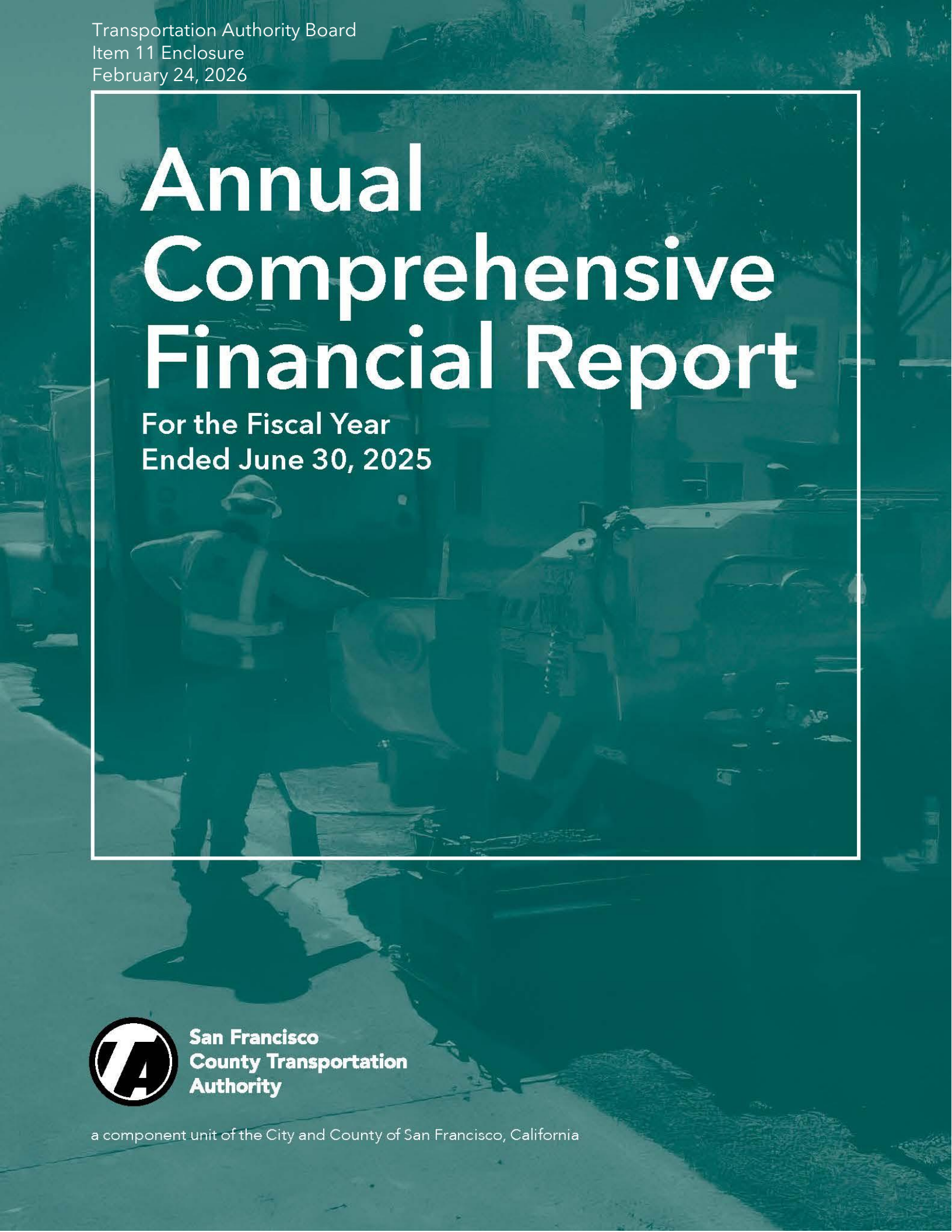
Transportation Authority Board
Item 11 Enclosure
February 24, 2026

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



San Francisco County Transportation Authority

a component unit of the City and County of San Francisco, California

This page is intentionally blank.

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Prepared by the Finance and Administration Division

San Francisco County Transportation Authority

a component unit of the City and County of San Francisco, California

Photo Credits

Uncredited photos are from the SFCTA photo library. Photos with links are made available under a Creative Commons license. Follow URL for use and licensing information.

INTRODUCTORY SECTION: courtesy of Caltrain
COMPLIANCE SECTION: Courtesy of Bay Area Rapid Transit District
BACK COVER: courtesy of SFMTA Photography Department

This page is intentionally blank.

Introductory Section

Letter of Transmittal i

Government Finance Officers Association (GFOA) Certificates of Achievement xii
Organizational Chart xiii
Commissioner and Officials xiv

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis 5

Basic Financial Statements

Government Wide Financial Statements

Statement of Net Position 24
Statement of Activities 26

Government Fund Financial Statements

Balance Sheet – Governmental Funds 27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 30

Notes to Financial Statements 31

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Sales Tax Program 63
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Congestion Management Agency Programs 64
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Transportation Fund for Clean Air Program 65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Vehicle Registration Fee for Transportation Improvements Program 66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Treasure Island Mobility Management Agency 67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Traffic Congestion Mitigation Tax Program 68
Schedule of Changes in the Net Other Postemployment Benefit Liability and Related Ratios 69
Schedule of Other Postemployment Benefits Contributions 71
Schedule of the Proportionate Share of the Net Pension Liability 72
Schedule of Pension Contributions 73
Notes to Required Supplementary Information 74

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Agencywide 75

Notes to Supplementary Information 76

Statistical Section

Financial Trends – Net Position by Component 78
Financial Trends – Changes in Net Position 79
Financial Trends – Fund Balances – Governmental Funds 80
Financial Trends – Changes in Fund Balances – Governmental Funds 81
Revenue Capacity – Sales Tax Rates 82
Revenue Capacity – Principal Sales Tax Payers by Segment for the County 83
Debt Capacity – Ratios of Outstanding Debt 84
Debt Capacity – Direct and Overlapping Legal Debt Margin Information and Limitations 85
Debt Capacity – Pledge Revenue Coverage 86
Demographic and Economic Information – Demographic and Economic Statistics 87
Demographic and Economic Information – Principal Employers 88
Operating Information – Full Time Equivalent Employees by Function 89
Operating Information – Operating Indicators by Function – Project Funding Allocations and Actual Reimbursements Sales Tax, Vehicle Registration Fee for Transportation Improvements, and Traffic Congestion Mitigation Tax Program 90
Operating Information – Capital Asset Statistics 91

Compliance Section

Independent Auditor's Reports

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* 92

Schedule of Findings and Questioned Costs

Summary of Auditor's Results 94
Financial Statement Findings 95
Summary Schedule of Prior Audit Findings 96

Introductory Section

This page is intentionally blank.

San Francisco
County Transportation
Authority

1455 Market Street, 22ND Floor, San Francisco, California 94103 415-522-4800 info@sfcta.org www.sfcta.org

November 21, 2025
Letter of Transmittal

To the San Francisco County Transportation Authority Board and members of the public:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the San Francisco County Transportation Authority (Transportation Authority) for the fiscal year (FY) ended June 30, 2025. The financial statements are presented in conformity with generally accepted accounting principles and were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the controls and procedures are in place to ensure the accuracy of reported data, in all material respects, and the Transportation Authority's financial position is presented fairly.

Eide Bailly LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the Transportation Authority's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

San Francisco is the cultural, commercial, and financial center of Northern California. The consolidated city-county covers an area of about 46.7 square miles at the northern tip of the Peninsula in the San Francisco Bay. The Transportation Authority, established in 1989 pursuant to the provisions of the Bay Area County Traffic and Transportation Funding Act (Funding Act) and by voter approval of Proposition B, is a sub-regional transportation planning and programming agency for the City and County of San Francisco (City). Originally created to administer the proceeds of the retail transactions and use tax through Proposition B (Prop B), the Transportation Authority has since been asked to take on several additional roles and responsibilities mandated by state law.

In November 2022, San Francisco voters approved Proposition L (Prop L), adopting a new transportation expenditure plan referred to herein as the Expenditure Plan, which superseded Proposition K (Prop K), and extended the existing one-half of one percent (0.5%) county-wide sales tax through March 31, 2053. The Sales Tax for Transportation Projects measure will direct $2.6 billion (2020 dollars) in half-cent sales tax funds over 30 years to help deliver safer and smoother streets, more reliable transit, continue paratransit services for seniors and persons with disabilities, reduce congestion, and improve air quality.

Pursuant to the Funding Act, the Transportation Authority is a separate legal entity from the City, with its own staff, budget, operating rules, policies, board, and committee structure. The Transportation Authority's borrowing capacity is separate and distinct from that of the City. The Transportation Authority does not own or operate any transit systems, but it coordinates with and provides funding to certain other agencies that do operate transit systems. The Transportation Authority's mission is to make travel safer, healthier, and easier for all. The Transportation Authority plans, funds, and delivers local and regional projects to improve travel choices for residents, commuters, and visitors throughout the city.

Since 1990, the Transportation Authority has been the designated Congestion Management Agency (CMA) for San Francisco. In this role, the Transportation Authority is responsible for developing and administering the Congestion Management Program. Through its CMA activities, the Transportation Authority leverages state and federal transportation dollars to complement sales tax revenues and performs project delivery oversight to assist with project implementation. The Transportation Authority also tracks transportation system performance to ensure that the City gets good value for its transportation investments, as well as prepares the long-range San Francisco Transportation Plan to guide future investment decisions.

The Transportation Authority has also served as the San Francisco Program Manager for grants from the Bay Area Air Quality Management District's Transportation Fund for Clean Air (TFCA) program since 1990. In such role, the Transportation Authority approves funding for transportation projects that directly benefit air quality through reduced motor vehicle emissions.

The Transportation Authority also serves as the administrator of Proposition AA (Prop AA), a $10 annual vehicle registration fee on motor vehicles registered in the City, which was passed by City voters in November 2010. In such role, the Transportation Authority oversees the Prop AA program and allocates funds to street repair and reconstruction, pedestrian safety, and transit reliability and mobility improvement projects. This fee is separate and apart from, and does not form any part of, the Sales Tax Revenues.

The Transportation Authority was also designated as the Treasure Island Mobility Management Agency (TIMMA) in 2014, and although TIMMA and the Transportation Authority share personnel and a board of commissioners, TIMMA's functions and its budget are separate and apart from those of the Transportation Authority. TIMMA is charged with planning for sustainable mobility on Treasure Island and sponsoring the provisions of new ferry and regional bus service, on-island shuttle, bike share, and car share opportunities. In 2008, state legislation enabled TIMMA to implement congestion pricing to manage vehicle traffic as the island develops, and to fund the new transit and other mobility services.

In November 2019, San Francisco voters approved Proposition D, the Traffic Congestion Mitigation Tax also known as the Transportation Network Company (TNC) Tax, and the Transportation Authority was designated to receive 50% of the TNC Tax revenues. This tax enables the City and County of San Francisco to impose a 1.5% business tax on shared rides and 3.25% business tax on private rides for fares originating in San Francisco and charged by commercial ride-share and driverless-vehicle companies until November 2045. After a 2% set aside for City administrative costs, 50% of the tax would provide funding for the San Francisco Municipal Transportation Agency (SFMTA) for transit operations and improvements. The remaining 50% would provide funding for the Transportation Authority for bicycle and pedestrian safety improvements, traffic calming, traffic signal upgrades and retiming.

The Transportation Authority governing board consists of the 11 members of the San Francisco Board of Supervisors, who act as Transportation Authority Commissioners (Board). Board members elect a chair every January. The chair appoints the members and chairs of the committees and serves as an ex-officio member on the committees. The Board is required to adopt an initial budget for the fiscal year no later than June 30, preceding the beginning of the fiscal year on July 1.

In Fiscal Year 2024/25, the Transportation Authority led several projects including the Yerba Buena Island (YBI) Hillcrest Road Improvement Project, YBI Multi-use Pathway Project, YBI Torpedo Building and Pier E-2 parking construction, and the Downtown Travel Study. Larger regionally-partnered projects advanced such as The Portal/Caltrain Downtown Extension (DTX), the I-80/Yerba Buena Island West Side Bridges Seismic Retrofit Project, and BART Core Capacity Program Fleet.

Major Revenue Sales Tax

The Funding Act, among other things, authorizes the board of supervisors of any county within the nine-county Bay Area to develop a countywide consensus on a proposed transportation expenditure plan to be submitted to the voters, following various local governmental approvals, as part of an ordinance imposing a retail transactions and use tax of either one-half of one percent or one percent, in accordance with the provisions of the California Transactions and Use Tax Law (Revenue and Taxation Code, Section 7251, et seq.).

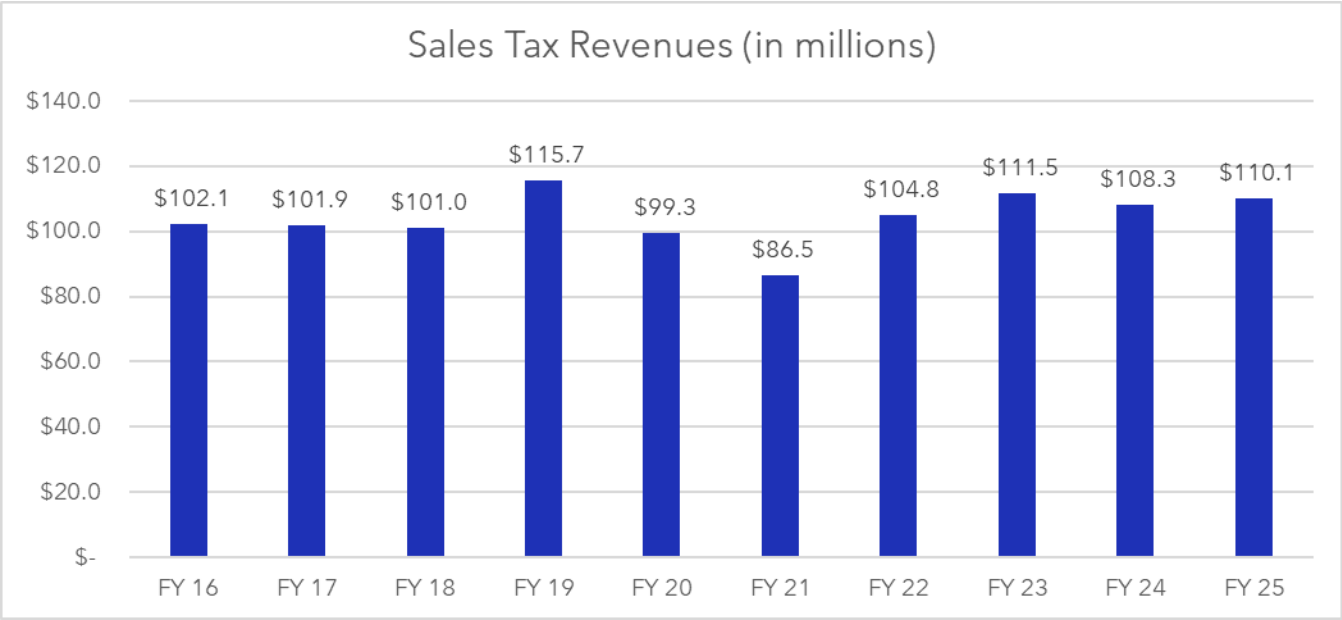
In November 1989, in accordance with the Funding Act, more than two-thirds of San Francisco voters approved Prop B, which authorized the formation of the Transportation Authority and imposed the Original Sales Tax, for a minimum period of 20 years commencing April 1, 1990, for the purpose of funding the Transportation Authority's Original Expenditure Plan (herein defined). The Original Sales Tax was extended on November 4, 2003, with more than two-thirds of San Francisco voters approving the Prop K measure, providing for the continuation of a retail transactions and use tax of one half of one percent (0.5%) to fund the Transportation Authority's next 30-year Expenditure Plan for the period from April 1, 2004, through March 31, 2034. San Francisco voters approved Prop L on November 8, 2022 by 71.79% of the voters, and the Sales Tax continued to be imposed and collected without interruption during the implementation of the Prop L Expenditure Plan. The Expenditure Plan covers a 30-year period, which began on April 1, 2023, and continues through March 31, 2053. The Prop L Expenditure Plan includes funding for neighborhood-level investments such as road repair, crosswalks, traffic calming, new and upgraded traffic signals, bicycle lanes, and Safe Routes to School programs. It will also include citywide improvements like electrifying Muni's bus fleet, bus lanes and transit signal priority, maintaining buses and trains so they operate safely and reliably, and increasing the capacity of both Muni and BART systems.

PRINCIPAL SALES TAX PAYERS BY SEGMENTS LAST TEN FISCAL YEARS (IN THOUSANDS)

FISCAL YEAR ENDED JUNE 30,

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building Material, Garden Equipment & Supplies Dealer	$ 590,523	$ 586,018	$ 660,316	$ 688,526	$ 678,394	$ 668,123	$ 692,779	$ 653,939	$ 607,785	$ 552,173
Clothing and Clothing Accessories Stores	2,129,867	2,099,019	2,081,039	2,004,367	1,592,984	1,350,205	1,732,815	1,686,952	1,485,197	1,516,791
Food and Beverage Stores	845,680	851,556	862,682	859,081	822,192	713,524	742,122	778,351	796,833	789,647
Food Services and Drinking Places	4,573,912	4,680,694	4,806,903	4,958,157	3,756,963	2,052,954	3,761,223	4,474,180	4,562,369	4,746,041
Gasoline Stations	442,063	445,369	548,415	563,607	440,577	331,589	554,725	573,928	548,857	469,810
General Merchandise Stores	857,385	822,175	812,795	767,933	657,382	609,807	708,140	654,732	615,892	639,849
Home Furnishings Stores and Appliance Stores	989,560	917,409	970,745	1,058,102	874,722	821,785	983,527	840,426	767,622	803,991
Motor Vehicle and Parts Dealers	552,476	613,651	613,264	678,081	565,616	653,969	591,880	571,864	587,887	615,225
Other Retail Group	2,171,479	2,292,527	2,469,161	2,582,246	2,666,115	2,568,101	2,620,198	2,566,554	2,470,498	2,418,538
Total Retail and Food Services	13,152,945	13,308,418	13,825,320	14,160,100	12,054,945	9,770,057	12,387,409	12,800,926	12,442,940	12,552,065
All Other Outlets	6,226,000	6,026,085	5,999,001	6,602,407	5,839,627	4,925,238	6,112,583	6,695,377	6,549,618	6,377,492
Total All Outlets	$19,378,945	$19,334,503	$19,824,321	$20,762,507	$17,894,572	$14,695,295	$18,499,992	$19,496,303	$18,992,558	$18,929,557

Source: California Department of Tax and Fee Administration.



Source: Finance and Administration Division, San Francisco County Transportation Authority.

