Bay Area Infrastructure Financing Authority

A Component Unit of Metropolitan Transportation Commission

Financial Statements
As of and for the Year Ended June 30, 2022

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Table of Contents
For the Year Ended June 30, 2022

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Bay Area Infrastructure Financing Authority
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Bay Area Infrastructure Financing Authority (BAIFA), a component unit of the Metropolitan Transportation Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the BAIFA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the BAIFA, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BAIFA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BAIFA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BAIFA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BAIFA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Partial Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with BAIFA's financial statements for the year ended June 30, 2021, from which such partial information was derived.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of Toll Revenues and Traffic Count (in Number of Trip Transactions) but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Crowe LLP

Crowe LLP

San Francisco, California
November 16, 2022

Management's Discussion and Analysis

This financial report is designed to provide a general overview of the Bay Area Infrastructure Financing Authority (BAIFA), a blended presented component unit of Metropolitan Transportation Commission (MTC). This Management's Discussion and Analysis (MD&A) presents an overview of the financial activities of BAIFA for the year ended June 30, 2022. The discussion has been prepared by management and should be read in conjunction with the financial statements and the notes which follow.

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

In April of 2013, MTC entered into a cooperative agreement with BAIFA through which MTC delegated the authority to develop and operate the Bay Area Express Lanes network to BAIFA. The planned Bay Area Express Lanes include portions of Interstates 80, 880 and 680. On October 9, 2017, the first MTC express lanes on Interstate 680 between Walnut Creek and San Ramon, both north and south directions, commenced revenue operations. The construction of express lanes on Interstate 880 between Fremont and Oakland was completed and began operations on October 2, 2020. The new segment of southbound express lane on Interstate 680 between Martinez and Walnut Creek opened to traffic in August 2021.

A. Financial Highlights

- Operating revenues from I-880 express lanes reached $46.2 million at the end of the fiscal year 2022.
- With the opening of the new southbound express lane in August 2021, revenues from I-680 express lanes increased from $8 million in fiscal year 2021 to $14.1 million in fiscal year 2022.

B. Overview of the Financial Statements

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

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

Statement of Net Position, *Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows* are presented on pages 9 – 12 of this report.

C. Financial Analysis

Statement of Net Position

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

	2022	2021
Cash and investments	$ 146,022,714	$ 58,754,615
Accounts receivable	6,132,427	6,074,263
Other assets	431,151	246,570
Capital assets	128,574,595	132,240,118
Total assets	281,160,887	197,315,566
Deferred outflows of resources	805,784	899,991
Current liabilities	10,077,882	16,909,512
Non-current liabilities	225,271	1,220,999
Total liabilities	10,303,153	18,130,511
Deferred inflows of resources	939,492	247,021
Net investment in capital assets	125,441,891	126,984,374
Restricted for capital projects	75,819,437	30,147,355
Unrestricted	69,462,698	22,706,296
Total net position	$ 270,724,026	$ 179,838,025

Cash and investments increased by $87,268 thousand in fiscal year 2022. The increase is mainly a result of the revenue growth from express lane operations and contribution from BATA. Total accounts receivable increased by $58 thousand in fiscal year 2022 from the following: the violation accrual in account receivable decreased by $1,552 thousand in fiscal year 2022 whereas toll revenue receivables increased by $1,437 thousand and accrued interest increased by $173 thousand. Other assets increased by $185 thousand in fiscal year 2022. The increase is the result of an increase in net pension asset offset by a decrease in net OPEB asset. The decrease in capital assets of $3,666 thousand is mainly due to the depreciation of express lanes.

The decrease in current liabilities of $6,832 thousand in fiscal year 2022 is mainly due to the construction completion of I-680 southbound express lane. Non-current liabilities decreased by $996 thousand in fiscal year 2022. The decrease is the result of decrease in net pension liability.

