STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: December 10, 2020

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:
Presentation of the audited Annual Financial Report of the Transbay Joint Powers Authority (TJPA) for the fiscal year ended June 30, 2020.

EXPLANATION:
State law, as well as various agreements in place with TJPA funders, requires that TJPA publish complete audited financial statements within six months of the close of each fiscal year. Responsibility for the preparation of the statements, the accuracy of the data, and the completeness and fairness of the presentation rests with TJPA management. The fiscal year 2019-20 financial statements are the seventeenth set of financial statements since the inception of the TJPA and represent the financial position of the TJPA for the period of July 1, 2019 to June 30, 2020. The objective of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. In addition, as a recipient of federal funds, TJPA is required to undergo a Single Audit of Federal Programs. Maze & Associates conducted an audit, including the Single Audit, of the TJPA's financial statements for fiscal year ended June 30, 2020 according to Government Auditing Standards, and has issued an unmodified opinion. The Annual Financial Report includes the following required sections:

1. **Independent Auditors' Report—**this report was prepared by the independent auditors, who rendered an unmodified opinion (formerly unqualified opinion), which is the most favorable opinion an agency can receive in an audit, and means that the financial statements are presented fairly and in accordance with accounting principles generally accepted in the United States of America. In other words, TJPA's financial condition, position, and operations are fairly presented in our financial statements. This is the best type of report an auditee can receive from an external auditor.

2. **Management's Discussion and Analysis (MD&A)—**this section provides management's objective narrative overview of TJPA's financial activities. It includes comparisons of the current year to the prior year, and analysis of the agency's overall financial position.

3. **Basic Financial Statements—**the basic financial statements include a statement of net position; statement of revenues, expenses and changes in fund net position; statement of cash flows; and notes to the statements, which are essential to a full understanding of the data provided.

4. **Required Supplementary Information (RSI)—**the Governmental Accounting Standards Board (GASB) considers certain information to be an essential part of financial reporting and has established authoritative guidelines for the presentation of this information. Auditors are required to apply certain limited procedures in reviewing RSI. MD&A is RSI, although it is presented before the basic financial statements. TJPA's other RSI is related to pension and other post-employment benefits.

5. **Supplementary and Other Information—**this includes the Schedule of Expenditures of Federal Awards, and the required auditor reports on internal control and compliance. As in all other years, there were no internal control deficiencies and no management improvement recommendations.

A representative of Maze & Associates will address the Board at the December 10 meeting and be available to answer any questions.

RECOMMENDATION:
Information only.

Transbay Joint Powers Authority
Annual Financial Report
Fiscal Year Ended June 30, 2020

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TRANSBAY JOINT POWERS AUTHORITY
SAN FRANCISCO, CALIFORNIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

PREPARED BY THE FINANCE DEPARTMENT

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TRANSBAY JOINT POWERS AUTHORITY
Nila Gonzales • Interim Executive Director

December 10, 2020

Board of Directors
Transbay Joint Powers Authority
San Francisco, California

I am pleased to present the Annual Financial Report of the Transbay Joint Powers Authority ("TJPA") for the year ended June 30, 2020, with the independent auditors' report. The TJPA is responsible for the accuracy of the data and for the completeness and fairness of its presentation. Our internal accounting controls provide reasonable assurance, rather than absolute assurance, that the financial statements are free of material misstatements. I believe that the reported data is accurate in all material respects and that its presentation fairly depicts the TJPA's financial position. I am confident that the included disclosures to provide the reader with an understanding of the TJPA's financial affairs.

The records have been audited by Maze and Associates and are presented in the Basic Financial Statements. This letter of transmittal is designed to complement the Management's Discussion and Analysis ("MD&A") section of the Annual Financial Report. The MD&A provides a narrative overview and analysis of the Basic Financial Statements and is presented after the independent auditors' report.

Governance

The TJPA has primary jurisdiction with respect to all matters concerning the financing, design, development, construction, and operation of the Transbay Program. The TJPA is a joint exercise of powers authority created by the City and County of San Francisco, the Alameda-Contra Costa Transit District, the Peninsula Corridor Joint Powers Board, the California High Speed Rail Authority, and Caltrans (ex officio). The TJPA is managed by TJPA staff and is overseen by an eight-member Board of Directors.

Overview

The Transbay Program (Program) is a multi-billion dollar transportation infrastructure investment that replaces the former Transbay Terminal at First and Mission streets in San Francisco with a state-of-the-art regional transit station connecting eight Bay Area counties and the State of California through eleven bus and rail transit systems: AC Transit, BART, Caltrain, Golden Gate Transit, Greyhound, San Francisco Municipal Railway (Muni), SamTrans, WestCAT Lynx, Amtrak, Paratransit, and future high-speed rail from San Francisco to Los Angeles. The Program consists of three interconnected elements:

- Replacing the former Transbay Terminal at First and Mission streets
- Extending Caltrain and California High-Speed Rail underground from Caltrain's current terminus at 4th and King streets into the new downtown Salesforce Transit Center
- Creating a new neighborhood with homes, offices, parks, and shops surrounding the new transit center

The Program has two phases. Phase 1 includes the design and construction of the above-grade levels of the new transit center and its related components, including the core and shell of the below-grade train box, a bus ramp connecting the station to the San Francisco–Oakland Bay Bridge, a bus storage facility for off-peak bus layovers, a temporary terminal, and a utility relocation project to clear the area of utilities ahead of excavation.

Phase 2 is the Downtown Rail Extension, which will extend Caltrain commuter rail from its current terminus at Fourth and King streets into the transit center and accommodate future high-speed rail service between San Francisco and Los Angeles. It also includes the build-out of the transit center's below-grade train station, a new underground station at Fourth and Townsend streets, a pedestrian tunnel to the Embarcadero BART/Muni Metro station, and an intercity bus facility.

Highlights

This Fiscal Year was filled with unprecedented events for The Transbay Joint Powers Authority. In June 2020, TJPA issued $271 million (Green Bonds) in our inaugural bond sale as part of our commitment to delivering the Transbay Program in the most environmentally responsible manner possible and to help the region meet its environmental goals by delivering low carbon, climate-resilient infrastructure. In connection with the bond sale, major bond rating agency Fitch Ratings (Fitch) assigned the agency a strong and stable Bond Rating for senior and subordinate liens of the $271 million bonds that finances the Transbay Program, including refinancing a Transportation Infrastructure Finance and Innovation Act loan and providing new funds for construction and design of the Transbay Program. We refinanced the TIFIA loan and generated new money, at an overall True Interest Cost (TIC) of 3.41%, creating interest rate savings over the life of the bonds in excess of $25 million. The bonds were a combination of taxable and tax-exempt bonds.

The City and County of San Francisco ("City") sold the third tranche of Community Facilities District ("CFD") bonds during the fiscal year. The issuance of $81 million resulted in $76 million in proceeds for the Transbay Program, of which all was used to pay down the remaining balance of the interim City Financing. As of June 30, 2020, the credit facility has been terminated and the full balance repaid.

As we have transitioned into an operational facility. We have moved the transit center asset out of the construction phase and have begun to depreciate the facility. With this in mind, we looked to preserving its longevity and maintaining its various components. In this fiscal year, we created and funded a new Capital Replacement Reserve to address the lifecycle replacements of the transit center components and facility. The reserve of $26 million was funded through the bond sale.

As with the rest of the nation, COVID-19 and local Health Orders to shelter-in-place have had a significant impact on operational revenues. While TJPA and the operations of the transit center has been considered an essential function, it has come with considerable cost. In this fiscal year, operational reserves were used to fill the revenue losses created as a result of the temporary Health Orders to shelter in place and the moratorium on rent payments for commercial businesses deemed non-essential.

Finally, the TJPA was named as a defendant in lawsuits filed by the homeowners' association, the Millennium Tower Association Lawsuit; The parties have been participating in confidential mediation, and recently reached an agreement-in principle as to a global resolution of the litigation. On August 7, 2020, the court granted final approval of the class action settlement and on October 7, 2020, the court entered an order finding the global settlement to be final and effective. As of October 2020, all parties to the litigation reached a global settlement resolving all litigations involving the TJPA. The TJPA paid $30,000,000 for a complete release of claims against it and many other parties contributed to the global settlement. For FY20, we have recorded the settlement expense. The settlement does not determine who caused the movement of the tower or assign any responsibility to the TJPA.

Acknowledgements
I would like to express my appreciation to the Finance staff for their professionalism, dedication, and efficiency in the day to day operations and in the preparation of this report.

Respectfully submitted,

Erin Roseman
Chief Financial Officer

TRANSBAY JOINT POWERS AUTHORITY

GOVERNING BOARD

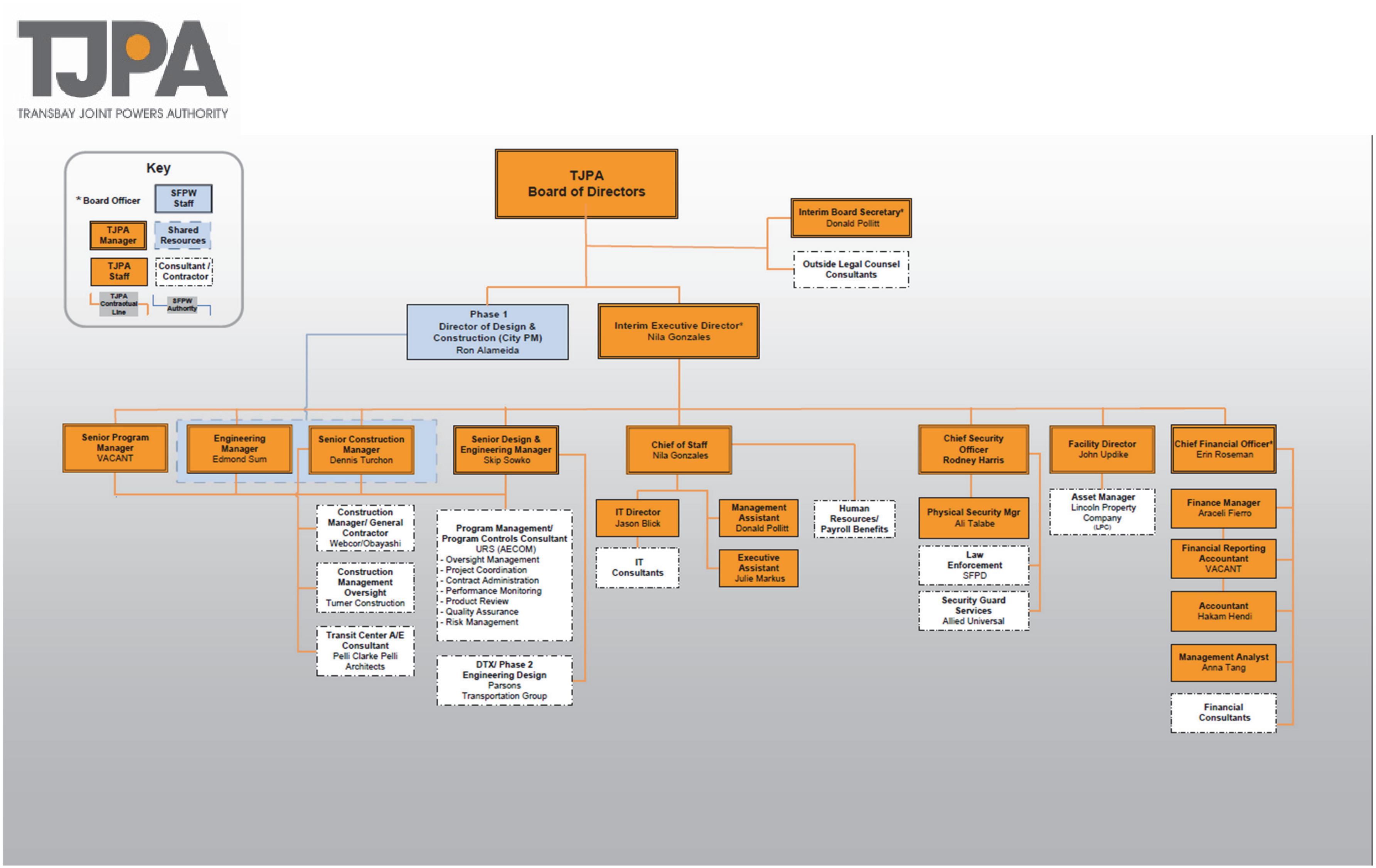
Nadia Sesay, *Chair (Office of the San Francisco Mayor Representative)*
Jeff Gee, *Vice Chair (Peninsula Corridor Joint Powers Board Representative)*
Jeff Tumlin, *Board Member (San Francisco Municipal Transportation Agency Representative)*
Matt Haney, *Board Member (San Francisco Board of Supervisors Representative)*
Michael Hursh, *Board Member (AC Transit Representative)*
Boris Lipkin, *Board Member (California High Speed Rail Authority Representative)*
Elaine Forbes, *Board Member (San Francisco Board of Supervisors Representative)*
Tony Tavares, *Ex officio Board Member (Caltrans Representative)*

