COMPREHENSIVE ANNUAL

FINANCIAL REPORT

GOLDEN GATE BRIDGE
HIGHWAY AND
TRANSPORTATION
DISTRICT

FISCAL YEARS ENDED
JUNE 30, 2019 & 2018
SAN FRANCISCO, CA

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Golden Gate Bridge, Highway and Transportation District

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2019 and 2018

GOLDEN GATE BRIDGE®
HIGHWAY & TRANSPORTATION DISTRICT

SAN FRANCISCO, CALIFORNIA
www.goldengate.org
Prepared by the Accounting Department, Office of the Auditor-Controller
Joseph M. Wire, Auditor-Controller/CFO

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GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2019 and 2018

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Introductory Section

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October 18, 2019

Board of Directors
Golden Gate Bridge, Highway and
Transportation District
P. O. Box 9000, Presidio Station
San Francisco, CA 94129-0601

Subject: Golden Gate Bridge, Highway and Transportation District, San Francisco, CA
Comprehensive Annual Financial Report

We are pleased to present the Comprehensive Annual Financial Report for the Golden Gate Bridge, Highway and Transportation District (District) for the fiscal year ended June 30, 2019. This transmittal letter provides a summary of the District's finances, services, achievements, and economic prospects for readers without a technical background in accounting or finance. Readers may refer to the Management's Discussion and Analysis portion of the Financial Section of this report, beginning on page 18 for a more detailed discussion of the District's financial results.

Management assumes sole responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, we believe this report to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect the District's assets from loss, to identify and record transactions accurately and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed the likely benefits, the District's internal control system intends to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

The District's financial statements have been audited by Eide Bailly LLP, Certified Public Accountants. The firm is based in Palo Alto, CA, and is licensed to practice in the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The auditor expressed an opinion that the District's financial statements are fairly stated in all material respects and in compliance with accounting principles generally accepted in the United States of America. This conclusion is the most favorable kind and is commonly known as an "unmodified" or "clean" opinion. Financial statements and the auditor's opinion can be found in the Financial Section of this report which commences on page 15.

The District is also required to undergo an annual Single Audit in conformity with the provisions of the audit requirements of *Title 2 U.S. Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The results of this audit, including findings and recommendations, if any, can be found in the Single Audit Section of this report, starting on page 106.

Profile of the Agency

On December 4, 1928, the District was incorporated as a special district of the State of California as the entity established to design, construct, finance, and operate the Golden Gate Bridge. The District was created under the Bridge and Highway District Act of 1923 and is subject to regulation under this Act, as amended. A 19-member Board of Directors (Board) sets policy for the District. Board members represent the counties of Marin, Sonoma, Del Norte, the City and County of San Francisco, and portions of Napa and Mendocino counties.

On November 10, 1969, the State of California legislature passed Assembly Bill 584 authorizing the District to develop a transportation facility plan for implementing a mass transportation program in the Highway 101/Golden Gate Corridor as a means of managing traffic congestion across the Bridge as traffic levels had reached capacity. The mass transportation program was to include any and all forms of transit, including ferry transit. At that time, the word "Transportation" was added to the District name to indicate its new commitment to public transportation.

Since 1970, the District has maintained and operated three service-oriented divisions: Golden Gate Bridge (Bridge) which opened to traffic on May 28, 1937, Golden Gate Ferry (GGF) which launched its first vessel on August 15, 1970, and Golden Gate Transit bus service (GGT) which began regional service on January 1, 1972. An administrative division supports operations and includes functions such as finance, information systems, customer relations, environmental health and safety, human resources, planning, and marketing. The District employs 826 employees, up from 821 in FY 2017/2018.

The District is unique in the San Francisco Bay Area in that its operations and administration are not supported by direct sales tax measures or dedicated general funds. Primary sources of revenues are derived from the operation itself (Bridge tolls and transit fares), supplemented by government grant programs, investments and capital contributions, along with limited revenue programs such as transit advertising, concessions, and leases. The District's FY 2018/2019 programs and services were based upon an adopted Operating Budget of $230.1 million and a Capital Budget of $26.5 million.

Financial Condition of the District

Local Economy

The San Francisco Bay Area's remains in a period of robust economic growth that been underway now for about a decade. Despite this economic improvement, recent changes in demographics and lifestyles are making small negative impacts in traffic and ridership levels:

- 3.1 million customers rode Golden Gate regional buses (down 0.1 million from FY 20178/2019).
- 2.5 million customers rode Golden Gate ferries (down 0.1 million from FY 2017/2019).
- 20.0 million vehicles crossed the Bridge southbound (down 0.5 million from FY 20178/20189).

The growth in the retirement population in Marin along with increased telecommute patterns have resulted in a small decrease in use of transit services for commute purposes. Commute riders make up the largest portion of the transit ridership. Traffic has slightly decreased, even with a growing economy and fairly inexpensive gasoline pricing, as telecommuting has become more acceptable. When looking at unemployment figures from the U.S. Bureau of Labor Statistics, California's unemployment rate for June 2019 was 4.2%, no change from June 2018. However, local unemployment rates are much lower. In Marin and San Francisco counties, the unemployment rates for both counties have were 2.4% for June 2018, compared to 2.7% for both counties in June of 2018.

Long-Term Financial Planning

As noted above, the District has limited funding sources that include tolls, transit fares, government grants, and revenues from advertising, concessions and leases. To develop financial strategies to sustain its services and operations, the Board adopted a Financial Plan for Achieving Long-Term Financial Stability (Plan) in October 2002 which was redone in 2009 and then again in 2014. The Plans encompass and reflect the following:

- The findings of the Five and Ten-Year Projections (Projections) which are prepared annually, following the adoption of the annual budget. The Projections serve as a road map for the setting of fiscal policy as they incorporate previously enacted policies and programs, demonstrate the District's fiscal status, and facilitate the Board in appropriately redirecting policies.
- The data in the Short Range Transportation Plan (SRTP). The SRTP is updated periodically, with the most recent edition covering the period of 2015–2024. The development of the SRTP is the principal process for creation and modification of the District's transit service goals, objectives, measures, and standards.
- The District's Mission Statement: The mission of the Golden Gate Bridge, Highway and Transportation District is to provide safe and reliable operation, maintenance, and enhancement of the Golden Gate Bridge and to provide transportation services, as resources allow, for customers within the U.S. Highway 101 Golden Gate Corridor.
- The District's Strategic Financial Plan ensures that both revenue enhancements and expense reductions initiatives are identified for consideration, evaluation, and public input, with expense reductions focused on efficiencies in services rather than the elimination of services.

An updated five and ten-year projection (FY 2019/2020 to FY 2028/2029) was presented to the Board in September 2018; coupled with the FY 2018/2019 budget, the five-year projection has grown slightly from the prior year's projection ($74 million in current projection compared to $72 million in the previous year's projection, an increase of $2 million). By the tenth year, the deficit has grown from $339 million to $340 million. This increase is primarily due to bridge toll rates remaining flat, with no increases currently planned.

It should be noted that the five and ten-year projections are for a rolling period; as a result, the deficits are not reflective for the same five years. If the projections were restated for the same five and ten-year periods, the deficit is actually reduced in the first five years by $28 million to $43 million; the ten-year projection would be reduced by $84 million to $278 million.

The District aggressively pursues programs to contain its costs and increase its revenues. Refer to the Major Initiatives section on page 4 for more information on cost cutting and revenue generating strategies implemented this past year.

Relevant Financial Policies

The annual budget is a culmination of the strategic directions and priorities of the Board and is structured to reflect the goals of the Board's long-term strategic planning process. Included within the Budget are funding strategies to attain sufficient funding for Board-approved capital projects and establishment of Board approved funding for special reserves, some of which may carry legal implications. These reserves are as follows:

Operating Reserve. A funding of 7.5 percent of the operating budget or to cover the expected operating deficit, whichever is larger.

Emergency Reserve. A funding of 3.5 percent of the operating budget to enable the amount kept in reserve for emergencies to remain relative to the size of the District's operations.

Debt Issuance and Management. A required funding under the terms of the District's Commercial Paper covenants.

Board Designated Reserves. Funding as designated by the Board to cover specific items such as Bridge Self-Insurance Loss Reserve and the Capital Plan Reserve.

Major Initiatives

Suicide Deterrent System

The suicide deterrent system (SDS) construction project continues, with steel elements being manufactured at various locations across America. District engineers are overseeing the production of the elements which will create the net system. Access platforms are also under construction and ladders are being placed along the side of the Bridge to provide workers a method to reach those construction platforms. The construction requires occasional night time lane closures. Once completed, the SDS will stretch 1.7 miles along each side of the Golden Gate Bridge. It will be located 20 feet below the sidewalk and extend out 20 feet on either side of the Bridge, to prevent easy access to the water below. The total project cost is $211 million and is funded by state, federal, and District funds.

South Viaduct Painting

A multi-year project of improving the South Approach Viaduct began in earnest last year, with painters and ironworkers focusing their efforts on removing all paint down to the bare metal, repairing corroded steel elements, and building up the fresh layers of paint to defend the structure against the salty marine air for decades to come. Bridge forces have completed the initial phase of the project which refurbished the southernmost three girder spans of the Bridge and are currently working northward on the truss span sections approaching the Fort Point Arch.

Traffic Congestion Management

During high visitation periods, particularly during the summer and holidays, traffic on the Golden Gate Bridge can slow to a crawl northbound as drivers vie for limited parking adjacent to the span. To mitigate this issue, the District worked with Caltrans to close the Vista Point parking lot to personal vehicle traffic during the busiest times and this continues to be a successful strategy for managing traffic on the Bridge during peak visitation periods. The District also worked with the Presidio Trust and National Park Service to study and test various traffic flow and parking improvement measures in the highly visited areas around the Bridge. The multi-agency effort has yielded a list of recommended improvements ranging from bus-only and demand-managed parking facilities to a visitor shuttle bus system serving the Presidio, Golden Gate Bridge, and Marin Headlands. The projects are scheduled to be implemented over the next few years and are intended improve the visitor experience while relieving congestion delays for those traveling through the area.

Safety Railing Repainting

The bicycle and pedestrian railing was added to improve safety on the Bridge sidewalks back in 2003 and is currently in need of paint refurbishment. The nightly SDS construction lane closures have provided a unique opportunity for the Bridge Paint Department to clean and repaint the safety railing without the necessity of additional lane closures. The project began during the summer months and will continue throughout the SDS construction period as weather permits.

Communications Upgrade Project

The District's Advanced Communications and Information (ACIS) project replaced and upgraded, among other things, the voice and data radio systems District-wide in 2012-2013. In 2019, the Bridge Communications team completed the main phase of a multi-year collaborative project with District Information Systems staff and vendor Motorola to enhance the functionality and performance of the ACIS voice radio system by reconfiguring the multi-cell simulcast architecture of the system to a single cell multicast system and relocating a radio broadcast site from the Toll Plaza to the top of the South Tower. This ambitious upgrade project corrected sluggish or non-existent radio performance in several areas at or near the Bridge. The next and final phase of the project will be to enhance ACIS radio system resilience by designing and implementing a more robust fallback failure mode of operation to better ensure continued operation of the system in the event that any core system components are rendered inoperable by natural disaster or other catastrophic event.

Toll Plaza Emergency Power System Upgrade

Bridge electrical department staff are currently installing the first of two new 450 kilowatt emergency standby generators as part of a modernization of the Toll Plaza emergency backup power system. This upgrade project increases the Bridge electrical system resilience by replacing aged infrastructure with the latest power generation technology along with the addition of power transfer switchgear that will allow the use of portable backup generators in the event of extended utility blackout or other catastrophic event.

Golden Gate Transit New Buses

Golden Gate Transit began operating its new fleet of hybrid diesel-electric buses. The buses, manufactured by Gillig in the Bay Area, were custom built to handle the large coverage area and varying terrain, including some significant grades. All 67 new vessels were on the road by the summer of 2019. The buses offer an opportunity for mechanics and operators to become more familiar with the operation of vehicles with an electric component, which is the expected path of the future. Additionally, Golden Gate Transit is operating two fully electric buses for Marin Transit.

Transit Scheduling

Golden Gate Transit established a system of virtual time points in order to improve real-time customer travel information and performance reporting. The virtual time points also allow for the tracking of congestion and its impact on travel time and speed of Golden Gate Transit buses. The District introduced a partnership with Transit, an app which provides real time bus information to customers. Golden Gate Transit also began upgrading the Hastus scheduling software in partnership with the Bus Operations, Information Technology, and Payroll Departments. Additionally, there were some new transit offerings with the implementation of the BART Early Bird Express Service and weekend service on Route 2.

Transit Employee Training

Continuing our reputation for safe bus trips, Golden Gate Transit developed a new Bus Operator Training Program in conjunction with the San Francisco Bicycle Coalition. This includes annual training courses and a training video. Training was also launched with a new Bus Operator Apprenticeship Program with the California Labor Federation. In order to manage our transit operations in San Francisco, the Transit Division and Planning Department also negotiated the right to 24 hour access to the San Francisco Bus Lot. Golden Gate Transit also created its first Women’s Support Group and organized a Grow-Participate-Share (GPS) forum for the Bus Division, which is a program focused on women’s issues at Golden Gate Transit.

Golden Gate Ferry Fleet Improvements

Golden Gate Ferry continues to be a popular option for commuters and tourists alike. Customer service along with maintenance and improvement of the current seven-vessel fleet is the Ferry Division's highest priority. The M.S. Marin, M.V. Golden Gate, and M.V. Del Norte recently underwent dry dock improvements and had their engines completely rebuilt to like new condition. The M.S. Marin recently underwent a significant refurbishment, including installation of new, cleaner, environmentally friendly engines. In order to manage passenger demand, Golden Gate Ferry leased a vessel, the MV Millennium, from Rhode Island for one year. The vessel has complemented our regular fleet and will be returned in 2020.

Golden Gate Ferry Trip Growth

Additionally, as ferry trips between Larkspur and San Francisco are often at peak capacity, District staff has begun the planning and environmental process necessary to increase service between the two locations, which are currently capped at 42 trips per day.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for the fiscal year ended June 30, 2018. This is the twelfth consecutive year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District has also been awarded GFOA's Award for Distinguished Budget Presentation for the fiscal year beginning July 1, 2018. This is the thirteenth consecutive year the District has received this award.

Grateful acknowledgement is made to the entire staff of the Finance Department and the Marketing Department as the preparation of this report would not have been possible without the efficient and dedicated services of these staff members.

Special appreciation is also expressed to the entire Board of Directors, the Executive Management Team and all District staff who remain steadfast to the District's mission of providing safe and reliable services.

Sincerely,

Denis Mulligan

Denis J. Mulligan
General Manager/Chief Executive Officer

Joseph M. Wire
Auditor-Controller/Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Golden Gate Bridge

Highway and Transportation District

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

District Board of Directors and Executive Management Team

as of June 30, 2019

Board of Directors

President

Sabrina Hernández, City & County of San Francisco

First Vice President

Barbara L. Pahre, Napa County

Second Vice President

Michael Theriault, City & County of San Francisco

City & County of San Francisco

Vallie Brown
Sandra Lee Fewer
Dick Grosboll
Elbert (Bert) Hill
John J. Moylan
Shamann Walton
Norman Yee

Marin County

Judy Arnold
Alice Fredericks
Patricia Garbarino
Kathrin Sears

Sonoma County

Gina Belforte
David A. Rabbitt
Brian M. Sobel

Napa County

See above

Mendocino County

James Mastin

Del Norte County

Gerald D. Cochran

Officers of the District

General Manager/CEO

Denis J. Mulligan

Auditor-Controller/CFO

Joseph M. Wire

Attorney

Kimon Manolius

District Engineer

Ewa Z. Bauer-Furbush

Secretary of the District

Amorette M. Ko-Wong

Deputy General Managers

Administration & Development

Kellee Hopper

Bridge Division

Steven Miller

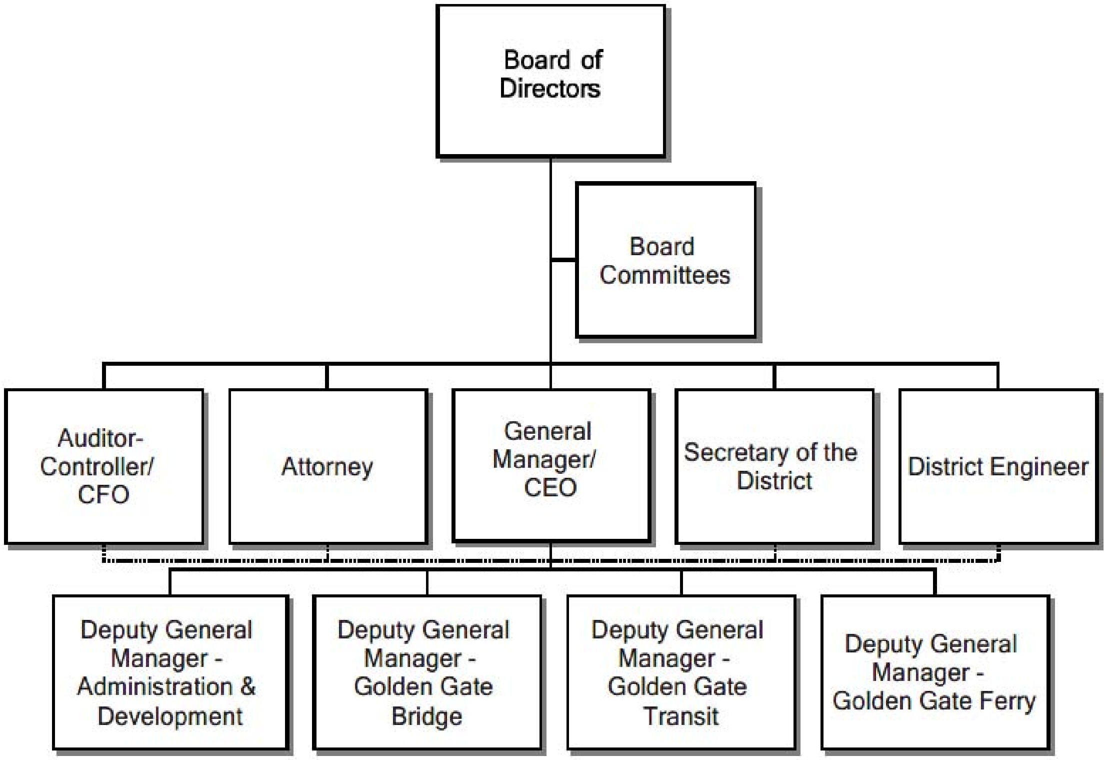
Bus Division

Mona A. Babauta

Ferry Division

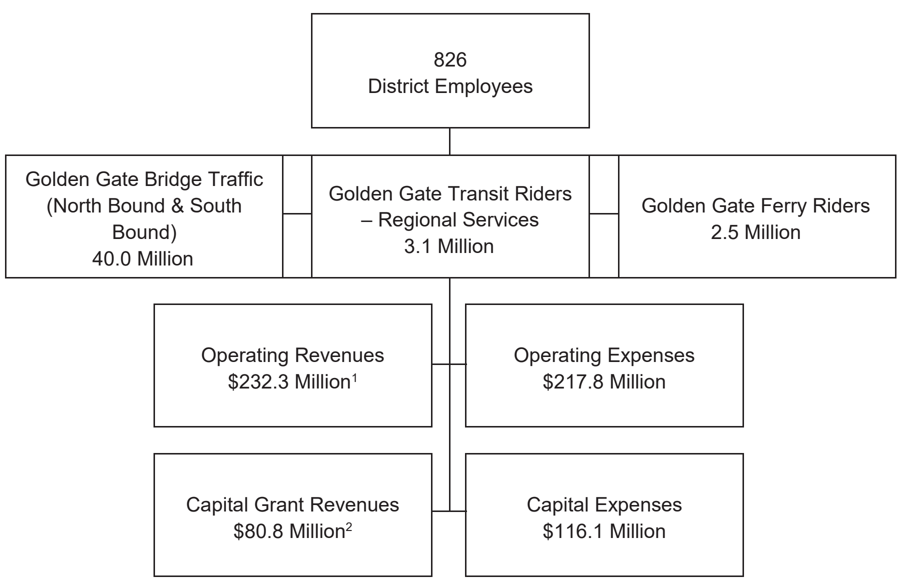
James P. Swindler

District Organizational Chart



District Mission

The mission of the Golden Gate Bridge, Highway and Transportation District is to provide safe and reliable operation, maintenance and enhancement of the Golden Gate Bridge and to provide transportation services, as resources allow, for customers within the US Highway 101 Golden Gate Corridor.



