building

ONE BAY AREA

Metropolitan Transportation Commission

2012 Annual Report

Metropolitan Transportation Commission

Planning, financing, coordinating and improving transportation in the nine-county San Francisco Bay Area, and serving the region as the Bay Area Toll Authority and the Service Authority for Freeways and Expressways.

building ONE BAY AREA

Metropolitan Transportation Commission

2012 ANNUAL REPORT

About the Cover: *This artist's rendering depicts the building at 390 Main Street in San Francisco that MTC is transforming into a headquarters for the regional agencies working on the One Bay Area sustainability initiative.*

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building

ONE BAY AREA

Behind the nondescript facade of a

historic workhorse government building…

In the heart of an emerging

transportation-rich district...

An outmoded, vacant space is being repurposed and reinvented...

Creating a vibrant new center for regional collaboration...

welcome to ONE BAY AREA

On Earth Day in 2010, the Metropolitan Transportation Commission joined forces with three other high-profile regional agencies to launch One Bay Area, a new initiative to create a more livable, sustainable Bay Area in the face of inexorable population and traffic growth, economic uncertainties, and serious environmental threats. Our partners in this game-changing campaign are the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD, or the Air District), and the Bay Conservation and Development Commission (BCDC). Covering transportation and housing, land use and open space, air quality and climate change — and the health of our defining natural feature, the great San Francisco Bay — these four agencies are working hard to build a Bay Area that not only will survive the challenges ahead, but will thrive and remain a formidable contender in the ever more competitive global marketplace.

One Bay Area responds to a state mandate, Senate Bill 375, which passed in 2008 and requires California's metro areas to take aggressive action to promote sustainable travel and growth patterns and reduce greenhouse gas emissions. But One Bay Area also builds on a long history of homegrown public policy advances designed to preserve and enhance the region's bountiful natural assets and unique quality of life (we tell this story in the "Road to Regionalism" timeline on the following pages). Now, galvanized by SB 375, MTC and its partners are determined to take another bold leap forward, and invest their capital resources and political will in making One Bay Area a vital force for change.

The Road to Regionalism

The rise of One Bay Area culminates dozens of actions to promote the Bay Area's prosperity and quality of life. Lay and elected leaders have had the vision to preserve hundreds of thousands of acres of precious open space, and to protect the Bay while also spanning it with bridges, ferries and rail. The timeline below highlights key moments on the road to regionalism.

The winds of change are evident in a collaborative effort on the part of the One Bay Area agencies to write a blueprint — known as *Plan Bay Area* — to carry the region through the next 25 years. The subject of an intense interagency planning, analysis and outreach effort over the last three years, this groundbreaking document aims to reshape the Bay Area's built landscape into a more sustainable pattern while ensuring adequate housing for residents of all incomes and protecting precious open space. With *Plan Bay Area* well on the road to adoption in the summer of 2013, the regional agencies now are embarking on something both concretely physical and aptly symbolic of the One Bay Area idea: a joint headquarters for their activities in downtown San Francisco.

Taking Sustainability and Regionalism to New Levels

Blossoming in the shell of a largely vacant government building dating back to the 1940s, the new headquarters will bring the regional agencies' offices under one roof to foster even greater collaboration and achieve significant operational efficiencies as well. The coming together of MTC and its partners sends a signal that we're taking the concepts of sustainability and regionalism to new levels, with no turning back from that path. At the same time, the venue will serve as a forum where public officials, stakeholders and staff can address climate change and other pressing public policy issues in a comprehensive way, with all players present at the table.

One Bay Area, The Building

Up until now, One Bay Area has functioned as an organization without walls, a loose confederation of agencies dedicated to a common cause. With the physical coming together of the involved agencies in downtown San Francisco, this virtual coalition takes on a bricks-and-mortar permanence, and by extension, a much higher profile with the public and local governments.

Shown here is an architectural rendering of the facility's atrium, which will serve as a gathering space for this bustling new center of regional government.

San Francisco Bay Area: The Road to Regionalism | 1934–1962

1934

Voters form the East Bay Regional Park District, the largest urban regional park district in the country.

1934–2009 75 EAST BAY REGIONAL PARK DISTRICT

1936

Built in the depths of the Depression, the workhorse Bay Bridge opens with much fanfare and hopes for regional prosperity that will flow from this new east-west link.

1937

The iconic Golden Gate Bridge opens, providing a vital north-south link and cementing the region's image as a scenic mecca.

1945

The Bay Area Council — the region's business-sponsored, public-policy advocacy organization — is launched.

1955

The Bay Area Air Quality Management District (BAAQMD) is created to reduce air pollution and protect public health.

1956

ac TRANSIT

East Bay voters create the Alameda-Contra Costa Transit District (AC Transit) — the state's first special transit district — to provide regional bus service.

1959

The Freeway Revolt advances when San Francisco supervisors vote to cancel seven of 10 planned freeway routes through the city.

1961

Association of Bay Area Governments

The Association of Bay Area Governments (ABAG) is formed to bring together the collaborative efforts of Bay Area cities, towns and counties.

1961

Three citizen activists form Save the Bay Association, giving rise to a grassroots environmental movement to halt filling of the Bay.

Since 1961 SAVE THE BAY

1962

Bay Area voters approve funding to start construction of the Bay Area Rapid Transit (BART) system.

The Metropolitan Transportation Commission's (MTC) mission is broad: to keep the Bay Area transportation network humming, to forge consensus on strategic expansions, and to knit the region's 28 public transit operators and 21,000 miles of roadway into a seamless network. Four MTC programs are directly improving the travel experience: FasTrak® toll collection, Clipper® transit fare payment, the 511 traveler information system and the Freeway Service Patrol tow trucks.

For all of the agencies involved, finding a new home was an imperative. MTC not only has been struggling to house new staff arriving to address its growing duties, but also has had to rent outside space in far-flung locations to accommodate the back-office operations for the FasTrak® electronic toll collection program and the Clipper® fare card program, which together serve 2.5 million Bay Area customers. At the same time, the Air District's roughly 270 employees have been working out of a cramped, antiquated and seismically unsafe facility on Ellis at Van Ness in San Francisco, far from the city's downtown core. BCDC, meanwhile, is confronting an expiring lease on offices for some 55 employees in San Francisco's Financial District, and the prospect of spiraling rents in years to come. As for ABAG, the region's land-use planning agency has been housed in the same facilities as MTC ever since MTC was formed in 1970, first at shared offices at the Claremont Hotel in Berkeley, and since 1984 at the Joseph P. Bort MetroCenter governmental condominium in Oakland. When MTC began to look for a new home, room for ABAG's roughly 80 staff members was part of the equation.

Breathing New Life Into an Underused Government Building

By early 2011, the concept of co-locating this consortium of agencies in a regional agency headquarters was gaining traction. The question was, co-locate where? Two of the agencies were housed in San Francisco, while two were housed in Oakland, meaning a move would be unavoidably disruptive to some portion of their combined 600-plus staff members. Spearheading the search was the Bay Area Headquarters Authority, or BAHA, which MTC formed to focus on the acquisition. After looking at vacant lots along with existing buildings on both sides of the Bay, and conducting in-depth analyses of a dozen options, BAHA zeroed in on the most likely candidate, a largely vacant eight-story structure filling half a square block in the historic Rincon Hill area of San Francisco's SoMa district.

In the fall of 2011, BAHA designated 390 Main Street in San Francisco as the site of the future regional agency headquarters, purchasing the property for $93 million. Initially built during World War II as a military warehouse, and later converted to a U.S. Postal Service site used for mail sorting and inspections, the building featured a cavernous interior dotted with intrusive columns and an array of outmoded features. But it had a lot of potential with its good bones and its location in an up-and-coming office and urban residential neighborhood at a cost-conscious price. Most importantly, investing in this existing structure rather than in new construction represents a prime example of infill development — something MTC and ABAG have been championing for years — as well as of adaptive reuse of an existing building. In other words, the partner agencies are putting their money where their collective mouths are, and investing in a project that is green to its core.

Adding to the building's green credentials is its proximity to a smorgasbord of public transit options that will make it easy for staff, policy board members and the public to access the facility from the far corners of the region. The regional government center site sits directly across the street

The Association of Bay Area Governments (ABAG) serves as the official council of governments and regional land-use planning agency representing the San Francisco Bay Area's nine counties and 101 cities and towns. ABAG provides research and analysis, financial services, and other cost-effective local government service programs, and builds partnerships to address regional economic, social and environmental challenges.

San Francisco Bay Area: The Road to Regionalism | 1965–2002

1965

The state Legislature creates the San Francisco Bay Conservation and Development Commission (BCDC).

1970

The state Legislature passes AB 363 by Assemblyman John Foran, creating the Metropolitan Transportation Commission (MTC).

1972

Congress forms the Golden Gate National Recreation Area, now covering some 80,000 acres in Marin, San Francisco and San Mateo counties.

1984

MTC, ABAG and BART complete construction of their new joint offices, the Joseph P. Bort MetroCenter in Oakland, a regional governmental condominium.

1988

MTC adopts Resolution 1876, the Regional Transit Expansion Program, which ultimately delivers three BART extensions, including to SFO.

1988

Bay Area voters approve Regional Measure 1, raising bridge tolls to $1 for bridge and transit improvements.

1989

Plans jell for the Bay Trail, a 500-mile corridor linking the shorelines of all nine counties; a ring of trails at the ridgeline also begins to take shape.

1997

The Legislature creates a new entity to oversee the finances, health and expansion of the region's seven state-owned toll bridges: the Bay Area Toll Authority (BATA), to be staffed and governed by MTC.

2001

MTC adopts Resolution 3434, an update to MTC's Resolution 1876 that maps the next generation of major transit expansions, including extending Caltrain to the new Transbay Transit Center.

2002

MTC unveils 511, a free website and phone service tracking traffic around the Bay and centralizing info for more than two dozen transit systems.

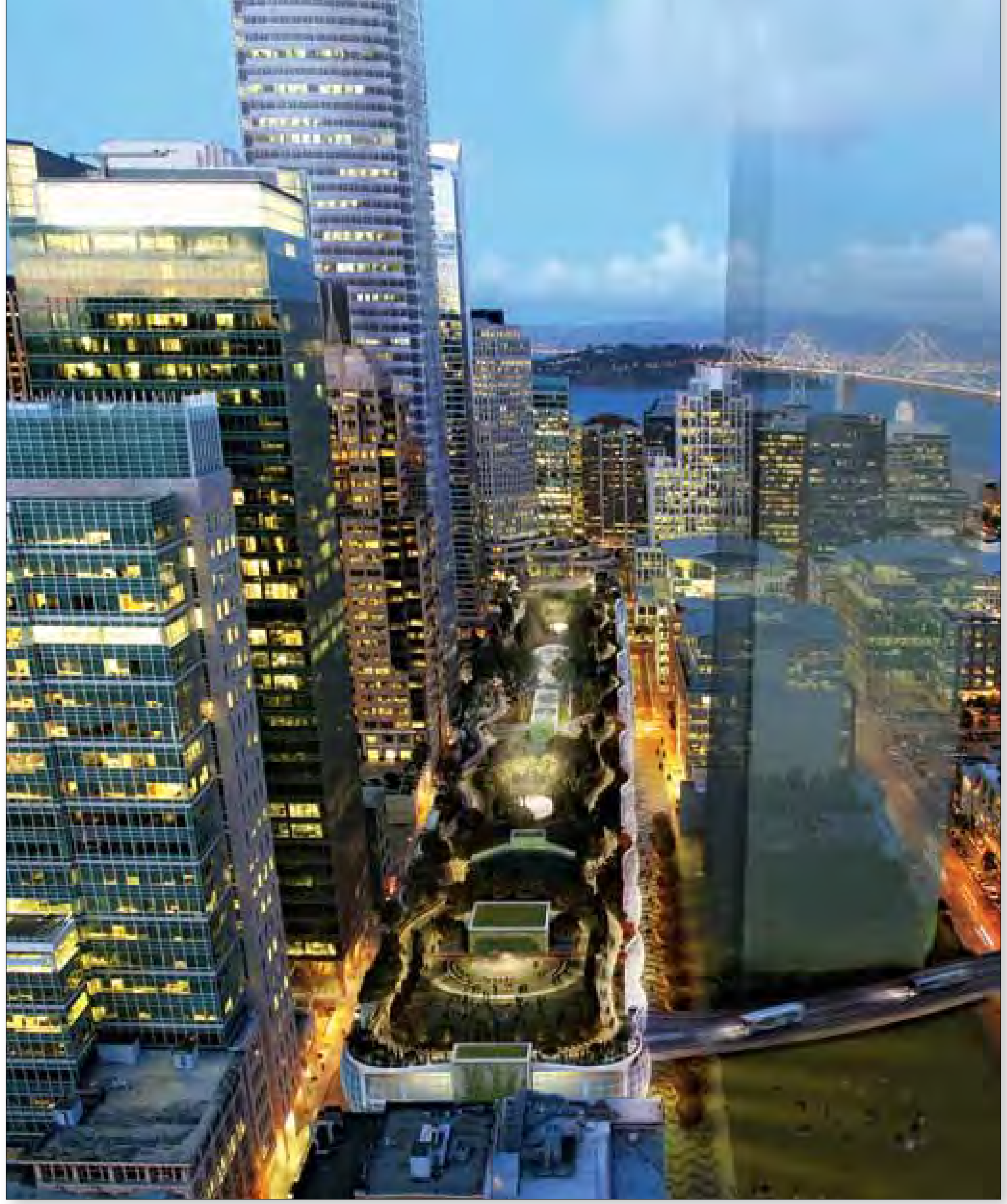
The Bay Area Air Quality Management District (BAAQMD) is charged with regulating stationary sources of air pollution in the nine Bay Area counties. The District enforces air quality targets and issues "Spare the Air" alerts when pollution levels are unhealthy. The agency's mission is to protect and improve air quality, public health and the global climate.

from the Temporary Transbay Terminal, which is served by five intercity bus systems, not to mention numerous San Francisco Muni lines. BART and Caltrain are within walking distance, as is the San Francisco Ferry Terminal, with its array of ferry lines. And the location borders the Transbay District, which will be home to the new Transbay Transit Center, future terminus for intercity buses, Caltrain and the state's planned high-speed rail line. Highway access is also convenient, with the west approach to the San Francisco-Oakland Bay Bridge just a half-block away.

The Right Place at the Right Time at the Right Price

In a case of fortunate timing, when BAHA acquired the property, the San Francisco office real estate market was in a lull; in subsequent months, the demand for offices across the city and especially South of Market has heated up, and the property's value has already risen significantly, even before any improvements have been made. Moreover, there is room for the regional agencies to grow and space for MTC and its Bay Area Toll Authority (BATA) offshoot to consolidate the back-office operations for Clipper® and FasTrak®, with enough space left over to rent to commercial tenants to generate income that can be returned to the bridge toll accounts financing the project.

As is often the case with high-profile public policy initiatives, the proposal for a new regional government center sparked debate. Critics from various quarters questioned the need for a structure of this size — 500,000 square feet in all — and the notion of BAHA becoming a landlord and renting out

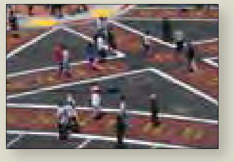


Transportation Central

The 390 Main Street site is across from the Transbay Temporary Terminal, an outdoor pavilion where five intercity bus systems converge on downtown and intersect with a number of S.F. Muni lines. Come 2017, this interim hub will give way to the Transbay Transit Center, dubbed the "Grand Central Station of the West" and under construction close by. The futuristic station (see rendering above) with a rooftop garden (at left) will serve as the terminus for Caltrain as well as the California High-Speed Rail line.

San Francisco Bay Area: The Road to Regionalism | 2002-2013

2002
ABAG and sister regional agencies release their Smart Growth Strategy as part of the Regional Livability Footprint Project.



2003


MTC and ABAG create the Joint Policy Committee to advance integrated regional planning; state legislation later adds the Air District and BCDC to the panel.

2004
Passage of Regional Measure 2 delivers $1.5 billion to extend the BART system in three directions, including an airport connection to OAK.

2004


BATA takes control of and centralizes operations for FasTrak® with the goal of smoothing traffic on the eight toll bridges that unify the region.

2005
MTC adopts its Transit-Oriented Development Policy, which promotes construction of new housing units along the region's major new transit extension projects.

2006
FOCUS
FOCUSING OUR VISION

ABAG and MTC launch the FOCUS program to focus growth in Priority Development Areas near transit and to protect regionally significant open space in Priority Conservation Areas.

2010
MTC introduces Clipper®, billed as the all-in-one fare card for seamless travel across the region's many bus, rail and ferry systems.

2010


Four Bay Area regional agencies found One Bay Area at an Earth Day summit to coordinate regionwide environmental initiatives.

2011
MTC maps out a 290-mile Express Lane Network that promises to speed freeway travel for solo drivers willing to pay a toll.

2013
Plan BayArea

The One Bay Area consortium wraps up *Plan Bay Area*, which aims to reshape the region's built environment into a more sustainable pattern.

ONE BAY AREA
Agency Spotlight

The Bay Conservation and Development Commission (BCDC) was created to protect and enhance San Francisco Bay and to encourage responsible use of this regional treasure. BCDC issues permits for most work done in the Bay or within 100 feet of the shoreline, including filling, dredging and development. The agency has been actively engaged in assessing and preparing for the threat of sea-level rise.

portions to other organizations and businesses. MTC's own governing board of commissioners from across the nine counties was divided on the issue of whether to relocate from Oakland to San Francisco. And state legislators questioned the legality of using bridge tolls to acquire real estate, triggering an audit of the transaction. Issued in August 2012, the state audit concluded that the property acquisition was indeed justified and legal, removing the last obstacle to renovation of the building.

A New Front Door, and a New Address

From then on it was full speed ahead for Perkins+Will, a local architectural firm known for its artful renovation of another venerable San Francisco landmark, the Ferry Building. The firm had laid the groundwork for the adaptation of 390 Main Street with a series of charrettes, surveys, interviews and focus groups to better understand the staff's needs and aspirations. For starters, the architects recommended a new front door and by extension a new address for the building, on Beale Street instead of Main, so as to take advantage of opportunities for a more inviting entryway. Exterior plans also call for resurrecting a historic pedestrian passageway or "paseo" — known as Rincon Place on a city map dating back to the 1890s — along the northern edge of the building between Main and Beale streets, and turning it into an attractive public space that will invite neighborhood interactions.

One of the most obvious examples of the efficiencies and advantages of co-location is the first-floor boardroom that will host the board and committee meetings of all the participating agencies. The shared boardroom will allow policymakers and stakeholders of the partner agencies to stage joint workshops and meetings, thereby furthering the mission of One Bay Area. Plans for the first floor also call for additional flexible meeting spaces.

Central Atrium Doubles as Indoor Town Square

One challenge of the renovation scheme dealt with how to bring daylight into a building with a 64,000-square-foot footprint where some interior spaces are half a city block away from windows. The answer is a central atrium soaring up the full eight stories, visually joining the public areas on the first floor with the offices above. A skylight at the top will flood the space with natural light, thereby saving energy costs. At the street level, the atrium will double as an indoor town square for this new regional agency community, creating opportunities for casual interactions. Branching off the atrium lobby are the boardroom, a public resource center and a planned street-level cafe. The first floor also will provide space for interactive displays speaking to the regional agencies' shared mission.

Interaction is also a hallmark of the office spaces up above. The partner agencies will share the top three floors, where staff are just as likely to be grouped by function as by agency. As currently envisioned, planning staff from the various agencies would sit in close proximity to promote cooperation and communication, while executive and legal staff from all four agencies would likewise share part of a floor. Reflecting the latest thinking in office dynamics, work areas will be configured as "neighborhoods," blending individual work stations with a variety of

Rincon Hill
On the Rise

The excitement surrounding the new regional agency headquarters is amplified by the vibe of the surrounding Rincon Hill neighborhood, which is enjoying a comeback after several decades of decline and relative obscurity.

In the 19th century, Rincon Hill was one of San Francisco's most fashionable residential districts. But its popularity waned after a major road project carved up the neighborhood, and what poor planning didn't destroy, the 1906 earthquake did.

Eventually, industrial uses gained a foothold. Then, in the 1990s, planners began to re-envision this forgotten corner of the city as a pedestrian-oriented, mixed-use downtown neighborhood. As shown in the center photo, taken from 390 Main's roof, Rincon Hill today epitomizes urban living, with several striking residential high-rises — and even a dog park in the shadow of the Bay Bridge approach (see photo above).

ONE BAY AREA Agency Spotlight

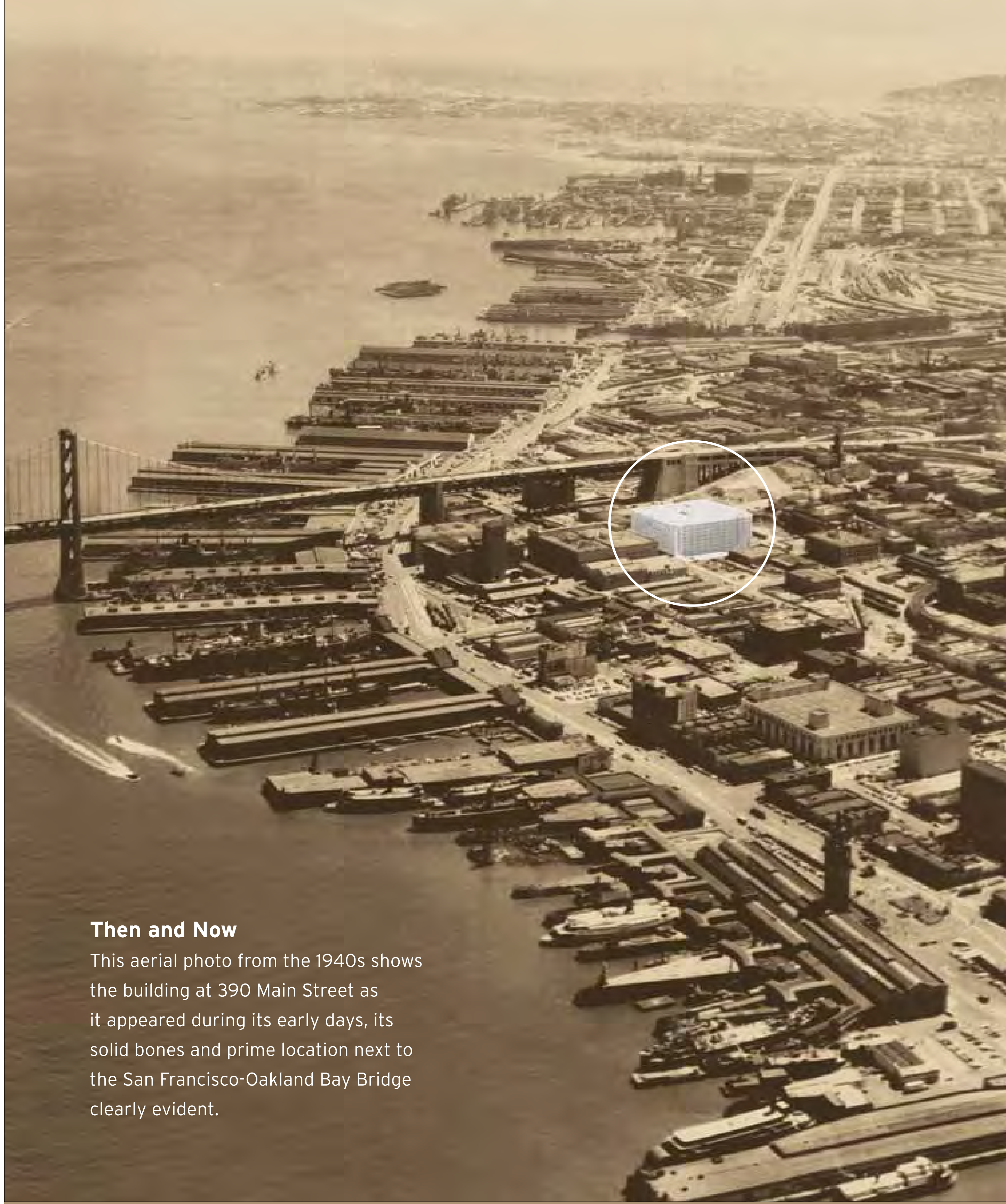
The Bay Area Toll Authority (BATA) collects tolls from the seven state-owned toll bridges in the region and distributes the funding for the spans' maintenance, operation and improvements. As the bridges' banker, BATA plays a central role in raising bond financing for and overseeing major construction projects in partnership with Caltrans and the California Transportation Commission, including the $6.3-billion project to replace the 1930s-era East Span of the San Francisco-Oakland Bay Bridge. BATA is governed by the MTC commissioners and will be housed in the regional agency headquarters.

When Bay Area leaders act in unison, they can accomplish monumental achievements, such as the building of the original San Francisco-Oakland Bay Bridge in the 1930s (to the right), and the striking replacement for its seismically outdated East Span (above). Both the original and new spans exemplify the region's innovation and can-do spirit, as does the One Bay Area campaign to chart a more sustainable future for the region.

nontraditional open spaces that will foster collaboration — including an outdoor terrace at the roofline with an uplifting view of the Bay Bridge. In the architects' concepts, less is more: Less individual space and fewer and smaller private offices not only will be more cost-effective, but also will translate to more interaction as staff gravitate to the shared spaces. Strategic technology investments will ensure that anyone can work anywhere within the building.

Scheduled for completion in late 2014, the new regional center is destined to become an integral part of the Bay Area's public life. It is here that the region's public policymakers will jointly address the critical issues confronting the Bay Area, from the threats of sea level rise to deteriorating infrastructure. And it is here, in this collaborative environment, that creative solutions will flourish and break through bureaucratic logjams.

We hope you will be part of the One Bay Area experiment in good government, both virtually — by bookmarking OneBayArea.org, "liking" facebook.com/OneBayArea and following twitter.com/OneBayArea — and in person by visiting the regional agency headquarters facility and getting involved in the meetings and programs hosted by the resident agencies.



Then and Now

This aerial photo from the 1940s shows the building at 390 Main Street as it appeared during its early days, its solid bones and prime location next to the San Francisco-Oakland Bay Bridge clearly evident.

390 MAIN STREET

LOOKING BACK

In a dynamic, urban landscape, few buildings meet the needs of a changing society, and many must make way for new structures. An exception, 390 Main Street has survived and been adapted from a major military supply depot to a Marine Corps dormitory to a regional U.S. Postal Service facility and now, after a period of near vacancy, is morphing again – into the future home for Bay Area regional agencies.

Workhorse Neighbors

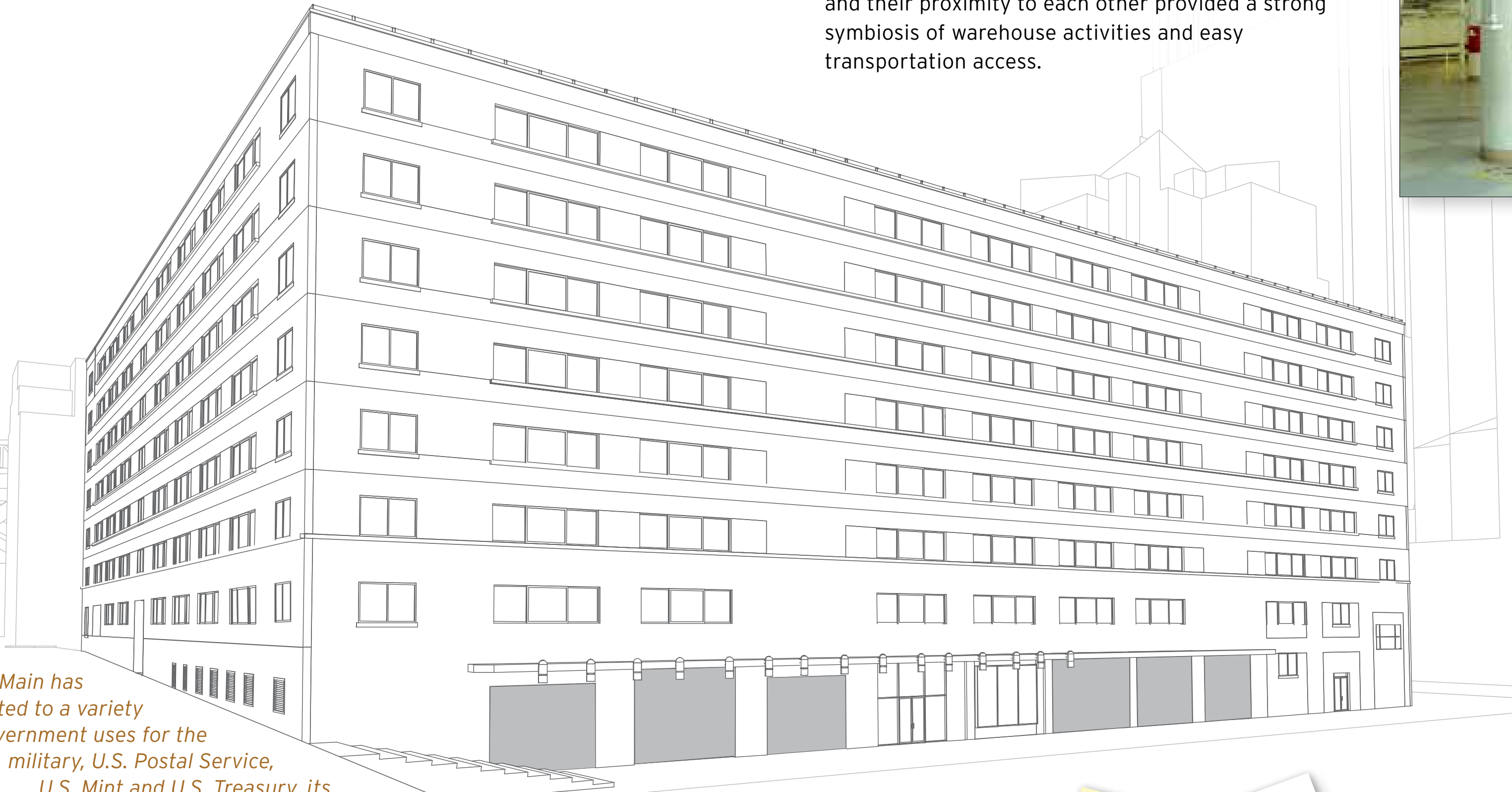
Between 1933 and 1943, two important structures were built in record time to fill vital needs – the San Francisco-Oakland Bay Bridge and its neighbor, 390 Main. Both are notable for their no-nonsense, "workhorse" functionality and lasting durability, and their proximity to each other provided a strong symbiosis of warehouse activities and easy transportation access.

Meeting Wartime Needs

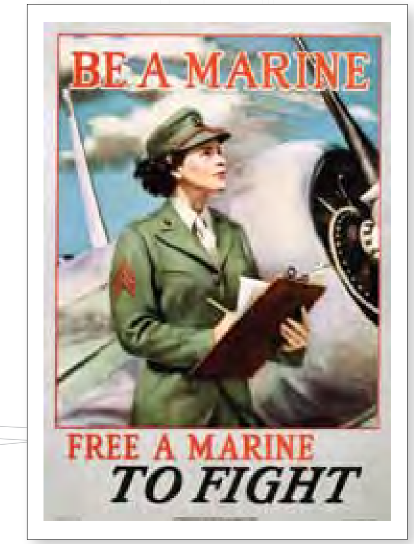
Completed in 1943, this sturdy, capacious warehouse with its vast, open floor plans (shown here) served the needs of the U.S. military through three wars – World War II and the Korean and Vietnam conflicts – providing a vital supply link for American soldiers in the Pacific, from ammunition, tanks and clothing to mail from loved ones.