AUTHORITY STAFF

Nila Gonzales, *Interim Executive Director*
Erin Roseman, *Chief Financial Officer*
Donald Pollitt, *Interim Secretary*

Deborah Miller (Shute Mihaly & Weinberger LLP), *General Counsel*

ORGANIZATIONAL CHART



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INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Transbay Joint Powers Authority
San Francisco, California

We have audited the accompanying financial statements of the business-type activities, of the Transbay Joint Powers Authority (TJPA), San Francisco, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the TJPA's preparation and fair presentation of the financial statements 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 TJPA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the of the TJPA as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the table of contents the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TJPA's basic financial statements. The Introductory Section listed in the Table of is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The transmittal letter has not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Maze + Associates

Pleasant Hill, California
December 4, 2020

TRANSBAY JOINT POWERS AUTHORITY
Management's Discussion and Analysis
(Required Supplementary Information-Unaudited)
For the Year Ended June 30, 2020

The following management discussion and analysis ("MD&A") provides a narrative overview of the Transbay Joint Powers Authority's ("TJPA") financial activities for the year ended June 30, 2020, with comparative information for the year ended June 30, 2020. The MD&A section is required by the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 34 and should be read in conjunction with the TJPA's basic financial statements, which follow this section.

The TJPA's financial activities are reported based on a twelve-month fiscal year, which starts on July 1 of one calendar year and ends on June 30 of the next calendar year; the fiscal year is named by the calendar year in which the fiscal year ends. Therefore, the basic annual financial statements presented in this report are for Fiscal Year 2020.

Purpose of the TJPA

The TJPA is a local government agency formed in 2001 in accordance with California Government Code to design, build, develop, operate and maintain a new regional transit terminal (the "transit center") and associated facilities in downtown San Francisco (collectively, the "Transbay Program"), replacing the former Transbay Terminal. An extension of rail lines for Caltrain and future California High Speed Rail from the current Caltrain San Francisco terminus at Fourth and King Streets to the transit center, referred to as the Downtown Rail Extension ("DTX") is also part of the Transbay Program as a second phase ("Phase 2"). See Note 1 for additional information.

Financial Highlights

- At the close of the fiscal year, assets and deferred outflows of the TJPA exceeded its liabilities and deferred inflows, resulting in a net position of $2,146,294,671.
- We experienced an operating loss of $140,143,064 primarily due to first year of depreciating the transit center as an asset. Additionally, portion of the operating loss of is attributable to related effects of the local Health Orders requiring shelter-in-place due to COVID-19 induced business losses.
- TJPA was named as a defendant in lawsuits filed by the homeowners' association, the Millennium Tower Association Lawsuit; The parties have been participating in confidential mediation, and recently reached an agreement-in principle as to a global resolution of the litigation. On August 7, 2020, the court granted final approval of the class action settlement and on October 7, 2020, the court entered an order finding the global settlement to be final and effective. As of October 2020, all parties to the litigation reached a global settlement resolving all litigations involving the TJPA. The TJPA paid $30,000,000 for a complete release of claims against it and many other parties contributed to the global settlement. For FY20, we have recorded the settlement expense. The settlement does not determine who caused the movement of the tower or assign any responsibility to the TJPA
- TJPA issued $271 million in tax allocations bonds designated as Green Bonds. The Series 2020 TABs are structured with a senior and a subordinate lien and are a combination of taxable and tax-exempt. The bonds finance the Transbay Program, including refinancing a Transportation Infrastructure Finance and Innovation Act loan and providing new funds for construction and design of the Transbay Program. The bond sale resulted in an overall True Interest Cost ("TIC") of 3.41%, creating interest rate savings over the life of the bonds in excess of $25 million. Fitch Rating ("Fitch") assigned a rating of A- to the 2020 Senior Bonds and a rating of BBB+ to the 2020 Subordinate bonds.
- The City and County of San Francisco ("City") sold the third tranche of Community Facilities District

("CFD") bonds during the fiscal year. The issuance of $81 million resulted in $76 million in proceeds for the Transbay Program, of which all was used to pay down the remaining balance of the interim City Financing. As of June 30, 2020, the credit facility has been terminated and the full balance repaid.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the TJPA's basic financial statements. The annual financial report for the TJPA includes this management's discussion and analysis ("MD&A"), the basic financial statements and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The TJPA is reported as an *enterprise fund*. Enterprise funds are a type of proprietary fund used to report information in a manner similar to a private-sector business. An enterprise fund is used to account for functions that are intended to recover all or a significant portion of their costs through user fees and charges. Under the Joint Powers Agreement creating the TJPA, dated April 4, 2001, the new transit center and related facilities are to be managed and operated as an enterprise operation.

The basic financial statements include the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Fund Net Position; and Statement of Cash Flows.

The *Statement of Net Position* presents information on all of the TJPA's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the TJPA is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* presents information showing how the TJPA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* presents the cash inflows and outflows from operating activities, capital and related financing activities, and investing activities, and the resulting cash position at fiscal year-end.

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* ("RSI") concerning the TJPA's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Financial Statement Analysis

In accordance with GASB requirements, a comparative analysis of financial data is presented in the following condensed formats to compare amounts from the current fiscal year (2020) to amounts from the prior fiscal year (2019).

TJPA'S CONDENSED STATEMENTS OF NET POSITION

	2020	2019	Dollar Change	Percent Change
Assets:				
Current and other assets	$ 31,423,215	$ 39,806,853	$ (8,383,638)	-21%
Restricted assets	231,030,840	40,497,075	190,533,765	470%
Capital assets	2,281,368,207	2,324,072,355	(42,704,148)	-2%
Total assets	2,543,822,262	2,404,376,283	139,445,979	6%
Deferred outflows of resources:				
OPEB related	63,144	47,768	15,376	32%
Pension related	513,313	499,520	13,793	3%
Change in fair value of hedging derivative	1,271,100		1,271,100	
Total deferred outflows of resources	1,847,557	547,288	29,169	5%
Liabilities:				
Current and other liabilities	79,923,598	63,307,787	16,615,811	26%
TIFIA loan payable	-	186,128,592	(186,128,592)	-100%
Tax Allocation Bonds	300,936,435		300,936,435	
Intergovernmental liability to the City for:			-	
interim City financing	-	78,000,000	(78,000,000)	-100%
re-conveyance of State transferred land	18,414,675	18,414,675	-	0%
Total liabilities	399,274,708	345,851,054	53,423,654	15%
Deferred inflows of resources:				
Pension related	100,440	75,710	24,730	33%
Total deferred inflows of resources	100,440	75,710	24,730	33%
Net position:				
Net investment in capital assets	1,789,978,920	2,006,396,770	(216,417,850)	-11%
Restricted				
Construction of Transit Center and DTX	212,820,978	9,422,848	203,398,129	2159%
Debt service	18,121,701	16,779,491	1,342,209	8%
Unrestricted	125,373,073	26,397,696	98,975,377	375%
Total net position	$ 2,146,294,671	$ 2,058,996,806	$ 87,297,865	4%

Total net position at June 30, 2020 includes net investment in capital assets, which is comprised of the network of assets described as, the transit center, of $2,119,957,144, construction in progress of $76,184,816, land scheduled to be permanently and temporarily retained by the TJPA of $186,082,200, and permanent easements of $137,374. The construction in progress includes construction, construction management, program management, and administrative costs necessary to support the development of the transit center additions (tenant improvements) and DTX.

In addition to the capital asset, $212,820,978, restricted for construction, is a combination of bond proceeds TABs and CFDs, net tax increment, and land sales for the continued construction of the transit center and DTX, reserves for capital replacements.

$18,121,701 of current year net position includes bond proceeds restricted for debt service reserves attributable to the Series 2020 Tax Allocation Bonds.

Total current year net position also includes $125,373,072 in unrestricted net position which is derived primarily from the TJPA's land assets and minimal amounts of unrestricted cash. Of this amount, $10,013,59 is earmarked for the operations and maintenance of the transit center.

The $8,383,638 net decrease in current and other assets resulted primarily from depreciation expense that began in FY2020 for the transit center. The $190,533,765 increase in restricted assets resulted primarily bond proceeds and net tax increment revenues restricted for construction. The changes in deferred outflows of resources and deferred inflows of resources are due to accounting treatment of pension amounts, and the maturity of a derivative instrument, purchased to protect against rising interest rates under the interim City financing.

The net increase of $16,615,811 in current and other liabilities resulted primarily from settlement liability of $30,0000,000 and decreases in accounts and retention payable. In addition, liabilities increased $53,423,654 due the Tax allocation bonds new money proceeds that were in addition to the refinancing of the TIFIA loan and the pending settlement payment recorded as a payable.

