

Bay Area Infrastructure Financing Authority

**A Component Unit of Metropolitan Transportation
Commission**

Financial Statements

As of and for the Year Ended June 30, 2026

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
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For the Year Ended June 30, 2026

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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, 2026, 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, 2026, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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 the BAIFA's financial statements for the year ended June 30, 2025, 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 13, 2026

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Financial Statements for the Year Ended June 30, 2026
Management's Discussion and Analysis (\$ in thousands, unaudited)

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, 2026. The discussion has been prepared by management and should be read in conjunction with the financial statements and the notes which follow.

A. Overview of the Financial Statements

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. The express lanes on Interstate 80 in Solano County began toll collections on December 16, 2025.

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.

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.

Bay Area Infrastructure Financing Authority
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Financial Statements for the Year Ended June 30, 2026
Management's Discussion and Analysis (\$ in thousands, unaudited)

B. Financial Highlights

During fiscal year 2026, BAIFA generated \$97,915 in total operating revenues. Toll revenues from the three-corridor express lanes reached \$80,094, while the newly opened express lanes on Interstate 80 generated \$7,306 in toll and violation revenues during their first six months of operation.

C. Financial Summary and Detailed 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:

	2026	2025
Cash and investments	\$ 337,215	\$ 287,006
Accounts receivable	15,845	13,275
Other assets	623	605
Capital assets	110,159	114,746
Total assets	463,842	415,632
Deferred outflows of resources	1,726	1,338
Current liabilities	345,533	10,716
Non-current liabilities	748	321,305
Total liabilities	346,281	332,021
Deferred inflows of resources	866	147
Net investment in capital assets	108,251	112,558
Unrestricted	10,170	(27,756)
Total net position	\$ 118,421	\$ 84,802

Cash and investments increased by \$50,209 or 17.5% in fiscal year 2026. The increase is mainly a result of net operating revenues of \$36,385 from current year operations and interest income of \$10,508. Total accounts receivable increased by \$2,570 or 19.4% in fiscal year 2026. The increase is due to a \$1,570 increase of operating revenues receivable and a \$1,000 increase of violation fee receivable. Capital assets decreased by \$4,586 or 4.0% primarily is a result of current year depreciation, offset by current year acquisition of capital assets. About \$32,000 I-80 express lanes new toll equipment started its service life in mid-December 2025.

Total liabilities increased by \$14,260 or 4.3% in fiscal year 2026. The increase is primarily due to the accrued interest liability for the Credit Agreement - BART cars.

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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:

	2026	2025*
Operating revenues		
Total operating revenues	\$ 97,915	\$ 94,576
Operating expenses		
Express lane operating expenses	37,972	30,908
Other operating expenses	23,558	19,263
Total operating expenses	61,530	50,171
Net operating income	36,385	44,405
Other non-operating revenues / (expenses)		
Interest income	10,508	13,708
Credit agreement - BART cars	(13,274)	(41,880)
Total other non-operating revenues (expenses)	(2,766)	(28,171)
Change in net position	33,619	16,234
Net position - beginning	84,802	68,569
Net position - ending	\$ 118,421	\$ 84,802

* Prior-year amounts were restated to align with GASB 103, allowing for direct year-over-year comparison.

BAIFA's operating revenues increased by \$3,339 or 3.5% in fiscal year 2026. The increase was resulted from BAIFA's I-80 express lanes started toll collections in mid-December 2025 and generated \$7,306 toll and violation revenues in FY 2026.

Total operating expenses increased by \$11,359 or 22.6% in fiscal year 2026 mainly driven by I-80 express lanes which incurred \$6,854 operating expenses. Additionally, depreciation expense rose by \$2,351 or 21.3% due to new toll collection equipment placed in service on the opening day of I-80 express lanes.

Interest income decreased by \$3,200 or 23.3% which was resulted from a lower federal funds rate and steepening treasury yield curve affecting the valuation of the long-term investment pool. The \$13,274 credit agreement BART cars expenses, which represent the interest expense and financing fees related to the credit agreement, compared to FY 2026 \$41,880, decrease by \$28,606 or 68.3%.