In Fiscal Year (FY) 2024/25, sales tax revenues totaled to $110.1 million, increased by $1.9 million compared to FY 2023/24, or a 1.7% growth rate. The positive growth follows a slight decline in the previous year of FY 2023/24. The reasons for the growth in FY 2024/25 include some sales tax growth in restaurants and new car sales as the San Francisco economy continues to slowly emerge from the lingering effects of the COVID-19 pandemic and post-pandemic changes, in addition, inflation rates remained relatively constant at a national average of 2.9%. Various business segment categories saw their growth rates rise, including food services and drinking places, home furnishings and appliance stores, and motor vehicles and parts dealers. The largest sales taxpayer contribution was the food services and drinking places segment, which increased by 4% from FY 2023/24, totaling $4.7 million. Looking forward, our forecast anticipates lingering uncertainty around various aspects of the macro economy such as tariffs, inflation, and interest rates. Given the recent economic uncertainty along with reports of slowing employment numbers and lingering tepid consumer sentiment, we anticipate slow growth for FY 2025/26 before sales tax growth starts to pick up in FY 2026/27. We continue to closely monitor sales tax revenues, especially as return-to-office trends continue upward, and an increasing number of emerging technology and artificial intelligence (AI) firms establish themselves in San Francisco.

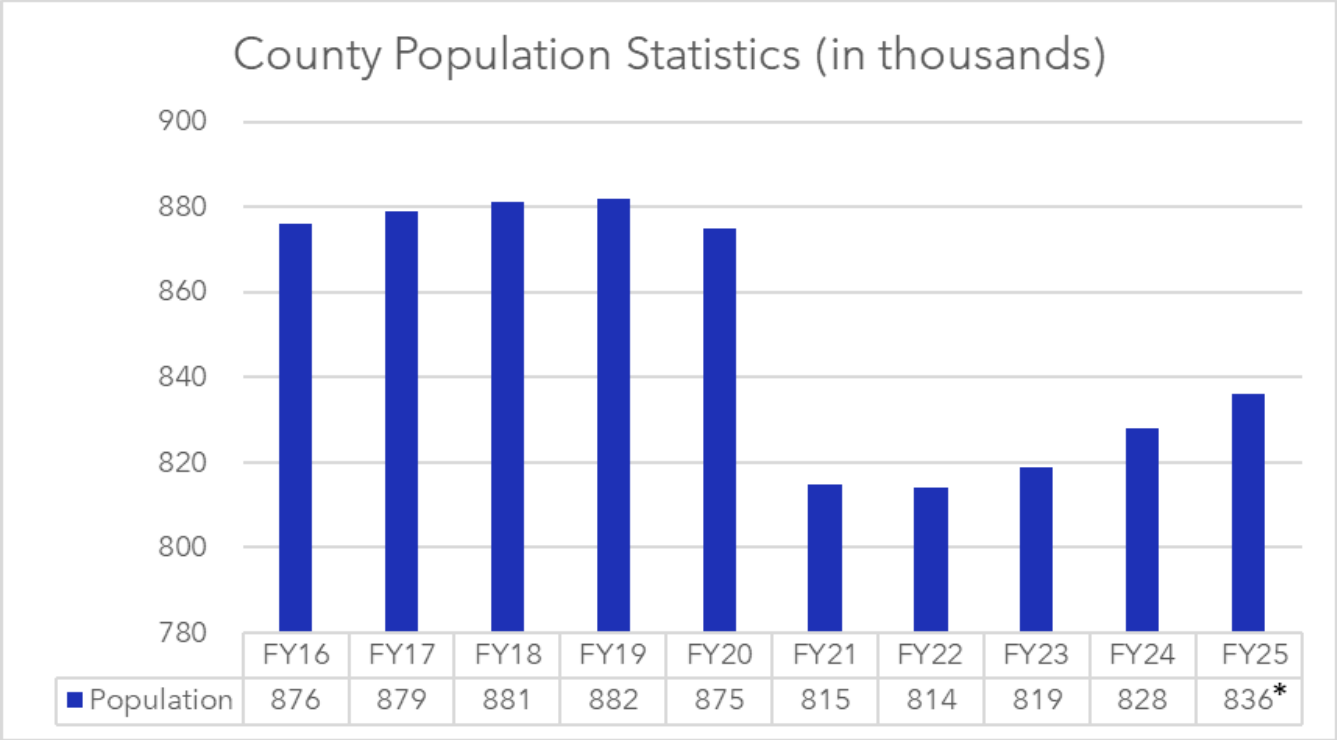
Local Economy (revenue drivers)

San Francisco's economy has always been driven by various types of industries including financial services, tourism, and high technology which affect sales tax revenues as well as population, personal income, and unemployment rate. In the past few years, San Francisco is widely considered the epicenter of AI due to its high concentration of major tech companies, leading AI research institutions, attracting talent from all over the world and significant venture capital funding for AI startups. In the past few years, San Francisco is widely considered the epicenter of AI due to its high concentration of major tech companies and leading AI research institutions, attracting talent from all over the world and significant venture capital funding for AI startups. However, San Francisco's slow economic recovery continues to be

affected by the COVID-19 pandemic. The local economy was also affected by federal tariffs on imports implemented by the presidential office in April 2025, results of which are still being assessed by economists.

Return-to-office attendance steadied at around 40% since the pandemic began but seems unlikely to return to pre-pandemic levels despite more large companies requiring full weekly office attendance. San Francisco office vacancy continued to rise slightly in FY 2024/25 to 35% in June 2025 as compared to 34% in the prior year. The commercial real estate market still faces post pandemic challenges from low in-office attendance. Apartment rents jumped up 10%, surpassing pre-pandemic levels while housing prices slightly declined. The median single-family home price decreased to $1.3 million, a 1.1% decrease from the previous year but still higher than prices in California. Healthcare, leisure & hospitality, and retail trade industries still saw steady growth. Despite economic activity improving, the recovery rate has not been as high as anticipated. While still reflecting fluctuating changes, the data indicates movement toward stability following the significant losses from the onset of the COVID-19 pandemic.

The estimated population of the City and County of San Francisco in FY 2024/25 is 835,987. This results in a 1.0% increase when compared to prior fiscal year of 827,526, but still a 4.6% decrease from 876,103 in FY 2015/16.

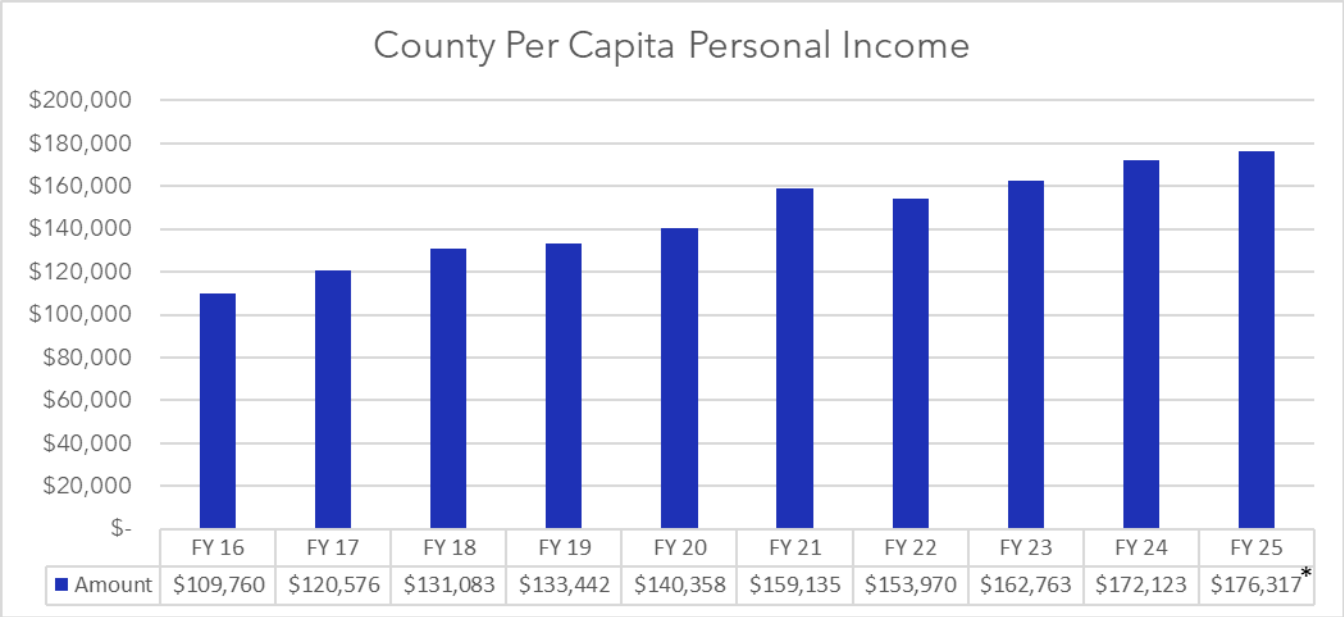


	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Population	876	879	881	882	875	815	814	819	828	836*

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2025; Statistical Section – Demographic and Economic Statistics table.

* 2025 population was estimated by multiplying the estimated 2024 population by the 2022 - 2023 population growth rate.

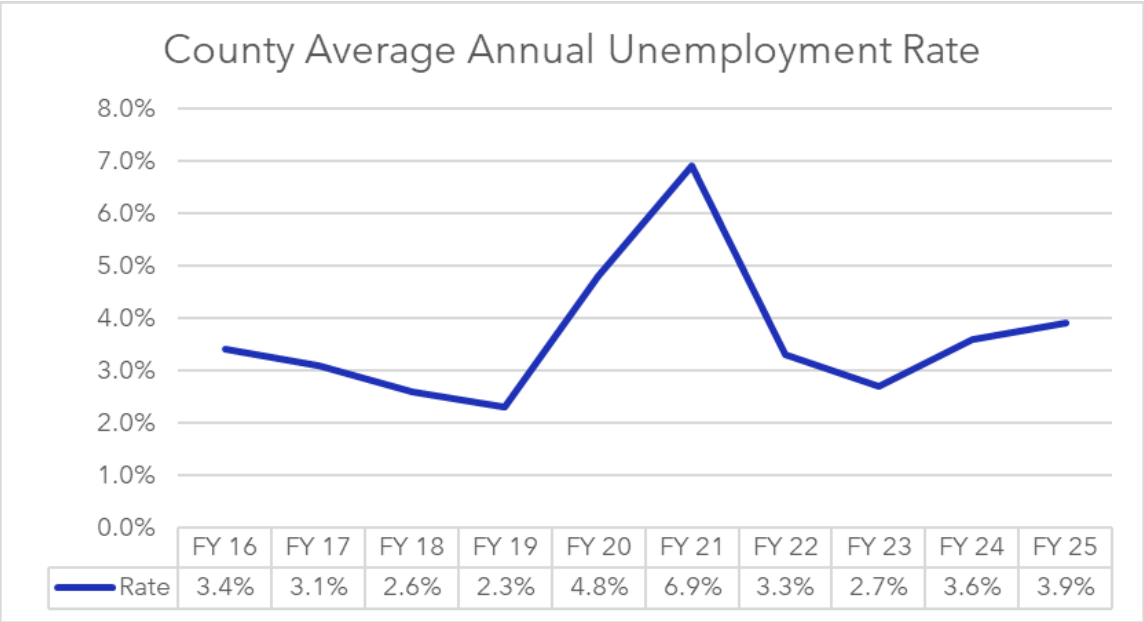
The estimated per capita personal income for the City and County of San Francisco increased from $109,760 in FY 2015/16 to $176,317 in FY 2024/25.



Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2025; Statistical Section – Demographic and Economic Statistics table.

* Per capita personal income for 2025 was estimated by dividing the personal income for 2024 by the reported population in 2024. Fiscal years 2020, 2021, 2022, 2023 and 2024 are updated from last year's ACFR with newly available data. 2025 was estimated by multiplying the latest quarterly state income by 1000 and dividing by the estimated 2025 population.

In addition, the unemployment rate fell from 3.4% in FY 2015/16 to a low of 2.3% in FY 2018/19 (pre-pandemic) and jumped to nearly 3.9% in the latter part of FY 2024/25 as job losses occurred particularly with widespread layoffs in big tech like Salesforce, Cisco and Handshake, and significant cuts in city government positions for San Francisco and in nearly all of the major employment sectors for California. It is also not yet clear how AI technology will affect the local job market in the future. Overall, San Francisco's unemployment rate remains lower than the slightly increased statewide rate of 5.4%.



Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2025.

San Francisco is a sought-after destination with a strong labor market. However, the COVID-19 pandemic impacted these trends starting the third quarter of FY 2019/20. The long-term outlook remains cautiously optimistic given the fuller rebound of pre-pandemic activities, major entertainment events planned for years to come, and several initiatives aimed to increase revenues for San Francisco.

Major Capital Project Expenditures

In FY 2024/25, the Transportation Authority continued allocating Prop L sales tax and reimbursed Prop L and previous Prop K sales tax allocations. The Transportation Authority also continued to allocate Prop AA vehicle registration fees, TNC Tax funds, TFCA funds, and provide project delivery oversight and support for a wide variety of programs and projects funded by federal, state, and regional grants that improve the safety and efficiency of the multi modal transportation network in San Francisco. Using the half-cent sales tax and various grant funds, the Transportation Authority mainly reimbursed or incurred construction costs for the following major projects:

- The largest project in the Prop K Expenditure Plan and one of the largest in the new Prop L Expenditure Plan is The Portal/DTX project, which will transform downtown San Francisco and regional transportation well into the 21st century. The project consists of two phases: Phase One, the Salesforce Transit Center, which opened in 2018; and Phase Two, the DTX, now known as The Portal, which is currently under project development and is anticipated to be completed, dependent on funding, in the early 2030s. The Transportation Authority has allocated over $230 million in sales tax funds to the Transbay Program, with an additional $300 million included in the Prop L Expenditure Plan. The Transportation Authority reimbursed the Transbay Joint Powers Authority over $6 million in FY 2024/25 and allocated $9 million.

- The SFMTA continues to replace and expand its light rail vehicle (LRV) fleet, as well as its rubber tire fleet of motor coaches, trolleybuses, and paratransit vehicles. Since 2003, the half-cent sales tax program has allocated nearly $500 million for replacement and expansion of SFMTA's transit fleet including $42 million in Prop L funds allocated in FY 2023/24 for motor coach replacement. Sales Tax allocations toward procurement of the new light rail fleet total of nearly $192 million, with LRVs being the largest reimbursements in FY 2024/25 as Transportation Authority reimbursed the SFMTA just under $36 million for this type of expenditure.
- The SFMTA and San Francisco Public Works substantially completed the L Taraval Improvement project in FY 2024/25, which included replacement of the L Taraval rails and repavement of the street. The Transportation Authority allocated over $15 million in sales tax funds and $3.6 million in Prop AA registration fees toward the project. The Transportation Authority reimbursed SFMTA nearly $11 million in sales tax funds and another $2.4 million in Prop AA funds in FY 2024/25 for this project.

The Transportation Authority is also overseeing the delivery of multiple capital project efforts on Yerba Buena Island. The Westside Bridges Retrofit Project will seismically retrofit eight existing bridge structures along Treasure Island Road to meet current state seismic safety standards. These bridge structures are a critical connection between Yerba Buena Island, Treasure Island, and the Bay Bridge. Construction started in May 2023 and is scheduled to be completed by the end of 2026.

The Transportation Authority is also leading the Hillcrest Road Improvement Project, which will upgrade the roadway to modern roadway and seismic standards and provide additional space for multimodal travel between the Islands and east span of the Bay Bridge. Construction started in June 2024, and is scheduled to be completed by the second half of FY 2025/26. In FY 2024/25, the Transportation Authority expended $36.4 million on the Westside Bridges Retrofit Project and $17.1 million on the Hillcrest Road Improvement Project.

Funding the Projects

Since the inception of Prop K in 2004, the Transportation Authority has administered the Prop K and now the Prop L program primarily on a pay-as-you-go basis, with the use of short-term debt instruments to meet temporary cash flow needs. However, to meet the multi-year funding needs of the Prop K capital program driven by several large projects, the Transportation Authority in 2017 issued $248.3 million in Senior Sales Tax Revenue Bonds, Series 2017 (Series 2017 Bonds). The Series 2017 Bonds are secured and repaid by the half-cent sales tax and mature on February 1, 2034. The Transportation Authority used the proceeds of the Series 2017 Bonds to (i) finance a portion of the costs of and costs incidental to, or connected with, the construction, acquisition, and improvement of certain transit, street, and traffic facilities, and other transportation projects, including, without limitation, engineering, inspection, legal consultants, fiscal agents, financial consultants, and other fees and working capital, all as described in the Expenditure Plan adopted pursuant to the Funding Act; (ii) repay a portion of the outstanding amount of a revolving credit agreement and a promissory note evidencing the Transportation Authority's payment obligation thereunder; (iii) pay capitalized interest on a portion of the Series 2017 Bonds; and (iv) pay costs of issuance of the Series 2017 Bonds. The outstanding debt balance at year ended June 30, 2025, was $164.5 million, with $12.2 million of remaining unamortized long-term bond premiums.

In October 2024, the Transportation Authority entered into a 3-year Amended and Restated Revolving Credit (loan) Agreement with U.S. Bank for a total amount of $185 million. As of June 30, 2025, the Transportation Authority has drawn $65 million of available funds.

The Transportation Authority continues to hold credit ratings with Fitch Ratings and S&P Global Ratings. Fitch affirmed a rating of AAA. The high rating reflects the strength and diversity of the economic base that generates San Francisco's half-cent sales tax for transportation, the primary revenue source overseen by the Transportation Authority. The rating also reflects the Transportation Authority's strong financial position. In June 2025, the Transportation Authority maintained the highest possible rating of AAA by Fitch Ratings. This AAA rating places the Transportation Authority among the highest rated organizations in California. The rating also reflects the agency's strong and resilient maintenance of the voter-approved half-cent sales tax for transportation and a stable outlook.

Relevant Financial Policies

The Transportation Authority has adopted a comprehensive set of financial policies.

Fiscal Policy guides decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development, and sales tax revenue allocation requirements of the Transportation Authority.

Investment Policy organizes and formalizes investment-related activities and sets out policies and procedures that enhance opportunities for prudent and systematic investment of Transportation Authority assets.

Debt Policy organizes and formalizes debt issuance-related policies and procedures for the Transportation Authority and establishes a systematic debt policy.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Transportation Authority for its ACFR for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, the local government agency had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR will meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements again. The preparation of this report would not have been possible without the skill, effort, and dedication from Angela Tsao, Christy Tou, Kajol Joshi, Lily Yu, Ronald Leong and Winnie Zhang. We wish to thank all the divisions for their assistance in providing the data necessary to prepare this report. Credit also is due to the Board of Commissioners, Community Advisory Committee, and Executive Director Tilly Chang for their unfailing support for maintaining the highest standards of professionalism in the management of the Transportation Authority's finances.

