

Bay Area Infrastructure Financing Authority

**A Component Unit of Metropolitan Transportation
Commission**

Financial Statements

As of and for the Year Ended June 30, 2025

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
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For the Year Ended June 30, 2025

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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, 2025, 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, 2025, 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.

Emphasis of Matter

As discussed in Notes 2 to the financial statements, during the year ended June 30, 2025, BAIFA adopted new accounting guidance, GASB Statement No. 101, Compensated Absences, which resulted in a restatement of the July 1, 2024 net position for BAIFA in the amount of \$152,000. Our opinion is not modified with respect to the above matter.

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, 2024, from which such partial information was derived.

Required Supplementary Information

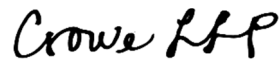
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility 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.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

San Francisco, California
October 14, 2025

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Financial Statements for the Year Ended June 30, 2025
Management's Discussion and Analysis (\$ in thousands, unaudited)

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, 2025. 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 southbound express lane segment on Interstate 680 between Martinez and Walnut Creek opened to traffic in August 2021.

A. Financial Highlights

BAIFA had \$89,309 total operating revenues in fiscal year 2025. Revenues from I-880 express lanes reached \$66,704 with an increase of \$9,892 from prior year. I-680 express lanes revenues increased from \$16,599 in fiscal year 2024 to \$22,605 in fiscal year 2025.

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* reports 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.

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A Component Unit of Metropolitan Transportation Commission
Financial Statements for the Year Ended June 30, 2025
Management's Discussion and Analysis (\$ in thousands, unaudited)

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:

	2025	2024
Cash and investments	\$ 287,006	\$ 231,146
Accounts receivable	13,275	8,000
Other assets	605	523
Capital assets	114,746	120,246
Total assets	<u>415,632</u>	<u>359,915</u>
Deferred outflows of resources	1,338	1,412
Current liabilities	10,716	80,464
Non-current liabilities	321,305	211,945
Total liabilities	<u>332,021</u>	<u>292,409</u>
Deferred inflows of resources	147	197
Net investment in capital assets	112,558	116,730
Unrestricted	(27,756)	(48,009)
Total net position	<u>\$ 84,802</u>	<u>\$ 68,721</u>

Cash and investments increased by \$55,860 in fiscal year 2025. The increase is mainly a result of net operating revenues of \$39,202 from current year operations and interest income of \$13,708. Total accounts receivable increased by \$5,275 in fiscal year 2025. The increase is due to a \$4,500 increase of violation fee receivable. Capital assets decreased by \$5,500 is mainly a result of the additional \$11,041 accumulated depreciation offset by \$5,541 increase in construction in progress of I-80 express lane.

The decrease in current liabilities of \$69,748 in fiscal year 2025 is mainly due to prior year \$67,175 payable to MTC for payments to Bay Area Rapid Transit District (BART) to finance BART's rail car replacement program. Non-current liabilities increased by \$109,360 in fiscal year 2025 which is a result of the increase in the credit agreement liability for the BART car replacement program.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Financial Statements for the Year Ended June 30, 2025
Management's Discussion and Analysis (\$ in thousands, unaudited)

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:

	2025	2024
Operating revenues		
Total operating revenues	\$ 89,309	\$ 73,412
Operating expenses		
Express lane operating expenses	32,177	23,788
Other operating expenses	17,930	17,400
Total operating expenses	50,107	41,188
Net operating income	39,202	32,224
Nonoperating revenues (expenses)		
Interest income	13,708	11,097
Capital, operating and maintenance expenses for other agencies	(65)	(3,368)
Credit agreement - BART cars	(41,879)	(277,862)
Other nonoperating and miscellaneous revenues	5,267	4,359
Total nonoperating revenues (expenses)	(22,969)	(265,774)
Change in net position	16,233	(233,550)
Net position - beginning	68,721	302,271
Restatement for GASB 101 adoption	(152)	—
Net position - beginning, as restated	68,569	302,271
Net position - ending	\$ 84,802	\$ 68,721

BAIFA's operating revenues increased by \$15,897 in fiscal year 2025 which is a result of \$7,065 increase in toll revenues and \$8,832 in violation revenues. Compared to fiscal year 2024, total revenues from I-880 express lanes increased from \$56,813 to \$66,704; and revenues from I-680 express lanes reached to \$22,605 from \$16,599 in fiscal year 2025.

