ANNUAL COMPREHENSIVE FINANCIAL REPORT

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

FOR THE FISCAL YEARS
ENDED JUNE 30, 2021
AND JUNE 30, 2020

SAN FRANCISCO, CALIFORNIA

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Golden Gate Bridge, Highway and Transportation District

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Years Ended June 30, 2021 and 2020

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Introductory Section

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October 25, 2021

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
Annual Comprehensive Financial Report

We are pleased to present the Annual Comprehensive Financial Report for the Golden Gate Bridge, Highway and Transportation District (District) for the fiscal years ended June 30, 2021 and June 30, 2020. 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 22 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 Menlo Park, 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 years ended June 30, 2021 and June 30, 2020, 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 desirable and is commonly known as an "unmodified" opinion. Financial statements and the auditor's opinion can be found in the Financial Section of this report which commences on page 19.

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 separately issued Single Audit Report.

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 738 employees, down from 788 in FY 2019/2020.

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 2020/2021 programs and services were based upon an adopted Operating Budget of $291 million and a Capital Budget of $49 million.

Financial Condition of the District

Local Economy

The San Francisco Bay Area’s economy partially recovered from the COVID-19 pandemic but due to the COVID-19 surge in December 2020 and local and state wide COVID related restrictions, economic indicators are still not back to pre-pandemic levels. Due to this, while recent changes in demographics and lifestyles were making small negative impacts in traffic and ridership levels before the COVID-19 pandemic, the pandemic has caused a precarious drop in both ridership and bridge crossings:

- 0.7 million customers rode Golden Gate regional buses (down 1.6 million from FY 2019/2020).
- 0.1 million customers rode Golden Gate ferries (down 1.6 million from FY 2019/2020).
- 13.4 million vehicles crossed the Bridge southbound (down 2.8 million from FY 2019/2020).

At the close of the fiscal year, the District’s Transit customers have not returned; bus ridership is still down 71% and Ferry ridership 95%, while the District’s Bridge customers have increased from a loss of 19% to a loss of only 17%.

While the District believes the drop in ridership and crossings is due to the ramifications of the COVID-19 pandemic are temporary, the long term growth outlook is difficult to gauge. Marin has a growing retirement community while buffeted with San Franciscan residents moving to the North Bay for single family homes which have more space to spread out during the pandemic. Telecommuting patterns may have also been upended in the long and short term, though projections are difficult to create at this time.

Commute riders make up the largest portion of the transit ridership. Traffic was slightly decreasing pre-pandemic, even with a growing economy as telecommuting trended upwards. Having the local economy rebound and reach full employment is also vital to the District's long term success. There are signs of recovery when looking at unemployment figures from the U.S. Bureau of Labor Statistics, California's unemployment rate for June 2021 was 6.1%, which is a decrease of 6.0% from June 2020. Prior to COVID, the unemployment rate was 3.9%. However, local unemployment rates are much lower. In Marin and San Francisco counties, the unemployment rates for both counties were 4.7% and 5.4% respectively for June 2021, compared to 10.1% and 12.6%, respectively in June 2020. In March 2020, Marin and San Francisco counties pre-pandemic unemployment rates were 2.3% and 2.7% respectively as of February 2020.

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.

The District has completed its most recent Financial Plan and is in the process of creating a new Strategic and Financial Plan for the post-COVID period.

Major Initiatives

COVID-19 IMPACTS & RESPONSE

There was no shortage of challenges confronting the District this past year. Today, vaccines are readily available, however new COVID-19 variants have stalled a broader reopening and return of business and community activities. The District looks to discovering the new normal for travel patterns in the Golden Gate Corridor once the pandemic is in the rearview mirror. Until then, travel remains depressed in the Golden Gate Corridor, significantly affecting District revenues. It is inescapable that the District's revenues will not stabilize until there is a complete, unrestricted reopening of businesses and community activities resulting in travel, particularly motorists, returning in the Golden Gate Corridor.

Bridge tolls and bus and ferry passenger fares have been down about $1.5 million each week for most of FY 20/21, and it is vital that vaccinations are widespread and travel returns. During the past year, revenues from ridership have been down on Golden Gate Transit buses by about 75 percent (we are carrying 25 percent of our normal bus ridership) and Golden Gate Ferry ridership is down about 85 percent (we are carrying 15 percent of our normal ferry ridership). Bridge traffic continues to be down about 20-30 percent when compared to pre-COVID traffic levels.

Fortunately, the District has been the recipient of significant federal COVID relief money from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Appropriations Act (CRRSAA) that provided about half of the revenue that the District used to pay its bus and ferry expenses for the 2020/21 fiscal year, averting layoffs. The District will also be relying upon onetime federal money from the American Rescue Plan (ARP) Act to cover our bus and ferry expenses during the 2021/22 fiscal year.

In response to the precipitous drop in customer demand for our services and to reduce costs, the District greatly reduced transit service in the Golden Gate early on in the pandemic. Importantly, the District met travel demand in the corridor with a focus on equity and mobility, and when necessary, the District has added extra bus trips to those routes that were experiencing "pass-ups" due to social distancing restrictions on transit. While commuters who work in offices are no longer traveling in the Corridor, service workers and those who do not own or have ready access to automobiles have been relying on the District's regional bus service. Accordingly, the District maintained virtually all of our regional bus service, while suspending about 90 percent of our commute/express bus service that served primarily office workers. This resulted in an overall reduction of about 50 percent in our pre-COVID bus service.

We look forward to welcoming back our customers. The District will restore bus and ferry service incrementally, in a measured way as we see the return of our customers traveling in the Golden Gate Corridor. This approach will allow our ARP funds to last as long as possible, while we learn how new approaches to office work, including "hybrid offices" and ongoing remote work affect both office workers as well as supporting service sector jobs, and collectively travel demand during the commute period. In short, the District will continue to provide transit service to meet customer demand.

The safety of our employees is also of paramount importance as we navigate the pandemic. All District employees with occupational exposure to COVID-19 were given the opportunity to be vaccinated in early March, and the majority of our staff has been fully vaccinated. This was a huge step for our agency in that it provided additional protection for our employees who interact and engage with the public on a daily basis and provide for the continuity of operations.

In addition, the District continued to implement the following COVID-19 protocols in FY 20/21:

- Requiring all passengers and employees on buses and ferries to wear a face-covering and practice physical distancing;
- Deep cleaning and disinfecting of buses and ferries on a regular basis;
- Installation of moisture barriers on all buses;
- Closed all District parking lots at the Bridge;
- Physical distancing markings and signage on buses, ferries, and throughout District facilities;
- Daily employee and contractor health screening at all District facilities;
- Sanitation products and signage at all District facilities; and,
- Return-to-work plans for District employees who have been working remotely; and,
- Contact tracing for any employees that test positive for COVID-19.

As an organization, the District has a history of maintaining a long-term focus even when facing tremendous immediate challenges. Despite these obstacles, the District's work continued apace on many major projects and initiatives outlined below.

Larkspur Ferry Terminal Mass Vaccination Site

With the goal of being part of the solution for reaching a post-pandemic society, in early February 2021, the Bridge District reached out and offered Marin County the use of our Larkspur Ferry Terminal as a mass vaccination site at no cost. The site opened for business on February 21, due in no small part to staff from the Bridge and Ferry who were instrumental in quickly opening the site. Some District staff whose regular job duties and schedules were impacted by the pandemic assisted for many months with directing traffic in the parking lot and other related activities to help the facility operate smoothly.

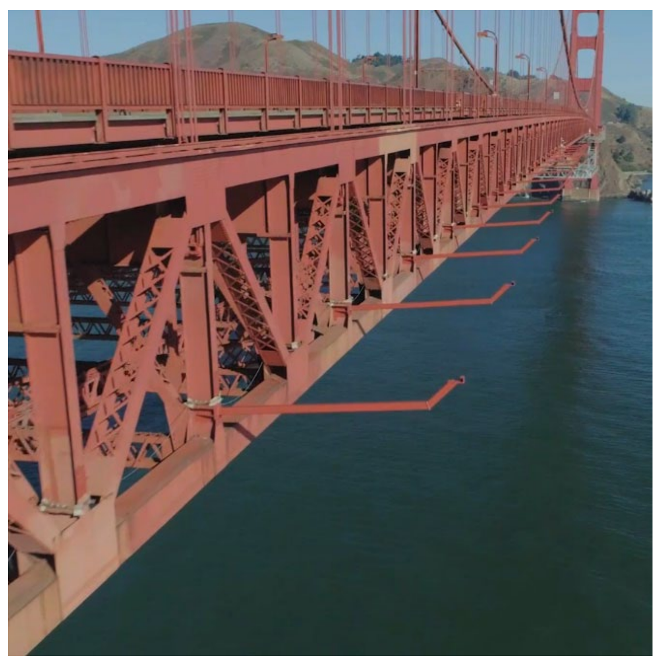
The site operated five days a week (Sunday – Thursday) from 11:00 a.m. – 7:00 p.m. with 13 drive-through stations and a 14th station for bicyclists, pedestrians and paratransit vans. It was the largest, most productive vaccination site in Marin County, vaccinating nearly 60,000 people over the course of its operations.

Free Rides to Vaccinations

In order to reduce transportation and cost barriers for community members to receive the vaccine, in February 2021, Golden Gate Transit and Ferry began providing free transit trips on the day of community members' vaccination appointments. The free rides by bus and boat continue to be offered in both directions to mass vaccination sites, hospitals, or anywhere else that is offering vaccinations. To receive a free ride, customers simply show physical or digital confirmation of their same-day vaccine appointment at time of boarding.

Golden Gate Bridge Maintenance

The District continues to operate and maintain the Bridge, which is essential for the community. Most importantly, Bridge Security staff is protecting the Bridge, and remaining vigilant in their suicide intervention efforts on the Bridge sidewalks.



Suicide Deterrent System and Wind Retrofit

Construction of the Suicide Deterrent System (Net) was ongoing through the fiscal year 20/21. The Net contractor is constructing the project from five temporary work access platforms installed under and on the sides of the Bridge and, beginning this year, at the North Approach Viaduct. In order to minimize impacts to traffic, the contractor closes lanes and brings in necessary heavy equipment and materials only during the night shifts. As of this writing, over 240 of 369 net supports have been installed on the Bridge and nearly 75% of the 385,000 square feet of steel netting has been manufactured. On the suspension span, the contractor has removed all of the old side travelers and will soon be installing net supports near the main towers. The contractor also continues to install work platforms to access the new side travelers.

While the contractor has not provided a firm final date for project delivery, the District estimates the project is likely to be completed in 2023.

Contractors also continued to remove and replace the west sidewalk handrail in FY 20/21 as part of the Wind Retrofit Project. Most noticeably, the new handrail features thinner vertical slats than the old handrail, along with other design elements to reduce wind drag, while blending in with the existing Bridge. Contractors completed installing the new handrail in late 2020.

In the spring of 2020, the District also became aware of a humming sound coming from the Golden Gate Bridge during high winds. The sound is the result of a confluence of sustained high winds coming from the northwest and passing at a specific angle through the recently installed new west sidewalk Bridge railing. Beginning in the fall of 2020, the District began conducting wind tunnel testing of a full-scale model of the railing in order to recreate the noise in a controlled environment and develop a number of measures in to mitigate or eliminate the sound. After extensive testing and evaluation of several distinct measures and materials, we are pleased that we have identified a promising solution that could diminish or eliminate the sound that is currently undergoing further testing. We look forward to sharing the final results of our testing and next steps in Fall 2021.

South Approach Viaduct Painting

A multi-year project of improving the South Approach Viaduct began in earnest in 2018, 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 continue working northward on the truss span sections approaching the Fort Point Arch.

***M.S. Sonoma* Refurbishment**

The rebuild of the *M.S. Sonoma* Ferry was completed in February 2021 and the vessel returned home under the Golden Gate Bridge on March 13, 2021. The vessel returned home after being stripped to the bare hull and rebuilt from the ground up at the Nichols Brothers Boat Builders shipyard in Washington. Passenger improvements on the *Sonoma* include new seats, carpeting, ceilings, paint, and reduced engine noise, plus an elevator and a bicycle escalator. On the operating side, the *Sonoma* has new, cleaner engines, state-of-the-art electronics and navigation systems, and improved efficiency and reliability. This work on the *Sonoma* is part of the District's planned ferry maintenance work and marks the last of three planned overhauls for District monohull vessels.

Corte Madera Marsh Restoration

Construction of the Corte Madera Marsh restoration project was completed at the end of January 2021 and is now open to the public. The project restored four acres out of a 72-acre District-owned parcel to tidal marsh, bolstering the habitat for endangered species and adding amenities along a reconfigured recreational path.

Recreational users now have access to a new berm around the restored tidal marsh that connects the remaining portions of the trail. The District has also installed new benches, trash cans, and native plants along the reconfigured recreational loop.

The Corte Madera Marsh restoration project is part of an agreement to restore four acres of District owned property associated with operations at the Larkspur Ferry Terminal. Construction took about four months and required the District to grade approximately fourteen acres, relocate portions of existing berms, breach the northern berm to allow flooding during high tides, and restore native marsh vegetation. In all, the District relocated about 2,000 dump trucks worth of soil to create the new marsh and trail and hand-planted approximately 17,000 new native seedlings.

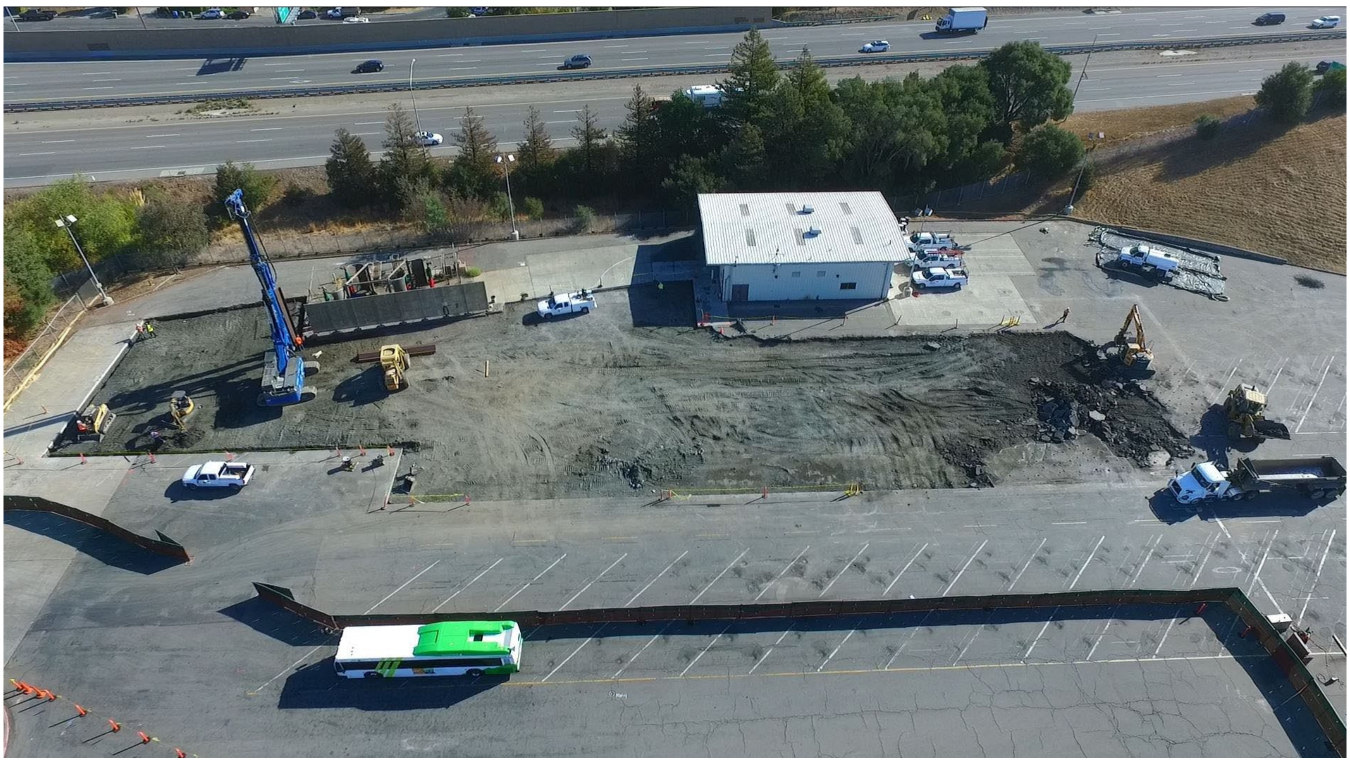
San Rafael Transit Center Relocation Project Moves Forward

The District is engaged in a multi-year process to develop a new transit center for San Rafael. Several government agencies are partners with the Bridge District to identify a new transit center site and configuration that will provide for the current and future mobility needs of San Rafael and Marin County. As the Sonoma Marin Area Rail Transit (SMART) train was extended further south to Larkspur, the tracks bisected the existing San Rafael Transit Center site. This impacted how buses and people access and travel through the site as well as reduced the amount of space available for buses and riders. As a result, the transit center must be replaced in another location in downtown San Rafael.