TRANSBAY JOINT POWERS AUTHORITY
Management's Discussion and Analysis
(Required Supplementary Information-Unaudited)
For the Year Ended June 30, 2020

TJPA'S CONDENSED STATEMENTS OF CHANGES IN NET POSITION

	2020	2019	Dollar Change	Percent Change
Operating income				
Operating revenues	$ 13,497,714	$ 5,109,101	$ 8,388,613	164%
Operating expenses	(153,640,778)	(17,153,383)	(136,487,395)	796%
Operating income (loss)	(140,143,064)	(12,044,282)	(128,098,782)	1064%
Nonoperating revenues (expenses)				
Operating grant				
Revenue	10,261,312	8,026,046	2,235,266	28%
Expenses		-	-	n/a
Net operating grant	10,261,312	8,026,046	2,235,266	28%
Contribution from AC Transit for				n/a
Investment income	1,602,330	1,707,917	(105,587)	-6%
Miscellaneous revenues		29	(29)	n/a
Net tax increment revenue	21,382,367	12,457,838	8,924,529	72%
CFD impact fee revenue	2,000,000	-	2,000,000	
Gain on conveyance of air rights	-	42,000	(42,000)	n/a
Total nonoperating revenues	35,246,009	22,233,830	13,012,179	59%
Income before capital contributions	(104,897,055)	10,189,548	(115,086,603)	-1129%
Capital contributions				
Federal government capital grants	18,622	1,885,660	(1,867,038)	-99%
State government capital grants		-	-	n/a
Local government capital grants	1,020,113	2,723,205	(1,703,092)	-63%
CFD reimbursements	177,931,344	91,534,393	86,396,951	94%
Other capital contributions	13,224,840	4,058,021	9,166,819	226%
Total capital contributions	192,194,919	100,201,279	91,993,640	92%
Change in net position	87,297,864	110,390,828	(23,092,964)	-21%
Net position- beginning	2,058,996,807	1,948,605,979	110,390,828	6%
Net position- ending	$ 2,146,294,671	$ 2,058,996,807	$ 87,297,865	4%

<u>Operating revenues</u>

The source of Fiscal Year 2020 operating revenues of $13,497,714 was comprised primarily of Operator contributions, naming rights revenue, lease and rental revenues, Community Benefits District (CBD) revenue, and advertising revenues combined with cellular antennae licensing agreement revenue for the transit center. The increase in operating revenues of $8,388,613 is due mainly the Operator contributions and CBD revenues. $153,640,778 in operating expenses were comprised of $119,459,439 in depreciation expense, $10,866,791 in debt service and $23,314,548 in operations and program management funded from operating revenues and operating grants.

Nonoperating revenues

The TJPA funds facility management and related operating expenses from a Metropolitan Transportation Commission ("MTC") Regional Measure 2 ("RM-2") operating grant. Total Fiscal Year 2020 operating grant revenues were $8,121,312, RM-2 Marketing grant of $515,000 and RM-3 anticipated revenues of $1,625,000.

The Fiscal Year 2020 decrease in investment income of $105,587 is attributable mainly to lower investment yields. Net tax increment revenues increased $8,924,529 due to new property values being assessed and added to the property tax rolls for the former state- owned properties. CFD impact revenues increased by $2,000,000 for impact fees collected in the Transbay Transit Center District dedicated to TJPA.

Capital contributions

For the year ended June 30, 2020, the TJPA received $192,194,919 in capital contributions. The increase in capital contributions from the prior fiscal year is directly attributable to CFD reimbursements. CFD reimbursements increased $86,396,951 due to the City's sale of the third tranche of CFD bonds in the current year used to repay the remaining amounts of the interim City Financing.

Budgetary Highlights

Quarterly budget-to-actual reports are presented to the TJPA Board of Directors ("TJPA Board") by the TJPA Chief Financial Officer. During the fiscal year, amendments each to the Capital Budget and Operating Budget were approved. The March 2020 budget amendments decreased the Operating Budget to reflect reduced revenues and expenses, created a distinct Debt Service Budget in anticipation of the bond sale, and increased the Capital Budget to delineate Tenant Improvements from Phase 1 and to accommodate the proceeds from the bond sale.

Capital Asset and Debt Administration

Capital assets

The TJPA's investment in capital assets as of June 30, 2020 amounts to $2,281,368,207. This investment in capital assets includes land, easements, information technology, transit center, tenant improvements, equipment and construction in progress. Major capital asset events during the fiscal year included the following:

- The transit center re-opened on July 1, 2019 and had its first full year of operations, marking the end of construction in progress.
- Additionally, the transit center has completed construction activities. Construction related activities remaining are construction contract close-out and claims resolutions.
- With the transition into operations, the transit center is a depreciable capital asset with a useful life of 5-50 years and as such has been depreciated by $119,459,439.

See Note 4 for additional information on the TJPA's capital assets.

Long-term debt

At the end of the current fiscal year, the TJPA had total debt outstanding of $313,564,331. All of the debt is due to the 2020 tax allocation bonds that refinanced the $186,128,592 of TIFIA loan debt. TJPA's debt for amounts drawn on an interim financing provided by the City was repaid by the issuance of the third tranche of CFD bonds issued in the amount of $81 million. See Note 5 for more detailed information on the TJPA's long-term debt.

Next Year's Budgets

The TJPA Board approved the Fiscal Year 2021 budgets on June 25, 2020.

The Operating budget totals $22.4 million in revenues and expenses. Approximately a quarter of the revenues will be provided by RM-2 and RM-3 operating funds. The remainder will be covered through transit center revenues, and contributions from the Primary Tenants of the transit center, AC Transit and SFMTA. Expenses include a facility management contract, and other expenses directly related to the transit center such as security, operations, and maintenance at the transit center totaling $22.4 million.

The Debt Service Budget totals $21.1 million for debt payments and reserves due to the Series 2020 tax allocation bonds.

The TJPA's Fiscal Year 2021 Capital Budget of $90.6 million anticipates expenses for Phase 1 close-out, Phase 2 (DTX) design and oversight, and Tenant Improvement construction. Revenues will be provided by the following sources: 2020 tax allocation bond proceeds, bond proceeds from CFD reimbursements, land sales proceeds, the funding identified in the expenditure plan approved by the voters for the half cent sales tax for transportation in San Francisco ("Prop K"), Transit Center District Impact Fees, interest income and reimbursements, and to a lesser extent the bridge toll increases approved in Regional Measure 2 and AB1171 ("RM-2" and "AB1171"), unspent proceeds from the TJPA debt (prior bank loan and TIFIA loan and grants from the Federal Transit Administration ("FTA").

The main components of the Capital Budget is Phase 1 construction close-out for $48.9 million, Tenant Improvement construction in the transit center of $29.9 million. The TJPA has also budgeted approximately $11.6 million for DTX preliminary engineering in fiscal year 2020.

This is explained in detail in the Staff Reports which were submitted with the Fiscal Year 2020 budget presentations and can be found on the TJPA website for the May 14 and June 25, 2020 TJPA Board meetings.

Request for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Transbay Joint Powers Authority, 425 Mission Street, Suite 250, San Francisco, California 94105.

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BASIC FINANCIAL STATEMENTS

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Transbay Joint Powers Authority
Statement of Net Position
June 30, 2020

Assets:	
Current assets:	
Cash and equivalent	
Cash in banks	$ 974,379
Restricted for construction of the Transit Center	195,664
Cash in State of California pool	12,738,917
Total cash and cash equivalents	13,908,960
Receivables:	
Metropolitan Transportation Commission	2,470,667
San Francisco County Transportation Authority	348,261
AC Transit	50,444
Accounts receivable	14,538,207
Total receivables	17,407,579
Other current assets:	
Prepaid items	98,005
Security deposits held by others	8,671
Total other current assets	106,676
Total current assets	31,423,215
Noncurrent assets:	
Restricted assets:	
Cash	96,094,009
Cash in State of California Pool	60,046,041
Investments	74,822,397
Interest receivable	64,493
Interest rate cap	3,900
Total restricted assets	231,030,840
Other noncurrent assets	
Net OPEB asset	51,437
Total other noncurrent assets	51,437
Capital assets, nondepreciable:	
Land	186,082,200
Permanent easements	137,374
State transferred land to be re-conveyed to the City and County of San Francisco	18,414,675
Construction in progress:	
Caltrain Downtown Extension	64,432,926
Parcel F	484,822
Tenant Improvements	11,267,068
Total nondepreciable capital assets	280,819,065
Capital assets, depreciable:	
Information technology	11,716,527
Transit Center	2,087,458,873
Tenant Improvements	20,102,998
Equipment	678,746
Less: Accumulated depreciation	(119,459,439)
Total depreciable capital assets	2,000,497,705
Total noncurrent assets	2,512,399,047
Total assets	**2,543,822,262**
Deferred outflows of resources:	
OPEB related	63,144
Pension related	513,313
Change in fair value of hedging derivative	1,271,100
Total deferred outflows of resources	**1,847,557**

See accompanying notes to the financial statements

Transbay Joint Powers Authority
Statement of Net Position
June 30, 2020

Liabilities:	
Current liabilities:	
Accounts, contracts and intergovernmental payables	9,989,753
Settlement payable	30,000,000
Accrued payroll	88,560
Retainage payable	20,680,261
Intergovernmental payables-related parties	
City and County of San Francisco	1,481,471
AC Transit	143,088
State of California	13,537
Accrued interest payable	169,903
Unearned revenue	3,206,525
Deposits payable	383,885
Tax allocation bonds	12,627,896
Total current liabilities	78,784,879
Noncurrent liabilities:	
State transferred land to be reconveyed	18,414,675
Tax allocation bonds	300,936,435
Compensated absences, accrued vacation	286,951
Net pension liability	851,768
Total noncurrent liabilities	320,489,829
Total liabilities	**399,274,708**
Deferred inflows of resources:	
OPEB related	44,386
Pension related	56,054
Total deferred inflows of resources	**100,440**
Net position:	
Net investment in capital assets	1,789,978,920
Restricted:	
Construction of Transit Center	212,820,978
Debt Service	18,121,701
Unrestricted	125,373,072
Total net position	**$ 2,146,294,671**

See accompanying notes to the financial statements

Transbay Joint Powers Authority

Statement of Revenues, Expenses and Changes in Fund Net Position

For the Year Ended June 30, 2020

Operating revenues:		
Neutral host distributed antennae system revenue	$	127,297
Naming rights revenue		3,037,567
Community Benefits District revenue		1,181,454
Reimbursements from others		610,420
Lease revenue		1,303,798
Other rental revenue		883,485
Advertising revenue		917,166
Operator contributions:		
SFMTA		1,378,160
AC Transit		3,922,448
Miscellaneous revenue		135,919
Total operating revenues		**13,497,714**
Operating expenses:		
Personnel services		1,488,957
Materials and supplies		664,397
Utilities		1,685,350
Debt service		10,866,791
Other expenses		1,156,684
Facility management		1,885,761
Security		7,162,077
Insurance		1,706,667
Maintenance		4,819,618
Marketing & wayfinding		1,858,723
Park expenses		886,314
Depreciation expense		119,459,439
Total operating expenses		**153,640,778**
Operating loss		**(140,143,064)**
Nonoperating revenues and expenses:		
Operating grant revenue		10,261,312
Open Space Impact Fee		2,000,000
Investment income		1,602,330
Net tax increment revenue		21,382,367
Total nonoperating revenues and expenses		**35,246,009**
Income before capital contributions		**(104,897,055)**
Capital contributions:		
Federal government capital grants		18,622
Local government capital grants:		
Regional Measures, bridge tolls		677,300
Proposition K, half cent sales tax		342,813
Community Facilities District reimbursements		177,931,344
Other capital contributions		13,224,840
Total capital contributions		**192,194,919**
Change in net position		87,297,864
Net position, beginning of year		2,058,996,807
Net position, end of year	**$**	**2,146,294,671**

