

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2024



San Francisco
County Transportation
Authority

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

Community Advisory Committee
January 22, 2025
Item 5
Enclosure

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Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

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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San Francisco County Transportation Authority

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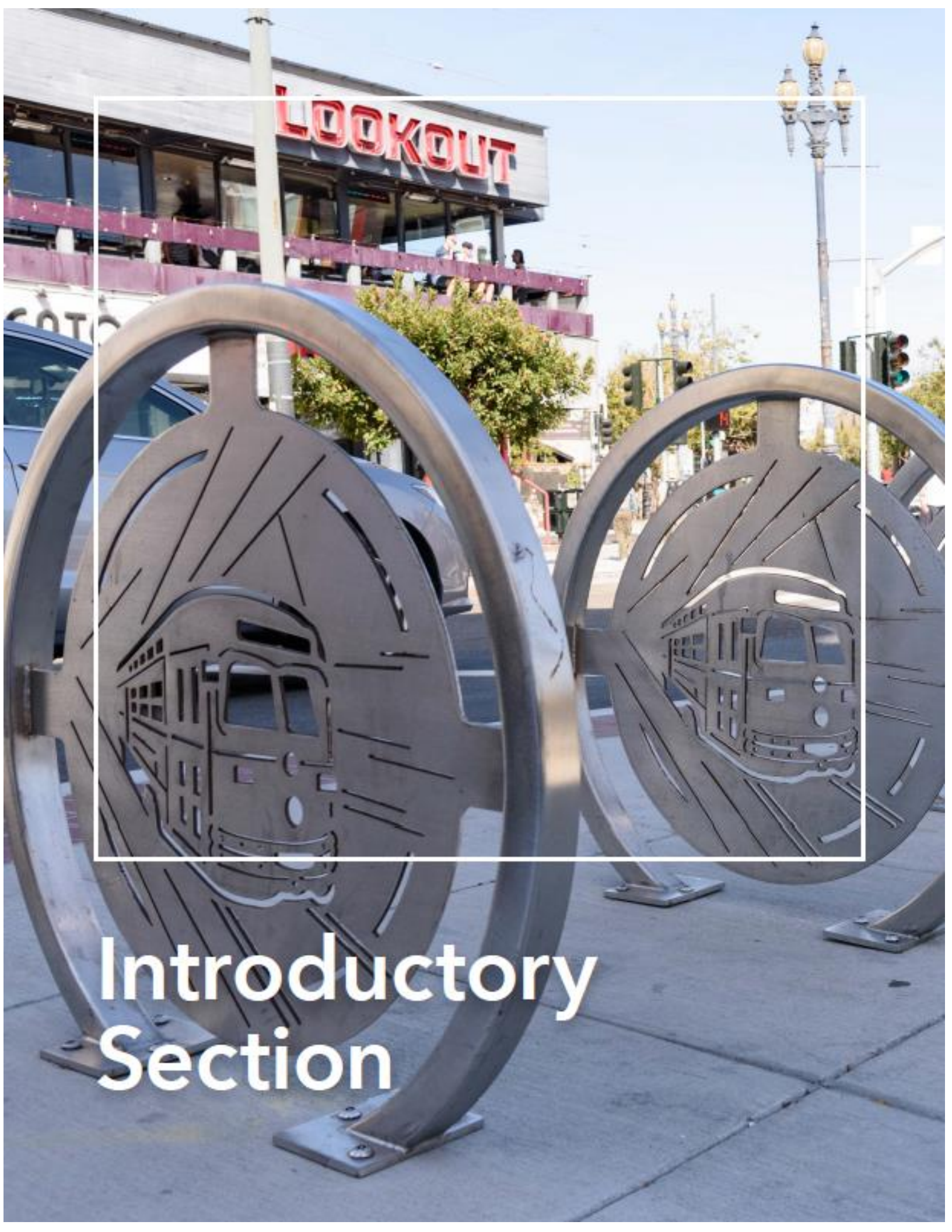
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Introductory Section

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November 22, 2024

To the Board of the San Francisco County Transportation Authority:

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, 2024. The financial statements are presented in conformity with generally accepted accounting principles and were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

Eide Bailly LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the Transportation Authority's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the Financial Section of this report.

The Transportation Authority is also required to undergo an annual federal compliance audit in conformity with the provision of the Single Audit Act of 1984, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The results of this audit can be found in the Federal Compliance Section.

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

Profile of the Government

San Francisco is the cultural, commercial, and financial center of Northern California. The consolidated city-county covers an area of about 46.7 square miles at the northern tip of the Peninsula in the San Francisco Bay. The Transportation Authority, established in 1989 pursuant to the provisions of the Bay Area County Traffic and Transportation Funding Act (Funding Act) and by voter approval of Proposition B, is a sub-regional transportation planning and programming agency for the City and County of San Francisco (City). Originally created to administer the proceeds of the retail transactions and use tax through Proposition B (Prop B), the Transportation Authority has since been asked to take on several additional roles and responsibilities mandated by state law. In November 2022, San Francisco voters approved Proposition L (Prop L), adopting a new transportation expenditure plan referred to herein as the Expenditure Plan, which superseded Prop K, and extended the existing one-half of one percent (0.5%) county-wide sales tax through March 31, 2053. The Sales Tax for Transportation Projects measure that will direct \$2.6 billion (2020 dollars) in half-cent sales tax funds over 30 years to help deliver safer and smoother streets, more reliable transit, continue paratransit services for seniors and persons with disabilities, reduce congestion, and improve air quality.

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

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

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

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

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

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

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

In Fiscal Year 2023/2024, the Transportation Authority led several projects including the Yerba Buena Island (YBI) Hillcrest Road Improvement Project, YBI Multi-use Pathway Project, I-280 Ocean Avenue Southbound Off-ramp Realignment Project, and the Bayview Station Preliminary Design and Pre-Environmental Study. Larger regionally-partnered projects advanced such as The Portal/Caltrain Downtown Extension (DTX) and the I-80/Yerba Buena Island West Side Bridges Seismic Retrofit Project.

Major Revenue - Sales Tax

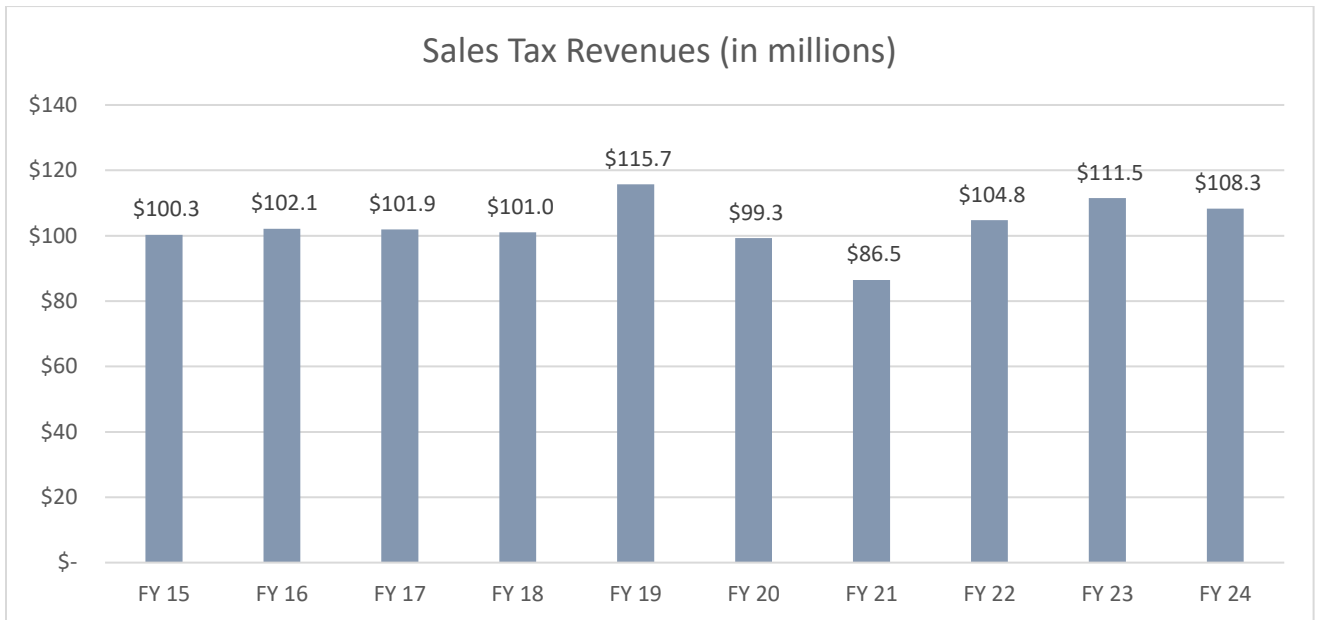
The Funding Act, among other things, authorizes the board of supervisors of any county within the nine-county Bay Area to develop a countywide consensus on a proposed transportation expenditure plan to be submitted to the voters, following various local governmental approvals, as part of an ordinance 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 Proposition L on November 8, 2022 by 71.79% of the voters, and the Sales Tax continued to be imposed and collected without interruption during the implementation of the Prop L Expenditure Plan. The Expenditure Plan covers a 30-year period, which began on April 1, 2023, and continues through March 31, 2053. The Prop L Expenditure Plan includes funding for neighborhood-level investments such as road repair, crosswalks, traffic calming, new and upgraded traffic signals, bicycle lanes, and Safe Routes to School programs. It will also include citywide improvements like electrifying Muni's bus fleet, bus lanes and transit signal priority, maintaining buses and trains so they operate safely and reliably, and increasing the capacity of both Muni and BART systems.

Principal Sales Tax Payers by Segments
Last Ten Fiscal Years (in thousands)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building Material, Garden Equipment & Supplies Dealer	\$ 567,502	\$ 590,523	\$ 586,018	\$ 660,316	\$ 688,526	\$ 678,394	\$ 668,123	\$ 692,779	\$ 653,939	\$ 607,785
Clothing and Clothing Accessories Stores	2,200,024	2,129,867	2,099,019	2,081,039	2,004,367	1,592,984	1,350,205	1,732,815	1,686,952	1,485,197
Food and Beverage Stores	805,017	845,680	851,556	862,682	859,081	822,192	713,524	742,122	778,351	796,833
Food Services and Drinking Places	4,293,647	4,573,912	4,680,694	4,806,903	4,958,157	3,756,963	2,052,954	3,761,223	4,474,180	4,562,369
Gasoline Stations	520,987	442,063	445,369	548,415	563,607	440,577	331,589	554,725	573,928	548,857
General Merchandise Stores	864,504	857,385	822,175	812,795	767,933	657,382	609,807	708,140	654,732	615,892
Home Furnishings Stores and Appliance Stores	982,826	989,560	917,409	970,745	1,058,102	874,722	821,785	983,527	840,426	767,622
Motor Vehicle and Parts Dealers	575,056	552,476	613,651	613,264	678,081	565,616	653,969	591,880	571,864	587,887
Other Retail Group	2,131,146	2,171,479	2,292,527	2,469,161	2,582,246	2,666,115	2,568,101	2,620,198	2,566,554	2,470,498
Total Retail and Food Services	12,940,709	13,152,945	13,308,418	13,825,320	14,160,100	12,054,945	9,770,057	12,387,409	12,800,926	12,442,940
All Other Outlets	5,721,175	6,226,000	6,026,085	5,999,001	6,602,407	5,839,627	4,925,238	6,112,583	6,695,377	6,549,618
Total All Outlets	<u>\$18,661,884</u>	<u>\$19,378,945</u>	<u>\$19,334,503</u>	<u>\$19,824,321</u>	<u>\$20,762,507</u>	<u>\$17,894,572</u>	<u>\$14,695,295</u>	<u>\$18,499,992</u>	<u>\$19,496,303</u>	<u>\$18,992,558</u>

Source: California Department of Tax and Fee Administration.



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

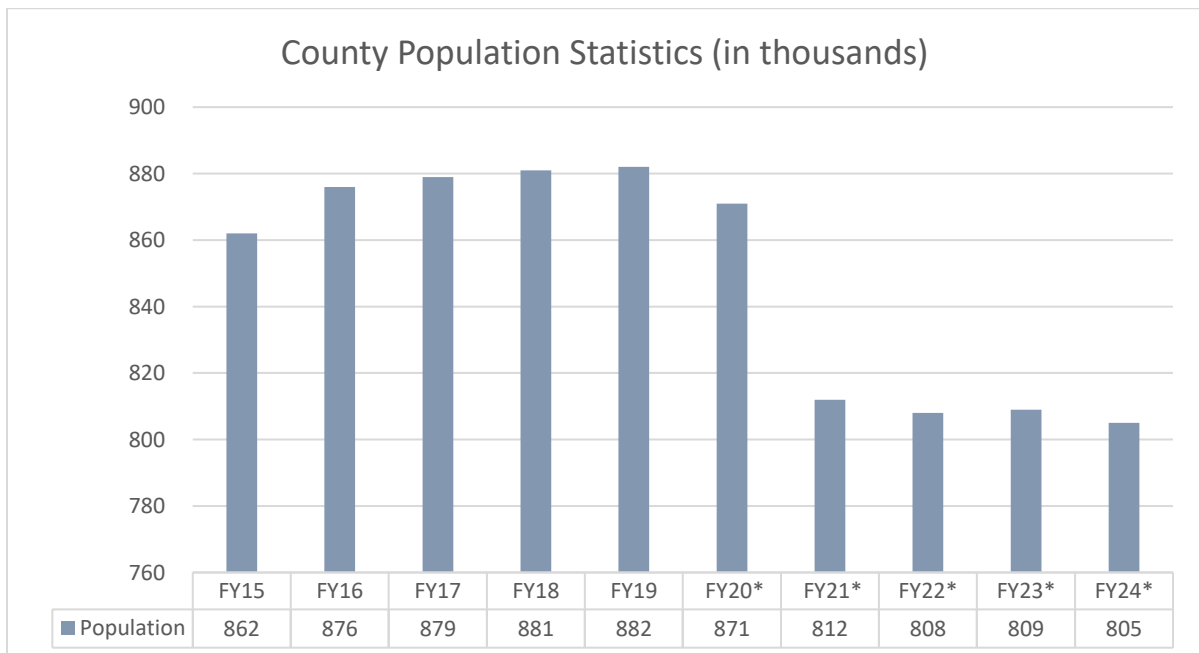
In Fiscal Year (FY) 2023/24, sales tax revenues of \$108.3 million were 2.9% lower than FY 2022/23, as return-to-office, business activity, and tourism traffic continued to slowly recover from the COVID-19 pandemic. All segment categories saw their growth rates fall except for three segments: food and beverage stores, food services and drinking places, and motor vehicles and parts dealers. The largest sales taxpayer contribution was the food services and drinking places segment, which remained steady at \$4.6 million, or a 1% increase from FY 2022/23. Sales tax revenue decreased due to a shift from consumers buying taxable goods to non-taxable goods such as personal services, digital goods, travel, and health care, while the inflation rate increased from 2.9% in June 2023 to 3.2% in June 2024 for the San Francisco Bay Area region, influenced by higher prices for shelter and gasoline. In general, sales tax revenues over the past few years might be categorized as follows: FY 2019/20 and FY 2020/21 were the primary pandemic reduction years, FY 2021/22 was the primary recovery year, FY 2022/23 showed continued recovery along with some lingering inflation impacts which boosted prices and FY 2023/24 overall was down compared to the prior year with more than half of San Francisco neighborhoods generating at least 10% less sales tax revenue toward the end of the fiscal year.

In June 2024, the Transportation Authority maintained the highest possible rating of AAA by Fitch Ratings. This AAA rating places the Transportation Authority among the highest rated organizations in California. The rating also reflects the agency’s strong and resilient maintenance of the voter-approved half-cent sales tax for transportation and stable outlook.

Local Economy (revenue drivers)

San Francisco’s economy is driven by various types of industries including financial services, tourism, and high technology which affect sales tax revenues as well as population, personal income, and unemployment rate. San Francisco is a major employment center for the broader region, offering high-paying jobs, home to many major tech companies and rivaling neighboring Silicon Valley. San Francisco’s slow economic recovery continues to be affected by the COVID-19 pandemic. Return-to-office attendance rose from slightly below 40% to 45% since the pandemic began, but seems unlikely to return to pre-pandemic levels despite more large companies requiring full weekly office attendance. San Francisco office vacancy continued to climb in FY 2023/24 reaching 34% in June 2024 as compared to 28% in the prior year while office rents flattened. The commercial real estate market still faces post pandemic challenges from low in-office attendance. Apartment rents decreased while housing prices have begun to recover. The median home price calculated to \$1.4 million, a 7.1% increase from the previous year. Technology, leisure & hospitality, and retail trade industries all saw solid growth. Despite economic activity improving, the recovery rate has not been as high as anticipated. While still reflecting minor decreases and increases the data indicates movement toward stability following the significant losses from the onset of the COVID-19 pandemic. See below for further discussion.

