# Bay Area Infrastructure Financing Authority

**A Component Unit of Metropolitan Transportation Commission**

**Financial Statements**
**As of and for the Year Ended June 30, 2023**

# Bay Area Infrastructure Financing Authority
## A Component Unit of Metropolitan Transportation Commission
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## For the Year Ended June 30, 2023

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, 2023, 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, 2023, 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 the 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 the 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 the 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 the 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, 2022, 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
October 18, 2023

## 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, 2023. 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

BAIFA had $65.5 million operating revenues at the end of the fiscal year 2023. Revenues from I-880 express lanes reached $50.4 million, and I-680 express lanes revenues increased from $14.1 million in fiscal year 2022 to $15.1 million in fiscal year 2023.

## 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 8-11 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:

| | 2023 | 2022 |
|---|---|---|
| Cash and investments | $ 186,423,049 | $ 146,022,714 |
| Accounts receivable | 6,960,069 | 6,132,427 |
| Other assets | - | 431,151 |
| Capital assets | 119,733,767 | 128,574,595 |
| Total assets | 313,116,885 | 281,160,887 |
| Deferred outflows of resources | 1,273,538 | 805,784 |
| Current liabilities | 11,003,074 | 10,077,882 |
| Non-current liabilities | 983,232 | 225,271 |
| Total liabilities | 11,986,306 | 10,303,153 |
| Deferred inflows of resources | 133,023 | 939,492 |
| Net investment in capital assets | 116,751,198 | 125,441,891 |
| Restricted for capital projects | 65,304,273 | 75,819,437 |
| Unrestricted | 120,215,623 | 69,462,698 |
| Total net position | $ 302,271,094 | $ 270,724,026 |

Cash and investments increased by $40,400 thousand in fiscal year 2023. The increase is mainly a result of the revenue growth from express lane operations. Total accounts receivable increased by $828 thousand in fiscal year 2023 from the following: the accrued interest increased by $277 thousand and toll revenue receivables increased by $1,051 thousand offset by a decrease of $500 thousand of the violation accrual in accounts receivable. Other assets decreased by $431 thousand in fiscal year 2023. The decrease is the result of decreases in net pension and OPEB assets. The decrease in capital assets of $8,841 thousand is mainly due to the depreciation of express lane capital assets.

The increase in current liabilities of $925 thousand in fiscal year 2023 is mainly due to the increase of accrued liabilities for capital projects. Non-current liabilities increased by $758 thousand in fiscal year 2023. The increase is the result of increases in net pension and OPEB liabilities.

*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:

| | 2023 | 2022 |
|---|---|---|
| Operating revenues | | |
| Total operating revenues | $ 65,544,206 | $ 60,253,182 |
| Operating expenses | | |
| Express lane operating expenses | 18,587,189 | 15,654,158 |
| Other operating expenses | 15,846,759 | 15,704,700 |
| Total operating expenses | 34,433,948 | 31,358,858 |
| Net operating income | 31,110,258 | 28,894,324 |
| Nonoperating revenues (expenses) | | |
| Interest income | 5,654,909 | 228,156 |
| Distribution to other agencies | - | (17,163,246) |
| Capital, operating and maintenance expenses for other agencies | (8,565,246) | (17,016,040) |
| Contribution from BATA | - | 95,000,000 |
| Other nonoperating and miscellaneous revenues | 3,347,147 | 942,807 |
| Total nonoperating revenues (expenses) | 436,810 | 61,991,677 |
| Change in net position | 31,547,068 | 90,886,001 |
| Net position - beginning | 270,724,026 | 179,838,025 |
| Net position - ending | $ 302,271,094 | $ 270,724,026 |

BAIFA's operating revenues increased by $5.3 million in fiscal year 2023. Compared to fiscal year 2022, total revenues from I-880 express lanes increased from $46.2 million to $50.5 million; and revenues from I-680 express lanes reached to $15.1 million from $14.1 million in fiscal year 2022.

Operating expenses increased by $3.1 million in fiscal year 2023. The increase in fiscal year 2023 is mainly a result of $2.9 million increase in professional fee expense from the express lane operations.

Due to the higher cash and investment balances and interest rate during fiscal year 2023, BAIFA's interest income increased by $5.4 million. The completion of the San Mateo County Highway 101 express lane project in February 2022 resulted in a decrease of $25.6 million in distribution to other agencies and capital, operating and maintenance expenses in fiscal year 2023. The $2.4 million increase in other nonoperating and miscellaneous revenues is mainly a result of 12 months billing to the San Mateo Express Lane JPA in fiscal year 2023 compared to 5 months of such billing in fiscal year 2022. There was no contribution from BATA in fiscal year 2023 whereas $95 million contribution in fiscal year 2022, hence BAIFA's total nonoperating revenues decreased by $61.6 million in fiscal year 2023.