Total operating expenses increased by \$8,919 in fiscal year 2025. This increase mainly is a result of \$3,592 increase in express lane operating expenses and \$4,091 in I-880 roadway rehabilitation project expenses.

Interest income increased by \$2,611 was due to higher cash and investment balances. Capital, operating and maintenance expenses was \$65 which is a result of almost no expenses on the San

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Financial Statements for the Year Ended June 30, 2025
Management's Discussion and Analysis (\$ in thousands, unaudited)

Mateo County Highway 101 express lane project in fiscal year 2025. The \$41,879 credit agreement BART cars expenses represent the amount transferred out to MTC for BART cars financing project and the interest expense, financing fees related to the credit agreement.

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 Impacting BAIFA

While Gross Domestic Product (GDP) growth and low unemployment paint a strong picture, there are several headwinds that BAIFA must consider for FY 2025-26 and beyond.

These headwinds include:

- Inflation, which has remained somewhat higher than the Federal Reserve objectives.
- In an effort to appropriately manage its dual mandate of maximum employment and cost stability, the Federal Reserve has allowed interest rates to remain at levels that are somewhat restrictive of growth.
- New tariff policies (and the significant uncertainties around these) are having effects on supply chains and increasing costs for businesses and consumers alike.

Requests for information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Metropolitan Transportation Commission (MTC) Finance Department, 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, 2025
(With comparative information for the prior year)

	(\$ in thousands)	2025	2024
Assets			
Current assets			
Cash	\$	18,963	\$ 189,040
Investments		87,854	—
Accounts receivable		9,297	4,145
Interest receivable		—	336
Due from BATA		3,978	3,519
Prepaid expenses		605	523
Total current assets		120,697	197,563
Non-current assets			
Investments		180,189	42,106
Capital assets, not being depreciated/amortized		23,096	17,555
Capital assets, net of accumulated depreciation/amortization		91,650	102,691
Total non-current assets		294,935	162,352
Total Assets		415,632	359,915
Deferred outflows of resources			
Deferred outflows from pension		744	769
Deferred outflows from OPEB		594	643
Total deferred outflows of resources		1,338	1,412
Liabilities			
Current liabilities			
Accounts payable		6,257	7,767
Retention payable		2,390	2,677
Accrued liabilities		1,405	1,664
Due to MTC		24	67,208
Due to BATA		433	971
Compensated absences liability - current		207	177
Total current liabilities		10,716	80,464
Non-current liabilities			
Credit agreement liability - BART cars		319,742	210,687
Net pension liability		886	743
Net OPEB liability		256	282
Compensated absences liability		421	233
Total non-current liabilities		321,305	211,945
Total Liabilities		332,021	292,409
Deferred inflows of resources			
Deferred inflows from pension		8	21
Deferred inflows from OPEB		139	176
Total deferred inflows of resources		147	197
Net Position			
Net investment in capital assets		112,558	116,730
Unrestricted		(27,756)	(48,009)
Total net position	\$	84,802	\$ 68,721

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, 2025
(With comparative information for the prior year)

(\$ in thousands)	2025	2024
Operating Revenues		
Toll revenues	\$ 74,370	\$ 67,305
Other operating revenues	14,939	6,107
Total operating revenues	89,309	73,412
Operating Expenses		
Salaries and benefits	3,239	2,973
Professional fees	32,177	23,788
Bank charges	1,580	1,492
Overhead	1,942	1,689
Depreciation and amortization	11,041	11,034
Other operating expenses	128	212
Total operating expenses	50,107	41,188
Operating Income	39,202	32,224
Nonoperating Revenues (Expenses)		
Interest income	13,708	11,097
Capital, operating and maintenance expenses for other agencies	(65)	(3,368)
Revenues from SMELJPA	4,969	4,095
Financing fees - BART cars	(507)	(3,097)
Credit agreement - BART cars interest expense	(12,888)	(1,902)
Payments to MTC - BART cars	(28,484)	(272,863)
Other non-operating and miscellaneous revenues	298	264
Total nonoperating revenues (expenses)	(22,969)	(265,774)
Change in Net Position	16,233	(233,550)
Net Position - Beginning	68,721	302,271
Restatement for GASB 101 adoption	(152)	—
Net Position - Beginning, as Restated	68,569	302,271
Net Position - Ending	\$ 84,802	\$ 68,721