HQ for "North Pole" Mail

As a regional postal center for many years, 390 Main met a special need every year for letters addressed to Santa Claus. Many of the hand-scribbled letters were answered by San Francisco volunteers, saying Santa would do his best; some volunteers actually fulfilled children's wish lists.

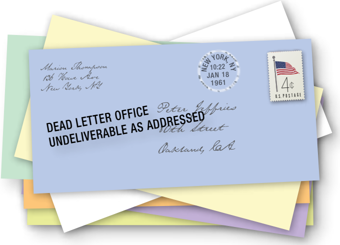


While 390 Main has adapted to a variety of government uses for the military, U.S. Postal Service, U.S. Mint and U.S. Treasury, its mid-20th century style represented by a box-like form, clean lines and lack of ornamentation has remained largely intact over the last 70 years.



Women Report for Duty

During World War II, members of the U.S. Marine Corps Women's Reserve reported for duty to the San Francisco military complex that included the supply depot at 390 Main Street. With a motto of "Free a Marine to Fight," they performed jobs from typing, posting records and drafting blueprints to driving tractors and installing radios in tanks.



Reviving "Dead" Letters

In the 1960s, 390 Main became a regional U.S. Post Office center, eventually handling over 10 million undeliverable dead letters and parcels per year. Before giving up on delivery, however, qualified postal workers opened unaddressed or misaddressed mail to look for addresses inside.

Special Delivery

During the Vietnam War, 390 Main served as a main hub for mail delivery to U.S. soldiers. The Army occupied several floors of the U.S. Postal Service building, where some 115,000 pounds of mail per day was sorted, loaded into huge plastic "igloos" and rushed to San Francisco International Airport for flights across the Pacific.

390 MAIN STREET

LOOKING FORWARD

The historic eight-story building at 390 Main Street is being transformed inside and out into a contemporary and environmentally friendly facility that will reflect the missions of the regional agencies who will call it home, and that will become an asset to a neighborhood that likewise is undergoing transformation.

New Ways to Work

Isolating workers in enclosed individual offices is old school; new concepts of work environments call for more open and flexible floor plans that foster communication and collaboration.

Urban Oasis

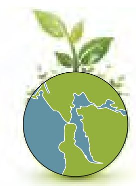
A restored and landscaped Rincon Place – a historic midblock passageway linking Main and Beale streets – will provide an oasis of greenery and open space for the neighborhood.

New Entrance, New Address

Architects' plans for transforming 390 Main Street call for creating a new portal – and a new address – on Beale Street to take advantage of planned streetscape improvements and other features that will make for a more inviting entryway.

Pay Pals

The move to bigger quarters means that MTC and its Bay Area Toll Authority offshoot will reap operating efficiencies by bringing onsite the back-office operations for two rapidly growing electronic payment programs – FasTrak® electronic toll collection and the Clipper® transit fare card – that previously were scattered in separate locations.



Slimming Down

By sharing facilities and support functions such as IT, building maintenance, printing and the like, the regional agencies will reduce space needs and save resources.

Community Connections

The open and spacious ground floor lobby will be a lively, inviting public space. Branching off the lobby is a formal boardroom with audience seating for 120 that will be shared by the partner regional agencies and made available for community rentals. Additional flexible multipurpose spaces will provide more public meeting options.

Power Statement

The building will include several electric-vehicle charging stations, an indoor parking area for 100 bicycles and other "green" amenities.

MTC Allocations

Approved for local agencies and jurisdictions for fiscal year 2011–12[a] (unaudited)

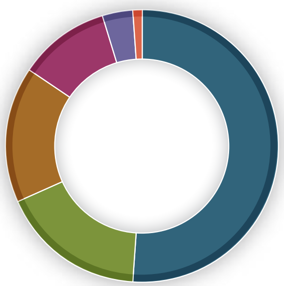
	Local/Regional					Local/Regional			State					
	Transportation Development Act				AB1107[b]	Toll Bridge Revenues[c]			State Transit Assistance		Subtotals			
Recipients	Transit Operations	Transit Capital	Streets and Roads	Pedestrians and Bicycles	Transit Operations	Transit Operations	Transit Capital	Other Capital	Transit Operations	Transit Capital	Transit Operations	Transit Capital	Other Capital	Total
Transit Agencies														
Alameda-Contra Costa Transit District (AC Transit)	$ 52,840,235	$ -	$ -	$ -	$ 32,500,536	$ 9,878,599	$ 4,287,895	$ -	$ 15,817,685	$ -	$ 111,037,055	$ 4,287,895	$ -	$ 115,324,950
Bay Area Rapid Transit District (BART)	-	-	-	-	-	-	13,379,244	-	19,846,719	-	19,846,719	13,379,244	-	33,225,963
Caltrain/Joint Powers Board	-	-	-	-	-	-	716,533	-	4,222,450[d]	-	4,222,450	716,533	-	4,938,983
Central Contra Costa Transit Authority (County Connection)	13,078,700	1,183,055	-	-	-	145,339	590,111	-	3,541,975	-	16,766,014	1,773,166	-	18,539,180
Eastern Contra Costa Transit Authority (Tri Delta Transit)	9,825,837	100,000	-	-	-	531,835	301,684	-	3,335,722	-	13,693,394	401,684	-	14,095,078
Fairfield/Suisun Transit (FAST)	4,274,568	200,000	-	-	-	711,035	5,100,000	-	70,891	-	5,056,494	5,300,000	-	10,356,494
Golden Gate Bridge, Highway & Transportation District	13,538,520	-	-	-	-	2,492,500	-	-	5,935,295	-	21,966,315	-	-	21,966,315
Livermore Amador Valley Transit Authority (Wheels)	6,564,065	2,263,155	-	-	-	580,836	72,360	-	348,781	-	7,493,682	2,335,515	-	9,829,197
Napa County Transportation & Planning Agency	6,310,830	3,495,600	-	-	-	390,000	200,000	-	640,360	-	7,341,190	3,695,600	-	11,036,790
San Joaquin Regional Rail Commission (ACE)	-	-	-	-	-	-	-	-	-	160,766	-	160,766	-	160,766
San Francisco Municipal Transportation Agency (Muni)	31,324,248	-	-	355,000	32,500,536	2,687,501	5,203,078	-	32,008,535	-	98,520,820	5,203,078	355,000	104,078,898
San Mateo County Transit District (SamTrans)	32,178,187	-	-	-	-	305,876	131,251	-	3,489,217	-	35,973,280	131,251	-	36,104,531
Santa Clara Valley Transit Authority (VTA)	81,928,315	-	-	-	-	-	6,500,000	-	14,555,909	-	96,484,224	6,500,000	-	102,984,224
Santa Rosa CityBus	5,368,693	1,000,000	-	316,671	-	-	100,000	-	2,269,664	-	7,638,357	1,100,000	316,671	9,055,028
Sonoma County Transit	5,973,604	905,136	-	263,000	-	-	-	-	2,044,919	-	8,018,523	905,136	263,000	9,186,659
Union City Transit	2,866,487	109,012	-	-	-	-	-	-	402,322	-	3,268,809	109,012	-	3,377,821
Solano County Transit (SolTrans)	-	-	-	-	-	1,800,000	2,600,000	-	-	-	1,800,000	2,600,000	-	4,400,000
Water Emergency Transportation Authority	-	-	-	-	-	18,637,842	915,326	553,715	-	-	18,637,842	915,326	553,715	20,106,883
Western Contra Costa Transit Authority (WestCAT)	2,551,192	70,000	-	-	-	567,244	194,570	-	2,255,252	-	5,373,688	264,570	-	5,638,258
Subtotal	$ 268,623,481	$ 9,325,958	$ -	$ 934,671	$ 65,001,072	$ 38,728,607	$ 40,292,052	$ 553,715	$ 110,785,696	$ 160,766	$ 483,138,856	$ 49,778,776	$ 1,488,386	$ 534,406,018
Counties/Regional Agencies/Other														
Alameda County[e]	$ 51,445	-	-	916,985	-	-	1,088,753	-	-	-	51,445	1,088,753	916,985	2,057,183
Contra Costa County[e]	-	-	-	642,500	-	-	29,973,000	-	-	-	-	29,973,000	642,500	30,615,500
Marin County[e]	-	-	-	245,000	-	-	2,000,000	-	-	-	-	2,000,000	245,000	2,245,000
Napa County	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City and County of San Francisco[e]	-	-	-	341,100	-	-	-	-	-	-	-	-	341,100	341,100
San Mateo County[e]	-	-	-	1,035,472	-	-	-	-	-	-	-	-	1,035,472	1,035,472
Santa Clara County[e]	-	-	-	996,874	-	-	-	-	-	-	-	-	996,874	996,874
Solano County[e]	9,042,802	1,535,714	-	71,000	-	1,223,840	16,788,338	-	3,423,483	100,000	13,690,125	18,424,052	71,000	32,185,177
Sonoma County[e]	1,208,760	126,225	-	51,830	-	-	23,094,000	5,000,000	310,795	-	1,519,555	23,220,225	5,051,830	29,791,610
Metropolitan Transportaton Commission	-	-	-	-	-	1,726,031	3,920,442	-	6,008,335	396,000	7,734,366	4,316,442	-	12,050,808
Transbay Joint Powers Authority	-	-	-	-	-	3,950,426	73,700,000	-	-	-	3,950,426	73,700,000	-	77,650,426
California Department of Transportation	-	-	-	-	-	-	512,000	-	-	-	-	512,000	-	512,000
Association of Bay Area Governments	-	-	-	-	-	257,575[f]	-	450,000	-	-	257,575	-	450,000	707,575
Subtotal	$ 10,303,007	$ 1,661,939	$ -	$ 4,300,761	$ -	$ 7,157,872	$ 151,076,533	$ 5,450,000	$ 9,742,613	$ 496,000	$ 27,203,492	$ 153,234,472	$ 9,750,761	$ 190,188,725
Regional Total	$ 278,926,488	$ 10,987,897	$ -	$ 5,235,432	$ 65,001,072	$ 45,886,479	$ 191,368,585	$ 6,003,715	$ 120,528,309	$ 656,766	$ 510,342,348	$ 203,013,248	$ 11,239,147	$ 724,594,743

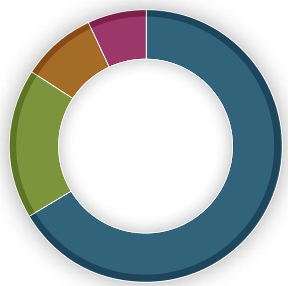
(a) Allocation amounts shown are net of any rescission actions taken by MTC in fiscal year 2011–12.
(b) Revenues from a half-cent sales tax collected in Alameda, Contra Costa and San Francisco counties.
(c) Includes Regional Measure 2 funds, AB 664 Net Toll Revenue funds, 5% Unrestricted State Fund Reserves, 2% Bridge Revenue Reserves and AB 1171 funds.
(d) SamTrans claims these funds on behalf of the Caltrain/Joint Powers Board.
(e) Includes funding for cities, counties and local transportation agencies not listed separately above.
(f) Bridge-toll-funded pedestrian and bicycle allocations.

MTC Financial Highlights

METROPOLITAN TRANSPORTATION COMMISSION, Fiscal Year 2011–12

Created by the state Legislature in 1970 to map the transportation future of the nine-county San Francisco Bay Area, MTC today continues its planning role while also investing in the smooth operation of the region's public transit, highway and local roadway systems. MTC also functions as the Bay Area Toll Authority and the Service Authority for Freeways and Expressways.





Revenues

State Grants	$ 145,788,090
Federal Grants	49,528,837
Project Grants From Local Agencies	46,021,578
Transfer From Other Funds	30,714,239
Sales Taxes	10,504,062
Investment Income	2,620,198
Total Revenues	**$ 285,177,004**

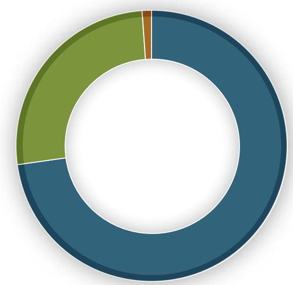
Expenses

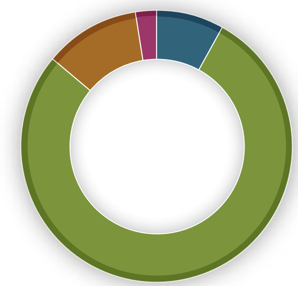
Allocations (by Fund Source):	
State Transit Assistance	$ 115,847,223
Other Governmental Funds	17,928,287
AB 664 Net Toll Revenue Reserves	4,329,189
Professional Fees	36,949,592
Salaries and Benefits	18,129,838
Other Expenditures	14,138,391
Total Expenses	**$ 207,322,520**
Change in Net Position	**$ 77,854,484**
Total Expense and Net Change	**$ 285,177,004**

BATA Financial Highlights

BAY AREA TOLL AUTHORITY, Fiscal Year 2011–12

BATA administers toll revenues from the region's seven state-owned toll bridges — the Antioch, Benicia-Martinez, Carquinez, Dumbarton, Richmond-San Rafael, San Francisco-Oakland Bay and San Mateo-Hayward bridges. BATA also finances capital and safety (including seismic retrofit) improvements to the bridges, primarily through the issuance of bonds. The FasTrak® electronic toll collection system (used also on the independently managed Golden Gate Bridge) is another BATA responsibility.





Revenues

Operating Revenues:	
Toll Revenue Receipts	$ 625,863,157
Other Revenues	17,050,612
Non-Operating Revenues:	
Other Revenues	154,659,237
Build America Bonds Interest Subsidy	76,561,538
Investment Income	6,800,387
Total Revenues	**$ 880,934,931**

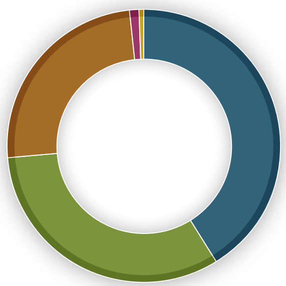
Expenses

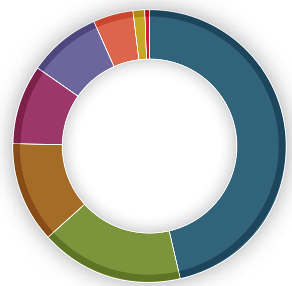
Operating Expenses:	
Allocations to Other Agencies	$ 36,795,388
Professional Fees	32,392,614
State of California, Caltrans	23,834,823
Depreciation and Other	18,550,824
Salaries and Benefits	7,594,121
Non-Operating Expenses:	
Interest Expenses and Charges	487,473,120
State of California, Caltrans	463,256,785
Other Agencies	174,712,847
Financing Fees	17,001,139
Other Non-Operating Expense	841,687
Transfer to Bay Area Headquarters Authority	167,026,515
Transfer to MTC	34,329,474
Total Expenses	**$ 1,463,809,337**
Change in Net Position	**$ (582,874,406)**
Total Expense and Net Change	**$ 880,934,931**

SAFE Financial Highlights

SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS, Fiscal Year 2011–12

SAFE oversees the operations and finances of the Bay Area's publicly sponsored motorist aid services — the roving tow trucks of the Freeway Service Patrol and the regional highway/expressway call box program. SAFE is partially funded by a $1-per-year fee on motor vehicles registered in the nine Bay Area counties.





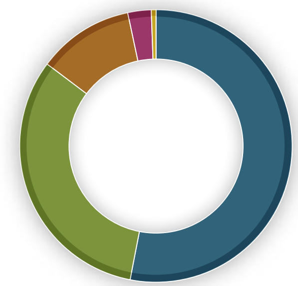
Revenues	
Federal Grants	$ 8,040,027
DMV Registration Fees	6,343,390
Caltrans and Other Agency Grants	4,804,362
Other Revenues	32,604
Investment Income	2,331
Total Revenues	**$ 19,222,714**

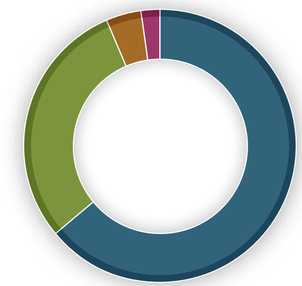
Expenses	
Towing Contracts	$ 8,856,073
Professional Fees	3,218,630
Salaries and Benefits	2,260,538
Communications, Depreciation and Other	1,754,416
State of California, Caltrans	1,665,014
Repairs and Maintenance	911,506
Transfer to MTC	252,667
Other Agencies	26,589
Total Expenses	**$ 18,945,433**
Change in Net Position	**$ 277,281**
Total Expense and Net Change	**$ 19,222,714**

CLIPPER Financial Highlights

REGIONAL TRANSIT-FARE PAYMENT SYSTEM, Fiscal Year 2011–12

Clipper® is the regional transit fare card that permits travel on multiple Bay Area transit systems. MTC pioneered the development of the Clipper® card, and in July 2010 the Commission assumed responsibility for administering the Clipper® program on behalf of participating transit providers.





Revenues	
Federal Grants	$ 18,003,149
Other Operating Revenues	10,866,420
Transfer From Other Funds	3,867,902
State Grants	1,011,646
Investment Income	461
Total Revenues	**$ 33,749,578**

Expenses	
Professional Fees	$ 22,312,860
Capital Outlays	10,327,112
Salaries and Benefits	1,501,237
Other Expenditures	704,899
Total Expenses	**$ 34,846,108**
Change in Net Position	**$ (1,096,530)**
Total Expense and Net Change	**$ 33,749,578**

Financial Report

For the Year Ended June 30, 2012

Report of Independent Auditors

To the Commissioners of the
Metropolitan Transportation Commission:

In our opinion, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission (MTC) which collectively comprise the MTC's basic financial statements as listed in the table of contents, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of MTC, at June 30, 2012 and 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the MTC's management. Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits of these statements 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1 C in the financial statements, for the year ended June 30, 2012 MTC retroactively adopted the following provisions of the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 62, Codifications of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements;

- GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

- GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

The accompanying management's discussion and analysis appearing on pages 3 through 16 and the budgetary comparison and funding status information identified in the table of contents under *Required Supplementary Information* and appearing on pages 89 through 93 of this report are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

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information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the MTC's basic financial statements. The supplementary schedules identified in the table of contents under the *Other Supplementary Information* and appearing on pages 95 through 117 of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, these supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise MTC's basic financial statements. The charts, schedules and other information identified in the table of contents under *Statistical Section* and appearing on pages 119 through 135 of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion nor provide any assurance on them.

PricewaterhouseCoopers LLP

October 3, 2012

Management's Discussion and Analysis

This section presents an overview of the financial activities of the Metropolitan Transportation Commission (MTC), as well as it's blended and discretely presented component units as discussed separately below for the years ended June 30, 2012 and 2011. Except as otherwise stated, all amounts described below are expressed in thousands of dollars – '000 removed.

A. Financial Highlights

Fiscal 2012 was a busy year for MTC and for the nine-county region. The region's unemployment rate dropped slightly from the previous fiscal year. The Regional Measure 1 projects were completed. Work is well under way on projects funded with federal money, including the Doyle Drive Replacement project, the Caldecott Tunnel Fourth Bore and the Oakland Airport Connector.

Following are some of the highlights from fiscal year 2012:

- The ribbon-cutting ceremony for the last Regional Measure 1 project occurred in October 2011.
- The installation of the permanent cable on the new east span for the San Francisco-Oakland Bay Bridge was completed.
- Clipper®, the region's smart card program for public transit, saw weekday boardings average over 500,000 with over one million active cards in use.
- The Bay Area Toll Authority (BATA) increased its toll rates on the seven state-owned Bay Area bridges effective July 1, 2010 for two-axle vehicles, implemented a new carpool charge, and implemented congestion pricing on the Bay Bridge. The increase for the multi-axle vehicles was phased in over a two-year period. The first increase was implemented on July 1, 2011 and the second increase will be on July 1, 2012.
- MTC and BATA formed a Joint Powers Authority (JPA) called Bay Area Headquarters Authority. In October 2011, the JPA purchased a new headquarters building, which is currently in the process of architectural design for renovation.
- The Bay Area's second Express Lane, on State Route 237, opened in March 2012.
- Sales tax revenue increased in the region for the second year in a row after two years of decline.
- The California Transportation Commission approved MTC's proposal to add 290 miles of Express Lanes in the region.
- MTC adopted six Governmental Accounting Standards Board (GASB) pronouncements.

MTC and its operating units continue to provide valuable regional resources in seismic and transportation projects. All MTC operating units, MTC, BATA and MTC Service Authority for Freeways and Expressways (MTC SAFE), managed to adopt FY2011-2012 balanced budgets without layoffs or significant reduction to MTC service levels.

B. Overview of Government-Wide Financial Statements

The government-wide financial statements provide an overview of MTC, as well as its blended and discretely presented component units. The government-wide financial statements comprise a Statement of Net Position, a Statement of Activities, and accompanying footnotes. The Statement of Net Position presents financial information on the government-wide net position of MTC at the end of the 2012 and 2011 fiscal years. The difference between the assets plus deferred outflow and liabilities plus deferred inflow is reported as "Net Position." The Statement of Activities presents government-wide information showing the change in net position resulting from revenues earned and expenses incurred during the 2012 and 2011 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 separated) whose transactions are presented as if they were business-type funds. BAIFA and BAHA are discretely presented component units on the government-wide financial statements. MTC also holds and administers three fiduciary funds further described in section C below and in Note 1A to the Financial Statements.

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

As a result of implementing GASB Statement No. 62, BATA changed the amortization method of the bond premium/discount to the effective interest rate method. This resulted in an increase of $20,521 to interest expense and long-term liabilities and an increase of $949,139 to interest expense and long-term liabilities for the fiscal years ended June 30, 2011 and June 30, 2010, respectively. The net position decreased and long-term liabilities increased by $848,612 as of July 1, 2010, and net position increased and long-term liabilities decreased by $100,527 as of July 1, 2009.

Implementation of GASB Statement No. 63 required the reclassification of net assets to net position. It also required the reclassification of deferred outflows on derivative instrument and deferred charge into a new category called deferred outflows of resources, and reclassification of deferred inflows on derivative instrument, deferred revenue from transit transfer, and deferred revenue from BAIFA into deferred inflows of resources.

Implementation of GASB Statement No. 65 recognizes cost of issuance as an expense, therefore the adoption of this statement resulted in an increase to the cost of issuance expense and a decrease to the bond issuance costs of $27,147,567 and $33,850,779 for the fiscal years ended June 30, 2011 and June 30, 2010, respectively. The cost of issuance that was included in deferred charge from bond refunding was reclassified to cost of issuance in the amount of $16,316,404 and $7,249,998 for fiscal years ended June 30, 2011 and June 30, 2010, respectively. The amortization expense for the bond refunding was reclassified from interest expense to cost of issuance expense in the amount of $930,432 and $549,447 for fiscal years ended June 30, 2011 and June 30, 2010, respectively. The net position and bond issuance costs both decreased by $64,452,663 as of July 1, 2010. The net position and bonds issuance costs both decreased by $37,851,882 as of July 1, 2009. The deferred charge on bond refunding and net position decreased by $16,482,260 and $9,232,262 for fiscal years ended June 30, 2010 and June 30, 2009, respectively.

GASB Statement No. 65 also reclassified the transit transfers in the Statement of Net Position under the governmental funds from due to other funds – due within one year of $22,352,064 and due to other funds – due in more than one year of $461,369,673 to deferred revenue of $483,721,737. In the business-type activities funds, it required the reclassification of the transit transfers from due from other funds – due within one year of $22,352,064 and due to other funds – due in more than one year of $461,369,673 to deferred revenue (in deferred charge in the Statement of Net Position for proprietary funds) of $483,721,737 for the year end June 30, 2011. The financing fees from bond refundings was reclassified from deferred charges to prepaid expense in the amount of $442,556 for the year ended June 30, 2011.

The JP Morgan Chase Bank, N.A. swap transaction amendment was reclassified from unearned revenue – current portion of $642,647 and unearned revenue – noncurrent portion of $21,046,691 to deferred revenue of $21,689,338 for fiscal year ended June 30, 2011

The financial statements as of and for June 30, 2011 reflect the above changes. The Management Discussion and Analysis includes the changes as of and for the fiscal years ended June 30, 2011 and June 30, 2010.

All financial information set forth below reflects the restatement of MTC's financial statements due to adoption of the GASBs as of and for the fiscal years ended June 30, 2011 and June 30, 2010.

The government-wide Statement of Net Position and Statement of Activities are presented on pages 17-20 of this report with the accompanying footnotes being presented on pages 37-87.

C. Overview of the Fund Financial Statements

i.) Governmental Funds

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

MTC's governmental funds include a general fund, three major special revenue funds and other non-major funds. The financial statements of the governmental funds, prepared under the modified accrual basis of accounting are on pages 21-27 of this report. A schedule detailing the non-major special revenue funds are included on pages 95-96 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 89-92 of this report. A comparison of budget to actual is also presented for non-major funds on pages 97-101.

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 if they were proprietary funds on the government-wide and fund financial statements because they meet the GASB Statement No. 61 criteria. MTC administers the Clipper® program which handles the implementation and ongoing operations of the Bay Area smart card. This system allows transit riders to pay fares on transit systems throughout the Bay Area utilizing a single "smart" fare card when boarding bus, light rail, train or ferry transportation. BATA is responsible for collection and administration of all toll funds and has funding oversight responsibility for Caltrans maintenance activities for the seven state-owned bridges in the San Francisco Bay Area. BATA also has funding and administrative oversight responsibilities for the Regional Measure 1 (RM 1) and Regional Measure 2 (RM 2) programs approved by the voters in 1988 and 2004, respectively as well as the $8.8 billion seismic retrofit program. 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 28-35.

iii) Fiduciary Funds

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

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

The fiduciary funds financial statements are presented on page 36 of this report.

iv) Discretely Presented Component Units

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

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

D. Notes to the Financial Statements

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

E. Government-Wide Financial Analysis

Total government-wide liabilities exceeded total assets for fiscal 2012 by $4,699,683 while total government-wide liabilities exceeded assets by 4,193,060 for fiscal 2011 as illustrated in the following table. This represents a decrease in net position for fiscal 2012 of $506,622 and a decrease of $851,401 for fiscal 2011. The cause of the net position deficit is the impact of BATA financing the bridge toll projects while Caltrans and the State of California own title to the bridges. As such, the asset value is recorded at the State of California and not on BATA's books. This deficit will be reduced through operating income earned in the future as the toll revenue debt is retired and the projects are completed.

i.) Statement of Net Position

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

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

	Governmental Activities			Business-Type Activities			Total		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Cash and investments	$ 824,261	$ 790,583	$ 434,395	$ 2,953,231	$ 3,658,393	$ 2,603,997	$ 3,777,492	$ 4,448,976	$ 3,038,392
Receivables	84,348	29,882	35,445	48,852	51,115	22,462	133,200	80,997	57,907
Other assets	8,421	8,302	8,147	28,327	1,788	19,255	36,748	10,090	27,402
Loan to other agency	21,000	21,000	29,000	-	-	-	21,000	21,000	29,000
Capital assets	6,901	7,515	7,946	19,192	17,825	18,199	26,093	25,340	26,145
Total assets	944,931	857,282	514,933	3,049,602	3,729,121	2,663,913	3,994,533	4,586,403	3,178,846
Deferred Outflow	-	-	-	487,522	241,672	314,790	487,522	241,672	314,790
Other liabilities	66,165	25,359	37,883	477,260	500,602	414,451	543,425	525,961	452,334
Long term liabilities	7,204	15,081	22,829	8,582,618	8,457,897	6,349,804	8,589,822	8,472,978	6,372,633
Total liabilities	73,369	40,440	60,712	9,059,878	8,958,499	6,764,255	9,133,247	8,998,939	6,824,967
Deferred Inflow	461,370	483,722	-	(412,879)	(461,525)	10,328	48,491	22,197	10,328
Net position									
Invested in capital assets, net of related debt	6,712	7,277	7,936	19,192	17,825	18,199	25,904	25,102	26,135
Restricted	406,868	332,378	467,544	200,000	200,000	200,000	606,868	532,378	667,544
Unrestricted (deficit)	(3,388)	(6,534)	(21,259)	(5,329,067)	(4,744,006)	(4,014,079)	(5,332,455)	(4,750,540)	(4,035,338)
Total Net position	$ 410,192	$ 333,121	$ 454,221	$ (5,109,875)	$ (4,526,181)	$ (3,795,880)	$ (4,699,683)	$ (4,193,060)	$ (3,341,659)

Cash and investments decreased by $671,484 from 2011 to 2012 and increased by $1,410,584 from fiscal 2010 to fiscal 2011. The decrease in fiscal 2012 for the business-type activities of $705,162 is mainly due to the drawdown of bond proceeds for project expenses, and the increase in the governmental funds of $33,678 is due mainly to more timely invoicing and less allocations expense from the STA fund. The increase in fiscal 2011 is mainly the result of proceeds from BATA's toll revenue bond issuances while the increase on the governmental activities is from the proceeds of a one-time payment to MTC from BATA in lieu of the annual transit transfers for the next fifty years. See Note 1.O for more information on the transaction.

Deferred outflow increased by $ 245,850 or 101.7 percent in fiscal 2012 and decreased by $ 73,118 or 23.2 percent in fiscal 2011. These differences are due to the valuation of the derivative instrument.

Long-term liabilities increased by $116,844 or 1.4 percent in fiscal 2012 and increased by $2,100,345 or 33.0 percent in fiscal 2011. The fiscal 2012 increase is due to an increase of $325,430 from the valuation of the derivative instrument liability, $165,000 lower long term payable to BAIFA, and $44,225 lower long term bonds payable. The net increase in fiscal 2011 is due to the issuances of $2,385,000 in toll revenue bonds less $38,695 classified as current from long-term debt, a decrease of $150,000 in BAIFA long term payable, and a decrease of $104,074 in the valuation of the derivative instrument liability.

Other liabilities increased by $17,464 or 3.3 percent in fiscal 2012 compared to an increase of $73,627 or 16.3 percent in fiscal 2011. The increase in fiscal 2012 is mainly due to an increase of $15,000 in the BAIFA scheduled payment from BATA. The increase in fiscal 2011 is mainly due to an increase in accrued interest payable of $38,845, an increase in accounts payable and accrued expenses mainly for RM 2 capital projects of $81,270 and decreases in securities payable by $30,000 and liability to Caltrans by $19,637.

The net position decreased by $506,623 or 12.1 percent in 2012 following a decrease of $851,401 or 25.5 percent in 2011. The decrease in the net position for both fiscal years is mainly from the drawdowns of the Seismic Retrofit, RM 1, and RM 2 capital programs. BATA is the financing arm for the Regional Measures 1, 2, and Seismic Retrofit programs. The bond proceeds from these debt obligations are used to reimburse Caltrans for capital construction costs on the seven state-owned toll bridges. Since the bridges are not capitalized under BATA and title remains with Caltrans, the combination of distributions to Caltrans and increased debt to pay for project expenditures creates a negative asset, or deficit. The deficit will be eliminated by future toll revenues as projects are completed and debt service payments retire the outstanding bonds. This information is more fully described in Note 2 of this report. The increase in the governmental activities is mainly due to the increases in State Transit Assistance (STA) revenue, Rail and BART Car Exchange revenue in 2012.

i) Statement of Activities

The net position for governmental activities increased in fiscal 2012 and the net position for business-type activities increased as well. The increase in net position for governmental activities is mainly due to the receipt of State Transit Assistance (STA) revenue for expenditure reimbursements in fiscal 2012. The decrease in net position for governmental activities in fiscal 2011 is mostly due to the decrease in STA reserve for expenditure reimbursements.