Respectfully submitted,

Cynthia Fong, CPA, CGMA
Deputy Director for Finance and Administration

Javier Altamirano
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Francisco County Transportation Authority
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Agency Structure 47 STAFF POSITIONS

San Francisco County Transportation Authority

Revised November 21, 2024

TIMMA: Treasure Island Mobility Management Agency

Transportation Authority Board of Commissioners

EXECUTIVE DIVISION

Executive Director | Chief Deputy Director | Clerk of the Transportation Authority
Director of Communications | Senior Communications Manager | Communications Manager
Senior Graphic Designer | Principal Planner | Senior Public Policy Manager

9 TOTAL POSITIONS

POLICY AND PROGRAMMING DIVISION

Deputy Director for Policy and Programming

Assistant Deputy Director for Policy and Programming

3 Senior Planners

Senior Program Analyst

6 TOTAL POSITIONS

CAPITAL PROJECTS DIVISION

Deputy Director for Capital Projects

Rail Program Manager

Highway Program Manager

2 Principal Engineers

Senior Engineer

TIMMA Program Manager

TIMMA Systems Manager

8 TOTAL POSITIONS

PLANNING DIVISION

Deputy Director for Planning

Assistant Deputy Director for Planning

2 Principal Planners

Senior Planner

2 Planners

7 TOTAL POSITIONS

TECHNOLOGY, DATA, AND ANALYSIS DIVISION

Deputy Director for Technology, Data, and Analysis

Manager

2 Principal Modelers

2 Senior Modelers

6 TOTAL POSITIONS

FINANCE AND ADMINISTRATION DIVISION

Deputy Director for Finance and Administration

Controller

Finance Manager

Office Manager

Principal Management Analyst

Senior Management Analyst

Senior Accountant

2 Staff Accountants

2 Administrative Assistants

11 TOTAL POSITIONS

Commissioners and Officials

As of June 30, 2025

Commissioners:

Myrna Melgar – Chair

Danny Sauter – Vice Chair

Connie Chan

Chyanne Chen

Matt Dorsey

Joel Engardio

Jackie Fielder

Bilal Mahmood

Rafael Mandelman

Stephen Sherrill

Shamann Walton

Executive Director:

Tilly Chang

Chief Deputy Director:

Maria Lombardo

Deputy Directors:

Cynthia Fong – Finance and Administration

Joe Castiglione – Technology, Data, and Analysis

Stephen Chun – Communications

Rachel Hiatt – Planning

Carl Holmes – Capital Projects

Anna LaForte – Policy and Programming

Financial Section

This page is intentionally blank.

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2025, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the San Francisco County Transportation Authority, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Transportation Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Transportation Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Transportation Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Transportation Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules of revenues, expenditures, and changes in fund balance of the sales tax program fund, congestion management agency programs fund, transportation fund for clean air program fund, vehicle registration fee for transportation improvements program fund, Treasure Island Mobility Management Agency fund, traffic congestion mitigation tax program fund, schedule of changes in the net other postemployment benefit liability and related ratios, schedule of other postemployment benefits contributions, schedule of the proportionate share of the net pension liability, schedule of pension contributions, and the notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary 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 budgetary comparison schedule of revenues, expenditures, and changes in fund balance agency wide, and the notes to the supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 GAAS. In our opinion, the budgetary comparison schedule of revenues, expenditures, and changes in fund balance agency wide, and the notes to the supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Transportation Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Transportation Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
November 21, 2025

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, 2025. The Transportation Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter and accompanying Basic Financial statements.

Financial Highlights

Government-Wide Financial Statement Highlights

Net Position – The liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at fiscal year ended June 30, 2025, by $160.7 million, increased by $15.1 million from the prior year.

Changes in Net Position – Total net position increased by $15.1 million in fiscal year 2025, compared to a decrease of $45.4 million in the prior year. This is a $60.5 million improvement in the change in net position year-over-year. The improvement is due in large part to an increase in program operating grants and contributions by $23.2 million and a decrease in transportation improvement expenses by $37.8 million.

Cash, Deposits, and Investments – Total cash, deposits, and investments increased by $17.7 million in FY 2024/25, from $82.1 million in the prior year to $99.8 million, which is primarily due to a large increase in the Sales Tax Program of $15.5 million, an increase in the Traffic Congestion Mitigation Tax Program of $8.1 million and a decrease in the Vehicle Registration Fee for Transportation Improvements Program of $5.9 million.

Capital Assets – Total capital assets decreased by $1.6 million in FY 2024/25, down from $2 million to $397 thousand, which is mainly due to the expiration of the 13-year workspace office lease on June 30, 2025 and removal of leasehold improvements, as shown in Note 5 of the basic financial statements.

Other Liabilities – Total other liabilities decreased by $47.9 million in FY 2024/25, from $140.2 million in the prior year to $92.3 million, which is primarily due to a decrease in accounts payable to the City and County of San Francisco program sponsors in the Sales Tax Program.

Long-term Liabilities – Total long-term liabilities increased by $47.3 million in FY 2024/25, from $199.5 million in the prior year to $246.8 million, which is primarily due to the drawdown of $65 million on the Amended and Restated Revolving Credit Agreement and a decrease of $16.3 million on the outstanding balance of the Senior Sales Tax Revenue Bonds, Series 2017.

Investment Income – Total investment income decreased by $1.4 million in FY 2024/25, from $3.9 million in the prior year to $2.5 million, which is primarily due to GASB Statement No. 31 adjustment to report the change in fair value of investments in the City's Treasury Pool and less interest earned as a result of lower bank balances in the City's Treasury Pool compared to FY 2023/24.

Program Operating Grants and Contributions Revenues – Total program operating grants and contributions increased by $23.2 million in FY 2024/25, from $37.5 million in the prior year to $60.7 million, which is primarily due to increased federal and state grant reimbursements for the CMA Program.

Transportation Improvement Expenses – Total transportation expenses decreased by $37.8 million in FY 2024/25, from $204 million in the prior year to $166.2 million, which is mainly due to decreased Sales Tax Program activities of $65.2 million and increased Congestion Management Agency Programs project activities of $24 million related to the Hillcrest Road Improvements Project and the Yerba Buena Island (YBI) West-Side Bridges Project.

Interest Expense - Total interest expense increased by $1.8 million in FY 2024/25, from $4.2 million in the prior year to $6 million, related entirely to interest and fiscal charges in the Sales Tax Program incurred as a result of the $65 million drawdown of the Amended and Restated Revolving Credit Agreement.

Fund Financial Statement Highlights

The total combined balance for governmental funds is classified into three categories of fund balance (non-spendable, restricted, and unassigned) to provide the reader of these financial statements with a better understanding of the Transportation Authority's available resources and plans to ensure fiscal stability in the near term. Of the total, $41.5 million is "restricted" for debt service and transportation projects, and the remaining $10.3 million is "unassigned." Detailed discussion of the individual funds is found further in the MD&A report.

Overview of the Financial Statements

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

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*** provides 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.

Both of these government-wide financial statements distinguish functions of the Transportation Authority that are principally supported by receipt of sales taxes, vehicle registration fees, and other sources of government grants. The only governmental activity of the Transportation Authority is transportation improvement. 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 six 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: (1) Sales Tax Program, (2) Congestion Management Agency Programs, (3) Transportation Fund for Clean Air Program, (4) Vehicle Registration Fee for Transportation Improvements Program, (5) Treasure Island Mobility Management Agency, and (6) Traffic Congestion Mitigation Tax Program. Each of these funds is considered a major fund.

General Fund – The General Fund, also referred to as the Sales Tax Program, accounts for the one-half of one percent sales tax revenues required by the November 2022 Proposition L. These revenues are for restricted expenditures in support of the Expenditure Plan, which includes investments in five major categories: 1) Major Transit Projects, 2) Transit Maintenance and Enhancements, 3) Paratransit services, 4) Streets and Freeways, and 5) Transportation System Development and Management. This fund also accounts for the general administration of the Transportation Authority functions in support of the Proposition L Expenditure Plan. The major source of revenue for this fund is the sales tax.

Special Revenue Funds – Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, 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 (CMA) Programs** – The CMA Fund accounts for resources accumulated and payments made for developing a congestion management program and construction of major capital improvements. Major sources of revenue are federal, state, and regional grants.

  One of the Transportation Authority's responsibilities as the CMA is to develop a long-range countywide transportation plan (the San Francisco Transportation Plan or SFTP, 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 SFTP further develops and implements the City's General Plan principles by identifying needed transportation system improvements, based on technical review of system performance against City goals, including equity impacts; extensive public and agency input on key issues and needs; and analysis of policies, financial opportunities, and constraints. The Transportation Authority Board adopted the first update to the plan in December 2013 and another update in September 2017. The SFTP 2050 was adopted in December 2022. In FY 2025/26, the Transportation Authority will substantially complete a minor update to the SFTP 2050, referred to as SFTP+, to update key assumptions and inputs since 2022, refine SFTP investment strategies and recommendations, update policy developments, and report on implementation progress of SFTP 2050.

Major Projects Under the CMA Programs

- **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, and the California Department of Transportation (Caltrans). The scope of the YBI Project includes two major components: 1) the YBI Ramps Improvement Project - Phase 1, 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 the Southgate Road Realignment Improvements - Phase 2; and 2) the YBI West-Side Bridges Project on the west side of the island, which includes seismic retrofit and replacing bridges on Treasure Island Road, a critical component of island traffic circulation leading to and from the SFOBB.

- **YBI Ramps Project:** For Phase 1, Caltrans issued the Federal Record of Decision in November 2011. The Final Environmental Impact Report/Environmental Impact Statement (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. The Phase 1 project is substantially complete, and the new ramps were opened to the public on October 22, 2016. The Phase 1 work was completed April 30, 2020 and project closeout is underway. For Phase 2, the environmental revalidation was completed in May 2019. Final Design was completed in the third quarter of 2019. Phase 2 construction started June 2020 and was opened to traffic on May 7, 2023. Project closeout is underway, including weatherproofing of the Historic Torpedo Building as environmental mitigation for reduction of buildings within the project footprint.

- **YBI West-Side Bridges Project:** The YBI West-Side Bridges project encompasses eight existing bridge structures on the west side of YBI. These structures generally comprise a viaduct along Treasure Island Road, just north of the SFOBB. 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 the SFOBB. The project limits, along Treasure Island Road, are from the SFOBB to approximately 2000-feet northward. This stretch of Treasure Island Road includes the bridge structures and portions of "at-grade" roadway. The project is funded through a number of funding sources, including the federal Highway Bridge Program and the project purpose is to bring the bridge structures up to current seismic safety standards. To accomplish this, one structure will be seismically retrofitted and seven structures will be demolished and replaced with realigned roadway, an undercrossing structure, and six new retaining walls. As part of continued preliminary engineering and design efforts and as required by federal funding, a Value Engineering Analysis Report was prepared in February 2014 in consultation with TIDA, San Francisco Public Works, Caltrans, and independent construction experts. The Value Engineering Analysis Report made various recommendations for Transportation Authority and TIDA consideration to reduce overall project risk and cost. As a result of the Value Engineering Analysis Report, new geometrics have been prepared, which realigns Treasure Island Road into the hillside and replaces two of the structures with retaining walls.

  The introduction of the revised geometrics required additional engineering and environmental analysis to be performed. In addition, due to the numerous complex structural and geotechnical challenges, the results of the Value Engineering Analysis Report recommended that this project should be delivered using an innovative project delivery approach: Construction Manager/General Contractor.

  In order to reduce costs and construction duration, the current plan calls for closing the Treasure Island/Hillcrest Road from Macalla Road to Forest Road. The National Environmental Policy Act and California Environmental Quality Act Categorical Exemption environmental documents were approved in November 2017. Final design was completed in December 2022. Construction started in May 2023, and is scheduled to be completed by the end of 2026.

- **Hillcrest Road Improvement Project:** The project will improve safety of the existing Hillcrest Road between the Westside Bridges Seismic Retrofit Project on the west side and the Southgate Road Interchange Improvement Project on the east side. The project connects these two projects together and will allow for improved vehicular access to the San Francisco-Oakland Bay Bridge (SFOBB) East Span. The project will widen the existing roadway to San Francisco Public Works standards and install retaining walls and a utility joint trench. Additionally, the project includes providing a Class II bike path to improve the bicycle circulation network on YBI. The project will be designed in coordination with the Bay Area Toll Authority (BATA) efforts to accommodate a new Class I bicycle/pedestrian (bike/ped) path adjacent to the project. The Hillcrest Road Improvement Project received California Environmental Quality Act Categorical Exemption in March 2021. Construction started in June 2024, and is scheduled to be completed by the second half of FY 2025/26.

- **YBI Multi-Use Pathway (MUP) Project:** The project will develop a safe and accessible bicycle and pedestrian connection between the current YBI Bike Landing/Vista Point and the Treasure Island ferry terminal via Treasure Island and Hillcrest roads. This Class 1 MUP will be coordinated with Bay Area Toll Authority's proposed San Francisco Bay Bridge West Span Bay Skyway Project, West-Side Bridges Project, and Hillcrest Road Improvement Project. This project will ultimately enable bicycle/pedestrian commuters and recreational users the opportunity to travel between the East Bay and San Francisco, and will allow Treasure Island residents, employees, ferry passengers, and recreational travelers continuous access between Treasure Island and the SFOBB East and West spans. The project team completed the environmental phase. The National Environmental Policy Act Categorical Exclusion environmental document was approved in December 2023 and the California Environmental Quality Act Categorical Exemption environmental document was approved in March 2023. The project team started the design phase in early 2025. YBI MUP Segment 4 (also known as Treasure Island Road Improvement Project) is anticipated to finish design in early 2026. Construction may start in summer 2026. YBI MUP Segment 2 and 3 will be completed as change orders to the Hillcrest Road Improvement Project and West Side Bridges Project. YBI MUP Segment 1 is in design and may start construction in 2027, if funding is available.

- **Pier E-2 Parking Lot:** The project will provide parking and restroom facilities for the Pier E-2, Bimla Rhinehart vista point park. The vista point was constructed after replacement of the Bay Bridge East Span and provides viewing access of the remaining Bridge pier. The current project will also provide parking adjacent to the Torpedo Building being weatherproofed as part of the Southgate Ramps Project. The project design was completed in Summer 2023. Construction started in March 2025 and is scheduled to be completed by February 2026.

- **I-280 Southbound Ocean Ave Off-Ramp – Design Phase:** This project will realign the southbound I-280 Ocean Avenue off-ramp into a signal-controlled intersection to enhance safety for pedestrians and bicyclists. The project team reached 100% design completion by June 2025. The final bid package of the project is anticipated to be completed by late 2025.

Other Major Programs and Projects

- **Transportation Fund for Clean Air (TFCA) Program** – San Francisco has a $4 per vehicle registration fee to support projects of the Bay Area Air Quality Management District (Air District). Of the total collections, the Air District 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 TFCA Program accounts for this activity. The major source of revenue for this fund is the $4 vehicle registration fees on automobiles registered in the Bay Area.

- **Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Fund** – This fund accounts for the November 2010 Prop AA Vehicle Registration Fee (VRF) for Transportation Improvements Program collections of the $10 per year, per vehicle registration in San Francisco. The VRF started in the first week of May 2011 and the VRF proceeds are used to fund transportation projects identified in the Prop AA Expenditure Plan. In 2012, the Transportation Authority Board approved the first Prop AA Strategic Plan, which describes the specific projects that could be funded within the first five years. In May 2017, the Transportation Authority Board approved the 2017 Prop AA Strategic Plan and programmed revenues for projects over the five-year period, covering Fiscal Years 2017/18 to 2021/22. In April 2022, the Transportation Authority Board approved the 2022 Prop AA Strategic Plan and programmed revenues for projects over the five-year period, covering Fiscal Years 2022/23 to 2026/27. The Prop AA program is a pay-as-you-go program.

- **Treasure Island Mobility Management Agency (TIMMA) Fund** – The Treasure Island Transportation Management Act of 2008 authorized 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 (Ammiano), establishing TIMMA as a legal entity distinct from the Transportation Authority to help firewall the Transportation Authority's other functions. The major sources of revenue during this implementation phase are federal and state grants and Prop K, as well as contributions from the City and County of San Francisco through its Treasure Island Development Authority (TIDA). TIMMA has also executed a fund exchange with the City of San Francisco, through TIDA and Treasure Island Community Development, the master developer of the islands, to enable more flexible use of grant funds.

- **Treasure Island Ferry Terminal Enhancements Project** – The project is a component of the Transit Hub and will provide transit shelters, public restrooms, and support spaces. Construction is expected to begin in November 2025 and is scheduled to be completed in the second half of 2026.

- **Traffic Congestion Mitigation (TNC) Tax Program –** This fund accounts for the November 2019 Proposition D Traffic Congestion Mitigation Tax. The City imposes a TNC Tax (effective January 1, 2020) of 1.5% to 3.25% on fares for rides originating in San Francisco, for the portion of the trip within the city, that are facilitated by commercial ride-share companies or are provided by an autonomous vehicle or private transit services vehicle. After a 2% set aside for administration by the City, 50% of the revenues are directed to the SFMTA for transit operations and improvements, and 50% to the Transportation Authority for bicycle and pedestrian safety improvements, traffic calming, traffic signals, and maintenance. The source of revenue for this fund is TNC tax. The Transportation Authority Board has adopted policies to guide the day-to-day administration of the Transportation Authority's share of funds.

Notes to the Basic Financial Statements

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

Other Information

The other information is presented concerning the Transportation Authority's Agency-Wide Budgetary Schedule. In addition, as required by generally accepted accounting principles, the required supplementary information section presents information about the Transportation Authority's net pension and net other postemployment benefits liabilities and related contributions, as well as comparison of budget plans to actual activities for the Sales Tax Program and each major special revenue fund.

Government-Wide Financial Analysis

The Transportation Authority's statement of net position shows liabilities and deferred inflows exceeded its assets and deferred outflows by $160.7 million at year ended June 30, 2025. Cash, deposits, and investments increased by $17.7 million. Other assets decreased by $1.1 million, as compared to the prior year. Other assets mainly include $20 million in sales tax receivables and $54.9 million in outstanding program and all other receivables (including amounts due from the City and County of San Francisco). Other liabilities decreased by $47.9 million, as compared to the prior year. Long-term liabilities increased by $47.3 million, as compared to the prior year. Further explanations are provided in the Governmental Funds analysis section of the MD&A.

Table 1. Condensed Statement of Net Position

	For the Year Ended		
	June 30, 2025	June 30, 2024	$ Change
Assets:			
Cash, deposits, and investments	$ 99,816,229	$ 82,077,385	$ 17,738,844
Other assets	76,222,621	77,279,649	(1,057,028)
Capital assets	397,098	1,973,894	(1,576,796)
Total assets	176,435,948	161,330,928	15,105,020
Deferred outflows of resources	2,736,823	3,309,550	(572,727)
Liabilities:			
Other liabilities	92,298,152	140,170,605	(47,872,453)
Long-term liabilities	246,796,274	199,489,572	47,306,702
Total liabilities	339,094,426	339,660,177	(565,751)
Deferred inflows of resources	766,934	734,057	32,877
Net Position:			
Investment in capital assets	232,408	675,028	(442,620)
Restricted	74,512,155	65,292,478	9,219,677
Unrestricted deficit	(235,433,152)	(241,721,262)	6,288,110
Total net position (deficit)	$ (160,688,589)	$ (175,753,756)	$ 15,065,167

The Transportation Authority's unrestricted deficit of $235.4 million is mainly due to issuance of Sales Tax Revenue bonds in FY 2017/18 with face amount of $248.3 million, of which a portion was used to pay down the outstanding amount of the revolving credit agreement in November 2017 and the remaining to finance transit, street and traffic facilities, and other transportation projects. These transportation facilities are owned and maintained by the project sponsors; however, the related debt issued to finance these projects remains as a liability of the Transportation Authority. As a result, the Transportation Authority records long-term liabilities without corresponding assets; thus, causing an unrestricted deficit. The Transportation Authority's outstanding commitments are described in Note 13 of the basic financial statements. The $232 thousand in investment of capital assets (net of accumulated depreciation) is comprised mostly of furniture and equipment in the Transportation Authority's workspace, as well as subscription-based information technology arrangements required as per GASB Statement No. 96. The Transportation Authority currently uses these capital assets to provide services; consequently, these assets are not available for future spending.

