,447	$ -	$ -	$ 25,696	$ -	$ -	$ 328,321
Rail Reserves	-	-	-	-	-	-	630,000	-	630,000
STA	644,760	-	-	-	114,067	210,782	-	-	969,609
AB 664	22,439	-	-	-	-	-	-	-	22,439
General	-	-	1,803,140	-	-	-	-	-	1,803,140
MTC Clipper®	-	-	1,096,990	-	-	-	-	-	1,096,990
BATA	7,055,310	10,915,880	-	8,863,066	2,646,803	4,728,415	-	750,000	34,959,474
SAFE	1,002,667	-	-	-	-	-	-	-	1,002,667
Total	$ 8,876,354	$ 10,915,880	$ 3,051,577	$ 8,863,066	$ 2,760,870	$ 4,964,893	$ 630,000	$ 750,000	$ 40,812,640

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	AB664	$ 2,214
General	MTC Clipper®	1,959,781
General	SAFE	15,624
General	STA	12,583
General	Non-Major	26,726
General	BATA	246,345
STA	General	2,240,287
STA	Non-Major	142,148
STA	MTC Clipper®	1,083,270
Non-Major	General	499,769
Non-Major	BATA	69,685
Non-Major	STA	38,798
MTC Clipper®	Non-Major	3,121
MTC Clipper®	STA	101,871
MTC Clipper®	BATA	1,115,946
SAFE	General	4,391,706
BATA	General	383,287
BATA	Rail Reserves	8,630,000
BATA	MTC	13,000,000

Transfers are used to move revenues from the fund with collection authority to the program fund that accounts for the various grant programs based on both budgetary and matching fund requirements.

Outstanding receivables and payables between funds are due to timing differences resulting from when expenditures are incurred and reimbursement payments are made.

8. EMPLOYEES' RETIREMENT PLAN

Plan Description

MTC's defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission ("the Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees' Retirement Law. MTC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS website or by writing to CalPERS Fiscal Services Division, PO Box 942703, Sacramento, California 94229.

Funding Policy

Members in the Plan are required to contribute a percentage of their annual covered salary, which is established by California State Statute. MTC is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its employees. The actuarial methods and assumptions are those adopted and amended by the CalPERS Board of Administration. Pursuant to the Public Employees' Pension Reform Act (PEPRA), which created new benefit formulas, compensation periods and contribution requirements for new employees hired on or after January 1, 2013, MTC implemented a two-tier retirement plan. Tier 1 is based on the original CalPERS agreement, and has a retirement benefit formula of 2.5 percent at 55. Tier 2 is applied to employees that meet the definition of a new member under PEPRA, and has a retirement benefit formula of 2 percent at 62. Effective August 1, 2011, MTC and employees agreed to establish a two-tier contribution with the passage of the Public Employees' Pension Reform Act. Under Tier 1, employees equally share in future annual employer rate increases up to a maximum employee contribution of 8 percent. Under Tier 2, employees will pay the full employee contribution rate. MTC's retirement benefits are allocated as follows:

- Tier 1 - The total PERS contribution rate is 24.365 percent effective July 1, 2012 (consisting of 16.365 percent employer rate and 8.0 percent member rate). Per MTC and employee agreement, the shared contribution effective July 1, 2013 is 19.175 percent by MTC and 5.19 percent by members.

- Tier 2 - The total PERS contribution rate is 22.865 percent effective January 1, 2013 (consisting of 16.365 percent employer rate and 6.5 percent member rate). Per MTC and employee agreement, the shared contribution effective January 1, 2013 is 16.365 percent by MTC and 6.5 percent by members.

Annual Pension Cost and Funding Progress

The required contribution was $3,639,345 and $3,435,478 for the years ended June 30, 2013 and 2012 determined as part of the June 30, 2011 and June 30, 2010 actuarial valuation using the entry age normal cost method with the contributions determined as a level percent of payroll. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), and (b) projected salary increases that vary by entry age, duration of service and category of employment. Both (a) and (b) include an inflation component of 3.0 percent and an annual payroll growth of 3.25 percent. The amortization method used is level percent of payroll. The actuarial valuation of the Plan's assets was determined using a technique that smooths the effect of short-term volatility in market value of investments over a fifteen-year period depending on the size of investment gains and/or losses. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period which result in an amortization of approximately 6 percent of unmerited gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

The following table shows MTC's required contributions and the percentage contributed for the current year and each of the two preceding years. Under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The contribution rate for fiscal year ended June 30, 2013 was 16.365 percent of payroll. The dollar value of the ARC is the contribution rate multiplied by the payroll of covered employees paid during the period July 1, 2011 through June 30, 2013.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 2011	$ 3,060,517	100%
June 30, 2012	3,435,478	100%
June 30, 2013	3,639,345	100%

MTC's funding progress information as of June 30, 2011 is illustrated as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAl (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2009	$ 72,334,074	$ 85,989,050	$13,654,976	84.1 %	$16,969,851	80.5%
June 30, 2010	77,635,562	91,504,175	13,868,613	84.8 %	17,233,074	80.5%
June 30, 2011	83,576,646	96,864,616	13,287,970	86.3 %	17,276,635	76.9%

The latest available actuarial valuation was as of June 30, 2011 showing an under-funded status.

9. POST EMPLOYMENT HEALTHCARE BENEFITS

Plan Description

MTC's defined-benefit other post employment benefits (OPEB) healthcare plan, or MTC's California Employer's Retirement Benefit Trust (CERBT) account, provides health plan coverage through the CalPERS Health Plan to eligible retired employees and their eligible dependents. MTC maintains the same medical plans for its retirees as for its active employees, with the general exception that 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. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 with 5 years of service to MTC. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 23. The number of participants eligible to receive benefits was 72 for the year ended June 30, 2013.

MTC is a contracting agency under the Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS for provision of healthcare insurance programs for both active and retired employees. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS website or by writing to CalPERS Fiscal Services Division, PO Box 942703, Sacramento, California 94229.

Funding Policy

MTC contributions are based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting of Post Employment Benefits Other Than Benefits*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded accrued actuarial liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The ARC is based on separate actuarial computations for the active and retiree employee groups. MTC's payments of monthly retiree premiums of $679,688 and $632,904 for the years ended 2013 and 2012 were applied toward the required annual employer contribution of $2,658,672 and $2,414,391 for fiscal years ended 2013 and 2012 respectively. In addition, MTC made a voluntary contribution in excess of the ARC in fiscal 2008 of $8,676,000. This contribution nearly eliminated the Unfunded Actuarial Accrued Liability (UAAL) and resulted in the reporting of a net OPEB asset of $7,731,865 at June 30, 2008. Since 2008, MTC has fully funded the ARC and the net OPEB The net OPEB asset at June 30, 2013 and June 30, 2012 has remained at $7,384,385 as MTC fully funded its OPEB obligation in fiscal years 2013 and 2012. The interest earned on this asset will reduce the OPEB cost in future years.

Annual OPEB Cost, Funded Status and Funding Progress

MTC's annual Other Post Employment Benefit (OPEB) expense is based on the ARC of the employer less healthcare costs paid on behalf of its retirees as well as any other contributions made to the plan during the year. The following table represents annual OPEB cost for the year, the percentage of costs contributed to the plan, and changes in the net OPEB obligation. Governmental and Business-Type Activities funded 100 percent of the ARC attributable to them. Any net OPEB asset resulted solely from Governmental Activities.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
June 30, 2011	$ 2,414,391	100%	$ 7,384,385
June 30, 2012	2,414,391	100%	7,384,385
June 30, 2013	2,658,672	100%	7,384,385

The funded status of the plan as of July 1, 2013 was as follows:

Annual required contribution (ARC)	$ 2,615,160
Interest on net OPEB obligation	(406,141)
Adjustment to ARC	449,653
Annual OPEB Cost	2,658,672
Less contributions made	(2,658,672)
Increase in net OPEB obligation	-
Net OPEB asset - beginning of year	7,384,385
Net OPEB asset - end of year	$ 7,384,385

MTC obtains actuarial valuations bi-annually, with the exception of January 2009 when an additional valuation was obtained in conjunction with the change in OPEB Trustees. The MTC's funding progress as of January 1, 2012, the most recent available actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2009	$ 7,299,050	$ 12,774,408	$ 5,475,358	57.1 %	$17,011,660	32.2 %
January 1, 2010	9,249,465	20,599,779	11,350,314	44.9 %	17,417,779	65.2 %
January 1, 2012	13,124,584	24,735,009	11,610,425	53.1 %	18,966,022	61.2 %

Actuarial valuations must make certain assumptions regarding the probability of occurrence of certain events such as employment turnover, retirement and mortality, as well as economic assumptions regarding future healthcare costs and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress on Schedule V, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques designed to reduce effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

MTC has funded its OPEB liability by contributing to an irrevocable trust currently administered by Public Agency Retirement Services (PARS). MTC transferred its OPEB trust fund assets from CalPERS to PARS in March 2010. The actuarial cost method and assumptions described below is one of several acceptable cost methods described in GASB Statement No. 45. The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. In determining the Annual Required Contribution, the Unfunded Actuarial Accrued Liability (UAAL) must be amortized over a period of up to 30 years. MTC has elected to amortize as a level percentage of expected payroll over 20 years on an open basis. The interest rate used to discount future benefit payments is based on the expected rate of return on investments set aside to pay for these benefits. In conjunction with the transfer to PARS, MTC selected a conservative investment policy to fund assets. The discount rate was reduced from 7.75 percent to 5.50 percent to reflect the current investment policy. A 3.25 percent per year growth in overall payroll was used for purposes of amortizing unfunded liability while contributions for a given level of benefit coverage were assumed to increase annually in accordance with CalPERS health premiums. Annual healthcare cost increases were based upon the healthcare cost inflation trend derived from the Getzen Model, a model used for developing long term medical cost trends. The Getzen Model uses an underlying general inflation assumption of 2.75 percent. The Getzen Model was updated to reflect the latest economic growth factors and adjusted to reflect the value of an expected excise tax payable in 2018. Starting 2018, medical premiums above a certain threshold will be subject to an excise tax of 40% on the amount above the threshold. The tax will be charged to insurers and is expected to be included in medical premiums.

Demographic assumptions regarding retirement and turnover reflect CalPERS assumptions in their valuation of retirement benefits under their 2.5 percent @ 55 formulas for miscellaneous employees. MTC employees participate in CalPERS and accrue retirement benefits under this formula. Termination rates were updated to reflect MTC's recent experience and the mortality rates were based upon the latest CalPERS experience and reflect an improvement in future mortality.

The Actuarial Accrued Liability (AAL) presented in the January 1, 2012 valuation increased by approximately $4.1 million over the previous valuation. The following factors contributed to the change in the AAL. The cost of benefit accruals since the last valuation plus interest on the prior year's AAL less benefit payments since the last valuation date contributed to the change in the AAL. The combined impact of these factors was an increase in the AAL of approximately $4.4 million. The update to healthcare cost trend to reflect the current economic environment resulted in a decrease in the AAL of approximately $0.6 million. However, the expected increase in medical premiums resulting from the excise tax starting in 2018, resulted in an increase in the AAL of approximately $0.6 million. The change in the mortality assumption, to reflect improvements in future mortality, resulted in an increase in AAL of approximately $0.4 million. The adoption of new termination rates, based upon MTC's recent experience, resulted in an increase in the AAL of approximately $0.9 million. Changes in MTC's demographic composition and differences actual healthcare premiums resulted in a decrease in AAL of approximately $1.6 million. Copies of PARS annual financial report may be obtained by writing to PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

10.COMMITMENTS AND CONTINGENCIES

MTC's administered projects are subject to audit by the respective grantors. The final determination of allowable project costs can be made only after the grantor's audits are completed and final rulings by the grantor's administrative departments are obtained. Disallowed expenditures, if any, must be borne by nonfederal funds. In the opinion of MTC's management, such disallowances, if any, would not have a material adverse effect on the accompanying government-wide financial statements.