## D. Notes to the Financial Statements

The notes to the financial statements, beginning on page 12, 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 largely stabilized and recovered from the challenges posed by the COVID-19 pandemic, there are a number of headwinds that BAIFA must face as we consider FY 2023-24 and beyond.

These headwinds include:

- Inflation, which has been running very high for the past 2 ½ years.
- Higher interest rates, partly driven by increases in short-term interest rates by the Federal Reserve, and partly by the market reaction to both inflation generally and the Federal Reserve's actions.
- The crisis in confidence associated with regional banks and their potential failure. This issue has already caused the failure of two banks in the Bay Area (Silicon Valley Bank and First Republic Bank).

## 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, 2023
## (With comparative information for the prior year)

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash - unrestricted | $ 121,118,776 | $ 70,203,277 |
| Accounts receivable | 3,063,787 | 3,040,313 |
| Interest receivable | 449,457 | 172,928 |
| Due from BATA | 3,446,825 | 2,919,186 |
| Prepaid expenses | - | 488 |
| Total current assets | 128,078,845 | 76,336,192 |
| Non-current assets | | |
| Cash - restricted | 18,575,538 | 5,796,181 |
| Investments - restricted | 46,728,735 | 70,023,256 |
| Net pension asset | - | 330,948 |
| Net OPEB asset | - | 99,715 |
| Capital assets, not being depreciated | 9,598,664 | 7,873,447 |
| Capital assets, net of accumulated depreciation | 110,135,103 | 120,701,148 |
| Total non-current assets | 185,038,040 | 204,824,695 |
| Total Assets | 313,116,885 | 281,160,887 |
| **Deferred outflows of resources** | | |
| Deferred outflows from pension | 812,549 | 556,297 |
| Deferred outflows from OPEB | 460,989 | 249,487 |
| Total deferred outflows of resources | 1,273,538 | 805,784 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable | 6,120,587 | 6,800,041 |
| Retention payable | 2,676,245 | 1,993,726 |
| Accrued liabilities | 1,602,949 | 866,583 |
| Due to MTC | 52,350 | - |
| Due to BATA | 401,413 | 261,992 |
| Compensated absences liability | 149,530 | 155,540 |
| Total current liabilities | 11,003,074 | 10,077,882 |
| Non-current liabilities | | |
| Net pension liability | 617,373 | - |
| Net OPEB liability | 165,342 | - |
| Compensated absences liability | 200,517 | 225,271 |
| Total non-current liabilities | 983,232 | 225,271 |
| Total Liabilities | 11,986,306 | 10,303,153 |
| **Deferred inflows of resources** | | |
| Deferred inflows from pension | 41,238 | 837,030 |
| Deferred inflows from OPEB | 91,785 | 102,462 |
| Total deferred inflows of resources | 133,023 | 939,492 |
| **Net Position** | | |
| Net investment in capital assets | 116,751,198 | 125,441,891 |
| Restricted (expendable) for capital projects | 65,304,273 | 75,819,437 |
| Unrestricted | 120,215,623 | 69,462,698 |
| Total net position | $ 302,271,094 | $ 270,724,026 |

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, 2023
## (With comparative information for the prior year)

| | 2023 | 2022 |
|---|---|---|
| **Operating Revenues** | | |
| Toll revenues | $ 59,673,981 | $ 52,398,523 |
| Other operating revenues | 5,870,225 | 7,854,659 |
| Total operating revenues | 65,544,206 | 60,253,182 |
| **Operating Expenses** | | |
| Salaries and benefits | 2,362,381 | 2,156,932 |
| Professional fees | 18,587,189 | 15,654,158 |
| Bank charges | 1,380,818 | 1,126,554 |
| Overhead | 1,451,802 | 1,173,863 |
| Depreciation | 10,566,045 | 11,204,317 |
| Other operating expenses | 85,713 | 43,034 |
| Total operating expenses | 34,433,948 | 31,358,858 |
| Operating income / (loss) | 31,110,258 | 28,894,324 |
| **Nonoperating Revenues (Expenses)** | | |
| Interest income | 5,654,909 | 228,156 |
| Distribution to other agencies | - | (17,163,246) |
| Capital, operating and maintenance expenses for other agencies | (8,565,246) | (17,016,040) |
| Contribution from BATA | - | 95,000,000 |
| Revenues from SMELJPA | 2,457,776 | 641,764 |
| Other non-operating and miscellaneous revenues | 889,371 | 301,043 |
| Total nonoperating revenues (expenses) | 436,810 | 61,991,677 |
| **Change in Net Position** | 31,547,068 | 90,886,001 |
| **Net Position - Beginning of year** | 270,724,026 | 179,838,025 |
| **Net Position - Ending of year** | $ 302,271,094 | $ 270,724,026 |