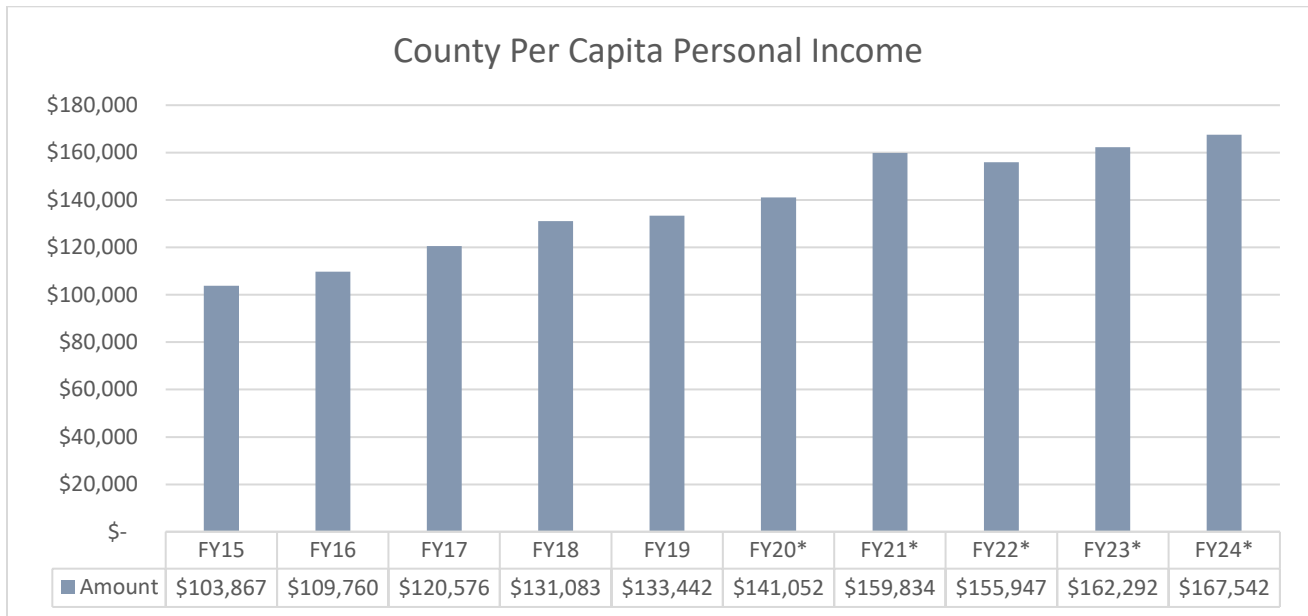
The estimated population of the City and County of San Francisco decreased from 862,004 in FY 2014/15 to 804,842 in FY 2023/24, a decline of 0.5% from FY 2022/23.



Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2024; Statistical Section - Demographic and Economic Statistics table.

* 2024 population was estimated by multiplying the estimated 2023 population by the 2021 - 2022 population growth rate.

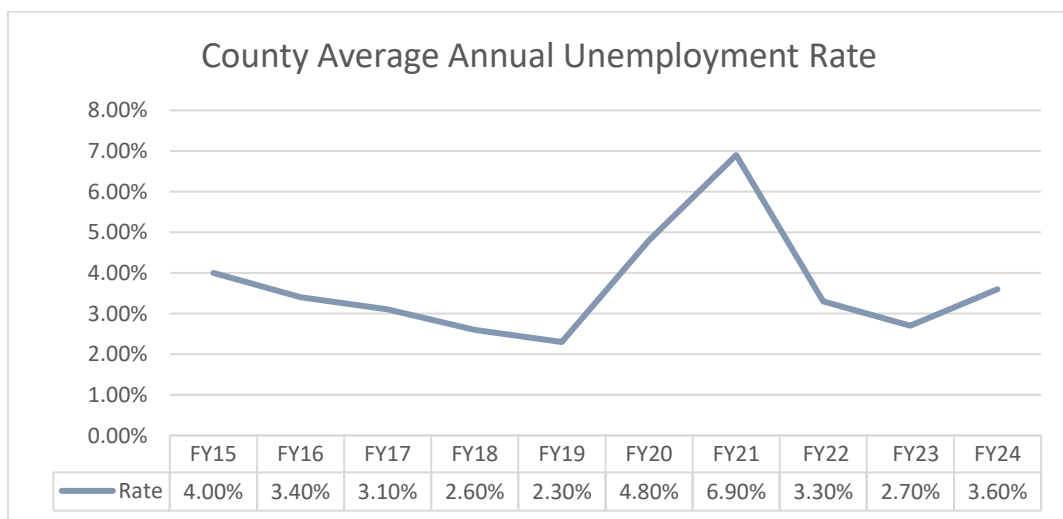
The estimated per capita personal income for the City and County of San Francisco increased from \$103,867 in FY 2014/15 to \$167,542 in FY 2023/24.



Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2024; Statistical Section - Demographic and Economic Statistics table.

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

In addition, the unemployment rate fell from 4% in FY 2014/15 to a low of 2.3% in FY 2018/19 (pre-pandemic) and fluctuated back up to 3.6% in FY 2023/24 as job losses occurred particularly with layoffs in tech, hospitality, and retail for San Francisco and in nearly all of the major employment sections for California. Overall, San Francisco's unemployment remains lower than the statewide rate of 5.3%.



Source: California Department of Tax and Fee Administration.

San Francisco is a sought-after destination with a strong labor market. However, the COVID-19 pandemic impacted these trends starting the third quarter of FY 2019/20. After some years of recovery, the sales tax revenue recently decreased 2.9% to \$108.3 million in FY 2023/24, a 25% rise from the bottom during the pandemic, and is 6.4% below the FY 2018/19 peak. The long-term outlook remains cautiously optimistic given the growing presence of tech companies, the fuller rebound of pre-pandemic activities, major entertainment events planned for years to come, and several initiatives aimed to increase revenues for San Francisco.

Major Capital Project Expenditures

In FY 2023/24, the Transportation Authority began allocating Prop L sales tax and continued to reimburse previous Prop K sales tax allocations. The Transportation Authority also continued to allocate Prop AA vehicle registration fees, TNC Tax funds, TFCA funds, and provide project delivery oversight and support for a wide variety of programs and projects funded by federal, state, and regional grants that improve the safety and efficiency of the multi-modal transportation network in San Francisco. Using the half-cent sales tax and various grant funds, the Transportation Authority mainly reimbursed or incurred construction costs for the following major projects:

- The largest project in the Prop K Expenditure Plan and one of the largest in the new Prop L Expenditure Plan is the The Portal/DTX project, which will transform downtown San Francisco and regional transportation well into the 21st century. The project consists of two phases: Phase One, the Salesforce Transit Center, which opened in 2018; and Phase Two, the DTX, now known as The Portal, which is currently under project development and is anticipated to be completed, dependent on funding, in the early 2030s. The Transportation Authority has allocated over \$230 million in sales tax funds to the Transbay Program, with an additional \$300 million included in the Prop L Expenditure Plan. The Transportation Authority reimbursed the Transbay Joint Powers Authority over \$2 million in FY 2023/24.
- The San Francisco Municipal Transportation Authority (SFMTA) continues to replace and expand its light rail vehicle (LRV) fleet, as well as its rubber tire fleet of motor coaches, trolleybuses, and paratransit vehicles. Since 2003, the half-cent sales tax program has allocated nearly \$500 million for replacement and expansion of SFMTA's transit fleet, including \$42 million in Prop L funds allocated in FY 2023/24 for motor coach replacement. Sales Tax allocations toward procurement of the new light rail fleet total nearly \$192 million, and LRVs were our largest reimbursements in FY 2023/24 - the Transportation Authority reimbursed the SFMTA over \$56 million, plus accrued \$22.9 million in expenditures for LRVs
- The SFMTA and San Francisco Public Works were nearing completion of the L Taraval Improvement project at the end of FY 2023/24, which included replacement of the L Taraval rails and repavement of the street. The Transportation Authority allocated over \$15 million in sales tax funds and \$3.6 million in Prop AA registration fees toward the project. The Transportation Authority reimbursed SFMTA nearly \$3 million in FY 2023/24 for this project.

The Transportation Authority is also overseeing the delivery of multiple capital project efforts on Yerba Buena Island. The Westside Bridges Retrofit Project will seismically retrofit eight existing bridge structures along Treasure Island Road to meet current state seismic safety standards. These bridge structures are a critical connection between Yerba Buena Island, Treasure Island, and the Bay Bridge. Construction started in May 2023, and is scheduled to be completed by the end of 2026. The Transportation Authority is also leading the Hillcrest Road Improvement Project, which will upgrade the roadway to modern roadway and seismic standards and provide additional space for multimodal travel between the Islands and east span of the Bay Bridge. Construction started in June 2024, and is scheduled to be completed by the summer of 2027. In FY 2023/24, the Transportation Authority expended \$30.3 million on the Westside Bridges Retrofit Project and \$2.6 million on the Hillcrest Road Improvement Project.

In FY 2023/24, the Transportation Authority completed the construction for the Southgate Road Realignment Improvements Project, totaling \$51.6 million through a combination of federal, state and regional grant funds. This project reconstructed the I-80 eastbound off- and on-ramps to and from Yerba Buena Island and features an innovative design that enhances safety and multi-modal traffic circulation. Construction of this project, which links eastbound I-80 to Yerba Buena Island, started in June 2020 and was opened to traffic in May 2023. In June 2024, the California Transportation Foundation awarded the Southgate Road Realignment Improvements Project the Interchange Project of the Year Award.

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 February 1, 2034. The Transportation Authority used the proceeds of the Series 2017 Bonds to (i) finance a portion of the costs of and costs incidental to, or connected with, the construction, acquisition, and improvement of certain transit, street, and traffic facilities, and other transportation projects, including, without limitation, engineering, inspection, legal consultants, fiscal agents, financial consultants, and other fees and working capital, all as described in the Expenditure Plan adopted pursuant to the Funding Act; (ii) repay a portion of the outstanding amount of a revolving credit agreement and a promissory note evidencing the Transportation Authority's payment obligation thereunder; (iii) pay capitalized interest on a portion of the Series 2017 Bonds; and (iv) pay costs of issuance of the Series 2017 Bonds. The outstanding debt balance at year ended June 30, 2024, is \$179.6 million, with \$13.4 million of remaining unamortized long-term bond premiums.

In October 2021, the Transportation Authority entered a 3-year Revolving Credit (loan) Agreement with U.S. Bank for a total amount of \$125 million. As of June 30, 2024, the Transportation Authority does not have any outstanding balance on the revolving credit agreement.

The Transportation Authority continues to hold credit ratings with Fitch Ratings and S&P Global Ratings. Fitch affirmed a rating of AAA. The high rating reflects the strength and diversity of the economic base that generates San Francisco's half-cent sales tax for transportation, the primary revenue source overseen by the Transportation Authority. The rating also reflects the Transportation Authority's strong financial position.

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, 2023. 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 of the finance staff: Christy Tou, Henry Pan, Javier Altamirano, Kajol Joshi, and Ronald Leong. We wish to thank all the divisions for their assistance in providing the data necessary to prepare this report. Credit also is due to the Board of Commissioners, Community Advisory Committee and Executive Director Tilly Chang for their unfailing support for maintaining the highest standards of professionalism in the management of the Transportation Authority's finances.

Respectfully submitted,



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



Lily Yu
Finance Manager



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

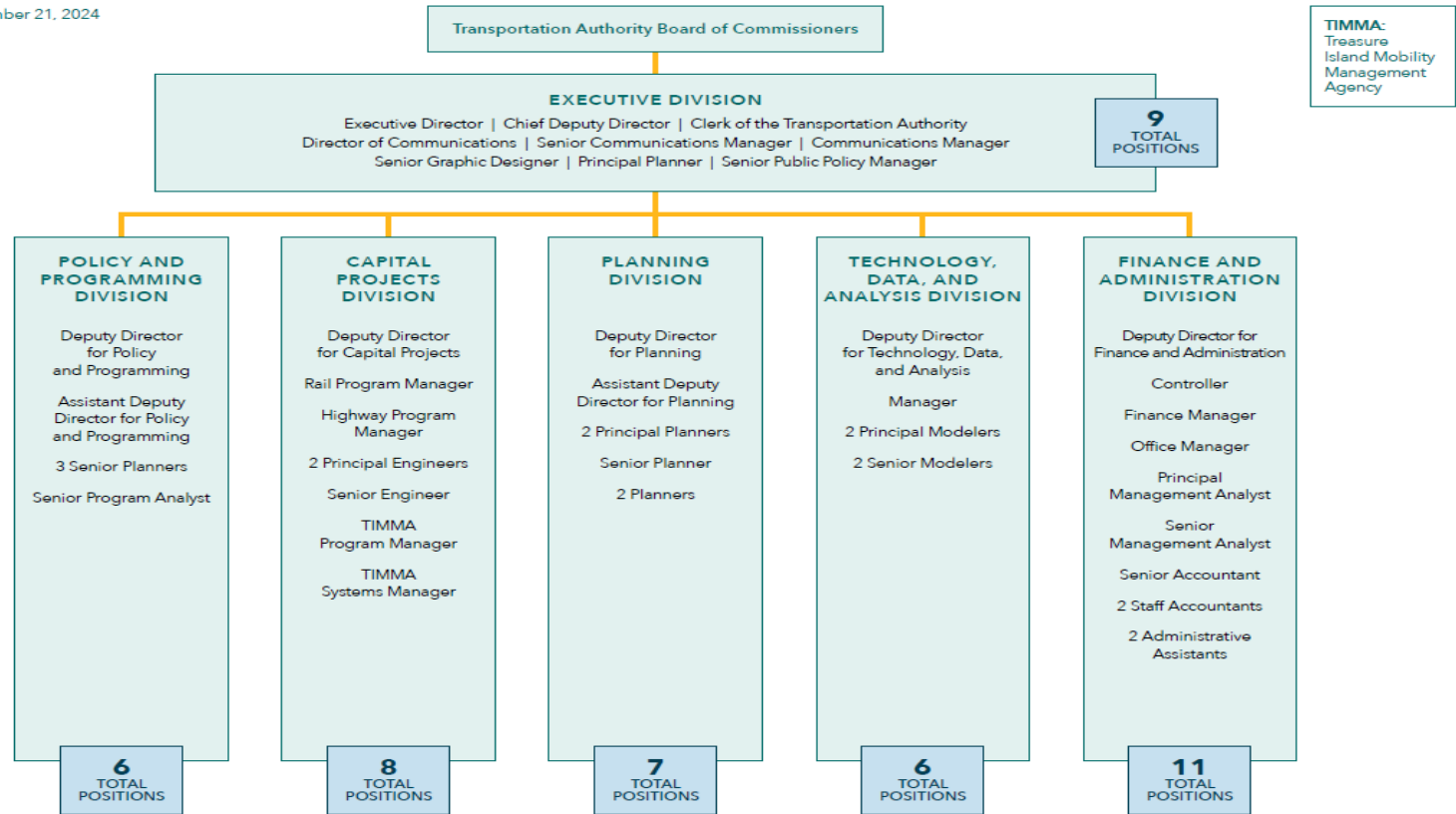
June 30, 2023

Christopher P. Morill

Executive Director/CEO

Agency Structure 47 STAFF POSITIONS  San Francisco County Transportation Authority

Revised November 21, 2024



Commissioners and Officials

As of June 30, 2024

Commissioners:

Rafael Mandelman - Board Chair

Myrna Melgar - Vice Chair

Connie Chan

Joel Engardio

Matt Dorsey

Aaron Peskin

Dean Preston

Hillary Ronen

Ahsha Safaí

Catherine Stefani

Shamann Walton

Executive Director:

Tilly Chang

Chief Deputy Director:

Maria Lombardo

Deputy Directors:

Cynthia Fong - Finance and Administration

Joe Castiglione - Technology, Data, and Analysis

Stephen Chun - Communications

Rachel Hiatt - Planning

Carl Holmes - Capital Projects

Anna LaForte - Policy and Programming



Financial Section

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CPAs & BUSINESS ADVISORS

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, 2024, 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 Transportation Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Transportation Authority's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 22, 2024 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.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Menlo Park, California
November 22, 2024

The annual financial report of the San Francisco County Transportation Authority (Transportation Authority) presents a discussion and analysis of the Transportation Authority's financial performance during the year ended June 30, 2024. The Transportation Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter and accompanying Basic Financial statements.

Financial Highlights

Government-Wide Financial Statement Highlights

Net Position - The liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at fiscal year ended June 30, 2024, by \$175.8 million, down 34.8% from the prior year.

Changes in Net Position - Total net position decreased by \$45.4 million in FY 2023/24, down 34.8% from the prior year, which is due in large part to a decrease in cash, deposits, and investments, and a decrease in capital assets.

Cash, Deposits, and Investments - Total cash, deposits, and investments decreased by \$39.6 million in FY 2023/24, down 32.5% from the prior year which is primarily due to a large decrease in the Sales Tax Program, down \$45.6 million, or 58.1%, and an increase in the Traffic Congestion Mitigation Tax Program of \$4.6 million, or 23.8%, and an increase in the Vehicle Registration Fee for Transportation Improvements Program of \$2.0 million, or 8.9%.

Other Non-Cash Assets - Total other non-cash assets (assets other than cash, deposits, and investments) increased by \$10.9 million in FY 2023/24, up 16.5%. The largest contributing factors are program receivables which are up \$13.4 million, or 39.4%, receivables from the City and County of San Francisco that are also up \$2.6 million, or 39.7%, other receivables, down \$4.3 million, or 99.7%, and prepaid costs and deposits that are down \$0.3 million, or 77%.

Capital Assets - Total capital assets decreased by \$792 thousand, down 28.6%, which is mainly due to GASB Statement No. 87's requirement to report certain lease assets such as the right-to-use leased office space as shown in Note 5 of the basic financial statements.

Other Liabilities - Total other liabilities increased by \$32.0 million in FY 2023/24, up 29.6%, which is primarily due to a longer than anticipated lag between when program sponsors incurred costs and when the Transportation Authority received a reimbursement request.

Investment Income - Total investment income increased by \$2.9 million, or 297.7% in FY 2023/24, which is primarily due to GASB Statement No. 31 adjustment to report the change in fair value of investments in the City's Treasury Pool.

Program Operating Grants and Contributions Revenues - Total program operating grants and contributions increased by \$24.4 million in FY2023/24, up 184.9%, which is primarily due to increased federal, state and regional grant reimbursements for the CMA Program.

Transportation Improvement Expenses - Total transportation expenses increased by \$78.8 million in FY 2023/24, up 62.9% from the prior year, which is mainly due to increased Sales Tax Program activities, up \$51.7 million, and increased Congestion Management Agency Programs project activities, which are up \$23.6 million related to the Yerba Buena Island (YBI) Westside Bridges project.