MTC is involved in various claims and litigation that are considered normal to the MTC's regional planning activities. The MTC Board has approved a reserve for future expenses for these contingencies in the amount of $500,000 and $456,647 for fiscal years ended June 30, 2013 and 2012, respectively. In the opinion of the MTC's management, the ultimate resolution of these matters will not have a material adverse effect on the MTC's government-wide financial position.

Commitment and Loan to Bay Area Rapid Transit District

On March 11, 1999, MTC, the San Mateo County Transit District (SamTrans) and the Bay Area Rapid Transit District (BART) (collectively the Parties) entered into a Memorandum of Understanding (MOU) defining the terms and conditions by which additional funds would be made available for the SFO Extension Project (the Project). On September 1, 1999, the Parties agreed to provide a total of $198.5 million to the Project, with BART providing $50 million, SamTrans providing $72 million, and MTC providing $76.5 million.

MTC's commitment included a $60 million loan (the Loan) for the Project's cash flow requirements and $16.5 million for additional budget items. In addition, MTC agreed to pay for interest and financing costs not to exceed $11.8 million, for a total commitment of $88.3 million.

To fund the Loan, MTC agreed to advance $60 million from the Rail Reserve Fund (East Bay Account) for Project cash flows. Under the MOU, BART was to repay this advance without interest, upon authorization and receipt of federal funds anticipated pursuant to BART's full funding grant agreement with the U.S. Department of Transportation (Federal Transportation Administration grant). MTC further agreed to allocate $16.5 million to BART from the Rail Reserve Fund (West Bay Account) for budget items, and utilize a combination of bridge toll revenues and other sources to pay interest and financing costs up to $11.8 million.

On February 12, 2001, MTC and BART executed an Acknowledgement Agreement (the Agreement) which modified the repayment terms of the Loan. Under the Agreement, MTC acknowledged that the FTA grant proceeds, originally pledged to repay the Loan, will be pledged and assigned in favor of bonds (the Bonds) issued by the Association of Bay Area Governments to refinance the Notes and finance the Project. The Agreement confirms BART's obligation to repay the Loan, as set forth in the MOU; however, such repayment will be made from the general resources of BART and subject to the prior pledge in favor of the Bonds.

On June 28, 2006, MTC and BART revised the terms of the $60 million loan agreement. The new agreement extends the $60 million loan to June 30, 2014 with an interest rate of 3 percent.

On November 28, 2007, the MTC Commission authorized the pledging of the then remaining proceeds of the $47 million BART loan receivable balance from the Rail Reserve Fund to BATA. As a result BATA transferred $47 million of their operating cash to the Rail Reserve Fund thereby providing cash flow to the Rail Reserve Fund (East Bay Account) to be used for East Bay rail projects. MTC retains all of its contract protections and enforcement rights against BART until the BART obligations to the East Bay Rail Reserve are satisfied. MTC also retains the legal obligation and responsibility to seek any payment due from BART. The pledge of the $47 million BART loan from MTC to BATA is an Intra-Entity Transfer of Assets which bears an interest rate of 3.0 percent. GASB statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues,* as amended by GASB Statement No. 65*, Items Previously Reported as Assets and Liabilities*, provides guidance on the accounting and reporting of Intra-Entity Transfers of Assets.

As of June 30, 2013 and 2012, the total loan outstanding with BART is $5 million and $21 million respectively. Remaining payments due under the loan are as follows:

Fiscal Year	Principal Payments
2014	$ 5,000,000
	$ 5,000,000

11. RISK MANAGEMENT

MTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. MTC purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by the MTC from insurance companies. To date, there have been no significant reductions in any of the MTC's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the past three years.

12. RELATED PARTY TRANSACTIONS

The Regional Administrative Facility Corporation (RAFC) was incorporated in the State of California on March 23, 1983, for the purpose of administering, operating and maintaining common areas and certain easements of the property which consists solely of the Joseph P. Bort MetroCenter facilities.

The Condominium Plan establishes the following three owner occupants: BART, MTC and ABAG. RAFC exercises a custodial responsibility on behalf of the owner occupants and assesses sufficient amounts to meet all required expenditures of the common areas and easements. MTC provides management and other staff functions to RAFC through management fees. Fees billed to RAFC were $300,000 for fiscal years ended June 30, 2013 and 2012. MTC currently has a prepaid asset of $556,452 and $446,019 as of June 30, 2013 and 2012, respectively, for funding capital improvement projects of the property.

13. SUBSEQUENT EVENTS

BATA issued $900 million in tax exempt subordinate bonds (2013 Series S-4) in August 2013. The bonds were issued to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the benefit of the 2013 Series S-4 bonds and (iii) pay the costs of issuing the 2013 Series S-4 bonds.

REQUIRED SUPPLEMENTARY INFORMATION

Metropolitan Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (unaudited)

For the Year Ended June 30, 2013 — Schedule I

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Sales tax	$ 10,500,000	$ 10,500,000	$ 11,161,663	$ 661,663
Grants - Federal	81,568,621	81,881,731	44,542,352	(37,339,379)
Grants - State	1,540,000	1,640,000	831,410	(808,590)
Local agencies revenues and refunds	3,433,732	3,696,049	2,783,630	(912,419)
Investment income (charge) - unrestricted	10,000	10,000	22,359	12,359
TOTAL REVENUES	97,052,353	97,727,780	59,341,414	(38,386,366)
EXPENDITURES				
General government	102,918,929	104,070,419	53,988,135	50,082,284
Allocations to other agencies	12,338,187	12,338,187	10,725,976	1,612,211
Capital outlay	500,000	560,000	148,699	411,301
TOTAL EXPENDITURES	115,757,116	116,968,606	64,862,810	52,105,796
REVENUES OVER (UNDER) EXPENDITURES	(18,704,763)	(19,240,826)	(5,521,396)	13,719,430
OTHER FINANCING SOURCES (USES)				
Transfers in	16,493,468	17,004,531	8,771,320	(8,233,211)
Transfers out	-	-	(143,778)	(143,778)
TOTAL OTHER FINANCING SOURCES (USES)	16,493,468	17,004,531	8,627,542	(8,376,989)
NET CHANGE IN FUND BALANCES	(2,211,295)	(2,236,295)	3,106,146	5,342,441
Fund balances - beginning	28,617,457	28,617,457	27,782,096	(835,361)
Fund balances - ending	$ 26,406,162	$ 26,381,162	$ 30,888,242	$ 4,507,080

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

Metropolitan Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - AB 664 Net Toll Revenue Reserve (unaudited)

For the Year Ended June 30, 2013 — Schedule II

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income (charge) - unrestricted	$ -	$ -	$ 393,543	$ 393,543
TOTAL REVENUES	-	-	393,543	393,543
EXPENDITURES				
General government	-	-	25,662	(25,662)
Allocations to other agencies	50,515,567	50,515,567	14,101,596	36,413,971
TOTAL EXPENDITURES	50,515,567	50,515,567	14,127,258	36,388,309
REVENUES OVER (UNDER) EXPENDITURES	(50,515,567)	(50,515,567)	(13,733,715)	36,781,852
OTHER FINANCING SOURCES (USES)				
Transfers in	10,789,000	10,789,000	10,487,622	(301,378)
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	10,789,000	10,789,000	10,487,622	(301,378)
NET CHANGE IN FUND BALANCES	(39,726,567)	(39,726,567)	(3,246,093)	36,480,474
Fund balances - beginning	39,726,567	39,726,567	39,726,567	-
Fund balances - ending	$ -	$ -	$ 36,480,474	$ 36,480,474

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

Metropolitan Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - State Transit Assistance Fund (unaudited)
For the Year Ended June 30, 2013 — Schedule III

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 151,767,684	$ 150,549,562	$ 156,112,456	$ 5,562,894
Local agencies revenues and refunds	-	-	356,023	356,023
Investment income (charge) - unrestricted	-	-	(64,173)	(64,173)
TOTAL REVENUES	151,767,684	150,549,562	156,404,306	5,854,744
EXPENDITURES				
Allocations to other agencies	222,583,970	221,365,848	149,507,138	71,858,710
TOTAL EXPENDITURES	222,583,970	221,365,848	149,507,138	71,858,710
REVENUES OVER (UNDER) EXPENDITURES	(70,816,286)	(70,816,286)	6,897,168	77,713,454
OTHER FINANCING SOURCES (USES)				
Transfers in	70,816,286	70,816,286	-	(70,816,286)
Transfers out	-	-	(6,226,392)	(6,226,392)
TOTAL OTHER FINANCING SOURCES (USES)	70,816,286	70,816,286	(6,226,392)	(77,042,678)
NET CHANGE IN FUND BALANCES	-	-	670,776	670,776
Fund balances - beginning	70,913,691	70,913,691	70,913,691	-
Fund balances - ending	$ 70,913,691	$ 70,913,691	$ 71,584,467	$ 670,776

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

Metropolitan Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Rail Reserves Fund (unaudited)
For the Year Ended June 30, 2013

Schedule IV

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ -
Investment income (charge) - unrestricted	-	-	980,616	980,616
TOTAL REVENUES	8,000,000	8,000,000	8,980,616	980,616
EXPENDITURES				
General government	8,000,000	8,000,000	8,035,187	(35,187)
Allocations to other agencies	515,346	515,346	30,521,091	(30,005,745)
TOTAL EXPENDITURES	8,515,346	8,515,346	38,556,278	(30,040,932)
REVENUES OVER (UNDER) EXPENDITURES	(515,346)	(515,346)	(29,575,662)	(29,060,316)
OTHER FINANCING SOURCES (USES)				
Transfers in	8,515,346	8,515,346	8,515,346	-
Transfers out	-	-	(390,000)	(390,000)
TOTAL OTHER FINANCING SOURCES (USES)	8,515,346	8,515,346	8,125,346	(390,000)
NET CHANGE IN FUND BALANCES	8,000,000	8,000,000	(21,450,316)	(29,450,316)
Fund balances - beginning	118,539,794	118,539,794	118,539,794	-
Fund balances - ending	$ 126,539,794	$ 126,539,794	$ 97,089,478	$ (29,450,316)

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

Metropolitan Transportation Commission
Schedules of Funding Progress (unaudited)
For the Year Ended June 30, 2013 — Schedule V

Pension Plan (Required Supplementary Information)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2009	$ 72,334,074	$ 85,989,050	$ 13,654,976	84.1 %	$ 16,969,851	80.5 %
June 30, 2010	77,635,562	91,504,175	13,868,613	84.8 %	17,233,074	80.5 %
June 30, 2011	83,576,646	96,864,616	13,287,970	86.3 %	17,276,635	76.9 %

Post Employment Benefits (Required Supplementary Information)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2009	$ 7,299,050	$ 12,774,408	$ 5,475,358	57.1 %	$ 17,011,660	32.2 %
January 1, 2010	9,249,465	20,599,779	11,350,314	44.9 %	17,417,799	65.2 %
January 1, 2012	13,124,584	24,735,009	11,610,425	53.1 %	18,966,022	61.2 %