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

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

	Governmental Activities			Business-Type Activities			Total		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Revenues:									
Program revenues:									
Charges for services	$ -	$ -	$ -	$ 660,156	$ 622,906	$ 486,889	$ 660,156	$ 622,906	$ 486,889
Operating grants and contributions	243,843	74,274	249,436	263,080	281,918	131,872	506,923	356,192	381,308
Capital grants and contributions	-	-	10,673	-	327	-	-	327	10,673
General revenues:									
Investment earnings	2,619	2,856	2,185	(70,557)	33,452	(14,866)	(67,937)	36,308	(12,681)
Total revenues	246,462	77,130	262,294	852,679	938,603	603,895	1,099,142	1,015,733	866,189
Expenses:									
General government	75,836	78,611	97,260	-	-	-	75,836	78,611	97,260
Allocations to other agencies	124,269	149,092	54,852	-	-	-	124,269	149,092	54,852
Toll bridge activities	-	-	-	1,352,120	1,569,444	1,300,850	1,352,120	1,569,444	1,300,850
Clipper® smart card	-	-	-	34,846	52,048	-	34,846	52,048	-
Congestion relief	-	-	-	18,693	17,939	17,309	18,693	17,939	17,309
Total expenses	200,105	227,703	152,112	1,405,659	1,639,431	1,318,159	1,605,764	1,867,134	1,470,271
Change in net position before transfers	46,357	(150,573)	110,182	(552,980)	(700,828)	(714,264)	(506,622)	(851,401)	(604,082)
Transfers in/(out)	30,714	29,473	36,314	(30,714)	(29,473)	(36,314)	-	-	-
Change in net position	77,071	(121,100)	146,496	(583,694)	(730,301)	(750,578)	(506,622)	(851,401)	(604,082)
Net position - Beginning	333,121	454,221	307,725	(4,526,181)	(3,795,880)	(3,045,302)	(4,193,060)	(3,341,659)	(2,737,577)
Net position - Ending	$ 410,192	$ 333,121	$ 454,221	$ (5,109,875)	$ (4,526,181)	$ (3,795,880)	$ (4,699,682)	$ (4,193,060)	$ (3,341,659)

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 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	
	2012	2011	2010	2012	2011	2010	2012	2011
Revenues:								
Toll revenues collected by Caltrans	$ 625,863	$ 597,362	$ 466,086	$ -	$ -	$ -	$ -	$ -
Other operating revenues	17,051	17,589	14,926	6,376	5,680	5,877	10,866	2,274
Total revenues	642,914	614,951	481,012	6,376	5,680	5,877	10,866	2,274
Operating expenses:								
Operating expenses incurred by Caltrans/Transbay JPA	27,576	26,103	27,226	-	-	-	-	-
Other operating expenses	91,592	91,288	78,535	17,001	16,182	13,235	24,519	19,372
Total operating expenses	119,168	117,391	105,761	17,001	16,182	13,235	24,519	19,372
Operating income/(loss)	523,746	497,560	375,251	(10,625)	(10,502)	(7,358)	(13,653)	(17,098)
Non-operating revenues/(expenses)								
Investment income/(charges)	(70,559)	33,446	(14,875)	2	6	9	-	-
BABs interest subsidy	76,562	72,639	18,682	-	-	-	-	-
Interest expense	(410,113)	(394,711)	(225,221)	-	-	-	-	-
Financing fees	(17,001)	(18,574)	(14,740)	-	-	-	-	-
Loss on swap termination	-	(15,683)	(80,588)	-	-	-	-	-
Other non-operating expense	(842)	(37,162)	(36,643)	-	-	-	-	-
Operating grants	154,659	158,708	102,239	12,845	11,882	10,952	19,015	39,017
Distrib to other agencies for capital purposes	(637,970)	(985,925)	(838,462)	(1,691)	(1,757)	(3,920)	(10,327)	(32,676)
Other		-	-	(0)	(0)	(155)		-
Total non-operating revenues/(expenses)	(905,264)	(1,187,262)	(1,089,608)	11,156	10,131	6,886	8,688	6,341
Change in net position before transfers	(381,518)	(689,702)	(714,357)	531	(371)	(472)	(4,965)	(10,757)
Transfers	(201,356)	(40,280)	(34,663)	(253)	(902)	(1,651)	3,868	11,710
Change in net position	(582,874)	(729,982)	(749,020)	278	(1,273)	(2,123)	(1,097)	953
Net position - Beginning	(4,544,449)	(3,814,467)	(3,065,447)	17,313	18,586	20,709	953	-
Net position - Ending	$ (5,127,323)	$ (4,544,449)	$ (3,814,467)	$ 17,591	$ 17,313	$ 18,586	$ (144)	$ 953

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

BATA's toll revenue increased by $28,501 in fiscal 2012 and increased by $131,276 in fiscal 2011. Most of this revenue increase came from the increase in the toll rates for the multi-axle vehicles of $19.8 million with the remaining $8.7 million the result of a net increase in two-axle vehicles. The total number of paid toll vehicles for all bridges increased by 6.9 percent in fiscal 2011. The toll revenue increase for fiscal 2011 was primarily due to a one dollar toll increase on two-axle vehicles and a new $2.50 toll on carpool vehicles effective July 2010. Detailed traffic counts are available in the Statistical Section, Table 8.

BATA's other operating revenue, consisting primarily of toll violation payments, decreased by $538 in fiscal 2012 compared to an increase of $2,663 in fiscal 2011. The operating revenue leveled off in fiscal 2012 as drivers got used to the new carpool toll first implemented in fiscal 2011. As an added means of controlling toll evasion, BATA installed a new violation system in February 2010. BATA's total operating expenses rose by $1,777 or 1.5 percent in fiscal 2012 and $11,630 or 11.0 percent increase for fiscal 2011. The increase in FY 2012 is mainly due to an increase in allocation expenses of $2,354 for the I-80/I-680 project and the Vallejo ferry service to other agencies, an increase in operating expenses by Caltrans and JPA Transbay Terminal maintenance of $1,473 and a decrease in the purchase of toll tags by $2,307. The increase in fiscal 2011 is due to the increases in professional fees of $2,628, allocation to other agencies of $6,463 for RM 2 capital projects, and other operating expenses of $1,967. The increase in professional fees and other operating expenses was the result of the increases in Electronic Toll Collection (ETC) operations and bank charges resulting from the toll changes. The increase in Vallejo ferry service to San Francisco caused the allocations to other agencies to increase.

BATA's investment income for fiscal 2012 decreased by $104,005 compared to an increase of $48,321 in fiscal 2011. In fiscal 2012, investment charge was comprised of $6,800 of investment income and $77,360 of unrealized loss on hedge termination. In fiscal 2011, interest income was comprised of $12,059 of investment income and $21,387 of unrealized gain on hedge termination. The $77,360 loss and $21,387 gain on hedge termination in fiscals 2012 and 2011, respectively, represent a charge and income for the change in the market valuation of certain swaps that no longer qualify for hedge accounting as discussed in Note 1.Q to the financial statements. The investment income decreased in fiscal 2012 from fiscal 2011 mainly due to a lower cash balance on hand as project expenses caused draws on bond proceeds.

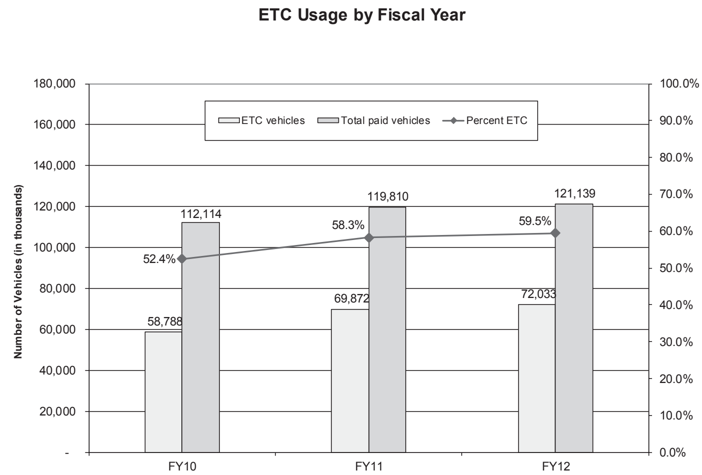
BATA's Build America Bonds interest subsidy consists of the federal subsidy from the U. S. Government. The increase in fiscal 2011 of $53,957 reflects more BABs issued subsequent to fiscal year 2010. The first BABs issuance by BATA was in November 2009.

BATA's interest expense increased by $15,402 and $169,490 for fiscal 2012 and fiscal 2011, respectively. The increase in fiscal 2012 is due mainly to a full year's interest expense for the 2010 Series S2-S3. The issuance of the 2010 Series S1, a full year's of interest on 2009 Series F2, and seven months of 2010 Series S2-S3 bonds interest expense contributed to the increase in fiscal 2011. As a result of swap terminations, BATA recognized a loss on swap termination expense of $15,683 in 2011 and $80,588 in fiscal 2010. There was one swap termination in fiscal 2011, and all of the $1,090,000 Ambac swaps were terminated in fiscal 2010.

BATA's financing fees and other non-operating expense decreased by $37,893 and increased by $4,353 in fiscal 2012 and fiscal 2011, respectively. The decrease in fiscal 2012 is due mainly to no bond issuance resulting in no cost of issuance expenses. The increase in fiscal 2011 includes an increase in liquidity fees of $3,834, a $7,500 legal settlement to Ambac, a decrease to bond insurance expense of $184, and a decrease of $6,797 for cost of issuance expense.

BATA's operating grants decreased by $4,049 in 2012 and increased by $56,469 in 2011. The change in both years is mainly due to the different amounts in the schedule of payment from the State of California of $3,000 less and $54,000 more in 2012 and 2011, respectively.

Revenue collections from the FasTrak® electronic toll program continue to increase. ETC revenue comprised 59.5 percent of the total paid vehicles in fiscal 2012 compared to 58.3 percent in the prior fiscal year. The graph on the next page illustrates the increase in electronic toll collection usage for the last three years.



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

MTC SAFE operating revenues (DMV fees) increased by $696 or 12.2 percent in fiscal year 2012 and decreased by $197 or 3.4 percent in fiscal 2011. The highest percentage increases were from Santa Clara and San Francisco counties for fiscal 2012.

Operating expense for MTC SAFE increased by $819 or 5.1 percent in 2012 and increased by $2,947 or 22.3 percent in 2011. The increase in 2012 is primarily due to the increase in professional fees of $676 for the Freeway Performance Initiative and I-880 Interstate Corridor Management Engineering Plan projects. The increase in 2011 is due to increases in professional fees of $1,148, salaries and benefits of $1,262, and towing expenses of $311. The salaries and benefits and professional fees for the Freeway Performance Initiative project were moved from MTC to MTC SAFE in fiscal 2011.

Interest income decreased by $4 in fiscal 2012 and decreased by $3 in fiscal 2011. The decrease in both years is mainly due to low cash balances. The Local Assistance Program grant for both fiscal years was not awarded until late in the fiscal year, which caused a higher accounts receivable balance and a lower cash balance.

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

G. Financial Analysis of Governmental Funds

The fund balance of the MTC governmental funds was $399,683 and $321,828 as of June 30, 2012 and June 30, 2011, respectively, as reported under the modified accrual basis of accounting. The fund balance includes nonspendable amounts of $1,037 and $917 for prepaid items in fiscal 2012 and 2011, respectively, and amounts of $364,882 and $417,864 restricted for transportation and rail projects for fiscal 2012 and 2011, respectively. The committed amounts of $12,566 and $12,534 for fiscal 2012 and 2011, respectively, represent amounts designated by the Commission for specific purposes. The unassigned fund balances of $21,199 and $17,834 for fiscal 2012 and 2011, respectively, represent unassigned funds available for appropriation at the discretion of the MTC Board.

The fund balance of the State Transit Assistance (STA) fund increased by $28,955 for fiscal 2012 and decreased by $135,095 for fiscal 2011. The changes for the two fiscal years are related to the timing of STA revenue payments by the State of California. Revenue for fiscal 2012 expenditures of $141 million was recorded in fiscal 2012 while payment of $144 million for fiscal years 2011 and 2010 was recorded in fiscal 2010. The fund balance for the Rail Reserves fund increased by $9,600 for fiscal 2012 and increased by $10,202 for fiscal 2011. The fiscal 2012 and fiscal 2011 increases are due to expenditures on three large capital projects (BART to Warm Springs, e-BART, and the Oakland Airport Connector) that have had funds allocated but have not yet been incurred. The fund balance for the AB 664 fund increased by $6,940 in fiscal 2012 and increased by $452 in fiscal 2011. The increase for fiscal 2012 is mainly due to a reduction in expenditures for capital projects from the previous year.

The following table illustrates the revenues and expenditures for the past three fiscal years. Refer to page 27 for the reconciliation of the governmental funds to the Statement of Activities.

	Governmental Funds ($000)		
	2012	2011	2010
Revenues:			
Sales taxes	$ 10,504	$ 9,644	$ 8,824
Grants - Federal	49,529	48,819	63,559
Grants - State	145,788	5,392	148,976
Local agencies revenues and refunds	46,022	18,419	46,755
Investment income	2,620	2,856	2,185
Total revenues	254,463	85,130	270,299
Expenditures:			
Current:			
General government	69,048	72,612	70,100
Allocations to other agencies	138,105	162,266	66,875
Capital outlay	170	66	22,538
Total expenditures	207,323	234,944	159,513
Transfers in	30,714	29,473	36,314
Net change in fund balance	77,854	(120,341)	147,100
Fund balance - beginning	321,828	442,169	295,069
Fund balance - ending	$ 399,682	$ 321,828	$ 442,169

Total revenue increased $169,333 or 198.9 percent in fiscal 2012 and decreased by $185,169 or 68.5 percent in fiscal 2011. The increase in fiscal 2012 is mainly due to state grants of STA revenue of $141,921. The total revenue decrease in fiscal 2011 is mainly due to the timing of the STA revenue from the State of California. The STA revenue for both fiscal years 2011 and 2010 was received in fiscal 2010. MTC's sales tax revenue increased by $860 or 8.9 percent in fiscal 2012, compared to an increase of $820 or 9.3 percent in fiscal 2011. Sales tax revenue for all nine counties increased for the second year in a row after the two previous declining years. Overall, governmental fund expenditures decreased by $27,621 in fiscal 2012 and increased by $75,431 in fiscal 2011. General government expenditures decreased by $3,564 in fiscal 2012 and increased by $2,512 in fiscal 2011. Allocations to other agencies decreased by $24,161 or 14.9 percent for fiscal 2012 compared to an increase of $95,391 or 142.6 percent for fiscal 2011. The decrease in fiscal 2012 is due to the decrease of $7,798 in AB 664 and $17,382 in STA expenditures. The increase in fiscal 2011 is due to the late release of STA revenue in June 2010 resulting in a larger number of allocations in fiscal 2011.

The capital outlay expenditures increased by $104 in fiscal 2012 and decreased by $22,472 in fiscal 2011. The modest increase in fiscal 2012 is due the purchase of computer hardware. The decrease in fiscal 2011 is due to the completion of Clipper® program activities performed in the MTC governmental fund.

Transfers in increased by $1,241 in fiscal 2012 and decreased by $6,841 in fiscal 2011. The decrease in fiscal 2011 is due to completion of Clipper program activities performed in the MTC governmental fund.

The change in net position presented in the Statement of Activities for governmental activities decreased by $77,072 in fiscal 2012 and decreased by $121,100 in fiscal 2011. Net position for governmental funds was $410,192 and $333,121 for fiscal years 2012 and 2011, respectively. Program revenues increased by $169,568 or 228.3 percent in fiscal 2012, and decreased by $185,834 or 71.4 percent in fiscal 2011. The increase in fiscal 2012 was due to the receipt and recording of STA funds in fiscal year 2012. The decrease in fiscal 2011 is a result of the release of STA funds for fiscal years 2011 and 2010 in June 2010. In addition, Capital Grant Revenue from the ARRA Capital Grant of $327, which is used by the Clipper® program, is reflected in the proprietary fund for fiscal 2011.

H. General Fund Budget

The MTC general fund budget for fiscal 2012 was amended from the adopted budget by $7.5 million in increased revenues, $.2 million in increased transfers and $7.5 million in increased expenditures. The actual revenue-to-expenditure balance for fiscal 2012 reflects a surplus of $5,056. This surplus is due to an underestimate of sales tax revenue of $1.5 million, an underestimate of the 1 percent administrative fee from BATA of $.5 million, $.9 million salaries and benefit savings from vacancies, $1 million budgeted for contracts that have not been encumbered, and $.8 million of unrecovered overhead. The actual overhead expenditures for fiscal 2012 exceeded the approved overhead rate so this amount will be recovered as part of a future overhead rate.

The following provides a condensed view of the final budgeted results compared to actual results for the year ended June 30, 2012.

General Fund

($000)

	Adopted Budget	Final Budget	Actual	Variance
Revenues	$ 110,417	$ 117,941	$ 64,474	$ (53,467)
Expenditures	128,056	135,572	66,491	(69,081)
Excess/(Deficiency)	(17,639)	(17,631)	(2,017)	15,614
Transfers in	15,955	16,138	7,073	(9,065)
Net change in fund balance	(1,684)	(1,493)	5,056	6,549
Fund balance - beginning	23,561	23,561	23,561	-
Fund balance - ending	$ 21,877	$ 22,068	$ 28,617	$ 6,549

MTC's federal and state funding sources are on a reimbursement basis, so it is not unusual for revenue to lag behind the 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 $26,093 for fiscal 2012 and $25,340 for fiscal 2011 as reported under the accrual basis of accounting. Most of the $753 increase in fiscal 2012 is due to the expenses from the installation and implementation of the new toll collection system. The first installation is at the Benicia-Martinez Bridge and is scheduled for completion by August 2012. The decrease of $805 in fiscal 2011 from the prior fiscal year is due to fewer purchases for the toll collection system as the project was in the development phase. Additional information on MTC's capital assets is disclosed in Note 4 of the financial statements. Assets relating to the seven state-owned bridges administered by BATA are recorded by Caltrans.

J. Long-Term Debt Administration

During fiscal 2012, BATA novated a $110 million swap from Citibank N.A., New York to Wells Fargo Bank N.A. All BATA's swaps were effective in fiscal 2012 from fiscal 2011. The fair value of the ineffective swaps decreased by $77,360 in fiscal 2012 as compared to an increase of $21,386 in fiscal 2011. BATA's interest expense on the $1.975 billion of federally taxable Build America Bonds (BABs) was $218,747 and the federal subsidy was $76,562 for a net of $142,185.

Component Unit – BAIFA In December 2006, BATA entered into a contribution agreement with the BAIFA. Under the contribution agreement, BATA pledged and assigned its rights to future scheduled payments of $1,135,000 from the State of California to BAIFA. Annual payments to BAIFA represent a part of the state's share of the Seismic Retrofit and Replacement Program. BAIFA issued State Payment Acceleration Notes (SPANs) of $972,320 secured solely by the State's payments. BAIFA deposited a portion of the bond proceeds of $887,991 in the project fund for reimbursement to BATA for the seismic project expenses in return for the pledged revenues. The remaining note proceeds were deposited into the Pledged Revenue Fund, Reserve Fund or payment for the cost of issuance. BAIFA has already reimbursed BATA for the costs of seismic retrofit projects. BAIFA also has received $670,000 of the $1,135,000 revenue scheduled to be paid by 2014 to BATA.

Additional information on MTC's long-term debt can be found in Note 5 of this report.

K. Economic Factors Impacting MTC

The Bay Area economy has been impacted by high unemployment and a high number of home foreclosures, but retail sales have increased from the prior year. These impacts include:

- Sales tax revenue increased for the second straight fiscal year by 8.9 percent and 9.3 percent for June 30, 2012 and June 30, 2011, respectively, after declining two years in a row. Sales tax revenue for fiscal 2013 is projected to be slightly higher than fiscal year 2012.
- There are signs the economy is slowly recovering.
- Federal re-authorization of the planning funds is at similar levels for the next two years.
- Unemployment in the Bay Area has improved from last fiscal year to 8.7 percent as of June 2012.
- Building construction and permitting activity is up, and demand for consumer goods is up.

Requests for information

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

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2012

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	BAIFA	BAHA
ASSETS					
Cash and cash equivalents - unrestricted	$ 259,971,405	$ 929,286,200	$ 1,189,257,605	$ -	$ -
Cash and cash equivalents - restricted	5,923,543	455,834,530	461,758,073	174,867,882	68,521,134
Investments - unrestricted	469,818,993	106,244	469,925,237	-	-
Investments - restricted	88,547,312	1,568,003,928	1,656,551,240	26,314,446	4,997,743
Derivative instruments - asset	-	27,282,560	27,282,560	-	-
Receivables:					
Accounts receivable	26,167,533	11,083,546	37,251,079	-	123,564
Due from Bay Area Toll Authority	-	-	-	243,076,962	-
Interest	981,880	24,571,441	25,553,321	24,982	1,850
State/Caltrans funding	36,709,130	3,563,851	40,272,981	-	-
Funding due from federal agency	20,489,346	9,633,462	30,122,808	-	-
Prepaid items	1,036,706	571,234	1,607,940	-	117,682
Bond prepaid insurance	-	473,541	473,541	1,233,674	-
Loan to other agency	21,000,000	-	21,000,000	-	-
OPEB Prefunding	7,384,385	-	7,384,385	-	-
Land	-	-	-	-	33,933,809
Capital assets not being depreciated	-	7,893,271	7,893,271	-	56,015,624
Capital assets net of accumulated depreciation	6,900,882	11,299,033	18,199,915	-	3,400,999
TOTAL ASSETS	944,931,115	3,049,602,841	3,994,533,956	445,517,946	167,112,405
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows on derivative instruments	-	432,519,979	432,519,979	-	-
Deferred charge	-	55,002,118	55,002,118	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	487,522,097	487,522,097	-	-
LIABILITIES					
Accounts payable and accrued liabilities	46,458,330	92,365,567	138,823,897	-	372,171
Accrued interest payable	-	98,938,581	98,938,581	11,258,333	-
Unearned revenue	-	55,606,278	55,606,278	-	-
Due to Caltrans	-	42,958,653	42,958,653	-	-
Noncurrent liabilities:					
Long term debt					
Due within one year	-	40,540,000	40,540,000	-	-
Due in more than one year	-	7,942,610,597	7,942,610,597	568,445,707	-
Due to / (from) other funds					
Due within one year	18,135,280	(18,135,280)	-	-	-
Due in more than one year	5,000,000	(5,000,000)	-	-	-
Due to BAIFA					
Due within one year	-	164,986,500	164,986,500	-	-
Due in more than one year	-	78,090,462	78,090,462	-	-
Other noncurrent liabilities					
Due within one year	1,571,268	-	1,571,268	-	-
Due in more than one year	2,204,274	566,917,025	569,121,299	-	-
TOTAL LIABILITIES	73,369,152	9,059,878,383	9,133,247,535	579,704,040	372,171
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows on derivative instruments	-	27,282,560	27,282,560	-	-
Deferred revenue from swap amendment	-	21,208,198	21,208,198	-	-
Deferred revenue/Deferred charge	461,369,673	(461,369,673)	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	461,369,673	(412,878,915)	48,490,758	-	-
NET POSITION					
Invested in capital assets, net of related debt	6,712,008	19,192,304	25,904,312	-	93,350,432
Restricted for:					
Capital projects	373,025,182	-	373,025,182	-	73,389,802
Operations & Maintenance, under debt covenant	-	150,000,000	150,000,000	-	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-	-
Long-term loan/interest receivable	21,000,000	-	21,000,000	-	-
OPEB Prefund	7,384,385	-	7,384,386	-	-
STA Reserve	2,389,269	-	2,389,269	-	-
Other purposes	3,069,589	-	3,069,589	-	-
Unrestricted	(3,388,143)	(5,329,066,834)	(5,332,454,978)	(134,186,094)	-
TOTAL NET POSITION	$ 410,192,290	$(5,109,874,530)	$(4,699,682,240)	$ (134,186,094)	$ 166,740,234

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

Metropolitan Transportation Commission
Statement of Net Position
June 30, 2011

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Bay Area Infrastructure Financing Authority
ASSETS				
Cash and cash equivalents - unrestricted	$ 430,566,291	$ 373,298,848	$ 803,865,139	$ -
Cash and cash equivalents - restricted	1,066,949	1,639,023,629	1,640,090,578	196,502,064
Investments - unrestricted	265,747,825	533,116,839	798,864,664	-
Investments - restricted	93,201,531	1,112,953,975	1,206,155,506	36,487,782
Derivative instruments - asset	-	507,207	507,207	-
Receivables:				
Accounts receivable	5,142,529	6,591,432	11,733,961	-
Due from Bay Area Toll Authority	-	-	-	393,061,972
Interest	269,795	25,208,119	25,477,914	851,598
State/Caltrans funding	3,406,045	8,831,870	12,237,915	-
Funding due from federal agency	21,063,632	10,483,142	31,546,774	-
Prepaid items	917,724	782,034	1,699,758	-
Bond prepaid insurance	-	498,798	498,798	1,476,364
Loan to other agency	21,000,000	-	21,000,000	-
OPEB Prefunding	7,384,385	-	7,384,385	-
Capital assets not being depreciated	16,395	4,396,700	4,413,095	-
Capital assets net of accumulated depreciation	7,498,800	13,428,131	20,926,931	-
TOTAL ASSETS	857,281,901	3,729,120,724	4,586,402,625	628,379,780
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on derivative instruments	-	184,449,727	184,449,727	-
Deferred charge	-	57,222,548	57,222,548	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	241,672,275	241,672,275	-
LIABILITIES				
Accounts payable and accrued liabilities	21,790,892	143,925,386	165,716,278	-
Accrued interest payable	-	99,167,888	99,167,888	14,388,395
Unearned revenue	-	51,756,097	51,756,097	-
Due to Caltrans	-	19,128,115	19,128,115	-
Noncurrent liabilities:				
Long term debt				
Due within one year	-	38,695,000	38,695,000	-
Due in more than one year	-	7,986,835,872	7,986,835,872	725,059,592
Due to / (from) other funds				
Due within one year	2,041,611	(2,041,611)	-	-
Due in more than one year	13,000,000	(13,000,000)	-	-
Due to BAIFA				
Due within one year	-	149,971,510	149,971,510	-
Due in more than one year	-	243,090,462	243,090,462	-
Other noncurrent liabilities				
Due within one year	1,526,374	-	1,526,374	-
Due in more than one year	2,080,623	240,970,347	243,050,970	-
TOTAL LIABILITIES	40,439,500	8,958,499,066	8,998,938,566	739,447,987
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on derivative instruments	-	507,207	507,207	-
Deferred revenue from swap amendment	-	21,689,338	21,689,338	-
Deferred revenue/Deferred charge	483,721,737	(483,721,737)	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	483,721,737	(461,525,192)	22,196,545	-
NET POSITION				
Invested in capital assets, net of related debt	7,276,536	17,824,831	25,101,367	-
Restricted for:				
Capital projects	298,998,689	-	298,998,689	-
Operations & Maintenance, under debt covenant	-	150,000,000	150,000,000	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-
Long-term loan/interest receivable	21,000,000	-	21,000,000	-
OPEB Prefund	7,384,385	-	7,384,385	-
STA Reserve	1,953,808	-	1,953,808	-
Other purposes	3,041,184	-	3,041,184	-
Unrestricted	(6,533,938)	(4,744,005,706)	(4,750,539,644)	(111,068,207)
TOTAL NET POSITION	$ 333,120,664	$(4,526,180,875)	$(4,193,060,211)	$ (111,068,207)

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

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

		Program Revenues				Net (Expenses) Revenue and Changes in Net Position				
						Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	BAIFA	BAHA
Functions:										
Primary Government:										
Governmental Activities:										
General government	$ 75,836,192	$ -	$ 98,054,477	$ -	$ 98,054,477	$ 22,218,285	$ -	$ 22,218,285	$ -	$ -
Transportation	124,269,186	-	145,788,090	-	145,788,090	21,518,904	-	21,518,904	-	-
Total Governmental Activities	200,105,378	-	243,842,567	-	243,842,567	43,737,189	-	43,737,189	-	-
Business-type Activities:										
MTC Clipper® smart card	34,846,108	10,866,419	19,014,796	-	29,881,215	-	(4,964,893)	(4,964,893)	-	-
Toll bridge activities	1,352,120,141	642,913,769	231,220,775	-	874,134,544	-	(477,985,597)	(477,985,597)	-	-
Congestion relief	18,692,766	6,375,994	12,844,389	-	19,220,383	-	527,617	527,617	-	-
Total Business-type Activities	1,405,659,015	660,156,182	263,079,960	-	923,236,142	-	(482,422,873)	(482,422,873)	-	-
Total Primary Government	$ 1,605,764,393	$ 660,156,182	$ 506,922,527	$ -	$ 1,167,078,709	43,737,189	(482,422,873)	(438,685,684)	-	-
Component Units:										
BAIFA	23,536,774	-	418,887	-	418,887				$ (23,117,887)	$ -
BAHA	1,350,439	1,060,076	-	167,026,515	168,086,591				-	166,736,152
Total Component Units	$ 24,887,213	$ 1,060,076	$ 418,887	$ 167,026,515	$ 168,505,478				$ (23,117,887)	$ 166,736,152
General Revenues:										
Restricted investment earnings						203,961	-	203,961	-	38
Unrestricted investment earnings						2,416,237	(70,556,543)	(68,140,306)	-	4,044
Transfers						30,714,239	(30,714,239)	-	-	-
Total General Revenues and Transfers						33,334,437	(101,270,782)	(67,936,345)	-	4,082
Change in Net Position						77,071,626	(583,693,655)	(506,622,029)	(23,117,887)	166,740,234
Net Position - Beginning						333,120,664	(4,526,180,875)	(4,193,060,211)	(111,068,207)	-
Net Position - Ending						$410,192,290	$(5,109,874,530)	$(4,699,682,240)	$ (134,186,094)	$ 166,740,234

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

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2011

		Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
						Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	Bay Area Infrastructure Financing Authority
Functions:									
Primary Government:									
Governmental Activities:									
General government	$ 78,610,828	$ -	$ 68,882,258	$ -	$ 68,882,258	$ (9,728,570)	$ -	$ (9,728,570)	$ -
Transportation	149,092,421	-	5,392,001	-	5,392,001	(143,700,420)	-	(143,700,420)	-
Total Governmental Activities	227,703,249	-	74,274,259	-	74,274,259	(153,428,990)	-	(153,428,990)	-
Business-type Activities:									
MTC Clipper® smart card	52,047,730	2,274,345	38,689,253	327,301	41,290,899	-	(10,756,831)	(10,756,831)	-
Toll bridge activities	1,569,444,305	614,951,279	231,346,247	-	846,297,526	-	(723,146,779)	(723,146,779)	-
Congestion relief	17,939,280	5,680,296	11,882,287	-	17,562,583	-	(376,697)	(376,697)	-
Total Business-type Activities	1,639,431,315	622,905,920	281,917,787	327,301	905,151,008	-	(734,280,307)	(734,280,307)	-
Total Primary Government	$ 1,867,134,564	$ 622,905,920	$ 356,192,046	$ 327,301	$ 979,425,267	(153,428,990)	(734,280,307)	(887,709,297)	-
Component Units:									
BAIFA	$ 30,668,851	$ -	$ 653,705	$ -	$ 653,705				$ (30,015,146)
General Revenues:									
Restricted investment earnings						408,234	-	408,234	-
Unrestricted investment earnings						2,448,004	33,452,209	35,900,213	-
Transfers						29,472,547	(29,472,547)	-	-
Total General Revenues and Transfers						32,328,785	3,979,662	36,308,447	-
Change in Net Position						(121,100,205)	(730,300,645)	(851,400,850)	(30,015,146)
Net Position - Beginning						454,220,869	(3,795,880,230)	(3,341,659,361)	(81,053,061)
Net Position - Ending						$ 333,120,664	$(4,526,180,875)	$(4,193,060,211)	$ (111,068,207)