Statement of Revenues, Expenses, and Changes in Net Position

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

	2022		2021
Operating revenues			
Total operating revenues	$ 60,253,182		$ 29,698,089
Operating expenses			
Express lane operating expenses	15,654,158		12,169,290
Other operating expenses	15,704,700		14,245,908
Total operating expenses	31,358,858		26,415,198
Net operating income	28,894,324		3,282,891
Nonoperating revenues (expenses)			
Interest income	228,156		67,511
Distribution to other agencies for their capital purposes	-		(50,491,116)
Distribution to other agencies	(17,163,246)	*	-
Capital, operating and maintenance expenses for other agencies	(17,016,040)	*	-
Contribution from BATA	95,000,000		-
Other nonoperating and miscellaneous revenues	942,807		96,371
Total nonoperating revenues (expenses)	61,991,677		(50,327,234)
Change in net position	90,886,001		(47,044,343)
Net position - beginning	179,838,025		226,882,368
Net position - ending	$ 270,724,026		$ 179,838,025

* In fiscal year 2022, Distribution to other agencies for their capital purposes is reclassified to Distribution to other agencies and Capital, operating and maintenance expenses for other agencies.

BAIFA's operating revenues increased by $30.5 million in fiscal year 2022. Compared to fiscal year 2021, total revenues from I-880 express lanes increased from $21.7 million to $46.2 million; and revenues from I-680 express lane reached to $14.1 million from $8 million in fiscal year 2021.

Operating expenses increased by $4.9 million in fiscal year 2022. The increase in fiscal year 2022 is mainly a result of $3.5 million increase in professional fee expense from the increase of traffic volume. Depreciation expense increased from $9.4 million to $11.2 million in fiscal year 2022.

BAIFA had a total nonoperating revenues of $62.0 million in fiscal year 2022 whereas a total nonoperating expenses of $50.3 million in fiscal year 2021. In fiscal year 2022, BAIFA received $95 million contribution from BATA for its San Mateo County Highway 101 express lane project and total distribution to other agencies decreased by $16.3 million. Nonoperating and miscellaneous revenues increased by $846 thousand, and interest income increased by $161 thousand.

D. Notes to the Financial Statements

The notes to the financial statements, beginning on page 13, provide additional information that is essential to a full understanding of the data provided in this management discussion and analysis as well as the financial statements.

E. Economic Factors

While the general economic picture nationally and regionally has stabilized over the past eighteen months from the challenges posed by the COVID-19 pandemic and ensuing "flash" recession, there are new challenges that MTC and associated agencies must face over FY 2022-23 and beyond.

Inflation has been running very high since early 2021. Inflationary pressures have included supply chain challenges, extremely low unemployment (driven in part by low labor force participation), and the war in Ukraine. For the first several months of this inflationary trend, the Federal Reserve believed these inflationary pressures to be "transitory" (that is, short-term in nature). As it has become clear that these increases are not, in fact, transitory, the Federal Reserve has initiated an assertive campaign of unwinding its monetary stimulus by increasing short-term interest rates and reducing its balance sheet. In pursuing this campaign, the Federal Reserve is attempting to navigate to an economic "soft landing," in which inflation is reduced, unemployment levels remain acceptable (if somewhat higher than current), and the national economy avoids recession.

Unfortunately, steering the economy to a soft landing is an uncertain enterprise, and it is possible that the Federal Reserve may overshoot, increasing interest rates to a point that the economy goes into recession, or that today's inflationary pressures are such that increases in interest rates are insufficient to address them. Either of these could significantly increase financial risk to BAIFA.

In the San Francisco Bay Area, the overall economy continues to be strong, with robust growth in sales tax revenue, unemployment rates notably lower than national and statewide rates, and inflation which, while high, is lower than national averages as well as other major metropolitan areas in California.

Pandemic related effects in the Bay Area continue, primarily with respect to the issue of "return-to-office". Office occupancy is down sharply and vacancy rates are up relative to pre-pandemic levels. These trends are likely to have uneven effects across the area, with San Francisco facing significant headwinds on this issue.