OTHER SUPPLEMENTARY INFORMATION

Metropolitan Transportation Commission
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2013 — Schedule 1

	Transit Reserves	Exchange	BART Car Exchange	Feeder Bus	Prop 1B Fund	Capital Projects	Total Non-Major Governmental Funds
ASSETS							
Cash - unrestricted	$ 34,561,114	$13,712,525	$ -	$ 168,130	$ 4,931,417	$ 152,136	$ 53,525,322
Cash - restricted	-	-	100,968	-	-	-	100,968
Investment - unrestricted	23,995,079	-	-	-	-	-	23,995,079
Investment - restricted	-	-	125,394,717	-	-	-	125,394,717
Receivables							
Accounts	2,545,534	885,423	3,533,103	-	-	-	6,964,060
Interest	4,738	82,737	45,286	-	-	-	132,761
Federal funding	-	-	-	-	-	810,065	810,065
Due from other funds	-	-	-	-	24,176	823,908	848,084
Prepaid items	-	-	2,750	-	-	-	2,750
TOTAL ASSETS	61,106,465	14,680,685	129,076,824	168,130	4,955,593	1,786,109	211,773,806
LIABILITIES							
Accounts payable and accrued expenditures	28,791	-	5,030	-	89,373	1,048,689	1,171,883
Due to other funds	(52,607)	84,210	-	-	-	-	31,603
TOTAL LIABILITIES	(23,816)	84,210	5,030	-	89,373	1,048,689	1,203,486
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	51,013,031	-	-	-	-	-	51,013,031
TOTAL DEFERRED INFLOWS OF RESOURCES	51,013,031	-	-	-	-	-	51,013,031
FUND BALANCES							
Restricted for:							
Transportation projects	10,117,250	-	-	168,130	4,866,220	237,651	15,389,251
Rail projects	-	-	129,071,794	-	-	-	129,071,794
Committed to:							
Building reserve	-	-	-	-	-	499,769	499,769
Transportation projects	-	14,596,475	-	-	-	-	14,596,475
TOTAL FUND BALANCES	10,117,250	14,596,475	129,071,794	168,130	4,866,220	737,420	159,557,289
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 61,106,465	$14,680,685	$ 129,076,824	$ 168,130	$ 4,955,593	$ 1,786,109	$ 211,773,806

Metropolitan Transportation Commission
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended June 30, 2013

Schedule 2

	Transit Reserves	Exchange	BART Car Exchange	Feeder Bus	Prop 1B Fund	Capital Projects	Total Non-Major Governmental Funds
REVENUES							
Grants - Federal	$ -	$ -	$ -	$ -	$ -	$ 1,252,999	$ 1,252,999
Grants - State	3,116,461	-	-	-	-	-	3,116,461
Local agencies revenues and refunds	-	6,028,366	23,979,594	-	-	-	30,007,960
Investment income (charge) - unrestricted	67,408	582,286	-	148	5,315	124	655,281
Investment income - restricted	-	-	144,217	-	-	-	144,217
TOTAL REVENUES	3,183,869	6,610,652	24,123,811	148	5,315	1,253,123	35,176,918
Expenditures							
Current:							
General government	-	-	2,280	-	1,610,607	1,513,391	3,126,278
Allocations to other agencies	1,285,854	-	15,500,000	-	-	-	16,785,854
Capital outlay	-	-	-	-	-	223,882	223,882
TOTAL EXPENDITURES	1,285,854	-	15,502,280	-	1,610,607	1,737,273	20,136,014
EXCESS/(DEFICIENCY) OF REVENUES OVER/ (UNDER) EXPENDITURES	1,898,015	6,610,652	8,621,531	148	(1,605,292)	(484,150)	15,040,904
OTHER FINANCING SOURCES (USES)							
Transfers in	2,472,167	-	-	-	83,909	335,764	2,891,840
Transfers out	(173,333)	(87,178)	-	-	-	-	(260,511)
TOTAL OTHER FINANCING SOURCES (USES)	2,298,834	(87,178)	-	-	83,909	335,764	2,631,329
NET CHANGE IN FUND BALANCES	4,196,849	6,523,474	8,621,531	148	(1,521,383)	(148,386)	17,672,233
Fund balances - beginning	5,920,401	8,073,001	120,450,263	167,982	6,387,603	885,806	141,885,056
Fund balances - ending	$ 10,117,250	$ 14,596,475	$ 129,071,794	$ 168,130	$ 4,866,220	$ 737,420	$ 159,557,289

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Transit Reserves Fund
For the Year Ended June 30, 2013 — Schedule 3

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 3,116,461	$ 3,116,461	$ 3,116,461	$ -
Investment income (charge) - unrestricted	-	-	67,408	67,408
TOTAL REVENUES	3,116,461	3,116,461	3,183,869	67,408
EXPENDITURES				
General government	450,000	-	-	-
Allocations to other agencies	12,014,115	15,141,115	1,285,854	13,855,261
TOTAL EXPENDITURES	12,464,115	15,141,115	1,285,854	13,855,261
REVENUES OVER (UNDER) EXPENDITURES	(9,347,654)	(12,024,654)	1,898,015	13,922,669
OTHER FINANCING SOURCES (USES)				
Transfers in	9,347,654	12,024,654	2,472,167	(9,552,487)
Transfers out	-	-	(173,333)	(173,333)
TOTAL OTHER FINANCING SOURCES (USES)	9,347,654	12,024,654	2,298,834	(9,725,820)
NET CHANGE IN FUND BALANCES	-	-	4,196,849	4,196,849
Fund balances - beginning	5,920,401	5,920,401	5,920,401	-
Fund balances - ending	$ 5,920,401	$ 5,920,401	$ 10,117,250	$ 4,196,849

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

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Exchange Fund
For the Year Ended June 30, 2013 — Schedule 4

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 6,028,366	$ 6,028,366	$ 6,028,366	$ -
Investment income (charge) - unrestricted	-	-	582,286	582,286
TOTAL REVENUES	6,028,366	6,028,366	6,610,652	582,286
EXPENDITURES				
Allocations to other agencies	6,118,511	6,118,511	-	6,118,511
TOTAL EXPENDITURES	6,118,511	6,118,511	-	6,118,511
REVENUES OVER (UNDER) EXPENDITURES	(90,145)	(90,145)	6,610,652	6,700,797
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(87,178)	(87,178)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(87,178)	(87,178)
NET CHANGE IN FUND BALANCES	(90,145)	(90,145)	6,523,474	6,613,619
Fund balances - beginning	8,073,001	8,073,001	8,073,001	-
Fund balances - ending	$ 7,982,856	$ 7,982,856	$ 14,596,475	$ 6,613,619

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

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - BART Car Exchange Fund
For the Year Ended June 30, 2013 — Schedule 5

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 23,979,594	$ 23,979,594	$ 23,979,594	$ -
Investment income - restricted	-	-	144,217	144,217
TOTAL REVENUES	23,979,594	23,979,594	24,123,811	144,217
EXPENDITURES				
General government	-	-	2,280	(2,280)
Allocations to other agencies	15,500,000	15,500,000	15,500,000	-
TOTAL EXPENDITURES	15,500,000	15,500,000	15,502,280	(2,280)
NET CHANGE IN FUND BALANCES	8,479,594	8,479,594	8,621,531	141,937
Fund balances - beginning	120,450,263	120,450,263	120,450,263	-
Fund balances - ending	$ 128,929,857	$ 128,929,857	$ 129,071,794	$ 141,937

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

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Feeder Bus Fund
For the Year Ended June 30, 2013 — Schedule 6

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income (charge) - unrestricted	$ -	$ -	$ 148	$ 148
TOTAL REVENUES	-	-	148	148
NET CHANGE IN FUND BALANCES	-	-	148	148
Fund balances - beginning	167,982	167,982	167,982	-
Fund balances - ending	$ 167,982	$ 167,982	$ 168,130	$ 148

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

Metropolitan Transportation Commission

Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Prop 1B Fund

For the Year Ended June 30, 2013 — Schedule 7

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income (charge) - unrestricted	$ -	$ -	$ 5,315	$ 5,315
TOTAL REVENUES	-	-	5,315	5,315
EXPENDITURES				
General government	6,387,603	6,387,603	1,610,607	4,776,996
TOTAL EXPENDITURES	6,387,603	6,387,603	1,610,607	4,776,996
REVENUES OVER (UNDER) EXPENDITURES	(6,387,603)	(6,387,603)	(1,605,292)	4,782,311
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	83,909	83,909
TOTAL OTHER FINANCING SOURCES (USES)	-	-	83,909	83,909
NET CHANGE IN FUND BALANCES	(6,387,603)	(6,387,603)	(1,521,383)	4,866,220
Fund balances - beginning	6,387,603	6,387,603	6,387,603	-
Fund balances - ending	$ -	$ -	$ 4,866,220	$ 4,866,220

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

Metropolitan Transportation Commission
Schedule of Expenditures by Natural Classification
For the Year Ended June 30, 2013 — Schedule 8

Expenditures by natural classification	
Salaries & benefits	$ 18,746,980
Travel	121,093
Professional fees	35,775,005
Overhead	1,810,837
Printing & reproduction	244,663
Other	413,556
Reported as General government expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds[(1)]	$ 57,112,134
Salaries & benefits - MTC Governmental	$ 18,746,980
Salaries & benefits - MTC Clipper®	1,849,091
Salaries & benefits - BATA	6,618,236
Salaries & benefits - SAFE	1,851,646
Salaries & benefits - BAHA	575,201
Total salaries & benefits	$ 29,641,154
Indirect Cost - MTC Governmental	$ 8,558,206
Indirect Cost - MTC Clipper®	916,595
Indirect Cost - SAFE	917,861
Indirect Cost - BAHA	284,084
Total Indirect Cost Recovered	$ 10,676,746
[(1)]General government expenditures - by Fund	
General Fund	53,988,135
Capital Projects	1,513,391
Special Revenue - Prop 1B	1,610,607
Total General government expenditures	$ 57,112,133

Metropolitan Transportation Commission
Schedule of Overhead, Salaries and Benefits Expenditures - Governmental Funds
For the Year Ended June 30, 2013 — Schedule 9

	Direct Costs*	Allowable Indirect Costs	Unallowable Costs	Total
Salaries	$ 12,039,182	$ 4,472,986	$ -	$ 16,512,168
Benefits	9,575,254	3,450,331	103,401	13,128,986
Total salaries and benefits	$ 21,614,436	$ 7,923,317	$ 103,401	$ 29,641,154
Reimbursable overhead:**				
Agency Temps		108,133	-	108,133
Training		47,263	37,090	84,353
Personnel recruitment		123,145	-	123,145
Public hearing		50,568	-	50,568
Advertising		95,615	-	95,615
Communications		182,780	-	182,780
Utilities		143,755	-	143,755
Meeting room rental		27,639	-	27,639
Equipment rental		20,495	-	20,495
Parking rental		13,911	-	13,911
Storage rental		41,932	-	41,932
Computer maintenance & repair		41,848	-	41,848
Auto expense		36,223	-	36,223
Equipment maintenance & repair		339	-	339
General maintenance		5,055	-	5,055
Janitorial service		96,509	-	96,509
Office supplies		120,645	-	120,645
Printing & graphics supplies		39,307	-	39,307
Computer supplies		26,423	-	26,423
Computer software		719,421	-	719,421
Computer hardware		123,221	-	123,221
Furnitures & fixtures		2,571	-	2,571
Postage & mailing		48,652	-	48,652
Memberships		33,535	48,179	81,714
Library acquisitions & subscriptions		38,900	2,872	41,772
Law library		27,441	-	27,441
Computer time & services		22,697	-	22,697
Advisory member stipend		15,450	67,999	83,449
Audit fees		204,122	166,348	370,470
Newswire service		20,746	-	20,746
Insurance		145,462	-	145,462
Other		149	146,103	146,252
Miscellaneous		-	47,913	47,913
Travel		37,036	190,807	227,843
Professional Fees		106,585	-	106,585
Bldg Maintenance		454,493	-	454,493
Subtotal Indirect Costs		3,222,066	707,311	3,929,377
Carry forward provision for fiscal June 30, 2011		(884,338)	-	(884,338)
Depreciation expense		779,255	-	779,255
Total indirect costs including depreciation expense		$ 3,116,983	$ 707,311	$ 3,824,294
Indirect Cost Recovered***		$ 10,676,746		
Indirect (Over)/Under Absorbed		$ 363,554		

*Direct Costs include BATA, SAFE, and BAHA Salaries and Benefits per Indirect Cost Plan for fiscal 2013.
** Overhead distributed to BATA, SAFE, and BAHA per Indirect Cost Plan for fiscal 2013.
*** Indirect Costs Recovered at 49.57 per Indirect Cost Plan for fiscal 2013.

