



AGENDA

FINANCE COMMITTEE Meeting Notice

Date: Tuesday, November 3, 2015; 11:30 a.m.
Location: Committee Room 263, City Hall
Commissioners: Avalos (Chair), Mar (Vice Chair), Campos, Cohen, Kim and Wiener (Ex Officio)

Clerk: Steve Stamos

Page

1. Roll Call

Consent Calendar

- 2. Approve the Minutes of the October 20, 2015 Meeting – ACTION* 5**
- 3. Recommend Approving a Resolution Authorizing the Executive Director to Execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Agreements and any Amendments Thereto Between the Transportation Authority and the California Department of Transportation for Receipt of Federal and State Funds, including an Agreement for the Bay Area Rapid Transit District Travel Smart Rewards Pilot Program, the South of Market Freeway Ramp Intersection Safety Improvement Study, and the Planning, Programming and Monitoring Program – ACTION* 9**

The Transportation Authority regularly receives federal and state transportation funds under ongoing grant programs as well as congressional earmarks. These grant funds are typically administered by the California Department of Transportation (Caltrans), which requires that various types of funding agreements be executed between the project sponsor and Caltrans before the project sponsor can claim (e.g., seek reimbursement) the grant funds. Caltrans also requires a Board resolution identifying the person or persons authorized to execute these funding agreements and the title of the grant. Guidelines established by the Metropolitan Transportation Commission and Caltrans require that certain funding agreements be signed by the project sponsor and returned to Caltrans within 60 days. Caltrans may disencumber and/or de-obligate funds if the deadline is not met. We are recommending updating an approval of a blanket authorizing resolution that will enable us to meet the deadlines required for execution of the current agreements, as well as future agreements for state and federal grant funds awarded to the Transportation Authority, consistent with the implementation of the Transportation Authority's Board-approved work program.

- 4. Internal Accounting and Investment Report for the Three Months Ending September 30, 2015 – INFORMATION* 13**

The Transportation Authority's Fiscal Policy directs staff to give a quarterly report of expenditures including a comparison to the approved budget. The Transportation Authority's Investment Policy directs that a review of portfolio compliance be presented along with the quarterly report.

End of Consent Calendar**5. Recommend Accepting the Audit Report for the Fiscal Year Ended June 30, 2015 – ACTION***

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The Transportation Authority's financial records are required to be audited annually by an independent, certified public accountant. The annual audit (Audit Report) for the year ended June 30, 2015 was conducted in accordance with generally accepted auditing standards by the independent, certified public accounting firm of Vavrinek, Trine, Day & Co., LLP (Vavrinek, Trine, Day & Co.). The Transportation Authority received all unmodified (also known as a clean opinion/unqualified opinion) audit opinions from Vavrinek, Trine, Day & Co., with no findings or recommendations for improvements. For the fiscal audit, Vavrinek, Trine, Day & Co. has issued an opinion, stating that the financial statements present fairly, in all material respects, the financial position of the Transportation Authority. Since more than \$500,000 in federal grants was expended during the year, a single audit (compliance audit) was performed on the Interstate-80/Yerba Buena Island Interchange Improvement and Bridge Structures Project. For the single audit, Vavrinek, Trine, Day & Co. has issued an opinion, stating the Transportation Authority complied in all material respects with the compliance requirements that could have a direct and material effect on the federal funds audited. The full audit report and a separate report containing other required communications to the Transportation Authority Board are attached.

6. Introduction of New Items – INFORMATION

During this segment of the meeting, Committee members may make comments on items not specifically listed above, or introduce or request items for future consideration.

7. Public Comment**8. Adjournment**

* Additional materials

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If any materials related to an item on this agenda have been distributed to the Finance Committee after distribution of the meeting packet, those materials are available for public inspection at the Transportation Authority at 1455 Market Street, Floor 22, San Francisco, CA 94103, during normal office hours.

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Finance Committee Meeting Agenda

activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; website www.sfethics.org.



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DRAFT MINUTES

FINANCE COMMITTEE

Tuesday, October 20, 2015

1. Roll Call

Chair Avalos called the meeting to order at 11:40 a.m.

Present at Roll Call: Commissioners Avalos, Kim and Mar (3)

Absent at Roll Call: Commissioners Campos (entered during Item 4) and Cohen (entered during Item 2)

Consent Calendar

2. Approve the Minutes of the September 15, 2015 Meeting – ACTION

3. Recommend Executing Cooperative Agreement No. 04-2582 with the California Department of Transportation for the I-280 Interchange Modifications at Balboa Park in a Total Amount Not to Exceed \$150,000, and Authorizing the Executive Director to Negotiate Agreement Payment Terms and Non-Material Agreement Terms and Conditions – ACTION

There was no public comment.

The Consent Calendar was approved without objection by the following vote:

Ayes: Commissioners Avalos, Cohen, Kim and Mar (4)

Absent: Commissioner Campos (1)

End of Consent Calendar

4. State and Federal Legislative Update – INFORMATION/ACTION

Mark Watts, State Legislative Advocate, presented the item per the legislative matrix. He reported that a conference committee was formed a month prior to deal with possible new transportation revenues and there was a notable level of participation, especially on behalf of the Republican caucus. He said that the committee was starting with Governor Brown's proposal that included funding for state and local fix it first programs, cap and trade for transit, and some complete streets funding. Mr. Watts stated that he hoped the conference committee would conclude its discussions in December or January and then bring a proposal to the State Legislature for approval once it reconvenes.

Chair Avalos asked if the revenue measures would be implemented statewide. Mr. Watts confirmed that and estimated that there was a 50% to 60% chance of a new revenue measure being approved.

Commissioner Mar asked how Senate Bill 491, the transportation omnibus bill, would change how funds were distributed to the Bay Area Air Quality Management District. Mr. Watts said the bill would just require more specific criteria. He added that the omnibus bill was thoroughly

vetted to be simple technical corrections and therefore was unlikely to be controversial for any parties involved.

There was no public comment.

5. **Recommend Awarding a Three-Year Consultant Contract, with an Option to Extend for Two Additional One-Year Periods, to Smith, Watts and Hartmann in an Amount Not to Exceed \$135,000 for State Legislative Advocacy Services, and Authorizing the Executive Director to Negotiate Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION**

Amber Crabbe, Assistant Deputy Director for Policy and Programming, presented the item per the staff memorandum.

There was no public comment.

The item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen, Kim and Mar (5)

Chair Avalos called Items 6 and 7 together.

6. **Recommend Increasing the Amount of the Professional Services Contract with AECOM Technical Services, Inc. by \$1,000,000, to a Total Amount Not to Exceed \$16,935,000 to Complete Design Support Services for the I-80/Yerba Buena Island Ramps Improvement Project, and Authorizing the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION**
7. **Recommend Increasing the Amount of the Professional Services Contract with Parsons Brinckerhoff, Inc. by \$1,350,000, to a Total Amount Not to Exceed \$7,650,000 to Complete Construction Support Services for the I-80/Yerba Buena Island Ramps Improvement Project, and Authorizing the Executive Director to Modify Contract Payment Terms and Non-Material Contract Terms and Conditions – ACTION**

Eric Cordoba, Deputy Director for Capital Projects, presented the items per the staff memoranda.

Chair Avalos asked if AECOM Technical Services (AECOM) had been involved with this project since 2006, which Mr. Cordoba confirmed.

Chair Avalos asked if it was possible that a significant part of the contingency would be leftover once the project was completed. Mr. Cordoba responded that it was likely there would be some contingency leftover but that it was difficult to estimate how much, and that they would have a better idea after the winter season.

Commissioner Kim asked if there were additional improvements that could be made to the project if there were remaining funds leftover from the contingency. Mr. Cordoba responded that there were no known supplemental work scope items other than tree mitigation. He added that when the westbound on-and-off-ramps were completed they would have to close the existing westbound off-ramp and that there could be a need for additional improvements there.

Commissioner Campos noted that overall the project was within budget but asked for justification for the increases to both contracts. Mr. Cordoba responded that the initial AECOM contract of \$2.5 million that was awarded in 2008 was for environmental documentation work

and did not include design or construction support work. He said that after the project received environmental approval the AECOM contract was augmented for design work.

Commissioner Campos asked why a request for proposals (RFP) was not issued for design work at that point. Mr. Cordoba responded that the decision was made to not issue an RFP because the AECOM team included the engineers that were most knowledgeable of the project. He said that the original RFP for the project included an option for design services if satisfactory work was done on the environmental documentation phase.

Commissioner Campos noted that if the AECOM team was the best firm for the project then that would have come through the competitive selection process of the RFP. He said the fact that the AECOM team did satisfactory work with the initial \$2.5 million work did not mean that they would be the best firm for what was now a \$17 million project. He asked what the expected budget amount was for the AECOM work versus the original estimate. Mr. Cordoba responded that typical budgets for environmental documentation, design, and construction support work were between 25-30% of the construction contract, which in this case would be approximately \$15-18 million. He noted that this contract was within that range and that this project was very intense from a structural engineering standpoint.

Commissioner Campos noted that this contract had been increased significantly in increments, and that this was the fourth amendment to a contract that started out at \$2.5 million but was now at \$17 million. Mr. Cordoba stated that this would be the final contract amendment as they were now in a position to complete the project and had received a commitment from AECOM that this was the final increase. He noted that there was scope of work added on the AECOM contract during the construction phase, some of which was out of AECOM's control, such as changes that were required by the California Department of Transportation (Caltrans).

Tilly Chang, Executive Director, commented that on a large project such as this one the project team was able to anticipate and present this strategy to the Board at the beginning of the project. She said the project team believed this was the right way to proceed and that she deferred to Mr. Cordoba, as he was the longer-term project manager. She said this decision had been made by a prior management team who felt there was value in moving forward this way, and noted that the competitive process may have yielded the same results and may have been a better way to procure.

Commissioner Campos stated the contract was almost doubled from \$8.2 million in 2009 to \$16 million in 2010, and asked why the \$1 million in this request was necessary. Mr. Cordoba responded that the contract was augmented in 2010 for the design phase with a portion of the construction support phase, and that the \$1 million request was for managing project changes in the field. He said there had been required changes to utility locations after construction started which necessitated using more resources from the AECOM team and that these changes had to be approved by Caltrans and then issued to the construction contractor.

Commissioner Campos asked about the \$1.4 million increase to the Parsons Brinckerhoff contract. Mr. Cordoba stated that the Parsons Brinckerhoff team had the challenging job of managing the construction contract and that their team has had to work longer workdays and on the weekends to keep the project on schedule, which was not included in the original budget. He said they been proactive and made the business decision to keep the project on schedule because he believed these contract increases would be much smaller than any potential project delay

costs. Commissioner Campos asked if the increase to the Parsons Brinckerhoff contract would be the last, which Mr. Cordoba confirmed.

Ms. Chang stated that they would go back and take a look at the decision to go from environmental to design. She said the rationale was to keep the project on schedule and that there was full confidence in the project team, but that they would review and come back to the Finance Committee with how they would approach this type of situation going forward.

Chair Avalos asked if the decision to stay with the same firm for the environmental to design phases had been made in 2008. Ms. Chang confirmed and said it was her understanding that it was made to keep the project moving expeditiously, but that it had to be weighed against the benefits of a competitive procurement.

Chair Avalos asked if there was an expectation in 2008 that there would be future contract increases. Mr. Cordoba confirmed and said that the initial \$2.5 million contract with AECOM was only to start the environmental work. He noted that the project team moved forward with the engineering work in order to meet the schedule for Caltrans' new San Francisco-Oakland Bay Bridge East Span. He said had they not met that schedule they likely would not have been able to start construction on this project until Caltrans had completed its work in the area.

There was no public comment.

Items 6 and 7 were approved without objection by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen, Kim and Mar (5)

8. Introduction of New Items – INFORMATION

Chair Avalos requested a hearing regarding the new bike share program under Motivate. He said the hearing would look at how the program could have significant workforce and local hiring benefits and how it could serve not only people looking to cycle but commuters as well.

There was no public comment.

9. Public Comment

There was no public comment.

10. Adjournment

The meeting was adjourned at 12:22 p.m.



Memorandum

Date: 10.29.15 **RE:** Finance Committee
November 3, 2015

To: Finance Committee: Commissioners Avalos (Chair), Mar (Vice Chair), Campos, Cohen, Kim and Wiener (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Approving a Resolution Authorizing the Executive Director to Execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Agreements and any Amendments Thereto Between the Transportation Authority and the California Department of Transportation for Receipt of Federal and State Funds, including an Agreement for the Bay Area Rapid Transit District Travel Smart Rewards Pilot Program, the South of Market Freeway Ramp Intersection Safety Improvement Study, and the Planning, Programming and Monitoring Program

Summary

The Transportation Authority regularly receives federal and state transportation funds under ongoing grant programs as well as congressional earmarks. These grant funds are typically administered by the California Department of Transportation (Caltrans), which requires that various types of funding agreements be executed between the project sponsor and Caltrans before the project sponsor can claim (e.g., seek reimbursement) the grant funds. Caltrans also requires a Board resolution identifying the person or persons authorized to execute these funding agreements and the title of the grant. Guidelines established by the Metropolitan Transportation Commission and Caltrans require that certain funding agreements be signed by the project sponsor and returned to Caltrans within 60 days. Caltrans may disencumber and/or de-obligate funds if the deadline is not met. We are recommending updating an approval of a blanket authorizing resolution that will enable us to meet the deadlines required for execution of the current agreements, as well as future agreements for state and federal grant funds awarded to the Transportation Authority, consistent with the implementation of the Transportation Authority's Board-approved work program.

BACKGROUND

The Transportation Authority regularly receives federal and state transportation funds under ongoing grant programs as well as congressional earmarks. These grant funds are typically administered by the California Department of Transportation (Caltrans), which requires that various types of funding agreements be executed between the project sponsor and Caltrans before the project sponsor can claim (e.g., seek reimbursement) the grant funds. Caltrans also requires an updated Board resolution identifying the person or persons authorized to execute these funding agreements and the title of the grant. This resolution was last updated in September 2014 through Resolution 15-05.

DISCUSSION

The purpose of this memorandum is to brief the Finance Committee on this Caltrans requirement and seek a recommendation to approve a resolution authorizing the Executive Director to execute funding agreements between the Transportation Authority and Caltrans for receipt of federal and state funds, and to explicitly authorize a funding agreement for several grants that we anticipate receiving this year.

Guidelines established by the Metropolitan Transportation Commission and Caltrans require that certain funding agreements for state and federal funds be signed by the project sponsor and returned, along with a local agency resolution that identifies the official authorized to execute the agreement, to Caltrans within 60 days. Caltrans may disencumber and/or de-obligate funds if the deadline is not met. We are recommending updating an approval of a blanket authorizing resolution that will enable us to meet the deadlines required for execution of the current agreements, as well as future agreements for state and federal grant funds awarded to the Transportation Authority, consistent with the implementation of the Transportation Authority's Board-adopted work program. During Fiscal Years (FY) 2015/16 and 2016/17, we anticipate receiving the following federal and state funds from Caltrans: the Bay Area Rapid Transit District (BART) Travel Smart Rewards Pilot Program, the South of Market (SoMa) Freeway Ramp Intersection Safety Improvement Study, and the Planning, Programming and Monitoring (PPM) Program for FY 2016/17.

(BART) Travel Smart Rewards Pilot Program: We are partnering with BART on a pilot project to address train crowding in downtown San Francisco by incentivizing riders to shift their travel to the shoulders of the peak period or other stations and routes. The pilot project will involve creating a BART loyalty program whereby riders receive rewards for using BART during off-peak periods. Traveler responses to the incentives will be monitored closely using transit smart card (Clipper) data and project staff will adjust incentives in response to traveler route and time-of-day choices. In September 2015, we received approval of the federal Value Pricing Program grant authorization by Caltrans for \$508,000. A program supplemental agreement with Caltrans will be executed prior to seeking reimbursement of grant funds.

SoMa Freeway Ramp Intersection Safety Improvement Study: The SoMa Market Freeway Ramp Intersection Safety Improvement Study will develop proposals to improve safety at ramp intersections in SoMa neighborhood. Traffic collisions are very frequent at ramp intersections in this area, home to eight of the top ten ramp intersections in the city ranked by severity-weighted injuries citywide (2008-2012). Rapid development in SoMa is compounding the urgency of the safety problem. Improving safety in tandem with growth is critical to avoiding increases in traffic conflicts. The study will develop a prioritized set of safety improvements to projects to up to ten ramp intersections in the south of Market area. The San Francisco Municipal Transportation Agency is already developing short-term improvement concepts (e.g., signal timing, striping, and signage changes) at some intersections, and the additional funding would allow development of more systematic, permanent safety fixes to benefit existing and future residents and employees. This work will directly complement the ongoing Freeway Corridor Management Study, which is examining operational changes to the freeway mainline and ramps along the portion of U.S. 101 that traverses SoMa. We are submitting a grant application to Caltrans for approximately \$200,000 by the end of this month. If approved, grant funds are anticipated to be authorized in early Spring 2016.

PPM Program: The state PPM Program funds a number of eligible Congestion Management Agency activities each year. Due to reduced funding levels in the State Transportation Improvement Program, we did not receive any PPM Program funds in FY 2015/16. However, the San Francisco 2016 Regional Transportation Improvement Program priorities, which were approved by the Transportation Authority

Board last month, propose to re-confirm programming of \$447,000 in FY 2016/17 and \$667,000 in FY 2017/18 to the Transportation Authority.

Procurements for each project and mid-year budget amendments, where applicable, will be handled as separate items.

ALTERNATIVES

1. Recommend approving a resolution authorizing the Executive Director to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Agreements and any amendments thereto between the Transportation Authority and Caltrans for receipt of Federal and State funds, including an agreement for the BART Travel Smart Rewards Pilot Program, the SoMa Freeway Ramp Intersection Safety Improvement Study, and the PPM Program, as requested.
2. Recommend approving a resolution authorizing the Executive Director to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Agreements and any amendments thereto between the Transportation Authority and Caltrans for receipt of Federal and State funds, including an agreement for the BART Travel Smart Rewards Pilot Program, the SoMa Freeway Ramp Intersection Safety Improvement Study, and the PPM Program, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC considered this item at its October 28, 2015 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

Board approval of the recommended action would facilitate compliance with Caltrans funding agreement deadlines and enable the Transportation Authority to seek reimbursement of federal and/or state grant funds administered by Caltrans.

RECOMMENDATION

Recommend approving a resolution authorizing the Executive Director to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, Cooperative Agreements and any amendments thereto between the Transportation Authority and Caltrans for receipt of federal and state funds, including an agreement for the BART Travel Smart Rewards Pilot Program, the SoMa Freeway Ramp Intersection Safety Improvement Study, and the PPM Program.



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Memorandum

Date: 10.28.15 **RE:** Finance Committee
November 3, 2015

To: Finance Committee: Commissioners Avalos (Chair), Mar (Vice Chair), Campos, Cohen, Kim and Wiener (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **INFORMATION** – Internal Accounting and Investment Report for the Three Months Ending September 30, 2015

Summary

The Transportation Authority's Fiscal Policy directs staff to give a quarterly report of expenditures including a comparison to the approved budget. The Transportation Authority's Investment Policy directs that a review of portfolio compliance be presented along with the quarterly report.

BACKGROUND

The Transportation Authority's Fiscal Policy (Resolution 15-31) establishes an annual audit requirement, and also directs staff to report to the Finance Committee, on at least a quarterly basis, the Transportation Authority's actual expenditures in comparison to the approved budget. The Transportation Authority's Investment Policy (Resolution 15-31) directs a review of portfolio compliance with the Investment Policy in conjunction with, and in the context of, the quarterly expenditure and budgetary report.

Internal Accounting Report: Using the format of the Transportation Authority's annual financial statements for governmental funds, the Internal Accounting Report includes two tables, a Balance Sheet (Table 1) and a Statement of Revenues, Expenditures, and Changes in Fund Balances, with Budget Comparison (Table 2). In Table 2, the last two columns show, respectively, the budget values, and the variance of revenues and expenditures as compared to the approved budget. For the three months ending September 30, 2015, the numbers in the approved budget column are one-fourth of the total approved annual budget for Fiscal Year (FY) 2015/16. Although the sales tax (Prop K), vehicle registration fees (Prop AA), accruals and revolving credit loan are included for the three-month totals, the Internal Accounting Report does not include the Governmental Accounting Standards Board Statement Number 34 adjustments, or the other accruals, that are done at year-end. The Balance Sheet values as of September 30, 2015 are used as the basis for the Investment Policy compliance review.

Investment Report: The investment policies and practices of the Transportation Authority are subject to and limited by applicable provisions of state law, and to prudent money management principles. All investable funds are invested in accordance with the Transportation Authority's Investment Policy and applicable provisions of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (Section 53600 et seq.). Any investment of bond proceeds will be further restricted by the provisions of relevant bond documents.

In managing its investment program, the Transportation Authority observes the “Prudent Investor” standard as stated in Government Code Section 53600.3, applied in the context of managing an overall portfolio. Investments are to be made with care, skill, prudence and diligence, taking into account the prevailing circumstances, including, but not limited to general economic conditions, the anticipated needs of the Transportation Authority and other relevant factors that a prudent person acting in a fiduciary capacity and familiar with those matters would use in the stewardship of funds of a like character and purpose.

The primary objectives, in priority order, for the Transportation Authority’s investment activities are:

- 1) **Safety.** Safety of the principal is the foremost objective of the investment program. Investments of the Transportation Authority will be undertaken in a manner that seeks to ensure preservation of the principal of the funds under its control.
- 2) **Liquidity.** The Transportation Authority’s investment portfolio will remain sufficiently liquid to enable the Transportation Authority to meet its reasonably anticipated cash flow requirements.
- 3) **Return on Investment.** The Transportation Authority’s investment portfolio will be managed with the objective of attaining a market rate of return throughout budgetary and economic cycles commensurate with the Transportation Authority’s investment risk parameters and the cash flow characteristics of the portfolio.

Permitted investment instruments are specifically listed in the Transportation Authority’s Investment Policy, and include the San Francisco City and County Treasury Pool, certificates of deposit, and money market funds.

DISCUSSION

The purpose of this memorandum is to provide the Finance Committee with the Internal Accounting Report and the Investment Report for the FY 2015/16 period ending September 30, 2015.

The Balance Sheet, Table 1, presents assets, liabilities, and fund balances as of September 30, 2015. Cash, deposits and investments total to \$91.1 million as of September 30, 2015. Other assets total \$57.3 million and includes \$18.7 million of program receivable mainly related to grant reimbursements for the I-80/Yerba Buena Island Interchange Improvement Project, \$5.5 million in an intergovernmental loan receivable from the Treasure Island Development Authority for the repayment of preliminary engineering and design costs for the Yerba Buena Island Interchange Improvement Project, and \$17.2 million in sales tax receivable. Liabilities total \$163.6 million as of September 30, 2015 and include \$13.7 million in accounts payable and an outstanding revolving credit loan of \$134.7 million.

There is a negative of \$15.7 million in total fund balances, which is largely the result of how multi-year programming commitments are accounted for. Future sales tax revenues and grant reimbursements collected will fully fund this difference. This amount is obtained as follows: \$10.1 million is restricted for capital projects, and \$25.8 million is an unassigned negative fund balance. The unassigned negative fund balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years. The commitments are multi-year commitments and are funded with non-current (i.e. future) revenues. Commitments of future revenues are tracked through the grant administration process, and there is no issue with the availability of future revenues to honor them. A negative fund balance is a result of how these commitments are accounted for, and it does not affect the viability of the projects or grants. In addition, the Transportation Authority does not hold or retain title for the projects it has constructed or for the vehicles and system improvements purchased with sales tax funds, which can

result in a negative position. This reporting of all legal funding commitments without the corresponding revenue or assets creates or largely contributes to the \$25.8 million unassigned negative fund balance.

TABLE 1**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**

Internal Accounting Report
Balance Sheet (unaudited)
Governmental Funds
September 30, 2015

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Total
Assets:						
Cash In Bank	\$ 6,392,150	\$ -	\$ 1,644,421	\$ 10,540,945	\$ -	\$ 18,577,516
Deposits and Investments with City Treasurer	72,531,161	-	-	-	-	72,531,161
Sales Tax Receivable	17,157,504	-	-	-	-	17,157,504
Vehicle Registration Fees Receivable	-	-	-	848,966	-	848,966
Interest Receivable from the City and County of San Francisco	88,343	-	-	-	-	88,343
Program Receivable	-	17,455,353	387,987	-	863,920	18,707,260
Receivables from the City and County of San Francisco	-	26,919	-	-	-	26,919
Other Receivable	5,481	-	-	-	-	5,481
Intergovernmental Loan Receivable	5,532,067	-	-	-	-	5,532,067
Due From Other Funds	14,814,001	-	-	-	-	14,814,001
Prepaid Costs and Deposits	136,760	-	-	-	-	136,760
Total Assets	\$ 116,657,467	\$ 17,482,272	\$ 2,032,408	\$ 11,389,911	\$ 863,920	\$ 148,425,978
Liabilities:						
Accounts Payable	\$ 6,809,021	\$ 5,742,482	\$ -	\$ -	\$ 28,740	\$ 12,580,243
Accounts Payable to the City and County of San Francisco	-	93,615	80,360	941,153	7,185	1,122,313
Accrued Salaries and Taxes	455,216	-	-	-	-	455,216
Interest Payable	-	-	-	-	-	-
Due to Other Funds	-	11,646,175	464,534	1,875,297	827,995	14,814,001
Revolver Credit Loan	134,664,165	-	-	-	-	134,664,165
Total Liabilities	141,928,402	17,482,272	544,894	2,816,450	863,920	163,635,938
Deferred Inflows of Resources:						
Unavailable Program Revenues	505,252	-	-	-	-	505,252
Fund Balances (Deficit):						
Restricted for Capital Projects	-	-	1,487,514	8,573,461	-	10,060,975
Unassigned	(25,776,187)	-	-	-	-	(25,776,187)
Total Fund Balances (Deficit)	(25,776,187)	-	1,487,514	8,573,461	-	(15,715,212)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 116,657,467	\$ 17,482,272	\$ 2,032,408	\$ 11,389,911	\$ 863,920	\$ 148,425,978

The Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget Comparison compares budget to actual levels for revenues and expenditures for the first three months of the fiscal year. The Transportation Authority earned \$110.8 million of revenues in the first quarter. Sales tax revenues and vehicle registration fees total \$24.3 million and \$1.3 million, respectively for the three months ending September 30, 2015 and program revenues total \$85.1 million.

As of September 30, 2015, the Transportation Authority incurred \$99.8 million of expenditures. Expenditures included \$97.6 million in capital projects costs, \$197,840 in interest and fiscal charges, and \$2.0 million for personnel and non-personnel expenditures.

TABLE 2**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**

Internal Accounting Report

Statement of Revenue, Expenditures, and Changes in Fund Balances with Budget Comparison (unaudited)

Governmental Funds

For the Three Months Ending September 30, 2015

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency Program	Total	Budget	Variance With Final Budget Positive (Negative)
Revenues:								
Sales Tax	\$ 24,266,604	\$ -	\$ -	\$ -	\$ -	\$ 24,266,604	\$ 25,323,394	\$ (1,056,790)
Vehicle Registration Fee	-	-	-	1,289,677	-	1,289,677	1,194,135	95,542
Investment Income	76,392	-	645	972	-	78,009	83,677	(5,668)
Program Revenue	75,000,000	9,330,383	387,987	-	391,292	85,109,662	26,365,904	58,743,758
Other Revenue	8,892	-	-	-	-	8,892	729,023	(720,131)
Total Revenues	<u>99,351,888</u>	<u>9,330,383</u>	<u>388,632</u>	<u>1,290,649</u>	<u>391,292</u>	<u>110,752,844</u>	<u>53,696,133</u>	<u>57,056,711</u>
Expenditures:								
Personnel Expenditures	1,030,795	459,280	8,622	28,579	49,236	1,576,512	1,754,202	177,690
Non-personnel Expenditures	395,118	234	-	-	387	395,739	733,684	337,945
Capital Project Costs	92,168,791	5,440,131	-	-	35,925	97,644,847	60,342,371	(37,302,476)
Interest and Fiscal Charges	197,840	-	-	-	-	197,840	5,440,000	5,242,160
Total Expenditures	<u>93,792,544</u>	<u>5,899,645</u>	<u>8,622</u>	<u>28,579</u>	<u>85,548</u>	<u>99,814,938</u>	<u>68,270,257</u>	<u>(31,544,681)</u>
Excess of Revenues over Expenditures	<u>5,559,344</u>	<u>3,430,738</u>	<u>380,010</u>	<u>1,262,070</u>	<u>305,744</u>	<u>10,937,906</u>	<u>(14,574,124)</u>	<u>88,601,392</u>
Other financing sources (uses):								
Transfers In	3,736,482	-	-	-	-	3,736,482	515,472	3,221,010
Transfers Out	-	3,430,738	-	-	305,744	3,736,482	515,472	(3,221,010)
Net Change in Fund Balances	<u>9,295,826</u>	<u>-</u>	<u>380,010</u>	<u>1,262,070</u>	<u>-</u>	<u>10,937,906</u>	<u>\$(14,574,124)</u>	<u>\$ 88,601,392</u>
Fund Balances (Deficit), Beginning of the Period	99,592,152	-	1,107,504	7,311,391	-	108,011,047		
Revolver Credit Loan	(134,664,165)	-	-	-	-	(134,664,165)		
Fund Balances (Deficit), End of the Period	<u>\$ (25,776,187)</u>	<u>\$ -</u>	<u>\$ 1,487,514</u>	<u>\$ 8,573,461</u>	<u>\$ -</u>	<u>\$ (15,715,212)</u>		

For the three months ending September 30, 2015, revenues were higher than budgetary estimates by \$57.1 million for all of the Transportation Authority's programs. Total expenditures were higher than the budgetary estimates by \$31.5 million. This amount includes a favorable variance of \$515,635 for personnel and non-personnel expenditures, \$5.2 million of interest and fiscal charges, and unfavorable variance of \$37.3 million in capital project costs. The variance in capital project costs and program revenue is due to a milestone payment for the Presidio Parkway Project. In support of the project, one of the Transportation Authority's responsibilities is arranging for and serving as aggregator of local funds for the milestone payment, including \$75 million from the Golden Gate Bridge, Highway and Transportation District and \$20.3 million of Prop K sales tax funds, approved through Resolution 15-61. The favorable variance of \$5.2 million of interest and fiscal charges is due to lower cost from the substitution of the commercial paper program to the revolving credit loan that occurred back in June 2015.

As of September 30, 2015, approximately 79.6% of the Transportation Authority's investable assets were invested in the City and County of San Francisco Treasury Pool. Other investment assets include a money market investment pool held by US Bank per the terms of the Transportation Authority's Commercial Paper indenture. These investments are in compliance with both the California Government Code and the Transportation Authority's Board-adopted Investment Policy, and provide sufficient liquidity to meet expenditures requirements for the next six months. Attachment 1 is the most recent investment report furnished by the Office of the Treasurer.

ALTERNATIVES

None. This is an information item.