1. The Board of Directors designated up to $21.0 million in operating revenues to fund future capital projects; any excess of expenses over revenues is funded from accumulated Unrestricted Net Position.
2. The capital funding shortfall is funded by revenues designated for the capital projects by the Board of Directors in past years.

Transit Service Area Map

Employees of the Month

July 2018
Damien Vesty
Roadway Services
Technician

August 2018
Carolina Wallin
Senior Civil Engineer

September 2018
Michelle Purugganan
Sr. Human Resources
Analyst

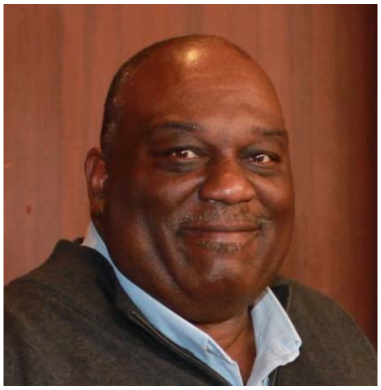
October 2018
Robert Eggert
Bus Operator

November 2018
Jon Gaffney
ADA Compliance & Program
Manager

December 2018
Archie Webb
Bridge Body & Fender
Mechanic

January 2019
Thomas Morgan
Office Specialist

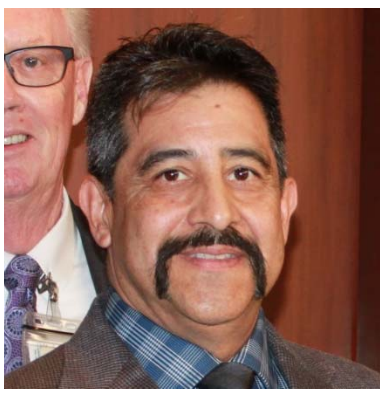
Employees of the Month (Continued)



February 2019
Bobby Davis
Bus Operator

March 2019
Richard Williams
Heavy Duty Mechanic

April 2019
Steven Fry
Bridge Sergeant



May 2019
Albert Gonzalez
Deckhand

June 2019
Hitham Hamdon
Dispatcher

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Financial Section

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the
Golden Gate Bridge, Highway & Transportation District
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Enterprise Fund and Other Post-employment Benefits Trust Fund of the Golden Gate Bridge, Highway & Transportation District (District), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity'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 opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the Enterprise Fund and Other Post-employment Benefits Trust Fund of the District as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 28 and the schedules of changes in net pension liabilities and related ratios, net OPEB liability and related ratios, schedules of pension contributions, schedule of OPEB contributions, and MEBA and IBU schedules of employer contributions on pages 70 through 77, be presented to supplement 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the statistical section, the supplemental schedule of revenues and expenses by division and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR),* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and supplemental schedule of revenues and expenses by division are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and supplemental schedule of revenues and expenses by division are fairly stated in all material respects, in relation to the financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Financial Statements

The financial statements of the District as of and for the year ended June 30, 2018, were audited by Vavrinek, Trine, Day & Co., LLP, who joined Eide Bailly LLP on July 22, 2019, and whose report dated October 12, 2018, expressed unmodified opinions on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Palo Alto, California
October 18, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2018 AND 20189

The following Management's Discussion and Analysis (MD&A) of the Golden Gate Bridge, Highway and Transportation District's (District) activities and financial performance provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2019 and 2018.

Following this MD&A are the basic financial statements of the District together with the notes there to that are essential to a full understanding of the data contained in the financial statements.

This section should be read in conjunction with the transmittal letter located in the front of this report and the basic financial statements following this section.

DISTRICT ORGANIZATION AND BUSINESS

The District was formed under authority of the Golden Gate Bridge and Highway Act of 1923, and incorporated on December 4, 1928, to include within its boundaries the City and County of San Francisco, the counties of Marin, Sonoma, Del Norte, most of Napa county, and part of Mendocino counties. The District is governed by a 19-member Board of Directors that is appointed by the elected representatives of their constituent counties. Today, the District, based in San Francisco, operates the Golden Gate Bridge (Bridge), the regional Golden Gate Transit (GGT) bus service connecting Sonoma, Marin, San Francisco, and Contra Costa counties, and the Golden Gate Ferry (GGF) system, which links Marin and San Francisco counties. An administrative division supports these operating divisions. To fund its public transportation services, the District relies primarily on toll and transit fares. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the federal government, the State of California, and other local governments. The General Manager oversees the operations of all divisions according to the policy and direction of the Board of Directors (Board).

A summary of District indicators (in thousands) is shown below:

	2019	**2018**	**2017**
Total southbound vehicle crossings	20,002	20,469	20,592
% increase/(decrease)	(2.3%)	(0.6%)	0.2%
Bus patronage - regional service	3,110	3,159	3,137
% increase/(decrease)	(1.6%)	0.7%	(10.3%)
Ferry patronage	2,470	2,578	2,523
% increase/(decrease)	(4.2%)	2.2%	(0.9%)

The District is unique among Bay Area transit operations because it provides transit services without support from direct sales tax measures or dedicated general funds. As the District does not have the authority to levy taxes, the use of surplus Bridge toll revenue is the only available local means the District has to support the District's regional bus and ferry transit services. Presently, GGT and GGF operations are funded approximately 48% by Bridge tolls and 22% by transit fares. In addition, operating grants, along with state and local funds received from Marin and Sonoma counties for the provision of transit services supported funding in the amount of 26%. See table "How the District was Funded in Fiscal Year 2019" shown on page 25 at the end of the Revenues section, for further funding details.

FINANCIAL POSITION SUMMARY

Total net position serves over time as a useful indicator of the District's financial position. The District's assets and deferred outflows exceeded its liabilities and deferred inflows by $611.9 million at June 30, 2019, a $68.4 million increase from June 30, 2018.

A condensed summary of the District's net position (in thousands) at June 30 is shown below:

	2019	2018	2017
Assets:			
Current assets	$ 323,061	$ 290,449	$ 269,875
Capital and restricted assets	755,601	676,181	674,303
Total assets	1,078,662	966,630	944,178
Deferred Outflows of Resources	43,651	53,445	66,179
Liabilities:			
Current liabilities	57,188	33,172	33,108
Debt outstanding	61,000	61,000	61,000
Other noncurrent liabilities	375,875	368,696	265,924
Total liabilities	494,063	462,868	360,032
Deferred Inflows of Resources	16,356	13,762	5,290
Net Position:			
Net investment in capital assets	677,383	594,598	588,179
Restricted			
Debt service requirements	12,791	12,791	12,791
Unrestricted (deficit)	(78,280)	(63,944)	44,065
Total Net Position	**$ 611,894**	**$ 543,445**	**$ 645,035**

The increase in assets stems from the District undergoing numerous capital asset projects and capital asset purchases. Deferred outflows related to the District's pension and other post-employment benefits (OPEB) activities decreased due to the District's changes in assumptions, the net difference between projected and actual earnings on plan investments/assets, the net difference expected and actual experience and other factors.

The increase in other noncurrent liabilities is due to an increase in the District's self-insurance liabilities and net pension liabilities. The increase in the District's self-insurance liabilities is due to actuarial projections made in 2019. GASB 68 required the District to include the unfunded liabilities of the CalPERS and Golden Gate Transit Amalgamated Retirement Plan (GGTAR) pensions on its financial statement. The District is legally responsible for the ultimate actuarial funding for the benefits provided under CalPERS. By contract with CalPERS, the District is required to contribute the Annual Defined Contribution to CalPERS. This will eliminate the unfunded liability in the coming years. The District is not legally responsible for the unfunded liabilities of the GGTAR, but is only legally responsible for the contributions agreed to under collective bargaining under the terms of the GGTAR. Thus, the District's financial plans allocate these exiting available resources to future capital projects (see table below).

Also of note is though the District's Net OPEB liability decreased $0.2 million in 2019, District Board Policy dictates the contribution of the Annual Defined Contribution to the OPEB trust fund; eliminating the unfunded liability in the coming years. The District's financial plans allocate these existing available resources to future capital projects (see table below).

The largest portion of the District's net position (110.7% at June 30, 2019) represents its investment in capital assets (i.e., Bridge, buses, ferries, buildings, improvements, and equipment), less the related debt outstanding used to acquire those capital assets. The District uses these capital assets to provide services to its customers. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt must be provided annually from operations, because the capital assets themselves are unlikely to be used to liquidate liabilities.

An additional portion of the District's net position (2.0% at June 30, 2019) represents resources that are subject to external restrictions imposed by creditors (debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by laws through constitutional provisions or enabling legislation, that restrict the use of net position. Lastly, the unrestricted net position has decreased by $14.3 million over the prior year due primarily to capital purchases made on account that were outstanding at June 30, 2019.

Excluding the implementation of GASB Statement No. 75 (OPEB) in fiscal year 2018 and GASB Statement No. 68 (Pension) implemented in fiscal year 2015, the District has the following net position available for future capital and operating needs:

	2019	2018
Unrestricted Net Position	**$ (63,944)**	**$ (63,944)**
GASB 68 Effect:		
CalPERS:		
Deferred Outflows	(21,279)	(30,073)
Net Pension Liability	113,949	128,899
Deferred Inflows	10,099	3,899
Subtotal CalPERS	102,769	102,725
GGTAR:		
Deferred Outflows	(19,982)	(21,279)
Net Pension Liability	123,835	105,360
Deferred Inflows	2,968	3,988
Subtotal GGTAR	106,821	88,069
Total Net GASB 68 Effect	**209,590**	**190,794**
GASB 75 Effect:		
Deferred Outflows	(2,390)	(2,093)
Net Pension Liability	99,751	99,972
Deferred Inflows	3,289	5,875
Total Net GASB 75 Effect	**100,650**	**103,754**
Net Position Available for Future Capital and Operating Needs	**$ 246,296**	**$ 230,604**

FISCAL YEAR 2019 FINANCIAL OPERATIONS HIGHLIGHTS

- Operating revenues, when compared to the prior fiscal year, decreased from $196.5 million to $196.4 million, a change of $0.1 million. This was primarily due to a reduction in overall bridge crossings plus a slight decline in bus and ferry ridership, despite a toll rate increase, in which FasTrak® rates increased from $6.75 to $7.00, and Pay-By-Plate rates increased from $7.75 to $8.00. By year-end, the average toll rate had climbed from $7.16 to $7.32.

- Operating expenses before depreciation, increased from $200.6 million in 2018 to $207.7 million in 2019, a change of $7.1 million. The increase was related to salaries and benefits, self-insurance expenses, fuel and maintenance costs, plus the District recognizing pension expenses of $21.4 million and $13.3 in regards to the GGTAR and District respectively.

- Operating losses before depreciation and other non-operating revenues and expenses reflected a loss of $11.3 million, an increase of $7.2 million over last year's loss of $4.1 million. Depreciation decreased ($33.6 million in 2019 compared to $33.8 million in 2018) due to the District retiring obsolete capital assets during the year and buying 67 hybrid buses during the last quarter of fiscal year 2019. As a result, operating income/loss before non-operating revenues showed a loss of $44.9 million in 2019 compared to a loss of $37.9 million in 2018.

- Non-operating net revenues/expenses amounted to $34.9 million in 2019 in net revenues compared to net revenue of $17.7 million in 2018. The increase of $17.2 million is the result of an increase in State operating grants and gains in investment income. Capital grants from Federal, State and Local governments increased from $24.9 million in 2018 to $78.5 million in 2019. The District is involved in major projects such as the suicide deterrent project, the seismic retrofit project, various District Information Systems projects, South Viaduct Painting, new hybrid buses and improvement of the seven-vessel fleet.

FISCAL YEAR 2018 FINANCIAL OPERATIONS HIGHLIGHTS

- Operating revenues, when compared to the prior fiscal year, increased from $191.8 million to $196.5 million, a change of $4.7 million. This was primarily due to a toll rate increase, in which FasTrak® rates increased from $6.50 to $6.75, and Pay-By-Plate rates increased from $7.50 to $7.75. By year end, the average toll rate had climbed from $6.95 to $7.16.

- Operating expenses before depreciation, increased from $189.5 million in 2018 to $200.6 million in 2019, a change of $11.1 million. The increase was related to salaries, benefits, fuel and maintenance costs, and the District recognized pension expenses of $18.9 million in regards to the GGTAR.

- Operating losses before depreciation and other non-operating revenues and expenses reflected a loss of $4.1 million, a decrease of $6.4 million over last year's income of $2.3 million. Depreciation increased ($33.8 million in 2019 compared to $33.3 million in 2018) due to the impact of depreciation related to newly completed capital improvements (rehabilitation of the M.S. San Francisco and M.V. Mendocino; gangways, ramps, floats & fendering Shelf Life Extension Program.) As a result, operating loss before non-operating revenues showed a loss of $37.9 million in 2019 compared to a loss of $31.0 million in 2018.

- Non-operating net revenues/expenses amounted to $17.7 million in 2019 in net revenues compared to net revenue of $21.1 million in 2018. The decrease of $3.4 million is primarily the result of a reduction in operating grants. The State Controller's Report incorrectly categorized the District's $75 million contribution to the Doyle Drive Project as a loss of operating revenue, which reduced the District's share of operating grants for one year. The District did not have a loss of operating revenue in that year but paid for the contribution for reserves. Capital grants from Federal, State and Local governments increased from $13.2 million in 2018 to $24.9 million in 2019. The District is involved in major projects such as the suicide deterrent project, the seismic retrofit project, various District Information Systems projects, South Viaduct Painting, new Toll Gantry Design and maintenance and improvement of the seven-vessel fleet.

SUMMARY OF CHANGES IN NET POSITION
(In thousands)

	2019	2018	2017
Operating revenues	$ 196,386	$ 196,527	$ 191,796
Operating expenses	(207,676)	(200,573)	(189,472)
Income before depreciation and other non-operating revenue and expenses	(11,290)	(4,046)	2,324
Depreciation	(33,627)	(33,805)	(33,343)
Operating loss	(44,917)	(37,851)	(31,019)
Other non-operating revenue and expenses, net	34,898	17,711	21,133
Loss before capital contributions	(10,019)	(20,140)	(9,886)
Capital contributions	78,468	24,906	13,213
Change in Net Position	68,449	4,766	3,327
Net Position, beginning, as restated in 2018	543,445	538,679	641,708
Net Position, ending	**$ 611,894**	**$ 543,445**	**$ 645,035**

The restatement of the beginning of net position in fiscal year 2018 is due to the implementation of the GASB Statement No. 75, which required the recognition of the net other post-employment benefits liability.

DISTRICT TOLLS AND FARES

Golden Gate Bridge tolls are set by Board Policy and change when determined necessary by the Board. The changes to the toll rates over the last decade are listed as follows: in July of 2008, the District Board approved a 20% increase in the auto cash Bridge toll to $6.00 and a 25% increase in the FasTrak® toll to $5.00, effective September 2, 2008. In July, 2012, the District eliminated its free carpool program and implemented a car pool toll rate at 50% of the cash toll for 2-axle vehicles. In addition, tolls for multi-axle vehicles increased as part of a two-stage program; the second increase occurred in July of 2012. At its meeting in February 2014, the Board approved an increase in the FasTrak® toll to $6.00, effective April 7, 2014, along with a $1.00 increase for Pay-By-Plate ($7.00). The Board also approved a five-year toll increase program in which a twenty-five cent increase occurred during each of the four subsequent years. Finally, in in 2019, the Board approved a five-year fare increase resulting in FasTrak® tolls being $7.35; Pay-By-Plate is $8.20 and invoiced tolls being $8.35 as of July 1, 2019. Offsetting these increases is lower projected investment income and higher projected cost-of-living, pension, medical insurance and District-wide professional services.

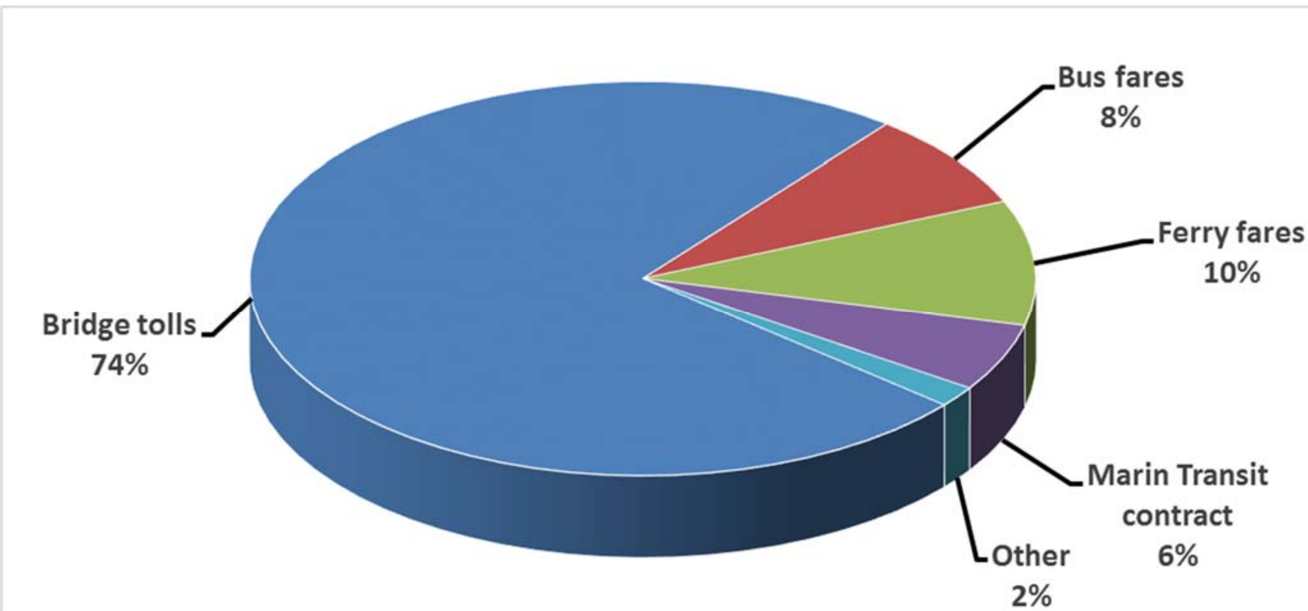
Board Policy sets Golden Gate regional transit fares. Changes to the fare structure are typically established through five-year fare programs approximating a 5% increase each year. In March 2017, the Board approved a five-year fare program. Fiscal year 2019 is the second year of the program. The current plan expires on June 30, 2022.

The following is a summary of tolls and fares:

	2019	2018	2017
Average Bridge toll	$7.32	$7.16	$6.95
Average bus fare-regional service	$4.99	$4.81	$4.81
Average ferry fare	$8.18	$8.24	$8.05

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2019 (tolls, transit fares and other):



A summary of revenues for the years ended June 30, 2019 and 2018, and the amount and percentage of change in relation to prior year amounts (in thousands), is as follows:

	2019 Amount	Percent of Total	Increase/ (Decrease) From 2018	Percent Increase/ (Decrease)
Operating Revenues:				
Bridge tolls	$ 146,404	47.0%	$ (192)	(0.1%)
Bus fares	15,527	5.0%	334	2.2%
Ferry fares	20,212	6.5%	(1,043)	(4.9%)
Marin Transit contract	10,904	3.5%	458	4.4%
Other	3,339	1.1%	302	9.9%
Total operating revenues	196,386	63.1%	(141)	(0.1%)
Non-operating Revenues:				
Operating assistance	26,743	8.6%	7,343	37.9%
Investment income	9,604	3.1%	7,520	360.8%
Total non-operating revenues	36,347	11.7%	14,863	69.2%
Capital contributions	78,468	25.2%	53,562	215.1%
Total Revenues	**$ 311,201**	**100.0%**	**$ 68,284**	**28.1%**

	2018 Amount	Percent of Total	Increase/ (Decrease) From 2017	Percent Increase/ (Decrease)
Operating Revenues:				
Bridge tolls	$ 146,596	60.3%	$ 3,585	2.5%
Bus fares	15,193	6.3%	88	0.6%
Ferry fares	21,255	8.8%	934	4.6%
Marin Transit contract	10,446	4.3%	236	2.3%
Other	3,037	1.3%	(112)	(3.6%)
Total operating revenues	196,527	80.9%	4,731	2.5%
Non-operating Revenues:				
Operating assistance	19,400	8.0%	(2,537)	(11.6%)
Investment income	2,084	0.9%	253	13.8%
Total non-operating revenues	21,484	8.8%	(2,284)	2.3%
Capital contributions	24,906	10.3%	11,693	88.5%
Total Revenues	**$ 242,917**	**100.0%**	**$ 14,140**	**6.2%**

The primary reason for the increase in revenues in 2019 was due to the toll increase effective July 2018. In other areas, bus transit fares increased slightly as ridership decreased by approximately 1.6%, as patrons continue to seek alternative means of transportation. Ferry ridership also decreased by 4.2%. This is the result of parking limitations at the Ferry sites and the number of daily trips capped at 42.