Bay Area Infrastructure Financing Authority
A Component Unit of Metropolitan Transportation Commission
Financial Statements for the Year Ended June 30, 2026
Management's Discussion and Analysis (\$ in thousands, unaudited)

D. Significant Capital Asset and Long-Term Financing Activity

BAIFA's capital assets are toll collection equipment and software. BAIFA reports its capital assets on an accrual basis. BAIFA's investment in capital assets decreased from \$114,746 in FY 2025 to \$110,159 in FY 2026, primarily due to current year depreciation expense offset by newly added I-80 express lanes toll equipment assets. For additional information on BAIFA's capital assets, refer to Note 3.

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 original expiration date of November 8, 2026. The Credit Agreement is to assist San Francisco Bay Area Rapid Transit District (BART) to finance the rail car replacement program. As of June 30, 2026, the outstanding draw amount is \$333,015. On September 22, 2026, BAIFA amended the agreement by extending the expiration date to May 27, 2027 and reducing the maximum principal amount to \$375,000.

E. Currently Known Facts, Decisions, or Conditions

Next Year's Budget

Fiscal year 2026-27 operating revenue is projected to increase modestly to approximately \$118,706. Higher violation revenues, reimbursement revenues, and investment earnings are expected to partially offset lower projected toll revenues resulting from more conservative forecasts for the I-80 Express Lane corridor. Revenue will continue to be supported primarily through express lane toll collections, reimbursement revenue from the San Mateo 101 Express Lanes, and investment earnings.

Fiscal year 2026-27 operating expenses are projected to increase to \$52,930 primarily due to the first full year of I-80 Express Lane operations. Growth in roadway and toll system maintenance, California Highway Patrol enforcement activities, Regional Operations Center transition costs, and other operating requirements is expected to increase overall expenditures. Despite these increases, operating revenues are expected to generate a strong operating surplus that will support capital improvements, rehabilitation projects, reserve contributions, and the continued operation and long-term reliability of the regional express lane network.

Request 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, 2026
(With comparative information for the prior year)

	(\$ in thousands)	2026	2025
Assets			
Current assets			
Cash	\$	52,204	\$ 18,963
Investments		104,115	87,854
Accounts receivable		11,216	9,297
Due from BATA		4,629	3,978
Prepaid expenses		623	605
Total current assets		<u>172,787</u>	<u>120,697</u>
Non-current assets			
Investments		180,896	180,189
Capital assets, not being depreciated/amortized		170	23,096
Capital assets, net of accumulated depreciation/amortization		109,989	91,650
Total non-current assets		<u>291,055</u>	<u>294,935</u>
Total Assets		<u>463,842</u>	<u>415,632</u>
Deferred outflows of resources			
Deferred outflows from pension		841	744
Deferred outflows from OPEB		885	594
Total deferred outflows of resources		<u>1,726</u>	<u>1,338</u>
Liabilities			
Current liabilities			
Accounts payable		7,394	6,257
Retention payable		2,304	2,390
Accrued liabilities		2,791	1,405
Due to MTC		29	24
Due to BATA		—	433
Compensated absences liability - current		—	207
Credit agreement liability - BART cars		333,015	—
Total current liabilities		<u>345,533</u>	<u>10,716</u>
Non-current liabilities			
Credit agreement liability - BART cars noncurrent		—	319,742
Net pension liability		707	886
Net OPEB liability		41	256
Compensated absences liability		—	421
Total non-current liabilities		<u>748</u>	<u>321,305</u>
Total Liabilities		<u>346,281</u>	<u>332,021</u>
Deferred inflows of resources			
Deferred inflows from pension		269	8
Deferred inflows from OPEB		597	139
Total deferred inflows of resources		<u>866</u>	<u>147</u>
Net Position			
Net investment in capital assets		108,251	112,558
Unrestricted		10,170	(27,756)
Total net position		<u>\$ 118,421</u>	<u>\$ 84,802</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 Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2026
(With comparative information for the prior year)