CAC POSITION

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

None. This is an information item.

Attachment:

1. Investment Report for September 30, 2015

**Office of the Treasurer & Tax Collector
City and County of San Francisco**



José Cisneros, Treasurer

Pauline Marx, Chief Assistant Treasurer
Michelle Durgy, Chief Investment Officer

Investment Report for the month of September 2015

October 15, 2015

**The Honorable Edwin M. Lee
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638**

**The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638**

Ladies and Gentlemen,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of September 30, 2015. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of September 2015 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Investment Earnings Statistics *

<i>(in \$ million)</i>	Current Month		Prior Month	
	<u>Fiscal YTD</u>	<u>September 2015</u>	<u>Fiscal YTD</u>	<u>August 2015</u>
Average Daily Balance	\$ 6,417	\$ 6,482	\$ 6,386	\$ 6,334
Net Earnings	10.51	3.36	7.15	3.56
Earned Income Yield	0.65%	0.63%	0.66%	0.66%

CCSF Pooled Fund Statistics *

<i>(in \$ million)</i>	% of	Book	Market	Wtd. Avg.	Wtd. Avg.	WAM
Investment Type	Portfolio	Value	Value	Coupon	YTM	
U.S. Treasuries	7.49%	\$ 472.2	\$ 477.1	1.09%	1.20%	318
Federal Agencies	58.77%	3,744.0	3,741.6	0.84%	0.62%	546
State & Local Government						
Agency Obligations	3.30%	211.9	210.0	1.64%	0.88%	469
Public Time Deposits	0.02%	1.2	1.2	0.61%	0.61%	237
Negotiable CDs	12.17%	775.0	774.9	0.45%	0.45%	342
Commercial Paper	6.52%	414.9	414.9	0.00%	0.18%	29
Medium Term Notes	9.99%	638.5	636.3	0.81%	0.44%	306
Money Market Funds	1.73%	110.1	110.1	0.04%	0.04%	1
Totals	100.0%	\$ 6,367.8	\$ 6,366.2	0.77%	0.60%	434

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Very truly yours,

**José Cisneros
Treasurer**

cc: Treasury Oversight Committee: Aimee Brown, Reeta Madhavan, Charles Perl
Ben Rosenfield, Controller, Office of the Controller
Tonia Lediju, Internal Audit, Office of the Controller
Cynthia Fong, Deputy Director for Finance & Administration, San Francisco County Transportation Authority
Carol Lu, Budget Analyst
San Francisco Public Library

* Please see last page of this report for non-pooled funds holdings and statistics.

Portfolio Summary

Pooled Fund

As of September 30, 2015

<i>(in \$ million)</i>									
Security Type	Par Value	Book Value	Market Value	Market/Book Price	Current % Allocation	Max. Policy Allocation	Compliant?		
U.S. Treasuries	\$ 475.0	\$ 472.2	\$ 477.1	101.04	7.49%	100%	Yes		
Federal Agencies	3,730.2	3,744.0	3,741.6	99.94	58.77%	100%	Yes		
State & Local Government									
Agency Obligations	208.0	211.9	210.0	99.12	3.30%	20%	Yes		
Public Time Deposits	1.2	1.2	1.2	100.00	0.02%	100%	Yes		
Negotiable CDs	775.0	775.0	774.9	99.99	12.17%	30%	Yes		
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes		
Commercial Paper	415.0	414.9	414.9	100.01	6.52%	25%	Yes		
Medium Term Notes	635.5	638.5	636.3	99.64	9.99%	25%	Yes		
Repurchase Agreements	-	-	-	-	0.00%	10%	Yes		
Reverse Repurchase/									
Securities Lending Agreements	-	-	-	-	0.00%	\$75mm	Yes		
Money Market Funds	110.1	110.1	110.1	100.00	1.73%	10%	Yes		
LAIF	-	-	-	-	0.00%	\$50mm	Yes		
Supranationals	-	-	-	-	0.00%	5%	Yes		
TOTAL	\$ 6,350.0	\$ 6,367.8	\$ 6,366.2	99.98	100.00%	-	Yes		

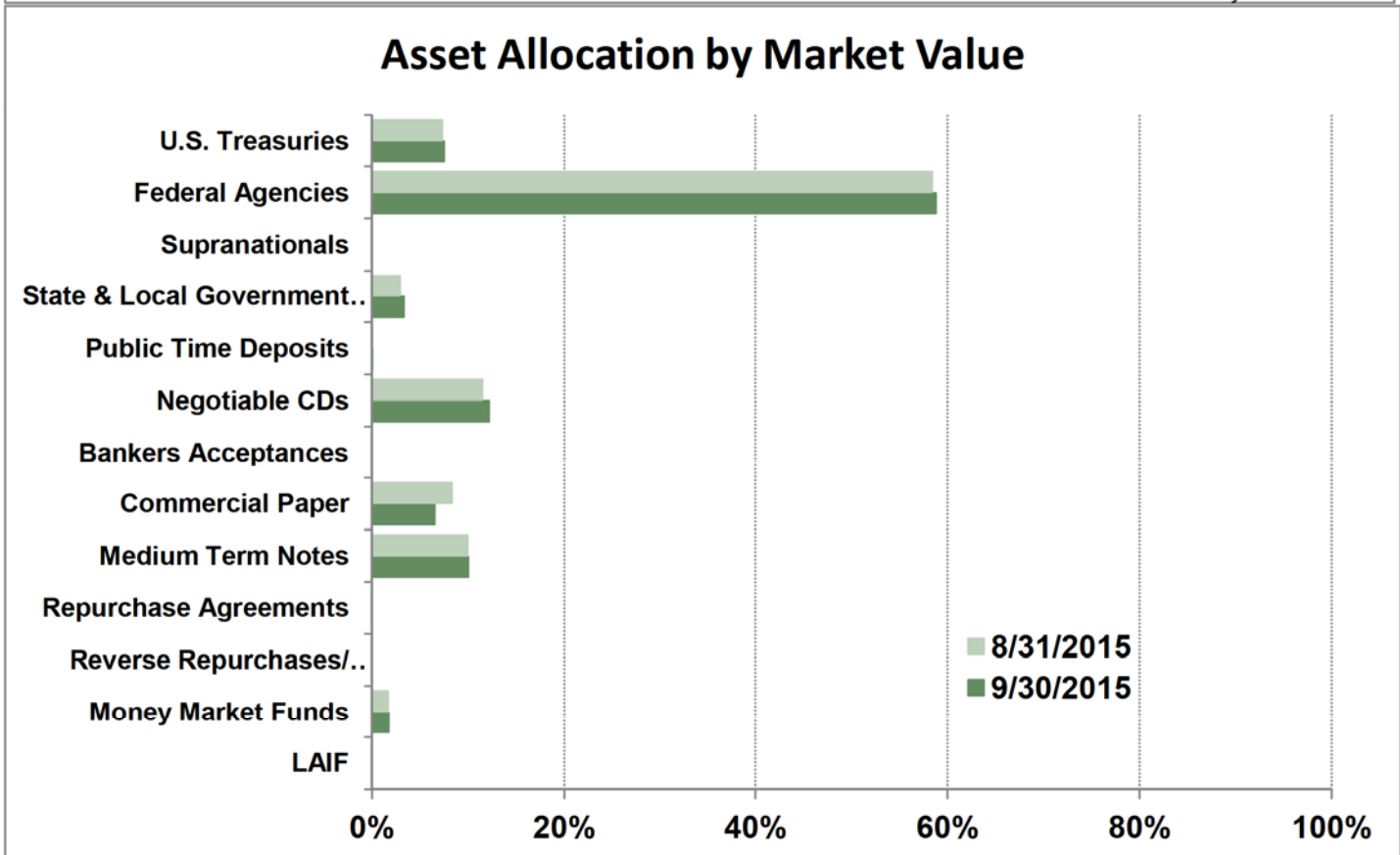
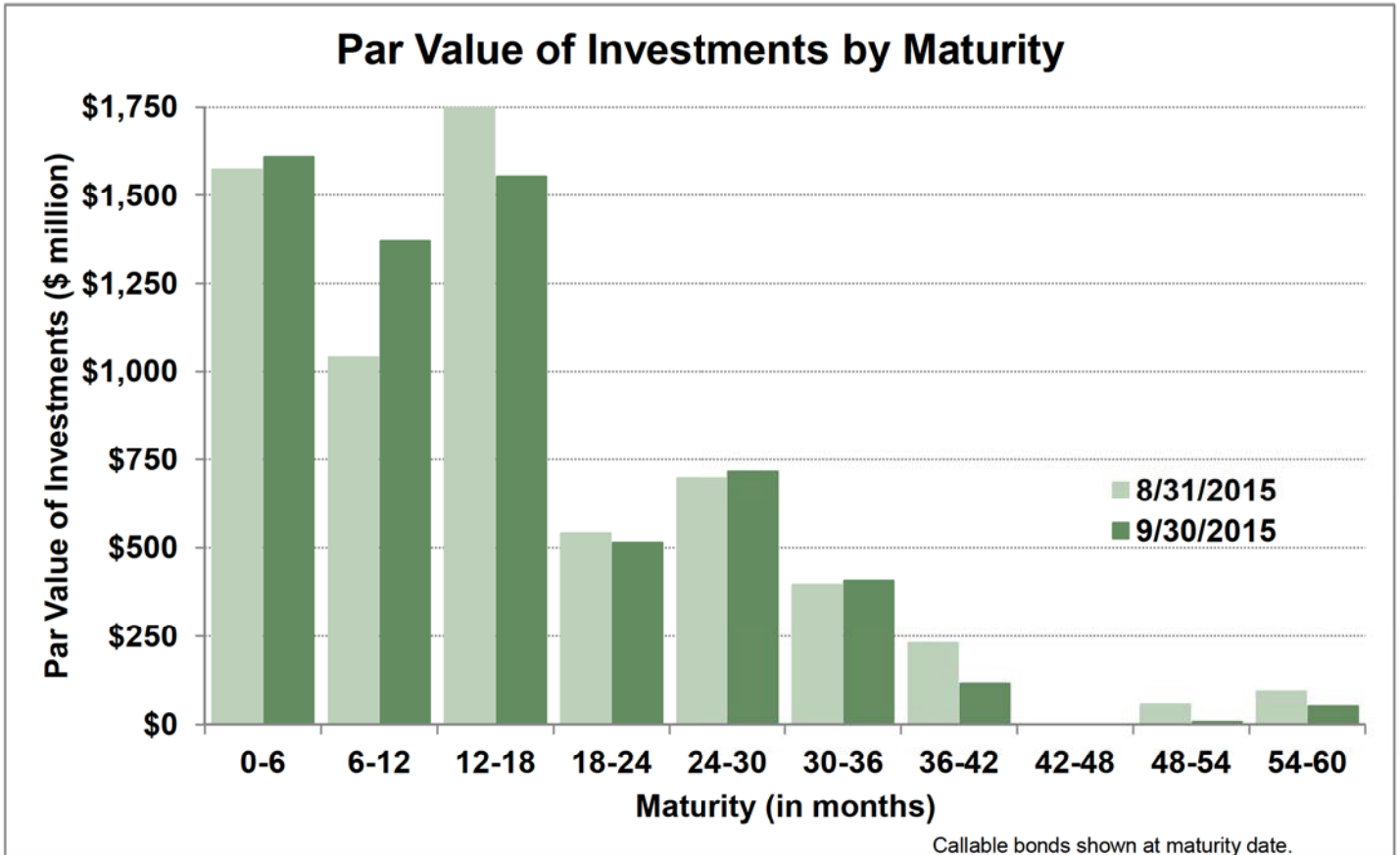
The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on both a par and market value basis, using the result with the lowest percentage of the overall portfolio value. Cash balances are included in the City's compliance calculations.

Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution.

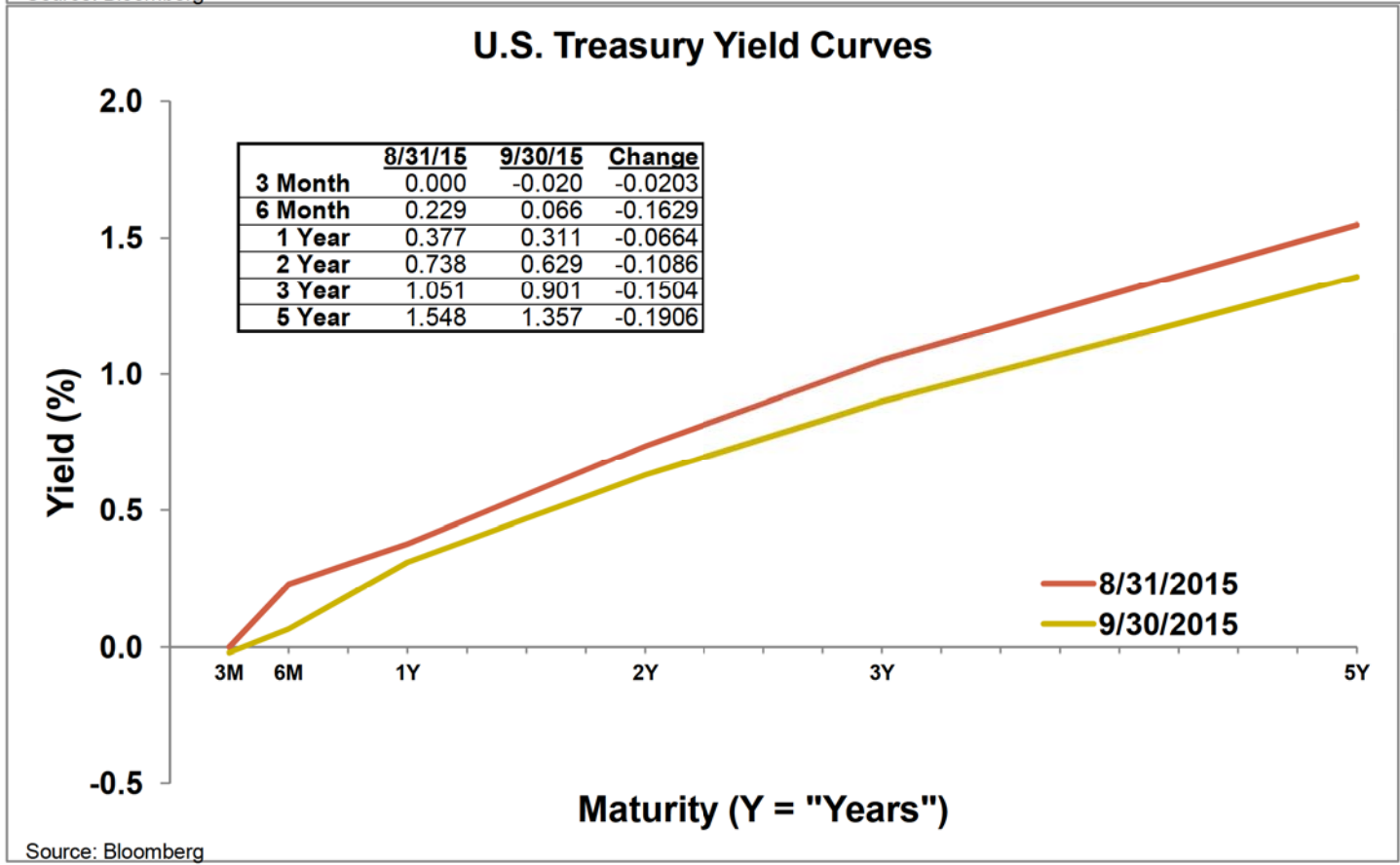
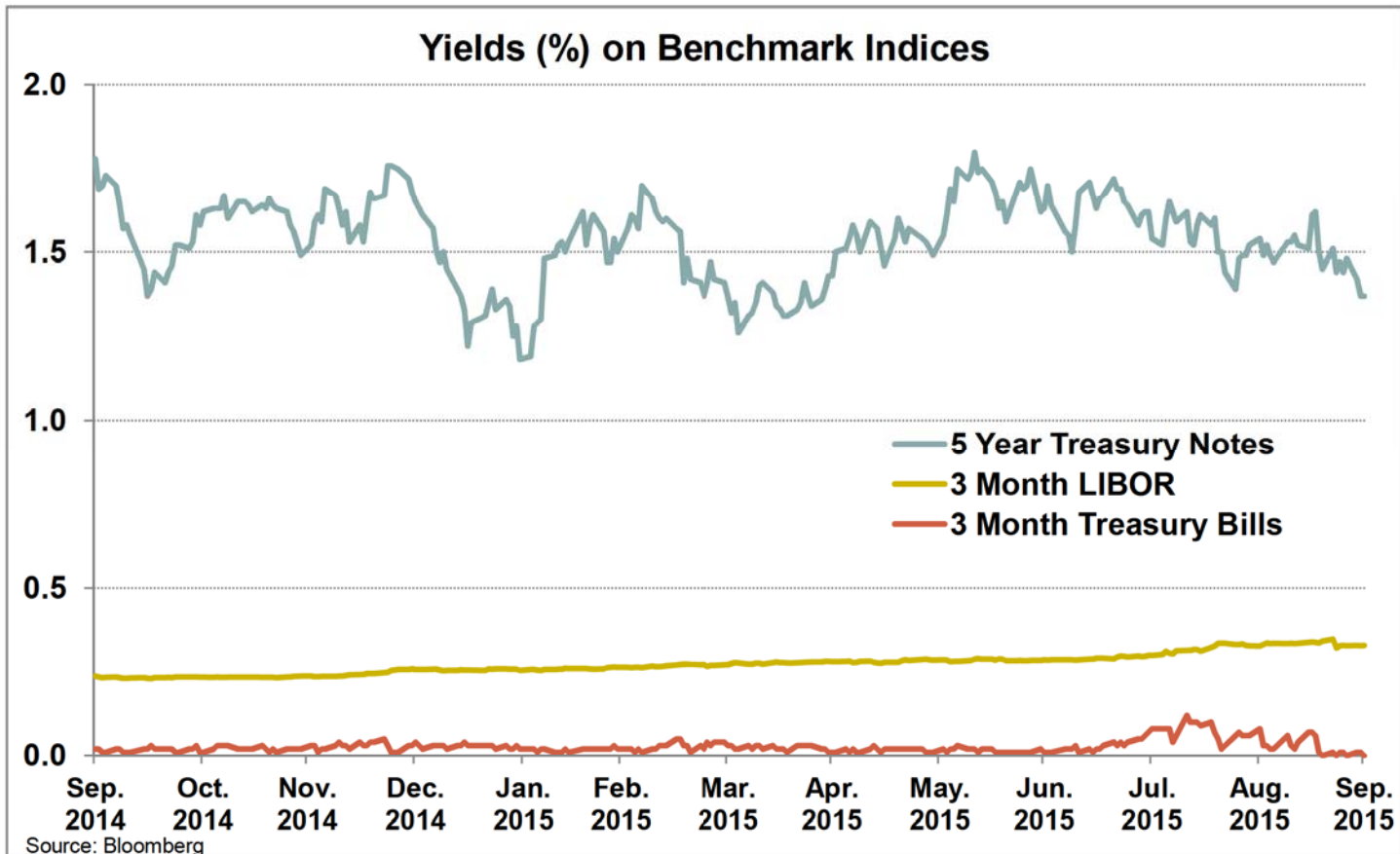
The full Investment Policy can be found at <http://www.sftreasurer.org/>, in the Reports & Plans section of the About menu.

Totals may not add due to rounding.

Portfolio Analysis Pooled Fund



Yield Curves



Investment Inventory

Pooled Fund

As of September 30, 2015

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
U.S. Treasuries	912828PE4	US TSY NT	12/23/2011	10/31/2015	0.09	1.25 \$	25,000,000 \$	25,609,375 \$	25,012,984 \$	25,019,500
U.S. Treasuries	912828PJ3	US TSY NT	12/16/2010	11/30/2015	0.17	1.38	50,000,000	49,519,531	49,984,073	50,104,500
U.S. Treasuries	912828PJ3	US TSY NT	12/16/2010	11/30/2015	0.17	1.38	50,000,000	49,519,531	49,984,073	50,104,500
U.S. Treasuries	912828PJ3	US TSY NT	12/23/2010	11/30/2015	0.17	1.38	50,000,000	48,539,063	49,951,383	50,104,500
U.S. Treasuries	912828RJ1	US TSY NT	10/11/2011	09/30/2016	1.00	1.00	75,000,000	74,830,078	74,965,847	75,453,750
U.S. Treasuries	912828RM4	US TSY NT	12/26/2013	10/31/2016	1.08	1.00	25,000,000	25,183,594	25,069,907	25,160,250
U.S. Treasuries	912828RX0	US TSY NT	02/25/2014	12/31/2016	1.24	0.88	25,000,000	25,145,508	25,063,939	25,125,250
U.S. Treasuries	912828SJ0	US TSY NT	03/21/2012	02/28/2017	1.41	0.88	25,000,000	24,599,609	24,885,539	25,129,500
U.S. Treasuries	912828SJ0	US TSY NT	03/21/2012	02/28/2017	1.41	0.88	25,000,000	24,599,609	24,885,539	25,129,500
U.S. Treasuries	912828SM3	US TSY NT	03/14/2012	02/28/2017	1.41	0.88	75,000,000	74,771,484	74,934,926	75,388,500
U.S. Treasuries	912828SM3	US TSY NT	04/04/2012	03/31/2017	1.49	1.00	50,000,000	49,835,938	49,950,745	50,364,500
Subtotals					0.86	1.09 \$	475,000,000 \$	472,153,320 \$	474,688,956 \$	477,084,250

Federal Agencies	313384ML0	FED HOME LN DISCOUNT NT	09/03/2015	10/02/2015	0.00	0.00 \$	50,000,000 \$	49,997,181 \$	49,997,181 \$	49,999,944
Federal Agencies	313384MR7	FED HOME LN DISCOUNT NT	09/03/2015	10/07/2015	0.00	0.00	19,360,000	19,358,629	19,358,629	19,359,871
Federal Agencies	313384NF2	FED HOME LN DISCOUNT NT	08/26/2015	10/21/2015	0.06	0.00	50,000,000	49,988,722	49,988,722	49,998,889
Federal Agencies	31398A4M1	FANNIE MAE	09/24/2015	10/26/2015	0.07	1.63	6,500,000	6,552,049	6,550,162	6,506,500
Federal Agencies	31398A4M1	FANNIE MAE	12/15/2010	10/26/2015	0.07	1.63	25,000,000	24,317,500	24,990,393	25,025,000
Federal Agencies	31398A4M1	FANNIE MAE	12/23/2010	10/26/2015	0.07	1.63	42,000,000	40,924,380	41,984,790	42,042,000
Federal Agencies	3133ECLZ5	FEDERAL FARM CREDIT BANK	12/15/2010	11/16/2015	0.13	1.50	25,000,000	24,186,981	24,979,188	25,041,250
Federal Agencies	3133ECLZ5	FEDERAL FARM CREDIT BANK	05/08/2013	11/19/2015	0.05	0.22	25,000,000	24,997,000	24,999,841	25,001,000
Federal Agencies	313384QF9	FED HOME LN DISCOUNT NT	09/24/2015	12/08/2015	0.19	0.00	24,500,000	24,493,109	24,493,109	24,496,298
Federal Agencies	313384QG7	FED HOME LN DISCOUNT NT	09/24/2015	12/09/2015	0.19	0.00	8,000,000	7,997,720	7,997,720	7,998,773
Federal Agencies	313371ZY5	FEDERAL HOME LOAN BANK	12/03/2010	12/11/2015	0.20	1.88	25,000,000	24,982,000	24,999,303	25,082,750
Federal Agencies	3135G0SB0	FANNIE MAE	09/29/2015	12/21/2015	0.23	0.38	5,922,000	5,931,184	5,931,108	5,925,198
Federal Agencies	313384QV4	FED HOME LN DISCOUNT NT	09/25/2015	12/22/2015	0.23	0.00	50,000,000	49,982,889	49,982,889	49,990,889
Federal Agencies	313384RB7	FED HOME LN DISCOUNT NT	09/25/2015	12/28/2015	0.24	0.00	35,000,000	34,986,292	34,986,292	34,993,156
Federal Agencies	313384RB7	FED HOME LN DISCOUNT NT	09/28/2015	12/28/2015	0.24	0.00	50,000,000	49,982,306	49,982,306	49,990,222
Federal Agencies	31315KRJ1	FARMER MAC DISCOUNT NOTE	09/22/2015	01/04/2016	0.26	0.00	18,000,000	17,991,160	17,991,160	17,993,880
Federal Agencies	3130A3P81	FEDERAL HOME LOAN BANK	12/29/2014	01/29/2016	0.33	0.25	25,000,000	25,000,000	25,000,000	25,015,000
Federal Agencies	313384SV2	FED HOME LN DISCOUNT NT	09/21/2015	02/08/2016	0.36	0.00	12,000,000	11,990,667	11,990,667	11,993,933
Federal Agencies	313375RN9	FEDERAL HOME LOAN BANK	04/13/2012	03/11/2016	0.45	1.00	22,200,000	22,357,620	22,217,881	22,277,256
Federal Agencies	3133XXP43	FEDERAL HOME LOAN BANK	09/21/2015	03/11/2016	0.45	3.13	3,120,000	3,164,204	3,161,792	3,159,406
Federal Agencies	3133XXP43	FEDERAL HOME LOAN BANK	12/12/2013	03/11/2016	0.45	3.13	14,000,000	14,848,400	14,167,611	14,176,820
Federal Agencies	3133EAJU3	FEDERAL FARM CREDIT BANK	04/12/2012	03/28/2016	0.49	1.05	25,000,000	25,220,750	25,027,327	25,103,250
Federal Agencies	3135G0VA8	FANNIE MAE	09/21/2015	03/30/2016	0.50	0.50	6,157,000	6,163,711	6,163,360	6,164,943
Federal Agencies	3135G0VA8	FANNIE MAE	12/13/2013	03/30/2016	0.50	0.50	25,000,000	25,022,250	25,004,806	25,032,250
Federal Agencies	31315PTF6	FARMER MAC	04/01/2013	04/01/2016	0.00	0.20	50,000,000	50,000,000	50,000,000	50,000,000
Federal Agencies	313379Z21	FEDERAL HOME LOAN BANK	04/18/2012	04/18/2016	0.55	0.81	20,000,000	19,992,200	19,998,932	20,057,800
Federal Agencies	3133ECWT7	FEDERAL FARM CREDIT BANK	11/20/2013	05/09/2016	0.61	0.65	22,650,000	22,746,489	22,673,667	22,702,775
Federal Agencies	3133EDB35	FEDERAL FARM CREDIT BANK	01/15/2014	06/02/2016	0.01	0.23	50,000,000	49,991,681	49,997,655	50,015,100
Federal Agencies	31315PB73	FARMER MAC	02/09/2012	06/09/2016	0.69	0.90	10,000,000	10,000,000	10,000,000	10,047,100
Federal Agencies	313373SZ6	FEDERAL HOME LOAN BANK	10/23/2014	06/10/2016	0.69	2.13	28,000,000	28,790,468	28,335,551	28,330,680
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	09/04/2014	06/13/2016	0.69	5.63	8,620,000	9,380,715	8,920,529	8,926,613
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	05/30/2013	06/13/2016	0.69	5.63	14,195,000	16,259,095	14,671,044	14,699,916
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	05/20/2013	06/13/2016	0.69	5.63	16,925,000	19,472,890	17,507,375	17,527,022
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	08/31/2015	06/13/2016	0.69	5.63	71,000,000	74,700,982	74,394,690	73,525,470
Federal Agencies	3133EDDP4	FEDERAL FARM CREDIT BANK	02/11/2014	06/17/2016	0.71	0.52	50,000,000	50,062,000	50,018,810	50,078,000