See accompanying notes to the financial statements

Transbay Joint Powers Authority

Statement of Cash Flows

For the Year Ended June 30, 2020

Cash flows from operating activities:		
Cash receipts from rental revenues	$	883,485
Cash receipts from Transit Center neutral host distributed antennae system revenues		127,297
Cash receipts from Transit Center naming rights revenue		42,572
Cash receipts from Community Benefits District revenue		1,181,454
Cash receipts from lease revenue		1,303,798
Cash receipts from operator contributions		5,300,608
Cash payments to employees for salaries and benefits		(1,385,671)
Cash payments to suppliers for goods and services		(77,056,838)
Other receipts (payments)		1,308,568
Net cash used for operating activities		(68,294,727)
Cash flows from noncapital financing activities:		
Net tax increment revenue received		21,382,367
Operating grant		7,350,609
Open Space Impact Fee		2,000,000
Deposits received (paid)		191,119
Net cash provided by noncapital financing activities		30,924,095
Cash flows from capital and related financing activities:		
Net proceeds from issuance of debt		313,604,077
Payment to bond escrow agent		(314,285,682)
Federal government capital grants received		173,710
State government capital grants received		-
Local government capital grants received		1,251,851
Other capital contributions received		13,224,840
Community Facilities District reimbursement revenue received		177,931,344
Acquisition of capital assets		(77,056,838)
Net cash used for capital and related financing activities		114,843,302
Cash flows from investing activities:		
Purchases of investment securities		253,636,724
Proceeds from maturities of investment securities		(200,622,756)
Investment income received		2,238,620
Net cash used for investing activities		55,252,588
Net Increase in Cash and Cash Equivalents		132,725,258
Cash and Cash Equivalents, Beginning of Year		37,323,752
Cash and cash equivalents, end of year	**$**	**170,049,010**
Cash and cash equivalents, end of year:		
Cash and cash equivalents, unrestricted	$	13,908,960
Cash and cash equivalents, restricted		156,140,050
Cash and cash equivalents, end of year	**$**	**170,049,010**

(Continued on next page)

See accompanying notes to the financial statements

Transbay Joint Powers Authority

Statement of Cash Flows

For the Year Ended June 30, 2020

Reconciliation of operating income to net cash provided by operating activities:		
Operating loss	$	(140,143,064)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		119,459,439
Accounts receivables		(14,386,918)
Prepaid items		22,462
Increase (decrease) in:		
Pensions, OPEB and related deferrals		54,289
Accrued payroll		(2,632)
Unearned revenue		(2,994,995)
Accounts payable		(354,202)
Settlement payable		(30,000,000)
Compensated absences		51,629
Net cash provided by (used for) operating activities	$	(68,294,727)

Supplemental disclosures of cash flow information		
Noncash capital financing activities:		
Acquisition of capital assets on accounts	$	7,164,605

See accompanying notes to the financial statements

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NOTE 1 – ORGANIZATION

In April 2001, the City, AC Transit, and the Peninsula Corridor Joint Powers Board ("PCJPB") entered into an agreement creating the TJPA to design, develop, finance, build, operate and maintain the transit center and DTX. In November 2017, the California High-Speed Rail Authority was added as a new member agency of the TJPA based on the unanimous concurrence of the original member agencies (the original member agencies and new member agency referred to collectively as "Member Agencies"). The 8-member TJPA Board is composed of a director appointed by each of the following:

Alameda-Contra Costa Transit District
California High-Speed Rail Authority
City and County of San Francisco, Board of Supervisors (2 members)
City and County of San Francisco, Mayor's Office
San Francisco Municipal Transportation Agency
Peninsula Corridor Joint Powers Board
State of California Department of Transportation (ex-officio)

The Member Agencies of the TJPA have granted to the TJPA most of their jointly held powers, including the authority to buy and sell property, to enter into contracts, and to accept and expend grants of cash and property. The TJPA's management functions include contract oversight, policy direction, financing, investment supervision, and coordinating and collaborating with, among others, the U.S. Department of Transportation, the State and local entities including but not limited to the Member Agencies.

Based upon the TJPA Board's adopted implementation plan, the Transbay Program is divided into two phases: the design and construction of the transit center, including the core-and-shell of the rail levels, as Phase 1, and the design and construction of the DTX as Phase 2. Phase 1 was completed in Fiscal Year 2020. Phase 2 is at approximately a 30 percent design level; final design and construction will commence when the required revenues and financing have been secured.

The TJPA is legally separate and financially independent and is not considered a component unit of the State, California High-Speed Rail Authority, the City, AC Transit, or the PCJPB. Therefore, these financial statements represent solely the activities, transactions and status of the TJPA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Measurement Focus

The TJPA is a single enterprise fund. The activities of the TJPA are reported using the economic resources measurement focus and its records are maintained on the accrual basis of accounting. Under this method, revenues are recorded when earned and Program capital outlay and operating expenses are recorded when the related liability is incurred.

The TJPA distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. In fiscal year 2020, the principal operating revenues of the TJPA are comprised of operator contributions, revenues from neutral host distributed antennae system, naming rights, rentals and leases and the Community Benefits District reimbursements ("CBD"). Operating expenses for the TJPA include the cost of operations and administrative expenses. Any revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As noted above, nonoperating revenues result from an operating grant, impact fees, net tax increment revenue, as well as investment. Capital grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and qualifying expenditures are incurred.

Net Position Flow of Assumptions

When Program costs are incurred, if there is both restricted and unrestricted net position available to finance the costs, it is the TJPA's policy to first apply restricted grant and revenue sharing resources to such Program costs.

Unearned Revenue

Resource inflows that do not yet meet the criteria for revenue recognition are recorded as unearned revenue. Capital contribution revenue from the TJPA's expenditure-driven grants and from other contributors such as adjacent property developers or tenants is recognized only when qualifying expenditures are incurred or the rental period begins. At June 30, 2020, the total amount of unearned revenue is $3,206,525 which is primarily from Naming Rights unearned revenue.

Prepaid Items

Resource outflows that do not yet meet the criteria for expenditure recognition, in that they benefit a future fiscal period, are recorded as prepaid items. At June 30, 2020, the total amount of prepaid items is $98,005.

Security Deposits Payable

The TJPA may require deposits from tenants of TJPA-owned rental property, the temporary terminal, and the transit center. Deposits may also be required from adjacent property developers for temporary leasing of access easements. At June 30, 2020, the TJPA had deposits payable of $383,885, comprised of $87,936 for a rental property, $288,521 for the transit center operating leases, $6,066 from a developer for an easement and $1,362 for miscellaneous deposits.

Cash and Equivalents, and Investments

The TJPA reports demand deposits, deposits in investment pools, money market funds, and all other highly liquid investments with a maturity of twelve months or less when purchased as cash equivalents or investments at cost. Investments that are not highly liquid, or had maturities longer than twelve months at purchase, would be reported at fair value derived from the investment account statements.

All deposits are made in TJPA Board-designated official depositories. Investments are made per the TJPA Investment Policy, also approved by the TJPA Board. For more information on cash and investments, see Note 3.

Restricted Assets

Restricted assets consist of cash and investments that are held in trust as well as other assets that are restricted for specific purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The TJPA generally defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Land, including land transferred by the State that may be re-conveyed to the City or the Office of Community Investment and Infrastructure ("OCII") for future use or sale, and permanent easements are recorded as non-depreciable capital assets. Information technology, transit center, and DTX capital asset costs are classified as construction in progress until such assets are completed and placed in service, at which time the TJPA will commence recording depreciation expense on depreciable capital assets.

All construction in progress costs associated with the planning and construction of the Program that are not directly associated with either the transit center or the DTX are accumulated as indirect program-wide costs. The annual increase in accumulated indirect program-wide costs is allocated to the transit center and DTX based on the respective percentage increase of annual direct costs of each project and capitalized.

Non-depreciable land capital assets include the cost of the land and associated acquisition costs. Under the TJPA's capital asset policy, land costs include the following in addition to the actual acquisition costs: title and closing costs; relocation services, consultation and assistance; appraisal services; environmental consulting; land surveys; and site preparation including demolition.

Capital Contributions

The TJPA receives expenditure-driven restricted capital grants from the federal, state and local governments. Capital grants and contributions from external sources are recognized as capital contributions earned when the related allowable expenditures are incurred.

Contributions of donated noncash, nonland assets are recorded at estimated acquisition value in the period received as in-kind contributions.

Federal and state grants, State-conveyed land scheduled to be retained by the TJPA, grants from local agency shared revenues, and in-kind contributions for the Transbay Program are reported in the Statement of Revenues, Expenses, and Changes in Fund Net Position as capital contributions.

Net Position

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Statement of Net Position is classified as Net Position and is subdivided into the following three categories:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position-Net investment in capital assets

This component of net position consists of capital assets, net of related debt and of accumulated depreciation (when applicable), reduced by obligations to re-convey State-transferred land. At June 30, 2020, the TJPA has $313,564,331 in debt related to acquisition of capital assets, and $18,414,675 recorded as an intergovernmental liability to the City for re-conveyance of State-transferred land. In addition, the TJPA had retention and accounts payable related to acquisition of capital assets in the amount of $7,164,605. Total invested in capital assets net of related debt is $1,789,978,920.

Net Position-Restricted

Restricted net position has external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation, that restrict the use of net position.

Restricted net position at June 30, 2020 is as follows:

Net position - restricted	
Restricted for construction	$ 212,820,978
Restricted for debt service	18,121,701
Total restricted net position	$ 230,942,679

Net Position-Unrestricted

This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets". At June 30, 2020, unrestricted net position is $125,373,072.

Pensions and OPEB

For purposes of measuring the net pension liability or net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees Retirement System ("CalPERS") plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension and OPEB plan investments are reported at fair value.

Deferred inflows and outflows of resources are reported in accordance with generally accepted accounting principles. Deferred outflows of resources represent a consumption of net position that applies to a future period and thus will not be recognized as an expense until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until that time. See Note 6 for detailed information on the TJPA's pension benefits.

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Derivative Instruments

The TJPA's interest rate cap is accounted for in accordance with generally accepted accounting principles, and the change in fair value of the hedging derivative instrument is reported as in the Statement of Revenue, Expenses and Changes in Fund Net Position. See Note 5 for further discussion of the TJPA's interest rate cap.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The TJPA's investment policy allows the TJPA to invest cash balances in insured savings or money market accounts in a qualified public depository as established by California state law, the City Treasurer's investment pool, the State's Local Agency Investment Fund ("LAIF"), or through trust accounts required by debt covenants, agreements, including the 2003 Cooperative Agreement with the State and financing agreements such as the TIFIA loan agreement with the USDOT, for the deposit of various types of revenues and debt proceeds.

The TJPA's cash held in the City and State investment pools is considered to be cash and cash equivalents because it has the same characteristics as a demand deposit. The TJPA's investments in the pools may be deposited or withdrawn without notice or penalty. Because the TJPA's short-term position in these pools is considered to be a demand deposit, the TJPA does not record any allocated share of unrealized gains or losses. Investments held in the State Pool at June 30, 2020, are as follows.

Account Name	State Pool
Equity in pooled cash and investments	$ 72,784,958

LAIF and the City pool are not registered with the Securities and Exchange Commission. LAIF is a voluntary program created by statute as an investment alternative for California's local governments and special districts. Oversight for LAIF is provided by the Local Investment Advisory Board ("LIAB"), consisting of five members appointed by the California State Treasurer. The City pool invests public funds in a manner which will preserve capital and provide a market rate of return while conforming to all state and local statutes governing the investment of public funds. Oversight for the City pool is provided by a Treasury Oversight Committee, established by the San Francisco Board of Supervisors.