The District funds its operations with Bridge tolls, transit fares, government grants, and other revenues from operations or investments. The operations of the Bridge Division produce a surplus of Bridge toll revenues that are used to subsidize transit operations. In addition, in years where there are not sufficient Bridge toll revenues to fully subsidize transit operations, the District uses reserve funds to cover the shortfall. The reserves were funded with Bridge toll revenues from past years. The following table, which is derived from the Supplemental Schedule of Revenues and Expenses by Division (Non-GAAP Basis), shows how the divisions were funded in fiscal year 2019. The table includes transfers to designated reserves in the amount of $22.3 million to be used to fund capital projects and Bridge self-insurance respectively.

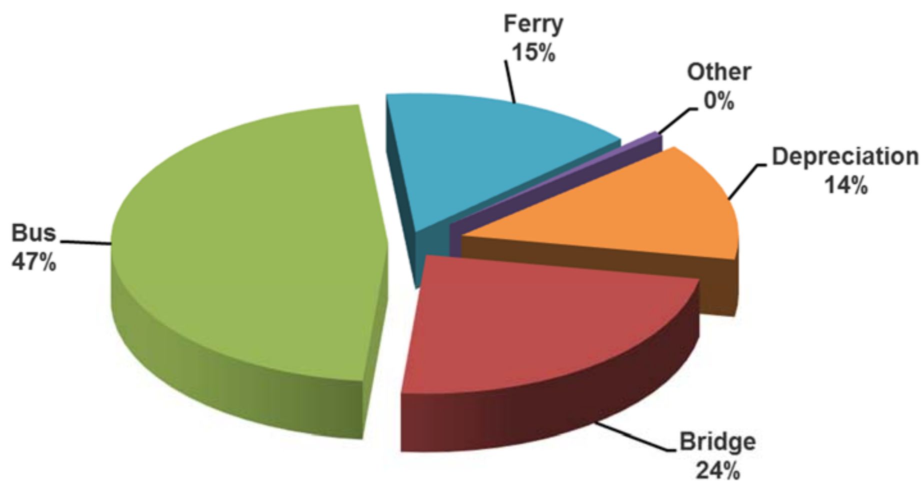
HOW THE DISTRICT WAS FUNDED IN FISCAL YEAR 2019 (In thousands)*

	Bridge Division		Bus Transit Division		Ferry Transit Division		Combined Transit Divisions Division		District Total	
Funding category	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Bridge tolls	$70,000	88%	$ 62,000	54%	$14,500	34%	$ 76,500	48%	$146,500	61%
Patron fares	-	0%	15,500	13%	20,200	48%	35,700	22%	35,700	15%
Marin Transit	-	0%	10,900	9%	-	0%	10,900	7%	10,900	5%
Other revenues	10,000	12%	1,000	1%	1,900	5%	2,900	2%	12,900	5%
Government grants	-	0%	22,500	19%	4,300	10%	26,800	17%	26,800	11%
Funded by District toll reserves	-	0%	5,100	4%	1,200	3%	6,300	4%	6,300	3%
Total	**$80,000**	**100%**	**$117,000**	**100%**	**$42,100**	**100%**	**$159,100**	**100%**	**$239,100**	**100%**

*See Reconciliation of the Supplemental Schedule of Revenues and Expenses by Division (Non-GAAP Basis) to the Basic Financial Statements for additional information regarding this table and the District's Financial Statements.

EXPENSES

The following chart shows the major cost centers and the percentage of expenses (excluding disposal of capital assets) for the year ended June 30, 2019:



Interest expense is related to the commercial paper notes issued to support the Golden Gate Bridge (Bridge) seismic retrofit project. Depreciation expense is divided among the Bridge, Bus, and Ferry divisions by 43%, 30%, and 27%, respectively.

A summary of expenses for the years ended June 30, 2019 and 2018, and the amount and percentage of change in relation to prior year amounts (in thousands), is as follows:

	2019 Amount	Percent of Total	Increase/ (Decrease) From 2018	Percent Increase/ (Decrease)
Operating Expenses:				
Bridge	$ 57,519	23.7%	$ (3,717)	-6.1%
Bus	113,782	46.9%	8,720	8.3%
Ferry	36,375	15.0%	2,101	6.1%
Total operating expenses, excluding depreciation	207,676	85.6%	7,103	3.5%
Other Expenses:				
Contributions to other agencies	551	0.2%	(3,239)	-85.5%
Interest expense	1,016	0.4%	299	41.7%
Depreciation	33,627	13.9%	(178)	-0.5%
(Gain)/loss on disposal of assets	(118)	0.0%	616	-83.9%
Total other expenses	35,076	14.4%	(2,502)	-6.7%
Total Expenses	**$ 242,752**	**100.0%**	**$ 4,601**	**1.9%**

	2018 Amount	Percent of Total	Increase/ (Decrease) From 2017	Percent Increase/ (Decrease)
Operating Expenses:				
Bridge	$ 61,236	25.7%	$ 8,632	16.4%
Bus	105,062	44.1%	411	0.4%
Ferry	34,274	14.4%	2,057	6.4%
Total operating expenses, excluding depreciation	200,573	84.2%	11,101	5.9%
Other Expenses:				
Contributions to other agencies	3,790	1.6%	1,573	71.0%
Interest expense	717	0.3%	291	68.3%
Depreciation	33,805	14.2%	462	1.4%
(Gain)/loss on disposal of assets	(734)	-0.3%	(726)	9075.0%
Total other expenses	37,578	15.8%	1,600	4.4%
Total Expenses	**$ 238,151**	**100.0%**	**$ 12,701**	**5.6%**

Total operating expenses encompass salaries, benefits, including pension and healthcare costs, and other business expenses. These costs trended upward due to cost of living adjustments. The decrease in contributions to other agencies was due to the timing of capital projects during fiscal year 2019. Interest expense also increased as the result of an increase in the interest rate for the District's Commercial Paper Program.

FINANCIAL STATEMENTS

The District's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles pronounced by the Governmental Accounting Standards Board. The District operations are reported in a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land and construction in progress) are depreciated over their useful lives. Amounts are restricted for debt service and, where applicable, for construction purposes. See note 2 to the financial statements for a summary of the District's significant accounting policies.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During 2019, the District expended $116.4 million, an increase of $75.7 million or 186% over the amount expended in 2018, on capital activities. This included the following major construction and procurement projects:

- Suicide deterrent project ($31.6 million)
- Golden Gate Bridge Wind Retrofit project ($3.1 million)
- Transit Scheduling System project ($1.2 million)
- MS Sonoma Refurbishment Repower ($2.9 million)
- Rehabilitation of *M.V. Del Norte, Napa & Golden Gate* ($9.7 million)
- MS Marin Repower Dry Dock Repair ($5.6 million)
- Purchase of 67 hybrid buses ($47.5 million)

During 2019, completed projects totaling $3.0 million, a decrease of $24.9 million over the amount completed in 2018, were closed from construction in progress to their respective capital accounts. The major completed projects included:

- Redundant Network Systems ($0.25 million)
- Mendocino Design Correction ($0.6 million)
- Miscellaneous Capital Equipment ($1.7 million)

During 2018, the District expended $40.7 million, an increase of $21.4 million or 111% over the amount expended in 2017, on capital activities. This included the following major construction and procurement projects:

- Suicide deterrent projects ($11.6 million)
- Seismic retrofit projects ($3.7 million)
- Toll Plaza Administrative Building HVAC ($2.0 million)
- Miscellaneous District Information System projects ($1.5 million)
- Rehabilitation of M.S. Marin ($5.9 million)
- Rehabilitation of M.V. Mendocino ($2.6 million)
- Rehabilitation of M.S. Sonoma ($1.8 million)
- Rehabilitation of M.V. Golden Gate ($1.4 million)

During 2018, completed projects totaling $27.9 million, an increase of $9.5 million over the amount completed in 2017, were closed from construction in progress to their respective capital accounts. The major completed projects included:

- Rehabilitation of M.S. San Francisco ($20.4 million)
- Rehabilitation of M.V. Mendocino ($6.3 million)
- SLEP: Gangways, Ramps, Floats & Fendering ($1 million)

Capital asset acquisitions are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including federal grants with matching state grants and District reserve funds, debt issuance, and District revenues. Additional information on the District's capital assets and commitments can be found in Note 4 (Capital Assets) in the financial statements.

DEBT ADMINISTRATION

On July 12, 2000, the District issued commercial paper notes Series A and Series B in an amount of $30,500,000 for each series to provide funds for the Golden Gate Bridge (Bridge) seismic retrofit project and the renovation of main cables of the Bridge. The commercial paper notes are secured by a pledge of the District's revenues and two dedicated reserves, and also secured by a line of credit. Under this program, the District can issue commercial paper notes at prevailing interest rates for periods of maturity not to exceed 270 days. There has been no change in the debt balance since the inception of the program. At June 30, 20199, $61,000,000 in commercial paper notes was outstanding and maturing within 37 to 59 days, with interest ranging from 1.24% to 2.00% (1.21% to 1.50% in 2019).

CREDIT RATINGS AND BOND ISSUANCE

Standard and Poor's Corporation (S&P) and Fitch began rating the District in 2000 when the District issued commercial paper for the first time. The District has the highest credit rating (AA- for S&P, and A+ for Fitch) in the nation for a single toll facility. These are implied credit ratings as the District has no outstanding long-term debt and has no current plans to issue any. Currently, the District has $61.0 million in outstanding commercial paper.

In connection with the sale of the commercial paper, the District has secured a Line of Credit with J.P. Morgan to guarantee the payment of interest when due. As additional security, the District established both an Operating Reserve Fund and a Debt Service Reserve Fund. See additional information on the District's commercial paper notes payable in Note 5 (Commercial Paper Notes Payable) in the financial statements.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Auditor-Controller at Box 9000, Presidio Station, San Francisco, California 94129-0601 or visit www.goldengate.org.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Assets:		
Current assets:		
Cash and cash equivalents	$ 22,589	$ 27,057
Investments	212,919	232,981
Capital and operating grants receivable	47,589	14,009
Accounts receivable	32,711	9,887
Maintenance inventories and supplies	5,100	4,382
Prepaid items	2,154	2,133
Total current assets	323,062	290,449
Noncurrent assets:		
Restricted cash and cash equivalents	17,218	20,583
Capital assets:		
Nondepreciable capital assets:		
Land	6,243	6,243
Construction in progress	208,942	95,516
Total nondepreciable capital assets	215,185	101,759
Depreciable capital assets:		
Property and equipment:		
Bridge, related buildings and equipment	644,309	643,276
Bus transit property and equipment	153,010	158,764
Ferry transit property and equipment	177,376	176,398
Accumulated depreciation	(451,497)	(424,599)
Total depreciable capital assets	523,198	553,839
Total capital assets	738,383	655,598
Total noncurrent assets	755,601	676,181
Total Assets	**1,078,663**	**966,630**
Deferred Outflows of Resources:		
Related to pensions	41,261	51,352
Related to other post-employment benefits	2,390	2,093
Total Deferred Outflows of Resources	**43,651**	**53,445**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Liabilities:		
Current liabilities:		
Trade accounts payable	$ 33,898	$ 12,887
Accrued liabilities	4,068	4,383
Unearned revenue	6,232	7,387
Accrued compensated absences	696	584
Contract retentions	5,055	1,199
Self-insurance liabilities	7,240	6,732
Commercial notes payable	61,000	61,000
Total current liabilities	118,189	94,172
Noncurrent liabilities:		
Accrued compensated absences	7,806	7,919
Self-insurance liabilities	30,534	26,546
Net other post-employment benefits liability	99,751	99,972
Aggregate net pension liability	237,784	234,259
Total noncurrent liabilities	375,875	368,696
Total Liabilities	**494,064**	**462,868**
Deferred Inflows of Resources:		
Related to pensions	13,067	7,887
Related to other post-employment benefits	3,289	5,875
Total Deferred Inflows of Resources	**16,356**	**13,762**
Net Position:		
Net investment in capital assets	677,383	594,598
Restricted:		
Debt service requirements	12,791	12,791
Unrestricted	(78,280)	(63,944)
Total Net Position	**$ 611,894**	**$ 543,445**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Operating revenues:		
Bridge tolls	$ 146,404	$ 146,596
Transit fares	35,739	36,448
Marin Transit revenues	10,904	10,446
Other operating revenues	3,339	3,037
Total operating revenues	196,386	196,527
Operating expenses:		
Operations	95,804	95,203
Maintenance	45,068	42,598
General and administrative	66,804	62,772
Depreciation	33,627	33,805
Total operating expenses	241,303	234,378
Operating loss	(44,917)	(37,851)
Non-operating revenues (expenses):		
Operating grants:		
State operating grants	23,745	16,510
Federal operating grants	143	35
Local operating grants	2,855	2,855
Total operating grants	26,743	19,400
Passed through to other agencies	(551)	(3,790)
Investment income	9,604	2,084
Interest expense	(1,016)	(717)
Gain (Loss) on disposal of capital assets	118	734
Total non-operating revenues	34,898	17,711
Income (Loss) before capital grants	(10,019)	(20,140)
Capital grants	78,468	24,906
Change in Net Position	68,449	4,766
Net Position, beginning of year	543,445	538,679
Net Position, end of year	**$ 611,894**	**$ 543,445**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Cash flows from operating activities:		
Cash receipts from customers	$ 195,473	$ 195,904
Cash payments to suppliers for goods and services	(127,833)	(123,577)
Cash payments to employees for services	(54,270)	(53,867)
Net cash provided by operating activities	13,370	18,460
Cash flows from noncapital financing activities:		
Operating grants received	16,579	19,997
Grants disbursed to other agencies	(551)	(3,790)
Net cash provided by non-capital financing activities	16,028	16,207
Cash flows from capital and related financing activities:		
Capital grants	35,562	13,268
Interest paid	(1,016)	(717)
Purchase of capital assets	(101,723)	(39,490)
Net cash used in capital and related financing activities	(67,177)	(26,939)
Cash flows from investing activities:		
Proceeds from sales of investment securities	(84,272)	100,252
Purchases of investment securities	104,334	(118,529)
Investment income received	9,884	2,405
Net used in investing activities	29,946	(15,872)
Net decrease in cash and equivalents	(7,833)	(8,144)
Cash and equivalents, beginning of year	47,640	55,784
Cash and equivalents, end of year	**$ 39,807**	**$ 47,640**
Cash equivalents are reported as follows on the accompanying statements of net Position:		
Unrestricted cash and cash equivalents	$ 22,589	$ 27,057
Restricted cash and cash equivalents	17,218	20,583
Total cash and cash equivalents	**$ 39,807**	**$ 47,640**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (44,917)	$ (37,851)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	33,627	33,805
Effect of changes in:		
Accounts receivable	(952)	(623)
Prepaid items	(21)	999
Inventory and supplies	(718)	(140)
Trade accounts payable	6,479	2,796
Accrued liabilities	(315)	1,110
Pension liabilities and related deferrals	18,796	21,588
Other post-employment benefits liabilities and related deferrals	(3,104)	(2,602)
Accrued compensated absences	(1)	(153)
Self-insurance liabilities	4,496	(469)
Net cash provided by operating activities	**$ 13,370**	**$ 18,460**
Supplemental disclosures of cash flow information:		
Noncash investing activities:		
Increase (decrease) in fair market value of investments	$ 3,410	$ 3,582
Noncash capital and related financing activities:		
Capital asset purchases on account	$ 16,490	$ 3,947

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Assets:		
Cash and cash equivalents	$ 576	$ 319
Mutual funds	81,116	74,550
Real asset funds	3,161	3,711
Accounts Receivable	205	35
Total Assets	85,058	78,615
Liabilities:		
Accounts payable	373	191
Total Liabilities	373	191
Net position restricted for post-employment benefits other than pensions	**$ 84,685**	**$ 78,424**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018 (IN THOUSANDS)

	2019	2018
Additions:		
Employer contributions	$ 12,702	$ 13,810
Net investment income:		
Net (decrease)increase in fair value of investments	2,417	2,409
Investment earnings	1,936	4,016
Total net investment income	4,353	6,425
Total additions	**17,055**	**20,235**
Deductions:		
Benefits paid to participants	10,556	11,716
Administrative expenses	238	260
Total deductions	**10,794**	**11,976**
Increase in Net Position	6,261	8,259
Restricted Net Position for post-employment benefits		
Beginning of year	78,424	70,165
End of year	**$ 84,685**	**$ 78,424**

See accompanying notes to the financial statements.

(1) ORGANIZATION

The Golden Gate Bridge, Highway and Transportation District (District) was originally formed under the authority of the Golden Gate Bridge and Highway Act of 1923, and incorporated on December 4, 1928, to include within its boundaries the City and County of San Francisco, the counties of Marin, Sonoma, Del Norte, most of Napa county, and part of Mendocino county. The District is governed by a 19-member Board of Directors who are appointed by the elected representatives of their constituent counties. The District, based in San Francisco, operates the Golden Gate Bridge (Bridge), the regional Golden Gate Transit (GGT) bus service connecting Sonoma, Marin, San Francisco, and Contra Costa counties, and the Golden Gate Ferry (GGF) system, which links Marin and San Francisco counties. To fund its public transportation services, the District relies primarily on toll and transit fares. The disbursement of funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the federal government, the State of California and other local governments. The District consists of three operating divisions, Bridge, Bus and Ferry, and an administrative District Division. The District Division has no revenue and all District Division expenses are allocated to general and administrative expenses of the other divisions.

The accompanying basic financial statements also include the financial activities of the Golden Gate Bridge, Highway and Transportation District Other Post-Employment Benefits Trust (Trust) as a fiduciary fund. The Trust is a legally separate organization. The financial activities of the Trust are included in the basic financial statements because they serve exclusively the employees of the District, are governed by the District's Board, and management has operational responsibility with respect to investments and benefit administration.

(2) SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The District's reporting entity includes all activities of the District.

Basis of Accounting and Measurement Focus – The District accounts for its activities in enterprise and fiduciary funds. Those funds maintain their records using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the related cash flows.

Cash Equivalents – The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents (See Note 3).

Investments – Investments are stated at fair value (see Note 3). The California Government Code or the District's investment policy, when more restrictive, authorizes the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities; negotiable certificates of deposit; commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record; bankers' acceptances; repurchase agreements; reverse repurchase agreements; and the State Treasurer's investment pool, having maturities of five years or less.

OPEB investments policy is established by the OPEB Trust Board and are stated at fair value. The policy allows domestic and international equities, fixed income securities and other investments, including nontraditional asset classes such as private equity, when deemed appropriate within the Trust's investments objective and guidelines.

Restricted Assets – consist of monies and other resources that are restricted legally as described below:

Operating Reserve Fund – These assets are restricted for the Bridge Division principal and interest on the July 12, 2000, commercial paper notes which must be at least equal to the lesser of $12,000,000 or 12% of the principal amount of all notes then outstanding.

Debt Service Reserve Fund – These assets represent the July 12, 2000 commercial paper notes proceeds held in Debt Reserve Account, which must be at least equal to the lesser of 125% of average annual debt service on all notes then outstanding or 10% of the principal amount of all notes then outstanding.

Inventory – All inventories are valued at cost using the average cost method, which approximates the market.

Deferred Outflows and Inflows of Resources – In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Capital Assets – The District 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. Major additions and replacements are capitalized. Maintenance, repairs and additions of a minor nature are expensed as incurred. The costs of acquisition and construction of equipment and facilities are recorded as construction in progress until such assets are completed and placed in service, at which time the District commences recording depreciation expense.

Depreciation – The District calculates depreciation on the straight-line method over the estimated useful lives of the assets, as follows:

Bridge structural components	100 years
Bridge buildings, toll plaza structure, deck, roadways and sidewalks	20 - 50 years
Buses	5 - 16 years
Ferry vessels	25 - 30 years
Other transit properties	5 - 50 years

Operating Grants – Are recorded as non-operating revenue when all eligibility requirements have been satisfied.

Capital Grants – The District has grant contracts with the U.S. Department of Transportation through the Federal Transit Administration for certain capital improvements. Federal Transit Administration funds are used to replace and improve the District's buses, ferries, and transit facilities. The District also has contracts with Caltrans for State Transportation Program funds, which are used either to match Federal Transit Administration grants or to fund transit improvement projects. Capital funding provided under government grants is considered earned as the related allowable expenses are incurred.

Grants for property & equipment acquisition and facility development & rehabilitation are reported as capital grants in the statement of revenues, expenses, and changes in net position after non-operating revenues and expenses.