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Federal Agencies	3130A1BK3	FEDERAL HOME LOAN BANK	03/24/2014	06/24/2016	0.73	0.50	25,000,000	25,000,000	25,000,000	25,017,500
Federal Agencies	3135G0XP3	FANNIE MAE	03/25/2014	07/05/2016	0.76	0.38	50,000,000	49,753,100	49,917,601	50,001,000
Federal Agencies	31315PA25	FARMER MAC	03/26/2013	07/27/2016	0.82	2.00	11,900,000	12,440,498	12,033,018	12,053,034
Federal Agencies	31315PA25	FARMER MAC	03/26/2013	07/27/2016	0.82	2.00	14,100,000	14,735,205	14,256,326	14,281,326
Federal Agencies	31315PA25	FARMER MAC	07/27/2011	07/27/2016	0.82	2.00	15,000,000	14,934,750	14,989,286	15,192,900
Federal Agencies	31315PA25	FARMER MAC	03/26/2014	07/27/2016	0.82	2.00	20,000,000	20,643,350	20,226,001	20,257,200
Federal Agencies	3135G0YE7	FANNIE MAE	03/17/2014	08/26/2016	0.90	0.63	50,000,000	50,124,765	50,046,106	50,084,500
Federal Agencies	31315PQB8	FARMER MAC	10/29/2013	09/01/2016	0.92	1.50	7,000,000	7,156,240	7,050,575	7,072,870
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	10/11/2011	09/09/2016	0.94	2.00	25,000,000	25,727,400	25,139,401	25,368,250
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	11/05/2014	09/09/2016	0.94	2.00	25,000,000	25,662,125	25,337,939	25,368,250
Federal Agencies	3133EDH21	FEDERAL FARM CREDIT BANK	03/14/2014	09/14/2016	1.04	0.23	50,000,000	49,993,612	49,997,563	50,014,000
Federal Agencies	3134G4XW3	FREDDIE MAC	03/26/2014	09/26/2016	0.99	0.60	25,000,000	25,000,000	25,000,000	25,005,500
Federal Agencies	3133EDJA1	FEDERAL FARM CREDIT BANK	04/11/2014	10/11/2016	0.03	0.22	25,000,000	24,993,750	24,997,429	25,007,000
Federal Agencies	313378UB5	FEDERAL HOME LOAN BANK	10/23/2014	10/11/2016	1.02	1.13	5,000,000	5,060,200	5,031,482	5,033,350
Federal Agencies	3130A3CE2	FEDERAL HOME LOAN BANK	11/03/2014	10/14/2016	1.03	0.63	40,000,000	40,032,000	40,017,058	40,072,000
Federal Agencies	3137EADS5	FREDDIE MAC	03/03/2014	10/14/2016	1.03	0.88	25,000,000	25,200,250	25,079,388	25,107,250
Federal Agencies	3136G1WP0	FANNIE MAE	11/04/2013	11/04/2016	1.08	1.50	18,000,000	18,350,460	18,016,323	18,021,780
Federal Agencies	3134G5LS2	FREDDIE MAC	11/17/2014	11/17/2016	1.13	0.60	25,000,000	25,000,000	25,000,000	24,996,000
Federal Agencies	3130A3J70	FREDDIE MAC	11/17/2014	11/23/2016	1.14	0.63	25,000,000	24,990,000	24,994,315	25,037,000
Federal Agencies	313381GA7	FEDERAL HOME LOAN BANK	11/30/2012	11/30/2016	1.16	0.57	23,100,000	23,104,389	23,101,280	23,117,094
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	11/06/2014	12/09/2016	1.18	1.63	25,000,000	25,513,000	25,292,088	25,324,750
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	12/04/2014	12/09/2016	1.18	1.63	25,000,000	25,486,750	25,287,685	25,324,750
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	12/12/2014	12/09/2016	1.18	1.63	25,000,000	25,447,500	25,267,394	25,324,750
Federal Agencies	3130A12F4	FEDERAL HOME LOAN BANK	03/19/2014	12/19/2016	1.21	0.70	20,500,000	20,497,950	20,499,093	20,519,680
Federal Agencies	3134G5V7G	FREDDIE MAC	12/29/2014	12/29/2016	1.24	0.78	50,000,000	50,000,000	50,000,000	50,062,000
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	12/30/2014	12/30/2016	1.24	0.75	8,000,000	8,000,000	8,000,000	8,011,760
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	12/30/2014	12/30/2016	1.24	0.75	50,000,000	50,000,000	50,000,000	50,073,500
Federal Agencies	3134G33C2	FREDDIE MAC	01/03/2013	01/03/2017	1.25	0.60	50,000,000	50,000,000	50,000,000	50,059,000
Federal Agencies	3133ECB37	FEDERAL FARM CREDIT BANK	12/20/2012	01/12/2017	1.28	0.58	14,000,000	14,000,000	14,000,000	14,010,220
Federal Agencies	31315PWW5	FARMER MAC	05/04/2012	01/17/2017	1.29	1.01	49,500,000	49,475,250	49,493,175	49,806,405
Federal Agencies	3133EDRD6	FEDERAL FARM CREDIT BANK	12/12/2014	01/30/2017	0.08	0.20	50,000,000	49,981,400	49,988,387	49,874,000
Federal Agencies	3133786Q9	FEDERAL HOME LOAN BANK	01/10/2013	02/13/2017	1.36	1.00	67,780,000	68,546,456	68,036,853	68,195,491
Federal Agencies	3133EDFW7	FEDERAL FARM CREDIT BANK	02/27/2014	02/27/2017	0.07	0.25	50,000,000	50,000,000	50,000,000	50,032,500
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	12/15/2014	03/10/2017	1.44	0.88	50,000,000	50,058,500	50,037,710	50,136,500
Federal Agencies	3133EDP30	FEDERAL FARM CREDIT BANK	10/03/2014	03/24/2017	0.07	0.24	26,000,000	26,009,347	26,005,590	26,011,180
Federal Agencies	3134G4XM5	FREDDIE MAC	03/28/2014	03/28/2017	1.49	0.78	25,000,000	25,000,000	25,000,000	25,047,250
Federal Agencies	3133EDZW5	FEDERAL FARM CREDIT BANK	10/29/2014	03/29/2017	0.08	0.21	25,000,000	24,999,750	24,999,846	25,003,750
Federal Agencies	31315PTQ2	FARMER MAC	04/10/2012	04/10/2017	1.51	1.26	12,500,000	12,439,250	12,481,469	12,594,250
Federal Agencies	3133ECLL6	FEDERAL FARM CREDIT BANK	04/17/2013	04/17/2017	1.54	1.60	10,500,000	10,500,000	10,500,000	10,568,775
Federal Agencies	31315PUQ0	FARMER MAC	04/26/2012	04/26/2017	1.56	1.13	10,500,000	10,500,000	10,500,000	10,568,775
Federal Agencies	3137EADF3	FREDDIE MAC	05/14/2012	05/12/2017	1.60	1.25	25,000,000	25,133,000	25,042,948	25,266,500
Federal Agencies	31315PZQ5	FARMER MAC	12/28/2012	06/05/2017	1.66	1.11	9,000,000	9,122,130	9,046,213	9,033,750
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12/19/2014	06/09/2017	1.68	1.00	12,000,000	12,020,760	12,014,185	12,073,080
Federal Agencies	3130A3SL9	FEDERAL HOME LOAN BANK	12/30/2014	06/15/2017	1.69	0.95	25,000,000	24,959,750	24,972,076	25,179,000
Federal Agencies	3133EAUW6	FEDERAL FARM CREDIT BANK	06/19/2012	06/19/2017	0.22	0.36	50,000,000	50,000,000	50,000,000	50,008,000
Federal Agencies	3133EEGH7	FEDERAL FARM CREDIT BANK	12/26/2014	06/26/2017	1.73	0.93	8,400,000	8,397,312	8,398,133	8,430,744
Federal Agencies	3137EADH9	FREDDIE MAC	03/25/2014	06/29/2017	1.73	1.00	25,000,000	24,920,625	24,957,582	25,170,500
Federal Agencies	3134G5W50	FREDDIE MAC	12/30/2014	06/30/2017	1.74	1.00	50,000,000	50,000,000	50,000,000	50,250,000
Federal Agencies	3133ECV92	FEDERAL FARM CREDIT BANK	07/24/2013	07/24/2017	0.07	0.24	50,000,000	50,000,000	50,000,000	50,015,500
Federal Agencies	3133ECV66	FEDERAL FARM CREDIT BANK	08/05/2013	07/26/2017	0.07	0.30	23,520,000	23,520,000	23,520,000	23,550,576

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Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Federal Agencies	3135G0F24	FANNIE MAE	09/16/2015	08/16/2017	0.04	0.22	25,000,000	24,995,153	24,995,257	24,993,000
Federal Agencies	3133E0FX3	FEDERAL FARM CREDIT BANK	12/23/2014	08/23/2017	0.06	0.25	50,000,000	50,000,000	50,000,000	50,021,500
Federal Agencies	3137EADL0	FREDDIE MAC	03/25/2014	09/29/2017	1.98	1.00	25,000,000	24,808,175	24,891,090	25,151,250
Federal Agencies	3133EETS9	FEDERAL FARM CREDIT BANK	09/25/2015	10/19/2017	0.05	0.25	30,000,000	30,001,830	30,001,825	29,987,100
Federal Agencies	3136G03E9	FANNIE MAE	09/02/2015	11/08/2017	2.09	0.70	2,000,000	2,004,433	2,004,433	1,997,300
Federal Agencies	3133EEBR0	FEDERAL FARM CREDIT BANK	11/18/2014	11/13/2017	0.04	0.24	25,000,000	24,988,794	24,992,050	24,977,500
Federal Agencies	3133EEJ76	FEDERAL FARM CREDIT BANK	08/20/2015	11/13/2017	0.12	0.28	25,000,000	24,993,174	24,993,611	24,920,750
Federal Agencies	3134G44F2	FREDDIE MAC	05/21/2013	11/21/2017	2.12	0.80	50,000,000	50,000,000	50,000,000	49,895,000
Federal Agencies	3130A3HF4	FEDERAL HOME LOAN BANK	12/22/2014	12/08/2017	2.16	1.13	25,000,000	24,955,500	24,967,139	25,163,250
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	12/19/2014	12/18/2017	2.19	1.13	50,000,000	49,914,500	49,936,832	50,363,000
Federal Agencies	31315PZ28	FARMER MAC	12/22/2014	12/22/2017	2.20	1.20	46,000,000	46,000,000	46,000,000	46,388,700
Federal Agencies	3134G32M1	FREDDIE MAC	12/28/2012	12/28/2017	2.22	1.00	50,000,000	50,000,000	50,000,000	50,038,000
Federal Agencies	3134G5VA0	FREDDIE MAC	05/29/2014	12/29/2017	2.22	1.25	25,000,000	25,000,000	25,000,000	25,052,500
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	05/27/2015	02/02/2018	0.01	0.25	4,000,000	3,999,480	3,999,547	4,001,200
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	02/02/2015	02/02/2018	0.01	0.25	35,000,000	34,978,893	34,983,534	35,010,500
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/05/2014	02/05/2018	0.01	0.24	25,000,000	25,000,000	25,000,000	25,001,750
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/05/2014	02/05/2018	0.01	0.24	25,000,000	24,991,750	24,994,042	25,001,750
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	11/05/2014	02/05/2018	0.01	0.24	50,000,000	49,983,560	49,988,126	50,003,500
Federal Agencies	3135G0UN1	FANNIE MAE	02/26/2014	02/28/2018	2.38	1.15	8,770,000	8,713,434	8,735,936	8,766,755
Federal Agencies	3135G0UN1	FANNIE MAE	02/26/2014	02/28/2018	2.38	1.15	19,000,000	18,877,450	18,926,202	18,992,970
Federal Agencies	3133EEEN71	FEDERAL FARM CREDIT BANK	05/27/2015	03/26/2018	0.06	0.23	50,000,000	49,992,500	49,993,457	49,994,000
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	05/27/2015	03/26/2018	0.24	0.23	50,000,000	49,978,500	49,981,141	49,773,500
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	05/29/2015	03/26/2018	0.24	0.23	50,000,000	49,978,500	49,981,104	49,773,500
Federal Agencies	3133EEZC7	FEDERAL FARM CREDIT BANK	04/16/2015	04/16/2018	0.04	0.26	50,000,000	49,992,422	49,993,583	49,986,000
Federal Agencies	3133EEU40	FEDERAL FARM CREDIT BANK	06/03/2015	05/03/2018	0.01	0.24	69,000,000	68,994,894	68,995,469	69,153,180
Federal Agencies	31315PZM4	FARMER MAC	05/03/2013	05/03/2018	2.57	0.88	24,600,000	24,600,000	24,600,000	24,616,728
Federal Agencies	3135G0WJ8	FANNIE MAE	05/23/2013	05/21/2018	2.61	0.88	25,000,000	24,786,500	24,887,280	24,985,000
Federal Agencies	3133EFC2	FEDERAL FARM CREDIT BANK	09/08/2015	06/08/2018	0.02	0.25	25,000,000	25,000,000	25,000,000	25,007,500
Federal Agencies	3133EFC2	FEDERAL FARM CREDIT BANK	09/08/2015	06/08/2018	0.02	0.25	50,000,000	50,000,000	50,000,000	50,015,000
Federal Agencies	3133EEW48	FEDERAL FARM CREDIT BANK	06/11/2015	06/11/2018	0.03	0.25	50,000,000	49,996,000	49,996,409	49,974,500
Federal Agencies	3134G5Z1	FREDDIE MAC	01/30/2015	07/30/2018	2.80	1.00	25,000,000	25,000,000	25,000,000	25,014,500
Federal Agencies	3130A4GL0	FEDERAL HOME LOAN BANK	03/18/2015	09/18/2018	2.92	1.33	15,000,000	15,000,000	15,000,000	15,028,200
Federal Agencies	3136G2NZ6	FANNIE MAE	09/30/2015	09/28/2018	2.98	0.50	25,000,000	25,000,000	25,000,000	25,000,000
Federal Agencies	3136G2NZ6	FANNIE MAE	09/30/2015	09/28/2018	2.98	0.50	25,000,000	25,000,000	25,000,000	25,000,000
Federal Agencies	3134G7WW7	FREDDIE MAC	09/28/2015	09/28/2018	2.97	0.75	25,000,000	25,000,000	25,000,000	25,029,750
Federal Agencies	3134G6RP0	FREDDIE MAC	04/24/2015	10/24/2018	3.02	1.00	50,000,000	49,985,000	49,986,876	50,021,500
Federal Agencies	3134G4LZ9	FREDDIE MAC	12/10/2013	12/10/2018	3.15	0.88	50,000,000	50,000,000	50,000,000	50,078,500
Federal Agencies	3136G2C39	FANNIE MAE	12/30/2014	12/28/2018	3.16	1.63	15,000,000	15,000,000	15,000,000	15,120,300
Federal Agencies	3132X0AT8	FARMER MAC	06/05/2015	06/02/2020	0.01	0.34	41,000,000	41,000,000	41,000,000	40,955,720
Federal Agencies	3134G7QX2	FREDDIE MAC	08/27/2015	08/27/2020	4.83	0.75	11,865,000	11,865,000	11,865,000	11,874,373
Subtotals					0.86	0.84	\$ 3,730,184,000	\$ 3,744,010,988	\$ 3,737,220,944	\$ 3,741,639,646
State/Local Agencies	13063BHZ8	CALIFORNIA ST	08/19/2014	11/01/2015	0.09	3.95	\$ 5,000,000	\$ 5,215,300	\$ 5,015,203	\$ 5,015,850
State/Local Agencies	64966GXS6	NEW YORK NY	04/01/2013	12/01/2015	0.17	5.13	12,255,000	13,700,477	12,345,528	12,349,731
State/Local Agencies	13063BN73	CALIFORNIA ST	09/21/2015	02/01/2016	0.34	1.05	3,500,000	3,512,664	3,512,096	3,507,280
State/Local Agencies	13063BN73	CALIFORNIA ST	12/19/2014	02/01/2016	0.34	1.05	7,000,000	7,044,310	7,013,326	7,014,560
State/Local Agencies	13063BN73	CALIFORNIA ST	03/27/2013	02/01/2016	0.34	1.05	11,000,000	11,037,180	11,004,393	11,022,880
State/Local Agencies	13063BN73	CALIFORNIA ST	09/03/2015	02/01/2016	0.34	1.05	15,825,000	15,879,966	15,872,512	15,857,916
State/Local Agencies	13063BN73	CALIFORNIA ST	03/31/2015	02/01/2016	0.34	1.05	21,000,000	21,113,400	21,045,434	21,043,680
State/Local Agencies	91412GUT0	UNIV OF CALIFORNIA CA REVENUE	04/10/2014	05/15/2016	0.62	0.63	2,500,000	2,500,000	2,500,000	2,503,425

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Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
State/Local Agencies	612574DR1	MONTREY PENINSULA CA CMNTY	05/07/2013	08/01/2016	0.83	0.98	2,670,000	2,670,000	2,670,000	2,681,374
State/Local Agencies	13063CPM6	CALIFORNIA ST	12/09/2014	11/01/2016	1.08	0.75	44,046,200	44,046,200	44,026,467	43,946,320
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA CA REVENUE	04/10/2014	05/15/2017	1.61	1.22	3,250,000	3,250,000	3,250,000	3,270,345
State/Local Agencies	13063CPN4	CALIFORNIA ST	12/22/2014	11/01/2017	2.06	1.25	5,004,550	5,004,550	5,003,318	5,006,850
State/Local Agencies	13063CPN4	CALIFORNIA ST	11/25/2014	11/01/2017	2.06	1.25	50,000,000	50,121,500	50,086,365	50,068,500
State/Local Agencies	13063CFC9	CALIFORNIA ST	11/05/2013	11/01/2017	2.04	1.75	16,500,000	16,558,905	16,530,807	16,690,905
State/Local Agencies	6055804W6	MISSISSIPPI ST	04/23/2015	10/01/2019	3.56	6.09	8,500,000	10,249,139	10,078,659	10,052,950
Subtotals					1.25	1.64	\$ 208,000,000	\$ 211,903,591	\$ 209,954,106	\$ 210,032,566
Public Time Deposits	PP7QLOE87	TRANS-PAC NATIONAL BK	03/20/2015	03/21/2016	0.48	0.58	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000
Public Time Deposits	PPRNET9Q5	BANK OF SAN FRANCISCO	04/09/2015	04/11/2016	0.53	0.56	240,000	240,000	240,000	240,000
Public Time Deposits	PP9302V13	PREFERRED BANK LA CALIF	05/15/2015	05/16/2016	0.63	0.59	240,000	240,000	240,000	240,000
Public Time Deposits	PP00BERR6	UMPQUA BANK	06/29/2015	06/29/2016	0.75	0.60	240,000	240,000	240,000	240,000
Public Time Deposits	PP6J1O5Z6	IND & COMM BK OF CHINA	08/10/2015	08/10/2016	0.86	0.72	240,000	240,000	240,000	240,000
Subtotals					0.65	0.61	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Negotiable CDs	06366CU89	BANK OF MONTREAL CHICAGO	06/01/2015	12/01/2015	0.00	0.28	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,015,240
Negotiable CDs	78009NSA5	ROYAL BANK OF CANADA NY	09/16/2014	03/10/2016	0.04	0.37	25,000,000	25,000,000	25,000,000	25,017,765
Negotiable CDs	78009NTW6	ROYAL BANK OF CANADA NY	04/08/2015	04/08/2016	0.02	0.32	100,000,000	100,000,000	100,000,000	99,989,700
Negotiable CDs	96121TWK0	WESTPAC BANKING CORP NY	04/24/2014	04/25/2016	0.07	0.42	50,000,000	50,000,000	50,000,000	49,993,300
Negotiable CDs	96121TWJ3	WESTPAC BANKING CORP NY	04/24/2014	04/25/2016	0.07	0.45	25,000,000	25,000,000	25,000,000	24,995,975
Negotiable CDs	06417HKT2	BANK OF NOVA SCOTIA HOUS	05/09/2014	05/09/2016	0.11	0.50	25,000,000	24,989,525	24,996,833	24,994,550
Negotiable CDs	78009NVT0	ROYAL BANK OF CANADA NY	08/07/2015	08/08/2016	0.02	0.43	25,000,000	25,000,000	25,000,000	24,984,658
Negotiable CDs	06366CW42	BANK OF MONTREAL CHICAGO YCI	02/12/2015	08/12/2016	0.04	0.45	25,000,000	25,000,000	25,000,000	24,988,217
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	03/31/2015	09/23/2016	0.06	0.46	25,000,000	25,000,000	25,000,000	24,988,811
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	03/31/2015	09/23/2016	0.06	0.46	50,000,000	50,000,000	50,000,000	49,977,622
Negotiable CDs	06417HUW4	BANK OF NOVA SCOTIA HOUS	09/25/2014	09/23/2016	0.23	0.53	50,000,000	50,000,000	50,000,000	49,965,350
Negotiable CDs	06366CC48	BANK OF MONTREAL CHICAGO	04/07/2015	10/07/2016	0.02	0.46	50,000,000	50,000,000	50,000,000	49,989,950
Negotiable CDs	06417HVR4	BANK OF NOVA SCOTIA HOUS	10/07/2014	10/07/2016	0.02	0.48	50,000,000	50,000,000	50,000,000	49,989,700
Negotiable CDs	78009NSX5	ROYAL BANK OF CANADA NY	12/15/2014	12/15/2016	0.21	0.47	100,000,000	100,000,000	100,000,000	100,087,000
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	02/23/2015	02/23/2017	0.15	0.61	25,000,000	25,000,000	25,000,000	24,995,750
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	02/23/2015	02/23/2017	0.15	0.61	25,000,000	25,000,000	25,000,000	24,995,750
Negotiable CDs	06427EDJ7	BANK OF MONTREAL CHICAGO	09/17/2015	03/17/2017	0.05	0.61	25,000,000	25,000,000	25,000,000	25,000,000
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA HOUS	09/25/2014	09/25/2017	0.25	0.60	50,000,000	50,000,000	50,000,000	49,969,850
Subtotals					0.09	0.45	\$ 775,000,000	\$ 774,989,525	\$ 774,996,833	\$ 774,939,186
Commercial Paper	06538CX22	BANK TOKYO-MIT UFJ NY	09/25/2015	10/02/2015	0.00	0.00	\$ 50,000,000	\$ 49,998,833	\$ 49,998,833	\$ 49,999,750
Commercial Paper	06538CX63	BANK TOKYO-MIT UFJ NY	09/28/2015	10/06/2015	0.00	0.00	90,000,000	89,997,800	89,997,800	89,997,750
Commercial Paper	06538CX71	BANK TOKYO-MIT UFJ NY	09/29/2015	10/07/2015	0.00	0.00	50,000,000	49,998,778	49,998,778	49,998,500
Commercial Paper	59515NXL2	MICROSOFT CORP	08/31/2015	10/20/2015	0.06	0.00	100,000,000	99,976,389	99,976,389	99,990,500
Commercial Paper	59515NXV0	MICROSOFT CORP	09/02/2015	10/29/2015	0.08	0.00	25,000,000	24,992,875	24,992,875	24,996,500
Commercial Paper	06538CZM6	BANK TOKYO-MIT UFJ NY	09/22/2015	12/21/2015	0.23	0.00	50,000,000	49,960,000	49,960,000	49,975,250
Commercial Paper	06538CZM6	BANK TOKYO-MIT UFJ NY	09/24/2015	12/21/2015	0.23	0.00	50,000,000	49,962,111	49,962,111	49,975,250
Subtotals					0.07	0.00	\$ 415,000,000	\$ 414,886,786	\$ 414,886,786	\$ 414,933,500
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	05/07/2014	10/09/2015	0.00	0.85	\$ 8,000,000	\$ 8,043,680	\$ 8,000,672	\$ 8,000,480
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	05/19/2014	10/09/2015	0.00	0.85	9,300,000	9,358,311	9,300,918	9,300,558
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	03/05/2014	10/09/2015	0.00	0.85	10,000,000	10,069,000	10,000,947	10,000,600
Medium Term Notes	06366RJH9	BANK OF MONTREAL	03/27/2014	11/06/2015	0.10	0.80	8,500,000	8,532,470	8,501,985	8,502,550
Medium Term Notes	36962G4T8	GENERAL ELEC CAP CORP	05/12/2014	11/09/2015	0.11	2.25	7,000,000	7,183,890	7,013,135	7,012,880

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	03/12/2014	11/15/2015	0.13	1.80	10,000,000	10,231,900	10,017,024	10,016,800
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	03/07/2014	11/15/2015	0.13	1.80	23,025,000	23,588,652	23,066,043	23,063,682
Medium Term Notes	459200GU9	IBM CORP	02/11/2014	01/05/2016	0.27	2.00	19,579,000	20,139,743	19,656,679	19,659,861
Medium Term Notes	4625HHW3	JPMORGAN CHASE & CO	02/11/2015	01/15/2016	0.29	2.60	12,836,000	13,054,982	12,904,675	12,904,801
Medium Term Notes	064255AK8	BK TOKYO-MITSUBISHI UFJ	03/17/2014	02/26/2016	0.16	0.78	10,000,000	10,035,800	10,007,452	10,004,400
Medium Term Notes	36962G2V5	GENERAL ELEC CAP CORP	05/19/2014	05/11/2016	0.12	0.51	17,689,000	17,703,328	17,693,419	17,704,920
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	04/01/2015	07/12/2016	0.04	0.94	18,194,000	18,324,486	18,273,462	18,267,868
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	03/23/2015	07/12/2016	0.04	0.94	27,651,000	27,853,609	27,772,056	27,763,263
Medium Term Notes	36962G6Z2	GENERAL ELEC CAP CORP	07/22/2015	07/12/2016	0.78	1.50	30,740,000	31,005,491	30,955,097	30,960,713
Medium Term Notes	06366RPS8	BANK OF MONTREAL	07/31/2015	07/15/2016	0.04	0.81	35,000,000	35,139,631	35,117,125	35,086,450
Medium Term Notes	064159CQ7	BANK OF NOVA SCOTIA	02/13/2015	07/15/2016	0.79	1.38	16,483,000	16,621,787	16,560,163	16,570,195
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	12/15/2014	09/09/2016	0.19	0.79	18,930,000	19,016,132	18,976,734	18,975,053
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	03/02/2015	09/09/2016	0.19	0.79	24,000,000	24,103,620	24,063,995	24,057,120
Medium Term Notes	89236TBV6	TOYOTA MOTOR CREDIT CORP	09/25/2014	09/23/2016	0.23	0.39	47,500,000	47,500,000	47,500,000	47,477,200
Medium Term Notes	89236TBV6	TOYOTA MOTOR CREDIT CORP	12/09/2014	09/23/2016	0.23	0.43	14,150,000	14,145,331	14,147,444	14,141,652
Medium Term Notes	89236TBV8	TOYOTA MOTOR CREDIT CORP	02/11/2015	09/23/2016	0.23	0.43	28,150,000	28,142,963	28,145,730	28,133,392
Medium Term Notes	89236TBV8	TOYOTA MOTOR CREDIT CORP	09/23/2014	09/23/2016	0.23	0.43	50,000,000	50,000,000	50,000,000	49,970,500
Medium Term Notes	9612E0DB0	WESTPAC BANKING CORP	10/10/2014	10/07/2016	0.04	0.45	50,000,000	50,000,000	50,000,000	49,999,500
Medium Term Notes	89236TCL7	TOYOTA MOTOR CREDIT CORP	04/14/2015	10/14/2016	0.02	0.56	20,000,000	20,000,000	20,000,000	20,002,400
Medium Term Notes	36967FAB7	GENERAL ELEC CAP CORP	01/09/2015	01/09/2017	0.13	0.49	3,791,000	3,789,138	3,789,620	3,786,337
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	04/08/2015	02/15/2017	0.13	0.49	4,948,000	4,942,755	4,944,154	4,941,914
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	04/01/2015	02/15/2017	0.13	0.51	10,006,300	10,006,300	10,004,711	9,993,800
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	04/14/2015	02/16/2017	0.13	0.51	50,000,000	50,000,000	50,000,000	49,969,000
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	02/20/2015	02/16/2017	0.13	0.51	50,000,000	50,000,000	50,000,000	49,969,000
Subtotals					0.18	0.81	\$ 635,466,000	\$ 638,532,997	\$ 636,413,239	\$ 636,256,889
Money Market Funds	09248U718	BLACKROCK LIQUIDITY FUNDS T-FI	09/30/2015	10/01/2015	0.00	0.01	\$ 5,001,745	\$ 5,001,745	\$ 5,001,745	\$ 5,001,745
Money Market Funds	316175108	FIDELITY INSTITUTIONAL MONEY M	09/30/2015	10/01/2015	0.00	0.01	5,004,171	5,004,171	5,004,171	5,004,171
Money Market Funds	61747C707	MORGAN STANLEY INSTITUTIONAL	09/30/2015	10/01/2015	0.00	0.04	100,120,736	100,120,736	100,120,736	100,120,736
Subtotals					0.00	0.04	\$ 110,126,652	\$ 110,126,652	\$ 110,126,652	\$ 110,126,652
Grand Totals					0.65	0.77	\$ 6,349,976,652	\$ 6,367,803,858	\$ 6,359,487,516	\$ 6,366,212,689

Monthly Investment Earnings

Pooled Fund

For month ended September 30, 2015

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Interest Earned	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
U.S. Treasuries	912828PE4	US TSY NT	\$ 25,000,000	1.25	0.61	12/23/2011	10/31/2015	\$ 25,476	\$ (12,984)	\$ -	\$ 12,492
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	1.58	12/16/2010	11/30/2015	56,352	7,964	-	64,316
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	1.58	12/16/2010	11/30/2015	56,352	7,964	-	64,316
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	2.00	12/23/2010	11/30/2015	56,352	24,308	-	80,661
U.S. Treasuries	912828RJ1	US TSY NT	75,000,000	1.00	1.05	10/11/2011	09/30/2016	61,475	2,807	-	64,282
U.S. Treasuries	912828RM4	US TSY NT	25,000,000	1.00	0.74	12/26/2013	10/31/2016	20,380	(5,296)	-	15,084
U.S. Treasuries	912828RX0	US TSY NT	25,000,000	0.88	0.67	02/25/2014	12/31/2016	17,833	(4,197)	-	13,636
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	03/21/2012	02/28/2017	18,029	6,655	-	24,684
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	03/21/2012	02/28/2017	18,029	6,655	-	24,684
U.S. Treasuries	912828SJ0	US TSY NT	75,000,000	0.88	0.94	03/14/2012	02/28/2017	54,087	3,783	-	57,870
U.S. Treasuries	912828SM3	US TSY NT	50,000,000	1.00	1.07	04/04/2012	03/31/2017	40,984	2,701	-	43,685
Subtotals			\$ 475,000,000					\$ 425,350	\$ 40,360	\$ -	\$ 465,709
Federal Agencies	3133E4K4	FEDERAL FARM CREDIT BANK	\$ -	0.25	0.12	06/10/2015	09/10/2015	94	(47)	\$ -	47
Federal Agencies	3137EACM9	FREDDIE MAC	-	1.75	2.17	12/15/2010	09/10/2015	21,875	4,942	-	26,817
Federal Agencies	313370JB5	FEDERAL HOME LOAN BANK	-	1.75	2.31	12/15/2010	09/11/2015	36,458	8,163	-	44,621
Federal Agencies	31315PGT0	FARMER MAC	-	2.13	2.17	09/15/2010	09/15/2015	37,188	652	-	37,840
Federal Agencies	31315PGT0	FARMER MAC	-	2.13	0.15	06/10/2015	09/15/2015	1,855	(1,685)	-	171
Federal Agencies	3133ECJB1	FEDERAL FARM CREDIT BANK	-	0.24	0.50	04/24/2013	09/18/2015	1,844	37	-	1,881
Federal Agencies	31398A3T7	FANNIE MAE	-	2.00	1.08	10/14/2011	09/21/2015	27,778	(12,253)	-	15,525
Federal Agencies	3133E4JF6	FEDERAL FARM CREDIT BANK	-	0.23	0.72	11/30/2012	09/22/2015	3,675	243	-	3,919
Federal Agencies	313384MB2	FED HOME LN DISCOUNT NT	-	0.00	0.06	09/04/2015	09/23/2015	1,773	-	-	1,773
Federal Agencies	313384ML0	FED HOME LN DISCOUNT NT	50,000,000	0.00	0.07	09/03/2015	10/02/2015	2,722	-	-	2,722
Federal Agencies	313384MR7	FED HOME LN DISCOUNT NT	19,360,000	0.00	0.08	09/03/2015	10/07/2015	1,129	-	-	1,129
Federal Agencies	313384NF2	FED HOME LN DISCOUNT NT	50,000,000	0.00	0.15	08/26/2015	10/21/2015	6,042	-	-	6,042
Federal Agencies	31398A4M1	FANNIE MAE	6,500,000	1.63	0.13	09/24/2015	10/26/2015	2,054	(1,887)	-	167
Federal Agencies	31398A4M1	FANNIE MAE	25,000,000	1.63	2.22	12/15/2010	10/26/2015	33,854	11,529	-	45,383
Federal Agencies	31398A4M1	FANNIE MAE	42,000,000	1.63	2.19	12/23/2010	10/26/2015	56,875	18,251	-	75,126
Federal Agencies	31331J2S1	FEDERAL FARM CREDIT BANK	25,000,000	1.50	2.20	12/15/2010	11/16/2015	31,250	13,573	-	44,823
Federal Agencies	3133ECLZ5	FEDERAL FARM CREDIT BANK	25,000,000	0.22	0.29	05/08/2013	11/19/2015	4,358	97	-	4,455
Federal Agencies	313384QF9	FED HOME LN DISCOUNT NT	24,500,000	0.00	0.14	09/24/2015	12/08/2015	643	-	-	643
Federal Agencies	313384QG7	FED HOME LN DISCOUNT NT	8,000,000	0.00	0.14	09/24/2015	12/09/2015	210	-	-	210
Federal Agencies	313371ZV5	FEDERAL HOME LOAN BANK	25,000,000	1.88	1.89	12/03/2010	12/11/2015	39,063	294	-	39,357
Federal Agencies	313371ZV5	FEDERAL HOME LOAN BANK	50,000,000	1.88	1.93	12/14/2010	12/11/2015	78,125	2,115	-	80,240
Federal Agencies	3135G0SB0	FANNIE MAE	5,922,000	0.38	0.14	09/29/2015	12/21/2015	123	(76)	-	48
Federal Agencies	313384QV4	FED HOME LN DISCOUNT NT	50,000,000	0.00	0.14	09/25/2015	12/22/2015	1,167	-	-	1,167
Federal Agencies	313384RB7	FED HOME LN DISCOUNT NT	35,000,000	0.00	0.15	09/25/2015	12/28/2015	875	-	-	875
Federal Agencies	313384RB7	FED HOME LN DISCOUNT NT	50,000,000	0.00	0.14	09/28/2015	12/28/2015	583	-	-	583
Federal Agencies	31315KRJ1	FARMER MAC DISCOUNT NOTE	18,000,000	0.00	0.17	09/22/2015	01/04/2016	765	-	-	765
Federal Agencies	3130A3P81	FEDERAL HOME LOAN BANK	25,000,000	0.25	0.25	12/29/2014	01/29/2016	5,208	-	-	5,208
Federal Agencies	313384SV2	FED HOME LN DISCOUNT NT	12,000,000	0.00	0.20	09/21/2015	02/08/2016	667	-	-	667
Federal Agencies	313375RN9	FEDERAL HOME LOAN BANK	22,200,000	1.00	0.82	04/13/2012	03/11/2016	18,500	(3,311)	-	15,189
Federal Agencies	3133XXP43	FEDERAL HOME LOAN BANK	3,120,000	3.13	0.30	09/21/2015	03/11/2016	2,708	(2,413)	-	296
Federal Agencies	3133XXP43	FEDERAL HOME LOAN BANK	14,000,000	3.13	0.41	12/12/2013	03/11/2016	36,458	(31,039)	-	5,419
Federal Agencies	3133E4JU3	FEDERAL FARM CREDIT BANK	25,000,000	1.05	0.82	04/12/2012	03/28/2016	21,875	(4,580)	-	17,295
Federal Agencies	3135G0VA8	FANNIE MAE	6,157,000	0.50	0.29	09/21/2015	03/30/2016	855	(351)	-	504
Federal Agencies	3135G0VA8	FANNIE MAE	25,000,000	0.50	0.46	12/13/2013	03/30/2016	10,417	(797)	-	9,620
Federal Agencies	31315PTF6	FARMER MAC	50,000,000	0.20	0.20	04/01/2013	04/01/2016	8,208	-	-	8,208
Federal Agencies	313379Z21	FEDERAL HOME LOAN BANK	20,000,000	0.81	0.82	04/18/2012	04/18/2016	13,500	160	-	13,660
Federal Agencies	3133ECW77	FEDERAL FARM CREDIT BANK	22,650,000	0.65	0.48	11/20/2013	05/09/2016	12,269	(3,213)	-	9,056
Federal Agencies	3133EDB35	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.25	01/15/2014	06/02/2016	9,509	287	-	9,796