The project is currently in the environmental review process, and at their May 2021 meeting, the District Board of Directors selected a preferred alternative to serve as the focus of the Draft Environmental Impact Report (DEIR), which was released to the public in August 2021. The selected alternative appears to best achieve the project objectives and provides the highest quality customer experience for transit riders. The final EIR will be approved early 2022 after additional public comments are received on the draft environmental document.

Zero-Emission Bus Rollout Plan

At their May 2021 meeting, the Board of Directors reviewed and approved a plan to transition the District's bus fleet to all zero-emission vehicles by 2040. The plan was created to meet requirements by the California Air Resources Board and recommends the District transition to an all battery-electric bus fleet over the rollout plan period. The plan also calls for the upgrading of District infrastructure to meet the charging demands of the fleet, identifies costs and potential funding sources for the plan, would ensure the fleet is deployed in disadvantaged communities, and provides training for operators and maintenance staff.



Novato Bus Yard Remediation

Construction began in November 2020 on the site cleanup at the Novato bus maintenance and storage facility. The project included the removal and disposal of diesel-contaminated soil caused by underground fuel storage infrastructure, installation of new monitoring equipment, and refilling, repaving and restriping the lot. The construction work was completed in February 2021.

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, 2020. This is the fourteenth 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 Annual Comprehensive Financial Report. 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 Annual Comprehensive 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, 2020. This is the fifteenth 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 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, 2020

Christopher P. Morrill

Executive Director/CEO

District Board of Directors and Executive Management Team

as of June 30, 2021

Board of Directors

President

Barbara L. Pahre, Napa County

First Vice President

Michael Theriault, City & County of San Francisco

Second Vice President

Gerald D. Cochran, Del Norte County

City & County of San Francisco

Annemarie Conroy
Dick Grosboll
Sabrina Hernández
Elbert (Bert) Hill
Myrna Melgar
Catherine Stefani

Marin County

Judy Arnold
Alice Fredericks
Patricia Garbarino
Dennis Rodoni

Sonoma County

David A. Rabbitt
Chris Snyder

Napa County

See above

Mendocino County

James Mastin

Del Norte County

See above

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

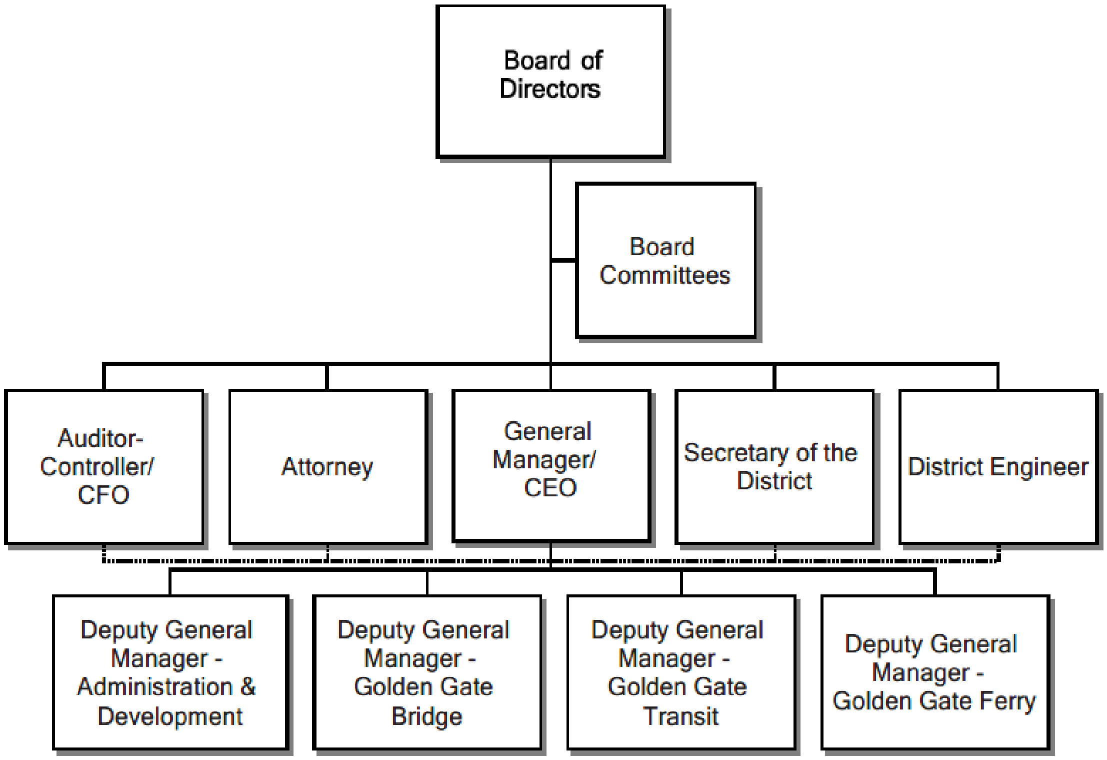
Mona A. Babauta

Ferry Division

James P. Swindler

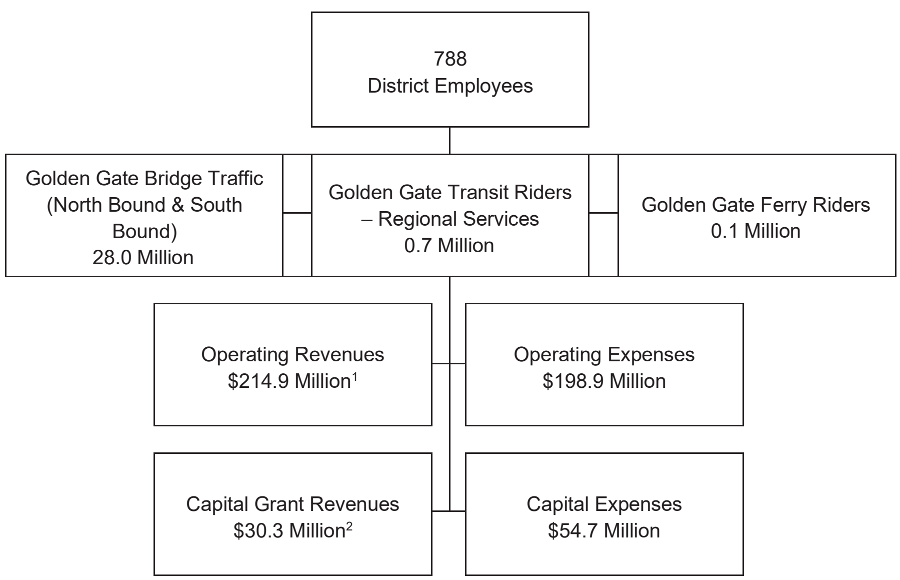
Note: As of June 30, 2021, there are two vacant seats representing the City and County of San Francisco and one vacant seat representing Sonoma County.

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 2020
Alan Baltodano
Servicer

August 2020
Matthew Dacquisto
Senior System Administrator

September 2020
K.J. Quick

September 2020
Lindy Teng

September 2020
Kimberly Barnard

(Group – Procurement Department Buyers)

October 2020
Jarrod Bauer
Painter

November 2020
Maria Gemenes
Leaves Analyst

December 2020
Roland Fontillas, Jr.
Terminal Agent

Employees of the Month (Continued)

January 2021
Jose Hernandez
Trimmer

February 2021
Sally Davidson
Human Resource Analyst

March 2021
Artemise Davenport
Disadvantage Business Enterprise
Program Administrator

March 2021
Jeremy Holt
Systems Administrator

March 2021
Benjamin Valdez
Senior Network Administrator

(Group – 2021 Virtual Health and Wellness Expo)

April 2021
Barbara Vincent
Principal Planner

May 2021
Gabriel Jacquez
Bridge Sergeant

June 2021
Melanie Sanborn
Marketing Communication Specialist

Financial Section

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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, 2021 and 2020, 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.

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, 2021 and 2020, 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 22 through 32 and the schedules of changes in net pension liability and related ratios, schedule of changes in the net OPEB liability and related ratios, schedules of pension contributions, schedule of OPEB contributions, and MEBA and IBU schedules of employer contributions on pages 75 through 82, 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 and the supplemental schedule of revenues and expenses by division, 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 supplemental schedule of revenues and expenses by division are the responsibility of management and was 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 supplemental schedule of revenues and expenses by division is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021, 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

Menlo Park, California
October 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2021 AND 2020

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, 2021 and 2020.

Following this MD&A are the basic financial statements of the District, together with the notes, 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:

	2021	2020	2019
Total southbound vehicle crossings	13,604	16,235	20,002
% increase/(decrease)	(16.2%)	(18.8%)	(2.3%)
Bus patronage - regional service	652	2,280	3,110
% increase/(decrease)	(71.4%)	(26.7%)	(1.6%)
Ferry patronage	90	1,713	2,470
% increase/(decrease)	(94.7%)	(30.6%)	(4.2%)

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 6% by Bridge tolls and 4% by transit fares. In addition, operating grants, including Coronavirus, Aid, Relief and Economic Security Act (CARES), the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and American Rescue Plan Act of 2021 (ARPA), along with state and local funds received from Marin and Sonoma counties for the provision of transit services supported funding in the amount of 80%. Given the dramatic drop in travel to San Francisco in the Golden Gate Corridor as a result of the pandemics stay at home orders, the District would have had insufficient funds to operate without the Federal emergency grants. See table "How the District was Funded in Fiscal Year 2021" shown on page 29, for further funding details.

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 $744.2 million at June 30, 2021, a $56.4 million increase from June 30, 2020.

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

	2021	2020	2019
Assets:			
Current assets	$ 355,479	$ 334,423	$ 323,062
Restricted assets	18,338	15,465	17,218
Capital assets	796,008	786,710	738,383
Total assets	1,169,825	1,136,598	1,078,663
Deferred Outflows of Resources	30,355	25,598	43,651
Liabilities:			
Current liabilities	41,213	39,165	57,189
Debt outstanding	61,000	61,000	61,000
Other noncurrent liabilities	306,718	328,142	375,875
Total liabilities	408,931	428,307	494,064
Deferred Inflows of Resources	47,026	46,047	16,356
Net Position:			
Net investment in capital assets	735,008	725,710	677,383
Restricted			
Debt service requirements	12,791	12,791	12,791
Unrestricted (deficit)	(3,576)	(50,659)	(78,280)
Total Net Position	**$ 744,223**	**$ 687,842**	**$ 611,894**

The increase in assets stems from the District receiving operating grants in response to depressed toll & transit revenues as a result of the COVID-19 pandemic. The grants were the CARES, CRRSAA and ARPA. Proceeds from the grants are invested until used. The District also continued to complete numerous capital asset projects and making capital asset purchases, albeit at a slower rate than in previous years. Deferred outflows related to the District's pension and other post-employment benefits (OPEB) activities decreased due to the District's net difference between projected and actual earnings on plan investments/assets, the net difference expected and actual experience and other factors.

The decrease in other noncurrent liabilities is due to a decrease in the other post-employment benefits liability. 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 existing available resources to future capital projects (see table below).

Also of note is though the District's Net OPEB liability decreased $31.5 million in 2021, 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 (98.8% at June 30, 2021) 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 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 (1.7% at June 30, 2021) 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 increased by $47.1 million over the prior year due primarily to a decrease in net other post-employment benefits and increases in Federal operating grants.

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

	2021	**2020**
Unrestricted Net Position	**$ (3,576)**	**$ (50,659)**
GASB 68 Effect:		
CalPERS:		
Deferred Outflows	(19,442)	(16,696)
Net Pension Liability	122,372	117,551
Deferred Inflows	412	6,461
Subtotal CalPERS	103,342	107,316
GGTAR:		
Deferred Outflows	(6,494)	(7,297)
Net Pension Liability	97,107	91,622
Deferred Inflows	16,129	25,281
Subtotal GGTAR	106,742	109,606
Total Net GASB 68 Effect	**210,084**	**216,922**
GASB 75 Effect:		
Deferred Outflows	(4,419)	(1,605)
Net Pension Liability	50,694	82,147
Deferred Inflows	30,485	14,305
Total Net GASB 75 Effect	76,760	94,847
Net Position Available for Future Capital and Operating Needs	$ 283,268	$ 261,110

FISCAL YEAR 2021 FINANCIAL OPERATIONS HIGHLIGHTS

- Operating revenues, when compared to the prior fiscal year, decreased from $166.7 million to $123.8 million, a change of $42.9 million. This was primarily due to COVID-19 impacting bus and ferry transit fares and bridge crossings negatively. The decrease was despite a toll rate increase, in which FasTrak® rates increased from $7.35 to $7.70, Pay-By-Plate rates increased from $8.20 to $8.40 and invoice rates increased from $8.35 to $8.70. By year-end, the average toll rate had climbed from $7.72 to $7.98.

- Operating expenses before depreciation, decreased from $192.2 million in 2020 to $146.4 million in 2021, a change of $45.8 million. The decrease was related to cuts in service for both ferry & bus services as a result of reduced demand for public transportation due to COVID-19, and across the board cuts to overtime payroll costs for the District overall.

- Operating losses before depreciation and other non-operating revenues and expenses reflected a loss of $22.6 million, a decrease of $2.9 million over last year's loss of $25.5 million. Depreciation increased $3.9 million ($40.8 million in 2021 compared to $36.9 million in 2020) due to the District continuing to capitalizing projects as they were completed in fiscal year 2021, though at a slower pace than previous years. As a result, operating income/loss before non-operating revenues showed a loss of $63.5 million in 2021 compared to a loss of $62.4 million in 2020.

- Non-operating net revenues/expenses amounted to $88.0 million in 2021 in net revenues compared to net revenue of $78.7 million in 2020. The increase of $9.3 million is the result of an increase in Federal operating grants, primarily from the CARES, CRRSAA and ARPA. Capital grants from Federal, State and Local governments decreased from $59.6 million in 2020 to $32.9 million in 2021. The decrease was related to production schedules of major projects. This includes: the suicide deterrent project, the seismic retrofit project and other various projects.

FISCAL YEAR 2020 FINANCIAL OPERATIONS HIGHLIGHTS

- Operating revenues, when compared to the prior fiscal year, decreased from $196.4 million to $166.7 million, a change of $29.7 million. This was primarily due to COVID-19 impacting bus and ferry transit fares and bridge crossings. The decrease was despite a toll rate increase, in which FasTrak® rates increased from $7.00 to $7.35, and Pay-By-Plate rates increased from $8.00 to $8.20. By year-end, the average toll rate had climbed from $7.32 to $7.72.

- Operating expenses before depreciation, decreased from $207.7 million in 2019 to $192.2 million in 2020, a change of $15.5 million. The decrease was related to cuts in service for both the ferry & bus services as a result of reduced demand for public transportation due to COVID-19.

- Operating losses before depreciation and other non-operating revenues and expenses reflected a loss of $25.5 million, an increase of $14.2 million over last year's loss of $11.3 million. Depreciation increased ($36.9 million in 2020 compared to $33.6 million in 2019) due to the District capitalizing more projects in fiscal year 2020 as they were completed. The District also had a full year of depreciation for the 67 hybrid buses it purchased in the prior year. As a result, operating income/loss before non-operating revenues showed a loss of $62.4 million in 2020 compared to a loss of $44.9 million in 2019.

- Non-operating net revenues/expenses amounted to $78.7 million in 2020 in net revenues compared to net revenue of $34.9 million in 2019. The increase of $43.8 million is the result of an increase in Federal operating grants, primarily from CARES. Capital grants from Federal, State and Local governments decreased from $78.5 million in 2019 to $59.6 million in 2020. The decrease was related to productions schedule of major projects. This includes: the suicide deterrent project, the seismic retrofit project and various District Information Systems projects.