The District's capital grants for the years ended June 30, 2019 and 2018 are as follows (in thousands):

	Bridge Division	Bus Division	Ferry Division	Total
Capital grants in fiscal year 2019:				
U.S. Department of Transportation	$ 18,521	$42,267	$6,284	$ 67,072
State Transportation Program	5,631	15	202	5,848
State of Good Repair	-	-	1,310	1,310
Low Carbon Transit Program	-	3,871	-	3,871
I-Bond	-	318	-	318
Local assistance	49	-	-	49
Total capital grants	**$ 24,201**	**$ 46,471**	**$ 7,796**	**$ 78,468**
Capital grants in fiscal year 2018:				
U.S. Department of Transportation	$ 13,636	$ 4,022	$ 2,583	$ 20,241
State Coastal Conservancy	112	-	-	112
State Transportation Program	-	-	1,731	1,731
I-Bond	1,705	1,030	-	2,735
Local assistance	87	-	-	87
Total capital grants	**$ 15,540**	**$ 5,052**	**$ 4,314**	**$ 24,906**

Compensated Absences – Accumulated vacation and sick leave is recorded as an expense and liability as the benefits accrue to employees. The District's compensated absences for the years ended June 30, 2019 and 2018 are as follows (in thousands):

	2019	2018
Beginning Balance	$ 8,503	$ 8,656
Additions	(3,808)	3,765
Payments	3,807	(3,918)
Ending Balance	8,502	8,503
Current Portion	696	584
Non-current Portion	**$ 7,806**	**$ 7,919**

The current portion of the compensated absences liability is reflected as a current liability in the statement of net position and is expected to be used within one year. Unused accumulated vacation leave is paid at the time of employment termination up to the maximum of 320 hours for 40 hours employees. Unused accumulated sick leave is paid at the time of employee's death or retirement at 50 percent.

Operating and Non Operating Revenues and Expenses – Operating revenues consists of those revenues that result from the ongoing principal operations of the District, primarily Bridge tolls and transit fares. Continuing with the contract entered into May 2015 with the Marin County Transit District, the fare revenues for the Marin local bus service lines and the related revenues from Marin County's state and local funding sources are classified as operating revenues. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities.

Net Position – Net position comprises the various net earnings from operating income, non-operating revenues, expenses and capital grants. Net position is classified into the following three components:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are unspent debt proceeds restricted for debt payment at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt proceeds is included in the net position component restricted for debt services.

Restricted – This component of net position consists of external constraints imposed by creditors (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.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Reserves and balances – The Board policy funds the operating reserve at 7.5% of the operating budget or to cover the expected operating deficit, whichever is larger. The Board policy funds the emergency reserve at 3.5% of the operating budget to enable the amount kept in reserve for emergencies to remain relative to the size of the District's operations. The balances of these reserves at June 30, 2019, are $16.3 million and $7.6 million, respectively.

Spending Policy – The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Pension Plans – The District participates in several pension plans covering all employees. Certain members are covered under a plan that currently has members from only one employer, the Golden Gate Transit Amalgamated Retirement plan (GGTAR), or other multi-employer plans, while other union and non-union employees participate in the CalPERS plan. Pension contributions are based on rates established by negotiated labor contracts or by the actual plans.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of CalPERS plan and GGTAR plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and GGTAR. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Note that it has been determined GASB 68 requires an agency to report net pension obligations as a liability on its financial statement even if the agency is not legally responsible for the net pension obligation. Thus, the net pension liability of the GGTAR is recorded along with the District's portion of the net pension liability of CalPERS, even though under the terms of the GGTAR plan the District is only responsible for contributions agreed-upon in the collective bargaining process.

Other Post-employment Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Accounting Pronouncements – Effective This Fiscal Year

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the FY 2018/2019. This statement did not have an impact on the District's financial statements.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. This Statement is effective for reporting periods beginning after June 15, 2018 or FY 2018/2019. The District implemented the provisions of this Statement.

New Accounting Pronouncements – Effective in Future Fiscal Years

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance related to fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the FY 2019/2020. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or FY 2020/2021. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 or FY 2020/2021. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interest, an amendment of GASB statement No. 14 and No. 61*. The objectives of this Statement is to improve how majority equity interest is reported. The Statement specifies that a majority equity interest in a legally separate organization should be reported as an investment using the equity method if a government's holding of the equity interest meets the definition of an investment and for all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 or FY 2019/2020. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is evaluating the impact of this Statement on the financial statements.

Use of Estimates – The preparation of 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.

(3) CASH AND INVESTMENTS

The District maintains cash and investments that are available for general use subject to prior Board designations and debt covenant or grant restrictions. At June 30, cash and investments are comprised of the following (in thousands):

		2019		2018
Reported in the enterprise fund as:				
Unrestricted:				
Cash and cash equivalents	$	22,589	$	27,057
Investments		212,919		232,981
Total unrestricted cash and investments		235,508		260,038
Restricted:				
Cash and cash equivalents		17,218		20,583
Total cash and investments in the enterprise fund	**$**	**252,726**	**$**	**280,621**
Reported in the fiduciary fund as:				
Restricted:				
Cash and cash equivalents	$	576	$	319
Investments		84,277		78,261
Total cash and investments in the fiduciary fund	**$**	**84,853**	**$**	**78,580**

Deposits – Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. California Government Code Section 53600 requires California banks and savings and loan associations to secure governmental deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the public agency deposits. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the public agency total deposits. As of June 30, 2019 (and 2018), of the District's bank balance of $8,879,000 (2018, $13,928,000) approximately $8,162,000 (2018, $13,428,000) is uninsured but is collateralized in conformance with the California Government Code.

Investments

At June 30, 2019 and 2018, cash and investments excluding the OPEB Trust Fund investments, were comprised of the following (in thousands):

	June 30, 2019			June 30, 2018		
Investments	**Fair Value**	**Less than 1 year**	**1-5 Years**	**Fair Value**	**Less than 1 Year**	**1-5 Years**
Federal Agency Notes	$ 79,273	$ 26,467	$ 52,806	$ 57,794	$ 13,996	$ 43,798
Certificate of Deposit	46,581	32,885	13,696	63,925	39,413	24,512
US Treasury Notes	12,420	7,407	5,013	22,214	9,985	12,229
Municipal Bonds	8,008	-	8,008	2,893	-	2,893
Medium-term Corporate Notes	63,275	32,551	30,724	74,784	24,480	50,304
Asset Backed Securities	10,700	-	10,700	11,370	-	11,370
Commercial Paper	5,587	5,587	-	13,190	13,190	-
California Joint Powers Authority	18,354	18,354		19,554	19,554	-
State Treasurer's Investment Pool	-	-	-	1,500	1,500	-
Federal Obligation Mutual Funds	8	8	-	78	78	-
	244,206	$ 123,259	$ 120,947	267,302	$ 122,196	$ 145,106
Cash and deposits						
Demand deposits	8,506			13,262		
Cash on hand	14			57		
Total cash and investments - District	**$ 252,726**			**$ 280,621**		

At June 30, 2019 and 2018 the OPEB Trust Fund cash and investments were comprised of the following (in thousands):

	June 30, 2019			June 30, 2018		
Investments	**Fair Value**	**Less than 1 year**	**1-5 Years**	**Fair Value**	**Less than 1 year**	**1-5 Years**
Mutual Funds - Equity	$ 51,167	$ 51,167	$ -	$ 49,797	$ 49,797	$ -
Mutual Funds - Fixed Income	29,949	29,949	-	24,753	24,753	-
Real Asset Funds	3,161	-	3,161	3,711		3,711
Total investments	84,277	$ 81,116	$ 3,161	78,261	$ 74,550	$ 3,711
Demand deposits	576			319		
Total OPEB Trust Cash & Investments	**$ 84,853**			**$ 78,580**		

Interest Rate Risk – Interest rate risk is the risk that changes in market rates adversely will affect the fair value of an investment. State law limits investment maturities to five years as a means of managing entities' exposure to fair value losses arising from increasing interest rates. In addition, the District limits eligible commercial paper to have a maximum maturity of 270 days or less. The District also invests in callable Federal Agency notes as noted above. These issues are sensitive to interest rate changes and are callable at par prior to maturity based on these rate changes.

Credit Risk – The District's investment policy limits corporate commercial paper and medium-term corporate notes investments as follows:

Corporate commercial paper with less than 270 days of maturity and no more than 40% of the District's investment pool, rated in the highest short-term category, as rated National Rating agencies; provided that the issuing corporation is organized and operating within the United States, has total assets of $500 million and has an "A" or higher rating for its long-term debt.

Medium-term corporate notes with less than 5 years of maturity and no more than 30% of the pool, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States may be purchased. These notes are to be rated at a level of "A", its equivalent or better by a nationally recognized rating service.

As of June 30, 2019 and 2018, the District held investments with the following national ratings and amounts (in thousands):

Investment	Rating	2019	2018
Federal agency bond/note	AAA	$ 9,666	$ 57,794
Asset backed securities	AAA	10,700	11,370
Medium-term corporate notes	AAA	1,388	1,368
Mutual funds	AAA	8	78
Treasury notes	AAA	-	22,214
California Asset Management Program	AAA	18,354	19,554
Treasury notes	AA	12,420	-
Certificate of deposits	AA	6,134	11,008
Federal agency bonds/notes	AA	69,607	-
Medium-term corporate notes	AA	16,701	24,215
Municipal bonds	AA	8,008	2,893
Certificate of deposits	A	40,447	52,917
Corporate commercial paper	A	5,587	13,190
Medium-term corporate notes	A	36,531	49,201
Medium-term corporate notes	BBB	8,655	-
Local Agency Investment Fund	Unrated	-	1,500
Total		**$ 244,206**	**$ 267,302**

As of June 30, 2019 and 2018, the District's investment in the State Treasurer's investment pool (LAIF) was $0 and $1,500,000 respectively. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the District's pro rata shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. The District's investment in LAIF is unrated. LAIF is not registered with the SEC. Investments reported in the OPEB fiduciary fund were invested in mutual funds or real asset funds. These investments were unrated as of June 30, 2019.

Concentration of Credit Risk – The District limits the purchase of medium-term corporate notes to 30% of the District's surplus money. At June 30, 2019 and 2018, these investments were 26% and 28%, respectively, of the District's total investments. At June 30, 2019 and 2018, the District held more than 5% of the District's investments portfolio in the following issuers:

Investment	2019	2018
Federal National Mortgage Association	11.35%	-
Federal Home Loan Mortgage	5.13%	-
Federal Home Loan Bank	12.03%	5.38%

Fair Value Hierarchy - The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from observable market data by correlation or other means; and Level 3 inputs are significant unobservable inputs. Investments in LAIF and CAMP are uncategorized because deposits to and from the pool are made on the basis of $1.00 and not at fair value. The following is a summary of the fair value hierarchy of the fair value of investments of the District, including investments reported in the OPEB fiduciary fund, as of June 30, 2019 and June 30, 2018 (in thousands):

		Fair Value Measurements Using	
	June 30, 2019	Level One	Level Two
Reported at fair value - enterprise fund:			
US Treasury Notes	$ 12,420	$ 12,420	$ -
Federal Agency Notes	79,273	-	79,273
Municipal Bonds	8,008	-	8,008
Corporate Notes	63,275	-	63,275
Certificate of Deposit	46,581	-	46,581
Asset-Backed Security	10,700	-	10,700
Commercial Paper	5,587	-	5,587
Federal Obligation Mutual Funds	8	8	-
Total enterprise Fund Investments at Fair Value	225,852	$ 12,428	$ 213,424
Uncategorized:			
CAMP	18,354		
Total Enterprise Fund Investments	244,206		
Reported at fair value - fiduciary fund:			
Mutual Funds-Equity	51,167	$ 51,167	$ -
Mutual Funds-Fixed Income	29,949	29,949	-
Total Fiduciary Fund Investments at Fair Value	81,116	$ 81,116	$ -
Reported at net asset value:			
Real Asset Funds	3,161		
Total Fiduciary Fund Investments	84,277		
Total investments	**$ 328,483**		

		Fair Value Measurements Using	
	June 30, 2018	**Level One**	**Level Two**
Reported at fair value - enterprise fund:			
US Treasury Notes	$ 22,214	$ 22,214	$ -
Federal Agency Notes	57,794	-	57,794
Municipal Bonds	2,893	-	2,893
Corporate Notes	74,784	-	74,784
Certificate of Deposit	63,925	-	63,925
Asset-Backed Security	11,370	-	11,370
Commercial Paper	13,190	-	13,190
Federal Obligation Mutual Funds	78	78	-
Total Enterprise Fund Investments	246,248	$ 22,292	$ 223,956
Uncategorized:			
CAMP	19,554		
LAIF	1,500		
Total Enterprise Fund Investments at fair Value	267,302		
Reported at fair value - fiduciary fund:			
Mutual Funds-Equity	49,797	$ 49,797	$ -
Mutual Funds-Fixed Income	24,753	24,753	-
Total Fiduciary Fund Investments at Fair Value	74,550	$ 74,550	$ -
Reported at net asset value:			
Real Asset Funds	3,711		
Total Fiduciary Fund Investments	78,261		
Total investments	**$ 345,563**		

Real Asset Funds consists of two real estate funds that invest primarily in commercial and residential real estate. The fair value of these investments has been determined based on net asset value provided by the investment managers of the funds. All of the funds are closed-end fund vehicles and are not redeemable in open markets. It is expected that these investments will be held for the entire lives of the funds. Distributions typically occur quarterly, but may occur more or less frequently. Distributions are made from the free cash flow of the funds. Rental income received is distributed to investors, and distributions are made when properties are sold. These funds have a remaining three to seven year life span with two “one year” extensions. Because of the inherent uncertainty in the valuation of these types of investments, the fair value reported on the financial statements may differ from the values that would have been used if a ready market for such securities existed.

(4) CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2019 and 2018 was as follows (in thousands):

	Balance July 1, 2018	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2019
Capital assets, not being depreciated:					
Land	$ 6,243	$ -	$ -	$ -	$ 6,243
Construction in progress	95,516	116,437	-	(3,011)	208,942
Total capital assets, not being depreciated	101,759	116,437	-	(3,011)	215,185
Capital assets, being depreciated:					
Bridge, related buildings and equipment	643,276	-	(978)	2,011	644,309
Bus transit property and equipment	158,764	-	(5,778)	24	153,010
Ferry transit property and equipment	176,398	-	2	976	177,376
Total capital assets, being depreciated	978,438	-	(6,754)	3,011	974,695
Accumulated depreciation:					
Bridge, related buildings and equipment	(213,713)	(15,496)	829	-	(228,380)
Bus transit property and equipment	(106,417)	(9,560)	6,083	-	(109,894)
Ferry transit property and equipment	(104,469)	(8,571)	(183)	-	(113,223)
Total accumulated depreciation	(424,599)	(33,627)	6,729	-	(451,497)
Total capital assets, being depreciated, net	553,839	(33,627)	(25)	3,011	523,198
Total capital assets, net	**$ 655,598**	**$ 82,810**	**$ (25)**	**$ -**	**$ 738,383**

	Balance July 1, 2017	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	$ 6,650	$ -	$ (407)	$ -	$ 6,243
Construction in progress	83,187	40,735	-	(28,406)	95,516
Total capital assets, not being depreciated	89,837	40,735	(407)	(28,406)	101,759
Capital assets, being depreciated:					
Bridge, related buildings and equipment	643,306	-	(393)	363	643,276
Bus transit property and equipment	159,366	-	(949)	347	158,764
Ferry transit property and equipment	148,756	-	(54)	27,696	176,398
Total capital assets, being depreciated	951,428	-	(1,396)	28,406	978,438
Accumulated depreciation:					
Bridge, related buildings and equipment	(198,131)	(15,961)	379	-	(213,713)
Bus transit property and equipment	(97,568)	(9,750)	901	-	(106,417)
Ferry transit property and equipment	(96,387)	(8,094)	12	-	(104,469)
Total accumulated depreciation	(392,086)	(33,805)	1,292	-	(424,599)
Total capital assets, being depreciated, net	559,342	(33,805)	(104)	28,406	553,839
Total capital assets, net	**$ 649,179**	**$ 6,930**	**$ (511)**	**$ -**	**$ 655,598**

Construction in progress consists of the following projects at June 30, 2019 and 2018 (in thousands):

	2019	2018
Bridge seismic design review III	$ 25,238	$ 24,609
Bridge main cable restoration	2,066	1,817
Bridge wind retrofit	4,539	-
Bridge south approach improvement	1,129	1,009
Bridge suicide deterrent study/design/build	56,876	26,707
Bridge toll system upgrade	2,953	5,263
Ferry major component rehabilitation	35,919	17,885
Ferry gangway ramps and floats	9,318	8,052
Ferry dredging and pilling	2,347	1,820
Bus replacement	47,498	-
Bus facility modifications	3,871	1,076
Bus communication and information system	3,915	954
District systems & building improvements	7,818	3,806
Other	5,455	2,518
Total construction in progress	**$ 208,942**	**$ 95,516**

At June 30, 2019 and 2018, the District had construction commitments of approximately $169,742,000 and $172,449,000 respectively; Bridge-related projects are approximately $128,162,000 and $156,034,000 respectively.

(5) COMMERCIAL PAPER NOTES PAYABLE

On July 12, 2000, the District issued commercial paper notes Series A and Series B in an amount of $30,500,000 for each series to provide funds for the Golden Gate Bridge (Bridge) seismic retrofit project and the renovation of main cables of the Bridge. The Commercial Paper Notes are secured by a pledge of certain District's revenues and a $76.2 million line of credit. In addition, the notes are also secured by a $7.3 million operating reserve fund and a $5.6 million debt service fund. As stipulated in the indenture, the District's required debt coverage ratio is two times each year's annual debt service. In the event that the debt coverage ratio is less than two times the annual debt service, the District is required to take measures to revise its operations so as to comply with the debt coverage ratio requirement. The debt coverage ratio for years ended June 30, 2019, and June 30, 2018, were 35.7 and 34.5 respectively (see Table 8 on page 95).

The District is not required by the Indenture to repay the principal of the Notes in any particular amount or at any particular time except in the full amount of principal on each maturity date of the Notes. This may be paid from the proceeds of the resale of the Notes or loans from the $76.2 million line of credit in the event the Dealer is unable to resell the Notes. No portion of the line of credit was drawn upon during the year. The unused amount line of credit at June 30, 2019 was $0.

Under this program, the District can issue commercial paper notes at prevailing interest rates for periods of maturity not to exceed 270 days. There has been no change in the debt balance since the inception of the program. On June 30, 2019, $61,000,000 in commercial paper notes was outstanding and maturing within 37 to 59 days, with interest ranging from 1.24% to 2.00%.

(6) GRANTS PASSED THROUGH TO OTHER AGENCIES

For the years ended June 30, 2019 and 2018, the District passed through its federal capital grants allocation to Marin Transit, $97,000 (2018, $35,000) and Metropolitan Transportation Commission, $176,000 (2018, $1,754,000). These amounts were treated as federal capital grants when the funds were received from the Federal Transit Administration (FTA) and then recorded as capital expenses on behalf of other agencies when the funds were passed through. The Schedule of Expenditures of Federal Awards provides information about the passed through grants on page 109.

State Capital Grants - For the years ended June 30, 2019 and 2018, the District passed through its state capital grants allocation to Marin Transit, $15,000 (2018, $1,932,000). These amounts were treated as unearned state capital grants when the funds were received from Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Program, and then recorded as capital expenses when the reimbursements were made to Marin Transit.

The District also passed through $264,000 and $69,000 in other monies to regional transit agencies for capital related projects in fiscal years 2019 and 2018 respectively.

(7) PROPOSITION 1B PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT

As part of the State of California's Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, approved by California voters as Proposition 1B (Prop 1B) on November 7, 2006, the District was awarded funding from the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA). During fiscal years 2019 and 2018, the District PTMISEA activity included receiving $0 and $0 in PTMISEA funding and spending $552,300 and $3,327,700 of Prop 1B PTMISEA funding respectively. At June 30, 2019 & 2018, this activity resulted in unspent Prop 1B PTMISEA proceeds and interest balances of $3,593,400 and $4,085,500 respectively. Total funding allocated from the Prop1B PTMISEA program to the District is $32,977,300 and $32,977,300 as of June 30, 2019 and 2018 respectively.

(8) LOW CARBON TRANSIT OPERATIONS PROGRAM

As part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862, the District received funding from the Low Carbon Transit Operations Program (LCTOP). During fiscal years 2019 and 2018, LCTOP activity included the District receiving $2,795,400 and $519,600 in LCTOP funding and spending $3,871,300 and $0 respectively. These transactions resulted in unspent LCTOP proceeds and interest balances of $818,300 and $1,890,500 at June 30, 2019 and 2018 respectively. Total funding allocated from the LCTOP program to the District is $4,750,200 and $2,691,900 as of June 30, 2019 and 2018 respectively.