Requests for information

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

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Net Position
June 30, 2022
(With comparative information for the prior year)

	2022	2021
Assets		
Current assets		
Cash - unrestricted	$ 70,203,277	$ 28,607,260
Accounts receivable	3,040,313	3,585,909
Interest receivable	172,928	248
Due from BATA	2,919,186	-
Due from other governments	-	2,488,106
Prepaid expenses	488	-
Total current assets	76,336,192	34,681,523
Non-current assets		
Cash - restricted	5,796,181	20,347,600
Investments - restricted	70,023,256	9,799,755
Net pension asset	330,948	-
Net OPEB asset	99,715	246,570
Capital assets, not being depreciated	7,873,447	19,698,357
Capital assets, net of accumulated depreciation	120,701,148	112,541,761
Total non-current assets	204,824,695	162,634,043
Total Assets	281,160,887	197,315,566
Deferred outflows of resources		
Deferred outflows from pension	556,297	746,786
Deferred outflows from OPEB	249,487	153,205
Total deferred outflows of resources	805,784	899,991
Liabilities		
Current liabilities		
Accounts payable	6,800,041	9,453,319
Retention payable	1,993,726	3,965,495
Accrued liabilities	866,583	3,057,541
Due to BATA	261,992	-
Due to other governments	-	232,397
Compensated absences liability	155,540	200,760
Total current liabilities	10,077,882	16,909,512
Non-current liabilities		
Net pension liability	-	1,095,905
Compensated absences liability	225,271	125,094
Total non-current liabilities	225,271	1,220,999
Total Liabilities	10,303,153	18,130,511
Deferred inflows of resources		
Deferred inflows from pension	837,030	113,450
Deferred inflows from OPEB	102,462	133,571
Total deferred inflows of resources	939,492	247,021
Net Position		
Net investment in capital assets	125,441,891	126,984,374
Restricted (expendable) for capital projects	75,819,437	30,147,355
Unrestricted	69,462,698	22,706,296
Total net position	$ 270,724,026	$ 179,838,025

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

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022
(With comparative information for the prior year)

	2022		2021
Operating Revenues			
Toll revenues	$ 52,398,523		$ 21,179,380
Other operating revenues	7,854,659		8,518,709
Total operating revenues	60,253,182		29,698,089
Operating Expenses			
Salaries and benefits	2,156,932		2,554,846
Professional fees	15,654,158		12,169,290
Bank charges	1,126,554		636,355
Overhead	1,173,863		1,413,597
Depreciation	11,204,317		9,367,884
Other operating expenses	43,034		273,226
Total operating expenses	31,358,858		26,415,198
Operating income / (loss)	28,894,324		3,282,891
Nonoperating Revenues (Expenses)			
Interest income	228,156		67,511
Distribution to other agencies for their capital purposes	-		(50,491,116)
Distribution to other agencies	(17,163,246)	*	-
Capital, operating and maintenance expenses for other agencies	(17,016,040)	*	-
Contribution from BATA	95,000,000		-
Other non-operating and miscellaneous revenues	942,807		96,371
Total nonoperating revenues (expenses)	61,991,677		(50,327,234)
Change in Net Position	90,886,001		(47,044,343)
Net Position - Beginning of year	179,838,025		226,882,368
Net Position - Ending of year	$ 270,724,026		$ 179,838,025

* In fiscal year 2022, Distribution to other agencies for their capital purposes is reclassified to Distribution to other agencies and Capital, operating and maintenance expenses for other agencies.

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

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative information for the prior year)

	2022		2021
Cash flows from operating activities			
Cash receipts from users / operations	$ 61,384,477		$ 24,139,653
Other cash receipts	-		96,371
Cash payments to suppliers for goods and services	(33,403,333)		(15,767,131)
Cash payments for employee salaries and benefits	(2,615,878)		(2,395,099)
Other cash payments	(44,376)		-
Net cash provided by operating activities	25,320,890		6,073,794
Cash flows from non-capital financing activities			
Distribution to other agencies	(23,300,978)	*	(44,692,629)
Contribution from BATA to BAIFA	95,000,000		-
Net cash provided by / (used in) non-capital financing activities	71,699,022		(44,692,629)
Cash flows from capital and related financing activities			
Acquisition of capital assets	(9,807,289)		(17,178,396)
Net cash used in capital and related financing activities	(9,807,289)		(17,178,396)
Cash flows from investing activities			
Proceeds from maturities of investments	74,671,630		176,934,364
Purchase of investments	(134,895,131)		(95,763,028)
Interest and dividends on investments	55,476		77,518
Net cash provided by / (used in) investing activities	(60,168,025)		81,248,854
Net increase in cash	27,044,598		25,451,623
Cash - Beginning of year	48,954,860		23,503,237
Cash - End of year	$ 75,999,458		$ 48,954,860