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, 2025
(With Comparative information for the prior year)

(\$ in thousands)	2025	2024
Cash flows from operating activities		
Cash receipts from users / operations	\$ 83,614	\$ 72,342
Other cash receipts	4,812	4,845
Cash payments to suppliers for goods and services	(37,342)	(29,913)
Cash payments for employee salaries and benefits	(3,040)	(2,766)
Net cash provided by operating activities	<u>48,044</u>	<u>44,508</u>
Cash flows from non-capital financing activities		
Proceeds from credit agreement	95,660	205,688
Payment to MTC for BART cars	(95,660)	(205,688)
Net cash used in non-capital financing activities	<u>—</u>	<u>—</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(6,228)	(10,995)
Net cash used in capital and related financing activities	<u>(6,228)</u>	<u>(10,995)</u>
Cash flows from investing activities		
Proceeds from maturities of investments	4,000	136,206
Purchase of investments	(220,148)	(131,583)
Interest and dividends on investments	4,255	11,210
Net cash provided by / (used in) investing activities	<u>(211,893)</u>	<u>15,833</u>
Net increase / (decrease) in cash	(170,077)	49,346
Cash - Beginning of year	189,040	139,694
Cash - End of year	<u>\$ 18,963</u>	<u>\$ 189,040</u>

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, 2025
(With Comparative information for the prior year)

(\$ in thousands)	2025	2024
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 39,202	\$ 32,224
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation / amortization	11,041	11,034
Other revenues	4,812	4,845
Capital, operating and maintenance expenses for other agencies	(1,002)	(3,062)
Net effect of changes in:		
Accounts receivable	(4,698)	(1,567)
Prepaid expenses	(82)	(523)
Deferred outflows from pension	25	44
Deferred outflows from OPEB	49	(182)
Accounts payable and accrued expenses	(431)	853
Due from/(to) MTC & BATA RCSC	(1,005)	478
Net pension liability	143	125
Net OPEB liability	(26)	117
Compensated absences liability	66	59
Deferred inflows from pension	(13)	(21)
Deferred inflows from OPEB	(37)	84
Net cash provided by operating activities	\$ 48,044	\$ 44,508

Significant Noncash Investing, Capital, and Financing Activities

Acquisition of capital assets under accounts payable and accrued liabilities	\$ 2,188	\$ 3,516
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The accompanying notes are an integral part of these financial statements.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Notes to Financial Statements
For the Year Ended June 30, 2025 (\$ in thousands)

1. Summary of Significant Accounting Policies

A. 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 Powers Agreement between MTC and BATA was amended. The amendment modified the composition of BAIFA's board to match 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.

These standalone financial statements are for the benefit of the users of BAIFA's financial statements who need more disclosure of information and prefer reviewing the financial information segregated for BAIFA.

B. 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.

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

BAIFA's financial statements are reported using the economic resources, measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Notes to Financial Statements
For the Year Ended June 30, 2025 (\$ in thousands)

D. New Accounting Pronouncements

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 statement are effective for fiscal year beginning after December 15, 2023, and all reporting periods thereafter. BAIFA adopted this standard for fiscal year ended June 30, 2025. See Note 1.R Restatements for further information on the impact of the adoption of GASB Statement No. 101.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess and disclose information regarding certain concentrations or constraints and related events that may have a substantial impact and negatively affect the level of service a government provides. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The adoption of the standard has no impact on BAIFA's financial statements.

E. Cash and Investments

BAIFA invests its available funds 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 – Rated "A1" or "P1" or better
- 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 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.

Bay Area Infrastructure Financing Authority
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Notes to Financial Statements
For the Year Ended June 30, 2025 (\$ in thousands)

BAIFA considers all balances in demand deposit accounts and associated sweep money market mutual funds to be cash. Deposits in Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP) are presented as cash as they are available for immediate withdrawal or deposit at any time without prior notice or penalty and there is minimal risk of loss of principal.