(9) STATE OF GOOD REPAIR

As part of the Road Repair and Accountability Act of 2017 established by the California Legislature by Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), the District was awarded funding from the State of Good Repair (SGR) program. During fiscal year 2019, the District received $1,622,100 in SGR funding and incurred SGR expenditures for $1,309,600. The District recorded the balance of unspent SGR proceeds and interest as $314,300 as of June 30, 2019. Total funding allocated from the SGR program to the District is $1,828,200 as of June 30, 2019, since it was the first year the District received funding under the Act.

(10) OPERATING GRANTS

The District receives operating grants from various federal, state and local sources. Transportation Development Act funds are received from the state through Marin and Sonoma Counties to meet, in part, the District's operating requirements based on annual claims filed by the District and approved by MTC. Federal funds are distributed to the District by the Federal Transit Administration after approval by MTC. The District also receives Marin County Transit local funds and other amounts of grants from other state agencies.

Operating grants are summarized as follows for the years ended June 30, 2019 and 2018 (in thousands):

	2019	2018
Transportation Development Act	$ 13,764	$ 13,095
Federal Transit Administration	143	35
State Transit Assistance	9,981	3,294
Regional Measure 2	2,770	2,770
Other	85	206
Total operating grants	**$ 26,743**	**$ 19,400**

(11) PENSION PLANS

The District offers two defined benefit pension plans. The amounts reported on the financial statements for each of the plans is as follows:

	2019			2018		
	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
California Public Employee Retirement System Plan	$ 113,949	$ 21,279	$ 10,099	$ 128,899	$ 30,073	$ 3,899
Golden Gate Transit Amalgamated Retirement Plan	123,835	19,982	2,968	105,360	21,279	3,988
Total pension plans	**$ 237,784**	**$ 41,261**	**$ 13,067**	**$ 234,259**	**$ 51,352**	**$ 7,887**

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT FUND

Plan Description – All permanent District employees (except bus and ferry operators and deckhands) are eligible to participate in the Public Employees' Retirement Fund (Fund) of the State of California's Public Employees' Retirement System (CalPERS). The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The Fund provides retirement, disability, and death benefits based on employees' age, years of service, and the highest year's compensation. Employees vest after five years of service and may receive retirement benefits commencing at age 50. These benefit provisions and all other requirements are established by state statute. A standalone report for the District's plan is not available; however, CalPERS' annual financial report can be found on their website www.calpers.ca.gov.

Benefits Provided – 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 to 52 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 California Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous		
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-67+	50-67+	52-67+
Monthly benefits, as a % of eligible compensation	2.000%-2.500%	1.092%-2.418%	1.000%-2.500%
Required employee contribution rates	8.0%	7.0%	6.5%
Required employer contribution rates	30.757%	30.757%	30.757%

Employees Covered – At the June 30, 2017, and June 30, 2016, valuation dates, the following employees were covered by the benefit terms for each Plan:

Valuation as of June 30	**2017**	**2016**
Inactive employees or beneficiaries currently receiving benefits	629	597
Inactive employees entitled to but not yet receiving benefits	144	130
Active employees	490	486
Total	**1,263**	**1,213**

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2019 and 2018, the District has paid the employer's and a portion of the employees' shares of the contributions. The contributions recognized, were as follows:

	2019	2018
Employer	$ 13,267	$ 11,406

Net Pension Liability - The District's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability as of June 30, 2019, for the Plan is measured as of June 30, 2018, using an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 and June 30, 2016, actuarial valuations rolled forward to June 30, 2018 and June 30, 2017, using standard update procedures, were determined using the following actuarial assumptions, respectively:

	Miscellaneous	**Miscellaneous**
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.75%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	7.50%	7.50%

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 and June 30, 2016 valuations were based on the results of a 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the years 2019 and 2018. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress-tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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 expense.

The expected real rates of return by asset class are as follows:

Asset Class	Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11+ [2]
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitivity	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	**100.0%**		

[1] An expected inflation of 2.00% used for this period.

[2] An expected inflation of 2.92% used for this period.

Changes in the Net Pension Liability

The changes in the net pension liability for the plan follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2018	**$ 425,261**	**$ 296,362**	**$ 128,899**
Changes in the year:			
Service cost	7,792	-	7,792
Interest on the total pension liability	28,965	-	28,965
Differences between actual and expected experience	(346)	-	(346)
Plan to plan resource movement	-	(1)	1
Changes in assumptions	(12,426)	-	(12,426)
Contribution - employer	-	11,687	(11,687)
Contribution - employee	-	3,419	(3,419)
Net investment income	-	25,169	(25,169)
Administrative expenses	-	(462)	462
Benefits payments, including refunds of employee contributions	(22,568)	(22,568)	-
Other Miscellaneous Income/(Expense)	-	(877)	877
Net changes	**1,417**	**16,367**	**(14,950)**
Balance at June 30, 2019	**$ 426,678**	**$ 312,729**	**$ 113,949**

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2017	**$ 392,035**	**$ 273,163**	**$ 118,872**
Changes in the year:			
Service cost	7,723	-	7,723
Interest on the total pension liability	28,828	-	28,828
Differences between actual and expected experience	(4,339)	-	(4,339)
Plan to plan resource movement	-	(12)	12
Changes in assumptions	22,252	-	22,252
Contribution - employer	-	11,232	(11,232)
Contribution - employee	-	3,221	(3,221)
Net investment income	-	30,399	(30,399)
Administrative expenses	-	(403)	403
Benefits payments, including refunds of employee contributions	(21,238)	(21,238)	-
Net changes	**33,226**	**23,199**	**10,027**
Balance at June 30, 2018	**$ 425,261**	**$ 296,362**	**$ 128,899**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the District for each Plan, calculated using the discount rate for the Plan, as well as what the District's 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 (in thousands):

	2019	2018
1% Decrease	6.15%	6.15%
Net Pension Liability	$ 165,695	$ 181,870
Current Discount Rate	7.15%	7.15%
Net Pension Liability	$ 113,949	$ 128,899
1% Increase	8.15%	8.15%
Net Pension Liability	$ 70,631	$ 84,678

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ended June 30, 2019 and 2018, the District recognized pension expense of $13,310,000 and $16,204,000, respectively. At June 30, 2019 and 2018, the District reported deferred outflows of sources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2019		2018	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 13,267	$ -	$ 11,406	$ -
Differences between actual and expected experience	-	1,681	-	3,899
Changes in assumptions	7,417	8,418	14,835	-
Net differences between projected and actual earnings on plan investments	595	-	3,832	-
Total	**$ 21,279**	**$ 10,099**	**$ 30,073**	**$ 3,899**

$13,267,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

Year	**Deferred outflows (inflows) of resources**
June 30	
2020	$ 5,619
2021	(3,309)
2022	(3,525)
2023	(872)
Total	**$ (2,087)**

GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN

Plan Description – All qualified permanent and probationary Bus Operators are eligible to participate in the District's separate single-employer defined benefit plan. This plan is administered by the Golden Gate Transit Amalgamated Retirement Plan (GGTAR), which acts as a common investment and administrative agent for the GGTAR. Benefit provisions under the Plan are established by the GGTAR's pension board. GGTAR issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be requested by writing to Golden Gate Transit - Amalgamated Retirement Plan 185 N. Redwood Drive, #201, San Rafael, CA 94903.

Benefits Provided – The GGTAR Plan provides retirement, disability, and death benefits. Retirement benefits are calculated as a percentage (depending on length of service) of average final earnings. Average final earnings are the greater of average monthly earnings the year before retirement and the average monthly earnings for the highest single calendar year. The GGTAR Plan provides for retirement with reduced benefits for participants aged 50 to 65 if they have satisfied the specified length of service requirements. The retirement benefit for members at least age 65 and with 20 years of service is the greatest of the following, capped at 70% of average final earnings: (1) the percentage of average final earnings shown on a chart in the Plan (ranging from 36% to 70%); (2) 50% of average final earnings; and, (3) for members with 20 years of service $1,200 per month. There are reductions for members with at least 20 but less than 25 years of service and less than 80 points (age + service), with further reductions for members who have attained age 55 but have at least 15 years of service but not 20 years of service. Participants whose employment is terminated before retirement are entitled to termination benefits based upon a percentage of covered earnings, plus interest. There are provisions regarding a Special Payment Plan that provided for assets set aside for each active, full-time participant in annual amounts of $2,000 plus accrued interest at 8% from 1999 through 2002. The spouse of a member who dies while actively employed will receive a 50% joint and survivor benefit if the member was eligible to retire or died in the line of duty. If the member was ineligible to retire but had 15 years of service, the spouse will receive a benefit of 25% of average final earnings. Beneficiaries of members with between 1 and 15 years of service receive a death benefit of 4% of total gross earnings while employed as a full-time bus operator, with interest at 5% compounded annually. Active full-time employees with at least 10 years of service who become physically disqualified from their jobs are entitled to disability retirement benefits. The benefits are between 25% and 35% of average final earnings, depending on length of service. If a member is disabled in the line of duty, the benefit will be 50% of final earnings.

Employees Covered – The Plan used the December 31, 2018 valuation for the net pension liabilities measured as of December 31, 2018 and December 31, 2016 for the net pension liability measured as of December 31, 2017. At the December 31, 2018, the following employees were covered by the benefit terms for the GGTAR Plan:

Valuation as of December 31 -	**2018**	**2017**
Retired employees	472	402
Active employees	268	267
Total	**740**	**669**

Contributions – Section 17.2 of the GGTAR Plan provides that the District will make contributions to the Plan only as provided under the current collective bargaining agreement. The Retirement Board reports rates based on an actuarially determined rate recommended by an independent actuary, but there is no legal obligation of the District to make contributions other than those set forth in Article 36 of the current collective bargaining agreement. The actuarially determined rate reported by the Retirement Board in its financial report is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any net pension liability, assuming that the Retirement Board does not reduce benefits or the parties do not increase contributions to the Plan. The District is not required to contribute the difference between the actuarially determined rate and the contribution rate of the District and the employees. In March 2016, the District contributions rates was 19.165% and the employee contribution rate was 4%. In March 2017, the District contribution rate was increased to 20.165% and the employee contribution rate was increased to 5%. In January 2018, the District contribution rate increased to 22.165% and the employee contribution rate increased to 7% for non-PEPRA employees and 7.25% for PEPRA employees

For the year ended June 30, 2019, the District paid $5,275,000 to the GGTAR Plan, and employees contributed $1,603,000 to the Plan as of June 30, 2019. For the year ended June 30, 2018, the District paid $4,976,000 million to the GGTAR Plan, and employees contributed $1,401,000 to the Plan.

Net Pension Liability – The net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability for the Plan is measured as of December 31, 2018, using an annual actuarial valuation as of December 31, 2018. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the December 31, 2018 and December 31, 2017, measurement dates, were determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	December 31, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.44% and 5.37% for 2018 and 2017 measurements
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.00%
Mortality	Sex distinct RP-2014 for both Healthy Blue Collar and Disabled Mortality tables with adjustments using MP-2016.

Discount Rate – The discount rates in for the December 31, 2017 measurement was 5.37% and the increase in the December 31, 2018 measurement to 5.44% was due to higher than expected investment returns. The projection of cash flows used to determine the discount rate assumed that the District will contribute to the Plan according to the rates agreed to in the most recent bargaining agreement. However, these contributions are not expected to maintain a positive fiduciary net position.

Based on these assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments for current members until fiscal year ending 2041, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments through fiscal year ending 2041 are discounted at the long-term expected return on assets of 7.00% to the extent the fiduciary net position is available to make the payments, and at the municipal bond rate of 4.10% for the portion of benefits not covered by the projected fiduciary position in fiscal year ending 2041 and for all benefits paid in future fiscal years. Consequently, the single equivalent rate used to determine the Total Pension Liability as of December 31, 2018, is 5.44%.

The long-term expected rate of return on assets was determined using a building block approach in which an expected future real rate of return is developed for each major asset class. These expected rates are combined to produce the long-term expected geometric rate of return by weighting the expected future rates of return by the target asset allocation percentage adjusted by inflation and a risk adjustment. The target allocation and projected geometric real rates of return, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class from the 2017 experience study are summarized in the table shown below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	23.00%	5.98%
Non-US Equity	21.00%	7.28%
Fixed Income	23.00%	2.23%
Real Assets	6.00%	4.66%
Private Markets	10.00%	9.11%
Hedge Funds	7.00%	4.19%
Global Asset Allocation	10.00%	4.13%
	100.00%	

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2018	**$ 217,804**	**$ 112,444**	**$ 105,360**
Changes for the year:			
Service cost	5,070	-	5,070
Interest	11,478	-	11,478
Changes in benefit terms	-	-	-
Differences between actual and expected experience	2,941	-	2,941
Changes in assumptions	(1,589)		(1,589)
Contribution - employer	-	5,046	(5,046)
Contribution - member	-	1,636	(1,636)
Net investment income	-	(6,643)	6,643
Benefit payments, including refund of member contributions	(13,292)	(13,292)	-
Administrative expense	-	(614)	614
Net changes	**4,608**	**(13,867)**	**18,475**
Balance at June 30, 2019	**$ 222,412**	**$ 98,577**	**$ 123,835**

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2017	**$ 217,797**	**$ 106,574**	**$ 111,223**
Changes for the year:			
Service cost	5,169	-	5,169
Interest	11,153	-	11,153
Changes in benefit terms	-	-	-
Differences between actual and expected experience	-	-	-
Changes in assumptions	(3,552)		(3,552)
Contribution - employer	-	4,583	(4,583)
Contribution - member	-	1,115	(1,115)
Net investment income	-	13,452	(13,452)
Benefit payments, including refund of member contributions	(12,763)	(12,763)	-
Administrative expense	-	(517)	517
Net changes	**7**	**5,870**	**(5,863)**
Balance at June 30, 2018	**$ 217,804**	**$ 112,444**	**$ 105,360**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what 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 (in thousands):

	2019	2018
1% Decrease	4.44%	4.37%
Net Pension Liability	$148,508	$129,695
Current Discount Rate	5.44%	5.37%
Net Pension Liability	$123,835	$105,360
1% Increase	6.44%	6.37%
Net Pension Liability	$103,091	$84,910

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports. While GASB 68 requires the District to report the unfunded pension obligations under the GGTAR Plan as a liability on its financial statement, the District is not legally responsible for the unfunded pension obligation. The District is only legally responsible for the contributions agreed to in collective bargaining under the terms of the GGTAR plan document and is not legally responsible for the current GGTAR plan unfunded net pension liability of $123.8 million. For the years ended June 30, 2019 and 2018, the District recognized pension expenses of $24,027,000 and $21,766,000, respectively. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to measurement date	$ 2,608	$ -	$ 2,488	$ -
Differences between actual and expected experience	3,642	-	2,873	-
Changes in assumptions	4,230	2,968	15,918	2,664
Net differences between projected and actual earnings on plan investments	9,502	-	-	1,324
Total	**$ 19,982**	**$ 2,968**	**$ 21,279**	**$ 3,988**

$2,608,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (in thousands):

Year	Deferred Outflows (Inflows) of Resources
June 30	
2020	$ 8,558
2021	1,054
2022	1,941
2023	2,853
Total	**$ 14,406**

OTHER RETIREMENT PLANS

The District's deckhands and terminal assistants participate in the Inlandboatmen's Union of the Pacific National Pension Plan (Inlandboatmen's), a union-administered cost-sharing multiple-employer defined contribution pension plan in which the District is a participating employer. Participants are comprised of both non-government and government employees. The plan provides retirement death and disability benefits based on employees' age, years of service and average compensation. Employees vest after five years of service and receive retirement benefits commencing at age 65, with provisions for early retirement. The District makes contributions on behalf of the participants at a rate determined through collective bargaining.

Annual pension cost for the Inlandboatmen's plan was $813,000 and $935,000, for the years ended June 30, 2019 and 2018, respectively. The District contributed to Inlandboatmen's plan 16.3% and 26.0%, of payroll for covered employees for the years ended June 30, 2019 and 2018, respectively and equaled 100% of the employer-required contributions. The District's covered payroll for employees participating in this plan was $4,982,000 and, $3,596,000, for the years ended June 30, 2019 and 2018, respectively. As of June 30, 2019, the number of employees covered by Inlandboatmen's plan was 33 active and 20 inactive, or retired, employees. Audited financial statements can be obtained directly from IBU Administrator, 5331 SW Macadam Ave, Suite 220, Portland, OR 97239.

The District's ferry operators participate in the MEBA Pension Trust for Towboat Operators (MEBA), a union-administered cost-sharing multiple-employer defined contribution pension plan in which the District is a participating employer. Participants are composed of both non-government and government employees. The plan provides retirement death and disability benefits based on employees' age, years of service and average compensation. Employees vest after 5 years of service and receive retirement benefits commencing at age 65, with provisions for early retirement. The District makes contributions on behalf of the participants at a rate determined through collective bargaining.

Annual pension cost for the MEBA plan was $424,000 and $346,000, for the years ended June 30, 2019, and June 30, 2018, respectively. The District contributed to MEBA 19.3% and 14.1%, of payroll for covered employees for the years ended June 30, 2019 and, 2018, respectively and equaled 100% of the employer-required contributions. The District's covered payroll for employees participating in this plan was $2,199,000 and $2,456,000, for the years ended June 30, 2019 and 2018, respectively. As of June 30, 2019, the number of employees covered by MEBA plan was 26 active and 12 inactive, or retired, employees. Audited financial statements can be obtained directly from MEBA Administrator, 1007 Eastern Avenue, Baltimore, MD 21202.

The plans adopted withdrawal liability procedures for employer members who cease contributions and/or completely withdraws or partially withdraws from the plans to pay its required share of unfunded vested benefit liability. Benefit terms and contribution amounts are established and may be amended for either plan by the Union and the District. The net pension liabilities for those two plans and related deferrals are excluded from the financial statements because the plans are administered as a non-governmental pension plan and the majority of the plan participants are non-governmental employers.

(12) POST-EMPLOYMENT HEALTH CARE PLAN

Plan Description – In August 2007, the District's Board of Directors adopted the Golden Gate Bridge Highway and Transportation District Other Post-Employment Benefits (OPEB) Trust (Trust) and created the Golden Gate Bridge, Highway and Transportation OPEB Retirement Investment Trust Board to oversee the assets of the Trust. The Trust, single employer defined benefit plan, is irrevocable and is exempt from federal and state income taxes under Internal Revenue Code Section 115. The sole purpose of the Trust is to provide funds to pay post-employment benefits to qualified retirees and their surviving spouse/domestic partner. Benefit allowance provisions are established through employment agreements and memoranda of understanding (MOUs) between the District and its employees. As a separate legal entity from the District, the Trust's assets are not available to any District's creditors.

Benefits Provided – For employees (other than Bus Operators) hired on or after August 9, 1991, the benefits are provided to retiree and dependent coverage based on age plus years of services as follow: 1) the District does not contribute toward the cost of post-employment health benefits for retirees whose combination of age and number of years of service amounts to less than 70 points; 2) the retiree contributes the normal contribution paid by all retirees plus 30% of the COBRA rates for the coverage they select if their combination of age and number of years of service falls within 70-74 points; 3) the retiree contributes the normal contribution paid by all retirees plus 20% of the COBRA rates for the coverage if their combination of age and number of years of service falls within 75-79 points; and 4) the retiree contributes the normal contribution paid by all retirees if their combination of age and number of years of service is equal to or over 80 points. To qualify for coverage, a minimum of 10 years of service for retiree coverage and 15 years of service for retiree and dependent coverage is required.

Benefit terms are established and may be amended by the District.

The benefits are provided to all employees (other than Bus Operators) hired between July 1, 1983, through August 8, 1991, who retire from the District on or after attaining age 55 with at least 10 years of service. For those employees age 55 with at least 15 years of service, survivor and dependent care benefits are also received. If the employee began employment at the District prior to January 1, 1983, the benefits are provided on or after attaining age 50 with at least 5 years of service. Currently 531 retirees meet the eligibility requirements.

The Bus Operator retiree medical benefits plan is governed by separate provisions in the MOU between the District and the Amalgamated Transit Union and the Union pension plan document. Currently, 359 retirees meet the eligibility requirements for Bus Operator retirees.

For Bus Operator employees with a seniority date of March 1, 2008, or earlier, the benefits are provided to retiree and dependent coverage upon attainment of age 65; or attainment of age 55 with 15 years of service; or accumulation of 20 years of service and 80 points (age plus years of service; or attainment of age 50 and 25 years of service).

