COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended
June 30, 2015 and June 30, 2014

Prepared by the MTC Finance Section

State of California

Metropolitan Transportation Commission

METROPOLITAN
TRANSPORTATION
COMMISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Prepared by the
MTC Finance Section

State of California

Metropolitan Transportation Commission
Table of Contents
June 30, 2015 and 2014

Metropolitan Transportation Commission
Table of Contents
June 30, 2015 and 2014

Metropolitan Transportation Commission
Table of Contents
June 30, 2015 and 2014

METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TTY/TDD 510.817.5769
FAX 510.817.5848
EMAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

November 5, 2015

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, 2015. 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, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making these representations, management of MTC has established a comprehensive system of internal controls designed to both protect the government's assets from loss or misuse and to compile the information necessary to produce financial statements in conformity 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, 2015. Because the cost of internal controls should not outweigh their benefits, MTC's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement.

The goal of the independent audit is to provide reasonable assurance that the financial statements presented here for the fiscal year ended June 30, 2015, 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, 2015. The independent auditor's report is located 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, 2015 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 Freeway & 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. Some of the Commissioners are also members of Bay Area Headquarters Authority (BAHA) and Bay Area Infrastructure Financing Authority (BAIFA). These are two Joint Powers Authorities exercising joint powers between MTC and BATA.

The 2015 fiscal year continued to be another challenging year. 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, 2014. This was the twelfth 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

Joseph P. Bort MetroCenter
101 - Eight Street
Oakland, CA 94607
Telephone: 510.817.5700
TDD/TTY: 510.817.5769
Fax: 510.817.5848
E-mail: info@mtc.ca.gov
Web: http://www.mtc.ca.gov

STAFFING ORGANIZATION
July 2015

COMMISSION
Dave Cortese
Chair

EXECUTIVE OFFICE (8)
Steve Heminger
Executive Director

Rosy Leyva
Commission Secretary

Beba Jimenez
Maria Leon

Kimberly Ward, Martha Silver
Clerks of the Committees

CHIEF FINANCIAL OFFICER
Brian Mayhew
FINANCE (33)

Debbie Atmaja
Suzanne Bode
Vince Cabrieto
Catherine Cam
Sonia Elsonbaty
Elena Federis
Abbey Haile
Girma Kebede
Betty Lam
Alan Lee
Jennifer Lee
Suk Li
Jessica Lin
Lilia Lobetos
Doris Louie
Gary Louie
Nancy Louie
Carolyn McKenzie
Mabel Melkonians
Rowena Pagtakahn
Anna Pan
Seema Prasad
Ya Sin
Caroline Stanley
Jackie Suen
Eva Sun
Lourdes Tang
Victor Wong
Raymond Woo
Susan Woo
Russell Yuen

Vacant - 1

DEPUTY EXECUTIVE DIRECTOR, POLICY
Alix Bockelman

PLANNING (24)
Ken Kirkey
Director

Harold Brazil
Tom Buckley
Benjamin Espinosa
Stefanie Hom
Shimon Israel
Douglas Johnson
Valerie Knepper
Matt Maloney
Adam Noelting
David Ory
Michael Reilly
Drennen Shelton
Rupinder Singh
Vikrant Sood
Kearey Smith
Therese Trivedi
Dave Vautin
Ursula Vogler
Stella Wotherspoon

Vacant - 4

PROGRAMMING AND ALLOCATIONS (20)
Anne Richman
Director

Marcella Aranda
Mallory Atkinson
William Bacon
Craig Bosman
Cheryl Chi
Melanie Choy
Adam Crenshaw
Kenneth Folan
Theresa Hannon
Shruti Hari
Christina Hohorst
Kenneth Kao
Kristen Mazur
Ross McKeown
Theresa Romell
Sui Tan
Glen Tepke

Vacant - 2

LEGISLATION AND PUBLIC AFFAIRS (16)
Randy Rentschler
Director

Catalina Alvarado
Peter Beeler
Karin Betts
Ying Cai
David Cooper
Joe Curley
John Goodwin
Ellen Griffin
Pam Grove
Brenda Kahn
Leslie Lara
Rebecca Long
Michele Stone
Julie Tunnell

Vacant - 1

ADMINISTRATIVE SERVICES (17)
Mamie Lai
Director

Jason Agbunag
Luis Barragan
DeNise Blake
Michael Brinton
Luz Campos
Ryan DeCoud
Robert Hoffman
Robin James
Paula Johnson
Yulee Kim
Thomas LaCap
Ann Macaulay
Irving Maxwell
Denise Rodrigues
Valerie Stark
Alice Truong

Vacant - 0

DEPUTY EXECUTIVE DIRECTOR, OPERATIONS
Andrew Fremier

TECHNOLOGY SERVICES (13)
Nick Roethel
Director

Gavin Alavinejad
Valerie Campbell
Betty Cecchini
Stephen Hohorst
Pratul Kant
Timo Kiessling
Yong Lee
Joel Markowitz
Ethan Michaels
Gilbert Mingming
Michelle Tan

Vacant - 1

OPERATIONS (41)
Melanie Crotty
Director

Nisar Ahmed
Janet Banner
Stephen Baker
Sarah Burnworth
Shauna Callow
Kevin Chen
Kaki Cheung
Rosalynn Chongchaikit
Winnie Chung
Derek Fesler
Brooke Fotheringham
Pierce Gould
Sarah Husain
Anika Jesi
Ganesh Karkee
Michael Kerns
Lisa Klein
Barbara Laurenson
Linda Lee
Peter Lee
Christopher Lillie
Virginia Lingham
Angela Louie
Jaime Maldonado
Maria Morse
Alysha Nachtigall
Megan Nangle
Ashley Nguyen
Raymond Odunlami
Stefanie Pow
Robert Rich
Toshi Shepard-Ohta
Brenton Smith
Jay Stagi
Noah Tunick
Emily Van Wagner
Radiah Victor
Lin Zhang

Vacant - 2

ELECTRONIC PAYMENTS (25)
Carol Kuester
Director

Stephen Abbanat
Sylvia Cox
Mark Dinh
Manuel Espiritu
Jeff Gerbracht
Michele Gillaspie
Stephen Granger-Bevan
Shauna Harper
Kelley Jackson
Raymond Jocson
Mike Lee
Jim Macrae
Jef Nazareno
Mey Phu
Derek Toups
Lynn Valdivia
Jason Weinstein
David Weir
Beth Zelinski

Vacant - 5

BAHA (2)
Teri Green
Director

Stephen Wolf

Vacant - 0

OFFICE OF GENERAL COUNSEL (5)

Adrienne Weil *
General Counsel

Cynthia Segal
Brooke Abola
Matthew Lavrinets

Ron Ceguera

204 Positions

* Advises Commission Directly

Steve Heminger
Executive Director

COMMISSIONERS

Dave Cortese, Chair	Santa Clara County
Jake Mackenzie, Vice Chair	Sonoma County and Cities
Alicia C. Aguirre	Cities of San Mateo County
Tom Azumbrado	US Department of Housing and Urban Development
Jason Baker	Cities of Santa Clara County
Tom Bates	Cities of Alameda County
David Campos	City and County of San Francisco
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	Napa County and Cities
Julie Pierce	Association of Bay Area Governments
Bijan Sartipi	State Business, Transportation and Housing Agency
Libby Schaaf	Oakland Mayor’s Appointee
James P. Spering	Solano County and Cities
Adrienne J. Tissier	San Mateo County
Scott Wiener	San Francisco Mayor’s Appointee
Amy Rein Worth	Cities of Contra Costa County

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, 2014

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 aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the fiduciary funds of the Metropolitan Transportation Commission ("MTC" or "Commission") as of and for the years ended June 30, 2015 and 2014 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 aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the fiduciary funds of the Metropolitan Transportation Commission at June 30, 2015 and 2014 and, where applicable, the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP, Three Embarcadero Center, San Francisco, CA 94111-4004
T: (415) 498 5000, F: (415) 498 7100, www.pwc.com/us

Emphasis of Matter

As discussed in Note 1.J to the financial statements, for the year ended June 30, 2015, the Commission adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - An amendment of GASB 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis ("MD&A") on pages 4 through 18 and other required supplementary information ("RSI") on pages 97 through 105 be presented 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.

Other Supplementary Information

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 106 through 128 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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.

Statistical Section

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 129 through 146 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

San Francisco, California
November 4, 2015

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, 2015 and 2014. Except as otherwise stated, all amounts described below are expressed in thousands of dollars.

A. Financial Highlights

Fiscal year 2015 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. Sales tax and toll revenue continued to increase as the economy showed signs of improvement from the previous year. The following are some of the highlights from fiscal year 2015:

- Sales tax revenue in the region has rebounded for five straight years, increasing by 40.2% since fiscal year 2010.
- The Bay Area Toll Authority (BATA) completed the software upgrade of the Fastrak® Customer Service system in November 2014.
- Clipper®, the region's smart card program for public transit, saw weekday boardings increased from 699,000 in fiscal year 2014 to 760,000 in fiscal year 2015, with 1.6 million active cards in use.
- The San Mateo-Hayward Bridge was closed on two long weekends - May 8-11 and Memorial Day Weekend, May 22-25, 2015 - for resurfacing and treatment of the deck structure.
- In June 2015, BATA partially terminated its four cancelable fixed-receiver swaps and used the funds to buy down the coupon rate on three fixed-payer swaps.
- MTC adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in fiscal year 2015, and reported the prior period cumulative effect of applying GASB 68 as a restatement of the opening net position balance. Refer to Note 1.J.

MTC and its operating units continue to provide 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 2014-2015 balanced budgets, without layoffs or significant reduction to MTC service levels for fiscal year 2015.

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 notes. The Statement of Net Position presents financial information on the government-wide net position of MTC at the end of the 2015 and 2014 fiscal years. The difference between the assets plus deferred outflows and liabilities plus deferred inflows 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 2015 and 2014 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 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 1.B to the financial statements.

The government-wide Statement of Net Position and Statement of Activities are presented on pages 19 - 22 of this report with the accompanying notes being presented on pages 39 - 96.

C. Overview of the Fund Financial Statements

i.) Governmental Funds

Governmental funds are used to account for 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, four 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 23 - 29 of this report. A schedule detailing the non-major special revenue funds are included on pages 107 - 108 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 98 - 102 of this report. A comparison of budget to actual is also presented for non-major funds on pages 109 - 112.

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. 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 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. 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 30 - 37.

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 revenue for the TDA fund is deposited in MTC's name as fiduciary with the respective treasurer in each of the nine counties in the region. Revenue for the AB 1107 fund is deposited with the State of California. MTC has administrative oversight for the allocation of these funds. The Clipper® fiduciary fund, used for the Clipper® smart card program, 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 38 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.

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.

Both BAIFA and BAHA are presented as proprietary funds in the discretely presented component unit columns of the government-wide financial statements because they do not meet the criteria for blending under the provisions of Governmental Accounting Standards Board (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

Certain fiscal 2014 financial statement balances as previously reported by BATA's proprietary fund have been revised in the accompanying fiscal 2014 statements to correctly reflect the accounting for termination of hedge accounting for some of the BATA swaps as they became ineffective due to amending the swaps. This revision also impacted the 2014 MD&A and to a limited extent, the 2013 MD&A as previously reported. Refer to Note 1.AA to the accompanying financial statements for further information.

Total government-wide liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources for fiscal year 2015 by $5,941,148 and for fiscal year 2014 by $5,443,628 as illustrated in the following table. This represents decreases in net position for fiscal year 2015 of $497,520 and $462,392 for fiscal year 2014. The cause of the net position deficit for both years is mainly from the impact of BATA financing of the bridges' toll projects while Caltrans and the State of California own title to the bridges. As such, the asset value of the bridges is recorded at the State of California and not on BATA's books. In fiscal year 2015, the implementation of GASB 68 contributed to the decrease in the net position by $28,867. Refer to Note 1.J for further information.

i.) Statement of Net Position

The following table shows a summary of 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		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Cash and investments	$ 902,925	$ 859,714	$ 852,600	$ 2,975,610	$ 2,726,472	$ 2,261,069	$ 3,878,535	$ 3,586,186	$ 3,113,669
Receivables	68,103	63,955	75,021	46,072	39,398	46,992	114,175	103,353	122,013
Other assets	8,712	8,608	8,420	1,122	6,422	13,271	9,834	15,030	21,691
Loan to other agency	-	-	5,000	-	-	-	-	-	5,000
Capital assets	5,104	5,819	6,270	28,516	27,033	23,112	33,620	32,852	29,382
Total assets	984,844	938,096	947,311	3,051,320	2,799,325	2,344,444	4,036,164	3,737,421	3,291,755
Deferred Outflows	2,564	-	-	357,793	397,431	410,207	360,357	397,431	410,207
Other liabilities	133,017	110,297	98,657	376,520	429,951	375,840	509,537	540,248	474,497
Long term liabilities	18,463	2,340	2,299	9,802,658	9,035,892	8,182,874	9,821,121	9,038,232	8,185,173
Total liabilities	151,480	112,637	100,956	10,179,178	9,465,843	8,558,714	10,330,658	9,578,480	8,659,670
Deferred Inflows	404,145	419,262	439,895	(397,134)	(419,262)	(416,367)	7,011	-	23,528
Net position									
Net investment in capital assets	5,080	5,737	6,133	28,516	27,033	23,112	33,596	32,770	29,245
Restricted	392,812	372,455	376,344	200,000	200,000	200,000	592,812	572,455	576,344
Unrestricted (deficit)	33,891	28,005	23,983	(6,601,447)	(6,076,858)	(5,610,808)	(6,567,556)	(6,048,853)	(5,586,825)
Total Net position	$ 431,783	$ 406,197	$ 406,460	$ (6,372,931)	$ (5,849,825)	$ (5,387,696)	$ (5,941,148)	$ (5,443,628)	$ (4,981,236)

Total cash and investments increased by $292,349 from fiscal year 2014 to fiscal year 2015 and increased by $472,517 from fiscal year 2013 to fiscal year 2014. The increase in fiscal year 2015 for the business-type activities of $249,138 is mainly due to the $500 million new bond issuance less drawdowns of bond proceeds for project expenses. The increase in fiscal year 2014 for the business-type activities of $465,403 is mainly due to the new $900 million bond issuance less drawdowns of bond proceeds for project expenses. The increase in the governmental funds of $43,211 is mainly due to receipts from BART for BART Car Exchange project of $74,610 offset primarily by payments of $47,722 in Rail Reserves mainly associated with the Warm Springs BART station. The increase in the governmental funds of $7,114 in fiscal year 2014 is due to payments of $75,533 received in the BART Car Exchange fund and payment of $70,070 made for the Warm Springs BART station from the Rail Reserves fund.

Deferred outflows decreased by $37,074 or 9.3 percent in fiscal year 2015 following a decrease of $12,776 or 3.1 percent in fiscal year 2014. The decrease in fiscal year 2015 is due to a decrease of $228,933 to deferred outflow on derivative instruments as the balance of the effective swaps were no longer effective, offset by the increases of $188,040 in the deferred amount of refunding due to the two bond refundings and $3,819 in deferred outflow from pension due to the adoption of GASB Statement 68. The fiscal year 2014 difference is due to a decrease of $3,601 for the derivative instruments and a decrease of $9,176 of deferred refunding. These differences are due to the valuation of the derivative instruments. Refer to Note 1.Q of the financial statements.

Long-term liabilities increased by $782,889 or 8.7 percent in fiscal year 2015 after an increase of $853,059 or 10.4 percent in fiscal year 2014. The increase in fiscal year 2015 is due to the increase in long term bonds payable of $708,386, the valuation of derivative instruments of $50,973 and the recognition of a net pension liability in accordance with GASB Statement 68 of $23,850. Refer to Note 8.D of the financial statements for further net pension liability information. The increase in fiscal year 2014 is due to an increase in long term bonds payable of $832,000 and an increase in the valuation of derivative instrument liabilities of $20,038.

Other liabilities decreased by $30,711 in fiscal year 2015 compared to an increase of $65,751 in fiscal year 2014. The decrease in fiscal year 2015 is due to the decrease in accounts payable of $54,830 as a result of fewer outstanding invoices, a decrease in accrued interest payable of $6,405 and the amount due to Caltrans of $4,877, offset by the increases in securities payable of $19,000, the unearned revenue of $7,923 and the long term debt payable due within one year of $8,720. The increase in fiscal year 2014 is due to the increases in accounts payable of $96,244, securities payable of $25,900, accrued interest payable of $11,121, unearned revenue of $5,589, due to Caltrans and the long term debt of $2,470 and $2,030, respectively, and offset by the final payment of the liability to BAIFA of $78,070.

The net position decreased by $497,520 or 9.1 percent in fiscal year 2015 following a decrease of $462,392 or 9.3 percent in fiscal year 2014. The decrease in the net position of the business type activities by $523,106 and $462,129 for fiscal years 2015 and 2014 respectively, is mainly due to the drawdowns of the Seismic Retrofit, Regional Measure 2 (RM 2) and rehabilitation capital programs. BATA is the financing arm for the RM 2, Seismic Retrofit and rehabilitation 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. In fiscal year 2015, the implementation of GASB 68 contributed to the decrease in the net position by $28,867. Refer to Note 1.J for further information. The increase in the net position of governmental activities of $25,586 in 2015 is mainly due to the increases in Exchange and BART Car Exchange revenues and less expenditures in the Rail and Transit reserves funds. The decrease in the net position of $263 in 2014 is due to the increase in expenditures associated with AB 664 and Rail Reserves capital projects nearly offset by the increase in revenues associated with the BART Car Exchange project.

ii.) Statement of Activities

The net position for governmental activities increased in fiscal year 2015 and decreased in fiscal year 2014 and the net position for business-type activities decreased in both fiscal years 2015 and 2014. The increase in net position in governmental activities in 2015 is due to the decrease in expenditures resulting from a decrease in STA allocations while the decrease in net position for governmental activities in 2014 is mainly due to the increase in expenditures associated with AB 664 and Rail Reserves capital projects nearly offset by the increase in revenues associated with the BART Car Exchange project.

The decrease in net position for business-type activities is the result of increases in BATA project financing and expense activities for both fiscal years. In addition, the implementation of GASB 68 contributed to the decrease in net position. 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		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Revenues:									
Program Revenue:									
Charges for service	$ -	$ -	$ -	$ 740,511	$ 713,147	$ 690,181	$ 740,511	$ 713,147	$ 690,181
Operating grants and contributions	303,823	301,254	250,529	95,622	393,471	272,281	399,445	694,725	522,810
Capital grants and contributions	-	-	-	-	81,209	-	-	81,209	-
General revenues:									
Investment earnings	2,013	1,935	2,132	(277,337)	(1,256)	53,714	(275,324)	679	55,846
Total revenues	305,836	303,189	252,661	558,796	1,186,571	1,016,176	864,632	1,489,760	1,268,837
Expenses:									
General government	81,168	78,763	69,123	-	-	-	81,168	78,763	69,123
Allocation to other agencies	195,039	237,098	210,915	-	-	-	195,039	237,098	210,915
Toll bridge activities	-	-	-	1,008,115	1,586,156	1,189,903	1,008,115	1,586,156	1,189,903
Clipper® smart card	-	-	-	37,265	37,393	38,319	37,265	37,393	38,319
Congestion relief	-	-	-	11,697	12,742	17,763	11,697	12,742	17,763
Total expenses	276,207	315,861	280,038	1,057,077	1,636,291	1,245,985	1,333,284	1,952,152	1,526,023
Change in net position before transfers	29,629	(12,672)	(27,377)	(498,281)	(449,720)	(229,809)	(468,652)	(462,392)	(257,186)
Transfers in/(out)	15,336	12,409	23,645	(15,336)	(12,409)	(23,645)	-	-	-
Changes in net position	44,965	(263)	(3,732)	(513,617)	(462,129)	(253,454)	(468,652)	(462,392)	(257,186)
Net position - Beginning	386,818 *	406,460	410,192	(5,859,314) *	(5,387,696)	(5,134,242)	(5,472,496) *	(4,981,236)	(4,724,050)
Net position - Ending	$ 431,783	$ 406,197	$ 406,460	$ (6,372,931)	$ (5,849,825)	$ (5,387,696)	$ (5,941,148)	$ (5,443,628)	$ (4,981,236)

* In fiscal year 2015, beginning balance was restated due to the adoption of GASB Statement 68. See Note 1.J of the financial statements for further information.

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		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Revenues:									
Toll revenues	$ 694,955	$ 671,507	$ 652,975	$ -	$ -	$ -	$ -	$ -	$ -
Other operating revenues	22,384	19,417	16,117	6,420	6,356	6,143	16,752	15,867	14,945
Total revenues	717,339	690,924	669,092	6,420	6,356	6,143	16,752	15,867	14,945
Operating expenses:									
Operating expenses incurred by Caltrans/Transbay JPA	30,561	29,860	28,108	-	-	-	-	-	-
Other operating expenses	120,114	119,523	108,286	11,534	12,732	16,160	31,418	30,269	30,603
Total operating expenses	150,675	149,383	136,394	11,534	12,732	16,160	31,418	30,269	30,603
Operating income/(loss)	566,664	541,541	532,698	(5,114)	(6,376)	(10,017)	(14,666)	(14,402)	(15,658)
Nonoperating revenues/(expenses)									
Investment income/(charges)	(277,339)	(1,261)	53,707	2	4	7	-	1	-
BABs interest subsidy	70,992	70,762	72,065	-	-	-	-	-	-
Interest expense	(431,384)	(444,492)	(400,941)	-	-	-	-	-	-
Financing fees	(4,520)	(5,228)	(10,854)	-	-	-	-	-	-
Other nonoperating expense	(19,621)	(12,244)	(15,967)	(113)	(10)	-	-	-	-
Operating grants	8,180	307,978	171,031	8,439	8,402	13,011	4,819	1,647	14,191
Distributions to other agencies for capital purposes	(363,293)	(722,900)	(576,966)	-	-	(1,540)	(5,847)	(7,124)	(7,717)
Capital contribution to BAHA/BAIFA	(38,623)	(251,910)	(48,781)	(50)	-	(63)	-	-	-
Other nonoperating revenues	1,702	3,165	651	-	-	-	1,491	1,517	1,334
Total nonoperating revenues/(expenses)	(1,053,906)	(1,056,130)	(756,055)	8,278	8,396	11,415	463	(3,959)	7,808
Change in net position before contribution and transfers	(487,242)	(514,589)	(223,357)	3,164	2,020	1,398	(14,203)	(18,361)	(7,850)
Capital Contribution from BAIFA	-	81,209	-	-	-	-	-	-	-
Transfers	(30,401)	(31,138)	(32,049)	(727)	(1,154)	(924)	15,792	19,883	9,328
Change in net position	(517,643)	(464,518)	(255,406)	2,437	866	474	1,589	1,522	1,478
Net position - Beginning	(5,879,081) *	(5,407,095)	(5,151,689)	18,452 *	18,065	17,591	1,315 *	1,334	(144)
Net position - Ending	$ (6,396,724)	$ (5,871,613)	$ (5,407,095)	$ 20,889	$ 18,931	$ 18,065	$ 2,904	$ 2,856	$ 1,334

* In fiscal year 2015, beginning balance was restated due to the adoption of GASB Statement 68. See Note 1.J of the financial statements for further information.

BATA is the largest of MTC's business-type activities and one of the highest-rated toll enterprises in the country, rated by Standard and Poor's, and Moody's and Fitch.

BATA's toll revenue increased by $23,448 in fiscal year 2015 after increasing by $18,532 in fiscal year 2014. The total number of paid toll vehicles for all bridges increased by 3.8 percent in fiscal year 2015 and 2.9 percent in fiscal year 2014. The economy and jobs are improving as the revenues increase for both fiscal years is the result of increased paid traffic from two-axle vehicles and the vehicles that used the carpool lanes. Detailed traffic count is available in the Statistical Section, Table 8.

BATA's other operating revenues, consisting primarily of toll violation payments, increased by $2,967 in fiscal year 2015 compared to an increase of $3,300 in fiscal year 2014. The violation revenues increase for fiscal year 2015 was due to increased traffic and a new and more efficient toll collection system.

BATA's total operating expenses rose by $1,292 or 0.9 percent in fiscal year 2015 and $12,989 or 9.5 percent for fiscal year 2014. The increase in fiscal year 2015 is due to the increase in operating expenses incurred by Caltrans of $773, increases in the allocation to others of $541, other operating expenses of $171, depreciation of $426 and a decrease in toll tag purchase of $633. The increase in 2014 is due to the increases of the following: operating expenses by Caltrans and Transbay JPA of $1,752, FasTrak® operating costs of $3,039, toll tag purchase of $1,188, bank charges of $1,943, professional fees of $4,271 and DMV fees of $146.

BATA's investment income for fiscal year 2015 decreased by $276,078 compared to a decrease of $54,968 in fiscal year 2014. In fiscal year 2015, investment income was comprised of $8,230 of investment income and $285,569 of unrealized loss on derivative instruments. The balance of the swaps became ineffective and accounted for $250,217 of the $285,569. In fiscal year 2014, investment income was comprised of $5,807 of investment income and $7,068 of unrealized loss on derivative instruments. The $285,569 and $7,068 loss on derivative instruments in fiscal years 2015 and 2014, respectively, represents a charge for the change in the market valuation of certain interest rate swaps that no longer qualified for hedge accounting as discussed in Note 1.Q to the financial statements. The investment income increased in fiscal year 2015 from fiscal year 2014 mainly due to a higher cash balance on hand from bond proceeds on the new bond issuances.

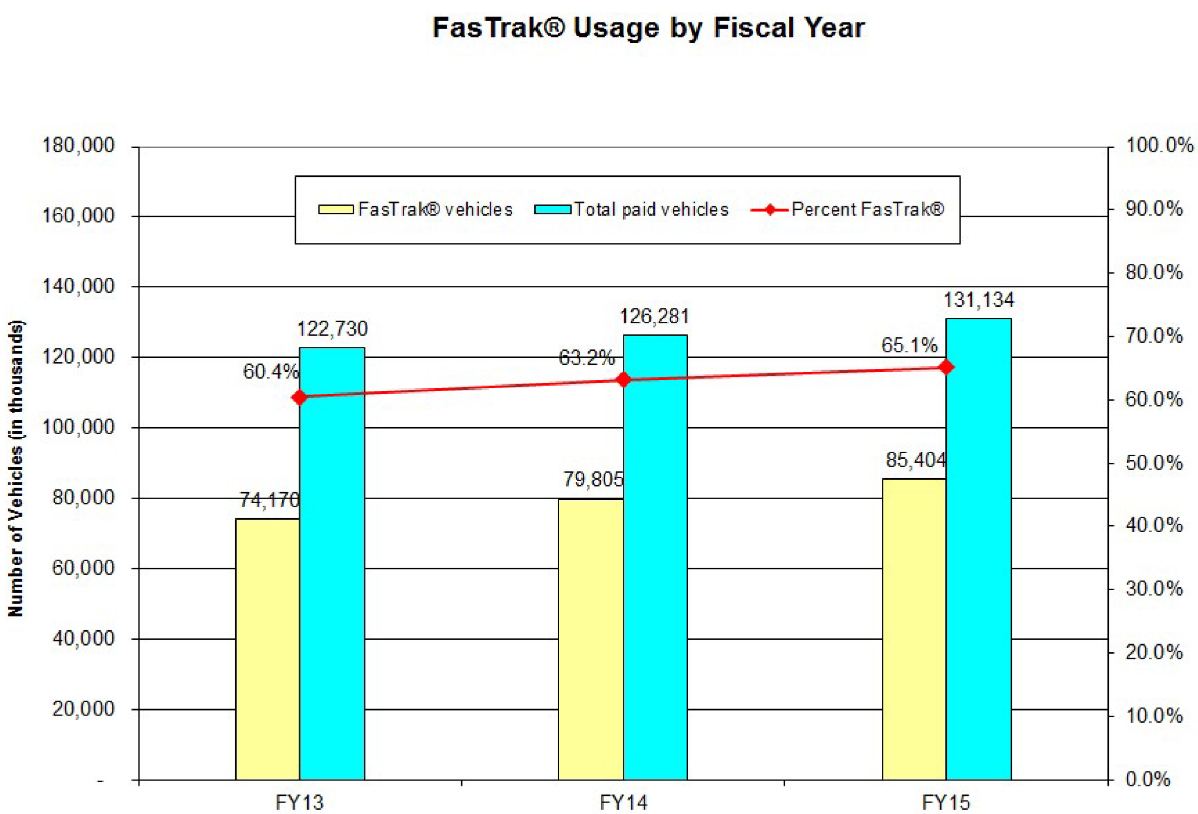
BATA's Build America Bonds interest subsidy is the federal subsidy from the U. S. Government. The increase of $230 in fiscal year 2015 is due to a lower subsidy rate reduction compared to fiscal year 2014. As a result of the federal budget sequestration, the subsidy payments were reduced by 7.2% for the first quarter and 7.3% for the last three quarters in fiscal year 2015 compared to a reduction of 8.7% in the first quarter and 7.2% for the last three quarters in fiscal year 2014.

