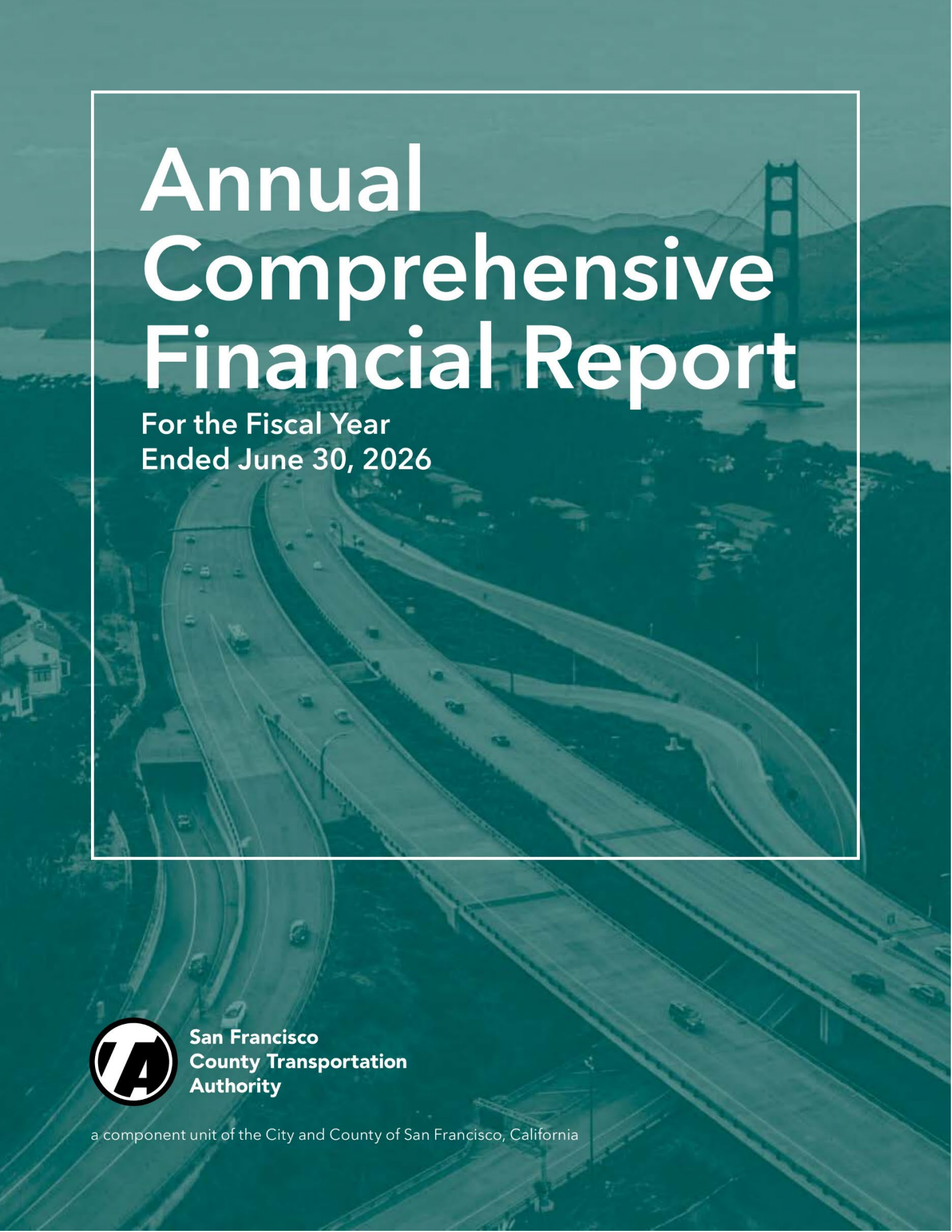


Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2026

San Francisco
County Transportation
Authority

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

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Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2026

Prepared by the Finance and Administration Division

San Francisco County Transportation Authority

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

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Introductory Section

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San Francisco
County Transportation
Authority

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

November 20, 2026
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, 2026. 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.

Crowe LLP, Certified Public Accountants, has issued an unmodified (clean) opinion on the Transportation Authority's financial statements for the year ended June 30, 2026. 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 a major cultural, financial, and technological 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%) countywide 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, and 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 signals, and maintenance.

The Transportation Authority's 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 FY 2025/26, the Transportation Authority led several projects including the Yerba Buena Island (YBI) Hillcrest Road Improvement Project, the YBI Multi-use Pathway Project, and the YBI Torpedo Building and Bimla Rhinehart Vista Point Pier Parking Lot construction projects. Larger regionally partnered projects advanced such as The Portal/Caltrain Downtown Extension (DTX), the I-80/YBI West Side Bridges Seismic Retrofit Project, and the BART Core Capacity Program Fleet.

Major Revenue - Sales Tax

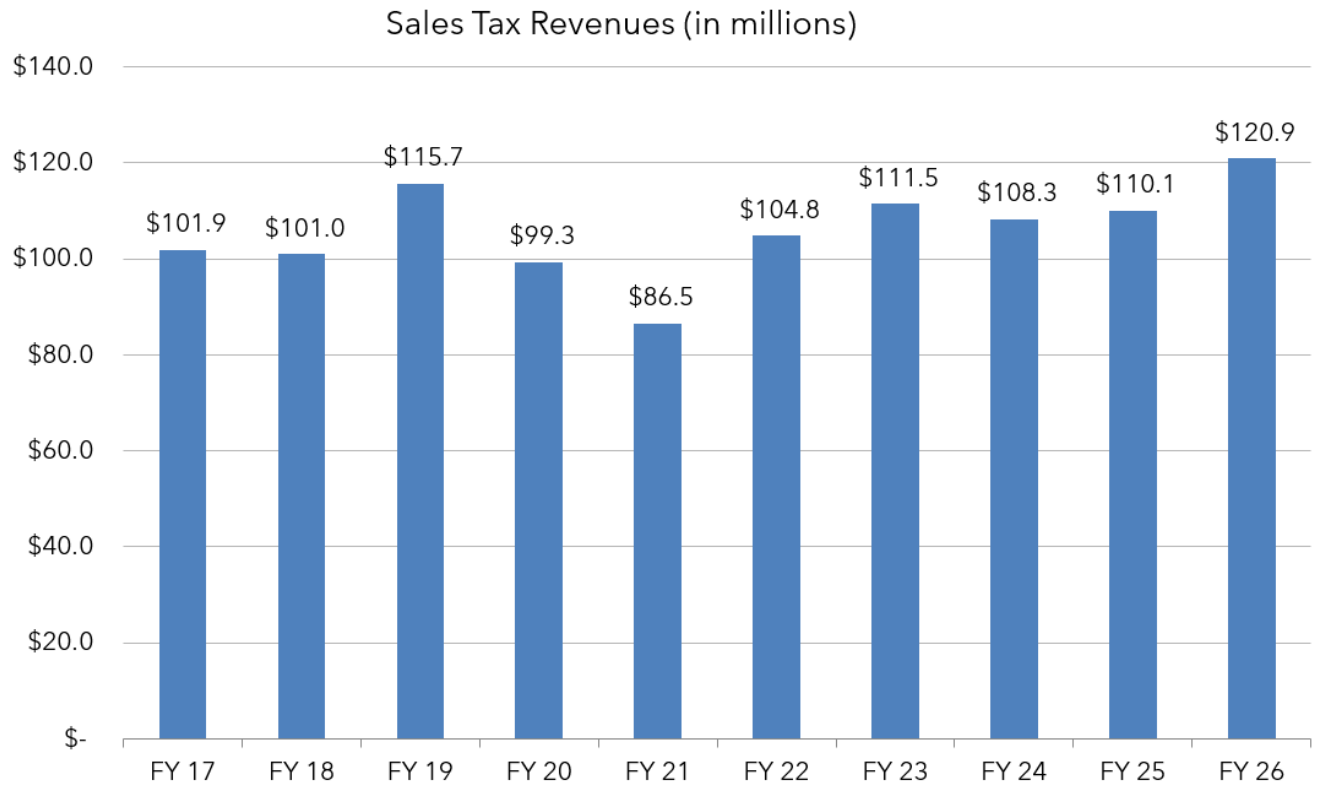
The Funding Act, among other things, authorizes the board of supervisors of any county within the nine-county Bay Area to develop a countywide consensus on a proposed transportation expenditure plan to be submitted to the voters, following various local governmental approvals, as part of an ordinance 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, with 71.79% of the voters approving the measure, 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 also includes 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)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Building Material, Garden Equipment & Supplies Dealer	$ 586,018	$ 660,316	$ 688,526	$ 678,394	$ 668,123	$ 692,779	$ 653,939	$ 607,785	$ 552,173	$ 567,165
Clothing and Clothing Accessories Stores	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	1,615,427
Food and Beverage Stores	851,556	862,682	859,081	822,192	713,524	742,122	778,351	796,833	789,647	833,202
Food Services and Drinking Places	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	5,299,942
Gasoline Stations	445,369	548,415	563,607	440,577	331,589	554,725	573,928	548,857	469,810	496,935
General Merchandise Stores	822,175	812,795	767,933	657,382	609,807	708,140	654,732	615,892	639,849	648,282
Home Furnishings Stores and Appliance Stores	917,409	970,745	1,058,102	874,722	821,785	983,527	840,426	767,622	803,991	935,173
Motor Vehicle and Parts Dealers	613,651	613,264	678,081	565,616	653,969	591,880	571,864	587,887	615,225	559,175
Other Retail Group	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	2,571,655
Total Retail and Food Services	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	13,526,956
All Other Outlets	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	7,430,169
Total All Outlets	$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	$20,957,125

Source: California Department of Tax and Fee Administration.



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

In FY 2025/26, sales tax revenues totaled $120.9 million, representing an increase of $10.8 million, or 9.8%, compared to FY 2024/25. This significant growth follows a modest increase of approximately 1.7% in the previous fiscal year. The increase in sales tax revenues coincided with improved economic activity across several business sectors, particularly consumer-oriented industries.

According to data from the California Department of Tax and Fee Administration, taxable sales increased in several categories, including clothing and clothing accessories stores, food services and drinking places, and home furnishings and appliance stores. The food services and drinking places segment experienced an increase of approximately 11.7% compared to FY 2024/25, reaching approximately $5.3 billion in taxable sales. Home furnishings and appliance stores experienced a higher growth rate of 16.3% as compared to food services and drinking places and generated $935.2 million. Looking forward, the Transportation Authority anticipates continued economic uncertainty associated with tariffs, inflation, and interest rates, which may influence consumer spending and future sales tax collections. The Transportation Authority will continue to closely monitor sales tax revenue trends, particularly as return-to-office activity increases and emerging technology and artificial intelligence (AI) companies continue to establish and expand their presence in San Francisco.

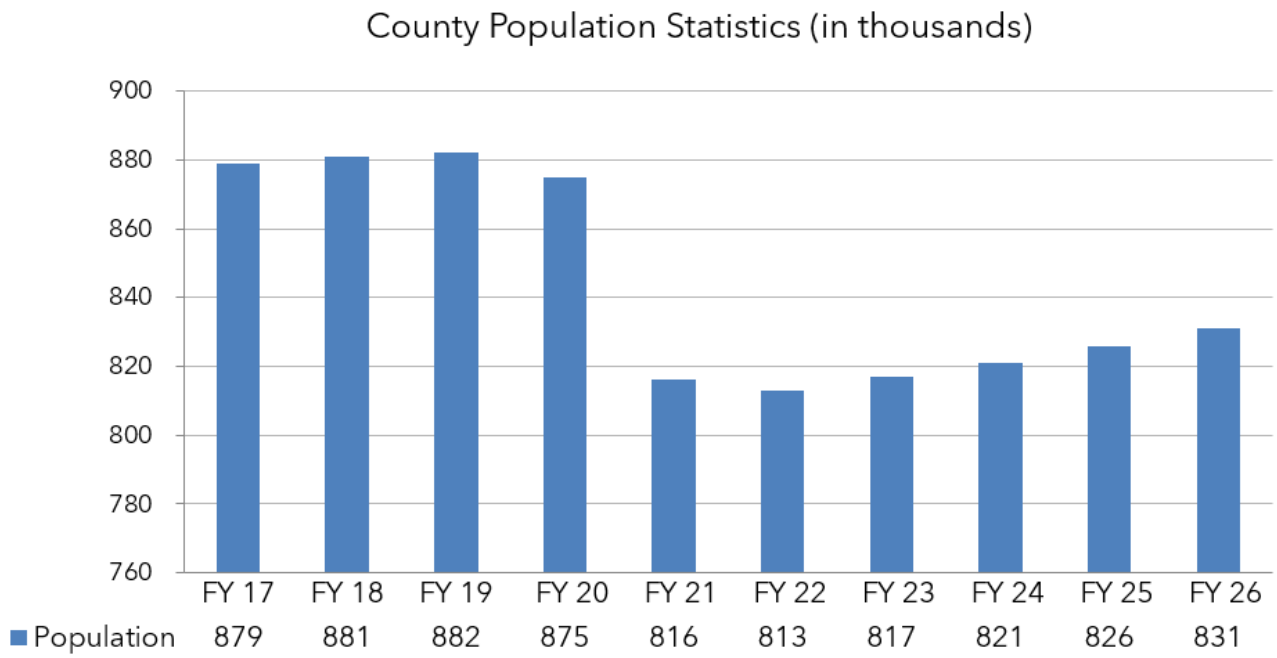
Local Economy (revenue drivers)

San Francisco's economy is supported by a diverse range of industries, including financial services, tourism and hospitality, and high technology. These industries influence local economic activity, employment, personal income, and consumer spending, which, in turn, affect sales tax revenues. During FY 2025/26, San Francisco continued to experience changes in its economic landscape, including increased investment in AI, evolving workplace attendance patterns, and ongoing uncertainty surrounding inflation, interest rates, and federal trade policies. In February 2026, the San Francisco Bay Area hosted Super Bowl LX, bringing increased tourism and business activity to the region. San Francisco also continued to attract investment in emerging technologies, particularly AI, reinforcing its position as a major center for technological innovation. While these developments provided opportunities for economic growth, businesses and consumers continued to face uncertainty associated with federal tariffs and broader economic conditions.

San Francisco's commercial real estate market continued to adjust to changing workplace practices, with an uneven recovery characterized by increased demand from the AI sector and continued challenges in the traditional downtown office market. Return-to-office initiatives and increased business activity contributed to evolving demand for office space, although vacancy rates remained elevated relative to pre-pandemic levels. San Francisco's residential rental and housing markets also experienced increased demand during FY 2025/26. Limited single-family home inventory and continued interest from buyers contributed to rising housing prices, while increased investment in emerging technologies further influenced local housing market conditions. The local economy continued to demonstrate signs of recovery and adjustment, particularly in consumer-oriented industries such as food services and hospitality, and retail trade. Nevertheless, economic conditions remained uneven across sectors, and uncertainty surrounding employment trends, inflation, and consumer spending continued to influence the region's economic outlook.