F. Prepaid Expenses

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

G. 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 or aggregate cost of more than ten thousand dollars 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:

	<u>Years</u>
Furniture and equipment	3-25
Intangible assets	5-10

H. Net Pension Liabilities

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

I. Net Other Post-Employment Benefits (OPEB) Liabilities

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

J. Compensated Absences

MTC provides regular staff employees with accumulated vacation pay and sick leave pay pursuant to the agreement with the Committee for Staff Representation, Confidential, and Specific Executive Employees pursuant to the Meyers-Milius-Brown Act. A liability for compensated absences is

Bay Area Infrastructure Financing Authority
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Notes to Financial Statements
For the Year Ended June 30, 2025 (\$ in thousands)

recognized when leave time: (1) has been earned for services previously rendered by employees, (2) accumulates and may be carried over into subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during employment or upon separation from employment. The liability for compensated absences includes salary-related benefits, where applicable.

In estimating the portion of the liability that is due within one year, MTC applies a first-in, first-out (FIFO) flows assumption, meaning that payments of leave are considered to reduce the oldest accumulated leave balances first. This approach provides consistency in measurement and reflects the expected pattern of leave usage.

MTC allocated the compensated absences liability related balance to BAIFA based on BAIFA's proportional share of payroll costs for the relevant year.

Vacation

MTC's policy permits employees to accumulate earned but unused vacation benefits. Accumulated vacation is payable at the employee's current pay rate upon separation from employment, and the balance of accrued vacation leave is recognized as a liability up to maximum of 500 hours.

Sick Leave

MTC's policy permits employees to accumulate sick leave without limit. While no more than 240 hours of unused sick leave may be cashed out upon separation, the liability for compensated absences also includes the estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability, in accordance with the applicable accounting standards.

K. 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.

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

L. 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.

M. Toll Revenues

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

N. Other Operating Revenues

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

O. Operating Expenses

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

P. Nonoperating Revenues and Expenses

Nonoperating revenues and expenses are all other revenues and expenses not related to the entity's service activities.

Q. Capital, Operating, and Maintenance Expenses for other agencies

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

R. Restatements

During the current year, BAIFA implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, BAIFA now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The impact of adoption of GASB Statement 101 on the net position at July 1, 2024 is summarized as follows:

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Net Position - Beginning of Year	\$ 68,721
Restatement for GASB 101 Adoption	<u>(152)</u>
Net Position - Beginning of Year, as Restated	<u><u>\$ 68,569</u></u>

S. 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.

T. 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.

2. Cash and Investments

- A.** A summary of Cash and Investments as shown on the Statement of Net Position at June 30, 2025 is as follows:

Cash	\$ 18,963
Investments	<u>268,043</u>
Total Cash and Investments	<u><u>\$ 287,006</u></u>

- B.** The composition of cash at June 30, 2025 is as follows:

Cash at banks	\$ 1,536
Government Pools	<u>17,427</u>
Total Cash	<u><u>\$ 18,963</u></u>

Money Market Mutual Funds

The BlackRock Treasury Trust Fund is part of the overnight sweep fund utilized by Bank of America demand deposit accounts. The fund invests 100% of its total assets in cash, U.S. Treasury bills, notes,

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and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

The Morgan Stanley Government Portfolio is part of the overnight sweep fund utilized by US Bank custodial accounts. The fund invests in obligations issued or guaranteed by the U.S. Government and its agencies and instrumentalities and in repurchase agreements collateralized by such securities. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

The First American Government Obligations Fund is part of the overnight sweep fund utilized by U.S. Bank demand deposit accounts. The fund invests in U.S. government securities and repurchase agreements collateralized by such obligations. The fund is rated "AAA/Aaa" by Standard and Poor's and Moody's, respectively.