Interest Expense - Total interest expense decreased by \$2.0 million, or 32.5% related entirely to interest and fiscal charges in the Sales Tax Program. The difference relates to the timing of cash transfers and payments withheld for the bi-annual bond payment.

Fund Financial Statement Highlights

The total combined balance for governmental funds is classified into three categories of fund balance (non-spendable, restricted, and unassigned) to provide the reader of these financial statements with a better understanding of the Transportation Authority's available resources and plans to ensure fiscal stability in the near term. Of the total, \$82 thousand is categorized as "non-spendable" for prepaid costs and deposits, \$39.6 million is "restricted" for debt service and transportation projects, and the remaining negative \$45.3 million is "unassigned." Detailed discussion of the individual funds is found further in the MD&A report.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

The Transportation Authority maintains six governmental funds organized according to their source of funding. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the: (1) Sales Tax Program, referred to as Sales Tax Program, (2) Congestion Management Agency Programs, (3) Transportation Fund for Clean Air Program, (4) Vehicle Registration Fee for Transportation Improvements Program, (5) Treasure Island Mobility Management Agency, and (6) Traffic Congestion Mitigation Tax Program. Each of these funds is considered a major fund.

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

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

- **Congestion Management Agency (CMA) Programs** - The CMA Fund accounts for resources accumulated and payments made for developing a congestion management program and construction of major capital improvements. Major sources of revenue are federal, state, and regional grants.

One of the Transportation Authority's responsibilities as the CMA is to develop a long-range countywide transportation plan (the San Francisco Transportation Plan or SFTP, formerly known as the Countywide Transportation Plan) to guide transportation system development and investment over the next 30 years. The plan is consistent with the broader policy framework of the City's General Plan and particularly its Transportation Element. The SFTP further develops and implements the City's General Plan principles by identifying needed transportation system improvements, based on technical review of system performance against City goals, including equity impacts; extensive public and agency input on key issues and needs; and analysis of policies, financial opportunities, and constraints. The Transportation Authority Board adopted the first update to the plan in December 2013 and another update in September 2017. The SFTP 2050 was adopted in December 2022. In FY 2025/26, the Transportation Authority will complete a minor update to the SFTP 2050, referred to as SFTP+, to update key assumptions and inputs since 2022, refine SFTP investment strategies and recommendations, update policy developments, and report on implementation progress of SFTP 2050.

Other Major Programs and Projects Under the CMA Programs

- **Interstate-80/Yerba Buena Island Interchange Improvement Project and Yerba Buena Bridge Structures (collectively known as the YBI Project):** The Treasure Island Development Authority (TIDA) has requested that the Transportation Authority, in its capacity as the CMA, be the lead agency for the YBI Project. Since 2009, the Transportation Authority has been working jointly with TIDA, the Mayor's Office of Economic and Workforce Development, and the California Department of Transportation (Caltrans). The scope of the YBI Project includes two major components: 1) the YBI Ramps Improvement Project - Phase 1, which includes constructing new westbound on- and off-ramps (on the east side of YBI) to the new Eastern Span of the San Francisco-Oakland Bay Bridge (SFOBB) and the Southgate Road Realignment Improvements - Phase 2; and 2) the YBI West Side Bridges Project on the west side of the island, which includes seismic retrofit and replacing bridges on Treasure Island Road, a critical component of island traffic circulation leading to and from the SFOBB.
- **YBI Ramps Project:** For Phase 1, Caltrans issued the Federal Record of Decision in November 2011. The Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was certified by the Transportation Authority Board in December 2011. The Transportation Authority completed preparation of the Final Plans, Specifications, and Estimate documents for the project in March 2013 and awarded a construction contract to Golden State Bridge, Inc., in December 2013. Construction activities started in January 2014. The Phase 1 project is substantially complete, and the new ramps were opened to the public on October 22, 2016. The Phase 1 work was completed April 30, 2020 and project closeout is underway. For Phase 2, the environmental revalidation was completed in May 2019. Final Design was completed in the third quarter of 2019. Phase 2 construction started June 2020 and was opened to traffic on May 7, 2023. Project closeout is underway, including weatherproofing of the Historic Torpedo Building as environmental mitigation for reduction of buildings within the project footprint.

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

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

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

- **Hillcrest Road Improvement Project:** The project will improve safety of the existing Hillcrest Road between the Westside Bridges Seismic Retrofit Project on the west side and the Southgate Road Interchange Improvement Project on the east side. The project connects these two projects together and will allow for improved vehicular access to the San Francisco-Oakland Bay Bridge (SFOBB) East Span. The project will widen the existing roadway to San Francisco Public Works standards and install retaining walls and a utility joint trench. Additionally, the project includes providing a Class II bike path to improve the bicycle circulation network on YBI. The project will be designed in coordination with the Bay Area Toll Authority (BATA) efforts to accommodate a new Class I bicycle/pedestrian (bike/ped) path adjacent to the project. The Hillcrest Road Improvement Project received California Environmental Quality Act Categorical Exemption in March 2021. Construction started in June 2024, and is scheduled to be completed by the summer of 2027.

- **YBI Multi-Use Pathway 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 multi-use path will be coordinated with Bay Area Toll Authority's proposed San Francisco Bay Bridge West Span Bay Skyway Project, West Side Bridges Project, and Hillcrest Road Improvement Project. This project will ultimately enable bicycle/pedestrian commuters and recreational users the opportunity to travel between the East Bay and San Francisco, and will allow Treasure Island residents, employees, ferry passengers, and recreational travelers continuous access between Treasure Island and the SFOBB East and West spans. The project team completed the environmental phase. The National Environmental Policy Act Categorical Exclusion environmental document was approved in December 2023 and the California Environmental Quality Act Categorical Exemption environmental document was approved in March 2023. The project team anticipates starting the design phase in January 2025 and construction may start in summer 2026.
- **Pier E-2 Parking Lot:** The project will provide parking and restroom facilities for the Pier E-2 vista point park. The vista point was constructed after replacement of the Bay Bridge East Span and provides viewing access of the remaining Bridge pier. The current project will also provide parking adjacent to the Torpedo Building being weatherproofed as part of the Southgate Ramps Project. The project design was completed in Summer 2020.
- **Bayview Station Preliminary Design and Pre-Environmental:** This study will recommend a single new location for a Caltrain station in the Bayview and prepare the station for environmental approval. The Paul Avenue Caltrain Station closed in 2005. The Prop L Expenditure Plan includes early local match funding for development of a replacement station. The new station will restore access to Caltrain and the regional transit network to the Bayview community and travelers to and from the Bayview. Building on prior work, in 2023 we initiated and advanced work to design station alternatives and undertook community engagement to inform a recommendation for the location and configuration of this station. In 2024, we engaged with agency partners and Caltrain, who provided technical input that the team has been working to incorporate this year. We will conduct further engagement and anticipate seeking approval of a final recommendation to advance to further design and environmental clearance in early 2025.
- **Transportation Fund for Clean Air (TFCA) Program** - San Francisco has a \$4 per vehicle registration fee to support projects of the Bay Area Air Quality Management District (Air District). Of the total collections, the Air District passes 40% of the proceeds to the Transportation Authority. Through this program, the Transportation Authority recommends projects that benefit air quality by reducing motor vehicle emissions. The TFCA Program accounts for this activity. The major source of revenue for this fund is the \$4 vehicle registration fees on automobiles registered in the Bay Area.

- **Vehicle Registration Fee for Transportation Improvements Program (Prop AA) Fund** - This fund accounts for the November 2010 Prop AA Vehicle Registration Fee (VRF) for Transportation Improvements Program collections of the \$10 per year, per vehicle registration. The VRF started in the first week of May 2011 and the VRF proceeds are used to fund transportation projects identified in the Prop AA Expenditure Plan. The major source of revenue for this fund is vehicle registration fees in San Francisco. In 2012, the Transportation Authority Board approved the first Prop AA Strategic Plan, which describes the specific projects that could be funded within the first five years. In May 2017, the Transportation Authority Board approved the 2017 Prop AA Strategic Plan and programmed revenues for projects over the five-year period, covering Fiscal Years 2017/18 to 2021/22. In April 2022, the Transportation Authority Board approved the 2022 Prop AA Strategic Plan and programmed revenues for projects over the five-year period, covering Fiscal Years 2022/23 to 2026/27. The Prop AA program is a pay-as-you-go program.
- **Treasure Island Mobility Management Agency (TIMMA) Fund** - The Treasure Island Transportation Management Act of 2008 authorized the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. In September 2014, Governor Brown signed Assembly Bill 141 (Ammiano), establishing TIMMA as a legal entity distinct from the Transportation Authority to help firewall the Transportation Authority's other functions. The major sources of revenue during this implementation phase are federal and state grants and Prop K, as well as contributions from the City and County of San Francisco through its Treasure Island Development Authority (TIDA). TIMMA has also executed a fund exchange with the City of San Francisco, through TIDA and Treasure Island Community Development, the master developer of the islands, to enable more flexible use of grant funds.
- **Traffic Congestion Mitigation (TNC) Tax Program** - This fund accounts for the November 2019 Proposition D Traffic Congestion Mitigation Tax. The City imposes a TNC Tax (effective January 1, 2020) of 1.5% to 3.25% on fares for rides originating in San Francisco, for the portion of the trip within the city, that are facilitated by commercial ride-share companies or are provided by an autonomous vehicle or private transit services vehicle. After a 2% set aside for administration by the City, 50% of the revenues are directed to the SFMTA for transit operations and improvements, and 50% to the Transportation Authority for bicycle and pedestrian safety improvements, traffic calming, traffic signals, and maintenance. The source of revenue for this fund is TNC tax. In March 2023, the Transportation Authority Board approved program guidelines for administration of this fund program through FY 2023/24.

Notes to the Basic Financial Statements

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

Other Information

The other information is presented concerning the Transportation Authority's Agency-Wide Budgetary Schedule, and the Schedule of Expenditures of Federal Awards (SEFA). The SEFA presents expenditures of all federally funded programs during the year ended June 30, 2024. In addition, as required by generally accepted accounting principles, the required supplementary information section presents information about the Transportation Authority's net pension and net other postemployment benefits liabilities and related contributions, as well as comparison of budget plans to actual activities for the Sales Tax Program and each major special revenue fund.

Government-Wide Financial Analysis

The Transportation Authority's statement of net position shows liabilities and deferred inflows exceeded its assets and deferred outflows by \$175.8 million at year ended June 30, 2024. Cash, deposits, and investments decreased by \$39.6 million. Other assets increased by \$10.9 million, as compared to the prior year. Other assets mainly include \$19.5 million in sales tax receivables, and \$57.7 million in outstanding program and all other receivables (including amounts due from the City and County of San Francisco). Other liabilities increased by \$32.0 million, as compared to the prior year. Further explanations are provided in the Governmental Funds analysis section of the MD&A.

Table 1. Condensed Statement of Net Position

	For the Year Ended		\$ Change	% Change
	June 30, 2024	June 30, 2023		
Assets:				
Cash, deposits, and investments	\$ 82,077,385	\$ 121,638,714	\$ (39,561,329)	-32.5%
Other assets	77,279,649	66,352,717	10,926,932	16.5%
Capital assets	1,973,894	2,765,449	(791,555)	-28.6%
Total assets	<u>161,330,928</u>	<u>190,756,880</u>	<u>(29,425,952)</u>	-15.4%
Deferred outflows of resources	<u>3,309,550</u>	<u>2,704,509</u>	<u>605,041</u>	22.4%
Liabilities:				
Other liabilities	140,170,605	108,179,417	31,991,188	29.6%
Long-term liabilities	199,489,572	214,878,922	(15,389,350)	-7.2%
Total liabilities	<u>339,660,177</u>	<u>323,058,339</u>	<u>16,601,838</u>	5.1%
Deferred inflows of resources	<u>734,057</u>	<u>746,764</u>	<u>(12,707)</u>	-1.7%
Net Position:				
Investment in capital assets	675,028	1,793,085	(1,118,057)	-62.4%
Restricted	65,292,478	72,023,655	(6,731,177)	-9.3%
Unrestricted deficit	<u>(241,721,262)</u>	<u>(204,160,454)</u>	<u>(37,560,808)</u>	-18.4%
Total net position (deficit)	<u>\$ (175,753,756)</u>	<u>\$ (130,343,714)</u>	<u>\$ (45,410,042)</u>	-34.8%

The Transportation Authority's unrestricted deficit of \$241.7 million is mainly due to issuance of Sales Tax Revenue bonds in FY 2017/18 with face amount of \$248.3 million, of which a portion was used to pay down the outstanding amount of the revolving credit agreement in November 2017 and the remaining to finance transit, street and traffic facilities, and other transportation projects. These transportation facilities are owned and maintained by the project sponsors; however, the related debt issued to finance these projects remains as a liability of the Transportation Authority. As a result, the Transportation Authority records long-term liabilities without corresponding assets; thus, causing an unrestricted deficit. The Transportation Authority's outstanding commitments are described in Note 13 of the basic financial statements. The \$675 thousand in investment of capital assets (net of accumulated depreciation) is comprised mostly of Board-approved investments in the Transportation Authority's workspace, such as leasehold improvements, furniture, equipment, and right-to-use leased office space required as per GASB Statement No. 87 as well as subscription-based information technology arrangements required as per GASB Statement No. 96. The Transportation Authority currently uses these capital assets to provide services; consequently, these assets are not available for future spending.

San Francisco County Transportation Authority
Management's Discussion and Analysis
June 30, 2024

Table 2. Condensed Statement of Activities

	For the Year Ended		\$ Change	% Change
	June 30, 2024	June 30, 2023		
Revenues:				
General				
Sales tax	\$ 108,250,471	\$ 111,473,916	\$ (3,223,445)	-2.9%
Vehicle registration fee	4,519,735	4,651,843	(132,108)	-2.8%
Traffic congestion mitigation tax	8,490,154	8,371,545	118,609	1.4%
Investment income	3,860,572	970,832	2,889,740	297.7%
Other	115,715	-	115,715	0.0%
Program operating grants and contributions	37,531,660	13,172,428	24,359,232	184.9%
Total revenues	<u>162,768,307</u>	<u>138,640,564</u>	<u>24,127,743</u>	17.4%
Expenses:				
Transportation improvement	204,033,767	125,265,303	78,768,464	62.9%
Interest	4,144,582	6,138,590	(1,994,008)	-32.5%
Total expenses	<u>208,178,349</u>	<u>131,403,893</u>	<u>76,774,456</u>	58.4%
Change in net position	(45,410,042)	7,236,671	(52,646,713)	-727.5%
Net position, beginning of year as restated	<u>(130,343,714)</u>	<u>(137,580,385)</u>	7,236,671	5.3%
Net position, end of year	<u>\$ (175,753,756)</u>	<u>\$ (130,343,714)</u>	<u>\$ (45,410,042)</u>	-34.8%

The Transportation Authority's net position decreased by \$45.4 million for the year ended June 30, 2024. During the period, sales tax revenues decreased by \$3.2 million due to a significant switch from the consumption of taxable goods to the consumption of non-taxable services, housing, and energy. FY 2023/24 sales tax revenues are still 6.4% lower than pre-pandemic FY 2018/19 sales tax revenues. The Transportation Authority is cautiously optimistic about future sales tax revenue as the economy in the San Francisco Bay Area continues to expand, and is closely monitoring its operations, liquidity, and capital resources, as the economy continues to recover from the COVID-19 pandemic. Revenue from the vehicle registration fee decreased by \$132 thousand. Traffic congestion mitigation tax revenue increased by \$119 thousand as the economy recovers from the pandemic and there was an increase in ridership in the second half of the fiscal year. Investment income increased by \$2.9 million. This is primarily due to the increase of the average annualized rates from 1.55% in FY 2022/23 to 3.21% in FY 2023/24. In addition, the GASB Statement No. 31 adjustment to report the change in fair value of investments in the City and County of San Francisco Treasury Pool (Pool) increased due to the easing of monetary policy from the Federal Reserve, which increased the average annualized rates and unrealized gain over prior fiscal year. As such, the pooled interest receivable increased by 297.7% year-to-year from FY 2022/23. Approximately half of our investable assets are deposited in the Pool. Program operating grants and contributions increased by \$24.4 million, primarily due to decreased federal, state, and regional grant reimbursements for the CMA Program as explained in the Governmental Funds analysis below.

Financial Analysis of the Transportation Authority's Funds

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

Governmental Funds

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

San Francisco County Transportation Authority
Management's Discussion and Analysis
June 30, 2024

Table 3. Condensed Balance Sheet

	Sales Tax Program		Consolidated Other Special Revenue Funds		Total		\$ Change	% Change
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023		
Assets:								
Cash, deposits, & investments	\$ 32,868,473	\$ 78,419,314	\$ 49,208,912	\$ 43,219,400	\$ 82,077,385	\$ 121,638,714	\$ (39,561,329)	-32.5%
Other assets	44,632,451	24,804,524	57,379,539	46,232,343	102,011,990	71,036,867	30,975,123	43.6%
Total assets	<u>\$ 77,500,924</u>	<u>\$ 103,223,838</u>	<u>\$ 106,588,451</u>	<u>\$ 89,451,743</u>	<u>\$ 184,089,375</u>	<u>\$ 192,675,581</u>	<u>\$ (8,586,206)</u>	-4.5%
Liabilities:								
Current and other liabilities	\$ 120,366,017	\$ 92,707,187	\$ 41,295,973	\$ 17,428,088	\$ 161,661,990	\$ 110,135,275	\$ 51,526,715	46.8%
Deferred inflows of resources:								
Unavailable revenues	-	-	28,031,505	38,721,575	28,031,505	38,721,575	(10,690,070)	-27.6%
Fund balances:								
Nonspendable	81,580	355,924	-	-	81,580	355,924	(274,344)	-77.1%
Restricted	2,339,611	181,671	37,260,973	33,302,080	39,600,584	33,483,751	6,116,833	18.3%
Unassigned	(45,286,284)	9,979,056	-	-	(45,286,284)	9,979,056	(55,265,340)	-553.8%
Total fund balances	<u>(42,865,093)</u>	<u>10,516,651</u>	<u>37,260,973</u>	<u>33,302,080</u>	<u>(5,604,120)</u>	<u>43,818,731</u>	<u>(49,422,851)</u>	-112.8%
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 77,500,924</u>	<u>\$ 103,223,838</u>	<u>\$ 106,588,451</u>	<u>\$ 89,451,743</u>	<u>\$ 184,089,375</u>	<u>\$ 192,675,581</u>	<u>\$ (8,586,206)</u>	-4.5%

Sales Tax Program activities decreased the overall total fund balance by \$53.4 million. Cash, deposits, and investments from Sales Tax Program activities decreased by \$45.6 million, as compared to the prior year. Other assets increased by \$19.8 million. Current and other liabilities from Sales Tax Program activities increased by \$27.7 million, which is primarily due to a longer than anticipated lag between when program sponsors incurred costs and when the Transportation Authority received reimbursement requests.