(\$ in thousands)	2026	2025*
Operating Revenues		
Toll revenues	\$ 80,094	\$ 74,370
Other operating revenues	17,821	20,206
Total operating revenues	97,915	94,576
Operating Expenses		
Salaries and benefits	4,054	3,239
Professional fees	37,972	30,908
Bank charges	2,043	1,580
Overhead	3,389	1,942
Transfer to MTC for operating purposes	72	1,272
Depreciation and amortization	13,392	11,041
Other operating expenses	608	190
Total operating expenses	61,530	50,172
Operating Income	36,385	44,404
Other non-operating revenues / (expenses)		
Interest income	10,508	13,708
Financing fees - BART cars	(381)	(507)
Credit agreement - BART cars interest expense	(12,893)	(12,888)
Payments to MTC - BART cars	—	(28,484)
Total other non-operating revenues (expenses)	(2,766)	(28,171)
Change in Net Position	33,619	16,233
Net Position - Beginning	84,802	68,569
Net Position - Ending	\$ 118,421	\$ 84,802

* Prior-year amounts were restated to align with GASB 103, allowing for direct year-over-year comparison.

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

Bay Area Infrastructure Financing Authority
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Statement of Cash Flows
For the Year Ended June 30, 2026
(With Comparative information for the prior year)

(\$ in thousands)	2026	2025*
Cash flows from operating activities		
Cash receipts from users / operations	\$ 94,912	\$ 88,427
Cash payments to suppliers for goods and services	(41,387)	(37,343)
Cash payments for employee salaries and benefits	(4,740)	(3,040)
Net cash provided by operating activities	48,785	48,044
Cash flows from non-capital financing activities		
Proceeds from credit agreement	—	95,660
Payment to MTC for BART cars	—	(95,660)
Net cash used in non-capital financing activities	—	—
Cash flows from capital and related financing activities		
Acquisition of capital assets	(9,084)	(6,228)
Net cash used in capital and related financing activities	(9,084)	(6,228)
Cash flows from investing activities		
Proceeds from maturities of investments	2,000	4,000
Purchase of investments	(10,000)	(220,148)
Interest and dividends on investments	1,540	4,255
Net cash used in investing activities	(6,460)	(211,893)
Net increase / (decrease) in cash	33,241	(170,077)
Cash - Beginning of year	18,963	189,040
Cash - End of year	\$ 52,204	\$ 18,963

* Prior-year amounts were restated to align with GASB 103, allowing for direct year-over-year comparison.

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, 2026
(With Comparative information for the prior year)

(\$ in thousands)	2026	2025*
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 36,385	\$ 44,404
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation / amortization	13,392	11,041
Net effect of changes in:		
Accounts receivable	(1,919)	(5,152)
Prepaid expenses	(18)	(82)
Deferred outflows from pension	(97)	25
Deferred outflows from OPEB	(291)	49
Accounts payable and accrued expenses	2,715	(1,369)
Due from/(to) MTC & BATA RCSC	(1,079)	(1,005)
Net pension liability	(179)	143
Net OPEB liability	(215)	(26)
Compensated absences liability	(628)	66
Deferred inflows from pension	261	(13)
Deferred inflows from OPEB	458	(37)
Net cash provided by operating activities	<u><u>\$ 48,785</u></u>	<u><u>\$ 48,044</u></u>

Significant Noncash Investing, Capital, and Financing Activities

Acquisition of capital assets under accounts payable and accrued liabilities	\$ 1,908	\$ 2,188
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* Prior-year amounts were restated to align with GASB 103, allowing for direct year-over-year comparison.

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, 2026 (\$ 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. Interstate 80 Solano County express lanes began toll collections on December 16, 2025.

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, 2026 (\$ in thousands)

D. New Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The financial statement improvements include: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; major component unit information; budgetary comparison information; and financial trends information in the statistical section. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The adoption of the standard has resulted in reclassifications of certain items on BAIFA's statements. All other disclosure updates required by this new standard are incorporated throughout the relevant sections of this report.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, provides users of governmental financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures by major class including lease assets, intangible right-to-use assets, subscription assets, and other intangible assets. This statement also requires additional disclosures for capital assets held for sale. The adoption of this standard has no impact to the BAIFA's financial statements.