The money market mutual funds in the BAIFA portfolio are expressed as a percentage of total cash and investments as follows:

Money Market Mutual Funds

First American Government Obligations Fund	Less than 1%
Morgan Stanley Government Portfolio	Less than 1%
BlackRock Treasury Trust Fund	Less than 1%

State law and MTC policy limit mutual fund investments to 20 percent of the portfolio, with no more than 10 percent of the portfolio in any single fund except for mutual funds in which bond proceeds are invested. All the mutual fund holdings are highly rated by Standard and Poor's and Moody's.

Government Pools

The California State Local Agency Investment Fund (LAIF) is a program created by state statute as an investment alternative for California's local governments and special districts. LAIF funds are available for immediate withdrawal. Therefore, the position in LAIF is classified as cash. LAIF is unrated.

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

The government pool investments are expressed as a percentage of total cash and investments as follows:

Government Pool Investments	
California Asset Management Program	6%
Local Agency Investment Fund	Less than 1%

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State law and MTC policy do not limit investments in joint powers authority funds, county or state investment pools as a percentage of the portfolio.

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.

Investments in the following table are valued on the basis of price data provided by the custodian banks. The fair value hierarchy as of June 30, 2025 is as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury	\$ 135,727	\$ —	\$ —	\$ 135,727
Money Market Mutual Funds ¹	1,809	—	—	1,809
Government-Sponsored Enterprises	—	46,545	—	46,545
Corporate Bonds	—	36,975	—	36,975
Asset-Backed Securities	—	21,788	—	21,788
Commercial Paper	—	21,039	—	21,039
Municipal Bonds	—	2,490	—	2,490
Others ²	—	1,670	—	1,670
Total Investments Measured at Fair Value	<u>\$ 137,536</u>	<u>\$ 130,507</u>	<u>\$ —</u>	<u>\$ 268,043</u>

1. Money Market Mutual Funds are strategically utilized for investment purposes.

2. Others include Yankees, Supranationals and Certificates of Deposits.

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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

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

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

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. Under California Government Code Sections 53651 and 5365, 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

Concentration of credit risk is the risk associated with lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory or credit developments.

Neither state law nor MTC policy imposes a limit to the amount of U.S. Treasury and Government-sponsored Enterprise debt securities that can be held in the portfolio.

iv.) Interest Rate Risk

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

Investments in issuers that represent 5 percent or more of total investments, their respective credit ratings, and their weighted average duration at June 30, 2025 are as follows:

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	Weight	Issuer Rating S&P / Moody's / Fitch	Duration
U.S. Treasury	51%	AA+/Aa1/AA+	1.92
Government-sponsored enterprises			
Federal Home Loan Bank	10%	AA+/Aa1/AA+	1.00
Federal Home Loan Mortgage Corporation	6%	AA+/Aa1/AA+	1.37

3. Capital Assets

A summary of capital assets for the period ended June 30, 2025 is as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 17,555	\$ 5,541	\$ —	\$ 23,096
Total capital assets, not being depreciated/ amortized	17,555	5,541	—	23,096
Capital assets, being depreciated/amortized:				
Equipment	129,621	—	(188)	129,433
Intangible	25,274	—	—	25,274
Total capital assets, being depreciated/ amortized	154,895	—	(188)	154,707
Less accumulated depreciation/amortization for:				
Equipment	35,094	8,552	(188)	43,458
Intangible	17,110	2,489	—	19,599
Total accumulated depreciation/amortization	52,204	11,041	(188)	63,057
Total capital assets, being depreciated/ amortized, net	102,691	(11,041)	—	91,650
Total capital assets, net	<u>\$ 120,246</u>	<u>\$ (5,500)</u>	<u>\$ —</u>	<u>\$ 114,746</u>

4. Employees' Retirement Plan

MTC provides a defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission (the "Plan"), which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to Plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS).

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GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, and amendment to GASB Statement No. 27, requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

GASB Statement No. 68 requires the actuarial valuations to be performed at least every two years. If a valuation is not performed as of the measurement date, the total pension liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation performed within 30 months and 1 day prior to the employer's fiscal year end. Accordingly, for financial reporting purposes, MTC's total pension liability was determined by CalPERS using a valuation date of June 30, 2023. CalPERS then rolled forward the total pension liability to June 30, 2024, and this is the basis for reporting MTC's net pension liability at June 30, 2025.