For Bus Operator employees with a seniority date of March 1, 2008, or later, the same benefits are provided as above, except for those who retire at age 65 with less than 10 years of full-time seniority. These employees can purchase health care benefits coverage for themselves and eligible dependents at a percentage of the COBRA rates based upon the following sliding scale:

- Less than 5 years of full-time seniority: 100% of COBRA.
- 5 years of full-time seniority: 50% of COBRA.
- 6 years of full-time seniority: 40% of COBRA.
- 7 years of full-time seniority: 30% of COBRA.
- 8 years of full-time seniority: 20% of COBRA.
- 9 years of full-time seniority: 10% of COBRA.

Employees Covered – At the July 1, 2017 valuation date, the following employees were covered by the benefit terms for the OPEB Plan:

Valuation as of July 1,	**2017**
Retired employees	827
Active employees	746
Total	**1573**

Net OPEB Liability – The District's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2017 that was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	July 1, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Healthcare Cost Trend	HMO and PPO at 8.0% in 2018 and gradually decreasing to 5.0% in 2025 and later Kaiser and Medicare at 6.0% in 2018 and gradually decreasing to 5.0% in 2023 and later Dental at 4.5% and Vision at 3%
Mortality	January 2014 Experience Study for CalPERS members All Other Members: RP 2014 Healthy Annuitant

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that District 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 liability. 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
Growth	
Domestic Equity	42.00%
International Equity	23.00%
Income	
Fixed Income	35.00%
	100.00%

The District's change in net OPEB liability is as follows (in thousands):

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balance at June 30, 2018	**$ 178,564**	**$ 78,592**	**$ 99,972**
Changes for the year:			
Service cost	4,892	-	4,892
Interest	12,423	-	12,423
Changes in benefit terms	-	-	-
Differences between actual and expected experience	915	-	915
Changes in assumptions	-	-	-
Contribution - employer	-	14,313	(14,313)
Contribution - member	-	-	-
Net investment income	-	4,376	(4,376)
Benefit payments	(11,982)	(11,982)	-
Administrative expense	-	(238)	238
Net changes	**6,248**	**6,469**	**(221)**
Balance at June 30, 2019	**$ 184,812**	**$ 85,061**	**$ 99,751**

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balance at June 30, 2017	**$ 176,741**	**$ 70,385**	**$ 106,356**
Changes for the year:			
Service cost	4,508	-	4,508
Interest	12,275	-	12,275
Changes in benefit terms	372	-	372
Differences between actual and expected experience	(97)	-	(97)
Changes in assumptions	(3,452)	-	(3,452)
Contribution - employer	-	13,810	(13,810)
Contribution - member	-	-	-
Net investment income	-	6,429	(6,429)
Benefit payments	(11,783)	(11,783)	-
Administrative expense	-	(249)	249
Net changes	**1,823**	**8,207**	**(6,384)**
Balance at June 30, 2018	**$ 178,564**	**$ 78,592**	**$ 99,972**

Sensitivity of the net OPEB liability to change in discount rate – The following presents the net OPEB liability of the District's, as well as what the District's net OPEB liability 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):

	2019	2018
Net OPEB Liability at 1% increase	$ 83,244	$ 83,857
Net OPEB Liability at current rate	99,751	99,972
Net OPEB Liability at 1% decrease	119,414	119,140

Sensitivity of the net OPEB liability to change in healthcare costs – The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability 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):

	2019	2018
Net OPEB Liability at 1% increase	$ 119,556	$ 117,425
Net OPEB Liability at current rate	99,751	99,972
Net OPEB Liability at 1% decrease	84,189	86,182

Recognition of Deferred Outflows and Deferred Inflows of Resources – Gains and losses related to changes in total OPEB liability 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 4.47 years.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal years ended June 30, 2019 and June 30, 2018, the District recognized OPEB expense of $9,351,000 and $9,461,000, respectively. As of fiscal years ended June 30, 2019 and June 30, 2018, the District reported deferred outflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 2,294	$ 1,397	$ 2,093	$ 2,051
Changes in assumptions	-	1,892	-	2,672
Net differences between projected and actual earnings on plan investments	96	-	-	1,152
Total	**$ 2,390**	**$ 3,289**	**$ 2,093**	**$ 5,875**

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

Year	Deferred outflows (inflows) of resources
2020	$ (768)
2021	(742)
2022	235
2023	369
2024	7
Total	**$ (899)**

(13) SELF-INSURANCE

The District 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 patrons; natural disasters; employee, retiree and dependent health benefits. The District is self-insured for its health benefits, general liability, workers' compensation, Bridge physical use and occupancy, auto liability and public transportation liabilities. The District has set aside assets for claim settlements associated with the above risks of loss up to certain limits. In April 2006, the District did not renew its Bridge Physical Use and Occupancy policy and became self-insured. As a result, the District has designated $17.2 million in net position as of June 30, 2019 for Bridge self-insurance. Self-insurance and limits are as follows:

Type of Coverage	Self-Insurance	Excess Coverage
General/Vehicle Liability	$2,000,000 per occurrence	$100,000,000
Workers' Compensation	$1,000,000 per claim	$25,000,000 (statutory limits)
Health Benefits	$1,000,000 per individual	$175,000 stop loss; unlimited lifetime
Property (earthquake, fire)	$100,000 (5% per structure)	$20,000,000 earthquake; $125,000,000 fire
Ferry Hull, Machinery	$350,000 annual aggregate	$1,000,000 per occurrence
Environmental Impairment	$250,000 per occurrence	$5,000,000 per occurrence
Marine	$100,000 annual aggregate	$100,000,000 per occurrence
Crime and Dishonesty	$25,000 per occurrence	$1,000,000 faithful
	$5,000 per occurrence	$500,000 forgery/alteration
	$5,000 all other	$500,000 transit revenue collection
		$15,000 all other locations
		$1,000,000 computer fraud
Public Officials Liability	$250,000 per wrongful act	$2,000,000 per occurrence/ annual aggregate
	$500,000 per class action suit	
Cyber Liability	$50,000 per occurrence	$5,000,000 per occurrence

All property is insured at full replacement value. To date, no settlement amounts have exceeded commercial insurance coverage for the last five years.

The District's estimated self-insurance liability is based on requirements of GASB Statement No. 10 and 30. These statements require a liability for claims to be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The actuarially determined liability includes allocated expenses and a provision for incurred but not reported claims. Changes in the balances of claims liabilities for the years ended June 30, 2019 and 2018 are as follows (in thousands):

	Balance July 1, 2018	Incurred Claims and Changes in Estimates	Claim Payments and Related Costs	Balance June 30, 2019	Current Portion	Noncurrent Portion
Workers' compensation liability	$ 11,751	$ 8,159	$ (4,171)	$ 15,739	$ 2,700	$ 13,039
General and property insurance liability	3,582	-	-	3,582	1,130	2,452
Pollution remediation liability	15,043	-	-	15,043	-	15,043
Subtotal: Self-insurance liability	30,376	8,159	(4,171)	34,364	3,830	30,534
Other medical claims liability	2,902	15,163	(14,655)	3,410	3,410	-
Combined self-insurance and other medical liability	**$ 33,278**	**$ 23,322**	**$ (18,826)**	**$ 37,774**	**$ 7,240**	**$ 30,534**

	Balance July 1, 2017	Incurred Claims and Changes in Estimates	Claim Payments and Related Costs	Balance June 30, 2018	Current Portion	Noncurrent Portion
Workers' compensation liability	$ 12,856	$ 3,211	$ (4,316)	$ 11,751	$ 2,700	$ 9,051
General and property insurance liability	3,652	808	(878)	3,582	1,130	2,452
Pollution remediation liability	15,043	-	-	15,043	-	15,043
Subtotal: Self-insurance liability	31,551	4,019	(5,194)	30,376	3,830	26,546
Other medical claims liability	2,196	14,489	(13,783)	2,902	2,902	-
Combined self-insurance and other medical liability	**$ 33,747**	**$ 18,508**	**$ (18,977)**	**$ 33,278**	**$ 6,732**	**$ 26,546**

(14) ALLOCATION OF DISTRICT DIVISION EXPENSE

For the years ended June 30, 2019 and 2018, District Division expense has been allocated to the general and administrative expenses of the other divisions by resolution of the Board of Directors as follows (in thousands):

	2019	2018
Bridge Division	$ 12,230	$ 12,168
Bus Division	12,980	11,941
Ferry Division	7,585	6,870
Total	**$ 32,795**	**$ 30,979**

(15) ENVIRONMENTAL REMEDIATION

During 1992, the District discovered lead contamination in the soil beneath the north and south approaches to the Golden Gate Bridge. The District entered into a Voluntary Cleanup Agreement (VCA) with the State of California Department of Toxic Substances Control to implement a Remedial Action Plan (RAP) for the first phase of a two-phased cleanup program and a Remedial Investigation/Feasibility Study (RI/FS) and a RAP for the second phase. The District has completed the Phase I cleanup under the VCA and has expensed approximately $6.5 million for that work. The VCA requires that the District complete an RI/FS and RAP of the Phase II areas; the District is currently preparing these environmental documents and has recorded an estimate of potential costs to clean up the Phase II areas. The Phase II cleanup is estimated to be completed within the next five years.

The estimate of the lead contamination remediation liability amounted to $14.0 million as of July 1, 2008. It was subsequently reviewed in 2012 and 2017 with no significant change in exposure. The amount is determined upon the expected cash flow technique. The liability can change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

The District is also involved in one additional environmental remediation activity for underground storage tank clean up located at the Novato Bus Facility. The liability for remediation efforts remains at $1.0 million as of June 30, 2019. This amount was also determined using the expected cash flow technique and is subject to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(Dollar Amounts in Thousands)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

	Fiscal Year 2019	Fiscal Year 2018
TOTAL PENSION LIABILITY		
Service cost	$ 7,792	$ 7,723
Interest on Total Pension Liability	28,965	28,828
Changes of benefit terms	-	-
Changes of Assumptions	(12,426)	22,252
Difference Between Expected and Actual Experience	(346)	(4,339)
Benefit Payments, Including Refunds of Employee Contributions	(22,568)	(21,238)
Net Change in Total Pension Liability	1,417	33,226
Total Pension Liability - Beginning	425,260	392,034
Total Pension Liability - Ending (a)	$ 426,677	$ 425,260
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	11,687	11,232
Contributions - Employee	3,419	3,221
Net Investment Income	25,169	30,399
Net Plan to Plan Resource Movement	(1)	(12)
Other Miscellaneous Income	(877)	-
Benefit Payments, Including Refunds of Employee Contributions	(22,568)	(21,238)
Administrative Expense	(462)	(403)
Net Change in Fiduciary Net Position	16,367	23,199
Plan Fiduciary Net Position - Beginning	296,361	273,162
Plan Fiduciary Net Position - Ending (b)	$ 312,728	$ 296,361
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**$ 113,949**	**$ 128,899**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.29%	69.69%
Covered Payroll	$ 39,176	$ 41,361
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	261.76%	311.64%
Discount rate used	7.15%	7.15%
Measurement Date	6/30/2018	6/30/2017

CalPERS - Schedule of Pension Contributions (in Thousands):

	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contribution	$ 13,267	$ 11,406
Contributions in Relation to the Actuarially Determined Contribution	(13,267)	(11,406)
Contribution Deficiency (Excess)	$ -	$ -
Covered Payroll	$ 41,361	$ 39,176
Contributions as a Percentage of Covered Payroll	32.08%	29.11%

* Historical information is not available prior to the implementation of the pension standards.

Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015 *
$ 6,460	$ 6,334	$ 6,739
28,355	27,534	26,655
-	-	-
-	(6,253)	-
(3,241)	(3,242)	-
(20,421)	(19,479)	(18,864)
11,153	4,894	14,530
380,881	375,987	361,457
$ 392,034	$ 380,881	$ 375,987
9,445	7,861	7,748
3,129	2,934	3,643
1,387	6,381	42,627
-	-	-
-	-	-
(20,421)	(19,479)	(18,864)
(171)	(316)	-
(6,631)	(2,619)	35,154
279,793	282,412	247,258
$ 273,162	$ 279,793	$ 282,412
$ 118,872	**$ 101,088**	**$ 93,575**
69.68%	73.46%	75.11%
$ 37,619	$ 36,328	$ 37,044
315.99%	278.26%	252.61%
7.65%	7.65%	7.50%
6/30/2016	6/30/2015	6/30/2014

Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015 *
$ 11,453	$ 9,475	$ 7,899
(11,453)	(9,475)	(7,899)
$ -	$ -	$ -
$ 41,361	$ 37,619	$ 36,328
27.69%	25.19%	21.74%

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(Dollar Amounts in Thousands)
GOLDEN GATE TRANSIT AMALGAMATED RETIREMENT PLAN

	Fiscal Year 2019	Fiscal Year 2018
TOTAL PENSION LIABILITY		
Service cost	$ 5,070	$ 5,169
Interest on Total Pension Liability	11,478	11,153
Changes of benefit terms	-	-
Changes of Assumptions	(1,589)	(3,552)
Difference Between Expected and Actual Experience	2,941	-
Benefit Payments, Including Refunds of Employee Contributions	(13,292)	(12,763)
Net Change in Total Pension Liability	4,608	7
Total Pension Liability - Beginning	217,804	217,797
Total Pension Liability - Ending (a)	$ 222,412	$ 217,804
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 5,046	$ 4,583
Contributions - Employee	1,636	1,115
Net Investment Income	(6,643)	13,452
Other Miscellaneous Income	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,292)	(12,763)
Administrative Expense	(614)	(517)
Net Change in Fiduciary Net Position	(13,867)	5,870
Plan Fiduciary Net Position - Beginning	112,444	106,574
Plan Fiduciary Net Position - Ending (b) [1]	$ 98,577	$ 112,444
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**$ 123,835**	**$ 105,360**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.32%	51.63%
Covered Payroll	$ 23,393	$ 22,875
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	529.37%	460.59%
Discount rate used	5.44%	5.37%
Measurement Date	12/31/2018	12/31/2017

[1] GASB 68 requires the District to report the unfunded pension obligations under the GGTAR Plan as a liability on its financial statement even if the District is not legally responsible for the unfunded pension obligation. The District is only legally responsible for the contributions agreed to in collective bargaining under the terms of the GGTAR plan document and is not legally responsible for the current GGTAR plan unfunded net pension liability.

GGTAR - Schedule of Pension Contributions (in Thousands)

	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contribution	$ 7,771	$ 8,095
Contributions in Relation to the Actuarially Determined Contribution	(5,275)	(4,976)
Contribution Deficiency (Excess)	$ 2,496	$ 3,119
Covered Payroll	$ 22,781	$ 23,334
Contributions as a Percentage of Covered Payroll	23.16%	21.33%

* Historical information is not available prior to the implementation of the pension standards.

Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015*
$ 3,573	$ 3,509	$ 3,174
10,687	11,661	11,278
-	-	-
16,918	29,833	-
5,746		1,395
(12,184)	(11,202)	(10,614)
24,740	33,801	5,233
193,057	159,256	154,023
$ 217,797	$ 193,057	$ 159,256
$ 4,174	$ 3,967	$ 3,635
804	622	420
7,220	(835)	8,263
-	-	-
(12,184)	(11,202)	(10,614)
(410)	(494)	(438)
(396)	(7,942)	1,266
106,970	114,912	113,646
$ 106,574	$ 106,970	$ 114,912
$ 111,223	**$ 86,087**	**$ 44,344**
48.93%	55.41%	72.16%
$ 22,713	$ 22,327	$ 21,278
489.69%	385.57%	208.40%
5.21%	5.66%	7.50%
12/31/2016	12/31/2015	12/31/2014

Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015*
$ 6,666	$ 6,666	$ 6,351
(4,318)	(3,769)	(3,575)
$ 2,348	$ 2,897	$ 2,776
$ 22,442	$ 22,158	$ 22,189
19.24%	17.01%	16.11%

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
(Dollar Amounts in Thousands)

OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS

	Fiscal Year 2019	Fiscal Year 2018
TOTAL OPEB LIABILITY		
Service cost	$ 4,892	$ 4,508
Interest on Total OPEB Liability	12,423	12,275
Changes of benefit terms	-	372
Changes of Assumptions	-	(3,452)
Difference Between Expected and Actual Experience	915	(97)
Benefit Payments, Including Refunds of Employee Contributions	(11,982)	(11,783)
Net Change in Total OPEB Liability	6,248	1,823
Total OPEB Liability - Beginning	178,564	176,741
Total OPEB Liability - Ending (a)	$ 184,812	$ 178,564
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 14,313	$ 13,810
Contributions - Employee	-	-
Net Investment Income	4,376	6,429
Other Miscellaneous Income	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,982)	(11,783)
Administrative Expense	(238)	(249)
Net Change in Fiduciary Net Position	6,469	8,207
Plan Fiduciary Net Position - Beginning	78,592	70,385
Plan Fiduciary Net Position - Ending (b)	$ 85,061	$ 78,592
Plan Net OPEB Liability - Ending (a) - (b)	**$ 99,751**	**$ 99,972**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.03%	44.01%
Covered Employee Payroll	$ 78,000	$ 76,850
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	127.89%	130.09%
Discount rate used	7.00%	7.00%
Measurement Date	6/30/2019	6/30/2018

Schedule of OPEB Contributions (in Thousands)

	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contribution	$ 14,313	$ 13,810
Contributions in Relation to the Actuarially Determined Contribution	(14,313)	(13,810)
Contribution Deficiency (Excess)	$ -	$ -
Covered Employee Payroll	$ 78,000	$ 76,850
Contributions as a Percentage of Covered Employee Payroll	18.35%	17.97%
Average money weighted return	5.5%	9%

* Historical information is not available prior to the implementation of the OPEB standards.

	Fiscal Year 2017*
$	4,155
	12,122
	-
	4,661
	220
	(10,129)
	11,029
	165,712
$	176,741
$	11,649
	-
	7,083
	-
	(10,129)
	(191)
	8,412
	61,973
$	70,385
$	**106,356**
	39.82%
$	61,759
	172.21%
	7.00%
	6/30/2017

	Fiscal Year 2017*
$	11,649
	(11,649)
$	-
$	61,759
	18.86%
	11%

SCHEDULE OF MEBA AND IBU CONTRIBUTIONS

Schedule of MEBA Contributions (In Thousands)

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially Determined Contribution	$ 424	$ 346	$ 322
Contributions in Relation to Actuarially Determined Contribution	424	346	322
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 2,199	$ 2,456	$ 2,283
Contributions as a Percentage of Covered Payroll	19.28%	14.09%	14.10%

Schedule of IBU Contributions (In Thousands)

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Actuarially Determined Contribution	$ 813	$ 935	$ 653
Contributions in Relation to Actuarially Determined Contribution	813	935	653
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 4,982	$ 3,596	$ 3,257
Contributions as a Percentage of Covered Payroll	16.32%	26.00%	20.05%

* Historical information is not available prior to the implementation of the pension standards.