BATA's interest expense decreased by $13,108 and increased by $43,551 for fiscal year 2015 and fiscal year 2014, respectively. The decrease in fiscal year 2015 is due to the decrease in interest expense by $18,877 due to lower interest rates from bond refundings and an increase in the amortization of deferred charges by $5,769. The increase in fiscal year 2014 is mainly due to interest expense of $41,503 from the issuance of new 2013 Series S-4 bond in August 2013.

BATA's financing fees and other nonoperating expenses increased by $6,669 and decreased by $9,349 in fiscal year 2015 and fiscal year 2014, respectively. The increase in fiscal year 2015 is due to higher costs in bond issuance of $10,159 and remarketing fees of $856 and lower costs in FasTrak® Customer Service Center relocation of $2,782 and financing fees of $1,564. The decrease in fiscal year 2014 is due to lower bond issuance costs of $7,613, and a decrease in financing and remarketing fees of $5,626, offset by $3,897 costs of the FasTrak® Customer Service Center relocation.

BATA's operating grants decreased by $299,798 in fiscal year 2015 and increased by $136,947 in fiscal year 2014. The change in both years is mainly due to the different amounts in the schedule of payments from the State of California for the 2006 State Payment Acceleration Notes (SPANs) issuance. The payment in fiscal year 2013 was $165,000 and the final payment of $300,000 was received in October 2013. See Note 1.O for further information.

Revenues from the FasTrak® electronic toll collection (ETC) program continue to increase. ETC revenue comprised 65.1 percent of the total paid vehicles in fiscal year 2015 compared to 63.2 percent in the prior fiscal year. The graph below illustrates the increase in FasTrak® usage for the last three years.



MTC SAFE's operating revenues (mainly DMV fees) increased by $64 or 1.0 percent in fiscal year 2015 and increased by $213 or 3.5 percent in fiscal year 2014. In fiscal year 2015, except for Marin and San Francisco, the seven other counties had an increase in DMV revenues and all nine counties had an increase in fiscal year 2014.

Operating expenses for MTC SAFE decreased by $1,198 or 9.4 percent in 2015 and decreased by $3,428 or 21.2 percent in 2014. The decrease in fiscal year 2015 is due to the decreases in towing contracts of $554, professional fees of $362, other operating expenses of $163 and repairs and maintenance of $145. The decrease in 2014 is due to the decreases in professional fees of $2,246, salaries and benefits of $1,172, other miscellaneous expenses of $406, net of an increase in repairs and maintenance expenses of $213.

MTC SAFE's interest income decreased by $2 and $3 in fiscal year 2015 and 2014 respectively. The decrease in both fiscal years is due to lower cash balances from the previous fiscal year.

MTC Clipper® operating revenues increased by $885 in fiscal year 2015 and increased by $922 in fiscal year 2014. Operating revenues consist of reimbursements provided by transportation operators to offset Clipper® operations. Operating expenditures increased by $1,149 in fiscal year 2015 and decreased by $334 in fiscal year 2014. The decrease in 2014 was largely due to the decrease in other operating expenses associated with chargeback expenses from Clipper® patrons of $1,500 that was offset by an increase in both professional fees of $1,017 and salaries and benefits of $149. The increase in operating grants of $3,171 is largely due to an increase in federal grants of $2,766 in fiscal year 2015. Nonoperating revenues consist of federal, state and local grants. The decrease in operating grants of $12,544 is largely due to a decrease in federal grants of $12,235 in fiscal year 2014. The decrease in transfers of $4,091 in fiscal year 2015 and the increase of $10,555 in fiscal year 2014 from State Transit Assistance (STA) offset the decrease in federal grants.

G. Financial Analysis of Governmental Funds

The fund balance of the MTC governmental funds was $439,172 and $394,820 as of June 30, 2015 and 2014, respectively, as reported under the modified accrual basis of accounting. The fund balance includes nonspendable amounts of $1,328 and $1,209 for prepaid items in fiscal years 2015 and 2014, respectively as well as amounts of $385,428 and $339,673 restricted for transportation and rail projects for fiscal years 2015 and 2014, respectively. The committed amounts of $31,157 and $24,189 for fiscal years 2015 and 2014, respectively, represent amounts designated by the Commission for specific purposes. The unassigned fund balances of $21,260 and $29,750 for fiscal years 2015 and 2014, respectively, represent unassigned funds available for appropriation at the discretion of the MTC Board.

The fund balance of the STA fund increased by $9,330 in fiscal year 2015 and decreased by $14,256 in fiscal year 2014. The increase in fund balance from the prior year is due to a decrease in STA revenues of $3,922 offset by a decrease in other financing sources of $3,651 and a decrease in expenditures of $24,495 in fiscal year 2015. The fund balance for the Rail Reserves fund decreased by $51,410 in fiscal year 2015 and decreased by $56,124 in fiscal year 2014. The decrease in fund balance from the prior year is due to an increase in project expenditures for the BART Warm Springs Extension, one of three large capital projects included in this fund (BART to Warm Springs, e-BART, Transbay Terminal). The fund balance for the AB 664 fund increased by $4,916 in fiscal year 2015 and decreased by $6,647 in fiscal year 2014. The increase in fund balance from the prior year is due to a decrease in expenditures for BART and SFMTA capital projects in fiscal year 2015. The fund balance for the BART Car Exchange fund increased by $74,657 in fiscal year 2015 and increased by $72,278 in fiscal year 2014. The increase in fund balance from the prior year is due to an increase in revenue resulting from funding from BART for the BART Car Replacement capital project. The fund balance of the Non-Major funds increased by $4,358 in fiscal year 2015 and increased by $682 in fiscal year 2014. The non-major funds increase of $4,358 was due to an increase in the Exchange Fund of $6,523 offset by a decrease of $1,877 and $289 in Transit Reserve and Prop 1B funds.

The following table illustrates the revenues and expenditures for the past three fiscal years. Refer to page 29 for the reconciliation of the governmental funds to the Statement of Activities.

	Governmental Funds ($000)		
	2015	2014	2013
Revenues:			
Sales taxes	$ 12,374	$ 11,735	$ 11,162
Grants - Federal	56,491	52,831	45,795
Grants - State	148,032	151,915	160,060
Local agencies revenues and refunds	86,553	88,713	41,148
Investment income	2,013	1,935	2,132
Total revenues	305,463	307,129	260,297
Expenditures:			
Current:			
General government	68,463	70,387	65,175
Allocations to other agencies	207,804	249,435	221,641
Capital outlay	180	496	373
Total expenditures	276,447	320,318	287,189
Other financing sources (uses)	15,336	12,409	23,645
Net change in fund balance	44,352	(780)	(3,247)
Fund balance - beginning	394,820	395,600	398,847
Fund balance - ending	$ 439,172	$ 394,820	$ 395,600

Total revenues decreased by $1,666 or 0.5 percent in fiscal year 2015 and increased by $46,832 or 18.0 percent in fiscal year 2014. The decrease in revenues for fiscal year 2015 is mainly due to the decrease in STA revenues of $3,922 from the State and an increase of $2,168 from the BART Car payment. Overall, governmental fund expenditures decreased by $43,871 in fiscal year 2015 and increased by $33,129 in fiscal year 2014. General government expenditures decreased by $1,924 in fiscal year 2015 and decreased by $5,212 in fiscal year 2014. Allocations to other agencies decreased by $41,631 or 16.7 percent for fiscal year 2015 compared to an increase of $27,794 or 12.5 percent for fiscal year 2014. The decrease in allocations to other agencies in fiscal year 2015 is mainly due to the decrease in expenditures for Rail of $4,956, for AB 664 of $11,815 and for STA of $24,495.

The $180 expenditures in fiscal year 2015 is mainly due to software upgrades and servers for the Travel Modeling Data project of $100. The $496 expenditures in fiscal year 2014 is associated with a phone system upgrade of $362 and a computer hardware purchase of $134.

Other financing sources (uses) increased by $2,927 in fiscal year 2015 and decreased by $11,236 in fiscal year 2014.

The change in net position presented in the Statement of Activities for governmental activities increased by $44,965 in fiscal year 2015 and decreased by $263 in fiscal year 2014. Net position for governmental funds was $431,783 and $406,197 for fiscal years 2015 and 2014, respectively. Program revenues increased by $2,569 or .85 percent in fiscal year 2015, and increased by $50,725 or 20.2 percent in fiscal year 2014. The increase in fiscal year 2015 was due to increases in General Fund revenue from federal and local programs of $3,660 and $1,027 and BART Car Exchange revenue of $2,168 offset by a decrease in STA revenue of $3,922. The increase in fiscal year 2014 was due to the increase of $48,161 in BART Car Exchange revenue.

H. General Fund Budget

The MTC general fund budget for fiscal year 2015 was amended from the adopted budget by $1.2 million in increase revenues, $0.1 million in increased transfers in and $1.9 million in increased expenditures. The actual revenues-to-expenditures balance for fiscal year 2015 reflects a surplus of $2,502. The positive surplus budget variance of $5,751 is due to several differences in revenues and expenditures, including an underestimate in local and State revenues by $0.8 million. The expenditures variance includes $1.2 million salaries and benefit savings due to vacancies, and $3.8 million budgeted for contracts that were not spent.

The deficit in both budget versions reflects encumbrances carried over from the prior fiscal year that 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, 2015.

General Fund

($000)

	Adopted Budget	Final Budget	Actual	Variance
Revenues	$ 167,253	$ 168,502	$ 73,280	$ (95,222)
Expenditures	198,595	200,554	80,736	119,818
Excess/(Deficiency)	(31,342)	(32,052)	(7,456)	24,596
Transfers in	28,693	28,803	9,958	(18,845)
Net change in fund balance	(2,649)	(3,249)	2,502	5,751
Fund balance - beginning	34,175	34,175	34,175	-
Fund balance - ending	$ 31,526	$ 30,926	$ 36,677	$ 5,751

MTC's federal and state funding sources are on a reimbursement basis, so it is not unusual for actual revenues 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 $33,620 for fiscal year 2015 and $32,852 for fiscal year 2014 as reported under the accrual basis of accounting. The increase of $768 in fiscal year 2015 is mainly from the development of the new express lane project. Most of the increase of $3,470 in fiscal year 2014 is from the capitalized purchase of the new bridge toll collection system with the remaining bridge, Bay Bridge, having been converted onto the new system in September 2013. Additional information on MTC's capital assets is disclosed in Note 4 to the financial statements. Assets relating to the seven state-owned bridges administered by BATA are recognized by Caltrans.

J. Long-Term Debt Administration

During fiscal year 2015, BATA completed two advance refundings for $1.71 billion and issued $500 million of new bonds. All BATA's swaps that were effective in fiscal year 2014 were ineffective in fiscal year 2015. The fair value of the ineffective swaps decreased by $35,352 in fiscal year 2015 and $5,252 in fiscal year 2014. BATA's interest expense on the $3,275 billion of federally taxable Build America Bonds was $218,747 and the federal subsidy was $70,992 for a net of $147,755.

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 has received all of the $1,135,000 revenue scheduled to be paid by 2014 to BATA. The remaining SPANs were defeased in fiscal year 2014. Refer to Note 1.O.

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

K. Economic Factors Impacting MTC

The Bay Area economy continues to recover. The unemployment rate continues to decrease, and sales taxes continue to increase from prior years. These impacts include:

- Sales tax revenues increased for the fifth straight fiscal year, increasing by 5.4 percent and 5.1 percent for fiscal years 2015 and 2014 respectively, after declining from fiscal years 2008 to 2010. Sales tax revenues for fiscal year 2016 are also projected to be slightly higher than fiscal year 2015.
- Unemployment in the Bay Area has decreased from last fiscal year and is at 4.2 percent as of June 2015.
- Building construction and housing is up, and demand for consumer goods is also 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, 2015

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	BAIFA	BAHA
ASSETS					
Cash - unrestricted	$ 178,940,093	$ 465,038,995	$ 643,979,088	$ -	$ -
Cash - restricted	134,985	147,790,781	147,925,766	-	19,723,668
Investments - unrestricted	438,072,416	813,389,333	1,251,461,749	-	-
Investments - restricted	285,777,196	1,549,390,709	1,835,167,905	-	87,488,217
Receivables:					
Accounts receivable	1,519,433	15,349,604	16,869,037	-	367,584
Interest	302,578	23,181,078	23,483,656	-	10,869
Funding due from State/ Caltrans	40,179,235	3,313,402	43,492,637	-	-
Funding due from Federal	26,101,787	4,227,994	30,329,781	-	-
Prepaid items	1,327,705	1,023,500	2,351,205	-	615,752
Bond prepaid insurance/ interest	-	98,996	98,996	-	-
Net OPEB asset	7,384,385	-	7,384,385	-	-
Land	-	-	-	-	33,933,809
Capital assets not being depreciated	-	4,302,943	4,302,943	-	151,754,689
Capital assets net of accumulated depreciation/ amortization	5,104,434	24,213,106	29,317,540	-	-
TOTAL ASSETS	984,844,247	3,051,320,441	4,036,164,688	-	293,894,588
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount of refunding	-	356,538,071	356,538,071	-	-
Deferred outflows from pension	2,563,707	1,255,311	3,819,018	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,563,707	357,793,382	360,357,089	-	-
LIABILITIES					
Accounts payable and accrued liabilities	96,245,171	92,094,907	188,340,078	-	13,358,915
Security trade payable	36,000,000	20,000,000	56,000,000	-	-
Accrued interest payable	-	101,402,582	101,402,582	-	-
Unearned revenue	791,536	75,173,071	75,964,607	-	53,075
Deposit payable	-	-	-	-	800,000
Due to Caltrans	-	28,994,667	28,994,667	-	-
Noncurrent liabilities					
Net pension liability					
Due in more than one year	16,010,789	7,839,635	23,850,424	-	-
Long term debt					
Due within one year	-	56,915,000	56,915,000	-	-
Due in more than one year	-	9,371,296,727	9,371,296,727	-	-
Due to / (from) other funds					
Due within one year	(1,940,380)	1,940,380	-	-	-
Other noncurrent liabilities					
Derivative instruments - liability	-	416,127,433	416,127,433	-	-
Due within one year	1,920,685	-	1,920,685	-	-
Due in more than one year	2,451,805	7,394,704	9,846,509	-	56,822
TOTAL LIABILITIES	151,479,606	10,179,179,106	10,330,658,712	-	14,268,812
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pension	4,706,515	2,304,531	7,011,046	-	-
Deferred revenues/Deferred charge	399,438,783	(399,438,783)	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	404,145,298	(397,134,252)	7,011,046	-	-
NET POSITION					
Net investment in capital assets	5,079,745	28,516,049	33,595,794	-	185,688,498
Restricted for:					
Capital projects	384,916,044	-	384,916,044	-	93,937,278
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	511,807	-	511,807	-	-
Unrestricted	33,891,069	(6,601,447,080)	(6,567,556,011)	-	-
TOTAL NET POSITION	$ 431,783,050	$ (6,372,931,031)	$ (5,941,147,981)	$ -	$ 279,625,776

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

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2014

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	BAIFA	BAHA
ASSETS					
Cash - unrestricted	$ 166,267,860	$ 574,633,276	$ 740,901,136	$ -	$ -
Cash - restricted	12,766,477	109,211,888	121,978,365	-	13,080,263
Investments - unrestricted	482,143,967	478,003,881	960,147,848	-	-
Investments - restricted	198,535,549	1,564,623,327	1,763,158,876	-	106,379,727
Derivative instruments - asset	-	5,662,835	5,662,835	-	-
Receivables:					
Accounts receivable	2,438,284	12,828,691	15,266,975	-	122,600
Due from Metropolitan Transportation Commission	-	-	-	-	400,000
Interest	226,041	22,361,778	22,587,819	-	16,854
Funding due from State/ Caltrans	40,240,806	2,840,813	43,081,619	-	-
Funding due from Federal	21,049,894	1,366,242	22,416,136	-	-
Prepaid items	1,223,792	654,093	1,877,885	-	101,661
Bond prepaid insurance	-	105,281	105,281	-	-
Net OPEB asset	7,384,385	-	7,384,385	-	-
Land	-	-	-	-	33,933,809
Capital assets not being depreciated	-	7,446,451	7,446,451	-	94,670,510
Capital assets net of accumulated depreciation/ amortization	5,818,836	19,586,394	25,405,230	-	3,277,246
TOTAL ASSETS	938,095,891	2,799,324,950	3,737,420,841	-	251,982,670
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on derivative instruments	-	228,932,934	228,932,934	-	-
Deferred amount of refunding	-	168,497,610	168,497,610	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	397,430,544	397,430,544	-	-
LIABILITIES					
Accounts payable and accrued liabilities	100,554,042	142,615,857	243,169,899	-	8,759,928
Security trade payable	10,000,000	27,000,000	37,000,000	-	-
Accrued interest payable	-	107,807,557	107,807,557	-	-
Unearned revenue	765,771	67,275,789	68,041,560	-	-
Due to Caltrans	-	33,871,873	33,871,873	-	-
Noncurrent liabilities:					
Long term debt					
Due within one year	-	48,195,000	48,195,000	-	-
Due in more than one year	-	8,662,910,575	8,662,910,575	-	-
Due to / (from) other funds					
Due within one year	(3,184,379)	3,184,379	-	-	-
Due to BAHA					
Due within one year	400,000	-	400,000	-	-
Other noncurrent liabilities					
Derivative instruments - liability	-	365,154,148	365,154,148	-	-
Due within one year	1,761,858	-	1,761,858	-	400,000
Due in more than one year	2,340,098	7,827,644	10,167,742	-	-
TOTAL LIABILITIES	112,637,390	9,465,842,822	9,578,480,212	-	9,159,928
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues/Deferred charge	419,261,926	(419,261,926)	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	419,261,926	(419,261,926)	-	-	-
NET POSITION					
Net investment in capital assets	5,736,829	27,032,845	32,769,674	-	131,881,565
Restricted for:					
Capital projects	361,332,909	-	361,332,909	-	110,941,177
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	528,260	-	528,260	-	-
Other purposes	3,209,369	-	3,209,369	-	-
Unrestricted	28,004,823	(6,076,858,247)	(6,048,853,424)	-	-
TOTAL NET POSITION	$ 406,196,575	$ (5,849,825,402)	$ (5,443,628,827)	$ -	$ 242,822,742

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

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2015

		Program Revenues				Net (Expenses) Revenues 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	$ 81,168,440	$ -	$ 155,791,521	$ -	$ 155,791,521	$ 74,623,081	$ -	$ 74,623,081	$ -	$ -
Transportation	195,038,682	-	148,031,845	-	148,031,845	(47,006,837)	-	(47,006,837)	-	-
Total Governmental Activities	276,207,122	-	303,823,366	-	303,823,366	27,616,244	-	27,616,244	-	-
Business-type Activities										
MTC Clipper® smart card	37,264,816	16,751,996	6,309,610	-	23,061,606	-	(14,203,210)	(14,203,210)	-	-
Toll bridge activities	1,008,115,070	717,338,514	80,873,630	-	798,212,144	-	(209,902,926)	(209,902,926)	-	-
Congestion relief	11,696,862	6,420,146	8,438,514	-	14,858,660	-	3,161,798	3,161,798	-	-
Total Business-Type Activities	1,057,076,748	740,510,656	95,621,754	-	836,132,410	-	(220,944,338)	(220,944,338)	-	-
Total Primary Government	$ 1,333,283,870	$ 740,510,656	$ 399,445,120	$ -	$ 1,139,955,776	27,616,244	(220,944,338)	(193,328,094)	-	-
Component Units:										
BAHA	4,033,737	1,103,834	679,322	38,922,586	40,705,742				-	36,672,005
Total Component Units	$ 4,033,737	$ 1,103,834	$ 679,322	$ 38,922,586	$ 40,705,742				$ -	$ 36,672,005
General Revenues:										
Restricted investment earnings						493,439	-	493,439	-	131,029
Unrestricted investment earnings / changes						1,519,819	(277,337,013)	(275,817,194)	-	-
Transfers						15,335,595	(15,335,595)	-	-	-
Total General Revenues and Transfers						17,348,853	(292,672,608)	(275,323,755)	-	131,029
Change in Net Position						44,965,097	(513,616,946)	(468,651,849)	-	36,803,034
Net Position - Beginning*						386,817,953	(5,859,314,085)	(5,472,496,132)	-	242,822,742
Net Position - Ending						$ 431,783,050	$ (6,372,931,031)	$ (5,941,147,981)	$ -	$ 279,625,776

* In fiscal year 2015, beginning balance was restated due to the adoption of GASB Statement 68. See Note 1.J for further information.

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

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2014

		Program Revenues				Net (Expenses) Revenues 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	$ 78,763,519	$ -	$ 149,338,814	$ -	$ 149,338,814	$ 70,575,295	$ -	$ 70,575,295	$ -	$ -
Transportation	237,097,812	-	151,915,573	-	151,915,573	(85,182,239)	-	(85,182,239)	-	-
Total Governmental Activities	315,861,331	-	301,254,387	-	301,254,387	(14,606,944)	-	(14,606,944)	-	-
Business-type Activities										
MTC Clipper® smart card	37,392,814	15,867,004	3,164,072	-	19,031,076	-	(18,361,738)	(18,361,738)	-	-
Toll bridge activities	1,586,156,184	690,923,664	381,905,074	81,209,050	1,154,037,788		(432,118,396)	(432,118,396)	-	-
Congestion relief	12,742,160	6,356,042	8,402,003	-	14,758,045	-	2,015,885	2,015,885	-	-
Total Business-Type Activities	1,636,291,158	713,146,710	393,471,149	81,209,050	1,187,826,909	-	(448,464,249)	(448,464,249)	-	-
Total Primary Government	$ 1,952,152,489	$ 713,146,710	$ 694,725,536	$ 81,209,050	$ 1,489,081,296	(14,606,944)	(448,464,249)	(463,071,193)	-	-
Component Units:										
BAIFA	81,773,865	-	229,544,671	-	229,544,671				$ 147,770,806	$ -
BAHA	3,549,522	1,477,082	-	30,000,000	31,477,082				-	27,927,560
Total Component Units	$ 85,323,387	$ 1,477,082	$ 229,544,671	$ 30,000,000	$ 261,021,753				$ 147,770,806	$ 27,927,560
General Revenues:										
Restricted investment earnings						284,620	-	284,620	-	108,814
Unrestricted investment earnings						1,650,381	(1,256,015)	394,366	-	-
Transfers						12,408,713	(12,408,713)	-	-	-
Total General Revenues and Transfers						14,343,714	(13,664,728)	678,986	-	108,814
Change in Net Position						(263,230)	(462,128,977)	(462,392,207)	147,770,806	28,036,374
Net Position - Beginning						406,459,805	(5,387,696,425)	(4,981,236,620)	(147,770,806)	214,786,368
Net Position - Ending						$ 406,196,575	$ (5,849,825,402)	$ (5,443,628,827)	$ -	$ 242,822,742

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

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2015

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	BART Car Exchange	Non-Major Governmental Funds	Total Governmental Fund
ASSETS							
Cash - unrestricted	$ 26,460,873	$ 33,794,393	$ 50,587,969	$ 19,351,340	$ -	$ 48,745,518	$ 178,940,093
Cash - restricted	-	-	-	-	134,985	-	134,985
Investment - unrestricted	216,922	218,234,129	-	185,514,427	-	34,106,938	438,072,416
Investment - restricted	-	-	-	-	285,777,196	-	285,777,196
Receivables							
Accounts	1,519,433	-	-	-	-	-	1,519,433
Interest	154	78,328	42,947	48,998	94,512	37,639	302,578
State/ Caltrans funding	1,013,792	-	39,165,443	-	-	-	40,179,235
Federal funding	26,101,787	-	-	-	-	-	26,101,787
Due from other funds	2,841,964	-	3,494,470	-	-	499,769	6,836,203
Prepaid items	1,327,705	-	-	-	-	-	1,327,705
TOTAL ASSETS	$ 59,482,630	$ 252,106,850	$ 93,290,829	$ 204,914,765	$ 286,006,693	$ 83,389,864	$ 979,191,631
LIABILITIES							
Accounts payable and accrued expenditures	$ 15,185,694	$ 5,827,202	$ 25,918,408	$ 43,023,984	$ -	$ 1,450,405	$ 91,405,693
Unearned revenue	3,439,477	-	-	-	-	-	3,439,477
Retention payable	59,599	-	-	4,779,879	-	-	4,839,478
Security trade payable	-	16,000,000	-	10,000,000	10,000,000	-	36,000,000
Due to other funds	4,120,864	3,551	713,981	-	-	57,427	4,895,823
TOTAL LIABILITIES	22,805,634	21,830,753	26,632,389	57,803,863	10,000,000	1,507,832	140,580,471
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	195,527,260	-	157,555,664	-	46,355,859	399,438,783
TOTAL DEFERRED INFLOWS OF RESOURCES	-	195,527,260	-	157,555,664	-	46,355,859	399,438,783
FUND BALANCES							
Nonspendable							
Prepaid items	1,327,705	-	-	-	-	-	1,327,705
Restricted for:							
Transportation projects	511,807	34,748,837	66,658,440	-	-	7,502,074	109,421,158
Rail projects	-	-	-	-	276,006,693	-	276,006,693
Committed to:							
Benefits reserve	1,500,308	-	-	-	-	-	1,500,308
Building reserve	-	-	-	-	-	499,769	499,769
Liability reserve	234,040	-	-	-	-	-	234,040
Transportation projects	1,398,076	-	-	-	-	27,524,330	28,922,406
Unassigned:							
Unassigned	31,705,060	-	-	(10,444,762)	-	-	21,260,298
TOTAL FUND BALANCES	36,676,996	34,748,837	66,658,440	(10,444,762)	276,006,693	35,526,173	439,172,377
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 59,482,630	$ 252,106,850	$ 93,290,829	$ 204,914,765	$ 286,006,693	$ 83,389,864	$ 979,191,631

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, 2015

Governmental fund balance	$ 439,172,377
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	5,104,434
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	2,647,941
Capital leases are not due and payable in the current period and, therefore, are not reported in the funds	(24,689)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	(4,347,801)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds	(16,010,789)
Deferred outflows/inflows - pension is not due and payable in the current period and, therefore, is not reported in the funds	(2,142,808)
Net position of governmental activities	$ 431,783,050

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

Metropolitan Transportation Commission
Balance Sheet - Governmental Funds
June 30, 2014