The Transportation Authority's Sales Tax Program reported an ending fund balance of negative \$42.9 million, a decrease of \$53.4 million as compared to the prior year. The total fund balance is composed of a balance of \$82 thousand non-spendable for prepaid costs and deposits and a balance of \$2.3 million restricted for debt service, with the remaining amounts reported as unassigned fund balance. This decrease in fund balance was primarily due to lower unassigned fund balance as a result of the continuous spending for Sales Tax Program projects, no short-term debt issuance in FY 2023/24 and lower restricted fund balance.

The Transportation Authority's Special Revenue Funds include the CMA Program, the TFCA Program, the Prop AA Program, the TIMMA Fund Program, and the TNC Tax Program. Cash, deposits, and investments from Special Revenue Fund activities increased by \$6.0 million as compared to the prior year. This is primarily due to a \$4.6 million increase in cash, deposits, and investments for the TNC Program, a \$2.0 million increase in cash, deposits, and investments for the Prop AA Program, and a \$0.6 million decrease in cash, deposits, and investments for the TFCA Program. Other assets increased by \$11.1 million, which is primarily due to an increase in program receivables for the YBI Project in the CMA Program. The majority of the increase in program receivables is related to the timing of revenue from Caltrans and from TIDA that were not collected as of June 30, 2024. Current and other liabilities from Special Revenue Fund activities increased by \$23.9 million, which is mainly related to an increase in accounts payable in the CMA and the TNC Tax Programs. Unavailable revenues decreased by \$10.7 million. Most of the decrease is due to the program revenues collected within the 60-day revenue recognition period for the YBI Project in the CMA Programs as stated above.

Special Revenue Funds reported a total fund balance of \$37.3 million, an increase of \$4.0 million as compared to the prior year. This is mainly due to increased total assets as compared to the prior year explained above. The total fund balance is composed of a balance of \$37.3 million restricted fund balance for transportation projects under the TFCA Program, the Prop AA Program, and the TNC Tax Program.

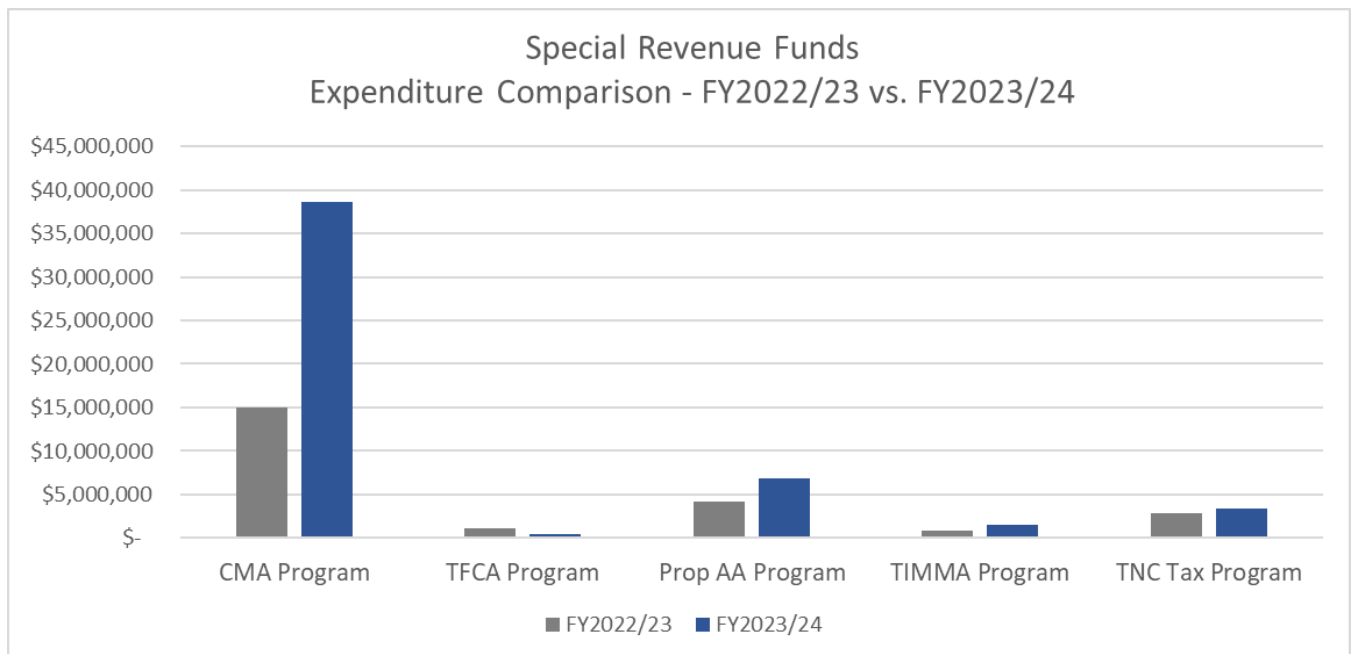
San Francisco County Transportation Authority
Management's Discussion and Analysis
June 30, 2024

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

	Sales Tax Program		Consolidated Other Special Revenue Funds		Total		\$ Change	% Change
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023		
Revenues:								
Sales tax	\$ 108,250,471	\$ 111,473,916	\$ -	\$ -	\$ 108,250,471	\$ 111,473,916	\$ (3,223,445)	-2.9%
Vehicle registration fee	-	-	4,519,735	4,651,843	4,519,735	4,651,843	(132,108)	-2.8%
Traffic congestion mitigation tax	-	-	8,490,154	8,371,545	8,490,154	8,371,545	118,609	1.4%
Investment income	2,949,100	900,599	911,472	70,233	3,860,572	970,832	2,889,740	297.7%
Program revenues	-	-	48,221,730	3,695,791	48,221,730	3,695,791	44,525,939	1204.8%
Other	115,715	-	-	-	115,715	-	115,715	0.0%
Total revenues	111,315,286	112,374,515	62,143,091	16,789,412	173,458,377	129,163,927	44,294,450	34.3%
Expenditures:								
Transportation improvement	151,627,194	99,928,382	50,688,331	23,865,093	202,315,525	123,793,475	78,522,050	63.4%
Debt service	20,565,703	22,526,931	-	-	20,565,703	22,526,931	(1,961,228)	-8.7%
Total expenditures	172,192,897	122,455,313	50,688,331	23,865,093	222,881,228	146,320,406	76,560,822	52.3%
Excess (deficiency) of revenues over (under) expenditures	(60,877,611)	(10,080,798)	11,454,760	(7,075,681)	(49,422,851)	(17,156,479)	(32,266,372)	188.1%
Other financing sources (uses):								
Transfers in	7,927,563	28,926	431,696	12,783,673	8,359,259	12,812,599	(4,453,340)	-34.8%
Transfers out	(431,696)	(12,783,673)	(7,927,563)	(28,926)	(8,359,259)	(12,812,599)	4,453,340	-34.8%
Total other financing sources (uses)	7,495,867	(12,754,747)	(7,495,867)	12,754,747	-	-	-	0.0%
Net change in fund balances	(53,381,744)	(22,835,545)	3,958,893	5,679,066	(49,422,851)	(17,156,479)	(32,266,372)	188.1%
Fund balances, beginning of year, as restated	10,516,651	33,352,196	33,302,080	27,623,014	43,818,731	60,975,210	(17,156,479)	-28.1%
Fund balances, end of year	\$ (42,865,093)	\$ 10,516,651	\$ 37,260,973	\$ 33,302,080	\$ (5,604,120)	\$ 43,818,731	\$ (49,422,851)	-112.8%

For the year ended June 30, 2024, revenues from Sales Tax Program activities totaled \$111.3 million, a decrease of \$1.1 million from FY 2022/23. Investment income increased by \$2.0 million due to the GASB Statement No. 31 adjustment to report the change in fair value of investments in the Pool for the Sales Tax program as mentioned above. Other revenues increased by \$115 thousand, due to the collection of sales proceeds from transit vehicles purchased by SFMTA with sales tax grant funds.

Expenditures from Sales Tax Program activities exceeded revenues by \$60.9 million. Expenditures totaled \$172.2 million, an increase of \$49.7 million from FY 2022/23. Transportation improvement expenses increased by \$51.7 million. The majority of this increase is related to SFMTA’s Light Rail Vehicle Procurement reimbursement requests. Debt services decreased by \$1.9 million related to the Sales Tax Program. Other financing sources from Sales Tax Program activities increased by \$20.3 million from FY 2022/23, which is mainly due to increase in interfund transfer from the CMA Program to the Sales Tax Program. The majority of this increase is related to the receipt of federal and state reimbursements for the Southgate Road Realignment Improvements projects. Special Revenue Funds reported a decrease in vehicle registration fee revenue by \$132 thousand from the prior year. Traffic mitigation tax revenue increased by \$119 thousand. Program revenues also increased by \$44.5 million, which is primarily due to increase in federal, state, and regional spending and, correspondingly, in reimbursements for YBI Westside Bridges project activities for the CMA Program. In addition, we collected federal and state reimbursements for the Southgate Road Realignment Improvements project that have been deferred from past years due to Caltrans’ cash management policy, which requires local agencies to use non-federal fund sources to advance the project until federal and state funds are obligated and available for reimbursement.



Expenditures for Special Revenue Funds activities increased by \$26.8 million, as compared to the prior year. Expenditures in the CMA Programs increased by \$23.6 million, primarily due to an increase in expenditures for the YBI Westside Bridges project due to its first full year of construction activities. Expenditures in the TIMMA Program increased by \$623 thousand, primarily due to the launch of operations for the Autonomous Vehicle Shuttle Pilot Study from October 2023 to January 2024. Expenditures in TFCA Program, however, decreased by \$676 thousand. The TFCA spending is down year over year mainly due to delays in the SF State University Park North Bike Cage project, the Taxi Electrification - EV Infrastructure project, and the Short-Term Bike Parking project. Expenditures in Prop AA Program increased by \$2.6 million, which is primarily due to SFMTA's L-Taraval Transit Enhancements (Seg B) and SFPW's Mission and Geneva Pavement Reconstruction projects. Expenditures in the TNC Tax Program increased by \$623 thousand as the rate of project delivery and invoicing increases for the SFMTA's Quick Build Program projects.

Budgetary Analysis and Highlights and Economic Factors-General Fund

In addition, Sales Tax Program Total Revenues and Transfers In were less than the final budgetary estimates by \$5.2 million, mainly due to lower transfers in from other funds than estimated in the final budget for reasons previously stated above. Investment income came in higher than budgeted due to GASB 31 adjustment as stated previously. Actual expenditures and transfers out were less than budgetary estimates by \$9.6 million. This amount includes a positive favorable variance of \$5.4 million in capital project costs. This lower capital spending is principally from sponsors, funded by the Sales Tax Program, whose major capital project costs were less than anticipated for FY 2023/24, due to their practice of billing other sources (e.g., bonds, federal funds) first and to project delays. Other Financing Sources (Uses) also came in lower than the final budgetary estimates by \$60 million because the drawdown from the Revolving Credit Loan Agreement as anticipated in FY 2023/24 final budget was not needed. Additional information on the Transportation Authority's budgetary comparison schedules for all programs can be found on pages 62 through 67 of this report.

Table 5. Sales Tax Program Budgetary Comparison Schedule

	Budget Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		Final to Actual
Revenues and Transfers In				
Sales tax	\$ 112,357,000	\$ 106,165,000	\$ 108,250,471	\$ 2,085,471
Investment income	1,230,992	1,222,132	2,949,100	1,726,968
Other revenues	-	65,989	115,715	49,726
Transfers in from other funds	-	16,996,230	7,927,563	(9,068,667)
Total Revenues and Transfers In	113,587,992	124,449,351	119,242,849	(5,206,502)
Expenditures and Transfers Out				
Administrative operating costs	9,494,187	8,208,379	5,150,492	3,057,887
Transportation improvement	152,530,594	152,148,572	146,476,702	5,671,870
Debt service				
Principal	14,545,000	14,545,000	15,641,774	(1,096,774)
Interest and fiscal charges	7,185,925	7,280,439	4,923,929	2,356,510
Transfers out to other funds	3,790,840	99,229	431,696	(332,467)
Total Expenditures and Transfers Out	187,546,546	182,281,619	172,624,593	9,657,026
Other Financing Sources (Uses)				
Proceeds from debt	75,000,000	60,000,000	-	(60,000,000)
Change in Fund Balance	1,041,446	2,167,732	(53,381,744)	(55,549,476)
Fund Balance - Beginning	10,516,651	10,516,651	10,516,651	-
Fund Balance - Ending	\$ 11,558,097	\$ 12,684,383	\$ (42,865,093)	\$ (55,549,476)

Capital Assets

The Transportation Authority's investment in capital assets as of June 30, 2024, amounted to \$2.0 million (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture, equipment, and right-to-use leased office space. Additional information on the Transportation Authority's capital assets can be found in Note 5 of this report.

Long-Term Obligations

In November 2017, the Transportation Authority issued Senior Sales Tax Revenue Bonds, Series 2017, with net proceeds of \$270.1 million. The bonds were issued with a par value of \$248.3 million and a \$21.9 million bond premium. The bonds bear interest at rates ranging from 3.0% to 4.0% and have a final maturity date of February 1, 2034. The outstanding debt balance at year ended June 30, 2024, is \$179.6 million, with \$13.4 million of remaining unamortized long-term bond premiums.

In October 2021, the Transportation Authority entered into a Revolving Credit Agreement for a total amount of \$125 million, which expires on October 4, 2024. As of the year ended June 30, 2024, the Transportation Authority has no outstanding balance in the Revolving Credit Agreement.

Additional information on the Transportation Authority's Senior Sales Tax Revenue Bonds can be found in Note 7 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Transportation Authority's finances for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

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

Basic Financial Statements
June 30, 2024

San Francisco County
Transportation Authority

San Francisco County Transportation Authority
Statement of Net Position
June 30, 2024

ASSETS

Cash in bank	\$	41,254,668
Deposits and investments with City Treasurer		40,822,717
Sales tax receivable		19,456,170
Vehicle registration fee receivable		767,156
Interest receivable from City and County of San Francisco		447,104
Program receivables		47,482,949
Receivable from the City and County of San Francisco		9,030,261
Other receivables		14,429
Prepaid costs and deposits		81,580
Noncurrent assets		
Capital assets, net of accumulated depreciation and amortization		1,973,894

Total Assets		161,330,928
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DEFERRED OUTFLOWS OF RESOURCES

OPEB related		1,063,941
Pension related		2,245,609

Total Deferred Outflows of Resources		3,309,550
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San Francisco County Transportation Authority
Statement of Net Position (Continued)
June 30, 2024

LIABILITIES

Accounts payable	17,275,314
Interest payable	3,240,956
Accounts payable to the City and County of San Francisco	119,221,444
Accrued salaries and taxes	409,379
Unearned revenues	23,512
Noncurrent liabilities	
Compensated absences due in one year	636,642
Compensated absences due in more than one year	223,616
Subscription payable due in one year	161,812
Subscription payable due in more than one year	164,690
Lease payable due in one year	972,364
Revenue bonds due in one year	15,125,000
Revenue bonds due in more than one year	177,887,944
Net OPEB liability due in more than one year	353,800
Net pension liability due in more than one year	3,963,704

Total Liabilities

339,660,177

DEFERRED INFLOWS OF RESOURCES

OPEB related	632,440
Pension related	101,617

Total Deferred Inflows of Resources

734,057

NET POSITION

Net investment in capital assets	675,028
Restricted for transportation improvement	65,292,478
Unrestricted deficit	<u>(241,721,262)</u>

Total Net Deficit

\$ (175,753,756)

San Francisco County Transportation Authority
Statement of Activities
Year Ended June 30, 2024

	Total	Transportation Improvement	Interest
EXPENSES	\$ 208,178,349	\$ 204,033,767	\$ 4,144,582
PROGRAM REVENUES			
Operating grants and contributions	37,531,660	37,531,660	-
Net program revenue (expense)	(170,646,689)	\$ (166,502,107)	\$ (4,144,582)
GENERAL REVENUES			
Sales tax	108,250,471		
Vehicle registration fees	4,519,735		
Traffic congestion mitigation tax	8,490,154		
Investment income	3,860,572		
Other	115,715		
Total general revenues	125,236,647		
CHANGE IN NET POSITION	(45,410,042)		
Net deficit, beginning of year	(130,343,714)		
Net deficit, end of year	\$ (175,753,756)		

San Francisco County Transportation Authority
Balance Sheet - Governmental Funds
June 30, 2024