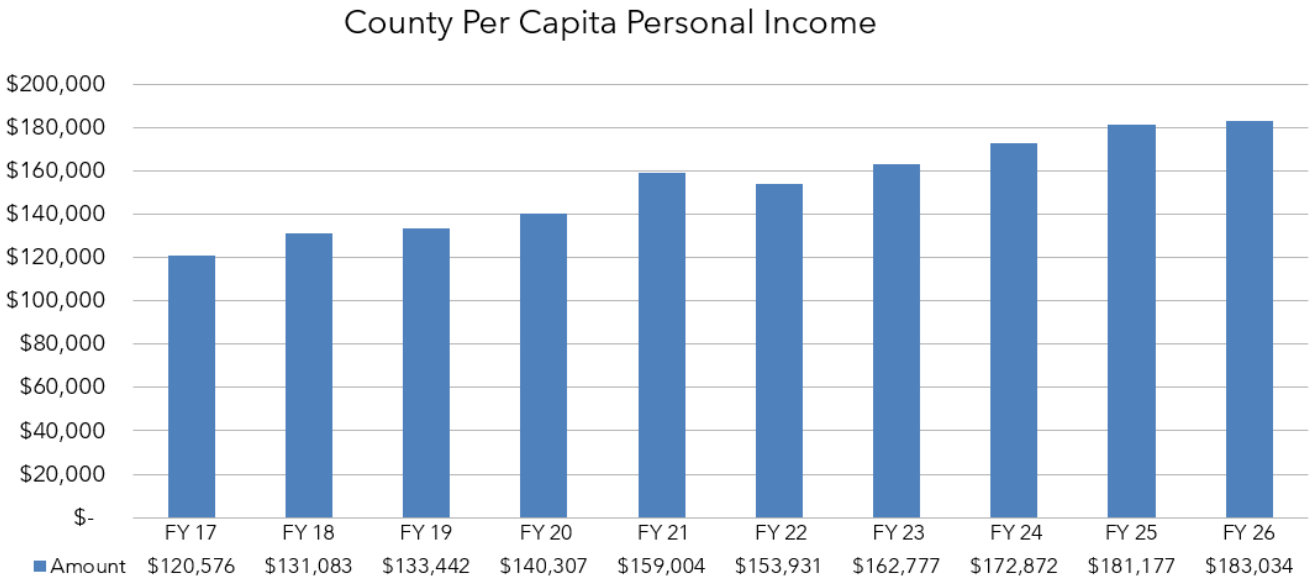
Return-to-office initiatives and increased business activity contributed to evolving demand for office space, although vacancy rates remained elevated relative to pre-pandemic levels of approximately 5% in 2019. San Francisco's office vacancy rate decreased to 31% in June 2026, compared to 35% in the prior year. Apartment rents grew 14% compared to the previous year, while San Francisco housing prices increased at double-digit rates despite declining prices statewide. The median single-family home price increased to nearly $1.6 million, a 19% increase from the previous year. Healthcare, leisure and hospitality, and retail trade industries continued to experience steady growth. Despite improving economic activity, the recovery remained slow. While economic indicators continued to fluctuate, the data suggested movement toward stability following the significant economic disruptions caused by the COVID-19 pandemic.

The estimated population of the City and County of San Francisco in FY 2025/26 was 831,245, representing an increase of approximately 0.6% compared to 826,079 in FY 2024/25. Despite this increase, the population remained approximately 5.5% below the FY 2016/17 population of 879,166.



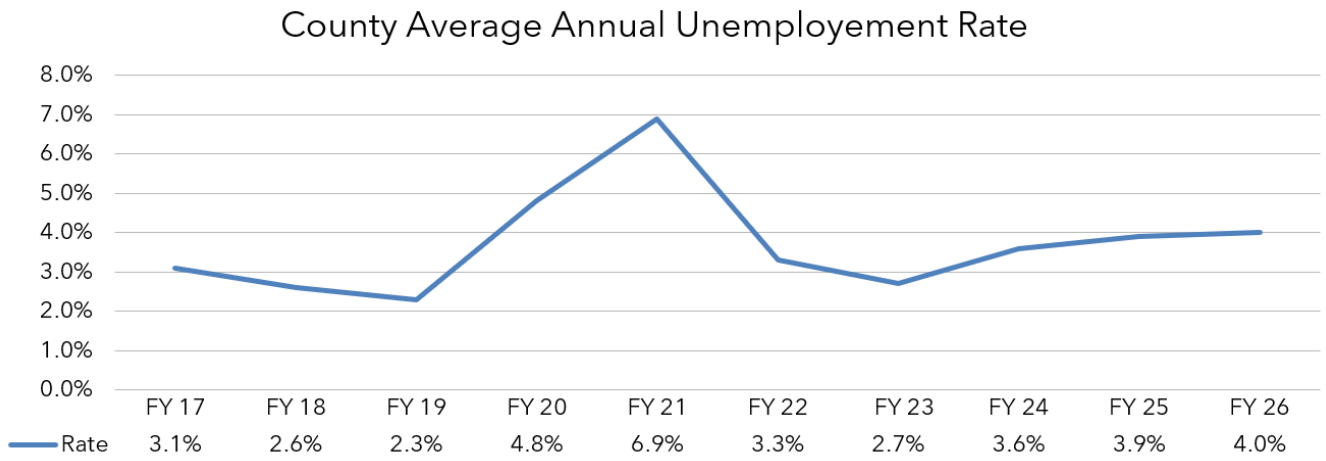
Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2026.

The estimated per capita personal income for the City and County of San Francisco increased from $120,576 in FY 2016/17 to $183,034 in FY 2025/26, representing an increase of approximately 51.8% over the ten-year period. Compared to FY 2024/25, per capita personal income increased approximately 1.0%.



Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2026.

San Francisco's average annual unemployment rate increased from 3.1% in FY 2016/17 to 4.0% in FY 2025/26, representing an increase of 0.9 percentage points over the ten-year period. Compared to FY 2024/25, the unemployment rate increased from 3.9% to 4.0%. Ongoing layoffs in the technology sector, including those announced by companies such as Amazon, Meta, and Oracle, along with elevated office vacancy rates, continued to present challenges for traditional technology and office-related employment. While the local economy continued to benefit from investment in emerging technologies, particularly AI, uncertainty remained regarding the longer-term effects of technological developments on employment. Broader economic conditions, including inflation, interest rates, and federal trade policies, also continued to influence the local labor market. Overall, San Francisco's unemployment rate remained below the statewide rate of 5.2%.



Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2026.

San Francisco continues to be a major destination for tourism, business, and technological innovation. The long-term economic outlook remains cautiously optimistic, supported by continued investment in emerging industries, increased business activity, and major regional events. However, elevated commercial office vacancy rates, evolving employment trends, and broader economic uncertainty continue to present challenges to sustain economic growth.

Major Capital Project Expenditures

In FY 2025/26, 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 multimodal 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 mid-2030s. The Transportation Authority has allocated over $250 million in sales tax funds to the Transbay Program, with an additional $278 million programmed but not yet allocated from the Prop L Strategic Plan as of June 30, 2026. The Transportation Authority reimbursed the Transbay Joint Powers Authority nearly $11 million in FY 2025/26 and allocated $12.5 million.

- The single project reimbursed the most in FY 2025/26 was for BART Core Capacity - Fleet of the Future 54 Expansion Vehicles. The Transportation Authority reimbursed BART just under $23 million for the project last fiscal year, and 43 of the 54 expansion trains have been delivered and placed into revenue service as of June 30, 2026.

- 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 over $460 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 nearly $192 million. The Transportation Authority also reimbursed the SFMTA $4.5 million for Phase 1 of its New Flyer Midlife Overhauls and allocated $12.6 million for Phase 2.

- The Transportation Authority is also overseeing the delivery of multiple capital project efforts on Yerba Buena Island. The West Side 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 in early 2027.

  The Transportation Authority also led the Hillcrest Road Improvement Project, which upgraded the roadway to modern roadway and seismic standards and provided additional space for multimodal travel between the islands and the eastern span of the Bay Bridge. Construction started in June 2024 and was completed in March 2026. In FY 2025/26, the Transportation Authority expended $33.4 million on the West Side Bridges Retrofit Project and $11.5 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 as of June 30, 2026, was $148.8 million, with $10.9 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, 2026, the Transportation Authority has drawn $109.1 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, and S&P Global affirmed a rating of AA+. 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 and places the Transportation Authority among the highest rated organizations in California.

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

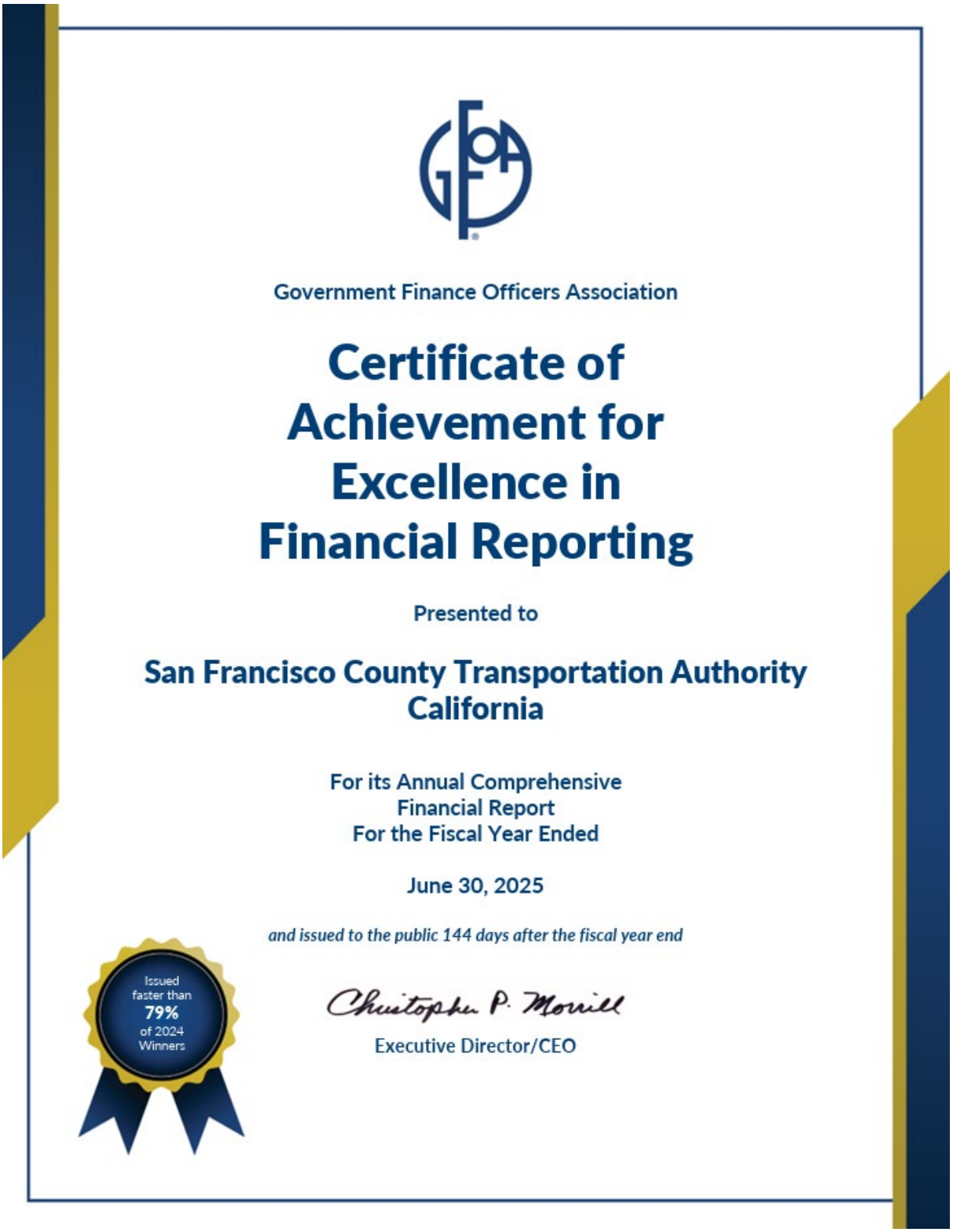
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Transportation Authority for its ACFR for the fiscal year ended June 30, 2025. In order to be awarded a Certificate of Achievement, the local government 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 is also 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