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, 2023
## (With Comparative information for the prior year)

| | 2023 | 2022 | |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts from users / operations | $ 65,629,602 | $ 61,384,477 | |
| Other cash receipts | 2,850,059 | - | |
| Cash payments to suppliers for goods and services | (26,421,100) | (33,403,333) | |
| Cash payments for employee salaries and benefits | (2,401,640) | (2,615,878) | |
| Other cash payments | - | (44,376) | |
| **Net cash provided by operating activities** | 39,656,921 | 25,320,890 | |
| **Cash flows from non-capital financing activities** | | | |
| Distribution to other agencies | (2,553,606) | (23,300,978) | * |
| Contribution from BATA to BAIFA | - | 95,000,000 | |
| **Net cash provided by / (used in) non-capital financing activities** | (2,553,606) | 71,699,022 | |
| **Cash flows from capital and related financing activities** | | | |
| Acquisition of capital assets | (2,081,360) | (9,807,289) | |
| **Net cash used in capital and related financing activities** | (2,081,360) | (9,807,289) | |
| **Cash flows from investing activities** | | | |
| Proceeds from maturities of investments | 221,384,224 | 74,671,630 | |
| Purchase of investments | (198,089,703) | (134,895,131) | |
| Interest and dividends on investments | 5,378,380 | 55,476 | |
| **Net cash provided by / (used in) investing activities** | 28,672,901 | (60,168,025) | |
| **Net increase in cash** | 63,694,856 | 27,044,598 | |
| **Cash - Beginning of year** | 75,999,458 | 48,954,860 | |
| **Cash - End of year** | $ 139,694,314 | $ 75,999,458 | |

* 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, 2023
## (With Comparative information for the prior year)

| **Reconciliation of operating income to net cash provided by operating activities** | **2023** | **2022** | |
|---|---|---|---|
| Operating income | $ 31,110,258 | $ 28,894,324 | |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 10,566,045 | 11,204,317 | |
| Other revenues / (expenses) | 2,850,059 | (44,376) | |
| Capital, operating and maintenance expenses for other agencies | (8,686,269) | (17,082,240) | ** |
| Net effect of changes in: | | | |
| Accounts receivable | 473,613 | 1,532,780 | |
| Prepaid expenses | 488 | (488) | |
| Deferred outflows from pension | (256,252) | 190,489 | |
| Deferred outflows from OPEB | (211,502) | (96,282) | |
| Accounts payable and accrued expenses | 3,770,204 | 1,656,420 | |
| Due from/(to) MTC & BATA RCSC | (335,868) | (401,485) | |
| Net pension liability / asset | 948,321 | (1,426,853) | |
| Net OPEB liability / asset | 265,057 | 146,855 | |
| Compensated absences liability | (30,764) | 54,957 | |
| Deferred inflows from pension | (795,792) | 723,580 | |
| Deferred inflows from OPEB | (10,677) | (31,108) | |
| **Net cash provided by operating activities** | $ 39,656,921 | $ 25,320,890 | |

** 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 | $ 2,982,569 | $ 3,132,704 |

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 by an agreement of the Metropolitan Transportation Commission (MTC) and the Bay Area Toll Authority (BATA) 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 MTC and 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. Forty-seven miles of express lanes on Interstate 880 began revenue collection in October 2020, and a new 11 mile segment 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 and such that it 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 and thereafter, BAIFA 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. 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. BAIFA adopted this standard for fiscal year ended June 30, 2023. The adoption of the standard 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. BAIFA adopted this standard for fiscal year ended June 30, 2023. The adoption of the standard has no impact on BAIFA's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, provides guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. BAIFA adopted this standard for fiscal year ended June 30, 2023. The adoption of the standard has no impact on BAIFA's financial statements.

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves 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, and paragraphs 11-25 in fiscal year 2023. The adoption of the above requirements 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 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 Pension Liabilities /Assets

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

### Net Other Post-Employment Benefits (OPEB) Liabilities/Assets

Net OPEB liabilities/assets are the liabilities/assets employers have for the other post-employment benefits provided through the defined benefit plan. BAIFA net OPEB liabilities/assets are derived from BAIFA's proportional share of MTC's payroll cost for the relevant measurement year.