	Special Revenue Funds						Total Governmental 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	
ASSETS							
Cash in bank	\$ 16,135,452	\$ -	\$ 1,179,112	\$ 23,940,104	\$ -	\$ -	\$ 41,254,668
Deposits and investments with the City Treasurer	16,733,021	-	-	-	-	24,089,696	40,822,717
Sales tax receivable	19,456,170	-	-	-	-	-	19,456,170
Vehicle registration fee receivable	-	-	-	767,156	-	-	767,156
Interest receivable from the City and County of San Francisco	232,298	-	-	-	-	214,806	447,104
Program receivables							
Federal	-	36,531,327	-	-	284,071	-	36,815,398
State	-	3,814,339	-	-	17,567	-	3,831,906
Regional and other	-	5,776,345	406,519	-	652,781	-	6,835,645
Receivables from the City and County of San Francisco	115,633	7,789,159	-	-	1,125,469	-	9,030,261
Other receivables	14,429	-	-	-	-	-	14,429
Due from other funds	24,732,341	-	-	-	-	-	24,732,341
Prepaid costs and deposits	81,580	-	-	-	-	-	81,580
Total Assets	<u>\$ 77,500,924</u>	<u>\$ 53,911,170</u>	<u>\$ 1,585,631</u>	<u>\$ 24,707,260</u>	<u>\$ 2,079,888</u>	<u>\$ 24,304,502</u>	<u>\$ 184,089,375</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 11,541,129	\$ 5,314,100	\$ 38,996	\$ 276,957	\$ 104,132	\$ -	\$ 17,275,314
Accounts payable to the City and County of San Francisco	108,415,509	24,763	157,324	9,094,104	3,934	1,525,810	119,221,444
Accrued salaries and taxes	409,379	-	-	-	-	-	409,379
Unearned revenue	-	23,512	-	-	-	-	23,512
Due to other funds	-	22,276,355	59,841	92,144	619,276	1,684,725	24,732,341
Total liabilities	<u>120,366,017</u>	<u>27,638,730</u>	<u>256,161</u>	<u>9,463,205</u>	<u>727,342</u>	<u>3,210,535</u>	<u>161,661,990</u>
Deferred Inflows of Resources							
Unavailable revenues	-	26,272,440	406,519	-	1,352,546	-	28,031,505
Total deferred inflows of resources	<u>-</u>	<u>26,272,440</u>	<u>406,519</u>	<u>-</u>	<u>1,352,546</u>	<u>-</u>	<u>28,031,505</u>
Fund Balances							
Nonspendable	81,580	-	-	-	-	-	81,580
Restricted	2,339,611	-	922,951	15,244,055	-	21,093,967	39,600,584
Unassigned	(45,286,284)	-	-	-	-	-	(45,286,284)
Total Fund Balances	<u>(42,865,093)</u>	<u>-</u>	<u>922,951</u>	<u>15,244,055</u>	<u>-</u>	<u>21,093,967</u>	<u>(5,604,120)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 77,500,924</u>	<u>\$ 53,911,170</u>	<u>\$ 1,585,631</u>	<u>\$ 24,707,260</u>	<u>\$ 2,079,888</u>	<u>\$ 24,304,502</u>	<u>\$ 184,089,375</u>

See Notes to Financial Statements

San Francisco County Transportation Authority
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2024

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:	\$ (5,604,120)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	1,973,894
Long-term receivables are not available to pay for current period expenditures and therefore are deferred in the governmental funds:	28,031,505
Unmatured interest on long-term debt is recognized in the period when it is due in the governmental funds:	(3,240,956)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Revenue bonds and related premium	(193,012,944)
Subscription payable	(326,502)
Lease payable	(972,364)
Accrued compensated absences	(860,258)
Net OPEB liability and related deferrals	77,701
Net pension liability and related deferrals	(1,819,712)
Net position of governmental activities	\$ (175,753,756)

San Francisco County Transportation Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds						Total Governmental 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	
REVENUES							
Sales tax	\$ 108,250,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,250,471
Vehicle registration fee	-	-	-	4,519,735	-	-	4,519,735
Traffic congestion mitigation tax	-	-	-	-	-	8,490,154	8,490,154
Investment income	2,949,100	-	818	26,336	-	884,318	3,860,572
Program revenues							
Federal	-	36,983,777	-	-	348,643	-	37,332,420
State	-	8,451,546	-	-	-	-	8,451,546
Regional and other	-	1,075,421	704,037	-	658,306	-	2,437,764
Other revenues	115,715	-	-	-	-	-	115,715
Total Revenues	<u>111,315,286</u>	<u>46,510,744</u>	<u>704,855</u>	<u>4,546,071</u>	<u>1,006,949</u>	<u>9,374,472</u>	<u>173,458,377</u>
EXPENDITURES							
Current - transportation improvement							
Personnel expenditures	3,715,835	3,733,174	46,224	170,023	553,987	115,969	8,335,212
Non-personnel expenditures	1,434,657	77,592	-	917	88,188	-	1,601,354
Capital improvements related to infrastructure	145,695,966	34,772,415	396,752	6,640,019	796,470	3,296,601	191,598,223
Capital outlay	780,736	-	-	-	-	-	780,736
Debt service							
Principal	15,641,774	-	-	-	-	-	15,641,774
Interest and fiscal charges	4,923,929	-	-	-	-	-	4,923,929
Total Expenditures	<u>172,192,897</u>	<u>38,583,181</u>	<u>442,976</u>	<u>6,810,959</u>	<u>1,438,645</u>	<u>3,412,570</u>	<u>222,881,228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,877,611)</u>	<u>7,927,563</u>	<u>261,879</u>	<u>(2,264,888)</u>	<u>(431,696)</u>	<u>5,961,902</u>	<u>(49,422,851)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	7,927,563	-	-	-	431,696	-	8,359,259
Transfers out	(431,696)	(7,927,563)	-	-	-	-	(8,359,259)
Total Other Financing Sources (Uses)	<u>7,495,867</u>	<u>(7,927,563)</u>	<u>-</u>	<u>-</u>	<u>431,696</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(53,381,744)	-	261,879	(2,264,888)	-	5,961,902	(49,422,851)
Fund Balances - Beginning	10,516,651	-	661,072	17,508,943	-	15,132,065	43,818,731
Fund Balances - Ending	<u>\$ (42,865,093)</u>	<u>\$ -</u>	<u>\$ 922,951</u>	<u>\$ 15,244,055</u>	<u>\$ -</u>	<u>\$ 21,093,967</u>	<u>\$ (5,604,120)</u>

San Francisco County Transportation Authority
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2024

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:	\$ (49,422,851)
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	292,369
Depreciation and amortization expense	(1,572,291)
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	(10,690,070)
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	14,545,000
Change in the balance of compensated absences	(55,834)
Subscriptions and leases payable	1,096,774
Accrued interest payable on long-term debt	(411,664)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on sales tax bonds	1,215,723
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for pension and OPEB are recognized as deferred outflows and inflows of resources on the statement of net position.	
Change in net OPEB liability and related deferrals	81,144
Change in net pension liability and related deferrals	(488,342)
Change in net position of governmental activities	\$ (45,410,042)

Note 1 - Reporting Entity and Background

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

The Transportation Authority has its own governing board, consisting of the 11 members of the Board of Supervisors of the City and County of San Francisco (City), acting as the Commissioners of the Transportation Authority Board. Pursuant to Governmental Accounting Standards Board guidance, the financial statements of the Transportation Authority are included in the City's basic financial statements. Nonetheless, the Transportation Authority is governed by an administrative code separate from that of the City's, and the agency operates as a special-purpose government agency under state law, separate and distinct from the City. The City's Mayor does not have oversight control over the Transportation Authority. The ordinance that created the Transportation Authority empowers it to independently issue debt in order to finance transportation projects in the Proposition L Transportation Expenditure Plan. The Transportation Authority's borrowing capacity is separate and distinct from that of the City.

Component units are legally separate organizations for which the Transportation Authority is financially accountable. Component units may include organizations that are fiscally dependent on the Transportation Authority in that the Transportation Authority approves their budget, the issuance of their debt, or the levying of their taxes. In addition, component units also describe other legally separate organizations for which the Transportation Authority is not financially accountable, but the nature and significance of the organization's relationship with the Transportation Authority is such that exclusion would cause the Transportation Authority's financial statements to be misleading or incomplete. For financial reporting purposes, the Treasure Island Mobility Management Agency (TIMMA) has a financial and operational relationship, which meets the criteria set forth in accounting principles generally accepted in the United States of America for inclusion in the financial statements, as a component unit, using the blended presentation method, as if it were part of the Transportation Authority's operations, because the governing board of the component unit is the same as the governing board of the Transportation Authority, and management has operational responsibility for the entity.

Sales Tax Program

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

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

Congestion Management Agency (CMA) Programs

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

Transportation Fund for Clean Air (TFCA) Program

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

Vehicle Registration Fee for Transportation Improvements Program

On November 2, 2010, San Francisco voters approved Proposition AA authorizing the Transportation Authority to collect an additional \$10 annual vehicle registration fee on motor vehicles registered in San Francisco, and to use the proceeds to fund transportation projects identified in the 30-year Expenditure Plan. Revenue collection began in May 2011.

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

- Street Repair and Reconstruction (50%): giving priority to streets with bicycle and transit networks, and to projects that include complete streets elements such as curb ramps, bicycle infrastructure, pedestrian improvements, and other measures to slow or reduce traffic.
- Pedestrian Safety (25%): including crosswalk improvements, sidewalk repair or upgrade, and pedestrian countdown signals and lighting.
- Transit Reliability and Mobility Improvements (25%): including transit stop improvements, consolidation and relocation, transit signal priority, traffic signal upgrades, travel information improvements, and parking management projects.

TIMMA Component Unit

The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981, Leno) authorized the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. In September 2014, Governor Brown signed Assembly Bill 141 (Ammiano), establishing TIMMA as a legal entity, distinct from the Transportation Authority, to help firewall the Transportation Authority's other functions. The 11 members of the Transportation Authority Board act as the Commissioners for TIMMA Board. The Transportation Authority financial statements include TIMMA as a blended special revenue fund component unit.

Traffic Congestion Mitigation Tax

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

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

Government-wide Financial Statements - The statement of net position and statement of activities display information about the Transportation Authority. These statements include the financial activities of the overall government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities are normally supported by taxes, grants, and other revenues.

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

Fund Financial Statements - The fund financial statements provide information about the Transportation Authority's funds. The Transportation Authority reports activities of each of its six funds: Sales Tax Program; Congestion Management Agency Programs; Transportation Fund for Clean Air Program; Vehicle Registration Fee for Transportation Improvements Program; Treasure Island Mobility Management Agency; and Traffic Congestion Mitigation Tax Program as major funds.

The Transportation Authority uses the following funds:

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

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

Congestion Management Agency Programs – The Congestion Management Agency Fund accounts for resources accumulated and payments made for developing a congestion management program and construction of major capital improvements. Major sources of revenue are federal, state, and regional grants.

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

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

Treasure Island Mobility Management Agency – Assembly Bill 981 (Leno) 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 Tax, is a 1.5% tax charged on shared rides or rides taken in a zero-emission vehicle, and 3.25% is charged on rides with a single occupant on commercial ride-hail trips that originate in San Francisco, for the portion of the trip within the city. After a 2% set aside for administration by the City, 50% of the revenues are directed to the SFMTA for transit operations and improvements, and 50% to the Transportation Authority for bicycle and pedestrian safety improvements.

Measurement Focus and Basis of Accounting

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

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

Net Position

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

Leases and Subscription Based Information Technology Arrangements

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

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

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

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

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

Investment Valuations

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

Sales Tax Revenue

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

Unavailable sales tax revenue on the fund level financial statements represents sales tax receipts in the 60 days subsequent to the Transportation Authority's fiscal year-end, relating to the prior year's sales activity. The Transportation Authority has contracted with the California Department of Tax and Fee Administration (CDTFA) for collection and distribution of the sales tax. The CDTFA receives an administrative fee for providing this service. The Transportation Authority records sales tax revenues net of such fees.

Vehicle Registration Fees and Receivables

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

Vehicle registration fees receivables represent vehicle registration fee receipts in the 60 days subsequent to the Transportation Authority's fiscal year-end, relating to the prior year's registration activity. The Transportation Authority has contracted with the California Department of Motor Vehicles for collection and distribution of the vehicle registration fees. The Department of Motor Vehicles receives an administrative fee for providing this service. The Transportation Authority records vehicle registration fee revenues net of such fees.

Traffic Congestion Mitigation Tax and Receivables

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

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

Capital Assets

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

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

The estimated useful lives are as follows:

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

The cost of normal maintenance and repairs that do not add to the value of the asset, nor materially extend its life, is not capitalized. For the government-wide statements, improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Pensions

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

Other Postemployment Benefits (OPEB)

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

Compensated Absences

The Transportation Authority reports compensated absences for accrued vacation, compensatory time-off, and floating holidays. Transportation Authority employees have a vested interest in accrued compensated absences and the time will eventually either be used or paid by the Transportation Authority. The Transportation Authority’s compensated absences in current and prior years are paid from the sales tax fund when due.

Generally, employees earn and use their current compensated absence hours with a small portion being accrued or unused each year. As this occurs, the Transportation Authority incurs an obligation to pay for these unused hours. This liability is recorded in the government-wide statement of net position to reflect the Transportation Authority’s obligation to fund such costs from future operations. A liability is recorded in the governmental funds balance sheet when it is due and payable. Sick leave benefits do not vest and no liability is recorded. The changes in the Transportation Authority’s compensated absences during the year are as follows:

Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024	Current Portion
\$ 804,424	\$ 628,812	\$ (572,978)	\$ 860,258	\$636,642

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 the capital improvements related to infrastructure are recorded on the financial statements of the managing agency.

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

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

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, 2024, 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.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following are changes in accounting principles and new accounting pronouncements upcoming in future years.

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, 2024, the carrying amount of the Transportation Authority's deposits was \$41,254,668 and the bank balance was \$39,151,376. 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 \$38,401,376 was collateralized by the pledging financial institutions as required by *Section 53652* of the California Government Code.

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

Investments - For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Transportation Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Transportation Authority does not have a policy regarding custodial credit risk on investments. The notes to the basic financial statements of the City provide more detailed information concerning deposit and investment risks associated with the City's pool of cash and investments at year ended June 30, 2024.

Investments Authorized by the Transportation Authority's Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Notes, Bonds, or Bills	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
Federal Agency or U.S. Government Sponsored Enterprise Obligations	5 Years	None	None
Repurchase Agreements	1 Year	None	None
State of California Obligations or any Local Agency within the State	5 Years	None	None
Notes or Bonds of other U.S. States	5 Years	None	None
Bankers' Acceptances	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Medium-Term Notes	5 Years	30%	None
FDIC Insured and Fully Collateralized Certificates of Deposit**	1 Year	10%	None
Negotiable Certificates of Deposits	5 Years	30%	None
State of California Local Agency Investment Fund	N/A	None	\$65M
California Asset Management Program	N/A	None	None
Insured Savings and Money Market Accounts	N/A	None	None
City and County of San Francisco Treasury Pool	5 Years	None	None
Shares of Beneficial Interest (Money Market Funds)	N/A	20%	10%

** More restrictive than California Government Code

The Transportation Authority maintains deposits and investments with the City and County of San Francisco Treasury Pool (Pool). The Pool is not registered with the U.S. Securities and Exchange and, therefore, is unrated. As of June 30, 2024, the Transportation Authority's deposits and investments in the Pool are approximately \$40.8 million, and the total amount invested by all public agencies in the Pool is approximately \$16.4 billion. The City's Treasurer Oversight Committee has oversight responsibility for the Pool. The value of the Transportation Authority's shares in the Pool, which may be withdrawn, is based on the book value of the Transportation Authority's percentage participation, which is different than the fair value of the Transportation Authority's percentage participation in the Pool.

The Transportation Authority's investments on June 30, 2024, consisted of pooled cash with the City and County of San Francisco, having a weighted average maturity of 1.25 years. At June 30, 2024, the Pool consists of U.S. government and agency securities, commercial paper, money market funds, negotiable certificates of deposit, supranational financial instruments, and public time deposits as authorized by state statutes and the City's investment policy. Additional information regarding deposit and investment risks (such as interest rate, credit, and concentration of credit risks) may be obtained by contacting the City Controller at: Controller's Office, City Hall, Room 316, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102; Phone: 415-554-7500; Fax: 415-554-7466.

Note 4 - Interfund Transactions

Current Interfund Balances: Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The composition of current interfund balances as of June 30, 2024, is as follows:

Payable to:	Receivable from:					Total
	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	
Sales Tax Program	\$ 22,276,355	\$ 59,841	\$ 92,144	\$ 619,276	\$ 1,684,725	\$ 24,732,341
Total	<u>\$ 22,276,355</u>	<u>\$ 59,841</u>	<u>\$ 92,144</u>	<u>\$ 619,276</u>	<u>\$ 1,684,725</u>	<u>\$ 24,732,341</u>

The outstanding receivables from the Congestion Management Agency Programs 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 CMA Program made transfers of \$7,927,563 to the Sales Tax Program, for paying expenditures incurred during the fiscal year. The Sales Tax Program made transfers of \$431,696 to the Treasure Island Mobility Management Agency for paying expenditures during the fiscal year.