* In fiscal year 2022, Distribution to other agencies for their capital purpose is broken down to Distribution to other agencies and Capital, operating and maintenance expenses for other agencies (refer to ** in reconciliation of operating activities).

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

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative information for the prior year)

Reconciliation of operating income / (loss) to net cash provided by operating activities	**2022**	**2021**
Operating income	$ 28,894,324	$ 3,282,891
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	11,204,317	9,367,884
Other revenues / (expenses)	(44,376)	96,371
Capital, operating and maintenance expenses for other agencies	(17,082,240) **	-
Net effect of changes in:		
Accounts receivable	1,532,780	(3,367,972)
Prepaid expenses	(488)	264
Deferred outflows from pension	190,489	(438,399)
Deferred outflows from OPEB	(96,282)	(50,700)
Accounts payable and accrued expenses	1,656,420	(1,254,343)
Due from/(to) BATA RCSC	(401,485)	(2,190,464)
Net pension liability / asset	(1,426,853)	643,559
Net OPEB liability / asset	146,855	(209,171)
Compensated absences liability	54,957	57,471
Deferred inflows from pension	723,580	37,289
Deferred inflows from OPEB	(31,108)	99,114
Net cash provided by operating activities	$ 25,320,890	$ 6,073,794

** In fiscal year 2022, Distribution to other agencies for their capital purpose is broken down to Distribution to other agencies (refer to * in cash flow from non-capital financing activities) and Capital, operating and maintenance expenses for other agencies.

Significant Noncash Investing, Capital, and Financing Activities		
Acquisition of capital assets under accounts payable and accrued liabilities	$ 3,132,704	$ 1,290,249

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

1. Reporting Entity

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

In October 2011, MTC obtained the approval from the California Transportation Commission (CTC) to develop and operate a 270-mile network of express lanes in the Bay Area. On March 27, 2013, the Joint Exercise of Powers Agreement between MTC and BATA dated August 1, 2006 was amended to authorize BAIFA to undertake programs and projects, including the development, financing, and operation of high-occupancy toll lanes in MTC's jurisdiction. In April 2013, MTC delegated its express lane authority to BAIFA through a cooperative agreement. The first BAIFA express lanes on Interstate 680 between Walnut Creek and San Ramon, both north and south directions, opened to traffic and started its revenue operations on October 9, 2017. Interstate 880 47-mile express lanes started to collect toll revenues in October 2020, and a new 11-mile of Interstate 680 south bound express lane opened to traffic in August 2021.

In April, 2022, the Joint Power Agreement between MTC and BATA was amended. The amendment modifies the composition of BAIFA's board. Previously BAIFA's governing body consisted of six members: the chairs of MTC and BATA Oversight Committees, three members of MTC appointed by the board of supervisors of Alameda County, Contra Costa County, and Solano County, and, as a nonvoting member, the representative appointed to MTC by the secretary of the Business, Transportation and Housing Agency. The composition of the board now matches the composition of MTC's board. As a result of the new board composition, BAIFA meets the blending criteria under paragraph 53 of GASB 14, *The Financial Reporting Entity*, as amended by GASB No. 61. In fiscal year 2022, BAIFA financial is presented as a blended component unit of MTC as a major enterprise fund.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