Metropolitan Transportation Commission
Schedule of Expenditures - Federal Highway Administration Grant
No. 10OWPMTC
For the Year Ended June 30, 2013 — Schedule 10

	ABAG	MTC	Total
Authorized Expenditures			
Federal	$ -	$ 742,807	$ 742,807
Local Match *	-	96,239	96,239
Total authorized expenditures	-	839,046	839,046
Actual Expenditures *			
MTC			
Program No. Program Name			
1122 Travel Models and Data	-	716,506	716,506
Balance of Federal Highway Administration Grant	$ -	$ 26,301	$ 26,301

*Expenditures reported at federal reimbursement rate (88.53%)

Metropolitan Transportation Commission
Toll Bridge Rate Schedule
By Fiscal Year Schedule 11

Number of Axles Per Vehicle	Toll Rate for Fiscal Year Ending June 30, 2011	2012	2013
2 axles	$ 5.00 *	$ 5.00 *	$ 5.00 *
3 axles	6.00	10.50	15.00
4 axles	8.25	14.00	20.00
5 axles	11.25	18.00	25.00
6 axles	12.00	21.00	30.00
7 axles or more	13.50	24.25	35.00

* During peak hours on all bridges, a reduced-rate toll of $2.50 is collected on high-occupancy and inherently-low-emission two-axle vehicles. On the San Francisco-Oakland Bay Bridge, a weekday toll of $6.00 is collected on all other two-axle vehicles during peak hours, and a weekday toll of $4.00 is collected on all two-axle vehicles during non-peak hours.

Metropolitan Transportation Commission
Schedule of Computations Demonstrating
Bond Covenant Compliance - BATA Proprietary Fund
For the Year Ended June 30, 2013 — Schedule 12

	2013
Revenue	
Toll revenues collected	$ 652,975,339
Investment income	53,707,358
BABs interest subsidy	72,065,403
Other operating revenues	16,117,138
Transfers from MTC	390,000
Total revenue	795,255,238
Operating expenses	
Operating expenses incurred by Caltrans	24,617,098
Operating expenses - Transbay JPA	3,491,022
Services and charges - BATA	64,724,502
Total operating before depreciation and amortization	92,832,622
Depreciation and amortization	3,900,766
Total operating expenses	96,733,388
Net operating income	698,521,850
Nonoperating expenses (revenues)	
Interest expense	400,483,838
Financing fees	10,853,862
Bond issuance costs	15,967,283
Caltrans/ other agency operating grants	(171,030,693)
Other nonoperating revenues	(650,637)
Total nonoperating expenses (revenues)	255,623,653
Income before operating transfers	442,898,197
Operating transfers	
Metropolitan Transportation Commission administrative & operating transfers	9,484,780
Metropolitan Transportation Commission transit transfers	
AB 664 expenses	10,487,622
90% rail expenses	8,515,346
2% transit expenses	2,472,167
Allocations to other agencies (RM2)	39,661,565
Total operating transfers	70,621,480
Net income before capital transfers	372,276,717
Capital project expense	
Distribution to Caltrans for their capital purposes	389,550,464
Distribution to other agencies for their capital purposes	187,415,814
Distribution to MTC	1,479,277
Contribution to Bay Area HQ Authority	48,780,971
Total capital project expense	627,226,526
Change in net position	(254,949,809)
Total net position - beginning	(5,127,322,443)
Total net position - ending	$ (5,382,272,252)

Metropolitan Transportation Commission
Schedule of Computations Demonstrating
Bond Covenant Compliance - BATA Proprietary Fund, *continued*
For the Year Ended June 30, 2013 — Schedule 12

	2013
Senior Bond - Debt Service Covenant	
Net revenue[1]	$ 647,886,426
Debt service[2]	$ 256,775,342
Debt service coverage[4]	2.52
Debt service coverage - bond covenant requirement	1.20
Net revenue[1] plus operations & maintenance reserve	$ 722,886,426
Fixed charges[5], operating transfer and costs[7]	$ 309,412,709
Fixed charge coverage	2.34
Fixed charge coverage - bond covenant requirement	1.25
Combined Bonds - Debt Service Covenant	
Net revenue[1]	$ 647,886,426
Debt service[3,10], operating transfer and costs[7]	$ 437,107,060
Sum sufficient coverage	1.48
Sum sufficient coverage - bond covenant requirement	1.00
Net revenue[1,6]	$ 584,301,006
Debt service[3]	$ 368,958,434
Subordinate debt service coverage	1.58
Subordinate debt service coverage - bond covenant requirement	1.20
Self insurance reserve - Caltrans Cooperative Agreement[9]	$ 50,000,000
Operations & maintenance reserve[8,9]	$ 150,000,000
Rehabilitation reserve[9]	$ 120,000,000
Project/operating reserves & variable rate risk reserve[9]	$ 680,000,000

1 Total revenue includes interest earnings less Caltrans operating expenses, BABs interest subsidy, and the change in derivative investment of $50,686,311.
2 Senior bond interest expense less BABs interest subsidy on senior bonds plus principal retirement of $40,540,000.
3 Total bond interest expense less BABs interest subsidy plus principal retirement of $40,540,000.
4 Based on debt outstanding from May 24, 2001 to June 3, 2013.
5 Fixed charges comprise debt service and operating transfers.
6 Net revenues less Maintenance A transfer and BATA service charges.
7 Operating transfer and costs include RM 2 operating costs less amortization of Transit Transfer to MTC (Transit Transfer obligation for the next 48 years was fulfilled in early September 2010).
8 Minimum required operation & maintenance is $75 million, but currently maintained at $150 million.
9 Designated reserve through BATA resolution.
10 Debt service includes Maintenance A transfer.

Metropolitan Transportation Commission

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

For the Year Ended June 30, 2013

Schedule 13

	Carquinez Bridge	Benicia - Martinez Bridge	Antioch Bridge	Richmond - San Rafael Bridge	San Francisco - Oakland Bay Bridge	San Mateo - Hayward Bridge	Dumbarton Bridge	Total	
Operating revenues									
Toll revenues collected	$ 112,580,359	$ 101,036,856	$ 12,449,046	$ 68,770,541	$ 221,544,298	$ 85,968,027	$ 50,626,212	$ 652,975,339	*
Other operating revenues	2,612,406	2,700,513	274,197	1,572,707	5,884,827	1,988,183	1,084,305	16,117,138	
Total operating revenues	115,192,765	103,737,369	12,723,243	70,343,248	227,429,125	87,956,210	51,710,517	669,092,477	
Operating expenses									
Operating expenditures-by Caltrans & Transbay JPA	4,005,296	3,810,900	1,433,053	2,560,356	10,826,268	3,259,857	2,212,390	28,108,120	
Services and charges	11,159,239	10,015,019	1,233,980	6,816,703	21,960,009	8,521,360	5,018,193	64,724,503	
Allocations to other agencies	6,838,104	6,136,954	756,152	4,177,106	13,456,547	5,221,677	3,075,024	39,661,564	
Depreciation	671,566	604,782	74,176	410,097	1,325,897	512,779	301,469	3,900,766	
Total operating expenses	22,674,205	20,567,655	3,497,361	13,964,262	47,568,721	17,515,673	10,607,076	136,394,953	
Operating income	$ 92,518,560	$ 83,169,714	$ 9,225,882	$ 56,378,986	$ 179,860,404	$ 70,440,537	$ 41,103,441	$ 532,697,524	
*Toll revenues by Program									
Regional Measure 1 (RM 1)	25,011,111	21,763,522	2,824,298	14,743,921	47,067,012	18,553,420	10,752,014	140,715,298	
Regional Measure 2 (RM 2)	19,122,111	17,868,594	1,995,813	12,301,805	41,272,539	15,355,733	9,304,984	117,221,579	
Seismic Program	68,447,137	61,404,740	7,628,935	41,724,815	133,204,747	52,058,874	30,569,214	395,038,462	
Total Toll Revenues	$ 112,580,359	$ 101,036,856	$ 12,449,046	$ 68,770,541	$ 221,544,298	$ 85,968,027	$ 50,626,212	$ 652,975,339	

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds
For the Year Ended June 30, 2013 — Schedule 14

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
County of Alameda				
Assets				
Cash and investments	$ 19,351,222	$ 76,772,688	$ 76,240,013	$ 19,883,897
Interest receivables	10,000	7,805	10,000	7,805
Total Assets	$ 19,361,222	$ 76,780,493	$ 76,250,013	$ 19,891,702
Liabilities				
Accounts payable and accrued liabilities	$ 2,069,306	$ 76,371,429	$ 77,459,073	$ 981,662
Due to other governments	17,291,916	409,064	(1,209,060)	18,910,040
Total Liabilities	$ 19,361,222	$ 76,780,493	$ 76,250,013	$ 19,891,702
County of Contra Costa				
Assets				
Cash and investments	$ 13,311,459	$ 37,649,916	$ 34,295,115	$ 16,666,260
Total Assets	$ 13,311,459	$ 37,649,916	$ 34,295,115	$ 16,666,260
Liabilities				
Accounts payable and accrued liabilities	$ 639,216	$ 32,217,962	$ 32,534,060	$ 323,118
Due to other governments	12,672,243	5,431,954	1,761,055	16,343,142
Total Liabilities	$ 13,311,459	$ 37,649,916	$ 34,295,115	$ 16,666,260
County of Marin				
Assets				
Cash and investments	$ 900,775	$ 11,048,209	$ 10,683,572	$ 1,265,412
Interest receivables	382	293	382	293
Total Assets	$ 901,157	$ 11,048,502	$ 10,683,954	$ 1,265,705
Liabilities				
Accounts payable and accrued liabilities	$ -	$ 10,214,128	$ 10,214,128	$ -
Due to other governments	901,157	834,374	469,826	1,265,705
Total Liabilities	$ 901,157	$ 11,048,502	$ 10,683,954	$ 1,265,705
County of Napa				
Assets				
Cash and investments	$ 14,803,185	$ 8,583,515	$ 12,629,093	$ 10,757,607
Total Assets	$ 14,803,185	$ 8,583,515	$ 12,629,093	$ 10,757,607
Liabilities				
Accounts payable and accrued liabilities	$ 462,538	$ 12,038,480	$ 12,264,325	$ 236,693
Due to other governments	14,340,647	(3,454,965)	364,768	10,520,914
Total Liabilities	$ 14,803,185	$ 8,583,515	$ 12,629,093	$ 10,757,607