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

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

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents - unrestricted	$ 23,229,314	$ 50,071,709	$ 63,245,098	$ 73,373,148	$ 50,052,136	$ 259,971,405
Cash and cash equivalents - restricted	-	-	-	-	5,923,543	5,923,543
Investments - unrestricted	215,333	217,514,121	-	227,099,841	24,989,698	469,818,993
Investments - restricted	-	-	-	-	88,547,312	88,547,312
Receivables						
Accounts	227,466	-	-	8,000,000	25,940,067	34,167,533
Interest	991	78,443	35,000	818,185	49,261	981,880
State/Caltrans funding	2,351,426	-	34,357,704	-	-	36,709,130
Federal funding	19,989,623	-	-	-	499,723	20,489,346
Due from other funds	2,263,273	-	3,465,705	-	608,252	6,337,230
Prepaid items	1,036,706	-	-	-	-	1,036,706
TOTAL ASSETS	$ 49,314,132	$ 267,664,273	$ 101,103,507	$ 309,291,174	$ 196,609,992	$ 923,983,078
LIABILITIES						
Accounts payable and accrued expenditures	$ 13,181,626	$ 2,163,590	$ 30,036,564	$ 8,807	$ 1,067,743	$ 46,458,330
Due to other funds	7,515,049	2,214	153,252	8,630,000	171,995	16,472,510
TOTAL LIABILITIES	20,696,675	2,165,804	30,189,816	8,638,807	1,239,738	62,930,840
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	225,771,902	-	182,112,573	53,485,198	461,369,673
TOTAL DEFERRED INFLOWS OF RESOURCES	-	225,771,902	-	182,112,573	53,485,198	461,369,673
FUND BALANCES						
Nonspendable:						
Prepaid items	1,036,706	-	-	-	-	1,036,706
Restricted for:						
Transportation projects	2,389,269	39,726,567	70,913,691	-	12,862,023	125,891,550
Rail projects	-	-	-	118,539,794	120,450,263	238,990,057
Committed to:						
Benefits reserve	1,076,467	-	-	-	-	1,076,467
Building reserve	-	-	-	-	499,769	499,769
Liability reserve	456,647	-	-	-	-	456,647
Transportation projects	2,459,843	-	-	-	8,073,001	10,532,844
Unassigned:						
Unassigned	21,198,525	-	-	-	-	21,198,525
TOTAL FUND BALANCES	28,617,457	39,726,567	70,913,691	118,539,794	141,885,056	399,682,565
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 49,314,132	$ 267,664,273	$ 101,103,507	$ 309,291,174	$ 196,609,992	$ 923,983,078

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

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

Governmental fund balance	$	399,682,565
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		6,900,882
Other Post Employment Benefit (OPEB) prefund assets		7,384,385
Capital leases are not due and payable in the current period and therefore are not reported in the funds		(188,874)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds		(3,586,668)
Other long-term assets are not available for current-period expenditures and, therefore, are deferred in the funds		13,000,000
Other long-term liabilities are not available for current-period expenditures and, therefore, are deferred in the funds		(13,000,000)
Net position of governmental activities	$	410,192,290

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

Metropolitan Transportation Commission
Balance Sheet — Governmental Funds
June 30, 2011

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents - unrestricted	$ 7,796,033	$ 160,298,019	$ 43,115,096	$ 152,561,357	$ 66,795,786	$ 430,566,291
Cash and cash equivalents - restricted	-	-	-	-	1,066,949	1,066,949
Investments - unrestricted	214,541	113,266,015	-	147,268,831	4,998,438	265,747,825
Investments - restricted	-	-	-	-	93,201,531	93,201,531
Receivables						
Accounts	742,529	-	-	-	4,400,000	5,142,529
Interest	1,686	27,730	75,604	119,739	45,036	269,795
State/Caltrans funding	3,404,171	-	-	-	1,874	3,406,045
Federal funding	20,505,055	-	-	-	558,577	21,063,632
Due from other funds	10,640,174	-	-	-	544,763	11,184,937
Prepaid items	917,724	-	-	-	-	917,724
TOTAL ASSETS	$ 44,221,913	$ 273,591,764	$ 43,190,700	$ 299,949,927	$ 171,612,954	$ 832,567,258
LIABILITIES						
Accounts payable and accrued expenditures	$ 15,869,834	$ 4,117,143	$ 1,102,448	$ 34,752	$ 666,715	$ 21,790,892
Due to other funds	4,790,683	341	129,389	-	306,135	5,226,548
TOTAL LIABILITIES	20,660,517	4,117,484	1,231,837	34,752	972,850	27,017,440
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	236,687,782	-	190,975,639	56,058,316	483,721,737
TOTAL DEFERRED INFLOWS OF RESOURCES	-	236,687,782	-	190,975,639	56,058,316	483,721,737
FUND BALANCES						
Nonspendable:						
Prepaid items	917,724	-	-	-	-	917,724
Restricted for:						
Transportation projects	1,953,808	32,786,498	41,958,863	-	12,761,273	89,460,442
Rail projects	-	-	-	108,939,536	94,311,020	203,250,556
Committed to:						
Benefits reserve	1,063,761	-	-	-	-	1,063,761
Building reserve	-	-	-	-	499,769	499,769
Liability reserve	559,930	-	-	-	-	559,930
Transportation projects	1,231,773	-	-	-	7,009,726	8,241,499
Unassigned:						
Unassigned	17,834,400	-	-	-	-	17,834,400
TOTAL FUND BALANCES	23,561,396	32,786,498	41,958,863	108,939,536	114,581,788	321,828,081
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 44,221,913	$ 273,591,764	$ 43,190,700	$ 299,949,927	$ 171,612,954	$ 832,567,258

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, 2011

Governmental fund balance	$ 321,828,081
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	7,515,195
Other Post Employment Benefit (OPEB) prefund asset	7,384,385
Capital leases are not due and payable in the current period and therefore are not reported in the funds	(238,659)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds	(3,368,338)
Other long-term assets are not available for current-period expenditures and, therefore, are deferred in the funds	21,000,000
Other long-term liabilities are not available for current-period expenditures and, therefore, are deferred in the funds	(21,000,000)
Net position of governmental activities	$ 333,120,664

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

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

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-major Governmental Funds	Total Governmental Funds
REVENUES						
Sales taxes	$ 10,504,062	$ -	$ -	$ -	$ -	$ 10,504,062
Grants - Federal	47,691,590	-	-	-	1,837,247	49,528,837
Grants - State	781,193	-	141,921,292	-	3,085,605	145,788,090
Local agencies revenues and refunds	5,486,431	-	487,885	8,000,000	32,047,262	46,021,578
Investment income - unrestricted	10,400	401,850	310,905	1,402,186	290,896	2,416,237
Investment income - restricted	-	-	-	-	203,961	203,961
TOTAL REVENUES	64,473,676	401,850	142,720,082	9,402,186	37,464,971	254,462,765
EXPENDITURES						
Current:						
General government	52,505,503	26,033	-	8,034,994	8,481,201	69,047,731
Allocations to other agencies	13,835,513	4,329,189	115,847,223	-	4,092,774	138,104,699
Capital outlay	149,813	-	-	-	20,277	170,090
TOTAL EXPENDITURES	66,490,829	4,355,222	115,847,223	8,034,994	12,594,252	207,322,520
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(2,017,153)	(3,953,372)	26,872,859	1,367,192	24,870,719	47,140,245
OTHER FINANCING SOURCES (USES)						
Transfers in	8,876,354	10,915,880	3,051,577	8,863,066	2,760,870	34,467,747
Transfers out	(1,803,140)	(22,439)	(969,608)	(630,000)	(328,321)	(3,753,508)
TOTAL OTHER FINANCING SOURCES (USES)	7,073,214	10,893,441	2,081,969	8,233,066	2,432,549	30,714,239
NET CHANGE IN FUND BALANCES	5,056,061	6,940,069	28,954,828	9,600,258	27,303,268	77,854,484
Fund balances - beginning	23,561,396	32,786,498	41,958,863	108,939,536	114,581,788	321,828,081
Fund balances - ending	$ 28,617,457	$ 39,726,567	$ 70,913,691	$ 118,539,794	$ 141,885,056	$ 399,682,565

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, 2011

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-major Governmental Funds	Total Governmental Funds
REVENUES						
Sales taxes	$ 9,644,034	$ -	$ -	$ -	$ -	$ 9,644,034
Grants - Federal	47,369,568	-	-	-	1,449,322	48,818,890
Grants - State	2,336,947	-	-	-	3,055,054	5,392,001
Local agencies revenues and refunds	4,292,243	-	-	8,000,000	6,127,091	18,419,334
Investment income - unrestricted	8,760	360,505	(38,671)	1,906,842	210,568	2,448,004
Investment income - restricted	-	-	-	-	408,234	408,234
TOTAL REVENUES	63,651,552	360,505	(38,671)	9,906,842	11,250,269	85,130,497
EXPENDITURES						
Current:						
General government	56,318,986	26,935	-	8,032,907	8,232,859	72,611,687
Allocations to other agencies	13,173,342	12,127,003	133,229,591	26,507	3,709,320	162,265,763
Capital outlay	66,222	-	-	-	-	66,222
TOTAL EXPENDITURES	69,558,550	12,153,938	133,229,591	8,059,414	11,942,179	234,943,672
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(5,906,998)	(11,793,433)	(133,268,262)	1,847,428	(691,910)	(149,813,175)
OTHER FINANCING SOURCES (USES)						
Transfers in	10,897,568	11,361,625	836,371	9,224,986	2,989,813	35,310,363
Transfers out	(895,555)	(20,341)	(2,662,706)	(870,000)	(1,389,214)	(5,837,816)
TOTAL OTHER FINANCING SOURCES (USES)	10,002,013	11,341,284	(1,826,335)	8,354,986	1,600,599	29,472,547
NET CHANGE IN FUND BALANCES	4,095,015	(452,149)	(135,094,597)	10,202,414	908,689	(120,340,628)
Fund balances - beginning	19,466,381	33,238,647	177,053,460	98,737,122	113,673,099	442,168,709
Fund balances - ending	$ 23,561,396	$ 32,786,498	$ 41,958,863	$ 108,939,536	$ 114,581,788	$ 321,828,081

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, 2012 and 2011

	2012	2011
Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditures and Changes in Fund Balances)	$ 77,854,484	$ (120,340,628)
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.	(614,313)	(697,660)
Repayment of the principal of the long-term receivable from BART is not recorded as a long-term asset in the governmental funds. Loan advances (repayments received) to/(from) the agency were recorded as expenditures (income) in the governmental fund but were capitalized as a long-term asset in the Statement of Net Position.	(8,000,000)	(8,000,000)
Repayment of Intra-equity loan between MTC and BATA.	8,000,000	8,000,000
Principal repayment on capital leases in an expenditure in the governmental funds; however, the principal element of the repayment reduces long-term liabilities in the Statement of Net Position. The amount is the effect of the differing treatment of capital lease principal repayment.	49,785	38,578
Some items do not require the use of current financial resources and, therefore, are not reported in the governmental funds:		
Compensated absences	(218,330)	(100,495)
Change in net position of governmental activities (per Statement of Activities)	$ 77,071,626	$ (121,100,205)

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

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

	Business-Type Activities — Enterprise Funds			
	MTC - Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents - unrestricted	$ 981,833	$ 923,376,165	$ 4,928,202	$ 929,286,200
Cash and cash equivalents - restricted	-	136,092,929	-	136,092,929
Short-term investments - unrestricted	-	-	106,244	106,244
Short-term investments - restricted	-	426,342,710	-	426,342,710
Due from other funds	1,220,938	17,013,287	4,391,706	22,625,931
Accounts receivable	2,357,196	8,684,582	41,768	11,083,546
Accrued interest	-	24,571,347	94	24,571,441
Prepaid expenses	-	496,637	74,597	571,234
State/Caltrans funding	284,975	715,709	2,563,167	3,563,851
Funding due from federal agency	5,945,558	-	3,687,904	9,633,462
Total current assets	10,790,500	1,537,293,366	15,793,682	1,563,877,548
Non-current assets:				
Cash and cash equivalents - restricted	-	319,741,601	-	319,741,601
Investments - restricted	-	1,141,661,218	-	1,141,661,218
Derivative instruments - assets	-	27,282,560	-	27,282,560
Due from other funds	-	5,000,000	-	5,000,000
Bond prepaid insurance	-	473,541	-	473,541
Capital assets, net of accumulated depreciation/amortization	-	15,331,231	3,861,073	19,192,304
Total non-current assets	-	1,509,490,151	3,861,073	1,513,351,224
TOTAL ASSETS	10,790,500	3,046,783,517	19,654,755	3,077,228,772
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on derivative instruments	-	432,519,979	-	432,519,979
Deferred charge	-	516,371,791	-	516,371,791
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	948,891,770	-	948,891,770
LIABILITIES				
Current liabilities:				
Accounts payable	7,629,707	80,460,068	2,014,761	90,104,536
Accrued interest payable	-	98,938,581	-	98,938,581
Due to other funds	3,043,051	1,431,976	15,624	4,490,651
Unearned revenue	-	55,606,278	-	55,606,278
Retentions payable	261,062	1,966,832	33,137	2,261,031
Long-term debt - current	-	40,540,000	-	40,540,000
Due to Caltrans	-	42,958,653	-	42,958,653
Due to Bay Area Infrastructure Financing Authority	-	164,986,500	-	164,986,500
Total current liabilities	10,933,820	486,888,888	2,063,522	499,886,230
Non-current liabilities:				
Unearned revenue/Patron deposits	-	5,795,825	-	5,795,825
Due to Bay Area Infrastructure Financing Authority	-	78,090,462	-	78,090,462
Long-term debt, net	-	7,942,610,597	-	7,942,610,597
Derivative instruments - liability	-	561,121,200	-	561,121,200
Total non-current liabilities	-	8,587,618,084	-	8,587,618,084
TOTAL LIABILITIES	10,933,820	9,074,506,972	2,063,522	9,087,504,314
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on derivative instruments	-	27,282,560	-	27,282,560
Deferred revenue from swap amendment	-	21,208,198	-	21,208,198
TOTAL DEFERRED INFLOWS OF RESOURCES	-	48,490,758	-	48,490,758
NET POSITION				
Invested in capital assets, net of related debt	-	15,331,231	3,861,073	19,192,304
Restricted for:				
Operations & Maintenance, under debt covenant	-	150,000,000	-	150,000,000
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	-	50,000,000
Unrestricted	(143,320)	(5,342,653,674)	13,730,160	(5,329,066,834)
TOTAL NET POSITION	$ (143,320)	$(5,127,322,443)	$ 17,591,233	$(5,109,874,530)

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

Metropolitan Transportation Commission
Statement of Net Position — Proprietary Funds
June 30, 2011

	Business-Type Activities — Enterprise Funds			
	MTC - Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents - unrestricted	$ 2,495,178	$ 367,874,934	$ 2,928,736	$ 373,298,848
Cash and cash equivalents - restricted	-	802,013,913	-	802,013,913
Short-term investments - unrestricted	-	533,010,985	105,854	533,116,839
Short-term investments - restricted	-	488,191,342	-	488,191,342
Due from other funds	3,711,886	8,000,000	4,443,049	16,154,935
Accounts receivable	1,951,220	4,602,493	37,719	6,591,432
Accrued interest	-	25,207,994	125	25,208,119
Prepaid expenses	-	726,964	55,070	782,034
State/Caltrans funding	2,347,496	1,071,128	5,413,246	8,831,870
Funding due from federal agency	7,631,284	-	2,851,858	10,483,142
Total current assets	18,137,064	2,230,699,753	15,835,657	2,264,672,474
Non-current assets:				
Cash and cash equivalents - restricted	-	837,009,716	-	837,009,716
Investments - restricted	-	624,762,633	-	624,762,633
Derivative instruments - assets	-	507,207	-	507,207
Due from other funds	-	13,000,000	-	13,000,000
Bond prepaid insurance	-	498,798	-	498,798
Capital assets, net of accumulated depreciation/amortization	-	13,777,783	4,047,048	17,824,831
Total non-current assets	-	1,489,556,137	4,047,048	1,493,603,185
TOTAL ASSETS	18,137,064	3,720,255,890	19,882,705	3,758,275,659
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows on derivative instruments	-	184,449,727	-	184,449,727
Deferred charge	-	540,944,285	-	540,944,285
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	725,394,012	-	725,394,012
LIABILITIES				
Current liabilities:				
Accounts payable	7,253,620	132,687,852	2,551,094	142,492,566
Accrued interest payable	-	99,167,888	-	99,167,888
Due to other funds	9,493,955	4,619,369	-	14,113,324
Unearned revenue	-	51,756,097	-	51,756,097
Retentions payable	436,279	978,882	17,659	1,432,820
Long-term debt - current	-	38,695,000	-	38,695,000
Due to Caltrans	-	19,128,115	-	19,128,115
Due to BAIFA	-	149,971,510	-	149,971,510
Total current liabilities	17,183,854	497,004,713	2,568,753	516,757,320
Non-current liabilities:				
Unearned revenue/Patron deposits	-	5,279,121	-	5,279,121
Due to BAIFA	-	243,090,462	-	243,090,462
Long-term debt, net	-	7,986,835,872	-	7,986,835,872
Derivative instruments - liability	-	235,691,226	-	235,691,226
Total non-current liabilities	-	8,470,896,681	-	8,470,896,681
TOTAL LIABILITIES	17,183,854	8,967,901,394	2,568,753	8,987,654,001
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows on derivative instruments	-	507,207	-	507,207
Deferred revenue from swap amendment	-	21,689,338	-	21,689,338
TOTAL DEFERRED INFLOWS OF RESOURCES	-	22,196,545	-	22,196,545
NET POSITION				
Invested in capital assets, net of related debt	-	13,777,783	4,047,048	17,824,831
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	953,210	(4,758,225,820)	13,266,904	(4,744,005,706)
TOTAL NET POSITION	$ 953,210	$(4,544,448,037)	$ 17,313,952	$(4,526,180,875)

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

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Net Position — Proprietary Funds
For the Year Ended June 30, 2012

	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	$ -	$ 625,863,157	$ -	$ 625,863,157
Department of Motor Vehicles registration fees	-	-	6,343,390	6,343,390
Other operating revenues	10,866,420	17,050,612	32,604	27,949,636
TOTAL OPERATING REVENUES	10,866,420	642,913,769	6,375,994	660,156,183
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	23,834,823	-	23,834,823
Operating expenses – Transbay JPA	-	3,740,989	-	3,740,989
Towing contracts	-	-	8,856,073	8,856,073
Professional fees	22,312,860	32,392,614	3,218,630	57,924,104
Allocations to other agencies	-	36,795,388	-	36,795,388
Salaries and benefits	1,501,237	7,594,121	2,260,538	11,355,896
Repairs and maintenance	-	-	911,506	911,506
Communications charges	130	62,539	264,276	326,945
Depreciation and amortization	-	1,884,205	379,203	2,263,408
Other operating expenses	704,769	12,863,091	1,110,927	14,678,787
TOTAL OPERATING EXPENSES	24,518,996	119,167,770	17,001,153	160,687,919
OPERATING INCOME (LOSS)	(13,652,576)	523,745,999	(10,625,159)	499,468,264
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	461	(70,559,335)	2,331	(70,556,543)
Build America Bonds (BABs) interest subsidy	-	76,561,538	-	76,561,538
Interest expense	-	(410,113,398)	-	(410,113,398)
Financing fees	-	(17,001,139)	-	(17,001,139)
Other non-operating expense	-	(841,687)	-	(841,687)
Caltrans/other agency operating grants	1,011,646	154,659,237	4,804,362	160,475,245
Federal operating grants	18,003,149	-	8,040,027	26,043,176
Distributions to other agencies for their capital purposes	(10,327,112)	(174,712,847)	(26,589)	(185,066,548)
Distributions to Caltrans for their capital purposes	-	(463,256,785)	(1,665,014)	(464,921,799)
Loss on abandonment of equipment	-	-	(10)	(10)
TOTAL NONOPERATING REVENUES (EXPENSES)	8,688,144	(905,264,416)	11,155,107	(885,421,165)
INCOME (LOSS) BEFORE TRANSFERS	(4,964,432)	(381,518,417)	529,948	(385,952,901)
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contribution to Bay Area HQ Authority	-	(167,026,515)	-	(167,026,515)
Transfers to Metropolitan Transportation Commission	(1,096,990)	(29,481,060)	(1,002,667)	(31,580,717)
Transfer from Metropolitan Transportation Commission	236,478	630,000	-	866,478
Transfer between programs	4,728,414	(5,478,414)	750,000	-
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	3,867,902	(201,355,989)	(252,667)	(197,740,754)
CHANGE IN NET POSITION	(1,096,530)	(582,874,406)	277,281	(583,693,655)
Total net position - beginning	953,210	(4,544,448,037)	17,313,952	(4,526,180,875)
Total net position - ending	$ (143,320)	$(5,127,322,443)	$ 17,591,233	$(5,109,874,530)

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

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Net Position — Proprietary Funds
For the Year Ended June 30, 2011

	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	$ -	$ 597,361,947	$ -	$ 597,361,947
Department of Motor Vehicles registration fees	-	-	5,680,296	5,680,296
Other operating revenues	2,274,345	17,589,332	-	19,863,677
TOTAL OPERATING REVENUES	2,274,345	614,951,279	5,680,296	622,905,920
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	23,101,296	-	23,101,296
Operating expenses – Transbay JPA	-	3,001,398	-	3,001,398
Towing contracts	-	-	8,788,827	8,788,827
Professional fees	17,398,592	34,177,063	2,542,600	54,118,255
Allocations to other agencies	-	34,520,945	-	34,520,945
Salaries and benefits	1,280,728	7,257,939	2,230,282	10,768,949
Repairs and maintenance	-	16,296	757,305	773,601
Communications charges	110	59,208	288,213	347,531
Depreciation and amortization	-	1,976,410	439,142	2,415,552
Other operating expenses	692,558	13,279,703	1,135,516	15,107,777
TOTAL OPERATING EXPENSES	19,371,988	117,390,258	16,181,885	152,944,131
OPERATING INCOME (LOSS)	(17,097,643)	497,561,021	(10,501,589)	469,961,789
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	-	33,445,758	6,451	33,452,209
Build America Bonds (BABs) interest subsidy	-	72,638,218	-	72,638,218
Interest expense	-	(394,710,917)	-	(394,710,917)
Loss on swap termination	-	(15,683,211)	-	(15,683,211)
Financing fees	-	(18,574,177)	-	(18,574,177)
Other non-operating expense	-	(37,161,334)	-	(37,161,334)
Caltrans/other agency operating grants	5,114,038	158,708,029	4,753,062	168,575,129
Federal operating grants	33,902,516	-	7,129,225	41,031,741
Distributions to other agencies for their capital purposes	(32,675,742)	(246,081,354)	-	(278,757,096)
Distributions to Caltrans for their capital purposes	-	(739,843,054)	(1,757,167)	(741,600,221)
Loss on abandonment of equipment	-	-	(228)	(228)
TOTAL NONOPERATING REVENUES (EXPENSES)	6,340,812	(1,187,262,042)	10,131,343	(1,170,789,887)
INCOME (LOSS) BEFORE TRANSFERS	(10,756,831)	(689,701,021)	(370,246)	(700,828,098)
TRANSFERS				
Transfers to Metropolitan Transportation Commission	-	(32,099,657)	(902,214)	(33,001,871)
Transfer from Metropolitan Transportation Commission	2,659,324	870,000	-	3,529,324
Transfer between programs	9,050,717	(9,050,717)	-	-
TOTAL TRANSFERS	11,710,041	(40,280,374)	(902,214)	(29,472,547)
CHANGE IN NET POSITION	953,210	(729,981,395)	(1,272,460)	(730,300,645)
Total net position - beginning	-	(3,814,466,642)	18,586,412	(3,795,880,230)
Total net position - ending	$ 953,210	$(4,544,448,037)	$ 17,313,952	$(4,526,180,875)

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

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

	MTC - Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Cash flows from operating activities				
Cash receipts from users	$ 10,460,443	$ 629,027,346	$ 6,008,840	$ 645,496,629
Cash payments to Caltrans, suppliers and employees for services	(24,289,065)	(115,811,955)	(16,490,007)	(156,591,027)
Other receipts/(payments)	-	14,104,259	101,846	14,206,105
Net cash provided by/(used in) operating activities	(13,828,622)	527,319,650	(10,379,321)	503,111,707
Cash flows from non-capital financing activities				
Caltrans and other state and local agency grants	3,074,167	154,223,548	7,986,686	165,284,401
Build America Bonds interest subsidy	-	76,561,538	-	76,561,538
Interest paid on bonds	-	(412,018,270)	-	(412,018,270)
Financing fees	-	(16,979,388)	-	(16,979,388)
Federal operating grants	19,688,875	-	7,203,982	26,892,857
Transfers to MTC and SAFE	6,358,850	(15,895,526)	(1,004,942)	(10,541,618)
Due from MTC and SAFE	-	-	-	-
Bond principal payments	-	(38,695,000)	-	(38,695,000)
Distributions to Caltrans	-	(442,565,725)	(2,354,091)	(444,919,816)
Distributions to other agencies	(16,807,076)	(225,442,406)	(26,589)	(242,276,071)
Due to BAIFA	-	(150,000,000)	-	(150,000,000)
Net cash provided by non-capital financing activities	12,314,816	(1,070,811,229)	11,805,046	(1,046,691,367)
Cash flows from capital and related financing activities				
Capital contribution to BAHA	-	(167,026,515)	-	(167,026,515)
Transfer between programs	-	-	750,000	750,000
Acquisition of capital assets	-	(2,532,540)	(178,230)	(2,710,770)
Net cash (used in) capital and related financing activities	-	(169,559,055)	571,770	(168,987,285)
Cash flows from investing activities				
Proceeds from maturities of investments	-	7,368,539,160	-	7,368,539,160
Purchase of investments	-	(7,289,660,710)	(427)	(7,289,661,137)
Interest and dividends received	461	6,484,316	2,398	6,487,175
Net cash provided by/(used in) investing activities	461	85,362,766	1,971	85,365,198
Net increase/(decrease) in cash and cash equivalents	(1,513,345)	(627,687,868)	1,999,466	(627,201,747)
Balances - beginning of year	2,495,178	2,006,898,563	2,928,736	2,012,322,477
Balances - end of year	$ 981,833	$ 1,379,210,695	$ 4,928,202	$ 1,385,120,730

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

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

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

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

Metropolitan Transportation Commission
Statement of Cash Flows — Proprietary Funds
For the Year Ended June 30, 2011

	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	$ 323,125	$ 606,893,997	$ 5,680,296	$ 612,897,418
Cash payments to Caltrans, suppliers and employees for services	(12,412,693)	(110,615,968)	(15,059,271)	(138,087,932)
Other receipts/(payments)	-	17,266,207	(1,205,675)	16,060,532
Net cash provided by/(used in) operating activities	(12,089,568)	513,544,236	(10,584,650)	490,870,018
Cash flows from non-capital financing activities				
Caltrans and other local agency grants	2,766,542	158,607,029	3,099,911	164,473,482
Proceeds from issuance of revenue bonds	-	2,395,787,624	-	2,395,787,624
Build America Bonds interest subsidy	-	60,621,996	-	60,621,996
Interest paid on bonds	-	(356,494,017)	-	(356,494,017)
Financing fees	-	(19,039,395)	-	(19,039,395)
Bond issuance costs	-	(29,554,312)	-	(29,554,312)
Deferred charge	-	(446,986,539)	-	(446,986,539)
Federal operating grants	26,271,232	-	4,754,022	31,025,254
Transfers to MTC and SAFE	7,998,155	(15,498,634)	(82,683)	(7,583,162)
Due from MTC and SAFE	-	8,000,000	-	8,000,000
Bond principal payments	-	(36,990,000)	-	(36,990,000)
Distributions to Caltrans	-	(759,576,753)	(1,510,055)	(761,086,808)
Distributions to other agencies	(22,451,183)	(178,153,704)	-	(200,604,887)
Due to BAIFA	-	(153,000,000)	-	(153,000,000)
Other non-operating expense	-	(7,500,000)	-	(7,500,000)
Net cash provided by/(used in) non-capital financing activities	14,584,746	620,223,295	6,261,195	641,069,236
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	(1,756,783)	(477,639)	(2,234,422)
Net cash (used in) capital and related financing activities	-	(1,756,783)	(477,639)	(2,234,422)
Cash flows from investing activities				
Proceeds from maturities of investments	-	10,966,355,269	8,998,916	10,975,354,185
Purchase of investments	-	(11,705,757,569)	(8,999,451)	(11,714,757,020)
Interest and dividends received	-	12,966,525	6,654	12,973,179
Payment on swap termination	-	(19,622,000)	-	(19,622,000)
Payment from swap amendment	-	21,891,418	-	21,891,418
Net cash provided by/(used in) investing activities	-	(724,166,357)	6,119	(724,160,238)
Net increase/(decrease) in cash and cash equivalents	2,495,178	407,844,391	(4,794,975)	405,544,594
Balances - beginning of year	-	1,599,054,172	7,723,711	1,606,777,883
Balances - end of year	$ 2,495,178	$ 2,006,898,563	$ 2,928,736	$ 2,012,322,477

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, 2011

	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)	$ (17,097,643)	$ 497,561,021	$ (10,501,589)	$ 469,961,789
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	1,976,410	439,142	2,415,552
Net effect of changes in:				
Due to/from MTC	2,319,899	-	(1,205,675)	1,114,224
Due from State/Federal	-	(4,069)	-	(4,069)
Accounts receivable	(1,951,220)	(993,692)	(502)	(2,945,414)
Prepaid expenses and other assets	-	(28,084)	35,755	7,671
Due to Caltrans	-	96,500	-	96,500
Other state receivable	-	20,839	-	20,839
Unearned revenue	-	9,557,788	-	9,557,788
Patron deposits	-	628,059	-	628,059
Accounts payable and accrued expenses	4,639,396	4,729,464	648,219	10,017,079
Net cash provided by/(used in) operating activities	$ (12,089,568)	$ 513,544,236	$ (10,584,650)	$ 490,870,018
Significant noncash transactions				
Bond reoffering proceeds to replace the liquidity facilities	$ -	$ 1,457,760,000	$ -	
Debt defeasance through the bond reoffering	-	(1,457,760,000)	-	

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

Metropolitan Transportation Commission
Statement of Fiduciary Assets and Liabilities — Agency Funds
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 117,410,887	$ 108,774,490
Account receivables	9,179,249	8,919,911
Interest receivables	23,866	32,659
TOTAL ASSETS	$ 126,614,002	$ 117,727,060
LIABILITIES		
Accounts payable and accrued liabilities	$ 45,657,307	$ 43,477,818
Due to other governments	80,956,695	74,249,242
TOTAL LIABILITIES	$ 126,614,002	$ 117,727,060

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

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

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

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

Blended component units

i.) MTC Clipper®

In July 2010, MTC assumed responsibility for operating the Clipper® smart card program per the Memorandum of Understanding with seven Bay Area transit organizations. Clipper® smart card operating and capital costs are incurred by the MTC Clipper® fund. MTC Clipper® seeks payment from participating transit operators for services 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.A (vii.) for information on the Clipper® program agency fund. Prior to July 2011, the operating portion of the Clipper® program was part of the general fund and the capital portion of the Clipper® program was part of the capital projects fund.

ii.) 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 toll bridges in the San Francisco Bay Area owned and operated by Caltrans. The bridges for which BATA manages the disposition of toll revenues are the Antioch Bridge, Benicia-Martinez Bridge, Carquinez Bridge, Dumbarton Bridge, Richmond-San Rafael Bridge, San Francisco-Oakland Bay Bridge and San Mateo-Hayward Bridge. BATA is a proprietary fund as it generates revenue from toll bridge receipts and its debt is collateralized solely by toll revenue as more fully described in Note 5, Long-Term Debt.