E. Cash and Investments

BAIFA delegates MTC to invest 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

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Notes to Financial Statements
For the Year Ended June 30, 2026 (\$ in thousands)

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 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 and cash equivalents 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>
Toll collection equipment	3-25
Toll collection software	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's staff are employees of MTC. 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).

BAIFA net pension liabilities are derived from BAIFA's proportional share of MTC's payroll costs for the relevant measurement year.

Bay Area Infrastructure Financing Authority
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Notes to Financial Statements
For the Year Ended June 30, 2026 (\$ in thousands)

For additional information on the Plan, refer to Note 4.

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's staff are employees of MTC. 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).

BAIFA net OPEB liabilities are derived from BAIFA's proportional share of MTC's payroll cost for the relevant measurement year.

For additional information on the Plan, refer to Note 5.

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 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.

Starting in fiscal year 2026, MTC allocated current year's compensated absences expenses related to vacation and sick leave to BAIFA based on BAIFA's proportional share of payroll costs for the current year. In fiscal year 2026, BAIFA paid off the beginning balance of compensated absences liabilities of \$628.

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.

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For the Year Ended June 30, 2026 (\$ in thousands)

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.

**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. Operating and Nonoperating Revenues and Expenses

BAIFA distinguishes operating revenues and expenses from noncapital subsidies, and other nonoperating revenues and expenses. Nonoperating revenues and expenses are (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. Subsidies are defined as (i) resources received from another party or fund for which BAIFA does not provide goods and services to the other party or fund and that directly or indirectly keep BAIFA's current or future fees and charges lower than they would be otherwise, and (ii) resources provided to another party or fund for which the other party or fund does not provide goods and services to BAIFA and that are recoverable through BAIFA's current or future

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pricing policies. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

O. 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.

P. 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, 2026 is as follows:

Cash	\$ 52,204
Investments	285,011
Total Cash and Investments	<u>\$ 337,215</u>

- B.** The composition of cash at June 30, 2026 is as follows:

Cash at banks	\$ 290
Government Pools	51,914
Total Cash	<u>\$ 52,204</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, 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.

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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% of the portfolio, with no more than 10% 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	14%
Local Agency Investment Fund	2%

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.

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For the Year Ended June 30, 2026 (\$ in thousands)

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, 2026 is as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury	\$ 103,324	\$ —	\$ —	\$ 103,324
Money Market Mutual Funds ¹	1,148	—	—	1,148
Government-Sponsored Enterprises	—	67,158	—	67,158
Corporate Bonds	—	56,083	—	56,083
Asset-Backed Securities	—	28,272	—	28,272
Commercial Paper	—	19,242	—	19,242
Municipal Bonds	—	4,029	—	4,029
Others ²	—	5,755	—	5,755
Total Investments Measured at Fair Value	\$ 104,472	\$ 180,539	\$ —	\$ 285,011

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

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

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.

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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% or more of total investments, their respective credit ratings, and their weighted average duration at June 30, 2026 are as follows:

	Weight	Issuer Rating S&P / Moody's / Fitch	Duration
U.S. Treasury	36%	AA+/Aa1/AA+	2.17
Government-sponsored enterprises			
Federal Home Loan Bank	13%	AA+/Aa1/AA+	0.43
Federal Home Loan Mortgage Corporation	7%	AA+/Aa1/AA+	3.01

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3. Capital Assets

A summary of capital assets for the period ended June 30, 2026 is as follows:

	Balance 7/1/2025	Increases	Decreases	Balance 6/30/2026
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 23,096	\$ 4,911	\$ (27,837)	\$ 170
Total capital assets, not being depreciated/ amortized	23,096	4,911	(27,837)	170
Capital assets, being depreciated/amortized:				
Toll collection equipment	129,433	31,731	—	161,164
Toll collection software	25,274	—	—	25,274
Total capital assets, being depreciated/ amortized	154,707	31,731	—	186,438
Less accumulated depreciation/amortization for:				
Toll collection equipment	43,458	10,902	—	54,360
Toll collection software	19,599	2,490	—	22,089
Total accumulated depreciation/amortization	63,057	13,392	—	76,449
Total capital assets, being depreciated/ amortized, net	91,650	18,339	—	109,989
Total capital assets, net	<u>\$ 114,746</u>	<u>\$ 23,250</u>	<u>\$ (27,837)</u>	<u>\$ 110,159</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).