SUMMARY OF CHANGES IN NET POSITION
(In thousands)

	2021	2020	2019
Operating revenues	$ 123,761	$ 166,685	$ 196,386
Operating expenses	(146,399)	(192,225)	(207,676)
Income before depreciation and other non-operating revenue and expenses	(22,638)	(25,540)	(11,290)
Depreciation	(40,849)	(36,869)	(33,627)
Operating loss	(63,487)	(62,409)	(44,917)
Other non-operating revenue and expenses, net	87,976	78,731	34,898
Loss before capital grants	24,489	16,322	(10,019)
Capital grants	31,892	59,626	78,468
Change in Net Position	56,381	75,948	68,449
Net Position, beginning	687,842	611,894	543,445
Net Position, ending	**$ 744,223**	**$ 687,842**	**$ 611,894**

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. Increases to the rates occur annually within the five-year plan. Offsetting these increases is lower projected investment income and higher projected cost-of-living, pension, medical insurance and District-wide professional services.

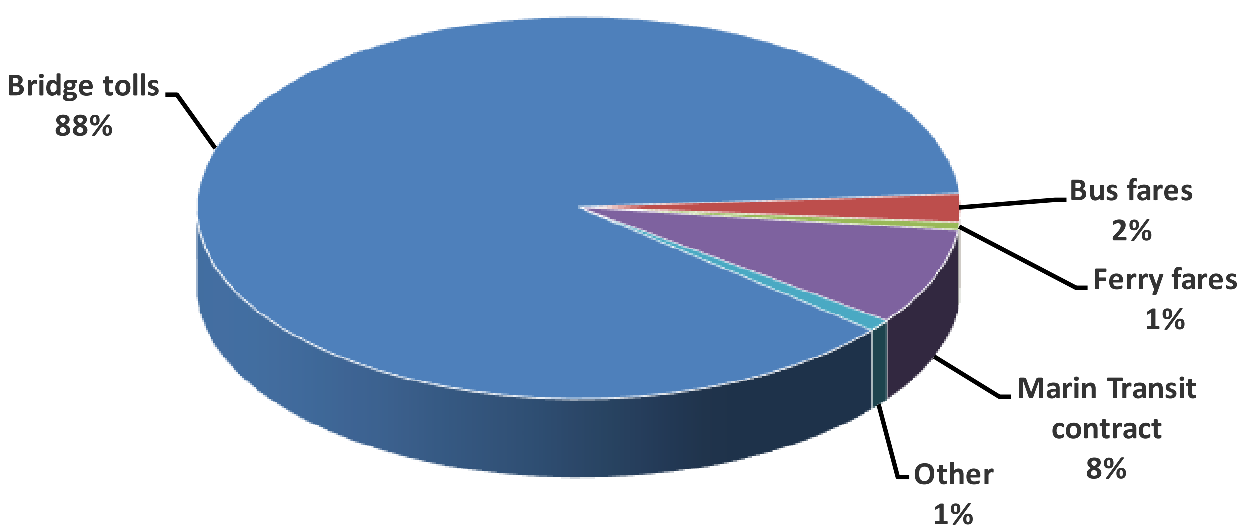
Board Policy sets Golden Gate regional transit fares. Changes to the fare structure are typically established through five-year fare programs approximating a 5% increase each year. In March 2017, the Board approved a five-year fare program. Fiscal year 2021 is the fourth year of the program. The current plan expires on June 30, 2022.

The following is a summary of tolls and fares:

	2021	2020	2019
Average Bridge toll	$7.98	$7.72	$7.32
Average bus fare-regional service	$4.52	$5.27	$4.99
Average ferry fare	$9.44	$8.47	$8.18

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2021 (tolls, transit fares and other):



A summary of revenues for the years ended June 30, 2021 and 2020, and the amount and percentage of change in relation to prior year amounts (in thousands), is as follows:

	2021 Amount	Percent of Total	Increase/ (Decrease) From 2020	Percent Increase/ (Decrease)
Operating Revenues:				
Bridge tolls	$ 108,591	44.0%	$ (16,810)	(13.4%)
Bus fares	2,947	1.2%	(9,065)	(75.5%)
Ferry fares	848	0.3%	(13,654)	(94.1%)
Marin Transit contract	10,121	4.1%	(586)	(5.5%)
Other	1,254	0.5%	(2,809)	(69.1%)
Total operating revenues	123,761	50.2%	(42,924)	(25.8%)
Non-operating Revenues:				
Operating assistance	90,004	36.5%	19,732	28.1%
Investment income	1,017	0.4%	(8,921)	(89.8%)
Total non-operating revenues	91,021	36.9%	10,811	(61.7%)
Capital grants	31,892	12.9%	(27,734)	(46.5%)
Total Revenues	**$ 246,674**	**100.0%**	**$ (59,847)**	**(19.5%)**

	2020 Amount	Percent of Total	Increase/ (Decrease) From 2019	Percent Increase/ (Decrease)
Operating Revenues:				
Bridge tolls	$ 125,401	40.9%	$ (21,003)	(14.3%)
Bus fares	12,012	3.9%	(3,516)	(22.6%)
Ferry fares	14,502	4.7%	(5,709)	(4.9%)
Marin Transit contract	10,707	3.5%	(197)	(1.8%)
Other	4,063	1.3%	724	21.7%
Total operating revenues	166,685	54.4%	(29,701)	(15.1%)
Non-operating Revenues:				
Operating assistance	70,272	22.9%	43,529	162.8%
Investment income	9,938	3.2%	334	3.5%
Total non-operating revenues	80,210	26.2%	43,863	120.7%
Capital grants	59,626	19.5%	(18,842)	(24.0%)
Total Revenues	**$ 306,521**	**100.0%**	**$ (4,680)**	**(1.5%)**

The primary reason for the decrease in revenues in 2021 was due to the shelter in place and work from home mandates implemented in March 2020 as a result of COVID-19 and which continued through fiscal year 2021. The pandemic significantly impacted bridge crossings and transit ridership, which continues despite local work-from-home requirements being partially lifted in March 2021. When the population was slowly allowed back out for outdoor activities or to return to work, Bridge traffic and transit ridership began to stabilize, but not nearly to the levels seen pre-pandemic as many employers provided their employees various work-from-home options. Bridge traffic was steadily 32% to 37% lower in July 2020 to February 2021 in comparison to the same months in the previous fiscal year, and with the post-pandemic increases in March 2021 to June 2021, the overall traffic for the fiscal year is 17.4% lower than prior year end 2020.

Bus patronage was on an average 77% down during the pandemic, Ferry was 97% lower, both ending the fiscal 71.4% and 94.8% lower than prior year end 2020, respectively.

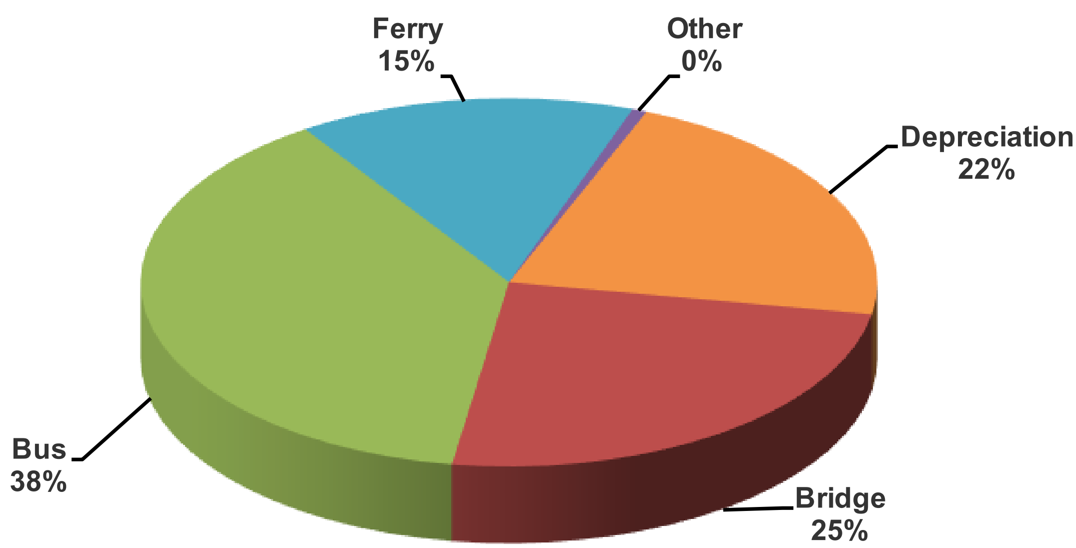
The District funds its operations with Bridge tolls, transit fares, government grants, and other revenues from operations or investments. The operations of the Bridge Division produce a surplus of Bridge toll revenues that are used to subsidize transit operations. In addition, in years where there are 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 2021. 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 reserves, along with $28.5 million was reserved for future operating costs due to the influx of CARES, CRRSAA and ARPA federal grants.

HOW THE DISTRICT WAS FUNDED IN FISCAL YEAR 2021 (In thousands)

	Bridge Division		Bus Transit Division		Ferry Transit Division		Combined Transit Divisions Division		District Total	
Funding category	$	%	$	%	$	%	$	%	$	%
Operating revenues:										
Bridge tolls	$ 73,300	98%	$ -	0%	$ 6,800	21%	$ 6,800	6%	$ 80,100	44%
Patron fares	-	0%	2,900	4%	900	3%	3,800	4%	3,800	2%
Marin Transit	-	0%	10,100	13%	-	0%	10,100	9%	10,100	6%
Other revenues	1,500	2%	600	1%	200	1%	800	1%	2,300	1%
Government grants	-	0%	61,400	82%	24,200	75%	85,600	80%	85,600	47%
Total	**$ 74,800**	**100%**	**$ 75,000**	**100%**	**$ 32,100**	**100%**	**$ 107,100**	**100%**	**$ 181,900**	**100%**

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, 2021:



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 based on projects assigned to each; expense allocation is 36%, 35%, and 29%, respectively.

A summary of expenses for the years ended June 30, 2021 and 2020, and the amount and percentage of change in relation to prior year amounts (in thousands), is as follows:

	2021 Amount	Percent of Total	Increase/ (Decrease) From 2020	Percent Increase/ (Decrease)
Operating Expenses:				
Bridge	$ 46,544	24.5%	$ (16,938)	-26.7%
Bus	71,950	37.8%	(22,280)	-23.6%
Ferry	27,905	14.7%	(6,608)	-19.1%
Total operating expenses, excluding depreciation	146,399	76.9%	(45,826)	-23.8%
Other Expenses:				
Passed through grants	1,119	0.6%	436	63.8%
Interest expense	98	0.1%	(594)	-85.8%
Depreciation	40,849	21.5%	3,980	10.8%
(Gain)/loss on disposal of assets	1,828	1.0%	1,724	1657.7%
Total other expenses	43,894	23.1%	5,546	14.5%
Total Expenses	**$ 190,293**	**100.0%**	**$ (40,280)**	**-17.5%**

	2020 Amount	Percent of Total	Increase/ (Decrease) From 2019	Percent Increase/ (Decrease)
Operating Expenses:				
Bridge	$ 63,482	27.5%	5,963	10.4%
Bus	94,230	40.9%	(19,552)	-17.2%
Ferry	34,513	15.0%	(1,862)	-5.1%
Total operating expenses, excluding depreciation	192,225	83.4%	(15,451)	3.5%
Other Expenses:				
Passed through grants	683	0.3%	132	24.0%
Interest expense	692	0.3%	(324)	-31.9%
Depreciation	36,869	16.0%	3,242	9.6%
(Gain)/loss on disposal of assets	104	0.0%	222	-188.1%
Total other expenses	38,348	16.6%	3,272	9.3%
Total Expenses	**$ 230,573**	**100.0%**	**$ (12,179)**	**1.9%**

Total operating expenses encompass salaries, benefits, including pension and healthcare costs, and other business expenses. Bridge, Bus and Ferry decreased due to less payroll, including overtime, costs because of reductions in overtime shifts at the Bridge and service cuts at Bus and Ferry in response to a decrease in ridership demand due to the global pandemic. The decrease in contributions to other agencies was due to the timing of capital projects during fiscal year 2021. Interest expense also decreased as the result of a decrease in the interest rates 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 2021, the District expended $55.8 million, a decrease of $29.7 million or 35% under the amount expended in 2020, on capital activities. This included the following major construction and procurement projects:

- Suicide Deterrent project ($21.0 million)
- Golden Gate Bridge Wind Retrofit project ($1.7 million)
- MS Sonoma Refurbishment Repower ($6.9 million)
- Service Life Extension Project, Sausalito ($2.3 million)
- Capital Improvement for Ferry Fleet ($1.7 million)

During 2021, completed projects totaling $41.7 million, a decrease of $26.5 million over the amount completed in 2020, were closed from construction in progress to their respective capital accounts. The major completed projects included:

- MS Marin Repower Dry Dock ($13.3 million)
- M.V. Del Norte, M.V. Napa, M.V. Golden Gate Engine Main Engine Overhaul ($17.0 million)

During 2020, the District expended $85.5 million, a decrease of $30.9 million or 27% over the amount expended in 2019, on capital activities. This included the following major construction and procurement projects:

- Suicide Deterrent project ($32.6 million)
- Golden Gate Bridge Wind Retrofit project ($3.0 million)
- MS Sonoma Refurbishment Repower ($14.9 million)
- Rehabilitation of M.V. Del Norte, Napa & Golden Gate ($6.7 million)
- Purchase of 14 hybrid buses ($14.5 million)

During 2020, completed projects totaling $68.2 million, an increase of $65.2 million over the amount completed in 2019, were closed from construction in progress to their respective capital accounts. The major completed projects included:

- Purchase of 67 hybrid buses ($61.2 million)
- Miscellaneous Capital Equipment ($4.6 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, 2021, $61,000,000 in commercial paper notes was outstanding and maturing within 64 to 77 days, with interest ranging from 0.08% to 0.10% (0.18% to 0.25% in 2020).