New Accounting Pronouncements

GASB Statement No. 87, *Leases*, has an objective to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. BAIFA adopted this standard for fiscal year ended June 30, 2022. The adoption of the standard has no impact on BAIFA's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. BAIFA adopted this standard for fiscal year ended June 30, 2022. The adoption of the standard has no impact on BAIFA's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations,* provides a single method of reporting conduit debt obligations. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

GASB Statement No. 92, *Omnibus 2020*, establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The initial requirements of this statement are effective as follows: (a) The requirements in paragraphs 4, 5, 11, and 13 were effective upon issuance. (b) The requirements in paragraphs 6 and 7 are effective for fiscal years beginning after June 15, 2021. (c) The requirements in paragraphs 8, 9, and 12 are effective for reporting periods beginning after June 15, 2021. (d) The requirements in paragraph 10 are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. BAIFA adopted paragraphs 4, 5, 11 and 13 of this statement in fiscal year 2020. BAIFA adopted the remaining paragraphs of this standard for fiscal year ended June 30, 2022. The adoption of the standard has no impact on BAIFA's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR),* establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this statement, except for paragraphs 11b, 13, and 14 were effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The adoption of the remaining paragraphs has no impact on BAIFA's financial statements.

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). The requirements of this statement are effective as follows: (a) The requirement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. (b) The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. (c) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. BAIFA adopted paragraphs 4 and 5 of this statement in fiscal year 2020 and the remaining paragraphs of this statement in fiscal year 2022. The adoption of the standard has no impact on BAIFA's financial statements.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the new term *annual comprehensive financial report* and its acronym *ACFR* and replaces instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for reporting periods ending after December 15, 2021. BAIFA adopted this standard for fiscal year ended June 30, 2022. The adoption of the standard has no impact on BAIFA's standalone financial statements.

GASB Statement No. 99, *Omnibus 2022,* enhances comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement are effective as follows: (a) The requirements in paragraph 26-32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by the pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. (b) The requirements in paragraphs 11-25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (c) The requirements in paragraphs 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. BAIFA adopted paragraphs 26-32 in fiscal year 2022. The adoption of the paragraphs 26-32 has no impact on BAIFA's financial statements. Management is currently evaluating the effect of the remaining paragraphs of this statement on BAIFA’s financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62,* enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and errors corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this statement on BAIFA’s financial statements.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences and associated salary-related payments by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statements are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this statement on BAIFA's financial statements.

Cash and Investments

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

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies

- Certificates of deposit issued by a nationally or state-chartered bank
- Authorized pooled investment programs
- Commercial paper – Rated "A1" or "P1"
- Corporate notes – Rated "A" or better
- Municipal bonds
- Mutual funds – Rated "AAA"
- Other investment types authorized by state law and not prohibited in MTC's investment policy.

BAIFA applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, as amended (including by GASB Statement No. 72, *Fair Value Measurement and Application*), which generally requires investments to be recorded at fair value with the difference between cost and fair value recorded as an unrealized gain or loss. BAIFA reports its money market securities and short-term investments at cost. This is permissible under this standard provided those investments have a remaining maturity at the time of purchase of one year or less and that the fair value of those investments is not significantly affected by the credit standing of the issuer or other factors. Net increases or decreases in the fair value of investments are shown in the Statement of Revenues, Expenses and Changes in Net Position as interest income.

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

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

Restricted Cash

Restricted cash is restricted for uses on capital projects.

Prepaid Expenses

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

Capital Assets

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

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

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

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

Net OPEB Asset

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

Net Pension Liability / Asset

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

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

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

- Changes in the total pension and OPEB liabilities arising from differences between expected and actual experience with regard to economic or demographic factors.*

- The effects of changes of assumptions about future economic or demographic factors or of other inputs.*

- Difference between projected and actual investment earnings on defined benefit pension and OPEB plan investments.**

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

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

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position consists of three sections: Net investment in capital assets, as well as restricted and unrestricted assets, if applicable. Net position is reported as restricted when constraints are imposed by creditors, grantors, contributors, laws or regulations or other governments or enabling legislation. Unrestricted net position is the net amount of the residual value that is not included in the restricted categories of net position. It is BAIFA's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Toll Revenues

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

Other Operating Revenues

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

Operating and Nonoperating Revenues and Expenses

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

Distributions to Other Agencies

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

Capital, Operating and Maintenance Expenses for other agencies

Expenses incurred by BAIFA for other agencies' capital projects, operating and maintenance cost.