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

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

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

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

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

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

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

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

In June 1988, the MTC SAFE was created to receive fees collected by the Department of Motor Vehicles pursuant to Streets and Highways Code Section 2500 et seq., which permits the collection of up to $1 per registered vehicle in participating counties. These fees represent charges for services rendered to external users. The MTC SAFE is responsible for administering a freeway motorist aid system in the participating counties, referred to as the Call Box program. The following counties are participants in the MTC SAFE: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

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

MTC provides administrative personnel and facilities of the MTC to MTC SAFE by agreement at no cost.

iv.) MTC General Revenue Fund

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

v.) 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 Highway 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. Substantially, all of the current AB 664 Net Toll Revenue Reserves are used to match federal transit funds designated for replacement buses and agency capital facility improvement.

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

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

Non-major Funds

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

Caltrans also has a Cooperative Agreement with BATA and MTC whereby Caltrans transferred state funding (Five Percent Unrestricted State Funds) to MTC for ferry operations and other transit/bicycle projects.

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

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

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

Proposition 1B Fund – This fund includes revenue from the Caltrans Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) grant. This is a grant funded by Proposition 1B Regional Transit Connectivity Program funds. MTC's Hub Signage Project, which improves signage at major transportation hubs, is the only project in this fund for fiscal years 2012 and 2011.

vi.) MTC Capital Projects Fund

Non-major Fund

MTC Capital Projects Fund 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. The MTC building improvement reserve and the Urban Partnership project are the capital projects included in the current fiscal year.

vii.) 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 and do not have a measurement of results of operations. They are on the accrual basis of accounting.

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

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

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

Discretely presented component units

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

viii.) Bay Area Infrastructure Financing Authority (BAIFA)

BAIFA was established in August 2006 pursuant to the California Joint Exercise of Powers Act, consisting of Sections 6500 through 6599.2 of the California Government Code to provide for the joint exercise powers common to MTC and BATA, where two or more public agencies may enter into an agreement to establish an agency to exercise any power common to the contracting parties. The governing board of BAIFA consists of four MTC Commissioners and two BATA Commissioners. BAIFA is authorized to plan projects and obtain funding in the form of grants, contributions, appropriations, loans and other assistance from the United States and from the State of California and apply funds received to pay debt service on bonds issued by BAIFA to finance or refinance public transportation and related capital improvements projects. BAIFA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements because it does not meet the criteria for blending under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 39.* Requests for separately issued financial statement for BAIFA should be addressed to the Treasurer and Auditor, Bay Area Infrastructure Financing Authority, 101 Eighth Street, Oakland, CA 94607.

ix.) 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 to provide for the joint exercise powers common to MTC and BATA, where two or more public agencies may enter into an agreement to establish an agency to exercise any power common to the contracting parties. The governing board of BAHA consists of four MTC Commissioners and two BATA Commissioners. BAHA is authorized to plan, acquire, develop and operate directly or through contract BAHA's office space and facilities. On October 14, 2011 BAHA acquired property located on 390 Main Street, San Francisco, California for the purpose of establishing a Bay Area Regional Headquarters for the MTC, Bay Area Air Quality Management District, and the Bay Conservation and Development Commission. BAHA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements because it does not meet the criteria for blending under the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement Nos. 14 and No. 39.* Requests for separately issued financial statement for BAHA should be addressed to the Treasurer and Auditor, Bay Area Headquarters Authority, 390 Main Street, San Francisco, CA 94105.

B. Government-Wide and Fund Financial Statements

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

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.

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

MTC presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* as amended and adopted GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments which is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. GASB Statement No. 62 incorporates into GASB's authoritative literature certain accounting and financial reporting guidance that includes pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The adoption of GASB Statement No. 62 had an impact on the calculation of the amortization of the bond premium on MTC's financial statements. For additional information and impact on adoption, see Note 13.

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

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

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects of government's net position. This standard was adopted for fiscal year ended June 30, 2012, by retroactively reformatting the financial statements presentation for fiscal year ended June 30, 2011. The adoption of this statement reclassified Net Assets to Net Position, and identified two new elements to make up a Statement of Net Position. For additional information and impact on adoption see Note 1.O and 1.Q.

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

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, sets forth criteria to properly classify previously reported assets and liabilities as deferred outflows or inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows or inflows of resources. This standard was issued in March 2012 and is effective for period beginning after December 15, 2012. This standard was adopted for fiscal year ended June 30, 2012, by retroactively restating the financial statements for the fiscal year ended June 30, 2011. The adoption of this standard had an impact to the financial statements. See additional information and impact on adoption see Note 13.

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

GASB Statement No. 67, *Accounting and Financial Reporting for Pension Plans*, an amendment to GASB Statement No. 27 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 in fiduciary net position. It enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and also requires the presentation of new information about annual money-weighted rates of return in the notes and in 10-year RSI schedules. This standard was issued in June 2012 and is effective for periods beginning after June 15, 2013. This standard is not expected to have any impact on the financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment to GASB Statement No. 25 requires governments providing pensions through pension plans administered as trusts or similar arrangements that meet certain criteria and requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This standard was issued in June 2012 and is effective for periods beginning after June 15, 2014. We are currently evaluating the effect of this standard on the financial statements.

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

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

In fiscal years 2012 and 2011, the following funds are considered non-major: Transit Reserve Fund, Exchange Fund, BART Car Exchange, Feeder Bus Fund, Proposition 1B Fund and Capital Projects Fund. The following funds are considered major governmental funds: MTC General Fund, STA Fund, Rail Reserve Fund, and AB 664 Net Toll Revenue Reserves Fund.

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

D. Budgetary Accounting

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

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

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

- Annual budgets are adopted on the accrual basis for the proprietary fund types.

E. Encumbrances

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

	2012	2011
General Fund	$ 2,459,843	$ 1,231,773
AB 664 Net Toll Revenue	39,194,871	31,960,111
State Transit Assistance Fund	4,289,352	6,648,663
Rail Reserve	118,539,794	108,939,536
Non-major Governmental Funds	11,848,259	12,167,063

F. Net Position

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

	2012	2011
Capital Projects	$ 373,025,182	$ 298,998,689
Other Purposes:		
O&M reserve, under debt covenant	150,000,000	150,000,000
Extraordinary loss reserve, under Caltrans COOP	50,000,000	50,000,000
Long-term receivable restricted for rail projects	21,000,000	21,000,000
OPEB Prefunding	7,384,385	7,384,385
STA	2,389,269	1,953,808
Other	3,069,589	3,041,184
Total Other Purposes	$ 233,843,243	$ 233,379,377

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, 2012 and June 30, 2011 and classified fund balances into the following five categories:

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

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

GASB Statement No. 54 also clarifies definitions for governmental fund types. MTC evaluated each of its funds at June 30, 2012 and June 30, 2011 and provided additional information with respect to the purpose of each fund (see Note 1.A.). For MTC, this evaluation did not result in a reclassification of funds within the governmental fund types for fiscal years 2012 and 2011.

H. Cash and Investments

MTC applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which generally requires investments to be recorded at fair value with the difference between cost and fair value recorded as an unrealized gain or loss. Investments are stated at fair value based upon quoted market prices. MTC reports its money market investments and securities at amortized cost. This is permissible under this standard provided those investments have a remaining maturity at the time of purchase of one year or less and that the fair value of those investments is not significantly affected by the credit standing of the issuer or other factors. Net increases or decreases in the fair value of investments are shown in the Statements of Revenues, Expenditures and Changes in Fund Balance for all governmental fund types and in the Statements of Revenues, Expenditures and Changes in Net Position for the proprietary funds. Accounting for derivative investments is described in Note 1.T.

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

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit issued by a nationally or state chartered bank
- Bankers' acceptances
- Authorized pooled investment programs
- Commercial paper – Rated "A1" or "P1"
- Corporate notes – Rated "A" or better
- Municipal bonds
- Mutual funds – Rated "AAA"
- Other investment types authorized by state law and not prohibited in the MTC investment policy

Cash and Cash Equivalents

MTC considers all highly liquid investments with a maturity of three months or less at date of purchase to be cash and cash equivalents as they are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value. Deposits in the cash management pool of the County of Alameda are presented as cash and cash equivalents 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.

Variable rate demand obligations (VRDOs) are also presented as cash and cash equivalents. VRDOs have liquidity instruments that allow the securities to be put either with same day or with seven days' notice, depending on the security, and there is no significant risk of principal.

Restricted Cash

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

Restricted Investments

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

Non-current Cash, Cash Equivalents, and Investments

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

I. Capital Assets

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

Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years.

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

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

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

J. Retirement Plans

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

K. Post Employment Healthcare Benefits

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

L. Compensated Absences

MTC's regular staff employees accumulate vacation pay and sick leave pay based on the agreement with the Committee for Staff Representation pursuant to the Meyers–Milias–Brown Act. A liability exists for accumulated vacation and sick leave. The compensated absences liability presented in the government-wide governmental activities totals \$3,586,668 and \$3,368,338 at June 30, 2012 and 2011, 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 from the general fund. A summary of changes in compensated absences for the year ended June 30, 2012 is as follows:

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

A summary of changes in compensated absences for the year ended June 30, 2011 is as follows:

	Beginning Balance July 1, 2010	Additions	Reductions	Ending Balance June 30, 2011	Due Within One Year
Compensated Absences	$ 3,267,841	$ 2,088,088	$ (1,987,591)	$ 3,368,338	$ 1,476,589

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 $(614,313) and $(697,660) difference for fiscal 2012 and 2011 are as follows:

	2012	2011
Capital outlay	$ 149,813	$ 66,221
Depreciation expense	(764,126)	(763,881)
Net adjustment to increase net changes in fund balances–total governmental funds to arrive at change in net position of governmental activities	$ (614,313)	$ (697,660)

N. Pledged Revenue to Bay Area Infrastructure Financing Authority

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

In fiscal year 2012, the amount of pledged payments from the State received by BATA and paid to BAIFA was $150,000,000.

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

O. Deferred Revenue/Deferred Charge

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

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

GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues,* as amended by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* establishes the criteria to account for the above transactions. The $506,986,537 lump sum payment from BATA to MTC met the criteria of the intra-entity sale of future revenues for fiscal year June 30, 2011. GASB Statement No. 48 paragraph 15, requires the intra-entity sale of future revenue to be accounted for as a deferred charge and deferred revenue and be amortized over the life of the agreement. The balances in the deferred revenue and deferred charge are reported under Deferred Inflows of Resources in accordance with GASB Statement No. 65, paragraph 13. The amortization for this fiscal year is $23,264,801.

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

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

P. Unearned Revenue

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

Q. Deferred Outflow/Inflow on Derivative Instruments

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

R. Toll Revenues Collected

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

S. Operating Expenditures Incurred by Caltrans

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

T. Investment Income

Investment income (charge) is comprised of interest income from investments and the changes in the fair value of investment derivative instruments. The investment derivative component is in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* which requires the change in fair value of the derivative instruments which no longer have an underlying item to effectively hedge, are reported in investment income. The following table shows the breakdown of investment income for the fiscal years ended June 30, 2012 and 2011:

	Governmental Activities	BATA	MTC Clipper/ SAFE	Total Business-Type Activities	Total 2012	Total 2011
Investment income	$ 2,620,198	$ 6,800,387	$ 2,792	$ 6,803,179	$ 9,423,377	$ 14,921,895
Investment derivative	-	(77,359,722)	-	(77,359,722)	(77,359,722)	21,386,552
	$ 2,620,198	$ (70,559,335)	$ 2,792	$ (70,556,543)	$ (67,936,345)	$ 36,308,447

U. Distributions to Caltrans for Their Capital Purposes

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

V. Distributions to Others for Their Capital Purposes

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

W. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

X. Build America Bonds Interest Subsidy

The interest subsidy on the BABs was $76,561,538 for fiscal 2012. Of this amount, $19,140,384 is included as a year-end accrual. The federal government makes a semiannual payment on April 1 and October 1 of each year.

Y. Operating and Non-operating Revenues and Expenses

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

2. NET POSITION

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

The beginning balance of the net position for BATA has been restated due to the adoption of several GASB statements. The impact to the net position was a decrease of $81,783,535 for July 1, 2010. See Note 13 for more information on the restatement of the financial statements.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. A summary of Cash, Cash Equivalents and Investments as shown on the Statement of Net Position for all funds at June 30, 2012 and 2011 is as follows:

	2012	2011
Unrestricted cash and cash equivalents	$ 1,189,257,605	$ 803,865,139
Unrestricted investments	469,925,237	798,864,664
Total unrestricted cash, cash equivalents and investments	1,659,182,842	1,602,729,803
Restricted cash and cash equivalents	461,758,073	1,640,090,578
Restricted investments	1,656,551,240	1,206,155,506
Total restricted cash, cash equivalents and investments	2,118,309,313	2,846,246,084
Total cash, cash equivalents and investments	$ 3,777,492,155	$ 4,448,975,887

The details of restricted cash, cash equivalents and investments are as follows:

	2012	2011
FasTrak® program	$ 61,474,589	$ 57,570,402
Escrow account	1,495,617	540,824
Operations & maintenance reserve	150,000,000	150,000,000
Debt service reserve	455,624,170	456,507,625
Bond proceeds for capital projects	505,244,082	1,237,358,753
Extraordinary loss reserve	50,000,000	50,000,000
Rehabilitation reserve	120,000,000	120,000,000
Projects/operating reserves	680,000,000	680,000,000
BART car replacement project	94,470,855	94,268,480
Total restricted cash, cash equivalents and investments	$ 2,118,309,313	$ 2,846,246,084

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

B. The composition of cash, cash equivalents and investments at June 30, 2012 and 2011 is as follows:

	2012	2011
Cash at banks	$ 349,933,154	$ 288,932,052
Money market mutual funds	260,346,538	283,956,941
County of Alameda	64,072,978	43,938,157
Government-sponsored enterprises:		
Federal Home Loan Bank	1,088,597,538	1,243,211,749
Federal Home Loan Mortgage Corporation	1,152,444,615	1,081,367,917
Federal National Mortgage Association	486,055,310	1,197,944,670
Federal Farm Credit Bank	91,360,609	59,989,145
Municipal Bonds	284,359,605	249,314,630
Local Agency Investment Fund	321,808	320,626
Total cash, cash equivalents and investments	$ 3,777,492,155	$ 4,448,975,887

MTC holds a position in the investment pool of County of Alameda in the amount of $64,072,978 and $43,938,157 at June 30, 2012 and 2011. The Transportation Development Act (TDA) requires that STA and local TDA funds be deposited with the County Treasury. The County of Alameda is restricted by state code in the types of investments it can make. Further, the County Treasurer has a written investment policy approved by the Board of Supervisors and also has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper prime rated by at least two agencies if maturity is greater than 30 days, banker's acceptances, repurchase agreements, reverse repurchase agreements, and the State Treasurer's investment pool. The position in the external investment pool at the County of Alameda is recorded at fair value at June 30, 2012 determined by the fair value per share of the pool's underlying portfolio. The investment holdings with the County of Alameda account for approximately 1 percent of MTC's investment portfolio. Deposits with the County of Alameda are available for immediate withdrawal.

MTC holds $321,808 and $320,626 at June 30, 2012 and 2011 in the Local Agency Investment Fund (LAIF). MTC's investment policy allows investment in LAIF as authorized by Government Code section 16429. LAIF is a program created by statute as an investment alternative for California's local governments and special districts. LAIF investments account for approximately 0.01 percent of MTC's total cash and investment portfolio.

MTC's portfolio includes four money market mutual fund investments at June 30, 2012 and at June 30, 2011. The mutual fund investments in MTC's investment portfolio are expressed as a percentage of MTC's total cash and investments as follows:

	2012	2011
B of A Government Reserves Adviser	1 %	1%
Dreyfus Gov't Cash Mgmt Institutional	less than 1 %	less than 1%
BlackRock T- Fund Institutional	less than 1 %	less than 1%
California Asset Management Program	6 %	5%

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

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

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

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

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

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

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

C. Deposit and Investment Risk Factors

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

i.) Credit Risk

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

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

ii.) Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be recovered. All securities are held in independent safekeeping accounts maintained with Union Bank or Bank of New York Mellon (BONY), and are held in the name of the Agency. 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, 2012 and 2011 are as follows:

	2012	2011
Federal Home Loan Bank (FHLB)	29%	28%
Federal National Mortgage Association	13%	27%
Federal Home Loan Mortgage Corporation	31%	24%

iv) Interest Rate Risk

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

MTC holds $130.2 million in investments tied to floating rate benchmarks. The rate on the investment will reset on the LIBOR (London Interbank Offering Rate), Prime, or Federal funds indices.

Investment	Par Value	Structure	Final Maturity
FFCB	$10 million	1 mo LIBOR -(net) 1 bps to maturity	11/13
FFCB	$15 million	6 mo LIBOR -(net) 16 bps to maturity	11/13
FHLB	$30 million	Daily Fed Funds + (net) 8 bps to maturity	11/13
FHLB	$14 million	Daily Fed Funds + (net) 12 bps to maturity	3/14
FFCB	$15 million	Prime - (net) 295 bps to maturity	5/13
FHLB	$6.2 million	Daily Fed Funds + (net) 12.5 bps to maturity	7/12
FHLMC	$20 million	Daily Fed Funds + (net) 17 bps to maturity	1/13
FNMA	$20 million	Prime - (net) 285 bps to maturity	2/13

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

The weighted average maturities of MTC's Government Sponsored Enterprises (GSE) securities (expressed in number of years) at June 30, 2012 and 2011 are as follows:

	2012	2011
Government-sponsored enterprises		
Federal Home Loan Bank	0.48	0.50
Federal Farm Credit Bank	1.57	0.78
Federal Home Loan Mortgage Corporation	0.40	0.49
Federal National Mortgage Association	0.87	0.33

4. CAPITAL ASSETS

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

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

Business-type activities	Beginning Balance July 1, 2011	Increases	Decreases	Ending Balance June 30, 2012
Capital assets, not being depreciated:				
Office furniture and equipment	$ -	$ 836,629	$ -	$ 836,629
Intangible assets	3,362,370	2,466,704	-	5,829,074
Call boxes	1,034,330	193,238	-	1,227,568
Total capital assets, not being depreciated	4,396,700	3,496,571	-	7,893,271
Capital assets, being depreciated:				
Office furniture and equipment	7,188,921	104,298	-	7,293,219
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	117,411	30,020	-	147,431
Intangible assets	6,849,078	-	-	6,849,078
Call boxes	11,607,703	-	(93,931)	11,513,772
Total capital assets being depreciated	28,897,313	134,318	(93,931)	28,937,700
Less accumulated depreciation for:				
Office furniture and equipment	3,275,762	820,723	-	4,096,485
Building and improvements	739,372	130,420	-	869,792
Automobiles	61,913	31,774	-	93,687
Intangible assets	1,591,270	976,768	-	2,568,038
Call boxes	9,800,865	303,722	(93,921)	10,010,666
Total accumulated depreciation	15,469,182	2,263,407	(93,921)	17,638,668
Total capital assets, being depreciated, net	13,428,131	(2,129,089)	(10)	11,299,032
Business-type activities capital assets, net	$ 17,824,831	$ 1,367,482	$ (10)	$ 19,192,303

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

Governmental activities:		
General government	$	764,126
Total depreciation expense – governmental activities	$	764,126
Business-type activities:		
Toll bridge	$	1,884,205
Congestion relief		379,202
Total depreciation expense – business-type activities	$	2,263,407

A summary of changes in capital assets for the year ended June 30, 2011 is as follows:

Governmental activities	Beginning Balance July 1, 2010	Increases	Decreases	Ending Balance June 30, 2011
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Office furniture and equipment	73,056	16,395	(73,056)	16,395
Total capital assets, not being depreciated	73,056	16,395	(73,056)	16,395
Capital assets, being depreciated:				
Buildings and improvements	12,689,557	29,491	-	12,719,048
Office furniture and equipment	2,532,327	93,391	(17,080)	2,608,638
Leased equipment	168,489	266,638	(168,489)	266,638
Automobiles	171,821	-	(17,572)	154,249
Total capital assets being depreciated	15,562,194	389,520	(203,141)	15,748,573
Less accumulated depreciation for:				
Buildings and improvements	5,072,755	651,894	-	5,724,649
Office furniture and equipment	2,288,163	68,684	(17,080)	2,339,767
Leased equipment	160,065	39,532	(168,489)	31,108
Automobiles	168,050	3,771	(17,572)	154,249
Total accumulated depreciation	7,689,033	763,881	(203,141)	8,249,773
Total capital assets, being depreciated, net	7,873,161	(374,361)	-	7,498,800
Governmental activities capital assets, net	$ 7,946,217	$ (357,966)	$ (73,056)	$ 7,515,195

Business-type activities	Beginning Balance July 1, 2010	Increases	Decreases	Ending Balance June 30, 2011
Office furniture and equipment	$ 1,143,804	$ -	$ (1,143,804)	$ -
Intangible assets	3,148,720	1,332,679	(1,119,029)	3,362,370
Call boxes	768,954	465,827	(200,451)	1,034,330
Total capital assets, not being depreciated	5,061,478	1,798,506	(2,463,284)	4,396,700
Capital assets, being depreciated:				
Office furniture and equipment	5,959,171	1,229,750	-	7,188,921
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	54,262	63,149	-	117,411
Intangible assets	5,635,876	1,213,202	-	6,849,078
Call boxes	11,613,543	200,451	(206,291)	11,607,703
Total capital assets being depreciated	26,397,052	2,706,552	(206,291)	28,897,313
Less accumulated depreciation for:				
Office furniture and equipment	2,299,724	976,038	-	3,275,762
Building and improvements	608,952	130,420	-	739,372
Automobiles	26,284	35,629	-	61,913
Intangible assets	676,626	914,644	-	1,591,270
Call boxes	9,648,107	358,821	(206,063)	9,800,865
Total accumulated depreciation	13,259,693	2,415,552	(206,063)	15,469,182
Total capital assets, being depreciated, net	13,137,359	291,000	(228)	13,428,131
Business-type activities capital assets, net	$ 18,198,837	$ 2,089,506	$ (2,463,512)	$ 17,824,831

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

Governmental activities:		
General government	$	763,881
Total depreciation expense – governmental activities	$	763,881
Business-type activities:		
Toll bridge	$	1,976,410
Congestion relief		439,142
Total depreciation expense – business-type activities	$	2,415,552

5. LONG-TERM DEBT

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

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

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

Senior Toll Revenue Fixed Rate Bonds (2009 Series F2) were issued in November 2009 to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund, and (iii) pay the costs of issuing the 2009 Series F2 bonds. The Toll Revenue bonds were issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. BATA will receive a direct Federal subsidy payment in the amount equal to 35 percent of the interest expense on the BABs.

Subordinate Toll Revenue Bonds were issued July 2010 (2010 Series S1) to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the Series 2010 S1 Bonds and (iii) pay the costs of issuing the 2010 Series S1 Bonds. The Toll Revenue Bonds were issued as Federally Taxable BABs under the American Recovery and Reinvestment Act of 2009. BATA will receive a direct Federal subsidy payment in the amount equal to 35 percent of the interest expense on the BABs.

Subordinate Toll Revenue Bonds were issued in November 2010 (2010 Series S2 and S3) to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the 2010 Series S2 and the 2010 Series S3 Bonds and (iii) pay the costs of issuing the 2010 Series S2 and the 2010 Series S3 Bonds. Toll Revenue bonds in the amount of $410 million were issued as Tax Exempt Bonds and $475 million were issued as Federally Taxable BABs under the American Recovery and Reinvestment Act of 2009. BATA will receive a direct Federal subsidy payment in the amount equal to 35 percent of the interest expense for the BABs.

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

Reported by Proprietary Activities, as amended by paragraph 5 and 6 of Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

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

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

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

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

A summary of changes in long-term debt for the year ended June 30, 2011 is as follows:

Business-type activities	Issue Date	Interest Rate		Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2010	Additions	Reductions		Ending Balance June 30, 2011	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	4.10%	(2)	2036	$ 150,000,000	$ 150,000,000	$ -	$ -		$ 150,000,000	$ -
2001 Revenue Bond Series D	5/24/2001	4.86%	(1,3)	2011	100,000,000	7,160,000	-	(7,160,000)		-	-
2006 Revenue Bond Series C	2/8/2006	3.71%	(2)	2045	1,000,000,000	275,000,000	-	-		275,000,000	-
2006 Revenue Bond Series F	4/25/2006	4.59%	(1)	2031	1,149,205,000	1,043,260,000	-	(29,795,000)		1,013,465,000	31,215,000
2007 Rev Bond Ser(A1,C1,G1)	5/15/2007	3.71%	(2)	2047	500,000,000	150,000,000	-	-		150,000,000	-
2007 Revenue Bond Series F	5/15/2007	4.44%	(1)	2031	310,950,000	310,495,000	-	(35,000)		310,460,000	7,480,000
2007 Bond Ser(A2-D2,E3)	10/25/2007	3.71%	(2)	2047	500,000,000	375,000,000	-	-		375,000,000	-
2008 Revenue Bond Series(A1-E1,G1)	6/5/2008	3.71%	(2)	2045	507,760,000	507,760,000		-		507,760,000	-
2008 Revenue Bond Series F1	8/28/2008	5.32%	(1)	2047	707,730,000	707,730,000	-	-		707,730,000	-
2009 Revenue Bond Series F1	8/20/2009	5.09%	(1)	2044	768,720,000	768,720,000	-	-		768,720,000	-
2009 Revenue Bond Series F2	11/5/2009	4.14%	(1,4)	2049	1,300,000,000	1,300,000,000	-	-		1,300,000,000	-
2010 Revenue Bond Series S1 Sub	7/1/2010	4.62%	(1,4)	2050	1,500,000,000	-	1,500,000,000	-		1,500,000,000	-
2010 Revenue Bond Series S2 Sub	11/4/2010	4.89%	(1)	2050	410,000,000	-	410,000,000	-		410,000,000	-
2010 Revenue Bond Series S3 Sub	11/4/2010	4.56%	(1,4)	2050	475,000,000	-	475,000,000	-		475,000,000	-
					$ 9,379,365,000	$ 5,595,125,000	$ 2,385,000,000	$ (36,990,000)		$ 7,943,135,000	$ 38,695,000
Unamortized bond premium/ discount						75,223,720	10,787,624	(3,615,472)		82,395,872	
Net long-term debt as of June 30, 2011						$ 5,670,348,720	$ 2,395,787,624	$ (40,605,472)		$ 8,025,530,872	
Component Unit-BAIFA 2006 SPANs	12/14/2006	4.27%	(5)	2017	$ 972,320,000	$ 749,835,000	$ -	$ (57,370,000)	(6)	$ 692,465,000	$ -
Unamortized bond premium						37,499,027	-	(4,904,435)		32,594,592	
Net long-term debt as of June 30, 2011						$ 787,334,027	$ -	$ (62,274,435)		$ 725,059,592	

(1) Fixed rate bonds
(2) Total variable rate demand bonds (VRDBs) of $1,457,760,000 hedged with $1,440,000,000 notional swaps; as such the weighted swap and unhedged variable rate bond is presented. VRDBs are presented as long term debt in accordance with GASB Interpretation No. 1 as MTC has liquidity commitments. New liquidity agreements with an effective date of November 1, 2010 have been executed with expiration dates of 11/1/2013 and 10/31/2014 are not cancellable by the lender.
(3) 2001 Series D bonds are issued as fixed rate bonds with a final maturity of 2018 before the defeasance. Post defeasances final maturity was 2011. The bonds carry interest rates ranging from 4.0% in 2006 to 5.5% in 2011 with a true interest cost of 4.865%.
(4) Federal taxable Build America Bonds.
(5) 2006 Bay Area Infrastructure Financing Authority SPANs were issued as fixed rate bonds with a final maturity of 2018. The bonds carried interest rates ranging from 4.0% in 2007 to 5.0% in 2017, or an all-in true interest cost of 4.27%.
(6) Scheduled payment of $17.02 million and optional redemption payments of $40.35 million

As a result of the implementation of GASB Statement No. 62, the unamortized bond premium for the business-type activities increased by $848,610 as of July 1, 2010. The current year reduction decreased by $20,522. The line called "deferred charge on bond refunding" is now reclassified as a component of deferred outflow of resources as of July 1, 2010 per GASB Statement No. 65. For the component unit, BAIFA, the implementation of GASB Statement No. 62 increased the unamortized bond premium by $1,869,790 as of July 1, 2010. The current year amortization decreased by $125,876.

Annual funding requirements

The annual funding requirements (principal and interest) for the debt outstanding of the business-type activities at June 30, 2012 are as follows:

Business-type activities

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2013	$ 40,540,000	$ 354,152,114	$ 394,692,114
2014	46,165,000	352,335,752	398,500,752
2015	48,195,000	350,267,366	398,462,366
2016	56,915,000	348,108,028	405,023,028
2017	59,615,000	345,557,996	405,172,996
2018-2022	458,300,000	1,680,110,248	2,138,410,248
2023-2027	683,870,000	1,553,792,198	2,237,662,198
2028-2032	869,330,000	1,383,331,481	2,252,661,481
2033-2037	1,111,095,000	1,170,300,501	2,281,395,501
2038-2042	1,453,070,000	890,867,904	2,343,937,904
2043-2047	1,595,835,000	560,137,186	2,155,972,186
2048-2050	1,481,510,000	144,549,552	1,626,059,552
	$ 7,904,440,000	$ 9,133,510,326	$ 17,037,950,326

Component Unit - BAIFA

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2013	$ -	$ 27,020,000	$ 27,020,000
2014	-	27,020,000	27,020,000
2015	-	27,020,000	27,020,000
2016	-	27,020,000	27,020,000
2017	-	27,020,000	27,020,000
2018	540,720,000	13,510,000	554,230,000
	$ 540,720,000	$ 148,610,000	$ 689,330,000

Bond Covenants – BATA

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

The current Senior debt reserve requirement is $317,488,099 to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service payments. As of June 30, 2012 the market valuation of the reserves is $345,783,653.

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

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

BATA has covenanted to maintain an operations and maintenance reserve of two times the adopted operations and maintenance budget for Caltrans toll operations and maintenance costs. At June 30, 2012, BATA had restricted $150 million as the restricted operations and maintenance reserve. BATA has also covenanted to maintain an emergency extraordinary loss reserve of not less than $50 million as referenced in the Cooperative Agreement with Caltrans. These amounts are shown as restricted assets for the year ended June 30, 2012. In addition, the BATA board has authorized a total of $800 million for emergency extraordinary loss reserves, which includes $120 million bridge rehabilitation as well as $680 million in projects/operating reserves.