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	BART Car Exchange	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash - unrestricted	$ 26,022,962	$ 6,732,377	$ 47,401,771	$ 36,954,589	$ -	$ 49,156,161	$ 166,267,860
Cash - restricted	-	-	-	-	12,766,477	-	12,766,477
Investment - unrestricted	216,377	238,769,400	-	205,174,713	-	37,983,477	482,143,967
Investment - restricted	-	-	-	-	198,535,549	-	198,535,549
Receivables							
Accounts	741,561	-	1,696,723	-	-	-	2,438,284
Interest	119	85,315	35,000	55,150	47,533	2,924	226,041
State/ Caltrans funding	841,449	-	39,399,357	-	-	-	40,240,806
Federal funding	21,049,894	-	-	-	-	-	21,049,894
Due from other funds	1,930,941	-	5,511,992	-	-	499,769	7,942,702
Prepaid items	1,223,792	-	-	-	-	-	1,223,792
TOTAL ASSETS	$ 52,027,095	$ 245,587,092	$ 94,044,843	$ 242,184,452	$ 211,349,559	$ 87,642,331	$ 932,835,372
LIABILITIES							
Accounts payable and accrued expenditures	$ 12,366,380	$ 10,545,700	$ 34,336,345	$ 32,904,338	$ -	$ 7,826,101	$ 97,978,864
Unearned revenue	3,040,934	-	-	-	-	-	3,040,934
Retention payable	76,688	-	-	2,898,490	-	-	2,975,178
Security trade payable	-	-	-	-	10,000,000	-	10,000,000
Due to other funds	2,367,970	-	2,379,813	-	-	10,540	4,758,323
TOTAL LIABILITIES	17,851,972	10,545,700	36,716,158	35,802,828	10,000,000	7,836,641	118,753,299
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	-	205,208,113	-	165,415,960	-	48,637,853	419,261,926
TOTAL DEFERRED INFLOWS OF RESOURCES	-	205,208,113	-	165,415,960	-	48,637,853	419,261,926
FUND BALANCES							
Nonspendable							
Prepaid items	1,208,855	-	-	-	-	-	1,208,855
Restricted for:							
Transportation projects	528,260	29,833,279	57,328,685	-	-	9,667,323	97,357,547
Rail projects	-	-	-	40,965,664	201,349,559	-	242,315,223
Committed to:							
Benefits reserve	1,500,745	-	-	-	-	-	1,500,745
Building reserve	-	-	-	-	-	499,769	499,769
Transportation projects	1,187,654	-	-	-	-	21,000,745	22,188,399
Unassigned:							
Unrestricted/Unassigned	29,749,609	-	-	-	-	-	29,749,609
TOTAL FUND BALANCES	34,175,123	29,833,279	57,328,685	40,965,664	201,349,559	31,167,837	394,820,147
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 52,027,095	$ 245,587,092	$ 94,044,843	$ 242,184,452	$ 211,349,559	$ 87,642,331	$ 932,835,372

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, 2014

Governmental fund balance	$ 394,820,147
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	5,818,836
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	2,275,163
Capital leases are not due and payable in the current period and, therefore, are not reported in the funds	(82,007)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	(4,019,949)
Net position of governmental activities	$ 406,196,575

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, 2015

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	BART Car Exchange	Non-Major Governmental Funds	Total Governmental Funds
REVENUES							
Sales tax	$ 12,373,864	$ -	$ -	$ -	$ -	$ -	$ 12,373,864
Grants - Federal	56,491,443	-	-	-	-	-	56,491,443
Grants - State	367,100	-	144,485,644	-	-	3,179,101	148,031,845
Local agencies revenues and refunds	4,040,280	-	1,948,698	-	74,168,150	6,396,308	86,553,436
Investment income (charge) - unrestricted	7,151	479,139	242,315	452,608	-	338,606	1,519,819
Investment income - restricted	-	-	-	-	493,439	-	493,439
TOTAL REVENUES	73,279,838	479,139	146,676,657	452,608	74,661,589	9,914,015	305,463,846
EXPENDITURES							
Current:							
General government	67,790,809	21,295	-	21,014	4,455	625,885	68,463,458
Allocations to other agencies	12,765,087	5,219,588	122,665,610	59,702,316	-	7,451,168	207,803,769
Capital outlay	179,984	-	-	-	-	-	179,984
TOTAL EXPENDITURES	80,735,880	5,240,883	122,665,610	59,723,330	4,455	8,077,053	276,447,211
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(7,456,042)	(4,761,744)	24,011,047	(59,270,722)	74,657,134	1,836,962	29,016,635
OTHER FINANCING SOURCES (USES)							
Transfers in	9,996,374	9,680,853	3,068,344	7,860,296	-	2,583,662	33,189,529
Transfers out	(38,459)	(3,551)	(17,749,636)	-	-	(62,288)	(17,853,934)
TOTAL OTHER FINANCING SOURCES (USES)	9,957,915	9,677,302	(14,681,292)	7,860,296	-	2,521,374	15,335,595
NET CHANGE IN FUND BALANCES	2,501,873	4,915,558	9,329,755	(51,410,426)	74,657,134	4,358,336	44,352,230
Fund balances - beginning	34,175,123	29,833,279	57,328,685	40,965,664	201,349,559	31,167,837	394,820,147
Fund balances - ending	$ 36,676,996	$ 34,748,837	$ 66,658,440	$ (10,444,762)	$ 276,006,693	$ 35,526,173	$ 439,172,377

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, 2014

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	BART Car Exchange	Non-Major Governmental Funds	Total Governmental Funds
REVENUES							
Sales tax	$ 11,734,631	$ -	$ -	$ -	$ -	$ -	$ 11,734,631
Grants - Federal	52,831,376	-	-	-	-	-	52,831,376
Grants - State	360,055	-	148,407,894	-	-	3,147,625	151,915,574
Local agencies revenues and refunds	3,012,908	-	2,490,059	5,000,000	72,000,000	6,209,613	88,712,580
Investment income (charge) - unrestricted	14,890	335,284	339,313	532,506	-	428,388	1,650,381
Investment income - restricted	-	-	-	-	284,620	-	284,620
TOTAL REVENUES	67,953,860	335,284	151,237,266	5,532,506	72,284,620	9,785,626	307,129,162
EXPENDITURES							
Current:							
General government	62,295,316	23,986	-	5,029,481	6,855	3,031,521	70,387,159
Allocations to other agencies	12,336,592	17,034,660	147,161,104	64,658,106	-	8,243,942	249,434,404
Capital outlay	496,115	-	-	-	-	-	496,115
TOTAL EXPENDITURES	75,128,023	17,058,646	147,161,104	69,687,587	6,855	11,275,463	320,317,678
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(7,174,163)	(16,723,362)	4,076,162	(64,155,081)	72,277,765	(1,489,837)	(13,188,516)
OTHER FINANCING SOURCES (USES)							
Transfers in	10,461,044	10,076,167	-	8,181,267	-	2,530,991	31,249,469
Transfers out	-	-	(18,331,944)	(150,000)	-	(358,812)	(18,840,756)
TOTAL OTHER FINANCING SOURCES (USES)	10,461,044	10,076,167	(18,331,944)	8,031,267	-	2,172,179	12,408,713
NET CHANGE IN FUND BALANCES	3,286,881	(6,647,195)	(14,255,782)	(56,123,814)	72,277,765	682,342	(779,803)
Fund balances - beginning	30,888,242	36,480,474	71,584,467	97,089,478	129,071,794	30,485,495	395,599,950
Fund balances - ending	$ 34,175,123	$ 29,833,279	$ 57,328,685	$ 40,965,664	$ 201,349,559	$ 31,167,837	$ 394,820,147

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, 2015 and 2014

	2015	2014
Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditures and Changes in Fund Balances)	$ 44,352,230	$ (779,803)
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.	(714,402)	(435,468)
Loss on disposal of capital assets is reported in the statement of activities. Therefore, the change in net assets differs from the change in fund balance by the loss on the capital asset disposal.	-	(16,023)
Repayment of the principal of the long-term receivable from BART is not recorded as a long-term asset in the governmental funds. Repayments received from the agency were recorded as income in the governmental fund but were capitalized as a long-term asset in the Statement of Net Position.	-	(5,000,000)
Repayment of Intra-equity loan between MTC and BATA as discussed above.	-	5,000,000
Principal repayment on capital leases is not 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.	57,318	54,688
Governmental funds report over absorption of applied overhead as unearned revenue; however in the Statement of Activities, the overabsorption is reported as revenue.	372,778	1,076,248
Some items do not require the use of current financial resources and, therefore, are not reported in the governmental funds:		
Compensated absences	(327,852)	(162,872)
Pension liability	1,225,025	-
Change in net position of governmental activities (per Statement of Activities)	$ 44,965,097	$ (263,230)

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

Metropolitan Transportation Commission
Statement of Net Position - Proprietary Funds
June 30, 2015

	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	$ 8,145,980	$ 445,008,844	$ 11,884,171	$ 465,038,995
Cash - restricted	-	83,277,891	-	83,277,891
Short term investments - unrestricted	-	813,282,305	107,028	813,389,333
Short term investments - restricted	-	95,698,330	-	95,698,330
Due from other funds	1,332,661	-	3,156,510	4,489,171
Accounts receivable	3,696,350	11,652,730	524	15,349,604
Accrued interest	-	23,181,002	76	23,181,078
Prepaid expenses	-	746,499	277,001	1,023,500
Funding due from State/ Caltrans	36,758	1,109,939	2,166,705	3,313,402
Funding due from Federal	2,636,587	-	1,591,407	4,227,994
Total current assets	15,848,336	1,473,957,540	19,183,422	1,508,989,298
Non-current assets:				
Cash - restricted	-	64,512,890	-	64,512,890
Investments - restricted	-	1,453,692,379	-	1,453,692,379
Bond prepaid insurance/interest	-	98,996	-	98,996
Capital assets, net of accumulated depreciation/ amortization	-	25,307,663	3,208,386	28,516,049
Total non-current assets	-	1,543,611,928	3,208,386	1,546,820,314
TOTAL ASSETS	15,848,336	3,017,569,468	22,391,808	3,055,809,612
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge	-	755,976,854	-	755,976,854
Deferred outflows from pension	203,935	987,980	63,396	1,255,311
TOTAL DEFERRED OUTFLOWS OF RESOURCES	203,935	756,964,834	63,396	757,232,165
LIABILITIES				
Current liabilities:				
Accounts payable	6,372,718	84,073,380	1,054,179	91,500,277
Accrued interest payable	-	101,402,582	-	101,402,582
Security trade payable	-	20,000,000	-	20,000,000
Due to other funds	5,025,671	1,403,880	-	6,429,551
Unearned revenue	-	75,173,071	-	75,173,071
Retention payable	101,941	492,689	-	594,630
Long term debt - current	-	56,915,000	-	56,915,000
Due to Caltrans	-	28,994,667	-	28,994,667
Total current liabilities	11,500,330	368,455,269	1,054,179	381,009,778
Non-current liabilities:				
Unearned revenue/ Patron deposits	-	7,394,704	-	7,394,704
Long term debt, net	-	9,371,296,727	-	9,371,296,727
Derivative instruments - liability	-	416,127,433	-	416,127,433
Net pension liability	1,273,613	6,170,105	395,917	7,839,635
Total non-current liabilities	1,273,613	9,800,988,969	395,917	9,802,658,499
TOTAL LIABILITIES	12,773,943	10,169,444,238	1,450,096	10,183,668,277
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pension	374,390	1,813,758	116,383	2,304,531
TOTAL DEFERRED INFLOWS OF RESOURCES	374,390	1,813,758	116,383	2,304,531
NET POSITION				
Net investment in capital assets	-	25,307,663	3,208,386	28,516,049
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	2,903,938	(6,622,031,357)	17,680,339	(6,601,447,080)
TOTAL NET POSITION	$ 2,903,938	$ (6,396,723,694)	$ 20,888,725	$ (6,372,931,031)

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

Metropolitan Transportation Commission
Statement of Net Position - Proprietary Funds
June 30, 2014

	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	$ 8,899,311	$ 553,253,319	$ 12,480,646	$ 574,633,276
Cash - restricted	-	95,315,021	-	95,315,021
Short term investments - unrestricted	-	477,897,122	106,759	478,003,881
Short term investments - restricted	-	95,275,986	-	95,275,986
Due from other funds	2,850,274	-	1,349,047	4,199,321
Accounts receivable	2,966,913	9,861,778	-	12,828,691
Accrued interest	-	22,361,719	59	22,361,778
Prepaid expenses	25,465	517,669	110,959	654,093
Funding due from State/ Caltrans	39,093	488,368	2,313,352	2,840,813
Funding due from Federal	843,529	-	522,713	1,366,242
Total current assets	15,624,585	1,254,970,982	16,883,535	1,287,479,102
Non-current assets:				
Cash - restricted	-	13,896,867	-	13,896,867
Investments - restricted	-	1,469,347,341	-	1,469,347,341
Derivative instruments - assets	-	5,662,835	-	5,662,835
Bond prepaid insurance/interest	-	105,281	-	105,281
Capital assets, net of accumulated depreciation/ amortization	-	23,785,175	3,247,670	27,032,845
Total non-current assets	-	1,512,797,499	3,247,670	1,516,045,169
TOTAL ASSETS	15,624,585	2,767,768,481	20,131,205	2,803,524,271
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on derivative instruments	-	228,932,934	-	228,932,934
Deferred charge	-	587,759,536	-	587,759,536
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	816,692,470	-	816,692,470
LIABILITIES				
Current liabilities:				
Accounts payable	6,822,151	133,412,385	1,126,605	141,361,141
Accrued interest payable	-	107,807,557	-	107,807,557
Security trade payable	-	27,000,000	-	27,000,000
Due to other funds	5,935,661	1,374,655	73,384	7,383,700
Unearned revenue	-	67,275,789	-	67,275,789
Retention payable	10,288	1,244,428	-	1,254,716
Long term debt - current	-	48,195,000	-	48,195,000
Due to Caltrans	-	33,871,873	-	33,871,873
Total current liabilities	12,768,100	420,181,687	1,199,989	434,149,776
Non-current liabilities:				
Unearned revenue/ Patron deposits	-	7,827,644	-	7,827,644
Long term debt, net	-	8,662,910,575	-	8,662,910,575
Derivative instruments - liability	-	365,154,148	-	365,154,148
Total non-current liabilities	-	9,035,892,367	-	9,035,892,367
TOTAL LIABILITIES	12,768,100	9,456,074,054	1,199,989	9,470,042,143
NET POSITION				
Net investment in capital assets	-	23,785,175	3,247,670	27,032,845
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	2,856,485	(6,095,398,278)	15,683,546	(6,076,858,247)
TOTAL NET POSITION	$ 2,856,485	$ (5,871,613,103)	$ 18,931,216	$ (5,849,825,402)

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, 2015

	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	$ -	$ 694,954,852	$ -	$ 694,954,852
Department of Motor Vehicles registration fees	-	-	6,414,208	6,414,208
Payments from operators	16,751,996	-	-	16,751,996
Other operating revenues	-	22,383,662	5,938	22,389,600
TOTAL OPERATING REVENUES	16,751,996	717,338,514	6,420,146	740,510,656
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	26,916,607	-	26,916,607
Operating expenses - Transbay JPA	-	3,644,073	-	3,644,073
Towing contracts	-	-	8,269,888	8,269,888
Professional fees	28,378,744	50,185,914	939,743	79,504,401
Allocations to other agencies	-	38,398,116	-	38,398,116
Salaries and benefits	1,822,118	9,933,228	796,413	12,551,759
Repairs and maintenance	-	10,873	542,105	552,978
Communication charges	120	70,113	108,020	178,253
Depreciation and amortization	-	4,769,136	366,839	5,135,975
Other operating expenses	1,217,254	16,746,300	511,132	18,474,686
TOTAL OPERATING EXPENSES	31,418,236	150,674,360	11,534,140	193,626,736
OPERATING INCOME (LOSS)	(14,666,240)	566,664,154	(5,113,994)	546,883,920
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	408	(277,339,230)	1,809	(277,337,013)
Build America Bonds (BABs) interest subsidy	-	70,991,686	-	70,991,686
Interest expense	-	(431,383,619)	-	(431,383,619)
Financing fees	-	(4,520,083)	-	(4,520,083)
Other nonoperating expense	-	(19,621,210)	(112,722)	(19,733,932)
Caltrans/ other agency operating grants	629,579	8,180,400	4,354,604	13,164,583
Federal grants	4,188,918	-	4,083,910	8,272,828
Distributions to other agencies for their capital purposes	(5,846,580)	(123,882,405)	-	(129,728,985)
Distributions to Caltrans for their capital purposes	-	(239,410,807)	-	(239,410,807)
Capital contribution to Bay Area Headquarters Authority	-	(38,622,586)	(50,000)	(38,672,586)
Other nonoperating revenue	1,491,113	1,701,544	-	3,192,657
TOTAL NONOPERATING REVENUES (EXPENSES)	463,438	(1,053,906,310)	8,277,601	(1,045,165,271)
INCOME (LOSS) BEFORE TRANSFERS	(14,202,802)	(487,242,156)	3,163,607	(498,281,351)
TRANSFERS				
Transfers to Metropolitan Transportation Commission	(2,982,663)	(28,061,331)	(926,901)	(31,970,895)
Transfers from Metropolitan Transportation Commission	16,635,300	-	-	16,635,300
Transfer between programs	2,139,132	(2,339,132)	200,000	-
TOTAL TRANSFERS	15,791,769	(30,400,463)	(726,901)	(15,335,595)
CHANGE IN NET POSITION	1,588,967	(517,642,619)	2,436,706	(513,616,946)
Total net position - beginning*	1,314,971	(5,879,081,075)	18,452,019	(5,859,314,085)
Total net position - ending	$ 2,903,938	$ (6,396,723,694)	$ 20,888,725	$ (6,372,931,031)

*In fiscal year 2015, beginning balance was restated due to the adoption of GASB Statement 68. See Note 1.J for further information.

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, 2014

	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	$ -	$ 671,506,937	$ -	$ 671,506,937
Department of Motor Vehicles registration fees	-	-	6,315,644	6,315,644
Payments from operators	15,862,805	-	-	15,862,805
Other operating revenues	4,199	19,416,727	40,398	19,461,324
TOTAL OPERATING REVENUES	15,867,004	690,923,664	6,356,042	713,146,710
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	26,143,815	-	26,143,815
Operating expenses - Transbay JPA	-	3,716,381	-	3,716,381
Towing contracts	-	-	8,824,346	8,824,346
Professional fees	26,958,931	50,781,352	1,302,070	79,042,353
Allocations to other agencies	-	37,857,251	-	37,857,251
Salaries and benefits	2,016,180	9,892,206	832,364	12,740,750
Repairs and maintenance	-	7,745	687,493	695,238
Communication charges	120	64,458	110,955	175,533
Depreciation and amortization	-	4,343,444	301,229	4,644,673
Other operating expenses	1,293,712	16,575,798	673,702	18,543,212
TOTAL OPERATING EXPENSES	30,268,943	149,382,450	12,732,159	192,383,552
OPERATING INCOME (LOSS)	(14,401,939)	541,541,214	(6,376,117)	520,763,158
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	568	(1,260,833)	4,250	(1,256,015)
Build America Bonds (BABs) interest subsidy	-	70,762,001	-	70,762,001
Interest expense	-	(444,491,995)	-	(444,491,995)
Financing fees	-	(5,228,135)	-	(5,228,135)
Other nonoperating expense	-	(12,244,246)	(10,001)	(12,254,247)
Caltrans/ other agency operating grants	224,195	307,977,921	7,300,854	315,502,970
Federal grants	1,422,609	-	1,101,149	2,523,758
Distributions to other agencies for their capital purposes	(7,123,871)	(316,769,632)	-	(323,893,503)
Distributions to Caltrans for their capital purposes	-	(406,130,188)	-	(406,130,188)
Capital contribution to Bay Area Headquarters Authority	-	(251,909,538)	-	(251,909,538)
Other nonoperating revenue	1,517,268	3,165,152	-	4,682,420
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,959,231)	(1,056,129,493)	8,396,252	(1,051,692,472)
INCOME (LOSS) BEFORE TRANSFERS	(18,361,170)	(514,588,279)	2,020,135	(530,929,314)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contribution from BAIFA	-	81,209,050	-	81,209,050
Transfers to Metropolitan Transportation Commission	-	(28,500,755)	(1,248,918)	(29,749,673)
Transfers from Metropolitan Transportation Commission	16,955,631	290,112	95,217	17,340,960
Transfer between programs	2,927,563	(2,927,563)	-	-
TOTAL TRANSFERS	19,883,194	50,070,844	(1,153,701)	68,800,337
CHANGE IN NET POSITION	1,522,024	(464,517,435)	866,434	(462,128,977)
Total net position - beginning	1,334,461	(5,407,095,668)	18,064,782	(5,387,696,425)
Total net position - ending	$ 2,856,485	$ (5,871,613,103)	$ 18,931,216	$ (5,849,825,402)

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, 2015

	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 and others	$ 17,349,073	$ 723,294,069	$ 6,405,144	$ 747,048,286
Cash payments to suppliers and employees for services	(36,197,365)	(148,860,045)	(12,847,672)	(197,905,082)
Net cash provided by/(used in) operating activities	(18,848,292)	574,434,024	(6,442,528)	549,143,204
Cash flows from non-capital financing activities				
Caltrans and other state and local agency grants	796,513	8,930,514	4,516,253	14,243,280
Proceeds from issuance of revenue bonds	-	540,291,273	-	540,291,273
Build America Bonds interest subsidy	-	71,010,826	-	71,010,826
Interest paid on bonds	-	(419,524,506)	-	(419,524,506)
Financing fees	-	(5,286,232)	-	(5,286,232)
Federal grants	2,395,860	-	3,015,216	5,411,076
Transfers (to)/from MTC and SAFE	17,309,382	(10,548,095)	(1,196,662)	5,564,625
Bond principal payments	-	(48,195,000)	-	(48,195,000)
Distributions to Caltrans	-	(241,669,544)	-	(241,669,544)
Distributions to other agencies	(2,407,202)	(175,747,035)	-	(178,154,237)
Capital contribution to BAHA	-	(38,622,586)	(50,000)	(38,672,586)
Net cash provided by/(used in) non-capital financing activities	18,094,553	(319,360,385)	6,284,807	(294,981,025)
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	(4,936,549)	(440,277)	(5,376,826)
Net cash provided by/(used in) capital and related financing activities	-	(4,936,549)	(440,277)	(5,376,826)
Cash flows from investing activities				
Proceeds from maturities of investments	-	5,761,834,044	-	5,761,834,044
Purchase of investments	-	(6,089,389,289)	(261)	(6,089,389,550)
Interest and dividends received	408	7,752,573	1,784	7,754,765
Net cash provided by/(used in) investing activities	408	(319,802,672)	1,523	(319,800,741)
Net increase in cash	(753,331)	(69,665,582)	(596,475)	(71,015,388)
Balances - beginning of year	8,899,311	662,465,207	12,480,646	683,845,164
Balances - end of year	$ 8,145,980	$ 592,799,625	$ 11,884,171	$ 612,829,776

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, 2015

	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)	$ (14,666,240)	$ 566,664,154	$ (5,113,994)	$ 546,883,920
Adjustments to reconcile operating net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	4,769,136	366,839	5,135,975
Other revenues	1,491,113	1,126,505	-	2,617,618
Other expenses	-	(2,543,609)	-	(2,543,609)
Net effect of changes in:				
Due (to)/from MTC	(4,983,722)	-	(1,411,086)	(6,394,808)
Accounts receivable	(894,036)	(2,550,936)	(524)	(3,445,496)
Prepaid expenses and other assets	25,465	18,359	(166,042)	(122,218)
Due to Caltrans	-	(2,618,469)	-	(2,618,469)
Accounts payable and accrued expenses	276,573	2,660,987	(72,426)	2,865,134
Unearned revenue	-	7,897,282	-	7,897,282
Patron deposits	-	(470,764)	-	(470,764)
State funding due	-	(46,532)	(15,003)	(61,535)
Deferred outflows from pension	(203,935)	(987,980)	(63,395)	(1,255,310)
Net pension liability	(267,901)	(1,297,867)	(83,280)	(1,649,048)
Deferred inflows from pension	374,390	1,813,758	116,383	2,304,531
Net cash provided by operating activities	$ (18,848,293)	$ 574,434,024	$ (6,442,528)	$ 549,143,203

Significant Noncash Investing, Capital, and Financing Activities

	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Refunding bond proceeds received in escrow trust fund	$ -	$ 1,714,141,938	$ -	$ 1,714,141,938
Debt refunded through escrow trust fund	-	(1,476,450,000)	-	(1,476,450,000)
Furniture and equipment	-	(1,650,000)	-	(1,650,000)
Intangibles	$ -	$ (3,019,528)	$ -	$ (3,019,528)

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, 2014

	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 and others	$ 17,521,278	$ 699,350,804	$ 6,331,282	$ 723,203,364
Cash payments to suppliers and employees for services	(30,113,147)	(148,748,591)	(14,206,458)	(193,068,196)
Net cash provided by/(used in) operating activities	(12,591,869)	550,602,213	(7,875,176)	530,135,168
Cash flows from non-capital financing activities				
Caltrans and other state and local agency grants	1,811,633	308,481,998	7,938,432	318,232,063
Proceeds from issuance of revenue bonds	-	885,646,782	-	885,646,782
Build America Bonds interest subsidy	-	70,474,895	-	70,474,895
Interest paid on bonds	-	(437,397,638)	-	(437,397,638)
Financing fees	-	(5,364,647)	-	(5,364,647)
Federal grants	5,798,143	-	2,386,304	8,184,447
Transfers (to)/from MTC and SAFE	21,512,042	(10,835,406)	95,216	10,771,852
Received from MTC for loan payment	-	5,000,000	-	5,000,000
Bond principal payments	-	(46,165,000)	-	(46,165,000)
Distributions to Caltrans	-	(403,732,572)	(90,000)	(403,822,572)
Distributions to other agencies	(8,467,938)	(235,625,642)	-	(244,093,580)
Paid to BAIFA	-	(78,090,462)	-	(78,090,462)
Capital contribution to BAHA	-	(251,909,538)	-	(251,909,538)
Net cash provided by/(used in) non-capital financing activities	20,653,880	(199,517,230)	10,329,952	(168,533,398)
Cash flows from capital and related financing activities				
Transfer between programs	-	81,209,050	-	81,209,050
Acquisition of capital assets	-	(10,197,293)	(19,795)	(10,217,088)
Net cash provided by/(used in) capital and related financing activities	-	71,011,757	(19,795)	70,991,962
Cash flows from investing activities				
Proceeds from maturities of investments	-	5,597,905,082	-	5,597,905,082
Purchase of investments	-	(5,846,435,521)	(263)	(5,846,435,784)
Interest and dividends received	568	4,748,677	4,253	4,753,498
Net cash provided by/(used in) investing activities	568	(243,781,762)	3,990	(243,777,204)
Net increase/(decrease) in cash	8,062,579	178,314,978	2,438,971	188,816,528
Balances - beginning of year	836,732	484,150,229	10,041,675	495,028,636
Balances - end of year	$ 8,899,311	$ 662,465,207	$ 12,480,646	$ 683,845,164

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, 2014

	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)	$ (14,401,939)	$ 541,541,214	$ (6,376,117)	$ 520,763,158
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	4,343,444	301,229	4,644,673
Other revenues	1,370,122	3,165,152	-	4,535,274
Other expenses	-	(2,269,113)	-	(2,269,113)
Net effect of changes in:				
Due (to)/from MTC	4,557,987	-	(1,103,555)	3,454,432
Due from BAIFA	-	20,250	-	20,250
Accounts receivable	253,115	(1,653,570)	-	(1,400,455)
Prepaid expenses and other assets	(25,465)	(73,870)	(43,122)	(142,457)
Due to Caltrans	-	72,145	-	72,145
Deferred revenue	-	5,413,784	-	5,413,784
Patron deposits	-	997,027	-	997,027
Accounts payable and accrued expenses	(4,376,726)	(1,438,747)	(628,851)	(6,444,324)
State funding due	31,037	484,497	(24,760)	490,774
Net cash provided by operating activities	$ (12,591,869)	$ 550,602,213	$ (7,875,176)	$ 530,135,168

Significant Noncash Investing, Capital, and Financing Activities

There were no significant noncash items during the fiscal year ended June 30, 2014.

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

Metropolitan Transportation Commission
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and investments	$ 170,909,793	$ 141,401,128
Accounts receivable	9,694,161	8,947,813
Interest receivable	23,601	18,531
TOTAL ASSETS	$ 180,627,555	$ 150,367,472
LIABILITIES		
Accounts payable and accrued liabilities	$ 95,618,735	$ 68,115,341
Due to other governments	85,008,820	82,252,131
TOTAL LIABILITIES	$ 180,627,555	$ 150,367,472

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.