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 Lines of Credit with Morgan Stanley & Goldman Sachs 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 P.O. Box 29000, Presidio Station, San Francisco, CA 94129-9000 or visit www.goldengate.org.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	$ 8,702	$ 82,176
Investments	319,646	199,183
Capital and operating grants receivable	7,317	32,963
Accounts receivable	13,865	12,788
Maintenance inventories and supplies	4,601	4,947
Prepaid items	1,348	2,366
Total current assets	355,479	334,423
Noncurrent assets:		
Restricted cash and cash equivalents	18,338	15,465
Capital assets:		
Nondepreciable capital assets:		
Land	6,243	6,243
Construction in progress	238,051	226,264
Total nondepreciable capital assets	244,294	232,507
Depreciable capital assets:		
Property and equipment:		
Bridge, related buildings and equipment	623,861	648,050
Bus transit property and equipment	196,426	210,039
Ferry transit property and equipment	207,280	179,345
Accumulated depreciation	(475,853)	(483,231)
Total depreciable capital assets	551,714	554,203
Total capital assets	796,008	786,710
Total noncurrent assets	814,346	802,175
Total Assets	**1,169,825**	**1,136,598**
Deferred Outflows of Resources:		
Related to pensions	25,936	23,993
Related to other post-employment benefits	4,419	1,605
Total Deferred Outflows of Resources	**30,355**	**25,598**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION (Concluded)
JUNE 30, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Liabilities:		
Current liabilities:		
Trade accounts payable	$ 13,075	$ 14,865
Accrued liabilities	3,494	3,983
Unearned revenue	6,708	3,600
Accrued compensated absences	522	627
Contract retentions	8,406	6,393
Self-insurance liabilities	9,008	9,697
Commercial notes payable	61,000	61,000
Total current liabilities	102,213	100,165
Noncurrent liabilities:		
Accrued compensated absences	6,455	8,662
Self-insurance liabilities	30,090	28,160
Net other post-employment benefits liability	50,694	82,147
Aggregate net pension liability	219,479	209,173
Total noncurrent liabilities	306,718	328,142
Total Liabilities	**408,931**	**428,307**
Deferred Inflows of Resources:		
Related to pensions	16,541	31,742
Related to other post-employment benefits	30,485	14,305
Total Deferred Inflows of Resources	**47,026**	**46,047**
Net Position:		
Net investment in capital assets	735,008	725,710
Restricted:		
Debt service requirements	12,791	12,791
Unrestricted	(3,576)	(50,659)
Total Net Position	**$ 744,223**	**$ 687,842**

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, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Operating revenues:		
Bridge tolls	$ 108,591	$ 125,401
Transit fares	3,795	26,514
Marin Transit revenues	10,121	10,707
Other operating revenues	1,254	4,063
Total operating revenues	123,761	166,685
Operating expenses:		
Operations	70,058	94,748
Maintenance	41,102	45,161
General and administrative	35,239	52,316
Depreciation	40,849	36,869
Total operating expenses	187,248	229,094
Operating loss	(63,487)	(62,409)
Non-operating revenues (expenses):		
Operating grants:		
State operating grants	20,513	23,585
Federal operating grants	67,505	43,933
Local operating grants	1,986	2,754
Total operating grants	90,004	70,272
Passed through to other agencies	(1,119)	(683)
Investment income	1,017	9,938
Interest expense	(98)	(692)
Gain (Loss) on disposal of capital assets	(1,828)	(104)
Total non-operating revenues	87,976	78,731
Income (Loss) before capital grants	24,489	16,322
Capital grants	31,892	59,626
Change in Net Position	56,381	75,948
Net Position, beginning of year	687,842	611,894
Net Position, end of year	**$ 744,223**	**$ 687,842**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Cash flows from operating activities:		
Cash receipts from customers	$ 119,849	$ 168,670
Cash payments to suppliers for goods and services	(106,464)	(131,577)
Cash payments to employees for services	(65,172)	(58,551)
Net cash provided by (used for) operating activities	(51,787)	(21,458)
Cash flows from noncapital financing activities:		
Operating grants received	106,868	64,242
Grants disbursed to other agencies	(1,119)	(683)
Net cash provided by non-capital financing activities	105,749	63,559
Cash flows from capital and related financing activities:		
Capital grants	49,231	96,982
Interest paid	(98)	(692)
Purchase of capital assets	(53,649)	(104,175)
Net cash used for capital and related financing activities	(4,516)	(7,885)
Cash flows from investing activities:		
Proceeds from sales of investment securities	281,038	131,125
Purchases of investment securities	(401,501)	(117,389)
Investment income received	416	9,882
Net cash provided by investing activities	(120,047)	23,618
Net increase (decrease) in cash and equivalents	(70,601)	57,834
Cash and equivalents, beginning of year	97,641	39,807
Cash and equivalents, end of year	**$ 27,040**	**$ 97,641**

	2021	2020
Cash equivalents are reported as follows on the accompanying statements of net Position:		
Unrestricted cash and cash equivalents	$ 8,702	$ 82,176
Restricted cash and cash equivalents	18,338	15,465
Total cash and cash equivalents	**$ 27,040**	**$ 97,641**

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED JUNE 30, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$ (63,487)	$ (62,409)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	40,849	36,869
Pension liabilities and related deferrals	(6,838)	7,332
Other post-employment benefits liabilities and related deferrals	(18,087)	(5,803)
Effect of changes in assets:		
Accounts receivable	(3,937)	2,006
Prepaid items	1,018	(212)
Inventory and supplies	346	153
Effect of changes in liabilities:		
Trade accounts payable	(91)	(179)
Accrued liabilities	(489)	(85)
Accrued compensated absences	(2,312)	787
Self-insurance liabilities	1,241	83
Net cash provided by (used for) operating activities	**$ (51,787)**	**$ (21,458)**
Supplemental disclosures of cash flow information:		
Noncash investing activities:		
Increase (decrease) in fair market value of investments	$ (2,825)	$ 3,954
Noncash capital and related financing activities:		
Capital asset purchases on account	$ 11,901	$ 13,574

See accompanying notes to the financial statements.

GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Assets:		
Cash and cash equivalents	$ 833	$ 1,080
Mutual funds	114,663	89,277
Real asset funds	6,107	2,587
Total Assets	121,603	92,944
Liabilities:		
Accounts payable	677	501
Total Liabilities	677	501
Net position restricted for post-employment benefits other than pensions	**$ 120,926**	**$ 92,443**

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, 2021 AND 2020 (IN THOUSANDS)

	2021	2020
Additions:		
Employer contributions	$ 11,682	$ 13,128
Net investment income:		
Net increase in fair value of investments	19,489	3,299
Investment earnings	7,880	1,963
Total net investment income	27,369	5,262
Total additions	**39,051**	**18,390**
Deductions:		
Benefits paid to participants	10,353	10,338
Administrative expenses	215	294
Total deductions	**10,568**	**10,632**
Increase in Net Position	28,483	7,758
Restricted Net Position for post-employment benefits		
Beginning of year	92,443	84,685
End of year	**$ 120,926**	**$ 92,443**

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 the employees of the District exclusively and 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 investment 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 – The District's 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, 2021 and 2020 are as follows (in thousands):

	Bridge Division	Bus Division	Ferry Division	Total
Capital grants in fiscal year 2021:				
U.S. Department of Transportation	$ 12,182	$ 7,048	$ 10,610	$ 29,840
State Transportation Program	-	1,573	430	2,003
Local assistance	-	-	49	49
Total capital grants	**$ 12,182**	**$ 8,621**	**$ 11,089**	**$ 31,892**
Capital grants in fiscal year 2020:				
U.S. Department of Transportation	$ 27,081	$ 8,901	$ 20,142	$ 56,124
State Transportation Program	-	130	2,689	2,819
State of Good Repair	-	-	524	524
I-Bond	-	63	-	63
Local assistance	-	-	96	96
Total capital grants	**$ 27,081**	**$ 9,094**	**$ 23,451**	**$ 59,626**

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, 2021 and 2020 are as follows (in thousands):

	2021	2020
Beginning Balance	$ 9,289	$ 8,502
Payments	(5,985)	(3,126)
Additions	3,673	3,913
Ending Balance	6,977	9,289
Current Portion	522	627
Non-current Portion	**$ 6,455**	**$ 8,662**

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, 2021, are $18.2 million and $8.5 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. 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, 2019, or the FY 2020/2021. This Statement did not have an impact 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, 2019 or FY 2020/2021. This Statement did not have an impact on the financial statements.

GASB Statement No. 98 – In October 2021, GASB issued Statement No. 98, *the Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, or the FY 2022/2023. Earlier implementation is encouraged. The District implemented the provisions of this statement effective July 1, 2019.

New Accounting Pronouncements – Effective in Future Fiscal Years

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, 2020, or FY 2021/2022. 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, 2020 or FY 2021/2022. 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2021 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to establish accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except for the requirement relating to Statement 87 and Implementation Guide 2019-3; reinsurance recoveries, and terminology used to refer to derivative instruments which are effective upon issuance. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 93 – In May 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement is to address those and other accounting and reporting implications resulting from the replacement of an IBOR by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced and providing clarification to the hedge accounting termination provisions, removing LIBOR as a benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except the removal of LIBOR as a benchmark interest rate which is effective for periods beginning after December 31, 2022 or FY 2023/2024. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objective of this Statement is (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022. 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):

	2021	2020
Reported in the enterprise fund as:		
Unrestricted:		
Cash and cash equivalents	$ 8,702	$ 82,176
Investments	319,646	199,183
Total unrestricted cash and investments	328,348	281,359
Restricted:		
Cash and cash equivalents	18,338	15,465
Total cash and investments in the enterprise fund	**$ 346,686**	**$ 296,824**
Reported in the fiduciary fund as:		
Restricted:		
Cash and cash equivalents	$ 833	$ 1,080
Investments	120,770	91,864
Total cash and investments in the fiduciary fund	**$ 121,603**	**$ 92,944**

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, 2021 (and 2020), of the District's bank balance of $3,420,000 (2020, $3,325,000) approximately $3,037,000 (2020, $2,703,000) is uninsured but is collateralized in conformance with the California Government Code.

Investments

At June 30, 2021 and 2020, cash and investments excluding the OPEB Trust Fund investments, were comprised of the following (in thousands):

	June 30, 2021			June 30, 2020		
Investments	**Fair Value**	**Less than 1 year**	**1-5 Years**	**Fair Value**	**Less than 1 Year**	**1-5 Years**
Federal Agency Notes	$ 55,097	$ 20,219	$ 34,878	$ 48,058	$ 17,867	$ 30,191
Certificate of Deposit	19,378	8,204	11,174	39,009	28,665	10,344
US Treasury Notes	40,776	-	40,776	31,537	-	31,537
Municipal Bonds	10,179	-	10,179	10,667	8,026	2,641
Medium-term Corporate Notes	63,897	20,173	43,724	61,907	21,431	40,476
Asset Backed Securities	9,653	260	9,393	15,400	395	15,005
Commercial Paper	7,409	7,409	-	5,690	5,690	-
California Asset Management Program	3	3	-	6,083	6,083	-
State Treasurer's Investment Pool	126,340	126,340	-	74,092	74,092	-
	332,732	$ 182,608	$ 150,124	292,443	$ 162,249	$ 130,194
Cash and deposits						
Demand deposits	13,947			4,372		
Cash on hand	7			9		
Total cash and investments - District	**$ 346,686**			**$ 296,824**		

At June 30, 2021 and 2020 the OPEB Trust Fund cash and investments were comprised of the following (in thousands):

	June 30, 2021			June 30, 2020		
Investments	**Fair Value**	**Less than 1 year**	**1-5 Years**	**Fair Value**	**Less than 1 year**	**1-5 Years**
Mutual Funds - Equity	$ 83,799	$ 83,799	$ -	$ 55,631	$ 55,631	$ -
Mutual Funds - Fixed Income	30,864	30,864	-	33,646	33,646	-
Real Asset Funds	6,107	-	6,107	2,587	-	2,587
Total investments	120,770	$ 114,663	$ 6,107	91,864	$ 89,277	$ 2,587
Demand deposits	833			1,080		
Total OPEB Trust Cash & Investments	**$ 121,603**			**$ 92,944**		

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, eligible commercial paper issues 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 25% 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, 2021 and 2020, the District held investments with the following national ratings and amounts (in thousands):

Investment	Rating	2021	2020
Federal agency bond/note	AAA	$ 55,097	$ 48,058
Asset backed securities	AAA	9,653	15,400
Medium-term corporate notes	AAA	7,369	9,743
Treasury notes	AAA	40,776	31,537
Corporate commercial paper	AAA	16	-
California Asset Management Program	AAA	3	6,083
Certificate of deposits	AA	7,657	10,350
Medium-term corporate notes	AA	4,911	6,750
Municipal bonds	AA	10,179	10,667
Certificate of deposits	A	11,721	28,659
Corporate commercial paper	A	7,392	5,690
Medium-term corporate notes	A	51,618	45,414
Local Agency Investment Fund	Unrated	126,340	74,092
Total		**$ 332,732**	**$ 292,443**

As of June 30, 2021 and 2020, the District's investment in the State Treasurer's investment pool (LAIF) was $126,340,000 and $74,092,000 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, 2021.

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, 2021 and 2020, these investments were 20% and 21%, respectively, of the District's total investments. At June 30, 2021 and 2020, the District held more than 5% of the District's investments portfolio in the following issuers:

Investment	2021	2020
Federal National Mortgage Association	4.55%	7.02%
Federal Home Loan Mortgage	8.37%	3.27%

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, 2021 and June 30, 2020 (in thousands):

		Fair Value Measurements Using	
	June 30, 2021	Level One	Level Two
Reported at fair value - Enterprise Fund:			
US Treasury Notes	$ 40,776	$ 40,776	$ -
Federal Agency Notes	55,097	-	55,097
Municipal Bonds	10,179	-	10,179
Corporate Notes	63,897	-	63,897
Certificate of Deposit	19,378	-	19,378
Asset-Backed Security	9,653	-	9,653
Commercial Paper	7,409	-	7,409
Total Enterprise Fund Investments at Fair Value	206,389	$ 40,776	$ 165,613
Uncategorized:			
CAMP	3		
LAIF	126,340		
Total Enterprise Fund Investments	332,732		
Reported at fair value - Fiduciary Fund:			
Mutual Funds-Equity	83,799	$ 83,799	$ -
Mutual Funds-Fixed Income	30,864	30,864	-
Total Fiduciary Fund Investments at Fair Value	114,663	$ 114,663	$ -
Reported at net asset value:			
Real Asset Funds	6,107		
Total Fiduciary Fund Investments	120,770		
Total investments	**$ 453,502**		

		Fair Value Measurements Using	
	June 30, 2020	**Level One**	**Level Two**
Reported at fair value - Enterprise Fund:			
US Treasury Notes	$ 31,537	$ 31,537	$ -
Federal Agency Notes	48,058	-	48,058
Municipal Bonds	10,667	-	10,667
Corporate Notes	61,907	-	61,907
Certificate of Deposit	39,009	-	39,009
Asset-Backed Security	15,400	-	15,400
Commercial Paper	5,690	-	5,690
Total Enterprise Fund Investments at Fair Value	212,268	$ 31,537	$ 180,731
Uncategorized:			
CAMP	6,083		
LAIF	74,092		
Total Enterprise Fund Investments	292,443		
Reported at fair value - Fiduciary Fund:			
Mutual Funds-Equity	55,631	$ 55,631	$ -
Mutual Funds-Fixed Income	33,646	33,646	-
Total Fiduciary Fund Investments at Fair Value	89,277	$ 89,277	$ -
Reported at net asset value:			
Real Asset Funds	2,587		
Total Fiduciary Fund Investments	91,864		
Total investments	**$ 384,307**		

Private Real Asset Funds consists of three real estate funds that are invested primarily in commercial and residential real estate. The fair value of the 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 the 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 two to six 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, 2021 and 2020 was as follows (in thousands):

	Balance July 1, 2020	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2021
Capital assets, not being depreciated:					
Land	$ 6,243	$ -	$ -	$ -	$ 6,243
Construction in progress	226,264	55,784	(2,273)	(41,724)	238,051
Total capital assets, not being depreciated	232,507	55,784	(2,273)	(41,724)	244,294
Capital assets, being depreciated:					
Bridge, related buildings and equipment	648,050	-	(10,087)	(14,102)	623,861
Bus transit property and equipment	210,039	-	(36,740)	23,127	196,426
Ferry transit property and equipment	179,345	-	(4,764)	32,699	207,280
Total capital assets, being depreciated	1,037,434	-	(51,591)	41,724	1,027,567
Accumulated depreciation:					
Bridge, related buildings and equipment	(243,412)	(16,324)	6,272	-	(253,464)
Bus transit property and equipment	(118,870)	(14,107)	37,931	-	(95,046)
Ferry transit property and equipment	(120,949)	(10,418)	4,024	-	(127,343)
Total accumulated depreciation	(483,231)	(40,849)	48,227	-	(475,853)
Total capital assets, being depreciated, net	554,203	(40,849)	(3,364)	41,724	551,714
Total capital assets, net	**$ 786,710**	**$ 14,935**	**$ (5,637)**	**$ -**	**$ 796,008**

	Balance July 1, 2019	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	$ 6,243	$ -	$ -	$ -	$ 6,243
Construction in progress	208,942	85,511	14	(68,203)	226,264
Total capital assets, not being depreciated	215,185	85,511	14	(68,203)	232,507
Capital assets, being depreciated:					
Bridge, related buildings and equipment	644,309	-	(820)	4,561	648,050
Bus transit property and equipment	153,010	-	(4,466)	61,495	210,039
Ferry transit property and equipment	177,376	-	(178)	2,147	179,345
Total capital assets, being depreciated	974,695	-	(5,464)	68,203	1,037,434
Accumulated depreciation:					
Bridge, related buildings and equipment	(228,380)	(15,507)	475	-	(243,412)
Bus transit property and equipment	(109,894)	(13,449)	4,473	-	(118,870)
Ferry transit property and equipment	(113,223)	(7,913)	187	-	(120,949)
Total accumulated depreciation	(451,497)	(36,869)	5,135	-	(483,231)
Total capital assets, being depreciated, net	523,198	(36,869)	(329)	68,203	554,203
Total capital assets, net	**$ 738,383**	**$ 48,642**	**$ (315)**	**$ -**	**$ 786,710**

Construction in progress consists of the following projects at June 30, 2021 and 2020 (in thousands):

		2021		2020
Bridge seismic design review III	$	25,165	$	25,165
Bridge main cable restoration		2,158		2,153
Bridge wind retrofit		9,199		7,547
Bridge south approach improvement		1,035		1,035
Bridge suicide deterrent study/design/build		110,490		89,515
Bridge toll system upgrade		7,220		6,868
Ferry major component rehabilitation		34,976		59,629
Ferry gangway ramps and floats		9,377		9,355
Ferry dredging and pilling		2,739		2,678
Bus replacement		2,127		751
Bus facility modifications		1,504		1,504
District systems & building improvements		8,802		15,182
Other		23,259		4,882
Total construction in progress	**$**	**238,051**	**$**	**226,264**

At June 30, 2021 and 2020, the District had construction commitments of approximately $106,691,259 and $125,219,200 respectively; Bridge-related projects are approximately $90,657,276 and $106,093,100 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, 2021, and June 30, 2020, were 772.5 and 89.6 respectively (see Table 8 on page 100).