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, 2024
Measurement Date (MD)	June 30, 2025
Measurement Period (MP)	July 1, 2024 to June 30, 2025

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

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Notes to Financial Statements
For the Year Ended June 30, 2026 (\$ in thousands)

reporting purposes, MTC's total pension liability was determined by CalPERS using a valuation date of June 30, 2024. CalPERS then rolled forward the total pension liability to June 30, 2025, and this is the basis for reporting MTC's net pension liability at June 30, 2026.

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 2026 was 3.67%, which was based on the fiscal year 2025 measurement year.

In fiscal year 2026, BAIFA had a pension expense of \$354, net pension liability of \$707, deferred outflows of resources from pension \$841, and deferred inflows of resources from pension of \$269. Total contribution made for this fiscal year is \$339 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, 2027.

For additional information on employees' retirement 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.

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 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, 2025
Measurement Date (MD)	June 30, 2025
Measurement Period (MP)	July 1, 2024 to June 30, 2025

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Notes to Financial Statements
For the Year Ended June 30, 2026 (\$ in thousands)

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, 2026 was determined using the actuarial valuation and the measurement date of June 30, 2025.

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 2026 was 3.67%, which was based on the fiscal year 2025 measurement year.

In fiscal year 2026, BAIFA had \$227 in OPEB expenses, net OPEB liability of \$41, deferred outflows of resources from OPEB of \$885, and deferred inflows of resources from OPEB of \$597. Total contribution made for this fiscal year is \$274 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, 2027.

For additional information on employees' OPEB plan, 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.

6. Credit agreement - BART cars

On November 8, 2023, the Bay Area Infrastructure Financing Authority (BAIFA) entered into a Credit Agreement (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 SOFR Rate plus 0.11448% plus a credit spread of 0.70%. Undrawn amounts are charged a commitment fee of 0.30%. The Credit Agreement is to assist San Francisco Bay Area Rapid Transit District (BART) to finance the rail car replacement program. The Agreement is indirectly secured by FTA Transit Formula Funds. BAIFA's obligations under this Agreement are limited to continued Authorization, appropriation by the United States Congress of funds for programs authorized under 49 U.S.C. §5307 or 49 U.S.C. §5337 in each Federal Fiscal Year and apportionment by the FTA of such funds so appropriated by the United States Congress in each Federal Fiscal Year. 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.

As of June 30, 2026, the outstanding draw amount is \$333,015. The unused line of credit amount is \$116,985.

	Balance				Balance
	Jul 1, 2025	Increases	Decreases		Jun 30, 2026
Credit agreement with Bank of America, N.A.	\$ 319,742	\$ 13,273	\$ —	\$	333,015

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Notes to Financial Statements
For the Year Ended June 30, 2026 (\$ in thousands)

7. 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, 2026, there are approximately \$16,550 in future capital expenditure commitments.

8. 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, 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's RCSC processes all trip records received by BAIFA and forwards the revenue settlement to BAIFA. All services provided to BAIFA are charged directly to BAIFA.

MTC

MTC does not have its own financing authority. BAIFA, 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. See Note 6 for details on outstanding draw balances.

9. Subsequent Event

On September 22, 2026, BAIFA amended its existing Credit Agreement with Bank of America, N.A. for a maximum principal amount of \$450,000, by extending the expiration date to May 27, 2027 and reducing the maximum principal amount to \$375,000.