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 revenues 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, and the management of the primary government has the operational responsibility for the component units. The blended component units, although legally separate entities are, in substance, part of 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 separate columns on the face of the government-wide financial statements in the far right columns. There is no activity for BAIFA for fiscal year 2015. The SPANs financing was completed in fiscal year 2014.

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.

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

In June 1988, 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. 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, MTC SAFE's responsibilities were expanded, pursuant to a jointly adopted Memorandum of Understanding between 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.

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 statements 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. There are six Commissioners on the governing board for BAIFA. BAIFA's board consists of 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 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*. There was no activity in BAIFA for fiscal year 2015 as the SPANs financing was completed in fiscal year 2014.

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 to exercise powers common to MTC and BATA. There are six Commissioners on the governing board for BAHA. BAHA's board 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 MTC, Bay Area Air Quality Management District, and the Association of Bay Area Governments. 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 Statements No. 14 and No*. 39. Requests for separately issued financial statements for BAHA should be addressed to the Treasurer and Auditor, Bay Area Headquarters Authority, 375 Beale Street, San Francisco, CA 94105.

B. Government-Wide and Fund Financial Statements

Basis of presentation - government-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 eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation. *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 Reserves Fund – Under Section 30914 (a.4) of the Streets and Highways Code, the Rail Reserves 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.

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 year 2013.

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 two 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.

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 2015 and 2014.

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 under the Memorandum of Understanding with seven Bay Area transit organizations. Clipper® smart card operating and capital costs are incurred by MTC's 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.

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 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.

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

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and *the accrual basis of accounting*. 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.

New Accounting Pronouncements

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 Required Supplementary Information (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 ten year RSI schedules. This standard was issued in June 2012 and is effective for periods beginning after June 15, 2013. This standard did not apply to MTC.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, *an amendment to GASB Statement No. 27,* requires governments providing defined benefit pensions through pension plans administered as trusts or similar arrangements that meet certain criteria 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 2012 and is effective for periods beginning after June 15, 2014. The standard was adopted by MTC for fiscal year ended June 30, 2015. The adoption of this standard recognized the pension benefit obligation as a pension liability in the financial statements as of July 1, 2014, with no restatement of periods prior to that date. For additional information on the impact of adoption of GASB Statement No. 68, see Notes 1.J and 8.

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 did not have any impact on MTC's financial statements.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, amends paragraph 137 of Statement 68 to require that, at transition, a government recognizes a beginning deferred outflows of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68. This standard was issued in November 2013 and is effective for reporting periods beginning after June 15, 2014. This standard was adopted by MTC for fiscal year ended June 30, 2015. The adoption of this standard recognized the pension contributions made subsequent to the measurement date as a beginning balance of the deferred outflows of resources.

GASB Statement No. 72, *Fair Value Measurement and Application*, provides guidance for determining a fair value measurement for financial reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. This standard was issued in February 2015 and is effective for reporting periods beginning after June 15, 2015. Management is currently evaluating the effect of this standard on the financial statements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* extends the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also clarifies the application of certain provisions of Statements 67 and 68. This standard was issued in

June 2015 and is effective for reporting periods beginning after June 15, 2015. This standard is not expected to have any impact on MTC's financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This standard establishes new accounting and financial reporting requirements for OPEB plans. This standard was issued in June 2015 and is effective for reporting periods beginning after June 15, 2016. This standard will not have any impact on MTC's financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This standard establishes new accounting and financial reporting requirements for those governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This standard was issued in June 2015 and is effective for reporting periods beginning after June 15, 2017. Management is currently evaluating the effect of this standard on MTC's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This standard was issued in June 2015 and is effective for reporting periods beginning after June 15, 2015. Management is currently evaluating the effect of this standard on MTC's financial statements.

In fiscal years 2015 and 2014, the following funds are considered non-major: Transit Reserve Fund, Exchange Fund, Feeder Bus Fund, Proposition 1B Fund and Capital Projects Fund. The following funds are considered major governmental funds: MTC General Fund, STA Fund, Rail Reserves Fund, AB 664 Net Toll Revenue Reserve Fund, and BART Car Exchange 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 and its operating entities 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 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:

	2015	2014
General Fund	$ 1,398,076	$ 1,187,354
AB 664 Net Toll Revenue	33,704,386	30,106,483
State Transit Assistance Funds	791,525	5,901,749
Rail Reserves	102,714,590	40,965,664
Non-major Governmental Funds	5,917,684	18,908,151

F. Net Position

Net position, presented in the government-wide financial statements, represents the residual interest in assets plus deferred outflows after liabilities and deferred inflow are deducted. MTC's net position consists of three sections: Net investment in capital assets, 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:

	2015	2014
Capital Projects	$384,916,044	$361,332,909
Other Purposes:		
Operations & Maintenance reserve, under debt covenant	$150,000,000	$150,000,000
Extraordinary loss reserve, under Caltrans Cooperation Agreement	50,000,000	50,000,000
Net OPEB asset	7,384,385	7,384,385
STA reserve	511,807	528,260
Other (Prepaids, Benefit Reserve, Legal Reserve, and Building Reserve)	-	3,209,369
Total Other Purposes	$207,896,192	$211,122,014

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, 2015 and 2014 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 Reserves, 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.
- 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. This restriction is currently not used on MTC's fund balances.
- Unassigned – This category is the residual classification for the general fund. This category represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a

positive unassigned fund balance. In other governmental funds, if expenditures exceed amounts restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance.

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, 2015 and 2014 and provides additional disclosure information with respect to the purpose of each fund (see Note 1.B.). This evaluation did not result in a reclassification of funds within the governmental fund types for fiscal years 2015 and 2014.

H. <u>Cash and Investments</u>

MTC applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, *as amended*, 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.U.

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 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 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
- Authorized pooled investment programs
- Commercial paper – Rated "A1" or "P1"
- Corporate notes – Rated "A" or better
- Municipal bonds

- Mutual funds – Rated "AAA"
- Other investment types authorized by state law and not prohibited in MTC's investment policy.

Cash

MTC considers all balances in demand deposit accounts to be cash. Deposits in the cash management pool of the County of Alameda are presented as cash 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. MTC classifies all other highly liquid cash equivalents as short-term investments.

Restricted Cash

Certain cash is restricted as these assets are either for a specific purpose, escrow accounts 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 they are either for a specific purpose, or 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 purchased and licensed commercially available computer software and internally developed software. The internally developed software are the development costs of the new Advanced Toll Collection and Accounting System (ATCAS II) at the seven toll bridges and the Fastrak® Regional Customer Service Center system upgrade. Depreciation and amortization expenses for the governmental activities are charged against general government function.

Capital assets are defined by MTC 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. MTC follows the guidance in GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion & Analysis - for State and Local Governments* and GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* for recording capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset service 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 California Public Employees' Retirement System (CalPERS).

In fiscal year 2015, MTC adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment to GASB Statement No. 27, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB 68"). For practical purposes, MTC elected, as permitted by GASB 68, to report the prior periods' cumulative effect of applying GASB 68 as a restatement of the beginning balance for the period in which GASB 68 is first applied. Prior to the adoption of GASB 68, MTC reported a pension liability only for the cumulative amount of unfunded actuarially required contributions, consistent with prior accounting standards. Under GASB 68, the entire unfunded pension liability is required to be recognized and reported as an obligation in the financial statements of MTC. GASB 68 has no impact on the financial statements of MTC's individual governmental funds under the modified accrual basis of accounting. Such funds continue to recognize their share of the actuarially determined contribution paid by MTC to the Plan as an expense. However, the GASB 68 amounts are recognized in the governmental and business-type activities of the government-wide financial statements. The prior periods' pension liability cumulative amount of $32,180,345 was recognized in fiscal year 2015 with the corresponding reduction to beginning net position balance of $28,867,305, and to deferred outflows of $3,313,040.

The impact of adoption of GASB 68 on the net position at July 1, 2014 is summarized as follows:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Net position at July 1, 2014 as revised	$ -	$ (5,849,825,402)	$ (5,849,825,402) *
Net position at July 1, 2014 as previously reported	406,196,575	-	406,196,575
Impact of adoption of GASB 68	(19,378,622)	(9,488,683)	(28,867,305)
Net position at July 1, 2014 as restated	$ 386,817,953	$ (5,859,314,085)	$ (5,472,496,132)

Individual funds within business-type activities have been allocated a portion of the net pension liability and pension expense based on their share of fiscal year 2015 payroll costs, which is the same basis used to allocate the actuarially determined contribution to funds. The impact of adoption of GASB 68 on the net position of each fund within business-type activities at July 1, 2014 is as follows:

	Bay Area Toll Authority	MTC SAFE	MTC Clipper	Total
Net position at July 1, 2014 as revised	$ (5,871,613,103)	$ -	$ -	$ (5,871,613,103) *
Net position at July 1, 2014 as previously reported	-	18,931,216	2,856,485	21,787,701
Impact of adoption of GASB 68	(7,467,972)	(479,197)	(1,541,514)	(9,488,683)
Net position at July 1, 2014 as restated	$ (5,879,081,075)	$ 18,452,019	$ 1,314,971	$ (5,859,314,085)

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plan and additions to / deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

* Refer to Note 1.AA for further information on the revision.

GASB 68 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

GASB 68 allows use of a measurement date of up to twelve months before the employer's fiscal year end. Accordingly, for financial reporting purposes, MTC's net pension liability at June 30, 2013 was determined using the CalPERS 2013 valuation date information. CalPERS then rolled forward that valuation to June 30, 2014, which was the basis for measuring MTC's net pension liability at June 30, 2015.

For additional information on the 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 expense. 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 government-wide governmental activities accounts payable and accrued liabilities, totals $4,347,801 and $4,019,949 at June 30, 2015 and 2014, 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, 2015 is as follows:

	Beginning Balance July 1, 2014	Additions	Reductions	Ending Balance June 30, 2015	Due Within One Year
Compensated Absences	$ 4,019,949	$ 2,795,470	$ (2,467,618)	$ 4,347,801	$ 1,895,996

A summary of changes in compensated absences for the year ended June 30, 2014 is as follows:

	Beginning Balance July 1, 2013	Additions	Reductions	Ending Balance June 30, 2014	Due Within One Year
Compensated Absences	$ 3,857,077	$ 2,631,231	$ (2,468,359)	$ 4,019,949	$ 1,704,540

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 fiscal years 2015 and 2014 reconciling items are as follows:

	2015	2014
Capital outlay	$ 179,984	$ 417,938
Depreciation expense	(894,386)	(853,406)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at change in net position of governmental activities	$ (714,402)	$ (435,468)

N. 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.

O. Pledged Revenue to Bay Area Infrastructure Financing Authority

In December 2006, BATA entered into a contribution agreement with the State of California (the State) 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.

In fiscal year 2014, the last pledged payments from the State of $300,000,000 were received by BATA and paid to BAIFA.

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. Under this guidance, BATA 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.

P. Deferred Revenue/Deferred Charge

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

Streets and Highways 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 Reserves transfers. In April 2010, MTC entered into a funding agreement with BATA, whereby BATA would make a lump sum payment of $506,986,537 equal to the present value of the next 50 years of the above funds transfers. The funds were transferred on 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 Reserves fund transfers for the next 50 years. MTC is using 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 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 requires the intra-entity sale of future revenue to be accounted for as a deferred charge and deferred revenue and 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. The amortization for this fiscal year is $19,823,143.

Deferred charge includes the deferred amount from the bond refundings.

Q. Deferred Outflows/Inflows 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 annually 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 outflows or inflows constitute changes in the fair value of effectively hedged derivative instruments. These accounts are neither assets nor liabilities. 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. As of June 30, 2015 the remaining BATA's swaps were determined to be ineffective hedges and hedge accounting was terminated. See additional discussion in Note 5.

R. Deferred Outflows/Inflows on Pensions

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

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

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

R. Deferred Outflows/Inflows on Pensions (continued)

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

Deferred outflows of resources are also used to report MTC's contribution to CalPERS subsequent to the measurement date of the net pension liability and before the end of the reporting period. See Note 8 for additional information.

S. Toll Revenues Collected

BATA accounts for the electronic tolls and cash collected from the operation of the bridges as revenue. BATA recognizes toll revenue as amounts are collected from vehicle utilization of the toll bridges.

T. 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.

U. 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 instrument component is in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, 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, 2015 and 2014:

	Governmental Activities	BATA	MTC Clipper/ SAFE	Total Business-Type Activities	Total 2015	Total 2014
Investment income	$ 2,013,258	$ 8,229,824	$ 2,217	$ 8,232,041	$ 10,245,299	$ 7,747,373
Investment derivatives	-	(285,569,054)	-	(285,569,054)	(285,569,054)	(7,068,387)
	$ 2,013,258	$ (277,339,230)	$ 2,217	$ (277,337,013)	$ (275,323,755)	$ 678,986

V. 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.

W. Distributions to Others for their Capital Purposes / Allocation to Other Agencies

Expenses are recorded or accrued to the extent of the invoices presented to MTC that relate to the fiscal year.

X. 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.

Y. Build America Bonds (BABs) Interest Subsidy

The interest subsidy on the BABs was $70,991,686 for fiscal year 2015. Of this amount, $17,743,136 was not received as of June 30, 2015, therefore it is included as a year-end accrual. The Federal government makes a semiannual payment to MTC on April 1 and October 1 of each year. The two interest subsidy payments in fiscal year 2015 were short due to the Federal budget and sequestration constraints. The payments were impacted by a reduction of 7.2% of the subsidy amount for the first quarter and 7.3% for the last three quarters. In fiscal year 2016, the reduction will be 6.8%.

Z. Operating and Nonoperating Revenues and Expenses

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

AA. Revision of Certain Fiscal 2014 Balances

Certain fiscal 2014 financial statement balances as previously reported by BATA's proprietary fund have been revised in the accompanying fiscal 2014 statements to correctly reflect the accounting for termination of hedge accounting for some of the BATA swaps as they became ineffective due to amending the swaps. BATA amended interest rates for certain swaps in 2011 and 2014. Such amendments to the critical terms of the swaps are considered as hedge accounting termination events under the accounting guidance of GASB Statement No. 53, and the hedge accounting should have been terminated and the deferred outflows and inflows related to the change in fair value of the swaps that were recorded on the statement of net position should have been recognized in investment income on the statement of activities/statement of revenue, expense and changes in net position. In addition, there was one swap where the net settlement received in 2011 should have been recorded as investment income rather than as deferred revenue. There were a total of six swaps that were affected by this in fiscal years 2011 and 2014.

The following schedules reflect the original balances as reported in fiscal 2014, the adjustments and the revised balances. The adjustments displayed have the same impact on the total columns in both the proprietary fund and government wide 2014 financial statements although those columns are not presented

AA. Revision of Certain Fiscal 2014 Balances (continued)

in the following tables. Management does not believe these adjustments are material to the fiscal 2014 financial statements.

Statement of Net Position - Proprietary Fund

	Bay Area Toll Authority Balance as of June 30, 2014		
	As reported	Adjustment	As revised
Deferred outflows on derivative instruments	$ 281,986,770	$ (53,053,836)	$ 228,932,934
Total deferred outflows of resources	869,746,306	(53,053,836)	816,692,470
Deferred inflows on derivative instruments	5,662,835	(5,662,835)	-
Deferred revenue from swap amendment	20,236,319	(20,236,319)	-
Total deferred inflows of resources	25,899,154	(25,899,154)	-
Unrestricted net position	(6,068,243,596)	(27,154,682)	(6,095,398,278)
Total net position	$ (5,844,458,421)	$ (27,154,682)	$ (5,871,613,103)

Statement of Revenues, Expenses and Changes in Fund Balances - Proprietary Fund

	Bay Area Toll Authority For the year ended June 30, 2014		
	As reported	Adjustment	As revised
Investment income (charge)	$ 555,086	$ (1,815,919)	$ (1,260,833)
Interest expense	(443,976,648)	(515,347)	(444,491,995)
Total nonoperating revenues (expenses)	(1,053,798,227)	(2,331,266)	(1,056,129,493)
Income (loss) before transfers	(512,257,013)	(2,331,266)	(514,588,279)
Change in net position	(462,186,169)	(2,331,266)	(464,517,435)
Total net position - beginning	(5,382,272,252)	(24,823,416)	(5,407,095,668)
Total net position - ending	$ (5,844,458,421)	$ (27,154,682)	$ (5,871,613,103)

Statement of Net Position - Government Wide

	Business Type Activities Balance as of June 30, 2014		
	As reported	Adjustment	As revised
Deferred outflows on derivative instruments	$ 281,986,770	$ (53,053,836)	$ 228,932,934
Total deferred outflows of resources	450,484,380	(53,053,836)	397,430,544
Deferred inflows on derivative instruments	5,662,835	(5,662,835)	-
Deferred revenues from swap amendment	20,236,319	(20,236,319)	-
Total deferred inflows of resources	(393,362,772)	(25,899,154)	(419,261,926)
Unrestricted	(6,049,703,565)	(27,154,682)	(6,076,858,247)
Total Net Position	$ (5,822,670,720)	$ (27,154,682)	$ (5,849,825,402)

Statement of Activities - Government Wide

	Business Type Activities For the year ended June 30, 2014		
	As Reported	Adjustment	As revised
Toll bridge activities - expenses	$ 1,585,640,837	$ 515,347	$ 1,586,156,184
Total business type activities - expenses	1,635,775,811	515,347	1,636,291,158
Unrestricted investment earnings	559,904	(1,815,919)	(1,256,015)
Total general revenues and transfers	(11,848,809)	(1,815,919)	(13,664,728)
Changes in net position	(459,797,711)	(2,331,266)	(462,128,977)
Total net position - beginning	(5,362,873,009)	(24,823,416)	(5,387,696,425)
Total net position - ending	$ (5,822,670,720)	$ (27,154,682)	$ (5,849,825,402)

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 construction and 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, 2015 and 2014 is as follows:

	2015	2014
Unrestricted cash	$ 643,979,088	$ 740,901,136
Unrestricted investments	1,251,461,749	960,147,848
Total unrestricted cash and investments	1,895,440,837	1,701,048,984
Restricted cash	147,925,766	121,978,365
Restricted investments	1,835,167,905	1,763,158,876
Total restricted cash and investments	1,983,093,671	1,885,137,241
Total cash and investments	$ 3,878,534,508	$ 3,586,186,225

The details of restricted cash and investments are as follows:

	2015	2014
FasTrak® program	$ 83,209,971	$ 75,956,799
Escrow account	-	14,881
Bond proceeds for capital projects	103,137,729	122,424,290
Debt service reserve	510,833,790	475,439,245
Operations & maintenance reserve	150,000,000	150,000,000
Extraordinary loss reserve	50,000,000	50,000,000
Rehabilitation reserve	120,000,000	120,000,000
Projects/operating reserves	580,000,000	580,000,000
Variable rate risk reserve	100,000,000	100,000,000
BART car exchange project	285,912,181	211,302,026
Total restricted cash and investments	$ 1,983,093,671	$ 1,885,137,241

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 a bridge. Operations & maintenance, Debt service reserve, Extraordinary loss reserves, Rehabilitation 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, 2015 and 2014 is as follows:

	2015	**2014**
Cash at banks	$ 262,080,675	$ 319,035,697
Money market mutual funds	478,477,527	495,609,284
County of Alameda	51,346,653	48,234,521
Government-sponsored enterprises:		
Federal Home Loan Bank	1,769,729,083	1,560,791,194
Federal Home Loan Mortgage Corporation	693,790,052	565,893,886
Federal National Mortgage Association	348,599,624	210,808,026
Federal Farm Credit Bank	30,402,324	30,015,205
Municipal Bonds	79,678,850	121,330,000
Local Agency Investment Fund	324,184	323,369
Certificates of Deposit	93,000,000	198,900,000
Commercial Paper	35,471,521	9,993,750
Corporate Bonds	35,634,015	25,251,293
Total cash and investments	$3,878,534,508	$3,586,186,225

MTC holds a position in the investment pool of County of Alameda in the amount of $51,346,653 and $48,234,521 at June 30, 2015 and 2014, respectively. The Transportation Development Act (TDA) requires that STA and local TDA funds be deposited with the respective 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 an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The position in the external investment pool at the County of Alameda is recorded at fair value at June 30, 2015 and June 30, 2014 determined by the fair value of the pool's underlying portfolio. Deposits with the County of Alameda are available for immediate withdrawal.

MTC holds $324,184 and $323,369 at June 30, 2015 and 2014 respectively 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 state statute as an investment alternative for California's local governments and special districts. LAIF funds are available for immediate withdrawal.

MTC's portfolio includes six money market mutual fund investments at June 30, 2015 and June 30, 2014. The mutual fund investments in MTC's investment portfolio are expressed as a percentage of MTC's total cash and investments as follows:

	2015	2014
B of A Government Reserves Adviser	2%	1%
Dreyfus Gov't Cash Mgmt Institutional	less than 1%	1%
BlackRock T- Fund Institutional	1%	1%
California Asset Management Program	1%	2%
Federated Government Obligations Tax-Managed	1%	1%
CalTRUST Heritage Money Market	8%	8%

B of A Government Reserves Adviser funds are part of the overnight sweep fund utilized by Bank of America checking accounts and are 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 Standard & Poor's and Moody's, respectively.

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 Standard & Poor's and Moody's, respectively.

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 Standard & Poor's and Moody's, respectively.

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.

The Federated Government Obligations Tax-Managed Fund is part of the overnight sweep fund utilized by Bank of New York trustee and invests in short-term U.S. Treasury and government securities. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

The CalTRUST Heritage Money Market Fund is an investment through the CalTRUST joint powers authority. The Heritage Money Market Fund seeks current income while preserving capital and liquidity by investing in high-quality, short-term, U.S. dollar-denominated money market instruments of domestic and foreign issuers. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

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.

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 back to the bank 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 fail to meet its obligations or potentially default. See credit ratings in B. above.

ii.) Custodial Credit Risk

Custodial credit risk is the risk that securities held by the custodian and in the custodian's name may be lost and not be recovered. All MTC 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, 2015 and 2014 are as follows:

	2015	2014
Federal Home Loan Bank (FHLB)	46%	44%
Federal National Mortgage Association	9%	6%
Federal Home Loan Mortgage Corporation	18%	16%

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. Since MTC's policy is to buy and hold investments to maturity, mark-to-market will always equal par value when they mature.

MTC holds $82.5 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) 2 bps to maturity	11/16
FFCB	$20 million	1 mo LIBOR+(net) 2.5 bps to maturity	09/15
FNMA	$39 million	1 mo LIBOR +(net) 2 bps to maturity	08/16
GECC	$3.5 million	3 mo LIBOR +(net) 38 bps to maturity	07/15
IBM	$10 million	3 mo LIBOR+(net) 3 bps to maturity	07/15

MTC's investment portfolio consists of some variable rate demand obligations (VRDOs). VRDOs have liquidity instruments that allow the securities to be put back to the bank either with one day or with seven days' notice, depending on the security, and there is no significant risk of market value loss. Interest rates on the securities are reset daily or weekly and will fluctuate with the market at any given time.

The weighted average maturities of MTC's Government Sponsored Enterprises (GSE) securities (expressed in number of years) at June 30, 2015 and 2014 are as follows:

	2015	2014
Government-sponsored enterprises		
Federal Home Loan Bank	0.51	0.60
Federal Farm Credit Bank	0.63	1.60
Federal Home Loan Mortgage Corporation	1.63	1.35
Federal National Mortgage Association	0.95	0.78

4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015 is as follows:

Governmental activities	**Beginning Balance July 1, 2014**	**Increases**	**Decreases**	**Ending Balance June 30, 2015**
Capital assets, being depreciated:				
Buildings and improvements	$ 12,774,203	$ -	$ -	$ 12,774,203
Office furniture and equipment	2,822,840	179,984	-	3,002,824
Leased equipment	266,638	-	-	266,638
Automobiles	58,037	-	-	58,037
Total capital assets being depreciated	15,921,718	179,984	-	16,101,702
Less accumulated depreciation for:				
Buildings and improvements	7,663,742	640,104	-	8,303,846
Office furniture and equipment	2,190,012	200,955	-	2,390,967
Leased equipment	191,091	53,327	-	244,418
Automobiles	58,037	-	-	58,037
Total accumulated depreciation	10,102,882	894,386	-	10,997,268
Total capital assets, being depreciated, net	5,818,836	(714,402)	-	5,104,434
Governmental activities capital assets, net	$ 5,818,836	$ (714,402)	$ -	$ 5,104,434

Business-type activities	**Beginning Balance July, 1 2014**	**Increases**	**Decreases**	**Ending Balance June 30, 2015**
Capital assets, not being depreciated:				
Office furniture and equipment	$ 2,091,616	$ 269,554	$ (2,361,170)	$ -
Intangible assets	4,528,476	5,577,713	(5,818,976)	4,287,213
Call boxes	826,359	-	(810,629)	15,730
Total capital assets, not being depreciated	7,446,451	5,847,267	(8,990,775)	4,302,943
Capital assets, being depreciated:				
Office furniture and equipment	15,771,892	1,869,053	-	17,640,945
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	147,431	-	-	147,431
Intangible assets	15,114,171	7,195,726	-	22,309,897
Call boxes	10,463,781	810,629	(414,208)	10,860,202
Total capital assets being depreciated	44,631,475	9,875,408	(414,208)	54,092,675
Less accumulated depreciation for:				
Office furniture and equipment	7,498,062	1,973,451	-	9,471,513
Building and improvements	1,130,632	130,420	-	1,261,052
Automobiles	138,258	9,173	-	147,431
Intangible assets	7,241,242	2,717,092	-	9,958,334
Call boxes	9,036,887	305,839	(301,487)	9,041,239
Total accumulated depreciation	25,045,081	5,135,975	(301,487)	29,879,569
Total capital assets, being depreciated, net	19,586,394	4,739,433	(112,721)	24,213,106
Business-type activities capital assets, net	$ 27,032,845	$ 10,586,700	$ (9,103,496)	$ 28,516,049

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

Governmental activities:	
General government	$ 894,386
Total depreciation expense - governmental activities	$ 894,386
Business-type activities:	
Toll bridge	$ 4,769,136
Congestion relief	366,839
Total depreciation expense - business-type activities	$ 5,135,975

A summary of changes in capital assets for the year ended June 30, 2014 is as follows:

Governmental activities	Beginning Balance July, 1 2013	Increases	Decreases	Ending Balance June 30, 2014
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
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	2,513,239	527,516	(217,915)	2,822,840
Leased equipment	266,638	-	-	266,638
Automobiles	58,037	-	-	58,037
Total capital assets being depreciated	15,612,117	527,516	(217,915)	15,921,718
Less accumulated depreciation for:				
Buildings and improvements	7,018,485	645,257	-	7,663,742
Office furniture and equipment	2,237,083	154,821	(201,892)	2,190,012
Leased equipment	137,763	53,328	-	191,091
Automobiles	58,037	-	-	58,037
Total accumulated depreciation	9,451,368	853,406	(201,892)	10,102,882
Total capital assets being depreciated, net	6,160,749	(325,890)	(16,023)	5,818,836
Governmental activities capital assets, net	$ 6,270,327	$ (325,890)	$ (125,601)	$ 5,818,836

Business-type activities	Beginning Balance July, 1 2013	Increases	Decreases	Ending Balance June 30, 2014
Capital assets, not being depreciated:				
Office furniture and equipment	$ 8,099	$ 2,091,616	$ (8,099)	$ 2,091,616
Intangible assets	890,000	3,638,476	-	4,528,476
Call boxes	1,153,511	19,795	(346,947)	826,359
Total capital assets, not being depreciated	2,051,610	5,749,887	(355,046)	7,446,451
Capital assets, being depreciated:				
Office furniture and equipment	14,091,218	1,680,674	-	15,771,892
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	147,431	-	-	147,431
Intangible assets	13,960,940	1,153,231	-	15,114,171
Call boxes	11,400,979	346,947	(1,284,145)	10,463,781
Total capital assets being depreciated	42,734,768	3,180,852	(1,284,145)	44,631,475
Less accumulated depreciation for:				
Office furniture and equipment	5,581,790	1,916,272	-	7,498,062
Building and improvements	1,000,212	130,420	-	1,130,632
Automobiles	124,743	13,515	-	138,258
Intangible assets	4,895,367	2,345,875	-	7,241,242
Call boxes	10,072,440	238,591	(1,274,144)	9,036,887
Total accumulated depreciation	21,674,552	4,644,673	(1,274,144)	25,045,081
Total capital assets, being depreciated, net	21,060,216	(1,463,821)	(10,001)	19,586,394
Business-type activities capital assets, net	$ 23,111,826	$ 4,286,066	$ (365,047)	$ 27,032,845

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

Governmental activities:	
General government	$ 853,406
Total depreciation expense - governmental activities	$ 853,406
Business-type activities:	
Toll bridge	$ 4,343,444
Congestion relief	301,229
Total depreciation expense-business-type activities	$ 4,644,673

5. LONG-TERM DEBT

BATA issued Toll Revenue Bonds in January 2013, May 2013, June 2013, August 2013, August 2014, and December 2014 to (i) fund capital projects, (ii) make a cash deposit to the Reserve fund, (iii) pay costs incurred with the issuance of the bonds and (iv) defease or refund bonds.