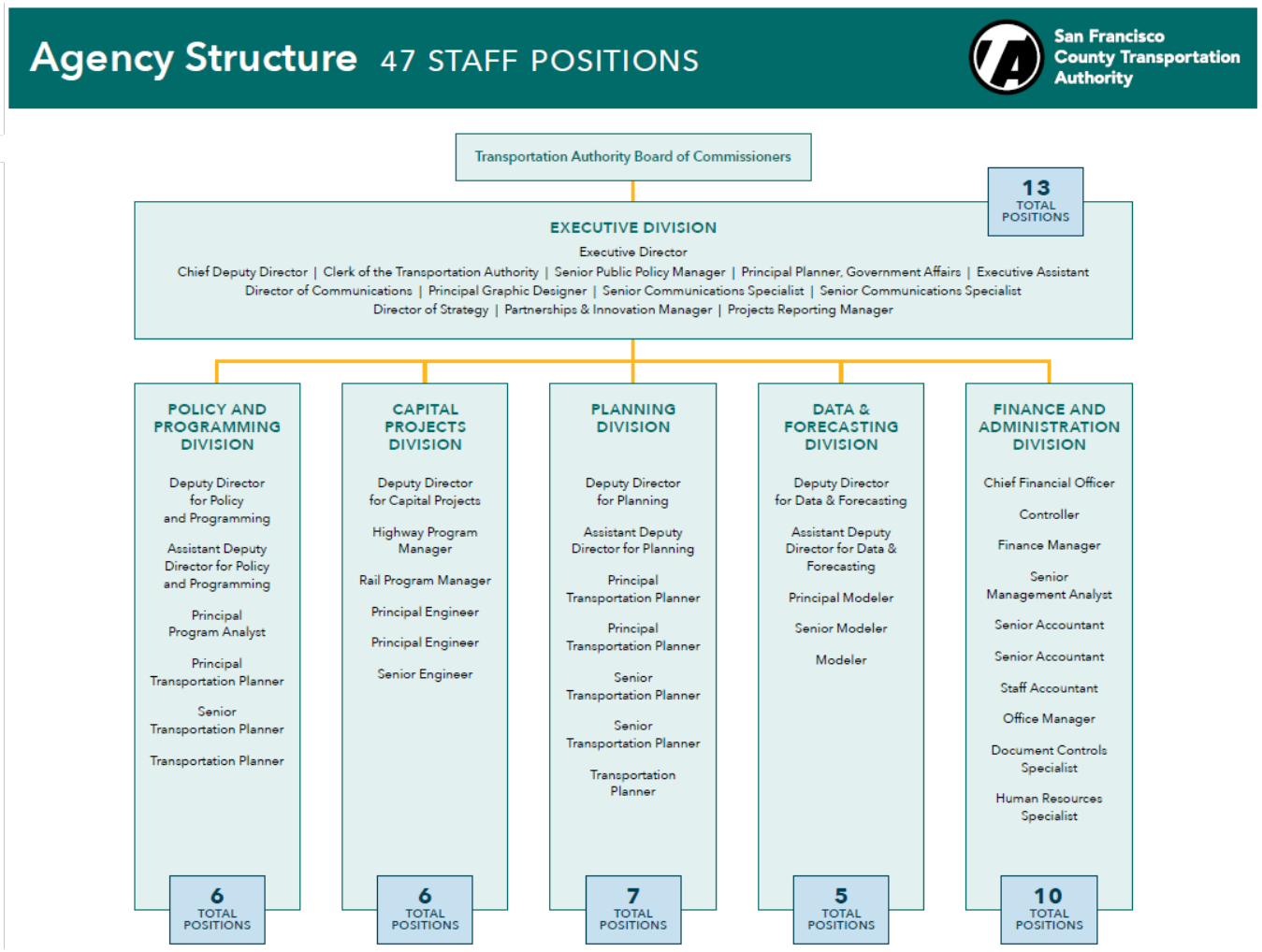
June 30, 2025

and issued to the public 144 days after the fiscal year end

Issued faster than 79% of 2024 Winners

Christopher P. Morrill

Executive Director/CEO


Agency Structure 47 STAFF POSITIONS
San Francisco County Transportation Authority
Transportation Authority Board of Commissioners
13 TOTAL POSITIONS
EXECUTIVE DIVISION
Executive Director
Chief Deputy Director | Clerk of the Transportation Authority | Senior Public Policy Manager | Principal Planner, Government Affairs | Executive Assistant
Director of Communications | Principal Graphic Designer | Senior Communications Specialist | Senior Communications Specialist
Director of Strategy | Partnerships & Innovation Manager | Projects Reporting Manager
POLICY AND PROGRAMMING DIVISION
Deputy Director for Policy and Programming
Assistant Deputy Director for Policy and Programming
Principal Program Analyst
Principal Transportation Planner
Senior Transportation Planner
Transportation Planner
6 TOTAL POSITIONS
CAPITAL PROJECTS DIVISION
Deputy Director for Capital Projects
Highway Program Manager
Rail Program Manager
Principal Engineer
Principal Engineer
Senior Engineer
6 TOTAL POSITIONS
PLANNING DIVISION
Deputy Director for Planning
Assistant Deputy Director for Planning
Principal Transportation Planner
Principal Transportation Planner
Senior Transportation Planner
Senior Transportation Planner
Transportation Planner
7 TOTAL POSITIONS
DATA & FORECASTING DIVISION
Deputy Director for Data & Forecasting
Assistant Deputy Director for Data & Forecasting
Principal Modeler
Senior Modeler
Modeler
5 TOTAL POSITIONS
FINANCE AND ADMINISTRATION DIVISION
Chief Financial Officer
Controller
Finance Manager
Senior Management Analyst
Senior Accountant
Senior Accountant
Staff Accountant
Office Manager
Document Controls Specialist
Human Resources Specialist
10 TOTAL POSITIONS

Commissioners and Officials

As of June 30, 2026

Commissioners:

Myrna Melgar – Chair

Danny Sauter – Vice Chair

Connie Chan

Chyanne Chen

Matt Dorsey

Jackie Fielder

Bilal Mahmood

Rafael Mandelman

Stephen Sherrill

Shamann Walton

Alan Wong

Executive Director:

Tilly Chang

Chief Deputy Director:

Maria Lombardo

Deputy Directors:

Cynthia Fong – Finance and Administration

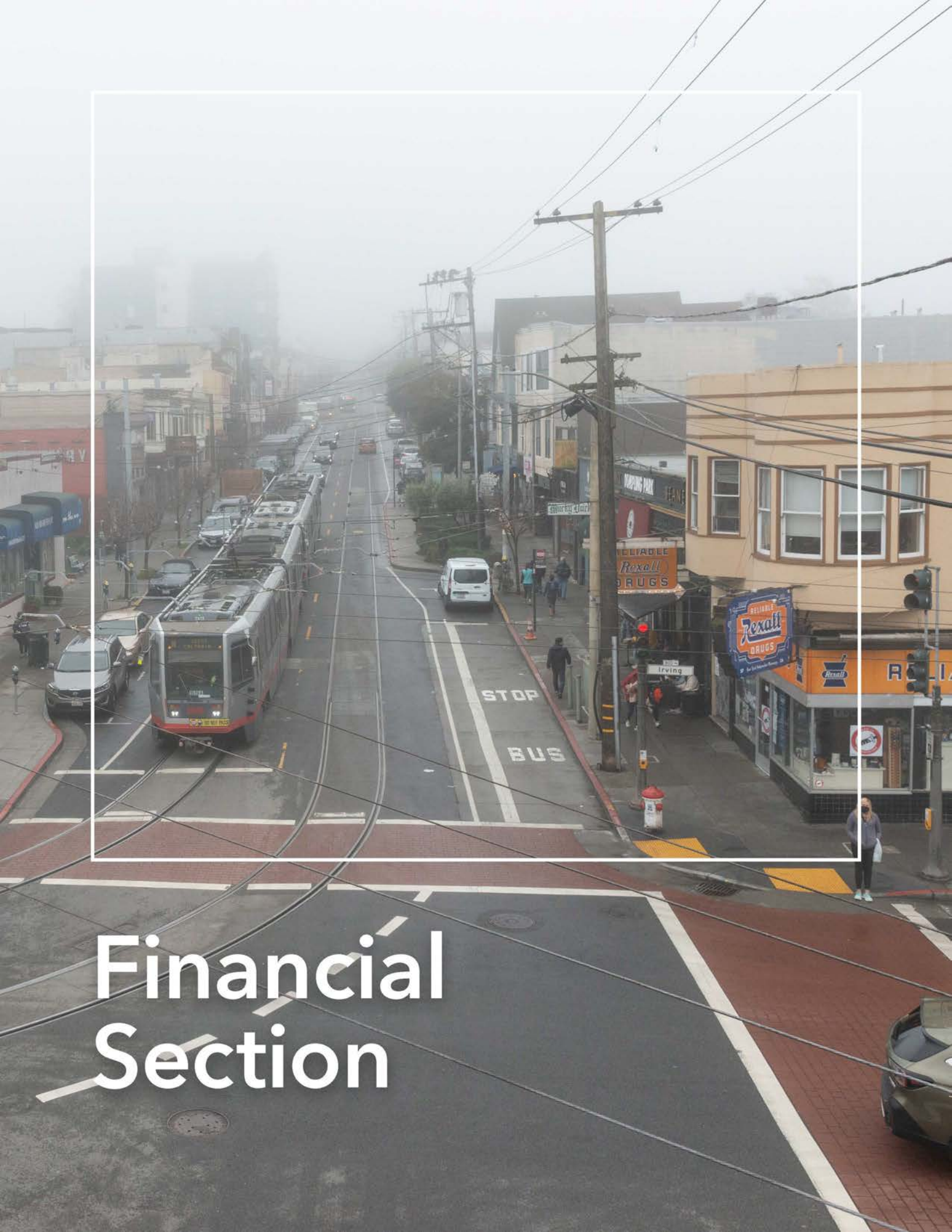
Stephen Chun – Communications

Rachel Hiatt – Planning

Carl Holmes – Capital Projects

Jesse Koehler – Strategy

Anna LaForte – Policy and Programming



Financial Section

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Crowe LLP
Independent Member Crowe Global

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, 2026, 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, 2026, 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.

(Continued)

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.

(Continued)

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 20, 2026 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.

Crowe LLP

Crowe LLP

San Francisco, California
November 20, 2026

Management's Discussion and Analysis

The purpose of management's discussion and analysis (MD&A) is to help San Francisco residents and other readers understand what the financial statements and notes in this financial report say about the San Francisco County Transportation Authority's (Transportation Authority's) financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the Transportation Authority'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

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 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 (FY). 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 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 and County of San Francisco's (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 countywide plan in 2004 and periodically updates the plan. The SFTP 2050 was adopted in December 2022. In FY 2025/26, the Transportation Authority conducted a second round of outreach and substantially completed a focused 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. SFTP+ is expected to be presented to the Board for adoption in late 2026.

  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:** Phase 1 work was completed April 30, 2020, and project closeout is underway. For Phase 2, the environmental revalidation was completed in May 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 (completed in May 2026) 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 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.

  The project includes providing a Class I multi-use path to improve the bicycle and pedestrian circulation network on YBI and a retaining wall via contract change order to save cost. Construction started in May 2023, and is scheduled to be completed by early 2027.

- **Hillcrest Road Improvement Project:** The project will improve safety of the existing Hillcrest Road between the West Side 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 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 a Class I multi-use path to improve the bicycle and pedestrian circulation network on YBI. Construction started in June 2024, and was completed in March 2026. The project is in post-construction phase now.

- **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 is 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 project team completed design in early 2026, and construction began in July 2026. YBI MUP Segment 2 was completed via contract change orders to Hillcrest Road Improvement Project, and YBI Segment 3 will be completed as a contract change order to the West Side Bridges Project. YBI MUP Segment 1 is in design and may start construction in 2027, if funding is available.

- **Bimla Rhinehart Vista Point Pier Parking Lot:** The project provides parking and restroom facilities for the Bimla Rhinehart vista point park as well as bicycle and pedestrian access from the Bay Bridge to the vista point. The vista point was constructed after replacement of the Bay Bridge East Span and provides viewing access of the remaining bridge pier. The project also provides parking adjacent to the historic Torpedo Building which was weatherproofed as part of the Southgate Ramps Project. Construction began in March 2025 and is scheduled to be completed in September 2026.

Other Major Programs and Projects as Special Revenue Funds

- **Transportation Fund for Clean Air (TFCA) Program**: The nine-county Bay Area region 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 designated administering agencies in each county based on the number of motor vehicle registrations in each county, and may pass through additional funds, at its discretion. As the administering agency for the City, the Transportation Authority recommends projects that benefit air quality by reducing motor vehicle emissions. The TFCA Program accounts for this activity.

- **Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Fund**: This fund accounts for the Prop AA Vehicle Registration Fee (VRF) for Transportation Improvements Program collections of the $10 per vehicle registration in San Francisco, approved by San Francisco voters in November 2010. The VRF proceeds are used to fund transportation projects identified in the Prop AA Expenditure Plan. 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 Mobility Management Agency (TIMMA) Fund (continued):** As part of the transportation improvements supporting the development of Treasure Island, the Treasure Island Ferry Terminal Enhancements Project, a component of the Treasure Island Transit Hub, will provide transit shelters, public restrooms, and support spaces. Construction began in January 2026 and is scheduled to be completed in September 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% on fares for shared rides and 3.25% for all other 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 safety improvements, including bicycle and pedestrian safety improvements, traffic calming, traffic signals, and maintenance. The Transportation Authority sets aside 3% for program administration and systematic data collection and analysis of TNC trips in San Francisco.

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.

Financial Summary

Types of Information in the Financial Statements

All of the Transportation Authority's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-1.) In other words, they comprehensively report all types of financial statement elements:

- ***Assets*** – resources the Transportation Authority controls, such as short-term assets like cash and program receivables

- ***Liabilities*** – amounts the Transportation Authority owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions

- ***Deferred outflows of resources and deferred inflows of resources*** – flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related

- ***Revenues and expenses*** – inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as revenue bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from the Revolving Credit Agreement, as well as principal and interest payments on bonds and spending on capital improvements.

Figure A-1. Types of Information Reported in the Transportation Authority's Financial Statements

	Financial Statements	
	Government-Wide	**Governmental Fund**
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term	Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/ expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focuses and bases of accounting can be found in Note 2 to the financial statements, the summary of significant accounting policies, beginning on page 33.

Detailed Analyses

Table 1. Condensed Statement of Net Position

	For the Year Ended			
	June 30, 2026	June 30, 2025	$ Change	Percentage increase (decrease)
Assets:				
Cash, deposits, and investments	$ 100,680,281	$ 99,816,229	$ 864,052	0.9 %
Other assets	91,101,596	76,222,621	14,878,975	19.5
Capital assets	19,006,077	397,098	18,608,979	4,686.2
Total assets	210,787,954	176,435,948	34,352,006	19.5
Deferred outflows of resources	2,855,975	2,736,823	119,152	4.4
Liabilities:				
Other liabilities	76,239,509	92,298,152	(16,058,643)	(17.4)
Long-term liabilities	292,925,736	246,796,274	46,129,462	18.7
Total liabilities	369,165,245	339,094,426	30,070,819	8.9
Deferred inflows of resources	1,269,823	766,934	502,889	65.6
Net Position:				
Investment in capital assets	(485,731)	232,408	(718,139)	(309.0)
Restricted	85,755,926	74,512,155	11,243,771	15.1
Unrestricted deficit	(242,061,334)	(235,433,152)	(6,628,182)	(2.8)
Total net position (deficit)	$ (156,791,139)	$ (160,688,589)	$ 3,897,450	2.4 %

Table 1 shows that as of June 30, 2026, the Transportation Authority's statement of net position shows liabilities and deferred inflows exceeded its assets and deferred outflows by $156.8 million at year ended June 30, 2026, an improvement of approximately $3.9 million, or 2.4%, as compared to prior year. Most of the increase in net position was the result of the financial performance of the governmental activities. The following sections of MD&A analyze the finances of the governmental activities.

Governmental activities

Table 2 shows that revenues exceed expenses in the current year, resulting in an increase in net position. The total net position of the Transportation Authority's governmental activities was a deficit of $156.8 million, an increase of $3.9 million or 2.4% from prior year. Various events contributed to this increase in net position; however, the two primary factors affecting the change in net position are as follows:

1) Growth in sales tax revenues and TNC tax revenues due to the strength of the local economy
2) Increases in transportation improvement expenditures.

Table 2. Condensed Statement of Activities

	For the Year Ended			
	June 30, 2026	June 30, 2025	$ Change	Percentage increase (decrease)
Revenues:				
General				
Sales tax	$ 120,926,378	$ 110,100,758	$ 10,825,620	9.8 %
Vehicle registration fee	4,612,418	4,581,797	30,621	0.7
Traffic congestion mitigation tax	11,910,012	9,283,882	2,626,130	28.3
Investment income	2,591,402	2,503,461	87,941	3.5
Program operating grants and contributions	59,979,875	60,742,138	(762,263)	(1.3)
Total revenues	200,020,085	187,212,036	12,808,049	6.8
Expenses:				
Transportation improvement	189,633,238	166,192,602	23,440,636	14.1
Interest	6,489,397	5,954,267	535,130	9.0
Total expenses	196,122,635	172,146,869	23,975,766	13.9
Change in net position	3,897,450	15,065,167	(11,167,717)	(74.1)
Net position, beginning of year	(160,688,589)	(175,753,756)	15,065,167	8.6
Net position, end of year	$ (156,791,139)	$ (160,688,589)	$ 3,897,450	2.4 %

Increases in revenues due to economic growth

The economic momentum in San Francisco has driven expansion across key revenue streams for the Transportation Authority, particularly in sales tax revenues and TNC tax revenues.

Sales tax revenues remain the primary revenue generator for governmental activities, bringing in $120.9 million in FY 2025/26, representing 60.5% of total governmental activities revenue. This reflects a $10.8 million or 9.8% increase over the $110.1 million recorded in FY 2024/25, marking a notable acceleration following a modest 1.7% growth in the previous year and a slight decline two years prior. Multiple sectors contributed to this upturn, including substantial sales tax growth in restaurants, online retail, construction, and technology related business-to-business sales. Online retail sales tax growth was boosted by an overall growing economy, including AI-related income growth. Restaurant sales tax growth factors included income growth along with recovering growth in visitor traffic, including return to work, business travel, and leisure travel. Construction and business-to-business growth are largely a factor of strong technology and AI-related investments. While the San Francisco economy previously had been slow to emerge from the lingering effects of the pandemic and post-pandemic changes, FY 2025/26 saw a resurgence in consumer activity because of pent-up demand releasing into the economy post-pandemic and broader economic revitalization.