Use of Estimates

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

Prior Year Comparative Information

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with BAIFA's prior year financial statements, from which this selected financial data was derived.

3. Cash and Investments

A. A summary of Cash and Investments as shown on the Statement of Net Position at June 30, 2022 is as follows:

Cash - unrestricted	$ 70,203,277
Cash - restricted	5,796,181
Investments - restricted	70,023,256
Total Restricted Cash and Investments	75,819,437
Total Cash and Investments	$ 146,022,714

B. The composition of cash at June 30, 2022 is as follows:

Cash at banks	$ 31,903,110
Money market mutual funds	84,443
Government Pools	
California Asset Management Program	11,905
Local Agency Investment Fund	44,000,000
Total Cash	$ 75,999,458

Investments

GASB Statement No. 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2022:

Government-sponsored enterprises notes: These investments are valued on the basis of prices provided by ICE Data Pricing and Reference Data LLC. In determining the value of a particular investment at bid, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

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

Investments by fair value level at June 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
U.S. Treasury	$ -	$ 39,984,813	$ -	$ 39,984,813
Government Sponsored Enterprises:				
Federal Home Loan Bank		$ 30,038,443		$ 30,038,443
Total Investments Measured at Fair Value	$ -	$ 70,023,256	$ -	$ 70,023,256

C. Deposit and Investment Risk Factors

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

i.) Credit Risk

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

ii.) Custodial Credit Risk

Custodial credit risk is the risk that securities held by the custodian and in the custodian’s name may be lost and not be recovered.

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

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

iii.) Concentration of Credit Risk

Investments in issuers that represent 5 percent or more of total investments at June 30, 2022 are as follows:

U.S. Treasury	57%
Federal Home Loan Bank (FHLB)	43%

iv.) Interest Rate Risk

The weighted average maturities of BAIFA's U.S. Treasury and GSE securities (expressed in number of years) at June 30, 2022 are as follows:

U.S. Treasury	0.14 years
Government-Sponsored Enterprises	
Federal Home Loan Bank (FHLB)	0.09 years

4. Capital Assets

A summary of capital assets for the period ended June 30, 2022 is as follows:

	Beginning Balance 7/1/2021	Increases	Decreases	Ending Balance 6/30/2022
Capital assets, not being depreciated				
Construction in progress	$ 19,698,357	$ 7,090,417	$(18,915,327)	$ 7,873,447
Total capital assets, not being depreciated	19,698,357	7,090,417	(18,915,327)	7,873,447
Capital assets, being depreciated:				
Furniture and equipment	107,255,923	18,821,239	-	126,077,162
Intangible assets	24,686,410	542,465	-	25,228,875
Total capital assets being depreciated	131,942,333	19,363,704	-	151,306,037
Less accumulated depreciation for:				
Furniture and equipment	10,101,664	8,436,105	-	18,537,769
Intangible assets	9,298,908	2,768,212	-	12,067,120
Total accumulated depreciation	19,400,572	11,204,317	-	30,604,889
Total capital assets, being depreciated, net	112,541,761	8,159,387	-	120,701,148
Total capital assets, net	$132,240,118	$15,249,804	$(18,915,327)	$ 128,574,595

5. Employees' Retirement Plan

MTC, the primary government, provides a defined benefit pension plan, the Miscellaneous Employee Pension Plan (the Plan). The Plan is part of the Public Agency portion of the California Public

Employees' Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. An agent multiple-employer plan is one in which the assets of multiple employers are pooled for investment purposes, but separate accounts are maintained for each individual employer. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees' Retirement Law. MTC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance.