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Federal Agencies	31315PB73	FARMER MAC	10,000,000	0.90	0.90	02/09/2012	06/09/2016	7,500	-	-	7,500
Federal Agencies	313373S26	FEDERAL HOME LOAN BANK	28,000,000	2.13	0.39	10/23/2014	06/10/2016	49,583	(39,789)	-	9,795
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	8,620,000	5.63	0.62	09/04/2014	06/13/2016	40,406	(35,218)	-	5,188
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	14,195,000	5.63	0.77	05/30/2013	06/13/2016	66,539	(55,786)	-	10,753
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	16,925,000	5.63	0.65	05/20/2013	06/13/2016	79,336	(68,247)	-	11,089
Federal Agencies	313771AA5	FEDERAL HOME LOAN BK IL	71,000,000	5.63	0.51	08/31/2015	06/13/2016	332,813	(296,411)	-	36,401
Federal Agencies	3133EDDP4	FEDERAL FARM CREDIT BANK	50,000,000	0.52	0.44	02/11/2014	06/17/2016	21,667	(2,170)	-	19,496
Federal Agencies	3130A1BK3	FEDERAL HOME LOAN BANK	25,000,000	0.50	0.50	03/24/2014	06/24/2016	10,417	-	-	10,417
Federal Agencies	3135G0XP3	FANNIE MAE	50,000,000	0.38	0.59	03/25/2014	07/05/2016	15,625	8,892	-	24,517
Federal Agencies	31315PA25	FARMER MAC	11,900,000	2.00	0.62	03/26/2013	07/27/2016	19,833	(13,302)	-	6,532
Federal Agencies	31315PA25	FARMER MAC	14,100,000	2.00	0.63	03/26/2013	07/27/2016	23,500	(15,633)	-	7,867
Federal Agencies	31315PA25	FARMER MAC	15,000,000	2.00	2.09	07/27/2011	07/27/2016	25,000	1,071	-	26,071
Federal Agencies	31315PA25	FARMER MAC	20,000,000	2.00	0.61	03/26/2014	07/27/2016	33,333	(22,600)	-	10,733
Federal Agencies	3135G0YE7	FANNIE MAE	50,000,000	0.63	0.52	03/17/2014	08/26/2016	26,042	(4,191)	-	21,850
Federal Agencies	31315PQB8	FARMER MAC	7,000,000	1.50	0.70	10/29/2013	09/01/2016	8,750	(4,516)	-	4,234
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	25,000,000	2.00	1.39	10/11/2011	09/09/2016	41,667	(12,157)	-	29,510
Federal Agencies	313370TW8	FEDERAL HOME LOAN BANK	25,000,000	2.00	0.55	11/05/2014	09/09/2016	41,667	(29,471)	-	12,195
Federal Agencies	3133EDH21	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.24	03/14/2014	09/14/2016	9,208	209	-	9,418
Federal Agencies	3134G4XW3	FREDDIE MAC	25,000,000	0.60	0.60	03/26/2014	09/26/2016	12,500	-	-	12,500
Federal Agencies	3130A1CD8	FEDERAL HOME LOAN BANK	-	1.13	0.80	01/09/2015	09/28/2016	21,094	123,330	(137,500)	6,924
Federal Agencies	313378UB5	FEDERAL HOME LOAN BANK	5,000,000	1.13	0.51	10/23/2014	10/11/2016	4,708	(2,512)	-	2,197
Federal Agencies	3133EDJA1	FEDERAL FARM CREDIT BANK	25,000,000	0.22	0.25	04/11/2014	10/11/2016	4,578	205	-	4,783
Federal Agencies	3130A3CE2	FEDERAL HOME LOAN BANK	40,000,000	0.63	0.58	11/03/2014	10/14/2016	20,833	(1,350)	-	19,483
Federal Agencies	3137EADS5	FREDDIE MAC	25,000,000	0.88	0.57	03/03/2014	10/14/2016	18,229	(6,284)	-	11,945
Federal Agencies	3136G1WP0	FANNIE MAE	18,000,000	1.50	0.84	11/04/2013	11/04/2016	22,500	(14,402)	-	8,098
Federal Agencies	3134G5LS2	FREDDIE MAC	25,000,000	0.60	0.60	11/17/2014	11/17/2016	12,500	-	-	12,500
Federal Agencies	3130A3J70	FEDERAL HOME LOAN BANK	25,000,000	0.63	0.64	11/17/2014	11/23/2016	13,021	407	-	13,428
Federal Agencies	313381GA7	FEDERAL HOME LOAN BANK	23,100,000	0.57	0.57	11/30/2012	11/30/2016	10,973	(90)	-	10,882
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.64	11/06/2014	12/09/2016	33,854	(20,144)	-	13,710
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.65	12/04/2014	12/09/2016	33,854	(19,840)	-	14,014
Federal Agencies	313371PV2	FEDERAL HOME LOAN BANK	25,000,000	1.63	0.72	12/12/2014	12/09/2016	33,854	(18,441)	-	15,413
Federal Agencies	3130A12F4	FEDERAL HOME LOAN BANK	20,500,000	0.70	0.70	03/19/2014	12/19/2016	11,958	61	-	12,019
Federal Agencies	313381KR5	FEDERAL HOME LOAN BANK	-	0.63	0.63	12/28/2012	12/28/2016	6,328	-	-	6,328
Federal Agencies	313381KR5	FEDERAL HOME LOAN BANK	-	0.63	0.63	12/28/2012	12/28/2016	4,219	-	-	4,219
Federal Agencies	3134G5VG7	FREDDIE MAC	50,000,000	0.78	0.78	12/29/2014	12/29/2016	32,500	-	-	32,500
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	8,000,000	0.75	0.75	12/30/2014	12/30/2016	5,000	-	-	5,000
Federal Agencies	3130A3QU1	FEDERAL HOME LOAN BANK	50,000,000	0.75	0.75	12/30/2014	12/30/2016	31,250	-	-	31,250
Federal Agencies	3134G33C2	FREDDIE MAC	50,000,000	0.60	0.60	01/03/2013	01/03/2017	25,000	-	-	25,000
Federal Agencies	3133ECB37	FEDERAL FARM CREDIT BANK	14,000,000	0.58	0.58	12/20/2012	01/12/2017	6,767	-	-	6,767
Federal Agencies	31315PWW5	FARMER MAC	49,500,000	1.01	1.02	05/04/2012	01/17/2017	41,663	432	-	42,094
Federal Agencies	3133EDRD6	FEDERAL FARM CREDIT BANK	50,000,000	0.20	0.22	12/12/2014	01/30/2017	8,067	715	-	8,783
Federal Agencies	3133786Q9	FEDERAL HOME LOAN BANK	67,780,000	1.00	0.72	01/10/2013	02/13/2017	56,483	(15,380)	-	41,103
Federal Agencies	3133EDFW7	FEDERAL FARM CREDIT BANK	50,000,000	0.25	0.25	02/27/2014	02/27/2017	10,512	-	-	10,512
Federal Agencies	3133782N0	FEDERAL HOME LOAN BANK	50,000,000	0.88	0.82	12/15/2014	03/10/2017	36,458	(2,151)	-	34,308
Federal Agencies	3133EDP30	FEDERAL FARM CREDIT BANK	26,000,000	0.24	0.21	10/03/2014	03/24/2017	5,184	(311)	-	4,874
Federal Agencies	3134G4XM5	FREDDIE MAC	25,000,000	0.78	0.78	03/28/2014	03/28/2017	16,250	-	-	16,250
Federal Agencies	3133EDZW5	FEDERAL FARM CREDIT BANK	25,000,000	0.21	0.21	10/29/2014	03/29/2017	4,517	9	-	4,526
Federal Agencies	31315PTQ2	FARMER MAC	12,500,000	1.26	1.36	04/10/2012	04/10/2017	13,125	998	-	14,123
Federal Agencies	3133ECLL6	FEDERAL FARM CREDIT BANK	10,000,000	0.60	0.60	04/17/2013	04/17/2017	5,000	-	-	5,000
Federal Agencies	31315PUQ0	FARMER MAC	10,500,000	1.13	1.13	04/26/2012	04/26/2017	9,844	-	-	9,844
Federal Agencies	3137EADF3	FREDDIE MAC	25,000,000	1.25	1.14	05/14/2012	05/12/2017	26,042	(2,188)	-	23,854
Federal Agencies	31315PZQ5	FARMER MAC	9,000,000	1.11	0.80	12/28/2012	06/05/2017	8,325	(2,262)	-	6,063

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Federal Agencies	313379FW4	FEDERAL HOME LOAN BANK	12,000,000	1.00	0.93	12/19/2014	06/09/2017	10,000	(690)	-	9,310
Federal Agencies	3130A3SL9	FEDERAL HOME LOAN BANK	25,000,000	0.95	1.02	12/30/2014	06/15/2017	19,792	1,345	-	21,136
Federal Agencies	3133EAUW6	FEDERAL FARM CREDIT BANK	50,000,000	0.36	0.36	06/19/2012	06/19/2017	14,625	-	-	14,625
Federal Agencies	3133EEGH7	FEDERAL FARM CREDIT BANK	8,400,000	0.93	0.94	12/26/2014	06/26/2017	6,510	88	-	6,598
Federal Agencies	3137EADH9	FREDDIE MAC	25,000,000	1.00	1.10	03/25/2014	06/29/2017	20,833	1,998	-	22,831
Federal Agencies	3134G5W50	FREDDIE MAC	50,000,000	1.00	1.00	12/30/2014	06/30/2017	41,667	-	-	41,667
Federal Agencies	3133ECV92	FEDERAL FARM CREDIT BANK	50,000,000	0.24	0.24	07/24/2013	07/24/2017	9,970	-	-	9,970
Federal Agencies	3133ECV66	FEDERAL FARM CREDIT BANK	23,520,000	0.30	0.30	08/05/2013	07/26/2017	5,784	-	-	5,784
Federal Agencies	3135G0F24	FANNIE MAE	25,000,000	0.22	0.23	09/16/2015	08/16/2017	2,281	104	-	2,385
Federal Agencies	3133EEF33	FEDERAL FARM CREDIT BANK	50,000,000	0.25	0.25	12/23/2014	08/23/2017	10,373	-	-	10,373
Federal Agencies	3134G5HS7	FREDDIE MAC	25,000,000	1.13	1.16	09/25/2014	09/25/2017	15,075	(6,254)	20,100	28,921
Federal Agencies	3137EADL0	FREDDIE MAC	30,000,000	1.00	1.22	03/25/2014	09/29/2017	20,833	4,482	-	25,315
Federal Agencies	3133EET59	FEDERAL FARM CREDIT BANK	2,000,000	0.70	0.70	09/02/2015	10/19/2017	1,230	(5)	-	1,225
Federal Agencies	3136G03E9	FANNIE MAE	25,000,000	0.24	0.26	11/18/2014	11/13/2017	4,816	308	-	5,125
Federal Agencies	3133EEBR0	FEDERAL FARM CREDIT BANK	25,000,000	0.28	0.80	08/20/2015	11/13/2017	5,840	313	-	6,153
Federal Agencies	3133EEJ76	FEDERAL FARM CREDIT BANK	50,000,000	0.80	0.80	05/21/2013	11/21/2017	33,333	-	-	33,333
Federal Agencies	3134G44F2	FREDDIE MAC	50,000,000	1.13	1.19	12/22/2014	12/08/2017	23,438	1,234	-	24,671
Federal Agencies	3130A3HF4	FEDERAL HOME LOAN BANK	50,000,000	1.13	1.18	12/19/2014	12/18/2017	46,875	2,342	-	49,217
Federal Agencies	3133EEFE5	FEDERAL FARM CREDIT BANK	46,000,000	1.20	1.20	12/22/2014	12/22/2017	46,000	-	-	46,000
Federal Agencies	31315PZ28	FARMER MAC	-	0.88	0.88	12/26/2012	12/26/2017	17,622	-	-	17,622
Federal Agencies	3136G13Q0	FANNIE MAE	-	0.80	0.80	12/26/2012	12/26/2017	21,667	-	-	21,667
Federal Agencies	3134G32M1	FREDDIE MAC	50,000,000	1.00	1.00	12/28/2012	12/28/2017	41,667	-	-	41,667
Federal Agencies	3134G5VA0	FREDDIE MAC	25,000,000	1.25	1.25	12/29/2014	12/29/2017	26,042	-	-	26,042
Federal Agencies	3133EEMH0	FEDERAL FARM CREDIT BANK	4,000,000	0.25	0.25	05/27/2015	02/02/2018	827	16	-	843
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	35,000,000	0.25	0.27	02/02/2015	02/02/2018	7,240	578	-	7,817
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	25,000,000	0.24	0.24	11/05/2014	02/05/2018	5,051	-	-	5,051
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	25,000,000	0.24	0.26	11/05/2014	02/05/2018	5,051	208	-	5,260
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	50,000,000	0.24	0.26	11/05/2014	02/05/2018	10,103	415	-	10,518
Federal Agencies	3135G0UN1	FANNIE MAE	8,770,000	1.15	1.32	02/26/2014	02/28/2018	8,405	1,160	-	9,565
Federal Agencies	3135G0UN1	FANNIE MAE	19,000,000	1.15	1.32	02/26/2014	02/28/2018	18,208	2,513	-	20,721
Federal Agencies	3133EEAN0	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.24	05/22/2015	03/22/2018	9,751	217	-	9,968
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.25	05/27/2015	03/26/2018	9,653	624	-	10,277
Federal Agencies	3133EEQ86	FEDERAL FARM CREDIT BANK	50,000,000	0.23	0.25	05/29/2015	03/26/2018	9,653	625	-	10,278
Federal Agencies	3133EEZC7	FEDERAL FARM CREDIT BANK	50,000,000	0.26	0.26	04/16/2015	04/16/2018	10,554	207	-	10,762
Federal Agencies	31315PZM4	FARMER MAC	24,600,000	0.88	0.88	05/03/2013	05/03/2018	17,938	-	-	17,938
Federal Agencies	3133EEU40	FEDERAL FARM CREDIT BANK	69,000,000	0.24	0.24	06/03/2015	05/03/2018	13,820	144	-	13,964
Federal Agencies	3135G0WJ8	FANNIE MAE	25,000,000	0.88	1.05	05/23/2013	05/21/2018	18,229	3,512	-	21,741
Federal Agencies	3133EFC72	FEDERAL FARM CREDIT BANK	25,000,000	0.25	0.25	09/08/2015	06/08/2018	4,061	-	-	4,061
Federal Agencies	3133EFC72	FEDERAL FARM CREDIT BANK	50,000,000	0.25	0.25	09/08/2015	06/08/2018	8,122	-	-	8,122
Federal Agencies	3133EEW48	FEDERAL FARM CREDIT BANK	50,000,000	0.25	0.25	06/11/2015	06/11/2018	10,198	109	-	10,307
Federal Agencies	3130A4MX7	FEDERAL HOME LOAN BANK	50,000,000	0.50	0.50	03/27/2015	06/25/2018	1,333	-	-	1,333
Federal Agencies	3134G5Z11	FREDDIE MAC	25,000,000	1.00	1.00	01/30/2015	07/30/2018	20,833	-	-	20,833
Federal Agencies	3130A4GL0	FEDERAL HOME LOAN BANK	15,000,000	1.33	1.33	03/18/2015	09/18/2018	16,625	-	-	16,625
Federal Agencies	3134G7WW7	FREDDIE MAC	25,000,000	0.75	0.75	09/28/2015	09/28/2018	1,563	-	-	1,563
Federal Agencies	3136G2NZ6	FANNIE MAE	25,000,000	0.50	0.50	09/30/2015	09/28/2018	347	-	-	347
Federal Agencies	3136G2NP0	FANNIE MAE	25,000,000	0.50	0.50	09/30/2015	09/28/2018	347	-	-	347
Federal Agencies	3134G6RP0	FREDDIE MAC	50,000,000	1.00	1.01	04/24/2015	10/24/2018	41,667	352	-	42,019
Federal Agencies	31315PS59	FARMER MAC	-	0.42	0.42	03/03/2015	12/03/2018	1,174	-	-	1,174
Federal Agencies	31315PW96	FARMER MAC	-	0.40	0.40	03/03/2015	12/03/2018	1,118	-	-	1,118
Federal Agencies	3134G4LZ9	FREDDIE MAC	50,000,000	0.88	0.88	12/10/2013	12/10/2018	36,458	-	-	36,458
Federal Agencies	3136G2C39	FANNIE MAE	15,000,000	1.63	1.63	12/30/2014	12/28/2018	20,313	-	-	20,313

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Federal Agencies	31315PJ26	FARMER MAC	-	0.40	0.40	12/02/2014	12/02/2019	561	-	-	561
Federal Agencies	3130A4HA3	FEDERAL HOME LOAN BANK	-	1.25	1.25	03/18/2015	03/18/2020	14,757	-	-	14,757
Federal Agencies	3134G6KV4	FREDDIE MAC	-	1.63	1.63	03/25/2015	03/25/2020	16,250	-	-	16,250
Federal Agencies	3132X0AT8	FARMER MAC	41,000,000	0.34	0.34	06/05/2015	06/02/2020	11,556	-	-	11,556
Federal Agencies	3134G7QX2	FREDDIE MAC	11,865,000	0.75	0.75	08/27/2015	08/27/2020	7,416	-	-	7,416
Subtotals			\$ 3,730,184,000				\$ 2,799,009	\$ (553,877)	\$ (117,400)	\$	2,127,732
State/Local Agencies	13063BHZ8	CALIFORNIA ST	5,000,000	3.95	0.35	08/19/2014	11/01/2015	16,458	(14,713)	\$	1,745
State/Local Agencies	64966GXS6	NEW YORK NY	12,255,000	5.13	0.66	04/01/2013	12/01/2015	52,390	(44,522)	-	7,868
State/Local Agencies	13063BN73	CALIFORNIA ST	3,500,000	1.05	0.45	09/21/2015	02/01/2016	1,021	(568)	-	452
State/Local Agencies	13063BN73	CALIFORNIA ST	7,000,000	1.05	0.48	12/19/2014	02/01/2016	6,125	(3,250)	-	2,875
State/Local Agencies	13063BN73	CALIFORNIA ST	11,000,000	1.05	0.91	03/27/2013	02/01/2016	9,625	(1,071)	-	8,554
State/Local Agencies	13063BN73	CALIFORNIA ST	15,825,000	1.05	0.43	09/03/2015	02/01/2016	12,924	(7,453)	-	5,470
State/Local Agencies	13063BN73	CALIFORNIA ST	21,000,000	1.05	0.40	03/31/2015	02/01/2016	18,375	(11,081)	-	7,294
State/Local Agencies	91412GUT0	UNIV OF CALIFORNIA CA REVENU	2,500,000	0.63	0.63	04/10/2014	05/15/2016	1,321	-	-	1,321
State/Local Agencies	612574DR1	MONTEREY PENINSULA CA CMNT	2,670,000	0.98	0.98	05/07/2013	08/01/2016	2,185	-	-	2,185
State/Local Agencies	13063CPM6	CALIFORNIA ST	44,000,000	0.75	0.69	12/09/2014	11/01/2016	27,500	(2,000)	-	25,500
State/Local Agencies	91412GUU7	UNIV OF CALIFORNIA CA REVENU	3,250,000	1.22	1.22	04/10/2014	05/15/2017	3,310	-	-	3,310
State/Local Agencies	13063CFC9	CALIFORNIA ST	16,500,000	1.75	1.66	11/05/2013	11/01/2017	24,063	(1,213)	-	22,850
State/Local Agencies	13063CPN4	CALIFORNIA ST	5,000,000	1.25	1.22	12/22/2014	11/01/2017	5,208	(131)	-	5,078
State/Local Agencies	13063CPN4	CALIFORNIA ST	50,000,000	1.25	1.17	11/25/2014	11/01/2017	52,083	(3,400)	-	48,683
State/Local Agencies	6055804W6	MISSISSIPPI ST	8,500,000	6.09	1.38	04/23/2015	10/01/2019	43,130	(31,767)	-	11,364
Subtotals			\$ 208,000,000				\$ 275,718	\$ (121,170)	\$	\$	154,548
Public Time Deposits	PP7QLOE87	TRANS-PAC NATIONAL BK	240,000	0.58	0.58	03/20/2015	03/21/2016	114	-	-	114
Public Time Deposits	PPRNET9Q5	BANK OF SAN FRANCISCO	240,000	0.56	0.56	04/09/2015	04/11/2016	112	-	-	112
Public Time Deposits	PP9302V13	PREFERRED BANK LA CALIF	240,000	0.59	0.59	05/15/2015	05/16/2016	118	-	-	118
Public Time Deposits	PP00BERR6	UMPQUA BANK	240,000	0.60	0.60	06/29/2015	06/29/2016	118	-	-	118
Public Time Deposits	PP6J1O5Z6	IND & COMM BK OF CHINA	240,000	0.72	0.72	08/10/2015	08/10/2016	142	-	-	142
Subtotals			\$ 1,200,000				\$ 605	\$	\$	\$	605
Negotiable CDs	06366CU89	BANK OF MONTREAL CHICAGO	50,000,000	0.28	0.28	06/01/2015	12/01/2015	11,542	-	-	11,542
Negotiable CDs	78009NSA5	ROYAL BANK OF CANADA NY	25,000,000	0.37	0.37	09/16/2014	03/10/2016	7,595	-	-	7,595
Negotiable CDs	78009NTW6	ROYAL BANK OF CANADA NY	100,000,000	0.32	0.32	04/08/2015	04/08/2016	26,453	-	-	26,453
Negotiable CDs	96121TWJ3	WESTPAC BANKING CORP NY	25,000,000	0.45	0.45	04/24/2014	04/25/2016	9,273	-	-	9,273
Negotiable CDs	96121TWK0	WESTPAC BANKING CORP NY	50,000,000	0.42	0.42	04/24/2014	04/25/2016	17,470	-	-	17,470
Negotiable CDs	06417HKT2	BANK OF NOVA SCOTIA HOUS	25,000,000	0.50	0.56	05/09/2014	05/09/2016	10,446	430	-	10,876
Negotiable CDs	78009NVT0	ROYAL BANK OF CANADA NY	25,000,000	0.43	0.43	08/07/2015	08/08/2016	8,915	-	-	8,915
Negotiable CDs	06366CWA2	BANK OF MONTREAL CHICAGO YI	25,000,000	0.45	0.45	02/12/2015	08/12/2016	9,174	-	-	9,174
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	25,000,000	0.46	0.46	03/31/2015	09/23/2016	9,562	-	-	9,562
Negotiable CDs	06366CA32	BANK OF MONTREAL CHICAGO	50,000,000	0.46	0.46	03/31/2015	09/23/2016	19,123	-	-	19,123
Negotiable CDs	06417HUW4	BANK OF NOVA SCOTIA HOUS	50,000,000	0.53	0.53	09/25/2014	09/23/2016	20,551	-	-	20,551
Negotiable CDs	06366CC48	BANK OF MONTREAL CHICAGO	50,000,000	0.46	0.46	04/07/2015	10/07/2016	19,080	-	-	19,080
Negotiable CDs	06417HVR4	BANK OF NOVA SCOTIA HOUS	50,000,000	0.48	0.48	10/07/2014	10/07/2016	20,179	-	-	20,179
Negotiable CDs	78009NSX5	ROYAL BANK OF CANADA NY	100,000,000	0.47	0.47	12/15/2014	12/15/2016	38,821	-	-	38,821
Negotiable CDs	06417HE36	BANK OF NOVA SCOTIA HOUS	25,000,000	0.61	0.61	02/23/2015	02/23/2017	12,690	-	-	12,690
Negotiable CDs	06417HE37	BANK OF NOVA SCOTIA HOUS	25,000,000	0.61	0.61	02/23/2015	02/23/2017	12,690	-	-	12,690
Negotiable CDs	06427EDJ6	BANK OF MONTREAL CHICAGO	25,000,000	0.61	0.61	09/17/2015	03/17/2017	5,904	-	-	5,904
Negotiable CDs	06417HUR5	BANK OF NOVA SCOTIA HOUS	50,000,000	0.60	0.60	09/25/2014	09/25/2017	23,321	-	-	23,321
Subtotals			\$ 775,000,000				\$ 282,787	\$ 430	\$	\$	283,217
Commercial Paper	06538CW15	BANK TOKYO-MIT UFJ NY	-	0.00	0.16	08/25/2015	09/01/2015	-	-	-	-

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Commercial Paper	62478YW12	MUFG UNION BANK NA	-	0.00	0.05	08/31/2015	09/01/2015	-	-	-	-
Commercial Paper	66538CW23	BANK TOKYO-MIT UFJ NY	-	0.00	0.16	08/26/2015	09/02/2015	444	-	-	444
Commercial Paper	62478YW38	MUFG UNION BANK NA	-	0.00	0.10	09/02/2015	09/03/2015	278	-	-	278
Commercial Paper	62478YW46	MUFG UNION BANK NA	-	0.00	0.08	09/03/2015	09/04/2015	178	-	-	178
Commercial Paper	66538CW80	BANK TOKYO-MIT UFJ NY	-	0.00	0.16	09/01/2015	09/08/2015	3,111	-	-	3,111
Commercial Paper	62478YW87	MUFG UNION BANK NA	-	0.00	0.08	09/04/2015	09/08/2015	667	-	-	667
Commercial Paper	66538CW98	BANK TOKYO-MIT UFJ NY	-	0.00	0.17	09/02/2015	09/09/2015	3,306	-	-	3,306
Commercial Paper	62478YW80	MUFG UNION BANK NA	-	0.00	0.08	09/10/2015	09/11/2015	111	-	-	111
Commercial Paper	66538CWG2	BANK TOKYO-MIT UFJ NY	-	0.00	0.16	09/09/2015	09/16/2015	3,111	-	-	3,111
Commercial Paper	62478YW47	MUFG UNION BANK NA	-	0.00	0.10	09/16/2015	09/17/2015	278	-	-	278
Commercial Paper	62478YW46	MUFG UNION BANK NA	-	0.00	0.10	09/18/2015	09/21/2015	250	-	-	250
Commercial Paper	66538CW7	BANK TOKYO-MIT UFJ NY	-	0.00	0.17	09/11/2015	09/22/2015	5,194	-	-	5,194
Commercial Paper	62478YW4	MUFG UNION BANK NA	-	0.00	0.10	09/21/2015	09/22/2015	97	-	-	97
Commercial Paper	66538CWQ0	BANK OF TOKYO-MIT UFJ NY	-	0.00	0.17	09/17/2015	09/24/2015	3,306	-	-	3,306
Commercial Paper	19416FWR1	COLGATE-PALMOLIVE CO	-	0.00	0.11	09/03/2015	09/25/2015	1,681	-	-	1,681
Commercial Paper	45920GWR3	IBM CORP	-	0.00	0.12	08/19/2015	09/25/2015	2,840	-	-	2,840
Commercial Paper	62478YW45	MUFG UNION BANK NA	-	0.00	0.10	09/24/2015	09/25/2015	125	-	-	125
Commercial Paper	45920GWR6	IBM CORP	-	0.00	0.12	08/27/2015	09/28/2015	5,161	-	-	5,161
Commercial Paper	66538CWV9	BANK TOKYO-MIT UFJ NY	-	0.00	0.17	09/22/2015	09/29/2015	1,653	-	-	1,653
Commercial Paper	19416FWR2	COLGATE-PALMOLIVE CO	-	0.00	0.11	09/25/2015	09/29/2015	278	-	-	278
Commercial Paper	59515NWX9	MICROSOFT CORP	-	0.00	0.12	08/19/2015	09/30/2015	4,833	-	-	4,833
Commercial Paper	59515NWX9	MICROSOFT CORP	-	0.00	0.12	08/20/2015	09/30/2015	4,833	-	-	4,833
Commercial Paper	66538CX22	BANK TOKYO-MIT UFJ NY	50,000,000	0.00	0.12	09/25/2015	10/02/2015	1,000	-	-	1,000
Commercial Paper	66538CX63	BANK TOKYO-MIT UFJ NY	90,000,000	0.00	0.11	09/28/2015	10/06/2015	825	-	-	825
Commercial Paper	66538CX71	BANK TOKYO-MIT UFJ NY	50,000,000	0.00	0.11	09/29/2015	10/07/2015	306	-	-	306
Commercial Paper	59515NXL2	MICROSOFT CORP	100,000,000	0.00	0.17	08/31/2015	10/20/2015	14,167	-	-	14,167
Commercial Paper	59515NXL0	MICROSOFT CORP	25,000,000	0.00	0.18	09/02/2015	10/29/2015	3,625	-	-	3,625
Commercial Paper	66538CZM6	BANK TOKYO-MIT UFJ NY	50,000,000	0.00	0.32	09/22/2015	12/21/2015	4,000	-	-	4,000
Commercial Paper	66538CZM6	BANK TOKYO-MIT UFJ NY	50,000,000	0.00	0.31	09/24/2015	12/21/2015	3,014	-	-	3,014
Subtotals			\$ 415,000,000					\$ 68,670	\$ -	\$ -	\$ 68,670
Medium Term Notes	594918AG9	MICROSOFT CORP	\$ -	1.63	0.39	10/30/2013	09/25/2015	3,452	\$ (2,565)	\$ -	887
Medium Term Notes	961214BW2	WESTPAC BANKING CORP	\$ -	1.13	0.35	09/15/2014	09/25/2015	7,614	(5,133)	-	2,481
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	8,000,000	0.85	0.46	05/07/2014	10/09/2015	5,667	(2,520)	-	3,147
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	9,300,000	0.85	0.40	05/19/2014	10/09/2015	6,588	(3,444)	-	3,144
Medium Term Notes	369604BE2	GENERAL ELECTRIC CO	10,000,000	0.85	0.42	03/05/2014	10/09/2015	7,083	(3,551)	-	3,533
Medium Term Notes	06366RJ99	BANK OF MONTREAL	8,500,000	0.80	0.56	03/27/2014	11/06/2015	5,667	(1,654)	-	4,013
Medium Term Notes	36962G4T8	GENERAL ELEC CAP CORP	7,000,000	2.25	0.48	05/12/2014	11/09/2015	13,125	(10,104)	-	3,021
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	10,000,000	1.80	0.41	03/12/2014	11/15/2015	15,000	(11,349)	-	3,651
Medium Term Notes	742718DS5	PROCTER & GAMBLE MTN	23,025,000	1.80	0.34	03/07/2014	11/15/2015	34,538	(27,362)	-	7,176
Medium Term Notes	45920GU9	IBM CORP	19,579,000	2.00	0.48	02/11/2014	01/05/2016	32,632	(24,275)	-	8,357
Medium Term Notes	46625HHW3	JPMORGAN CHASE & CO	12,836,000	2.60	0.75	02/11/2015	01/15/2016	27,811	(19,436)	-	8,375
Medium Term Notes	064255AK8	BK TOKYO-MITSUBISHI UFJ	10,000,000	0.78	0.07	03/17/2014	02/26/2016	6,513	(1,511)	-	5,003
Medium Term Notes	36962G2V5	GENERAL ELEC CAP CORP	17,689,000	0.51	0.40	05/19/2014	05/11/2016	7,541	(595)	-	6,947
Medium Term Notes	36962G6Z2	GENERAL ELEC CAP CORP	30,740,000	1.50	0.65	07/22/2015	07/12/2016	38,425	(21,293)	-	17,132
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	18,194,000	0.94	0.22	04/01/2015	07/12/2016	14,191	(8,364)	-	5,827
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	27,651,000	0.94	0.20	03/23/2015	07/12/2016	21,568	(12,743)	-	8,825
Medium Term Notes	36962G7A6	GENERAL ELEC CAP CORP	35,000,000	0.81	0.43	07/31/2015	07/15/2016	23,590	(10,890)	-	12,700
Medium Term Notes	064159CQ7	BANK OF NOVA SCOTIA	16,483,000	1.38	0.78	02/13/2015	07/15/2016	18,887	(8,038)	-	10,849
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	18,930,000	0.79	0.34	12/15/2014	09/09/2016	12,292	(4,076)	-	8,216
Medium Term Notes	89114QAL2	TORONTO-DOMINION BANK	24,000,000	0.79	0.36	03/02/2015	09/09/2016	15,584	(5,581)	-	10,003
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	14,150,000	0.43	0.46	12/09/2014	09/23/2016	4,637	214	-	4,851