In parallel, TNC tax revenues grew by $2.6 million or 28.3%, rising from $9.3 million to $11.9 million in FY 2025/26. The increase in TNC tax revenues is attributed to the expiration of a temporarily discounted tax rate for zero emissions TNC rides as of December 31, 2024, higher trip volumes generated by major one-time public events like the Super Bowl and FIFA World Cup, and positive spillover effects from the ongoing regional surge in AI-related investment.

Increases in transportation improvement expenses

In FY 2025/26, transportation improvement expenses rose by $23.4 million, up from $166.2 million to $189.6 million. This growth is primarily driven by an increase of $23.9 million in General Fund activities. Key expenditure drivers for FY 2025/26 include Transbay Joint Powers Authority's The Portal/DTX project, BART's Core Capacity Program, SFMTA's New Flyer Midlife Overhauls, and SFMTA's San Francisco Paratransit Program. Construction activities for these projects have progressed significantly in FY 2025/26, with additional details provided in the Letter of Transmittal.

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. Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

The Transportation Authority reports six major funds individually in the governmental fund financial statements. Those funds are the General Fund, the CMA Programs, the TFCA Program, the Prop AA Program, the TIMMA Fund, and the TNC Tax Program. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the Transportation Authority's current financial health are more apparent in the fund financial statements than in the government-wide financial statements.

Table 3. Condensed Balance Sheet

	Sales Tax Program		Consolidated Other Special Revenue Funds		Total			
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	$ Change	Percentage increase (decrease)
Assets:								
Cash, deposits, & investments	$ 41,022,955	$ 48,344,407	$ 59,657,326	$ 51,471,822	$ 100,680,281	$ 99,816,229	$ 864,052	0.9 %
Other assets	49,243,860	33,342,900	68,348,158	56,053,697	117,592,018	89,396,597	28,195,421	31.5
Total assets	$ 90,266,815	$ 81,687,307	$ 128,005,484	$ 107,525,519	$ 218,272,299	$ 189,212,826	$ 29,059,473	15.4
Liabilities:								
Current and other liabilities	$ 58,342,384	$ 69,469,891	$ 42,249,558	$ 33,013,364	$ 100,591,942	$ 102,483,255	$ (1,891,313)	(1.8)
Deferred inflows of resources:								
Unavailable revenues	-	-	38,967,052	34,994,533	38,967,052	34,994,533	3,972,519	11.4
Fund balances:								
Restricted	1,692,187	1,946,447	46,788,874	39,517,622	48,481,061	41,464,069	7,016,992	16.9
Unassigned	30,232,244	10,270,969	-	-	30,232,244	10,270,969	19,961,275	194.3
Total fund balances	31,924,431	12,217,416	46,788,874	39,517,622	78,713,305	51,735,038	26,978,267	52.1
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 90,266,815	$ 81,687,307	$ 128,005,484	$ 107,525,519	$ 218,272,299	$ 189,212,826	$ 29,059,473	15.4 %

General Fund

General Fund activities reported an ending fund balance of $31.9 million, representing an increase of $19.7 million or 161.3% as compared to the prior year. Key drivers of this escalation include: (1) a net increase of $8.6 million in total assets, which is attributed to an increase of $15.9 million in other assets, offset by a decrease of $7.3 million in cash, deposits and investments, and (2) a decrease of $11.1 million in current and other liabilities reflecting lower outstanding payables owed to the City.

General Fund cash, deposits, and investments decreased by $7.3 million year-over-year, reflecting a lower bank balance in the City's Treasury Pool compared to FY 2024/25. Annual deposit levels within the City's Treasury Pool fluctuate based on the volume of capital project reimbursements submitted under the Sales Tax and TNC Tax programs. Conversely, other assets increased by $15.9 million, primarily due to an increase of $3.5 million in sales tax receivable and an increase of $12.3 million in interfund transfers due to the General Fund from CMA Programs. May and June sales tax receipts collected after June 30, 2026 were higher compared to prior year, due to the increase of sales tax revenues. The majority of the interfund transfers increase is related to the timing of grant reimbursements for the YBI West Side Bridges Project and the Hillcrest Road Improvement Project not yet collected.

Current and other liabilities from General Fund activities decreased by $11.1 million, which is mainly due to a decrease in accounts payable to City program sponsors as reimbursement requests have been processed more quickly and issues resolved faster than in prior year. Most notably, outstanding liabilities related to SFMTA's San Francisco Paratransit Program saw a substantial reduction of approximately $8.3 million as projects reached completion and closeout.

Consolidated Other Special Revenue Funds

The Transportation Authority's Consolidated Special Revenue Funds reported an ending fund balance of $46.8 million, an increase of $7.3 million or 18.4% as compared to the prior year. The increase in fund balance is mainly attributed to increased total assets in the TNC Tax Program as compared to the prior year. The total fund balance is composed of a balance of $46.8 million restricted fund balance for transportation projects under the TFCA Program, the Prop AA Program, and the TNC Tax Program.

Cash, deposits, and investments from Special Revenue Fund activities increased by $8.2 million or 15.9% as compared to the prior year. This is primarily driven by a $9.7 million increase in cash, deposits, and investments for the TNC Tax Program from higher TNC tax revenues. This increase is offset by a $1.5 million decrease in cash, deposits, and investments for the Prop AA Program mainly due to the completion of San Francisco Public Works' (SFPW) Street Pavement Renovation projects and Pedestrian Safety Improvement projects in FY 2024/25. Other assets increased by $12.3 million, which is primarily due to an increase in program receivables for the YBI West Side Bridges project in the CMA Program. Concurrently, current and other liabilities increased by $9.2 million, mainly from increases in accounts payable in the CMA and the TNC Tax Programs. Unavailable revenues increased by $4.0 million, largely due to regional program revenues for the YBI West Side Bridges and the Bimla Rhinehart Vista Point Pier E-2 Parking Lot projects not yet collected within the 60-day revenue recognition period in the CMA Program.

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

	Sales Tax Program		Consolidated Other Special Revenue Funds		Total			
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	$ Change	Percentage increase (decrease)
Revenues:								
Sales tax	$ 120,926,378	$ 110,100,758	$ -	$ -	$ 120,926,378	$ 110,100,758	$ 10,825,620	9.8 %
Vehicle registration fee	-	-	4,612,418	4,581,797	4,612,418	4,581,797	30,621	0.7
Traffic congestion mitigation tax	-	-	11,910,012	9,283,882	11,910,012	9,283,882	2,626,130	28.3
Investment income	1,288,125	1,091,525	1,303,277	1,411,936	2,591,402	2,503,461	87,941	3.5
Program revenues	-	-	56,007,356	53,779,110	56,007,356	53,779,110	2,228,246	4.1
Total revenues	122,214,503	111,192,283	73,833,063	69,056,725	196,047,566	180,249,008	15,798,558	8.8
Expenditures:								
Transportation improvement	128,979,434	86,415,404	79,723,861	77,823,968	208,703,295	164,239,372	44,463,923	27.1
Debt service	24,321,224	23,670,478	-	-	24,321,224	23,670,478	650,746	2.7
Total expenditures	153,300,658	110,085,882	79,723,861	77,823,968	233,024,519	187,909,850	45,114,669	24.0
Excess (deficiency) of revenues over (under) expenditures	(31,086,155)	1,106,401	(5,890,798)	(8,767,243)	(36,976,953)	(7,660,842)	(29,316,111)	(382.7)
Other financing sources (uses):								
Transfers in	-	-	13,162,050	11,023,892	13,162,050	11,023,892	2,138,158	19.4
Transfers out	(13,162,050)	(11,023,892)	-	-	(13,162,050)	(11,023,892)	(2,138,158)	19.4
Lease proceeds	19,893,220	-	-	-	19,893,220	-	19,893,220	100.0
Proceeds from debt	44,062,000	65,000,000	-	-	44,062,000	65,000,000	(20,938,000)	(32.2)
Total other financing sources (uses)	50,793,170	53,976,108	13,162,050	11,023,892	63,955,220	65,000,000	(1,044,780)	(1.6)
Net change in fund balances	19,707,015	55,082,509	7,271,252	2,256,649	26,978,267	57,339,158	(30,360,891)	(52.9)
Fund balances, beginning of year	12,217,416	(42,865,093)	39,517,622	37,260,973	51,735,038	(5,604,120)	57,339,158	1,023.2
Fund balances, end of year	$ 31,924,431	$ 12,217,416	$ 46,788,874	$ 39,517,622	$ 78,713,305	$ 51,735,038	$ 26,978,267	52.1 %

General Fund

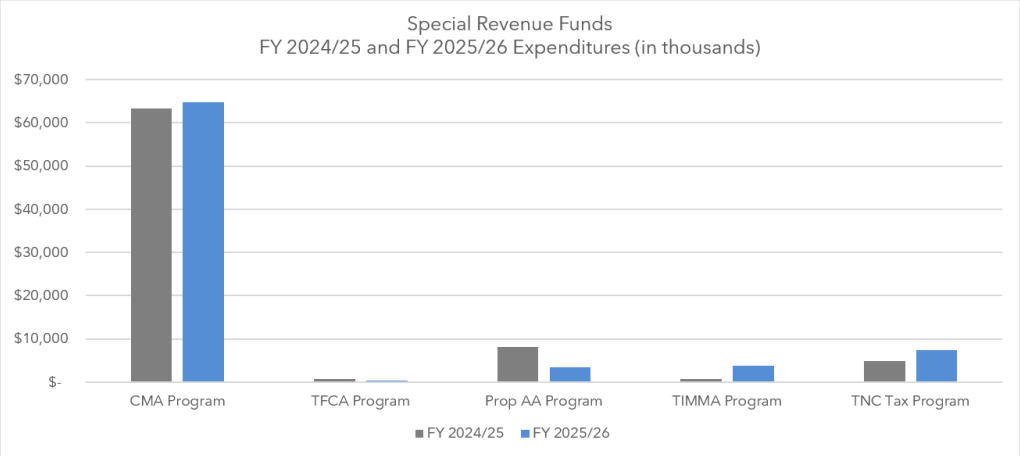
In FY 2025/26, revenues from General Fund activities totaled $122.2 million, an increase of $11.0 million from FY 2024/25, primarily due to an increase in sales tax revenues as mentioned above. Expenditures from General Fund activities exceeded revenues by $31.1 million. Expenditures totaled $153.3 million, an increase of $43.2 million from FY 2024/25, primarily due to an increase of $43.1 million in transportation improvement expenditures. The majority of this increase is driven largely by higher expenditures in FY 2025/26 for various projects including the BART Core Capacity Program, which purchased a fleet of 54 rail cars, and new lease expenditures of $19.9 million.

Consolidated Other Special Revenue Funds

Revenues from Special Revenue Funds rose by $4.8 million or 6.9% from FY 2024/25 to $73.8 million. Key contributors included a $2.6 million increase in TNC tax revenue, $2.2 million increase in CMA program revenues from higher state grant reimbursements for Hillcrest Road Improvements project activities, and regional grant reimbursements for the Bimla Rhinehart Vista Point Pier E-2 Parking Lot project activities.

Expenditures from Special Revenue Funds activities increased by $1.9 million or 2.4%, compared to the prior year. Within the CMA Programs, spending grew by $616 thousand, driven mainly by higher construction expenditures on the YBI West Side Bridges and Hillcrest Road Improvements projects. In contrast, Prop AA Program expenditures saw a $4.6 million decline following the completion of several projects in FY 2024/25, including the L-Taraval Transit Enhancements Project and the Mission and Geneva Pavement Reconstruction Project. TFCA Program expenditures similarly dropped by $376 thousand as SFMTA concluded its Short-term Bike Parking Program in FY 2024/25. Offsetting these reductions, TIMMA Program spending increased by $3.1 million with the commencement of initial year of construction on the Treasure Island Ferry Terminal Enhancements project. Finally, TNC Tax Program expenditures increased by $2.5 million, reflecting accelerated project execution and billing for SFMTA's Vision Zero Quick-Build Program. Year-over-year expenditures by Special Revenue Funds are shown on Chart 1.

Chart 1. Special Revenue Funds Expenditure Comparison (in thousands)



Significant capital asset and long-term financing activity

As of June 30, 2026, the Transportation Authority held $19.0 million in net capital assets (after accounting for accumulated depreciation). The capital assets consist of right-to-use leased office space, leasehold improvements, and furniture and equipment. Net capital assets increased by $18.6 million, driven by a new approximately 20-year lease agreement with the City to remain at the current office located at 1455 Market Street, San Francisco. The lease commenced on July 1, 2025 and will expire on April 30, 2045, with two 5-year extension options. Additional information on the Transportation Authority's capital assets can be found in Note 6 and Note 8 of this report.

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 as of June 30, 2026, is $148.8 million, with $10.9 million of remaining unamortized long-term bond premiums.

In October 2024, the Transportation Authority replaced the $125 million Revolving Credit Agreement with an Amended and Restated Revolving Credit Agreement for $185 million, expiring on October 29, 2027. As of June 30, 2026, $109.1 million was drawn against the Amended and Restated Revolving Credit Agreement, with a remaining balance of $75.9 million.

Total long-term liabilities increased by $46.1 million or 18.7%, to $292.9 million in FY 2025/26, primarily due to the $44.1 million drawdown on the Amended and Restated Revolving Credit Agreement as well as an increase of lease liability of $19.5 million. These increases were partially offset by debt repayments made during the fiscal year. The drawdown was used to finance a portion of the transportation improvement costs outlined in the 2022 Transportation Expenditure Plan such as: BART's Next Generation Fare Gates, BART's Core Capacity Fleet of the Future Expansion Vehicles, and SFMTA's L-Taraval Transit Enhancements. Additional information on the Transportation Authority's long-term debt and lease payable can be found in Note 8 of this report.

Currently known facts, decisions, or conditions

The Transportation Authority is aware of two developments that will have an impact on its financial outlook, both of which have been incorporated into next year's budget:

1) Updated salary structure
2) Budget amendment.

Updated salary structure

To ensure competitiveness in the labor market and to support implementation of the agency's 5-year initiatives, including investment in staff, succession pathways, and organizational development, the Transportation Authority Board approved nine new job classifications, a revised organization chart, and a revised salary structure in March 2026. The Transportation Authority plans to implement the reorganization over the next several years, as its work program warrants. Primarily driven by these compensation updates, personnel costs are budgeted at a higher level in FY 2026/27 by 11.7% as compared to the FY 2025/26 amended budget.

Budget Amendment

In May 2026, the Transportation Authority Board approved the FY 2025/26 budget amendment to decrease other financing sources by $50.0 million, from $110.0 million to $60.0 million, for a total net decrease in fund balance of $50.0 million. Revisions to other financing sources were related to slower than projected sponsor reimbursement requests during FY 2024/25 and FY 2025/26. The resulting higher fund balance reduced the projected drawdown of the Amended and Restated Revolving Credit Agreement in the current fiscal year to fund projects and reimburse sponsors, leaving an ending budgetary fund balance of $61.1 million.