BAIFA reports its participation in the Plan under the cost-sharing plan requirements of GASB Statement No. 68. MTC allocated BAIFA's pension related balances based on BAIFA's proportional share of payroll costs. The percentage of the allocation for the fiscal year 2022 is 3.51%, which was based on the fiscal year 2021 measurement year.

In fiscal year 2022, BAIFA has a credit in pension expense of $61,260, net pension asset of $330,948, deferred outflows of resources from pension $556,297, and deferred inflows of resources from pension of $837,030.

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

6. Other Post Employment Benefits (OPEB)

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

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

MTC's defined benefit OPEB plan provides medical coverage to all eligible retired employees and their eligible dependents. MTC maintains the same medical plans for its retirees as for its active employees. Once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. The costs of the medical benefit are shared between the employer (95%) and retiree (5%) with a cap.

Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 with 5 years of service with CalPERS agency. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26.

Detailed information about the OPEB plan fiduciary net position is available in the separately issued PARS financial report. Copies of the PARS report may be obtained by writing to PARS, 4350 Von Karman Avenue, Newport Beach, CA 92660, or from PARs' website at www.pars.org.

BAIFA reports its participation in the OPEB plan under the cost-sharing plan requirements of GASB Statement No. 75. MTC allocated the OPEB related balances to BAIFA based on BAIFA's proportional share of payroll costs. The percentage of the allocation for fiscal year 2022 is 3.51%, which was based on the fiscal year 2021 measurement year.

In fiscal year 2022, BAIFA has $142,537 in OPEB expenses, net OPEB asset of $99,715, deferred outflows of resources from OPEB of $249,487, and deferred inflows of resources from OPEB of $102,462.

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

7. Compensated Absences

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

MTC allocated the compensated absences liability related balance to BAIFA based on BAIFA's proportional share of payroll costs for the relevant year. In fiscal year 2021, BAIFA's percentage is 3.51% and has a compensated absences liability of $155,540 for short term and $225,271 for long term. For additional information on compensated absences, refer to MTC's Annual Comprehensive Financial Report Note 10.

8. Commitment and Contingencies

BAIFA entered into contracts with external parties to construct express lanes, provide traffic control in the construction area, and develop the toll collection system. As of June 30, 2022, there are approximately $45,029,000 in future capital expenditure commitments.

9. Related Party Transactions

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

BATA, through BATA's RCSC, processes all trip records received by BAIFA, and charges BAIFA for all services provided in accordance with fee schedules provided by BATA to BAIFA.

In fiscal year 2022, BATA charged BAIFA $225,000 for total monthly fee and $1,126,554 for bank charge of transactions processed.

BATA contributed $95 million to BAIFA for its San Mateo County Highway 101 express lane project per board approved budget in fiscal year 2022.

Required Supplementary Information

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

Measurement Period	Miscellaneous Plan Tier I & II 2021	Miscellaneous Plan Tier I & II 2020	Miscellaneous Plan Tier I & II 2019	Miscellaneous Plan Tier I & II 2018	Miscellaneous Plan Tier I & II 2017
Proportion of the collective net pension liability/asset	3.51%	3.78%	1.29%	0.01%	0.24%
Proportionate share of the collective net pension liability/(asset)	$ (330,948)	$ 1,095,905	$ 452,346	$ (3,392)	$ 87,276
Covered payroll	$ 1,369,905	$ 1,372,583	$ 450,889	$ 407,062	$ -
Proportionate share of the collective net pension liability/(asset) as a percentage of its covered payroll	-24.16%	79.84%	100.32%	-0.83%	NA
Plan's fiduciary net position as a percentage of the Plan's total pension liability	107.53%	89.00%	80.75%	82.04%	76.85%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None during the years 2019-2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent.

* Only five years' data is available.