For purposes of measuring the net pension liability/asset, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about MTC's fiduciary net position of the Plan and additions to / deletions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 2025 was 3.40%, which was based on the fiscal year 2024 measurement year.

In fiscal year 2025, BAIFA had a pension expense of \$386, net pension liability of \$886, deferred outflows of resources from pension \$744, and deferred inflows of resources from pension of \$8. Total contribution made for this fiscal year is \$231 and it is reported as deferred outflows of resources related to employer contributions subsequent to the measurement date and will be recognized as a decrease to the net pension liability in the year ended June 30, 2026.

For additional information on employees' retirement plan, refer to MTC's Annual Comprehensive Financial Report Note 10. A copy of MTC's Annual Comprehensive Financial Report may be obtained by writing to the Metropolitan Transportation Commission Finance Department, 375 Beale Street, Suite 800, San Francisco, CA 94105.

5. Other Post Employment Benefits (OPEB)

MTC provides post employment medical coverage to all eligible retired employees and their eligible dependents. MTC post employment medical plan is the same medical plan as for its active employees. MTC established a Section 115 irrevocable benefit trust fund for its post employment benefit plan with Public Agency Retirement Services (PARS). The benefit trust fund is reported as OPEB plan

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fiduciary net position in the Net OPEB Liability on the Statement of Net Position. The annual determined contribution to the trust fund is recorded in salaries and benefits expense.

For purposes of measuring the net OPEB liability / asset, deferred outflows and deferred inflows of resources related to OPEB, OPEB expense, information about fiduciary net position of MTC's OPEB Plan and additions to / deletions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 75 requires that reported results must pertain to liability and assets information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

GASB Statement No. 75 requires the actuarial valuations to be performed at least every two years. If a valuation is not performed as of the measurement date, the total OPEB liability is required to be based on update procedures to roll forward amounts from an earlier actuarial valuation performed within 30 months and 1 day prior to the employer's fiscal year end. Accordingly, for financial reporting purposes, MTC's net OPEB liability/asset at June 30, 2025 was determined using the actuarial valuation of June 30, 2023 to the measurement date of June 30, 2024.

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 2025 was 3.40%, which was based on the fiscal year 2024 measurement year.

In fiscal year 2025, BAIFA had \$233 in OPEB expenses, net OPEB liability of \$256, deferred outflows of resources from OPEB of \$594, and deferred inflows of resources from OPEB of \$139. Total contribution made for this fiscal year is \$248 and it is reported as deferred outflows of resources related to employer contributions subsequent to the measurement date and will be recognized as a decrease to the net OPEB liability in the year ended June 30, 2026.

For additional information on employees' OPEB plan, refer to MTC's Annual Comprehensive Financial Report Note 11. A copy of MTC's Annual Comprehensive Financial Report may be obtained by writing to the Metropolitan Transportation Commission Finance Department, 375 Beale Street, Suite 800, San Francisco, CA 94105.

6. Compensated Absences

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 2025, BAIFA's percentage was 3.40%, and BAIFA had a compensated absences liability of \$207 for short term and \$421 for long term.

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For additional information on compensated absences, refer to MTC's Annual Comprehensive Financial Report Note 12. A copy of MTC's Annual Comprehensive Financial Report may be obtained by writing to the Metropolitan Transportation Commission Finance Department, 375 Beale Street, Suite 800, San Francisco, CA 94105.

7. Credit agreement - BART cars

On November 8, 2023, BAIFA entered into a Credit Agreement with Bank of America, N.A. for a maximum principal amount of \$450,000 with an expiration date of November 8, 2026. Interest on the unpaid principal amount is calculated based on 80% of the daily Secured Overnight Financing Rate (SOFR) plus 0.1148% plus a credit spread of 0.70%. Undrawn amounts are charged a commitment fee of 0.30%. The purpose of the Credit Agreement is to assist San Francisco Bay Area Rapid Transit District (BART) to finance its rail car replacement program. BAIFA's obligations under the Agreement are limited to Programmed Grant Receipts (as defined in the Regional Transit Project Funding Agreement between MTC and BAIFA (RTPFA)) received from MTC. Programmed Grant Receipts consist of FTA Transit Formula Funds received by MTC under U.S. Code Title 49 §5307 and §5337 which are programmed by MTC to pay its obligation under the RTPFA. Payment of FTA formula funds is subject to continued authorization and appropriation by the United States Congress of funds in each Federal Fiscal Year and apportionment by the FTA of such funds. In the event of default, Bank of America, N.A. will have no further obligation to make additional loans and may declare all unpaid balances to be immediately due and payable but will have no recourse to BAIFA or MTC to make payment from sources other than Programmed Grant Receipts.