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Basic Financial Statements
June 30, 2026

San Francisco County Transportation Authority

	Governmental Activities
ASSETS	
Cash in bank	$ 27,477,087
Deposits and investments with City Treasurer	73,203,194
Sales tax receivable	23,480,170
Vehicle registration fee receivable	784,945
Interest receivable from City and County of San Francisco	601,114
Program receivables	53,351,771
Receivable from the City and County of San Francisco	12,831,898
Other receivables	51,698
Noncurrent assets	
Capital assets, net of accumulated depreciation and amortization	19,006,077
Total Assets	210,787,954
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	1,250,544
Pension related	1,605,431
Total Deferred Outflows of Resources	2,855,975

	Governmental Activities
LIABILITIES	
Accounts payable	$ 20,189,088
Interest payable	2,137,989
Accounts payable to the City and County of San Francisco	53,669,268
Accrued salaries and taxes	243,164
Noncurrent liabilities	
Due within one year	
Compensated absences	584,644
Lease payable	383,043
Revenue bonds	16,360,000
Due in more than one year	
Compensated absences	484,867
Lease payable	19,108,765
Revolving credit agreement	109,062,000
Revenue bonds	143,361,498
Net pension liability	3,171,069
Net OPEB liability	409,850
Total Liabilities	369,165,245
DEFERRED INFLOWS OF RESOURCES	
OPEB related	840,743
Pension related	429,080
Total Deferred Inflows of Resources	1,269,823
NET POSITION	
Net investment in capital assets	(485,731)
Restricted for transportation improvement	85,755,926
Unrestricted deficit	(242,061,334)
Total Net Deficit	$ (156,791,139)

	Expenses	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES			
Transportation Improvement	$ 189,633,238	$ 59,979,875	$ (129,653,363)
Interest	6,489,397	-	(6,489,397)
Total Governmental Activities	196,122,635	59,979,875	(136,142,760)
GENERAL REVENUES			
Sales tax			120,926,378
Vehicle registration fees			4,612,418
Traffic congestion mitigation tax			11,910,012
Investment income			2,591,402
Total general revenues			140,040,210
CHANGE IN NET POSITION			3,897,450
Net Position, beginning of year			(160,688,589)
Net Position, end of year			$ (156,791,139)

	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	$ 9,652,004	$ -	$ 1,526,972	$ 16,298,111	$ -	$ -	$ 27,477,087
Deposits and investments with the City Treasurer	31,370,951	-	-	-	-	41,832,243	73,203,194
Sales tax receivable	23,480,170	-	-	-	-	-	23,480,170
Vehicle registration fee receivable	-	-	-	784,945	-	-	784,945
Interest receivable from the City and County of San Francisco	250,194	-	-	-	-	350,920	601,114
Program receivables							
Federal	-	21,836,854	-	-	2,123,307	-	23,960,161
State	-	6,544,793	-	-	196,999	-	6,741,792
Regional and other	-	21,380,900	363,659	-	905,259	-	22,649,818
Receivables from the City and County of San Francisco	-	11,805,988	-	-	1,025,910	-	12,831,898
Other receivables	51,698	-	-	-	-	-	51,698
Due from other funds	25,461,798	-	-	151	1,028,473	-	26,490,422
Total Assets	$ 90,266,815	$ 61,568,535	$ 1,890,631	$ 17,083,207	$ 5,279,948	$ 42,183,163	$ 218,272,299
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	$ 13,609,312	$ 5,475,032	$ -	$ -	$ 1,104,744	$ -	$ 20,189,088
Accounts payable to the City and County of San Francisco	44,489,908	146,038	336,089	4,124,610	4,368	4,568,255	53,669,268
Accrued salaries and taxes	243,164	-	-	-	-	-	243,164
Due to other funds	-	21,514,909	23,514	-	-	4,951,999	26,490,422
Total liabilities	58,342,384	27,135,979	359,603	4,124,610	1,109,112	9,520,254	100,591,942
Deferred Inflows of Resources							
Unavailable revenues	-	34,432,556	363,660	-	4,170,836	-	38,967,052
Total deferred inflows of resources	-	34,432,556	363,660	-	4,170,836	-	38,967,052
Fund Balances							
Restricted	1,692,187	-	1,167,368	12,958,597	-	32,662,909	48,481,061
Unassigned	30,232,244	-	-	-	-	-	30,232,244
Total Fund Balances	31,924,431	-	1,167,368	12,958,597	-	32,662,909	78,713,305
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 90,266,815	$ 61,568,535	$ 1,890,631	$ 17,083,207	$ 5,279,948	$ 42,183,163	$ 218,272,299

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:	$	78,713,305
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		19,006,077
Unavailable receivables are not available to pay for current period expenditures and therefore are deferred in the governmental funds:		38,967,052
Unmatured interest on long-term debt is recognized in the period when it is due in the governmental funds:		(2,137,989)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Accrued compensated absences		(1,069,511)
Revenue bonds and related premium		(159,721,498)
Revolving credit agreement		(109,062,000)
Lease payable		(19,491,808)
Net pension liability		(3,171,069)
Pension related deferred inflows and outflows		1,176,351
Net OPEB liability		(409,850)
OPEB related deferred inflows and outflows		409,801
Net position of governmental activities	$	(156,791,139)

	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	$ 120,926,378	$ -	$ -	$ -	$ -	$ -	$ 120,926,378
Vehicle registration fee	-	-	-	4,612,418	-	-	4,612,418
Traffic congestion mitigation tax	-	-	-	-	-	11,910,012	11,910,012
Investment income	1,288,125	-	603	15,332	-	1,287,342	2,591,402
Program revenues							
Federal	-	24,144,638	-	-	284,762	-	24,429,400
State	-	26,133,994	-	-	-	-	26,133,994
Regional and other	-	4,457,887	717,894	-	268,181	-	5,443,962
Total Revenues	122,214,503	54,736,519	718,497	4,627,750	552,943	13,197,354	196,047,566
EXPENDITURES							
Current - transportation improvement							
Personnel expenditures	4,533,117	3,915,300	48,105	199,538	418,963	136,060	9,251,083
Non-personnel expenditures	2,546,630	54,715	-	1,026	65,406	644	2,668,421
Capital improvements related to infrastructure	102,006,467	60,754,547	359,075	3,260,396	3,242,581	7,267,505	176,890,571
Lease expenditures	19,893,220	-	-	-	-	-	19,893,220
Debt service							
Principal	16,301,102	-	-	-	-	-	16,301,102
Interest and fiscal charges	8,020,122	-	-	-	-	-	8,020,122
Total Expenditures	153,300,658	64,724,562	407,180	3,460,960	3,726,950	7,404,209	233,024,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,086,155)	(9,988,043)	311,317	1,166,790	(3,174,007)	5,793,145	(36,976,953)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	9,988,043	-	-	3,174,007	-	13,162,050
Transfers out	(13,162,050)	-	-	-	-	-	(13,162,050)
Lease proceeds	19,893,220	-	-	-	-	-	19,893,220
Revolving credit agreement proceeds	44,062,000	-	-	-	-	-	44,062,000
Total Other Financing Sources (Uses)	50,793,170	9,988,043	-	-	3,174,007	-	63,955,220
NET CHANGE IN FUND BALANCES	19,707,015	-	311,317	1,166,790	-	5,793,145	26,978,267
Fund Balances - Beginning	12,217,416	-	856,051	11,791,807	-	26,869,764	51,735,038
Fund Balances - Ending	$ 31,924,431	$ -	$ 1,167,368	$ 12,958,597	$ -	$ 32,662,909	$ 78,713,305

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:	$	26,978,267
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:		
Capital asset additions		19,992,442
Depreciation and amortization expense		(1,383,463)
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		3,972,519
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		(44,062,000)
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		15,735,000
Change in the balance of compensated absences		(121,439)
Subscriptions and leases payable		(19,327,118)
Accrued interest payable on long-term debt		850,884
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		(346,250)
Change in net OPEB related deferred inflows and outflows		251,135
Change in net pension liability		776,622
Change in net pension related deferred inflows and outflows		(634,872)
Change in net position of governmental activities	$	3,897,450

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, 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.

Requests for separately issued financial statements for TIMMA should be addressed to the Treasure Island Mobility Management Agency, 1455 Market Street, 22nd Floor, San Francisco, CA 94103.

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; continuing paratransit services; 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 administering agency for the local guarantee (TFCA 40% Fund) 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 March 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%): Reconstruction of city streets 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, parking management projects, and transportation demand management.

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 of the TIMMA Board. The Transportation Authority's 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 through December 31, 2024, a 1.5% tax was charged on Shared Rides and on rides in a zero-emission vehicle and a 3.25% tax was charged on non-Shared Rides not in a zero emission vehicle. Beginning January 1, 2025, the tax rate is 1.5% for each Shared Ride and 3.25% for each non-Shared Ride.

Traffic Congestion Mitigation Tax (Continued)

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, traffic calming, and traffic signal projects.

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 the $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 March 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, or rides taken in a zero-emission vehicle, and 3.25% is charged on rides with a single occupant. Beginning January 1, 2025, the tax rate is 1.5% for each Shared Ride and 3.25% for each non-Shared Ride. 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, traffic calming, and traffic signal projects. The source of revenue for this fund is TNC tax revenue.

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 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 in which 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 GASB 87 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.

New Accounting Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The financial statement improvements include: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; major component unit information; budgetary comparison information; and financial trends information in the statistical section. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. All disclosure updates required by this new standard are incorporated throughout the relevant sections of this report.

New Accounting Pronouncements (Continued)

GASB Statement No. 104, Disclosure of Certain Capital Assets, provides users of governmental financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures by major class including lease assets, intangible right-to-use assets, subscription assets, and other intangible assets. This statement also requires additional disclosures for capital assets held for sale. The adoption of statement No. 104 has no material impact on the Transportation Authority's financial statements.

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.

Leases and Subscription Based Information Technology Arrangements (Continued)

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 in the fund-level financial statements consists of sales tax receivables collected more than 60 days after the Transportation Authority's fiscal year-end that relate to prior-year 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 and Receivables (Continued)

Vehicle registration fee 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 trip-making 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 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.

Compensated Absences (Continued)

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 rollforward of compensated absences liability is as follows:

Balance at July 1, 2025	Net Change	Balance at June 30, 2026	Current Portion
$ 948,072	$ 121,439	$ 1,069,511	$ 584,644

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.

Fund Balances/Net Position (Continued)

Unrestricted net position – all other net position that does not meet the definition of "restricted" or "net 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, 2026, 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, 2026, the carrying amount of the Transportation Authority's deposits was $27,477,087 and the bank balance was $30,116,152. 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 $29,366,152 was collateralized by the pledging financial institutions as required by *Section 53652* of the California Government Code.

Under the California Government Code, a financial institution is required to secure deposits in excess of Federal Deposit Insurance Corporation limits made by state or local government units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent.

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 for the year ended June 30, 2026.

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 section 53601 or the Transportation Authority's Investment Policy, where the policy is more restrictive in the area of 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
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 Commission and, therefore, is unrated. As of June 30, 2026, the Transportation Authority's deposits and investments in the Pool are approximately $73.2 million, and the total amount invested by all public agencies in the Pool is approximately $18.5 billion. The City's Treasury Oversight Committee (Committee) previously had oversight responsibility for the Pool. However, in May 2026, the Board of Supervisors approved the Commission Streamlining Task Force's proposed ordinance to eliminate the Committee since Committee meetings were based on monthly investment reports produced by the Office of the Treasurer and Tax Collector which continue to be published regardless of the Committee's existence. 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.

Investments Authorized by the Transportation Authority's Investment Policy (Continued)

The Transportation Authority's investments at June 30, 2026, consisted of pooled cash with the City and County of San Francisco, having a weighted average maturity of 1.60 years. At June 30, 2026, 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 secured bank 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 – Receivable

Receivables at June 30, 2026 for the Authority's individual major funds are detailed below:

Receivables	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 activities:							
Sales tax receivable	$ 23,480,170	$ -	$ -	$ -	$ -	$ -	$ 23,480,170
Vehicle registration fee receivable	-	-	-	784,945	-	-	784,945
Traffic congestion mitigation tax receivable	-	-	-	-	-	-	-
Interest receivable from the City and County of San Francisco	250,194	-	-	-	-	350,920	601,114
Program receivables							
Federal	-	21,836,854	-	-	2,123,307	-	23,960,161
State	-	6,544,793	-	-	196,999	-	6,741,792
Regional and other	-	21,380,900	363,659	-	905,259	-	22,649,818
Receivables from the City and County of San Francisco	-	11,805,988	-	-	1,025,910	-	12,831,898
Other receivables	51,698	-	-	-	-	-	51,698
Total	$ 23,782,062	$ 61,568,535	$ 363,659	$ 784,945	$ 4,251,475	$ 350,920	$ 91,101,596

As of June 30, 2026, the Transportation Authority's receivables totaled $91,101,596 and consisted primarily of sales tax and program receivables. The sales tax receivable of $23,480,170 represents May and June sales tax receipts collected after June 30, 2026. CMA program receivables totaled $61,568,535, consisting of $49,762,547 in federal, state, regional, and other program receivables and $11,805,988 due from the City and County of San Francisco. Related-party transactions with the City and County of San Francisco are further disclosed in Note 7.

Note 4 – Receivable (Continued)

Program receivables under the CMA Programs are comprised of federal, state, and regional funds received from agencies such as the Metropolitan Transportation Commission, the California Department of Transportation, and the United States Department of Transportation. Major drivers of federal program receivables include $18,805,902 for the YBI West Side Bridges Project; $1,191,298 for the YBI Multi-Use Pathway Project and $961,802 for the Surface Transportation Block Grant. Major drivers of state program receivables include $3,544,398 for the YBI West Side Bridges Project; $1,492,295 for the YBI Multi-Use Pathway Project and $885,008 for the YBI Hillcrest Road Improvement Project. Major drivers of regional program receivables include $9,125,876 for the Bimla Rhinehart Vista Point Pier Parking Lot; $7,463,736 for the YBI Southgate Road Realignment Improvements Project and $4,637,884 for the YBI West Side Bridges Project.

Note 5 - 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, 2026, 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	$ 20,486,285	$ 23,514	$ -	$ 4,951,999	$ 25,461,798
Treasure Island Mobility Management Agency	1,028,473	-	-	-	1,028,473
Vehicle Registration Fee for Transportation Improvements Program	151	-	-	-	151
Total	$ 21,514,909	$ 23,514	$ -	$ 4,951,999	$ 26,490,422

The outstanding receivables from the Congestion Management Agency (CMA) Programs, Transportation Fund for Clean Air Program, 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 $9,988,043 to the CMA Programs, for paying expenditures incurred during the fiscal year. Additionally, the Sales Tax Program made transfers of $3,174,007 to TIMMA for paying expenditures during the fiscal year.

Note 6 - Capital Assets

The capital assets activity for the year ended June 30, 2026, is as follows:

	Balance July 1, 2025	Additions	Deletions and Transfers	Balance June 30, 2026
Capital assets, being depreciated and amortized:				
Leasehold improvements	$ 3,023,624	$ -	$ (31,216)	$ 2,992,408
Furniture and equipment	1,198,648	99,222	(179,542)	1,118,328
Right-to-use subscription asset	963,867	-	-	963,867
Right-to-use leased office space	3,675,744	19,893,220	(3,675,744)	19,893,220
Total capital assets, being depreciated and amortized	8,861,883	19,992,442	(3,886,502)	24,967,823
Less accumulated depreciation and amortization for:				
Leasehold improvements	3,023,624	-	(31,216)	2,992,408
Furniture and equipment	1,122,839	59,155	(179,542)	1,002,452
Right-to-use subscription asset	642,578	321,289	-	963,867
Right-to-use leased office space	3,675,744	1,003,019	(3,675,744)	1,003,019
Total accumulated depreciation and amortization	8,464,785	1,383,463	(3,886,502)	5,961,746
Total capital assets, net	$ 397,098	$ 18,608,979	$ -	$ 19,006,077

Depreciation and amortization expense for the current year was $1,383,463.