Additional information regarding the City pool is presented in the notes of the City's basic financial statements. Additional information regarding LAIF is available online at www.treasurer.ca.gov/pmia-laif/laif.asp.

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of June 30, 2020, the TJPA had investments of $74,822,397 in U.S. Treasury Bills and Money Market Funds, all considered highly liquid with a term to maturity at purchase of less than one year. Accordingly, all investments below are reported at cost, rather than fair value because the difference between the cost and market value was insignificant:

Type	Value	Credit Ratings	Percent of Total Portfolio
Restricted Cash and Pooled Investments			
Cash	$ 156,140,050		64%
Money Market Funds	3,301,652	AAAm	1%
Restricted Investments			
U.S. Treasury Bills	71,520,745	Not Rated	29%
Total restricted cash and investments	230,962,447		94%
Cash and pooled investments	13,908,960	Not Rated	6%
Total Cash and Investments	$ 244,871,407		100%

TJPA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets. Level 1 assets may include debt and equity securities that are traded in an active exchange market, are highly liquid, and are actively traded in over-the-counter markets.

Level 2 inputs are significant other observable inputs such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads.

Level 3 inputs are unobservable and should be developed using the best information available under the circumstances; TJPA does not have any Level 3 investments at June 30, 2020. TJPA's fair value measurements would be categorized as follows at June 30, 2020:

- U.S. Treasury Bill securities are Level 1, valued using quoted market prices
- Money Market Mutual Funds are Level 2, valued at $1 per share

TJPA's investments in the City and State investment pools are uncategorized; they are not measured using the input levels described above because TJPA's transactions are based on a stable net asset value of $1 per share.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2020, TJPA had Money Market Mutual Funds rated AAAm.

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The are no instances of concentration risk as of June 30, 2020.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. California Government Code limits investments in U.S. Treasury Obligations, commercial paper, and negotiable certificates of deposit to a maximum maturity of five years, 270 days, and five years, respectively, which helps to mitigate this risk since the prices of fixed-income securities with a longer time to maturity tend to be more sensitive to changes in interest rates. At June 30, 2020, TJPA had a series of investments in U.S. Treasury Bills that matured by September 24, 2020.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. TJPA investment policy limits deposits to qualified public depositories as established by state law. The amounts placed on deposit with the bank were covered by federal depository insurance and were collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. Such collateral is held by the pledging financial institutions' trust department or agent but not in the TJPA's name.

Custodial credit risk for investments is the risk that, in the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2020, $71,520,745 of U.S. Treasuries and Agencies were held by the same broker-dealer (counterparty) that was used to purchase the securities.

NOTE 4 – CAPITAL ASSETS

The TJPA's capital assets consist of land, including land transferred by the State and land acquired by the TJPA that may be re-conveyed to the City or OCII, permanent easements, and accumulated construction in progress related to the transit center and DTX. Construction in progress also includes intangible assets that are recorded as Information Technology in the statement of net position, which consists of costs to develop the TJPA's website and labor compliance software licensing, Transit Center Data Network and Audio Visual Equipment and Systems. Capital assets are recorded at historical cost if purchased or constructed. Capital assets not purchased or constructed are recorded at estimated fair value at the time of acquisition.

NOTE 4 – CAPITAL ASSETS (Continued)

Depreciation is provided using the straight-line method for assets other than land and construction in process. Estimated useful lives are as follows:

Information Technology	5 years
Transbay Transit Center	5-50 years
Caltrain Downtown Extension	25 years
Tenant Improvements	15 years
Equipment	5-10 years

Capital Asset Activity for the Fiscal Year Ended June 30, 2020:

	Beginning of Fiscal Year	Current Year Acquisitions	Current Year Transfers	End of Fiscal Year
Capital assets not being depreciated:				
Land	$ 186,082,200	$ -	$ -	$ 186,082,200
Permanent easements	137,374	-	-	137,374
State transferred land to be re-conveyed to the City	18,414,675	-	-	18,414,675
Construction in progress:				
Information technology	191,965	11,000	(202,965)	-
Transbay Transit Center	2,055,899,487	43,751,694	(2,099,651,181)	-
Caltrain Downtown Extension	63,346,654	1,086,272	-	64,432,926
Parcel F	-	484,822	-	484,822
Tenant Improvements	-	31,370,066	(20,102,998)	11,267,068
Total capital assets not being depreciated	2,324,072,355	76,703,854	(2,119,957,144)	280,819,065
Capital assets being depreciated:				
Information technology	-	-	11,716,527	11,716,527
Transbay Transit Center	-	-	2,087,458,873	2,087,458,873
Tenant Improvements	-	-	20,102,998	20,102,998
Equipment	-		678,746	678,746
Total capital assets being depreciated	-	-	2,119,957,144	2,119,957,144
Less accumulated depreciation for:				
Information technology	-	(2,343,306)	-	(2,343,306)
Transbay Transit Center	-	(115,653,001)	-	(115,653,001)
Tenant Improvements	-	(1,340,200)	-	(1,340,200)
Equipment	-	(122,932)	-	(122,932)
Total accumulated depreciation	-	(119,459,439)	-	(119,459,439)
Net capital assets being depreciated	-	(119,459,439)	2,119,957,144	2,000,497,705
Total capital assets, net	$ 2,324,072,355	$ (42,755,585)	$ -	$ 2,281,316,770

NOTE 4 – CAPITAL ASSETS (Continued)

Land Acquisition

The total land value at June 30, 2020 of $186,082,200 is made up of 32 parcels of land acquired by purchase, eminent domain, or transfer from the State over the life of the Program. The additional costs included in the land value are primarily for demolition of the old terminal and bus ramps, relocation assistance and loss of goodwill for relocated businesses, appraisals, surveying, environmental remediation and monitoring, garage easement interests, and title and closing costs. No property was acquired during the year ended June 30, 2020.

Land Acquisition Summary

Scheduled disposition:	Parcels	Land Value	Additional Costs	Total Land Value
Retained for:				
Transit Center	18	$ 125,409,458	$ 21,607,336	$ 147,016,794
Downtown Extension	11	15,691,890	1,886,957	17,578,847
Total to be retained	29	141,101,348	23,494,293	164,595,641
Transfer to the City or OCII	3	20,628,720	857,839	21,486,559
Total value	32	$ 161,730,068	$ 24,352,132	$ 186,082,200

TJPA is scheduled to permanently retain title to 29 parcels valued at $164,595,641. The TJPA will hold title to the remaining three parcels with a land value of $20,628,720 for a temporary period. These three parcels are needed only during the construction of the transit center and the operation of the Temporary Terminal and then will be conveyed to the City or OCII, along with an additional four parcels transferred by the State, with a value of $18,414,675, when no longer needed for Temporary Terminal operations. The fiscal year in which the TJPA transfers the parcels to the City or OCII, the TJPA will remove the liability related to the four former State-owned parcels and will report the remaining three parcels as either a sale or conveyance to the City or OCII at the time the transaction occurs.

Land transferred from the State by fiscal year and Land scheduled to be transferred to the City or OCII:

	Total Transferred From the State		Scheduled To be Retained		Scheduled To be Transferred To City/OCII For Sale	
	No.	Value	No.	Value	No.	Value
FY 2009	4	$ 16,683,315	0	$ -	4	$ 16,683,315
FY 2011	14	72,007,574	9	53,186,468	5	18,821,106
FY 2013	0	(6,985,999)	0	(6,985,999)	0	-
FY 2014	1	7,476,962	0	-	1	7,476,962
FY 2015	0	-	0	-	0	-
FY 2016	0	-	0	-	0	-
FY 2017	0	-	0	-	0	-
FY 2018	0	-	0	-	0	-
FY 2019	0	-	0	-	0	-
FY 2020	0	-	0	-	0	-
Total Transferred	19	$ 89,181,852	9	$ 46,200,469	10	42,981,383
Total State Parcels transferred to the City/OCII					(6)	(24,566,708)
Remaining State Parcels to be transferred to the City/OCII					4	18,414,675
TJPA acquired land scheduled to be transferred to the City/OCII					3	20,628,720
Additional costs for all parcels scheduled to be transferred to the City/OCII						857,839
Total land scheduled to be transferred to the City/OCII					7	$ 39,901,234

NOTE 4 – CAPITAL ASSETS (Continued)

The TJPA has applied one of two valuation methods for each land parcel transferred from the State to the TJPA. Parcels that the State was leasing to third parties prior to transfer to the TJPA are valued by the TJPA using the lease rate. For parcels that were not being leased by the State at or near the date of transfer, the TJPA has used the sale price of comparable parcel(s) sold in the vicinity of the transit center. This valuation is for purposes of compliance with GASB Statement No. 34 accounting and reporting requirements only and should not be construed as current market value for the parcels.

Land parcels transferred from the State which are scheduled to be retained by the TJPA are recorded as a capital contribution and included as a component of the land capital asset account. At June 30, 2020, the value of the land transferred from the State which is scheduled to be retained by the TJPA is $46,200,469 according to the described valuation methodology.

At June 30, 2020, the TJPA held title to seven land parcels valued at $39,901,234 which are temporarily needed by the TJPA only for the construction of the Transbay Program—three acquired by purchase and four via transfer from the State. Upon completion of the construction period, these parcels are scheduled to be transferred to the City or OCII for future sale.

Land parcels transferred from the State which are scheduled to be re-conveyed to the City or OCII upon completion of the new transit center are recorded as an intergovernmental liability to the City and as State-transferred land to be re-conveyed to City capital asset account. At June 30, 2020, the total value of the land to be re-conveyed to the City recorded in these liability and capital asset accounts is $18,414,675. In the fiscal year the TJPA transfers the parcels to be re-conveyed to the City or OCII, the TJPA will record the liquidation of the intergovernmental liability to the City and accordingly reduce the State-transferred land capital asset account.

Future Transfers of State Parcels

Of the three State parcels to be transferred, one is scheduled to be transferred to the TJPA when required for construction purposes or development. Another parcel is scheduled to be transferred directly from the State to the City or OCII and will not be recorded in the TJPA's accounting records. And the third parcel that had been planned for transfer is no longer required and will be retained by the State.

Contract Commitments

At year end, the TJPA had contract commitments of $72,986,688 for construction, design, engineering, planning and administrative costs.

NOTE 5 – LONG TERM OBLIGATIONS AND DERIVATIVE INSTRUMENT

The changes in long-term obligations for the year ended June 30, 2020 are as follows:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Amount due within one year
Loans payable					
TIFIA loan	$ 186,128,592	$ -	$ (186,128,592)	$ -	$ -
Interim City financing	78,000,000	-	(78,000,000)	-	-
Accrued compensated absences	235,322	51,629	-	286,951	-
Total loans payable	264,363,914	51,629	(264,128,592)	286,951	-
Senior Tax Allocation Bonds					
Series 2020A	-	189,480,000	-	189,480,000	6,428,625
Premium - Series 2020A	-	38,485,667	(33,173)	38,452,494	-
Series 2020A-T	-	28,355,000	-	28,355,000	4,135,656
Subordinate Tax Allocation Bonds					
Series 2020B Bonds	-	53,370,000	-	53,370,000	2,063,615
Premium - Series 2020B	-	3,913,410	(6,573)	3,906,837	-
Total bonds	-	$ 313,604,077	$ (39,746)	313,564,331	$ 12,627,896
Less Current Portion	-			12,627,896	
Long Term Portion	$ -			$ 300,936,435	

As of June 30, 2020, TJPA does not have any lines of credit.