Fiscal Year 2016	Fiscal Year 2015*
$ 283	$ 253
283	253
$ -	$ -
$ 2,172	$ 1,888
13.03%	13.40%

Fiscal Year 2016	Fiscal Year 2015*
$ 597	$ 540
597	540
$ -	$ -
$ 2,844	$ 2,786
20.99%	19.38%

SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES BY DIVISION (NON-GAAP BASIS), YEAR ENDED JUNE 30, 2019 AND 2018 (In thousands)

	Total		Bridge Division	
	2019	**2018**	**2019**	**2018**
Operating Revenues				
Bridge tolls	$ 146,404	$ 146,596	$ 146,404	$ 146,596
Transit fares	35,739	36,449	-	-
Marin Transit revenues	10,904	10,446	-	-
Other operating revenues	3,339	3,038	439	545
Total operating revenues	196,386	196,529	146,843	147,141
Operations	98,505	95,203	18,976	18,498
Maintenance	46,145	42,598	23,752	22,429
General and administrative	63,026	62,772	14,791	20,309
Depreciation	33,627	33,805	14,356	14,963
Total operating expenses	241,303	234,378	71,875	76,199
Operating Income (Loss)	(44,917)	(37,849)	74,968	70,942
Non-operating Revenues (Expenses):				
Operating Grants:				
State operating grants	23,745	16,510	-	115
Federal operating grants	143	35	-	-
Local operating grants	2,855	2,855	-	-
Total operating grants	26,743	19,400	-	115
Investment income	9,604	2,084	9,604	2,084
Interest expense	(1,016)	(717)	(1,016)	(717)
Gain (Loss) on disposal of assets	118	734	43	(15)
Contribution to capital reserve	(21,000)	(21,000)	(15,000)	(15,000)
Contribution to bridge self-insurance reserve	(1,300)	(1,300)	(1,300)	(1,300)
Total non-operating revenues (expenses)	13,149	(799)	(7,669)	(14,833)
Net Income (Loss)	(31,768)	(38,648)	67,299	56,109
Depreciation and Gain/Loss on Capital Assets Acquired with Capital Grants	25,486	24,915	9,135	9,154
Excess Revenues (Loss)	**$ (6,282)**	**$ (13,733)**	**$ 76,434**	**$ 65,263**

Bus Division		Ferry Division	
2019	**2018**	**2019**	**2018**
$ -	$ -	$ -	$ -
15,526	15,193	20,213	21,256
10,904	10,446	-	-
1,013	1,016	1,887	1,477
27,443	26,655	22,100	22,733
59,108	56,964	20,421	19,741
16,702	14,972	5,691	5,197
37,972	33,127	10,263	9,336
10,143	10,393	9,128	8,449
123,925	115,456	45,503	42,723
(96,482)	(88,801)	(23,403)	(19,990)
19,469	13,734	4,276	2,661
143	35	-	-
2,855	2,855	-	-
22,467	16,624	4,276	2,661
-	-	-	-
-	-	-	-
75	752	-	(3)
(2,000)	(2,000)	(4,000)	(4,000)
-	-	-	-
20,542	15,376	276	(1,342)
(75,940)	(73,425)	(23,127)	(21,332)
8,890	9,180	7,461	6,581
$ (67,050)	**$ (64,245)**	**$ (15,666)**	**$ (14,751)**

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES BY DIVISION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

RECONCILIATION OF THE SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES BY DIVISION (NON-GAAP BASIS) TO THE BASIC FINANCIAL STATEMENTS

As discussed in Note 2, the accompanying basic financial statements have been prepared on the accrual basis of accounting in conformity with GASB pronouncements. The following summary reflects the differences between the Supplemental Schedule of Revenues and Expenses and the GAAP basic financial statement for the years ended June 30, 2019 and 2018 (in thousands):

	2019	**2018**
Non-GAAP excess revenue (loss)	$ (6,282)	$ (13,733)
Contribution to capital reserve and Bridge self-insurance reserve	22,300	22,298
Depreciation and gain/(loss) on capital assets acquired with capital grants are not recorded within operating divisions	(25,486)	(24,915)
Passed through grants not expensed within operating	(551)	(3,790)
Capital grants not recognized within operating	78,468	24,906
Total Non-GAAP reconciling items	74,731	18,499
Net change in net position - GAAP	**$ 68,449**	**$ 4,766**

Statistical Section

Statistical Section

This section of the comprehensive annual financial report of the District presents detailed information about the District's financial results, major revenue sources, outstanding debt obligations, demographic statistics, and operating activities to help the reader understand the District's overall financial condition.

CONTENTS **Page**

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance has changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's local revenue sources (tolls and transit fares).

DEBT CAPACITY

This schedule presents information to help the reader assess the affordability of the District's current outstanding debts and the District's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules contain demographic and economic indicators to assist the reader in understanding the environment within which the District's financial activities take place.

OPERATING INFORMATION

This schedule contains service and facility statistics to help the reader understand how the District's financial report relates to its services and operating activities.

Source: Unless otherwise noted, the information in these schedules was derived from the District's financial statements.

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TABLE 1: REVENUES BY SOURCE, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013	2014
OPERATING REVENUES:					
Bridge tolls	$ 100,569	$ 100,776	$ 102,814	$ 102,307	$ 112,668
Bus Transit fares	11,750	11,960	12,367	13,547	14,520
Bus concessions with Marin Transit	15,638	15,511	16,363	14,580	13,320
Ferry Transit fares	10,697	11,979	13,712	15,227	17,167
Visitor concession services[1]	3,082	3,352	1,882	-	-
Other	1,734	2,132	2,437	3,720	2,483
OPERATING REVENUES	$ 143,470	$ 145,710	$ 149,575	$ 149,381	$ 160,158
OTHER REVENUES:					
State operating grants	9,858	14,999	15,923	15,757	16,001
Federal operating grants	50	4,717	550	190	94
Local operating grants	3,039	2,898	2,780	2,434	2,596
Investment income	5,634	2,789	2,800	813	3,039
Capital grants[2]	55,372	66,670	67,126	35,648	36,030
TOTAL REVENUES	**$ 217,423**	**$ 237,783**	**$ 238,754**	**$ 204,223**	**$ 217,918**

1. In 2013, the visitor's concession services program was transferred to the Golden Gate National Parks Conservancy and is no longer a part of the District.
2. Beginning in Fiscal Year 2010/2011, capital grants reflected capital grants received as pass-through to other agencies in subaward agreements.

2015	2016	2017	2018	2019
$ 129,500	$ 137,619	$ 143,011	$ 146,596	$ 146,404
14,994	15,646	15,105	15,193	15,526
10,442	11,973	10,210	10,446	10,904
18,392	19,695	20,321	21,255	20,213
-	-	-	-	-
2,981	3,341	3,149	3,037	3,339
$ 176,309	$ 188,274	$ 191,796	$ 196,527	$ 196,386
18,368	16,317	18,737	16,510	23,745
8	211	232	35	143
2,492	2,777	2,968	2,855	2,855
2,408	3,822	1,831	2,084	9,604
48,742	33,298	13,213	24,906	78,468
$ 248,327	**$ 244,699**	**$ 228,777**	**$ 242,917**	**$ 311,201**

TABLE 2: EXPENSES BY FUNCTION, LAST TEN YEARS (IN THOUSANDS)

Operating Expenses:	2010	2011	2012	2013	2014
Bridge					
Operations	$ 16,506	$ 17,193	$ 16,821	$ 15,891	$ 17,554
Maintenance	17,589	18,277	19,226	20,006	20,032
General & administrative	10,340	10,790	9,980	10,200	12,110
Depreciation	13,966	10,395	10,349	10,498	11,239
Bridge	58,401	56,655	56,376	56,595	60,935
Bus					
Operations	48,974	50,796	52,015	53,938	52,030
Maintenance	12,303	12,788	13,085	14,152	13,256
General & administrative	12,167	14,220	14,896	13,426	14,911
Depreciation	6,559	7,560	8,186	7,530	8,152
Bus	80,003	85,364	88,182	89,046	88,349
Ferry					
Operations	12,627	14,687	15,659	16,778	18,031
Maintenance	3,015	3,955	3,659	3,583	5,364
General & administrative	5,866	6,991	7,374	7,100	7,398
Depreciation	4,400	3,126	8,153	7,674	7,758
Ferry	25,908	28,759	34,845	35,135	38,551
Total Operating Expenses	164,312	170,778	179,403	180,776	187,835
Non Operating Expenses:					
Passed through to other agencies[1]	-	16,256	9,096	3,315	2,337
Interest	179	183	100	106	60
Other	28	(37)	(148)	22	71
TOTAL EXPENSES	**$ 164,519**	**$ 187,180**	**$ 188,451**	**$ 184,219**	**$ 190,303**

1. Beginning in Fiscal Year 2010/2011, capital expenses incurred as part of subawarded agreements were separately stated. Prior to this, capital expenses were offset against capital grants.

2015	**2016**	**2017**	**2018**	**2019**
$ 17,057	$ 16,706	$ 17,961	$ 18,498	$ 18,976
19,841	21,610	22,397	22,429	23,752
11,317	9,153	12,246	20,309	14,791
13,286	14,157	14,440	14,963	14,356
61,501	61,626	67,044	76,199	71,875
54,215	54,463	54,286	56,964	59,108
12,842	14,497	15,102	14,972	16,702
14,336	27,674	35,263	33,127	37,972
8,503	9,801	10,384	10,393	10,143
89,896	106,435	115,035	115,456	123,925
17,768	16,734	18,013	19,741	20,421
4,861	5,659	4,798	5,197	5,691
8,636	9,238	9,406	9,336	10,263
6,464	7,306	8,519	8,449	9,128
37,729	38,937	40,736	42,723	45,503
189,126	206,998	222,815	234,378	241,303
783	76,123	2,217	3,790	551
45	81	426	717	1,016
(21)	(1)	(8)	(734)	(118)
$ 189,933	**$ 283,201**	**$ 225,450**	**$ 238,151**	**$ 242,752**

TABLE 3: CHANGES IN NET POSITION, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013	2014
Operating revenues	$ 143,470	$ 145,710	$ 149,577	$ 149,381	$ 160,158
Operating expenses	(139,387)	(149,697)	(152,717)	(155,074)	(160,686)
Income before depreciation and other nonoperating revenues and expenses	4,083	(3,987)	(3,140)	(5,693)	(528)
Depreciation	(24,925)	(21,081)	(26,688)	(25,702)	(27,149)
Operating loss	(20,842)	(25,068)	(29,828)	(31,395)	(27,677)
Other nonoperating revenues and expenses, net	18,374	9,001	13,005	15,751	19,262
Income/(loss) before capital Grants and restatements	(2,468)	(16,067)	(16,823)	(15,644)	(8,415)
Capital grants[1]	55,372	66,670	67,126	35,648	36,030
Change in net position	52,904	50,603	50,303	20,004	27,615
Net position, beginning	565,399	618,303	668,906	719,209	739,213
Restatements [2]	-	-	-	-	-
Net position, ending	$ 618,303	$ 668,906	$ 719,209	$ 739,213	$ 766,828

1. Beginning in Fiscal Year 2010/2011, capital grants reflected capital grants received as pass-through to other agencies in subawarded agreements. In addition, capital expenses to other agencies for subawarded agreements were separately stated. Prior to this, capital expenses for subawarded agreements were offset against capital grants.
2 The restatement of the beginning net position is due to the changes in accounting principles related to GASB Statements 68 – Accounting Reporting for Pensions and GASB Statement No. 75 – Accounting and Reporting for Other Post-employment Benefits.

2015	2016	2017	2018	2019
$ 176,309	$ 188,272	$ 191,796	$ 196,527	$ 196,386
(160,873)	(175,741)	(189,472)	(200,573)	(207,676)
15,436	12,531	2,324	(4,046)	(11,290)
(28,253)	(31,256)	(33,343)	(33,805)	(33,627)
(12,817)	(18,725)	(31,019)	(37,851)	(44,917)
22,469	(53,076)	21,133	17,711	34,898
9,652	(71,801)	(9,886)	(20,140)	(10,019)
48,742	33,298	13,213	24,906	78,468
58,394	(38,503)	3,327	4,766	68,449
766,828	680,211	641,708	645,035	543,445
(145,011)	-	-	(106,356)	-
$ 680,211	$ 641,708	$ 645,035	$ 543,445	$ 611,894

TABLE 4: NET POSITION, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013
ASSETS				
Current assets and noncurrent assets	$ 238,007	$ 240,088	$ 249,211	$ 269,254
Capital assets	513,844	549,160	592,585	608,247
Total Assets	751,851	789,248	841,796	877,501
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
LIABILITIES				
Current liabilities	40,824	26,815	29,100	43,178
Debt outstanding	61,000	61,000	61,000	61,000
Noncurrent, other liabilities	31,724	32,527	32,487	34,110
Total Liabilities	133,548	120,342	122,587	138,288
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
NET POSITION				
Net investment in capital assets	452,844	488,159	531,585	547,246
Restricted				
Debt service requirements	12,791	12,791	12,791	12,791
Park Presidio Doyle Drive reconstruction project[1]	-	-	-	-
Unrestricted (deficit)[2]	152,668	167,956	174,833	179,176
TOTAL NET POSITION	**$ 618,303**	**$ 668,906**	**$ 719,209**	**$ 739,213**

1. In August 2015, the District contributed $75 million to San Francisco County Transportation Authority, as part of a funding agreement for the Park Presidio (Doyle Drive) reconstruction project.
2. GASB 68 requires the District to report the unfunded pension obligations under the Golden Gate Transit Amalgamated Retirement Plan (GGTAR) as a liability on its financial statement even if the District is not legally responsible for the unfunded pension obligation. The District is only legally responsible for the contributions agreed to in collective bargaining under the terms of the GGTAR document and is not legally responsible for the current GGTAR plan unfunded net pension liability of $105.3 million. The liability has resulted in a deficit for this reporting year.
3. GASB 75 was implemented in FY2018 requiring the net other postemployment benefits (OPEB) liability to be reported on the face of the financial statements.

2014	2015	2016	2017	2018	2019
$ 269,603	$ 304,919	$ 266,412	$ 294,999	$ 311,032	$ 340,280
624,087	657,307	663,318	649,179	655,598	738,383
893,690	962,226	929,730	944,178	966,630	1,078,663
-	10,830	39,168	66,179	53,445	43,651
32,267	40,176	38,499	33,108	33,172	57,189
61,000	61,000	61,000	61,000	61,000	61,000
33,595	172,099	221,358	265,924	368,696	375,875
126,862	273,275	320,857	360,032	462,868	494,064
-	19,570	6,333	5,290	13,762	16,356
563,087	596,307	602,318	588,179	594,598	677,383
12,791	12,791	12,791	12,791	12,791	12,791
-	75,000	-	-	-	-
190,950	(3,887)	26,599	44,065	(63,944)	(78,280)
$ 766,828	**$ 680,211**	**$ 641,708**	**$ 645,035**	**$ 543,445**	**$ 611,894**

TABLE 5: TRAFFIC/PATRON COUNT AND TOLL/FARE PER VEHICLE/PATRON, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013
TRAFFIC/PATRON COUNT:				
Bridge traffic (southbound)[1]	19,295	19,084	19,417	19,376
Bus passengers - regional[2]	-	-	-	-
Bus passengers - Local services under contract[2]	-	-	-	-
Bus passengers - combined	6,514	6,568	6,527	6,628
Ferry passengers	1,931	2,031	2,195	2,326
Club Bus passengers[3]	49	40	31	14
TOLL/FARE PER VEHICLE/PATRON[1]:				
Average toll	$ 5.21	$ 5.28	$ 5.30	$ 5.28
Average bus fare (regional services)	-	-	-	-
Average bus fare (local services under contract)[2]	-	-	-	-
Average bus fare (combined)	$ 2.27	$ 2.29	$ 2.39	$ 2.49
Average ferry fare	$ 5.54	$ 5.90	$ 6.25	$ 6.55

1. The District only charges tolls for one-way (Southbound) traffic direction.
2. Effective with the renegotiated contract with Marin Transit in 2015, operating indicators are displayed by component. Prior to Fiscal Year 14/15, indicators are inclusive of the Marin Transit routes.
3. The District contracts a limited program of service routes called Club Bus with Horizon Coach Lines (formerly Coach USA). This program ended in December 2012.

Data Source: District Annual Reports and/or Comprehensive Annual Financial Reports

2014	2015	2016	2017	2018	2019
20,014	20,086	20,557	20,592	20,469	20,002
-	3,613	3,499	3,137	3,159	3,110
-	NA	NA	NA	NA	NA
6,385	NA	NA	NA	NA	NA
2,471	2,540	2,545	2,523	2,578	2,470
-	-	-	-	-	-
$ 5.63	$ 6.45	$ 6.69	$ 6.95	$ 7.16	$7.32
-	4	$ 4.49	$ 4.81	$ 4.79	$4.99
-	NA	NA	NA	NA	NA
$ 2.69	NA	NA	NA	NA	NA
$ 6.95	$ 7.24	$ 7.74	$ 8.05	$ 8.24	$8.18

TABLE 6: CATEGORIES OF TRAFFIC (SOUTHBOUND), LAST TEN YEARS (IN THOUSANDS)

	2010		2011		2012	
CATEGORY:	**COUNT**	**%**	**COUNT**	**%**	**COUNT**	**%**
Two-Axle Vehicles - Cash	6,890	35.7%	6,244	32.7%	6,177	31.8%
Two-Axle Vehicles - Electronic/Tickets	11,736	60.8%	12,448	65.2%	12,821	66.1%
Other Revenue	101	0.5%	99	0.5%	105	0.5%
Carpool	421	2.2%	144	0.8%	134	0.7%
Non Revenue	148	0.8%	149	0.8%	180	0.9%
TOTAL VEHICLES[1]	**19,296**	**100%**	**19,084**	**100%**	**19,417**	**100%**

	2013		2014		2015	
CATEGORY:	**COUNT**	**%**	**COUNT**	**%**	**COUNT**	**%**
Two-Axle Vehicles - Cash	4,376	22.6%	19,454	97.2%		
Two-Axle Vehicles - Electronic/Tickets	14,612	75.4%	103	0.5%	19,408	96.6%
Three + Axle Vehicles					105	0.5%
Other Revenue	97	0.5%	269	1.3%	30	0.1%
Carpool	150	0.8%	30	0.1%	384	1.9%
Non Revenue	141	0.7%	158	0.8%	159	0.8%
TOTAL VEHICLES[1]	**19,376**	**100%**	**20,014**	**100%**	**20,086**	**100%**

	2016		2017		2018	
CATEGORY:	**COUNT**	**%**	**COUNT**	**%**	**COUNT**	**%**
Two-Axle Vehicles	19,805	96.6%	19,798	96.1%	19,640	95.9%
Three + Axle Vehicles	107	0.5%	105	0.5%	114	0.6%
Discount - Carpools	459	1.9%	507	2.5%	533	2.6%
Discount - Other	29	0.1%	28	0.1%	27	0.1%
Non Revenue	157	0.8%	154	0.7%	155	0.8%
TOTAL VEHICLES[2]	**20,557**	**100%**	**20,592**	**100%**	**20,469**	**100%**

	2019	
CATEGORY:	**COUNT**	**%**
Two-Axle Vehicles	19,179	95.9%
Three + Axle Vehicles	119	0.6%
Discount - Carpools	522	2.6%
Discount - Other	28	0.1%
Non Revenue	154	0.8%
TOTAL VEHICLES[2]	**20,002**	**100%**

1. The District charges tolls only in the southbound direction; therefore, the category for Total Vehicles includes only the southbound traffic.
2. In March 2013, the District converted to all electronic tolling operation; as a result, the tracking categories from this period forward are reflective of this new program.

Data Source: Finance-Auditing Committee Board Reports

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TABLE 7: OPERATING INDICATORS BY TRANSIT MODE, LAST TEN YEARS[1]

	2010	2011	2012	2013	2014
AVERAGE PASSENGER FARES [1]:					
Bus - regional services	-	-	-	-	-
Bus - local services under contract	-	-	-	-	-
Bus - combined	$2.27	$2.29	$2.39	$2.49	$2.69
Ferry	$5.54	$5.90	$6.25	$6.55	$6.95
PASSENGER COUNT*:					
Bus - regional services	-	-	-	-	-
Bus - local services under contract	-	-	-	-	-
Bus - combined	6,514	6,568	6,527	6,628	6,385
Ferry	1,931	2,031	2,195	2,326	2,471
OPERATING COSTS* (excluding depreciation):					
Bus - combined	$73,444	$77,804	$79,996	$81,516	$80,197
Ferry	$21,508	$25,633	$26,692	$27,461	$30,793
PASSENGER MILES*:					
Bus - regional services	-	-	-	-	-
Bus - local services under contract	-	-	-	-	-
Bus - combined	61,773	81,690	75,262	72,941	26,909
Ferry	21,209	22,541	24,211	25,539	26,911
REVENUE VEHICLE MILES*:					
Bus - regional services	-	-	-	-	-
Bus - local services under contract	-	-	-	-	-
Bus - combined	5,447	5,182	5,171	5,108	5,033
Ferry	187	185	181	177	181
NUMBER OF ACTIVE BUSES/VESSELS:					
Bus - regional services	-	-	-	-	-
Bus - local services under contract	-	-	-	-	-
Bus - combined	201	197	188	188	180
Ferry	6	7	7	7	7

1. Effective with the renegotiated contract with Marin Transit in 2015, operating indicators are displayed by component. Prior to Fiscal Year 2014/2015, indicators are inclusive of the Marin Transit Routes.

*These figures are in thousands.

N/A - Information not available.

Note: Effective June 30, 2015, additional information is displayed for local services provided under contract with Marin Transit.

Data Source: Average Passenger Fares and Passenger Count tables and Operating Costs tables in the National Transit Database Report or the State Controller’s Report.