As of June 30, 2026, the Transportation Authority had no capital assets classified as held for sale.

Note 7 - 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 as of June 30, 2026:

Receivables From the Following City Department / Agency	Purpose	Total
Municipal Transportation Agency	Implementing Advanced Transportation Congestion and Mitigation Technologies Deployment Initiatives on Treasure Island	$ 80,639
Office of the Controller	Tax Scenario Modeling Work	21,155
Treasure Island Development Authority	Ferry Terminal Enhancements Project	766,286
	Hillcrest Road Improvement Project	10,075,124
	Treasure Island Transportation Implementation Plan	178,984
	Yerba Buena Island Treasure Island Roadway Improvement Project	187,753
	Yerba Buena Island Westside Bridges Seismic Retrofit Project	1,521,957
Total receivables from the City and County of San Francisco		$ 12,831,898

Payables to the City and County of San Francisco consist of the following on June 30, 2026:

Payables to the Following City Department / Agency	Purpose		Total
Department of Public Works	Street Resurfacing		$ 11,590,197
Department of Environment	Clean Air Programs		27,532
Department of Technology	Video Production and Telecast Services		11,798
Real Estate Division	Office Space		583,416
SF Planning	Other Transit Enhancements		7,296
Treasure Island Development Authority	Yerba Buena Island Vista Point and Pier E2 Operations & Maintenance Services		135,898
Municipal Transportation Agency	Advanced Technology and Information Systems (SFgo)	$ 10,615	
	Bicycle Circulation/Safety	1,332,548	
	Citywide/Modal Planning	56,956	
	Clean Air Programs	308,556	
	Geary-Fillmore Underpass Community Planning Study	10,140	
	Guideways	1,277,776	
	Muni Maintenance	6,639,750	
	Muni Reliability and Efficiency Improvements	642,821	
	Neighborhood Transportation Program	238,738	
	New Signals and Signs	172,198	
	Other Transit Enhancements	4,740	
	Paratransit	3,481,490	
	Pedestrian and Bicycle Facility Maintenance	60,264	
	Pedestrian Circulation/Safety	573,121	
	Pedestrian Safety	297,751	
	Purchase/Rehab of Historic Streetcars for New/Expanded Service	1,265	
	Rapid Bus Network including Real Time Transit Information	4,875,009	
	Rehabilitation, Upgrade and Replacement of Existing Facilities	3,830,811	
	Safer and Complete Streets	1,222,471	
	Signals and Signs	1,096,095	
	Traffic Calming	5,002,892	
	Traffic Signs and Signals Maintenance	1,372,173	
	Transit Reliability and Mobility Improvements	941,825	
	Transit Vehicle Replacement and Renovation	6,542,321	
	Transportation Demand Management	1,042	
	Transportation Demand Management/Parking Management	6,561	
	Upgrades to Major Arterials (including 19th Avenue)	19,513	
	Vision-Zero Quick-Build Program	1,293,689	
	Total Municipal Transportation Agency		41,313,131
Total payable to the City and County of San Francisco			$ 53,669,268

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, 2026:

Expenditures Incurred by the Following City Department/Agency	Total
Department of Environment	$ 63,049
Department of Technology	59,022
Department of Public Works	15,122,056
Municipal Transportation Agency	66,503,733
Office of the City Attorney	100,296
Treasure Island Development Authority	576,659
	$ 82,424,815

During FY 2025/26, the Transportation Authority reimbursed capital expenditures of $82.4 million, which were paid to departments within the City, of which $66.5 million was reimbursed on SFMTA projects and $15.1 million was reimbursed on San Francisco Public Works (SFPW) projects. SFMTA projects include $21 million on Paratransit, $5.6 million for a variety of signals projects, $4.9 million on facilities projects, $4.6 million on New Flyer midlife overhauls, $2.2 million on replacement of Paratransit vehicles. SFPW projects include $9.5 million on pavement renovation projects and $2.3 million on Better Market Street.

Lease with the City and County of San Francisco

On June 24, 2025, the Transportation Authority's Board of Commissioners approved a new approximately 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 $1,127,651 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. For additional details, refer to Note 8.

Note 8 - 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, 2025	Additions	Deductions	Balance at June 30, 2026	Current Portion
Revenue bonds	$ 164,515,000	$ -	$ (15,735,000)	$ 148,780,000	$ 16,360,000
Bond premium	12,157,221	-	(1,215,723)	10,941,498	-
Credit line	65,000,000	44,062,000	-	109,062,000	-
Lease	-	19,893,220	(401,412)	19,491,808	383,043
Subscriptions	164,690	-	(164,690)	-	-
Total	$ 241,836,911	$ 63,955,220	$ (17,516,825)	$ 288,275,306	$ 16,743,043

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, 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, 2026, is $148,780,000 with $10,941,498 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 $120,926,378 for the year ended June 30, 2026, and total debt service payments of $21,338,500 on the Series 2017 Bonds, the Transportation Authority's senior debt service coverage ratio was 567% or 5.67 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.

Revenue Bonds and Revolving Credit Agreement (Continued)

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

Fiscal Year	Principal	Interest	Annual Debt Service
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	18,955,000	2,379,150	21,334,150
2032-2035	60,350,000	3,656,700	64,006,700
Total	$148,780,000	$ 21,900,050	$170,680,050

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 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. Amounts borrowed under the ARRCA bear 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, 2026, $109,062,000 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, 2026, the outstanding draw amount is $109,062,000. The unused line of credit amount is $75,938,000.

	Balance at July 1, 2025	Increases	Decreases	Balance at June 30, 2026
Credit agreement with U.S. Bank National Association	$ 65,000,000	$ 44,062,000	$ -	$109,062,000

Lease Payable

On June 24, 2025, the Transportation Authority's Board of Commissioners approved a new approximately 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 Authority's organizational structure and governance. The lease commences July 1, 2025, expiring April 30, 2045. The initial annual base rent is $1,127,651 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, 2026, the Transportation Authority recognizes an intangible right-to-use lease asset of $19,893,220 and a reduction of a lease liability of $401,412 with an ending balance of $19,491,808. Of this amount, $383,043 is due within one year. The lease liability is measured at the present value of payments expected to be made during the lease term using its prevailing market interest rate of 4.029%.

The future principal and interest payments as of June 30, 2026, are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 383,043	$ 777,152	$ 1,160,195
2028	434,257	760,610	1,194,867
2029	488,637	741,937	1,230,574
2030	546,347	721,000	1,267,347
2031	607,555	697,662	1,305,217
2032-2036	4,091,228	3,043,650	7,134,878
2037-2041	6,258,609	2,007,581	8,266,190
2042-2045	6,682,132	528,152	7,210,284
Total	$ 19,491,808	$ 9,277,744	$ 28,769,552

Note 9 - 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 statute and may be amended by the Transportation Authority's contract with the employees.

The Plan provisions and benefits in effect on June 30, 2026, 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 service	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	12.58%	7.96%
Required employer prepayment for unfunded liability	$321,898	$26,905

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, 2026, the employer contributions were $970,756.

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

As of June 30, 2026, the Transportation Authority's reported net pension liability for its proportionate share of the collective net pension liability is $3,171,069. 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, 2025, 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, 2024, rolled forward to June 30, 2025. 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, 2025, and 2026 was as follows:

Proportion - Fiscal Year June 30, 2025	0.03255%
Proportion - Fiscal Year June 30, 2026	0.03100%
Change	-0.00155%

For the year ended June 30, 2026, the Transportation Authority recognized a pension expense of $829,006.

On June 30, 2026, 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	$ 970,756	$ -
Contributions in excess of proportionate share	31,586	-
Difference in expected and actual experience	379,970	-
Adjustment due to differences in proportions	223,119	-
Net differences between projected and actual earnings on plan investments	-	(429,080)
Total	$ 1,605,431	$ (429,080)

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

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $970,756, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. 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
2027	$ 529,107
2028	(9,701)
2029	(150,013)
2030	(163,798)
	$ 205,595

Actuarial Assumptions

The total pension liability in the year ended June 30, 2026, was determined using the following actuarial assumptions:

Valuation Date		June 30, 2024
Measurement Date		June 30, 2025
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 2.00% 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.

Discount Rate (Continued)

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 [1]	Real Return [2]
Public Equity	37.0%	4.56%
Private Equity	17.0	5.56
Fixed Income	28.0	2.53
Real Assets	15.0	3.03
Private Debt	8.0	4.93
Strategic Leverage	-5.0	1.40
	100.0%	

[1] Figures are based on the 2024 Mid-Cycle Asset Liability Management study.

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
	5.9%	6.9%	7.9%
Net Pension Liability	$ 6,515,875	$ 3,171,069	$ 418,328

Pension Plan Fiduciary Net Position

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

Note 10 - 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, 2025, actuarial valuation, the following current and former employees were covered by the benefit terms under the healthcare plan:

Active plan members	42
Inactive employees or beneficiaries currently receiving benefit payments	8
Total	50

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, partially funding the 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, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2025, based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2025 Measurement Date
Valuation Date	June 30, 2025
Contribution Policy	Level percent of pay method over 20 years
Discount Rate	6.30%
General Inflation	2.50% per annum
Salary Increases	2.80% per annum, in aggregate
Investment Rate of Return	6.30%
Mortality, Turnover, Disability, and Retirement	CalPERS Experience Study for the period from 2000 to 2023
Healthcare Cost Trend Rate	Various initial rates, all grading down to 3.53%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.30%, a change from 6.40% as of measurement date 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	49.00%	4.10%
Fixed Income	23.00%	2.20%
Treasury Securities	5.00%	1.60%
Real Estate Investment Trusts	20.00%	3.10%
Commodities	3.00%	1.30%
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, 2025 (June 30, 2024 Measurement Date)	$ 2,748,500	$ 2,684,900	$ 63,600
Changes for the year:			
Service Cost	174,406	-	174,406
Interest	184,673	-	184,673
Changes of assumptions	(112,895)	-	(112,895)
Other Liability Experience Loss/(Gain)	-	-	-
Effect of Plan Amendments			-
Contributions:			-
Trust deposits	-	-	-
Employer - explicit subsidy	-	168,281	(168,281)
Employer - implicit subsidy	-	-	-
Benefit payments	(74,781)	(74,781)	-
Administrative expenses	-	(841)	841
Actual vs. expected experience	599,132	-	599,132
Investment Experience (Loss)/Gain	-	331,626	(331,626)
Net changes	770,535	424,285	346,250
Balance at June 30, 2026 (June 30, 2025 Measurement Date)	$ 3,519,035	$ 3,109,185	$ 409,850

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 6.30%, 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
	5.30%	6.30%	7.30%
Net OPEB Liability/ (Asset)	$ 962,844	$ 409,850	$ (43,616)

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 point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	various initial rates grading to 2.53%	various initial rates grading to 3.53%	various initial rates grading to 4.53%
Net OPEB Liability/ (Asset)	$ (134,848)	$ 409,850	$ 1,100,010

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

For the fiscal year ended June 30, 2026, the Transportation Authority recognized OPEB expense of $182,966. At June 30, 2026, 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	$ 161,870	$ -
Changes in assumptions	411,117	(347,461)
Difference between expected and actual experience	677,557	(413,876)
Net differences between projected and actual earnings on plan investments	-	(79,406)
Total	$ 1,250,544	$ (840,743)

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is $161,870, which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. 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,	Net Deferred Inflows of Resources
2027	$ 72,666
2028	(31,859)
2029	(36,890)
2030	(14,843)
2031	17,120
Thereafter	241,737
Total	$ 247,931

Note 11 - Administrative Expense Limitations

In accordance with California Public Utilities Code, *Section 131107*, not more than one percent of the Transportation Authority's annual net amount of revenues, raised by the sales tax, may be used to fund the salaries and benefits of the staff of the Transportation Authority in administering the Prop L Expenditure Plan. For the year ended June 30, 2026, revenues, staff salaries, and fringe benefits for administering the Prop L Expenditure Plan for the Sales Tax Program were as follows:

Revenues	$ 120,926,378
Expenditures:	
Salaries	1,028,495
Fringe benefits	37,810
Total	$ 1,066,305
Percentage of revenue	0.88%

Personnel expenditures of $4,533,117 were reported in the Sales Tax Program, of which $1,066,305 was related to general administration of the Expenditure Plan, and $3,466,812 was related to planning and programming, which includes monitoring and oversight of sales tax funded projects.

Note 12 - Risk Management

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

Note 13 - Commitments

The Transportation Authority's outstanding commitments totaled $288,061,215 at June 30, 2026. This amount is comprised of $251,448,707 in remaining capital project appropriations, which include $226,513,665 in the Sales Tax Program, $926,625 in the Transportation Fund for Clean Air Program, $8,620,672 in the Vehicle Registration Fee for Transportation Improvements Program, and $15,387,745 in the Traffic Congestion Mitigation Tax Program. Sponsors receive appropriations for the entire project (awards) but cannot be reimbursed faster than the amount allocated annually. At June 30, 2026, the Transportation Authority has encumbered $6,645,173 in the Sales Tax Program, $28,637,722 in the Congestion Management Agency Programs, and $1,329,613 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.