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issuer Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	28,150,000	0.43	0.45	02/11/2015	09/23/2016	9,224	358	-	9,582
Medium Term Notes	89236TBU8	TOYOTA MOTOR CREDIT CORP	50,000,000	0.43	0.43	09/23/2014	09/23/2016	16,384	-	-	16,384
Medium Term Notes	89236TBV6	TOYOTA MOTOR CREDIT CORP	47,500,000	0.39	0.39	09/25/2014	09/23/2016	15,306	-	-	15,306
Medium Term Notes	9612E0DB0	WESTPAC BANKING CORP	50,000,000	0.45	0.45	10/10/2014	10/07/2016	18,663	-	-	18,663
Medium Term Notes	89236TCL7	TOYOTA MOTOR CREDIT CORP	50,000,000	0.39	0.39	04/14/2015	10/14/2016	16,075	-	-	16,075
Medium Term Notes	36967FAB7	GENERAL ELEC CAP CORP	20,000,000	0.56	0.56	01/09/2015	01/09/2017	9,388	-	-	9,388
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	3,791,000	0.49	0.52	04/08/2015	02/15/2017	1,550	82	-	1,632
Medium Term Notes	36962G2F0	GENERAL ELEC CAP CORP	4,948,000	0.49	0.56	04/01/2015	02/15/2017	2,022	229	-	2,252
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	10,000,000	0.51	0.47	04/14/2015	02/16/2017	4,254	(280)	-	3,974
Medium Term Notes	89236TCC7	TOYOTA MOTOR CREDIT CORP	50,000,000	0.51	0.51	02/20/2015	02/16/2017	21,271	-	-	21,271
Subtotals			\$ 635,466,000					\$ 436,539	\$ (183,878)	\$ -	\$ 252,661
Money Market Funds	09248U718	BLACKROCK LIQUIDITY FUNDS T-	5,001,745	0.01	0.01	09/30/2015	10/01/2015	41	-	-	41
Money Market Funds	316175108	FIDELITY INSTITUTIONAL MONEY	5,004,171	0.01	0.01	09/30/2015	10/01/2015	41	-	-	41
Money Market Funds	61747C707	MORGAN STANLEY INSTITUTIONA	100,120,736	0.04	0.04	09/30/2015	10/01/2015	3,292	-	-	3,292
Subtotals			\$ 110,126,652					\$ 3,374	\$ -	\$ -	\$ 3,374
Grand Totals			\$ 6,349,976,652					\$ 4,292,052	\$ (818,135)	\$ (117,400)	\$ 3,356,517

¹ Yield to maturity is calculated at purchase

Investment Transactions

Pooled Fund

For month ended September 30, 2015

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Purchase	09/01/2015	09/08/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CW80	\$ 100,000,000	0.00	0.16	\$ 100.00	\$ -	\$ 99,996,889
Purchase	09/01/2015	10/01/2015	Money Market Funds	BLACKROCK LIQUIDITY FUND	09248U718	42	0.01	0.01	100.00	-	42
Purchase	09/02/2015	09/09/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CW98	100,000,000	0.00	0.17	100.00	-	99,996,694
Purchase	09/02/2015	11/08/2017	Federal Agencies	FANNIE MAE	3136G03E9	2,000,000	0.70	0.70	100.00	4,433	2,004,433
Purchase	09/02/2015	10/29/2015	Commercial Paper	MICROSOFT CORP	59515NXV0	25,000,000	0.00	0.18	99.97	-	24,992,875
Purchase	09/02/2015	09/03/2015	Commercial Paper	MUFG UNION BANK NA	62478YW38	100,000,000	0.00	0.10	100.00	-	99,999,722
Purchase	09/03/2015	02/01/2016	State/Local Agencies	CALIFORNIA ST	13063BN73	15,825,000	1.05	0.43	100.25	14,770	15,879,966
Purchase	09/03/2015	09/25/2015	Commercial Paper	COLGATE-PALMOLIVE CO	19416FWR1	25,000,000	0.00	0.11	99.99	-	24,998,319
Purchase	09/03/2015	10/02/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384ML0	50,000,000	0.00	0.07	99.99	-	49,997,181
Purchase	09/03/2015	10/07/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384MR7	19,360,000	0.00	0.08	99.99	-	19,358,629
Purchase	09/03/2015	09/04/2015	Commercial Paper	MUFG UNION BANK NA	62478YW46	80,000,000	0.00	0.08	100.00	-	79,999,822
Purchase	09/04/2015	09/23/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384MB2	56,000,000	0.00	0.06	100.00	-	55,998,227
Purchase	09/04/2015	09/08/2015	Commercial Paper	MUFG UNION BANK NA	62478YW87	75,000,000	0.00	0.08	100.00	-	74,999,333
Purchase	09/08/2015	06/08/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFC72	25,000,000	0.25	0.25	100.00	-	25,000,000
Purchase	09/08/2015	06/08/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EFC72	50,000,000	0.25	0.25	100.00	-	50,000,000
Purchase	09/09/2015	09/16/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CWG2	100,000,000	0.00	0.16	100.00	-	99,996,889
Purchase	09/10/2015	09/11/2015	Commercial Paper	MUFG UNION BANK NA	62478YW80	50,000,000	0.00	0.08	100.00	-	49,999,889
Purchase	09/11/2015	09/22/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CWN7	100,000,000	0.00	0.17	99.99	-	99,994,806
Purchase	09/16/2015	08/16/2017	Federal Agencies	FANNIE MAE	3135G0F24	25,000,000	0.22	0.23	99.98	-	24,995,153
Purchase	09/16/2015	09/17/2015	Commercial Paper	MUFG UNION BANK NA	62478YWH7	100,000,000	0.00	0.10	100.00	-	99,999,722
Purchase	09/17/2015	03/17/2017	Negotiable CDs	BANK OF MONTREAL CHICAGO	06427EDJ7	25,000,000	0.61	0.61	100.00	-	25,000,000
Purchase	09/17/2015	09/24/2015	Commercial Paper	BANK OF TOKYO-MIT UFJ NY	06538CWQ0	100,000,000	0.00	0.17	100.00	-	99,996,694
Purchase	09/18/2015	09/21/2015	Commercial Paper	MUFG UNION BANK NA	62478YWM6	30,000,000	0.00	0.10	100.00	-	29,999,750
Purchase	09/21/2015	02/01/2016	State/Local Agencies	CALIFORNIA ST	13063BN73	3,500,000	1.05	0.45	100.22	5,104	3,512,664
Purchase	09/21/2015	02/08/2016	Federal Agencies	FED HOME LN DISCOUNT NT	313384SV2	12,000,000	0.00	0.20	99.92	-	11,990,667
Purchase	09/21/2015	03/11/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3133XXP43	3,120,000	3.13	0.30	101.33	2,708	3,164,204
Purchase	09/21/2015	03/30/2016	Federal Agencies	FANNIE MAE	3135G0VA8	6,157,000	0.50	0.29	100.11	14,623	6,178,334
Purchase	09/22/2015	09/29/2015	Commercial Paper	MUFG UNION BANK NA	62478YVNA	35,000,000	0.00	0.10	100.00	-	34,999,903
Purchase	09/22/2015	09/29/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CWV9	50,000,000	0.00	0.17	100.00	-	49,998,347
Purchase	09/22/2015	12/21/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CZM6	50,000,000	0.00	0.32	99.92	-	49,960,000
Purchase	09/22/2015	01/04/2016	Federal Agencies	FARMER MAC DISCOUNT NOTE	31315KRJ1	18,000,000	0.00	0.17	99.95	-	17,991,160
Purchase	09/24/2015	12/08/2015	Federal Agencies	BANK TOKYO-MIT UFJ NY	06538CM6	50,000,000	0.00	0.31	99.92	-	49,962,111
Purchase	09/24/2015	12/09/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384QF9	24,500,000	0.00	0.14	99.97	-	24,493,109
Purchase	09/24/2015	12/09/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384QG7	8,000,000	0.00	0.14	99.97	-	7,997,720
Purchase	09/24/2015	10/26/2015	Federal Agencies	FANNIE MAE	31398A4M1	6,500,000	1.63	0.13	100.13	43,424	6,552,049
Purchase	09/24/2015	09/25/2015	Commercial Paper	MUFG UNION BANK NA	62478YWR5	45,000,000	0.00	0.10	100.00	-	44,999,875
Purchase	09/25/2015	10/02/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CX22	50,000,000	0.00	0.12	100.00	-	49,998,833
Purchase	09/25/2015	09/29/2015	Commercial Paper	COLGATE-PALMOLIVE CO	19416FWV2	25,000,000	0.00	0.10	100.00	-	24,999,722
Purchase	09/25/2015	12/22/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384QV4	50,000,000	0.00	0.14	99.97	-	49,982,889
Purchase	09/25/2015	12/28/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384RB7	35,000,000	0.00	0.15	99.96	-	34,986,292
Purchase	09/25/2015	10/19/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EETS9	30,000,000	0.25	0.25	100.00	1,230	30,001,830
Purchase	09/28/2015	10/06/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CX63	90,000,000	0.00	0.11	100.00	-	89,997,800
Purchase	09/28/2015	12/28/2018	Federal Agencies	FED HOME LN DISCOUNT NT	313384RB7	50,000,000	0.00	0.14	99.96	-	49,982,306
Purchase	09/28/2015	09/28/2018	Federal Agencies	FREDDIE MAC	3134G7WM7	25,000,000	0.75	0.75	100.00	-	25,000,000
Purchase	09/29/2015	10/07/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CX71	50,000,000	0.00	0.11	100.00	-	49,998,778
Purchase	09/29/2015	12/21/2015	Federal Agencies	FANNIE MAE	3135G0S80	5,922,000	0.38	0.14	100.05	6,045	5,931,184
Purchase	09/30/2015	09/28/2018	Federal Agencies	FANNIE MAE	3136G2NZ6	25,000,000	0.50	0.50	100.00	-	25,000,000
Purchase	09/30/2015	09/28/2018	Federal Agencies	FANNIE MAE	3136G2NZ6	25,000,000	0.50	0.50	100.00	-	25,000,000
Purchase	09/30/2015	10/01/2015	Money Market Funds	FIDELITY INSTITUTIONAL M	316175I08	41	0.01	0.01	100.00	-	41
Purchase	09/30/2015	10/01/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	3,292	0.04	0.04	100.00	-	3,292
Subtotals						\$ 2,025,887,375	0.07	0.17	\$ 100.00	\$ 92,338	\$ 2,025,888,146

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Call	09/02/2015	12/02/2019	Federal Agencies	FARMER MAC	31315P126	\$ 50,000,000	0.40	0.40	100.00	\$ -	50,000,000
Call	09/03/2015	12/03/2018	Federal Agencies	FARMER MAC	31315PS59	50,000,000	0.42	0.42	100.00	-	50,000,000
Call	09/03/2015	12/03/2018	Federal Agencies	FARMER MAC	31315PW96	50,000,000	0.40	0.40	100.00	-	50,000,000
Call	09/18/2015	03/18/2020	Federal Agencies	FEDERAL HOME LOAN BANK	3130A4HA3	25,000,000	1.25	1.25	100.00	-	25,000,000
Call	09/25/2015	06/25/2018	Federal Agencies	FEDERAL HOME LOAN BANK	3130A4MX7	4,000,000	0.50	0.50	100.00	-	4,000,000
Call	09/25/2015	09/25/2017	Federal Agencies	FREDDIE MAC	3134G5HS7	20,100,000	1.13	1.16	100.00	-	20,100,000
Call	09/25/2015	03/25/2020	Federal Agencies	FREDDIE MAC	3134G6KV4	15,000,000	1.63	1.63	100.00	-	15,000,000
Call	09/26/2015	12/26/2017	Federal Agencies	FANNIE MAE	3136G13Q0	29,000,000	0.88	0.88	100.00	63,438	29,063,438
Call	09/26/2015	12/26/2017	Federal Agencies	FANNIE MAE	3136G13T4	39,000,000	0.80	0.80	100.00	78,000	39,078,000
Call	09/28/2015	09/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A1CD8	25,000,000	1.13	0.80	100.00	-	25,000,000
Call	09/28/2015	12/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313381KR5	9,000,000	0.63	0.63	100.00	14,063	9,014,063
Call	09/28/2015	12/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313381KR5	13,500,000	0.63	0.63	100.00	21,094	13,521,094
Subtotals						\$ 329,600,000	0.73	0.71	\$ -	\$ 176,594	\$ 329,776,594
Maturity	09/01/2015	09/01/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CW15	\$ 100,000,000	0.00	0.16	100.00	\$ -	100,000,000
Maturity	09/01/2015	09/01/2015	Commercial Paper	MJFG UNION BANK NA	62478YW12	50,000,000	0.00	0.05	100.00	-	50,000,000
Maturity	09/02/2015	09/02/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CW23	100,000,000	0.00	0.16	100.00	-	100,000,000
Maturity	09/03/2015	09/03/2015	Commercial Paper	MJFG UNION BANK NA	62478YW38	100,000,000	0.00	0.10	100.00	-	100,000,000
Maturity	09/04/2015	09/04/2015	Commercial Paper	MJFG UNION BANK NA	62478YW46	80,000,000	0.00	0.08	100.00	-	80,000,000
Maturity	09/08/2015	09/08/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CW80	100,000,000	0.00	0.16	100.00	-	100,000,000
Maturity	09/08/2015	09/08/2015	Commercial Paper	MJFG UNION BANK NA	62478YW87	75,000,000	0.00	0.08	100.00	-	75,000,000
Maturity	09/09/2015	09/09/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CW98	100,000,000	0.00	0.17	100.00	-	100,000,000
Maturity	09/10/2015	09/10/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDEK4	1,500,000	0.25	0.12	100.00	1,875	1,501,875
Maturity	09/10/2015	09/10/2015	Federal Agencies	FREDDIE MAC	3137EACM9	50,000,000	1.75	2.17	100.00	437,500	50,437,500
Maturity	09/11/2015	09/11/2015	Federal Agencies	FREDDIE MAC	313370JB5	75,000,000	1.75	2.31	100.00	656,250	75,656,250
Maturity	09/11/2015	09/11/2015	Federal Agencies	MJFG UNION BANK NA	62478YW80	50,000,000	0.00	0.08	100.00	-	50,000,000
Maturity	09/15/2015	09/15/2015	Federal Agencies	FARMER MAC	31315PGT0	2,245,000	2.13	0.15	100.00	23,853	2,268,853
Maturity	09/15/2015	09/15/2015	Federal Agencies	FARMER MAC	31315PGT0	45,000,000	2.13	2.17	100.00	478,125	45,478,125
Maturity	09/16/2015	09/16/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CWG2	100,000,000	0.00	0.16	100.00	-	100,000,000
Maturity	09/17/2015	09/17/2015	Commercial Paper	MJFG UNION BANK NA	62478YW77	100,000,000	0.00	0.10	100.00	-	100,000,000
Maturity	09/18/2015	09/18/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECJB1	16,200,000	0.24	0.50	100.00	8,751	16,208,751
Maturity	09/21/2015	09/21/2015	Federal Agencies	FANNIE MAE	31398A3T7	25,000,000	2.00	1.08	100.00	250,000	25,250,000
Maturity	09/21/2015	09/21/2015	Commercial Paper	MJFG UNION BANK NA	62478YWM6	30,000,000	0.00	0.10	100.00	-	30,000,000
Maturity	09/22/2015	09/22/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CWN7	100,000,000	0.00	0.17	100.00	-	100,000,000
Maturity	09/22/2015	09/22/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EAJF6	27,953,000	0.23	0.72	100.00	5,426	27,958,426
Maturity	09/22/2015	09/22/2015	Commercial Paper	MJFG UNION BANK NA	62478YWN4	35,000,000	0.00	0.10	100.00	-	35,000,000
Maturity	09/23/2015	09/23/2015	Federal Agencies	FED HOME LN DISCOUNT NT	313384MB2	56,000,000	0.00	0.06	100.00	-	56,000,000
Maturity	09/24/2015	09/24/2015	Commercial Paper	BANK OF TOKYO-MIT UFJ NY	06538CWQ0	100,000,000	0.00	0.17	100.00	-	100,000,000
Maturity	09/25/2015	09/25/2015	Commercial Paper	COLGATE-PALMOLIVE CO	19416FWR1	25,000,000	0.00	0.11	100.00	-	25,000,000
Maturity	09/25/2015	09/25/2015	Commercial Paper	IBM CORP	45920GWR3	35,500,000	0.00	0.12	100.00	-	35,500,000
Maturity	09/25/2015	09/25/2015	Medium Term Notes	MICROSOFT CORP	594918AG9	3,186,000	1.63	0.39	100.00	25,886	3,211,886
Maturity	09/25/2015	09/25/2015	Commercial Paper	MJFG UNION BANK NA	62478YWR5	45,000,000	0.00	0.10	100.00	-	45,000,000
Maturity	09/25/2015	09/25/2015	Medium Term Notes	WESTPAC BANKING CORP	961214BW2	10,152,000	1.13	0.35	100.00	57,105	10,209,105
Maturity	09/28/2015	09/28/2015	Commercial Paper	IBM CORP	45920GWU6	57,340,000	0.00	0.12	100.00	-	57,340,000
Maturity	09/29/2015	09/29/2015	Commercial Paper	BANK TOKYO-MIT UFJ NY	06538CWV9	50,000,000	0.00	0.17	100.00	-	50,000,000
Maturity	09/29/2015	09/29/2015	Commercial Paper	COLGATE-PALMOLIVE CO	19416FWV2	25,000,000	0.00	0.10	100.00	-	25,000,000
Maturity	09/30/2015	09/30/2015	Commercial Paper	MICROSOFT CORP	59515NWW9	50,000,000	0.00	0.12	100.00	-	50,000,000
Maturity	09/30/2015	09/30/2015	Commercial Paper	MICROSOFT CORP	59515NWW9	50,000,000	0.00	0.12	100.00	-	50,000,000
Subtotals						\$ 1,870,076,000	0.21	0.35	\$ -	\$ 1,944,771	\$ 1,872,020,771

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	09/01/2015	12/01/2015	Negotiable CDs	BANK OF MONTREAL CHICAGO	063666CU89	\$ 50,000,000	0.27	0.27	0.00	0.00	10,815
Interest	09/01/2015	09/01/2016	Federal Agencies	FARMER MAC	31315PQB8	7,000,000	1.50	0.70	0.00	0.00	52,500
Interest	09/01/2015	04/01/2016	Federal Agencies	FARMER MAC	31315PTF6	50,000,000	0.19	0.19	0.00	0.00	8,116
Interest	09/02/2015	12/02/2019	Federal Agencies	FARMER MAC	31315PJ26	50,000,000	0.40	0.40	0.00	0.00	50,469
Interest	09/02/2015	06/02/2020	Federal Agencies	FARMER MAC	3132X0AT8	41,000,000	0.33	0.33	0.00	0.00	11,598
Interest	09/02/2015	06/02/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDB35	50,000,000	0.22	0.24	0.00	0.00	9,408
Interest	09/02/2015	02/02/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEMH0	4,000,000	0.24	0.24	0.00	0.00	822
Interest	09/02/2015	02/02/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEMH0	35,000,000	0.24	0.26	0.00	0.00	7,188
Interest	09/03/2015	12/03/2018	Federal Agencies	FARMER MAC	31315PS69	50,000,000	0.42	0.42	0.00	0.00	52,813
Interest	09/03/2015	12/03/2018	Federal Agencies	FARMER MAC	31315PW96	50,000,000	0.40	0.40	0.00	0.00	50,313
Interest	09/03/2015	05/03/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEU40	69,000,000	0.23	0.23	0.00	0.00	13,577
Interest	09/05/2015	02/05/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	25,000,000	0.23	0.23	0.00	0.00	4,962
Interest	09/05/2015	02/05/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	25,000,000	0.23	0.24	0.00	0.00	4,962
Interest	09/05/2015	02/05/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEAN0	50,000,000	0.23	0.24	0.00	0.00	9,924
Interest	09/08/2015	10/07/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	063666CC48	50,000,000	0.45	0.45	0.00	0.00	20,156
Interest	09/08/2015	04/08/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NTW6	100,000,000	0.31	0.31	0.00	0.00	25,093
Interest	09/08/2015	08/08/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NVT0	25,000,000	0.42	0.42	0.00	0.00	9,411
Interest	09/08/2015	10/07/2016	Medium Term Notes	WESTPAC BANKING CORP	9612E0DB0	50,000,000	0.44	0.44	0.00	0.00	19,711
Interest	09/09/2015	09/09/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313370TW8	25,000,000	2.00	1.39	0.00	0.00	250,000
Interest	09/09/2015	09/09/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313370TW8	25,000,000	2.00	0.55	0.00	0.00	250,000
Interest	09/09/2015	09/09/2016	Federal Agencies	TORONTO-DOMINION BANK	89114QAL2	18,930,000	0.74	0.38	0.00	0.00	35,857
Interest	09/09/2015	09/09/2016	Medium Term Notes	TORONTO-DOMINION BANK	89114QAL2	24,000,000	0.74	0.40	0.00	0.00	45,460
Interest	09/10/2015	03/10/2017	Federal Agencies	FEDERAL HOME LOAN BANK	3133782N0	50,000,000	0.88	0.82	0.00	0.00	218,750
Interest	09/11/2015	03/10/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NSA5	25,000,000	0.36	0.36	0.00	0.00	7,675
Interest	09/11/2015	03/11/2016	Federal Agencies	FEDERAL HOME LOAN BANK	313375RN9	22,200,000	1.00	0.82	0.00	0.00	111,000
Interest	09/11/2015	10/11/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDJA1	25,000,000	0.21	0.23	0.00	0.00	4,548
Interest	09/11/2015	06/11/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEW48	50,000,000	0.24	0.24	0.00	0.00	10,172
Interest	09/11/2015	03/11/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3133XP43	14,000,000	3.13	0.41	0.00	0.00	218,750
Interest	09/13/2015	11/13/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEBR0	25,000,000	0.24	0.26	0.00	0.00	4,810
Interest	09/14/2015	08/12/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	063666CWA2	25,000,000	0.45	0.45	0.00	0.00	9,913
Interest	09/14/2015	09/14/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDH21	50,000,000	0.23	0.24	0.00	0.00	9,214
Interest	09/15/2015	12/15/2016	Negotiable CDs	ROYAL BANK OF CANADA NY	78009NSX5	100,000,000	0.47	0.47	0.00	0.00	119,051
Interest	09/16/2015	04/16/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEZC7	50,000,000	0.25	0.25	0.00	0.00	10,661
Interest	09/18/2015	09/18/2018	Federal Agencies	FEDERAL HOME LOAN BANK	3130A4GL0	15,000,000	1.33	1.33	0.00	0.00	99,750
Interest	09/18/2015	03/18/2020	Federal Agencies	FEDERAL HOME LOAN BANK	3130A4HA3	25,000,000	1.25	1.25	0.00	0.00	156,250
Interest	09/19/2015	06/19/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EAUW6	50,000,000	0.35	0.35	0.00	0.00	45,278
Interest	09/19/2015	11/19/2015	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECLZ5	25,000,000	0.21	0.25	0.00	0.00	4,405
Interest	09/20/2015	03/21/2016	Public Time Deposits	TRANS-PAC NATIONAL BK	PP7QLOE87	240,000	0.58	0.58	0.00	0.00	351
Interest	09/22/2015	03/22/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEN71	50,000,000	0.24	0.24	0.00	0.00	10,135
Interest	09/23/2015	09/23/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	063666CA32	25,000,000	0.46	0.46	0.00	0.00	9,592
Interest	09/23/2015	09/23/2016	Negotiable CDs	BANK OF MONTREAL CHICAGO	063666CA32	50,000,000	0.46	0.46	0.00	0.00	19,183
Interest	09/23/2015	09/23/2016	Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417HUW4	50,000,000	0.48	0.48	0.00	0.00	61,499
Interest	09/23/2015	08/23/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEFX3	50,000,000	0.25	0.25	0.00	0.00	10,781
Interest	09/23/2015	09/23/2016	Medium Term Notes	TOYCTA MOTOR CREDIT CORP	89236TBU8	14,150,000	0.38	0.41	0.00	0.00	13,788
Interest	09/23/2015	09/23/2016	Medium Term Notes	TOYCTA MOTOR CREDIT CORP	89236TBU8	28,150,000	0.38	0.40	0.00	0.00	27,430
Interest	09/23/2015	09/23/2016	Medium Term Notes	TOYCTA MOTOR CREDIT CORP	89236TBU8	50,000,000	0.38	0.38	0.00	0.00	48,722
Interest	09/23/2015	09/23/2016	Medium Term Notes	TOYCTA MOTOR CREDIT CORP	89236TBV6	47,500,000	0.39	0.39	0.00	0.00	46,906
Interest	09/24/2015	06/24/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A1BK3	25,000,000	0.50	0.50	0.00	0.00	62,500
Interest	09/24/2015	07/24/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133ECV92	50,000,000	0.24	0.24	0.00	0.00	10,351
Interest	09/24/2015	03/24/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDP30	26,000,000	0.24	0.22	0.00	0.00	5,382
Interest	09/24/2015	04/25/2016	Negotiable CDs	WESTPAC BANKING CORP NY	96121PW30	50,000,000	0.42	0.42	0.00	0.00	18,101
Interest	09/25/2015	09/25/2017	Negotiable CDs	BANK OF NOVA SCOTIA HOUS	06417HUR5	50,000,000	0.55	0.55	0.00	0.00	70,374

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	09/25/2015	06/25/2018	Federal Agencies	FEDERAL HOME LOAN BANK	3130A4MX7	4,000,000	0.50	0.50	0.00	0.00	5,000
Interest	09/25/2015	09/25/2017	Federal Agencies	FREDDIE MAC	3134G5HS7	20,100,000	1.13	1.16	0.00	0.00	113,063
Interest	09/25/2015	03/25/2020	Federal Agencies	FREDDIE MAC	3134G6KV4	15,000,000	1.63	1.63	0.00	0.00	121,875
Interest	09/26/2015	03/26/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEQ86	50,000,000	0.23	0.25	0.00	0.00	30,028
Interest	09/26/2015	03/26/2018	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EEQ86	50,000,000	0.23	0.25	0.00	0.00	30,028
Interest	09/26/2015	09/26/2016	Federal Agencies	FREDDIE MAC	3134G4XW3	25,000,000	0.60	0.60	0.00	0.00	75,000
Interest	09/27/2015	02/27/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDFW7	50,000,000	0.25	0.25	0.00	0.00	10,882
Interest	09/28/2015	09/28/2016	Federal Agencies	FEDERAL HOME LOAN BANK	3130A1CD8	25,000,000	1.13	0.80	0.00	0.00	140,625
Interest	09/28/2015	03/28/2016	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EAUJ3	25,000,000	1.05	0.82	0.00	0.00	131,250
Interest	09/28/2015	03/28/2017	Federal Agencies	FREDDIE MAC	3134G4XM5	25,000,000	0.78	0.78	0.00	0.00	97,500
Interest	09/29/2015	03/29/2017	Federal Agencies	FEDERAL FARM CREDIT BANK	3133EDZW5	25,000,000	0.22	0.22	0.00	0.00	4,672
Interest	09/29/2015	09/29/2017	Federal Agencies	FREDDIE MAC	3137EADL0	25,000,000	1.00	1.22	0.00	0.00	125,000
Interest	09/30/2015	10/01/2015	Money Market Funds	BLACKROCK LIQUIDITY FUND	09248U718	5,001,786	0.01	0.01	0.00	0.00	41
Interest	09/30/2015	03/30/2016	Federal Agencies	FANNIE MAE	3135G0VA8	6,157,000	0.50	0.29	0.00	0.00	15,393
Interest	09/30/2015	03/30/2016	Federal Agencies	FANNIE MAE	3135G0VA8	25,000,000	0.50	0.46	0.00	0.00	62,500
Interest	09/30/2015	10/01/2015	Money Market Funds	FIDELITY INSTITUTIONAL M	316175108	5,004,171	0.01	0.01	0.00	0.00	41
Interest	09/30/2015	10/01/2015	Money Market Funds	MORGAN STANLEY INSTITUTI	61747C707	100,120,736	0.04	0.04	0.00	0.00	3,292
Interest	09/30/2015	09/30/2016	U.S. Treasuries	US TSY NT	912828RJ1	75,000,000	1.00	1.05	0.00	0.00	375,000
Interest	09/30/2015	03/31/2017	U.S. Treasuries	US TSY NT	912828SM3	50,000,000	1.00	1.07	0.00	0.00	250,000
Interest	09/30/2015	06/29/2016	Public Time Deposits	UMPQUA BANK	PP00BERR6	240,000	0.60	0.60	0.00	0.00	363
Subtotals						\$ 2,546,793,693	0.48	0.44	\$ -	\$ -	3,980,024

Grand Totals	50	Purchases
	0	Sales
	(46)	Maturities / Calls
	4	Change in number of positions

Non-Pooled Investments

As of September 30, 2015

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
Slate/Local Agencies	797712AD8	SFRDA SOUTH BEACH HARBOR	1/20/12	12/1/16	1.14	3.50	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000
Subtotals					1.14	3.50	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000
Grand Totals					1.14	3.50	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000

NON-POOLED FUNDS PORTFOLIO STATISTICS

	Current Month		Prior Month	
	Fiscal YTD	September 2015	Fiscal YTD	August 2015
Average Daily Balance	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000	\$ 1,995,000
Net Earnings	\$ 17,456	\$ 5,819	\$ 11,638	\$ 5,819
Earned Income Yield	3.47%	3.55%	3.43%	3.43%

Note: All non-pooled securities were inherited by the City and County of San Francisco as successor agency to the San Francisco Redevelopment Agency. Book value and amortized book value are derived from limited information received from the SFRDA and are subject to verification.