TIFIA Loan

The federal TIFIA program provides loans, loan guarantees and standby lines of credit to transportation infrastructure projects throughout the country. TJPA reached financial close on a $171,000,000 TIFIA loan in January 2010 for Phase 1 transit center construction. TIFIA commenced disbursements of the loan in Fiscal Year 2017. The full loan amount of $171,000,000 was drawn as of June 30, 2019. On June 25, 2020 proceeds from the Senior Tax Allocation Bonds, Series 2020A (described below) were used to refund the remaining balance of the TIFIA Loan in the amount of $182,129,963.

2020 Tax Allocation Bonds (Green Bonds)

On June 25, 2020, the TJPA issued 2020 Tax Allocation Bonds in the amount of $271,205,00 comprised of $189,480,000 Senior Series 2020A Tax-Exempt Bonds, $28,355,000 Senior Series 2020A-T Federally Taxable Bonds, and $53,370,000 Subordinate Series 2020B Tax-Exempt Bonds. The TJPA is designating the 2020 Bonds as "Green Bonds" that finance environmentally beneficial projects. The particular capital improvements that the TJPA has defined as "Green Projects" in connection with the 2020 Bonds are part of the development of Phase 1 and Phase 2 of the Transbay Program. The proceeds of the 2020 Bonds were also used to refinance the TIFIA Loan, to fund the debt service reserve for the Senior 2020 Bonds, and the debt service reserve for Subordinate Series 2020B Bonds. The 2020 Tax-Exempt Bonds will bear interest 5% and Senior A-T Federally Taxable Bonds will bear interest ranging from 1.9% - 2.5%. Principal payments are payable annually on October 1, commencing on October 1, 2020. Interest on the 2020 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2020. The refinancing resulted in a net present value savings to the TJPA in the debt services of $25,615,504.

NOTE 5 – LONG TERM OBLIGATIONS AND DERIVATIVE INSTRUMENT (Continued)

The annual debt service requirements are shown below for the above debt issues:

Senior Series 2020A Tax-Exempt Bonds

Year Ending June 30:	Principal	Interest
2021	$ 6,428,625	$ 2,526,400
2022	-	9,387,250
2023	-	9,387,250
2024	-	9,387,250
2025	-	9,387,250
2026-2030	17,949,750	45,185,000
2031-2035	22,917,375	40,097,750
2036-2040	34,675,875	33,277,500
2041-2045	47,229,000	22,958,500
2046-2050	60,279,375	9,574,750
Total	$ 189,480,000	$ 191,168,900

Senior Series 2020A-T Taxable Bonds

Year Ending June 30:	Principal	Interest
2021	$ 4,135,656	$ 222,742
2022	1,895,371	761,311
2023	1,933,788	722,053
2024	2,717,962	679,630
2025	3,502,105	615,555
2026-2030	5,392,482	2,314,670
2031-2035	6,406,637	1,266,591
2036-2038	2,370,999	136,890
Total	$ 28,355,000	$ 6,719,442

Subordinate Series 2020B Tax-Exempt Bonds

Year Ending June 30:	Principal	Interest
2021	$ 2,063,615	$ 512,995
2022	536,250	1,867,230
2023	560,625	1,839,730
2024	731,250	1,810,980
2025	911,625	1,773,480
2026-2030	6,084,000	8,039,900
2031-2035	7,761,000	6,316,150
2036-2040	9,912,955	4,151,990
2041-2045	11,663,340	2,460,000
2046-2050	13,145,340	973,320
Total	$ 53,370,000	$ 29,745,775

Pledged Revenues

The TJPA receives net tax increment revenues generated by the former State-owned parcels sold for development and committed to the TJPA, pursuant to an agreement with the City and OCII. The net tax increment revenue that is received by TJPA and income derived from permitted investments ("Pledged Revenues") is pledged as security under the Senior and Subordinate 2020 Bonds. This revenue is only available for repayment of the the Senior and Subordinate 2020 Bonds and design and construction of the Transbay Program after the bonds debt service requirements are satisfied or repaid in full, currently forecast for October 1, 2049.

Tax increment in California has a 20% mandated set-aside for affordable housing. The net tax increment revenue that flows to TJPA is net of this set-aside as well as 21% statutory pass-through payments to other taxing entities including school districts. In accordance with the Transbay Development Project Tax Increment Allocation and Sales Proceeds Pledge Agreement, TJPA is to receive net tax increment revenue until March 31, 2050.

NOTE 5 – LONG TERM OBLIGATIONS AND DERIVATIVE INSTRUMENT (Continued)

Interim City Financing

In 2016, the TJPA Board approved a Phase 1 budget of $2.259 billion, at the recommendation of MTC following a risk and cost review of the project. To fully fund the new budget, additional funding was required. The City, MTC and TJPA negotiated a financing that closed in Fiscal Year 2017. Under the financing, TJPA leases the Train Box portion of the transit center to a bank acting as a trustee. The City is also leasing certain City-owned property to the trustee. The trustee subleases the properties back to the City. Payments by the City under the subleases are set to be equivalent to and pay the debt service on certificates of participation ("COPs") sold by the City to Wells Fargo Bank, N.A. ("Wells Fargo") and MTC. Up to $160 million in COPs may be sold to Wells Fargo and up to $100 million to MTC. TJPA submits draw requests to the City to fund construction costs and the City sells COPs as needed. TJPA is obligated to reimburse the City for amounts paid by the City on the COPs pursuant to a leaseback by TJPA of the asset it leased, which it pays from net tax increment revenues pursuant to an amendment to the TIFIA loan negotiated concurrently with the City financing. On May 14, 2020, the City executed and delivered a Notice of Termination for the COPs. The City elected to exercise an irrevocable call option to redeem a total of $76,000,000 in principal and accrued interest of $268,768 as of May 19, 2020.

Derivative Instrument - Interest Rate Cap

TJPA has two interest rate caps as a hedge against rising interest rates under the interim City financing, as required by the TIFIA lender. The first Interest Rate Cap Agreement limits TJPA's variable interest rate exposure by providing that SMBC Capital Markets, Inc., as cap provider counterparty, will make monthly payments to TJPA to the extent that the one-month LIBOR rate exceeds 1.75%. The interest rate cap has a notional amount that started at $25,000,000 and stepped up incrementally to $162,000,000, and then back down to $64,000,000 as of June 30, 2019. The cap is in effect through July 1, 2020.

The initial cap notional principal dropped to $64,000,000 on July 1, 2019 and remained at $64,000,000 through some or all of calendar year 2020. In order to cover this gap, the TJPA purchased an incremental cap from Goldman Sachs of $14,000,000, effective July 1, 2019, with a one-month LIBOR strike price of 3% and a notional principal profile reflecting the expected repayment profile of the City Financing.

TJPA paid $1,260,000 for the SMBC interest rate cap and the fair value was $0 at June 30, 2020; the cost exceeded fair value by $1,260,000.

The TJPA paid $15,000 for the Goldman Sachs interest rate cap and the fair value was $3,900 at June 30, 2020; the cost exceeded fair value by $11,100. The fair value of both caps was derived from the Dodd Frank Regulatory Daily Mark value provided by Swap Financial Group, LLC. Both caps were recorded as other deferred outflows on the Statement of Net Position. The interest rate cap was determined to be effective, meaning that the derivative significantly reduces an identified financial risk and hedge accounting is used.

NOTE 5 – LONG TERM OBLIGATIONS AND DERIVATIVE INSTRUMENT (Continued)

Credit Risk

Credit risk is the risk that a counterparty will not fulfill its obligations. The maximum loss that would be recognized at the reporting date if both counterparties failed to perform as contracted is $3,900 which is the fair value of the interest rate caps at year-end. To minimize TJPA's exposure to credit risk, the Interest Rate Cap agreement requires that if the cap provider is downgraded below A/A2/A then the cap provider must transfer collateral to TJPA equal to 100% of the mark to market value of the cap or obtain a replacement counterparty that meets the rating requirements. If the cap provider is downgraded below A-/A3/A-, the cap provider must obtain a replacement counterparty that meets the rating requirements. At June 30, 2020, the counterparties were rated A/A1/A+.

Termination Risk

Termination risk is the possibility that a derivative may end earlier than expected, depriving TJPA of the protection from interest rate risk. TJPA or its counterparty may terminate the interest rate cap in accordance with the terms of the Interest Rate Cap Agreement. The Interest Rate Cap Agreement was entered into under the International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement"). The ISDA Master Agreement together with the Confirmation of the Interest Rate Cap Agreement provide the terms and conditions upon which each party may terminate the Interest Rate Cap Agreement. Included in such terms and conditions is the right of TJPA to terminate the Interest Rate Cap Agreement on any business day and the right of TJPA to terminate the Interest Rate Cap Agreement if the counterparty's senior, unsecured, unenhanced debt rating is downgraded below the ratings noted above. No payment would be due from TJPA to the counterparty in any instance of termination.

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS

A. Pension Plan

Plan Description and Benefits Provided

All full-time employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined-Benefit Pension Plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for its participating member employers.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2w Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

TJPA contracted with CalPERS effective January 1, 2012. Prior to that date, full-time employees participated in the CalPERS pension plan via Local Government Services ("LGS"), previously TJPA's employer of record under contract. CalPERS processed a merger, transferring TJPA employees from LGS' plan to TJPA's plan. Due to its small number of employees, TJPA participates in the CalPERS risk pool for Miscellaneous Employees. There are two retirement formulas for TJPA employees, depending upon date of hire: "2% at 55" risk pool for "Classic" CalPERS employees, and "2% at 62" for employees hired after January 1, 2013 who are not already CalPERS members, per the California Public Employees' Pension Reform Act ("PEPRA").

Detailed information about the pension plan's fiduciary net position is publicly available in separately issued CalPERS reports. The reports and other details referenced below may be obtained from CalPERS, www.calpers.ca.gov.

Contributions

The contribution requirements of plan members are established by State statute, and the employer contribution rate is actuarially established and may be amended by CalPERS. PEPRA members are required to contribute 6.750% of their annual covered salary, and Classic members are required to contribute 7% of their annual covered salary. TJPA pays this required contribution on behalf of Classic employees, amounting to $90,418 for the year ended June 30, 2020. For Fiscal Year 2019-2020, the actuarially determined employer contribution rate was 10.221% of covered payroll costs for Classic employees, amounting to $132,023, and 6.985% for PEPRA employees, amounting to $58,720. The employer contribution, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, TJPA employer contributions that are included in the calculation of net pension expense were $236,895.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Generally accepted accounting principles require employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. Net pension liability is the plan's total pension liability based on the entry age normal actuarial cost method less the plan's fiduciary net position.

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. Deferred outflows and deferred inflows of resources related to pensions are certain changes in total pension liabilities and fiduciary net position that are to be recognized in future pension expense. Each participating cost-sharing employer, such as TJPA, is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/deferred inflows of resources in their financial statements. The disclosures below are thus based on an actuarial valuation provided by CalPERS.