2015	2016	2017	2018	2019
$4.14	$4.49	$4.81	$4.81	$4.99
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
$7.24	$7.74	$8.05	$8.24	$8.18
3,613	3,499	3,137	3,159	3,110
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
2,540	2,545	2,523	2,578	2,470
$81,393	$96,634	$104,651	$105,063	$123,925
$31,265	$31,631	$32,217	$34,274	$45,503
67,807	63,440	58,500	58,506	58,180
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
27,687	27,885	27,370	27,534	26,733
4,162	4,266	4,249	4,228	4,176
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
187	190	196	209	208
176	160	159	150	151
17	17	17	27	29
193	177	176	177	180
7	7	7	7	8

TABLE 8: COMMERCIAL PAPER DEBT PAYMENT COVERAGE COVENANT, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013	2014
Total revenues (less capital contribution)	$ 162,052	$ 171,115	$ 171,629	$ 168,575	$ 181,888
Less:					
Total operating expenses (less depreciation)	(139,387)	(149,696)	(152,715)	(155,074)	(160,686)
Total Net Revenues	22,665	21,419	18,914	13,501	21,202
Plus:					
Operating reserve fund	7,320	7,320	7,320	7,320	7,320
Total net revenues and operating reserve	29,985	28,739	26,234	20,821	28,522
Actual Commercial Paper debt service	$ 179	$ 183	$ 100	$ 106	$ 60
Coverage (with operating reserve)	167.5	157.0	262.3	196.4	475.4
Coverage (without operating reserve)	126.6	117.0	189.1	127.4	353.4

On July 12, 2000, the District issued commercial paper notes in Series A and Series B in the amount of $30.5 million for each series to provide funds for the Golden Gate Bridge seismic retrofit project and the renovation of main cables of the Bridge. The commercial paper covenant requires the District to establish a budget that produces sufficient revenues to pay twice as much debt service as projected. Debt service requirement includes a $7.3 million Operating Reserve Fund, as required by the covenant.

2015	2016	2017	2018	2019
$ 199,585	$ 211,400	$ 215,564	$ 218,011	$ 232,733
(160,873)	(175,734)	(189,472)	(200,573)	(207,676)
38,712	35,666	26,092	17,438	25,057
7,320	7,320	7,320	7,320	7,320
46,032	42,986	33,412	24,758	32,377
$ 45	$ 81	$ 426	$ 717	$ 1,016
1022.9	530.7	78.4	34.5	31.9
860.3	440.3	61.2	24.3	24.7

TABLE 9: RATIO OF OUTSTANDING DEBT AND DEBT SERVICE, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013
COMMERCIAL PAPER DEBT:	$ 61,000	$ 61,000	$ 61,000	$ 61,000
Percentage of Personal Income (Three County Region)[1]	0.0615%	0.0600%	0.0579%	0.0550%
Per Capita (Three County Region)[2]	$0.04	$0.04	$0.04	$0.04
Total Outstanding Debt Per Traffic/Passenger Count	$2.20	$2.20	$2.17	$2.15
DEBT SERVICE:	$179	$183	$100	$106
Percentage of Personal Income (Three County Region)[1]	0.0002%	0.0002%	0.0001%	0.0001%
Per Capita (Three County Region)[2]	$0.00012	$0.00012	$0.00006	$0.00007
Total Outstanding Debt Service Per Traffic/Passenger Count [3]	$ 0.006	$ 0.007	$ 0.004	$ 0.004

1.Due to unavailable statistical information, some percentages used a prior year personal income figures.

2.Due to unavailable statistical information, some figures used prior year per capita figures.

3.Information of traffic/passenger count is as follows (thousands):

	2010	2011	2012	2013
Traffic Vehicle Count	19,295	19,084	19,417	19,376
Number of Transit Passengers	8,494	8,639	8,753	8,968
Total Traffic/Regional Passenger Count	**27,789**	**27,723**	**28,170**	**28,344**

	2014	2015	2016	2017	2018	2019
	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000
	0.0540%	0.0540%	0.0540%	0.0438%	0.0390%	0.0377%
	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04
	$2.11	$2.13	$2.12	$2.33	$2.33	$2.38
	$60	$45	$81	$426	$717	$1,016
	0.0001%	0.0000%	0.00007%	0.00031%	0.00138%	0.00189%
	$0.00004	$0.00003	$0.00005	$0.00026	$0.00760	$0.00184
	$ 0.002	$ 0.002	0.003	$ 0.016	$ 0.027	$ 0.040

	2014	2015	2016	2017	2018	2019
	20,014	20,086	20,557	20,592	20,469	20,002
	8,856	6,153	6,044	5,660	5,737	5,580
	28,870	**26,239**	**26,601**	**26,252**	**26,206**	**25,582**

TABLE 10: DEMOGRAPHIC AND ECONOMIC INFORMATION, LAST TEN YEARS

		Marin County[1]		
	Population	Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate
2009	250,750	$ 22,351,575	$ 89,139	8.10%
2010	252,789	20,854,466	82,498	8.20%
2011	255,031	21,871,623	85,761	8.10%
2012	256,069	23,918,732	93,407	7.00%
2013	258,365	25,093,401	97,124	5.40%
2014	260,750	25,716,754	98,626	4.20%
2015	261,221	28,492,821	109,076	3.50%
2016	260,651	30,222,883	115,952	3.50%
2017	260,955	32,502,500	124,552	2.20%
2018	260,955	30,258,254	115,952	2.70%

		City/County of San Francisco[2]		
	Population	Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate
2009	815,358	$ 55,559,545	$ 68,141	7.40%
2010	805,235	57,619,120	71,556	9.70%
2011	812,826	63,102,121	77,633	9.20%
2012	825,863	70,573,974	85,455	8.10%
2013	841,138	72,858,445	86,619	6.50%
2014	852,469	77,233,279	90,600	5.20%
2015	862,004	89,533,450	103,867	4.00%
2016	876,103	96,161,308	109,760	3.40%
2017	884,363	100,123,866	113,216	3.10%
2018	892,701	102,952,634	115,327	2.60%

		Sonoma County[3]		
	Population	Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate
2009	486,630	$ 22,787,716	$ 46,828	10.10%
2010	493,285	21,701,296	43,993	10.60%
2011	487,125	21,142,471	43,403	10.10%
2012	487,011	21,417,425	43,977	9.00%
2013	490,423	22,126,957	45,118	7.10%
2014	490,486	23,548,182	48,010	5.70%
2015	496,253	24,606,709	49,585	4.30%
2016	501,959	26,874,652	53,540	4.10%
2017	505,120	27,034,022	53,520	3.60%
2018	503,332	28,457,348	56,538	2.40%

1. County of Marin June 30, 2018, CAFR
   a) Average unemployment rate for 2018 and 2019 provided by California Employment Development Department.
   b) Population for 2018 provided by U. S. Census Bureau
2. City and County of San Francisco June 30, 2018, CAFR, with additional information as follows:
   a) Average unemployment rate for 2018 provided by California Employment Development Department.
3. County of Sonoma June 30, 2018, CAFR, with additional information as follows:
   a) Average unemployment rate for 2018 provided by California Employment Development Department.

* 2019 data not available

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TABLE 11: PRINCIPAL EMPLOYERS, CURRENT AND PREVIOUS PERIOD COMPARISON

Principal Employers[1,3]	Type of Entity	Employees in 2017	Rank	% of Total County Employment	Employees in 2008	Rank	% of Total County Employment
County of Marin	Government	2,305	1	1.67%	3,031	1	2.43%
Kaiser Permanente Medical Center	Hospital	2,092	2	1.52%	1,398	4	1.12%
BioMarin	Pharmaceutical	1,700	3	1.23%			
Marin General Hospital	Hospital	1,602	4	1.16%	1,450	3	1.16%
San Quentin State Prison	Government	1,600	5	1.16%			
Novato Unified School District	School	850	6	0.62%	875	9	0.70%
Glassdoor	Technology	750	7	0.54%			
San Rafael City Schools	School	700	8	0.51%			
Marin County Office of Education	School	600	9	0.44%			
Dominican University	School	319	10	0.23%	884	8	0.71%
Safeway	Grocery				930	7	0.75%
State of California	Government				1,999	2	1.60%
Autodesk, Inc.	Software				1,141	5	0.91%
Fireman's Fund	Insurance				1,018	6	0.82%
Golden Gate Bridge District	Government				838	10	0.67%
Total		12,518		9.08%	13,564		10.87%

City/County of San Francisco

Principal Employers[2,3]	Type of Entity	Employees in 2017	Rank	% of Total City County Employment	Employees in 2008	Rank	% of Total County Employment
City and County of San Francisco	Government	31,038	1	5.59%	26,665	1	6.25%
University of California, San Francisco	School	25,522	2	4.60%	18,200	2	4.27%
San Francisco Unified School District	School	10,000	3	1.80%			
Wells Fargo & Co	Banking	7,838	4	1.41%	8,718	3	2.04%
Salesforce	Software	7,000	5	1.26%			
Sutter Health	Hospital	6,447	6	1.16%			
Uber Technologies Inc	Transportation	5,000	7	0.90%			
Kaiser Permanente	Hospital	4,517	8	0.81%			
Gap Inc	Retail	4,050	9	0.73%	4,172	9	0.98%
PG&E Corporation	Utility	3,800	10	0.68%	4,350	8	1.02%
California Pacific Medical Center	Hospital				6,600	4	1.55%
State of California	Government				6,021	5	1.41%
Charles Schwab & Co., Inc	Investment				4,600	6	1.08%
United States Postal Service	Government				4,571	7	1.07%
San Francisco State University	School				3,831	10	0.90%
Total		105,212		18.94%	87,728		20.57%

Note: In some instance, information for current year and nine years ago is not available; information for periods that are available are provided as an alternative.

1. Data Source: County of Marin, June 30, 2018, CAFR.
2. Data Source: City and County of San Francisco, June 30, 2018, CAFR.
3. Data Source: Golden Gate Bridge, Highway & Transportation District, June 30, 2010, CAFR.

Sonoma County

Principal Employers[1,2]	Type of Entity	Employees in 2017	Rank	% of Total County Employment	Employees in 2008	Rank	% of Total County Employment
County of Sonoma	Government	3,857	1	1.51%			
Kaiser Permanente	Hospital	3,508	2	1.37%	2,400	1	1.02%
St. Joseph Health	Hospital	2,500	3	0.98%	1,781	2	0.75%
Graton Resort and Casino	Casino	2,000	4	0.78%			
Santa Rosa City Schools	School	1,691	5	0.66%			
City of Santa Rosa	Government	1,307	6	0.49%			
Keysight Technologies	Technology	1,300	7	0.51%			
Jackson Family Wines	Winery	1,152	8	0.45%			
Sutter Santa Rosa Regional Hospital	Hospital	1,050	9	0.41%			
Amy's Kitchen	Retail	988	10	0.39%	900	7	0.38%
Sutter Medical Center	Hospital				1,097	3	0.46%
Safeway, Inc.	Grocery				1,082	4	0.46%
Agilent Technologies	Telecommunications				1,050	5	0.44%
Medtronic Cardio Vascular	Medical				1,000	6	0.42%
River Rock Casino	Casino				660	8	0.28%
Wal-Mart Stores, Inc.	Retail				650	9	0.28%
Kendall Jackson Wine Estates	Winery				640	10	0.27%
Total		**19,353**		**7.55%**	**11,260**		**4.76%**

Note: In some instances, information for current year and nine years ago is not available; information for periods that are available are provided as an alternative.

1. Data Source: County of Sonoma, June 30, 2018, CAFR.
2. Data Source: Golden Gate Bridge, Highway & Transportation District, June 30, 2010, CAFR.

TABLE 12: CAPITAL ASSETS BY DIVISION, LAST TEN YEARS (IN THOUSANDS)

	2010	2011	2012	2013
Function				
Traffic:				
Bridge structure	1	1	1	1
Visitor Services building[1]	1	1	-	-
Maintenance buildings	1	1	1	1
Service vehicles	50	50	53	49
Total capital expenditures for Bridge, related buildings and equipment (not being depreciated)[2]	$454,800	$458,365	$460,179	$464,771
Bus Transit[3]:				
Number of active buses - regional services				
Number of active buses - local services under contract				
Number of active buses - combined	201	197	188	188
Service vehicles	31	27	30	-
Operating yards	3	3	3	3
Total capital expenditures for Bus Transit property and equipment (not being depreciated)	$119,273	$137,828	$145,731	$147,012
Ferry Transit:				
Number of active ferry vessels	6	7	7	7
Passenger stations	4	4	4	4
Service vehicles	9	10	10	-
Service crafts	2	2	2	2
Operating yards	1	1	1	1
Total capital expenditures for Ferry Transit property and equipment (not being depreciated)	$97,878	$ 94,171	$127,628	$131,015

Organization: Political subdivision of the State of California. Governing body: 19-member Board of Directors, with appointed General Manager/CEO
*Information is to the nearest 1,000

1. In 2012, the District partnered with Golden Gate National Parks Conservancy (Parks Conservancy) to enhance the visitor experience. The Visitor Services building is now included as a subcomponent within the Bridge.
2. Reflects Bridge Seismic Retrofit Construction for South Viaduct (Phase II).
3. Effective 2015, as a part of the renegotiated contract between the District and Marin Transit, the District reflects regional transit information.

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
-	-	-	-	-	-
1	1	1	1	1	1
48	48	51	53	49	62
$580,506	$609,129	$637,731	$643,306	$643,276	$644,309
	176	160	159	150	151
	17	17	17	27	29
180	193	177	176	177	180
26	30	30	29	30	35
3	3	3	3	3	3
$150,409	$173,878	$175,621	$159,366	$158,764	$153,010
7	7	7	7	7	8
4	4	4	5	5	5
10	10	9	10	10	10
2	2	2	2	2	2
1	1	1	1	1	1
$134,449	$135,451	$138,287	$148,755	$176,398	$177,376

TABLE 13: MISCELLANEOUS OPERATING INFORMATION, LAST TEN YEARS

		2010	2011	2012
Golden Gate Bridge Division	Annual traffic volume (Southbound only)*	19,295	19,084	19,417
	Bridge employees - Operations[1]	101	99	90
	Bridge employees - Maintenance & Administration	108	108	107
	Bridge employees - Total	209	207	197
Golden Gate Transit Division[2]	Number of active buses (regional)	-	-	-
	Number of active buses (local services under contract)	-	-	-
	Number of active buses (combined)	201	197	188
	Annual revenue vehicle miles (regional)*	-	-	-
	Annual revenue vehicle miles (local services under contract)	-	-	-
	Annual revenue vehicle miles (combined)*	5,447	5,182	5,171
	Annual revenue vehicle hours (regional)*	-	-	-
	Annual revenue vehicle hours (local services under contract)	-	-	-
	Annual revenue vehicle hours (combined)*	343	333	325
	Bus employees - Bus Operators (regional)	280	280	280
	Bus employees - Bus Operators (local services under contra	-	-	-
	Bus employees - Bus Operators (combined)	-	-	-
	Bus Employees - Maintenance & Administration	120	120	119
	Bus employees - Total	400	400	399
Golden Gate Ferry Division	Number of active vessels in fleet	6	7	7
	Annual revenue vessel miles*	187	185	181
	Annual revenue vessel hours*	14	14	13
	Ferry employees - Operations[3]	63	63	56
	Ferry Employees - Maintenance & Administration	16	16	15
	Ferry employees - Total	79	79	71
	Golden Gate Bridge Administrative Staff (including Finance, Information Systems, Human Resources, Planning, etc.)	151	145	142
	Total number of Districtwide employees	839	831	809
	Service Area Provided by Golden Gate Transit			
	Square Miles	160	160	160
	Population	815	869	869

Organization: Political subdivision of the State of California. Governing body: 19-member Board of Directors, with appointed General Manager/CEO

*Information is to the nearest 1,000

1. Decrease in employee count is a result of conversion to electronic collection of Bridge tolls in 2013.
2. Effective 2015, as a part of the renegotiated contract between the District and Marin Transit, the District will begin reflecting regional service information.
3. Increase in employee count in 2016 is a result of required staffing for additional Ferry service.

Data Source: District Adopted Budget, tables within this CAFR, and the National Transit Database Report.

2013	2014	2015	2016	2017	2018	2019
19,376	20,014	20,086	20,557	20,592	20,469	20,002
58	61	58	58	66	66	66
107	111	113	114	113	113	113
165	172	171	172	179	179	179
-	-	176	160	159	150	151
-	-	17	17	17	27	29
188	180	193	177	176	177	180
-	-	4162	4266	4,249	4,228	4,176
-	-	N/A	N/A	N/A	N/A	N/A
5,108	4,946	N/A	N/A	N/A	N/A	N/A
-	-	242	249	248	249	242
-	-	N/A	N/A	N/A	N/A	N/A
341	315	N/A	N/A	N/A	N/A	N/A
280	280	206	215	228	221	221
-	-	74	65	52	59	59
-	-	280	280	280	280	280
119	120	120	121	121	121	120
399	400	400	401	401	401	400
7	7	7	7	7	7	8
177	181	187	190	196	209	208
13	13	14	14	14	15	15
56	63	63	76	76	78	79
17	17	17	17	21	20	22
73	80	80	93	97	98	101
136	134	133	136	143	143	143
773	786	784	802	820	821	826
160	160	160	145	145	145	145
869	869	869	869	887	896	904

Single Audit Section

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, THE TRANSPORTATION DEVELOPMENT ACT, AND CALIFORNIA GOVERNMENT CODE SECTION 8879.50

The Board of Directors of the
Golden Gate Bridge,
Highway and Transportation District
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Enterprise Fund and Other Post-employment Benefits Trust Fund of the Golden Gate Bridge, Highway & Transportation District (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of Title 21 of the California Code of Regulations and California Government Code §8879.50 et seq., and the allocation instructions of Metropolitan Transportation Commission, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of the California Code of Regulations, or the California Government Code §8879.50 et seq.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Palo Alto, California
October 18, 2019

EideBailly

CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors of the
Golden Gate Bridge,
Highway and Transportation District
San Francisco, California

Report on Compliance for Each Major Federal Program

We have audited the Golden Gate Bridge, Highway & Transportation District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Palo Alto, California
October 18. 2019

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Program / Project Identification Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster:				
Passed through California Department of Transportation				
Highway Planning and Construction:	20.205			
FHWA Seismic Retrofit Project (Phase III Design #9102)		DBF-6003(017)	$ 262,235	$ -
FHWA Seismic Retrofit Project (Phase IIIA Construction #9206) CA-04-6003		BHLS-6003(028)	3,553,361	-
FHWA Highway Bridge Program Suicide Deterrent Project (#1526)		BHLS-6003(051)	12,572,389	-
FHWA Highway Bridge Program Seismic Wind Retrofit Project (#1528)		BHLS-6003(052)	1,819,869	-
Total Highway Planning and Construction Cluster			18,207,854	-
Federal Transit Cluster:				
Direct grants				
Federal Transit Capital Investment Grants:	20.500			
CA-04-0187 FY2010 Marin Transit Bus Stop Improvements		CA-04-0187	97,003	97,003
CA-70-X005 FY08 Larkspur Terminal Improvements (Flex) UPA		CA-70-X005	213,871	-
CA-70-X016 FY2012 FBD - Sausalito Access Imps		CA-70-X016	3,837	-
CA-05-0231 FY2009 FG MOD		CA-05-0231	2,491,868	-
Subtotal			2,806,579	97,003
Federal Transit Formula Grants:	20.507			
CA-2019-041 FY2019 Capital		CA-2019-041	40,366,585	-
CA-90-Y600 FY2008 Capital		CA-90-Y600	1,990,071	-
CA-90-Y800 FY2010 Capital		CA-90-Y800	3,506,826	-
CA-90-Z127 FY14 Purchase 23-45' Buses/TelCom		CA-90-Z127	117,870	-
CA-95-X024 FY2007 Capital (Flex Funds)		CA-95-X024	(32,399)	-
CA-2017-162 FY2017 FHWA Transfer FY2007		CA-2017-162	77,477	-
Subtotal			46,026,430	-
Federal State of Good Repair:	20.525			
CA-2016-120 FY2016 Capital		CA-2016-120	175,563	175,563
Subtotal			175,563	175,563
Total Federal Transit Cluster			49,008,572	272,566
Total U.S. Department of Transportation			67,216,426	272,566
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 67,216,426**	**$ 272,566**

See note to Schedule of Expenditures of Federal Awards.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Golden Gate Bridge, Highway & Transportation District (the District). The District's reporting entity is defined in Note 1 of the District's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies to the District are included in the accompanying schedule. The information is presented in accordance with the requirements in *Title 2 U.S. Code of Federal Regulations*, Part 200, U*niform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The District has not elected to use the ten percent de minimis indirect cost rate as allowed under the uniform guidance.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards including amounts passed to subrecipient is presented using the accrual basis of accounting, which is described in Note 2 of the District's financial statements.

Relationship to the Basic Financial Statements

Federal financial assistance is reported in the District's proprietary fund financial statements as Federal Operating Assistance and capital grants.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

SUMMARY OF AUDITOR'S RESULTS
JUNE 30, 2019

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a)	No

Identification of major federal programs:

Name of Federal Program or Cluster	CFDA Numbers
Highway Planning and Construction Cluster	20.205
Federal Transit Cluster	20.500, 20.507, 20.525

Dollar threshold used to distinguish between Type A and Type B programs:	$ 2,016,493
Auditee qualified as low-risk auditee?	Yes

II. FINANCIAL STATEMENTS FINDINGS	None Reported
III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	None Reported
SUMMARY OF PRIOR YEAR'S FINDINGS	None Reported