### Deferred Outflows / Inflows of Resources from Pensions and Other Post-Employment Benefits

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 toll revenues as amounts are earned from the utilization of the express lanes. Toll revenues are BAIFA's operating revenues from its principal operations.

**Other Operating Revenues**

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

**Operating Expenses**

Operating expenses are expenses related to BAIFA's express lane service activities.

**Nonoperating Revenues and Expenses**

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, 2023 is as follows:

| | |
|---|---|
| Cash - unrestricted | $ 121,118,776 |
| Cash - restricted | 18,575,538 |
| Investments - restricted | 46,728,735 |
| Total Restricted Cash and Investments | 65,304,273 |
| Total Cash and Investments | $ 186,423,049 |

**B.** The composition of cash at June 30, 2023 is as follows:

| | |
|---|---|
| Cash at banks | $ 18,925,223 |
| Money market mutual funds | 73,638 |
| Government Pools | |
| California Asset Management Program | 120,695,453 |
| Total Cash | $ 139,694,314 |

### 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, 2023:

U.S. Treasury securities and government-sponsored enterprises notes 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, 2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| U.S. Treasury | $ 36,131,358 | $ - | $ - | $ 36,131,358 |
| Government Sponsored Enterprises: | | | | |
| Federal Home Loan Bank | | 10,597,377 | | 10,597,377 |
| Total Investments Measured at Fair Value | $ 36,131,358 | $ 10,597,377 | $ - | $ 46,728,735 |

## 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, 2023 are as follows:

| | |
|---|---|
| U.S. Treasury | 77% |
| Federal Home Loan Bank (FHLB) | 23% |

#### 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, 2023 are as follows:

| | |
|---|---|
| U.S. Treasury | 0.12 years |
| Government-Sponsored Enterprises | |
| Federal Home Loan Bank (FHLB) | 0.20 years |

## 4. Capital Assets

A summary of capital assets for the period ended June 30, 2023 is as follows:

| | Beginning Balance 7/1/2022 | Increases | Decreases | Ending Balance 6/30/2023 |
|---|---|---|---|---|
| Capital assets, not being depreciated | | | | |
| Construction in progress | $ 7,873,447 | $ 1,725,217 | $ - | $ 9,598,664 |
| Total capital assets, not being depreciated | 7,873,447 | 1,725,217 | - | 9,598,664 |
| Capital assets, being depreciated: | | | | |
| Equipment | 126,077,162 | - | - | 126,077,162 |
| Intangible assets | 25,228,875 | - | - | 25,228,875 |
| Total capital assets being depreciated | 151,306,037 | - | - | 151,306,037 |
| Less accumulated depreciation for: | | | | |
| Equipment | 18,537,769 | 8,011,448 | - | 26,549,217 |
| Intangible assets | 12,067,120 | 2,554,597 | - | 14,621,717 |
| Total accumulated depreciation | 30,604,889 | 10,566,045 | - | 41,170,934 |
| Total capital assets, being depreciated, net | 120,701,148 | (10,566,045) | - | 110,135,103 |
| Total capital assets, net | $128,574,595 | $ (8,840,828) | $ - | $ 119,733,767 |

## 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 2023 is 3.81%, which was based on the fiscal year 2022 measurement year.

In fiscal year 2023, BAIFA has a pension expense of $155,463, net pension liability of $617,373, deferred outflows of resources from pension $812,549, and deferred inflows of resources from pension of $41,238.

For additional information on employees' retirement plan, refer to MTC's Annual Comprehensive Financial Report Note 9. 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 a Public Agency Retirement Services (PARS).

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 2023 is 3.81%, which was based on the fiscal year 2022 measurement year.

In fiscal year 2023, BAIFA has $176,236 in OPEB expenses, net OPEB liability of $165,342, deferred outflows of resources from OPEB of $460,989, and deferred inflows of resources from OPEB of $91,785.

For additional information on employees' OPEB plan, refer to MTC's Annual Comprehensive Financial Report Note 10.

## 7. Compensated Absences

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

MTC allocated the compensated absences liability related balance to BAIFA based on BAIFA's proportional share of payroll costs for the relevant year. In fiscal year 2023, BAIFA's percentage is 3.81% and has a compensated absences liability of $149,530 for short term and $200,517 for long term. For additional information on compensated absences, refer to MTC's Annual Comprehensive Financial Report Note 11.

## 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, 2023, there are approximately $17,469,000 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 2023, BATA charged BAIFA $270,000 total monthly fee charges and $1,380,818 for bank charges related to transactions processed.