Table 2. Condensed Statement of Activities

	For the Year Ended		
	June 30, 2025	June 30, 2024	$ Change
Revenues:			
General			
Sales tax	$ 110,100,758	$ 108,250,471	$ 1,850,287
Vehicle registration fee	4,581,797	4,519,735	62,062
Traffic congestion mitigation tax	9,283,882	8,490,154	793,728
Investment income	2,503,461	3,860,572	(1,357,111)
Other	-	115,715	(115,715)
Program operating grants and contributions	60,742,138	37,531,660	23,210,478
Total revenues	187,212,036	162,768,307	24,443,729
Expenses:			
Transportation improvement	166,192,602	204,033,767	(37,841,165)
Interest	5,954,267	4,144,582	1,809,685
Total expenses	172,146,869	208,178,349	(36,031,480)
Change in net position	15,065,167	(45,410,042)	60,475,209
Net position, beginning of year	(175,753,756)	(130,343,714)	(45,410,042)
Net position, end of year	$ (160,688,589)	$ (175,753,756)	$ 15,065,167

The Transportation Authority's net position increased by $15.1 million for the year ended June 30, 2025. During the period, sales tax revenues increased by $1.9 million due a modest sales tax growth in restaurants and new car sales as the San Francisco economy continues to slowly emerge from the lingering effects of the pandemic and post-pandemic changes. In addition inflation rates remained relatively constant at a national average of 2.9%. Looking forward, our forecast anticipates lingering uncertainty around various aspects of the macro economy such as tariffs, inflation, and interest rates. Given the recent economic uncertainty along with reports of slowing employment numbers and lingering tepid consumer sentiment, we anticipate slow growth for FY 2025/26 before sales tax growth starts to pick up in FY 2026/27. Revenue from the vehicle registration fee increased by $62 thousand. Traffic congestion mitigation tax revenue increased by $794 thousand. Investment income decreased by $1.4 million. This is primarily due to lower balances in the City and County of San Francisco Treasury Pool (Pool) throughout the year in FY 2024/25 as compared to FY 2023/24. In addition, the GASB Statement No. 31 adjustment to report the change in fair value of investments in the Pool was a much smaller unrealized loss in FY 2024/25 because the yields remained steady, having little impact on the market value of the securities held in the Pool. As such, the pooled interest receivable decreased from $3.9 million in the prior year to $2.5 million. Most of our investable assets are deposited in the Pool. Program operating grants and contributions increased by $23.2 million, primarily due to increased federal and state grant reimbursements for the CMA Program as explained in the Governmental Funds analysis below.

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 3. Condensed Balance Sheet

	Sales Tax Program		Consolidated Other Special Revenue Funds		Total		
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	$ Change
Assets:							
Cash, deposits, & investments	$ 48,344,407	$ 32,868,473	$ 51,471,822	$ 49,208,912	$ 99,816,229	$ 82,077,385	$ 17,738,844
Other assets	33,342,900	44,632,451	56,053,697	57,379,539	89,396,597	102,011,990	(12,615,393)
Total assets	$ 81,687,307	$ 77,500,924	$ 107,525,519	$ 106,588,451	$ 189,212,826	$ 184,089,375	$ 5,123,451
Liabilities:							
Current and other liabilities	$ 69,469,891	$ 120,366,017	$ 33,013,364	$ 41,295,973	$ 102,483,255	$ 161,661,990	$ (59,178,735)
Deferred inflows of resources:							
Unavailable revenues	-	-	34,994,533	28,031,505	34,994,533	28,031,505	6,963,028
Fund balances:							
Nonspendable	-	81,580	-	-	-	81,580	(81,580)
Restricted	1,946,447	2,339,611	39,517,622	37,260,973	41,464,069	39,600,584	1,863,485
Unassigned	10,270,969	(45,286,284)	-	-	10,270,969	(45,286,284)	55,557,253
Total fund balances	12,217,416	(42,865,093)	39,517,622	37,260,973	51,735,038	(5,604,120)	57,339,158
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 81,687,307	$ 77,500,924	$ 107,525,519	$ 106,588,451	$ 189,212,826	$ 184,089,375	$ 5,123,451

Sales Tax Program activities increased the overall total fund balance by $55.1 million. Cash, deposits, and investments from Sales Tax Program activities increased by $15.5 million, as compared to the prior year. Other assets decreased by $11.3 million. Current and other liabilities from Sales Tax Program activities decreased by $50.9 million, which is primarily due to a decrease in accounts payable to the City and County of San Francisco program sponsors as reimbursement requests have been processed quicker and issues resolved faster than in prior year.

The Transportation Authority's Sales Tax Program reported an ending fund balance of $12.2 million, an increase of $55.1 million as compared to the prior year. The total fund balance is composed of a balance of $1.9 million restricted for debt service, with the remaining amount of $10.3 million reported as unassigned fund balance. This increase in fund balance was primarily due to higher unassigned fund balance as a result of the $65 million drawdown on the Amended and Restated Revolving Credit Agreement in FY 2024/25 to allow for continuous reimbursements to program sponsors on Sales Tax Program projects.

The Transportation Authority's Consolidated Special Revenue Funds reported an ending fund balance of $39.5 million, an increase of $2.3 million as compared to the prior year. Special Revenue Funds include the CMA Program, the TFCA Program, the Prop AA Program, the TIMMA Fund Program, and the TNC Tax Program. Cash, deposits, and investments from Special Revenue Fund activities increased by $2.3 million as compared to the prior year. This is primarily due to a $8.1 million increase in cash, deposits, and investments for the TNC Program, a $231 thousand increase in cash, deposits, and investments for the TFCA Program, a $6 million decrease in cash, deposits, and investments for the Prop AA Program. Other assets decreased by $1.3 million, which is primarily due to a decrease in program receivables for the YBI Project in the CMA Program. Current and other liabilities from Special Revenue Fund activities decreased by $8.3 million, which is mainly related to a decrease in accounts payable in the CMA and the TNC Tax Programs. Unavailable revenues increased by $7 million. Most of the increase is due to program revenues not yet collected within the 60-day revenue recognition period for the Hillcrest Road Improvement Project in the CMA Program.

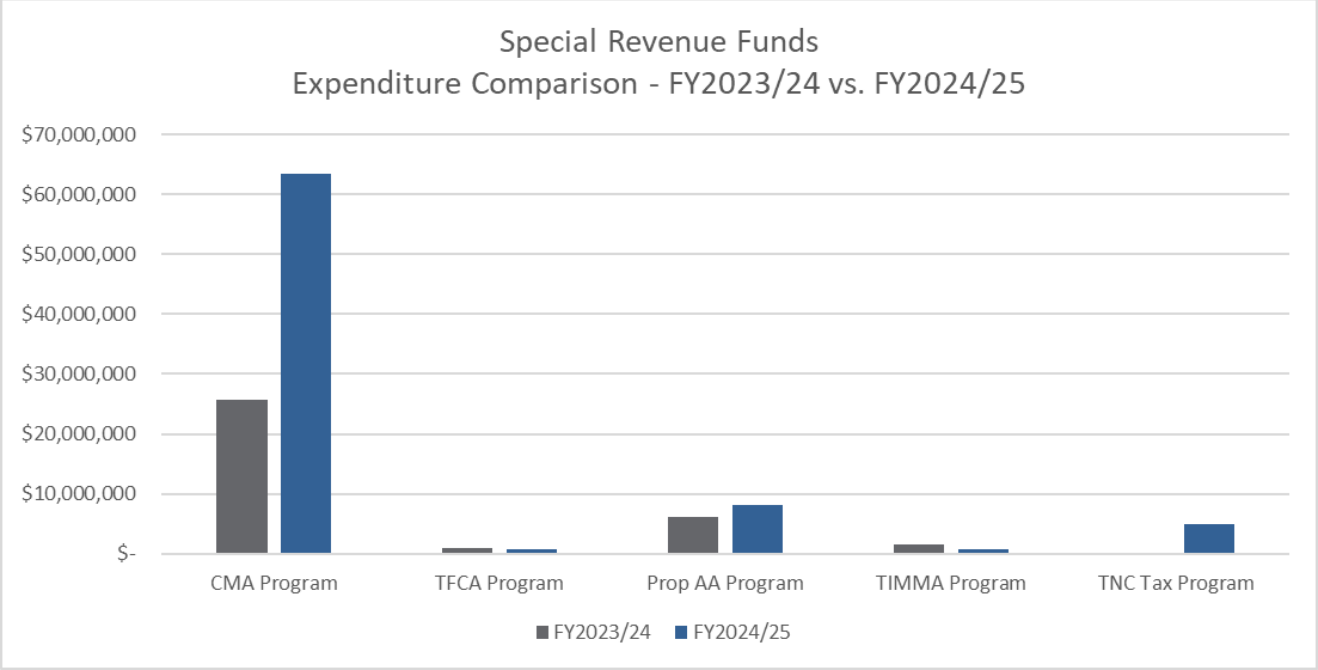
Special Revenue Funds reported a total fund balance of $39.5 million, an increase of $2.3 million as compared to the prior year. This is mainly due to increased total assets as compared to the prior year explained above. The total fund balance is composed of a balance of $39.5 million restricted fund balance for transportation projects under the TFCA Program, the Prop AA Program, and the TNC Tax Program.

Table 4. Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances

	Sales Tax Program		Consolidated Other Special Revenue Funds		Total		
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	$ Change
Revenues:							
Sales tax	$110,100,758	$108,250,471	$ -	$ -	$110,100,758	$108,250,471	$ 1,850,287
Vehicle registration fee	-	-	4,581,797	4,519,735	4,581,797	4,519,735	62,062
Traffic congestion mitigation tax	-	-	9,283,882	8,490,154	9,283,882	8,490,154	793,728
Investment income	1,091,525	2,949,100	1,411,936	911,472	2,503,461	3,860,572	(1,357,111)
Program revenues	-	-	53,779,110	48,221,730	53,779,110	48,221,730	5,557,380
Other	-	115,715	-	-	-	115,715	(115,715)
Total revenues	111,192,283	111,315,286	69,056,725	62,143,091	180,249,008	173,458,377	6,790,631
Expenditures:							
Transportation improvement	86,415,404	151,627,194	77,823,968	50,688,331	164,239,372	202,315,525	(38,076,153)
Debt service	23,670,478	20,565,703	-	-	23,670,478	20,565,703	3,104,775
Total expenditures	110,085,882	172,192,897	77,823,968	50,688,331	187,909,850	222,881,228	(34,971,378)
Excess (deficiency) of revenues over (under) expenditures	1,106,401	(60,877,611)	(8,767,243)	11,454,760	(7,660,842)	(49,422,851)	41,762,009
Other financing sources (uses):							
Transfers in	-	7,927,563	11,023,892	431,696	11,023,892	8,359,259	2,664,633
Transfers out	(11,023,892)	(431,696)	-	(7,927,563)	(11,023,892)	(8,359,259)	(2,664,633)
Proceeds from debt	65,000,000	-	-	-	65,000,000	-	65,000,000
Total other financing sources (uses)	53,976,108	7,495,867	11,023,892	(7,495,867)	65,000,000	-	65,000,000
Net change in fund balances	55,082,509	(53,381,744)	2,256,649	3,958,893	57,339,158	(49,422,851)	106,762,009
Fund balances, beginning of year	(42,865,093)	10,516,651	37,260,973	33,302,080	(5,604,120)	43,818,731	(49,422,851)
Fund balances, end of year	$ 12,217,416	$ (42,865,093)	$ 39,517,622	$ 37,260,973	$ 51,735,038	$ (5,604,120)	$ 57,339,158

For the year ended June 30, 2025, revenues from Sales Tax Program activities totaled $111.2 million, a decrease of $123 thousand from FY 2023/24. Revenues from Sales Tax Program activities exceeded expenditures by $1.1 million. Expenditures totaled $110 million, a decrease of $62.1 million from FY 2023/24. Transportation improvement expenses decreased by $65.2 million. The majority of this decrease is largely attributed to a lower level of expenditures for SFMTA's Light Rail Vehicle Procurement project. Debt services increased by $3.1 million related to the Sales Tax Program. Other financing sources from Sales Tax Program activities increased by $46.5 million from FY 2023/24, which is mainly due to a combination of the $65 million drawdown of the Amended and Restated Revolving Credit Agreement and the decrease of $18.5 million in interfund transfer from the CMA Program to the Sales Tax Program. The majority of the interfund transfer decrease is related to the timing of grant reimbursements for the YBI West-Side Bridges Project and the Hillcrest Road Improvement Project not yet collected.

Revenues from Special Revenue Funds totaled $69.1 million, an increase of $6.9 million from FY 2023/24. Vehicle registration fee revenue increased by $62 thousand from the prior year. Traffic mitigation tax revenue increased by $794 thousand. Program revenues also increased by $5.6 million, which is primarily due to increase in federal and state grant reimbursements for YBI West-Side Bridges project activities and state grant reimbursements for Hillcrest Road Improvements project activities under the CMA Program.



Expenditures for Special Revenue Funds activities increased by $27.1 million, compared to the prior year. Expenditures in the CMA Programs increased by $24.8 million, primarily due to an increase in expenditures for the Hillcrest Road Improvements Project due to its first full year of construction activities, as well as increase in construction activities for the YBI West-Side Bridges Project. Expenditures in the TFCA Program increased by $340 thousand. The TFCA spending is up year over year due to the Short-Term Bike Parking project catching up with delivery and invoicing. Expenditures in the Prop AA Program increased by $1.2 million, as some new larger repaving projects, such as the Hunters Point, Central Waterfront, and Potrero Hill Area Pavement Renovation project and the 8th Street, Clay St, and Leavenworth St Pavement Renovation project, get underway. Expenditures in the TIMMA Program decreased by $766 thousand, primarily due to the completion of the Autonomous Vehicle Shuttle Pilot Study in FY 2023/24. Expenditures in the TNC Tax Program increased by $1.5 million as the rate of project delivery and invoicing increases for the SFMTA's Quick Build Program projects.

Budgetary Analysis and Highlights and Economic Factors-General Fund

In addition, Sales Tax Program Total Revenues and Transfers In were more than the final budgetary estimates by $2.3 million, mainly due to higher sales tax revenues than estimated in the final budget. Investment income came in higher than budgeted as the budget does not include adjustments that would occur due to GASB 31. Actual expenditures and transfers out were less than budgetary estimates by $54.4 million. This amount includes a positive favorable variance of $54.6 million in capital project costs. This lower capital spending is principally from sponsors, funded by the Sales Tax Program, whose major capital project costs were less than anticipated for FY 2024/25, due to their practice of billing other sources (e.g., bonds, federal funds) first and to project delays. Additional information on the Transportation Authority's budgetary comparison schedules for all programs can be found on pages 63 through 68 of this report.

Table 5. Sales Tax Program Budgetary Comparison Schedule

	Budget Amounts			Favorable (Unfavorable) Variance
	Original	**Final**	**Actual**	**Final to Actual**
Revenues and Transfers In				
Sales tax	$108,308,000	$108,308,000	$110,100,758	$ 1,792,758
Investment income	622,416	622,416	1,091,525	469,109
Total Revenues and Transfers In	108,930,416	108,930,416	111,192,283	2,261,867
Expenditures and Transfers Out				
Administrative operating costs	7,826,196	7,826,196	5,705,256	2,120,940
Transportation improvement	135,265,000	135,265,000	80,710,148	54,554,852
Debt service				
Principal	15,125,000	15,125,000	16,259,176	(1,134,176)
Interest and fiscal charges	9,858,500	9,858,500	7,411,302	2,447,198
Transfers out to other funds	7,474,212	7,474,212	11,023,892	(3,549,680)
Total Expenditures and Transfers Out	175,548,908	175,548,908	121,109,774	54,439,134
Other Financing Sources (Uses)				
Proceeds from debt	65,000,000	65,000,000	65,000,000	-
Change in Fund Balance	(1,618,492)	(1,618,492)	55,082,509	56,701,001
Fund Balance - Beginning	(42,865,093)	(42,865,093)	(42,865,093)	-
Fund Balance - Ending	$ (44,483,585)	$ (44,483,585)	$ 12,217,416	$ 56,701,001

Capital Assets

The Transportation Authority's investment in capital assets as of June 30, 2025, amounted to $397 thousand (net of accumulated depreciation), This investment in capital assets includes furniture and equipment, as well as subscription-based information technology arrangements required as per GASB Statement No. 96. Additional information on the Transportation Authority's capital assets can be found in Note 5 of this report.

Long-Term Obligations

In November 2017, the Transportation Authority issued Senior Sales Tax Revenue Bonds, Series 2017, with net proceeds of $270.1 million. The bonds were issued with a par value of $248.3 million and a $21.9 million bond premium. The bonds bear interest at rates ranging from 3.0% to 4.0% and have a final maturity date of February 1, 2034. The outstanding debt balance at year ended June 30, 2025, is $164.5 million, with $12.2 million of remaining unamortized long-term bond premiums.

On October 31, 2024, the Transportation Authority replaced the $125 million Revolving Credit Agreement with an Amended and Restated Revolving Credit Agreement for $185 million, which expires on October 29, 2027. As of June 30, 2025, $65 million was drawn on the Amended and Restated Revolving Credit Agreement, with a remaining balance of $120 million.

Additional information on the Transportation Authority's Senior Sales Tax Revenue Bonds can be found in Note 7 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 agency's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

San Francisco County Transportation Authority
Attention: Deputy Director for Finance and Administration
1455 Market Street, 22nd Floor
San Francisco, California, 94103

This page is intentionally blank.