Note 5 - Capital Assets

The capital assets activity for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Transfers	Balance June 30, 2024
Capital assets, not being depreciated or amortized				
work in progress	\$ 233,100	\$ -	\$ (233,100)	\$ -
Capital assets, being depreciated and amortized:				
Leasehold improvements	3,023,624	-	-	3,023,624
Furniture and equipment	1,148,679	49,969	-	1,198,648
Right-to-use subscription asset	-	730,767	233,100	963,867
Right-to-use leased office space	3,675,744	-	-	3,675,744
Total capital assets, being depreciated and amortized	7,848,047	780,736	233,100	8,861,883
Less accumulated depreciation and amortization for:				
Leasehold improvements	2,557,825	232,900	-	2,790,725
Furniture and equipment	920,001	99,166	-	1,019,167
Right-to-use subscription asset	-	321,289	-	321,289
Right-to-use leased office space	1,837,872	918,936	-	2,756,808
Total accumulated depreciation	5,315,698	1,572,291	-	6,887,989
Total capital assets, net	\$ 2,765,449	\$ (791,555)	\$ -	\$ 1,973,894

Depreciation and amortization expense for the current year amounted to \$1,572,291 and was allocated to the transportation improvement expense on the statement of activities.

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

Receivables from the City and County of San Francisco consist of the following on June 30, 2024:

Receivables From the Following City Department / Agency	Purpose	Total
Municipal Transportation Agency	Implementing Advanced Transportation Congestion and Mitigation Technologies	\$ 39,681
	Deployment Initiatives on Treasure Island Sales Proceeds from Transit Vehicles Purchased with Sales	115,633
	Tax Grant Funds and Salvaged SF-CHAMP Travel Demand Forecasting Model	75,000
	Planning Department	18,304
Treasure Island Development Authority	Geary/19th Ave Subway Strategic Case	40,000
	Transportation Sustainability Program Evaluation Tool	31,314
Treasure Island Development Authority	Ferry Terminal Enhancements Project	3,326,171
	Hillcrest Road Widening Project	3,430,743
	Southgate Road Realignment Project	1,054,475
	Treasure Island Transportation Implementation Plan	324,185
	Yerba Buena Island Ramps Improvement Project	574,755
	Yerba Buena Island Westside Bridges Seismic Retrofit Project	574,755
Total receivables from the City and County of San Francisco		<u>\$ 9,030,261</u>

San Francisco County Transportation Authority
Notes to Financial Statements
June 30, 2024

Payables to the City and County of San Francisco consist of the following on June 30, 2024:

Payables to the Following City Department / Agency	Purpose	Total
Department of Public Works	Street Resurfacing	\$ 22,863,569
	Neighborhood Transportation Program	4,466
	Total Department of Public Works	22,868,035
Department of Environment	Clean Air Programs	13,811
Department of Technology	Video Production and Telecast Services	10,500
Office of City Attorney	General Legal Counsel Services	26,812
Municipal Transportation Agency	Advanced Technology and Information Systems (SFgo)	\$ 691,873
	Bicycle Circulation/Safety	700,946
	Clean Air Programs	143,514
	Extension of Streetcar Service (Fisherman's Wharf to Fort Mason)	483
	Guideways	12,162,575
	Muni Maintenance	1,190,214
	New Signals and Signs	1,127,548
	Other Transit Enhancements	647,041
	Paratransit	8,895,678
	Paratransit Services	5,262,752
	Pedestrian and Bicycle Facility Maintenance	96,865
	Pedestrian Circulation/Safety	2,448,390
	Pedestrian Safety	218,489
	Rapid Bus Network including Real Time Transit Information	14,433,845
	Rehabilitation, Upgrade and Replacement of Existing Facilities	3,953,918
	Safer and Complete Streets	37,876
	Signals and Signs	770,939
	Traffic Calming	3,519,680
	Traffic Signs and Signals Maintenance	2,344
	Transit Reliability and Mobility Improvements	2,627,028
Transit Vehicle Replacement and Renovation	35,761,694	
Transportation Demand Management/Parking Management	98	
Transportation/Land Use Coordination	63,173	
Upgrades to Major Arterials (including 19th Avenue)	19,513	
Vision-Zero Quick-Build Program	1,525,810	
Total Municipal Transportation Agency	96,302,286	
Total payable to the City and County of San Francisco	<u>\$ 119,221,444</u>	

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, 2024:

<u>Expenditures Incurred by the Following City Department/Agency</u>	<u>Total</u>
Department of Environment	\$ 141,658
Department of Technology	34,615
Department of Public Works	8,901,065
Municipal Transportation Agency	89,558,940
Office of the City Attorney	2,310
Treasure Island Development Authority	37,821
	<u>\$ 98,676,409</u>

During FY2023/24, the Transportation Authority reimbursed capital expenditures of \$98.6 million, which were paid to departments within the City, of which \$89.6 million was reimbursed on SFMTA projects. SFMTA projects include \$63.6 million on Transit Vehicles Procurement and Replacement, \$4.6 million to traffic signals, \$4.5 million on traffic calming, and \$3.2 million for Potrero Yard Modernization.

Note 7 - Long Term Debt and Lease Payable

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

	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024	Current Portion
Revenue bonds	\$ 194,185,000	\$ -	\$ (14,545,000)	\$ 179,640,000	\$ 15,125,000
Bond premium	14,588,667	-	(1,215,723)	13,372,944	-
Lease	1,907,273	-	(934,909)	972,364	972,364
Subscriptions	-	488,367	(161,865)	326,502	161,812
Total	\$ 210,680,940	\$ 488,367	\$ (16,857,497)	\$ 194,311,810	\$ 16,259,176

Revenue Bonds and Revolving Credit Agreement

On November 2, 2017, the Transportation Authority issued \$248,250,000 Senior Sales Tax Revenue Bonds, Series 2017, with total proceeds of \$270,133,005 and \$21,883,005 of bond premiums to (i) finance a portion of the costs of and costs incidental to or connected with the construction, acquisition, and improvement of certain transit, street, and traffic facilities and other transportation projects, including, without limitation to, engineering, inspection, legal, fiscal agents, financial consultant and other fees, and working capital, all as described in the Expenditure Plan adopted pursuant to the Act; (ii) repay a portion of the outstanding amount of a revolving credit agreement and a promissory note evidencing the Transportation Authority’s payment obligation thereunder; (iii) pay capitalized interest on a portion of the Series 2017 Bonds; and (iv) pay costs of issuance of the Series 2017 Bonds. The bonds pay interest ranging from 3.0% to 4.0% and mature February 1, 2034. The outstanding bond principal at June 30, 2024, is \$179,640,000 with \$13,372,944 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. Based on total sales tax revenue of \$108,250,471 for the year ended June 30, 2024, and total debt service payments of \$20,565,703 on the Series 2017 Bonds. The Transportation Authority’s senior debt service coverage ratio was 507% or 5.07 times.

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

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

Fiscal Year	Principal	Interest	Annual Debt Service
2025	\$ 15,125,000	\$ 6,208,500	\$ 21,333,500
2026	15,735,000	5,603,500	21,338,500
2027	16,360,000	4,974,100	21,334,100
2028	17,015,000	4,319,700	21,334,700
2029	17,695,000	3,639,100	21,334,100
2030-2034	97,710,000	8,967,150	106,677,150
Total	<u>\$ 179,640,000</u>	<u>\$ 33,712,050</u>	<u>\$ 213,352,050</u>

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

The RCA 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 RCA to fund the capital projects and programs included in the Expenditure Plan. As of June 30, 2024, and for the year then ended, the Transportation Authority did not have any outstanding balances and did not make any interest payments under the Revolving Credit Facility. The Transportation Authority did pay commitment fees under the Revolving Credit Agreement equal to 0.20% of the commitment amount. As of June 30, 2024, the Transportation Authority paid \$254,167 in commitment fees to the bank and does not have any outstanding balance.

Events of Default under the 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 Fitch, BBB by Moody's, or BBB by S&P. 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 Revolving Credit Agreement.

Lease Payable

In December 2011, the Transportation Authority executed a 13-year workspace lease for its office, located at 1455 Market Street, with a 5-year extension option. The term of the lease commenced on July 1, 2012, and expires on June 30, 2025. As of June 30, 2024, the value of the lease liability was \$972,364. The Transportation Authority is required to make monthly principal and interest payments of \$79,541. The lease has an interest rate of 1.25%. The value of the right-to-use asset as of the end of the current fiscal year was \$3,675,744 and had accumulated amortization of \$2,756,808.

The future principal and interest payments as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 972,364	\$ 5,583	\$ 977,947
Total future minimum lease obligations	\$ 972,364	\$ 5,583	\$ 977,947

Subscription Based Information Technology Arrangement (SBITA) Payable

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

The future principal and interest payments as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 161,812	\$ 5,188	\$ 167,000
2026	164,690	1,310	166,000
Total future minimum SBITA payable	\$ 326,502	\$ 6,498	\$ 333,000

Note 8 - Pension Plans

General Information about the Pension Plan

Plan Description

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on the hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. Benefit provisions and all other requirements are established by state statute and may be amended by the Transportation Authority’s contract with the employees.

The Plan provisions and benefits in effect on June 30, 2024, are summarized as follows:

Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit vesting formula	2% at 55	2% at 62
Minimum years of services	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Earliest retirement age	50	52
Annual vesting, as a percent of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	6.92%	7.75%
Required employer contribution rates	12.47%	7.68%
Required employer prepayment for unfunded liability	\$201,920	\$0

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, 2024, the employer contributions were \$736,803.

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

As of June 30, 2024, the Transportation Authority's reported net pension liability for its proportionate share of the collective net pension liability is \$3,963,704. 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, 2023, 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, 2022. With a valuation date of June 30, 2022, the amounts are rolled forward to June 30, 2023, using standard update procedures. The Transportation Authority's proportion of the net pension liability was based on the Transportation Authority's share of contributions to the pension plan, relative to the projected contributions of all participating employers, actuarially determined. The Transportation Authority's proportionate share of the net pension liability as of June 30, 2023, and 2024 was as follows:

Proportion - June 30, 2023	0.02938%
Proportion - June 30, 2024	0.03177%
Change	0.00239%

For the year ended June 30, 2024, the Transportation Authority recognized a pension expense of \$1,225,145.

On June 30, 2024, 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	\$ 736,803	\$ -
Contributions in excess of proportionate share	6,316	(70,207)
Changes in assumptions	239,307	-
Difference in expected and actual experience	202,487	(31,410)
Adjustment due to differences in proportions	418,937	-
Net differences between projected and actual earnings on plan investments	641,759	-
Total	\$ 2,245,609	\$ (101,617)

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$736,803, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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
2025	\$ 519,241
2026	338,565
2027	530,968
2028	18,415
	\$ 1,407,189

Actuarial Assumptions

The total pension liability in the year ended June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
 Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Increase	Varies by Entry-Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract Cost-of-Living Adjustment (COLA) up to 2.30% until Purchasing Power Protection Allowance Floor

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

Discount Rate

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

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

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

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

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

² Figures are based on the 2021-2022 Asset Liability Management study.

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

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

	1% Decrease	Rate	1% Increase
	5.90%	6.90%	7.90%
Net Pension Liability	\$ 6,729,951	\$ 3,963,704	\$ 1,686,846

Pension Plan Fiduciary Net Position

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

Note 9 - Postemployment Healthcare Benefits

Plan Description

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

The Transportation Authority is a contracting agency under the Public Employees' Medical and Hospital Care Act, which is administered by CalPERS for the provision of healthcare insurance programs for both active and retired employees. The Transportation Authority participates in the California Employers' Retiree Benefit Trust Fund Program (CERBT), an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CalPERS. CalPERS and CERBT issue publicly available financial reports that can be found on the CalPERS website.

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

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

Contributions

The contribution requirements of plan members and the Transportation Authority are established and may be amended by the Board. The Transportation Authority makes contributions on an actuarial basis, funding the full Actuarially Determined Contributions (ADC). Employees of the Transportation Authority are not required to contribute to the plan. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Significant Assumptions

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00% a change from 7.59% as of fiscal year June 30, 2023. The projection of cash flows used to determine the discount rate assumed that Transportation Authority contributions would be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability or asset.

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

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

Changes in the 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, 2023	\$ 2,056,800	\$ 2,157,800	\$ (101,000)
Changes for the year:			
Service Cost	117,100	-	117,100
Interest	156,900	-	156,900
Changes of assumptions	513,300	-	513,300
Difference between expected and actual	(98,600)	-	(98,600)
Effect of Plan Amendments			
Contributions:			
Trust deposits	-	-	-
Employer - explicit subsidy	-	63,000	(63,000)
Employer - implicit subsidy	-	33,400	(33,400)
Benefit payments	(96,400)	(96,400)	-
Administrative expenses	-	(1,087)	1,087
Expected Investment Return	-	163,736	(163,736)
Investment Experience (Loss)/Gain	-	(25,149)	25,149
Net changes	<u>592,300</u>	<u>137,500</u>	<u>454,800</u>
Balance at June 30, 2024	<u>\$ 2,649,100</u>	<u>\$ 2,295,300</u>	<u>\$ 353,800</u>

Sensitivity of the Net OPEB Asset 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 6.00%, 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 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Asset	\$ 769,700	\$ 353,800	\$ 12,900

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

	1% Decrease various initial rates grading to 3%	Current Healthcare Trend Cost Rate various initial rates grading to 4%	1% Increase various initial rates grading to 5%
Net OPEB Asset	\$ (50,800)	\$ 353,800	\$ 868,500

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

For the fiscal year ended June 30, 2024, the Transportation Authority recognized OPEB expense of \$161,156. As of the fiscal year ended June 30, 2024, the Transportation Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 242,300	\$ -
Changes in assumptions	479,239	(128,098)
Difference between expected and actual experience	149,042	(504,342)
Net differences between projected and actual earnings on plan investments	193,360	-
Total	\$ 1,063,941	\$ (632,440)

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

Fiscal Year Ended June 30,	Deferred Inflows of Resources
2025	\$ 36,708
2026	21,413
2027	99,226
2028	(5,299)
2029	(10,328)
Thereafter	47,481
Total	<u>\$ 189,201</u>

Note 10 - Administrative Expense Limitations

In accordance with California Public Utilities Code, *Section 131107*, not more than one percent of the Transportation Authority’s annual net amount of revenues, raised by the sales tax, may be used to fund the salaries and benefits of the staff of the Transportation Authority in administering the Prop K Expenditure Plan. For the year ended June 30, 2024, revenues, staff salaries, and fringe benefits for administering the Prop K Expenditure Plan for the Sales Tax Program were as follows:

Revenues	\$ 108,250,471
Expenditures:	
Salaries	940,380
Fringe benefits	17,030
Total	<u>\$ 957,410</u>
Percentage of revenue	0.88%

Personnel expenditures of \$3,715,835 were reported in the Sales Tax Program, of which \$957,410 was related to general administration of the Expenditure Plan, and \$2,758,425 was related to planning and programming, which includes monitoring and oversight of sales tax funded projects.

Note 11 - Risk Management

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

Note 12 - Commitments

The Transportation Authority's outstanding commitments totaled \$511,895,604 at June 30, 2024. This amount is comprised of \$401,919,642 in remaining capital project appropriations. Sponsors receive appropriations for the entire project (awards) but cannot be reimbursed faster than the amount allocated annually. At June 30, 2024, the Transportation Authority has encumbered \$8,358,345 in the Sales Tax Program, \$100,954,114 in the Congestion Management Agency Programs, and \$663,503 in the Treasure Island Mobility Management Agency Program, respectively, on various Transportation Authority contracts held with private consulting and construction companies and cooperative agreements with governmental entities.

Note 13 - Subsequent Events

On October 31, 2024, the Transportation Authority entered into a new Revolving Credit Agreement (RCA) with U.S. Bank National Association (U.S. Bank) for \$185 million. Amount borrowed under the RCA assumes a rate of interest equal to the sum of Securities Industry and Financial Markets Association (SIFMA) Index plus a fixed credit spread (subject to adjustment if the Transportation Authority's credit rating changes) and unborrowed amounts under the RCA are subject to a commitment fee of 0.20%. The Transportation Authority's new RCA expires on October 29, 2027. The RCA 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 RCA to fund the capital projects and programs included in the Expenditure Plan.