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Memorandum

Date: 10.29.15 **RE:** Finance Committee
November 3, 2015

To: Finance Committee: Commissioners Avalos (Chair), Mar (Vice Chair), Campos, Cohen, Kim and Wiener (Ex Officio)

From: Cynthia Fong – Deputy Director for Finance and Administration *CF*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Accepting the Audit Report for the Fiscal Year Ended June 30, 2015

Summary

The Transportation Authority's financial records are required to be audited annually by an independent, certified public accountant. The annual audit (Audit Report) for the year ended June 30, 2015 was conducted in accordance with generally accepted auditing standards by the independent, certified public accounting firm of Vavrinek, Trine, Day & Co., LLP (Vavrinek, Trine, Day & Co.). The Transportation Authority received all unmodified (also known as a clean opinion/unqualified opinion) audit opinions from Vavrinek, Trine, Day & Co., with no findings or recommendations for improvements. For the fiscal audit, Vavrinek, Trine, Day & Co. has issued an opinion, stating that the financial statements present fairly, in all material respects, the financial position of the Transportation Authority. Since more than \$500,000 in federal grants was expended during the year, a single audit (compliance audit) was performed on the Interstate-80/Yerba Buena Island Interchange Improvement and Bridge Structures Project. For the single audit, Vavrinek, Trine, Day & Co. has issued an opinion, stating the Transportation Authority complied in all material respects with the compliance requirements that could have a direct and material effect on the federal funds audited. The full audit report and a separate report containing other required communications to the Transportation Authority Board are attached.

BACKGROUND

Under its fiscal policy, the Transportation Authority's financial records are to be audited annually by an independent, certified public accounting firm. The audits for the fiscal year ended June 30, 2015 (Audit Report) were conducted in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The Audit Report contains formal opinions, or disclaimers thereof, issued by an independent, certified public accounting firm as a result of an external audit performed on an agency. An unmodified opinion (also known as a clean opinion/unqualified opinion) is the best type of report an agency may receive from an external audit and represents that the agency complied with direct and material regulatory requirements or that the agency's financial condition, position, and operations in all material respects were fairly presented.

As more than \$500,000 in federal expenditures was expended during the fiscal year, the Transportation Authority also was subject to the federal single audit compliance requirements. Both the fiscal audit and

the single audit were performed by the independent, certified public accounting firm of Vavrinek, Trine, Day & Co., LLP (Vavrinek, Trine, Day & Co.).

DISCUSSION

The Audit Report includes the overall basic financial statements, a management discussion and analysis of the Transportation Authority's financial performance during that fiscal year, notes and required supplemental information, and other supplementary which include the results from the single audit of federal awards. Financial performance of the Transportation Authority is described in the management's discussion and analysis section. This section includes specific financial analysis, budgetary comparison schedules presented for major funds, and accompanying notes included as supplementary information for the statements.

We are pleased to note that Vavrinek, Trine, Day & Co. issued all unmodified (clean/unqualified) opinions and had no findings or recommendations for improvements. The Transportation Authority recognized all significant transactions in the financial statements in the proper period and received no adjustments to any estimates made in the financial statements. For the annual fiscal audit, Vavrinek, Trine, Day & Co. has issued an opinion, stating that the financial statements present fairly, in all material respects, the financial position of the Transportation Authority. Since more than \$500,000 in federal grants was expended during the year, a single audit (compliance audit) was performed on the Interstate-80/Yerba Buena Island Interchange Improvement and Bridge Structures Project. For the single audit, Vavrinek, Trine, Day & Co. has issued an opinion, stating that the Transportation Authority complied in all material respects with the compliance requirements that could have a direct and material effect on the federal funds audited. The full audit report and a separate report containing other required communications to the Transportation Authority Board are attached.

ALTERNATIVES

1. Recommend accepting the Audit Report for the fiscal year ended June 30, 2015, as requested.
2. Recommend accepting the Audit Report for the fiscal year ended June 30, 2015, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC considered this item at its October 28, 2015 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

Expenditures did not exceed the amounts approved in the amended Fiscal Year 2014/15 budget and there are no impacts to the Transportation Authority's adopted Fiscal Year 2015/16 budget associated with the recommended action.

RECOMMENDATION

Recommend accepting the Audit Report for the fiscal year ended June 30, 2015.

Attachments (2):

1. Audit Report for the Year Ended June 30, 2015
2. Auditor's Required Communication to the Transportation Authority Board

**SAN FRANCISCO COUNTY
TRANSPORTATION AUTHORITY**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

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For the Year Ended June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
San Francisco County Transportation Authority
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Transportation Authority'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 audit. 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 position of the governmental activities each major fund and the aggregate remaining fund information of the Transportation Authority, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 15, the Transportation Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions* as of July 1, 2014. Adoption of which required a restatement of beginning net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding and employer contributions for other postemployment benefits, budgetary comparison schedules, schedule of the proportionate share of the net pension liability and schedule of pension contributions as listed in the table of contents 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 Transportation Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2015 on our consideration of the Transportation Authority'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 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 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 Transportation Authority's internal control over financial reporting and compliance.

Vavrinch, Trine, Day & Co. LLP

Palo Alto, California

October 22, 2015

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2015

The annual financial report of the San Francisco County Transportation Authority (Transportation Authority) presents a discussion and analysis of the Transportation Authority's financial performance during the year ended June 30, 2015. The Transportation Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The liabilities of the Transportation Authority's governmental activities exceeded its assets at the close of fiscal year (FY) 2014/15 by \$21.0 million. Of the net position, \$2.5 million was for net investment in capital assets, \$13.5 million was restricted for capital projects, and a negative balance of \$37.0 million was unrestricted deficit. A major factor to consider in reviewing the statement of net position is that the Transportation Authority does not hold or retain title for the projects it constructs or for the vehicles and system improvements that it purchases with sales tax program funds, congestion management agency programs funds, transportation funds for clean air program funds, vehicle registration fee for transportation improvements program funds, and Treasure Island Mobility Management Agency. The reporting of the revolving credit loan (Revolver Loan), without a corresponding asset, results in the net deficit. Furthermore, debt financing has been used to enable the acceleration of projects for the benefit of San Francisco residents and taxpayers. Cash, deposits and investments increased by \$12.0 million as compared to the prior year. Other non-cash assets (assets other than cash, deposits, and investments) increased by \$5.3 million as compared to the prior year.
- The Transportation Authority's total net position increased \$16.2 million during the year ended June 30, 2015, as compared to an increase of \$25.2 million in the prior year. The net position for the beginning of the year was restated by \$1.4 million due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The new pension standards dramatically changed the accounting reporting requirements with respect to defined benefit pension plans and the presentation in the Transportation Authority's financial statements, effectively reducing an entity's overall net position. The pension obligations are not a new liability and the restatement is a one-time prior period adjustment. It is now reported on the face of the basic financial statements, and continues to be reported on the note disclosure and required supplementary information statements.
- Sales tax revenues increased by \$6.3 million from the prior year. Investment income decreased by \$175 thousand, mainly due to the lower average balance in the City and County of San Francisco Treasury Pool. Transportation and capital projects expenses increased by \$38.2 million during the year ended June 30, 2015 is largely due to the increase construction activities for the Interstate 80/Yerba Buena Island Interchange Improvement Project and Yerba Buena Bridge Structures (collectively known as the YBI Project) and Folsom and Fremont Street Off-Ramp Realignment Project (Folsom and Fremont Street Project).
- The Transportation Authority had positive governmental fund balances of \$108.0 million. Of this amount, \$137 thousand is nonspendable for prepaid costs and deposits, \$99.5 million is restricted for the capital projects in the Sales Tax Program, \$1.1 million for the capital projects in the Transportation Fund for Clean Air Program and \$7.3 million for capital projects in the Vehicle Registration Fee for Transportation Improvements Program. The Transportation Authority's governmental funds balances increased by \$152.4 million in comparison with the prior year.
- The Transportation Authority went from a cash ("pay-as-you-go") financing basis to a borrowing entity in March 2004. The Board of Commissioners authorized the issuance by the Transportation Authority of up to \$200 million of commercial paper notes. In June 2015, the Transportation Authority substituted the commercial paper notes with a \$140 million tax-exempt, three-year Revolver Loan agreement. As of June 30, 2015, \$134.7 million of the Revolver Loan was outstanding at an interest rate of 0.43%.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Transportation Authority's basic financial statements. The Transportation Authority's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements. Table 1 shows the relationship of the government-wide financial statements to the governmental fund financial statements.

Table 1

Qualities of Government-wide Financial Statements as
Compared to Financial Statements Prepared Under Traditional Governmental Fund Accounting

Quality	Government-wide Financial Statements	Governmental Fund Accounting Financial Statements	Fiduciary Fund Financial Statements
Scope	Entire Transportation Authority	Activities of the Transportation Authority that are not proprietary or fiduciary	Instances in which the Transportation Authority administers resources on behalf of others
Required Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities (both government-wide) 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances (for each individual fund) 	<ul style="list-style-type: none"> • Statement of Fiduciary Assets and Liabilities
Basis of Accounting and Measurement Focus	<ul style="list-style-type: none"> • Full accrual accounting • Economic resources focus 	<ul style="list-style-type: none"> • Modified accrual accounting • Current financial resources focus 	<ul style="list-style-type: none"> • Full accrual accounting

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Transportation Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all Transportation Authority assets and liabilities, with the difference between the two reported as net position. The statement of net position is designed to provide information about the financial position of the Transportation Authority as a whole, including all of its capital assets, deferred outflows/inflows of resources, and long-term liabilities, on a full accrual basis of accounting similar to the accounting model used by private sector firms.

The *statement of activities* presents information showing how the Transportation Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to accrued, but uncollected taxes, and to expenses pertaining to earned but unused compensated absences.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**Management's Discussion and Analysis****For the Year Ended June 30, 2015**

Both of these government-wide financial statements distinguish functions of the Transportation Authority that are principally supported by receipt of sales taxes, vehicle registration fee, and other sources of government grants. The only governmental activity of the Transportation Authority is transportation and capital projects. The Transportation Authority does not have any business-type activities.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Transportation Authority, like other state and local governments, uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the Transportation Authority's basic services are reported in governmental funds. These statements, however, focus on: (1) how cash and other financial assets can readily be converted to available resources, and (2) the balances left at year-end, which are available for spending. Such information is useful in determining what financial resources are available in the near future to finance the Transportation Authority's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances include a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Transportation Authority maintains five governmental funds organized according to their source of funding. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the: (A) Sales Tax Program, (B) Congestion Management Agency Programs, (C) Transportation Fund for Clean Air Program, (D) Vehicle Registration Fee for Transportation Improvements Program, and (E) Treasure Island Mobility Management Agency. Each of these funds is considered a major fund.

Fiduciary fund is used to account for resources held for the benefit of parties outside the Transportation Authority. The Transportation Authority is acting solely as a fiduciary administrator for the San Francisco Municipal Transportation Agency's (MUNI) Third Street Light Rail Project's Owner-Controlled Insurance Program (OCIP) escrow account, and has no responsibility for managing the OCIP claims management or settlement.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2015

Required Supplementary Information

The required supplementary information (RSI) is presented concerning the Transportation Authority's budgetary comparison schedule for all the funds. The Transportation Authority adopts an annual appropriated budget. The budgetary comparison schedules have been provided to demonstrate compliance with the budget. The schedules of funding progress and employer contributions – postemployment healthcare benefits, net pension liability and employer contribution schedules are also presented as RSI.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Transportation Authority's statement of net position shows liabilities exceeded its assets by \$21.0 million at June 30, 2015. Cash, deposits and investments increased by \$12.0 million overall due to timing of payments related to FY 2014/15 expenditures while transportation and capital project expenses increased \$38.2 million over the prior year. The other assets and deferred outflow category increased by \$5.6 million as compared to the prior year mainly due to the \$5.4 million repayment received for the intergovernmental loan, made to the Treasure Island Development Authority (TIDA) for the YBI Project and delay in receipt of sales tax revenues earned in April. Other assets include \$28.5 million in sales tax receivables, \$19.5 million in outstanding program and other receivables (including amounts due from the City and County of San Francisco) and \$5.5 million in intergovernmental loan, which includes accrued interest.

Table 2

Statement of Net Position (in thousands)

	June 30, 2015	June 30, 2014	\$ Change	% Change
Assets and deferred outflows:				
Cash, deposits, and investments	\$ 83,008	\$ 70,983	\$ 12,025	16.9%
Other assets and deferred outflows	54,178	48,603	5,575	11.5%
Capital assets	2,519	2,805	(286)	-10.2%
Total assets and deferred outflows	<u>139,705</u>	<u>122,391</u>	<u>17,314</u>	14.1%
Liabilities and deferred inflows:				
Current, other liabilities, and deferred inflows	<u>160,749</u>	<u>159,676</u>	<u>1,073</u>	0.7%
Net Position:				
Net investment in capital assets	2,519	2,805	(286)	-10.2%
Restricted for debt service	-	342	(342)	-100.0%
Restricted for capital projects	13,486	12,153	1,333	11.0%
Unrestricted deficit	<u>(37,049)</u>	<u>(52,585)</u>	<u>15,536</u>	29.5%
Total net position, as restated	<u>\$ (21,044)</u>	<u>\$ (37,285)</u>	<u>\$ 16,241</u>	43.6%

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

The Transportation Authority's unrestricted deficit of \$37.0 million is due to the Revolver Loan, which will be eliminated with future revenues. The Transportation Authority's outstanding commitments are described in Note 14 of the basic financial statements. The \$2.5 million in investment in capital assets (net of accumulated depreciation) is comprised mostly of Board-approved investments in the Transportation Authority's workspace such as leasehold improvements and furniture and equipment. The Transportation Authority currently uses these capital assets to provide services; consequently, these assets are not available for future spending. The Transportation Authority issues debt to finance sales tax sponsors' projects and programs, and these transportation facilities are owned and maintained by the sponsors. As a result, the facilities are recorded as an asset of the receiving agency. However, the related debt issued to finance these projects remains as a liability of the Transportation Authority.

Table 3

Statement of Activities (in thousands)

	For the Year Ended		\$ Change	% Change
	June 30, 2015	June 30, 2014		
Revenues:				
General:				
Sales tax	\$ 100,279	\$ 93,930	\$ 6,349	6.8%
Vehicle registration fee	4,862	4,882	(20)	-0.4%
Investment income	463	638	(175)	-27.4%
Other	315	304	11	3.6%
Program operating grants and contributions	42,080	17,588	24,492	139.3%
Total revenues	<u>147,999</u>	<u>117,342</u>	<u>30,657</u>	<u>26.1%</u>
Expenses:				
Transportation and capital projects	130,290	92,123	38,167	41.4%
Interest	1,468	1,354	114	8.4%
Total expenses	<u>131,758</u>	<u>93,477</u>	<u>38,281</u>	<u>41.0%</u>
Change in net position	16,241	23,865	(7,624)	-31.9%
Net position, beginning of year, as restated	<u>(37,285)</u>	<u>(61,150)</u>	<u>23,865</u>	<u>39.0%</u>
Net position, ending of year, as restated	<u>\$ (21,044)</u>	<u>\$ (37,285)</u>	<u>\$ 16,241</u>	<u>43.6%</u>

The Transportation Authority's net position increased \$16.2 million for the year ended June 30, 2015. During the period, sales tax revenues increased by \$6.3 million or 6.8% as compared to the prior year. There is \$4.9 million of vehicle registration fee revenues, approved by San Francisco voters through Proposition AA (Prop AA) in November 2010. Investment income decreased by \$175 thousand due to the lower average balance in the City and County of San Francisco Treasury Pool. Program revenues increased by \$24.5 million and transportation and capital projects expenses by \$38.2 million due to increased construction activities for the federal, state and regional-funded, YBI Project and new construction for regional-funded, Folsom and Fremont Street Project.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

FINANCIAL ANALYSIS OF THE TRANSPORTATION AUTHORITY'S FUNDS

As noted earlier, the Transportation Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Transportation Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Transportation Authority's financing requirements.

Table 4

Balance Sheet (in thousands)

	June 30, 2015					Total	June 30, 2014	\$ Change	% Change
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency				
Assets:									
Cash, deposits, and investments	\$ 69,870	\$ -	\$ 1,722	\$ 11,416	\$ -	\$ 83,008	\$ 70,983	\$ 12,025	16.9%
Other assets	44,188	15,787	388	833	989	62,185	52,966	9,219	17.4%
Total assets	\$ 114,058	\$ 15,787	\$ 2,110	\$ 12,249	\$ 989	\$ 145,193	\$ 123,949	\$ 21,244	17.1%
Liabilities:									
Current and other liabilities	\$ 12,552	\$ 11,623	\$ 615	\$ 4,937	\$ 473	\$ 30,200	\$ 159,864	\$ (129,664)	-81.1%
Deferred inflows of resources:									
Unavailable program revenue	1,914	4,164	388	-	516	6,982	8,477	(1,495)	-17.6%
Fund balances (deficits):									
Nonspendable	137	-	-	-	-	137	249	(112)	-45.0%
Restricted for:									
Debt service	-	-	-	-	-	-	343	(343)	-100.0%
Capital projects	99,455	-	1,107	7,312	-	107,874	11,782	96,092	815.6%
Unassigned	-	-	-	-	-	-	(56,766)	56,766	-100.0%
Total fund balances (deficits)	99,592	-	1,107	7,312	-	108,011	(44,392)	152,403	343.3%
Total Liabilities, Deferred Inflows of Resources, and Fund Balances									
	\$ 114,058	\$ 15,787	\$ 2,110	\$ 12,249	\$ 989	\$ 145,193	\$ 123,949	\$ 21,244	17.1%

At June 30, 2015, the Transportation Authority's governmental funds reported combined ending fund balances of \$108.0 million, an increase of \$152.4 million as compared to the prior year. The total fund balances are composed of a balance of \$137 thousand nonspendable for prepaid costs and deposits and a balance of \$107.9 million restricted for the capital projects.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2015

Table 5
Statement of Revenues, Expenditures, and Changes in Fund Balances (in thousands)

	For the Year Ended June 30, 2015					Total	Year Ended June 30, 2014	\$ Change	% Change
	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund For Clean Air Program	Vehicle Registration Fee For Transportation Improvements Program	Treasure Island Mobility Management Agency				
Revenues:									
Sales tax	\$ 100,279	\$ -	\$ -	\$ -	\$ -	\$ 100,279	\$ 93,930	\$ 6,349	6.8%
Vehicle registration fee	-	-	-	4,862	-	4,862	4,882	(20)	-0.4%
Investment income	457	-	2	4	-	463	638	(175)	-27.4%
Program revenues	-	42,362	742	-	473	43,577	15,470	28,107	181.7%
Other	179	-	-	-	-	179	169	10	5.9%
Total revenues	100,915	42,362	744	4,866	473	149,360	115,089	34,271	29.8%
Expenditures:									
Transportation and capital projects	79,155	41,307	393	8,580	718	130,153	90,240	39,913	44.2%
Interest	1,468	-	-	-	-	1,468	1,354	114	8.4%
Total expenditures	80,623	41,307	393	8,580	718	131,621	91,594	40,027	43.7%
Excess (deficiency) of revenues over (under) expenditures	20,292	1,055	351	(3,714)	(245)	17,739	23,495	(5,756)	-24.5%
Other financing sources (uses):									
Transfers in	1,055	-	-	-	245	1,300	8,849	(7,549)	-85.3%
Transfers out	(245)	(1,055)	-	-	-	(1,300)	(8,849)	7,549	85.3%
Proceeds from revolver credit loan	134,664	-	-	-	-	134,664	-	134,664	-
Total other financing sources (uses)	135,474	(1,055)	-	-	245	134,664	-	134,664	-
Net change in fund balances	155,766	-	351	(3,714)	-	152,403	23,495	128,908	548.7%
Fund balances (deficit), beginning of year	(56,174)	-	756	11,026	-	(44,392)	(67,887)	23,495	-34.6%
Fund balances (deficit), end of year	\$ 99,592	\$ -	\$ 1,107	\$ 7,312	\$ -	\$ 108,011	\$ (44,392)	\$ 152,403	-343.3%

Total revenues for the Transportation Authority's activities totaled \$149.4 million in FY 2014/15, an increase of \$34.3 million from FY 2013/14. As compared to the prior year, sales tax revenues increased by \$6.3 million, investment income decreased by \$175 thousand, and program revenues increased by \$28.1 million. Expenditures for the Transportation Authority's activities totaled \$131.6 million and increased by \$40.0 million from FY 2013/14. At June 30, 2015, revenues for governmental funds exceeded expenditures by \$17.7 million. Other aspects of the individual program activities are discussed in the government-wide analysis above.

BUDGETARY ANALYSIS AND HIGHLIGHTS AND ECONOMIC FACTORS

The Transportation Authority's final Sales Tax Fund (general fund) budgetary fund balances increased from the original budget by \$187.5 million. The majority of the variance is due to substitution of the \$135 million of outstanding commercial paper notes with a \$134.7 million tax-exempt, three-year Revolver Loan and timing of the receipt of various program revenues, project refunds, and other revenues. In addition, actual resources were more than the final budgetary estimates by \$99.6 million for general fund, not including the carryover budgetary fund balance.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**Management's Discussion and Analysis****For the Year Ended June 30, 2015****BUDGETARY ANALYSIS AND HIGHLIGHTS AND ECONOMIC FACTORS, (Continued)**

Actual charges to appropriations were less than budgetary estimates by \$58.1 million. This amount includes a positive favorable variance of \$56.8 million in capital project costs. This lower capital spending is principally from sponsors funded by the sales tax program and vehicle registration fee for transportation improvements program whose major capital project costs were less than anticipated for FY 2014/15, their practice of billing other sources (e.g. bonds, federal funds) first, and project delays often associated with the coordination with other agencies. Additional information on the Transportation Authority's budgetary comparison schedules for all programs can be found on pages 49 through 53 of this report.

CAPITAL ASSETS

The Transportation Authority's investment in capital assets as of June 30, 2015, amounted to \$2.5 million (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture, and equipment. Additional information on the Transportation Authority's capital assets can be found in Note 5 on page 33 of this report.

REVOLVING CREDIT LOAN AGREEMENT

On June 11, 2015, the Transportation Authority substituted its \$200,000,000 commercial paper notes (Limited Tax Bonds), Series A and B with a three-year \$140,000,000, tax-exempt, Revolver Loan. In the same month, Moody's Investors Services raised the Transportation Authority's rating to "Aa1" from "Aa2," and Standard & Poor's Financial Services and Fitch Ratings reaffirmed issuer ratings for the Transportation Authority with "AA" and "AA+," respectively. The loan will be repaid from sales tax revenues. As of June 30, 2015, the Transportation Authority has \$134.7 million of the Revolver Loan outstanding. Additional information on the Transportation Authority's Revolver Loan can be found in Note 7 on page 36 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Transportation Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the San Francisco County Transportation Authority, Attention: Deputy Director for Finance and Administration, 1455 Market Street, 22nd Floor, San Francisco, California, 94103.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Statement of Net Position

June 30, 2015

ASSETS

Cash in bank	\$ 38,927,598
Deposits and investments with City Treasurer	44,080,786
Sales tax receivable	28,508,912
Vehicle registration fee receivable	832,737
Interest receivable from City and County of San Francisco	64,936
Program receivables	16,954,265
Receivable from the City and County of San Francisco	1,617,262
Other receivables	3,182
Intergovernmental loan receivable	5,503,588
Prepaid costs and deposits	136,760
Capital assets, net of accumulated depreciation	2,518,580
Total Assets	<u>139,148,606</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows from pension activities	<u>556,250</u>
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LIABILITIES

Accounts payable	15,276,506
Accounts payable to the City and County of San Francisco	6,190,655
Accrued salaries and taxes	170,882
Unearned rent abatement	768,734
Unearned leasehold incentive	1,356,292
Accrued compensated absences	501,732
Revolving credit loan	134,664,165
Net pension liability	1,299,087
Total Liabilities	<u>160,228,053</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows from pension activities	<u>521,077</u>
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NET POSITION

Net investment in capital assets	2,518,580
Restricted by enabling legislation for capital projects	13,486,451
Unrestricted deficit	(37,049,305)
Total Net Position	<u>\$ (21,044,274)</u>

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

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Statement of Activities

For the Year Ended June 30, 2015

	<u>Total</u>	<u>Transportation and Capital Projects</u>	<u>Interest</u>
EXPENSES	\$ 131,758,440	\$ 130,290,251	\$ 1,468,189
PROGRAM REVENUES			
Operating grants and contributions	<u>42,080,284</u>	<u>42,080,284</u>	<u>-</u>
Net program expense	<u>(89,678,156)</u>	<u>\$ (88,209,967)</u>	<u>\$ (1,468,189)</u>
GENERAL REVENUES			
Sales tax	100,278,511		
Vehicle registration fee	4,862,063		
Investment income	462,845		
Other	<u>315,222</u>		
Total general revenues	<u>105,918,641</u>		
CHANGE IN NET POSITION	16,240,485		
Net position, beginning of year, as restated	<u>(37,284,759)</u>		
Net position, end of year	<u>\$ (21,044,274)</u>		

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

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Governmental Funds Balance Sheet

June 30, 2015

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program
ASSETS			
Cash in bank	\$ 25,789,475	\$ -	\$ 1,722,257
Deposits and investments with City Treasurer	44,080,786	-	-
Sales tax receivable	28,508,912	-	-
Vehicle registration fee receivable	-	-	-
Interest receivable from City and County of San Francisco	64,936	-	-
Program receivables			
Federal	-	12,579,814	-
State	-	1,666,453	-
Regional and other	1,408,129	223,046	387,987
Receivable from the City and County of San Francisco	-	1,317,262	-
Other receivables	3,182	-	-
Intergovernmental loan receivable	5,503,588	-	-
Due from other funds	8,561,771	-	-
Prepaid costs and deposits	136,760	-	-
Total Assets	\$ 114,057,539	\$ 15,786,575	\$ 2,110,244
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 9,352,329	\$ 3,986,961	\$ 2,885
Accounts payable to the City and County of San Francisco	3,028,796	154,081	155,956
Accrued salaries and taxes	170,882	-	-
Due to other funds	-	7,482,173	455,912
Total liabilities	12,552,007	11,623,215	614,753
Deferred Inflows of Resources			
Unavailable program revenues	1,913,380	4,163,360	387,987
Fund Balances			
Nonspendable	136,760	-	-
Restricted for capital projects	99,455,392	-	1,107,504
Total Fund Balances	99,592,152	-	1,107,504
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 114,057,539	\$ 15,786,575	\$ 2,110,244

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

Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency	Total Governmental Funds
\$ 11,415,866	\$ -	\$ 38,927,598
-	-	44,080,786
-	-	28,508,912
832,737	-	832,737
-	-	64,936
-	688,836	13,268,650
-	-	1,666,453
-	-	2,019,162
-	300,000	1,617,262
-	-	3,182
-	-	5,503,588
-	-	8,561,771
-	-	136,760
<u>\$ 12,248,603</u>	<u>\$ 988,836</u>	<u>\$ 145,191,797</u>
\$ 1,788,836	\$ 145,495	\$ 15,276,506
2,851,822	-	6,190,655
-	-	170,882
296,554	327,132	8,561,771
<u>4,937,212</u>	<u>472,627</u>	<u>30,199,814</u>
-	516,209	6,980,936
-	-	136,760
7,311,391	-	107,874,287
<u>7,311,391</u>	<u>-</u>	<u>108,011,047</u>
<u>\$ 12,248,603</u>	<u>\$ 988,836</u>	<u>\$ 145,191,797</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Reconciliation of the Governmental Funds
 Balance Sheet to the
 Statement of Net Position
 June 30, 2015

Amounts reported for governmental activities in the statement of net position are different because of the following items.