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

At June 30, 2020, TJPA reported a liability of $851,768 for its proportionate share of the net pension liability. The net pension liability was measured by CalPERS as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. TJPA's proportion of the net pension liability was based on a projection of TJPA's long-term share of contributions to the pension plan relative to the projected contributions of all participating local governments, actuarially determined. TJPA's proportionate share of the net pension liability for the plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.0188%
Proportion - June 30, 2020	0.0213%
Change - Increase (Decrease)	0.0025%

The annual pension expense is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for the deferred recognition of actual contributions and items such as investment gains and losses, changes in actuarial assumptions, and changes in plan benefits. For the year ended June 30, 2020, TJPA recognized a net pension expense of $138,184.

At June 30, 2020, TJPA also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 236,895	$ -
Differences between actual and expected experience	59,159	(4,584)
Changes in assumptions	40,616	(14,398)
Difference in actual contributions and net projected contributions	20,308	(22,180)
Changes in proportion	156,335	-
Net differences between projected and actual earnings on pension plan investments	-	(14,892)
Total	$ 513,313	$ (56,054)

Of the $513,313 total deferred outflows of resources, $236,895 resulting from TJPA employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Total Deferred Outflows (Inflows)
2021	$ 163,164
2022	35,956
2023	18,235
2024	3,009
Total	$ 220,364

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Assumptions

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Investment Rate of Return	7.15% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 207 experience study report based on CalPERS demographic data from 1997 to 2015 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of each cash flows used to determine the discount rate for the Plan assumed the contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Sensitivity of TJPA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents TJPA's proportionate share of the net pension liability for the plan, calculated using the discount rate of 7.15%, as well as what TJPA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Discount Rate -1 (6.15%)	Discount Rate (7.15%)	Discount Rate +1 (8.15%)
Net pension liability	$ 1,650,014	$ 851,768	$ 192,872

Subsequent Event – CalPERS Pension Contribution Rates

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the TJPA's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

Payable to the Pension Plan

At June 30, 2020, TJPA reported a payable of $6,501 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Defined Contribution Retirement Plan

TJPA participates in the California Public Agencies Self-Directed Tax-Advantaged Retirement System Plan (the "STARS Plan"), which provides retirement benefits for employees of the member public agencies. The STARS Plan includes a deferred compensation plan in accordance with Internal Revenue Code Section 457(b), whereby employees may elect to defer portions of their compensation in a self-directed investment plan for retirement, and a defined contribution plan in accordance with Internal Revenue Code Section 401(a), whereby TJPA matches employee contributions up to two percent of the employee's base annual salary. All employees are eligible for plan participation. Plan assets are invested in each individual's name with a deferred compensation plan provider. The STARS Plan deferred compensation and defined contribution assets are not reflected in these financial statements. Each of the STARS Plan's participants directs the investments of their separate accounts. Employer contributions vest immediately. Distributions are made upon the participant's termination, retirement, death or total disability. During the year ended June 30, 2020, the TJPA and participating employees made contributions to the STARS Plan totaling $30,307 and $118,121, respectively. At June 30, 2020, TJPA had a payable of $6,501 for the outstanding amount of contributions to the defined contribution plan required for the fiscal year.

C. Other Post-Employment Benefits

Plan Description and Benefits Provided

TJPA contracts with CalPERS under the Public Employees' Medical and Hospital Care Act ("PEMHCA"), which provides healthcare insurance programs for both active and retired employees of public employer contracting agencies. TJPA has a program in place to partially pay CalPERS medical insurance premiuTms for eligible retiring employees. Retiree benefit provisions are established and amended through agreements between TJPA and its employees; at a minimum TJPA will contribute the amount required by PEMHCA, which is $139 per month per employee in calendar year 2020 and $143 in 2021. Participating retirees pay the difference between the benefit they receive and the monthly premium. Medical insurance premiums for retiree's spouses or dependents are not covered under these agreements, nor are dental or vision premiums. The plan does not issue a separate financial report. The total OPEB liability was determined based on an actuarial valuation and measurement date of June 30, 2019.

Contribution

TJPA joined the California Employers' Retiree Benefit Trust ("CERBT"), an irrevocable trust established under Internal Revenue Code Section 115 to fund other post-employment benefits ("OPEB"), in Fiscal Year 2016. CERBT, an agent multiple-employer plan, is administered and managed by CalPERS and issues a financial report available on the CalPERS website. For Fiscal Year 2020, TJPA did not accrue a payable to CERBT. TJPA participates in the CERBT Strategy 3 portfolio, the most conservative of the three available investment strategies, and the ending trust balance at June 30, 2020 was $413,993.

Employees Covered

At the June 30, 2020 valuation date, the TJPA had thirteen active employees and one retiree receiving benefits.

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Discount Rate

The discount rate used to measure the total OPEB asset was 5.55%. The projection of cash flows used to determine the discount rate assumed that the TJPA contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Global Equity	22%
Fixed Income	49%
Treasury Inflation-Protected Securities	16%
Global Real Estate (REITS)	8%
Commodities	5%
	100%

Net OPEB Asset

The changes in TJPA's net OPEB asset is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset
Balance at June 30, 2019	$ 295,481	$ 306,999	$ (11,518)
Changes for the year:			
Service cost	29,063	-	29,063
Interest	18,126	-	18,126
Changes in benefit terms	-	-	-
Differences between actual and expected experience	(49,734)		(49,734)
Changes in assumptions	11,644	-	11,644
Contribution - employer	-	26,987	(26,987)
Contribution - member	-	-	-
Net investment income	-	22,097	(22,097)
Benefit payments	(1,735)	(1,735)	-
Other expenses	-	-	-
Administrative expense	-	(66)	66
Net changes	7,364	47,283	(39,919)
Balance at June 30, 2020	$ 302,845	$ 354,282	$ (51,437)

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between TJPA and the plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The 2019 actuarial valuation used the following actuarial methods and assumptions:

Discount rate	5.55%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increases	3.0%, used only to allocate cost of benefits between service years
Investment rate of return	5.55'%
Mortality rates	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare cost trend rate	6.5% in 2021, trending down to 4% in 2076

Sensitivity of the Net OPEB asset to Change in Discount Rate

The following presents the net OPEB asset of the TJPA, as well as what the TJPA's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher, than the current discount rate (in thousands):

Net OPEB Asset at 1% increase	$	87,837
Net OPEB Asset at Current Rate		51,437
Net OPEB Asset at 1% decrease		7,609

Sensitivity of the net OPEB asset to change in healthcare costs

The following presents the net OPEB asset of the TJPA, as well as what the TJPA's net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percentage point lower, or one percentage point higher, than the current healthcare cost trend rates (in thousands):

Net OPEB Liability at 1% increase	$	(6,486)
Net OPEB Asset at Current Rate		51,437
Net OPEB Asset at 1% decrease		97,717

NOTE 6 – RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB asset and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is amortized over a five-year period. All other amounts are amortized over the expected average remaining service lifetime (EARSL) of 9.3 years.

OPEB Expense (Income) and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the TJPA recognized OPEB expense of $28,048. As of the fiscal year ended June 30, 2020, the TJPA reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to measurement date	$ 38,957	$ -
Assumption changes	23,132	-
Differences between expected and actual experience	-	(44,386)
Net differences between projected and actual earnings on plan investments	1,055	-
Total	$ 63,144	$ (44,386)

The reported deferred outflows of resources related to OPEB will be recognized as expense as follows:

For the Fiscal Year Ending June 30	Deferred outflows (inflows) of resources
2021	$ (1,310)
2022	(1,309)
2023	(2,281)
2024	(3,105)
2025	(2,265)
Thereafter	(9,929)
Total	$ (20,199)

NOTE 7 – LEASES

Leases as Lessee

The TJPA leases office space under an operating lease which expires in March 2021. Total costs for this lease were $822,044 for the year ended June 30, 2020. These costs represent direct Program management costs related to the transit center and DTX and as such are capitalized as part of accumulated Program costs.

The future minimum lease payments are as follows:

	TJPA Office Lease
2021	$ 579,930
	$ 579,930

Leases as Lessor

The transit center is comprised of 93,195 square feet of retail space, currently divided into 30 retail spaces. As of June 30, 2020, 20 leases have been executed, which correlates to leasing rates of 67% of the retail spaces and 83% of the retail square footage.

	Total	Total Executed	% Executed
Square Footage	93,195	77,758	83%
Number of Retail Spaces	30	20	67%
Average Annual Rent	$5.5M	$4.1M	75%

NOTE 8 – RISK MANAGEMENT

The TJPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The TJPA participates in the Special District Risk Management Authority ("SDRMA"), a joint powers agency established in 1986 to provide pooled joint protection programs among the members of SDRMA. The purpose of SDRMA is to reduce the amount and frequency of losses and to decrease the cost incurred by its members in the handling and litigation of claims and to purchase excess or re-insurance as a group, thereby reducing costs.

NOTE 8 – RISK MANAGEMENT (Continued)

The TJPA's deductibles and maximum coverages under the SDRMA pool are as follows:

Coverage Description	Deductibles	Coverage
General Liability	$500	$10,000,000
Auto Liability	$1,000	$10,000,000
Property Coverage	$1,000	$1,000,000,000
Boiler and Machinery Coverage	$1,000	$100,000,000
Employees & Public Officials:		
Errors and Omissions Liability	-	$10,000,000
Dishonesty	-	$1,000,000
Personal Liability for Board Members	$500	$500,000

There were no reductions in insurance coverage from the previous year. The TJPA pays an annual contribution, determined by the Board of Directors of SDRMA, and any additional amounts which the SDRMA Board of Directors deems necessary in accordance with bylaws of SDRMA. The TJPA's annual contribution for the fiscal year ended June 30, 2020 was $265,974.

In addition, the TJPA purchased an excess liability policy to provide additional coverage of $10,000,000. The premium for the fiscal year ended June 30, 2020 for this policy was $105,264. There is no deductible under this policy. The TJPA does not maintain earthquake insurance coverage.

The TJPA maintains property insurance. The premium for the fiscal year ended June 30, 2020 was $1,539,852.

The TJPA maintains workers' compensation insurance in compliance with statutory limits. The premiums for the fiscal year ended June 30, 2020 for this coverage were $17,575. TJPA also holds a public officials bond renewed in May 2019, with a two-year term for $875.

During the year ended June 30, 2010, the TJPA received a payment and performance bond from Webcor Builders/Obayashi Corporation, the joint venture awarded the Construction Manager/General Contractor ("CM/GC") contract. The bond provides a $600 million guarantee that the CM/GC will complete the transit center and related structures in accordance with its contract and that it will pay its subcontractors, labor and suppliers. The TJPA reimbursed the CM/GC $5.4 million for the original bond premium. In fiscal years 2014 and 2015, the bond amount was increased to $889 million, for premiums totaling $2,594,064. During the year ended June 30, 2016, the TJPA accrued an additional $4,017,442 for a bond rider that increased the bond amount to $1,336,575,975. The additional premium was fully paid by June 30, 2017.

On August 17, 2016, several owners of condominiums in the Millennium Tower filed a lawsuit against the Authority, among others. See Note 11 for further information regarding the outcome of the lawsuit.