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, 2021 was $72.6 million.

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, 2021, $61,000,000 in commercial paper notes was outstanding and maturing within 64 to 77 days, with interest ranging from 0.08% to 0.10%.

(6) GRANTS PASSED THROUGH TO OTHER AGENCIES

For the years ended June 30, 2021 and 2020, the District passed through its federal capital grants allocation to Marin Transit, $0 (2020, $408,000) and Metropolitan Transportation Commission, $1,573,600 (2020, $8,574,600). 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.

State Capital Grants - For the years ended June 30, 2021 and 2020, the District passed through its state capital grants allocation to Marin Transit, $0 (2020, $130,400). 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 $0 and $241,000 in other monies to regional transit agencies for capital related projects in fiscal years 2021 and 2020 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 2021 and 2020, the District PTMISEA activity included receiving $0 and $0 in PTMISEA funding and spending $816,400 and $2,819,600 of Prop 1B PTMISEA funding respectively. At June 30, 2021 and 2020, this activity resulted in unspent Prop 1B PTMISEA proceeds and interest balances of $0 and $816,400 respectively. Total funding allocated from the Prop1B PTMISEA program to the District is $32,977,300 and $32,977,300 as of June 30, 2021 and 2020 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 2021 and 2020, LCTOP activity included the District receiving $2,095,700 and $2,058,400 in LCTOP funding and spending $500 and $1,240,100 respectively. These transactions resulted in unspent LCTOP proceeds and interest balances of $2,923,400 and $827,400 at June 30, 2021 and 2020 respectively. Total funding allocated from the LCTOP program to the District is $8,904,100 and $6,808,400 as of June 30, 2021 and 2020 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 years 2021 and 2020, SGR activity included the District receiving $1,613,600 and $1,059,600 in SGR funding and spending $0 and $524,300 respectively. These transactions resulted in unspent SGR proceeds and interest balances of $2,153,200 and $539,500 at June 30, 2021 and 2020 respectively. Total funding allocated from the SGR program to the District is $3,761,000 and $2,369,100 as of June 30, 2021 and 2020 respectively.

(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, 2021 and 2020 (in thousands):

	2021	2020
Transportation Development Act	$ 12,822	$ 13,736
Federal Transit Administration	67,505	43,933
State Transit Assistance	7,691	9,766
Regional Measure 2	1,953	2,527
Other	33	310
Total operating grants	**$ 90,004**	**$ 70,272**

(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:

	2021				2020			
	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
California Public Employee Retirement System Plan	$ 122,372	$ 19,442	$ 412	$ 6,286	$ 117,551	$ 16,696	$ 6,461	$ 24,888
Golden Gate Transit Amalgamated Retirement Plan	97,107	6,494	16,129	8,272	91,622	7,297	25,281	2,713
Total pension plans	**$ 219,479**	**$ 25,936**	**$ 16,541**	**$ 14,558**	**$ 209,173**	**$ 23,993**	**$ 31,742**	**$ 27,601**

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, 2021, 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%	7.0%
Required employer contribution rates	34.612%	34.612%	34.612%

Employees Covered – At the June 30, 2019, and June 30, 2018, valuation dates, the following employees were covered by the benefit terms for each Plan:

Valuation as of June 30	**2019**	**2018**
Inactive employees or beneficiaries currently receiving benefits	649	642
Inactive employees entitled to but not yet receiving benefits	143	143
Active employees	437	451
Total	**1,229**	**1,236**

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, 2021 and 2020, the District has paid the employer's and a portion of the employees' shares of the contributions. The contributions recognized, were as follows:

	2021	2020
Employer	$ 15,952	$ 14,771

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, 2021, for the Plan is measured as of June 30, 2020, using an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, 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, 2019 and June 30, 2018, actuarial valuations rolled forward to June 30, 2020 and June 30, 2019, using standard update procedures, were determined using the following actuarial assumptions, respectively:

Fiscal Year	2021	2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	7.15%	7.15%

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 and June 30, 2018 valuations were based on the results of a 2017 actuarial experience study for the period 1997 to 2015. 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 2021 and 2020. 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, 2020	**$ 443,395**	**$ 325,844**	**$ 117,551**
Changes in the year:			
Service cost	7,914	-	7,914
Interest on the total pension liability	31,091	-	31,091
Differences between actual and expected experience	76	-	76
Plan to plan resource movement	-	-	-
Changes in assumptions	-	-	-
Contribution - employer	-	14,919	(14,919)
Contribution - employee	-	3,601	(3,601)
Net investment income	-	16,199	(16,199)
Administrative expenses	-	(459)	459
Benefits payments, including refunds of employee contributions	(25,172)	(25,172)	-
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	**13,909**	**9,088**	**4,821**
Balance at June 30, 2021	**$ 457,304**	**$ 334,932**	**$ 122,372**

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2019	**$ 426,678**	**$ 312,729**	**$ 113,949**
Changes in the year:			
Service cost	7,805	-	7,805
Interest on the total pension liability	30,128	-	30,128
Differences between actual and expected experience	2,800	-	2,800
Plan to plan resource movement	-	-	-
Changes in assumptions	-	-	-
Contribution - employer	-	13,429	(13,429)
Contribution - employee	-	3,437	(3,437)
Net investment income	-	20,487	(20,487)
Administrative expenses	-	(223)	223
Benefits payments, including refunds of employee contributions	(24,016)	(24,016)	-
Other Miscellaneous Income/(Expense)	-	1	(1)
Net changes	**16,717**	**13,115**	**3,602**
Balance at June 30, 2020	**$ 443,395**	**$ 325,844**	**$ 117,551**

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):

	2021	2020
1% Decrease	6.15%	6.15%
Net Pension Liability	$ 177,034	$ 170,990
Current Discount Rate	7.15%	7.15%
Net Pension Liability	$ 122,372	$ 117,551
1% Increase	8.15%	8.15%
Net Pension Liability	$ 76,605	$ 72,840

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, 2021 and 2020, the District recognized pension expense of $6,286,000 and $24,888,000, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of sources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2021		2020	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	$ 15,952	$ -	$ 14,771	$ -
Differences between actual and expected experience	1,101	11	1,925	123
Changes in assumptions	-	401	-	4,409
Net differences between projected and actual earnings on plan investments	2,389	-	-	1,929
Total	**$ 19,442**	**$ 412**	**$ 16,696**	**$ 6,461**

$15,952,000 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, 2022. 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	
2022	$ (955)
2023	998
2024	1,676
2025	1,359
Total	**$ 3,078**

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 1600 Harbor Bay Parkway, Suite 200, Alameda, CA 94502.

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 for participants hired prior to January 1, 2016 are the greater of average monthly earnings the year before retirement and the average monthly earnings for the highest single calendar year. Average Final Earnings for participants hired on or after January 1, 2016 are the average monthly earnings for the highest consecutive 36 month period. For participants hired prior to January 1, 2016 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. For participants hired on or after January 1, 2016 the Plan provides for retirement with reduced benefits for participants beginning at age 52 if they have completed at least 5 years of service. The retirement benefits for these participants is the percentage corresponding to age at retirement shown on a chart in the Plan (ranging from 1.00% to 2.50%), multiplied by years of service, multiplied by the average final earnings. Participants whose employment is terminated before retirement are entitled to termination benefits based upon the greater of a) a percentage of covered earnings, plus interest or b) a refund of the employee's contribution to the Plan, 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 the greater of a) 4% of total gross earnings while employed as a full-time bus operator, with interest at 5% compounded annually or b) a refund of the employee's contributions to the Plan, plus 6% interest. 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 January 1, 2020 valuation for the net pension liabilities measured as of December 31, 2020 and January 1, 2019 for the net pension liability measured as of December 31, 2019. At January 1, 2020, the following employees were covered by the benefit terms for the GGTAR Plan:

Valuation as of January 1 -	**2020**	**2019**
Retired employees	429	423
Active employees	258	268
Total	**687**	**691**

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 35 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. In March 2020, the District contribution rate increased to 32.5% and the employee contribution rate was unchanged.

For the year ended June 30, 2021, the District paid $5,815,000 to the GGTAR Plan, and employees contributed $1,237,000 to the Plan as of June 30, 2021. For the year ended June 30, 2020, the District paid $5,498,000 to the GGTAR Plan, and employees contributed $1,543,000 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, 2020, using an annual actuarial valuation as of December 31, 2020. 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, 2020 and December 31, 2019, measurement dates, were determined using the following actuarial assumptions:

Fiscal Year	2021	2020
Valuation Date	December 31, 2020	December 31, 2019
Measurement Date	December 31, 2020	December 31, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.00%	7.00%
Inflation	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.00%	7.00%
Mortality	Sex distinct RP-2014 for both Healthy Blue Collar and Disabled Mortality tables with adjustments using MP-2016.	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, 2020 measurement was 7.00% and the discount rate in the December 31, 2019 measurement was 7.00%. 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. The plan is expected to maintain a positive fiduciary net position and therefore, the investment rate of returns was used as the discount rate for the most recent measurement date.

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the Total Pension Liability as of December 31, 2020.

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 investment policy are summarized in the table shown below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	24.00%	5.45%
Non-US Equity	16.00%	7.41%
Global Equity	8.00%	6.06%
Fixed Income	24.00%	0.83%
Real Assets	6.00%	4.30%
Private Markets	10.00%	7.98%
Hedge Funds	6.00%	3.28%
Global Asset Allocation	6.00%	3.14%
	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, 2020	**$ 196,007**	**$ 104,385**	**$ 91,622**
Changes for the year:			
Service cost	3,855	-	3,855
Interest	13,353	-	13,353
Differences between actual and expected experience	1,560	-	1,560
Contribution - employer	-	5,863	(5,863)
Contribution - member	-	1,385	(1,385)
Net investment income	-	6,832	(6,832)
Benefit payments, including refund of member contributions	(14,542)	(14,542)	-
Administrative expense	-	(797)	797
Net changes	**4,226**	**(1,259)**	**5,485**
Balance at June 30, 2021	**$ 200,233**	**$ 103,126**	**$ 97,107**

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2019	**$ 222,412**	**$ 98,577**	**$ 123,835**
Changes for the year:			
Service cost	5,188	-	5,188
Interest	11,864	-	11,864
Changes in benefit terms	(1,453)	-	(1,453)
Differences between actual and expected experience	3,433	-	3,433
Changes in assumptions	(31,465)		(31,465)
Contribution - employer	-	4,927	(4,927)
Contribution - member	-	1,594	(1,594)
Net investment income	-	14,010	(14,010)
Benefit payments, including refund of member contributions	(13,972)	(13,972)	-
Administrative expense	-	(751)	751
Net changes	**(26,405)**	**5,808**	**(32,213)**
Balance at June 30, 2020	**$ 196,007**	**$ 104,385**	**$ 91,622**

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):

	2021	2020
1% Decrease	6.00%	6.00%
Net Pension Liability	$116,717	$110,842
Current Discount Rate	7.00%	7.00%
Net Pension Liability	$97,107	$59,409
1% Increase	8.00%	8.00%
Net Pension Liability	$80,378	$75,234

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 $97.1 million. For the years ended June 30, 2021 and 2020, the District recognized pension expenses of $8,272,000 and $2,713,000, respectively. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2021		2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Pension Contributions Subsequent to measurement date	$ 2,695	$ -	$ 3,106	$ -
Differences between actual and expected experience	3,621	-	4,045	-
Changes in assumptions	-	16,129	-	25,281
Net differences between projected and actual earnings on plan investments	178	-	146	-
Total	**$ 6,494**	**$ 16,129**	**$ 7,297**	**$ 25,281**

$2,695,000 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, 2021. 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	
2022	$ (6,117)
2023	(5,204)
2024	(1,049)
2025	40
Total	**$ (12,330)**

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 benefit 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 upon years of benefit service and contributions made by the District on the employee's behalf. 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. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Annual pension cost for the Inlandboatmen's plan was $472,000 and $746,000, for the years ended June 30, 2021 and 2020, respectively. The District contributed to Inlandboatmen's plan 27.0% and 23.9%, of payroll for covered employees for the years ended June 30, 2021 and 2020, respectively and equaled 100% of the employer-required contributions. The District's covered payroll for employees participating in this plan was $1,750,000 and, $3,100,000, for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021, the number of employees covered by Inlandboatmen's plan was 131 active and 26 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 benefit 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. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Annual pension cost for the MEBA plan was $159,000 and $202,000, for the years ended June 30, 2021, and June 30, 2020, respectively. The District contributed to MEBA 8.3% and 8.7%, of payroll for covered employees for the years ended June 30, 2021 and, 2020, respectively and equaled 100% of the employer-required contributions. The District's covered payroll for employees participating in this plan was $1,920,000 and $2,324,000, for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021, the number of employees covered by MEBA plan was 25 active and 13 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 536 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, 376 retirees meet the eligibility requirements for Bus Operator retirees.

For Bus Operator employees hired on March 17, 2020, or before, the District does not contribute toward the cost of post-employment health benefits for retirees whose combination of age 52 and number of years of service amounts to less than 70 points. If the minimum retirement age is 52 years plus years of service which total a number of points equal to; 1) 75 points, the retiree receives health benefits at the same levels as active employees; 2) 70-74 points, the retiree pays 20% of the COBRA cost of health benefits; and 3) 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 75 points.

For Bus Operator employees hired on March 18, 2020 or after, the District does not contribute toward the cost of post-employment health benefits for retirees whose combination of age 55 and number of years of service amounts to less than 70 points. If the minimum retirement age is 55 years plus years of service which total a number of points equal to; 1) 70-74 points, the retiree pays 20% of the COBRA cost of health benefits; 2) 75-79 points, the retiree pays 30% of the COBRA cost of health benefits; and 3) 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.