Basic Financial Statements
June 30, 2025

San Francisco County Transportation Authority

ASSETS	
Cash in bank	$ 26,840,748
Deposits and investments with City Treasurer	72,975,481
Sales tax receivable	20,016,459
Vehicle registration fee receivable	799,232
Interest receivable from City and County of San Francisco	467,033
Program receivables	40,600,673
Receivable from the City and County of San Francisco	14,325,247
Other receivables	13,977
Noncurrent assets	
Capital assets, net of accumulated depreciation and amortization	397,098
Total Assets	176,435,948
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	883,373
Pension related	1,853,450
Total Deferred Outflows of Resources	2,736,823

LIABILITIES	
Accounts payable	20,404,539
Interest payable	2,988,873
Accounts payable to the City and County of San Francisco	68,437,589
Accrued salaries and taxes	467,151
Noncurrent liabilities	
Compensated absences due in one year	526,180
Compensated absences due in more than one year	421,892
Subscription payable due in one year	164,690
Revolving credit agreement due in more than one year	65,000,000
Revenue bonds due in one year	15,735,000
Revenue bonds due in more than one year	160,937,221
Net OPEB liability due in more than one year	63,600
Net pension liability due in more than one year	3,947,691
Total Liabilities	339,094,426
DEFERRED INFLOWS OF RESOURCES	
OPEB related	724,707
Pension related	42,227
Total Deferred Inflows of Resources	766,934
NET POSITION	
Net investment in capital assets	232,408
Restricted for transportation improvement	74,512,155
Unrestricted deficit	(235,433,152)
Total Net Deficit	$ (160,688,589)

	Total	Transportation Improvement	Interest
EXPENSES	$ 172,146,869	$ 166,192,602	$ 5,954,267
PROGRAM REVENUES			
Operating grants and contributions	60,742,138	60,742,138	-
Net program revenue (expense)	(111,404,731)	$ (105,450,464)	$ (5,954,267)
GENERAL REVENUES			
Sales tax	110,100,758		
Vehicle registration fees	4,581,797		
Traffic congestion mitigation tax	9,283,882		
Investment income	2,503,461		
Total general revenues	126,469,898		
CHANGE IN NET POSITION	15,065,167		
Net deficit, beginning of year	(175,753,756)		
Net deficit, end of year	$ (160,688,589)		

San Francisco County Transportation Authority

Balance Sheet – Governmental Funds

June 30, 2025

		Special Revenue Funds					
	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	Traffic Congestion Mitigation Tax Program	Total Governmental Funds
ASSETS							
Cash in bank	$ 7,529,534	$ -	$ 1,410,256	$ 17,900,958	$ -	$ -	$ 26,840,748
Deposits and investments with the City Treasurer	40,814,873	-	-	-	-	32,160,608	72,975,481
Sales tax receivable	20,016,459	-	-	-	-	-	20,016,459
Vehicle registration fee receivable	-	-	-	799,232	-	-	799,232
Interest receivable from the City and County of San Francisco	191,522	-	-	-	-	275,511	467,033
Program receivables							
Federal	-	16,306,231	-	-	291,904	-	16,598,135
State	-	12,306,453	-	-	-	-	12,306,453
Regional and other	-	10,572,510	323,794	-	799,781	-	11,696,085
Receivables from the City and County of San Francisco	-	13,788,608	-	-	536,639	-	14,325,247
Other receivables	-	13,977	-	-	-	-	13,977
Due from other funds	13,134,919	-	-	39,057	-	-	13,173,976
Total Assets	$ 81,687,307	$ 52,987,779	$ 1,734,050	$ 18,739,247	$ 1,628,324	$ 32,436,119	$ 189,212,826
LIABILITIES, DEFERRED INFLOWS OF RESOURCES. AND FUND BALANCES							
Liabilities							
Accounts payable	$ 10,926,542	$ 9,366,825	$ -	$ -	$ 111,172	$ -	$ 20,404,539
Accounts payable to the City and County of San Francisco	58,076,198	100,000	531,351	6,947,440	4,704	2,777,896	68,437,589
Accrued salaries and taxes	467,151	-	-	-	-	-	467,151
Due to other funds	-	10,328,114	22,854	-	34,549	2,788,459	13,173,976
Total liabilities	69,469,891	19,794,939	554,205	6,947,440	150,425	5,566,355	102,483,255
Deferred Inflows of Resources							
Unavailable revenues	-	33,192,840	323,794	-	1,477,899	-	34,994,533
Total deferred inflows of resources	-	33,192,840	323,794	-	1,477,899	-	34,994,533
Fund Balances							
Restricted	1,946,447	-	856,051	11,791,807	-	26,869,764	41,464,069
Unassigned	10,270,969	-	-	-	-	-	10,270,969
Total Fund Balances	12,217,416	-	856,051	11,791,807	-	26,869,764	51,735,038
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 81,687,307	$ 52,987,779	$ 1,734,050	$ 18,739,247	$ 1,628,324	$ 32,436,119	$ 189,212,826

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:	$	51,735,038
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		397,098
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the governmental funds:		34,994,533
Unmatured interest on long-term debt is recognized in the period when it is due in the governmental funds:		(2,988,873)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Revenue bonds and related premium		(176,672,221)
Revolving credit agreement		(65,000,000)
Subscription payable		(164,690)
Accrued compensated absences		(948,072)
Net OPEB liability and related deferrals		95,066
Net pension liability and related deferrals		(2,136,468)
Net position of governmental activities	$	(160,688,589)

San Francisco County Transportation Authority

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2025

		Special Revenue Funds					
	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	Traffic Congestion Mitigation Tax Program	Total Governmental Funds
REVENUES							
Sales tax	$ 110,100,758	$ -	$ -	$ -	$ -	$ -	$ 110,100,758
Vehicle registration fee	-	-	-	4,581,797	-	-	4,581,797
Traffic congestion mitigation tax	-	-	-	-	-	9,283,882	9,283,882
Investment income	1,091,525	-	533	17,444	-	1,393,959	2,503,461
Program revenues							
Federal	-	39,402,663	-	-	434,643	-	39,837,306
State	-	12,351,677	-	-	-	-	12,351,677
Regional and other	-	806,158	715,585	-	68,384	-	1,590,127
Total Revenues	111,192,283	52,560,498	716,118	4,599,241	503,027	10,677,841	180,249,008
EXPENDITURES							
Current - transportation improvement							
Personnel expenditures	3,639,800	4,458,204	48,235	160,633	311,861	254,869	8,873,602
Non-personnel expenditures	2,065,456	156,780	-	1,029	45,412	-	2,268,677
Capital improvements related to infrastructure	80,710,148	58,799,670	734,783	7,889,827	315,490	4,647,175	153,097,093
Debt service							
Principal	16,259,176	-	-	-	-	-	16,259,176
Interest and fiscal charges	7,411,302	-	-	-	-	-	7,411,302
Total Expenditures	110,085,882	63,414,654	783,018	8,051,489	672,763	4,902,044	187,909,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,106,401	(10,854,156)	(66,900)	(3,452,248)	(169,736)	5,775,797	(7,660,842)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	10,854,156	-	-	169,736	-	11,023,892
Transfers out	(11,023,892)	-	-	-	-	-	(11,023,892)
Revolving credit agreement proceeds	65,000,000	-	-	-	-	-	65,000,000
Total Other Financing Sources (Uses)	53,976,108	10,854,156	-	-	169,736	-	65,000,000
NET CHANGE IN FUND BALANCES	55,082,509	-	(66,900)	(3,452,248)	-	5,775,797	57,339,158
Fund Balances - Beginning	(42,865,093)	-	922,951	15,244,055	-	21,093,967	(5,604,120)
Fund Balances - Ending	$ 12,217,416	$ -	$ 856,051	$ 11,791,807	$ -	$ 26,869,764	$ 51,735,038

See Notes to Financial Statements

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 changes in fund balances:	$	57,339,158
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, net position increases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year:		
Depreciation and amortization expense		(1,576,796)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds statements:		
Change in deferred inflows related to unavailable revenues		6,963,028
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.		
Draw on revolving line of credit		(65,000,000)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Sales tax bonds payable		15,125,000
Change in the balance of compensated absences		(87,814)
Subscriptions and leases payable		1,134,176
Accrued interest payable on long-term debt		252,083
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Premium on sales tax bonds		1,215,723
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for pension and OPEB are recognized as deferred outflows and inflows of resources on the statement of net position.		
Change in net OPEB liability and related deferrals		17,365
Change in net pension liability and related deferrals		(316,756)
Change in net position of governmental activities	$	15,065,167

Note 1 - Reporting Entity and Background

The 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, which was approved as part of Proposition B. The Transportation Authority was organized pursuant to Sections 131000 et seq. of the California 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 11 members of the Board of Supervisors of the City and County of San Francisco (City), acting as the Commissioners of the Transportation Authority Board. Pursuant to Governmental Accounting Standards Board guidance, 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 Proposition L Transportation Expenditure 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 also describe 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 Agency (TIMMA) has a financial and operational relationship, which meets the criteria set forth in accounting principles generally accepted in the United States of America for inclusion in the financial statements, as a component unit, 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, and management has operational responsibility for the entity.

Sales Tax Program

San Francisco voters in November 2022 approved Proposition L, the Sales Tax for Transportation Projects measure that will direct $2.6 billion (2020 dollars) in half-cent sales tax funds over 30 years to help deliver safer, smoother streets, more reliable transit, continue paratransit services for seniors and persons with disabilities, reduce congestion, and improve air quality. Proposition L replaced the 2003 Proposition K Expenditure Plan with a new 30-year Expenditure Plan. The Proposition L Expenditure Plan includes investments in five major categories: 1) Major Transit Projects (such as Muni Rail Core Capacity, BART Core Capacity, and the Caltrain Downtown Rail Extension); 2) Transit Maintenance and Enhancements; 3) Paratransit (services for seniors and people with disabilities); 4) Streets and Freeways (including funds for pedestrian and bicycle improvements, signals and traffic calming, and street repaving); and 5) Transportation System Development and Management (including funds for transportation demand management, neighborhood, and equity-focused planning and implementation).

Under Proposition L legislation, the Transportation Authority directs the use of the Sales Tax and may issue up to $1.91 billion in bonds secured by the Sales Tax.

Congestion Management Agency (CMA) Programs

On November 6, 1990, the Transportation Authority was designated under state law as the 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 certain state and federal transportation funds and works with the Metropolitan Transportation Commission to program those funds to San Francisco projects.

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, 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.

Vehicle Registration Fee for Transportation Improvements Program

On November 2, 2010, San Francisco voters approved Proposition AA 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 30-year Expenditure Plan. Revenue collection began in May 2011.

Proposition 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 parentheses 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.

TIMMA Component Unit

The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981, Leno) authorized 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 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 (Ammiano), establishing TIMMA as a legal entity, distinct from the Transportation Authority, to help firewall the Transportation Authority's other functions. The 11 members of the Transportation Authority Board act as the Commissioners for TIMMA Board. The Transportation Authority financial statements include TIMMA as a blended special revenue fund component unit.

Traffic Congestion Mitigation Tax

The Traffic Congestion Mitigation Tax was approved by San Francisco voters on November 5, 2019, through approval of Proposition D. The measure, also referred to as the Transportation Network Company (TNC) Tax, is a surcharge on commercial ride-hailing trips that originate in San Francisco, for the portion of the trip within the city. The intent of the TNC Tax program is to support transit and street safety improvements on San Francisco's roadways, helping to mitigate the effects of increased congestion due to TNC vehicles. Beginning January 1, 2020, a 1.5% tax is charged on shared rides or rides taken in a zero-emission vehicle through December 31, 2024, and 3.25% is charged on rides with a single occupant. The measure also takes into account rides provided by autonomous vehicles that are taxed in this same manner and rides provided by private transit companies, if a company were to enter the market. The tax is in effect until November 2045.

After a 2% set aside for administration by the City, 50% of the revenues are directed to the SFMTA for transit operations and improvements, and 50% to the Transportation Authority for bicycle and pedestrian safety improvements, traffic calming, traffic signal upgrades and retiming.

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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 six funds: 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; and Traffic Congestion Mitigation Tax Program as major funds.

The Transportation Authority uses the following funds:

Sales Tax Program – The Sales Tax Program operates as the General Fund, and accounts for the one-half of one percent sales tax revenues required by the November 2022 Proposition L. These revenues are for restricted expenditures in support of the Expenditure Plan, which includes investments in five major categories: 1) Major Transit Projects; 2) Transit Maintenance and Enhancements; 3) Paratransit services; 4) Streets and Freeways; and 5) Transportation System Development and Management. This fund also accounts for the general administration of the Transportation Authority functions in support of the Expenditure Plan. The major source of revenue for this fund is the sales tax.

Special Revenue Funds – Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, 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 Programs – The Congestion Management Agency Fund accounts for resources accumulated and payments made for developing a congestion management program and construction of major capital improvements. 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 Bay Area Air Quality Management District (Air District). Of the total collections, the Air District 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.

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

Treasure Island Mobility Management Agency – The Treasure Island Transportation Management Act of 2008 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 (Ammiano), establishing TIMMA as a legal entity distinct from the Transportation Authority to help firewall the Transportation Authority's other functions. The major sources of revenue are federal, state, and regional grants.

Traffic Congestion Mitigation Tax Program – The Proposition D Traffic Congestion Mitigation Tax was passed by San Francisco voters in November 2019. The measure, also referred to as the Transportation Network Company (TNC) Tax, is a surcharge on commercial ride-hailing trips that originate in San Francisco, for the portion of the trip within the city. Beginning January 1, 2020, a 1.5% tax is charged on shared rides, as well as rides taken in a zero-emission vehicle through December 31, 2024, and 3.25% is charged on rides with a single occupant. After a 2% set aside for administration by the City, 50% of the revenues are directed to the SFMTA for transit operations and improvements, and 50% to the Transportation Authority for bicycle and pedestrian safety improvements traffic calming, traffic signals, and maintenance. The source of revenue for this fund is TNC tax.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. *Measurement focus* indicates the type of resources being measured, such as current financial resources or economic resources. The *basis of accounting* indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earnings are earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Sales tax amounts are recognized as revenues in the year for when they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible, within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims, and judgments are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. Sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Net Position

Under the terms of grant agreements, the Transportation Authority funds certain programs with 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 fund such programs.

Leases and Subscription Based Information Technology Arrangements

The Transportation Authority is a lessee for a noncancellable lease of commercial office space. The Transportation Authority recognizes a lease liability and a leased asset in the government-wide financial statements. The Transportation Authority recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease/subscription-based information technology arrangement (SBITA), the Transportation Authority initially measures the lease/subscription liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the lease liability is reduced by the principal portion of lease/subscription payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Transportation Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Transportation Authority uses its estimated bond borrowing rate as the discount rate for leases with adjustment for the applicable lease/subscription terms.
- The lease/subscription term includes the noncancellable period of the lease/SBITA. Lease/subscription payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Transportation Authority is reasonably certain to exercise.

The Transportation Authority monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

Investment Valuations

The Transportation Authority recognizes the fair value measurement of its investments on a recurring basis, based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Transportation Authority's investments in the City and County of San Francisco Investment Pool are uncategorized because deposits to and from the pool are made on the basis of $1 and not at fair value.

Sales Tax Revenue

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 on the fund level financial statements.

Unavailable sales tax revenue on the fund level financial statements represents sales tax receipts in the 60 days 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 Department of Tax and Fee Administration (CDTFA) for collection and distribution of the sales tax. The CDTFA 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 60 days 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.

Traffic Congestion Mitigation Tax and Receivables

The Transportation Authority recognizes Traffic Congestion Mitigation Tax 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.

Traffic Congestion Mitigation Tax receivables represent tax revenue receipts in the 60 days subsequent to the Transportation Authority's fiscal year-end, relating to the prior year's registration activity. The Transportation Authority has contracted with the City and County of San Francisco (City). The City receives an administrative fee for providing this service. The Transportation Authority records tax 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.

Ownership of capital improvements, related to infrastructure to which the Transportation Authority provides funding, vests with the City and County of San Francisco. Capital improvements are recorded on the financial statements of the City and County of San Francisco during construction and upon completion.

The estimated useful lives are as follows:

Right-to-use subscription	3 years
Right-to-use leased office space	1 - 30 years
Leasehold improvements	13 years
Furniture	5 years
Computer equipment	3 years

The cost of normal maintenance and repairs that do not add to the value of the asset, nor 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 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.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Transportation Authority's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The Transportation Authority provides compensated absences in the form of vacation, compensatory time off, floating holidays, and sick leave. A liability is recognized in the government-wide statements for (a) leave that has not been used when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid/settled; and (b) leave that has been used but not yet paid or settled. The estimate of unused leave expected to be used or paid is based on the Transportation Authority's policies and historical usage/payment patterns. Amounts expected to be settled through conversion to defined-benefit postemployment benefits are excluded from the compensated absences liability.

For certain non-accumulating leave types (e.g., parental leave, military leave, jury duty), no liability is recognized until the leave commences. For other specific non-accumulating arrangements (e.g., fixed holidays or unlimited leave), no liability is recognized until the leave is used.

In the governmental funds, expenditures for compensated absences are recognized to the extent they are normally liquidated with expendable available financial resources; the long-term portion of the liability is reported only in the government-wide statements.

Policy Application:

- *Vacation and Floating Holidays:* Employees accrue vacation and floating holiday leave, which may be carried over from year to year. Upon separation from employment for any reason, including retirement, any unused vacation and floating holiday balances are paid out to the employee as a lump-sum cash payment. The Transportation Authority recognizes a liability for the full amount of unused vacation and floating holiday leave attributable to services already rendered and payable upon termination. This liability is measured at the employee's pay rate in effect at fiscal year-end, including applicable salary-related payments.

- *Sick Leave:* Employees accrue sick leave without limitation. Unused sick leave is forfeited upon separation for reasons other than retirement; there is no cash payout for unused sick leave at termination. Upon retirement, unused sick leave may be converted to additional CalPERS pension service credit. Consistent with GASB Statement No. 101, the Transportation Authority excludes from the compensated absences liability the portion of accumulated sick leave that is more likely than not to be settled through conversion to pension service credit, as such amounts are included in the measurement of the pension liability. Only the portion of accumulated sick leave that is more likely than not to be used for paid time off during employment is recognized as a liability for compensated absences.

The roll forward of compensated absences liability is as follows:

Balance at July 1, 2024	Net Change	Balance at June 30, 2025	Current Portion
$ 860,258	$ 87,814	$ 948,072	$ 526,180

Fund Balances/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 amortization 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 only has outstanding lease liabilities that are attributable to capital assets, as capital improvements related to infrastructure are recorded on the financial statements of the managing agency.

Restricted net position – consists of net position with constraints placed on the use by either 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 "investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Transportation Authority's policy to use restricted resources first, then unrestricted resources as needed.

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, 2025, fund balances for governmental funds are classified as follows:

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.

Unassigned Fund Balance – the residual classification for the Sales Tax Program and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other two fund balance categories.

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.

Use of Estimates

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

Note 3 - Cash and Investments

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, 2025, the carrying amount of the Transportation Authority's deposits was $26,840,748 and the bank balance was $26,612,997. The difference between the bank balance and the carrying amount represents outstanding checks and deposits. Of the bank balance, $750,000 was covered by federal depository insurance and $26,090,748 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 to 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.

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. The notes to the basic financial statements of the City provide more detailed information concerning deposit and investment risks associated with the City's pool of cash and investments at year ended June 30, 2025.

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 in the area of reverse re-purchase 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	N/A	None	$65M
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	5 Years	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). The Pool is not registered with the U.S. Securities and Exchange and, therefore, is unrated. As of June 30, 2025, the Transportation Authority's deposits and investments in the Pool are approximately $73.0 million, and the total amount invested by all public agencies in the Pool is approximately $18.3 billion. The City's Treasurer Oversight 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 on June 30, 2025, consisted of pooled cash with the City and County of San Francisco, having a weighted average maturity of 1.33 years. At June 30, 2025, the Pool consists of U.S. government and agency securities, commercial paper, money market funds, negotiable certificates of deposit, supranational financial instruments, medium term notes and public time deposits as authorized by state statutes and the City's investment policy. Additional information regarding deposit and investment risks (such as interest rate, credit, and concentration of credit risks) may be obtained by contacting the City Controller at: Controller's Office, City Hall, Room 316, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102; Phone: 415-554-7500; Fax: 415-554-7466.