NOTE 9 – RELATED PARTY TRANSACTIONS

Note 9 identifies agencies of State and local government that appoint members to the TJPA Board of Directors. The TJPA also purchases goods and services from some of these TJPA Board Member Agencies and these Agencies are therefore considered to be related parties to the TJPA. Below is a summary of goods and services purchased by the TJPA from these related parties during the fiscal year ended June 30, 2020.

A. City and County of San Francisco

During the year ended June 30, 2020, the City provided services including management, administration, permitting and inspection of construction; traffic engineering; transit center power connections, and legal assistance to the TJPA. Such services totaled $4,764,027, with $1,481,471 due to the City at June 30. Services were provided by the following organizations/departments:

Office of the City Attorney	$	25,073
Department of Public Works		433,113
Department of Public Health		3,769
Department of Technology		11,684
Municipal Transportation Agency		174,685
Police Department		2,440,070
Fire Department		500
Public Utilities Commission		1,663,039
Public Library		140
San Francisco Art Commission		11,956
Total	$	4,764,029

In addition, Community Benefit District special assessments of $226,830 were paid to the San Francisco Tax Collector during the fiscal year. $1,888,555 was paid to the Office of the Controller, of which $1,851,055 was for Base and Additional Rental (see Note 5) and $175,138 was property insurance under the lease-back agreement. Also, at June 30, 2020, the TJPA held title to land parcels which are temporarily needed by the TJPA only for the construction of the Transbay Program. Upon completion of the construction period, these parcels will be transferred to the City or OCII (see Note 4).

NOTE 9 – RELATED PARTY TRANSACTIONS (Continued)

B. Alameda-Contra Costa Transit District (AC Transit)

AC Transit provides bus services between Alameda and Contra Costa counties and the City and County of San Francisco. Under the Program, the temporary terminal and the transit center are the point of destination/departure for AC Transit's bus services in San Francisco. On September 29, 2008, the TJPA Board of Directors approved a comprehensive Lease and Use Agreement that controls AC Transit's bus operations at the temporary terminal and the transit center through at least the year 2050. The Agreement sets forth all the rights and obligations of the parties with respect to the two facilities. It addresses payments AC Transit will make for its share of operating and maintenance costs at the transit center should operating expenses exceed revenues, as well as its contribution in the sum of $57,000,000 (discounted to 2011 dollars) to the capital cost of the new transit center. Additionally, the Agreement allows for subtenant agreements, where subtenants can be allocated a share of the primary tenant's operating and maintenance costs.

C. State of California Department of Transportation ("Caltrans")

Caltrans provides design review and construction support services to the TJPA Bus Storage. Such services totaled $54,296 during the year ended June 30, 2020, with $13,538 due to the Caltrans at June 30. The agreements with Caltrans require the TJPA to provide, within the total agreement amounts, payment for revolving invoice reserves. The payment of these deposits total $55,000, which the TJPA has recorded as prepaid items.

See also Note 4, Capital Assets, for information regarding State-conveyed land to be retained by the TJPA and re-conveyed to the City or OCII.

As of June 30, 2020, the California High-Speed Rail Authority ("CHSRA") does not provide services to the TJPA and TJPA has not reported any amounts due to or from CHSRA.

NOTE 10 – CONTINGENT LIABILITIES

A. Due from Grantors

Amounts received or receivable from federal, state, and local funders are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by these agencies cannot be determined at this time although the TJPA expects such amounts, if any, to be immaterial.

NOTE 10 – CONTINGENT LIABILITIES (Continued)

B. Pollution Remediation

TJPA has conducted pollution remediation activities as a matter of course in its demolition and construction. The expenditures associated with these activities are capitalized as costs to prepare property for use. As such, the TJPA capitalizes remediation outlays as incurred and does not record a pollution remediation liability. Life-to-date remediation expenditures through June 30, 2020 total $17,545,459 and are associated with the following project components:

Temporary Terminal	$	948,283
Transit Center		15,071,322
Bus Storage Facility		1,524,846
Caltrain Downtown Extension		1,008
Total	$	17,545,459

C. COVID-19 GLOBAL PANDEMIC

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

NOTE 11 – SUBSEQUENT EVENTS

A. Millennium Tower Litigation

Millennium Tower (the "Tower") is a 58-story luxury residential building completed in 2009 and located at 301 Mission Street in downtown San Francisco. On August 17, 2016, several owners of condominiums in the Tower filed a lawsuit (the "Lehman Lawsuit") against the TJPA, among others.

The TJPA began excavation and construction of the Salesforce Transit Center in 2011, after the Tower was completed. In brief, the Lehman Lawsuit claims that the construction of the Salesforce Transit Center harmed the Tower by causing it to settle and tilt more than planned, and the owners claim unspecified monetary damages for inverse condemnation and nuisance. The TJPA has asserted that due to a negligently designed foundation, the Tower had already sunk twice as much as planned and was tilting before the TJPA began construction of the Salesforce Transit Center and that the TJPA took precautionary efforts to avoid exacerbating the situation.

NOTE 11 – SUBSEQUENT EVENTS (Continued)

In addition to the Lehman Lawsuit, the TJPA is named as a defendant in lawsuits filed by the homeowners' association, the Millennium Tower Association Lawsuit; the owners of a single unit, the Montana Lawsuit; and owners of multiple units, the Buttery, the Shadduck Lawsuit, the Ying Lawsuit, the Maui Peaks Lawsuit, and the Turgeon Lawsuit. All lawsuits contain similar claims as the Lehman Lawsuit. The plaintiff in the Maui Peaks Lawsuit has also filed a motion to certify the class of homeowners in the Tower. In another suit, the Chang Lawsuit, the TJPA is not named as a defendant but at least one of the defendants has filed a petition for writ of mandate and cross complaint against the TJPA.

The parties have been participating in confidential mediation, and recently reached an agreement-in-principle as to a global resolution of the litigation.

On August 7, 2020, the court granted final approval of the class action settlement in the Maui Peaks matter and on October 7, 2020, the court entered an order finding the global settlement to be final and effective.

As of October 2020, all parties to the litigation reached a global settlement resolving all litigations involving the TJPA. The TJPA paid $30,000,000 for a complete release of claims against it and many other parties contributed to the global settlement. The settlement does not determine who caused the movement of the tower or assign any responsibility to the TJPA.

REQUIRED SUPPLEMENTARY INFORMATION

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TRANSBAY JOINT POWERS AUTHORITY
Required Supplementary Information
For the Year Ended June 30, 2020

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CalPERS Public Agency Cost-Sharing Multiple-Employer Plan

Measurement date	June 30, 2019[1]	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.0213%	0.0188%	0.0186%	0.0164%	0.0144%	0.0171%
Proportionate share of the net pension liability	$851,768	$708,735	$732,892	$569,938	$394,754	$423,397
Covered payroll	$2,163,436	$1,852,299	$1,932,209	$2,215,123	$2,125,171	$2,087,405
Proportionate share of the net pension liability as a percentage of its covered payroll	39.37%	38.26%	37.93%	25.73%	18.58%	20.28%
Plan fiduciary net position as a percentage of the total pension liability	85.65%	75.26%	73.31%	74.06%	78.40%	79.82%

[1] Historical information is required only for measurement periods for which GASB 68 is applicable. TJPA currently has only six years of data to present in the schedule. As future years' data is calculated, it will be added to the schedule until ten years of data is presented.

Changes of Benefit Terms and Assumptions

The figures in the schedule of contributions above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. The discount rate was changed from 7.65% (net of administrative expense) to 7.15% beginning in Fiscal Year 2018.

TRANSBAY JOINT POWERS AUTHORITY
Required Supplementary Information
For the Year Ended June 30, 2020

SCHEDULE OF PENSION CONTRIBUTIONS

	FY 2020*	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Actuarially determined contribution	$ 236,895	$ 180,519	$ 182,740	$ 174,875	$ 174,033	$ 254,524	$ 228,308	$ 194,665
Contributions in relation to the actuarially determined contribution	(236,895)	(180,519)	(182,740)	(174,875)	(174,033)	(254,524)	(228,308)	(194,665)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,205,113	$ 2,163,436	$ 1,852,299	$ 1,932,209	$ 2,215,123	$ 2,125,171	$ 2,087,405	$ 1,976,776
Contributions as a percentage of covered payroll	10.74%	8.34%	9.87%	9.05%	7.86%	11.98%	10.94%	9.85%

* Historical information is required only for measurement periods for which GASB 68 is applicable. TJPA currently has eight years of data to present in the schedule. As future years' data is calculated, it will be added to the schedule until ten years of data is presented.

TRANSBAY JOINT POWERS AUTHORITY
Required Supplementary Information
Agent Multiple Employer Plan
For the Year Ended June 30, 2020

SCHEDULE OF CHANGES IN THE NET OPEB ASSET AND RELATED RATIOS

	FY 2020[1]	FY 2019	FY 2018
Total OPEB liability			
Service cost	$ 29,063	$ 26,314	$ 25,486
Interest	18,126	15,841	13,518
Changes in benefit terms	-	-	-
Differences between actual and expected experience	(49,734)	-	-
Changes in assumptions	11,644	16,402	-
Benefit payments	(1,735)	(1,566)	(640)
Net changes	7,364	56,991	38,364
Total OPEB liability - beginning	295,481	238,490	200,126
Total OPEB liability - ending	$ 302,845	$ 295,481	$ 238,490
Fiduciary net position			
Contribution - employer	$ 26,987	$ 26,135	$ 20,195
Contribution - member	-	-	-
Net investment income	22,097	12,817	10,149
Benefit payments	(1,735)	(1,566)	(640)
Administrative expense	(66)	(141)	(127)
Other expense	-	(358)	-
Net changes	47,283	36,887	29,577
Total OPEB liability - beginning	306,999	270,112	240,535
Total OPEB liability - ending	$ 354,282	$ 306,999	$ 270,112
Plan net OPEB liability (asset) - ending	$ (51,437)	$ (11,518)	$ (31,622)
Plan fiduciary net position as a percentage of the total OPEB liability	117%	104%	113%
Covered-employee payroll	$2,163,436	$1,852,299	$1,932,209
Plan net OPEB liability as a percentage of covered-employee payroll	-2.38%	-0.62%	-1.64%

[1] Historical information is required only for measurement periods for which GASB 75 is applicable. TJPA currently has only three years of data to present in the schedule. As future years' data is calculated, it will be added to the schedule until ten years of data is presented.

TRANSBAY JOINT POWERS AUTHORITY
Required Supplementary Information
Agent Multiple Employer Plan
For the Year Ended June 30, 2020

SCHEDULE OF OPEB CONTRIBUTIONS

	FY 2020[1]	FY 2019	FY 2018
Actuarially determined contribution	$ 38,957	$ 26,987	$ 26,135
Contributions in relation to the actuarially determined contribution	(38,957)	(26,987)	(26,135)
Contribution deficiency (excess)	-	-	-
Covered payroll	$ 2,228,339	$ 2,163,436	$ 1,852,299
Contributions as a percentage of covered payroll	1.75%	1.25%	1.41%

[1] Historical information is required only for measurement periods for which GASB 75 is applicable. TJPA currently has only three years of data to present in the schedule. As future years' data is calculated, it will be added to the schedule until ten years of data is presented.