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds, *continued*
For the Year Ended June 30, 2013 — Schedule 14

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
County of San Francisco				
Assets				
Cash and investments	$ 6,900,263	$ 45,712,675	$ 49,706,289	$ 2,906,649
Interest receivables	-	2,111	-	2,111
Total Assets	$ 6,900,263	$ 45,714,786	$ 49,706,289	$ 2,908,760
Liabilities				
Accounts payable and accrued liabilities	$ 479,159	$ 48,927,261	$ 48,996,937	$ 409,483
Due to other governments	6,421,104	(3,212,475)	709,352	2,499,277
Total Liabilities	$ 6,900,263	$ 45,714,786	$ 49,706,289	$ 2,908,760
County of San Mateo				
Assets				
Cash and investments	$ 9,385,441	$ 39,697,197	$ 43,161,897	$ 5,920,741
Accounts receivables	14,667	-	14,667	-
Interest receivables	13,484	5,179	13,484	5,179
Total Assets	$ 9,413,592	$ 39,702,376	$ 43,190,048	$ 5,925,920
Liabilities				
Accounts payable and accrued liabilities	$ 4,130,991	$ 41,999,576	$ 45,998,010	$ 132,557
Due to other governments	5,282,601	(2,297,200)	(2,807,962)	5,793,363
Total Liabilities	$ 9,413,592	$ 39,702,376	$ 43,190,048	$ 5,925,920
County of Santa Clara				
Assets				
Cash and investments	$ 11,365,506	$ 102,399,772	$ 103,555,871	$ 10,209,407
Total Assets	$ 11,365,506	$ 102,399,772	$ 103,555,871	$ 10,209,407
Liabilities				
Accounts payable and accrued liabilities	$ 7,509,164	$ 99,691,784	$ 101,849,916	$ 5,351,032
Due to other governments	3,856,342	2,707,988	1,705,955	4,858,375
Total Liabilities	$ 11,365,506	$ 102,399,772	$ 103,555,871	$ 10,209,407
County of Solano				
Assets				
Cash and investments	$ 9,609,079	$ 15,901,605	$ 15,948,756	$ 9,561,928
Account receivables	11,764	11,764	23,528	-
Total Assets	$ 9,620,843	$ 15,913,369	$ 15,972,284	$ 9,561,928
Liabilities				
Accounts payable and accrued liabilities	$ 815,407	$ 16,195,138	$ 15,242,059	$ 1,768,486
Due to other governments	8,805,436	(281,769)	730,225	7,793,442
Total Liabilities	$ 9,620,843	$ 15,913,369	$ 15,972,284	$ 9,561,928

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds, *continued*
For the Year Ended June 30, 2013 — Schedule 14

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
County of Sonoma				
Assets				
Cash and investments	$ 11,543,712	$ 19,242,224	$ 18,343,118	$ 12,442,818
Total Assets	$ 11,543,712	$ 19,242,224	$ 18,343,118	$ 12,442,818
Liabilities				
Accounts payable and accrued liabilities	$ 158,463	$ 19,578,639	$ 17,451,130	$ 2,285,972
Due to other governments	11,385,249	(336,415)	891,988	10,156,846
Total Liabilities	$ 11,543,712	$ 19,242,224	$ 18,343,118	$ 12,442,818
AB1107				
Assets				
Cash	$ -	$ 69,624,931	$ 69,624,931	$ -
Total Assets	$ -	$ 69,624,931	$ 69,624,931	$ -
Liabilities				
Accounts payable and accrued liabilities	$ -	$ 69,624,931	$ 69,624,931	$ -
Total Liabilities	$ -	$ 69,624,931	$ 69,624,931	$ -
Clipper®				
Assets				
Cash	$ 20,240,245	$ 316,043,242	$ 308,751,001	$ 27,532,486
Account receivables	9,152,818	746,301,647	741,398,830	14,055,635
Total Assets	$ 29,393,063	$ 1,062,344,889	$1,050,149,831	$ 41,588,121
Liabilities				
Accounts payable and accrued liabilities	$ 29,393,063	$ 723,040,712	$ 710,845,654	$ 41,588,121
Total Liabilities	$ 29,393,063	$ 723,040,712	$ 710,845,654	$ 41,588,121
Total - All Agency Funds				
Assets				
Cash and investments	117,410,887	$ 742,675,974	$ 742,939,656	$ 117,147,205
Interest receivables	23,866	15,388	23,866	15,388
Account receivables	9,179,249	746,313,411	741,437,025	14,055,635
Total Assets	$ 126,614,002	$ 1,489,004,773	$1,484,400,547	$ 131,218,228
Liabilities				
Accounts payable and accrued liabilities	$ 45,657,307	$ 1,149,900,040	$1,142,480,223	$ 53,077,124
Due to other governments	80,956,695	(199,444)	2,616,147	78,141,104
Total Liabilities	$ 126,614,002	$ 1,149,700,596	$1,145,096,370	$ 131,218,228

Metropolitan Transportation Commission
Statement of Cash Collection and Disbursement - Agency Fund
Clipper® Program
For the Year Ended June 30, 2013 — Schedule 15

Cash Collection		
Autoload and Remote Add Value	$	168,874,258
Third Party		141,392,977
Other Receipts		5,776,007
Total Cash Collection		316,043,242
Cash Disbursement		
Disbursement to Operator		299,755,248
Patron Refunds		4,504,361
Other Disbursements		4,491,392
Total Cash Disbursement		308,751,001
Net Increase in Cash		7,292,241
Cash - beginning balance		20,240,245
Cash - ending balance	$	27,532,486

Metropolitan Transportation Commission
Schedule of Interest Rate Swap Summary-BATA Proprietary Fund
For the Year Ended June 30, 2013 Schedule 16

Counterparty	Series 2001	Series 2006	Series 2007	Series 2008 F-1	Total	Percentage by Counterparty	Ratings (S&P/Moodys)
Citibank, N.A.	$ -	$ 115,000,000	$ 260,000,000	$ -	$ 375,000,000	19%	A/A3
Wells Fargo Bank, N.A.	75,000,000	110,000,000	-	-	185,000,000	10%	AA-/Aa3
JP Morgan Chase Bank, N.A.	-	245,000,000	-	139,100,000	384,100,000	20%	A+/Aa3
Bank of America, N.A.	-	155,000,000	50,000,000	200,000,000	405,000,000	21%	A/A3
Goldman Sachs Mitsui Marine Derivative Products	-	60,000,000	85,000,000	-	145,000,000	8%	AAA/Aa2
Bank of New York Mellon, N. A.	-	-	210,000,000	146,445,000	356,445,000	18%	AA-/Aa1
Morgan Stanley Capital Services	75,000,000	-	-	-	75,000,000	4%	A-/Baa1
Total Swap Notional	$ 150,000,000	$ 685,000,000	$ 605,000,000	$ 485,545,000	$ 1,925,545,000		
Termination Value	$ (45,389,193)	$ (161,876,103)	$ (137,850,211)	$ 12,619,827	$ (332,495,680)		

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2001 - BATA Proprietary Fund
For the Year Ended June 30, 2013 Schedule 17

	Series 2001 A	Series 2001 A	Total
Notional Amount	$75,000,000	$75,000,000	$150,000,000
Trade Date	1/10/2002	5/20/2011	
Effective Date	1/14/2002	5/2/2011	
Swap Mode	65% One Mth LIBOR[1]	65% One Mth LIBOR	
Maturity	4/1/2036	4/1/2036	
Basis Cost	Yes	Yes	
Swap Cost	4.09%	4.10%	
Counterparty (CP)	Morgan Stanley Capital Services	Wells Fargo Bank, N.A.	
S&P/Moodys Ratings	A-/Baal	AA-/Aa3	
Ratings Outlook/Watch	Negative/Negative	Stable/Stable	
Termination Value Due from/(to) CP	$(22,637,576)	$(22,751,617)	$(45,389,193)
Credit Risk			
CP Collateral Posting[2]			
1a) CP = to or > "A-" and below "AA-" (S&P)	Yes	No	
OR			
1b) CP = to or > "A3" and below "Aa3" (Moodys)	No	No	
and			
2) Termination Value >$10 million	No	No	
OR			
CP Collateral Posting[2]			
1c) CP < A- (S&P)	No	No	
OR			
1d) CP < A3 (Moodys)	Yes	No	
AND			
2) Termination Value > $0	No	No	
Ratings Termination Risk[3]			
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB+/Baa1	

[1] prior to 1/1/06 was cost of fund

[2] unilateral collateral posting by CP

[3] unilateral termination at BATA's discretion unless ratings fall below as listed

Metropolitan Transportation Commission

Schedule of Interest Rate Swap for Series 2006 - BATA Proprietary Fund

For the Year Ended June 30, 2013 — Schedule 18

	Series 2006	Series 2006	Series 2006	Series 2006	Series 2006	Series2006	Total
Notional Amount	$245,000,000	$115,000,000	$30,000,000	$110,000,000	$60,000,000	$125,000,000	$685,000,000
Trade Date	3/31/2011	3/20/2012 (3)	11/15/2005	3/20/2012	8/28/2008	9/2/2008	
Effective Date	4/1/2011	3/1/2012	2/8/2006	3/1/2012	8/28/2008	9/2/2008	
Swap Mode	75.105% One Mth LIBOR	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	
Basis Cost	Yes	Yes	Yes	Yes	Yes	Yes	
Swap Cost	4%	3.64%	3.63%	3.64%	3.64%	3.64%	
Counterparty (CP)	JP Morgan Chase Bank, N.A.	Citibank, N.A.	Bank of America, N.A.	Wells Fargo Bank, N.A.	Goldman Sachs Mitsui Marine Derivative Products	Bank of America, N.A.	
S&P/Moodys Ratings	A+/Aa3	A/A3	A/A3	AA-/Aa3	AAA/Aa2	A/A3	
Ratings Outlook/Watch	Stable/Stable	Stable/Stable	Negative/Stable	Stable/Stable	Negative/Not on Watch	Negative/Stable	
Termination Value Due from/(to) CP	$(65,361,186)	$(22,413,757)	$(7,312,403)	$(21,439,303)	$(14,707,931)	$(30,641,523)	$(161,876,103)
Credit Risk							
CP Collateral Posting[1]							
1a) CP = to or>than "A-"and below "AA-" (S&P)	Yes	Yes	Yes	No	No	Yes	
OR							
1b) CP = to or>than "A3"and below "Aa3" (Moodys)	No	Yes	Yes	No	No	Yes	
AND							
2) Termination Value>$10 million	No	No	No	No	No	No	
OR							
CP Collateral Posting[1]							
1c) Cp < A- (S&p)	No	No	No	No	No	No	
OR							
1d) CP < A3 (Moodys)	No	No	No	No	No	No	
AND							
2) Termination Value >$0	No	No	No	No	No	No	
Ratings Termination Risk (2)							
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB-/Baa3	BBB/Baa2(Insured)	BBB+/Baal	BBB+/Baa1	BBB+/Baa1	