In August 2013, BATA issued $900 million 2013 Series S-4 fixed rate subordinate toll revenue bonds.

In August 2014, BATA completed an advance refunding of $1,401,635,000. The 2014 Series A, B, C, and F-1 bond transaction consisted of a defeasance of $707,730,000 of the 2008 Series F bonds and a partial defeasance of $317,520,000 of the 2009 Series F-1 bonds. The majority of the proceeds from the transaction were deposited into the Escrow fund held by the Trustee. The Trustee used the funds on deposit to purchase certain non-callable senior Government Obligations to be used to pay the interest and redemption of the Refunded Bonds on or prior to the redemption dates. The transaction provided a net cash flow of $262,447,580 and an economic gain of $224,017,912.

Each of the 2014 Series A, B and C bonds with a Term Rate Period of April 2017, April 2018 and April 2019 respectively, will bear interest at the stated Term Rate. At the end of each respective Term Rate Period, BATA can change the Interest Rate Mode associated with the bonds. Depending on the interest rate environment, the interest rate on the bonds may be higher than the initial Term Rate when the bonds are remarketed.

In December 2014, BATA issued $511,435,000 of senior bonds and $300,000,000 of subordinate bonds, the 2014 series D, E, G, H, F-2, S-5 and S-6. The majority of the proceeds were used to defease the remaining 2009 F-1 Bonds. The funds for the defeasance of the 2009 Series F-1 bonds were deposited into the Escrow account held by the Trustee. The Trustee used the funds on deposit to purchase certain non-callable senior Government Obligations to be used to pay the interest and redemption of the Refunded Bonds on or prior to the redemption dates. The transaction provided a net cash flow of $56,227,449 and an economic gain of $51,778,425.

Each of the 2014 Series D and E bonds with a Term Rate Period of April of 2020 and April 2021 respectively, will bear interest at the stated Term Rate. Each of the 2014 Series G and H bonds with an Index Rate Period of April 2020 and April 2021 respectively, will bear interest at the stated Index Rate. At the end of each respective Term Rate Period or Index Rate Period, BATA can change the Interest Rate Mode associated with the bonds. Depending on the interest rate environment, the interest rate on the bonds may be higher than initial Term Rate and Index Rate when the bonds are remarketed.

Both of the 2014 refunding transactions 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.*

BATA has a principal balance of $2,682,735,000 in term/index rate bonds. The term/index rate bond series are detailed as follows:

Series	Par	Term/ Index Rate	Effective Date	Maturity Date
2006 Series C2	$100,000,000	1.45%	9/4/2012	8/1/2017
2006 Series C3	$25,000,000	1.45%	9/4/2012	8/1/2017
2006 Series C4	$25,000,000	1.45%	9/4/2012	8/1/2017
2008 Series D1	$155,000,000	67% of 3 month LIBOR plus 0.80%	9/4/2012	8/1/2017
2007 Series A1	$50,000,000	SIFMA Swap Index plus 0.70%	12/20/2012	10/1/2019
2007 Series E3	$100,000,000	SIFMA Swap Index plus 0.70%	12/20/2012	10/1/2019
2008 Series B1	$110,000,000	SIFMA Swap Index plus 1.10%	12/20/2012	4/1/2024
2008 Series G1	$50,000,000	SIFMA Swap Index plus 1.10%	12/20/2012	4/1/2024
2001 Series A	$150,000,000	SIFMA Swap Index plus 1.25%	1/10/2013	4/1/2027
2006 Series C1	$125,000,000	SIFMA Swap Index plus 0.90%	5/1/2013	5/1/2023
2008 Series A1	$110,000,000	SIFMA Swap Index plus 0.90%	5/1/2013	5/1/2023
2007 Series C1	$50,000,000	SIFMA Swap Index plus 0.90%	6/3/2013	5/1/2023
2014 Series A	$247,445,000	1.00%	8/5/2014	4/3/2017
2014 Series B	$552,085,000	1.50%	8/5/2014	4/2/2018
2014 Series C	$402,105,000	1.875%	8/5/2014	4/1/2019
2014 Series D	$143,730,000	1.875%	12/18/2014	4/1/2020
2014 Series E	$143,675,000	2.00%	12/18/2014	4/1/2021
2014 Series G	$71,865,000	SIFMA Swap Index plus 0.60%	12/18/2014	4/1/2020
2014 Series H	$71,830,000	SIFMA Swap Index plus 0.70%	12/18/2014	4/1/2021

Variable Rate Demand Bonds:

BATA has a principal balance of $400,000,000 in Variable Rate Demand Bonds. In October 2014, new Letters of Credit were executed to replace the expired ones.

The Variable Rate Demand Bonds are backed by various Letter of Credit providers and are reset at a Weekly Rate by various remarketing agents. The Variable Rate Demand Bonds series are detailed as follows:

Series	Par Amount	Letter of Credit Provider	Short Term Rating (S&P, Moody's /Fitch)	Letter of Credit Expiration Date	Remarketing Agent
2007 Series A2	$75,000,000	Bank of Tokyo-Mitsubishi	A1/P1/F1	10/16/2019	JP Morgan Securities, LLC
2007 Series B2	$75,000,000	Sumitomo Mitsui Banking	A1/P1/F1	10/16/2019	Citigroup Global Markets Inc.
2007 Series C2	$25,000,000	Bank of Tokyo - Mitsubishi	A1/P1/F1	10/16/2019	Stifel, Nicolaus & Co. Inc.
2007 Series D2	$100,000,000	Bank of America, N.A.	A1/P1/F1+	10/16/2019	Merrill Lynch, Pierce, Fenner & Smith Inc.
2007 Series G1	$50,000,000	U.S. Bank N.A.	A1+/P1/F1+	10/16/2017	Barclays Capital Inc.
2008 Series C1	$25,000,000	Sumitomo Mitsui Banking	A1/P1/F1	10/16/2019	Morgan Stanley & Co. Inc.
2008 Series E1	$50,000,000	Bank of Tokyo - Mitsubishi	A1/P1/F1	10/16/2019	Morgan Stanley & Co. Inc.

As of June 30, 2015, there were no outstanding draws. Commitment fees are paid quarterly to the Letter of Credit Providers. In the event the bonds covered under the Reimbursement Agreement become bank bonds, the maximum interest rate on the bonds would be 15%.

Component Unit - BAIFA

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.

In November 2013, BAIFA exercised its early bond redemption option of $84,550,000. The remaining $240,720,000 SPANs were extinguished by placing $252,601,084 into an irrevocable escrow account to effectively defease the balance of the principal and interest of SPANs. This transaction resulted in a net present value savings of $35,581,152.

The accounting of the debt extinguishment was recorded in accordance with GASB 62, paragraph 126. As a result, there was a $7,614,552 gain on extinguishment of debt which was recorded as nonoperating revenue.

There was no activity in BAIFA for fiscal year 2015 since the SPANs outstanding debt balance was repaid in fiscal year 2014.

A summary of changes in long-term debt for the year ended June 30, 2015 is as follows:

Business-type activities

	Issue Date	Interest Rate		Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2014	Additions	Reductions	Ending Balance June 30, 2015	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	3.72%	(2)	2036	$ 150,000,000	$ 150,000,000	$ -	$ -	$ 150,000,000	$ -
2006 Revenue Bond Series C	2/8/2006	3.71%	(2)	2045	275,000,000	275,000,000	-	-	275,000,000	-
2006 Revenues Bond Series F	4/25/2006	4.48%	(1)	2016	1,149,205,000	73,050,000	-	(35,675,000) (5)	37,375,000	37,375,000
2007 Revenue Bond Series F	5/15/2007	4.93%	(1)	2018	310,950,000	58,620,000	-	(8,580,000) (5)	50,040,000	19,540,000
2007 Revenue Bond Series (A1, C1, G1)	5/15/2007	3.71%	(2)	2047	150,000,000	150,000,000	-	-	150,000,000	-
2007 Revenue Bond Series (A2-D2, E3)	10/25/2007	3.71%	(2)	2047	375,000,000	375,000,000	-	-	375,000,000	-
2008 Revenue Bonds Series (A1- E1, G1)	6/5/2008	3.71%	(2)	2045	507,760,000	503,940,000	-	(3,940,000) (6)	500,000,000	-
2008 Revenue Bond Series F1	8/28/2008			2047	707,730,000	707,730,000	-	(707,730,000) (7)	-	-
2009 Revenue Bond Series F1	8/20/2009			2044	768,720,000	768,720,000	-	(768,720,000) (7,9)	-	-
2009 Revenue Bond Series F2 (BABs)	11/5/2009	4.07%	(1,3)	2049	1,300,000,000	1,300,000,000	-	-	1,300,000,000	-
2010 Revenue Bond Series S1 (BABs)	7/1/2010	4.53%	(1,3)	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%	(1,3)	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	-	-	907,525,000	-
2013 Revenue Bond Series S4	8/6/2013	5.11%	(1)	2053	900,000,000	900,000,000	-	-	900,000,000	-
2014 Revenue Bond Series (A,B,C)	8/5/2014	1.52%	(1)	2047	1,201,635,000	-	1,201,635,000 (7)	-	1,201,635,000	-
2014 Revenue Bond Series F1	8/5/2014	5.00%	(1)	2054	200,000,000	-	200,000,000 (8)	-	200,000,000	-
2014 Revenue Bond Series (D,E)	12/18/2014	1.94%	(1)	2034	287,405,000	-	287,405,000 (9)	-	287,405,000	-
2014 Revenue Bond Series G	12/18/2014	0.62%	(4)	2034	71,865,000	-	71,865,000 (9)	-	71,865,000	-
2014 Revenue Bond Series H	12/18/2014	0.72%	(4)	2034	71,830,000	-	71,830,000 (9)	-	71,830,000	-
2014 Revenue Bond Series F2	12/18/2014	3.93%	(1)	2021	80,335,000	-	80,335,000 (9)	-	80,335,000	-
2014 Revenue Bond Series S5,S6	12/18/2014	4.79%	(1)	2054	300,000,000	-	300,000,000 (10)	-	300,000,000	-
					$ 12,099,960,000	$ 8,554,585,000	$ 2,213,070,000	$ (1,524,645,000)	$ 9,243,010,000	$ 56,915,000
Unamortized bond premium /(discount)						156,520,575	55,002,827	(26,321,675)	185,201,727	
Net long-term debt as of June 30, 2015						$ 8,711,105,575	$ 2,268,072,827	$ (1,550,966,675)	$ 9,428,211,727	

(1) Interest rates on fixed rate bonds/term rate bonds are calculated on weighted outstanding coupon rates.
(2) Total variable rate bonds of $1,450,000,000 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.
(3) Federal Taxable Build America Bonds.
(4) The interest rate presented is the 6/30/2015 SIFMA rate plus the spread related to the bonds.
(5) Scheduled payments.
(6) Optional Redemption Payment of $3,940,000 was made on 08/01/2014 on the note maturing on 04/01/2015.
(7) The 2014 Series A,B,C bonds were issued as senior term rate bonds on 08/05/2014 to fully refund $707,730,000 of the 2008 series F1 bonds and partially refund $317,520,000 of the 2009 Series F1 bonds.
(8) The 2014 Series F1 bonds was issued as senior fixed rate bonds with final maturity of 2054.
(9) The 2014 Series D,E,G,H,F2 bonds were issued as senior term rate bonds, SIFMA index rate bonds, and fixed rate bonds on 12/18/2014 to refund the remaining portion $451,200,000 of 2009 Series F1 bonds.
(10) The 2014 Series S5 and S6 bonds were issued as subordinate fixed rate bonds with final maturity of 2054.

A summary of changes in long-term debt for the year ended June 30, 2014 is as follows:

Business-type activities	Issue Date	Interest Rate		Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2013	Additions	Reductions		Ending Balance 6/30/2014	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	3.72%	(2)	2036	$ 150,000,000	$ 150,000,000	$ -	$ -		$ 150,000,000	$ -
2006 Revenue Bond Series C	2/8/2006	3.71%	(2)	2045	275,000,000	275,000,000	-	-		275,000,000	-
2006 Revenue Bond Series F	4/25/2006	4.63%	(1)	2016	1,149,205,000	107,195,000	-	(34,145,000)		73,050,000	35,675,000
2007 Revenue Bond Series F	5/15/2007	4.92%	(1)	2018	310,950,000	66,820,000	-	(8,200,000)		58,620,000	8,580,000
2007 Revenue Bond Series (A1,C1,G1)	5/15/2007	3.71%	(2)	2047	150,000,000	150,000,000	-	-		150,000,000	-
2007 Revenue Bond Series (A2-D2,E3)	10/25/2007	3.71%	(2)	2047	375,000,000	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	-	(3,820,000)		503,940,000	3,940,000
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%	(1,3)	2049	1,300,000,000	1,300,000,000	-	-		1,300,000,000	-
2010 Revenue Bond Series S1 (BABs)	7/1/2010	4.53%	(1,3)	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%	(1,3)	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	-	-		907,525,000	-
2013 Revenue Bond series S4	8/6/2013	5.11%	(1)	2053	900,000,000	-	900,000,000	-		900,000,000	-
					$ 9,886,890,000	$ 7,700,750,000	$ 900,000,000	$ (46,165,000)		$ 8,554,585,000	$ 48,195,000
Unamortized bond premium /(discount)						176,325,576	(6,012,702)	(13,792,299)		156,520,575	
Net long-term debt as of June 30, 2014						$ 7,877,075,576	$ 893,987,298	$ (59,957,299)		$ 8,711,105,575	
Component Unit-BAIFA 2006 SPANs	12/14/2006			2017	$ 972,320,000	$ 325,270,000	$ -	$ (325,270,000)	(4)	$ -	
Unamortized bond premium						22,625,661	-	(22,625,661)		-	
Net long-term debt as of June 30, 2014						$ 347,895,661	$ -	$ (347,895,661)		$ -	

(1) Interest rates on fixed rate bonds are calculated on weighted outstanding coupon rates.
(2) Total variable rate bonds of $1,453,940,000 hedged with $1,440,000,000 notional swaps; as such the weighted swap and unhedged variable rate bond are presented. VRDBs are presented as long term debt in accordance with GASB Interpretation No. 1 as MTC has liquidity commitments.
(3) Federal Taxable Build America Bonds
(4) Optional redemption payment of $84,550,000 and bond extinguishment of $240,720,000 in November 2013.

Annual funding requirements

The annual funding requirements (principal and interest) for the debt outstanding of the business-type activities at June 30, 2015 are as follows:

Business-type activities

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2016	$ 56,915,000	$ 372,974,204	$ 429,889,204
2017	54,835,000	366,334,060	421,169,060
2018	55,760,000	359,841,568	415,601,568
2019	53,280,000	352,528,348	405,808,348
2020	107,375,000	344,985,946	452,360,946
2021-2025	593,090,000	1,639,568,872	2,232,658,872
2026-2030	890,815,000	1,508,014,215	2,398,829,215
2031-2035	1,179,470,000	1,327,653,656	2,507,123,656
2036-2040	1,480,010,000	1,134,235,286	2,614,245,286
2041-2045	1,787,815,000	863,282,432	2,651,097,432
2046-2050	2,091,420,000	488,038,944	2,579,458,944
2051-2055	892,225,000	115,657,198	1,007,882,198
	$ 9,243,010,000	$ 8,873,114,729	$ 18,116,124,729

Bond Covenants – BATA

The Bay Area Toll Authority Senior Toll Bridge Revenue Bonds are payable solely from pledged "Revenue" 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 (the 2001 "Master Indenture"). Pledged "Revenue" and exclusions to the trustee funds and accounts are defined within the Master Indenture. BATA established a Reserve fund under the 2001 Master Indenture.

BATA covenanted in the Master Indenture that no additional bonds shall be issued, unless Net Revenue is greater than 1.5 times of the combined Maximum Annual Debt Service of all outstanding parity bonds. Parity bonds have the same priority of claim or lien against pledged Revenue.

In the fifth supplemental indenture dated February 2006, BATA covenanted to maintain toll revenue at levels that result in Net Revenue greater than 1.2 times Annual Debt Service costs as defined in the Master Indenture. In addition, BATA agreed to maintain tolls at a level where Net Revenue plus the balance in the Operations and Maintenance Fund is at least 1.25 times total "Fixed Costs". BATA also has the legal requirement of maintaining tolls at a level exceeding 1.0 times all fixed costs.

The senior lien bonds issued by BATA are secured by a first lien on all toll revenue.

The Bay Area Toll Authority's Subordinate Toll Bridge Revenue Bonds are payable solely from pledged "Revenue" and all amounts held by the trustee in each fund and account (with exclusions) established under the Subordinate Indenture dated June 1, 2010 (the "2010 Subordinate Indenture"). "Pledged Revenue" and exclusions to the trustee funds and accounts are defined within the 2010 Subordinate Indenture. BATA has established a Reserve fund account under the 2010 Subordinate Indenture.

BATA covenanted in the 2010 Subordinate Indenture that no additional bonds shall be issued unless the Available Revenue equates to greater than 1.2 times of the combined Maximum Annual Debt Service costs of all outstanding parity bonds.

In the first supplemental indenture dated June 2010, BATA covenanted to maintain toll revenue at levels that result in Available Revenue greater than 1.2 times Annual Debt Service costs.

As of June 30, 2015, the current Reserve Requirement and the market valuation of the investment securities in the Debt Service reserves are as follows:

	Reserve Requirement	Market Valuation of Securities
Senior Debt	$334,392,152	$337,375,817
Subordinate Debt	$170,835,039	$173,457,973

The investments in the reserve accounts are valued on April 1 of each year.

BATA covenanted to maintain certain designated reserves:

Designation	Requirement	Required Amount	June 30, 2015
O & M	2x Caltrans budgeted O&M costs	$60 million	$150 million
Extraordinary loss	BATA/Caltrans Coop Agreement	$50 million	$50 million
BATA designation:			
Rehab reserve	2x Rehab budget ($60m/yr)	$120 million	$120 million
Variable rate risk reserve	BATA designation	$100 million	$100 million
Project reserve	BATA designation	$580 million	$580 million

Bond Covenants – BAIFA

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

BAIFA defeased the remaining SPANs in fiscal year 2014. More information is presented in Note 1.O.

Derivative Instruments

The fair value of the derivative portfolio in a payable to the counterparty's position was ($416,127,433) and ($365,154,148) at June 30, 2015 and June 30, 2014 respectively, and recorded in the Statement of Net Position as a liability. The fair value of the derivative portfolio in a due from the counterparty position was $0 and $5,662,835 at June 30, 2015 and June 30, 2014 respectively, and recorded in the Statement of Net Position as an asset. The accumulated change in the hedging derivative liabilities that was recorded as deferred outflows was $0 and $228,932,934 at June 30, 2015 and June 30, 2014 respectively. The fair value of investment derivatives in the portfolio was ($416,127,433) and ($77,504,544) as of June 30, 2015 and June 30, 2014 respectively. The change in fair value of investment derivatives, together with the accumulated deferred outflows released from the termination of hedge accounting during the year, was $285,569,054 and $7,068,387 for fiscal years 2015 and 2014, respectively, and was recorded as an offset to investment income. See Note 1.U for further details.

Voluntary cancellation of any or all of the swap transactions is subject to a fair market value calculation at the time of termination. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2015 classified by type, and the changes in fair value of such derivative instruments since June 30, 2014 as reported in the financial statements are as follows:

	Decrease in Fair Value since June 30, 2014		Fair Value at June 30, 2015		
Business-type Activities	Classification	Amount	Classification	Amount	Notional
Pay-fixed interest rate swap	Investment Income	$ (264,716,361)	Noncurrent Liabilities	$ (400,937,575)	$ 1,440,000,000
Receive-fixed interest rate swap	Investment Income	(20,852,693)	Noncurrent Liabilities	(15,189,858)	477,845,000

As of June 30, 2015, BATA determined that the fixed-payer interest rate swaps listed above no longer meet the criteria for effectiveness and no longer qualify for hedge accounting. Accordingly, the accumulated changes in fair value of the swaps that were reported as deferred outflows of $228,932,934 at June 30, 2014, and the decrease in the fair value of the swaps in fiscal year 2015 of $35,783,427 with a combined value of $264,716,361 are reported within the investment income classification for the year ended June 30, 2015.

Objective and Terms of Hedging Derivative Instruments

BATA entered into interest rate swaps to manage exposure to fluctuations in interest rates and interest expenses. Management is aware that swap transactions contain certain associated risks not traditionally associated with fixed-rate issues, particularly the risk of counterparty default. However, management has structured the transactions 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 following tables display the terms of the derivative instruments outstanding along with the credit rating as of June 30, 2015 of the associated counterparty as well as the fair value of the derivative instruments.

	Standard & Poor's	Moody's
Bank of America, N.A.	A	A1
The Bank of New York Mellon	AA-	Aa2
Citibank, N.A.	A	A1
Wells Fargo N.A.	AA-	Aa2
Goldman Sachs Mitsui Marine Derivative Products LP	AAA	Aa2
JP Morgan Chase Bank, N.A.	A+	Aa3
Morgan Stanley Capital Services LLC	A-	A3

Amortized Notional Value	Counterparty	Fixed Payer Rate(A)		Value due from / (to) counterparty June 30, 2015		Value due from / (to) counterparty June 30, 2014
$75 million	Wells Fargo Bank, N.A.	3.29%(C)	$	(16,774,485)	$	(23,394,400)
$75 million	Morgan Stanley Capital Services LLC	3.34%(D)		(24,826,649)		(21,837,891)
$110 million	Wells Fargo Bank, N.A.	3.64%		(27,393,698)		(22,854,076)
$30 million	Bank of America, N.A.	3.63%		(9,359,884)		(7,798,222)
$115 million	Citibank, N.A. New York	3.64%		(28,638,765)		(23,892,833)
$245 million	JP Morgan Chase Bank, N.A.	4.00%		(83,887,822)		(69,776,288)
$50 million	Bank of America, N.A.	3.63%		(16,021,649)		(13,248,639)
$260 million	Citibank, N.A. New York	3.64%		(66,713,311)		(55,298,514)
$125 million	Bank of America, N.A.	2.96%(E)		(23,807,255)		(32,675,984)
$60 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%		(18,814,238)		(15,684,472)
$85 million	Goldman Sachs Mitsui Marine Derivative Products, L.P.	3.64%		(27,398,448)		(22,673,944)
$170 million	The Bank of New York Mellon	3.64%		(54,796,445)		(45,347,594)
$40 million	The Bank of New York Mellon	2.22%(F)		(2,504,926)		(10,671,291)
	Total Fixed Payer Swap			(400,937,575)		(365,154,148)
		Fixed Receiver Rate(B)				
$131.4 million(G)	Wells Fargo Bank, N.A.	3.10%(H)		(4,593,730)		282,976
$146.4 million	The Bank of New York Mellon	3.25%(H)		(4,983,911)		770,550
$40 million	Bank of America, N.A.	3.55%(H)		(1,151,104)		1,058,784
$160 million	Bank of America, N.A.	3.40%(H)		(4,461,113)		3,550,525
	Total Fixed Receiver Swap			(15,189,858)		5,662,835
	Total Derivative Instrument - Fair Value		$	(416,127,433)	$	(359,491,313)

(A) Authority paying fixed rate receiving variable rate based on LIBOR index.
(B) Authority receiving fixed rate paying variable rate based on SIFMA index.
(C) Fixed rate amended from 4.10% to 3.29% on 6/26/15. New rate is effective on 7/1/2015.
(D) Fixed rate is 3.34% effective from 1/1/2014 thru 12/31/2016. Fixed rate will change to 4.09% thereafter thru maturity.
(E) Fixed rate amended from 3.64% to 2.96% on 6/26/2015. New rate is effective on 7/1/2015.
(F) Fixed rate amended from 3.64% to 2.22% on 6/26/2015. New rate is effective on 7/1/2015.
(G) Wells Fargo notional reflects amortized balance as of 4/1/2018.
(H) Swap amended on 6/26/2015 to temporarily suspend payments until 4/1/2018. Rate indicated will be effective 4/1/2018.

The termination value, or fair market value, BATA would pay to terminate all swaps on a voluntary basis is $416 million and $365 million on June 30, 2015 and June 30, 2014, respectively, and BATA would receive $6 million on June 30, 2014. 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.

JP Morgan Chase Bank N.A. exercised its termination option on its fixed receiver SIFMA swap as of April 1, 2014. No termination payment was received by either party. Wells Fargo Bank, N.A. replaced JP Morgan Chase Bank, N.A. as the counterparty to the swap. The remaining counterparties to the SIFMA swaps extended their cancellation option and amended the swap rates with the notional amounts unchanged. The counterparties to the SIFMA swaps were Bank of America, N.A. for $200 million, Bank of New York Mellon for $146.4 million, and Wells Fargo Bank, N.A. for $137.7 million. The amended fixed rates BATA will receive from the counterparties range from 3.1% to 3.55%. Each counterparty has a right, but not the obligation, to terminate the swaps on April 1, 2018.

In June 2015, BATA partially terminated a total of four (4) existing cancellable fixed-receiver interest rate swaps. The counterparties to the swaps were Bank of America, N.A. for $160 million and $40 million, The Bank of New York Mellon for $146.445 million and Wells Fargo Bank N.A. for $136.2 million. The partial termination included a suspension of payments from July 1, 2015 through April 1, 2018 and resulted in a total net payment of $34,020,000 to BATA. The payment was recorded as investment income. BATA used the proceeds to reduce the fixed rates on three (3) existing fixed-payer swaps associated with the same counterparties. The fixed-payer swaps included Bank of America, N.A. swap of $125 million with a rate reduction from 3.64% to 2.96%, The Bank of New York Mellon swap of $40 million with a rate reduction from 3.64% to 2.22% and Wells Fargo Bank N.A. swap of $75 million with a rate reduction from 4.10% to 3.29%. The $34 million payment was recorded as a charge to investment income. The amended fixed rates were effective July 1, 2015 and classified as a modification of an event that resulted in the termination of hedged accounting. Therefore, the balance in the deferred outflows was removed and reported in investment income.

As a result of the Moody's downgrade of Morgan Stanley Capital Services LLC (MSCS) in June 2012, a ratings-related termination was triggered when its long term rating was downgraded to Baa1. In January 2014, BATA entered into an agreement with MSCS to revise the ratings trigger for termination to a reduction in MSCS rating below "BBB-/Baa3" as determined by S&P/ Moody's respectively, in exchange for a fixed reduction in the interest payment payable by BATA. The reduced rate of 3.34% from 4.09% is effective for a three-year period from January 1, 2014 to, but excluding, January 1, 2017. Effective January 1, 2017, the fixed rate will revert to 4.09% for the remainder of the term.

Swaps are subject to credit risk, which is the possibility that the counterparty will fail to make interest payment in a timely manner or that there are negative perceptions of the issuer's ability to make these interest payments.