As of June 30, 2025, the outstanding draw amount is \$319,742. The unused line of credit amount is \$130,258.

	Balance				Balance
	Jul 1, 2024	Increases	Decreases		Jun 30, 2025
Credit agreement with Bank of America, N.A.	\$ 210,687	\$ 109,055	\$ —	\$	319,742

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, 2025, there are approximately \$22,560 in future capital expenditure commitments.

9. Related Party Transactions

BATA

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,

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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 2025, BATA charged BAIFA \$270 in administrative fees and \$1,490 for bank charges related to transactions processed.

MTC

MTC does not have its own financing authority, BAIFA, however, a joint powers agency (JPA) established by MTC and BATA under a joint powers agreement, as permitted by state law, can issue special obligation debt (as it has done in the past). In October 2023, BAIFA Resolution No. 50 authorized BAIFA to enter into a transit funding agreement with MTC under which BAIFA would issue debt and advance funds to MTC for payments to BART to reimburse eligible rail car replacement expenditures. In fiscal year 2025, through a Credit Agreement with Bank of America, N.A., BAIFA obtained funds and transferred \$28,484 to MTC for the payments to BART.

Required Supplementary Information

Bay Area Infrastructure Financing Authority
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Schedule of Proportionate Share of Net Pension Liability / Asset (\$ in thousands, unaudited)
For the Measurement Periods Ended June 30
Last Ten Years *

	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan
	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II
Measurement Period	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the collective net pension liability/asset	3.40 %	3.51 %	3.81 %	3.51 %	3.78 %	1.29 %	0.79 %	0.71 %
Proportionate share of the collective net pension liability/(asset)	\$ 886	\$ 743	\$ 617	\$ (331)	\$ 1,096	\$ 452	\$ (3)	\$ 87
Covered payroll	\$ 1,855	\$ 1,655	\$ 1,574	\$ 1,370	\$ 1,373	\$ 451	\$ 407	\$ —
Proportionate share of the collective net pension liability/(asset) as a percentage of its covered payroll	47.77 %	44.88 %	39.23 %	(24.16)%	79.84 %	100.25 %	(0.74)%	NA
Plan's fiduciary net position as a percentage of the Plan's total pension liability	91.97 %	92.89 %	94.44 %	107.53 %	89.00 %	80.75 %	82.04 %	76.85 %

Notes to Schedule:

Change of Benefit Terms: 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: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016.

* There were no employees prior to FY 2018. Future years' information will be displayed up to 10 years as information becomes available.

Bay Area Infrastructure Financing Authority
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Schedule of Pension Contributions (\$ in thousands, unaudited)
For the Fiscal Years Ended June 30
Last Ten Years *

	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan
	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II
Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 249	\$ 216	\$ 239	\$ 222	\$ 187	\$ 90	\$ 1	\$ 13
Contributions in relation to the actuarially determined contributions	(249)	(216)	(239)	(391)	(479)	(204)	(1)	(13)
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (169)</u>	<u>(1) \$ (292)</u>	<u>(1) \$ (114)</u>	<u>(1) \$ —</u>	<u>\$ —</u>
Covered payroll	\$ 2,246	\$ 1,855	1,655	1,574	1,370	1,373	454	265
Actual contributions as a percentage of covered payroll	11.09 %	11.67 %	14.42 %	24.89 %	30.58 %	(14.86)%	0.22 %	4.90 %

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

Notes to Schedule of Plan Contribution:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2024-25 were derived from the June 30, 2022 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method / Period	For details, see June 30, 2022 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2022 Funding Valuation Report.
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.80%
Investment Rate of Return	6.80% Net of Pension Plan Investment and Administrative expenses; includes Inflation.
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

* There were no employees prior to FY 2018. Future years' information will be displayed up to 10 years as information becomes available.