Employees Covered – At the July 1, 2019 and July 1, 2017 valuation dates, the following employees were covered by the benefit terms for the OPEB Plan:

Valuation as of July 1,	**2019**	**2017**
Retired employees	869	827
Active employees	729	746
Total	**1,598**	**1,573**

Net OPEB Liability – The District's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2019 that was rolled forward to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

Fiscal year	**2021**	**2020**
Valuation Date	July 1, 2019	July 1, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.75%	7.00%
Inflation	2.75%	2.75%
Healthcare Cost Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Dental at 3% and Vision at 3%	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Dental at 3% and Vision at 3%
Mortality	CalPERS 1997-2015 Experience Study for CalPERS members. All Other Members: RP 2014 Blue Collar	CalPERS 1997-2015 Experience Study for CalPERS members. All Other Members: RP 2014 Blue Collar

Contributions – The District's contributions to the plan are based on the actuarial valuation that provides an estimate of an actuarially determined contribution (ADC) to be used by the District to fully fund the Trust. It is the District's intent to fully fund each year's ADC and the current year's contributions to the plan were $12,363,000 and $13,722,000 for fiscal years ended June 30, 2021 and June 30, 2020.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75%. 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, 2020	**$ 175,093**	**$ 92,946**	**$ 82,147**
Changes for the year:			
Service cost	4,472	-	4,472
Interest	12,169	-	12,169
Changes in benefit terms	(7,462)	-	(7,462)
Differences between actual and expected experience	(5,867)	-	(5,867)
Changes in assumptions	4,660	-	4,660
Contribution - employer	-	12,363	(12,363)
Contribution - member	-	-	-
Net investment income	-	27,369	(27,369)
Benefit payments	(11,444)	(11,444)	-
Administrative expense	-	(307)	307
Net changes	**(3,472)**	**27,981**	**(31,453)**
Balance at June 30, 2021	**$ 171,621**	**$ 120,927**	**$ 50,694**

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balance at June 30, 2019	**$ 184,812**	**$ 85,061**	**$ 99,751**
Changes for the year:			
Service cost	5,051	-	5,051
Interest	12,911	-	12,911
Changes in benefit terms	-	-	-
Differences between actual and expected experience	(16,508)	-	(16,508)
Changes in assumptions	(350)	-	(350)
Contribution - employer	-	13,722	(13,722)
Contribution - member	-	-	-
Net investment income	-	5,264	(5,264)
Benefit payments	(10,823)	(10,823)	-
Administrative expense	-	(278)	278
Net changes	**(9,719)**	**7,885**	**(17,604)**
Balance at June 30, 2020	**$ 175,093**	**$ 92,946**	**$ 82,147**

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):

		2021		2020
Net OPEB Liability at 1% increase	$	33,244	$	65,797
Net OPEB Liability at current rate		50,694		82,147
Net OPEB Liability at 1% decrease		71,651		101,552

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):

		2021		2020
Net OPEB Liability at 1% increase	$	76,017	$	105,159
Net OPEB Liability at current rate		50,694		82,147
Net OPEB Liability at 1% decrease		29,981		63,078

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 4.6 years.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal years ended June 30, 2021 and June 30, 2020, the District recognized negative OPEB expense of $5,724,000 and an expense of $7,632,000, respectively. As of fiscal years ended June 30, 2021 and June 30, 2020, the District reported deferred outflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between actual and expected experience	$ 773	$ 13,922	$ 836	$ 12,920
Changes in assumptions	3,646	551	-	1,385
Net differences between projected and actual earnings on plan investments	-	16,012	769	-
Total	**$ 4,419**	**$ 30,485**	**$ 1,605**	**$ 14,305**

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

Year	Deferred outflows (inflows) of resources	
2022	$	(7,705)
2023		(7,570)
2024		(6,466)
2025		(4,326)
Total	**$**	**(26,066)**

(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 $19.8 million in net position as of June 30, 2021 for Bridge self-insurance. Self-insurance and limits are as follows:

Type of Coverage	Self-Insurance	Excess Coverage
General/Vehicle Liability	$3,000,000 per occurrence General Liability $5,000,000 Automobile Liability	$85,000,000
Workers' Compensation	$1,000,000 per claim	$25,000,000
Health Benefits	$1,000,000 per individual	$175,000 stop loss; unlimited lifetime
Property (earthquake, fire)	$250,000 (5% /$250,000 per unit Minimum Earthquake and Flood)	$20,000,000 earthquake; $75,000,000 fire
Ferry Hull, Machinery	$200,000 any one accident or occurrence	$1,000,000 per occurrence
Environmental Impairment	None	$5,000,000 per occurrence
Marine	$10,000 Each Occurrence	$50,000,000 per occurrence
Crime and Dishonesty	$25,000 per occurrence	$1,000,000 employee theft
	$5,000 per occurrence	$500,000 forgery/alteration
	$5,000 all other	$500,000 robbery or safe Burglary
		$15,000 money orders /counterfeit paper currency
		$1,000,000 computer fraud and funds transfer
Public Officials Liability	$250,000 per claim D&O Liability	$2,000,000 per occurrence/ annual aggregate
	$250,000 per claim employment practices	
	$500,000 per claim class action suit/ Layoffs	
Cyber Liability	$50,000 per occurrence	$3,000,000 per claim
		$2,000,000 per claim Ransomware
Protection & Indemnity	$50,000 any one accident or occurrence / $350,000 annual aggregate deductible (AAD)	$1,000,000,000 any one accident or 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, 2021 and 2020 are as follows (in thousands):

	Balance July 1, 2020	Incurred Claims and Changes in Estimates	Claim Payments and Related Costs	Balance June 30, 2021	Current Portion	Noncurrent Portion
Workers' compensation liability	$ 15,410	$ 7,346	$ (6,005)	$ 16,751	$ 3,985	$ 12,766
General and property insurance liability	3,582	167	(106)	3,643	1,362	2,281
Pollution remediation liability	15,043	-	-	15,043	-	15,043
Subtotal: Self-insurance liability	34,035	7,513	(6,111)	35,437	5,347	30,090
Other medical claims liability	3,822	(15,467)	15,306	3,661	3,661	-
Combined self-insurance and other medical liability	**$ 37,857**	**$ (7,954)**	**$ 9,195**	**$ 39,098**	**$ 9,008**	**$ 30,090**

	Balance July 1, 2019	Incurred Claims and Changes in Estimates	Claim Payments and Related Costs	Balance June 30, 2020	Current Portion	Noncurrent Portion
Workers' compensation liability	$ 15,739	$ 5,472	$ (5,801)	$ 15,410	$ 3,591	$ 11,819
General and property insurance liability	3,582	129	(129)	3,582	2,284	1,298
Pollution remediation liability	15,043	-	-	15,043	-	15,043
Subtotal: Self-insurance liability	34,364	5,601	(5,930)	34,035	5,875	28,160
Other medical claims liability	3,410	12,309	(11,897)	3,822	3,822	-
Combined self-insurance and other medical liability	**$ 37,774**	**$ 17,910**	**$ (17,827)**	**$ 37,857**	**$ 9,697**	**$ 28,160**

(14) ALLOCATION OF DISTRICT DIVISION EXPENSE

For the years ended June 30, 2021 and 2020, 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):

	2021	2020
Bridge Division	$ 11,057	$ 13,428
Bus Division	13,250	13,749
Ferry Division	7,183	6,482
Total	**$ 31,490**	**$ 33,659**

(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 (DTSC) 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 area. The District prepared and submitted the draft RI/FS to DTSC and is currently discussing with DTSC next steps for finalizing the document and implementing the cleanup. After the cleanup plan is approved, the District estimates completing the cleanup within 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. On August 28, 2020, the District awarded a construction contract to perform the site cleanup. The work included removing and temporarily relocating existing utilities, installing sheet piling shoring, removing and disposing asphalt concrete surfacing, excavating contaminated material, dewatering and disposing of contaminated water, backfilling the excavated area, reinstalling utilities, placing new asphalt concrete surfacing, pavement delineation, and other associated work. Costs spent on the construction in fiscal year 2021 total $6.2 million. Future obligations by the District are estimated at $1 million for groundwater monitoring at the site through at least 2021, after which point a site closure request will be submitted to the San Francisco Regional Water Quality Control Board.

(16) CONTINGENCIES

Litigation - The District is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material effect on the overall financial position of the District at June 30, 2021.

COVID-19 Pandemic - During the fiscal year ended June 30, 2021, the world-wide corona virus pandemic continues to impact national and global economies. The District is closely monitoring its operations and liquidity and is actively working to mitigate the current and future impact of this unprecedented situation.

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REQUIRED SUPPLEMENTARY INFORMATION, JUNE 30, 2021

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

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

	Fiscal Year 2021	Fiscal Year 2020
TOTAL PENSION LIABILITY		
Service cost	$ 7,914	$ 7,805
Interest on Total Pension Liability	31,091	30,128
Changes of benefit terms	-	-
Changes of Assumptions	-	-
Difference Between Expected and Actual Experience	76	2,800
Benefit Payments, Including Refunds of Employee Contributions	(25,172)	(24,016)
Net Change in Total Pension Liability	13,909	16,717
Total Pension Liability - Beginning	443,394	426,677
Total Pension Liability - Ending (a)	$ 457,303	$ 443,394
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	14,919	13,429
Contributions - Employee	3,601	3,437
Net Investment Income	16,199	20,487
Net Plan to Plan Resource Movement	-	-
Other Miscellaneous Income	-	1
Benefit Payments, Including Refunds of Employee Contributions	(25,172)	(24,016)
Administrative Expense	(459)	(223)
Net Change in Fiduciary Net Position	9,088	13,115
Plan Fiduciary Net Position - Beginning	325,843	312,728
Plan Fiduciary Net Position - Ending (b)	$ 334,931	$ 325,843
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**$ 122,372**	**$ 117,551**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.24%	73.49%
Covered Payroll	$ 44,949	$ 43,940
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	272.25%	267.53%
Discount rate used	7.15%	7.15%
Measurement Date	6/30/2020	6/30/2019

CalPERS - Schedule of Pension Contributions (in Thousands):

	Fiscal Year 2021	Fiscal Year 2020
Actuarially Determined Contribution	$ 15,952	$ 14,771
Contributions in Relation to the Actuarially Determined Contribution	(15,952)	(14,771)
Contribution Deficiency (Excess)	$ -	$ -
Covered Payroll	$ 45,327	$ 44,949
Contributions as a Percentage of Covered Payroll	35.19%	32.86%

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

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015 *
$ 7,792	$ 7,723	$ 6,460	$ 6,334	$ 6,739
28,965	28,828	28,355	27,534	26,655
-	-	-	-	-
(12,426)	22,252	-	(6,253)	-
(346)	(4,339)	(3,241)	(3,242)	-
(22,568)	(21,238)	(20,421)	(19,479)	(18,864)
1,417	33,226	11,153	4,894	14,530
425,260	392,034	380,881	375,987	361,457
$ 426,677	$ 425,260	$ 392,034	$ 380,881	$ 375,987
11,687	11,232	9,445	7,861	7,748
3,419	3,221	3,129	2,934	3,643
25,169	30,399	1,387	6,381	42,627
(1)	(12)	-	-	-
(877)	-	-	-	-
(22,568)	(21,238)	(20,421)	(19,479)	(18,864)
(462)	(403)	(171)	(316)	-
16,367	23,199	(6,631)	(2,619)	35,154
296,361	273,162	279,793	282,412	247,258
$ 312,728	$ 296,361	$ 273,162	$ 279,793	$ 282,412
$ 113,949	**$ 128,899**	**$ 118,872**	**$ 101,088**	**$ 93,575**
73.29%	69.69%	69.68%	73.46%	75.11%
$ 43,531	$ 41,361	$ 37,619	$ 36,328	$ 37,044
261.77%	311.64%	315.99%	278.26%	252.61%
7.15%	7.15%	7.65%	7.65%	7.50%
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015 *
$ 13,267	$ 11,406	$ 11,453	$ 9,475	$ 7,899
(13,267)	(11,406)	(11,453)	(9,475)	(7,899)
$ -	$ -	$ -	$ -	$ -
$ 43,940	$ 43,531	$ 41,361	$ 37,619	$ 36,328
32.08%	26.20%	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 2021	Fiscal Year 2020
TOTAL PENSION LIABILITY		
Service cost	$ 3,855	$ 5,188
Interest on Total Pension Liability	13,353	11,864
Changes of benefit terms	-	(1,453)
Changes of Assumptions	-	(31,465)
Difference Between Expected and Actual Experience	1,560	3,433
Benefit Payments, Including Refunds of Employee Contributions	(14,542)	(13,972)
Net Change in Total Pension Liability	4,226	(26,405)
Total Pension Liability - Beginning	196,007	222,412
Total Pension Liability - Ending (a)	$ 200,233	$ 196,007
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 5,863	$ 4,927
Contributions - Employee	1,385	1,594
Net Investment Income	6,832	14,010
Benefit Payments, Including Refunds of Employee Contributions	(14,542)	(13,972)
Administrative Expense	(797)	(751)
Net Change in Fiduciary Net Position	(1,259)	5,808
Plan Fiduciary Net Position - Beginning	104,385	98,577
Plan Fiduciary Net Position - Ending (b) [1]	$ 103,126	$ 104,385
Plan Net Pension Liability/(Asset) - Ending (a) - (b)	**$ 97,107**	**$ 91,622**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.50%	53.26%
Covered Payroll	$ 19,332	$ 22,248
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	502.31%	411.82%
Discount rate used	7.00%	7.00%
Measurement Date	12/31/2020	12/31/2019

[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 2021	Fiscal Year 2020
Actuarially Determined Contribution	$ 6,961	$ 7,925
Contributions in Relation to the Actuarially Determined Contribution	(5,408)	(5,498)
Contribution Deficiency (Excess)	$ 1,553	$ 2,427
Covered Payroll	$ 19,332	$ 23,366
Contributions as a Percentage of Covered Payroll	27.97%	23.53%

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

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015*
$ 5,070	$ 5,169	$ 3,573	$ 3,509	$ 3,174
11,478	11,153	10,687	11,661	11,278
-	-	-	-	-
(1,589)	(3,552)	16,918	29,833	-
2,941	-	5,746		1,395
(13,292)	(12,763)	(12,184)	(11,202)	(10,614)
4,608	7	24,740	33,801	5,233
217,804	217,797	193,057	159,256	154,023
$ 222,412	$ 217,804	$ 217,797	$ 193,057	$ 159,256
$ 5,046	$ 4,583	$ 4,174	$ 3,967	$ 3,635
1,636	1,115	804	622	420
(6,643)	13,452	7,220	(835)	8,263
(13,292)	(12,763)	(12,184)	(11,202)	(10,614)
(614)	(517)	(410)	(494)	(438)
(13,867)	5,870	(396)	(7,942)	1,266
112,444	106,574	106,970	114,912	113,646
$ 98,577	$ 112,444	$ 106,574	$ 106,970	$ 114,912
$ 123,835	**$ 105,360**	**$ 111,223**	**$ 86,087**	**$ 44,344**
44.32%	51.63%	48.93%	55.41%	72.16%
$ 23,393	$ 22,875	$ 22,713	$ 22,327	$ 21,278
529.37%	460.59%	489.69%	385.57%	208.40%
5.44%	5.37%	5.21%	5.66%	7.50%
12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015*
$ 7,771	$ 8,095	$ 6,666	$ 6,666	$ 6,351
(5,275)	(4,976)	(4,318)	(3,769)	(3,575)
$ 2,496	$ 3,119	$ 2,348	$ 2,897	$ 2,776
$ 22,781	$ 23,334	$ 22,442	$ 22,158	$ 22,189
23.16%	21.33%	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 2021	Fiscal Year 2020
TOTAL OPEB LIABILITY		
Service cost	$ 4,472	$ 5,051
Interest on Total OPEB Liability	12,169	12,911
Changes of benefit terms	(7,462)	-
Changes of Assumptions	4,660	(350)
Difference Between Expected and Actual Experience	(5,867)	(16,508)
Benefit Payments, Including Refunds of Employee Contributions	(11,444)	(10,823)
Net Change in Total OPEB Liability	(3,472)	(9,719)
Total OPEB Liability - Beginning	175,093	184,812
Total OPEB Liability - Ending (a)	$ 171,621	$ 175,093
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	$ 12,363	$ 13,722
Contributions - Employee	-	-
Net Investment Income	27,369	5,264
Other Miscellaneous Income	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,444)	(10,823)
Administrative Expense	(307)	(278)
Net Change in Fiduciary Net Position	27,981	7,885
Plan Fiduciary Net Position - Beginning	92,946	85,061
Plan Fiduciary Net Position - Ending (b)	$ 120,927	$ 92,946
Plan Net OPEB Liability - Ending (a) - (b)	**$ 50,694**	**$ 82,147**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	70.46%	53.08%
Covered-Employee Payroll	$ 67,141	$ 87,840
Plan Net OPEB Liability as a Percentage of Covered-Employee Payroll	75.50%	93.52%
Discount rate used	7.00%	7.00%
Measurement Date	6/30/2021	6/30/2020

Schedule of OPEB Contributions (in Thousands)

	Fiscal Year 2021	Fiscal Year 2020
Actuarially Determined Contribution	$ 12,363	$ 13,722
Contributions in Relation to the Actuarially Determined Contribution	(12,363)	(13,722)
Contribution Deficiency (Excess)	$ -	$ -
Covered-Employee Payroll	$ 67,141	$ 87,840
Contributions as a Percentage of Covered-Employee Payroll	18.41%	15.62%
Average money weighted return	6.75%	7.00%

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

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017*
$ 4,892	$ 4,508	$ 4,155
12,423	12,275	12,122
-	372	-
-	(3,452)	4,661
915	(97)	220
(11,982)	(11,783)	(10,129)
6,248	1,823	11,029
178,564	176,741	165,712
$ 184,812	$ 178,564	$ 176,741
$ 14,313	$ 13,810	$ 11,649
-	-	-
4,376	6,429	7,083
-	-	-
(11,982)	(11,783)	(10,129)
(238)	(249)	(191)
6,469	8,207	8,412
78,592	70,385	61,973
$ 85,061	$ 78,592	$ 70,385
$ 99,751	**$ 99,972**	**$ 106,356**
46.03%	44.01%	39.82%
$ 78,000	$ 76,850	$ 61,759
127.89%	130.09%	172.21%
7.00%	7.00%	7.00%
6/30/2019	6/30/2018	6/30/2017

Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017*
$ 14,313	$ 13,810	$ 11,649
(14,313)	(13,810)	(11,649)
$ -	$ -	$ -
$ 78,000	$ 76,850	$ 61,759
18.35%	17.97%	18.86%
5.50%	9.00%	11.00%

SCHEDULE OF MEBA AND IBU CONTRIBUTIONS

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Actuarially Determined Contribution	$ 159	$ 202	$ 424
Contributions in Relation to Actuarially Determined Contribution	159	202	424
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 1,920	$ 2,324	$ 2,199
Contributions as a Percentage of Covered Payroll	8.28%	8.69%	19.28%

Schedule of IBU Contributions (In Thousands)

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Actuarially Determined Contribution	$ 472	$ 740	$ 813
Contributions in Relation to Actuarially Determined Contribution	472	740	813
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 1,750	$ 3,100	$ 4,982
Contributions as a Percentage of Covered Payroll	26.97%	23.87%	16.32%

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

Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015*
$ 346	$ 322	$ 283	$ 253
346	322	283	253
$ -	$ -	$ -	$ -
$ 2,456	$ 2,283	$ 2,172	$ 1,888
14.09%	14.10%	13.03%	13.40%

Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015*
$ 935	$ 653	$ 597	$ 540
935	653	597	540
$ -	$ -	$ -	$ -
$ 3,596	$ 3,257	$ 2,844	$ 2,786
26.00%	20.05%	20.99%	19.38%

SUPPLEMENTARY SCHEDULE OF REVENUES AND EXPENSES BY DIVISION (UNAUDITED NON-GAAP BASIS), YEAR ENDED JUNE 30, 2021 AND 2020 (In thousands)

	Total		Bridge Division	
	2021	**2020**	**2021**	**2020**
Operating Revenues				
Bridge tolls	$ 108,591	$ 125,401	$ 108,591	$ 125,401
Transit fares	3,795	26,514	-	-
Marin Transit revenues	10,121	10,707	-	-
Other operating revenues	1,254	4,063	497	1,320
Total operating revenues	123,761	166,685	109,088	126,721
Operations	70,058	94,748	14,255	18,099
Maintenance	41,102	45,161	21,629	24,043
General and administrative	35,239	52,316	10,660	21,340
Depreciation	40,849	36,869	14,788	14,340
Total operating expenses	187,248	229,094	61,332	77,822
Operating Income (Loss)	(63,487)	(62,409)	47,756	48,899
Non-operating Revenues (Expenses):				
Operating Grants:				
State operating grants	20,513	23,585	-	-
Federal operating grants	67,505	43,933	-	-
Local operating grants	1,986	2,754	-	-
Total operating grants	90,004	70,272	-	-
Investment income	1,017	9,938	1,017	9,938
Interest expense	(98)	(692)	(98)	(692)
Gain (Loss) on disposal of assets	(1,828)	(104)	-	(44)
Contribution to capital reserve	(21,000)	(21,000)	(21,000)	(15,000)
Contribution to bridge self-insurance reserve	(1,300)	(1,300)	(1,300)	(1,300)
Total non-operating revenues (expenses)	66,795	57,114	(21,381)	(7,098)
Net Income (Loss)	3,308	(5,295)	26,375	41,801
Depreciation and Gain/Loss on Capital Assets Acquired with Capital Grants	30,923	28,322	8,940	9,128
Excess Revenues (Loss)	**$ 34,231**	**$ 23,027**	**$ 35,315**	**$ 50,929**

Bus Division		Ferry Division	
2021	2020	2021	2020
$ -	$ -	$ -	$ -
2,947	12,011	848	14,503
10,121	10,707	-	-
609	988	148	1,755
13,677	23,706	996	16,258
42,708	57,606	13,095	19,043
14,120	15,221	5,353	5,897
15,122	21,403	9,457	9,573
14,271	14,261	11,790	8,268
86,221	108,491	39,695	42,781
(72,544)	(84,785)	(38,699)	(26,523)
16,770	19,204	3,743	4,381
47,030	31,603	20,475	12,330
1,986	2,754	-	-
65,786	53,561	24,218	16,711
-	-	-	-
-	-	-	-
(1,812)	(65)	(16)	5
-	(2,000)	-	(4,000)
-	-	-	-
63,974	51,496	24,202	12,716
(8,570)	(33,289)	(14,497)	(13,807)
14,351	12,590	7,632	6,604
$ 5,781	**$ (20,699)**	**$ (6,865)**	**$ (7,203)**

RECONCILIATION OF THE SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES BY DIVISION (UNAUDITED 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, 2021 and 2020 (in thousands):

	2021	2020
Non-GAAP excess revenue (loss)	$ 34,231	$ 23,027
Contribution to capital reserve and Bridge self-insurance reserve	22,300	22,300
Depreciation and gain/(loss) on capital assets acquired with capital grants are not recorded within operating divisions	(30,923)	(28,322)
Passed through grants not expensed within operating	(1,119)	(683)
Capital grants not recognized within operating	31,892	59,626
Total Non-GAAP reconciling items	22,150	52,921
Net change in net position - GAAP	**$ 56,381**	**$ 75,948**

Statistical Section

Statistical Section

This section of the annual comprehensive 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 INFORMATIONs

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)

	2012	2013	2014	2015	2016
OPERATING REVENUES:					
Bridge tolls	$ 102,814	$ 102,307	$ 112,668	$ 129,500	$ 137,619
Bus Transit fares	12,367	13,547	14,520	14,994	15,646
Bus concessions with Marin Transit	16,363	14,580	13,320	10,442	11,973
Ferry Transit fares	13,712	15,227	17,167	18,392	19,695
Visitor concession services[1]	1,882	-	-	-	-
Other	2,437	3,720	2,483	2,981	3,341
OPERATING REVENUES	$ 149,575	$ 149,381	$ 160,158	$ 176,309	$ 188,274
OTHER REVENUES:					
State operating grants	15,923	15,757	16,001	18,368	16,317
Federal operating grants	550	190	94	8	211
Local operating grants	2,780	2,434	2,596	2,492	2,777
Investment income	2,800	813	3,039	2,408	3,822
Capital grants	67,126	35,648	36,030	48,742	33,298
TOTAL REVENUES	**$ 238,754**	**$ 204,223**	**$ 217,918**	**$ 248,327**	**$ 244,699**

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.
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2017	2018	2019	2020	2021
$ 143,011	$ 146,596	$ 146,404	$ 125,401	$ 108,591
15,105	15,526	15,526	12,011	2,947
10,210	10,446	10,904	10,707	10,121
20,321	20,922	20,213	14,503	848
-	-	-	-	-
3,149	3,037	3,339	4,063	1,254
$ 191,796	$ 196,527	$ 196,386	$ 166,685	$ 123,761
18,737	16,510	23,745	23,585	20,513
232	35	143	43,933	67,505
2,968	2,855	2,855	2,754	1,986
1,831	2,084	9,604	9,938	1,017
13,213	24,906	78,468	59,626	31,892
$ 228,777	**$ 242,917**	**$ 311,201**	**$ 306,521**	**$ 246,674**

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

Operating Expenses:	**2012**	**2013**	**2014**	**2015**	**2016**
Bridge					
Operations	$ 16,821	$ 15,891	$ 17,554	$ 17,057	$ 16,706
Maintenance	19,226	20,006	20,032	19,841	21,610
General & administrative	9,980	10,200	12,110	11,317	9,153
Depreciation	10,349	10,498	11,239	13,286	14,157
Bridge	56,376	56,595	60,935	61,501	61,626
Bus					
Operations	52,015	53,938	52,030	54,215	54,463
Maintenance	13,085	14,152	13,256	12,842	14,497
General & administrative	14,896	13,426	14,911	14,336	27,674
Depreciation	8,186	7,530	8,152	8,503	9,801
Bus	88,182	89,046	88,349	89,896	106,435
Ferry					
Operations	15,659	16,778	18,031	17,768	16,734
Maintenance	3,659	3,583	5,364	4,861	5,659
General & administrative	7,374	7,100	7,398	8,636	9,238
Depreciation	8,153	7,674	7,758	6,464	7,306
Ferry	34,845	35,135	38,551	37,729	38,937
Total Operating Expenses	179,403	180,776	187,835	189,126	206,998
Non Operating Expenses:					
Passed through to other agencies	9,096	3,315	2,337	783	76,123
Interest	100	106	60	45	81
Other	(148)	22	71	(21)	(1)
TOTAL EXPENSES	**$ 188,451**	**$ 184,219**	**$ 190,303**	**$ 189,933**	**$ 283,201**

2017	2018	2019	2020	2021
$ 17,961	$ 18,498	$ 18,976	$ 18,099	$ 14,255
22,397	22,429	23,752	24,043	21,629
12,246	20,309	14,791	21,340	10,660
14,440	14,963	14,356	14,340	14,788
67,044	76,199	71,875	77,822	61,332
54,286	56,964	59,108	57,606	42,708
15,102	14,972	16,702	15,221	14,120
35,263	33,127	37,972	21,403	15,122
10,384	10,393	10,143	14,261	14,271
115,035	115,456	123,925	108,491	86,221
18,013	19,741	20,421	19,043	13,095
4,798	5,197	5,691	5,897	5,353
9,406	9,336	10,263	9,573	9,457
8,519	8,449	9,128	8,268	11,790
40,736	42,723	45,503	42,781	39,695
222,815	234,378	241,303	229,094	187,248
2,217	3,790	551	683	1,119
426	717	1,016	692	98
(8)	(734)	(118)	104	1,828
$ 225,450	**$ 238,151**	**$ 242,752**	**$ 230,573**	**$ 190,293**

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

	2012	2013	2014	2015	2016
Operating revenues	$ 149,577	$ 149,381	$ 160,158	$ 176,309	$ 188,272
Operating expenses	(152,717)	(155,074)	(160,686)	(160,873)	(175,742)
Income before depreciation and other nonoperating revenues and expenses	(3,140)	(5,693)	(528)	15,436	12,531
Depreciation	(26,688)	(25,702)	(27,149)	(28,253)	(31,256)
Operating loss	(29,828)	(31,395)	(27,677)	(12,817)	(18,725)
Other nonoperating revenues and expenses, net	13,005	15,751	19,262	22,469	(53,076)
Income/(loss) before capital Grants and restatements	(16,823)	(15,644)	(8,415)	9,652	(71,801)
Capital grants	67,126	35,648	36,030	48,742	33,298
Change in net position	50,303	20,004	27,615	58,394	(38,503)
Net position, beginning	668,906	719,209	739,213	766,828	680,211
Restatements [1]	-	-	-	(145,011)	-
Net position, ending	$ 719,209	$ 739,213	$ 766,828	$ 680,211	$ 641,708

1 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.

2017	2018	2019	2020	2021
$ 191,796	$ 196,527	$ 196,386	$ 166,685	$ 123,761
(189,472)	(200,573)	(207,676)	(192,225)	(146,399)
2,324	(4,046)	(11,290)	(25,540)	(22,638)
(33,343)	(33,805)	(33,627)	(36,869)	(40,849)
(31,019)	(37,851)	(44,917)	(62,409)	(63,487)
21,133	17,711	34,898	78,731	87,976
(9,886)	(20,140)	(10,019)	16,322	24,489
13,213	24,906	78,468	59,626	31,892
3,327	4,766	68,449	75,948	56,381
641,708	645,035	543,445	611,894	687,842
-	(106,356)	-	-	-
$ 645,035	$ 543,445	$ 611,894	$ 687,842	$ 744,223

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

	2012	2013	2014	2015
ASSETS				
Current assets and noncurrent assets	$ 249,211	$ 269,254	$ 269,603	$ 304,919
Capital assets	592,585	608,247	624,087	657,307
Total Assets	841,796	877,501	893,690	962,226
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	10,830
LIABILITIES				
Current liabilities	29,100	43,178	32,267	40,176
Debt outstanding	61,000	61,000	61,000	61,000
Noncurrent, other liabilities	32,487	34,110	33,595	172,099
Total Liabilities	122,587	138,288	126,862	273,275
DEFERRED INFLOWS OF RESOURCES	-	-	-	19,570
NET POSITION				
Net investment in capital assets	531,585	547,246	563,087	596,307
Restricted				
Debt service requirements	12,791	12,791	12,791	12,791
Park Presidio Doyle Drive reconstruction project[1]	-	-	-	75,000
Unrestricted (deficit)[2]	174,833	179,176	190,950	(3,887)
TOTAL NET POSITION	**$ 719,209**	**$ 739,213**	**$ 766,828**	**$ 680,211**

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 $97.1 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.

	2016	2017	2018	2019	2020	2021
	$ 266,412	$ 294,999	$ 311,032	$ 340,280	$ 349,888	$ 373,817
	663,318	649,179	655,598	738,383	786,710	796,008
	929,730	944,178	966,630	1,078,663	1,136,598	1,169,825
	39,168	66,179	53,445	43,651	25,598	30,355
	38,499	33,108	33,172	57,189	39,165	41,213
	61,000	61,000	61,000	61,000	61,000	61,000
	221,358	265,924	368,696	375,875	328,142	306,718
	320,857	360,032	462,868	494,064	428,307	408,931
	6,333	5,290	13,762	16,356	46,047	47,026
	602,318	588,179	594,598	677,383	725,710	735,008
	12,791	12,791	12,791	12,791	12,791	12,791
	-	-	-	-	-	-
	26,599	44,065	(63,944)	(78,280)	(50,659)	(3,576)
	$ 641,708	**$ 645,035**	**$ 543,445**	**$ 611,894**	**$ 687,842**	**$ 744,223**

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

	2012	2013	2014	2015
TRAFFIC/PATRON COUNT:				
Bridge traffic (southbound)[1]	19,417	19,376	20,014	20,086
Bus passengers - regional[2]	-	-	-	3,613
Bus passengers - Local services under contract[2]	-	-	-	N/A
Bus passengers - combined	6,527	6,628	6,385	N/A
Ferry passengers	2,195	2,326	2,471	2,540
Club Bus passengers[3]	31	14	-	-
TOLL/FARE PER VEHICLE/PATRON[1]:				
Average toll	$ 5.30	$ 5.28	$ 5.63	$ 6.45
Average bus fare (regional services)	-	-	-	4
Average bus fare (local services under contract)[2]	-	-	-	N/A
Average bus fare (combined)	$ 2.39	$ 2.49	$ 2.69	N/A
Average ferry fare	$ 6.25	$ 6.55	$ 6.95	$ 7.24

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 Annual Comprehensive Financial Reports

2016		2017		2018		2019		2020		2021
20,557		20,592		20,469		20,002		16,235		13,604
3,499		3,137		3,159		3,110		2,280		652
N/A		N/A		N/A		N/A		N/A		N/A
N/A		N/A		N/A		N/A		N/A		N/A
2,545		2,523		2,578		2,470		1,713		90
-		-		-		-		-		-
$ 6.69		$ 6.95		$ 7.16		$ 7.32		$ 7.72		$ 7.98
$ 4.49		$ 4.81		$ 4.79		$ 4.99		$ 5.27		$ 4.52
N/A		N/A		N/A		N/A		N/A		N/A
N/A		N/A		N/A		N/A		N/A		N/A
$ 7.74		$ 8.05		$ 8.24		$ 8.18		$ 8.47		$ 9.44

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

	2012		2013		2014	
CATEGORY:	**COUNT**	**%**	**COUNT**	**%**	**COUNT**	**%**
Two-Axle Vehicles - Cash	6,177	31.8%	4,376	22.6%	19,454	97.2%
Two-Axle Vehicles - Electronic/Tickets	12,821	66.1%	14,612	75.4%	103	0.5%
Other Revenue	105	0.5%	97	0.5%	269	1.3%
Carpool	134	0.7%	150	0.8%	30	0.1%
Non Revenue	180	0.9%	141	0.7%	158	0.8%
TOTAL VEHICLES[1]	**19,417**	**100%**	**19,376**	**100%**	**20,014**	**100%**