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

Fiscal Year	Miscellaneous Plan Tier I & II 2022		Miscellaneous Plan Tier I & II 2021		Miscellaneous Plan Tier I & II 2020		Miscellaneous Plan Tier I & II 2019	Miscellaneous Plan Tier I & II 2018
Actuarially determined contribution	$ 222,489		$ 186,543		$ 90,334		$ 703	$ 12,988
Contributions in relation to the actuarially determined contributions	(391,749)		(479,033)		(203,731)		(703)	(12,988)
Contribution deficiency (excess)	$ (169,260)		$ (292,490)	(1)	$ (113,397)	(1)	$ -	$ -
Covered payroll (2)	$ 1,397,744		$ 1,369,905		$ 1,372,583		$ 450,889	$ 407,062
Actual contributions as a percentage of covered payroll	28.03%		30.58%		15.46%		0.16%	3.19%

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

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2020-21 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method / Period	For details, see June 30, 2018 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2018 Funding Valuation Report.
Inflation	2.5 percent
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75 percent
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative expenses; includes Inflation.
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study or the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

* Only five years' data is available.

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

Measurement Period	Miscellaneous Plan Tier I & II 2021	Miscellaneous Plan Tier I & II 2020	Miscellaneous Plan Tier I & II 2019	Miscellaneous Plan Tier I & II 2018	Miscellaneous Plan Tier I & II 2017
Proportion of the collective net OPEB liability/(Asset)	3.51%	3.78%	1.29%	0.79%	0.71%
Proportionate share of the collective net OPEB liability/(Asset)	$ (99,715)	$ (246,570)	$ (37,399)	$ 59,445	$ 51,021
Covered-employee payroll	$ 1,369,905	$ 1,372,738	$ 1,317,380	$ 450,889	$ 407,062
Proportionate share of the collective net OPEB liability/(Asset) as a percentage of its covered-employee payroll	-7.28%	-17.96%	-2.84%	13.18%	12.53%
Plan's fiduciary net position as a percentage of the Plan's total OPEB liability	105.69%	114.10%	106.80%	80.98%	80.19%

Notes to Schedule:

Benefit Changes: None in 2021.

Changes of Assumptions: In 2021, medical trend rate for Kaiser Senior Advantage was decreased, mortality improvement scale was updated to Scale MP-2020, and new claims costs and senior advantage age costs were removed. There were no changes in demographic assumptions, the discount rate, or the inflation rate in 2020. In 2019, the demographic assumptions were updated to the CalPERS 1997-2015 Experience Study. Discount rate was decreased from 4.5% in 2020 to 3.75% in 2021. The inflation rate increased from 2.5 percent in 2018 to 2.75 percent in 2019. There no change in inflation rate in 2019-2021.

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

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

	Miscellaneous Plan Tier I & II	Miscellaneous Plan Tier I & II	Miscellaneous Plan Tier I & II	Miscellaneous Plan Tier I & II	Miscellaneous Plan Tier I & II
Fiscal Year	**2022**	**2021**	**2020**	**2019**	**2018**
Actuarially determined contribution	$ 107,548	$ 82,910	$ 38,663	$ 26,149	$ 22,490
Contributions in relation to the actuarially determined contributions	(118,658)	(50,160)	(61,553)	(89,625)	(22,490)
Contribution deficiency (excess)	$ (11,110)	$ 32,750	$ (22,890) (1)	$ (63,476) (1)	$ -
Covered-employee payroll for OPEB	$ 1,397,744	$ 1,369,905	$ 1,372,583	$ 450,889	$ 407,062
Actual contributions as a percentage of covered-employee payroll	8.49%	4.78%	4.67%	19.88%	5.52%

(1) Additional payment above the Actuarially Determined Contribution to paydown the Unfunded OPEB Liability.

Notes to Schedule:

Actuarially determined contribution rates are calculated as of June 30, 2020, two years prior to the end of fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of pay
Amortization method	Level % of pay
Amortization period	18 years fixed period for 2021/22
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.75 percent
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Investment rate of return	4.50 percent
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019

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

Other Information

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

Fiscal Year	Toll Revenues		Trip Count
2018*	$	7,850,387	3,850,837
2019	$	11,730,498	4,491,172
2020	$	9,701,727	3,288,664
2021	$	21,179,380	8,450,308
2022	$	52,398,523	13,195,761

* Nine months ended as of June 30, 2018.