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Schedule of Proportionate Share of Net OPEB Liability / Asset (\$ in thousands, unaudited)
For the Measurement Periods Ended June 30
Last Ten Years *

	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan
	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II	Tier I & II
Measurement Period	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the collective net OPEB liability/ (Asset)	3.40 %	3.51 %	3.81 %	3.51 %	3.78 %	1.29 %	0.79 %	0.71 %
Proportionate share of the collective net OPEB liability/(Asset)	\$ 256	\$ 282	\$ 165	\$ (100)	\$ (247)	\$ (37)	\$ 59	\$ 51
Covered-employee payroll	\$ 1,919	\$ 1,748	\$ 1,653	\$ 1,437	\$ 1,450	\$ 477	\$ 277	\$ 205
Proportionate share of the collective net OPEB liability/(Asset) as a percentage of its covered- employee payroll	13.77 %	16.12 %	10.00 %	(6.94)%	(17.01)%	(7.84)%	21.43 %	54.85 %
Plan's fiduciary net position as a percentage of the Plan's total OPEB liability	88.04 %	86.27 %	91.92 %	105.69 %	114.10 %	106.80 %	80.98 %	80.19 %

Notes to Schedule:

Benefit Changes: None in 2024.

Changes of Assumptions: There were no changes in assumptions since prior measurement date June 30, 2023. The general inflation rate decreased from 2.75 percent in FY 2023 to 2.5 percent in FY 2024-25. The long-term expected rate of return on investments used to measure the total OPEB liability was 3.75 percent in FY 2023, FY 2024, and FY 2025. Medical trend rate for Kaiser Senior Advantage was decreased; mortality improvement scale was updated to Scale MP-2021. The demographic assumptions were updated to the CalPERS 2000-2019 Experience Study. The participation at retirement is 98 percent for people before age 65 and 95 percent on and after age 65.

* 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.

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Schedule of OPEB Contributions (\$ in thousands, unaudited)
For the Fiscal Years Ended June 30
Last Ten Years **

	Miscellaneous Plan Tier I & II 2025	Miscellaneous Plan Tier I & II 2024	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
Fiscal Year								
Actuarially determined contribution	\$ 184	\$ 127	\$ 127	\$ 121	\$ 83	\$ 39	\$ 26	\$ 23
Contributions in relation to the actuarially determined contributions	(268)	(196)	(123)	(134)	(50)	(62)	(90)	(22)
Contribution deficiency (excess)	<u>\$ (84)</u>	<u>\$ (69)</u>	<u>\$ 4</u>	<u>\$ (13)</u>	<u>\$ 33</u>	<u>\$ (23)</u>	⁽¹⁾ <u>\$ (64)</u>	⁽¹⁾ <u>\$ 1</u>
Covered-employee payroll for OPEB	\$ 2,349	\$ 1,919	\$ 1,748	\$ 1,653	\$ 1,437	\$ 1,450	\$ 477	\$ 277
Actual contributions as a percentage of covered- employee payroll	11.40 %	10.22 %	7.02 %	8.08 %	3.48 %	4.25 %	18.78 %	8.11 %

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

Notes to Schedule:

The following actuarial methods and assumptions from the June 30, 2023 actuarial valuation were used to determine the 2024/25 Actuarially Determined Contribution:

Actuarial cost method	Entry Age Normal. Level percentage of pay
Amortization method	Level percentage of pay
Amortization period	15-year fixed period for 2024/25
Asset valuation method	Market Value of assets
Inflation	2.5% annually
Healthcare cost trend rates	Non-Medicare - 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.5% for 2025, decreasing to an ultimate rate of 3.4% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Investment rate of return	3.75% annually
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

** 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 (\$ in thousands)	Trip Count (count in thousands)
2018*	\$7,850	3,851
2019	\$11,730	4,491
2020	\$9,702	3,289
2021	\$21,179	8,450
2022	\$52,399	13,196
2023	\$59,674	12,716
2024	\$67,305	13,066
2025	\$74,370	13,015

* Nine months ended as of June 30, 2018.