Note 4 - Interfund Transactions

Current Interfund Balances: Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The composition of current interfund balances as of June 30, 2025, is as follows:

	Receivable from:				
Payable to:	Congestion Management Agency Programs	Transportation Fund for Clean Air Program	Treasure Island Mobility Management Agency	Traffic Congestion Mitigation Tax Program	Total
Sales Tax Program	$10,289,057	$ 22,854	$ 34,549	$ 2,788,459	$13,134,919
Vehicle Registration Fee for Transportation Improvements Program	39,057	-	-	-	39,057
Total	$ 10,328,114	$ 22,854	$ 34,549	$ 2,788,459	$ 13,173,976

The outstanding receivables from the Congestion Management Agency (CMA) Programs, Transportation Fund for Clean Air Program, Treasure Island Mobility Management Agency (TIMMA), and Traffic Congestion Mitigation Tax Program result mainly from the time lag between the dates that (1) interfund goods and services are provided or expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers Between Funds: During the fiscal year, the Sales Tax Program made transfers of $10,854,156 to the CMA Programs, for paying expenditures incurred during the fiscal year. Additionally, the Sales Tax Program made transfers of $169,736 to TIMMA for paying expenditures during the fiscal year.

Note 5 - Capital Assets

The capital assets activity for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Transfers	Balance June 30, 2025
Capital assets, being depreciated and amortized:				
Leasehold improvements	$ 3,023,624	$ -	$ -	$ 3,023,624
Furniture and equipment	1,198,648	-	-	1,198,648
Right-to-use subscription asset	963,867	-	-	963,867
Right-to-use leased office space	3,675,744	-	-	3,675,744
Total capital assets, being depreciated and amortized	8,861,883	-	-	8,861,883
Less accumulated depreciation and amortization for:				
Leasehold improvements	2,790,725	232,899	-	3,023,624
Furniture and equipment	1,019,167	103,672	-	1,122,839
Right-to-use subscription asset	321,289	321,289	-	642,578
Right-to-use leased office space	2,756,808	918,936	-	3,675,744
Total accumulated depreciation	6,887,989	1,576,796	-	8,464,785
Total capital assets, net	$ 1,973,894	$ (1,576,796)	$ -	$ 397,098

Depreciation and amortization expense for the current year was $1,576,796 and was allocated to transportation improvement expenses on the statement of activities.

Note 6 - Related Party Transactions with the City and County of San Francisco

The Transportation Authority is related to the City and County of San Francisco through its governance structure, as the Transportation Authority's Board consists of members of the City's Board of Supervisors, and the Transportation Authority operates as a component unit of the City. The Transportation Authority routinely engages in transactions with various City departments and agencies, including reimbursements for transportation and capital program costs, payments for services, and intergovernmental receivables and payables.

Receivables from the City and County of San Francisco consist of the following on June 30, 2025:

Receivables From the Following City Department / Agency	Purpose	Total
Planning Department	Geary/19th Ave Subway Strategic Case	$ 7,296
Treasure Island Development Authority	Ferry Terminal Enhancements Project	91,010
	Hillcrest Road Widening Project	12,373,702
	Treasure Island Transportation Implementation Plan	445,628
	Yerba Buena Island Westside Bridges Seismic Retrofit Project	1,407,611
Total receivables from the City and County of San Francisco		$ 14,325,247

Payables to the City and County of San Francisco consist of the following on June 30, 2025:

Payables to the Following City Department / Agency	Purpose		Total
Department of Public Works	Street Resurfacing		$ 16,737,804
Department of Environment	Clean Air Programs		30,434
Department of Technology	Video Production and Telecast Services		31,608
Municipal Transportation Agency	Advanced Technology and Information Systems (SFgo)	$ 966,830	
	Bicycle Circulation/Safety	828,731	
	Clean Air Programs	500,916	
	Guideways	4,302,692	
	I-280 Southbound Ocean Ave Off-Ramp	100,000	
	Muni Maintenance	1,278,220	
	Muni Reliability and Efficiency Improvements	482,003	
	Neighborhood Transportation Program	167,568	
	New Signals and Signs	492,845	
	Other Transit Enhancements	758,797	
	Paratransit	11,731,970	
	Pedestrian and Bicycle Facility Maintenance	36,776	
	Pedestrian Circulation/Safety	880,488	
	Pedestrian Safety	145,015	
	Purchase/Rehab of Historic Streetcars for New/Expanded Service	12,076	
	Rapid Bus Network including Real Time Transit Information	8,830,627	
	Rehabilitation, Upgrade and Replacement of Existing Facilities	3,996,924	
	Safer and Complete Streets	669,508	
	Signals and Signs	1,825,623	
	Traffic Calming	1,767,587	
	Traffic Signs and Signals Maintenance	1,678,668	
	Transit Reliability and Mobility Improvements	66,441	
	Transit Vehicle Replacement and Renovation	7,227,514	
	Transportation Demand Management	2,141	
	Transportation Demand Management/Parking Management	57,092	
	Transportation/Land Use Coordination	33,282	
	Upgrades to Major Arterials (including 19th Avenue)	19,513	
	Vision-Zero Quick-Build Program	2,777,896	
	Total Municipal Transportation Agency		51,637,743
Total payable to the City and County of San Francisco			$ 68,437,589

The Transportation Authority reimbursed the City and County of San Francisco for the following transportation and capital program costs made on its behalf during the year ended June 30, 2025:

Expenditures Incurred by the Following City Department/Agency	Total
Department of Environment	$ 66,761
Department of Technology	18,272
Department of Public Works	22,264,878
Municipal Transportation Agency	103,746,335
Office of the City Attorney	26,812
Treasure Island Development Authority	23,613
	$ 126,146,671

During FY2024/25, the Transportation Authority reimbursed capital expenditures of $126.1 million, which were paid to departments within the City, of which $103.7 million was reimbursed on SFMTA projects and $22.3 million was reimbursed on San Francisco Public Works (SFPW) projects. SFMTA projects include $35.9 million on Light Rail Vehicle Procurements, $14.2 million on Paratransit, $10.9 million to L-Taraval Transit Enhancements, $6.1 million on Hybrid Motor Coaches, $4.2 million to Signals and Signs, $3.3 million to Van Ness Bus Rapid Transit and $2.2 million to Muni Facilities. SFPW projects include $6.2 million on Better Market Street and $5.4 million on Pavement Renovation Projects.

Note 7 - Long Term Debt and Lease Payable

The changes in the Transportation Authority's long-term debt and lease during the year consist of the following items:

	Balance at July 1, 2024	Additions	Deductions	Balance at June 30, 2025	Current Portion
Revenue bonds	$ 179,640,000	$ -	$ (15,125,000)	$ 164,515,000	$ 15,735,000
Bond premium	13,372,944	-	(1,215,723)	12,157,221	-
Credit line	-	65,000,000	-	65,000,000	-
Lease	972,364	-	(972,364)	-	-
Subscriptions	326,502	-	(161,812)	164,690	164,690
Total	$ 194,311,810	$ 65,000,000	$ (17,474,899)	$ 241,836,911	$ 15,899,690

Revenue Bonds and Revolving Credit Agreement

On November 2, 2017, the Transportation Authority issued $248,250,000 Senior Sales Tax Revenue Bonds, Series 2017, with total proceeds of $270,133,005 and $21,883,005 of bond premiums to (i) finance a portion of the costs of and costs incidental to or connected with the construction, acquisition, and improvement of certain transit, street, and traffic facilities and other transportation projects, including, without limitation to, engineering, inspection, legal, fiscal agents, financial consultant and other fees, and working capital, all as described in the Expenditure Plan adopted pursuant to the Act; (ii) repay a portion of the outstanding amount of a revolving credit agreement and a promissory note evidencing the Transportation Authority's payment obligation thereunder; (iii) pay capitalized interest on a portion of the Series 2017 Bonds; and (iv) pay costs of issuance of the Series 2017 Bonds. The bonds pay interest ranging from 3.0% to 4.0% and mature February 1, 2034. The outstanding bond principal on June 30, 2025, is $164,515,000 with $12,157,221 of remaining unamortized bond premiums.

The Transportation Authority's outstanding Series 2017 Bonds are repaid and secured by a pledge of Prop K half-cent sales tax and other legally available revenues of the Transportation Authority. No capital assets are pledged as collateral for the Series 2017 Bonds or the Amended and Restated Revolving Credit Agreement (ARRCA); pledged resources consist solely of the Transportation Authority's half-cent sales tax revenues (ARRCA lien subordinate to bonds). Based on total sales tax revenue of $110,100,758 for the year ended June 30, 2025, and total debt service payments of $21,653,068 on the Series 2017 Bonds. The Transportation Authority's senior debt service coverage ratio was 508% or 5.08 times.

The Series 2017 Bonds are rated AAA by Fitch Ratings and AA+ by S&P Global Ratings, reflecting the strength of the Prop L, formerly Prop K half-cent sales tax security and repayment source. Events of default for the bonds include nonpayment events, bankruptcy events, and noncompliance with covenants. The Series 2017 Bonds are not subject to acceleration.

Debt Service Requirements to maturity for the Transportation Authority's Series 2017 Bonds are as follows:

Fiscal Year	Principal	Interest	Annual Debt Service
2026	$ 15,735,000	$ 5,603,500	$ 21,338,500
2027	16,360,000	4,974,100	21,334,100
2028	17,015,000	4,319,700	21,334,700
2029	17,695,000	3,639,100	21,334,100
2030	18,405,000	2,931,300	21,336,300
2031-2034	79,305,000	6,035,850	85,340,850
Total	$ 164,515,000	$ 27,503,550	$ 192,018,550

Direct Borrowing (ARRCA)

The following disclosures relate to a direct borrowing with a financial institution and are separate from the Transportation Authority's publicly offered revenue bonds.

On October 7, 2021, the Transportation Authority entered into a Revolving Credit Agreement (RCA) with U.S. Bank National Association (U.S. Bank) for $125 million. The amount borrowed under the RCA assumed a rate of interest equal to the sum of Securities Industry and Financial Markets Association Index plus a fixed credit spread (subject to adjustment if the Transportation Authority's credit rating changes) and unborrowed amounts under the RCA were subject to a commitment fee of 0.20%. The Transportation Authority's RCA expired on November 1, 2024.

On October 31, 2024, the Transportation Authority replaced the RCA with an Amended and Restated Revolving Credit Agreement (ARRCA) with U.S. Bank National Association (U.S. Bank) for $185 million. Amount borrowed under the ARRCA assumes a rate of interest equal to the sum of Securities Industry and Financial Markets Association (SIFMA) Index plus a fixed credit spread (subject to adjustment if the Transportation Authority's credit rating changes) and unborrowed amounts under the ARRCA are subject to a commitment fee of 0.20%. The Transportation Authority's ARRCA expires on October 29, 2027. The ARRCA is secured by a lien on the Transportation Authority's sales tax revenues subordinate to the lien on the sales tax revenues securing the Transportation Authority's Series 2017 Bonds. The Transportation Authority will use the ARRCA to fund the capital projects and programs included in the Expenditure Plan. As of June 30, 2025, $65 million was drawn on the ARRCA.

Events of Default under the Amended and Restated Revolving Credit Agreement include nonpayment events, noncompliance with covenants, default on other specified debt, bankruptcy events, specified litigation events, or a ratings downgrade below Baa2 by Moody's, BBB by Fitch, or BBB by S&P. The ARRCA does not contain subjective acceleration clauses. Remedies include acceleration (subject in some, but not all, circumstances to a 270-day notice period) and the termination of the right of the Transportation Authority to borrow under the Amended and Restated Revolving Credit Agreement.

Unused Line of Credit

As of June 30, 2025, $120,000,000 remained available under the Transportation Authority's $185,000,000 ARRCA with U.S. Bank National Association.

Subscription Based Information Technology Arrangement (SBITA) Payable

In October 2023, the Transportation Authority entered into a SBITA contract for enterprise resource planning software. The Transportation Authority is required to make principal and interest payments through September 2025. The SBITA was valued using a discount rate of 2.38% based on the Transportation Authority's incremental borrowing rate at the inception of the subscription.

The future principal and interest payments as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 164,690	$ 1,310	$ 166,000

Note 8 - Pension Plans

General Information about the Pension Plan

Plan Description

All qualified permanent employees are eligible to participate in the Transportation Authority's Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. Benefit provisions under the Plan are established by state statute and Transportation Authority resolution. CalPERS acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information which can be found on the CalPERS website.

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 the 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. Benefit provisions and all other requirements are established by state statue and may be amended by the Transportation Authority's contract with the employees.

The Plan provisions and benefits in effect on June 30, 2025, are summarized as follows:

Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit vesting formula	2% at 55	2% at 62
Minimum years of services	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	52
Annual vesting, as a percent of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	6.93%	7.75%
Required employer contribution rates	12.52%	7.87%
Required employer prepayment for unfunded liability	$262,553	$12,476

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 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. Contribution requirements may be amended by the Transportation Authority's contract with the employees. For the year ended June 30, 2025, the employer contributions were $859,422.

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

As of June 30, 2025, the Transportation Authority's reported net pension liability for its proportionate share of the collective net pension liability is $3,947,691. The Transportation Authority's net pension liability is measured as the proportionate share of the collective Plan's net pension liability. The net pension liability is measured as of June 30, 2024, 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, 2023. With a valuation date of June 30, 2023, the amounts are rolled forward to June 30, 2024, 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, 2024, and 2025 was as follows:

Proportion - June 30, 2024	0.03177%
Proportion - June 30, 2025	0.03255%
Change	0.00078%

For the year ended June 30, 2025, the Transportation Authority recognized a pension expense of $1,176,178.

On June 30, 2025, the Transportation Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 859,422	$ -
Contributions in excess of proportionate share	15,002	(28,909)
Changes in assumptions	101,464	-
Difference in expected and actual experience	341,314	(13,318)
Adjustment due to differences in proportions	308,984	-
Net differences between projected and actual earnings on plan investments	227,264	-
Total	$ 1,853,450	$ (42,227)

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $859,422, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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 Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 393,554
2027	593,940
2028	42,188
2029	(77,881)
	$ 951,801

Actuarial Assumptions

The total pension liability in the year ended June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry-Age and Service
Mortality Rate Table [1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract Cost-of-Living Adjustment (COLA) up to 2.30% until Purchasing Power Protection Allowance Floor

[1]The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 6.90% discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90% is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on the CalPERS website, under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, staff took into account both short-term and long-term market return expectations, as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF's asset classes (which include the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF 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. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects 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:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 [1,2]
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2022-2023 Asset Liability Management study.

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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Rate	1% Increase
	5.90%	6.90%	7.90%
Net Pension Liability	$ 7,022,294	$ 3,947,691	$ 1,416,839

Pension Plan Fiduciary Net Position

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

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, 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. CalPERS and CERBT issue publicly available financial reports that can be found on the CalPERS website.

As of the June 30, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the healthcare plan:

Active plan members	39
Inactive employees or beneficiaries currently receiving benefit payments	8
Total	47

Contributions

The contribution requirements of plan members and the Transportation Authority are established and may be amended by the Board. The Transportation Authority makes contributions on an actuarial basis, funding the full Actuarially Determined Contributions (ADC). Employees of the Transportation Authority are not required to contribute to the plan. The ADC 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 30 years.

Significant Assumptions

The Transportation Authority's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2024 Measurement Date
Valuation Date	June 30, 2023
Contribution Policy	Level percent of pay method over 20 years
Discount Rate	6.40%
General Inflation	2.80% per annum
Salary Increases	2.80% per annum, in aggregate
Investment Rate of Return	6.00%
Mortality, Turnover, Disability, and Retirement	CalPERS Experience Study for the period from 1999 to 2019
Healthcare Cost Trend Rate	Various initial all grading down to 4%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.40%, a change from 6.00% as of fiscal year June 30, 2024. The projection of cash flows used to determine the discount rate assumed that Transportation Authority contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability or asset.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59.00%	5.25%
Fixed Income	25.00%	0.99%
Treasury Securities	5.00%	0.45%
Real Estate Investment Trusts	8.00%	4.50%
Commodities	3.00%	3.00%
Total	100.00%	

Changes in OPEB Liability (Asset)

The changes in the net OPEB liability (asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at July 1, 2024	$ 2,649,100	$ 2,295,300	$ 353,800
Changes for the year:			
Service Cost	200,600	-	200,600
Interest	161,800	-	161,800
Changes of assumptions	(159,500)	-	(159,500)
Other Liability Experience Loss/(Gain)	100	-	100
Effect of Plan Amendments			
Contributions:			
Trust deposits	-	138,700	(138,700)
Employer - explicit subsidy	-	68,900	(68,900)
Employer - implicit subsidy	-	34,700	(34,700)
Benefit payments	(103,600)	(103,600)	-
Administrative expenses	-	(1,166)	1,166
Expected Investment Return	-	141,844	(141,844)
Investment Experience (Loss)/Gain	-	110,222	(110,222)
Net changes	99,400	389,600	(290,200)
Balance at June 30, 2025	$ 2,748,500	$ 2,684,900	$ 63,600

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the Transportation Authority as of the measurement date, calculated using the discount rate of 6.40%, as well as what the Transportation Authority's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.40%	6.40%	7.40%
Net OPEB Asset	$ 487,300	$ 63,600	$ (284,900)

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

	1% Decrease	Current Healthcare Trend Cost Rate	1% Increase
	various initial rates grading to 3%	various initial rates grading to 4%	various initial rates grading to 5%
Net OPEB Asset	$ (356,200)	$ 63,600	$ 597,600

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2025, the Transportation Authority recognized OPEB expense of $224,935. As of the fiscal year ended June 30, 2025, the Transportation Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 242,300	$ -
Changes in assumptions	445,178	(265,598)
Difference between expected and actual experience	137,749	(459,109)
Net differences between projected and actual earnings on plan investments	58,146	-
Total	$ 883,373	$ (724,707)

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $242,300, which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense are as follows:

Fiscal Year Ended June 30,	Deferred Inflows of Resources
2026	$ (12,082)
2027	65,731
2028	(38,794)
2029	(43,823)
2030	(21,781)
Thereafter	(32,885)
Total	$ (83,634)

Note 10 - 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 Prop L Expenditure Plan. For the year ended June 30, 2025, revenues, staff salaries, and fringe benefits for administering the Prop L Expenditure Plan for the Sales Tax Program were as follows:

Revenues	$ 110,100,758
Expenditures:	
Salaries	850,950
Fringe benefits	18,270
Total	$ 869,220
Percentage of revenue	0.79%

Personnel expenditures of $3,639,800 were reported in the Sales Tax Program, of which $869,220 was related to general administration of the Expenditure Plan, and $2,770,580 was related to planning and programming, which includes monitoring and oversight of sales tax funded projects.

Note 11 - 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 12 - Commitments

The Transportation Authority's outstanding commitments totaled $424,478,599 at June 30, 2025. This amount is comprised of $349,333,974 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, 2025, the Transportation Authority has encumbered $7,801,743 in the Sales Tax Program, $67,041,326 in the Congestion Management Agency Programs, and $301,556 in the Treasure Island Mobility Management Agency Program, respectively, on various Transportation Authority contracts held with private consulting and construction companies and cooperative agreements with governmental entities.

Note 13 - Subsequent Events and Lease Commitments Not Yet Commenced (Related Party)

On June 24, 2025, with a commencement date subsequent to year-end, the Transportation Authority's Board of Commissioners approved a new 20-year lease agreement to remain at its current office located at 1455 Market Street, San Francisco, with two 5-year extension options. The lease is with the City and County of San Francisco, which is considered a related party due to the Transportation Authority's organizational structure and governance. The lease commences July 1, 2025, expiring April 30, 2045. The initial annual base rent is $1,126,597 for the first year, calculated at $41.20 per rentable square foot, with scheduled annual increases of 3% thereafter. The lease also requires payment of operating and other lease-related expenses, which are not included in the base rent.