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Required Supplementary Information

June 30, 2026
San Francisco County Transportation Authority

San Francisco County Transportation Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Sales Tax Program

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Sales tax	$ 108,387,600	$ 108,387,600	$ -	$ 120,926,378	$ 12,538,778
Investment income	712,415	712,415	-	1,288,125	575,710
Total budgetary revenues	109,100,015	109,100,015	-	122,214,503	13,114,488
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	8,500,302	8,500,302	-	7,645,849	(854,453)
Transportation improvement	127,126,338	127,126,338	-	102,006,467	(25,119,871)
Lease expenditures	-	-	-	19,893,220	19,893,220
Debt service:					
Principal	15,735,000	15,735,000	-	15,735,000	-
Interest and fiscal charges	7,747,914	7,747,914	-	8,020,122	272,208
Total budgetary expenditures	159,109,554	159,109,554	-	153,300,658	(5,808,896)
Budgetary excess of revenues over expenditures	(50,009,539)	(50,009,539)	-	(31,086,155)	18,923,384
BUDGETARY OTHER FINANCING SOURCES (USES)					
Lease proceeds	-	-	-	19,893,220	19,893,220
Proceeds from debt	110,000,000	60,000,000	(50,000,000)	44,062,000	(15,938,000)
Transfers out to other funds	(3,502,518)	(3,502,518)	-	(13,162,050)	(9,659,532)
Total budgetary other financing sources (uses)	106,497,482	56,497,482	(50,000,000)	50,793,170	(5,704,312)
Net change in fund balances	56,487,943	6,487,943	(50,000,000)	19,707,015	13,219,072
Fund Balance - Beginning	12,217,416	12,217,416	-	12,217,416	-
Fund Balance - Ending	$ 68,705,359	$ 18,705,359	$ (50,000,000)	$ 31,924,431	$ 13,219,072

See Notes to Required Supplementary Information

San Francisco County Transportation Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Congestion Management Agency Programs

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Program revenues	$ 61,774,085	$ 61,774,085	$ -	$ 54,736,519	$ (7,037,566)
Total budgetary revenues	61,774,085	61,774,085	-	54,736,519	(7,037,566)
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	4,579,083	4,579,083	-	3,970,015	(609,068)
Transportation improvement	60,559,857	60,559,857	-	60,754,547	194,690
Total budgetary expenditures	65,138,940	65,138,940	-	64,724,562	(414,378)
Budgetary excess of revenues over expenditures	(3,364,855)	(3,364,855)	-	(9,988,043)	(6,623,188)
BUDGETARY OTHER FINANCING SOURCES (USES)					
Transfers in to other funds	3,364,855	3,364,855	-	9,988,043	6,623,188
Total budgetary other financing sources (uses)	3,364,855	3,364,855	-	9,988,043	6,623,188
Net change in fund balances	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -	$ -

San Francisco County Transportation Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Transportation Fund for Clean Air Program

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Investment income	$ 511	$ 511	$ -	$ 603	$ 92
Program revenues	701,813	701,813	-	717,894	16,081
Total budgetary revenues	702,324	702,324	-	718,497	16,173
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	41,779	41,779	-	48,105	6,326
Transportation improvement	756,000	756,000	-	359,075	(396,925)
Total budgetary expenditures	797,779	797,779	-	407,180	(390,599)
Budgetary excess of revenues over expenditures	(95,455)	(95,455)	-	311,317	406,772
Net change in fund balances	(95,455)	(95,455)	-	311,317	406,772
Fund Balance - Beginning	856,051	856,051	-	856,051	-
Fund Balance - Ending	$ 760,596	$ 760,596	$ -	$ 1,167,368	$ 406,772

San Francisco County Transportation Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Vehicle Registration Fee for Transportation Improvements Program

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Vehicle registration fee	$ 4,546,000	$ 4,546,000	$ -	$ 4,612,418	$ 66,418
Investment income	25,398	25,398	-	15,332	(10,066)
Total budgetary revenues	4,571,398	4,571,398	-	4,627,750	56,352
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	228,600	228,600	-	200,564	(28,036)
Transportation improvement	7,500,000	7,500,000	-	3,260,396	(4,239,604)
Total budgetary expenditures	7,728,600	7,728,600	-	3,460,960	(4,267,640)
Budgetary excess of revenues over expenditures	(3,157,202)	(3,157,202)	-	1,166,790	4,323,992
Net change in fund balances	(3,157,202)	(3,157,202)	-	1,166,790	4,323,992
Fund Balance - Beginning	11,791,807	11,791,807	-	11,791,807	-
Fund Balance - Ending	$ 8,634,605	$ 8,634,605	$ -	$ 12,958,597	$ 4,323,992

	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Program revenues	$ 4,481,638	$ 4,481,638	$ -	$ 552,943	$ (3,928,695)
Total budgetary revenues	4,481,638	4,481,638	-	552,943	(3,928,695)
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	478,105	478,105	-	484,369	6,264
Transportation improvement	4,141,196	4,141,196	-	3,242,581	(898,615)
Total budgetary expenditures	4,619,301	4,619,301	-	3,726,950	(892,351)
Budgetary excess of revenues over expenditures	(137,663)	(137,663)	-	(3,174,007)	(3,036,344)
BUDGETARY OTHER FINANCING SOURCES (USES)					
Transfers in to other funds	137,663	137,663	-	3,174,007	3,036,344
Total budgetary other financing sources (uses)	137,663	137,663	-	3,174,007	3,036,344
Net change in fund balances	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -	$ -

San Francisco County Transportation Authority

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Traffic Congestion Mitigation Tax Program

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Traffic congestion mitigation tax	$ 9,800,000	$ 9,800,000	$ -	$ 11,910,012	$ 2,110,012
Investment income	1,114,577	1,114,577	-	1,287,342	172,765
Total budgetary revenues	10,914,577	10,914,577	-	13,197,354	2,282,777
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	214,600	214,600	-	136,704	(77,896)
Transportation improvement	4,550,000	4,550,000	-	7,267,505	2,717,505
Total budgetary expenditures	4,764,600	4,764,600	-	7,404,209	2,639,609
Budgetary excess of revenues over expenditures	6,149,977	6,149,977	-	5,793,145	(356,832)
Net change in fund balances	6,149,977	6,149,977	-	5,793,145	(356,832)
Fund Balance - Beginning	26,869,764	26,869,764	-	26,869,764	-
Fund Balance - Ending	$ 33,019,741	$ 33,019,741	$ -	$ 32,662,909	$ (356,832)

See Notes to Required Supplementary Information

	2026	2025	2024	2023	2022
Changes in total OPEB liability					
Service cost	$ 174,406	$ 200,600	$ 117,100	$ 123,000	$ 89,900
Interest	184,673	161,800	156,900	150,400	124,100
Difference between expected and actual experience	599,132	100	(98,600)	(3,200)	183,200
Change in assumptions	(112,895)	(159,500)	513,300	(98,500)	-
Benefit payments, including refunds of employee contributions	(74,781)	(103,600)	(96,400)	(70,300)	(63,300)
Changes of benefit terms	-	-	-	-	-
Net changes	770,535	99,400	592,300	101,400	333,900
Total OPEB liability, beginning	2,748,500	2,649,100	2,056,800	1,955,400	1,621,500
Total OPEB liability, ending	3,519,035	2,748,500	2,649,100	2,056,800	1,955,400
Changes in plan fiduciary net position					
Employer contributions	168,281	242,300	96,400	70,300	63,300
Benefit payments, including refunds of employee contributions	(74,781)	(103,600)	(96,400)	(70,300)	(63,300)
Administrative expenses	(841)	(1,166)	(1,087)	(1,211)	(1,000)
Expected investment return	-	141,844	163,736	189,135	148,422
Investment experience (loss)/gain	331,626	110,222	(25,149)	(522,624)	389,078
Net changes	424,285	389,600	137,500	(334,700)	536,500
Plan fiduciary net position, beginning	2,684,900	2,295,300	2,157,800	2,492,500	1,956,000
Plan fiduciary net position, ending	3,109,185	2,684,900	2,295,300	2,157,800	2,492,500
Net OPEB liability (asset)	$ 409,850	$ 63,600	$ 353,800	$ (101,000)	$ (537,100)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	88.35%	97.69%	86.64%	104.91%	127.47%
Covered-employee payroll	$ 5,938,094	$ 4,909,300	$ 4,853,800	$ 5,032,000	$ 4,419,700
Net OPEB Liability (asset) as a percentage of covered-employee payroll	6.90%	1.30%	7.29%	-2.01%	-12.15%
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	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	1,477,900	1,936,000	1,747,800	1,573,000
Total OPEB liability, ending	1,621,500	1,477,900	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	1,890,000	1,706,700	1,502,900	1,268,400
Plan fiduciary net position, ending	1,956,000	1,890,000	1,706,700	1,502,900
Net OPEB liability (asset)	$ (334,500)	$ (412,100)	$ 229,300	$ 244,900
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	120.63%	127.88%	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	-7.68%	-10.20%	5.67%	6.21%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

See Notes to Required Supplementary Information

	2026	2025	2024	2023	2022
Actuarially Determined Contribution	$ 312,000	$ 242,300	$ 96,400	$ 63,900	$ 55,200
Contributions in relation to the actuarially determined contribution	(161,870)	(242,300)	(96,400)	(63,900)	(70,300)
Contribution deficiency/(excess)	$ 150,130	$ -	$ -	$ -	$ (15,100)
Covered-employee payroll	$ 6,147,440	$ 5,604,400	$ 4,909,300	$ 4,853,800	$ 5,032,000
Contributions as a percentage of covered-employee payroll	2.6%	4.3%	2.0%	1.3%	1.4%

	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 51,400	$ 137,900	$ 137,900	$ 143,300	$ 165,487
Contributions in relation to the actuarially determined contribution	(63,300)	(60,800)	(60,800)	(143,348)	(165,487)
Contribution deficiency/(excess)	$ (11,900)	$ 77,100	$ 77,100	$ (48)	$ -
Covered-employee payroll	$ 4,419,700	$ 4,355,100	$ 4,038,800	$ 4,045,342	$ 3,945,800
Contributions as a percentage of covered-employee payroll	1.4%	1.4%	1.5%	3.5%	4.2%

San Francisco County Transportation Authority

Schedule of the Proportionate Share of the Net Pension Liability

Year Ended June 30, 2026 Last Ten Years

	2026	2025	2024	2023	2022
Proportion of the net pension liability	0.03100%	0.03255%	0.03177%	0.02938%	0.01604%
Proportionate share of the net pension liability	$ 3,171,069	$ 3,947,691	$ 3,963,704	$ 3,393,558	$ 867,648
Covered payroll	$ 6,082,430	$ 5,646,670	$ 5,087,758	$ 4,705,960	$ 4,826,091
Proportionate share of the net pension liability as a percentage of covered payroll	52.13%	69.91%	77.91%	72.11%	17.98%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	82.43%	78.08%	76.21%	76.68%	88.29%
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

	2021	2020	2019	2018	2017
Proportion of the net pension liability	0.02444%	0.02295%	0.02147%	0.02160%	0.02040%
Proportionate share of the net pension liability	$ 2,659,364	$ 2,351,809	$ 2,068,676	$ 2,141,912	$ 1,765,415
Covered payroll	$ 4,423,143	$ 4,395,775	$ 4,038,787	$ 4,202,141	$ 3,643,778
Proportionate share of the net pension liability as a percentage of covered payroll	60.12%	53.50%	51.22%	50.97%	48.45%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

San Francisco County Transportation Authority
Schedule of Pension Contributions
Year Ended June 30, 2026 Last Ten Years

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 970,756	$ 859,422	$ 736,803	$ 689,514	$ 628,025
Contributions in relation to the actuarially determined contribution	(970,756)	(859,422)	(736,803)	(689,514)	(628,025)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,277,768	$ 6,082,430	$ 5,646,670	$ 5,087,758	$ 4,705,960
Contributions as a percentage of covered payroll	15.46%	14.13%	13.05%	13.55%	13.35%

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 606,199	$ 539,103	$ 478,668	$ 403,317	$ 293,492
Contributions in relation to the actuarially determined contribution	(606,199)	(539,103)	(478,668)	(403,317)	(293,492)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,826,091	$ 4,423,143	$ 4,395,775	$ 4,038,787	$ 4,202,141
Contributions as a percentage of covered payroll	12.56%	12.19%	10.89%	9.99%	6.98%

See Notes to Required Supplementary Information

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.

Budgetary Analysis and Highlights and Economic Factors
Significant variations between original and final budget amounts and final budget amounts and actual results are discussed below.

Revenue Analysis

Sales Tax Program - Total Revenues exceeded final budgetary estimates by $13.1 million due to higher sales tax revenues and higher investment income than estimated in the final budget. Due to the uncertainty in economic conditions and the impacts on sales tax revenues, revenues were conservatively estimated and monitored closely for significant fluctuations. Investment income exceeded final budgetary estimates as interest rates in the City's Treasury Pool rose from 1.2% assumed in the adopted budget to an average 3.8% during FY 2025/26.

CMA Program - Total Revenues were less than the final budgetary estimates by $7.0 million, primarily due to the timing of grant reimbursements for the YBI West Side Bridges project and the Hillcrest Road Improvement project not yet collected.

TIMMA Program - Total Revenues were less than the final budgetary estimates by $3.9 million, largely reflecting pending grant reimbursements for the Treasure Island Ferry Terminal Enhancements project not yet collected.

TNC Tax Program – Total Revenues exceeded final budgetary estimates by $2.3 million due to higher TNC tax revenues than estimated in the final budget. The Transportation Authority maintains continuous discussions and coordination with the City's Controller's Office and the SFMTA regarding projections for this revenue stream.

Expenditure Analysis

TFCA Program – Total Expenditures were less than budgetary estimates by $391 thousand. Capital project costs for SFMTA's Short-Term Bike Parking were lower than estimated in the final budget, as project activities accelerated in the prior fiscal year.

Note 1 - Budgets and Budgetary Data (Continued)

Prop AA Program – Total Expenditures were less than budgetary estimates by $4.3 million. This lower capital spending is driven primarily by project sponsors, who incurred lower costs than expected for FY 2025/26, stemming from project delays and the practice of prioritizing other funding streams (e.g., bonds and federal grants). Projects including SFMTA's Transit Stop Signage Enhancement Program and San Francisco Public Works' Hunters Point, Central Waterfront, Potrero Hill Hunters Point, and Potrero Hill Area Streets Pavement Renovation were lower than estimated in the final budget.

TIMMA Program - Total Expenditures were less than the final budgetary estimates by $892 thousand related to a portion of construction activities for the Treasure Island Ferry Terminal Enhancements project was deferred to FY 2026/27.

TNC Tax Program – Total Expenditures exceeded budgetary estimates by $2.6 million as project activity accelerated. Specifically, capital project costs for SFMTA's Vision Zero Quick-Build Program Implementation projects were higher than anticipated due to an expedited project delivery in FY 2025/26, after significant delivery challenges in prior years.

Other Financing Sources (Uses) Analysis

Sales Tax Program - The original budget was amended to decrease other financing sources (uses) by $50.0 million, from $110.0 million to $60.0 million, to lower the projected drawdown of the Amended and Restated Revolving Credit Agreement. Other financing sources were less than budgetary estimates by $5.7 million, primarily because of slower than expected sponsor reimbursement requests. Consequently, this necessitated a lower drawdown from the Amended and Restated Revolving Credit Agreement in the current fiscal year to fund projects and reimburse sponsors. This decrease was partially offset by $19.9 million in lease proceeds.

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Supplementary Information
June 30, 2026
San Francisco County Transportation Authority

San Francisco County Transportation Authority

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

Year Ended June 30, 2026

	Agencywide				
	Budgeted Amounts		Variance with Original Budget- over (under)	Actual Amounts Budgetary (and GAAP)	Variance with Final Budget- over (under)
	Original	Final	Final Budget	Basis	Actual Amounts
BUDGETARY REVENUES					
Sales tax	$ 108,387,600	$ 108,387,600	$ -	$ 120,926,378	$ 12,538,778
Vehicle registration fee	4,546,000	4,546,000	-	4,612,418	66,418
Traffic congestion mitigation tax	9,800,000	9,800,000	-	11,910,012	2,110,012
Investment income	1,852,901	1,852,901	-	2,591,402	738,501
Program revenues	66,957,536	66,957,536	-	56,007,356	(10,950,180)
Total budgetary revenues	191,544,037	191,544,037	-	196,047,566	4,503,529
BUDGETARY EXPENDITURES					
Current:					
Administrative operating costs	14,042,469	14,042,469	-	12,485,606	(1,556,863)
Transportation improvement	204,633,391	204,633,391	-	176,890,571	(27,742,820)
Lease expenditures	-	-	-	19,893,220	19,893,220
Debt service:					-
Principal	15,735,000	15,735,000	-	15,735,000	-
Interest and fiscal charges	7,747,914	7,747,914	-	8,020,122	272,208
Total budgetary expenditures	242,158,774	242,158,774	-	233,024,519	(9,134,255)
Budgetary excess of revenues over expenditures	(50,614,737)	(50,614,737)	-	(36,976,953)	13,637,784
BUDGETARY OTHER FINANCING SOURCES (USES)					
Lease proceeds	-	-	-	19,893,220	19,893,220
Proceeds from debt	110,000,000	60,000,000	(50,000,000)	44,062,000	(15,938,000)
Transfers in to other funds	3,502,518	3,502,518	-	13,162,050	9,659,532
Transfers out to other funds	(3,502,518)	(3,502,518)	-	(13,162,050)	(9,659,532)
Total budgetary other financing sources (uses)	110,000,000	60,000,000	(50,000,000)	63,955,220	3,955,220
Net change in fund balances	59,385,263	9,385,263	(50,000,000)	26,978,267	17,593,004
Fund Balance - Beginning	51,735,038	51,735,038	-	51,735,038	-
Fund Balance - Ending	$ 111,120,301	$ 61,120,301	$ (50,000,000)	$ 78,713,305.00	$ 17,593,004

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.