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

The Bay Area Toll Authority's Subordinate Bridge Toll Revenue Bonds are payable solely from pledged "Revenues" and all amounts held by the trustee in each fund and account (with exclusions) established under the Subordinate Indenture dated June 1, 2010. Revenues and exclusions to the trustee funds and accounts are defined within the Subordinate Indenture. BATA established a Subordinate Debt Reserve fund account under the 2010 Subordinate Indenture. The current reserve requirement of $109,699,751 is to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. As of June 30, 2012 the market valuation of the reserves is $109,840,517.

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

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

Bond Covenants – BAIFA

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

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

Derivative Instruments

MTC adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.*

MTC enters into derivative instruments to hedge interest rate risk and not for speculative or trading purposes. Existing derivatives are composed solely of interest rate swaps. All derivative instruments were determined to be effective hedging derivatives at June 30, 2009 except for a portion of the Series 2003, 2006 and 2007 pay-fixed interest rate swaps for which the hedged items for these derivative instruments were refunded in August 2008. Accordingly, the accumulated changes in fair value of the swaps were reported as a deferred outflow of resources of $28,290,143 at June 30, 2008 and $9,997,611 through the date of the transaction in August 2008, for a total of $38,287,754, was deferred in accordance with GASB Statement No. 23 over the life of the bonds. Hence, these swaps are now considered investment derivative instruments. Some of these investment derivatives with Ambac were terminated in July 2009.

The fair value of the hedged and investment derivatives in a payable to counterparty position was ($561,121,200) and ($235,691,226) at June 30, 2012 and June 30, 2011 respectively, and recorded in the Statement of Net Position as a liability. The fair value of the hedged derivatives in a due from counterparty position was $27,282,560 and $507,207 at June 30, 2012 and June 30, 2011, respectively, and recorded in the Statement of Net Position as an asset. The change in the hedging derivative liabilities was recorded as deferred outflows of $432,519,979 and $181,713,091 at June 30, 2012 and June 30, 2011 respectively. The change in the hedging derivative assets from June 30, 2011 to June 30, 2012 of $26,775,353 resulted in a deferred inflow of $27,282,560 at June 30, 2012. The change in investment derivatives of $77,359,722 decrease and $21,386,552 increase for fiscal year 2012 and fiscal year 2011, respectively, was recorded as an offset to investment income. See Note 1.T. for further details.

Cancellation of any or all of the swap transactions is subject to a fair market value calculation at the time of termination. Fair market value is calculated as the value at which the parties would voluntarily terminate the swap contract. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2012 classified by type, and the changes in fair value of such derivative instruments since June 30, 2011 as reported in the financial statements are as follows:

Business-type Activities	Decrease in Fair Value since June 30, 2011 Classification	Decrease in Fair Value since June 30, 2011 Amount	Fair Value at June 30, 2012 Classification	Fair Value at June 30, 2012 Amount	Notional
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred Outflow of Resources	$ 248,070,252	Noncurrent Liabilities	$ (432,519,979)	$ 1,076,000,000
Pay-fixed interest rate swap	Investment Income	(77,359,722)	Noncurrent Liabilities	(128,601,221)	364,000,000
Fair Value hedges:					
Receive-fixed interest swap	Deferred Inflow of Resource, net	26,775,353	Noncurrent Assets	27,282,560	487,845,000

There were no changes in fiscal 2012 as to the effectiveness of the swaps from the prior year.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the derivative instruments outstanding along with the credit rating as of June 30, 2012 of the associated counterparty as well as the fair value of the derivative instrument.

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

Amortized Notional Value	Counterparty		Fixed Payer Rate (A)		Value due from / (to) counterparty June 30, 2012		Value due from / (to) counterparty June 30, 2011
$75 million	Wells Fargo Bank N.A.		4.10%	$	(33,155,801)	$	(17,938,015)
$75 million	Morgan Stanley Capital Services Inc		4.09%		(33,027,512)		(17,823,274)
$110 million	Wells Fargo Bank N.A.	(1)	3.64%		(35,249,686)		-
$30 million	Bank of America, N.A.		3.63%		(12,054,956)		(4,817,503)
$115 million	Citibank, N.A. New York	(2)	3.64%		(36,851,833)		(29,067,313)
$245 million	JP Morgan Chase Bank, N.A.		4.00%		(108,116,697)		(42,923,354)
$50 million	Bank of America, N.A.		3.63%		(20,558,173)		(8,088,356)
$260 million	Citibank, N.A. New York		3.64%		(85,496,874)		(34,046,616)
$125 million	Bank of America, N.A.		3.64%		(50,454,960)		(20,264,739)
$60 million	Goldman Sachs Mitsui Marine Derivative Products LP		3.64%		(24,218,381)		(9,727,075)
$85 million	Goldman Sachs Mitsui Marine Derivative Products LP		3.64%		(35,133,761)		(13,904,860)
$170 million	Bank of New York Mellon		3.64%		(70,267,035)		(27,809,612)
$40 million	Bank of New York Mellon		3.64%		(16,535,531)		(6,543,873)
	Total Fixed Payer Swap				(561,121,200)		(232,954,590)
			Fixed Receiver Rate (B)				
$140.9 million	JP Morgan, Chase Bank, N.A.		3.71%		8,038,160		507,207
$146.4 million	Bank of New York Mellon		3.79%		8,426,367		(519,623)
$40 million	Bank of America, N.A.		3.76%		2,147,882		(733,417)
$160 million	Bank of America, N.A.		3.70%		8,670,151		(1,483,596)
	Total Fixed Receiver Swap				27,282,560		(2,229,429)
	Total Derivative Instrument - Fair Value			$	(533,838,640)	$	(235,184,019)

(A) Cash flow hedge paying fixed rate receiving variable rate based on LIBOR index
(B) Fair value hedge receiving fixed rate paying variable rate based on SIFMA index
(1) Novated from Citibank, N.A. New York FY 2012
(2) Novated $110 million to Wells Fargo Bank N.A.

The termination value, or fair market value, BATA would pay to terminate all swaps on a voluntary basis is $561 million and $236 million on June 30, 2012 and June 30, 2011, respectively, and would receive $27 million and $0.5 million on June 30, 2012 and June 30, 2011, respectively. The fair value was determined by an independent outside pricing service. BATA's intent, however, is to maintain the swap transactions for the life of the financing, notwithstanding market opportunities to restructure.

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

In November 2005, BATA approved a contract to swap variable-to-fixed rate bonds with a notional amount of $1 billion with an effective date of February 2006. In July 2009, $315 million of the swap associated with Ambac was terminated. In March 2012, Citibank, N.A. novated $110 million of its $225 million variable to fix swap to Wells Fargo, N.A. with terms and conditions unchanged. The other counterparties to the transaction are JP Morgan Chase Bank, N.A. for $245 million, Citibank for $115 million, Goldman Sachs Mitsui Marine

Derivative Products for $60 million and Bank of America for $155 million. BATA will pay each counterparty a fixed rate ranging from 3.63 percent to 4.00 percent while receiving a variable rate payment based on varying percentages of LIBOR. In April 2011, the counterparty JP Morgan Chase Bank, N.A. AAA Enhanced ISDA to this transaction was amended to JP Morgan Chase bank, N.A.

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

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

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

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

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

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

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

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

Debt and Swap Payments Tables

As of June 30, 2012, debt service requirements of the variable rate debt and net swap payments for 2001 Series A effective January 14, 2002 and May 2, 2011, are as follows:

Payment Date	Notional Amortization	Variable Interest[B]	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2013	$ -	$ 216,786	$ 5,909,719	$ 1,665,377	$ 7,791,882
4/1/2014	-	216,786	5,909,719	1,665,377	7,791,882
4/1/2015	-	216,786	5,909,719	1,665,377	7,791,882
4/1/2016	-	216,786	5,909,719	1,665,377	7,791,882
4/1/2017	-	216,786	5,909,719	1,665,377	7,791,882
4/1/2018-2036	150,000,000	3,502,682	95,485,296	26,908,052	125,896,030
	$ 150,000,000	$ 4,586,612	$ 125,033,891	$ 35,234,937	$ 164,855,440

As of June 30, 2012, debt service requirements of the variable rate debt for 2006 Series C and 2007 Series A2-D2, E3 prorated portion of 2007-1 and 2008-1 Series, and net swap payments for 2006 Swap Series, effective February 8, 2006, August 28, 2008, September 2, 2008, April 1, 2011, and March 1, 2012 are as follows:

Payment Date	Notional Amortization	Variable Interest[B] [(1)]	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2013	$ -	$ 989,989	$ 23,069,228	$ 7,605,222	$ 31,664,439
4/1/2014	-	989,989	23,069,228	7,605,222	31,664,439
4/1/2015	-	989,695	23,069,228	7,602,965	31,661,888
4/1/2016	-	989,392	23,069,228	7,600,637	31,659,257
4/1/2017	-	989,392	23,069,228	7,600,637	31,659,257
4/1/2018-2047	685,000,000	22,532,732	509,905,613	173,099,340	705,537,685
	$ 685,000,000	$ 27,481,189	$ 625,251,753	$ 211,114,023	$ 863,846,965

As of June 30, 2012, debt service requirements of the prorated variable rate debt for 2007 Series A1, C1, G1 and 2008 Series A1-E1, G1 and net swap payments for 2007 Swap Series, effective November 1, 2007, August 28, 2008, and September 2, 2008, are as follows:

Payment Date	Notional Amortization	Variable Interest[B] [(2)]	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2013	$ -	$ 874,370	$ 19,173,594	$ 6,717,021	$ 26,764,985
4/1/2014	-	874,370	19,173,594	6,717,021	26,764,985
4/1/2015	-	869,292	19,173,594	6,678,011	26,720,897
4/1/2016	-	864,054	19,173,594	6,637,776	26,675,424
4/1/2017	-	864,054	19,173,594	6,637,776	26,675,424
4/1/2018-2047	605,000,000	19,334,683	450,862,151	148,531,518	618,728,352
	$ 605,000,000	$ 23,680,823	$ 546,730,121	$ 181,919,123	$ 752,330,067

As of June 30, 2012, debt service requirements of the fixed rate debt and net swap payments for 2008 Series F, effective April 1, 2011, are as follows:

Payment Date	Notional Amortization	Fixed Interest[G] [(3)]	Interest Rate Swaps, Net[C]	Total Payment
4/1/2013	$ 1,800,000	$ 24,979,108	$ (17,307,634)	$ 7,671,474
4/1/2014	1,400,000	24,979,108	(17,243,709)	7,735,399
4/1/2015	1,500,000	24,979,108	(17,193,989)	7,785,119
4/1/2016	1,700,000	24,979,108	(17,140,718)	7,838,390
4/1/2017	1,500,000	24,979,108	(17,080,344)	7,898,764
4/1/2018-2047	479,445,000	539,841,930	(382,854,759)	156,987,171
	$ 487,345,000	$ 664,737,470	$ (468,821,153)	$ 195,916,317

(1) Variable outstanding par $685 million
(2) Variable outstanding adjusted to $605 million to match swap
(3) Fixed outstanding par $707.73 million, but adjusted to $487.3 million to match swap

The table below summarizes total swap costs as of June 30, 2012.

	Series 2001 Bonds [A]	Series 2006 Bonds	Series 2007 Bonds
Interest Rate Swap			
Fixed payment to counterparty	4.10%	3.77%	3.64%
LIBOR percentage of payments [D]	-0.16%	-0.40%	-0.47%
Net interest rate swap payments [C]	3.94%	3.37%	3.17%
Variable rate bond coupon payments [B]	0.14%	0.14%	0.14%
Synthetic interest rate on bonds	4.08%	3.51%	3.31%
Remarketing/liquidity fee[E]	1.11%	1.11%	1.11%
Total Cost	5.19%	4.62%	4.42%

	Series 2008 Bonds
Interest Rate Swap	
Fixed payment from counterparty	-3.733%
SIFMA[F]	0.182%
Net interest rate swap receipts [C]	-3.551%
Fixed rate bond coupon payments [G]	5.126%
Synthetic interest rate on bonds	1.575%
Fees	0.000%
Total Cost	1.575%

A Converted to 65% one month LIBOR on 1/1/06
B Average variable rate as of June 2012 reset
C Net payment/(receipt)
D Average LIBOR rates as of June 2012 reset
E Remarketing/liquidity fees
F SIFMA rate as of June 2012 reset
G Blended coupon

6. LEASES

Capital Leases

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

Governmental Activities

Year Ending June 30		Amount
2013	$	59,952
2014		59,952
2015		59,952
2016		24,980
Total		204,836
Less interest amounts		(15,962)
Present value of net minimum lease payments	$	188,874

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

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

Due to/from other funds

Receivable Fund	**Payable Fund**	**Amount**
General	AB 664	$ 2,214
General	MTC Clipper®	1,959,781
General	SAFE	15,624
General	STA	12,583
General	Non-Major	26,726
General	BATA	246,345
STA	General	2,240,287
STA	Non-Major	142,148
STA	MTC Clipper®	1,083,270
Non-Major	General	499,769
Non-Major	BATA	69,685
Non-Major	STA	38,798
MTC Clipper®	Non-Major	3,121
MTC Clipper®	STA	101,871
MTC Clipper®	BATA	1,115,946
SAFE	General	4,391,706
BATA	General	383,287
BATA	Rail Reserve	8,630,000
BATA	MTC	13,000,000

The composition of interfund transfers as of June 30, 2011, is as follows:

	Transfer In:							
Transfer Out:	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-Major Governmental Funds	MTC Clipper®	BATA	Total
Non-Major	$ 384,433	$ -	$ -	$ -	$ -	$ 1,004,781	$ -	$ 1,389,214
Rail Reserves	-	-	-	-	-	-	870,000	870,000
STA	771,908	-	-	-	295,439	1,595,359	-	2,662,706
AB 664	20,341	-	-	-	-	-	-	20,341
General	-	-	836,371	-	-	59,184	-	895,555
BATA	8,834,857	11,361,625	-	9,224,986	2,678,189	9,050,717	-	41,150,374
SAFE	886,029	-	-	-	16,185	-	-	902,214
Total	$ 10,897,568	$ 11,361,625	$ 836,371	$ 9,224,986	$ 2,989,813	$ 11,710,041	$ 870,000	$ 47,890,404

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	STA	$ 49,758
General	AB 664	341
General	BATA	1,004,581
General	MTC Clipper®	9,493,955
General	Non-Major	91,539
Non-Major	General	502,081
Non-Major	STA	42,682
MTC Clipper®	BATA	3,614,788
MTC Clipper®	STA	36,949
MTC Clipper®	Non-Major	60,149
SAFE	General	4,288,602
SAFE	Non-Major	154,447
BATA	MTC	21,000,000
BATA	AB 664	236,687,782
BATA	Rail Reserves	190,975,639
BATA	Non-Major	56,058,316

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

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

8. EMPLOYEES' RETIREMENT PLAN

Plan Description

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

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

Funding Policy

Members in the Plan are required to contribute a percentage of their annual covered salary, which is established by California State Statute. MTC is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its employees. The actuarial methods and assumptions are those adopted and amended by the CalPERS Board of Administration. Pursuant to a contract with CalPERS, the retirement benefit formula is 2.5 percent at 55. Effective August 1, 2011, MTC and employees agreed to equally share in future annual employer rate increases up to a maximum employee contribution of 8 percent. Contributions towards MTC's retirement benefit are allocated as follows:

- Effective July 1, 2011, the total PERS rate is 24.362 percent (consisting of 16.362 percent employer rate and 8.0 percent member rate). Per agreement, the shared contribution effective August 1, 2011 is 19.178 percent by MTC and 5.184 percent by members.

- Effective July 1, 2012 and July 1, 2013, the shared contribution will be based upon the change in employer contribution rate in effect these fiscal years. MTC and members agreed to equally share employer rate changes up to a total employee contribution of 8 percent.

Annual Pension Cost and Funding Progress

The required contribution was $3,435,478 and $3,060,517 for the years ended June 30, 2012 and 2011 determined as part of the June 30, 2010 and June 30, 2009 actuarial valuation using the entry age normal cost method with the contributions determined as a level percent of payroll. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), and (b) projected salary increases that vary by entry age, duration of service and category of employment. Both (a) and (b) include an inflation component of 3.0 percent and an annual payroll growth of 3.25 percent. The amortization method used is level percent of payroll. The actuarial valuation of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in market value of investments over a fifteen-year period depending on the size of investment gains and/or losses. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period with the exception of special gains and losses in fiscal years 2008-2009, 2009-2010 and 2010-2011. Each of these years special gains or losses will be isolated and amortized over fixed and declining 30 year periods. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

The following table shows MTC's required contributions and the percentage contributed for the current year and each of the two preceding years. Under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The contribution rate for fiscal year ended June 30, 2012 was 16.362 percent of payroll. The dollar value of the ARC is the contribution rate multiplied by the payroll of covered employees paid during the period July 1, 2011 through June 30, 2012.

Fiscal Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 2010	$	2,982,161	100%
June 30, 2011		3,060,517	100%
June 30, 2012		3,435,478	100%

MTC's funding progress information as of June 30, 2010 is illustrated as follows:

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2008	$	67,099,161	$	74,493,447	$	7,394,286	90.1%	$	16,230,948	45.6%
June 30, 2009		72,334,074		85,989,050		13,654,976	84.1%		16,969,851	80.5%
June 30, 2010		77,635,562		91,504,175		13,868,613	84.8%		17,233,074	80.5%

The latest available actuarial valuation was as of June 30, 2010 showing an under-funded status.

9. POST EMPLOYMENT HEALTHCARE BENEFITS

Plan Description

MTC's single-employer, defined-benefit other post employment benefits (OPEB) healthcare plan, or MTC's California Employer's Retirement Benefit Trust (CERBT) account, provides health plan coverage through the CalPERS Health Plan to eligible retired employees and their eligible dependents. MTC maintains the same medical plans for its retirees as for its active employees, with the general exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 with 5 years of service to MTC. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 23. The number of participants eligible to receive benefits was 68 for the year ended June 30, 2012.

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 issue 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 $632,904 and $562,678 for the years ended 2012 and 2011 were applied toward the required annual employer contribution of $2,414,391 for both fiscal years ended 2012 and 2011. In addition, MTC made a voluntary contribution in excess of the ARC in fiscal 2008 of $8,676,000. This contribution nearly eliminated the Unfunded Actuarial Accrued Liability (UAAL) and resulted in the reporting of a net OPEB asset of $7,731,865 at June 30, 2008. The net OPEB asset at June 30, 2012 and June 30, 2011 has remained at $7,384,385 as MTC fully funded its OPEB obligation in fiscal years 2012 and 2011. The interest earned on this asset will reduce the OPEB cost in future years.

Annual OPEB Cost, Funded Status and Funding Progress

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

ARC attributable to them. Any net OPEB asset resulted solely from Governmental Activities.

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Asset
June 30, 2010	$	1,211,117	100%	$	7,384,385
June 30, 2011		2,414,391	100%		7,384,385
June 30, 2012		2,414,391	100%		7,384,385

The funded status of the plan as of July 1, 2011 was as follows:

Annual required contribution (ARC)	$	2,370,879
Interest on net OPEB obligation		(406,141)
Adjustment to ARC		449,653
Annual OPEB Cost		2,414,391
Less contributions made		(2,414,391)
Increase in net OPEB obligation		-
Net OPEB asset - beginning of year		7,384,385
Net OPEB asset - end of year	$	7,384,385

The MTC's funding progress as of January 1, 2012, the most recent available actuarial valuation date, is as follows:

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2009	$	7,299,050	$	12,774,408	$	5,475,358	57.2%	$	17,011,660	32.2%
January 1, 2010		9,249,465		20,599,779		11,350,314	44.9%		17,417,779	65.2%
January 1, 2012		13,124,584		24,735,009		11,610,425	53.1%		17,799,482	65.3%

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

Actuarial Methods and Assumptions

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

MTC has funded its OPEB liability by contributing to an irrevocable trust currently administered by Public Agency Retirement Services (PARS). MTC transferred its OPEB trust fund assets from CalPERS to PARS in March 2010. The actuarial cost method and assumptions described below is one of several acceptable cost methods described in GASB Statement No. 45. The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. In determining the Annual Required Contribution, the Unfunded Actuarial Accrued Liability (UAAL) must be amortized over a period of up to 30 years. MTC has elected to amortize as a level percentage of expected payroll over 20 years on an open basis. The interest rate used to discount future benefit payments is based on the expected rate of return on investments set aside to pay for these benefits. In conjunction with the transfer to PARS, MTC selected a conservative investment policy to fund assets. The discount rate was reduced from 7.75 percent to 5.50 percent to reflect the current investment policy. A 3.25 percent per year growth in overall payroll was used for purposes of amortizing unfunded liability while contributions for a given level of benefit coverage were assumed to increase annually in accordance with CalPERS health premiums. The annual healthcare cost inflation trend rate was derived from the Getzen Model, using an underlying general inflation assumption of 2.75 percent, resulting in the following inflation rate factors: 6.5 percent for 2010 to 2014, 6.0 percent for 2015 to 2032, 5.5 percent for 2033 to 2047, 5.0 percent for 2048 to 2076 and 4.5 percent per year thereafter.

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.

The Actuarial Accrued Liability (AAL) presented in the January 1, 2010 valuation increased by approximately $7.8 million over the previous valuation. The following factors contributed to the change in the AAL. The cost of benefit accruals since the last valuation plus interest on the prior year's AAL less benefit payments since the last valuation date contributed to the change in the AAL. The combined impact of these factors was an increase in the AAL of approximately $1.3 million. The revised discount rate of 5.5 percent resulting from the transfer of OPEB trust fund assets from CalPERS (required rate of 7.75 percent) to PARS resulted in an increase in the AAL of approximately $5.2 million. In addition, the change in actuarial cost method from the Entry Age Normal Cost (required by CalPERS) to Projected Unit Credit Cost resulted in a decrease in the AAL of approximately $0.9 million. Copies of PARS annual financial report may be obtained by writing to PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

10. COMMITMENTS AND CONTINGENCIES

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

MTC is involved in various claims and litigation that are considered normal to the MTC's regional planning activities. The MTC Board has approved a reserve for future expenses for these contingencies in the amount of $456,647 and $599,929 for fiscal years ended June 30, 2012 and 2011, respectively. In the opinion of the MTC's management, the ultimate resolution of these matters will not have a material adverse effect on the MTC's government-wide financial position.

Commitment and Loan to Bay Area Rapid Transit District

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

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

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

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

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

On November 28, 2007, the MTC Commission authorized the pledging of the then remaining proceeds of the $47 million BART loan receivable balance from the Rail Reserve Fund to BATA. As a result BATA transferred $47 million 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 Transfer of Assets and Future Revenues,* as amended by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* provides guidance on the accounting and reporting of Intra-Entity Transfers of Assets.

As of June 30, 2012 and 2011, the total loan outstanding with BART is $21 million and $21 million respectively. BART made a payment to MTC of $8,000,000 principal and $630,000 interest on July 2, 2012 against this loan. Remaining payments due under the loan before the BART July 2, 2012 payment are as follows:

Fiscal Year	**Principal Payments**	
2012	$	8,000,000
2013		8,000,000
2014		5,000,000
	$	21,000,000

11. RISK MANAGEMENT

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

12. RELATED PARTY TRANSACTIONS

The Regional Administrative Facility Corporation (RAFC) was incorporated in the State of California on March 23, 1983, for the purpose of administering, operating and maintaining common areas and certain easements of the property which consists solely of the Joseph P. Bort MetroCenter facilities. The Condominium Plan establishes the following three owner occupants: BART, MTC and ABAG. RAFC exercises a custodial responsibility on behalf of the owner occupants and assesses sufficient amounts to meet all required expenditures of the common areas and easements. MTC provides management and other staff functions to RAFC through management fees. Fees to RAFC were $300,000 for fiscal years ended June 30, 2012 and 2011. MTC currently has a prepaid asset of $446,019 and $376,824 as of June 30, 2012 and 2011, respectively, for funding capital improvement projects of the property.

13. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

Note 1.C describes the GASB pronouncements MTC is adopting for this and the prior fiscal years. There is a financial impact for the adoption of GASB Statement No. 62, *Codification 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.* Implementation of GASB Statement No. 63*, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* reclassifies certain assets and liabilities to deferred inflows and outflows.

MTC has restated its previously issued Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and all related Notes, and Tables as of and for the year ended June 30, 2011 as a result of implementation of the Governmental Accounting Standards GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement*s, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.*

As a result of implementing GASB Statement No. 62, BATA changed the amortization method of the bond premium/discount to the effective interest rate method. This resulted in an increase of $20,521 to interest expense and long-term liabilities for the fiscal year ended June 30, 2011. The net position decreased and long term liabilities increased by $848,612 as of July 1, 2010.

Implementation of GASB Statement No. 63 required the reclassification of Net Assets to Net Position. It also required the reclassification of deferred outflows and inflows on derivative instruments into new categories called Deferred Outflows of Resources and Deferred Inflows of Resources respectively.

Implementation of GASB Statement No. 65 recognizes cost of issuance as an expense, therefore the adoption of this statement resulted in an increase to the cost of issuance expense and a decrease to the bond issuance costs of $27,147,567 for the fiscal year ended June 30, 2011. The cost of issuance that was included in deferred charge from bond refunding was reclassified to cost of issuance expense in the amount of $16,316,404 for the year ended June 30, 2011. The amortization expense for the bond refunding was reclassified from interest expense to cost of issuance expense in the amount of $930,432 for fiscal year ended June 30, 2011. The net position and bond issuance costs were both decreased by $64,452,663 as of July 1, 2010. The deferred charge on the bond refunding and net position decreased by $16,482,260 for fiscal year end June 30, 2010.

GASB Statement No. 65 also reclassified the transit transfers in the Statement of Net Position under the governmental funds from due to other funds – current of $22,352,064 and due to other funds – noncurrent of $461,369,673 to deferred revenue of $483,721,737. In the business type activities funds, it required the reclassification of the transit transfers from due from other funds – current of $22,352,064 and due to other funds – noncurrent of $461,369,673 to deferred revenue (in deferred charge in the Statement of Net Position for proprietary funds) of $483,721,737 for the year ended June 30, 2011. The financing fees as a result of bond refundings was reclassified from deferred charges to prepaid expense in the amount of $442,556 for the year ended June 30, 2011.

The JP Morgan Chase Bank, N.A. swap transaction amendment was reclassified from unearned revenue – current portion of $642,647 and unearned revenue – noncurrent portion of $21,046,691 to deferred revenue of $21,689,338 for fiscal year ended June 30, 2011

The financial statements for June 30, 2011 reflect the above changes. The MD&A includes the changes as of and for the years ended June 30, 2011 and June 30, 2010.

All the financial information set forth below reflects the restatement of MTC’s financial statements, included in MTC's Financial Statement, as of and for the year ended June 30, 2011.

14. SUBSEQUENT EVENTS

MTC has evaluated subsequent events for the period from June 30, 2012 through October 3, 2012, 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, 2012 — Schedule I

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Sales taxes	$ 9,000,000	$ 9,000,000	$ 10,504,062	$ 1,504,062
Grants - Federal	95,238,395	102,717,176	47,691,590	(55,025,586)
Grants - State	1,920,284	1,955,644	781,193	(1,174,451)
Local agencies revenues and refunds	4,208,352	4,218,492	5,486,431	1,267,939
Investment income - unrestricted	50,000	50,000	10,400	(39,600)
TOTAL REVENUES	110,417,031	117,941,312	64,473,676	(53,467,636)
EXPENDITURES				
General government	112,714,095	120,215,831	52,505,503	67,710,328
Allocations to other agencies	14,842,069	14,856,717	13,835,513	1,021,204
Capital outlay	500,000	500,000	149,813	350,187
TOTAL EXPENDITURES	128,056,164	135,572,548	66,490,829	69,081,719
REVENUES OVER (UNDER) EXPENDITURES	(17,639,133)	(17,631,236)	(2,017,153)	15,614,083
OTHER FINANCING SOURCES (USES)				
Transfers in	15,955,237	16,137,840	8,876,354	(7,261,486)
Transfers out	-	-	(1,803,140)	(1,803,140)
TOTAL OTHER FINANCING SOURCES (USES)	15,955,237	16,137,840	7,073,214	(9,064,626)
NET CHANGE IN FUND BALANCES	(1,683,896)	(1,493,396)	5,056,061	6,549,457
Fund balances - beginning	23,561,396	23,561,396	23,561,396	-
Fund balances - ending	$ 21,877,500	$ 22,068,000	$ 28,617,457	$ 6,549,457

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, 2012 — Schedule II

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 401,850	$ 401,850
TOTAL REVENUES	-	-	401,850	401,850
EXPENDITURES				
General government	-	-	26,033	(26,033)
Allocations to other agencies	43,575,499	43,575,499	4,329,189	39,246,310
TOTAL EXPENDITURES	43,575,499	43,575,499	4,355,222	39,220,277
REVENUES OVER (UNDER) EXPENDITURES	(43,575,499)	(43,575,499)	(3,953,372)	39,622,127
OTHER FINANCING SOURCES (USES)				
Transfers in	43,575,499	43,575,499	10,915,880	(32,659,619)
Transfers out	-	-	(22,439)	(22,439)
TOTAL OTHER FINANCING SOURCES (USES)	43,575,499	43,575,499	10,893,441	(32,682,058)
NET CHANGE IN FUND BALANCES	-	-	6,940,069	6,940,069
Fund balances - beginning	32,786,498	32,786,498	32,786,498	-
Fund balances - ending	$ 32,786,498	$ 32,786,498	$ 39,726,567	$ 6,940,069

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, 2012 Schedule III

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 150,091,903	$ 150,284,175	$ 141,921,292	$ (8,362,883)
Local agencies revenues and refunds	-	-	487,885	487,885
Investment income - unrestricted	-	-	310,905	310,905
TOTAL REVENUES	150,091,903	150,284,175	142,720,082	(7,564,093)
EXPENDITURES				
Allocations to other agencies	193,126,142	193,318,414	115,847,223	77,471,191
TOTAL EXPENDITURES	193,126,142	193,318,414	115,847,223	77,471,191
REVENUES OVER (UNDER) EXPENDITURES	(43,034,239)	(43,034,239)	26,872,859	69,907,098
OTHER FINANCING SOURCES (USES)				
Transfers in	43,034,237	43,034,237	3,051,577	(39,982,660)
Transfers out	-	-	(969,608)	(969,608)
TOTAL OTHER FINANCING SOURCES (USES)	43,034,237	43,034,237	2,081,969	(40,952,268)
NET CHANGE IN FUND BALANCES	(2)	(2)	28,954,828	28,954,830
Fund balances - beginning	41,958,863	41,958,863	41,958,863	-
Fund balances - ending	$ 41,958,861	$ 41,958,861	$ 70,913,691	$ 28,954,830

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, 2012 — Schedule IV

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ -
Investment income - unrestricted	-	-	1,402,186	1,402,186
TOTAL REVENUES	8,000,000	8,000,000	9,402,186	1,402,186
EXPENDITURES				
General government	8,000,000	8,000,000	8,034,994	(34,994)
Allocations to other agencies	863,066	863,066	-	863,066
TOTAL EXPENDITURES	8,863,066	8,863,066	8,034,994	828,072
REVENUES OVER (UNDER) EXPENDITURES	(863,066)	(863,066)	1,367,192	2,230,258
OTHER FINANCING SOURCES (USES)				
Transfers in	8,863,066	8,863,066	8,863,066	-
Transfers out	-	-	(630,000)	(630,000)
TOTAL OTHER FINANCING SOURCES (USES)	8,863,066	8,863,066	8,233,066	(630,000)
NET CHANGE IN FUND BALANCES	8,000,000	8,000,000	9,600,258	1,600,258
Fund balances - beginning	108,939,536	108,939,536	108,939,536	-
Fund balances - ending	$ 116,939,536	$ 116,939,536	$ 118,539,794	$ 1,600,258