A swap's credit quality is an assessment of the counterparty's ability to pay the interest on the swap. Credit quality may be evaluated by a national recognized independent credit-rating agency. The lower the rating is, the greater the chance (in the opinion of the rating agency) that the counterparty will fail to meet its obligations or potentially default.

The swap contracts address credit risk by requiring the counterparties to post collateral if: 1) a counterparty's credit rating is equal to "A-", "A", or "A+" as determined by S&P or is equal to "A3", "A2", or "A1" by Moody's and the market value of its swaps exceeds $10 million, payable to BATA; or 2) a counterparty's credit rating is below "A-" as determined by S&P or "A3" as determined by Moody's.

As of June 30, 2015, none of the counterparties was 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 obligations.

Debt and Swap Payments Tables

As of June 30, 2015, debt service requirements of the SIFMA Index rate debt for the 2001 Series A and net swap payments for 2001 Swap Series A effective January 1, 2014, and July 1, 2015 are as follows:

Payment Date	Notional Amortization(1)	Variable Interest[B]	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2016	$ -	$ 1,980,000	$ 4,789,500	$ -	$ 6,769,500
4/1/2017	-	1,980,000	4,789,500	-	6,769,500
4/1/2018	-	1,980,000	4,789,500	-	6,769,500
4/1/2019	-	1,980,000	4,789,500	-	6,769,500
4/1/2020	-	1,980,000	4,789,500	-	6,769,500
4/1/2021-2036	150,000,000	14,506,520	63,017,048	5,356,880	82,880,448
	$ 150,000,000	$ 24,406,520	$ 86,964,548	$ 5,356,880	$116,727,948

As of June 30, 2015, 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 debt 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 1, 2008, April 1, 2011, March 1, 2012, and July 1, 2015 are as follows:

Payment Date	Notional Amortization(2)	Variable Interest[B]	Interest Rate Swaps, net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2016	$ -	$ 4,328,500	$ 22,460,602	$ 1,798,000	$ 28,587,102
4/1/2017	-	4,328,500	22,460,602	1,798,000	28,587,102
4/1/2018	-	2,258,500	22,460,602	2,668,000	27,387,102
4/1/2019	-	2,258,500	22,460,602	2,668,000	27,387,102
4/1/2020	-	1,558,500	22,460,602	3,248,000	27,267,102
4/1/2021-2047	685,000,000	11,920,396	429,071,169	76,332,060	517,323,625
	$ 685,000,000	$ 26,652,896	$541,374,179	$ 88,512,060	$656,539,135

As of June 30, 2015, 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 1, 2008, and September 2, 2008, and July 1, 2015 are as follows:

Payment Date	Notional Amortization(3)	Variable Interest[B]	Interest Rate Swaps, net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2016	$ -	$ 5,381,705	$ 18,816,045	$ 404,000	$ 24,601,750
4/1/2017	-	5,381,705	18,816,045	404,000	24,601,750
4/1/2018	-	3,965,500	18,816,045	1,303,000	24,084,545
4/1/2019	-	3,965,500	18,816,045	1,303,000	24,084,545
4/1/2020	-	3,615,500	18,816,045	1,593,000	24,024,545
4/1/2021-2047	605,000,000	19,415,886	386,006,332	60,350,855	465,773,073
	$ 605,000,000	$ 41,725,796	$ 480,086,557	$ 65,357,855	$ 587,170,208

As of June 30, 2015, debt service requirements of the fixed rate debt for 2013 Series S-4 and net swap payments for 2008 Swap Series effective July 1, 2015 are as follows:

Payment Date	Notional Amortization(4)	Fixed Interest[G]	Interest Rate Swaps, net[C]	Total Payment
4/1/2016	$ -	$ -	$ -	$ -
4/1/2017	-	-	-	-
4/1/2018	-	-	-	-
4/1/2019	1,600,000	24,408,323	(15,327,691)	9,080,632
4/1/2020	1,700,000	24,408,323	(15,276,368)	9,131,955
4/1/2021-2047	474,545,000	492,705,451	(299,814,974)	192,890,477
	$ 477,845,000	$ 541,522,097	$ (330,419,033)	$ 211,103,064

(1) Variable outstanding par $150 million
(2) Variable outstanding par $685 million
(3) Variable outstanding adjusted to $605 million to match swap
(4) Fixed outstanding par $900 million, but adjusted to $477.845 million to match swap

The table below summarizes total swap costs as of June 30, 2015.

	Series 2001 Index[A H]	Series 2006 Weekly Reset	Series 2006 Index[I]	Series 2006 Term[J]
Interest Rate Swap				
Fixed payment to counterparty[M]	3.31%	3.64%	3.64%	3.64%
LIBOR percentage of payments[D]	(0.12)%	(0.36)%	(0.36)%	(0.36)%
Net Interest rate swap payments[C]	3.19%	3.28%	3.28%	3.28%
Variable rate bond coupon payments[B]	1.32%	0.06%	0.88%	1.45%
Synthetic interest rate on bonds	4.51%	3.34%	4.16%	4.73%
Remarketing/liquidity fee[E]	0.00%	0.58%	0.00%	0.00%
Total Cost	4.51%	3.92%	4.16%	4.73%

	Series 2007 Weekly Reset	Series 2007 Index[K]
Interest Rate Swap		
Fixed payment to counterparty[M]	3.54%	3.54%
LIBOR percentage of payments[D]	(0.43)%	(0.43)%
Net Interest rate swap payments[C]	3.11%	3.11%
Variable rate bond coupon payments[B]	0.06%	1.02%
Synthetic interest rate on bonds	3.17%	4.13%
Remarketing/liquidity fee[E]	0.51%	0.00%
Total Cost	3.68%	4.13%

	Series 2008 Fixed
Interest Rate Swap	
Fixed payment from CP[L]	(3.28)%
SIFMA[F]	0.08%
Net interest rate swap receipts[C]	(3.20)%
Fixed rate bond coupon payments[G]	5.11%
Synthetic interest rate on bonds	1.91%
Fees	0.00%
Total Cost	1.91%

A Converted to 65% one month LIBOR on 1/1/06; $75M of fixed payer rate decreased from 4.09% to 3.34% effective 1/1/2014

B Variable rate bond reset at June 30, 2015

C Net payment/(receipt)

D Average LIBOR rate for June 2015

E Remarketing/liquidity fees at June 30, 2015

F Average SIFMA rate for June 2015

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 fees

L All four fixed receiver swap payments temporarily suspended through April 1, 2018

M Effective July 1, 2015, fixed payer rate for the $75M of the 2001 Swap Series reduced from 4.10% to 3.29%, $125M of the 2006 Swap Series reduced from 3.64% to 2.96%, and $40M of the 2007 Swap Series reduced from 3.64% to 2.22%

6. LEASES

Capital Leases

MTC's copier equipment is under a capital lease which will expire in fiscal year 2016. The liabilities under this capital lease are recorded at the present value of the minimum lease payments and presented in the government-wide governmental activities under non-current liabilities. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, are as follows:

Governmental Activities

Year Ending June 30	Amount
2016	$ 24,980
Less interest amounts	(291)
Present value of net minimum lease payments	$ 24,689

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund transfers as of June 30, 2015, is as follows:

	Transfer In:							
Transfer Out:	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	MTC Clipper®	SAFE	Total
Non-Major	$ 15,066	$ -	$ 47,222	$ -	$ -	$ -	$ -	$ 62,288
STA	812,668	-	-	-	301,668	16,635,300	-	17,749,636
AB 664	3,551	-	-	-	-	-	-	3,551
General	-	-	38,459	-	-	-	-	38,459
MTC Clipper®	-	-	2,982,663	-	-	-	-	2,982,663
BATA	8,238,188	9,680,853	-	7,860,296	2,281,994	2,139,132	200,000	30,400,463
SAFE	926,901	-	-	-	-	-	-	926,901
Total	$ 9,996,374	$ 9,680,853	$ 3,068,344	$ 7,860,296	$ 2,583,662	$ 18,774,432	$ 200,000	$ 52,163,961

Transfers are used to move revenues from the fund with collection authority to the program fund that accounts for the various projects. These interfund transfers have been eliminated in the government-wide financial statements. The significant transfers are described below:

An amount of $16,635,300 was transferred from STA to MTC-Clipper® to support their operations. An amount of $7,247,839 transferred from BATA to the General fund represents an annual 1% transfer for administration expenditures. The transfer amount from BATA to AB 664, Rail Reserves and Non-Major funds totaling $19,823,143 is the amortization of the deferred revenue for these funds. See Note 1.P for further details.

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	AB664	$ 3,551
General	MTC Clipper®	2,043,008
General	STA	17,903
General	Non-Major	10,205
General	BATA	767,297
STA	General	464,585
STA	Non-Major	47,222
STA	MTC Clipper®	2,982,663
Non-Major	General	499,769
MTC Clipper®	STA	696,078
MTC Clipper®	BATA	636,583
SAFE	General	$ 3,156,510

Interfund receivables and payables between funds are due to timing differences resulting from when expenditures are incurred and payments are made. These interfund balances have been eliminated in the government-wide financial statement. The significant interfund balances at June 30, 2015 are as follows: an amount of $3,156,510 represents an advance the General fund received from SAFE to support the 511, Arterial, Emergency Operations, Traffic Management System and Freeway Initiative projects; $2,982,663 represents an advance MTC-Clipper® received from STA to support their capital project; and $2,043,008 represents an advance from General fund to MTC-Clipper® until the project gets reimbursed for its expenses.

The composition of interfund transfers as of June 30, 2014, is as follows:

Transfer Out:	General (Transfer In)	AB 664 Net Toll Revenue Reserve	Rail Reserves	Non-Major Governmental Funds	MTC Clipper®	BATA	SAFE	Total
Non-Major	$ 120,516	$ -	$ -	$ -	$ 2,967	$ 140,112	$ 95,217	$ 358,812
Rail Reserves	-	-	-	-	-	150,000	-	150,000
STA	1,224,386	-	-	154,894	16,952,664	-	-	18,331,944
BATA	7,867,224	10,076,167	8,181,267	2,376,097	2,927,563	-	-	31,428,318
SAFE	1,248,918	-	-	-	-	-	-	1,248,918
Total	$ 10,461,044	$ 10,076,167	$ 8,181,267	$ 2,530,991	$ 19,883,194	$ 290,112	$ 95,217	$ 51,517,992

Transfers are used to move revenues from the fund with collection authority to the program fund that accounts for the various projects. These interfund transfers have been eliminated in the government-wide financial statement. The significant transfers are described below:

An amounts of $16,952,664 was transferred from STA to MTC-Clipper® to support their operations. An amount of $7,867,224 transferred from BATA to the General fund represents an annual 1% transfer for administration support. The transfer amount from BATA to AB 664, Rail Reserves and Non-Major funds totaling $20,633,531 is the amortization of the deferred revenue for these funds. See Note 1.P for further details.

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	MTC Clipper®	$ 951,929
General	SAFE	73,384
General	STA	46,854
General	Non-Major	1,434
General	BATA	857,340
STA	General	519,154
STA	Non-Major	9,106
STA	MTC Clipper®	4,983,732
Non-Major	General	499,769
MTC Clipper®	STA	2,332,959
MTC Clipper®	BATA	517,325
SAFE	General	1,349,047

The significant interfund balances at June 30, 2014 are as follows: the balance of $1,349,046 represents an advance from the General fund received from SAFE to support the 511, Arterial, and Freeway Performance Initiative projects; $2,332,959 represents expenses incurred for Clipper® capital, but not yet reimbursed from STA; and $4,983,732 represents a payable to STA for excess funds MTC-Clipper® received to support the Clipper® program.

8. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

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. An agent multiple-employer plan is one in which the assets of multiple employers are pooled for investment purposes, but separate accounts are maintained for each individual employer. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees' Retirement Law. MTC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. 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.

Benefits Provided

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. Benefits are based on years of credited service, equal to one year of full time employment. Classic members (hired before January 1, 2013) with five years of total service are eligible to retire at age 50 with statutory reduced benefits. New members (hired after January 1, 2013) with five years of total service are eligible to retire at age 52 with statutory reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the third Level, 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefit as a % of eligible compensation	2% - 2.5%	1% - 2%

Employees Covered at the measurement date of June 30, 2014 are as follows:

Active employees	180
Inactive employees or beneficiaries currently receiving benefits	117
Inactive employees entitled to but not yet receiving benefits	95

Contribution Description

Section 20814(C) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer (MTC) is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), MTC's retirement contributions are allocated as follows:

- Tier 1 - The total Public Employees' Retirement System (PERS) contribution rate is 24.401 percent (consisting of 16.401 percent employer rate and 8.0 percent member rate). Per MTC and employee agreement, the shared contribution effective July 1, 2013 is 19.191 percent by MTC and 5.21 percent by members.

- Tier 2 - The total PERS contribution rate is 22.901 percent (consisting of 16.401 percent employer rate and 6.5 percent member rate). Per MTC and employee agreement, the shared contribution effective July 1, 2013 is 16.401 percent by MTC and 6.5 percent by members.

The employer actuarially determined contribution is charged to the governmental and enterprise funds based on their share of MTC's payroll cost for the relevant year.

B. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Pension Liability

MTC's net pension liability is measured as the total pension liability, less the Plan's fiduciary net position. For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined using the annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The June 30, 2013 pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Overall Payroll Growth	3.00% (including 0.25% real wage inflation)
Investment Rate of Return	7.50% net of pension plan investment administrative expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' membership data for all funds The table includes 20 years of mortality improvements using Scale BB
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan as required by GASB 68, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administration expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using the lower discount rate has resulted in a higher total pension liability and net pension liability, although the impact is not material to MTC or the individual funds. Refer to page 89, for information on the sensitivity of the net pension liability to changes in the discount rate.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and GASB 68 calculations through at least the 2017-18 fiscal year. MTC will continue to monitor the materiality of the difference in calculation until such time as CalPERS has changed its methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical return of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10[1]	Real Return Years 11+[2]
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

[1] An expected inflation of 2.5% used for this period
[2] An expected inflation of 3.0% used for this period

C. Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2013 (VD)	$ 118,383,641	$ 86,203,296	$ 32,180,345
Service Cost	3,710,617	-	3,710,617
Interest on Total Pension Liability	8,852,738	-	8,852,738
Contributions from Employers	-	3,313,040	(3,313,040)
Contributions from Employees	-	2,310,147	(2,310,147)
Net Investment Income	-	15,270,089	(15,270,089)
Benefit Payments, incl. Refunds of Employee Contributions	(4,404,877)	(4,404,877)	-
Net changes during 2013-14	8,158,478	16,488,399	(8,329,921)
Balance at June 30, 2014 (MD)	$ 126,542,119	$ 102,691,695	$ 23,850,424

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate.

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability/ (Asset)	$ 41,136,601	$ 23,850,424	$ 9,504,565

Recognition of Gains and Losses

Under GASB Statement 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	Five year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the 2013-14 measurement period is 4.3 years, which was obtained by dividing the total service years of 1,683 (the sum of remaining service lifetimes of the active employees) by 392 (the total number of participants: active, inactive and retired as of June 30, 2014). Note that inactive employees and retirees have remaining service lifetime equal to zero years. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

E. Pension Expenses and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

MTC incurred a pension expense of $1,994,166 for fiscal year 2015 based on the measurement period ending June 30, 2014 (the measurement date). The pension expense is allocated to the governmental and enterprise funds as follows:

		Enterprise Funds			
	Governmental Funds	Bay Area Toll Authority	MTC SAFE	MTC Clipper	Total
Pension expense for fiscal year 2015	$ 1,338,683	$ 515,891	$ 33,103	$ 106,489	$ 1,994,166

As of June 30, 2015, MTC has deferred outflows and inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 7,011,046
Employer contribution for fiscal year 2015	3,819,018	-
Total	$ 3,819,018	$ 7,011,046

$3,819,018, reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The deferred inflows of resources related to pensions will be recognized as a reduction of future pension expense in the following years and amounts:

Year ended		
2016	$	(1,752,761)
2017		(1,752,761)
2018		(1,752,761)
2019		(1,752,763)
2020		-
Thereafter	$	-

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 26. The number of participants eligible to receive benefits was 78 for the year ended June 30, 2015.

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 $743,290 and $658,421 for the years ended 2015 and 2014 were applied toward the required annual employer contribution of $3,084,567 and $2,658,672 for fiscal years ended 2015 and 2014. Since 2008, MTC has fully funded the ARC and the net OPEB. The net OPEB asset at June 30, 2015 and June 30, 2014 has remained at $7,384,385 as MTC fully funded its OPEB obligation in fiscal years 2015 and 2014. 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 OPEB cost 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 OPEB cost is based on a bi-annual actuarial valuation. 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, 2013	$ 2,658,672	100%	$ 7,384,385
June 30, 2014	2,658,672	100%	7,384,385
June 30, 2015	3,084,567	100%	7,384,385

The funded status of the plan as of July 1, 2015 was as follows:

Annual required contribution (ARC)	$ 2,994,752
Interest on net OPEB obligation	(332,297)
Adjustment to ARC	422,112
Annual OPEB Cost	3,084,567
Less contributions made	(3,084,567)
Change in net OPEB asset	-
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. MTC's funding progress as of January 1, 2014, 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, 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 %
January 1, 2014	17,705,619	29,092,241	11,386,622	60.9 %	20,191,937	56.4 %

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 VI, 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 the UAAL 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 5.50 percent to 4.50 percent to reflect the current investment policy. A 3.0 percent per year growth in overall payroll was used for purposes of amortizing any 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 2.50 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, 2014 valuation, MTC's most recent valuation, increased by approximately $4.4 million over the previous valuation dated January 1, 2012. The cost of benefit accruals less benefit payments made since the last valuation date contributed to the change in the AAL of $2.2 million. The increase due to the change in discount rate from 5.5% to 4.5% contributed to the change in the AAL of $4.4 million. The change in portion of premiums paid by MTC and the change in dependent coverage election assumptions contributed to a net change of $(2.5) million. The change to reflect improvements in future mortality, resulted in an increase of $0.8 million, but this was offset by a decrease in demographic experience and the health trend of $(0.7) and $(0.2) million respectively. The combined impact of these factors was an increase in the AAL of approximately $4.4 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 grant funded 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 MTC’s regional planning activities. MTC's Board has approved a reserve for future expenses for these contingencies in the amount of $1,140,000 and $500,000 for fiscal years ended June 30, 2015 and 2014, respectively. In the opinion of MTC’s management, the ultimate resolution of these matters will not have a material adverse effect on MTC’s government-wide financial position.

Commitment and Loan to Bay Area Rapid Transit District

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 for 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 Transfers 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 Transfers 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. BART made the last payment of $5 million on this loan in June 2014.

BAHA - Discretely Presented Component Unit

BAHA has entered into contracts with multiple external parties to perform the design, seismic retrofitting, renovation and working space of BAHA's building at 375 Beale Street, San Francisco (the "Building"). The renovation is in process and is expected to be completed by the beginning of 2016. As of June 30, 2015, the remaining balance of the contracts is approximately $29,000,000.

In 2012, BAHA entered into an office lease agreement with the Bay Area Air Quality Management District (BAAQMD) to occupy space in the Building. The lease agreement grants BAAQMD the option to purchase office space (in the form of a condominium interest) in the Building (the "Purchase Option").

On November 7, 2013, BAAQMD issued a Certificate of Participation (COP) in the amount of $30 million to secure an ownership interest in the Building. BAHA purchased the COP and entered into a site and facilities lease and sublease agreement with BAAQMD on the premises. The effective date of these leases will commence from the date BAAQMD exercises its Purchase Option for the premises which is expected to be in the beginning of 2016, when the office space is expected to be ready for occupancy. The proceeds of the COP are being held by a trustee in escrow on behalf of BAAQMD, and are expected to be released to BAHA at the time the Purchase Option is exercised. At the same time the Purchase Option is exercised, BAAQMD will deposit $8.5 million to the trustee to be used to pay BAHA as a prepayment of the COP. Rental payments under the site and facilities lease and sublease have been assigned to a trustee who will use these funds to pay principal and interest to BAHA under the COP.

In 2013, BAHA and the Association of Bay Area Governments (ABAG) signed a Memorandum of Understanding, under which ABAG intends to enter into a purchase and sale agreement with BAHA to purchase a condominium interest in the Building from BAHA. ABAG's purchase price for the condominium interest shall be the transfer to BAHA of ABAG's condominium ownership interest in its current headquarters, the MetroCenter, located at 101 Eighth Street, Oakland, CA 94607. In addition, ABAG agreed to provide $4.2 million to BAHA for capital tenant improvements to the Building which will be paid in installments over the period to fiscal year 2021. The second payment installment of $400,000 for the capital tenant improvements was paid in fiscal year 2015. ABAG's budget funding for the capital tenant improvements is provided by MTC.

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 MTC from insurance companies. To date, there have been no significant reductions in any of 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 RAFC 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, 2015 and 2014. MTC has a prepaid asset of $804,543 and $556,452 as of June 30, 2015 and 2014, respectively, for funding capital improvement projects of the property.

13. SUBSEQUENT EVENTS

MTC has evaluated subsequent events for the period from June 30, 2015 through November 4, 2015, the date the financial statements were available to be issued, and no subsequent events have been identified.

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, 2015 — Schedule I

	Original Budget [1]	Final Budget [1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Sales tax	$ 11,900,000	$ 11,900,000	$ 12,373,864	$ 473,864
Grants - Federal	150,381,765	151,353,792	56,491,443	(94,862,349)
Grants - State	589,000	589,000	367,100	(221,900)
Local agencies revenues and refunds	4,332,319	4,608,985	4,040,280	(568,705)
Investment income - unrestricted	50,000	50,000	7,151	(42,849)
TOTAL REVENUES	167,253,084	168,501,777	73,279,838	(95,221,939)
EXPENDITURES				
General government	180,131,095	182,089,787	67,790,809	114,298,978
Allocations to other agencies	17,963,827	17,963,827	12,765,087	5,198,740
Capital outlay	500,000	500,000	179,984	320,016
TOTAL EXPENDITURES	198,594,922	200,553,614	80,735,880	119,817,734
REVENUES OVER (UNDER) EXPENDITURES	(31,341,838)	(32,051,837)	(7,456,042)	24,595,795
OTHER FINANCING SOURCES (USES)				
Transfers in	28,692,612	28,802,612	9,996,374	(18,806,238)
Transfers out	-	-	(38,459)	(38,459)
TOTAL OTHER FINANCING SOURCES (USES)	28,692,612	28,802,612	9,957,915	(18,844,697)
NET CHANGE IN FUND BALANCES	(2,649,226)	(3,249,225)	2,501,873	5,751,098
Fund balances - beginning	34,175,123	34,175,123	34,175,123	-
Fund balances - ending	$ 31,525,897	$ 30,925,898	$ 36,676,996	$ 5,751,098

[1] Budget prepared in accordance with GAAP.

See accompanying Independent Auditor's Report.

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, 2015 — Schedule II

	Original Budget [1]	Final Budget [1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 479,139	$ 479,139
TOTAL REVENUES	-	-	479,139	479,139
EXPENDITURES				
General government	-	-	21,295	(21,295)
Allocations to other agencies	40,909,223	84,909,223	5,219,588	79,689,635
TOTAL EXPENDITURES	40,909,223	84,909,223	5,240,883	79,668,340
REVENUES UNDER EXPENDITURES	(40,909,223)	(84,909,223)	(4,761,744)	80,147,479
OTHER FINANCING SOURCES				
Transfers in	40,909,223	84,909,223	9,680,853	(75,228,370)
Transfers out	-	-	(3,551)	(3,551)
TOTAL OTHER FINANCING SOURCES	40,909,223	84,909,223	9,677,302	(75,231,921)
NET CHANGE IN FUND BALANCES	-	-	4,915,558	4,915,558
Fund balances - beginning	29,833,279	29,833,279	29,833,279	-
Fund balances - ending	$ 29,833,279	$ 29,833,279	$ 34,748,837	$ 4,915,558

[1] Budget prepared in accordance with GAAP.

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, 2015 — Schedule III

	Original Budget [1]	Final Budget [1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 138,877,219	$ 137,291,093	$144,485,644	$ 7,194,551
Local agencies revenues and refunds	-	-	1,948,698	1,948,698
Investment income - unrestricted	-	-	242,315	242,315
TOTAL REVENUES	138,877,219	137,291,093	146,676,657	9,385,564
EXPENDITURES				
Allocations to other agencies	196,184,017	194,597,891	122,665,610	71,932,281
TOTAL EXPENDITURES	196,184,017	194,597,891	122,665,610	71,932,281
REVENUES OVER (UNDER) EXPENDITURES	(57,306,798)	(57,306,798)	24,011,047	81,317,845
OTHER FINANCING SOURCES (USES)				
Transfers in	57,306,798	57,306,798	3,068,344	(54,238,454)
Transfers out	-	-	(17,749,636)	(17,749,636)
TOTAL OTHER FINANCING SOURCES (USES)	57,306,798	57,306,798	(14,681,292)	(71,988,090)
NET CHANGE IN FUND BALANCES	-	-	9,329,755	9,329,755
Fund balances - beginning	57,328,685	57,328,685	57,328,685	-
Fund balances - ending	$ 57,328,685	$ 57,328,685	$ 66,658,440	$ 9,329,755

[1] Budget prepared in accordance with GAAP.

See accompanying Independent Auditor's Report.

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, 2015 — Schedule IV

	Original Budget [1]	Final Budget [1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 452,608	$ 452,608
TOTAL REVENUES	-	-	452,608	452,608
EXPENDITURES				
General government	-	-	21,014	(21,014)
Allocations to other agencies	48,825,960	48,825,960	59,702,316	(10,876,356)
TOTAL EXPENDITURES	48,825,960	48,825,960	59,723,330	(10,897,370)
REVENUES UNDER EXPENDITURES	(48,825,960)	(48,825,960)	(59,270,722)	(10,444,762)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,860,296	7,860,296	7,860,296	-
NET CHANGE IN FUND BALANCES	(40,965,664)	(40,965,664)	(51,410,426)	(10,444,762)
Fund balances - beginning	40,965,664	40,965,664	40,965,664	-
Fund balances - ending	$ -	$ -	$ (10,444,762)	$ (10,444,762)

[1] Budget prepared in accordance with GAAP.

See accompanying Independent Auditor's Report.

Metropolitan Transportation Commission

Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - BART Car Exchange Fund (unaudited)

For the Year Ended June 30, 2015 **Schedule V**

	Original Budget[1]	Final Budget[1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 77,000,000	$ 74,168,150	$ 74,168,150	$ -
Investment income - restricted	-	-	493,439	493,439
TOTAL REVENUES	77,000,000	74,168,150	74,661,589	493,439
EXPENDITURES				
General government	-	-	4,455	(4,455)
TOTAL EXPENDITURES	-	-	4,455	(4,455)
NET CHANGE IN FUND BALANCES	77,000,000	74,168,150	74,657,134	488,984
Fund balances - beginning	201,349,559	201,349,559	201,349,559	-
Fund balances - ending	$ 278,349,559	$ 275,517,709	$ 276,006,693	$ 488,984

[1] Budget prepared in accordance with GAAP.

See accompanying Independent Auditor's Report.

Metropolitan Transportation Commission
Schedules of Funding Progress (unaudited)
For the Year Ended June 30, 2015 — Schedule VI

Pension Plan

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, 2011	$ 83,576,646	$ 96,864,616	$ 13,287,970	86.3 %	$ 17,276,635	76.9 %
June 30, 2012	89,628,911	104,221,731	14,592,820	86.0 %	17,092,546	85.4 %
June 30, 2013	86,159,031	112,527,842	26,368,811	76.6 %	19,517,512	135.1 %

Other Post Employment Benefits

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, 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 %
January 1, 2014	17,705,619	29,092,241	11,386,622	60.9 %	20,191,937	56.4 %

Metropolitan Transportation Commission
Schedule of Changes in the Net Pension Liability
As of June 30, 2015
Last Ten Years — Schedule VII

	2015*
Total Pension Liability	
Service cost	$ 3,710,617
Interest	8,852,738
Benefit payments and refunds of contribution	(4,404,877)
Net change in total pension liability	8,158,478
Total pension liability - beginning	118,383,641
Total pension liability - ending	$ 126,542,119
Plan Fiduciary Net Position	
Contributions - employer	$ 3,313,040
Contributions - member	2,310,147
Net investment income	15,270,089
Benefit payments and refunds of contributions	(4,404,877)
Net change in plan fiduciary net position	16,488,399
Plan Fiduciary Net Position - beginning	86,203,296
Plan Fiduciary Net Position - ending	$ 102,691,695
Net Pension Liability - ending	$ 23,850,424
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%
Covered-Employee Payroll	$ 20,103,037
Plan Net Pension Liability as a Percentage of Covered-Employee Payroll	118.64%

* Only one year of data is available. The amounts above are determined as of the measurement date of June 30, 2014.