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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,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Governmental Activities:										
Net investment in capital assets	$ (485,731)	$ 232,408	$ 675,028	$ 858,176	$ 824,191	$ 1,010,594	$ 1,247,867	$ 1,449,408	$ 1,713,049	$ 1,923,785
Restricted										
Debt service	-	-	-	-	6,205,210	-	-	4,431,964	12,645,404	-
Capital projects	85,755,926	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
Unrestricted deficit	(242,061,334)	(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)
Total Governmental Activities Net Position (Deficit)	$ (156,791,139)	$ (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)

	Fiscal Year Ended June 30,									
EXPENSES	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Governmental activities:										
Transportation improvement	$ 189,633,238	$ 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
Interest	6,489,397	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
Total Expenses	196,122,635	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
REVENUES										
Program revenues:										
Operating grants and contributions	59,979,875	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
Total Revenues	59,979,875	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
Net (Expense) / Revenue	(136,142,760)	(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)
GENERAL REVENUES										
Governmental activities:										
Sales tax	120,926,378	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
Vehicle registration fees	4,612,418	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
Traffic congestion mitigation tax	11,910,012	9,283,882	8,490,154	8,371,545	6,120,263	5,625,880	-	-	-	-
Investment income	2,591,402	2,503,461	3,860,572	970,832	(1,201,096)	19,960	2,782,633	2,844,187	1,703,664	773,032
Other	-	-	115,715	-	142	262,294	246,122	243,764	181,548	205,367
Total General Revenues	140,040,210	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
Governmental Activities Change in Net Position (Deficit)	$ 3,897,450	$ 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)

	Fiscal Year Ended June 30,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Sales Tax Program										
Nonspendable	$ -	$ -	$ 81,580	$ 355,924	$ 123,876	$ 81,580	$ 81,580	$ 139,716	$ 81,580	$ 81,580
Restricted	1,692,187	1,946,447	2,339,611	181,671	9,211,064	2,864,318	2,693,783	7,937,068	16,150,508	-
Unassigned	30,232,244	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	31,924,431	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
All Other Governmental Funds										
Restricted	46,788,874	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
Unassigned	-	-	-	-	-	-	(47,970)	-	-	-
Total All Other Governmental Funds	$ 46,788,874	$ 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

San Francisco County Transportation Authority

Financial Trends – Changes in Fund Balances – Governmental Funds

Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
REVENUES										
Sales tax	$ 120,926,378	$ 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
Vehicle registration fee	4,612,418	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
Traffic congestion mitigation tax	11,910,012	9,283,882	8,490,154	8,371,545	6,120,263	5,625,880	-	-	-	-
Investment income	2,591,402	2,503,461	3,860,572	970,832	(1,201,096)	19,960	2,782,633	2,844,187	1,703,664	773,032
Program revenues	56,007,356	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
Project funds and other revenues	-	-	115,715	-	142	35,328	43,631	53,328	45,919	69,738
Total Revenues	196,047,566	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
EXPENDITURES										
Current - transportation improvement										
Personnel expenditures	9,251,083	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
Non-personnel expenditures	3,234,523	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
Capital project costs	176,890,571	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
Lease expenditures	19,893,220	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	780,736	127,495	133,548	36,455	94,771	33,338	90,684	48,448
Debt service										
Principal	15,735,000	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
Interest and fiscal charges	8,020,122	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
Total Expenditures	233,024,519	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
Over (Under) Expenditures	(36,976,953)	(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)
OTHER FINANCING SOURCES (USES)										
Transfers in	13,162,050	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
Transfers out	(13,162,050)	(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)
Lease proceeds	19,893,220	-	-	-	-	-	-	-	-	-
Proceeds from long term obligations	44,062,000	65,000,000	-	-	-	-	-	-	270,133,005	46,000,000
Total Other Financing Sources (Uses)	63,955,220	65,000,000	-	-	-	-	-	-	270,133,005	46,000,000
NET CHANGE IN FUND BALANCES	26,978,267	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)
Fund Balances - Beginning	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
Cumulative Change in accounting principle	-	-	-	-	-	75,353	-	-	-	-
Fund Balances - Ending	$ 78,713,305	$ 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
Debt Service as a Percentage of Noncapital Expenditures	10.19%	12.60%	9.26%	15.41%	15.14%	15.90%	17.63%	19.71%	44.92%	12.09%

Fiscal Year Ended June 30,	Sales Tax Rate	Sales Tax Revenue (in thousands)	Annual Growth	Total Taxable Sales in San Francisco County (in thousands)
2026	0.5%	$ 120,926	9.83%	$ 20,957,125
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%	18,499,992
2021	0.5%	86,530	-12.83%	14,695,295
2020	0.5%	99,269	-14.18%	17,894,572
2019	0.5%	115,671	14.56%	20,762,507
2018	0.5%	100,970	-0.93%	19,824,321
2017	0.5%	101,922	-0.21%	19,334,503

	Fiscal Year Ended June 30,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Building Material, Garden Equipment & Supplies Dealer	$ 567,165	$ 552,173	$ 607,785	$ 653,939	$ 692,779	$ 668,123	$ 678,394	$ 688,526	$ 660,316	$ 586,018
Clothing and Clothing Accessories Stores	1,615,427	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
Food and Beverage Stores	833,202	789,647	796,833	778,351	742,122	713,524	822,192	859,081	862,682	851,556
Food Services and Drinking Places	5,299,942	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
Gasoline Stations	496,935	469,810	548,857	573,928	554,725	331,589	440,577	563,607	548,415	445,369
General Merchandise Stores	648,282	639,849	615,892	654,732	708,140	609,807	657,382	767,933	812,795	822,175
Home Furnishings Stores and Appliance Stores	935,173	803,991	767,622	840,426	983,527	821,785	874,722	1,058,102	970,745	917,409
Motor Vehicle and Parts Dealers	559,175	615,225	587,887	571,864	591,880	653,969	565,616	678,081	613,264	613,651
Other Retail Group	2,571,655	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
Total Retail and Food Services	13,526,956	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
All Other Outlets	7,430,169	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
Total All Outlets	$ 20,957,125	$ 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

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
2026	$ 109,062,000	$ 19,491,808	$ 159,721,498	$ 347	0.19%
2025	65,000,000	164,690	176,672,221	289	0.16%
2024	-	1,298,866	193,012,944	235	0.14%
2023	-	1,907,273	208,773,667	257	0.15%
2022	-	2,807,338	224,114,390	279	0.17%
2021	-	-	239,040,113	293	0.19%
2020	-	-	253,565,836	290	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%

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	Available Revenue	Annual Debt Service			
June 30,	Sales Tax Revenue	Principal*	Interest**	Total	Coverage
2026	$ 120,926,378	$ 15,735,000	$ 5,603,500	$ 21,338,500	5.7
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

*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, and 2017, 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
2026	831,245	$ 152,145,891	$ 183,034	4.0%
2025	826,079	149,666,750	181,177	3.9%
2024	820,945	141,918,003	172,872	3.6%
2023	816,926	132,976,966	162,777	2.7%
2022	813,266	125,186,977	153,931	3.3%
2021	816,169	129,774,521	159,004	6.9%
2020	875,139	122,788,484	140,307	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%

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2026.

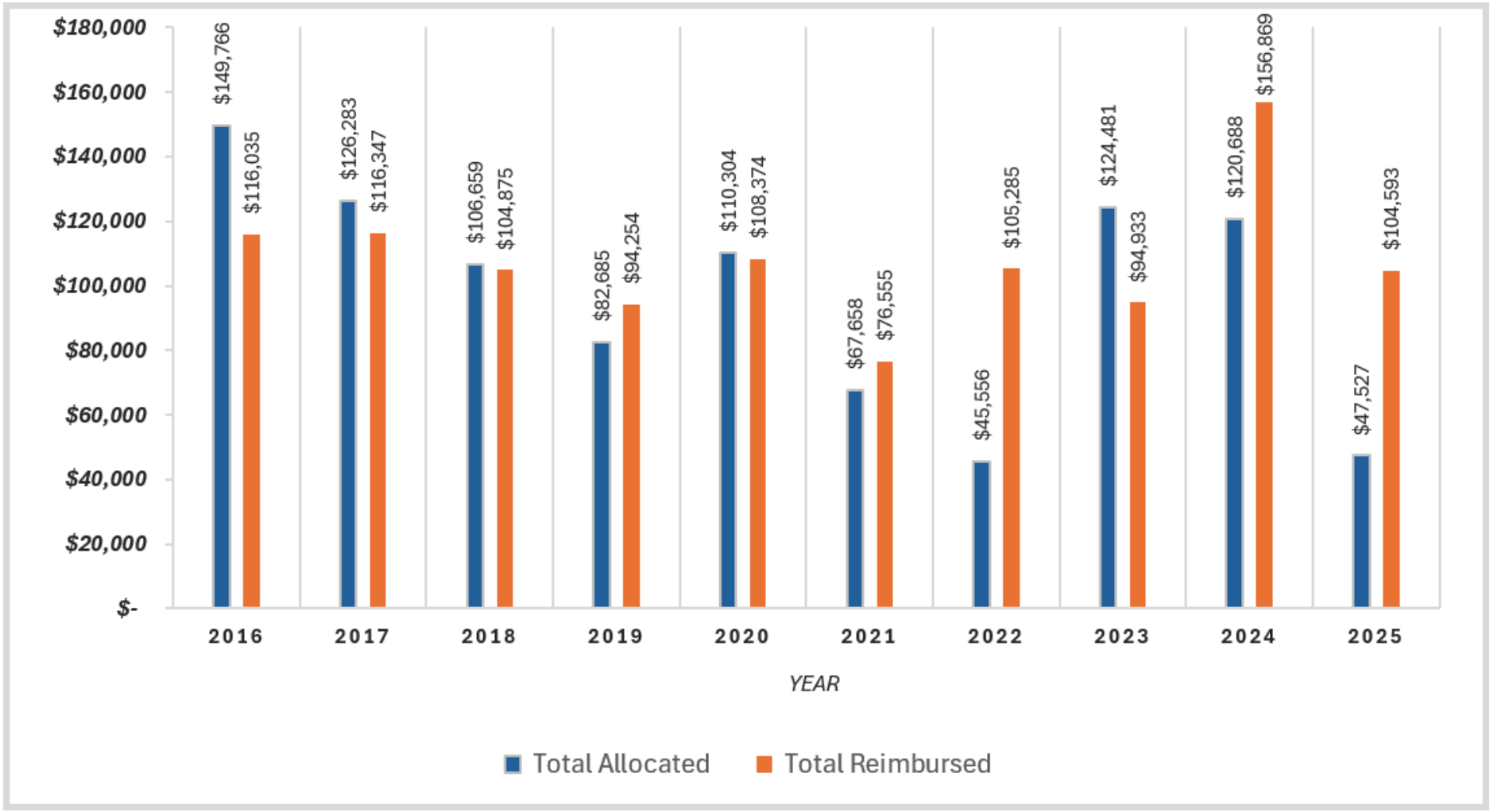
	2024*		
Employer	Rank	Number of Employees	Percentage of Total City Employment
City and County of San Francisco	1	43,123	8.82%
University of California	2	33,316	6.82%
San Francisco Unified School District	3	8,643	1.77%
Salesforce Inc	4	8,500	1.74%
Sutter Health	5	6,000	1.23%
Wells Fargo & Co	6	5,500	1.13%
Meta Platforms Inc	7	5,200	1.06%
Kaiser Permanente	8	5,009	1.02%
Visa Inc	9	4,151	0.85%
Google LLC	10	4,000	0.82%
Total		123,442	

* Most recent information available.

	2015		
Employer	Rank	Number of Employees	Percentage of Total City Employment
City and County of San Francisco	1	28,846	5.53%
University of California	2	24,304	4.66%
San Francisco Unified School District	3	9,483	1.82%
Wells Fargo & Co	4	8,245	1.58%
California Pacific Medical Center	5	6,000	1.15%
Salesforce Inc	6	5,331	1.02%
Kaiser Permanente	7	5,249	1.01%
PG&E Corporation	8	4,381	0.84%
Gap, Inc	9	4,268	0.82%
Dignity Health	10	2,550	0.49%
Total		98,657	

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2026.

	Fiscal Year Ended June 30,									
Function	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Capital Projects	4.00	6.00	6.00	5.00	4.00	4.00	3.00	3.00	3.00	4.00
Executive	12.00	10.00	8.00	8.00	5.00	7.00	6.00	7.00	7.00	6.00
Finance and Administration	10.00	10.00	10.00	9.00	10.00	10.00	9.00	9.00	9.00	8.00
Planning	6.00	7.00	7.00	6.00	6.00	6.00	7.00	7.00	8.00	8.00
Policy and Programming	6.00	4.00	6.00	6.00	7.00	8.00	8.00	7.00	8.00	8.00
Data and Forecasting	3.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Employees	41.00	42.00	42.00	38.00	36.00	39.00	37.00	37.00	39.00	38.00



Source: San Francisco County Transportation Authority's Annual Report from 2016 to 2025. Calendar year basis for data presented.

	Fiscal Year Ended June 30,									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Capital assets										
Construction in progress	$ -	$ -	$ -	$ 233,100	$ -	$ -	$ -	$ -	$ -	$ -
Leasehold improvements	2,992,408	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	1,118,328	1,198,648	1,198,648	1,148,679	1,042,367	908,819	899,864	850,135	856,146	890,753
Right-to-use subscription assets	963,867	963,867	963,867	-	-	-	-	-	-	-
Right-to-use leased assets	19,893,220	3,675,744	3,675,744	3,675,744	3,675,744	-	-	-	-	-
Total capital assets	24,967,823	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
Less accumulated depreciation/amortization										
Leasehold improvements	2,992,408	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
Furniture and equipment	1,002,452	1,122,839	1,019,167	920,001	866,345	829,824	816,496	798,126	773,396	825,211
Right-to-use subscription assets	963,867	642,578	321,289	-	-	-	-	-	-	-
Right-to-use leased assets	1,003,019	3,675,744	2,756,808	1,837,872	918,936	-	-	-	-	-
Total accumulated depreciation	5,961,746	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
Total capital assets, net	$ 19,006,077	$ 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



Compliance Section

Independent Auditor's Reports
June 30, 2026

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*

Members of the Governing Board of the
San Francisco County Transportation Authority
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the San Francisco County Transportation Authority (the "Authority") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

San Francisco, California
November 20, 2026

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

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