# 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 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 | Miscellaneous Plan Tier I & II 2017 |
|---|---|---|---|---|---|---|
| Proportion of the collective net pension liability/asset | 3.81% | 3.51% | 3.78% | 1.29% | 0.01% | 0.24% |
| Proportionate share of the collective net pension liability/(asset) | $ 617,373 | $ (330,948) | $ 1,095,905 | $ 452,346 | $ (3,392) | $ 87,276 |
| Covered payroll | $ 1,573,736 | $ 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 | 39.23% | -24.16% | 79.84% | 100.32% | -0.83% | NA |
| Plan's fiduciary net position as a percentage of the Plan's total pension liability | 94.44% | 107.53% | 89.00% | 80.75% | 82.04% | 76.85% |

**Notes to Schedule:**

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The ac counting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

* Only six 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 *

| | 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 | | Miscellaneous Plan Tier I & II |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fiscal Year** | **2023** | | **2022** | | **2021** | | **2020** | | **2019** | | **2018** |
| Actuarially determined contribution | $ 238,588 | | $ 222,489 | | $ 186,543 | | $ 90,334 | | $ 703 | | $ 12,988 |
| Contributions in relation to the actuarially determined contributions | (238,588) | | (391,749) | | (479,033) | | (203,731) | | (703) | | (12,988) |
| Contribution deficiency (excess) | $ - | | $ (169,260) | | $ (292,490) | (1) | $ (113,397) | (1) | $ - | | $ - |
| Covered payroll (2) | $ 1,654,716 | | $ 1,397,744 | | $ 1,369,905 | | $ 1,372,583 | | $ 450,889 | | $ 407,062 |
| Actual contributions as a percentage of covered payroll | 14.42% | | 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 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal year ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Plan Contribution:**

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2021-22 were derived from the June 30, 2019 funding valuation report.

| | |
|---|---|
| Actuarial Cost Method | Entry Age actuarial Cost Method |
| Amortization Method / Period | For details, see June 30, 2019 Funding Valuation Report. |
| Asset Valuation Method | Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report. |
| Inflation | 2.50% |
| Salary Increases | Varies by Entry Age and Service |
| Payroll Growth | 2.75% |
| 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 six 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<br>Tier I & II<br>**2022** | Miscellaneous Plan<br>Tier I & II<br>**2021** | Miscellaneous Plan<br>Tier I & II<br>**2020** | Miscellaneous Plan<br>Tier I & II<br>**2019** | Miscellaneous Plan<br>Tier I & II<br>**2018** | Miscellaneous Plan<br>Tier I & II<br>**2017** |
|---|---|---|---|---|---|---|
| Proportion of the collective net OPEB liability/(Asset) | 3.81% | 3.51% | 3.78% | 1.29% | 0.79% | 0.71% |
| Proportionate share of the collective net OPEB liability/(Asset) | $ 165,343 | $ (99,715) | $ (246,570) | $ (37,399) | $ 59,445 | $ 51,021 |
| Covered-employee payroll | $ 1,573,736 | $ 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 | 10.51% | -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 | 91.92% | 105.69% | 114.10% | 106.80% | 80.98% | 80.19% |

**Notes to Schedule:**

Benefit Changes: None in 2022.

Changes of Assumptions: There were no changes of assumptions in 2022. In 2021, discount rate changed from 4.5% to 3.75%, 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 were 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 *

| Fiscal Year | Miscellaneous Plan Tier I & II 2023 | | 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 | $ 126,798 | | $ 107,548 | | $ 82,910 | | $ 38,663 | | $ 26,149 | | $ 22,490 |
| Contributions in relation to the actuarially determined contributions | (122,716) | | (118,658) | | (50,160) | | (61,553) | | (89,625) | | (22,490) |
| Contribution deficiency (excess) | $ 4,082 | | $ (11,110) | | $ 32,750 | | $ (22,890) | (1) | $ (63,476) | (1) | $ - |
| Covered-employee payroll for OPEB | $ 1,654,716 | | $ 1,397,744 | | $ 1,369,905 | | $ 1,372,583 | | $ 450,889 | | $ 407,062 |
| Actual contributions as a percentage of covered-employee payroll | 7.42% | | 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, 2021, 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 percentage of pay |
| Amortization method | Level percentage of pay |
| Amortization period | 17-year fixed period for 2022/23 |
| Asset valuation method | Investment gains and losses spread over 5-year rolling period |
| Inflation | 2.75 percent |
| Healthcare cost trend rates | Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076 |
| | Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 |
| | Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2077 |
| Investment rate of return | 3.75 percent |
| Mortality | CalPERS 1997-2015 experience study |
| Mortality Improvement | Mortality projected fully generational with Scale MP-2020 |

* 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 |
| 2023 | $ | 59,673,981 | 12,715,698 |

* Nine months ended as of June 30, 2018.