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	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	Tier I & II
Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the collective net pension liability/asset	3.67 %	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)	\$ 707	\$ 886	\$ 743	\$ 617	\$ (331)	\$ 1,096	\$ 452	\$ (3)	\$ 87
Covered payroll	\$ 2,246	\$ 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	31.48 %	47.76 %	44.89 %	39.20 %	(24.16)%	79.83 %	100.22 %	(0.74)%	NA
Plan's fiduciary net position as a percentage of the Plan's total pension liability	94.86 %	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: 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	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	Tier I & II
Fiscal Year	2026	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 339	\$ 249	\$ 216	\$ 239	\$ 222	\$ 187	\$ 90	\$ 1	\$ 13
Contributions in relation to the actuarially determined contributions	(339)	(249)	(216)	(239)	(391)	(479)	(204)	(1)	(13)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ (169)	(1) \$ (292)	(1) \$ (114)	(1) \$ —	\$ —
Covered payroll	\$ 3,333	\$ 2,246	\$ 1,855	1,655	1,574	1,370	1,373	451	407
Actual contributions as a percentage of covered payroll	10.17 %	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 2025-26 were derived from the June 30, 2023 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method / Period	For details, see June 30, 2023 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2023 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.

Bay Area Infrastructure Financing Authority
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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	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	Tier I & II
Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the collective net OPEB liability/(Asset)	3.67%	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)	\$ 41	\$ 256	\$ 282	\$ 165	\$ (100)	\$ (247)	\$ (37)	\$ 59	\$ 51
Covered-employee payroll	\$ 2,349	\$ 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	1.75%	13.34 %	16.13 %	9.98 %	(6.96)%	(17.03)%	(7.76)%	21.30 %	24.88 %
Plan's fiduciary net position as a percentage of the Plan's total OPEB liability	98.26%	88.04 %	86.27 %	91.92 %	105.69 %	114.10 %	106.80 %	80.98 %	80.19 %

Notes to Schedule:

Benefit Changes: None in 2025.

Changes of Assumptions: The general inflation rate decreased from 2.75 percent in FY 2023 to 2.5 percent in FY 2024-FY2026. The long-term expected rate of return on investments used to measure the total OPEB liability was 5 percent in FY2026 and 3.75 percent in FY2023-FY2025. 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 decreased from 98 percent in FY2025 to 95% in FY 2026 for people before age 65, and from 95 percent in FY2025 to 90 percent in FY2026 for people 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.

Bay Area Infrastructure Financing Authority
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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	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	Miscellaneous Plan Tier I & II	Miscellaneous Plan Tier I & II
Fiscal Year	2026	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 187	\$ 184	\$ 127	\$ 127	\$ 121	\$ 83	\$ 39	\$ 26	\$ 23
Contributions in relation to the actuarially determined contributions	(274)	(268)	(196)	(123)	(134)	(50)	(62)	(90)	(22)
Contribution deficiency (excess)	<u>\$ (87)</u> ⁽¹⁾	<u>\$ (84)</u> ⁽¹⁾	<u>\$ (69)</u> ⁽¹⁾	<u>\$ 4</u> ⁽¹⁾	<u>\$ (13)</u> ⁽¹⁾	<u>\$ 33</u> ⁽¹⁾	<u>\$ (23)</u> ⁽¹⁾	<u>\$ (64)</u> ⁽¹⁾	<u>\$ 1</u> ⁽¹⁾
Covered-employee payroll for OPEB	\$ 3,499	\$ 2,349	\$ 1,919	\$ 1,748	\$ 1,653	\$ 1,437	\$ 1,450	\$ 477	\$ 277
Actual contributions as a percentage of covered-employee payroll	7.82%	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 2025/26 Actuarially Determined Contribution:

Actuarial cost method	Entry Age Normal. Level percentage of pay
Amortization method	Level percentage of pay
Amortization period	14-year fixed period for 2025/26
Asset valuation method	Market Value of assets
Inflation	2.50% annually
Healthcare cost trend rates	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Discount rate	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
2026	\$80,094	15,123

* Nine months ended as of June 30, 2018.