Metropolitan Transportation Commission
Schedules of Funding Progress (unaudited)
For the Year Ended June 30, 2012 Schedule V

Pension Plan (Required Supplementary Information)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2008	$ 67,099,161	$ 74,493,447	$ 7,394,286	90.1 %	$ 16,230,948	45.6 %
June 30, 2009	72,334,074	85,989,050	13,654,976	84.1 %	16,969,851	80.5 %
June 30, 2010	77,635,562	91,504,175	13,868,613	84.8 %	17,233,074	80.5 %

Post Employment Benefits (Required Supplementary Information)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2009	$ 7,299,050	$ 12,774,408	$ 5,475,358	57.2 %	$ 17,011,660	32.2 %
January 1, 2010	9,249,465	20,599,779	11,350,314	44.9 %	17,417,779	65.2 %
January 1, 2012	13,124,584	24,735,009	11,610,425	53.1 %	17,799,482	65.3 %

OTHER SUPPLEMENTARY INFORMATION

Metropolitan Transportation Commission
Combining Balance Sheet — Non-Major Governmental Funds
June 30, 2012

Schedule 1

	Transit Reserves	Exchange	BART Car Exchange	Feeder Bus	Prop 1B Funds	Capital Projects	Total Non-Major Governmental Funds
ASSETS							
Cash and cash equivalents - unrestricted	$ 34,460,027	$ 8,326,122	$ -	$ 167,982	$ 6,933,513	$ 164,492	$ 50,052,136
Cash and cash equivalents - restricted	-	-	5,923,543	-	-	-	5,923,543
Investments - unrestricted	24,989,698	-	-	-	-	-	24,989,698
Investments - restricted	-	-	88,547,312	-	-	-	88,547,312
Receivables							
Accounts	-	-	25,940,067	-	-	-	25,940,067
Interest	9,920	-	39,341	-	-	-	49,261
Federal funding	-	-	-	-	-	499,723	499,723
Due from other funds	-	-	-	-	69,685	538,567	608,252
TOTAL ASSETS	$ 59,459,645	$ 8,326,122	$ 120,450,263	$ 167,982	$ 7,003,198	$ 1,202,782	$ 196,609,992
LIABILITIES							
Accounts payable and accrued expenditures	$ 27,320	$ 250,000	$ -	$ -	$ 615,595	$ 174,828	$ 1,067,743
Due to other funds	26,726	3,121	-	-	-	142,148	171,995
TOTAL LIABILITIES	54,046	253,121	-	-	615,595	316,976	1,239,738
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue	53,485,198	-	-	-	-	-	53,485,198
TOTAL DEFERRED INFLOWS OF RESOURCES	53,485,198	-	-	-	-	-	53,485,198
FUND BALANCES							
Restricted for:							
Transportation projects	5,920,401	-	-	167,982	6,387,603	386,037	12,862,023
Rail projects	-	-	120,450,263	-	-	-	120,450,263
Committed to:							
Building reserve	-	-	-	-	-	499,769	499,769
Transportation projects	-	8,073,001	-	-	-	-	8,073,001
TOTAL FUND BALANCES	5,920,401	8,073,001	120,450,263	167,982	6,387,603	885,806	141,885,056
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 59,459,645	$ 8,326,122	$ 120,450,263	$ 167,982	$ 7,003,198	$ 1,202,782	$ 196,609,992

Metropolitan Transportation Commission

Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Non-Major Governmental Funds

For the Year Ended June 30, 2012

Schedule 2

	Transit Reserves	Exchange	BART Car Exchange	Feeder Bus	Prop 1B Funds	Capital Projects	Total Non-Major Governmental Funds
REVENUES							
Grants - Federal	$ -	$ -	$ -	$ -	$ -	$ 1,837,247	$ 1,837,247
Grants - State	3,085,605	-	-	-	-	-	3,085,605
Local agencies revenues and refunds	-	6,107,195	25,940,067	-	-	-	32,047,262
Investment income - unrestricted	55,762	231,776	-	74	3,127	157	290,896
Investment income - restricted	-	-	203,961	-	-	-	203,961
TOTAL REVENUES	3,141,367	6,338,971	26,144,028	74	3,127	1,837,404	37,464,971
EXPENDITURES							
Current:							
General government	36,235	5,250,000	4,785	-	913,898	2,276,283	8,481,201
Allocations to other agencies	4,092,774	-	-	-	-	-	4,092,774
Capital outlay	-	-	-	-	-	20,277	20,277
TOTAL EXPENDITURES	4,129,009	5,250,000	4,785	-	913,898	2,296,560	12,594,252
EXCESS/(DEFICIENCY) OF REVENUES OVER/ (UNDER) EXPENDITURES	(987,642)	1,088,971	26,139,243	74	(910,771)	(459,156)	24,870,719
OTHER FINANCING SOURCES (USES)							
Transfers in	2,573,118	-	-	-	73,685	114,067	2,760,870
Transfers out	(151,178)	(25,696)	-	-	-	(151,447)	(328,321)
TOTAL OTHER FINANCING SOURCES (USES)	2,421,940	(25,696)	-	-	73,685	(37,380)	2,432,549
NET CHANGE IN FUND BALANCES	1,434,298	1,063,275	26,139,243	74	(837,086)	(496,536)	27,303,268
Fund balances - beginning	4,486,103	7,009,726	94,311,020	167,908	7,224,689	1,382,342	114,581,788
Fund balances - ending	$ 5,920,401	$ 8,073,001	$ 120,450,263	$ 167,982	$ 6,387,603	$ 885,806	$ 141,885,056

Metropolitan Transportation Commission

Schedule of Revenues, Expenses and Changes in Fund Balances — Budget and Actual — Transit Reserves Fund

For the Year Ended June 30, 2012 Schedule 3

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 3,085,605	$ 3,085,605	$ 3,085,605	$ -
Investment income - unrestricted	-	-	55,762	55,762
TOTAL REVENUES	3,085,605	3,085,605	3,141,367	55,762
EXPENDITURES				
General government	-	-	36,235	(36,235)
Allocations to other agencies	13,989,945	13,989,945	4,092,774	9,897,171
TOTAL EXPENDITURES	13,989,945	13,989,945	4,129,009	9,860,936
REVENUES OVER (UNDER) EXPENDITURES	(10,904,340)	(10,904,340)	(987,642)	9,916,698
OTHER FINANCING SOURCES (USES)				
Transfers in	10,904,340	10,904,340	2,573,118	(8,331,222)
Transfers out	-	-	(151,178)	(151,178)
TOTAL OTHER FINANCING SOURCES (USES)	10,904,340	10,904,340	2,421,940	(8,482,400)
NET CHANGE IN FUND BALANCES	-	-	1,434,298	1,434,298
Fund balances - beginning	4,486,103	4,486,103	4,486,103	-
Fund balances - ending	$ 4,486,103	$ 4,486,103	$ 5,920,401	$ 1,434,298

Metropolitan Transportation Commission

Schedule of Revenues, Expenses and Changes in Fund Balances — Budget and Actual — Exchange Fund

For the Year Ended June 30, 2012 — Schedule 4

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 6,106,195	$ 6,106,195	$ 6,107,195	$ 1,000
Investment income - unrestricted	-	-	231,776	231,776
TOTAL REVENUES	6,106,195	6,106,195	6,338,971	232,776
EXPENDITURES				
General government	11,472,036	11,472,036	5,250,000	6,222,036
TOTAL EXPENDITURES	11,472,036	11,472,036	5,250,000	6,222,036
REVENUES OVER (UNDER) EXPENDITURES	(5,365,841)	(5,365,841)	1,088,971	6,454,812
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(25,696)	(25,696)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(25,696)	(25,696)
NET CHANGE IN FUND BALANCES	(5,365,841)	(5,365,841)	1,063,275	6,429,116
Fund balances - beginning	7,009,726	7,009,726	7,009,726	-
Fund balances - ending	$ 1,643,885	$ 1,643,885	$ 8,073,001	$ 6,429,116

Metropolitan Transportation Commission

Schedule of Revenues, Expenses and Changes in Fund Balances — Budget and Actual — BART Car Exchange Fund

For the Year Ended June 30, 2012 Schedule 5

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 25,940,067	$ 25,940,067	$ 25,940,067	$ -
Investment income - restricted	-	-	203,961	203,961
TOTAL REVENUES	25,940,067	25,940,067	26,144,028	203,961
EXPENDITURES				
General government	-	-	4,785	(4,785)
TOTAL EXPENDITURES	-	-	4,785	(4,785)
NET CHANGE IN FUND BALANCES	25,940,067	25,940,067	26,139,243	199,176
Fund balances - beginning	94,311,020	94,311,020	94,311,020	-
Fund balances - ending	$ 120,251,087	$ 120,251,087	$ 120,450,263	$ 199,176

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances — Budget and Actual — Feeder Bus Fund
For the Year Ended June 30, 2012 Schedule 6

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 74	$ 74
TOTAL REVENUES	-	-	74	74
NET CHANGE IN FUND BALANCES	-	-	74	74
Fund balances - beginning	167,908	167,908	167,908	-
Fund balances - ending	$ 167,908	$ 167,908	$ 167,982	$ 74

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances — Budget and Actual — Prop 1B Fund
For the Year Ended June 30, 2012 — Schedule 7

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 3,127	$ 3,127
TOTAL REVENUES	-	-	3,127	3,127
EXPENDITURES				
General government	7,224,689	7,224,689	913,898	6,310,791
TOTAL EXPENDITURES	7,224,689	7,224,689	913,898	6,310,791
REVENUES OVER (UNDER) EXPENDITURES	(7,224,689)	(7,224,689)	(910,771)	6,313,918
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	73,685	73,685
TOTAL OTHER FINANCING SOURCES (USES)	-	-	73,685	73,685
NET CHANGE IN FUND BALANCES	(7,224,689)	(7,224,689)	(837,086)	6,387,603
Fund balances - beginning	7,224,689	7,224,689	7,224,689	-
Fund balances - ending	$ -	$ -	$ 6,387,603	$ 6,387,603

Metropolitan Transportation Commission
Schedule of Expenditures — Governmental Funds
For the Year Ended June 30, 2012 — Schedule 8

Expenditures by natural classification		
Salaries & benefits	$	18,129,838
Travel		94,836
Professional fees		36,949,592
Overhead		458,501
Printing & reproduction		108,217
Other		(45,300)
Reported as general government expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds[1]	$	55,695,684
Salaries & benefits - MTC Governmental	$	18,129,838
Salaries & benefits - MTC Clipper®		1,365,041
Salaries & benefits - BATA		6,521,530
Salaries & benefits - SAFE		1,931,144
Salaries & benefits - BAHA		106,248
Total salaries & benefits	$	28,053,801
Overhead - MTC Governmental	$	458,501
Overhead - MTC Clipper®		684,022
Overhead - SAFE		967,696
Total Overhead	$	2,110,219
[1]General Government Expenditures - by Fund		
General Fund	$	52,505,503
Capital Projects		2,276,283
Special Revenue - Prop 1B		913,898
	$	55,695,684

Metropolitan Transportation Commission
Schedule of Overhead, Salaries and Benefits Expenditures — Governmental Funds
For the Year Ended June 30, 2012 Schedule 9

	Direct Costs*	Allowable Indirect Costs	Unallowable Costs	Total
Salaries	$ 11,398,537	$ 4,242,617	$ -	$ 15,641,154
Benefits	9,183,131	3,229,516	-	12,412,647
Total salaries and benefits	$ 20,581,668	$ 7,472,133	$ -	$ 28,053,801
Reimbursable overhead:**				
Agency Temps		$ 177,919	$ -	$ 177,919
Training		27,492	38,096	65,588
Personnel recruitment		102,430	10,584	113,014
Public hearings		37,846	456	38,302
Advertising		67,219	-	67,219
Communications		113,014	-	113,014
Utilities		145,665	-	145,665
Meeting room rental		18,402	-	18,402
Equipment rental		12,926	-	12,926
Parking rental		15,397	390	15,787
Storage rental		37,635	-	37,635
Computer maintenance & repair		32,571	-	32,571
Auto expense		24,508	-	24,508
Equipment maintenance & repair		-	-	-
General maintenance		3,824	-	3,824
Janitorial service		98,583	-	98,583
Office supplies		92,069	-	92,069
Printing & graphics supplies		47,609	-	47,609
Computer supplies		33,611	-	33,611
Computer software		580,824	36	580,860
Computer hardware		122,358	-	122,358
Furniture & fixtures		312	-	312
Postage & mailing		69,801	-	69,801
Memberships		26,083	39,590	65,673
Library acquisitions & subscriptions		35,999	893	36,892
Law library		24,920	-	24,920
Computer time & services		20,506	-	20,506
Advisory member stipend		16,450	86,800	103,250
Audit fees		139,758	107,718	247,476
Newswire service		16,170	1,295	17,465
Insurance		127,960	-	127,960
Other		-	139,502	139,502
Miscellaneous		-	31,185	31,185
Travel		64,936	123,168	188,104
Professional Fees		83,280	-	83,280
Bldg Maintenance		441,255	-	441,255
Subtotal Indirect Costs		2,859,332	579,713	3,439,045
Carry forward provision for fiscal June 30, 2010		228,402	-	228,402
Depreciation expense		764,126	-	764,126
Total indirect costs including depreciation expense		$ 3,851,860	$ 579,713	$ 4,431,573
Indirect Cost Recovered		$ 10,260,233		
Indirect (Over)/Under Absorbed		$ 1,063,763		

*Direct Costs include BATA and SAFE Salaries and Benefits per Indirect Cost Plan for fiscal 2012.
**Overhead distributed to BATA and SAFE per Indirect Cost Plan for fiscal 2012.

Metropolitan Transportation Commission
Schedule of Expenditures — Federal Highway Administration Grant No. 10OWPMTC
For the Year Ended June 30, 2012 Schedule 10

	ABAG	MTC	Total
Authorized Expenditures			
Federal	$ 186,745	$ 2,168,825	$ 2,355,570
Local Match*	24,195	280,994	305,189
Total authorized expenditures	210,940	2,449,819	2,660,759
Actual Expenditures *			
Association of Bay Area Governments (ABAG)	186,745	-	186,745
MTC			
Program No. Program Name			
1112 Implement Public Information Program	-	50,000	50,000
1113 Support Partnership Board	-	4,000	4,000
1114 Support Advisory Committees	-	56,217	56,217
1121 Develop and Produce the RTP	-	68,631	68,631
1122 Travel Models and Data	-	73,020	73,020
1124 Integrate MTS with Natl & International Transportation	-	33,000	33,000
1125 Non-Motorized Transportation	-	16,000	16,000
1156 Library Services	-	73,000	73,000
1212 Develop MTS Performance Measures	-	78,000	78,000
1229 Refine Regional Transport ERP	-	62,000	62,000
1236 Implement Freeway Management Program	-	12,000	12,000
1311 Develop and Implement Welfare to Work Program	-	53,000	53,000
1312 Support Title VI and Environmental Justice	-	18,000	18,000
1412 Air Quality Conformity	-	25,005	25,005
1511 Financial Analysis and Planning	-	5,000	5,000
1512 Federal Programming, Monitoring and TIP Development	-	390,906	390,906
1517 Transit Sustainability	-	68,000	68,000
Total Expenditures	186,745	1,085,779	1,272,524
Balance of Federal Highway Administration Grant	$ -	$ 1,083,046	$

* Expenditures reported at federal reimbursement rate (88.53%)

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

Number of Axles Per Vehicle	Toll Rate for Fiscal Year Ending June 30, 2010	2011	2012
2 axles	$ 4.00	$ 5.00 *	$ 5.00 *
3 axles	6.00	6.00	10.50
4 axles	8.25	8.25	14.00
5 axles	11.25	11.25	18.00
6 axles	12.00	12.00	21.00
7 axles or more	13.50	13.50	24.25

* 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, 2012 — Schedule 12

		2012
Revenue		
Toll revenues collected	$	625,863,157
Investment income (charge)		(70,559,335)
BABs interest subsidy		76,561,538
Other operating revenues		17,050,612
Transfers from MTC		630,000
Total revenue		649,545,972
Operating expenses		
Operating expenses incurred by Caltrans		23,834,823
Operating expenses - Transbay JPA		3,740,989
Services and charges - BATA		52,912,365
Total operating before depreciation and amortization		80,488,177
Depreciation and amortization		1,884,205
Total operating expenses		82,372,382
Net operating income		567,173,590
Debt service and financing fees		
Interest expense		410,113,398
Financing fees		17,001,139
Bond issuance costs		841,687
Total debt service and financing fees		427,956,224
Income before grants & operating transfers		139,217,366
Caltrans/other agency operating grants		154,659,237
Operating transfers		
Metropolitan Transportation Commission administrative & operating transfers		10,836,776
Metropolitan Transportation Commission transit transfers		
AB 664 expenses		10,915,880
90% rail expenses		8,863,066
2% transit expenses		2,573,118
Transfers to Regional Measure 2		36,795,388
Total operating transfers		69,984,228
Net income before capital transfers		223,892,375
Capital project expense		
SAFE transfer		750,000
Distribution to Caltrans for their capital purposes		463,256,785
Distribution to other agencies for their capital purposes		174,712,847
Distribution to MTC		1,020,634
Contribution to Bay Area HQ Authority		167,026,515
Total capital project expense		806,766,781
Change in net position		(582,874,406)
Total net position - beginning		(4,544,448,037)
Total net position - ending	$	(5,127,322,443)

Metropolitan Transportation Commission
Schedule of Computations Demonstrating
Bond Covenant Compliance — BATA Proprietary Fund, *continued*
For the Year Ended June 30, 2012 — Schedule 12

		2012
Senior Bond - Debt Service Covenant		
Net revenue[1]	$	626,509,333
Debt service[2]	$	262,693,337
Debt service coverage[4]		2.38
Debt service coverage - bond covenant requirement		1.20
Net revenue[1] plus operations & maintenance reserve	$	701,509,333
Fixed charges[5], operating transfer and costs[7]	$	310,325,502
Fixed charge coverage		2.26
Fixed charge coverage - bond covenant requirement		1.25
Combined Bonds - Debt Service Covenant		
Net revenue[1]	$	626,509,333
Debt service[3,10], operating transfer and costs[7]	$	424,077,546
Sum sufficient coverage		1.48
Sum sufficient coverage - bond covenant requirement		1.00
Net revenue[1,6]	$	569,398,449
Debt Service[3]	$	372,246,861
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[9]	$	680,000,000

1. Total revenue includes interest earnings adjusted for derivative investment charge of $77,359,722 (see Note T), less Caltrans operating expenses and BABs interest subsidy.

2 Senior bond interest expense less BABs interest subsidy on senior bonds plus principal retirement of $38,695,000.

3 Total bond interest expense less BABs interest subsidy plus principal retirement of $38,695,000.

4 Based on debt outstanding from May 24, 2001 to November 4, 2010.

5 Fixed charges comprise debt service and operating transfers.

6 Net revenue 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 49 years was fulfilled in early September 2010).

8 Minimum required operation & maintenance is $75 million, but currently maintained at $150 million.

9 Designated reserve through BATA resolution.

10 Debt service includes Maintenance A transfer.

Metropolitan Transportation Commission

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

For the Year Ended June 30, 2012

Schedule 13

	Carquinez Bridge	Benicia - Martinez Bridge	Antioch Bridge	Richmond - San Rafael Bridge	San Francisco - Oakland Bay Bridge	San Mateo - Hayward Bridge	Dumbarton Bridge	Total
Operating revenues								
Toll revenues collected	$ 106,862,308	$ 95,967,433	$ 11,982,407	$ 65,271,303	$ 215,612,429	$ 81,627,375	$ 48,539,902	$ 625,863,157*
Other operating revenues	2,738,443	2,820,260	265,097	1,652,482	6,285,117	2,076,768	1,212,445	17,050,612
Total operating revenues	109,600,751	98,787,693	12,247,504	66,923,785	221,897,546	83,704,143	49,752,347	642,913,769
Operating expenses								
Operating expenditures-by Caltrans & Transbay JPA	3,723,986	3,761,209	1,365,247	2,387,971	10,806,149	3,134,699	2,396,551	27,575,812
Services and charges	9,034,463	8,113,377	1,013,029	5,518,234	18,228,527	6,901,025	4,103,709	52,912,364
Allocations to other agencies	6,282,588	5,642,062	704,463	3,837,393	12,676,162	4,798,990	2,853,730	36,795,388
Depreciation	321,187	289,499	35,892	196,121	650,409	245,297	145,800	1,884,205
Total operating expenses	19,362,224	17,806,147	3,118,631	11,939,719	42,361,247	15,080,011	9,499,790	119,167,769
Operating income	$ 90,238,527	$ 80,981,546	$ 9,128,873	$ 54,984,066	$ 179,536,299	$ 68,624,132	$ 40,252,557	$ 523,746,000
*Toll revenues by Program								
Regional Measure 1 (RM 1)	25,102,539	21,610,847	2,957,077	14,554,761	46,638,954	18,172,308	10,493,736	$ 139,530,222
Regional Measure 2 (RM 2)	19,045,460	17,654,430	2,035,557	12,086,852	40,824,522	14,982,969	9,078,092	115,707,882
Seismic Program	62,714,309	56,702,156	6,989,773	38,629,690	128,148,953	48,472,098	28,968,074	370,625,053
Total Toll Revenues	$ 106,862,308	$ 95,967,433	$ 11,982,407	$ 65,271,303	$ 215,612,429	$ 81,627,375	$ 48,539,902	$ 625,863,157

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant — Agency Funds
For the Year Ended June 30, 2012 — Schedule 14

County of Alameda		Balance July 1, 2011	Additions	Deductions		Balance June 30, 2012
Assets						
Cash and cash equivalents	$	18,761,323	66,325,393	65,735,494	$	19,351,222
Interest receivables		24,155	10,000	24,155		10,000
Total Assets	$	18,785,478	66,335,393	65,759,649	$	19,361,222
Liabilities						
Accounts payable and accrued liabilities	$	2,828,298	58,928,523	59,687,515	$	2,069,306
Due to other governments		15,957,180	7,406,870	6,072,134		17,291,916
Total Liabilities	$	18,785,478	66,335,393	65,759,649	$	19,361,222
County of Contra Costa						
Assets						
Cash and cash equivalents	$	12,307,936	35,037,278	34,033,755	$	13,311,459
Total Assets	$	12,307,936	35,037,278	34,033,755	$	13,311,459
Liabilities						
Accounts payable and accrued liabilities	$	558,715	32,900,370	32,819,869	$	639,216
Due to other governments		11,749,221	2,136,908	1,213,886		12,672,243
Total Liabilities	$	12,307,936	35,037,278	34,033,755	$	13,311,459
County of Marin						
Assets						
Cash and cash equivalents	$	1,855,572	10,319,074	11,273,871	$	900,775
Interest receivables		665	382	665		382
Total Assets	$	1,856,237	10,319,456	11,274,536	$	901,157
Liabilities						
Accounts payable and accrued liabilities	$	1,463,850	9,396,185	10,860,035	$	-
Due to other governments		392,387	923,271	414,501		901,157
Total Liabilities	$	1,856,237	10,319,456	11,274,536	$	901,157
County of Napa						
Assets						
Cash and cash equivalents	$	14,469,151	9,294,508	8,960,474	$	14,803,185
Total Assets	$	14,469,151	9,294,508	8,960,474	$	14,803,185
Liabilities						
Accounts payable and accrued liabilities	$	109,793	9,017,239	8,664,494	$	462,538
Due to other governments		14,359,358	277,269	295,980		14,340,647
Total Liabilities	$	14,469,151	9,294,508	8,960,474	$	14,803,185

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant — Agency Funds, *continued*
For the Year Ended June 30, 2012 — Schedule 14

County of San Francisco		Balance July 1, 2011	Additions	Deductions		Balance June 30, 2012
Assets						
Cash and cash equivalents	$	2,279,610	40,713,918	36,093,265	$	6,900,263
Total Assets	$	2,279,610	40,713,918	36,093,265	$	6,900,263
Liabilities						
Accounts payable and accrued liabilities	$	496,739	32,458,417	32,475,997	$	479,159
Due to other governments		1,782,871	8,255,501	3,617,268		6,421,104
Total Liabilities	$	2,279,610	40,713,918	36,093,265	$	6,900,263
County of San Mateo						
Assets						
Cash and cash equivalents	$	5,793,371	35,148,695	31,556,625	$	9,385,441
Account receivables		-	14,667	-		14,667
Interest receivables		7,839	13,484	7,839		13,484
Total Assets	$	5,801,210	35,176,846	31,564,464	$	9,413,592
Liabilities						
Accounts payable and accrued liabilities	$	211,849	32,536,354	28,617,212	$	4,130,991
Due to other governments		5,589,361	2,640,492	2,947,252		5,282,601
Total Liabilities	$	5,801,210	35,176,846	31,564,464	$	9,413,592
County of Santa Clara						
Assets						
Cash and cash equivalents	$	18,808,660	91,242,015	98,685,169	$	11,365,506
Total Assets	$	18,808,660	91,242,015	98,685,169	$	11,365,506
Liabilities						
Accounts payable and accrued liabilities	$	14,773,293	83,796,859	91,060,988	$	7,509,164
Due to other governments		4,035,367	7,445,156	7,624,181		3,856,342
Total Liabilities	$	18,808,660	91,242,015	98,685,169	$	11,365,506
County of Solano						
Assets						
Cash and cash equivalents	$	11,547,014	15,046,248	16,984,183	$	9,609,079
Account receivables		-	11,764	-		11,764
Total Assets	$	11,547,014	15,058,012	16,984,183	$	9,620,843
Liabilities						
Accounts payable and accrued liabilities	$	2,414,440	14,765,693	16,364,726	$	815,407
Due to other governments		9,132,574	292,319	619,457		8,805,436
Total Liabilities	$	11,547,014	15,058,012	16,984,183	$	9,620,843

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant — Agency Funds, *continued*
For the Year Ended June 30, 2012 — Schedule 14

County of Sonoma		Balance July 1, 2011	Additions	Deductions		Balance June 30, 2012
Assets						
Cash and cash equivalents	$	11,663,966	18,518,752	18,639,006	$	11,543,712
Total Assets	$	11,663,966	18,518,752	18,639,006	$	11,543,712
Liabilities						
Accounts payable and accrued liabilities	$	413,043	17,727,180	17,981,760	$	158,463
Due to other governments		11,250,923	791,572	657,246		11,385,249
Total Liabilities	$	11,663,966	18,518,752	18,639,006	$	11,543,712
AB 1107						
Assets						
Cash and cash equivalents	$	-	65,001,072	65,001,072	$	-
Total Assets	$	-	65,001,072	65,001,072	$	-
Liabilities						
Accounts payable and accrued liabilities	$	-	65,001,072	65,001,072	$	
Total Liabilities	$	-	65,001,072	65,001,072	$	-
Clipper®						
Assets						
Cash and cash equivalents	$	11,287,887	488,470,977	479,518,619	$	20,240,245
Account receivables		8,919,911	619,242,150	619,009,243		9,152,818
Total Assets	$	20,207,798	1,107,713,127	1,098,527,862	$	29,393,063
Liabilities						
Accounts payable and accrued liabilities	$	20,207,798	595,601,482	586,416,217	$	29,393,063
Total Liabilities	$	20,207,798	595,601,482	586,416,217	$	29,393,063
Total - All Agency Funds						
Assets						
Cash and cash equivalents	$	108,774,490	875,117,930	866,481,533	$	117,410,887
Interest receivables		32,659	23,866	32,659		23,866
Account receivables		8,919,911	619,268,581	619,009,243		9,179,249
Total Assets	$	117,727,060	1,494,410,377	1,485,523,435	$	126,614,002
Liabilities						
Accounts payable and accrued liabilities	$	43,477,818	952,129,374	949,949,885	$	45,657,307
Due to other governments		74,249,242	542,281,003	535,573,550		80,956,695
Total Liabilities	$	117,727,060	1,494,410,377	1,485,523,435	$	126,614,002

Metropolitan Transportation Commission
Statement of Cash Collection and Disbursement — Agency Fund
Clipper® Program
For the Year Ended June 30, 2012 — Schedule 15

Cash Collection		
Autoload and Remote Add Value	$	141,469,848
Third Party		126,485,080
Total Cash Collection		267,954,928
Cash Disbursement		
Disbursement to Operator		255,487,753
Patron Refunds		2,830,665
Merchant Commission		582,073
Other Disbursements		102,079
Total Cash Disbursement		259,002,570
Net Increase in Cash		8,952,358
Cash - beginning balance		11,287,887
Cash - ending balance	$	20,240,245

Metropolitan Transportation Commission
Schedule of Interest Rate Swap Summary — BATA Proprietary Fund
For the Year Ended June 30, 2012

Schedule 16

Counterparty	Series 2001	Series 2006	Series 2007	Series 2008 F-1	Total	Percentage by Counterparty	Ratings (S&P/Moodys)
Citibank N.A.	$ -	$ 115,000,000	$ 260,000,000	$ -	$ 375,000,000	19%	A/A3
Wells Fargo Bank N.A.	75,000,000	110,000,000	-	-	185,000,000	10%	AA-/Aa3
JP Morgan Chase Bank, N.A.	-	245,000,000	-	140,900,000	385,900,000	20%	A+/Aa3
Bank of America, N.A.	-	155,000,000	50,000,000	200,000,000	405,000,000	21%	A/A3
Goldman Sachs Mitsui Marine Derivative Products	-	60,000,000	85,000,000	-	145,000,000	8%	AAA/Aa2
Bank of New York Mellon	-	-	210,000,000	146,445,000	356,445,000	18%	AA-/Aa1
Morgan Stanley Capital Services	75,000,000	-	-	-	75,000,000	4%	A-/Baa1
Total Swap Notional	$ 150,000,000	$ 685,000,000	$ 605,000,000	$ 487,345,000	$ 1,927,345,000		

Termination Value	$ (66,183,313)	$ (266,946,513)	$ (227,991,374)	$ 27,282,560	$ (533,838,640)

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2001 — BATA Proprietary Fund
For the Year Ended June 30, 2012

Schedule 17

	Series 2001 A	Series 2001 A	Total
Notional Amount	$ 75,000,000	$ 75,000,000	$ 150,000,000
Trade Date	1/10/2002	5/20/2011	
Effective Date	1/14/2002	5/2/2011	
Swap Mode	65% One Mth LIBOR [1]	65% One Mth LIBOR	
Maturity	4/1/2036	4/1/2036	
Basis Cost	Yes	Yes	
Swap Cost	4.09%	4.10%	
Counterparty (CP)	Morgan Stanley Capital Services Inc	Wells Fargo Bank N.A.	
S&P/Moodys Ratings	A-/Baa1	AA-/Aa3	
Ratings Outlook/Watch	Negative/Negative	Negative/Stable	
Termination Value Due from/(to) CP	$ (33,027,512)	$ (33,155,801)	$ (66,183,313)
Credit Risk			
CP Collateral Posting [2]			
1a) CP = to or > "A-"and below "AA-" (S&P)	Yes	No	
OR			
1b) CP = to or > "A3" and below "Aa3" (Moodys)	No	No	
and			
2) Termination Value >$10 million	No	No	
OR			
CP Collateral Posting [2]			
1c) CP < A- (S&P)	No	No	
OR			
1d) CP < A3 (Moodys)	Yes	No	
AND			
2) Termination Value > $0	No	No	
Ratings Termination Risk [3]			
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB+/Baa1	