[1] unilateral collateral posting by CP
[2] unilateral termination at BATA's discretion unless ratings fall below as listed
[3] amended and restated for novation, original trade date was 11/15/2005

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2007 - BATA Proprietary Fund
For the Year Ended June 30, 2013 — Schedule 19

	Series 2007	Series 2007	Series 2007	Series 2007	Series 2007	Total
Notional Amount	$260,000,000	$50,000,000	$85,000,000	$170,000,000	$40,000,000	$605,000,000
Trade Date	11/30/2005	11/30/2005	8/28/2008	9/2/2008	9/2/2008	
Effective Date	11/1/2007	11/1/2007	8/28/2008	9/2/2008	9/2/2008	
Swap Mode	53.8% One Mth LIBOR + 0.74%	68% One Mth LIBOR	68% One Mth LIBOR	68% One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2047	4/1/2047	
Basis Cost	Yes	Yes	Yes	Yes	Yes	
Swap Cost	3.64%	3.63%	3.64%	3.64%	3.64%	
Counterparty (CP)	Citibank, N.A.	Bank of America, N.A.	GoldmanSachs Mitsui Marine Derivative Products	Bank of New York Mellon, N. A.	Bank of New York Mellon, N. A.	
S&P/Moodys Ratings	A/A3	A/A3	AAA/Aa2	AA-/Aal	AA-/Aa1	
Ratings Outlook/Watch	Stable/Stable	Negative/Stable	Negative/Not on Watch	Stable/Stable (3)	Stable/Stable (3)	
Termination Value Due from/(to) CP	$(51,805,524)	$(12,397,670)	$(21,220,112)	$(42,439,972)	$(9,986,933)	$ (137,850,211)
Credit Risk						
CP Collateral Posting[1]						
1a) CP = to or>than "A-"and below "AA-" (S&P)	Yes	Yes	No	No	No	
OR						
1b) CP = to or>than "A3"and below "Aa3" (Moodys)	Yes	Yes	No	No	No	
AND						
2) Termination Value > $10 million	No	No	No	No	No	
OR						
CP Collateral Posting [1]						
1c) CP <A- (S&P)	No	No	No	No	No	
OR						
1d) CP <A3 (Moodys)	No	No	No	No	No	
AND						
2) Termination Value >$0	No	No	No	No	No	
Ratings Termination Risk[2]						
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB/Baa2 (Insured)	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

(1) unilateral collateral posting by CP
(2) unilateral termination at BATA's discretion unless ratings fall below as listed
(3) put on negative watch July 2013

Metropolitan Transportation Commission
Schedule of SIFMA Rate Swaps for Series 2008 F-1 - BATA Proprietary Fund
For the Year Ended June 30, 2013 — Schedule 20

	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Total
Notional Amount	$139,100,000	$146,445,000	$40,000,000	$160,000,000	$485,545,000
Trade Date	3/31/2011	3/30/2011	3/30/2011	3/29/2011	
Effective Date	4/1/2011	4/1/2011	4/1/2011	4/1/2011	
Swap Fix Receiver Rate	3.71%	3.79%	3.76%	3.70%	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2045	
Basis Cost	No	No	No	No	
Swap Payer Index	SIFMA	SIFMA	SIFMA	SIFMA	
Counterparty (CP)	JP Morgan Chase Bank, N.A.	Bank of New York Mellon	Bank of America, N.A.	Bank of America, N.A.	
S&P/Moodys Ratings	A+/Aa3	AA-/Aa1	A/A3	A/A3	
Ratings Outlook/Watch	Stable/Stable	Stable/Stable (3)	Negative/Stable	Negative/Stable	
Termination Value Due from/(to) CP	$3,774,252	$3,933,317	$909,037	$4,003,221	$12,619,827
Credit Risk					
CP Collateral Posting[1]					
1a) CP = to or>than "A-"and below "AA-" (S&P)	Yes	No	Yes	Yes	
OR					
1b) CP = to or>than "A3"and below "Aa3" (Moodys)	No	No	Yes	Yes	
AND					
2) Termination Value > $10 million	No	No	No	No	
OR					
CP Collateral Posting[1]					
1c) CP <A- (S&P)	No	No	No	No	
OR					
1d) CP <A3 (Moodys)	No	No	No	No	
AND					
2) Termination Value > $0	Yes	Yes	Yes	Yes	
Ratings Termination Risk[2]					
CP can terminate if BATA's Sr Bond Ratings					
(S&P or Moodys) is below	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

(1) unilateral collateral posting by CP
(2) unilateral termination at BATA's discretion with 15 days' notice unless ratings fall as listed. CP has one time termination option on 4/1/2014
(3) put on negative watch July 2013

STATISTICAL SECTION

This part of the MTC's comprehensive annual financial report presents detailed information to aid in understanding information contained in the financial statements, note disclosures, and required supplementary information. Some tables are not presented with 10 years of data as the information was not available for these periods.

Contents **Page**

Metropolitan Transportation Commission
Net Position by Component ($000) (unaudited)
By Fiscal Year
Table 1

	FISCAL YEAR									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010***	**2011***	**2012**	**2013**
Govermental activities										
Invested in capital assets, net of related debt	$ 2,946	$ 6,051	$ 5,827	$ 6,015	$ 8,768	$ 8,393	$ 7,936	$ 7,277	$ 6,712	$ 6,134
Restricted	116,532	104,451	117,117	157,234	337,420	329,243	467,544	332,378	406,868	376,343
Unrestricted	35,169	49,795	50,970	130,205	(33,269)	(29,911)	(21,259)	(6,534)	(3,388)	23,983
Total governmental activities net position	154,647	160,297	173,914	293,454	312,919	307,725	454,221	333,121	410,192	406,460
Business-type activities										
Invested in capital assets, net of related debt	$ 1,886	$ 4,895	$ 5,539	$ 5,596	$ 8,206	$ 12,779	$ 18,199	$ 17,825	$ 19,192	$ 23,112
Restricted	175,000	257,670	643,444	691,735	338,458	293,873	200,000	200,000	200,000	200,000
Unrestricted	(320,399)	(592,302)	(1,914,340)	(2,347,410)	(2,549,520)	(3,304,407)	(4,014,079)	(4,744,006)	(5,329,066)	(5,585,985)
Total business-type activities net position	(143,513)	(329,737)	(1,265,357)	(1,650,079)	(2,202,856)	(2,997,755)	(3,795,880)	(4,526,181)	(5,109,874)	(5,362,873)
Total Primary government										
Invested in capital assets, net of related debt	$ 4,832	$ 10,946	$ 11,366	$ 11,611	$ 16,974	$ 21,172	$ 26,135	$ 25,102	$ 25,904	$ 29,246
Restricted	291,532	362,121	760,560	848,969	675,878	623,116	667,544	532,378	606,868	576,343
Unrestricted	(285,230)	(542,507)	(1,863,369)	(2,217,205)	(2,582,789)	(3,334,318)	(4,035,338)	(4,750,540)	(5,332,454)	(5,562,002)
Total Primary Government net position	11,134	(169,440)	(1,091,443)	(1,356,625)	(1,889,937)	(2,690,030)	(3,341,659)	(4,193,060)	(4,699,682)	(4,956,413)

*Fiscal 2010 and 2011 have been revised in accordance with the implementation guidance in GASB Statement No. 62, *Codifications of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Fiscal years 2003 through 2009 have not been restated as permitted by the standards.

Metropolitan Transportation Commission

Changes in Net Position ($000) (unaudited)

By Fiscal Year

Table 2

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010*	2011*	2012	2013
Expenses										
Governmental activities:										
General government	$ 47,238	$ 47,452	$ 63,297	$ 93,884	$ 85,203	$ 86,672	$ 97,260	$ 78,611	$ 77,165	$ 69,123
Transportation	81,873	71,885	87,731	145,647	152,999	99,154	54,852	149,092	124,269	210,916
Total governmental activities expenses	129,111	119,337	151,028	239,531	238,202	185,826	152,112	227,703	201,434	280,039
Business-type activities:										
Clipper smart card	-	-	-	-	-	-	-	52,048	34,846	38,319
Toll bridge activities	451,930	433,703	617,546	1,155,916	1,234,968	1,299,135	1,300,850	1,569,444	1,352,120	1,189,447
Congestion relief	10,869	11,789	12,402	16,892	13,675	14,363	17,309	17,939	18,693	17,763
Total business-type activities expenses	462,799	445,492	629,948	1,172,808	1,248,643	1,313,498	1,318,159	1,639,431	1,405,659	1,245,529
Total primary government expenses	$ 591,910	$ 564,829	$ 780,976	$1,412,339	$ 1,486,845	$ 1,499,324	$ 1,470,271	$ 1,867,134	$1,607,093	$ 1,525,568
Program Revenues										
Governmental activities:										
Charges for services										
Operating grants and contributions	$ 49,974	$ 50,165	$ 57,641	$ 320,311	$ 207,496	$ 85,048	$ 249,436	$ 74,274	$ 245,171	$ 250,529
Capital grants and contributions	42,344	44,957	70,770	-	9,858	61,796	10,673	-	-	-
Total governmental activities program revenues	92,318	95,122	128,411	320,311	217,354	146,844	260,109	74,274	245,171	250,529
Business-type activities:										
Charges for services	152,937	256,466	293,000	434,341	497,712	492,963	486,889	622,906	660,156	690,181
Operating grants and contributions	6,718	8,130	8,868	283,082	110,372	53,490	131,872	281,918	263,080	272,281
Capital grants and contributions	-	-	499,403	1,235	-	-	-	327	-	-
Total business-type activities program revenues	159,655	264,596	801,271	718,658	608,084	546,453	618,761	905,151	923,236	962,462
Total primary government program revenues	$ 251,973	$ 359,718	$ 929,682	$1,038,969	$ 825,438	$ 693,297	$ 878,870	$ 979,425	$1,168,407	$ 1,212,991
Net (expense)/revenue										
Governmental activities	$ (36,793)	$ (24,215)	$ (22,617)	$ 80,780	$ (20,848)	$ (38,982)	$ 107,997	$ (153,429)	$ 43,737	$ (29,510)
Business-type activities	(303,144)	(180,896)	171,323	(454,150)	(640,559)	(767,045)	(699,398)	(734,280)	(482,423)	(283,067)
Total primary government net expense	$(339,937)	$(205,111)	$ 148,706	$ (373,370)	$ (661,407)	$ (806,027)	$ (591,401)	$ (887,709)	$ (438,686)	$ (312,577)

*Fiscal 2010 and 2011 have been revised in accordance with the implementation guidance in GASB Statement No. 62, *Codifications of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Fiscal years 2003 through 2009 have not been restated as permitted by the standards.