As of June 30, 2025, the Transportation Authority is committed to future undiscounted lease payments under this not-yet-commenced lease totaling $1,126,597 for fiscal year 2025/26, with annual base rent escalating by 3% each year thereafter, exclusive of operating and pass-through costs.

This lease commitment will be recognized as a right-to-use lease asset and lease liability in the Authority's financial statements beginning July 1, 2025, in accordance with GASB Statement No. 87.

Required Supplementary Information
June 30, 2025

San Francisco County Transportation Authority

	Budget Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	Final to Actual
Revenues and Transfers In				
Sales tax	$108,308,000	$108,308,000	$110,100,758	$ 1,792,758
Investment income	622,416	622,416	1,091,525	469,109
Total Revenues and Transfers In	108,930,416	108,930,416	111,192,283	2,261,867
Expenditures and Transfers Out				
Administrative operating costs	7,826,196	7,826,196	5,705,256	2,120,940
Transportation improvement	135,265,000	135,265,000	80,710,148	54,554,852
Debt service				
Principal	15,125,000	15,125,000	16,259,176	(1,134,176)
Interest and fiscal charges	9,858,500	9,858,500	7,411,302	2,447,198
Transfers out to other funds	7,474,212	7,474,212	11,023,892	(3,549,680)
Total Expenditures and Transfers Out	175,548,908	175,548,908	121,109,774	54,439,134
Other Financing Sources (Uses)				
Proceeds from debt	65,000,000	65,000,000	65,000,000	-
Change in Fund Balance	(1,618,492)	(1,618,492)	55,082,509	56,701,001
Fund Balance - Beginning	(42,865,093)	(42,865,093)	(42,865,093)	-
Fund Balance - Ending	$ (44,483,585)	$ (44,483,585)	$ 12,217,416	$ 56,701,001

	Budgeted Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	Final to Actual
Revenues and Transfers In				
Program revenues				
Federal	$ 31,160,053	$ 31,160,053	$ 39,402,663	$ 8,242,610
State	24,238,375	24,238,375	12,351,677	(11,886,698)
Regional and other	10,520,231	10,520,231	806,158	(9,714,073)
Transfers in from other funds	7,259,524	7,259,524	10,854,156	3,594,632
Total Revenues and Transfers In	73,178,183	73,178,183	63,414,654	(9,763,529)
Expenditures and Transfers Out				
Administrative operating costs	4,917,804	4,917,804	4,614,984	302,820
Transportation improvement	68,260,379	68,260,379	58,799,670	9,460,709
Total Expenditures and Transfers Out	73,178,183	73,178,183	63,414,654	9,763,529
Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

	Budgeted Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	Final to Actual
Revenues and Transfers In				
Investment income	$ 760	$ 760	$ 533	$ (227)
Program revenues				
Regional and other	681,176	681,176	715,585	34,409
Total Revenues and Transfers In	681,936	681,936	716,118	34,182
Expenditures and Transfers Out				
Administrative operating costs	47,445	47,445	48,235	(790)
Transportation improvement	764,583	764,583	734,783	29,800
Total Expenditures and Transfers Out	812,028	812,028	783,018	29,010
Change in Fund Balance	(130,092)	(130,092)	(66,900)	63,192
Fund Balance - Beginning	922,951	922,951	922,951	-
Fund Balance - Ending	$ 792,859	$ 792,859	$ 856,051	$ 63,192

	Budget Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	Final to Actual
Revenues and Transfers In				
Vehicle registration fee	$ 4,545,508	$ 4,545,508	$ 4,581,797	$ 36,289
Investment income	26,491	26,491	17,444	(9,047)
Total Revenues and Transfers In	4,571,999	4,571,999	4,599,241	27,242
Expenditures and Transfers Out				
Administrative operating costs	227,275	227,275	161,662	65,613
Transportation improvement	10,341,345	10,341,345	7,889,827	2,451,518
Total Expenditures and Transfers Out	10,568,620	10,568,620	8,051,489	2,517,131
Change in Fund Balance	(5,996,621)	(5,996,621)	(3,452,248)	2,544,373
Fund Balance - Beginning	15,244,055	15,244,055	15,244,055	-
Fund Balance - Ending	$ 9,247,434	$ 9,247,434	$11,791,807	$ 2,544,373

	Budgeted Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	Final to Actual
Revenues and Transfers In				
Program revenues				
Federal	$ 2,924,614	$ 243,526	$ 434,643	$ 191,117
State	653,139	38,364	-	(38,364)
Regional and other	312,059	90,071	68,384	(21,687)
Transfers in from other funds	214,688	214,688	169,736	(44,952)
Total Revenues and Transfers In	4,104,500	586,649	672,763	86,114
Expenditures and Transfers Out				
Administrative operating costs	368,926	368,926	357,273	11,653
Transportation improvement	3,735,574	217,723	315,490	(97,767)
Total Expenditures and Transfers Out	4,104,500	586,649	672,763	(86,114)
Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

	Budgeted Amounts			Favorable (Unfavorable) Variance
	Original	Final	Actual	Final to Actual
Revenues and Transfers In				
Investment income	$ 835,978	$ 835,978	$ 1,393,959	$ 557,981
Traffic congestion mitigation tax	8,500,000	8,500,000	9,283,882	783,882
Total Revenues and Transfers In	9,335,978	9,335,978	10,677,841	1,341,863
Expenditures and Transfers Out				
Administrative operating costs	180,000	180,000	254,869	(74,869)
Transportation improvement	9,934,957	4,575,000	4,647,175	(72,175)
Total Expenditures and Transfers Out	10,114,957	4,755,000	4,902,044	(147,044)
Change in Fund Balance	(778,979)	4,580,978	5,775,797	1,194,819
Fund Balance - Beginning	21,093,967	21,093,967	21,093,967	-
Fund Balance - Ending	$ 20,314,988	$ 25,674,945	$ 26,869,764	$ 1,194,819

Schedule of Changes in the Net Other Postemployment Benefit Liability and Related Ratios
Year Ended June 30, 2025 Last Ten Years*

	2025	2024	2023	2022
Changes in total OPEB liability				
Service cost	$ 200,600	$ 117,100	$ 123,000	$ 89,900
Interest	161,800	156,900	150,400	124,100
Difference between expected and actual experience	100	(98,600)	(3,200)	183,200
Change in assumptions	(159,500)	513,300	(98,500)	-
Benefit payments, including refunds of employee contributions	(103,600)	(96,400)	(70,300)	(63,300)
Changes of benefit terms	-	-	-	-
Net changes	99,400	592,300	101,400	333,900
Total OPEB liability, beginning	2,649,100	2,056,800	1,955,400	1,433,300
Total OPEB liability, ending	2,748,500	2,649,100	2,056,800	1,767,200
Changes in plan fiduciary net position				
Employer contributions	242,300	96,400	70,300	63,300
Benefit payments, including refunds of employee contributions	(103,600)	(96,400)	(70,300)	(63,300)
Administrative expenses	(1,166)	(1,087)	(1,211)	(1,000)
Expected investment return	141,844	163,736	189,135	148,422
Investment experience (loss)/gain	110,222	(25,149)	(522,624)	389,078
Net changes	389,600	137,500	(334,700)	536,500
Plan fiduciary net position, beginning	2,295,300	2,157,800	2,492,500	1,752,200
Plan fiduciary net position, ending	2,684,900	2,295,300	2,157,800	2,288,700
Net OPEB liability (asset)	$ 63,600	$ 353,800	$ (101,000)	$ (521,500)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	97.69%	86.64%	104.91%	129.51%
Covered-employee payroll	$ 4,909,300	$ 4,853,800	$ 5,032,000	$ 4,419,700
Net OPEB Liability (asset) as a percentage of covered-employee payroll	1.30%	7.21%	-2.08%	-10.36%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

See Notes to Required Supplementary Information

Schedule of Changes in the Net Other Postemployment Benefit Liability and Related Ratios (continued)

Year Ended June 30, 2025 Last Ten Years*

	2021	2020	2019	2018
Changes in total OPEB liability				
Service cost	$ 91,900	$ 117,500	$ 122,500	$ 122,500
Interest	113,200	143,000	129,500	116,600
Difference between expected and actual experience	(700)	(596,100)	-	-
Change in assumptions	-	(62,700)	-	-
Benefit payments, including refunds of employee contributions	(60,800)	(59,800)	(58,400)	(64,300)
Changes of benefit terms	-	-	(5,400)	-
Net changes	143,600	(458,100)	188,200	174,800
Total OPEB liability, beginning	1,289,700	1,747,800	1,747,800	1,573,000
Total OPEB liability, ending	1,433,300	1,289,700	1,936,000	1,747,800
Changes in plan fiduciary net position				
Employer contributions	60,800	137,878	143,348	165,487
Benefit payments, including refunds of employee contributions	(60,800)	(59,800)	(58,400)	(64,300)
Administrative expenses	(940)	(840)	(782)	(652)
Expected investment return	143,415	127,059	112,475	95,999
Investment experience (loss)/gain	(76,475)	(20,997)	7,159	37,966
Net changes	66,000	183,300	203,800	234,500
Plan fiduciary net position, beginning	1,686,200	1,502,900	1,502,900	1,268,400
Plan fiduciary net position, ending	1,752,200	1,686,200	1,706,700	1,502,900
Net OPEB liability (asset)	$ (318,900)	$ (396,500)	$ 229,300	$ 244,900
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	122.25%	130.74%	88.16%	85.99%
Covered payroll	$ 4,355,100	$ 4,038,800	$ 4,045,342	$ 3,945,800
Net OPEB Liability (asset) as a percentage of covered payroll	-7.32%	-9.82%	5.67%	6.21%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

*Ten-year historical information is available only for measurement periods for which the OPEB standards were applicable.

	2025	2024	2023	2022	2021
Actuarially Determined Contribution	$ 242,300	$ 96,400	$ 63,900	$ 55,200	$ 51,400
Contributions in relation to the actuarially determined contribution	(242,300)	(96,400)	(63,900)	(70,300)	(63,300)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ (15,100)	$ (11,900)
Covered-employee payroll	$ 5,604,400	$ 4,909,300	$ 4,853,800	$ 5,032,000	$ 4,419,700
Contributions as a percentage of covered-employee payroll	4.3%	2.0%	1.3%	1.4%	1.4%

	2020	2019	2018	2017
Actuarially Determined Contribution	$ 137,900	$ 137,900	$ 143,300	$ 165,487
Contributions in relation to the actuarially determined contribution	(60,800)	(60,800)	(143,348)	(165,487)
Contribution deficiency/(excess)	$ 77,100	$ 77,100	$ (48)	$ -
Covered-employee payroll	$ 4,355,100	$ 4,038,800	$ 4,045,342	$ 3,945,800
Contributions as a percentage of covered-employee payroll	1.4%	1.5%	3.5%	4.2%

*Ten-year historical information is available only for measurement periods for which the OPEB standards were applicable.

	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.03255%	0.03177%	0.02938%	0.01604%	0.02444%
Proportionate share of the net pension liability	$ 3,947,691	$ 3,963,704	$ 3,393,558	$ 867,648	$ 2,659,364
Covered payroll	$ 5,646,670	$ 5,087,758	$ 4,705,960	$ 4,826,091	$ 4,423,143
Proportionate share of the net pension liability as a percentage of covered payroll	69.91%	70.20%	66.70%	17.05%	56.51%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.02295%	0.02147%	0.02160%	0.02040%	0.01877%
Proportionate share of the net pension liability	$ 2,351,809	$ 2,068,676	$ 2,141,912	$ 1,765,415	$ 1,288,393
Covered payroll	$ 4,395,775	$ 4,038,787	$ 4,202,141	$ 3,643,778	$ 3,684,025
Proportionate share of the net pension liability as a percentage of covered payroll	48.73%	46.77%	48.73%	43.71%	30.66%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 859,422	$ 736,803	$ 689,514	$ 628,025	$ 606,199
Contributions in relation to the actuarially determined	(859,422)	(736,803)	(689,514)	(628,025)	(606,199)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,082,430	$ 5,646,670	$ 5,087,758	$ 4,705,960	$ 4,826,091
Contributions as a percentage of covered payroll	14.13%	13.05%	13.55%	13.35%	12.56%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 539,103	$ 478,668	$ 403,317	$ 293,492	$ 280,199
Contributions in relation to the actuarially determined	(539,103)	(478,668)	(403,317)	(293,492)	(280,199)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,423,143	$ 4,395,775	$ 4,038,787	$ 4,202,141	$ 3,643,778
Contributions as a percentage of covered payroll	12.19%	10.89%	9.99%	6.98%	7.69%

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. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Note 2 - Net Pension, Net OPEB Liability, and Contributions to Pension and OPEB Plans

The Transportation Authority's pension liabilities are administered by CalPERS cost sharing plans. The Transportation Authority's pension liabilities are calculated based on the Transportation Authority's proportionate share of the overall pension liabilities and related deferrals. The schedule of the proportionate share of the pension liability and the schedule of pension contributions shows ten-year trend information, where available, about these amounts and they are changing from year to year.

The discount rate was changed from 7.5% to 7.65% in FY2015/16, to 7.15% in FY2017/18, and to 6.90% in FY2022/23.

The Transportation Authority's OPEB liability is administered as an agent-multiple employer plan, which is also administered by CalPERS. The schedule of changes in Net OPEB liability and the schedule of OPEB contributions show ten-year trend information, where available, about these amounts and they are changing from year to year.

The discount rate was adjusted as follows: from 7.28% to 7.59% in FY2019/20, from 7.59% to 6.00% in FY2022/23, and from 6.00% to 6.40% in FY2024/25.

This page is intentionally blank.

Supplementary Information
June 30, 2025

San Francisco County Transportation Authority

	Agencywide			
	Budget Amounts			Favorable (Unfavorable) Variance Final to Actual
	Original	Final	Actual	
Revenues and Transfers In				
Sales tax	$108,308,000	$108,308,000	$110,100,758	$ 1,792,758
Vehicle registration fee	4,545,508	4,545,508	4,581,797	36,289
Traffic congestion mitigation tax	8,500,000	8,500,000	9,283,882	783,882
Investment income	1,485,645	1,485,645	2,503,461	1,017,816
Program revenues				
Federal	34,084,667	31,403,579	39,837,306	8,433,727
State	24,891,514	24,276,739	12,351,677	(11,925,062)
Regional and other	11,513,466	11,291,478	1,590,127	(9,701,351)
Other revenues	-	-	-	-
Transfers in from other funds	7,474,212	7,474,212	11,023,892	3,549,680
Total Revenues and Transfers In	200,803,012	197,285,161	191,272,900	(6,012,261)
Expenditures and Transfers Out				
Administrative operating costs	13,567,646	13,567,646	11,142,279	2,425,367
Transportation improvement	228,301,838	219,424,030	153,097,093	66,326,937
Debt service				
Principal	15,125,000	15,125,000	16,259,176	(1,134,176)
Interest and fiscal charges	9,858,500	9,858,500	7,411,302	2,447,198
Transfers out to other funds	7,474,212	7,474,212	11,023,892	(3,549,680)
Total Expenditures and Transfers Out	274,327,196	265,449,388	198,933,742	66,515,646
Other Financing Sources (Uses)				
Proceeds from debt	65,000,000	65,000,000	65,000,000	-
Change in Fund Balance	(8,524,184)	(3,164,227)	57,339,158	60,503,385
Fund Balance - Beginning	(5,604,120)	(5,604,120)	(5,604,120)	-
Fund Balance - Ending	$ (14,128,304)	$ (8,768,347)	$ 51,735,038	$ 60,503,385

Note 1 - Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – Agencywide

Comparisons with financial results for the current fiscal period for agency-wide funds are presented as 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. Budgets are adopted on a basis consistent with generally accepted accounting principles.

This page is intentionally blank.

Statistical Section

STATISTICAL SECTION

This part of the Transportation Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Transportation Authority's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Transportation Authority's most significant local revenue source, the sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Transportation Authority's current level of outstanding debt and the Transportation Authority's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules present information to help the reader understand the environment within which the Transportation Authority's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the Transportation Authority provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules was derived from the Transportation Authority's relevant Basic Financial Statements.

	Fiscal Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Governmental Activities:										
Investment in capital assets	$ 232,408	$ 675,028	$ 858,176	$ 824,191	$ 1,010,594	$ 1,247,867	$ 1,449,408	$ 1,713,049	$ 1,923,785	$ 2,224,413
Restricted										
Debt service	-	-	-	6,205,210	-	-	4,431,964	12,645,404	-	-
Capital projects	74,512,155	65,292,478	72,023,655	56,867,952	42,420,369	28,673,442	21,553,559	17,499,296	16,189,389	15,656,533
Unrestricted deficit	(235,433,152)	(241,721,262)	(203,225,545)	(201,477,738)	(186,037,397)	(169,271,644)	(180,165,759)	(173,430,826)	(120,140,255)	(80,561,178)
Total Governmental Activities Net Position (Deficit)	$(160,688,589)	$ (175,753,756)	$ (130,343,714)	$ (137,580,385)	$ (142,606,434)	$(139,350,335)	$(152,730,828)	$(141,573,077)	$(102,027,081)	$ (62,680,232)

San Francisco County Transportation Authority

Financial Trends – Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
EXPENSES	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Governmental activities:										
Transportation improvement	$ 166,192,602	$ 204,033,767	$ 125,265,303	$ 126,576,936	$ 115,410,193	$ 102,329,345	$ 137,196,233	$ 148,566,289	$ 160,954,620	$ 246,207,732
Interest	5,954,267	4,144,582	6,138,590	6,655,208	6,989,411	7,475,771	7,686,374	7,933,535	1,098,535	794,172
Total Expenses	172,146,869	208,178,349	131,403,893	133,232,144	122,399,604	109,805,116	144,882,607	156,499,824	162,053,155	247,001,904
REVENUES										
Program revenues:										
Operating grants and contributions	60,742,138	37,531,660	13,172,428	22,744,769	21,800,630	16,186,972	10,020,517	9,330,091	15,255,413	97,263,152
Total Revenues	60,742,138	37,531,660	13,172,428	22,744,769	21,800,630	16,186,972	10,020,517	9,330,091	15,255,413	97,263,152
Net (Expense) / Revenue	(111,404,731)	(170,646,689)	(118,231,465)	(110,487,375)	(100,598,974)	(93,618,144)	(134,862,090)	(147,169,733)	(146,797,742)	(149,738,752)
GENERAL REVENUES										
Governmental activities:										
Sales tax	110,100,758	108,250,471	111,473,916	104,818,305	86,530,445	99,268,709	115,670,918	100,969,925	101,922,012	102,136,600
Vehicle registration fees	4,581,797	4,519,735	4,651,843	4,652,149	4,828,943	4,701,173	4,945,470	4,907,713	4,550,482	5,362,050
Traffic congestion mitigation tax	9,283,882	8,490,154	8,371,545	6,120,263	5,625,880	-	-	-	-	-
Investment income	2,503,461	3,860,572	970,832	(1,201,096)	19,960	2,782,633	2,844,187	1,703,664	773,032	383,456
Other	-	115,715	-	142	262,294	246,122	243,764	181,548	205,367	220,688
Total General Revenues	126,469,898	125,236,647	125,468,136	114,389,763	97,267,522	106,998,637	123,704,339	107,762,850	107,450,893	108,102,794
Governmental Activities Change in Net Position (Deficit)	$ 15,065,167	$ (45,410,042)	$ 7,236,671	$ 3,902,388	$ (3,331,452)	$ 13,380,493	$ (11,157,751)	$ (39,406,883)	$ (39,346,849)	$ (41,635,958)