Total fund balances on the governmental funds' balance sheet:	\$ 108,011,047
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	2,518,580
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the governmental funds:	
Program receivables	6,980,936
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Revolving credit loan	(134,664,165)
Unearned leasehold incentive	(1,356,292)
Unearned rent abatement	(768,734)
Accrued compensated absences	(501,732)
Net pension liability and deferred inflows or outflows related to pension	(1,263,914)
Net position of governmental activities	<u><u>\$ (21,044,274)</u></u>

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

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SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Governmental Funds
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 For the Year Ended June 30, 2015

	Sales Tax Program	Congestion Management Agency Programs	Transportation Fund for Clean Air Program
REVENUES			
Sales tax	\$ 100,278,511	\$ -	\$ -
Vehicle registration fee	-	-	-
Investment income	456,413	-	2,166
Program revenues			
Federal	-	34,331,503	-
State	-	3,798,590	-
Regional and other	-	4,232,041	741,642
Project refunds and other	179,593	-	-
Total Revenues	100,914,517	42,362,134	743,808
EXPENDITURES			
Current - transportation and capital projects			
Personnel expenditures	3,604,051	1,588,692	33,349
Non-personnel expenditures	2,041,789	113,865	3,637
Capital project costs	73,456,244	39,604,648	355,800
Capital outlay	52,965	-	-
Debt service			
Interest and fiscal charges	1,468,189	-	-
Total Expenditures	80,623,238	41,307,205	392,786
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,291,279	1,054,929	351,022
OTHER FINANCING SOURCES (USES)			
Transfers in	1,054,929	-	-
Transfers out	(244,664)	(1,054,929)	-
Proceeds from revolver credit loan	134,664,165	-	-
Total Other Financing Sources (Uses)	135,474,430	(1,054,929)	-
NET CHANGE IN FUND BALANCES	155,765,709	-	351,022
Fund Balances (Deficit) - Beginning	(56,173,557)	-	756,482
Fund Balances (Deficit) - Ending	\$ 99,592,152	\$ -	\$ 1,107,504

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

Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency	Total Governmental Funds
\$ -	\$ -	\$ 100,278,511
4,862,063	-	4,862,063
4,266	-	462,845
-	472,627	34,804,130
-	-	3,798,590
-	-	4,973,683
-	-	179,593
<u>4,866,329</u>	<u>472,627</u>	<u>149,359,415</u>
90,125	371,665	5,687,882
123,637	26,043	2,308,971
8,366,725	319,583	122,103,000
-	-	52,965
-	-	1,468,189
<u>8,580,487</u>	<u>717,291</u>	<u>131,621,007</u>
<u>(3,714,158)</u>	<u>(244,664)</u>	<u>17,738,408</u>
-	244,664	1,299,593
-	-	(1,299,593)
-	-	134,664,165
-	<u>244,664</u>	<u>134,664,165</u>
(3,714,158)	-	152,402,573
11,025,549	-	(44,391,526)
<u>\$ 7,311,391</u>	<u>\$ -</u>	<u>\$ 108,011,047</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Reconciliation of the Governmental Funds Statement of
 Revenues, Expenditures, and Change in Fund Balances
 to the Statement of Activities
 For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because of the following items.

Net change in fund balances on the governmental funds' statement of revenues, expenditures and change in fund balances:	\$ 152,402,573
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year:	
Capital outlay	52,965
Depreciation expense	(338,908)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Amortization in leasehold incentive	135,629
Change in deferred inflow of resources	(1,496,119)
Substitution of the commercial paper with the revolver credit loan is recorded as revenue on the governmental funds statements. However on the statement of net position, the amounts increase long-term debt and does not impact the statement of activities.	
	(134,664,165)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Rent expense	(57,734)
Pension expenses	87,070
Compensated absences	119,174
Change in net position of governmental activities	\$ 16,240,485

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

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Owner-Controlled Insurance Program Fund
Statement of Fiduciary Net Position
June 30, 2015

ASSETS

Deposits with escrow agent	<u>\$ 693,720</u>
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LIABILITIES

Due to City and County of San Francisco	<u>\$ 693,720</u>
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The accompanying notes are an integral part of these financial statements.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 1 - REPORTING ENTITY AND BACKGROUND

The San Francisco County Transportation Authority (Transportation Authority) was created in 1989 by a vote of the San Francisco electorate. The vote approved Proposition B, which imposed a sales tax of one-half of one percent (0.5%), for a period not to exceed 20 years, to fund essential transportation projects. The types of projects to be funded with the proceeds from the sales tax were set forth in the San Francisco County Transportation Expenditure Plan (the Plan), which was approved as part of Proposition B. The Transportation Authority was organized pursuant to Sections 131000 et seq. of the Public Utilities Code. Collection of the voter-approved sales tax began on April 1, 1990.

The Transportation Authority has its own governing board consisting of the eleven members of the Board of Supervisors of the City and County of San Francisco (the City) acting as the Board of Commissioners of the Transportation Authority (the Board). Pursuant to Governmental Accounting Standards Board (GASB) standards, the financial statements of the Transportation Authority are included in the City's basic financial statements. Nonetheless, the Transportation Authority is governed by an administrative code separate from that of the City's, and the agency operates as a special-purpose government agency under State law, separate and distinct from the City. The City's Mayor does not have oversight control over the Transportation Authority. The ordinance that created the Transportation Authority empowers it to independently issue debt in order to finance transportation projects in the Plan. The Transportation Authority's borrowing capacity is separate and distinct from that of the City.

Component units are legally separate organizations for which the Transportation Authority is financially accountable. Component units may include organizations that are fiscally dependent on the Transportation Authority in that the Transportation Authority approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the Transportation Authority is not financially accountable but the nature and significance of the organization's relationship with the Transportation Authority is such that exclusion would cause the Transportation Authority's financial statements to be misleading or incomplete. For financial reporting purposes, the Treasure Island Mobility Management Authority (TIMMA) has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and thus is included in the financial statements using the blended presentation method as if it were part of the Transportation Authority's operations because the governing board of the component unit is the same as the governing board of the Transportation Authority.

Sales Tax Program

The Transportation Authority was originally formed by voter approval of Proposition B on November 7, 1989, which allowed the Transportation Authority to levy a county-wide one-half of one percent sales tax (the Sales Tax), that would sunset in 2010, for transportation projects and programs geared toward improving the City's transportation system. On November 4, 2003, San Francisco voters approved Proposition K with a 74.7% affirmative vote, amending the City Business and Tax Code to extend the county-wide one-half of one percent sales tax, and to replace the 1989 Proposition B Plan with a new 30-year Expenditure Plan. The new Expenditure Plan includes investments in four major categories: 1) Transit; 2) Streets and Traffic Safety (including street resurfacing, and bicycle and pedestrian improvements); 3) Paratransit services for seniors and disabled people; and 4) Transportation System Management/Strategic Initiatives (including funds for neighborhood parking management, transportation/land use coordination, and travel demand management efforts).

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 1 - REPORTING ENTITY AND BACKGROUND, (Continued)

Major capital projects to be funded by the Proposition K Expenditure Plan include: A) development of the Bus Rapid Transit and MUNI Metro Network; B) construction of the MUNI Central Subway (Third Street Light Rail Project–Phase 2); C) construction of the Caltrain Downtown Extension to a rebuilt Transbay Terminal; and D) South Approach to the Golden Gate Bridge; Doyle Drive Replacement Project (re-envisioned as the Presidio Parkway). Pursuant to the provisions of Division 12.5 of the California Public Utilities Code, the Transportation

Authority Board may adopt an updated Expenditure Plan any time after 20 years from the effective date of adoption of the Proposition K Expenditure Plan but no later than the last general election in which the Proposition K Expenditure Plan is in effect. The Sales Tax would continue as long as a new or modified plan is in effect. Under Proposition K legislation, the Transportation Authority directs the use of the Sales Tax and may spend up to \$485.2 million per year and may issue up to \$1.88 billion in bonds secured by the Sales Tax.

Congestion Management Agency Programs

On November 6, 1990, the Transportation Authority was designated under State law as the Congestion Management Agency (CMA) for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming and air quality goals; preparing a long-range countywide transportation plan to guide the City's future transportation investment decisions; monitoring and measuring traffic congestion levels in the City; measuring the performance of all modes of transportation; and developing a computerized travel demand forecasting model and supporting databases. As the CMA, the Transportation Authority is responsible for establishing the City's priorities for state and federal transportation funds and works with the Metropolitan Transportation Commission (MTC) to program those funds to San Francisco projects.

One of the Transportation Authority's responsibilities as the CMA is to develop a long-range countywide transportation plan (the San Francisco Transportation Plan, formerly known as the Countywide Transportation Plan) to guide transportation system development and investment over the next 30 years. The plan is consistent with the broader policy framework of the City's General Plan and particularly its Transportation Element. The San Francisco Transportation Plan further develops and implements the City's General Plan principles, by identifying needed transportation system improvements based on technical review of system performance; extensive public and agency input on key issues and needs; and analysis of policies, financial opportunities and constraints. In December 2013, the Transportation Authority Board adopted the first update to the plan.

Major programs and projects under the CMA include:

Interstate-80/Yerba Buena Island Interchange Improvement Project and Yerba Buena Bridge Structures (collectively known as The YBI Project) – The Treasure Island Development Authority (TIDA) has requested that the Transportation Authority, in its capacity as the CMA, be the lead agency for the YBI Project. Since 2009, the Transportation Authority has been working jointly with TIDA, the Mayor's Office of Economic and Workforce Development (OEWD) and the California Department of Transportation (Caltrans) in securing the approval of an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the project. The scope of the YBI Project includes two major components: 1) The YBI Ramps Improvement Project (Ramps Project), which includes constructing new westbound on and off ramps (on the east side of YBI) to the new Eastern Span of the San Francisco-Oakland Bay Bridge (SFOBB); and 2) seismic retrofit of the existing YBI West Side Bridges Project on the west side of the island, a critical component of island traffic circulation leading to and from the SFOBB.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 1 - REPORTING ENTITY AND BACKGROUND, (Continued)

YBI Ramps Project: Caltrans issued the Federal Record of Decision in November 2011. The Final EIR/EIS was certified by the Transportation Authority Board in December 2011. The Transportation Authority completed preparation of the Final Plans, Specifications, and Estimate documents for the project in March 2013 and awarded a construction contract to Golden State Bridge Inc. in December 2013. Construction activities started in January 2014 and are approximately 65% complete as of June 30, 2015.

YBI West Side Bridges Project: These bridge structures are a vital component of the YBI traffic circulation system and also serve as an important part of the on and off-ramp system to I-80 and the SFOBB. Seismic Strategy Reports for all eight-bridge structures were approved by the Caltrans Structures Department in December 2011. The approved reports indicated that five of the bridge structures should be retrofitted in place while three of the bridge structures were recommended for replacement. Separate environmental documents, Categorical Exclusions per the National Environmental Policy Act and Categorical Exemptions per the California Environmental Quality Act for each of the eight bridges were approved in December 2012. As part of continued preliminary engineering and design efforts and as required by federal funding, the Transportation Authority prepared a Value Engineering Analysis (VA) Report, which was approved by Caltrans in November 2014. The VA Report made various recommendations to reduce overall project risk and cost. The recommended VA Report Alternative estimated at \$66 million will save approximately \$9 million compared to the environmentally approved alternative estimated at \$75 million and will also improve seismic performance, simplify construction efforts, minimize maintenance cost. The introduction of the VA Alternative will require additional engineering and environmental analysis to be performed. All work necessary to prepare the required technical analysis will be performed in accordance with current Caltrans and Federal Highway Administration policies and procedures.

Folsom and Fremont Street Off-Ramp Realignment Project – The San Francisco Office of Investment and Infrastructure (OCII), Successor Agency to the Redevelopment Agency, requested that the Transportation Authority, as the CMA for San Francisco, be the lead agency in the implementation of the Folsom and Fremont Street Off-Ramp Realignment Project. This project is a major component of the Streetscape and Open Space Plan for the Transbay Redevelopment Project Area. The Folsom Street off-ramp provides a San Francisco exit from the Bay Bridge, currently touching down at Folsom and Fremont Streets. The OCII has an agreement with Caltrans to realign the ramp to provide for a more functional intersection consistent with the area's redevelopment plan. The reconfigured ramp will be parallel to the Fremont Street exit while remaining within the existing right-of-way. The Transportation Authority awarded a construction contract to O.C. Jones & Sons, Inc. in June 2014. Construction activities started in September 2014 and are approximately 95% complete as of June 30, 2015.

eFleet Carsharing Electrified – As part of its Climate Innovation Grants Program, the MTC awarded the Transportation Authority federal congestion mitigation and air quality grant funds for eFleet: Car Sharing Electrified Project, under which City CarShare, a Bay Area non-profit organization, will deploy a fleet of electric vehicles within the City and County of San Francisco and the City of Berkeley, with supportive infrastructure and operations. Through this project, City CarShare will make electric vehicles accessible to a large number of Bay Area residents and businesses, achieve confidence in the technology, and test and confirm the efficacy in highly utilized car sharing and municipal fleet environments. The Transportation Authority serves as a fiscal agent to support City CarShare in meeting the requirements and obligations associated with the use of federal funds and provide administrative support.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 1 - REPORTING ENTITY AND BACKGROUND, (Continued)

Transportation Fund for Clean Air (TFCA) Program

On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the local guarantee (40%) share of transportation funds available through the TFCA program. Funds from this program, administered by the Bay Area Air Quality Management District (BAAQMD) come from a \$4 vehicle registration fee on automobiles registered in the Bay Area. Through this program, the Transportation Authority recommends projects that benefit air quality by reducing motor vehicle emissions.

Proposition AA (Prop AA) Administrator of County Vehicle Registration Fee

On November 2, 2010, San Francisco voters approved Prop AA with a 59.6% affirmative vote, authorizing the Transportation Authority to collect an additional \$10 annual vehicle registration fee on motor vehicles registered in San Francisco and to use the proceeds to fund transportation projects identified in the Expenditure Plan. Revenue collection began in May 2011.

Prop AA revenues must be used to fund projects from the following three programmatic categories. The percentage allocation of revenues designated for each category over the 30-year Expenditure Plan period is shown in parenthesis following the category name.

Street Repair and Reconstruction (50%) – giving priority to streets with bicycle and transit networks and to projects that include complete streets elements such as curb ramps, bicycle infrastructure, pedestrian improvements, and other measures to slow or reduce traffic.

Pedestrian Safety (25%) – including crosswalk improvements, sidewalk repair or upgrade, and pedestrian countdown signals and lighting.

Transit Reliability and Mobility Improvements (25%) – including transit stop improvements, consolidation and relocation, transit signal priority, traffic signal upgrades, travel information improvements, and parking management projects.

In December 2012, the Transportation Authority Board approved the first Prop AA Strategic Plan, including the specific projects that could be funded within the first five years (i.e., fiscal years 2012/13 to 2016/17). The Prop AA program is a pay-as-you-go program. The Transportation Authority can use up to 5% of the funds for administrative costs.

Treasure Island Mobility Management Authority (TIMMA) Component Unit

The Treasure Island Transportation Management Act of 2008 (AB 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the Treasure Island Mobility Management Agency (TIMMA) to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. In September 2014, Governor Brown signed Assembly Bill 141, establishing TIMMA as a legal entity distinct from the Transportation Authority to help firewall the Transportation Authority's other functions. The eleven members of the Transportation Authority Board act as the Board of Commissioners for TIMMA. In fiscal year 2013/14, TIMMA was reported with the Congestion Management Agency Programs. The fiscal year 2014/15 Transportation Authority financial statements include TIMMA as a blended special revenue component unit.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government-wide Financial Statements – The statement of net position and statement of activities display information about the Transportation Authority. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are normally supported by taxes, grants, and other revenues.

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements – The fund financial statements provide information about the Transportation Authority's funds. The Transportation Authority reports activities of each of its five programs; *Sales Tax Program*; *Congestion Management Agency Program*; *Transportation Fund for Clean Air Program*; *Vehicle Registration Fee for Transportation Improvements Program*; and *TIMMA* as major funds.

The Transportation Authority uses the following funds:

Sales Tax Program General Fund – The Sales Tax Program Fund accounts for the one-half of one percent sales tax revenues required by the November 2003 Proposition K. These revenues are for restricted expenditures in support of the Expenditure Plan, which includes investments in four major categories: 1) Transit; 2) Streets and Traffic Safety; 3) Paratransit services for seniors and disabled people; and 4) Transportation System Management/Strategic Initiatives. This fund also accounts for the general administration of the Transportation Authority functions in support of the Transportation Expenditure Plan. The major source of revenue for this fund is Proposition K sales tax.

Special Revenue Funds – Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

Congestion Management Agency Program – The Congestion Management Agency Fund accounts for resources accumulated and payments made for developing a congestion management program and construction of major capital improvements in accordance with the San Francisco Transportation Expenditure Plan. Major sources of revenue are federal, state and regional grants.

Transportation Fund for Clean Air Program – San Francisco has a \$4 per vehicle registration fee to support projects of the BAAQMD. Of the total collections, BAAQMD passes 40% of the proceeds to the Transportation Authority. Through this program, the Transportation Authority recommends projects that benefit air quality by reducing motor vehicle emissions. The Transportation Fund for Clean Air accounts for this activity. The major source of revenue for this fund is \$4 vehicle registration fees on automobiles registered in the Bay Area.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Vehicle Registration Fee for Transportation Improvements Program Fund - The fund accounts for the November 2010, Proposition AA Vehicle Registration Fee (VRF) for Transportation Improvements Program. Collection of the \$10 per year, per vehicle registration fee started in the first week of May 2011. The VRF proceeds are used to fund transportation projects identified in the Expenditure Plan. The major source of revenue for this fund is vehicle registration fees.

Treasure Island Mobility Management Agency Fund - The Treasure Island Transportation Management Act of 2008 (AB 981) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. In September 2014, Governor Brown signed Assembly Bill 141, establishing TIMMA as a legal entity distinct from the Transportation Authority to help firewall the Transportation Authority's other functions. The fund accounts for revenues and expenditures in support of the TIMMA.

Fiduciary Fund – Fiduciary or agency funds are trust funds used to account for the assets held by the Transportation Authority under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Transportation Authority's programs. The Transportation Authority's fiduciary fund is a trust fund which accounts for assets held as an agent for the San Francisco Municipal Railway's (MUNI) Owner-Controlled Insurance Program (OCIP) for the Third Street Light Rail Project. The Fiduciary Fund reporting focuses on net position and changes in net position.

The Transportation Authority does not retain ownership of the assets produced in relation to capital improvements to which it provides funding. Capital improvements are recorded on the financial statements of the managing agency during construction and upon completion.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide and the agency fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Transportation Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes, vehicle registration fees and grants. On an accrual basis, revenues from sales taxes and vehicle registration fees are recognized in the fiscal year for which the underlying exchange transactions occur. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, vehicle registration fees, interest, and grants are accrued when their receipt occurs within 90 days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due. Capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases are reported as other financing sources.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Under the terms of grant agreements, the Transportation Authority funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Transportation Authority's policy to first exhaust the most restricted cost-reimbursement grant resources to such programs.

Investments

The Transportation Authority records investment transactions on the trade date. Investments are reported at fair value. Fair value is defined as the amount that the Transportation Authority could reasonably expect to receive for an investment in a current sale between a willing buyer and seller, and is generally measured by quoted market prices.

Sales Tax Revenue and Receivables

The Transportation Authority recognizes taxpayer-assessed revenues, net of estimated refunds, in the accounting period in which they become susceptible to accrual, which means when the revenues become both measurable and available to finance expenditures of the current fiscal period.

Sales tax receivables represent sales tax receipts in the three months subsequent to the Transportation Authority's fiscal year-end relating to the prior year's sales activity. The Transportation Authority has contracted with the California State Board of Equalization for collection and distribution of the sales tax. The Board of Equalization receives an administrative fee for providing this service. The Transportation Authority records sales tax revenues net of such fees.

Vehicle Registration Fees and Receivables

The Transportation Authority recognizes vehicle registration fees in the accounting period in which they become susceptible to accrual, which means when the revenues become both measurable and available to finance expenditures of the current fiscal period.

Vehicle registration fees receivables represent vehicle registration fee receipts in the three months subsequent to the Transportation Authority's fiscal year-end relating to the prior year's registration activity. The Transportation Authority has contracted with the California Department of Motor Vehicles for collection and distribution of the vehicle registration fees. The Department of Motor Vehicles receives an administrative fee for providing this service. The Transportation Authority records vehicle registration fee revenues net of such fees.

Capital Assets

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. The Transportation Authority capitalizes assets with a purchase price of \$5,000 and above. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide financial statements.

The estimated useful lives are as follows:

Leasehold improvements	13 years
Furniture	5 years
Computer equipment	3 years

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life is not capitalized. For the government-wide statements, improvements are capitalized and, depreciated over the remaining useful lives of the related capital assets.

Pensions

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 the Transportation Authority's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The Transportation Authority reports compensated absences for accrued vacation, compensatory time-off and floating holidays. Transportation Authority employees have a vested interest in accrued compensated absences and the time will eventually either be used or paid by the Transportation Authority. Generally, employees earn and use their current compensated absence hours with a small portion being accrued or unused each year. As this occurs, the Transportation Authority incurs an obligation to pay for these unused hours. This liability is recorded in the government-wide statement of net position to reflect the Transportation Authority's obligation to fund such costs from future operations. A liability is recorded in the governmental funds balance sheet when it is due and payable. Sick leave benefits do not vest and no liability is recorded. At June 30, 2015, the Transportation Authority recognized a compensated absences liability in the amount of \$501,732 and during the year ended June 30, 2015, the Transportation Authority expended \$510,094 in compensated absences.

Change in Accounting Principles

GASB Statement No. 68 – In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Statement No. 68 requires a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer that arise from other types of events. The Transportation Authority implemented this pronouncement effective July 1, 2014.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The Transportation Authority implemented this pronouncement effective July 1, 2014.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**New Accounting Pronouncements**

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the 2015-16 fiscal year. The Transportation Authority has not determined the effect of the statement.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The Statement is effective for periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The Transportation Authority has not determined the effect of the statement.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The Transportation Authority has not determined the effect of the statement.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The Transportation Authority has not determined the effect of the statement.

GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The Statement is effective for the periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The Transportation Authority has not determined the effect of the statement.

GASB Statement No. 77 – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The Transportation Authority has not determined the effect of that statement.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Fund Equity/Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Transportation Authority currently does not have any outstanding notes or other borrowings that are attributable to capital assets.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that does not meet the definition of “Restricted” or “Net investment in capital assets.”

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Transportation Authority is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2015, fund balances for governmental funds are classified as follow:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the Transportation Authority’s highest level of decision-making authority, the Transportation Authority’s Board. Commitments may be changed or lifted only by the Transportation Authority taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – includes amounts intended to be used by the Transportation Authority for specific purposes that are neither restricted nor committed. Intent is expressed by the Board of Commissioners or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the Sales Tax Program (general operating fund) and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 3 - CASH AND INVESTMENTS*Use of Estimates*

The preparation of basic financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Transportation Authority's deposits may not be returned to it. The Transportation Authority does not have a policy for custodial credit risk on deposits. As of June 30, 2015, the carrying amount of the Transportation Authority's deposits was \$38,927,598 and the bank balance was \$39,711,898. The difference between the bank balance and the carrying amount represents outstanding checks. Of the bank balance, \$750,000 was covered by federal depository insurance and \$38,961,898 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of Federal Deposit Insurance Corporation limits made by state or local government units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. 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 secured public deposits. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the public agency's name.

Investments - For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Transportation Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Transportation Authority does not have a policy regarding custodial credit risk on investments. As of June 30, 2015, the Transportation Authority's investments are not exposed to custodial credit risk.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 3 - CASH AND INVESTMENTS, (Continued)

Investments Authorized by the Transportation Authority's Investment Policy

The table below identifies the investment types that are authorized for the Transportation Authority by the California Government Code 53601 or the Transportation Authority's Investment Policy, where the policy is more restrictive. The Transportation Authority's Investment Policy is more restrictive than the California Government Code in the area of reverse repurchase agreements, which are not allowed, and certificates of deposits, which must be in financial institutions located in California and may not exceed 10% of the Transportation Authority's portfolio.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Notes, Bonds, or Bills	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
Federal Agency or U.S. Government Sponsored Enterprise Obligations	5 Years	None	None
Repurchase Agreements	1 Year	None	None
State of California Obligations or any local agency within the State	5 Years	None	None
Notes or Bonds of Other U.S. States	5 Years	None	None
Bankers' Acceptances	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Medium-Term Notes	5 Years	30%	None
FDIC Insured and Fully Collateralized Certificates of Deposit**	1 Year	10%	None
Negotiable Certificates of Deposits	5 Years	30%	None
State of California Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program	N/A	None	None
Insured Savings and Money Market Accounts	N/A	None	None
City and County of San Francisco Treasury Pool	N/A	None	None
Shares of Beneficial Interest (Money Market Funds)	N/A	20%	10%

** More restrictive than California Government Code.

The Transportation Authority maintains deposits and investments with the City and County of San Francisco Treasury Pool (Pool). As of June 30, 2015, the Transportation Authority's deposits and investments in the Pool are approximately \$44.1 million, and the total amount invested by all public agencies in the Pool is approximately \$7 billion. The City's Treasurer Oversight Committee (Committee) has oversight responsibility for the Pool. The value of the Transportation Authority's shares in the Pool, which may be withdrawn, is based on the book value of the Transportation Authority's percentage participation, which is different than the fair value of the Transportation Authority's percentage participation in the Pool.

The Transportation Authority's investments at June 30, 2015 consisted of Pooled cash with the City and County of San Francisco having weighted average maturity of 1.5 years. At June 30, 2015, the Pool consists of U.S. government and agency securities, state and local government agency obligations, negotiable certificates of deposit, medium term notes, and public time deposits as authorized by State statutes and the City's investment policy. Additional information regarding deposit, investment risks (such as interest rate, credit, and concentration of credit risks) may be obtained by contacting the City's Controller's Office, 1 Dr. Carlton B. Goodlett Place, Room 316, San Francisco, CA 94102.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 4 - INTERFUND TRANSACTIONS

Due to/Due from

The composition of interfund balances as of June 30, 2015, is as follows:

	Payable to:				Total
	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Vehicle Registration Fee for Transportation Improvements Program	Treasure Island Mobility Management Agency	
<u>Receivable from:</u>					
Sales Tax Program	\$ 7,482,173	\$ 455,912	\$ 296,554	\$ 327,132	\$ 8,561,771

The outstanding receivables from the Sales Tax Program result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers

During the fiscal year, the Sales Tax Program funds received a transfer of \$1,054,929 in Congestion Management Agency Programs to reimburse for payments made during the fiscal year. The Treasure Island Mobility Management Agency received a subsidy transfer of \$244,664 in Sales Tax Program funds. This subsidy was authorized through the Board-approved Proposition K Strategic Plan and the annual budget approval process.

NOTE 5 - CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2015, is as follows:

	Balance July 1, 2014	Additions	Retirement	Balance June 30, 2015
Capital assets, being depreciated:				
Leasehold improvements	\$ 3,023,624	\$ -	\$ -	\$ 3,023,624
Furniture and equipment	909,024	52,965	-	961,989
Total capital assets, being depreciated	3,932,648	52,965	-	3,985,613
Less accumulated depreciation for:				
Leasehold improvements	461,727	232,899	-	694,626
Furniture and equipment	666,398	106,009	-	772,407
Total accumulated depreciation	1,128,125	338,908	-	1,467,033
Total capital assets, net	\$ 2,804,523	\$ (285,943)	\$ -	\$ 2,518,580

Depreciation expense for the current year amounted to \$338,908, and was allocated to the transportation and capital projects expense on the statement of activities.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 6 – TRANSACTIONS WITH THE CITY AND COUNTY OF SAN FRANCISCO

Receivables from the City and County of San Francisco consist of the following at June 30, 2015:

Receivables from the following City Department/Agency	Purpose	Total
Municipal Transportation Agency	19th Avenue M-Ocean View	\$ 381,356
Municipal Railway	Eastern Neighborhoods Transportation Implementation Planning Study	32,510
	Fillmore/16th St. Busway TIGER Application Modeling	4,564
	Travel Demand Modeling Assistance	100,000
	Van Ness Avenue Bus Rapid Transit, Phase 1A & 1B	471,762
	Waterfront Transportation Assessment	137,280
		<u>1,127,472</u>
Office of Economic and Workforce Development	Late Night Transportation	40,000
Planning Department	Transportation Sustainability Project and Travel Demand Modeling Assistance	5,157
Public Utilities Commission:		
Wastewater Enterprise	19th Avenue City-Combined Project	19,713
Water Enterprise	19th Avenue City-Combined Project	78,852
Treasure Island Development Authority	Treasure Island Transportation Implementation Plan	300,000
	Yerba Buena Island Ramps Improvement Project	46,068
		<u>489,790</u>
Total receivables from the City and County of San Francisco		<u>\$ 1,617,262</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 6 – TRANSACTIONS WITH THE CITY AND COUNTY OF SAN FRANCISCO, (Continued)

Payables to the City and County of San Francisco consist of the following at June 30, 2015:

Payables to the following City Department/Agency	Purpose	Total
Department of Environment	Clean Air Programs	\$ 46,816
Department of Public Works	Street Resurfacing	1,925,445
Department of Technology	Board Meeting Broadcast	22,989
Planning Department	Geary Bus Rapid Transit	41,032
Municipal Transportation Agency:		
Department of Parking & Traffic	Advanced Technology and Information Systems	\$ 259,052
	Alternative Fuel Taxi Incentive Program	72,444
	Bicycle Circulation/Safety	171,812
	Folsom Fremont Off-Ramp Realignment	33,707
	New Signals and Signs	71,335
	Pedestrian Circulation/Safety	211,599
	Pedestrian Safety	298,897
	Rapid Bus Network including Real Time Transit	
	Transit Information	4,828
	Short-Term Bicycle Parking	80,360
	Signal Control Modification	287,276
	Signals and Signs	175,200
	Street Repair and Reconstruction	176,945
	Traffic Calming	387,787
	Transportation Demand Management	149,188
	Transportation/Land Use Coordination	93,920
		<u>2,474,350</u>
Municipal Railway	Central Subway (Third Street Light Rail Phase 2)	1,069,394
	Guideways	148,157
	Other Transit Enhancements	22,800
	Pedestrian Safety	22,195
	Rapid Bus Network including Real Time	
	Transit Information	163,434
	Rehabilitation, Upgrade and Replacement of	
	Existing Facilities	15,868
	Transit Reliability	42,000
	Transit Vehicle Replacement and Renovation	35,017
	Transportation/Land Use Coordination	109
	Visitacion Valley Watershed Area	7,537
		<u>1,526,511</u>
		4,000,861
Mayor's Office of Housing	Hunter View Transit Connection	130,903
Office of Economic and Workforce Development	Presidio Parkway	<u>22,609</u>
Total payable to the City and County of San Francisco		<u>\$ 6,190,655</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 6 – TRANSACTIONS WITH THE CITY AND COUNTY OF SAN FRANCISCO, (Continued)

The Transportation Authority reimbursed the City and County of San Francisco for the following transportation and capital program expenditures made on its behalf during the year ended June 30, 2015:

Expenditures incurred by the following City Department/Agency	Total
Department of Environment	\$ 125,498
Department of Public Works	8,707,842
Department of Technology	26,338
Mayor's Office of Housing	634,213
Municipal Transportation Agency	
Department of Parking & Traffic	7,381,234
Municipal Railway	33,087,533
Office of Economic & Workforce Development	128,203
Planning Department	41,031
	<hr/>
Total expenditures incurred by the City and County of San Francisco	<u>\$ 50,131,892</u>

During fiscal year 2014/15, the Transportation Authority incurred capital expenditures of \$50.1 million, which were paid to departments within the City, of which \$40.5 million was expended on SFMTA projects. SFMTA projects include \$24.9 million on the Central Subway, Paratransit, Computer-Aided Dispatch Replacement projects, New Hybrid Coaches Replacement and the Central Control and Communications Projects and \$15.6 million on various transit and street maintenance improvements and pedestrian and bicycle projects.