Required Supplementary Information
June 30, 2024

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, 2024

	Budget Amounts		Actual	Favorable (Unfavorable) Variance Final to Actual
	Original	Final		
Revenues and Transfers In				
Sales tax	\$ 112,357,000	\$ 106,165,000	\$ 108,250,471	\$ 2,085,471
Investment income	1,230,992	1,222,132	2,949,100	1,726,968
Other revenues	-	65,989	115,715	49,726
Transfers in from other funds	-	16,996,230	7,927,563	(9,068,667)
Total Revenues and Transfers In	113,587,992	124,449,351	119,242,849	(5,206,502)
Expenditures and Transfers Out				
Administrative operating costs	9,494,187	8,208,379	5,150,492	3,057,887
Transportation improvement	152,530,594	152,148,572	146,476,702	5,671,870
Debt service				
Principal	14,545,000	14,545,000	15,641,774	(1,096,774)
Interest and fiscal charges	7,185,925	7,280,439	4,923,929	2,356,510
Transfers out to other funds	3,790,840	99,229	431,696	(332,467)
Total Expenditures and Transfers Out	187,546,546	182,281,619	172,624,593	9,657,026
Other Financing Sources (Uses)				
Proceeds from debt	75,000,000	60,000,000	-	(60,000,000)
Change in Fund Balance	1,041,446	2,167,732	(53,381,744)	(55,549,476)
Fund Balance - Beginning	10,516,651	10,516,651	10,516,651	-
Fund Balance - Ending	\$ 11,558,097	\$ 12,684,383	\$ (42,865,093)	\$ (55,549,476)

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, 2024

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance
	Original	Final		Final to Actual
Revenues and Transfers In				
Program revenues				
Federal	\$ 36,152,895	\$ 48,780,729	\$ 36,983,777	\$ (11,796,952)
State	13,008,875	12,885,987	8,451,546	(4,434,441)
Regional and other	3,093,784	3,447,566	1,075,421	(2,372,145)
Transfers in from other funds	3,743,585	-	-	-
Total Revenues and Transfers In	55,999,139	65,114,282	46,510,744	(18,603,538)
Expenditures and Transfers Out				
Administrative operating costs	3,611,107	4,131,931	3,810,766	321,165
Transportation improvement	52,388,032	43,986,121	34,772,415	9,213,706
Transfers out to other funds	-	16,996,230	7,927,563	9,068,667
Total Expenditures and Transfers Out	55,999,139	65,114,282	46,510,744	18,603,538
Change in Fund Balance	-	-	-	-
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, 2024

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance Final to Actual
	Original	Final		
Revenues and Transfers In				
Investment income	\$ 1,007	\$ 856	\$ 818	\$ (38)
Program revenues				
Regional and other	942,750	751,096	704,037	(47,059)
Total Revenues and Transfers In	<u>943,757</u>	<u>751,952</u>	<u>704,855</u>	<u>(47,097)</u>
Expenditures and Transfers Out				
Administrative operating costs	55,535	55,535	46,224	9,311
Transportation improvement	1,136,411	1,136,411	396,752	739,659
Total Expenditures and Transfers Out	<u>1,191,946</u>	<u>1,191,946</u>	<u>442,976</u>	<u>748,970</u>
Change in Fund Balance	(248,189)	(439,994)	261,879	701,873
Fund Balance - Beginning	661,072	661,072	661,072	-
Fund Balance - Ending	<u>\$ 412,883</u>	<u>\$ 221,078</u>	<u>\$ 922,951</u>	<u>\$ 701,873</u>

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, 2024

	Budget Amounts		Actual	Favorable (Unfavorable) Variance Final to Actual
	Original	Final		
Revenues and Transfers In				
Vehicle registration fee	\$ 4,645,521	\$ 4,645,521	\$ 4,519,735	\$ (125,786)
Investment income	18,491	26,877	26,336	(541)
Total Revenues and Transfers In	<u>4,664,012</u>	<u>4,672,398</u>	<u>4,546,071</u>	<u>(126,327)</u>
Expenditures and Transfers Out				
Administrative operating costs	232,276	232,276	170,940	61,336
Transportation improvement	11,771,309	11,771,309	6,640,019	5,131,290
Total Expenditures and Transfers Out	<u>12,003,585</u>	<u>12,003,585</u>	<u>6,810,959</u>	<u>5,192,626</u>
Change in Fund Balance	(7,339,573)	(7,331,187)	(2,264,888)	5,066,299
Fund Balance - Beginning	<u>17,508,943</u>	<u>17,508,943</u>	<u>17,508,943</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 10,169,370</u>	<u>\$ 10,177,756</u>	<u>\$ 15,244,055</u>	<u>\$ 5,066,299</u>

San Francisco County Transportation Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Treasure Island Mobility Management Agency
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable) Variance Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
Revenues and Transfers In				
Program revenues				
Federal	\$ 1,027,034	\$ 883,659	\$ 348,643	\$ (535,016)
State	29,801	45,759	-	(45,759)
Regional and other	608,790	676,258	658,306	(17,952)
Transfers in from other funds	47,255	99,229	431,696	332,467
Total Revenues and Transfers In	<u>1,712,880</u>	<u>1,704,905</u>	<u>1,438,645</u>	<u>(266,260)</u>
Expenditures and Transfers Out				
Administrative operating costs	342,627	686,735	642,175	44,560
Transportation improvement	1,370,253	1,018,170	796,470	221,700
Total Expenditures and Transfers Out	<u>1,712,880</u>	<u>1,704,905</u>	<u>1,438,645</u>	<u>266,260</u>
Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2024

	Budgeted Amounts		Actual	Favorable (Unfavorable) Variance Final to Actual
	Original	Final		
Revenues and Transfers In				
Investment income	\$ 371,235	\$ 716,815	\$ 884,318	\$ 167,503
Traffic congestion mitigation tax	10,221,967	8,500,000	8,490,154	(9,846)
Total Revenues and Transfers In	10,593,202	9,216,815	9,374,472	157,657
Expenditures and Transfers Out				
Administrative operating costs	306,659	255,000	115,969	139,031
Transportation improvement	4,582,733	4,682,733	3,296,601	1,386,132
Total Expenditures and Transfers Out	4,889,392	4,937,733	3,412,570	1,525,163
Change in Fund Balance	5,703,810	4,279,082	5,961,902	1,682,820
Fund Balance - Beginning	15,132,065	15,132,065	15,132,065	-
Fund Balance - Ending	\$ 20,835,875	\$ 19,411,147	\$ 21,093,967	\$ 1,682,820

San Francisco County Transportation Authority
Schedule of Changes in the Net Other Postemployment Benefit Liability and Related Ratios
Year Ended June 30, 2024 Last Ten Years*

	2024	2023	2022	2021
Changes in total OPEB liability				
Service cost	\$ 117,100	\$ 123,000	\$ 89,900	\$ 91,900
Interest	156,900	150,400	124,100	113,200
Difference between expected and actual experience	(98,600)	(3,200)	183,200	(700)
Change in assumptions	513,300	(98,500)	-	-
Benefit payments, including refunds of employee contributions	(96,400)	(70,300)	(63,300)	(60,800)
Changes of benefit terms	-	-	-	-
Net changes	<u>592,300</u>	<u>101,400</u>	<u>333,900</u>	<u>143,600</u>
Total OPEB liability, beginning	<u>2,056,800</u>	<u>1,955,400</u>	<u>1,433,300</u>	<u>1,289,700</u>
Total OPEB liability, ending	<u><u>2,649,100</u></u>	<u><u>2,056,800</u></u>	<u><u>1,767,200</u></u>	<u><u>1,433,300</u></u>
Changes in plan fiduciary net position				
Employer contributions	96,400	70,300	63,300	60,800
Benefit payments, including refunds of employee contributions	(96,400)	(70,300)	(63,300)	(60,800)
Administrative expenses	(1,087)	(1,211)	(1,000)	(940)
Expected investment return	163,736	189,135	148,422	143,415
Investment experience (loss)/gain	(25,149)	(522,624)	389,078	(76,475)
Net changes	<u>137,500</u>	<u>(334,700)</u>	<u>536,500</u>	<u>66,000</u>
Plan fiduciary net position, beginning	<u>2,157,800</u>	<u>2,492,500</u>	<u>1,752,200</u>	<u>1,686,200</u>
Plan fiduciary net position, ending	<u><u>2,295,300</u></u>	<u><u>2,157,800</u></u>	<u><u>2,288,700</u></u>	<u><u>1,752,200</u></u>
Net OPEB liability (asset)	<u><u>\$ 353,800</u></u>	<u><u>\$ (101,000)</u></u>	<u><u>\$ (521,500)</u></u>	<u><u>\$ (318,900)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	86.64%	104.91%	129.51%	122.25%
Covered-employee payroll	\$ 4,853,800	\$ 5,032,000	\$ 4,419,700	\$ 4,355,100
Net OPEB Liability (asset) as a percentage of covered-employee payroll	7.29%	-2.08%	-11.80%	-7.32%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

San Francisco County Transportation Authority
Schedule of Changes in the Net Other Postemployment Benefit Liability and Related Ratios
(continued)
Year Ended June 30, 2024 Last Ten Years*

	2020	2019	2018
Changes in total OPEB liability			
Service cost	\$ 117,500	\$ 122,500	\$ 122,500
Interest	143,000	129,500	116,600
Difference between expected and actual experience	(596,100)	-	-
Change in assumptions	(62,700)	-	-
Benefit payments, including refunds of employee contributions	(59,800)	(58,400)	(64,300)
Changes of benefit terms	-	(5,400)	-
Net changes	<u>(458,100)</u>	<u>188,200</u>	<u>174,800</u>
Total OPEB liability, beginning	<u>1,747,800</u>	<u>1,747,800</u>	<u>1,573,000</u>
Total OPEB liability, ending	<u>1,289,700</u>	<u>1,936,000</u>	<u>1,747,800</u>
Changes in plan fiduciary net position			
Employer contributions	137,878	143,348	165,487
Benefit payments, including refunds of employee contributions	(59,800)	(58,400)	(64,300)
Administrative expenses	(840)	(782)	(652)
Expected investment return	127,059	112,475	95,999
Investment experience (loss)/gain	(20,997)	7,159	37,966
Net changes	<u>183,300</u>	<u>203,800</u>	<u>234,500</u>
Plan fiduciary net position, beginning	<u>1,502,900</u>	<u>1,502,900</u>	<u>1,268,400</u>
Plan fiduciary net position, ending	<u>1,686,200</u>	<u>1,706,700</u>	<u>1,502,900</u>
Net OPEB liability (asset)	<u>\$ (396,500)</u>	<u>\$ 229,300</u>	<u>\$ 244,900</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	130.74%	88.16%	85.99%
Covered payroll	\$ 4,045,342	\$ 4,045,342	\$ 3,945,800
Net OPEB Liability (asset) as a percentage of covered payroll	-9.80%	5.67%	6.21%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

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

San Francisco County Transportation Authority
Schedule of Other Postemployment Benefits Contributions
Year Ended June 30, 2024 Last Ten Years*

	2024	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 96,400	\$ 63,900	\$ 55,200	\$ 51,400	\$ 137,900
Contributions in relation to the actuarially determined contribution	(96,400)	(63,900)	(70,300)	(63,300)	(60,800)
Contribution deficiency/(excess)	\$ -	\$ -	\$ (15,100)	\$ (11,900)	\$ 77,100
Covered payroll	\$ 4,909,300	\$ 4,853,800	\$ 5,032,000	\$ 4,419,700	\$ 4,355,100
Contributions as a percentage of covered payroll	2.0%	1.3%	1.4%	1.4%	1.4%
	2019	2018	2017		
Actuarially Determined Contribution	\$ 137,900	\$ 143,300	\$ 165,487		
Contributions in relation to the actuarially determined contribution	(60,800)	(143,348)	(165,487)		
Contribution deficiency/(excess)	\$ 77,100	\$ (48)	\$ -		
Covered payroll	\$ 4,038,800	\$ 4,045,342	\$ 3,945,800		
Contributions as a percentage of covered payroll	1.5%	3.5%	4.2%		

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

San Francisco County Transportation Authority
Schedule of the Proportionate Share of the Net Pension Liability
Year Ended June 30, 2024 Last Ten Years

	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.03177%	0.02938%	0.01604%	0.02444%	0.02295%
Proportionate share of the net pension liability	\$ 3,963,704	\$ 3,393,558	\$ 867,648	\$ 2,659,364	\$ 2,351,809
Covered payroll	\$ 5,087,758	\$ 5,087,758	\$ 4,705,960	\$ 4,826,091	\$ 4,423,143
Proportionate share of the net pension liability as a percentage of covered payroll	77.91%	66.70%	18.44%	55.10%	53.17%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.02147%	0.02160%	0.02040%	0.01877%	0.04834%
Proportionate share of the net pension liability	\$ 2,068,676	\$ 2,141,912	\$ 1,765,415	\$ 1,288,393	\$ 1,299,087
Covered payroll	\$ 4,395,775	\$ 4,038,787	\$ 4,202,141	\$ 3,643,778	\$ 3,684,025
Proportionate share of the net pension liability as a percentage of covered payroll	47.06%	53.03%	42.01%	35.36%	35.26%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

San Francisco County Transportation Authority
Schedule of Pension Contributions
Year Ended June 30, 2024 Last Ten Years

	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 736,803	\$ 689,514	\$ 628,025	\$ 606,199	\$ 539,103
Contributions in relation to the actuarially determined	<u>(736,803)</u>	<u>(689,514)</u>	<u>(628,025)</u>	<u>(606,199)</u>	<u>(539,103)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,646,670	\$ 5,087,758	\$ 4,705,960	\$ 4,826,091	\$ 4,423,143
Contributions as a percentage of covered payroll	13.05%	13.55%	13.35%	12.56%	12.19%
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 478,668	\$ 403,317	\$ 293,492	\$ 280,199	\$ 399,937
Contributions in relation to the actuarially determined	<u>(478,668)</u>	<u>(403,317)</u>	<u>(293,492)</u>	<u>(280,199)</u>	<u>(399,937)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,395,775	\$ 4,038,787	\$ 4,202,141	\$ 3,643,778	\$ 3,684,025
Contributions as a percentage of covered payroll	10.89%	9.99%	6.98%	7.69%	10.86%

Note 1 - Budgets and Budgetary Data

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

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

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

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

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

The discount rate was changed from 7.59% to 6.00% in FY2022/23 and from 7.28% to 7.59% in FY2019/20.

Supplementary Information
June 30, 2024

San Francisco County
Transportation Authority

San Francisco County Transportation Authority
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Program Description	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures July 1, 2023 through June 30, 2024
U.S. Department of Transportation			
Federal Highway Administration:			
Highway Research and Development Program			
<i>Passed through - San Francisco Municipal Transportation Agency</i>			
Advanced Transportation Congestion and Mitigation Technologies			
Deployment Initiatives on Treasure Island	20.200	693JJ31850002	\$ 285,251
Total Highway Research and Development Program			<u>285,251</u>
Highway Planning and Construction			
<i>Passed through - Metropolitan Transportation Commission</i>			
Surface Transportation Program:			
Innovative Deployments to Enhance Arterials Shared			
Automated Vehicle - Treasure Island Automated Vehicle Shuttle Project	20.205	STPNI-6084(244)	158,784
Transportation Planning and Programming	20.205	STPL-6084(284)	1,441,003
<i>Passed through - State of California Department of Transportation</i>			
Yerba Buena Island Multi-Use Pathway	20.205	STPL-6272(053)	223,787
Yerba Buena Island Westside Bridges	20.205	STPLZ-6272(046)	24,990,196
Total Highway Planning and Construction			<u>26,813,770</u>
Safe Streets and Roads for All			
<i>Passed through - San Francisco Municipal Transportation Agency</i>			
Safe Streets and Freeways Strategy Vision Zero Freeway Ramp			
Intersection Safety Study Phase 3	20.939	693JJ32340205	22,716
Total U.S. Department of Transportation			<u>27,121,737</u>
Total Expenditures of Federal Awards			<u>\$ 27,121,737</u>

San Francisco County Transportation Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Agencywide
Year Ended June 30, 2024

	Agencywide			Favorable (Unfavorable) Variance Final to Actual
	Budget Amounts		Actual	
	Original	Final		
Revenues and Transfers In				
Sales tax	\$112,357,000	\$106,165,000	\$108,250,471	\$ 2,085,471
Vehicle registration fee	4,645,521	4,645,521	4,519,735	(125,786)
Traffic congestion mitigation tax	10,221,967	8,500,000	8,490,154	(9,846)
Investment income	1,621,725	1,966,680	3,860,572	1,893,892
Program revenues				
Federal	37,179,929	49,664,388	37,332,420	(12,331,968)
State	13,038,676	12,931,746	8,451,546	(4,480,200)
Regional and other	4,645,324	4,874,920	2,437,764	(2,437,156)
Other revenues	-	65,989	115,715	49,726
Transfers in from other funds	3,790,840	17,095,459	8,359,259	(8,736,200)
Total Revenues and Transfers In	187,500,982	205,909,703	181,817,636	(24,092,067)
Expenditures and Transfers Out				
Administrative operating costs	14,042,391	13,569,856	9,936,566	3,633,290
Transportation improvement	223,779,332	214,743,316	192,378,959	22,364,357
Debt service				
Principal	14,545,000	14,545,000	15,641,774	(1,096,774)
Interest and fiscal charges	7,185,925	7,280,439	4,923,929	2,356,510
Transfers out to other funds	3,790,840	17,095,459	8,359,259	8,736,200
Total Expenditures and Transfers Out	263,343,488	267,234,070	231,240,487	35,993,583
Other Financing Sources (Uses)				
Proceeds from debt	75,000,000	60,000,000	-	(60,000,000)
Change in Fund Balance	(842,506)	(1,324,367)	(49,422,851)	(48,098,484)
Fund Balance - Beginning	43,818,731	43,818,731	43,818,731	-
Fund Balance - Ending	\$ 42,976,225	\$ 42,494,364	\$ (5,604,120)	\$ (48,098,484)

Note 1 - Schedule of Expenditures of Federal Awards

Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Transportation Authority, a component unit of the City and County of San Francisco, California, under programs of the federal government for the year ended June 30, 2024. Funds received under the various grant programs have been recorded in the CMA programs and TIMMA special revenues funds of the Transportation Authority. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Transportation Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Transportation Authority.