	Fiscal Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Sales Tax Program										
Nonspendable	$ -	$ 81,580	$ 355,924	$ 123,876	$ 81,580	$ 81,580	$ 139,716	$ 81,580	$ 81,580	$ 81,580
Restricted	1,946,447	2,339,611	181,671	9,211,064	2,864,318	2,693,783	7,937,068	16,150,508	-	32,929,667
Unassigned	10,270,969	(45,286,284)	9,979,056	24,017,256	57,026,186	88,481,666	90,842,495	123,503,753	18,923,409	-
Total Sales Tax Program	12,217,416	(42,865,093)	10,516,651	33,352,196	59,972,084	91,257,029	98,919,279	139,735,841	19,004,989	33,011,247
All Other Governmental Funds										
Restricted	39,517,622	37,260,973	33,302,080	27,623,014	20,989,782	16,571,323	15,710,751	12,635,071	9,526,011	7,371,688
Unassigned	-	-	-	-	-	(47,970)	-	-	-	-
Total All Other Governmental Funds	$39,517,622	$37,260,973	$33,302,080	$27,623,014	$20,989,782	$16,523,353	$15,710,751	$12,635,071	$ 9,526,011	$ 7,371,688

San Francisco County Transportation Authority

Financial Trends – Changes in Fund Balances – Governmental Funds

Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
REVENUES										
Sales tax	$110,100,758	$ 108,250,471	$111,473,916	$104,818,305	$ 86,530,445	$ 99,268,709	$115,670,918	$103,263,191	$102,237,230	$ 99,528,116
Vehicle registration fee	4,581,797	4,519,735	4,651,843	4,652,149	5,513,643	4,016,473	4,945,470	4,907,713	4,550,482	5,362,050
Traffic congestion mitigation tax	9,283,882	8,490,154	8,371,545	6,120,263	5,625,880	-	-	-	-	-
Investment income	2,503,461	3,860,572	970,832	(1,201,096)	19,960	2,782,633	2,844,187	1,703,664	773,032	383,456
Program revenues	53,779,110	48,221,730	3,695,791	14,930,418	11,787,462	10,612,361	9,047,343	12,466,490	17,402,180	94,091,288
Project funds and other revenues	-	115,715	-	142	35,328	43,631	53,328	45,919	69,738	85,059
Total Revenues	180,249,008	173,458,377	129,163,927	129,320,181	109,512,718	116,723,807	132,561,246	122,386,977	125,032,662	199,449,969
EXPENDITURES										
Current - transportation improvement										
Personnel expenditures	8,873,602	8,335,212	7,787,811	7,030,501	7,087,755	6,613,922	6,247,903	5,917,828	5,483,832	5,321,186
Non-personnel expenditures	2,268,677	1,601,354	2,486,803	1,967,710	2,556,765	2,671,878	2,603,262	2,626,464	2,384,250	2,175,819
Capital project costs	153,097,093	191,598,223	113,391,366	117,594,422	105,044,103	92,419,890	127,851,363	139,400,940	152,869,532	238,735,052
Capital outlay	-	780,736	127,495	133,548	36,455	94,771	33,338	90,684	48,448	51,852
Debt service										
Principal	16,259,176	15,641,774	15,025,065	14,578,406	13,310,000	12,920,000	24,664,165	115,000,000	21,000,000	20,000,000
Interest and fiscal charges	7,411,302	4,923,929	7,501,866	8,002,250	8,371,509	8,852,994	8,902,097	5,644,154	1,098,535	794,172
Total Expenditures	187,909,850	222,881,228	146,320,406	149,306,837	136,406,587	123,573,455	170,302,128	268,680,070	182,884,597	267,078,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,660,842)	(49,422,851)	(17,156,479)	(19,986,656)	(26,893,869)	(6,849,648)	(37,740,882)	(146,293,093)	(57,851,935)	(67,628,112)
OTHER FINANCING SOURCES (USES)										
Transfers in	11,023,892	8,359,259	12,812,599	10,122,759	16,200,028	5,947,273	1,918,798	1,236,864	804,813	5,494,966
Transfers out	(11,023,892)	(8,359,259)	(12,812,599)	(10,122,759)	(16,200,028)	(5,947,273)	(1,918,798)	(1,236,864)	(804,813)	(5,494,966)
Proceeds from long term obligations	65,000,000	-	-	-	-	-	-	270,133,005	46,000,000	-
Total Other Financing Sources (Uses)	65,000,000	-	-	-	-	-	-	270,133,005	46,000,000	-
NET CHANGE IN FUND BALANCES	57,339,158	(49,422,851)	(17,156,479)	(19,986,656)	(26,893,869)	(6,849,648)	(37,740,882)	123,839,912	(11,851,935)	(67,628,112)
Fund Balances - Beginning	(5,604,120)	43,818,731	60,975,210	80,961,866	107,780,382	114,630,030	152,370,912	28,531,000	40,382,935	108,011,047
Cumulative Change in accounting principle	-	-	-	-	75,353	-	-	-	-	-
Fund Balances - Ending	$ 51,735,038	$ (5,604,120)	$ 43,818,731	$ 60,975,210	$ 80,961,866	$107,780,382	$114,630,030	$152,370,912	$ 28,531,000	$ 40,382,935
Debt Service as a Percentage of Noncapital Expenditures	12.60%	9.26%	15.41%	15.14%	15.90%	17.63%	19.71%	44.92%	12.09%	7.79%

Fiscal Year Ended June 30,	Sales Tax Rate	Sales Tax Revenue (in thousands)	Annual Growth	Total Taxable Sales in San Francisco County (in thousands)
2025	0.5%	$ 110,101	1.71%	$ 18,929,557
2024	0.5%	108,250	-2.89%	18,992,558
2023	0.5%	111,474	6.35%	19,496,303
2022	0.5%	104,818	21.13%	19,496,303
2021	0.5%	86,530	-12.83%	18,499,992
2020	0.5%	99,269	-14.18%	14,695,295
2019	0.5%	115,671	14.56%	17,894,572
2018	0.5%	100,970	-0.93%	20,762,507
2017	0.5%	101,922	-0.21%	19,824,321
2016	0.5%	102,137	1.85%	19,334,503

Source: California Department of Tax and Fee Administration.

San Francisco County Transportation Authority

Revenue Capacity – Principal Sales Tax Payers by Segment for the County
Last Ten Fiscal Years (in thousands)

	Fiscal Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Building Material, Garden Equipment & Supplies Dealer	$ 552,173	$ 607,785	$ 653,939	$ 692,779	$ 668,123	$ 678,394	$ 688,526	$ 660,316	$ 586,018	$ 590,523
Clothing and Clothing Accessories Stores	1,516,791	1,485,197	1,686,952	1,732,815	1,350,205	1,592,984	2,004,367	2,081,039	2,099,019	2,129,867
Food and Beverage Stores	789,647	796,833	778,351	742,122	713,524	822,192	859,081	862,682	851,556	845,680
Food Services and Drinking Places	4,746,041	4,562,369	4,474,180	3,761,223	2,052,954	3,756,963	4,958,157	4,806,903	4,680,694	4,573,912
Gasoline Stations	469,810	548,857	573,928	554,725	331,589	440,577	563,607	548,415	445,369	442,063
General Merchandise Stores	639,849	615,892	654,732	708,140	609,807	657,382	767,933	812,795	822,175	857,385
Home Furnishings Stores and Appliance Stores	803,991	767,622	840,426	983,527	821,785	874,722	1,058,102	970,745	917,409	989,560
Motor Vehicle and Parts Dealers	615,225	587,887	571,864	591,880	653,969	565,616	678,081	613,264	613,651	552,476
Other Retail Group	2,418,538	2,470,498	2,566,554	2,620,198	2,568,101	2,666,115	2,582,246	2,469,161	2,292,527	2,171,479
Total Retail and Food Services	12,552,065	12,442,940	12,800,926	12,387,409	9,770,057	12,054,945	14,160,100	13,825,320	13,308,418	13,152,945
All Other Outlets	6,377,492	6,549,618	6,695,377	6,112,583	4,925,238	5,839,627	6,602,407	5,999,001	6,026,085	6,226,000
Total All Outlets	$ 18,929,557	$ 18,992,558	$ 19,496,303	$ 18,499,992	$ 14,695,295	$ 17,894,572	$ 20,762,507	$ 19,824,321	$ 19,334,503	$ 19,378,945

Source: California Department of Tax and Fee Administration.

Fiscal Year Ended June 30,	Revolving Credit Agreement	Lease/SBITA Liability	Sales Tax Revenue Bonds	Debt Per Capita	Total Debt as a % of Personal Income
2025	$ 65,000,000	$ 164,690	$ 176,672,221	$ 289	0.16%
2024	-	1,298,866	193,012,944	241	0.14%
2023	-	1,907,273	208,773,667	264	0.15%
2022	-	2,807,338	224,114,390	282	0.17%
2021	-	-	239,040,113	271	0.19%
2020	-	-	253,565,836	287	0.20%
2019	-	-	267,701,559	304	0.22%
2018	24,664,165	-	268,917,282	333	0.25%
2017	139,664,165	-	-	159	0.13%
2016	114,664,165	-	-	131	0.12%

The Transportation Authority does not have overlapping debt with other governmental agencies. Additionally, the Transportation Authority does not have a legal debt limit.

San Francisco County Transportation Authority

Debt Capacity – Pledge Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Available Revenue	Annual Debt Service			
	Sales Tax Revenue	Principal*	Interest**	Total	Coverage
2025	$ 110,100,758	$ 15,125,000	$ 7,277,953	$ 22,402,953	4.9
2024	108,250,471	14,545,000	4,847,723	19,392,723	5.6
2023	111,473,916	14,125,000	7,467,407	21,592,407	5.2
2022	104,818,305	13,710,000	7,812,156	21,522,156	4.9
2021	86,530,445	13,310,000	8,371,509	21,681,509	4.0
2020	99,268,709	12,920,000	8,852,994	21,772,994	4.6
2019	115,670,918	-	8,864,534	8,864,534	13.0
2018	100,969,925	-	3,464,487	3,464,487	29.1
2017	101,922,012	-	1,098,535	1,098,535	92.8
2016	102,136,600	-	794,172	794,172	128.6

*Excluded from this schedule are the Transportation Authority's payment of outstanding principal under the Revolving Credit Agreement in the amounts of $24,664,165, $115,000,000, $21,000,000 and $20,000,000 for fiscal year 2019, 2018, 2017, and 2016, respectively.

**Includes interest paid under the Transportation Authority's Revolving Credit Agreement and on the outstanding Senior Sales Tax Revenue Bonds.

Fiscal Year Ended June 30,	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Average Unemployment Rate
2025	835,987	$ 147,398,559	$ 176,317	3.9%
2024	827,526	142,436,595	172,123	3.6%
2023	819,151	133,327,237	162,763	2.7%
2022	814,176	125,358,765	153,970	3.3%
2021	815,498	129,774,521	159,135	6.9%
2020	874,826	122,788,484	140,358	4.8%
2019	881,549	117,635,944	133,442	2.3%
2018	880,696	115,444,581	131,083	2.6%
2017	879,166	106,006,635	120,576	3.1%
2016	876,103	96,161,308	109,760	3.4%

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2025.

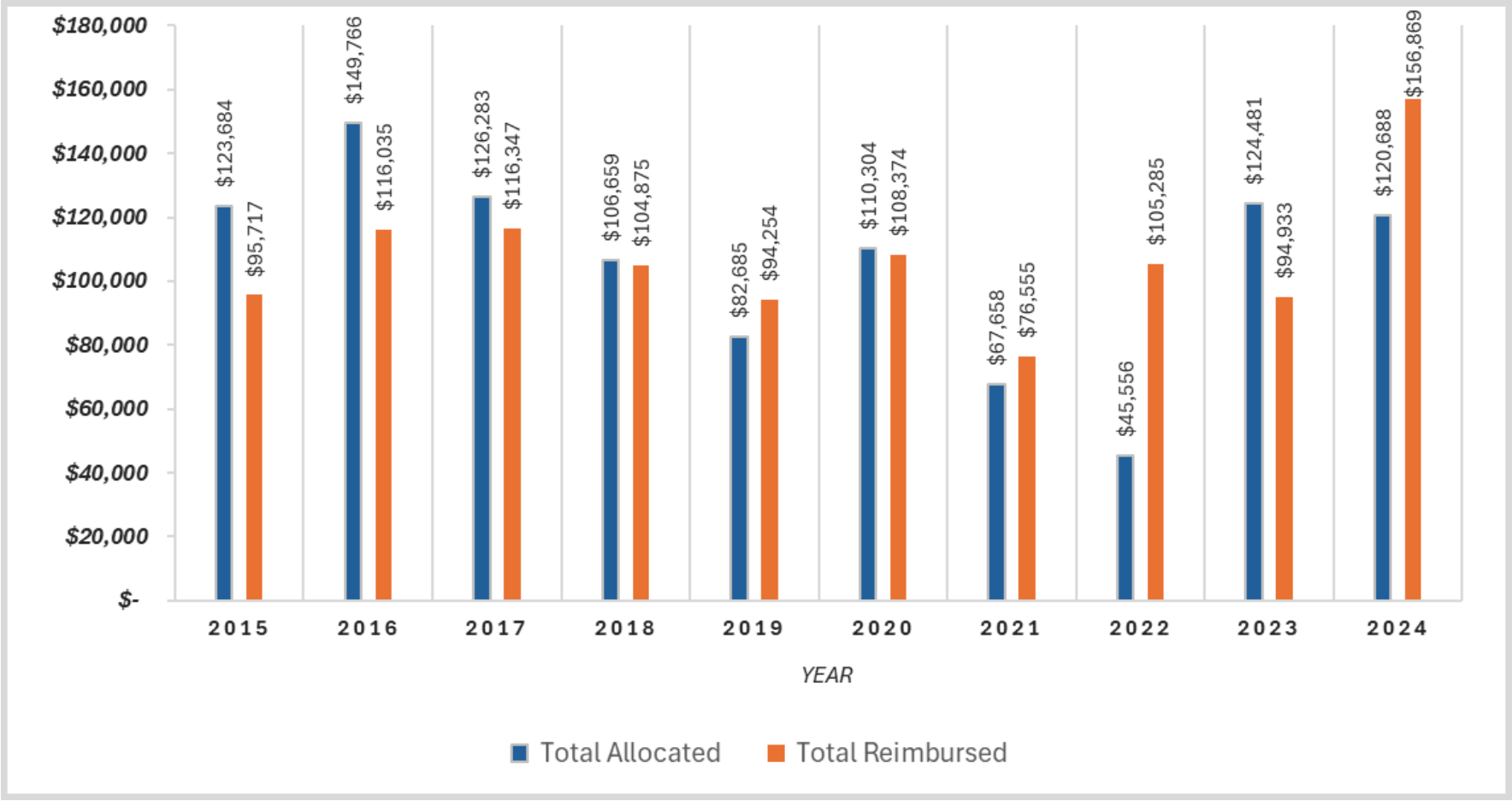
	2023*		
Employer	Rank	Number of Employees	Percentage of Total City Employment
City and County of San Francisco	1	36,822	7.37%
UCSF Health	2	29,475	5.90%
Salesforce	3	11,953	2.39%
United Airlines	4	10,000	2.00%
San Francisco Unified School District	5	9,047	1.81%
Sutter Health	6	6,134	1.23%
Wells Fargo & Co	7	5,886	1.18%
Kaiser Permanente	8	4,676	0.94%
Allied Universal	9	3,827	0.77%
Uber Technologies Inc	10	3,413	0.68%
Total		121,233	

* Most recent information available.

	2014		
Employer	Rank	Number of Employees	Percentage of Total City Employment
City and County of San Francisco	1	26,207	5.19%
University of California, San Francisco	2	20,600	4.09%
San Francisco Unified School District	3	8,497	1.68%
Wells Fargo & Co	4	8,300	1.65%
California Pacific Medical Center	5	5,837	1.16%
Salesforce	6	5,000	0.99%
Gap, Inc	7	4,438	0.88%
PG&E Corporation	8	4,297	0.85%
State of California	9	4,078	0.81%
Kaiser Permanente	10	3,500	0.69%
Total		90,754	

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2025.

	Fiscal Year Ended June 30,									
Function	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Capital Projects	6.00	6.00	5.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00
Executive	10.00	8.00	8.00	5.00	7.00	6.00	7.00	7.00	6.00	6.00
Finance and Administration	10.00	10.00	9.00	10.00	10.00	9.00	9.00	9.00	8.00	6.00
Planning	7.00	7.00	6.00	6.00	6.00	7.00	7.00	8.00	8.00	7.00
Policy and Programming	4.00	6.00	6.00	7.00	8.00	8.00	7.00	8.00	8.00	7.00
Technology, Data, and Analysis	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Employees	42.00	42.00	38.00	36.00	39.00	37.00	37.00	39.00	38.00	34.00



Source: San Francisco County Transportation Authority's Annual Report from 2015 to 2024. Calendar year basis for data presented.

	Fiscal Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Capital assets										
Construction in progress	$ -	$ -	$ 233,100	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Leasehold improvements	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624
Furniture and equipment	1,198,648	1,198,648	1,148,679	1,042,367	908,819	899,864	850,135	856,146	890,753	890,753
Right-to-use subscription assets	963,867	963,867	-	-	-	-	-	-	-	-
Right-to-use leased assets	3,675,744	3,675,744	3,675,744	3,675,744	-	-	-	-	-	-
Total capital assets	8,861,883	8,861,883	8,081,147	7,741,735	3,932,443	3,923,488	3,873,759	3,879,770	3,914,377	3,914,377
Less accumulated depreciation/amortization										
Leasehold improvements	3,023,624	2,790,725	2,557,825	2,324,925	2,092,025	1,859,125	1,626,225	1,393,325	1,160,425	927,525
Furniture and equipment	1,122,839	1,019,167	920,001	866,345	829,824	816,496	798,126	773,396	825,211	762,439
Right-to-use subscription assets	642,578	321,289	-	-	-	-	-	-	-	-
Right-to-use leased assets	3,675,744	2,756,808	1,837,872	918,936	-	-	-	-	-	-
Total accumulated depreciation	8,464,785	6,887,989	5,315,698	4,110,206	2,921,849	2,675,621	2,424,351	2,166,721	1,985,636	1,689,964
Total capital assets, net	$ 397,098	$ 1,973,894	$ 2,765,449	$ 3,631,529	$ 1,010,594	$ 1,247,867	$ 1,449,408	$ 1,713,049	$ 1,928,741	$ 2,224,413

Compliance Section

Independent Auditor's Reports
June 30, 2025

San Francisco County Transportation Authority

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 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 (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise Transportation Authority's basic financial statements, and have issued our report thereon dated November 21, 2025.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.

Eide Bailly LLP

Menlo Park, California
November 21, 2025

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

None reported.

None reported.

San Francisco County Transportation Authority

1455 Market Street, 22nd Floor
San Francisco, CA 94103
415-522-4800
www.sfcta.org