Metropolitan Transportation Commission
Schedule of Employer Contributions
As of June 30, 2015
Last Ten Years

Schedule VIII

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially Determined Contribution[1]	$ 1,401,456	$ 1,849,320	$ 2,072,929	$ 2,190,076	$ 2,214,238	$ 2,281,381	$ 2,892,933	$ 3,103,791	$ 3,311,675	$ 3,819,020
Contributions in Relation to the Actuarially Determined Contribution	(1,401,456)	(1,849,320)	(2,072,929)	(2,190,076)	(2,214,238)	(2,281,381)	(2,892,933)	(3,103,791)	(3,311,675)	(3,819,020)
Covered-employee payroll[2]	$ 14,292,965	$ 15,865,270	$ 16,230,948	$ 16,969,851	$ 17,233,074	$ 17,276,635	$ 17,092,546	$ 19,517,512	$ 20,191,937	$ 22,111,218
Actual contributions as a percentage of covered-employee payroll	9.81%	11.65%	12.77%	12.91%	12.85%	13.21%	16.93%	15.90%	16.40%	17.27%

(1) The Actuarially Determined Contributions are set using the Entry Age Normal Cost Method, for which key assumptions relate to the amortization method and period, inflation, salary increases, payroll growth, investment rate of return, retirement age and mortality.

(2) Covered-employee payroll is as reported by CalPERS for fiscal years 2006 - 2013. The amounts for fiscal years 2014 and 2015 are provisional and subject to change upon reporting by CalPERS in subsequent years.

OTHER SUPPLEMENTARY INFORMATION

Metropolitan Transportation Commission
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2015 — Schedule 1

	Transit Reserves	Exchange	Feeder Bus	Prop 1B Fund	Capital Projects	Total Non-Major Governmental Funds
ASSETS						
Cash - unrestricted	$ 19,053,585	$27,563,116	$ 168,223	$ 1,960,594	$ -	$ 48,745,518
Investment - unrestricted	34,106,938	-	-	-	-	34,106,938
Receivables						
Interest	37,639	-	-	-	-	37,639
Due from other funds	-	-	-	-	499,769	499,769
TOTAL ASSETS	53,198,162	27,563,116	168,223	1,960,594	499,769	83,389,864
LIABILITIES						
Accounts payable and accrued expenditures	1,403,866	38,786	-	7,753	-	1,450,405
Due to other funds	10,205	-	-	47,222	-	57,427
TOTAL LIABILITIES	1,414,071	38,786	-	54,975	-	1,507,832
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	46,355,859	-	-	-	-	46,355,859
TOTAL DEFERRED INFLOWS OF RESOURCES	46,355,859	-	-	-	-	46,355,859
FUND BALANCES						
Restricted for:						
Transportation projects	5,428,232	-	168,223	1,905,619	-	7,502,074
Committed to:						
Building reserve	-	-	-	-	499,769	499,769
Transportation projects	-	27,524,330	-	-	-	27,524,330
TOTAL FUND BALANCES	5,428,232	27,524,330	168,223	1,905,619	499,769	35,526,173
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 53,198,162	$27,563,116	$ 168,223	$ 1,960,594	$ 499,769	$ 83,389,864

Metropolitan Transportation Commission
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended June 30, 2015

Schedule 2

	Transit Reserves	Exchange	Feeder Bus	Prop 1B Fund	Capital Projects	Total Non-Major Governmental Funds
REVENUES						
Grants - State	$ 3,179,101	$ -	$ -	$ -	$ -	$ 3,179,101
Local agencies revenues and refunds	-	6,396,308	-	-	-	6,396,308
Investment income - unrestricted	128,395	209,849	25	337	-	338,606
TOTAL REVENUES	3,307,496	6,606,157	25	337	-	9,914,015
Expenditures						
Current:						
General government	-	82,572	-	543,313	-	625,885
Allocations to other agencies	7,451,168	-	-	-	-	7,451,168
TOTAL EXPENDITURES	7,451,168	82,572	-	543,313	-	8,077,053
EXCESS/(DEFICIENCY) OF REVENUES OVER/ (UNDER) EXPENDITURES	(4,143,672)	6,523,585	25	(542,976)	-	1,836,962
OTHER FINANCING SOURCES (USES)						
Transfers in	2,281,994	-	-	301,668	-	2,583,662
Transfers out	(15,066)	-	-	(47,222)	-	(62,288)
TOTAL OTHER FINANCING SOURCES (USES)	2,266,928	-	-	254,446	-	2,521,374
NET CHANGE IN FUND BALANCES	(1,876,744)	6,523,585	25	(288,530)	-	4,358,336
Fund balances - beginning	7,304,976	21,000,745	168,198	2,194,149	499,769	31,167,837
Fund balances - ending	$ 5,428,232	$ 27,524,330	$ 168,223	$ 1,905,619	$ 499,769	$ 35,526,173

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Transit Reserves Fund
For the Year Ended June 30, 2015 — Schedule 3

	Original Budget[1]	Final Budget[1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 3,179,101	$ 3,179,101	$ 3,179,101	$ -
Investment income - unrestricted	-	-	128,395	128,395
TOTAL REVENUES	3,179,101	3,179,101	3,307,496	128,395
EXPENDITURES				
Allocations to other agencies	21,797,134	29,097,134	7,451,168	21,645,966
TOTAL EXPENDITURES	21,797,134	29,097,134	7,451,168	21,645,966
REVENUES UNDER EXPENDITURES	(18,618,033)	(25,918,033)	(4,143,672)	21,774,361
OTHER FINANCING SOURCES (USES)				
Transfers in	18,618,033	25,918,033	2,281,994	(23,636,039)
Transfers out	-	-	(15,066)	(15,066)
TOTAL OTHER FINANCING SOURCES	18,618,033	25,918,033	2,266,928	(23,651,105)
NET CHANGE IN FUND BALANCES	-	-	(1,876,744)	(1,876,744)
Fund balances - beginning	7,304,976	7,304,976	7,304,976	-
Fund balances - ending	$ 7,304,976	$ 7,304,976	$ 5,428,232	$ (1,876,744)

[1] Budget prepared in accordance with GAAP.

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Exchange Fund
For the Year Ended June 30, 2015 Schedule 4

	Original Budget[1]	Final Budget[1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 6,396,308	$ 6,396,308	$ 6,396,308	$ -
Investment income - unrestricted	-	-	209,849	209,849
TOTAL REVENUES	6,396,308	6,396,308	6,606,157	209,849
EXPENDITURES				
General government	174,034	174,034	82,572	91,462
Allocations to other agencies	6,396,308	6,396,308	-	6,396,308
TOTAL EXPENDITURES	6,570,342	6,570,342	82,572	6,487,770
REVENUES OVER (UNDER) EXPENDITURES	(174,034)	(174,034)	6,523,585	6,697,619
OTHER FINANCING USES				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING USES	-	-	-	-
NET CHANGE IN FUND BALANCES	(174,034)	(174,034)	6,523,585	6,697,619
Fund balances - beginning	21,000,745	21,000,745	21,000,745	-
Fund balances - ending	$ 20,826,711	$ 20,826,711	$ 27,524,330	$ 6,697,619

[1] Budget prepared in accordance with GAAP.

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Feeder Bus Fund
For the Year Ended June 30, 2015 Schedule 5

	Original Budget[1]	Final Budget[1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 25	$ 25
TOTAL REVENUES	-	-	25	25
NET CHANGE IN FUND BALANCES	-	-	25	25
Fund balances - beginning	168,198	168,198	168,198	-
Fund balances - ending	$ 168,198	$ 168,198	$ 168,223	$ 25

[1] Budget prepared in accordance with GAAP.

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Prop 1B Fund
For the Year Ended June 30, 2015 — Schedule 6

	Original Budget[1]	Final Budget[1]	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 337	$ 337
TOTAL REVENUES	-	-	337	337
EXPENDITURES				
General government	2,194,149	2,194,149	543,313	1,650,836
TOTAL EXPENDITURES	2,194,149	2,194,149	543,313	1,650,836
REVENUES UNDER EXPENDITURES	(2,194,149)	(2,194,149)	(542,976)	1,651,173
OTHER FINANCING SOURCES				
Transfers in	-	-	301,668	301,668
Transfers out	-	-	(47,222)	(47,222)
TOTAL OTHER FINANCING SOURCES	-	-	254,446	254,446
NET CHANGE IN FUND BALANCES	(2,194,149)	(2,194,149)	(288,530)	1,905,619
Fund balances - beginning	2,194,149	2,194,149	2,194,149	-
Fund balances - ending	$ -	$ -	$ 1,905,619	$ 1,905,619

[1] Budget prepared in accordance with GAAP.

Metropolitan Transportation Commission
Schedule of Expenditures by Natural Classification
For the Year Ended June 30, 2015 — Schedule 7

Expenditures by natural classification	
Salaries & benefits	$ 22,691,494
Travel	192,245
Professional fees	40,806,364
Overhead	4,139,178
Printing & reproduction	103,794
Other	401,047
Reported as general government expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds[1]	$ 68,334,122

Salaries & benefits - MTC Governmental	$ 22,691,494
Salaries & benefits - MTC Clipper®	1,872,374
Salaries & benefits - BATA	9,087,130
Salaries & benefits - SAFE	584,884
Salaries & benefits - BAHA	705,902
Total salaries & benefits	$ 34,941,784

Indirect Cost - MTC Governmental	$ 4,139,178
Indirect Cost - MTC Clipper®	1,073,244
Indirect Cost - SAFE	335,255
Indirect Cost - BAHA	404,623
Total Indirect Cost	$ 5,952,300

[1]General government expenditures - by Fund	
General Fund	$ 67,790,809
Special Revenue - Prop 1B	543,313
Total general government expenditures	$ 68,334,122

Metropolitan Transportation Commission
Schedule of Overhead, Salaries and Benefits Expenditures - Governmental Funds
For the Year Ended June 30, 2015 — Schedule 8

	Direct Costs*	Allowable Indirect Costs	Unallowable Costs	Total
Salaries	$ 14,288,427	$ 5,055,743	$ 99,000	$ 19,443,170
Benefits	11,404,380	3,789,140	305,094	15,498,614
Total salaries and benefits	$ 25,692,807	$ 8,844,883	$ 404,094	$ 34,941,784
Reimbursable overhead:**				
Agency temps		$ 969,443	$ -	$ 969,443
Training		188,754	77,828	266,582
Personnel recruitment		41,620	-	41,620
Public hearing		899	-	899
Advertising		51,587	-	51,587
Communications		126,628	-	126,628
Utilities		224,285	-	224,285
Meeting room rental		15,628	-	15,628
Equipment rental		100,994	-	100,994
Parking rental		5,612	-	5,612
Storage rental		53,198	-	53,198
Computer maintenance & repair		126,080	-	126,080
Auto expense		58,813	441	59,254
General maintenance		14,645	-	14,645
Janitorial service		108,094	-	108,094
Office supplies		224,908	150	225,058
Printing & graphics supplies		28,977	-	28,977
Computer supplies		26,286	-	26,286
Computer software		897,284	-	897,284
Computer hardware		210,490	-	210,490
Furniture & fixtures		545	-	545
Postage & mailing		25,780	-	25,780
Memberships		31,258	54,450	85,708
Library acquisitions & subscriptions		37,309	375	37,684
Law library		33,301	-	33,301
Computer time & services		26,040	-	26,040
Advisory member stipend		16,600	85,200	101,800
Audit fees		499,832	-	499,832
Newswire service		14,603	-	14,603
Insurance		196,314	-	196,314
Other		55,462	77,500	132,962
Miscellaneous		-	34,370	34,370
Travel		29,750	155,544	185,294
Professional fees		543,251	-	543,251
Building maintenance		482,172	-	482,172
Subtotal indirect costs		5,466,442	485,858	5,952,300
Carry forward provision for fiscal June 30, 2013		363,553	-	363,553
Depreciation expense		890,512	3,874	894,386
Total indirect costs including depreciation expense		$ 6,720,507	$ 489,732	$ 7,210,239
Indirect costs recovered***		$ 14,829,059		
Indirect (over)/under absorbed		$ 736,331		

*Direct costs include MTC, BATA, SAFE, and BAHA salaries and benefits per Indirect Cost Plan for fiscal year 2015.
** Overhead distributed to MTC, BATA, SAFE, and BAHA per Indirect Cost Plan for fiscal year 2015.
*** Indirect costs recovered at 57.32% per Indirect Cost Plan for fiscal year 2015.

Metropolitan Transportation Commission
Schedule of Expenditures - Federal Highway Administration Grant
No. 10OWPMTC
For the Year Ended June 30, 2015 — Schedule 9

	ABAG	MTC	Total
Authorized Expenditures			
Federal	$ -	$ 1,149,660	$ 1,149,660
Local Match *	-	148,951	148,951
Total authorized expenditures	-	1,298,611	1,298,611
Actual Expenditures *			
MTC			
Program No. Program Name			
1112 Public Information Program	-	524,660	524,660
1122 Travel Models and Data	-	442,650	442,650
Total Expenditures	-	967,310	967,310
Balance of Federal Highway Administration Grant	$ -	$ 182,350	$ 182,350

*Expenditures reported at Federal reimbursement rate (88.53%)

Number of Axles Per Vehicle	Toll Rate for Fiscal Year Ending June 30, 2013	2014	2015
2 axles	$ 5.00 *	$ 5.00 *	$ 5.00 *
3 axles	15.00	15.00	15.00
4 axles	20.00	20.00	20.00
5 axles	25.00	25.00	25.00
6 axles	30.00	30.00	30.00
7 axles or more	$ 35.00	$ 35.00	$ 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, 2015 — Schedule 11

	2015
Revenues	
Toll revenues collected	$ 694,954,852
Investment income	8,229,824
Other operating revenues	22,383,662
Revenues subtotal	725,568,338
BABs interest subsidy	70,991,686
Derivative investment charge	(285,569,054)
Total revenues	510,990,970
Operating expenses	
Operating expenses incurred by Caltrans	26,916,607
Services and charges - BATA	50,248,410
Bridge operating and maintenance expenses incurred by BATA	26,698,018
Transbay Terminal JPA operations	3,644,073
Total operating expenses before depreciation and amortization	107,507,108
Depreciation and amortization	4,769,136
Total operating expenses	112,276,244
Net operating income	398,714,726
Nonoperating expenses (revenues)	
Interest expense	431,383,619
Financing fees and bond issuance costs	23,026,016
Other nonoperating expenses	1,115,277
Caltrans/other agency operating grants	(8,180,400)
Other nonoperating revenues	(1,701,544)
Total nonoperating expenses	445,642,968
Income before operating transfers	(46,928,242)
Operating transfers	
MTC administrative & operating transfers	8,934,850
MTC transit transfers:	
AB 664 expenses	9,680,853
90% rail expenses	7,860,296
2% transit expenses	2,281,994
Allocations to other agencies (RM2)	38,398,116
Total operating transfers	67,156,109
Net income before capital transfers	(114,084,351)
Capital project expenses (revenues)	
Distributions to Caltrans for their capital purposes	239,410,807
Distributions to other agencies for their capital purposes	123,882,405
Distributions to MTC	1,442,470
Contributions to BAHA/ SAFE	38,822,586
Total capital project expenses	403,558,268
Change in net position	(517,642,619)
Total net position - beginning*	(5,879,081,075)
Total net position - ending	$ (6,396,723,694)

* In fiscal year 2015, beginning balance was restated due to the adoption of GASB Statement 68.

Metropolitan Transportation Commission
Schedule of Computations Demonstrating
Bond Covenant Compliance - BATA Proprietary Fund, *continued*
June 30, 2015 Schedule 11

		2015
Senior Bond - Debt Service Covenant		
Net revenue[1]	$	698,651,731
Debt service[2]		241,889,224
Debt service coverage[4]		2.89
Debt service coverage - bond covenant requirement		1.20
Net revenue[1] plus operations & maintenance reserve	$	773,651,731
Fixed charges[5], operating transfer and costs[7]		292,776,263
Fixed charges coverage		2.64
Fixed charges coverage - bond covenant requirement		1.25
Combined Bonds - Debt Service Covenant		
Net revenue[1]	$	698,651,731
Debt service[3,10], operating transfer and costs[7]		485,716,108
Sum sufficient coverage		1.44
Sum sufficient coverage - bond covenant requirement		1.00
Net revenue[1,6]	$	626,579,582
Debt service[3]		408,586,933
Subordinate debt service coverage		1.53
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 Revenues subtotal less Caltrans operating expenses.
2 Senior bond interest expense less BABs interest subsidy on senior bonds plus principal retirement of $48,195,000.
3 Total bond interest expense less BABs interest subsidy plus principal retirement of $48,195,000.
4 Based on debt outstanding from May 24, 2001 to December 18, 2014.
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 46 years was fulfilled in early September 2010).
8 Minimum required operation & maintenance reserve is $75 million, but currently maintained at $150 million.
9 Designated reserves 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, 2015 Schedule 12

	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	$ 117,429,187	$ 109,471,720	$ 13,611,031	$ 75,523,984	$ 228,421,032	$ 93,335,417	$ 57,162,481	$ 694,954,852 *
Other operating revenues	3,356,133	3,586,097	338,707	2,318,911	8,761,487	2,578,334	1,443,993	22,383,662
Total operating revenues	120,785,320	113,057,817	13,949,738	77,842,895	237,182,519	95,913,751	58,606,474	717,338,514
Operating expenses								
Operating expenditures-by Caltrans & Transbay JPA	3,925,607	3,997,371	1,632,489	2,697,730	11,999,970	3,936,353	2,371,160	30,560,680
Services and charges	13,001,933	12,120,871	1,507,033	8,362,127	25,291,115	10,334,235	6,329,114	76,946,428
Allocations to other agencies	6,488,277	6,048,606	752,046	4,172,902	12,620,873	5,157,032	3,158,380	38,398,116
Depreciation	803,026	751,651	92,743	517,529	1,576,878	637,671	389,638	4,769,136
Total operating expenses	24,218,843	22,918,499	3,984,311	15,750,288	51,488,836	20,065,291	12,248,292	150,674,360
Operating income	$ 96,566,477	$ 90,139,318	$ 9,965,427	$ 62,092,607	$ 185,693,683	$ 75,848,460	$ 46,358,182	$ 566,664,154
*Toll revenues by Program								
Regional Measure 1 (RM 1)	26,096,658	23,624,325	3,063,816	16,172,573	48,979,963	20,244,479	12,139,376	150,321,190
Regional Measure 2 (RM 2)	19,918,895	19,313,817	2,208,675	13,566,127	42,353,540	16,551,818	10,504,656	124,417,528
Seismic Program	71,413,634	66,533,578	8,338,540	45,785,284	137,087,529	56,539,120	34,518,449	420,216,134
Total toll revenues	$ 117,429,187	$ 109,471,720	$ 13,611,031	$ 75,523,984	$ 228,421,032	$ 93,335,417	$ 57,162,481	$ 694,954,852

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds
For the Year Ended June 30, 2015 — Schedule 13

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
County of Alameda				
Assets				
Cash and investments	$ 25,973,945	$ 75,162,370	$ 82,275,383	$ 18,860,932
Interest receivables	10,000	14,352	10,000	14,352
Total Assets	$ 25,983,945	$ 75,176,722	$ 82,285,383	$ 18,875,284
Liabilities				
Accounts payable and accrued liabilities	$ 6,842,861	$ 70,283,406	$ 76,062,534	$ 1,063,733
Due to other governments	19,141,084	4,893,316	6,222,849	17,811,551
Total Liabilities	$ 25,983,945	$ 75,176,722	$ 82,285,383	$ 18,875,284
County of Contra Costa				
Assets				
Cash and investments	$ 17,602,812	$ 41,315,657	$ 40,056,663	$ 18,861,806
Receivables-interest	$ -	$ 163	$ -	$ 163
Total Assets	$ 17,602,812	$ 41,315,820	$ 40,056,663	$ 18,861,969
Liabilities				
Accounts payable and accrued liabilities	$ 671,003	$ 39,362,351	$ 38,336,659	$ 1,696,695
Due to other governments	16,931,809	1,953,469	1,720,004	17,165,274
Total Liabilities	$ 17,602,812	$ 41,315,820	$ 40,056,663	$ 18,861,969
County of Marin				
Assets				
Cash and investments	$ 1,669,430	$ 12,382,550	$ 12,408,870	$ 1,643,110
Interest receivables	279	-	279	-
Total Assets	$ 1,669,709	$ 12,382,550	$ 12,409,149	$ 1,643,110
Liabilities				
Accounts payable and accrued liabilities	$ 142,173	$ 12,570,824	$ 11,913,473	$ 799,524
Due to other governments	1,527,536	(188,274)	495,676	843,586
Total Liabilities	$ 1,669,709	$ 12,382,550	$ 12,409,149	$ 1,643,110
County of Napa				
Assets				
Cash and investments	$ 12,473,606	$ 9,482,042	$ 8,901,034	$ 13,054,614
Total Assets	$ 12,473,606	$ 9,482,042	$ 8,901,034	$ 13,054,614
Liabilities				
Accounts payable and accrued liabilities	$ 27,106	$ 9,597,658	$ 8,580,964	$ 1,043,800
Due to other governments	12,446,500	(115,616)	320,070	12,010,814
Total Liabilities	$ 12,473,606	$ 9,482,042	$ 8,901,034	$ 13,054,614

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds, *continued*
For the Year Ended June 30, 2015 — Schedule 13

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
County of San Francisco				
Assets				
Cash and investments	$ 2,258,231	$ 49,118,105	$ 46,046,499	$ 5,329,837
Interest receivables	1,834	2,137	1,834	2,137
Total Assets	$ 2,260,065	$ 49,120,242	$ 46,048,333	$ 5,331,974
Liabilities				
Accounts payable and accrued liabilities	$ 689,337	$ 46,017,070	$ 42,122,452	$ 4,583,955
Due to other governments	1,570,728	3,103,172	3,925,881	748,019
Total Liabilities	$ 2,260,065	$ 49,120,242	$ 46,048,333	$ 5,331,974
County of San Mateo				
Assets				
Cash and investments	$ 5,053,506	$ 38,832,964	$ 37,180,404	$ 6,706,066
Interest receivables	6,418	6,949	6,418	6,949
Total Assets	$ 5,059,924	$ 38,839,913	$ 37,186,822	$ 6,713,015
Liabilities				
Accounts payable and accrued liabilities	$ 503,003	$ 36,424,313	$ 35,634,369	$ 1,292,947
Due to other governments	4,556,921	2,415,600	1,552,453	5,420,068
Total Liabilities	$ 5,059,924	$ 38,839,913	$ 37,186,822	$ 6,713,015
County of Santa Clara				
Assets				
Cash and investments	$ 9,716,902	$ 106,332,940	$ 100,004,374	$ 16,045,468
Total Assets	$ 9,716,902	$ 106,332,940	$ 100,004,374	$ 16,045,468
Liabilities				
Accounts payable and accrued liabilities	$ 4,422,994	$ 95,749,934	$ 90,353,916	$ 9,819,012
Due to other governments	5,293,908	10,583,006	9,650,458	6,226,456
Total Liabilities	$ 9,716,902	$ 106,332,940	$ 100,004,374	$ 16,045,468
County of Solano				
Assets				
Cash and investments	$ 11,400,385	$ 18,873,117	$ 14,626,255	$ 15,647,247
Total Assets	$ 11,400,385	$ 18,873,117	$ 14,626,255	$ 15,647,247
Liabilities				
Accounts payable and accrued liabilities	$ 1,645,646	$ 13,141,135	$ 13,927,708	$ 859,073
Due to other governments	9,754,739	5,731,982	698,547	14,788,174
Total Liabilities	$ 11,400,385	$ 18,873,117	$ 14,626,255	$ 15,647,247

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant - Agency Funds, *continued*
For the Year Ended June 30, 2015 — Schedule 13

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
County of Sonoma				
Assets				
Cash and investments	$ 11,527,138	$ 22,064,454	$ 16,308,380	$ 17,283,212
Total Assets	$ 11,527,138	$ 22,064,454	$ 16,308,380	$ 17,283,212
Liabilities				
Accounts payable and accrued liabilities	$ 498,232	$ 22,238,814	$ 15,448,712	$ 7,288,334
Due to other governments	11,028,906	(174,360)	859,668	9,994,878
Total Liabilities	$ 11,527,138	$ 22,064,454	$ 16,308,380	$ 17,283,212
AB1107				
Assets				
Cash	$ -	$ 77,621,031	$ 77,621,031	$ -
Total Assets	$ -	$ 77,621,031	$ 77,621,031	$ -
Liabilities				
Accounts payable and accrued liabilities	$ -	$ 77,621,031	$ 77,621,031	$ -
Total Liabilities	$ -	$ 77,621,031	$ 77,621,031	$ -
Clipper®				
Assets				
Cash	$ 43,725,173	$ 382,070,961	$ 368,318,633	$ 57,477,501
Accounts receivable	8,947,813	923,343,037	922,596,689	9,694,161
Total Assets	$ 52,672,986	$ 1,305,413,998	$1,290,915,322	$ 67,171,662
Liabilities				
Accounts payable and accrued liabilities	$ 52,672,986	$ 615,084,965	$ 600,586,289	$ 67,171,662
Total Liabilities	$ 52,672,986	$ 615,084,965	$ 600,586,289	$ 67,171,662
Total - All Agency Funds				
Assets				
Cash and investments	$ 141,401,128	$ 833,256,191	$ 803,747,526	$ 170,909,793
Interest receivable	18,531	23,601	18,531	23,601
Accounts receivable	8,947,813	923,343,037	922,596,689	9,694,161
Total Assets	$ 150,367,472	$ 1,756,622,829	$1,726,362,746	$ 180,627,555
Liabilities				
Accounts payable and accrued liabilities	$ 68,115,341	$ 1,038,091,501	$1,010,588,107	$ 95,618,735
Due to other governments	82,252,131	28,202,295	25,445,606	85,008,820
Total Liabilities	$ 150,367,472	$ 1,066,293,796	$1,036,033,713	$ 180,627,555

Metropolitan Transportation Commission
Statement of Cash Collections and Disbursements - Agency Fund
Clipper® Program
For the Year Ended June 30, 2015 — Schedule 14

Cash Collections		
Autoload and remote add value	$	210,608,970
Third party		164,402,651
Other receipts		7,059,340
Total Cash Collections		382,070,961
Cash Disbursements		
Disbursements to operator		356,828,184
Patron refunds		5,186,327
Other disbursements		6,304,122
Total Cash Disbursements		368,318,633
Net Increase in Cash		13,752,328
Cash - beginning balance		43,725,173
Cash - ending balance	$	57,477,501

Metropolitan Transportation Commission
Schedule of Interest Rate Swaps Summary-BATA Proprietary Fund
For the Year Ended June 30, 2015 — Schedule 15

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	20%	A/A1
Wells Fargo Bank, N.A.	75,000,000	110,000,000	-	131,400,000	316,400,000	16%	AA-/Aa2
JP Morgan Chase Bank, N.A.	-	245,000,000	-	-	245,000,000	13%	A+/Aa3
Bank of America, N.A.	-	155,000,000	50,000,000	200,000,000	405,000,000	21%	A/A1
Goldman Sachs Mitsui Marine Derivative Products LP	-	60,000,000	85,000,000	-	145,000,000	8%	AAA/Aa2
The Bank of New York Mellon	-	-	210,000,000	146,445,000	356,445,000	18%	AA-/Aa2
Morgan Stanley Capital Services LLC	75,000,000	-	-	-	75,000,000	4%	A-/A3
Total swap notional	$ 150,000,000	$ 685,000,000	$ 605,000,000	$ 477,845,000	$ 1,917,845,000		
Termination value	$ (41,601,134)	$ (191,901,662)	$ (167,434,779)	$ (15,189,858)	$ (416,127,433)		