[1] prior to 1/1/06 was cost of fund
[2] unilateral collateral posting by CP
[3] unilateral termination at BATA's discretion unless ratings fall below as listed

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2006 — BATA Proprietary Fund
For the Year Ended June 30, 2012 Schedule 18

	Series 2006	Series 2006 (3)	Series 2006	Series 2006	Series 2006	Series 2006	Total
Notional Amount	$ 245,000,000	$ 115,000,000	$ 30,000,000	$ 110,000,000	$ 60,000,000	$ 125,000,000	$ 685,000,000
Trade Date	3/31/2011	3/20/2012	11/15/2005	3/20/2012	8/28/2008	9/2/2008	
Effective Date	4/1/2011	3/1/2012	2/8/2006	3/1/2012	8/28/2008	9/2/2008	
Swap Mode	75.105% One Mth LIBOR	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	
Basis Cost	Yes	Yes	Yes	Yes	Yes	Yes	
Swap Cost	4%	3.64%	3.63%	3.64%	3.64%	3.64%	
Counterparty (CP)	JP Morgan Chase Bank, N.A.	Citibank, N.A.	Bank of America, N.A.	Wells Fargo Bank N.A.	Goldman Sachs Mitsui Marine Derivative Products	Bank of America, N.A.	
S&P/Moodys	A+/Aa3	A/A3	A/A3	AA-/Aa3	AAA/Aa2	A/A3	
Ratings Outlook/Watch	Negative/Stable	Negative/Stable	Negative/Stable	Negative/Stable	Negative/Stable	Negative/Stable	
Termination Value Due from/(to) CP	$ (108,116,697)	$ (36,851,833)	$ (12,054,956)	$ (35,249,686)	$ (24,218,381)	$ (50,454,960)	$ (266,946,513)
Credit Risk							
CP Collateral Posting (1)							
1a) CP = to or > than "A-"and below "AA-" (S&P)	Yes	Yes	Yes	No	No	Yes	
OR							
1b) CP = to or > than "A3" and below "Aa3" (Moodys)	No	Yes	Yes	No	No	Yes	
AND							
2) Termination Value >$10 million	No	No	No	No	No	No	
OR							
CP Collateral Posting (1)							
1c) CP < A- (S&P)	No	No	No	No	No	No	
OR							
1d) CP < A3 (Moodys)	No	No	No	No	No	No	
AND							
2) Termination Value >$0	No	No	No	No	No	No	
Ratings Termination Risk (2)							
CP can terminate if							
Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB-/Baa3	BBB/Baa2 (Insured)	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

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

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2007 — BATA Proprietary Fund
For the Year Ended June 30, 2012

Schedule 19

	Series 2007	Series 2007	Series 2007	Series 2007	Series 2007	Total
Notional Amount	$ 260,000,000	$ 50,000,000	$ 85,000,000	$ 170,000,000	$ 40,000,000	$ 605,000,000
Trade Date	11/30/2005	11/30/2005	8/28/2008	9/2/2008	9/2/2008	
Effective Date	11/1/2007	11/1/2007	8/28/2008	9/2/2008	9/2/2008	
Swap Mode	53.8% One Mth LIBOR + 0.74%	68% One Mth LIBOR	68% One Mth LIBOR	68 % One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2047	4/1/2047	
Basis Cost	Yes	Yes	Yes	Yes	Yes	
Swap Cost	3.64%	3.63%	3.64%	3.64%	3.64%	
Counterparty (CP)	Citibank N.A.	Bank of America, N.A.	Goldman Sachs Mitsui Marine Derivative Products	Bank of New York Mellon	Bank of New York Mellon	
S&P/Moodys Ratings	A/A3	A/A3	AAA/Aa2	AA-/Aa1	AA-/Aa1	
Ratings Outlook	Negative/Stable	Negative/Stable	Negative/Stable	Negative/Stable	Negative/Stable	
Termination Value Due from/(to) CP	$ (85,496,874)	$ (20,558,173)	$ (35,133,761)	$ (70,267,035)	$ (16,535,531)	$ (227,991,374)
Credit Risk						
CP Collateral Posting [1]						
1a) CP = to or > than "A-" and below "AA-" (S&P)	Yes	Yes	No	No	No	
OR						
1b) CP = to or > than "A3" and below "Aa3" (Moodys)	Yes	Yes	No	No	No	
AND						
2) Termination Value > $10 million	No	No	No	No	No	
OR						
CP Collateral Posting [1]						
1c) CP < A- (S&P)	No	No	No	No	No	
OR						
1d) CP < A3 (Moodys)	No	No	No	No	No	
AND						
2) Termination Value > $0	No	No	No	No	No	
Ratings Termination Risk [2]						
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB-/Baa3	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

(1) unilateral collateral posting by CP
(2) unilateral termination at BATA's discretion unless ratings fall below as listed

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2008 — BATA Proprietary Fund
For the Year Ended June 30, 2012

Schedule 20

	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Total
Notional Amount	$ 140,900,000	$ 146,445,000	$ 40,000,000	$ 160,000,000	$ 487,345,000
Trade Date	3/31/2011	3/30/2011	3/30/2011	3/29/2011	
Effective Date	4/1/2011	4/1/2011	4/1/2011	4/1/2011	
Swap Fix Receiver Rate	3.71%	3.79%	3.76%	3.70%	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2045	
Basis Cost	No	No	No	No	
Swap Payer Index	SIFMA	SIFMA	SIFMA	SIFMA	
Counterparty (CP)	JP Morgan Chase Bank, N.A.	Bank of New York Mellon	Bank of America, N.A.	Bank of America, N.A.	
S&P/Moodys Ratings	A+/Aa3	AA-/Aa1	A/A3	A/A3	
Ratings Outlook	Negative/Stable	Negative/Stable	Negative/Stable	Negative/Stable	
Termination Value Due from/(to) CP	$ 8,038,160	$ 8,426,367	$ 2,147,882	$ 8,670,151	$ 27,282,560
Credit Risk					
CP Collateral Posting [1]					
1a) CP = to or > than "A-", and below "AA-" (S&P)	Yes	No	Yes	Yes	
OR					
1b) CP = to or > than "A3" and below "Aa3" (Moodys)	No	No	Yes	Yes	
AND					
2) Termination Value > $10 million	No	No	No	No	
OR					
CP Collateral Posting [1]					
1c) CP < A- (S&P)	No	No	No	No	
OR					
1d) CP < A3 (Moodys)	No	No	No	No	
AND					
2) Termination Value > $0	Yes	Yes	Yes	Yes	
Ratings Termination Risk [2]					
CP can terminate if Sr Bond Ratings (S&P or Moodys) is below	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	

[1] unilateral collateral posting by CP

[2] unilateral termination at BATA's discretion with 15 days' notice unless ratings fall as listed. CP has one time termination option on 4/1/2014

STATISTICAL SECTION

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

Contents **Page**

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

Table 1

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012
Governmental activities										
Invested in capital assets, net of related debt	$ 3,145	$ 2,946	$ 6,051	$ 5,827	$ 6,015	$ 8,768	$ 8,393	$ 7,936	$ 7,277	$ 6,712
Restricted	123,408	116,532	104,451	117,117	157,234	337,420	329,243	467,544	332,378	406,868
Unrestricted	37,499	35,169	49,795	50,970	130,205	(33,269)	(29,911)	(21,259)	(6,534)	(3,388)
Total governmental activities net position	164,052	154,647	160,297	173,914	293,454	312,919	307,725	454,221	333,121	410,192
Business-type activities										
Invested in capital assets, net of related debt	$ 2,137	$ 1,886	$ 4,895	$ 5,539	$ 5,596	$ 8,206	$ 12,779	$ 18,199	$ 17,825	$ 19,192
Restricted	130,000	175,000	257,670	643,444	691,735	338,458	293,873	200,000	200,000	200,000
Unrestricted	40,210	(320,399)	(592,302)	(1,914,340)	(2,347,410)	(2,549,520)	(3,304,407)	(4,014,079)	(4,744,006)	(5,329,066)
Total business-type activities net position	172,347	(143,513)	(329,737)	(1,265,357)	(1,650,079)	(2,202,856)	(2,997,755)	(3,795,880)	(4,526,181)	(5,109,874)
Total Primary government										
Invested in capital assets, net of related debt	$ 5,282	$ 4,832	$ 10,946	$ 11,366	$ 11,611	$ 16,974	$ 21,172	$ 26,135	$ 25,102	$ 25,904
Restricted	253,408	291,532	362,121	760,560	848,969	675,878	623,116	667,544	532,378	606,868
Unrestricted	77,709	(285,230)	(542,507)	(1,863,369)	(2,217,205)	(2,582,789)	(3,334,318)	(4,035,338)	(4,750,540)	(5,332,454)
Total primary government net position	336,399	11,134	(169,440)	(1,091,443)	(1,356,625)	(1,889,937)	(2,690,030)	3,341,659	(4,193,060)	(4,699,682)

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

Metropolitan Transportation Commission
Changes in Net Position ($000) (unaudited)
By Fiscal Year

Table 2

^	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012
Expenses										
Governmental activities:										
General government	$ 48,571	$ 47,238	$ 47,452	$ 63,297	$ 93,884	$ 85,203	$ 86,672	$ 97,260	$ 78,611	$ 75,836
Transportation	105,152	81,873	71,885	87,731	145,647	152,999	99,154	54,852	149,092	124,269
Total governmental activities expenses	153,723	129,111	119,337	151,028	239,531	238,202	185,826	152,112	227,703	200,105
Business-type activities:										
Clipper smart card	-	-	-	-	-	-	-	-	52,048	34,846
Toll bridge activities	390,063	451,930	433,703	617,546	1,155,916	1,234,968	1,299,135	1,300,850	1,569,444	1,352,120
Congestion relief	10,376	10,869	11,789	12,402	16,892	13,675	14,363	17,309	17,939	18,693
Total business-type activities expenses	400,439	462,799	445,492	629,948	1,172,808	1,248,643	1,313,498	1,318,159	1,639,431	1,405,659
Total primary government expenses	$ 554,162	$ 591,910	$ 564,829	$ 780,976	$ 1,412,339	$ 1,486,845	$ 1,499,324	$ 1,470,271	$ 1,867,134	$ 1,605,764
Program Revenues										
Governmental activities:										
Charges for services										
Operating grants and contributions	$ 48,068	$ 49,974	$ 50,165	$ 57,641	$ 320,311	$ 207,496	$ 85,048	$ 249,436	$ 74,274	$ 243,843
Capital grants and contributions	72,345	42,344	44,957	70,770	-	9,858	61,796	10,673	-	-
Total governmental activities program revenues	120,413	92,318	95,122	128,411	320,311	217,354	146,844	260,109	74,274	243,843
Business-type activities:										
Charges for services	151,914	152,937	256,466	293,000	434,341	497,712	492,963	486,889	622,906	660,156
Operating grants and contributions	7,074	6,718	8,130	8,868	283,082	110,372	53,490	131,872	281,918	263,080
Capital grants and contributions	-	-	-	499,403	1,235	-	-	-	327	-
Total business-type activities program revenues	158,988	159,655	264,596	801,271	718,658	608,084	546,453	618,761	905,151	923,236
Total primary government program revenues	$ 279,401	$ 251,973	$ 359,718	$ 929,682	$ 1,038,969	$ 825,438	$ 693,297	$ 878,870	$ 979,425	$ 1,167,079
Net (expense)/revenue										
Governmental activities	$ (33,310)	$ (36,793)	$ (24,215)	$ (22,617)	$ 80,780	$ (20,848)	$ (38,982)	$ 107,997	$ (153,429)	$ 43,737
Business-type activities	(241,451)	(303,144)	(180,896)	171,323	(454,150)	(640,559)	(767,045)	(699,398)	(734,280)	(482,423)
Total primary government net expense	$ (274,761)	$ (339,937)	$ (205,111)	$ 148,706	$ (373,370)	$ (661,407)	$ (806,027)	$ (591,401)	$ (887,709)	$ (438,686)

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

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

Table 2

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010*	2011*	2012
General Revenues and Other Changes in Net Position										
Governmental activities:										
Restricted investment earnings	$ 1,764	$ 1,090	$ 2,791	$ 3,996	$ 9,498	$ 1,454	$ 784	$ 222	$ 408	$ 204
Unrestricted investment earnings	-	-	-	-	1,410	9,936	5,002	1,963	2,448	2,416
Transfers	27,250	26,298	27,074	32,238	27,852	28,922	28,003	36,314	29,473	30,714
Total governmental activities	29,014	27,388	29,865	36,234	38,760	40,312	33,789	38,499	32,329	33,334
Business-type activities:										
Unrestricted investment earnings	25,793	11,185	21,746	44,857	97,280	116,704	149	(14,866)	33,452	(70,557)
Contributed capital	-	2,397	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	(1,119,562)	-	-	-	-	-	-
Transfers	(27,250)	(26,298)	(27,074)	(32,238)	(27,852)	(28,922)	(28,003)	(36,314)	(29,473)	(30,714)
Total business-type activities	(1,457)	(12,716)	(5,328)	(1,106,943)	69,428	87,782	(27,854)	(51,180)	3,979	(101,271)
Total primary government	$ 27,557	$ 14,672	$ 24,537	$ (1,070,709)	$ 108,188	$ 128,094	$ 5,935	$ (12,681)	$ 36,308	$ (67,937)
Change in Net Position										
Governmental activities	$ (4,296)	$ (9,405)	$ 5,650	$ 13,617	$ 119,540	$ 19,465	$ (5,194)	$ 146,496	$ (121,100)	$ 77,072
Business-type activities	(242,908)	(315,860)	(186,224)	(935,620)	(384,722)	(552,777)	(794,899)	(750,578)	(730,301)	(583,694)
Total primary government	$ (247,204)	$ (325,265)	$ (180,574)	$ (922,003)	$ (265,182)	$ (533,312)	$ (800,093)	$ (604,082)	$ (851,401)	$ (506,622)

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

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

Table 3

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	$ 25,259	$ 20,310	$ 15,647	$ 15,186	$ 13,949	$ -	$ -	$ -	$ -	$ -
Unreserved	1,953	4,133	5,591	8,832	12,870	-	-	-	-	-
Total general fund	$ 27,212	$ 24,443	21,238	$ 24,018	$ 26,819	$ -	$ -	$ -	$ -	$ -
All other governmental funds										
Reserved	$ 58,214	$ 48,413	$ 43,938	$ 44,931	$ 97,455	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	96	-	-	-	-	-
Special revenue funds	35,601	31,072	35,032	44,556	117,239	-	-	-	-	-
Total all other governmental funds	$ 93,815	$ 79,485	78,970	$ 89,487	$ 214,790	$ -	$ -	$ -	$ -	$ -
General fund										
Nonspendable	$ -	$ -	-	$ -	$ -	$ 408	$ 593	$ 763	$ 918	$ 1,037
Restricted for	-	-	-	-	-	4,175	5,086	2,734	1,954	2,389
Committed to	-	-	-	-	-	3,002	3,836	4,960	2,855	3,992
Unassigned	-	-	-	-	-	11,676	10,210	11,009	17,834	21,199
Total general fund	$ -	$ -	$ -	$ -	$ -	$ 19,261	$ 19,725	$ 19,466	$ 23,561	$ 28,617
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted for	-	-	-	-	-	272,730	268,794	415,129	290,757	362,492
Committed to	-	-	-	-	-	7,372	6,550	7,573	7,509	8,573
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ 280,102	$ 275,344	$ 422,702	$ 298,266	$ 371,065

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

Table 4

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Sales taxes	$ 8,903	$ 9,087	$ 9,562	$ 10,355	$ 10,626	$ 10,800	$ 9,848	$ 8,824	$ 9,644	$ 10,504
Grants - Federal	28,129	30,979	32,568	37,452	44,211	50,727	41,426	63,559	48,819	49,529
Grants - State	77,009	45,821	47,339	74,084	227,809	127,565	61,796	148,976	5,392	145,788
Local agencies revenues and refunds	6,372	6,430	5,653	6,520	37,666	33,039	33,774	46,755	18,419	46,022
Investment income - unrestricted	1,764	1,090	2,791	3,997	9,498	11,346	5,002	1,963	2,448	2,416
Investment income - restricted	-	-	-	-	-	1,454	783	222	408	204
Total revenues	122,177	93,407	97,913	132,408	329,810	234,931	152,629	270,299	85,130	254,463
Expenditures										
General government	48,211	44,958	38,805	49,945	59,182	74,153	64,358	70,100	72,612	69,048
Allocation to other agencies	112,648	91,680	81,185	95,765	156,210	163,201	107,027	66,875	162,266	138,105
Capital outlay	56	166	10,540	5,639	14,166	15,744	13,542	22,538	66	170
Total expenditures	160,915	136,804	130,530	151,349	229,558	253,098	184,927	159,513	234,944	207,323
Excess of revenues over (under) expenditures	(38,738)	(43,397)	(32,617)	(18,941)	100,252	(18,167)	(32,298)	110,786	(149,814)	47,140
Other financing sources (uses)										
Other financing source	-	-	-	-	-	47,000	-	-		-
Transfer in	31,378	29,964	29,375	35,980	42,543	49,778	57,683	44,195	35,310	34,468
Transfer out	(4,127)	(3,666)	(2,300)	(3,742)	(14,691)	(20,856)	(29,680)	(7,881)	(5,838)	(3,754)
Total other financing sources (uses)	27,251	26,298	27,075	32,238	27,852	75,922	28,003	36,314	29,472	30,714
Net change in fund balances	$ (11,487)	$ (17,099)	$ (5,542)	$ 13,297	$ 128,104	$ 57,755	$ (4,295)	$ 147,100	$ (120,342)	$ 77,854

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

Table 5

		PROGRAM REVENUES			GENERAL REVENUES		
Fiscal Year		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Restricted Investment Earnings	Unrestricted Investment Earnings	Total
2002		150,127,560	44,810,738	64,472,632	-	49,973,084	309,384,014
2003	1	151,914,404	46,238,665	72,344,529	-	27,557,608	298,055,206
2004		152,936,898	47,604,184	42,343,900	-	12,274,572	255,159,554
2005	2	256,466,211	48,732,356	44,957,468	-	24,537,489	374,693,524
2006	3	292,999,899	66,509,695	570,172,943	-	48,853,834	978,536,371
2007	4	434,341,478	603,392,696	1,234,760	1,410,000	106,778,738	1,147,157,672
2008	5	497,712,304	317,868,256	9,858,000	1,454,256	126,640,261	953,533,077
2009	6	492,963,040	200,334,018	-	783,516	5,150,515	699,231,089
2010	7	486,888,891	381,308,169	10,672,699	221,925	(12,903,019)	866,188,665
2011	8	622,905,920	356,192,046	327,301	408,234	35,900,213	1,015,733,714
2012		660,156,182	506,922,527	-	203,961	(68,140,306)	1,099,142,364

1 Excludes $300 million bond proceeds
2 Excludes $300 million bond proceeds
3 Excludes $2,149 million bond proceeds
4 Excludes $811 million bond proceeds
5 Excludes $1,008 million bond proceeds
6 Excludes $708 million bond proceeds
7 Excludes $2,069 billion bond proceeds
8 Excludes $2,385 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
2003	$ 48,570,719	$ 105,152,624	$ 390,063,272	$ 10,375,587	$ -	$ 554,162,202
2004	47,237,837	81,873,193	451,929,595	10,869,417		591,910,042
2005	47,451,629	71,885,313	433,703,072	11,788,922		564,828,936
2006	63,297,372	87,731,178	617,546,375	12,401,445		780,976,370
2007	93,884,140	145,646,986	1,155,916,387	16,891,976		1,412,339,489
2008	85,202,758	152,998,857	1,234,968,178	13,675,326		1,486,845,119
2009	86,671,886	99,153,429	1,299,135,147	14,363,137		1,499,323,599
2010*	97,259,761	54,851,617	1,300,850,028	17,309,069		1,470,270,475
2011*	78,610,828	149,092,421	1,569,444,305	17,939,280	52,047,730	1,867,134,564
2012	75,836,192	124,269,186	1,352,120,141	18,692,766	34,846,108	1,605,764,393

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

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

Table 7

Fiscal Year	San Francisco-Oakland Bay Bridge	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Total Revenue
2003	$ 48,788,086	$ 16,689,764	$ 11,114,225	$ 27,475,268	$ 21,792,680	$ 3,422,296	$ 14,917,557	$ 144,199,876
2004	48,359,687	17,798,598	10,849,858	27,665,208	22,070,380	3,618,949	14,813,522	145,176,202
2005	85,879,816	30,369,927	18,559,373	46,458,835	36,529,638	5,850,611	24,492,701	248,140,901
2006	94,092,670	35,638,094	21,839,387	51,766,708	41,578,791	6,675,489	28,685,717	280,276,856
2007	141,806,435	53,621,361	33,662,371	77,320,278	62,637,940	9,905,926	43,400,541	422,354,852
2008	161,335,048	59,628,110	37,589,986	85,225,636	73,663,301	10,545,060	49,389,963	477,377,104
2009	163,424,734	56,451,232	35,491,342	83,121,692	73,535,614	9,848,575	48,263,187	470,136,376
2010	157,455,482	58,242,972	35,674,460	81,501,610	74,627,628	9,498,837	49,084,593	466,085,582
2011	210,190,214	75,064,299	46,782,024	100,918,100	92,268,264	11,080,910	61,058,136	597,361,947
2012	215,612,429	81,627,375	48,539,902	106,862,308	95,967,433	11,982,407	65,271,303	625,863,157

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
2003	49,412,655	15,771,699	11,539,424	23,305,920	18,517,754	2,522,697	13,062,238	134,132,387
2004	49,181,230	16,716,970	11,182,599	23,610,150	18,775,231	2,659,370	13,036,614	135,162,164
2005	48,092,917	16,551,900	10,779,979	23,103,224	18,261,679	2,676,269	12,544,235	132,010,203
2006	46,253,979	16,948,414	10,957,158	22,709,571	18,292,428	2,687,915	12,645,557	130,495,022
2007	45,568,951	16,901,880	11,108,116	22,762,879	18,230,344	2,729,276	12,664,782	129,966,228
2008	45,139,513	16,376,583	10,767,813	21,795,287	18,508,003	2,559,936	12,528,248	127,675,383
2009	45,568,253	15,466,520	10,214,522	21,091,173	18,295,365	2,345,007	12,215,518	125,196,358
2010	43,579,404	15,808,435	10,135,134	20,517,470	18,581,186	2,263,717	12,383,708	123,269,054
2011	44,317,350	15,407,582	9,777,172	20,026,368	18,308,458	2,168,699	12,177,540	122,183,169
2012	44,460,209	16,241,002	9,929,399	20,065,557	18,266,053	2,181,315	12,523,905	123,667,440

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
2003							
No. of Paid Vehicles	2,354	17,794	21,824	12,513	14,343	10,224	44,996
Average Toll Rate	$ 1.45	$ 1.22	$ 1.26	$ 1.19	$ 1.16	$ 1.09	$ 1.08
Total Revenue	$ 3,422	$ 21,793	$ 27,475	$ 14,918	$ 16,690	$ 11,114	$ 48,788
2004							
No. of Paid Vehicles	2,478	17,988	22,054	12,399	15,201	9,977	44,646
Average Toll Rate	$ 1.46	$ 1.22	$ 1.25	$ 1.19	$ 1.17	$ 1.09	$ 1.08
Total Revenue	$ 3,619	$ 22,070	$ 27,665	$ 14,814	$ 17,799	$ 10,850	$ 48,360
2005							
No. of Paid Vehicles	2,472	17,116	21,344	11,758	14,790	9,298	43,357
Average Toll Rate	$ 2.37	$ 2.13	$ 2.18	$ 2.08	$ 2.05	$ 2.00	$ 1.98
Total Revenue	$ 5,851	$ 36,530	$ 46,459	$ 24,493	$ 30,370	$ 18,559	$ 85,880
2006							
No. of Paid Vehicles	2,479	17,071	20,914	11,908	15,131	9,529	41,265
Average Toll Rate	$ 2.69	$ 2.44	$ 2.48	$ 2.41	$ 2.36	$ 2.29	$ 2.28
Total Revenue	$ 6,675	$ 41,579	$ 51,767	$ 28,686	$ 35,638	$ 21,839	$ 94,093
2007							
No. of Paid Vehicles	2,517	16,975	20,722	11,913	14,881	9,516	40,134
Average Toll Rate	$ 3.94	$ 3.69	$ 3.73	$ 3.64	$ 3.60	$ 3.54	$ 3.53
Total Revenue	$ 9,906	$ 62,638	$ 77,320	$ 43,401	$ 53,621	$ 33,662	$ 141,807
2008							
No. of Paid Vehicles	2,366	17,440	19,875	11,782	14,358	9,194	39,555
Average Toll Rate	$ 4.46	$ 4.22	$ 4.29	$ 4.19	$ 4.15	$ 4.09	$ 4.08
Total Revenue	$ 10,545	$ 73,663	$ 85,226	$ 49,390	$ 59,628	$ 37,590	$ 161,335
2009							
No. of Paid Vehicles	2,208	17,426	19,441	11,542	13,629	8,708	40,118
Average Toll Rate	$ 4.46	$ 4.22	$ 4.28	$ 4.18	$ 4.14	$ 4.08	$ 4.07
Total Revenue	$ 9,849	$ 73,536	$ 83,122	$ 48,263	$ 56,451	$ 35,491	$ 163,425
2010							
No. of Paid Vehicles	2,136	17,715	19,057	11,752	14,058	8,746	38,649
Average Toll Rate	$ 4.45	$ 4.22	$ 4.28	$ 4.18	$ 4.15	$ 4.08	$ 4.08
Total Revenue	$ 9,499	$ 74,628	$ 81,502	$ 49,085	$ 58,243	$ 35,674	$ 157,455
2011							
No. of Paid Vehicles	2,118	17,987	19,593	11,987	15,209	9,634	43,282
Average Toll Rate	$ 5.23	$ 5.13	$ 5.15	$ 5.09	$ 4.94	$ 4.86	$ 4.86
Total Revenue	$ 11,081	$ 92,268	$ 100,918	$ 61,058	$ 75,064	$ 46,782	$ 210,190
2012							
No. of Paid Vehicles	2,124	17,908	19,613	12,320	16,016	9,777	43,382
Average Toll Rate	$ 5.64	$ 5.36	$ 5.45	$ 5.30	$ 5.10	$ 4.96	$ 4.97
Total Revenue	$ 11,982	$ 95,967	$ 106,862	$ 65,271	$ 81,627	$ 48,540	$ 215,612

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

Table 10

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Toll Revenue	Per Toll Vehicle
2003	700,000,000	-	700,000,000	144,199,876	5
2004	700,000,000	-	700,000,000	145,176,202	5
2005	1,000,000,000	-	1,000,000,000	248,140,901	8
2006	3,143,420,000	24,148,268	3,119,271,732	280,276,856	24
2007	3,863,250,000	24,148,268	3,839,101,732	422,354,852	30
2008	4,328,390,000	238,449,821	4,089,940,179	477,377,104	32
2009	4,338,155,000	282,727,772	4,055,427,228	470,136,376	32
2010	5,595,125,000	358,975,732	5,236,149,268	466,085,582	42
2011	7,943,135,000	456,507,625	7,486,627,375	597,361,947	61
2012	7,904,440,000	455,624,170	7,448,815,830	625,863,157	60

Notes: No debt prior to 2002.

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

Table 11

Toll Revenue Bonds						
				Debt Service		
Fiscal Year	Toll Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2003	144,199,876	38,836,593	105,363,283	-	20,440,983	5
2004	145,176,202	48,028,344	97,147,858	-	26,663,420	4
2005	248,140,901	54,371,891	193,769,010	-	35,373,668	5
2006	280,276,856	81,589,254	198,687,602	5,785,000	63,146,496	3
2007	422,354,852	100,926,883	321,427,969	29,705,000	131,438,684	2
2008	477,377,104	101,090,539	376,286,565	42,620,000	191,859,414	2
2009	470,136,376	101,572,555	368,563,821	40,865,000	197,742,351	2
2010*	466,085,582	105,760,787	360,324,795	35,345,000	225,200,837	1
2011*	597,361,947	117,390,258	479,971,689	36,990,000	394,710,917	1
2012	625,863,157	119,167,770	506,695,387	38,695,000	410,113,398	1

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

Metropolitan Transportation Commission
Miscellaneous Statistics (unaudited)
June 30, 2012 — Table 12

Date of Incorporation	1970
Form of Government	Commissioners with Appointed Executive Director
Number of Commissioners	16 Voting and 3 Non-Voting Members
Number of Employees (Approved Positions)	172
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	7,249,563
Number of Toll Bridges in the Region	8
Traffic for All Toll Bridges - Number of Vehicles (excluding Golden Gate Bridge, Highway and Transportation District)	123,667,440
Toll Revenues (excluding Golden Gate Bridge, Highway and Transportation District)	$ 625,863,157
Number of Call Boxes in the Region	2,101

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]
2003	6,994,500	N/A	N/A	976,025	6.46%
2004	7,009,400	N/A	N/A	974,281	5.30%
2005	7,096,575	N/A	N/A	973,751	4.49%
2006	7,126,284	N/A	N/A	971,392	4.61%
2007	7,204,492	N/A	N/A	970,721	4.19%
2008	7,301,080	N/A	N/A	974,089	5.81%
2009	7,375,678	N/A	N/A	978,117	10.58%
2010	7,459,858	N/A	N/A	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%

Data Sources

1 State of California, Dept. of Finance, Demographic Research Unit

2 Bureau of Census

3 California Department of Education

4 State of California, Employment Development Department

5 Bureau of Census conducts survey every 10 years for the Median Age and Per Capita Income of the nine-county region as a whole.

NA - Not Available

Metropolitan Transportation Commission
Ten Largest Employers (unaudited)
Fiscal Years 2012 and 2003 Table 14

	2012[1]		2003[2]		
Employer	Employees	Rank	Employees	Employees	Rank
Kaiser Permanente	28,091	1	Kaiser Permanente	22,500	1
City and County of San Francisco	26,108	2	United Airlines	17,700	2
University of California, San Francisco	22,500	3	Pacific Bell	11,800	3
University of California, Berkeley	21,139	4	Hewlett-Packard Co.	11,000	4
State of California	17,928	5	Stanford University	9,944	5
Wells Fargo Bank	16,531	6	United States Postal Service	9,914	6
Safeway Inc.	13,661	7	Alameda County	9,190	7
Stanford University	12,126	8	University of California, Berkeley	8,911	8
Contra Costa County	9,500	9	Contra Costa County	8,457	9
Alameda County	8,813	10	Lawrence Livermore National Lab	8,187	10

Data Sources
[1] 2012 Book of Lists, San Francisco Business Times
[2] 2003 Book of Lists, San Francisco Business Times

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

Table 15

Functions	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General government	56	55	56	65	65	66	66	63	64	74
Transportation	59	59	58	68	68	67	67	67	67	64
Business-type Activities										
Toll bridge activities	9	9	10	30	30	33	33	33	34	33
Congestion relief	5	6	6	6	6	4	4	5	5	5
	129	129	130	169	169	170	170	168	170	176

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
2003	$ 152,096	$ 11,177,301	1.40%
2004	217,975	11,289,637	1.90%
2005	268,105	11,694,664	2.30%
2006	308,512	12,687,014	2.40%
2007	353,378	15,193,161	2.30%
2008	428,810	16,122,962	2.70%
2009	452,003	16,711,761	2.70%
2010	501,102	17,011,660	2.95%
2011	562,678	17,417,779	3.20%
2012	632,904	17,799,482	3.56%

* From MTC records

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