Metropolitan Transportation Commission
Changes in Net Position ($000) (unaudited), *continued*
By Fiscal Year — Table 2

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010*	2011*	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Restricted investment earnings	$ 1,090	$ 2,791	$ 3,996	$ 9,498	$ 1,454	$ 784	$ 222	$ 408	$ 204	$ 144
Unrestricted investment earnings	-	-	-	1,410	9,936	5,002	1,963	2,448	2,416	1,988
Transfers	26,298	27,074	32,238	27,852	28,922	28,003	36,314	29,473	30,714	23,645
Total governmental activities	27,388	29,865	36,234	38,760	40,312	33,789	38,499	32,329	33,334	25,777
Business-type activities:										
Unrestricted investment earnings	11,185	21,746	44,857	97,280	116,704	149	(14,866)	33,452	(70,557)	53,714
Contributed capital	2,397	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	(1,119,562)	-	-	-	-	-	-	-
Transfers	(26,298)	(27,074)	(32,238)	(27,852)	(28,922)	(28,003)	(36,314)	(29,473)	(30,714)	(23,645)
Total business-type activities	(12,716)	(5,328)	(1,106,943)	69,428	87,782	(27,854)	(51,180)	3,979	(101,271)	30,069
Total primary government	$ 14,672	$ 24,537	$(1,070,709)	$ 108,188	$ 128,094	$ 5,935	$ (12,681)	$ 36,308	$ (67,937)	$ 55,846
Change in Net Position										
Governmental activities	$ (9,405)	$ 5,650	$ 13,617	$ 119,540	$ 19,465	$ (5,194)	$ 146,496	$ (121,100)	$ 77,072	$ (3,733)
Business-type activities	(315,860)	(186,224)	(935,620)	(384,722)	(552,777)	(794,899)	(750,578)	(730,301)	(583,694)	(252,998)
Total primary government	$ (325,265)	$ (180,574)	$ (922,003)	$ (265,182)	$ (533,312)	$ (800,093)	$ (604,082)	$ (851,401)	$ (506,622)	$ (256,731)

*Fiscal 2010 and 2011 have been revised in accordance with the implementation guidance in GASB Statement No. 62, *Codifications of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Fiscal years 2003 through 2009 have not been restated as permitted by the standards

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

Table 3

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	$ 20,310	$ 15,647	$ 15,186	$ 13,949	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	4,133	5,591	8,832	12,870	-	-	-	-	-	-
Total general fund	$ 24,443	$ 21,238	$ 24,018	$ 26,819	$ -	$ -	$ -	$ -	$ -	$ -
All other governmental funds										
Reserved	$ 48,413	$ 43,938	$ 44,931	$ 97,455	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	96	-	-	-	-	-	-
Special revenue funds	31,072	35,032	44,556	117,239	-	-	-	-	-	-
Total all other governmental funds	$ 79,485	$ 78,970	$ 89,487	$ 214,790	$ -	$ -	$ -	$ -	$ -	$ -
General fund										
Nonspendable	$ -	$ -	$ -	$ -	$ 408	$ 593	$ 763	$ 918	$ 1,037	$ 1,033
Restricted for	-	-	-	-	4,175	5,086	2,734	1,954	2,389	1,254
Committed to	-	-	-	-	3,002	3,836	4,960	2,855	3,992	1,961
Unassigned	-	-	-	-	11,676	10,210	11,009	17,834	20,363	26,641
Total general fund	$ -	$ -	$ -	$ -	$ 19,261	$ 19,725	$ 19,466	$ 23,561	$ 27,781	$ 30,889
All other governmental fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted for	-	-	-	-	272,730	268,794	415,129	290,757	362,492	349,615
Committed to	-	-	-	-	7,372	6,550	7,573	7,509	8,573	15,096
Total all other governmental funds	$ -	$ -	$ -	$ -	$ 280,102	$ 275,344	$ 422,702	$ 298,266	$ 371,065	$ 364,711

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

Table 4

	FISCAL YEAR									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Revenues										
Sales taxes	$ 9,087	$ 9,562	$ 10,355	$ 10,626	$ 10,800	$ 9,848	$ 8,824	$ 9,644	$ 10,504	$ 11,162
Grants - Federal	30,979	32,568	37,452	44,211	50,727	41,426	63,559	48,819	50,022	45,795
Grants - State	45,821	47,339	74,084	227,809	127,565	61,796	148,976	5,392	145,788	160,060
Local agencies revenues and refunds	6,430	5,653	6,520	37,666	33,039	33,774	46,755	18,419	46,022	41,148
Investment income - unrestricted	1,090	2,791	3,997	9,498	11,346	5,002	1,963	2,448	2,416	1,988
Investment income - restricted	-	-	-	-	1,454	783	222	408	204	144
Total Revenues	93,407	97,913	132,408	329,810	234,931	152,629	270,299	85,130	254,956	260,297
Expenditures										
General government	44,958	38,805	49,945	59,182	74,153	64,358	70,100	72,612	70,376	65,175
Allocation to other agencies	91,680	81,185	95,765	156,210	163,201	107,027	66,875	162,266	138,105	221,642
Capital outlay	166	10,540	5,639	14,166	15,744	13,542	22,538	66	170	372
Total expenditures	136,804	130,530	151,349	229,558	253,098	184,927	159,513	234,944	208,651	287,189
Excess of revenues over (under) expenditures	(43,397)	(32,617)	(18,941)	100,252	(18,167)	(32,298)	110,786	(149,814)	46,305	(26,892)
Other financing sources (uses)										
Other financing source	-	-	-	-	47,000	-	-	-	-	-
Transfer in	29,964	29,375	35,980	42,543	49,778	57,683	44,195	35,310	34,468	30,666
Transfer out	(3,666)	(2,300)	(3,742)	(14,691)	(20,856)	(29,680)	(7,881)	(5,838)	(3,754)	(7,021)
Total Other financing sources (uses)	26,298	27,075	32,238	27,852	75,922	28,003	36,314	29,472	30,714	23,645
Net change in fund balances	$ (17,099)	$ (5,542)	$ 13,297	$ 128,104	$ 57,755	$ (4,295)	$ 147,100	$ (120,342)	$ 77,019	$ (3,247)

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

Table 5

		PROGRAM REVENUES			GENERAL REVENUES		
Fiscal Year		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Restricted Investment Earnings	Unrestricted Investment Earnings	Total
2003	1	$ 151,914,404	$ 46,238,665	$ 72,344,529	$ -	$ 27,557,608	$ 298,055,206
2004	-	152,936,898	47,604,184	42,343,900	-	12,274,572	255,159,554
2005	2	256,466,211	48,732,356	44,957,468	-	24,537,489	374,693,524
2006	3	292,999,899	66,509,695	570,172,943	-	48,853,834	978,536,371
2007	4	434,341,478	603,392,696	1,234,760	1,410,000	106,778,738	1,147,157,672
2008	5	497,712,304	317,868,256	9,858,000	1,454,256	126,640,261	953,533,077
2009	6	492,963,040	200,334,018	-	783,516	5,150,515	699,231,089
2010	7	486,888,891	381,308,169	10,672,699	221,925	(12,903,019)	866,188,665
2011	8	622,905,920	356,192,046	327,301	408,234	35,900,213	1,015,733,714
2012	-	660,156,182	508,251,355	-	203,961	(68,140,306)	1,100,471,192
2013	9	690,180,714	522,809,673	-	144,217	55,701,920	1,268,836,524

1 Excludes $300 million bonds proceeds
2 Excludes $300 million bond proceeds
3 Excludes $2,149 million bond proceeds
4 Excludes $811 million bond proceeds
5 Excludes $1,008 million bond proceeds
6 Excludes $708 million bond proceeds
7 Excludes $2,069 billions bonds proceeds
8 Excludes $2,385 billions bonds proceeds
9 Excludes $3,293 billions bonds proceeds

Metropolitan Transportation Commission
Primary Government Expenses by Function (unaudited)
By Fiscal Year

Table 6

Fiscal Year	General Government	Transportation	Toll Bridge Activities	Congestion Relief	Clipper®	Total
2004	$ 47,237,837	$ 81,873,193	$ 451,929,595	$ 10,869,417	$ -	$ 591,910,042
2005	47,451,629	71,885,313	433,703,072	11,788,922	-	564,828,936
2006	63,297,372	87,731,178	617,546,375	12,401,445	-	780,976,370
2007	93,884,140	145,646,986	1,155,916,387	16,891,976	-	1,412,339,489
2008	85,202,758	152,998,857	1,234,968,178	13,675,326	-	1,486,845,119
2009	86,671,886	99,153,429	1,299,135,147	14,363,137	-	1,499,323,599
2010*	97,259,761	54,851,617	1,300,850,028	17,309,069	-	1,470,270,475
2011*	78,610,828	149,092,421	1,569,444,305	17,938,280	52,047,730	1,867,133,564
2012	77,165,020	124,269,186	1,352,120,141	18,692,766	34,846,108	1,607,093,221
2013	69,122,603	210,915,679	1,189,447,185	17,762,774	38,319,247	1,525,567,488

*Fiscal 2010 and 2011 have been revised in accordance with the implementation guidance in GASB Statement No. 62, *Codifications of Accounting and Financial Reporting Guidance contained in Pre- November 30, 1989 FASB* and AICPA Pronouncements and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Fiscal 2003 through 2009 have not been restated as permitted by the standards.

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

Table 7

Fiscal Year	San Francisco-Oakland Bay Bridge	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Total Revenue
2004	$ 48,359,687	$ 17,798,598	$ 10,849,858	$ 27,665,208	$ 22,070,380	$ 3,618,949	$ 14,813,522	$ 145,176,202
2005	85,879,816	30,369,927	18,559,373	46,458,835	36,529,638	5,850,611	24,492,701	248,140,901
2006	94,092,670	35,638,094	21,839,387	51,766,708	41,578,791	6,675,489	28,685,717	280,276,856
2007	141,806,435	53,621,361	33,662,371	77,320,278	62,637,940	9,905,926	43,400,541	422,354,852
2008	161,335,048	59,628,110	37,589,986	85,225,636	73,663,301	10,545,060	49,389,963	477,377,104
2009	163,424,734	56,451,232	35,491,342	83,121,692	73,535,614	9,848,575	48,263,187	470,136,376
2010	157,455,482	58,242,972	35,674,460	81,501,610	74,627,628	9,498,837	49,084,593	466,085,582
2011	210,190,214	75,064,299	46,782,024	100,918,100	92,268,264	11,080,910	61,058,136	597,361,947
2012	215,612,429	81,627,375	48,539,902	106,862,308	95,967,433	11,982,407	65,271,303	625,863,157
2013	221,544,298	85,968,027	50,626,212	112,580,359	101,036,856	12,449,046	68,770,541	652,975,339

Metropolitan Transportation Commission

Paid and Free Vehicles - By Bridge (in Number of Vehicles) (unaudited)

By Fiscal Year

Table 8

Fiscal Year	San Francisco-Oakland Bay Bridge	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Total Traffic
2004	49,181,230	16,716,970	11,182,599	23,610,150	18,775,231	2,659,370	13,036,614	135,162,164
2005	48,092,917	16,551,900	10,779,979	23,103,224	18,261,679	2,676,269	12,544,235	132,010,203
2006	46,253,979	16,948,414	10,957,158	22,709,571	18,292,428	2,687,915	12,645,557	130,495,022
2007	45,568,951	16,901,880	11,108,116	22,762,879	18,230,344	2,729,276	12,664,782	129,966,228
2008	45,139,513	16,376,583	10,767,813	21,795,287	18,508,003	2,559,936	12,528,248	127,675,383
2009	45,568,253	15,466,520	10,214,522	21,091,173	18,295,365	2,345,007	12,215,518	125,196,358
2010	43,579,404	15,808,435	10,135,134	20,517,470	18,581,186	2,263,717	12,383,708	123,269,054
2011	44,317,350	15,407,582	9,777,172	20,026,368	18,308,458	2,168,699	12,177,540	122,183,169
2012	44,460,209	16,241,002	9,929,399	20,065,557	18,266,053	2,181,315	12,523,905	123,667,440
2013	45,071,936	16,692,221	10,205,793	20,176,369	18,531,052	2,128,525	12,785,217	125,591,113