NOTE 7 – REVOLVING CREDIT LOAN

On June 11, 2015, the Transportation Authority substituted its \$200,000,000 commercial paper notes (Limited Tax Bonds), Series A and B with a \$140,000,000 tax-exempt revolving credit loan agreement (Revolver Loan). The commercial paper notes provided a source of financing for the Transportation Authority's voter-approved Proposition K Expenditure Plan. The Revolver Loan expires on June 8, 2018 and has a rate of interest equal to the sum of 70% of 1-month LIBOR plus 0.30%. The interest payments are due the first business day of each month and the outstanding principal payment is required to be paid at the end of the agreement June 8, 2018. The Revolver Loan is secured by a first lien gross pledge of the Transportation Authority's sales tax. As of June 30, 2015, \$134,664,165 of the Revolver Loan was outstanding, with an interest rate of 0.432%.

NOTE 8 – PENSION PLANS

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Transportation Authority's Employee Pension Plan, (the Plan) a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Transportation Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 8 – PENSION PLANS, (Continued)

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 or 52, depending on hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Required employee contribution rates	0.07	0.0625
Required employer contribution rates	0.1215	0.0625

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 shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are 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 Transportation Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, contributions recognized as part of pension expense were as follows:

Miscellaneous Classic Plan - \$342,292 for employer contributions.

Miscellaneous PEPRA Plan - \$23,110 for employer contributions.

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

As of June 30, 2015, the Transportation Authority's reported net pension liability for its proportionate shares of the net pension liability of each plan is as follows:

Proportionate Share of Net Pension Liability	
Miscellaneous, Classic	\$ 1,297,056
Miscellaneous, PEPRA	2,031
Total Net Pension Liability	<u>\$ 1,299,087</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 8 – PENSION PLANS, (Continued)

The Transportation Authority's net pension liability is measured as the proportionate share of each Plan's net pension liability. The net pension liability is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Transportation Authority's proportion of the net pension liability was based on the Transportation Authority's share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Transportation Authority's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

	Miscellaneous Classic	Miscellaneous PEPRA	Total
Proportion - June 30, 2013	\$ 1,713,610	\$ 2,776	\$ 1,716,386
Proportion - June 30, 2014	1,297,056	2,031	1,299,087
Change - Increase (Decrease)	<u>\$ (416,554)</u>	<u>\$ (745)</u>	<u>\$ (417,299)</u>

For the year ended June 30, 2015, the Transportation Authority recognized pension expense of \$307,510 for the Miscellaneous Classic plan, and pension expense of \$5,357 for Miscellaneous PEPRA plan. On June 30, 2015, the Transportation Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 399,937	\$ -
Contributions in excess of proportionate share	156,313	-
Changes in assumptions	-	-
Adjustment due to differences in proportions	-	(131,157)
Net differences between projected and actual earnings on plan investments	-	(389,920)
Total	<u>\$ 556,250</u>	<u>\$ (521,077)</u>

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$399,937, which will be recognized as a component of pension expense in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2016	\$ (88,560)
2017	(88,560)
2018	(90,163)
2019	(97,481)
	<u>\$ (364,764)</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 8 – PENSION PLANS, (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous Classic and Miscellaneous PEPRA plans:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.50% (2)
Mortality	(3)

(1) Varies by Entry-Age and Service.

(2) Net of pension plan investment expenses, including inflation.

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report available from CalPERS.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plan 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 plan run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 8 – PENSION PLANS, (Continued)

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 -	Real Return Years 11+(b)
Global Equity	47%	5%	6%
Global Fixed Income	19%	1%	2%
Inflation Sensitive	6%	0%	3%
Private Equity	12%	7%	7%
Real Estate	11%	5%	5%
Infrastructure and Forestland	3%	5%	5%
Liquidity	2%	-1%	-1%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability - Miscellaneous Classic	\$ 2,220,886	\$ 1,297,056	\$ 530,365
Net Pension Liability - Miscellaneous PEPRA	\$ 3,620	\$ 2,031	\$ 713

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Transportation Authority's defined benefit postemployment healthcare plan provides healthcare benefits to eligible employees and their surviving spouses. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 and meeting program vesting requirements, or being converted to disability status, and retiring directly from the Transportation Authority. Dental and vision benefits are not available to retirees.

The Transportation Authority is a contracting agency under the Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CALPERS for the provision of healthcare insurance programs for both active and retired employees. The Transportation Authority participates in the California Employers' Retiree Benefit Trust Fund Program (CERBT), an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CALPERS. The financial statements for CERBT may be obtained by writing the California Public Employees' Retirement System, Constituent Relations Office, CERBT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709 or by calling 888-225-7377.

Funding Policy

The contribution requirements of plan members and the Transportation Authority are established and may be amended by the Board. As of June 30, 2015, the Transportation Authority contributed \$138,400, or 100%, of the annual required contribution (ARC) to the CERBT.

The Transportation Authority is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 4.25% of annual covered payroll and was based on the June 30, 2013 actuarial valuation.

Annual OPEB Cost

As of June 30, 2015, the Transportation Authority's annual other postemployment benefit (OPEB) expense of \$138,400 was equal to the ARC. The following table represents annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

Fiscal Year Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 163,000	100%	\$ -
6/30/2014	138,400	100%	-
6/30/2015	138,400	100%	-

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS, (Continued)

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial value of plan assets	\$ 759,600
Actuarial accrued liability (AAL)	1,124,100
Unfunded actuarial accrued liability (UAAL)	<u>\$ 364,500</u>
Funded ratio (actuarial value of plan assets/AAL)	67.6%
Covered payroll (active plan members)	\$ 3,253,400
UAAL as a percentage of covered payroll	11.2%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of certain events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. Under this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percent of expected salary for each year of employment between entry age (age of hire) and assumed exit (maximum retirement age). The actuarial assumptions assume an investment rate of 7.25% representing the long-term rate of investment return on investments with CERBT of 7.61%, net a 0.36% margin for adverse deviations. The assumed annual healthcare trend rates for non-Medicare benefits started at 19.25%, then grades down to 7.50% in plan year starting July 1, 2014 to an ultimate rate of 4.50% by plan year beginning July 1, 2026. The assumed annual healthcare trend rates for Medicare benefits were 4.75% in each of the first two years, then 4.50% per year thereafter. All discount and trend rates included an assumed 3.0% general inflation assumption. The actuarial value of CERBT assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. CERBT's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis using an assumed aggregate payroll increase of 3.25% per year and a static 20-year period beginning fiscal year 2013/14.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 10 - OPERATING LEASES

The Transportation Authority leases its office space under an operating lease agreement. In December 2011, the Transportation Authority executed a 13-year workspace lease for its new office located at 1455 Market Street, with a 5-year extension option. The term of the lease commenced on July 1, 2012 and expires on June 30, 2025. Under the lease agreement, the landlord granted the Transportation Authority a rent abatement totaling \$522,112 for the period July 1, 2012 through November 30, 2012 and from July 1, 2013 through October 31, 2013 and provided a leasehold allowance credit in the amount of \$1,763,180. During the year ended June 30, 2015, the Transportation Authority expended \$734,220 towards its office lease and recorded an office lease expense of \$756,318 and an amortization expense of \$135,629 on the statement of activities.

The Transportation Authority also leases its copier equipment under an operating lease agreement. The Transportation Authority entered into a 5-year lease agreement with monthly payments of \$515, plus applicable taxes, commencing on June 28, 2012. In April 2014, the Transportation Authority entered into an additional 3-year lease agreement with monthly payments of \$974, plus applicable taxes. During the year ended June 30, 2015, total copier expenses were \$17,812.

The following is a schedule of future minimum lease obligations as of June 30, 2015:

Year ending June 30:	Office Lease	Copier Leases	Total
2016	\$ 758,694	\$ 17,868	\$ 776,562
2017	783,168	15,920	799,088
2018	807,642	-	807,642
2019	832,116	-	832,116
2020	856,590	-	856,590
2021-2025	4,650,060	-	4,650,060
Total future minimum lease obligations	\$ 8,688,270	\$ 33,788	\$ 8,722,058

NOTE 11 - ADMINISTRATIVE EXPENSE LIMITATIONS

In accordance with California Public Utilities Code, Section 131107, not more than one percent of the Transportation Authority's annual net amount of revenues raised by the sales tax may be used to fund the salaries and benefits of the staff of the Transportation Authority in administering the Proposition K Expenditure Plan. For the year ended June 30, 2015, revenues, staff salaries and fringe benefits for administering the Proposition K Expenditure Plan for the Sales Tax Program were as follows:

Revenue	\$ 100,278,511
Expenditures:	
Salaries	524,302
Fringe benefits	29,350
Total	\$ 553,652
Percentage of revenue	0.55%

Personnel expenditures of \$3,604,051 were reported in the Sales Tax Program Fund, of which \$553,652 was related to general administration of the Plan and \$3,050,399 was related to planning and programming, which includes monitoring and oversight of Prop K funded projects.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 12 - RISK MANAGEMENT

The Transportation Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Transportation Authority manages and finances these risks by purchasing commercial insurance. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the Transportation Authority's commercial insurance coverage in any of the past three years.

NOTE 13 – OWNER-CONTROLLED INSURANCE PROGRAM

In February 2002, the Transportation Authority entered into a trust agreement with Chartis Insurance (formerly American Insurance Group) and J.P. Morgan Chase Bank, N.A. on behalf of MUNI to act as the fiduciary administrator for the aggregate deductible loss pool supporting MUNI's Third Street Light Rail Project's Owner-Controlled Insurance Program (OCIP). The Third Street Light Rail Project OCIP is an umbrella insurance program that provides commercial general liability, excess liability, workers' compensation, pollution liability and railroad liability coverage for those Third Street Light Rail Project construction contracts included in the program. The escrow account for the aggregate deductible loss pool was established for \$4,621,400 at the inception of the OCIP, and is used to pay claims as determined by the City's Office of the City Attorney, MUNI and Chartis Insurance. The Transportation Authority is acting solely as a fiduciary administrator for the escrow account, and has no responsibility for managing the OCIP claims management or settlement. As of June 30, 2015, the Transportation Authority has \$693,720 in escrow accounts to fund claims related to MUNI's Third Street Light Rail Project.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Commitments

The Transportation Authority's outstanding commitments totaled \$534,769,605 at June 30, 2015. This amount is comprised of \$495,944,721 in remaining capital project appropriations. Sponsors receive appropriations for the entire project (awards) but cannot be reimbursed faster than the amount allocated annually. At June 30, 2015, the Transportation Authority has \$14,596,736, \$24,043,205 and \$184,943 encumbered in the Sales Tax Program, the Congestion Management Agency Programs and the Treasure Island Mobility Management Agency, respectively, on various Transportation Authority contracts held with private consulting and construction companies and cooperative agreements with governmental entities.

Loan Agreement with Treasure Island Development Authority

In July 2008, the Transportation Authority entered into a loan agreement with the Treasure Island Development Authority (TIDA) for the repayment of project management oversight, engineering and environmental costs for the Yerba Buena Island (YBI) Ramps Improvement Project. In July 2013, the Transportation Authority Board approved increasing the non-federal portion of the loan agreement with TIDA to a total amount not to exceed \$11,037,000, to complete preliminary engineering and design for the YBI Ramps Improvement Project and the YBI West Side Bridge project (collectively known as the YBI Interchange Improvement Project). The total non-federal and federal loan obligation amount shall not to exceed \$18,830,000. Since August 2010, the Transportation Authority has received Federal Highway Bridge Program funding from the California Department of Transportation (Caltrans) for the preliminary and final design phases of the project. The loan agreement with TIDA will leverage the federal grant award to fulfill the local match requirement and reimburse the Transportation Authority for administrative costs.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 14 - COMMITMENTS AND CONTINGENCIES, (Continued)

Under the terms of the agreement, TIDA will repay the Transportation Authority for all project costs incurred by the Transportation Authority and accrued interest, less federal government reimbursements to the Transportation Authority. If the federal grant funds do not become available for some or all of the project costs, or if the federal agency disallows the Transportation Authority's reimbursement claims on some or all of the project costs, then TIDA bears the responsibility to repay the Transportation Authority for all costs incurred on the YBI Interchange Improvement Project for a total loan obligation amount not-to-exceed \$18,830,000. The repayment to the Transportation Authority may be paid by TIDA in three annual installment payments on the later of 30 days after the first close of escrow for transfer of the Naval Station Treasure Island from the Navy to TIDA or December 31, 2014. Interest shall accrue on all outstanding unpaid project costs until TIDA and federal agencies fully reimburse the Transportation Authority for all costs related to the project. Interest will be compounded quarterly, at the City Treasurer's Pooled Investment Fund rate or the Transportation Authority's borrowing rate, whichever is applicable, beginning on the date of the Transportation Authority's reimbursement claim to Caltrans until the Transportation Authority costs and all accrued interest has been repaid.

This loan is collateralized by the senior security interest in TIDA's right, title and interest in and to 1) the rents accruing under the Sublease, Development, Marketing and Property Management Agreement between TIDA and The John Stewart Company, related to the subleasing of existing residential units at the Naval Station Treasure Island; and 2) any and all other TIDA revenue, except revenue prohibited by applicable laws from being used for this purpose or is necessary for repayment of the annual amount of TIDA's pre-existing San Francisco Public Utilities Commission (SFPUC) utility obligation under the Memorandum of Understanding between TIDA and SFPUC. On June 29, 2015, TIDA repaid the Transportation Authority in the amount of \$5,419,446, following 30 days after the close of escrow for initial transfer of property from the Navy to TIDA which occurred on May 29, 2015. As of June 30, 2015, the outstanding balance due to the Transportation Authority is \$4,998,336 for the loan and \$505,252 for accrued interest costs.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

As discussed under Note 1, the Transportation Authority implemented GASB 68 effective July 1, 2014. Refer to Note 8 for further disclosures related to the plan and related balances. As a result of the implementation, the Transportation Authority restated beginning net position for governmental activities as noted below:

	Government-Wide Governmental Activities
Beginning of year, net position as previously reported	\$ (35,933,775)
Contributions after the measurement date - deferred outflows of resources	365,402
Net pension liability as of the measurement date of June 30, 2013	(1,716,386)
Beginning of year, net position as restated	<u>\$ (37,284,759)</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Financial Statements

June 30, 2015

NOTE 15 – PRIOR PERIOD ADJUSTMENTS, (Continued)

Following is the pro forma effect of the retroactive application:

	June 30, 2014		June 30, 2014
	Previously Presented	Restatement	Restated
Deferred outflows of resources	\$ -	\$ 365,402	\$ 365,402
Net pension liability	-	(1,716,386)	(1,716,386)
Total restatement of net position	<u>\$ -</u>	<u>\$ (1,350,984)</u>	<u>\$ (1,350,984)</u>

In accordance with GASB Statement No. 68, the restatement of all deferred outflows and inflows was not practical and therefore not included in the statement of beginning balances.

REQUIRED SUPPLEMENTARY INFORMATION

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Schedules of Funding Progress and Employer Contributions
For the Year Ended June 30, 2015

Postemployment Healthcare Benefits

The Schedule of Funding Progress presented below provides a consolidated snapshot of the Transportation Authority's ability to meet current and future liabilities with the plan assets. The most recent actuarial valuation was performed as of June 30, 2013.

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL) Entry Age	(C) Unfunded AAL (UAAL) (Excess Assets) [(B) - (A)]	(D) Funded Ratio [(A) / (B)]	(E) Covered Payroll	(F) UAAL as a Percentage of Covered Payroll [(C) / (E)]
1/1/2010	\$ 173,000	\$ 374,000	\$ 201,000	46.3%	\$ 2,858,000	7.0%
6/30/2011	405,000	671,000	266,000	60.4%	3,251,000	8.2%
6/30/2013	759,600	1,124,100	364,500	67.6%	3,253,400	11.2%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
June 30, 2010	\$ 110,000	\$ 110,000	100.0%
June 30, 2011	113,000	113,000	100.0%
June 30, 2012	158,000	158,000	100.0%
June 30, 2013	163,000	163,000	100.0%
June 30, 2014	138,000	138,000	100.0%
June 30, 2015	138,000	138,000	100.0%

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Budgetary Comparison Schedules
 For the Year Ended June 30, 2015

Sales Tax Program General Fund				
	Budget Amounts		Actual	Positive (Negative) Variance Final to Actual
	Original	Final		
Revenues and Transfers In				
Sales tax	\$ 91,826,191	\$ 98,823,000	\$ 100,278,511	\$ 1,455,511
Investment income	386,049	340,233	456,413	116,180
Program revenues:				
Federal	-	10,609	-	(10,609)
State	-	48,310	-	(48,310)
Regional and other	-	1,408,129	-	(1,408,129)
Proceeds from revolver credit loan	-	-	134,664,165	134,664,165
Project refunds and other revenue	5,614,230	5,636,081	179,593	(5,456,488)
Transfers in from other funds	-	1,008,252	1,054,929	46,677
Total Revenues and Transfers In	97,826,470	107,274,614	236,633,611	129,358,997
Expenditures and Transfers Out				
Current - transportation and capital projects:				
Personnel expenditures	3,603,401	4,224,161	3,604,051	620,110
Non-personnel expenditures	2,552,532	2,442,678	2,041,789	400,889
Capital project costs	152,078,267	130,249,492	73,456,244	56,793,248
Capital outlay	258,000	258,000	52,965	205,035
Transfers out to other funds	2,140,030	-	244,664	(244,664)
Debt service				
Interest and fiscal charges	1,786,600	1,786,600	1,468,189	318,411
Total Expenditures and Transfers Out	162,418,830	138,960,931	80,867,902	58,093,029
Change in Fund Balance	(64,592,360)	(31,686,317)	155,765,709	187,452,026
Fund Balance (Deficit) - Beginning	(56,173,557)	(56,173,557)	(56,173,557)	-
Fund Balance (Deficit) - Ending	\$ (120,765,917)	\$ (87,859,874)	\$ 99,592,152	\$ 187,452,026

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Budgetary Comparison Schedules

For the Year Ended June 30, 2015

	Congestion Management Agency Programs			Positive (Negative) Variance Final to Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Program Revenues				
Federal	\$ 42,170,530	\$ 36,149,974	\$ 34,331,503	\$ (1,818,471)
State	5,078,696	4,207,277	3,798,590	(408,687)
Regional and other	3,452,278	5,703,941	4,232,041	(1,471,900)
Transfers in from other funds	2,140,030	-	-	-
Total Revenues and Transfers In	52,841,534	46,061,192	42,362,134	(3,699,058)
Expenditures				
Current - transportation and capital projects				
Personnel expenditures	1,871,526	1,717,435	1,588,692	128,743
Non-personnel expenditures	153,000	285,154	113,865	171,289
Capital project costs	50,817,008	43,243,711	39,604,648	3,639,063
Transfers out to other funds	-	814,892	1,054,929	(240,037)
Total Expenditures and Transfers Out	52,841,534	46,061,192	42,362,134	3,699,058
Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Budgetary Comparison Schedules

For the Year Ended June 30, 2015

	Transportation Fund for Clean Air Program			
	Budgeted Amounts			Positive (Negative) Variance Final to Actual
	Original	Final	Actual	
Revenues				
Investment income	\$ 2,677	\$ 2,677	\$ 2,166	\$ (511)
Program revenues				
Regional and other	747,116	749,793	741,642	(8,151)
Total Revenues	<u>749,793</u>	<u>752,470</u>	<u>743,808</u>	<u>(8,662)</u>
Expenditures				
Current - transportation and capital projects				
Personnel expenditures	37,355	37,355	33,349	4,006
Non-personnel expenditures	-	-	3,637	(3,637)
Capital project costs	809,871	983,056	355,800	627,256
Total Expenditures	<u>847,226</u>	<u>1,020,411</u>	<u>392,786</u>	<u>627,625</u>
Change in Fund Balance	(97,433)	(267,941)	351,022	618,963
Fund Balance - Beginning	756,482	756,482	756,482	-
Fund Balance - Ending	<u>\$ 659,049</u>	<u>\$ 488,541</u>	<u>\$ 1,107,504</u>	<u>\$ 618,963</u>

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Budgetary Comparison Schedules
 For the Year Ended June 30, 2015

	Vehicle Registration Fee for Transportation Improvements Program			Positive (Negative) Variance Final to Actual
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Vehicle registration fee	\$ 4,727,718	\$ 4,727,718	\$ 4,862,063	\$ 134,345
Investment income	3,280	3,280	4,266	986
Total Revenues	4,730,998	4,730,998	4,866,329	135,331
Expenditures				
Current - transportation and capital projects				
Personnel expenditures	109,689	109,689	90,125	19,564
Non-personnel expenditures	151,698	176,698	123,637	53,061
Capital project costs	10,458,813	10,458,813	8,366,725	2,092,088
Total Expenditures	10,720,200	10,745,200	8,580,487	2,164,713
Change in Fund Balance	(5,989,202)	(6,014,202)	(3,714,158)	2,300,044
Fund Balance - Beginning	11,025,549	11,025,549	11,025,549	-
Fund Balance - Ending	\$ 5,036,347	\$ 5,011,347	\$ 7,311,391	\$ 2,300,044

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Budgetary Comparison Schedules

For the Year Ended June 30, 2015

	Treasure Island Mobility Management Agency			Positive (Negative) Variance Final to Actual
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Program revenues				
Federal	\$ 497,799	\$ 805,423	\$ 472,627	\$ (332,796)
Regional and other	250,000	300,000	-	(300,000)
Transfers in from other funds	-	-	244,664	244,664
Total Revenues and Transfers In	747,799	1,105,423	717,291	(388,132)
Expenditures				
Current - transportation and capital projects				
Personnel expenditures	353,799	461,834	371,665	90,169
Non-personnel expenditures	65,000	17,700	26,043	(8,343)
Capital project costs	329,000	432,529	319,583	112,946
Transfers out to other funds	-	193,360	-	193,360
Total Expenditures and Transfers Out	747,799	1,105,423	717,291	388,132
Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Schedule of the Proportionate Share of the Net
 Pension Liability
 For the Year Ended June 30, 2015

Miscellaneous, Classic

	2015⁽¹⁾
Proportion of the Net Pension Liability	0.04831%
Proportionate Share of the Net Pension Liability	\$ 1,297,056
Covered-Employee Payroll at the 2014 Measurement Date	\$ 3,096,958
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	41.88%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.37%

Miscellaneous, PEPR

	2015⁽¹⁾
Proportion of the Net Pension Liability	0.00003%
Proportionate Share of the Net Pension Liability	\$ 2,031
Covered-Employee Payroll at the Measurement Date	\$ 166,850
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	1.22%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.04%

(1) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable.

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Schedule of Pension Contributions
For the Year Ended June, 30, 2015

	2015⁽¹⁾	2014⁽¹⁾
Contractually required contribution (actuarially determined)	\$ 399,932	\$ 365,402
Contributions in relation to the actuarially determined contributions	(399,932)	(365,402)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,716,928	\$ 3,263,808
Contributions as a percentage of covered-employee payroll	10.76%	11.20%

(1) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable

The notes to required supplementary information is an integral part of these schedules.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Required Supplementary Information

For the Year Ended June 30, 2015

NOTE 1 – BUDGETS AND BUDGETARY DATA

Comparisons with financial results for the current fiscal period for all the funds are presented as required supplementary information and include, in addition to actual expenditures, amounts that have been appropriated for projects and programs. Unexpended capital budget appropriations are carried forward to subsequent years. The budget represents a process through which policy decisions are made, implemented and controlled. Appropriations may be adjusted during the year with the approval of the Transportation Authority. Accordingly, the legal level of budgetary control by the Transportation Authority is the program (fund) level.

NOTE 2 – SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS

A cost-sharing employer is required to recognize a liability for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective net pension liability. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. The schedules present information to illustrate changes in the Transportation Authority's proportionate share of the net pension liability and employer contributions over a ten year period when the information is available.

SUPPLEMENTARY INFORMATION

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2015

Program Description	Catalog of Federal Domestic Assistance	Grant No.	Grant Approval Date	Approved Federal Award	Cumulative Expenditures Prior to July 1, 2014	Federal Expenditures		Amount Provided to Subrecipients
						July 1, 2014 Through June 30, 2015	Cumulative Expenditures Through June 30, 2015	
U.S. Department of Transportation								
Federal Highway Administration:								
Highway Research and Development Program								
<i>Passed through - Metropolitan Transportation Commission</i>								
Strategic Highway Research Plan	20.200	SHRP2L-6084(192)	11/12/14	\$ 310,000	\$ -	\$ 53,349	\$ 256,651	\$ -
Travel Model Research	20.200	ATF512L-6084(184)	08/09/13	90,000	-	4,830	85,170	-
Highway Planning and Construction								
<i>Passed through - Metropolitan Transportation Commission</i>								
Surface Transportation Plan (STP): Transportation Planning and Programming	20.205	C002683	07/01/12	3,568,000	1,341,277	373,490	1,853,233	-
STP: Treasure Island Mobility Management	20.205	N/A	01/01/13	500,000	24,000	392,209	83,791	-
<i>Passed through - State California Department of Transportation</i>								
eFleet: Carsharing Electrified	20.205	CML-6272(033)	12/28/11	1,700,000	435,776	521,202	743,022	510,701
Integrated Public Private Partnership Travel Demand Management Program (TDM)	20.205	CML-6272(034)	04/25/11	750,000	576,699	132,088	41,213	-
San Francisco Value Pricing and Regulation Study	20.205	VPPL-6272(037)	08/17/12	480,000	145,969	152,457	181,574	-
Treasure Island Mobility Management	20.205	VPPL-6272(041)	08/15/13	480,000	150,577	296,627	32,796	-
Yerba Buena Island - Reconstruct Existing Westbound On and Off Ramps on East Side of Yerba Buena Island	20.205	BRLS-6272(023)	08/20/10	73,919,055	17,526,260	28,562,356	27,830,439	-

See accompanying notes to supplementary information.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015

Program Description	Catalog of Federal Domestic Assistance	Grant No.	Grant Approval Date	Approved Federal Award	Federal Expenditures			Amount Provided to Subrecipients
					Cumulative Expenditures Prior to July 1, 2014	Expenditures July 1, 2014 through June 30, 2015	Cumulative Expenditures Through June 30, 2015	
Yerba Buena Island Viaduct Structure #1 ⁽¹⁾	20.205	STPLZ-6272(024)	09/10/10	307,490	191,400	6,209	197,609	109,881
Yerba Buena Island Viaduct Structure #2	20.205	STPLZ-6272(026)	09/10/10	9,580,185	2,636,599	628,064	3,264,663	6,315,522
Yerba Buena Island Viaduct Structure #3	20.205	STPLZ-6272(027)	09/10/10	2,115,897	1,291,759	511,561	1,803,320	312,577
Yerba Buena Island Viaduct Structure #4	20.205	STPLZ-6272(028)	09/10/10	703,068	350,433	190,872	541,305	161,763
Yerba Buena Island Viaduct Structure #6	20.205	STPLZ-6272(029)	09/10/10	527,874	411,885	115,989	527,874	-
Yerba Buena Island Viaduct Structure #7A	20.205	STPLZ-6272(030)	09/10/10	155,745	135,097	17,401	152,498	3,247
Yerba Buena Island Viaduct Structure #7B	20.205	STPLZ-6272(031)	09/10/10	214,476	149,171	40,810	189,981	24,495
Yerba Buena Island Viaduct Structure #8	20.205	STPLZ-6272(032)	09/10/10	269,407	214,295	30,080	244,375	25,032
Total Federal Highway Administration				95,671,197	25,581,197	32,029,594	57,610,791	38,060,406
Federal Transit Administration:								
Federal Transit Capital Investment Grants								
<i>Passed through - San Francisco Municipal Transportation Agency</i>								
Van Ness Bus Rapid Transit	20.500	A06/07-34	02/08/11	560,000	-	471,762	471,762	88,238
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research ⁽²⁾								
<i>Passed through - State California Department of Transportation</i>								
San Francisco Freeway Performance Initiative	20.505	74A0843	04/15/15	300,000	-	21,952	21,952	278,048
Geneva-Harney Way Bus Rapid Transit Feasibility Study	20.505	74A0716	03/01/13	300,000	94,500	205,477	299,977	23
Total Federal Transit Administration				1,160,000	94,500	699,191	793,691	366,309
Total Expenditures of Federal Awards				\$ 96,831,197	\$ 25,675,697	\$ 32,728,785	\$ 58,404,482	\$ 38,426,715
								\$ 510,701

Note:

- (1) During Fiscal Year 2014/15, the California Department of Transportation increased the award amounts for Yerba Buena Island Viaduct Structures #1, #2, #4, #7A, #7B, and #8.
- (2) The former CFDA# 20.515 has been discontinued. CFDA# 20.505 incorporates both the Statewide Transportation system and the Metropolitan Transportation system into one CFDA.

See accompanying notes to supplementary information.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Notes to Supplementary Information

June 30, 2015

NOTE 1 – GENERAL

The schedule of expenditures of federal awards (Schedule) presents the activity of all federal award programs of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California. Federal awards passed through from other governmental agencies are included in the Schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the Schedule agree to or can be reconciled with the amounts reported in the related federal financial reports.

INDEPENDENT AUDITOR'S REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
San Francisco County Transportation Authority
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Transportation Authority's basic financial statements, and have issued our report thereon dated October 22, 2015. Our report contains an emphasis of matter regarding adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* as of July 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Vavrnick, Trine, Day & Co. LLP

Palo Alto, California
October 22, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Commissioners
San Francisco County Transportation Authority
San Francisco, California

Report on Compliance for Each Major Federal Program

We have audited the San Francisco County Transportation Authority's (Transportation Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Transportation Authority's major Federal program for the year ended June 30, 2015. The major Federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Transportation Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Transportation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Transportation Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Transportation Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Transportation Authority internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinch, Trine, Day & Co. LLP

Palo Alto, California
October 22, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Summary of Auditor's Results
For the Year Ended June 30, 2015

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>None</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	<u>None</u>
Significant deficiencies identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>None</u>

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 981,864</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Financial Statement Findings
For the Year Ended June 30, 2015

None reported.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Federal Awards Findings and Questioned Costs
For the Year Ended June 30, 2015

None reported.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2015

None reported.



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

October 22, 2015

Board of Commissioners
San Francisco County Transportation Authority
San Francisco, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California, for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Transportation Authority are described in Note 2 to the financial statements. As described in Note 15 to the financial statements, the Transportation Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions* as of July 1, 2014. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is described in Note 15 to the financial statements. We noted no transactions entered into by Transportation Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the net pension liability is based on an actuarial valuation performed in accordance with the parameters of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions*. We evaluated the key factors and assumptions used to develop the pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 22, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Transportation Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedules of Funding Progress and Employer Contributions for Postemployment Benefits, Budgetary Comparison Schedules, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Pension Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of Board of Commissioners and management of Transportation Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Vavrinek, Trine, Day & Co. LLP