	2015		2016		2017	
CATEGORY:	**COUNT**	**%**	**COUNT**	**%**	**COUNT**	**%**
Two-Axle Vehicles - Electronic/Tickets	19,408	96.6%	19,805	96.6%	19,798	96.1%
Three + Axle Vehicles	105	0.5%	107	0.5%	105	0.5%
Other Revenue	30	0.1%	459	1.9%	507	2.5%
Carpool	384	1.9%	29	0.1%	28	0.1%
Non Revenue	159	0.8%	157	0.8%	154	0.7%
TOTAL VEHICLES[1]	**20,086**	**100%**	**20,557**	**100%**	**20,592**	**100%**

	2018		2019		2020	
CATEGORY:	**COUNT**	**%**	**COUNT**	**%**	**COUNT**	**%**
Two-Axle Vehicles	19,640	95.9%	19,179	95.9%	15,545	95.7%
Three + Axle Vehicles	114	0.6%	119	0.6%	105	0.6%
Discount - Carpools	533	2.6%	522	2.6%	414	2.6%
Discount - Other	27	0.1%	28	0.1%	25	0.2%
Non Revenue	155	0.8%	154	0.8%	146	0.9%
TOTAL VEHICLES[2]	**20,469**	**100%**	**20,002**	**100%**	**16,235**	**100%**

	2020	
CATEGORY:	**COUNT**	**%**
Two-Axle Vehicles	12,843	95.7%
Three + Axle Vehicles	58	0.4%
Discount - Carpools	383	2.9%
Discount - Other	24	0.2%
Non Revenue	112	0.8%
TOTAL VEHICLES[2]	**13,420**	**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]

	2012	2013	2014	2015	2016
AVERAGE PASSENGER FARES [1]:					
Bus - regional services	-	-	-	4.14	$4.49
Bus - local services under contract	-	-	-	N/A	N/A
Bus - combined	$2.39	$2.49	$2.69	N/A	N/A
Ferry	$6.25	$6.55	$6.95	$7.24	$7.74
PASSENGER COUNT*:					
Bus - regional services	-	-	-	3,613	3,499
Bus - local services under contract	-	-	-	N/A	N/A
Bus - combined	6,527	6,628	6,385	N/A	N/A
Ferry	2,195	2,326	2,471	2,540	2,545
OPERATING COSTS*					
Bus - combined	$81,516	$80,197	$81,393	$96,634	$104,651
Ferry	$27,461	$30,793	$31,265	$31,631	$32,217
PASSENGER MILES*:					
Bus - regional services	-	-	-	67,807	63,440
Bus - local services under contract	-	-	-	N/A	N/A
Bus - combined	75,262	72,941	26,909	N/A	N/A
Ferry	24,211	25,539	26,911	27,687	27,885
REVENUE VEHICLE MILES*:					
Bus - regional services	-	-	-	4,162	4,266
Bus - combined	5,171	5,108	5,033	N/A	N/A
Ferry	181	177	181	187	190
NUMBER OF ACTIVE BUSES/VESSELS:					
Bus - regional services	-	-	-	176	160
Bus - local services under contract	-	-	-	17	17
Bus - combined	188	188	180	193	177
Ferry	7	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.

2017	2018	2019	2020	2021
$4.81	$4.81	$4.99	$5.27	$4.52
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
$8.05	$8.24	$8.18	$8.47	$9.44
3,137	3,159	3,110	2,280	652
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
2,523	2,578	2,470	1,713	90
$105,063	$105,063	$123,925	$109,030	$86,221
$34,274	$34,274	$45,503	$42,781	$39,695
58,500	58,506	58,180	42,951	12,210
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
27,370	27,534	26,733	18,588	1,080
4,249	4,228	4,176	3,956	2,404
N/A	N/A	N/A	N/A	N/A
196	209	208	167	57
159	150	151	147	147
17	27	29	30	23
176	177	180	177	170
7	7	8	7	7

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

	2012	2013	2014	2015	2016
Total revenues (less capital contribution)	$ 171,629	$ 168,575	$ 181,888	$ 199,585	$ 211,400
Less:					
Total operating expenses (less depreciation)	(152,715)	(155,074)	(160,686)	(160,873)	(175,734)
Total Net Revenues	18,914	13,501	21,202	38,712	35,666
Plus:					
Operating reserve fund	7,320	7,320	7,320	7,320	7,320
Total net revenues and operating reserve	26,234	20,821	28,522	46,032	42,986
Actual Commercial Paper debt service	$ 100	$ 106	$ 60	$ 45	$ 81
Coverage (with operating reserve)	262.3	196.4	475.4	1022.9	530.7
Coverage (without operating reserve)	189.1	127.4	353.4	860.3	440.3

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.

2017	**2018**	**2019**	**2020**	**2021**
$ 215,564	$ 218,011	$ 232,733	$ 246,895	$ 214,782
(189,472)	(200,573)	(207,676)	(192,225)	(146,399)
26,092	17,438	25,057	54,670	68,383
7,320	7,320	7,320	7,320	7,320
33,412	24,758	32,377	61,990	75,703
$ 426	$ 717	$ 1,016	$ 692	$ 98
78.4	34.5	31.9	89.6	772.5
61.2	24.3	24.7	79.0	697.8

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

	2012	2013	2014	2015	2016
COMMERCIAL PAPER DEBT:	$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000
Percentage of Personal Income (Three County Region)[1]	0.0579%	0.0550%	0.0540%	0.0540%	0.0540%
Per Capita (Three County Region)[2]	$0.04	$0.04	$0.04	$0.04	$0.04
Total Outstanding Debt Per Traffic/Passenger Count	$2.17	$2.15	$2.11	$2.13	$2.12
DEBT SERVICE:	$100	$106	$60	$45	$81
Percentage of Personal Income (Three County Region)[1]	0.0001%	0.0001%	0.0001%	0.0000%	0.0001%
Per Capita (Three County Region)[2]	$0.00006	$0.00007	$0.00004	$0.00003	$0.00005
Total Outstanding Debt Service Per Traffic/Passenger Count [3]	$ 0.004	$ 0.004	$ 0.002	$ 0.002	0.003

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):

	2012	2013	2014	2015	2016
Traffic Vehicle Count	19,417	19,376	20,014	20,086	20,557
Number of Transit Passengers	8,753	8,968	8,856	6,153	6,044
Total Traffic/Regional Passenger Count	**28,170**	**28,344**	**28,870**	**26,239**	**26,601**

2017	2018	2019	2020	2021
$ 61,000	$ 61,000	$ 61,000	$ 61,000	$ 61,000
0.0438%	0.0390%	0.0377%	0.0337%	0.0315%
$0.04	$0.04	$0.04	$0.04	$0.04
$2.33	$2.33	$2.38	$3.02	$4.25
$426	$717	$1,016	$692	$98
0.00031%	0.00138%	0.00189%	0.00115%	0.00015%
$0.00026	$0.00760	$0.00184	$0.00126	$0.00018
0.016255461	$ 0.027	$ 0.040	$ 0.034	$ 0.007

2017	2018	2019	2020	2021
20,592	20,469	20,002	16,235	13,604
5,660	5,737	5,580	3,993	742
26,252	**26,206**	**25,582**	**20,228**	**14,346**

TABLE 10: DEMOGRAPHIC AND ECONOMIC INFORMATION, LAST TEN YEARS

		Marin County[1]		
	Population	Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate
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	259,666	34,866,708	134,275	2.30%
2019	258,826	36,684,680	141,735	2.00%
2020*	Unavailable	Unavailable	Unavailable	5.40%

		City/County of San Francisco[2]		
	Population	Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate
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	879,166	106,006,635	120,576	3.10%
2018	880,696	115,444,581	127,304	2.60%
2019	881,549	120,945,422	130,961	2.30%
2020*	883,083	124,066,697	140,493	4.80%

		Sonoma County[3]		
	Population	Personal Income (In Thousands)	Per Capita Personal Income	Average Unemployment Rate
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%
2019	500,675	30,183,693	60,286	2.80%
2020*	492,980	32,972,432	66,884	11.60%

1. County of Marin June 30, 2020, ACFR
   a) Average unemployment rate for 2019 and 2020 provided by California Employment Development Department.
2. City and County of San Francisco June 30, 2020, ACFR, with additional information as follows:
   a) Average unemployment rate for 2020 provided by California Employment Development Department.
3. County of Sonoma June 30, 2020, ACFR, with additional information as follows:
   a) Average unemployment rate for 2020 provided by California Employment Development Department.

*2020 data not available

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TABLE 11: PRINCIPAL EMPLOYERS, CURRENT AND PREVIOUS PERIOD COMPARISON

Marin County

Principal Employers1,3	Type of Entity	Employees in 2020	Rank	% of Total County Employment	Employees in 2012	Rank	% of Total County Employment
County of Marin	Government	2,358	1	1.97%	2,033	1	1.57%
Kaiser Permanente Medical Center	Hospital	2,014	2	1.69%	1,803	2	1.40%
BioMarin	Pharmaceutical	1,801	3	1.51%	871	7	0.67%
San Quentin State Prison	Government	1,614	4	1.35%	1,802	3	1.39%
Marin General Hospital	Hospital	1,279	5	1.07%	1,100	4	0.85%
Novato Unified School District	School	800	6	0.67%	813	9	0.63%
Glassdoor	Technology	700	7	0.59%			
Marin County Office of Education	School	664	8	0.56%			
San Rafael City Schools	School	645	9	0.54%			
Marin Communtiy Clinics	Hospital	540	10	0.45%			
Dominican University	School						
Safeway	Grocery				840	8	0.65%
Autodesk, Inc.	Software				878	6	0.68%
Fireman's Fund	Insurance				950	5	0.74%
Comcast	Telecommunications				620	10	0.48%
Total		**12,415**		**10.40%**	**11,710**		**9.06%**

City/County of San Francisco

Principal Employers[2,4]	Type of Entity	Employees in 2019	Rank	% of Total City County Employment	Employees in 2012	Rank	% of Total County Employment
City and County of San Francisco	Government	36,910	1	6.68%	25,458	1	5.33%
University of California, San Francisco	School	34,690	2	6.28%	22,664	2	4.74%
San Francisco Unified School District	School	10,257	3	1.86%	8,189	5	1.71%
Salesforce	Software	9,100	4	1.65%	4,000	9	0.84%
Wells Fargo & Co	Banking	7,296	5	1.32%	8,300	4	1.74%
Kaiser Permanente	Hospital	6,659	6	1.20%	3,581	10	0.75%
United	Transportation	6,153	7	1.11%			
Sutter Health	Hospital	6,134	8	1.11%			
Uber Technologies Inc	Transportation	5,500	9	1.00%			
Gap Inc	Retail	4,500	10	0.81%	6,000	6	1.26%
PG&E Corporation	Utility				4,415	7	0.92%
California Pacific Medical Center	Hospital				8,559	3	1.79%
State of California	Government				4,184	8	0.88%
Total		**127,199**		**23.02%**	**95,350**		**19.96%**

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, 2020, ACFR.
2. Data Source: City and County of San Francisco, June 30, 2020, ACFR.
3. Date Source: County of Marin, June 30, 2012, ACFR
4. Date Source: City and County of San Francisco, June 30, 2013, ACFR

Sonoma County

Principal Employers1,2	Type of Entity	Employees in 2020	Rank	% of Total County Employmen t	Employees in 2012	Rank	% of Total County Employment
County of Sonoma	Government	4,061	1	1.80%	3,841	1	1.60%
Kaiser Permanente	Hospital	3,088	2	1.40%	2,812	2	1.17%
Santa Rose Junior College	School	2,776	3	1.20%	1,567	4	0.65%
St. Joseph Health	Hospital	1,640	4	0.70%	2,489	3	1.04%
Santa Rosa City Schools	School	1,621	5	0.70%	1,352	6	0.56%
Keysight Technologies	Technology	1,500	6	0.70%			
Sonoma State University	School	1,391	7	0.60%			
City of Santa Rosa	Government	1,307	8	0.60%	1,200	9	0.50%
State of California	Government	1,243	9	0.50%			
Jackson Family Wines	Winery	1,098	10	0.50%			
Sutter Medical Center	Hospital				1,497	5	0.62%
Safeway, Inc.	Grocery				1,200	8	0.50%
Agilent Technologies	Telecommunications				1,150	10	0.48%
Petaluma School District	School				1,300	7	0.54%
Total		**19,725**		**8.70%**	**18,408**		**7.66%**

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, 2020, ACFR.
2. Data Source: County of Sonoma, June 30, 2012, ACFR..

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

	2012	2013	2014	2015
Function				
Traffic:				
Bridge structure	1	1	1	1
Visitor Services building[1]	-	-	-	-
Maintenance buildings	1	1	1	1
Service vehicles	53	49	48	48
Total capital expenditures for Bridge, related buildings and equipment (not being depreciated)[2]	$460,179	$464,771	$580,506	$609,129
Bus Transit[3]:				
Number of active buses - regional services				176
Number of active buses - local services under contract				17
Number of active buses - combined	188	188	180	193
Service vehicles	30	-	26	30
Operating yards	3	3	3	3
Total capital expenditures for Bus Transit property and equipment (not being depreciated)	$145,731	$147,012	$150,409	$173,878
Ferry Transit:				
Number of active ferry vessels	7	7	7	7
Passenger stations	4	4	4	4
Service vehicles	10	-	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)	$127,628	$131,015	$134,449	$135,451

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.

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
-	-	-	-	-	-
1	1	1	1	1	1
51	53	49	62	62	57
$637,731	$643,306	$643,276	$644,309	$648,050	$623,861
160	159	150	151	147	147
17	17	27	29	30	23
177	176	177	180	177	170
30	29	30	35	28	39
3	3	3	3	3	3
$175,621	$159,366	$158,764	$153,010	$210,039	$196,426
7	7	7	8	7	7
4	5	5	5	6	6
9	10	10	10	11	11
2	2	2	2	2	2
1	1	1	1	1	1
$138,287	$148,755	$176,398	$177,376	$179,345	$207,280

TABLE 13: MISCELLANEOUS OPERATING INFORMATION, LAST TEN YEARS

	2012	2013	2014
Annual traffic volume (Southbound only)*	19,417	19,376	20,014
Bridge employees - Operations[1]	90	58	61
Bridge employees - Maintenance & Administration	107	107	111
Bridge employees - Total	197	165	172
Number of active buses (regional)	-	-	-
Number of active buses (local services under contract)	-	-	-
Number of active buses (combined)	188	188	180
Annual revenue vehicle miles (regional)*	-	-	-
Annual revenue vehicle miles (local services under contract)	-	-	-
Annual revenue vehicle miles (combined)*	5,171	5,108	4,946
Annual revenue vehicle hours (regional)*	-	-	-
Annual revenue vehicle hours (local services under contract)	-	-	-
Annual revenue vehicle hours (combined)*	325	341	315
Bus employees - Bus Operators (regional)	280	280	280
Bus employees - Bus Operators (local services under contract)	-	-	-
Bus employees - Bus Operators (combined)	-	-	-
Bus Employees - Maintenance & Administration	119	119	120
Bus employees - Total	399	399	400
Number of active vessels in fleet	7	7	7
Annual revenue vessel miles*	181	177	181
Annual revenue vessel hours*	13	13	13
Ferry employees - Operations[3]	56	56	63
Ferry Employees - Maintenance & Administration	15	17	17
Ferry employees - Total	71	73	80
Golden Gate Bridge Administrative Staff (including Finance, Information Systems, Human Resources, Planning, etc.)	142	136	134
Total number of Districtwide employees	809	773	786
Service Area Provided by Golden Gate Transit			
Square Miles	160	160	160
Population	869	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.

2015	2016	2017	2018	2019	2020	2021
20,086	20,557	20,592	20,469	20,002	16,235	13,604
58	58	66	66	66	66	66
113	114	113	113	113	117	117
171	172	179	179	179	183	183
176	160	159	150	151	147	147
17	17	17	27	29	30	23
193	177	176	177	180	177	170
4162	4266	4249	4,228	4,176	3,956	2,404
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
242	249	248	249	242	232	136
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
206	215	228	221	221	221	154
74	65	52	59	59	59	64
280	280	280	280	280	280	280
120	121	121	121	120	122	122
400	401	401	401	400	402	402
7	7	7	7	8	7	7
187	190	196	209	208	167	57
14	14	14	15	15	12	4
63	76	76	78	79	79	81
17	17	21	20	22	22	23
80	93	97	98	101	101	104
133	136	143	143	143	150	150
784	802	820	821	826	836	839
160	145	145	145	145	145	118
869	869	887	896	904	910	826