Metropolitan Transportation Commission
Average Toll Rate Revenues ($000) - By Bridge (unaudited)
By Fiscal Year — Table 9

Fiscal Year	Antioch Bridge	Benicia-Martinez Bridge	Carquinez Bridge	Richmond Bridge	San Mateo - Hayward Bridge	Dumbarton Bridge	San Francisco - Oakland Bay Bridge
2004							
No. of Paid Vehicles	2,478	17,988	22,054	12,399	15,201	9,977	44,646
Average Toll Rate	$ 1.46	$ 1.22	$ 1.25	$ 1.19	$ 1.17	$ 1.09	$ 1.08
Total Revenue	$ 3,619	$ 22,070	$ 27,665	$ 14,814	$ 17,799	$ 10,850	$ 48,360
2005							
No. of Paid Vehicles	2,472	17,116	21,344	11,758	14,790	9,298	43,357
Average Toll Rate	$ 2.37	$ 2.13	$ 2.18	$ 2.08	$ 2.05	$ 2.00	$ 1.98
Total Revenue	$ 5,851	$ 36,530	$ 46,459	$ 24,493	$ 30,370	$ 18,559	$ 85,880
2006							
No. of Paid Vehicles	2,479	17,071	20,914	11,908	15,131	9,529	41,265
Average Toll Rate	$ 2.69	$ 2.44	$ 2.48	$ 2.41	$ 2.36	$ 2.29	$ 2.28
Total Revenue	$ 6,675	$ 41,579	$ 51,767	$ 28,686	$ 35,638	$ 21,839	$ 94,093
2007							
No. of Paid Vehicles	2,517	16,975	20,722	11,913	14,881	9,516	40,134
Average Toll Rate	$ 3.94	$ 3.69	$ 3.73	$ 3.64	$ 3.60	$ 3.54	$ 3.53
Total Revenue	$ 9,906	$ 62,638	$ 77,320	$ 43,401	$ 53,621	$ 33,662	$ 141,807
2008							
No. of Paid Vehicles	2,366	17,440	19,875	11,782	14,358	9,194	39,555
Average Toll Rate	$ 4.46	$ 4.22	$ 4.29	$ 4.19	$ 4.15	$ 4.09	$ 4.08
Total Revenue	$ 10,545	$ 73,663	$ 85,226	$ 49,390	$ 59,628	$ 37,590	$ 161,335
2009							
No. of Paid Vehicles	2,208	17,426	19,441	11,542	13,629	8,708	40,118
Average Toll Rate	$ 4.46	$ 4.22	$ 4.28	$ 4.18	$ 4.14	$ 4.08	$ 4.07
Total Revenue	$ 9,849	$ 73,536	$ 83,122	$ 48,263	$ 56,451	$ 35,491	$ 163,425
2010							
No. of Paid Vehicles	2,136	17,715	19,057	11,752	14,058	8,746	38,649
Average Toll Rate	$ 4.45	$ 4.22	$ 4.28	$ 4.18	$ 4.15	$ 4.08	$ 4.08
Toll Revenue	$ 9,499	$ 74,628	$ 81,502	$ 49,085	$ 58,243	$ 35,674	$ 157,455
2011							
No. of Paid Vehicles	2,118	17,987	19,593	11,987	15,209	9,634	43,282
Average Toll Rate	$ 5.23	$ 5.13	$ 5.15	$ 5.09	$ 4.94	$ 4.86	$ 4.86
Total Revenue	$ 11,081	$ 92,268	$ 100,918	$ 61,058	$ 75,064	$ 46,782	$ 210,190
2012							
No. of Paid Vehicles	2,124	17,908	19,613	12,320	16,016	9,777	43,382
Average Toll Rate	$ 5.64	$ 5.36	$ 5.45	$ 5.30	$ 5.10	$ 4.96	$ 4.97
Total Revenue	$ 11,982	$ 95,967	$ 106,862	$ 65,271	$ 81,627	$ 48,540	$ 215,612
2013							
No. of Paid Vehicles	2,078	18,101	19,685	12,558	16,426	10,010	43,872
Average Toll Rate	$ 5.99	$ 5.58	$ 5.72	$ 5.48	$ 5.23	$ 5.06	$ 5.05
Total Revenue	$ 12,449	$ 101,037	$ 112,580	$ 68,771	$ 85,968	$ 50,626	$ 221,544

Metropolitan Transportation Commission
Ratios of General Bonded Debt Outstanding (unaudited)
By Fiscal Year

Table 10

Fiscal Year	Toll Revenue Bonds	Less: Amounts Available in Debt Service Fund	Total	Toll Revenue	Per Toll Vehicle
2004	$ 700,000,000	$ -	$ 700,000,000	$ 145,176,202	5
2005	1,000,000,000	-	1,000,000,000	248,140,901	8
2006	3,143,420,000	24,148,268	3,119,271,732	280,276,856	24
2007	3,863,250,000	24,148,268	3,839,101,732	422,354,852	30
2008	4,328,390,000	238,449,821	4,089,940,179	477,377,104	32
2009	4,338,155,000	282,727,772	4,055,427,228	470,136,376	32
2010	5,595,125,000	358,975,732	5,236,149,268	466,085,582	42
2011	7,943,135,000	456,507,625	7,486,627,375	597,361,947	61
2012	7,904,440,000	455,624,170	7,448,815,830	625,863,157	60
2013	7,700,750,000	427,025,751	7,273,724,249	652,975,339	58

Metropolitan Transportation Commission
Pledged-Revenue Coverage (unaudited)
By Fiscal Year

Table 11

Toll Revenue Bonds						
				Debt Service		
Fiscal Year	Toll Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2004	$ 145,176,202	$ 48,028,344	$ 97,147,858	$ -	$ 26,663,420	4
2005	248,140,901	54,371,891	193,769,010	-	35,373,668	5
2006	280,276,856	81,589,254	198,687,602	5,785,000	63,146,496	3
2007	422,354,852	100,926,883	321,427,969	29,705,000	131,438,684	2
2008	477,377,104	101,090,539	376,286,565	42,620,000	191,859,414	2
2009	470,136,376	101,572,555	368,563,821	40,865,000	197,742,351	2
2010*	466,085,582	105,760,787	360,324,795	35,345,000	225,200,837	1
2011*	597,361,947	117,390,258	479,971,689	36,990,000	394,710,917	1
2012	625,863,157	119,167,770	506,695,387	38,695,000	410,113,398	1
2013	652,975,339	136,394,953	516,580,386	40,540,000	400,483,838	1

*Fiscal 2010 and 2011 have been revised in accordance with the implementation guidance in GASB Statement No. 62, *Codifications of Accounting and Financial Reporting Guidance contained in Pre November 30, 1989 FASB and AICPA Pronouncements* and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, Fiscal years 2003 through 2009 have not been restated as permitted by the standards.

Metropolitan Transportation Commission
Miscellaneous Statistics (unaudited)
June 30, 2013 **Table 12**

Date of Incorporation	1970
Form of Government	Commissioners with Appointed Executive Director
Number of Commissioners	18 Voting and 3 Non-Voting Members
Number of Employees (Approved Positions)	184
Type of Tax Support	3.5% of TDA Sales Tax
Region in Which Commission Operates	San Francisco Bay Area San Jose, San Francisco & Oakland Combined Statistical Area
Number of Counties in the Region	9
Area of Authority in Square Miles	6,980
Population of Region in Which Commission Operates	7,327,626
Number of Toll Bridges in the Region	8
Traffic for All Toll Bridges - Number of Vehicles (excluding Golden Gate Bridge, Highway and Transportation District)	125,591,113
Toll Revenues (excluding Golden Gate Bridge, Highway and Transportation District)	$652,975,339
Number of Call Boxes in the Region	1992

Metropolitan Transportation Commission
Demographic Statistics for Nine San Francisco Bay Area Counties (unaudited)
Last Ten Calendar Years   Table 13

Year	Population [1]	Per Capita Income[2, 5]	Median Age[2, 5]	School Enrollment[3]	Unemployment Rate[4]
2004	7,009,400	N/A	N/A	974,281	5.30 %
2005	7,096,575	N/A	N/A	973,751	4.49 %
2006	7,126,284	N/A	N/A	971,392	4.61 %
2007	7,204,492	N/A	N/A	970,721	4.19 %
2008	7,301,080	N/A	N/A	974,089	5.81 %
2009	7,375,678	N/A	N/A	978,117	10.58 %
2010	7,459,858	$31,076	38.9	979,876	10.77 %
2011	7,150,739	N/A	N/A	985,964	10.17 %
2012	7,249,563	N/A	N/A	994,207	8.69 %
2013	7,327,626	N/A	N/A	1,004,436	6.69 %

Data Sources
1 State of California, Dept. of Finance, Demographic Research Unit
2 Bureau of Census
3 California Department of Education
4 State of California, Employment Development Department
5 Bureau of Census conducts survey every 10 years for the Median Age and Per Capita Income of the nine-county region as a whole.
N/A - Not Available

Metropolitan Transportation Commission
Ten Largest Employers (unaudited)
Fiscal Years 2013 and 2004 — Table 14

2013[1]			2004[2]		
Employer	**Employees**	**Rank**	**Employer**	**Employees**	**Rank**
City and County of San Francisco	26,182	1	City and County of San Francisco	28,718	1
University of California, San Francisco	22,493	2	Kaiser Permanente	18,566	2
Kaiser Permanente	21,789	3	United Airlines	13,000	3
University of California, Berkeley	21,341	4	Stanford University	11,903	4
State of California	16,436	5	Hewlett-Packard Co.	11,000	5
Wells Fargo Bank	15,172	6	SBC Communications	10,132	6
Safeway Inc.	13,661	7	Alameda County	9,638	7
Stanford University	12,614	8	University of California, Berkeley	9,168	8
US Postal Service	11,043	9	UC San Francisco	8,630	9
Contra Costa County	9,800	10	San Francisco	8,457	10

Data Sources

[1] 2013 Book of Lists, San Francisco Business Times

[2] 2004 Book of Lists, San Francisco Business Times

Metropolitan Transportation Commission
Full-Time Equivalent Employees by Function (unaudited)
Last Ten Fiscal Years

Table 15

Functions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General government	55	56	65	65	66	66	63	64	74	68
Transportation	59	58	68	68	67	67	67	67	64	73
Business-type Activities										
Toll bridge activities	9	10	30	30	33	33	33	34	33	34
Congestion relief	6	6	6	6	4	4	5	5	5	5
	129	130	169	169	170	170	168	170	176	180

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

Table 16

Fiscal Year	Retiree Premiums	Covered Payroll*	% of Covered Payroll
2004	$ 217,975	$11,289,637	1.90%
2005	268,105	11,694,664	2.30%
2006	308,512	12,687,014	2.40%
2007	353,378	15,193,161	2.30%
2008	428,810	16,122,962	2.70%
2009	452,003	16,711,761	2.70%
2010	501,102	17,011,660	2.95%
2011	562,678	17,417,779	3.20%
2012	632,904	17,799,482	3.56%
2013	679,688	18,966,022	3.58%

* From MTC records

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