Metropolitan Transportation Commission
Schedule of Interest Rate Swaps for Series 2001 - BATA Proprietary Fund
For the Year Ended June 30, 2015 Schedule 16

	Series 2001 A	Series 2001 A	Total
Notional amount	$75,000,000	$75,000,000	$150,000,000
Trade date	1/22/2014[3]	6/26/2015[5]	
Effective date	1/1/2014	7/1/2015[6]	
Swap mode	65% One Mth LIBOR	65% One Mth LIBOR	
Maturity	4/1/2036	4/1/2036	
Swap rate	3.34%[4]	3.29%[6]	
Counterparty (CP)	Morgan Stanley Capital Services LLC	Wells Fargo Bank, N.A.	
S&P/Moody's ratings	A-/A3	AA-/Aa2	
Ratings outlook/watch	Negative/Stable	Stable/Stable	
Termination value due from/(to) CP	$(24,826,649)	$(16,774,485)	$(41,601,134)
Credit risk			
CP Collateral Posting[1]			
1a) CP = "A-", "A", or "A+" (S&P)	Yes	No	
or			
1b) CP = "A3", "A2", or "A1" (Moody's)	Yes	No	
and			
2) Termination value >$10 million	No	No	
or			
CP Collateral Posting[1]			
1c) CP < A- (S&P)	No	No	
or			
1d) CP < A3 (Moody's)	No	No	
and			
2) Termination value > $0	No	No	
Ratings termination risk[2]			
CP can terminate if BATA's Sr bond ratings (S&P or Moody's) is below	BBB-/Baa3	BBB+/Baa1	

(1) Unilateral collateral posting by counterparty

(2) Unilateral termination at BATA's discretion unless ratings fall below as listed

(3) Amended and restated on 1/22/14. Original trade date was 1/10/2002

(4) Fixed rate of 3.34% effective from 1/1/2014 through 12/31/2016; Fixed rate will change to 4.09% effective from 1/1/2017 through maturity

(5) Amended and restated on 6/26/2015. Original trade date was 5/20/2011

(6) Fixed rate amended from 4.10% to 3.29% on 6/26/2015. New rate is effective on 7/1/2015

Metropolitan Transportation Commission

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

For the Year Ended June 30, 2015 — Schedule 17

	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	4/1/2011[3]	3/20/2012 [4]	5/26/2006[5]	3/20/2012	8/28/2008	6/26/2015[6]	
Effective date	4/1/2011	2/8/2006	2/8/2006	3/1/2012	8/1/2008	7/1/2015[7]	
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	
Swap rate	4.00%	3.64%	3.63%	3.64%	3.64%	2.96%[7]	
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 LP	Bank of America, N.A.	
S&P/Moody's ratings	A+/Aa3	A/A1	A/A1	AA-/Aa2	AAA/Aa2	A/A1	
Ratings outlook/watch	Stable/Stable	Stable/Stable	Stable/Stable	Stable/Stable	Negative/Not on Watch	Stable/Stable	
Termination value due from/(to) CP	$(83,887,822)	$(28,638,765)	$(9,359,884)	$(27,393,698)	$(18,814,238)	$(23,807,255)	$(191,901,662)
Credit risk							
CP Collateral Posting[1]							
1a) CP = "A-", "A", or "A+" (S&P)	Yes	Yes	Yes	No	No	Yes	
or							
1b) CP = "A3", "A2", or "A1" (Moody's)	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 (Moody's)	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 Moody's) is below	BBB-/Baa3	BBB-/Baa3	BBB/Baa2(Insured)	BBB+/Baal	BBB+/Baa1	BBB+/Baa1	

(1) Unilateral collateral posting by counterparty

(2) Unilateral termination at BATA's discretion unless ratings fall below as listed

(3) Amended and restated on 4/1/2011. Original trade date was 11/15/2005

(4) Amended and restated on novation. Original trade date was 11/15/2005

(5) Amended and restated on 5/26/2006. Original trade date was 11/15/2005

(6) Amended and restated on 6/26/2015. Original trade date was 9/2/2008

(7) Fixed rate amended from 3.64% to 2.96% on 6/26/2015. New rate is effective on 7/1/2015

Metropolitan Transportation Commission

Schedule of Interest Rate Swaps for Series 2007 - BATA Proprietary Fund

For the Year Ended June 30, 2015 Schedule 18

	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	1/2/2009[3]	5/25/2006[4]	8/28/2008	9/2/2008	6/26/2015[5]	
Effective date	11/1/2007	11/1/2007	8/1/2008	9/2/2008	7/1/2015[6]	
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	
Swap rate	3.64%	3.63%	3.64%	3.64%	2.22%[6]	
Counterparty (CP)	Citibank N.A.	Bank of America, N.A.	Goldman Sachs Mitsui Marine Derivative Products LP	The Bank of New York Mellon	The Bank of New York Mellon	
S&P/Moody's ratings	A/A1	A/A1	AAA/Aa2	AA-/Aa2	AA-/Aa2	
Ratings outlook/watch	Stable/Stable	Stable/Stable	Negative/Not on Watch	Stable/Stable	Stable/Stable	
Termination value due from/(to) CP	$(66,713,311)	$(16,021,649)	$(27,398,448)	$(54,796,445)	$(2,504,926)	$ (167,434,779)
Credit risk						
CP Collateral Posting[1]						
1a) CP = "A-", "A", or "A+" (S&P)	Yes	Yes	No	No	No	
or						
1b) CP = "A3", "A2", or "A1" (Moody's)	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 (Moody's)	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 Moody's) is below	BBB-/Baa3	BBB/Baa2 (Insured)	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

[1] Unilateral collateral posting by counterparty

[2] Unilateral termination at BATA's discretion unless ratings fall below as listed

[3] Amended and restated on 1/2/2009. Original trade date was 11/30/2005

[4] Amended and restated on 5/25/2006. Original trade date was 11/30/2005

[5] Amended and restated on 6/26/2015. Original trade date was 9/2/2008

[6] Fixed rate amended from 3.64% to 2.22% on 6/26/2015. New rate is effective on 7/1/2015

Metropolitan Transportation Commission

Schedule of SIFMA Rate Swaps for Series 2008 F-1 - BATA Proprietary Fund

For the Year Ended June 30, 2015 — Schedule 19

	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Total
Notional amount	$131,400,000[3]	$146,445,000	$40,000,000	$160,000,000	$477,845,000
Trade date	6/26/2015[4]	6/26/2015[5]	6/26/2015[6]	6/26/2015[7]	
Effective date	7/1/2015[4]	7/1/2015[5]	7/1/2015[6]	7/1/2015[7]	
Swap fix receiver rate	3.10%	3.25%	3.55%	3.40%	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2045	
Swap payer index	SIFMA	SIFMA	SIFMA	SIFMA	
Counterparty (CP)	Wells Fargo Bank, N.A.	The Bank of New York Mellon	Bank of America, N.A.	Bank of America, N.A.	
S&P/Moody's ratings	AA-/Aa2	AA-/Aa2	A/A1	A/A1	
Ratings outlook/watch	Stable/Stable	Stable/Stable	Stable/Stable	Stable/Stable	
Termination value due from/(to) CP	$(4,593,730)	$(4,983,911)	$(1,151,104)	$(4,461,113)	$(15,189,858)
Credit risk					
CP Collateral Posting[1]					
1a) CP = "A-", "A", or "A+" (S&P)	No	No	Yes	Yes	
or					
1b) CP = "A3", "A2", or "A1" (Moody's)	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 (Moody's)	No	No	No	No	
and					
2) Termination value > $0	No	No	No	No	
Ratings termination risk[2]					
CP can terminate if BATA's Sr bond ratings (S&P or Moody's) is below	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

(1) Unilateral collateral posting by counterparty

(2) Unilateral termination at BATA's discretion with 15 days notice unless ratings fall as listed; CP has one time termination option on 4/1/2018

(3) Wells Fargo notional reflects amortized balance as of 4/1/2018

(4) Amended and restated on 6/26/2015. Original trade date was 3/31/2014. Effective on 7/1/2015, trade is suspended until 4/1/2018

(5) Amended and restated on 6/26/2015. Original trade date was 8/28/2008. Effective on 7/1/2015, trade is suspended until 4/1/2018

(6) Amended and restated on 6/26/2015. Original trade date was 3/30/2011. Effective on 7/1/2015, trade is suspended until 4/1/2018

(7) Amended and restated on 6/26/2015. Original trade date was 8/28/2008. Effective on 7/1/2015, trade is suspended until 4/1/2018

STATISTICAL SECTION

This part of 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 ten 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									
	2006	**2007**	**2008**	**2009**	**2010***	**2011***	**2012**	**2013**	**2014**	**2015**
Governmental activities										
Net investment in capital assets	$ 5,827	$ 6,015	$ 8,768	$ 8,393	$ 7,936	$ 7,277	$ 6,712	$ 6,134	$ 5,737	$ 5,080
Restricted	117,117	157,234	337,420	329,243	467,544	332,378	406,868	376,343	372,455	392,812
Unrestricted	50,970	130,205	(33,269)	(29,911)	(21,259)	(6,534)	(3,388)	23,983	28,005	33,891
Total governmental activities net position	173,914	293,454	312,919	307,725	454,221	333,121	410,192	406,460	406,197	431,783
Business-type activities										
Net investment in capital assets	$ 5,539	$ 5,596	$ 8,206	$ 12,779	$ 18,199	$ 17,825	$ 19,192	$ 23,112	$ 27,033	$ 28,516
Restricted	643,444	691,735	338,458	293,873	200,000	200,000	200,000	200,000	200,000	200,000
Unrestricted	(1,914,340)	(2,347,410)	(2,549,520)	(3,304,407)	(4,014,079)	(4,744,006)	(5,329,066)	(5,585,985)	(6,076,858)	(6,601,447)
Total business-type activities net position	(1,265,357)	(1,650,079)	(2,202,856)	(2,997,755)	(3,795,880)	(4,526,181)	(5,109,874)	(5,362,873)	(5,849,825)	(6,372,931)
Total primary government										
Net investment in capital assets	$ 11,366	$ 11,611	$ 16,974	$ 21,172	$ 26,135	$ 25,102	$ 25,904	$ 29,246	$ 32,770	$ 33,596
Restricted	760,561	848,969	675,878	623,116	667,544	532,378	606,868	576,343	572,455	592,812
Unrestricted	(1,863,370)	(2,217,205)	(2,582,789)	(3,334,318)	(4,035,338)	(4,750,540)	(5,332,454)	(5,562,002)	(6,048,853)	(6,567,556)
Total primary government net position	$ (1,091,443)	$ (1,356,625)	$(1,889,937)	$ (2,690,030)	$(3,341,659)	$(4,193,060)	$(4,699,682)	$(4,956,413)	$ (5,443,628)	$(5,941,148)

*Fiscal years 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 2006 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									
	2006	2007	2008	2009	2010*	2011*	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 63,297	$ 93,884	$ 85,203	$ 86,672	$ 97,260	$ 78,611	$ 77,165	$ 69,123	$ 78,763	$ 81,168
Transportation	87,731	145,647	152,999	99,154	54,852	149,092	124,269	210,916	237,098	195,039
Total governmental activities expenses	151,028	239,531	238,202	185,826	152,112	227,703	201,434	280,039	315,861	276,207
Business-type activities:										
Clipper smart card	-	-	-	-	-	52,048	34,846	38,319	37,393	37,264
Toll bridge activities	617,546	1,155,916	1,234,968	1,299,135	1,300,850	1,569,444	1,352,120	1,189,447	1,586,156	1,008,115
Congestion relief	12,402	16,892	13,675	14,363	17,309	17,939	18,693	17,763	12,742	11,697
Total business-type activities expenses	629,948	1,172,808	1,248,643	1,313,498	1,318,159	1,639,431	1,405,659	1,245,529	1,636,291	1,057,076
Total primary government expenses	$ 780,976	$ 1,412,339	$1,486,845	$1,499,324	$ 1,470,271	$ 1,867,134	$ 1,607,093	$ 1,525,568	$1,952,152	$ 1,333,283
Program Revenues										
Governmental activities:										
Charges for services										
Operating grants and contributions	$ 57,641	$ 320,311	$ 207,496	$ 85,048	$ 249,436	$ 74,274	$ 245,171	$ 250,529	$ 301,254	$ 303,823
Capital grants and contributions	70,770	-	9,858	61,796	10,673	-	-	-	-	-
Total governmental activities program revenues	128,411	320,311	217,354	146,844	260,109	74,274	245,171	250,529	301,254	303,823
Business-type activities:										
Charges for services	293,000	434,341	497,712	492,963	486,889	622,906	660,156	690,181	713,147	740,510
Operating grants and contributions	8,868	283,082	110,372	53,490	131,872	281,918	263,080	272,281	393,471	95,622
Capital grants and contributions	499,403	1,235	-	-	-	327	-	-	81,209	-
Total business-type activities program revenues	801,271	718,658	608,084	546,453	618,761	905,151	923,236	962,462	1,187,827	836,132
Total primary government program revenues	$ 929,682	$ 1,038,969	$ 825,438	$ 693,297	$ 878,870	$ 979,425	$ 1,168,407	$ 1,212,991	$1,489,081	$ 1,139,955
Net (expense)/revenue										
Governmental activities	$ (22,617)	$ 80,780	$ (20,848)	$ (38,982)	$ 107,997	$ (153,429)	$ 43,737	$ (29,510)	$ (14,607)	$ 27,616
Business-type activities	171,323	(454,150)	(640,559)	(767,045)	(699,398)	(734,280)	(482,423)	(283,067)	(448,464)	(220,944)
Total primary government net expense	$ 148,706	$ (373,370)	$ (661,407)	$ (806,027)	$ (591,401)	$ (887,709)	$ (438,686)	$ (312,577)	$ (463,071)	$ (193,328)

*Fiscal years 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 2006 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									
	2006	2007	2008	2009	2010*	2011*	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Restricted investment earnings	$ 3,996	$ 9,498	$ 1,454	$ 784	$ 222	$ 408	$ 204	$ 144	$ 285	$ 493
Unrestricted investment earnings	-	1,410	9,936	5,002	1,963	2,448	2,416	1,988	1,650	1,520
Transfers	32,238	27,852	28,922	28,003	36,314	29,473	30,714	23,645	12,409	15,336
Total governmental activities	36,234	38,760	40,312	33,789	38,499	32,329	33,334	25,777	14,344	17,349
Business-type activities:										
Unrestricted investment earnings	44,857	97,280	116,704	149	(14,866)	33,452	(70,557)	53,714	(1,256)	(277,337)
Extraordinary item	(1,119,562)	-	-	-	-	-	-	-	-	-
Transfers	(32,238)	(27,852)	(28,922)	(28,003)	(36,314)	(29,473)	(30,714)	(23,645)	(12,409)	(15,336)
Total business-type activities	(1,106,943)	69,428	87,782	(27,854)	(51,180)	3,979	(101,271)	30,069	(13,665)	(292,673)
Total primary government	$(1,070,709)	$ 108,188	$ 128,094	$ 5,935	$ (12,681)	$ 36,308	$ (67,937)	$ 55,846	$ 679	$ (275,324)
Change in Net Position										
Governmental activities	$ 13,617	$ 119,540	$ 19,465	$ (5,194)	$ 146,496	$ (121,100)	$ 77,072	$ (3,733)	$ (263)	$ 44,965
Business-type activities	(935,620)	(384,722)	(552,777)	(794,899)	(750,578)	(730,301)	(583,694)	(252,998)	(462,129)	(513,617)
Total primary government	$ (922,003)	$ (265,182)	$ (533,312)	$ (800,093)	$ (604,082)	$ (851,401)	$ (506,622)	$ (256,731)	$ (462,392)	$ (468,652)

*Fiscal years 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 2006 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

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	$ 15,186	$ 13,949	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	8,832	12,870	-	-	-	-	-	-	-	-
Total general fund	$ 24,018	$ 26,819	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
All other governmental funds										
Reserved	$ 44,931	$ 97,455	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	96	-	-	-	-	-	-	-	-
Special revenue funds	44,556	117,239	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 89,487	$ 214,790	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
General fund										
Nonspendable	$ -	$ -	$ 408	$ 593	$ 763	$ 918	$ 1,037	$ 1,033	$ 1,209	$ 1,328
Restricted for	-	-	4,175	5,086	2,734	1,954	2,389	1,254	528	512
Committed to	-	-	3,002	3,836	4,960	2,855	3,992	1,961	2,688	3,132
Unassigned	-	-	11,676	10,210	11,009	17,834	20,363	26,641	29,750	31,705
Total general fund	$ -	$ -	$ 19,261	$ 19,725	$ 19,466	$ 23,561	$ 27,781	$ 30,889	$ 34,175	$ 36,677
All other governmental fund										
Restricted for	$ -	$ -	$ 272,730	$ 268,794	$ 415,129	$ 290,757	$ 362,492	$ 349,615	$ 339,144	$ 384,916
Committed to	-	-	7,372	6,550	7,573	7,509	8,573	15,096	21,501	28,024
Unassigned	-	-	-	-	-	-	-	-	-	(10,445)
Total all other governmental funds	$ -	$ -	$ 280,102	$ 275,344	$ 422,702	$ 298,266	$ 371,065	$ 364,711	$ 360,645	$ 402,495

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

Table 4

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Sales taxes	$ 10,355	$ 10,626	$ 10,800	$ 9,848	$ 8,824	$ 9,644	$ 10,504	$ 11,162	$ 11,735	$ 12,374
Grants - Federal	37,452	44,211	50,727	41,426	63,559	48,819	50,022	45,795	52,831	56,491
Grants - State	74,084	227,809	127,565	61,796	148,976	5,392	145,788	160,060	151,916	148,032
Local agencies revenues and refunds	6,520	37,666	33,039	33,774	46,755	18,419	46,022	41,148	88,712	86,553
Investment income - unrestricted	3,997	9,498	11,346	5,002	1,963	2,448	2,416	1,988	1,650	1,520
Investment income - restricted	-	-	1,454	783	222	408	204	144	285	493
Total revenues	132,408	329,810	234,931	152,629	270,299	85,130	254,956	260,297	307,129	305,463
Expenditures										
General government	49,945	59,182	74,153	64,358	70,100	72,612	70,376	65,175	70,387	68,463
Allocation to other agencies	95,765	156,210	163,201	107,027	66,875	162,266	138,105	221,642	249,434	207,804
Capital outlay	5,639	14,166	15,744	13,542	22,538	66	170	372	496	180
Total expenditures	151,349	229,558	253,098	184,927	159,513	234,944	208,651	287,189	320,317	276,447
Excess of revenues over (under) expenditures	(18,941)	100,252	(18,167)	(32,298)	110,786	(149,814)	46,305	(26,892)	(13,188)	29,016
Other financing sources (uses)										
Other financing source	-	-	47,000	-	-	-	-	-	-	-
Transfer in	35,980	42,543	49,778	57,683	44,195	35,310	34,468	30,666	31,249	33,190
Transfer out	(3,742)	(14,691)	(20,856)	(29,680)	(7,881)	(5,838)	(3,754)	(7,021)	(18,841)	(17,854)
Total other financing sources (uses)	32,238	27,852	75,922	28,003	36,314	29,472	30,714	23,645	12,408	15,336
Net change in fund balances	$ 13,297	$ 128,104	$ 57,755	$ (4,295)	$ 147,100	$ (120,342)	$ 77,019	$ (3,247)	$ (780)	$ 44,352

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

Table 5

Fiscal Year		PROGRAM REVENUES: Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	GENERAL REVENUES: Restricted Investment Earnings	Unrestricted Investment Earnings/Charges	Total
2006	1	$ 292,999,899	$ 66,509,695	$ 570,172,943	$ -	$ 48,853,834	$ 978,536,371
2007	2	434,341,478	603,392,696	1,234,760	1,410,000	106,778,738	1,147,157,672
2008	3	497,712,304	317,868,256	9,858,000	1,454,256	126,640,261	953,533,077
2009	4	492,963,040	200,334,018	-	783,516	5,150,515	699,231,089
2010	5	486,888,891	381,308,169	10,672,699	221,925	(12,903,019)	866,188,665
2011	6	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	7	690,180,714	522,809,673	-	144,217	55,701,920	1,268,836,524
2014	8	713,146,710	694,725,536	81,209,050	284,620	394,366	1,489,760,282
2015	9	$ 740,510,656	$ 399,445,120	$ -	$ 493,439	$ (275,817,194)	$ 864,632,021

1 Excludes $2.149 billion bond proceeds
2 Excludes $811 million bond proceeds
3 Excludes $1.008 billion bond proceeds
4 Excludes $708 million bond proceeds
5 Excludes $2.069 billion bond proceeds
6 Excludes $2.385 billion bond proceeds
7 Excludes $908 million bond proceeds
8 Excludes $900 million bond proceeds
9 Excludes $2.213 billion bond 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
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
2014	78,763,519	237,097,812	1,586,156,184	12,742,160	37,392,814	1,952,152,489
2015	$ 81,168,440	$ 195,038,682	$ 1,008,115,070	$ 11,696,862	$ 37,264,816	$ 1,333,283,870

*Fiscal years 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 2006 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
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
2014	222,048,270	91,087,608	54,087,642	113,605,892	105,084,694	13,033,474	72,559,357	671,506,937
2015	$ 228,421,032	$ 93,335,417	$ 57,162,481	$ 117,429,187	$ 109,471,720	$ 13,611,031	$ 75,523,984	$ 694,954,852

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
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
2014	45,332,246	17,758,098	10,909,076	20,397,621	19,237,717	2,193,962	13,561,516	129,390,236
2015	46,994,056	18,240,477	11,591,256	21,123,039	20,055,430	2,347,039	14,201,661	134,552,958

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
2006							
No. of paid vehicles ('000s)	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 revenues	$ 6,675	$ 41,579	$ 51,767	$ 28,686	$ 35,638	$ 21,839	$ 94,093
2007							
No. of paid vehicles ('000s)	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 revenues	$ 9,906	$ 62,638	$ 77,320	$ 43,401	$ 53,621	$ 33,662	$ 141,807
2008							
No. of paid vehicles ('000s)	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 revenues	$ 10,545	$ 73,663	$ 85,226	$ 49,390	$ 59,628	$ 37,590	$ 161,335
2009							
No. of paid vehicles ('000s)	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 revenues	$ 9,849	$ 73,536	$ 83,122	$ 48,263	$ 56,451	$ 35,491	$ 163,425
2010							
No. of paid vehicles ('000s)	2,136	17,715	19,057	11,752	14,058	8,746	38,649
Average toll rate	$ 4.45	$ 4.21	$ 4.28	$ 4.18	$ 4.14	$ 4.08	$ 4.07
Total revenues	$ 9,499	$ 74,628	$ 81,502	$ 49,085	$ 58,243	$ 35,674	$ 157,455
2011							
No. of paid vehicles ('000s)	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 revenues	$ 11,081	$ 92,268	$ 100,918	$ 61,058	$ 75,064	$ 46,782	$ 210,190
2012							
No. of paid vehicles ('000s)	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 revenues	$ 11,982	$ 95,967	$ 106,862	$ 65,271	$ 81,627	$ 48,540	$ 215,612
2013							
No. of paid vehicles ('000s)	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 revenues	$ 12,449	$ 101,037	$ 112,580	$ 68,771	$ 85,968	$ 50,626	$ 221,544
2014							
No. of paid vehicles ('000s)	2,142	18,791	19,856	13,309	17,434	10,712	44,037
Average toll rate	$ 6.08	$ 5.59	$ 5.72	$ 5.45	$ 5.22	$ 5.05	$ 5.04
Total revenues	$ 13,033	$ 105,085	$ 113,606	$ 72,559	$ 91,088	$ 54,088	$ 222,048
2015							
No. of paid vehicles ('000s)	2,289	19,586	20,529	13,914	17,902	11,379	45,535
Average toll rate	$ 5.95	$ 5.59	$ 5.72	$ 5.43	$ 5.21	$ 5.02	$ 5.02
Total revenues	$ 13,611	$ 109,472	$ 117,429	$ 75,524	$ 93,335	$ 57,163	$ 228,421

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 Revenues	Per Toll Vehicle
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
2014	8,554,585,000	475,439,245	8,079,145,755	671,506,937	62
2015	9,243,010,000	510,833,790	8,732,176,210	694,954,852	65

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

Table 11

Toll Revenue Bonds

Fiscal Year	Toll Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2006	$ 280,276,856	$ 81,589,254	$ 198,687,602	$ 5,785,000	$ 63,146,496	5
2007	422,354,852	100,926,883	321,427,969	29,705,000	131,438,684	3
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	2
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
2014	671,506,937	149,382,450	522,124,487	46,165,000	444,491,995	1
2015	$ 694,954,852	$ 150,674,360	$ 544,280,492	$ 48,195,000	$ 431,383,619	1

*Fiscal years 2010 and 2011 have been revised in accordance with the implementation guidance in GASB Statement No. 62, *Codifications of Accounting an*d *Financial Report*ing *Guidance contained in Pre November 30, 1989 FASB and AICPA Pronouncements* and GASB No. 65, *Items Previously Reported as Assets and Liabiliti*es, Fiscal years 2006 through 2009 have not been restated as permitted by the standards.

Metropolitan Transportation Commission
Miscellaneous Statistics (unaudited)
June 30, 2015 — 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)	201
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	7,510,942
Number of Toll Bridges in the Region	8
Traffic for All Toll Bridges - Number of Vehicles (excluding Golden Gate Bridge, Highway and Transportation District)	134,552,958
Toll Revenues (excluding Golden Gate Bridge, Highway and Transportation District)	$694,954,852
Number of Call Boxes in the Region	1,750

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]
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	39	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 %
2014	7,420,453	N/A	N/A	1,013,055	5.34 %
2015	7,510,942	N/A	N/A	1,019,853	4.20 %

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 ten 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 2015 and 2006 — Table 14

2015[1]			2006[2]		
Employer	**Employees**	**Rank**	**Employer**	**Employees**	**Rank**
Kaiser Permanente	30,324	1	Kaiser Permanente	34,529	1
City and County of San Francisco	26,901	2	City and County of San Francisco	28,220	2
University of California, Berkeley	23,962	3	University of California, Berkeley	20,649	3
University of California, San Francisco	20,295	4	University of California, San Francisco	19,138	4
Safeway Inc.	18,450	5	State of California	18,247	5
State of California	15,557	6	US Postal Service	16,305	6
Wells Fargo Bank	15,080	7	Wells Fargo Bank	13,230	7
US Postal Service	11,587	8	SBC Communications	13,176	8
Stanford University	11,128	9	Safeway Inc.	12,638	9
United Airlines, Inc.	10,000	10	Stanford University	10,686	10

Data Sources

[1] 2015 Book of Lists, San Francisco Business Times

[2] 2006 Book of Lists, San Francisco Business Times

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

Table 15

Functions	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General government	65	65	66	66	63	64	74	68	69	64
Transportation	68	68	67	67	67	67	64	73	76	76
Business-type Activities										
Toll bridge activities	30	30	33	33	33	34	33	34	41	54
Congestion relief	6	6	4	4	5	5	5	5	5	4
BAHA	-	-	-	-	-	-	-	-	-	3
	169	169	170	170	168	170	176	180	191	201

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
2006	$ 308,512	$12,687,014	2.43%
2007	353,378	15,193,161	2.33%
2008	428,810	16,122,962	2.66%
2009	452,003	16,711,761	2.70%
2010	501,102	17,011,660	2.95%
2011	562,678	17,417,779	3.23%
2012	632,904	17,799,482	3.56%
2013	679,688	18,966,022	3.58%
2014	658,421	20,191,937	3.26%
2015	$ 743,290	$22,111,218	3.36%

* From MTC records