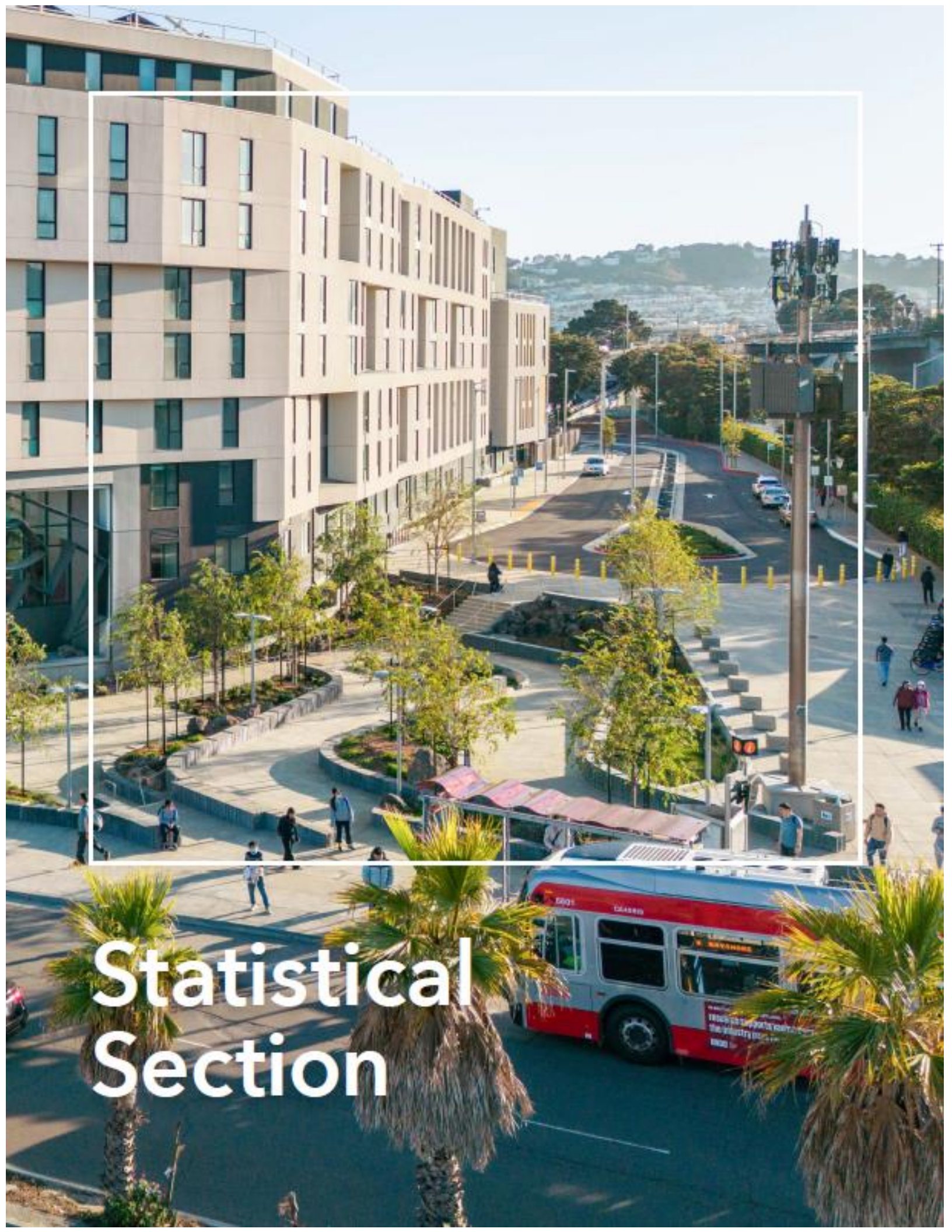
Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The Transportation Authority does not draw for indirect administrative expenses and has not elected to use the 10% de minimus cost rate.

Note 2 - 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.



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.

San Francisco County Transportation Authority
 Financial Trends - Net Position by Component
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Investment in capital assets	\$ 675,028	\$ 858,176	\$ 824,191	\$ 1,010,594	\$ 1,247,867	\$ 1,449,408	\$ 1,713,049	\$ 1,923,785	\$ 2,224,413	\$ 2,518,580
Restricted										
Debt service	-	-	6,205,210	-	-	4,431,964	12,645,404	-	-	-
Capital projects	65,292,478	72,023,655	56,867,952	42,420,369	28,673,442	21,553,559	17,499,296	16,189,389	15,656,533	13,486,451
Unrestricted deficit	(241,721,262)	(203,225,545)	(201,477,738)	(186,037,397)	(169,271,644)	(180,165,759)	(173,430,826)	(120,140,255)	(80,561,178)	(37,049,305)
Total Governmental Activities Net Position (Deficit)	<u>\$(175,753,756)</u>	<u>\$(130,343,714)</u>	<u>\$(137,580,385)</u>	<u>\$(142,606,434)</u>	<u>\$(139,350,335)</u>	<u>\$(152,730,828)</u>	<u>\$(141,573,077)</u>	<u>\$(102,027,081)</u>	<u>\$(62,680,232)</u>	<u>\$(21,044,274)</u>

San Francisco County Transportation Authority
Financial Trends - Changes in Net Position
Last Ten Fiscal Years

EXPENSES	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Transportation improvement	\$ 204,033,767	\$ 125,265,303	\$ 126,576,936	\$ 115,410,193	\$ 102,329,345	\$ 137,196,233	\$ 148,566,289	\$ 160,954,620	\$ 246,207,732	\$ 130,290,251
Interest	4,144,582	6,138,590	6,655,208	6,989,411	7,475,771	7,686,374	7,933,535	1,098,535	794,172	1,468,189
Total Expenses	208,178,349	131,403,893	133,232,144	122,399,604	109,805,116	144,882,607	156,499,824	162,053,155	247,001,904	131,758,440
REVENUES										
Program revenues:										
Operating grants and contributions	37,531,660	13,172,428	22,744,769	21,800,630	16,186,972	10,020,517	9,330,091	15,255,413	97,263,152	42,080,284
Total Revenues	37,531,660	13,172,428	22,744,769	21,800,630	16,186,972	10,020,517	9,330,091	15,255,413	97,263,152	42,080,284
Net (Expense) / Revenue	(170,646,689)	(118,231,465)	(110,487,375)	(100,598,974)	(93,618,144)	(134,862,090)	(147,169,733)	(146,797,742)	(149,738,752)	(89,678,156)
GENERAL REVENUES										
Governmental activities:										
Sales tax	108,250,471	111,473,916	104,818,305	86,530,445	99,268,709	115,670,918	100,969,925	101,922,012	102,136,600	100,278,511
Vehicle registration fees	4,519,735	4,651,843	4,652,149	4,828,943	4,701,173	4,945,470	4,907,713	4,550,482	5,362,050	4,862,063
Traffic congestion mitigation tax	8,490,154	8,371,545	6,120,263	5,625,880	-	-	-	-	-	-
Investment income	3,860,572	970,832	(1,201,096)	19,960	2,782,633	2,844,187	1,703,664	773,032	383,456	462,845
Other	115,715	-	142	262,294	246,122	243,764	181,548	205,367	220,688	315,222
Total General Revenues	125,236,647	125,468,136	114,389,763	97,267,522	106,998,637	123,704,339	107,762,850	107,450,893	108,102,794	105,918,641
Governmental Activities Change in Net Position (Deficit)	\$ (45,410,042)	\$ 7,236,671	\$ 3,902,388	\$ (3,331,452)	\$ 13,380,493	\$ (11,157,751)	\$ (39,406,883)	\$ (39,346,849)	\$ (41,635,958)	\$ 16,240,485

San Francisco County Transportation Authority
 Financial Trends - Fund Balances - Governmental Funds
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sales Tax Program										
Nonspendable	\$ 81,580	\$ 355,924	\$ 123,876	\$ 81,580	\$ 81,580	\$ 139,716	\$ 81,580	\$ 81,580	\$ 81,580	\$ 136,760
Restricted	2,339,611	181,671	9,211,064	2,864,318	2,693,783	7,937,068	16,150,508	-	32,929,667	99,455,392
Unassigned	(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	<u>(42,865,093)</u>	<u>10,516,651</u>	<u>33,352,196</u>	<u>59,972,084</u>	<u>91,257,029</u>	<u>98,919,279</u>	<u>139,735,841</u>	<u>19,004,989</u>	<u>33,011,247</u>	<u>99,592,152</u>
All Other Governmental Funds										
Restricted	37,260,973	33,302,080	27,623,014	20,989,782	16,571,323	15,710,751	12,635,071	9,526,011	7,371,688	8,418,895
Unassigned	-	-	-	-	(47,970)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$37,260,973</u>	<u>\$33,302,080</u>	<u>\$27,623,014</u>	<u>\$20,989,782</u>	<u>\$16,523,353</u>	<u>\$15,710,751</u>	<u>\$12,635,071</u>	<u>\$ 9,526,011</u>	<u>\$ 7,371,688</u>	<u>\$ 8,418,895</u>

San Francisco County Transportation Authority
Financial Trends - Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Sales tax	\$108,250,471	\$ 111,473,916	\$104,818,305	\$ 86,530,445	\$ 99,268,709	\$115,670,918	\$103,263,191	\$102,237,230	\$ 99,528,116	\$100,278,511
Vehicle registration fee	4,519,735	4,651,843	4,652,149	5,513,643	4,016,473	4,945,470	4,907,713	4,550,482	5,362,050	4,862,063
Traffic congestion mitigation tax	8,490,154	8,371,545	6,120,263	5,625,880	-	-	-	-	-	-
Investment income	3,860,572	970,832	(1,201,096)	19,960	2,782,633	2,844,187	1,703,664	773,032	383,456	462,845
Program revenues	48,221,730	3,695,791	14,930,418	11,787,462	10,612,361	9,047,343	12,466,490	17,402,180	94,091,288	43,576,403
Project funds and other revenues	115,715	-	142	35,328	43,631	53,328	45,919	69,738	85,059	179,593
Total Revenues	173,458,377	129,163,927	129,320,181	109,512,718	116,723,807	132,561,246	122,386,977	125,032,662	199,449,969	149,359,415
EXPENDITURES										
Current - transportation improvement										
Personnel expenditures	8,335,212	7,787,811	7,030,501	7,087,755	6,613,922	6,247,903	5,917,828	5,483,832	5,321,186	5,687,882
Non-personnel expenditures	1,601,354	2,486,803	1,967,710	2,556,765	2,671,878	2,603,262	2,626,464	2,384,250	2,175,819	2,308,971
Capital project costs	191,598,223	113,391,366	117,594,422	105,044,103	92,419,890	127,851,363	139,400,940	152,869,532	238,735,052	122,103,000
Capital outlay	780,736	127,495	133,548	36,455	94,771	33,338	90,684	48,448	51,852	52,965
Debt service										
Principal	15,641,774	15,025,065	14,578,406	13,310,000	12,920,000	24,664,165	115,000,000	21,000,000	20,000,000	-
Interest and fiscal charges	4,923,929	7,501,866	8,002,250	8,371,509	8,852,994	8,902,097	5,644,154	1,098,535	794,172	1,468,189
Total Expenditures	222,881,228	146,320,406	149,306,837	136,406,587	123,573,455	170,302,128	268,680,070	182,884,597	267,078,081	131,621,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,422,851)	(17,156,479)	(19,986,656)	(26,893,869)	(6,849,648)	(37,740,882)	(146,293,093)	(57,851,935)	(67,628,112)	17,738,408
OTHER FINANCING SOURCES (USES)										
Transfers in	8,359,259	12,812,599	10,122,759	16,200,028	5,947,273	1,918,798	1,236,864	804,813	5,494,966	1,299,593
Transfers out	(8,359,259)	(12,812,599)	(10,122,759)	(16,200,028)	(5,947,273)	(1,918,798)	(1,236,864)	(804,813)	(5,494,966)	(1,299,593)
Proceeds from long term obligations	-	-	-	-	-	-	270,133,005	46,000,000	-	134,664,165
Total Other Financing Sources (Uses)	-	-	-	-	-	-	270,133,005	46,000,000	-	134,664,165
NET CHANGE IN FUND BALANCES	(49,422,851)	(17,156,479)	(19,986,656)	(26,893,869)	(6,849,648)	(37,740,882)	123,839,912	(11,851,935)	(67,628,112)	152,402,573
Fund Balances - Beginning	43,818,731	60,975,210	80,961,866	107,780,382	114,630,030	152,370,912	28,531,000	40,382,935	108,011,047	(44,391,526)
Cumulative Change in accounting principle	-	-	-	75,353	-	-	-	-	-	-
Fund Balances - Ending	\$ (5,604,120)	\$ 43,818,731	\$ 60,975,210	\$ 80,961,866	\$107,780,382	\$114,630,030	\$152,370,912	\$ 28,531,000	\$ 40,382,935	\$108,011,047
Debt Service as a Percentage of Noncapital Expenditures	9.26%	15.41%	15.14%	15.90%	17.63%	19.71%	44.92%	12.09%	7.79%	1.12%

San Francisco County Transportation Authority
Revenue Capacity - Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Sales Tax Rate	Sales Tax Revenue (in thousands)	Annual Growth	Total Taxable Sales in San Francisco County (in thousands)
2024	0.5%	\$ 108,250	-2.89%	\$ 18,992,558
2023	0.5%	111,474	6.35%	19,496,303
2022	0.5%	104,818	21.13%	19,496,303
2021	0.5%	86,530	-12.83%	18,499,992
2020	0.5%	99,269	-14.18%	14,695,295
2019	0.5%	115,671	14.56%	17,894,572
2018	0.5%	100,970	-0.93%	20,762,507
2017	0.5%	101,922	-0.21%	19,824,321
2016	0.5%	102,137	1.85%	19,334,503
2015	0.5%	100,279	6.76%	19,378,945

Source: California Department of Tax and Fee Administration.

San Francisco County Transportation Authority
Revenue Capacity - Principal Sales Tax Payers by Segment for the County
Last Ten Fiscal Years (in thousands)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Building Material, Garden Equipment & Supplies Dealer	\$ 607,785	\$ 653,939	\$ 692,779	\$ 668,123	\$ 678,394	\$ 688,526	\$ 660,316	\$ 586,018	\$ 590,523	\$ 567,502
Clothing and Clothing Accessories Stores	1,485,197	1,686,952	1,732,815	1,350,205	1,592,984	2,004,367	2,081,039	2,099,019	2,129,867	2,200,024
Food and Beverage Stores	796,833	778,351	742,122	713,524	822,192	859,081	862,682	851,556	845,680	805,017
Food Services and Drinking Places	4,562,369	4,474,180	3,761,223	2,052,954	3,756,963	4,958,157	4,806,903	4,680,694	4,573,912	4,293,647
Gasoline Stations	548,857	573,928	554,725	331,589	440,577	563,607	548,415	445,369	442,063	520,987
General Merchandise Stores	615,892	654,732	708,140	609,807	657,382	767,933	812,795	822,175	857,385	864,504
Home Furnishings Stores and Appliance Stores	767,622	840,426	983,527	821,785	874,722	1,058,102	970,745	917,409	989,560	982,826
Motor Vehicle and Parts Dealers	587,887	571,864	591,880	653,969	565,616	678,081	613,264	613,651	552,476	575,056
Other Retail Group	2,470,498	2,566,554	2,620,198	2,568,101	2,666,115	2,582,246	2,469,161	2,292,527	2,171,479	2,131,146
Total Retail and Food Services	12,442,940	12,800,926	12,387,409	9,770,057	12,054,945	14,160,100	13,825,320	13,308,418	13,152,945	12,940,709
All Other Outlets	6,549,618	6,695,377	6,112,583	4,925,238	5,839,627	6,602,407	5,999,001	6,026,085	6,226,000	5,721,175
Total All Outlets	\$ 18,992,558	\$ 19,496,303	\$ 18,499,992	\$ 14,695,295	\$ 17,894,572	\$ 20,762,507	\$ 19,824,321	\$ 19,334,503	\$ 19,378,945	\$ 18,661,884

Source: California Department of Tax and Fee Administration.

San Francisco County Transportation Authority
Debt Capacity - Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Revolving Credit Agreement	Commercial Paper	Lease Liability	Sales Tax Revenue Bonds	Debt Per Capita *	Total Debt as a % of Personal Income
2024	\$ -	\$ -	\$ 972,364	\$193,012,944	\$ 241	0.14%
2023	-	-	1,907,273	208,773,667	264	0.15%
2022	-	-	2,807,338	224,114,390	282	0.17%
2021	-	-	-	239,040,113	271	0.19%
2020	-	-	-	253,565,836	287	0.20%
2019	-	-	-	267,701,559	304	0.22%
2018	24,664,165	-	-	268,917,282	333	0.25%
2017	139,664,165	-	-	-	159	0.13%
2016	114,664,165	-	-	-	131	0.12%
2015	134,664,165	-	-	-	156	0.15%

* Debt per capita and personal income amounts calculated using prior fiscal year population.

San Francisco County Transportation Authority
Debt Capacity - Direct and Overlapping Legal Debt Margin Information and Limitations
Last Ten Fiscal Years

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

San Francisco County Transportation Authority
Debt Capacity - Pledge Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Available Revenue		Annual Debt Service		Total	Coverage
	Sales Tax Revenue	Principal*	Interest**			
2024	\$ 108,250,471	\$ 14,545,000	\$ 4,847,723	\$ 19,392,723	5.6	
2023	111,473,916	14,125,000	7,467,407	21,592,407	5.2	
2022	104,818,305	13,710,000	7,812,156	21,522,156	4.9	
2021	86,530,445	13,310,000	8,371,509	21,681,509	4.0	
2020	99,268,709	12,920,000	8,852,994	21,772,994	4.6	
2019	115,670,918	-	8,864,534	8,864,534	13.0	
2018	100,969,925	-	3,464,487	3,464,487	29.1	
2017	101,922,012	-	1,098,535	1,098,535	92.8	
2016	102,136,600	-	794,172	794,172	128.6	
2015	100,278,511	-	1,468,189	1,468,189	68.3	

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

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

San Francisco County Transportation Authority
Demographic and Economic Information - Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Average Unemployment Rate
2024	804,842	\$ 134,844,875	\$ 167,542	3.6%
2023	808,988	131,292,367	162,292	2.7%
2022	807,774	125,970,097	155,947	3.3%
2021	811,935	129,774,521	159,834	6.9%
2020	870,518	122,788,484	141,052	4.8%
2019	881,549	117,635,944	133,442	2.3%
2018	880,696	115,444,581	131,083	2.6%
2017	879,166	106,006,635	120,576	3.1%
2016	876,103	96,161,308	109,760	3.4%
2015	862,004	89,533,450	103,867	4.0%

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2024.

San Francisco County Transportation Authority
Demographic and Economic Information - Principal Employers
For the Year Ended 2013 and 2022

Employer	2022*		
	Rank	Number of Employees	Percentage of Total City Employment
City and County of San Francisco	1	35,643	6.62%
UCSF Health	2	29,475	5.48%
Salesforce	3	11,953	2.22%
United Airlines	4	10,000	1.86%
San Francisco Unified School District	5	8,842	1.64%
Sutter Health	6	6,134	1.14%
Wells Fargo & Co	7	5,886	1.09%
Kaiser Permanente	8	4,676	0.87%
Allied Universal	9	3,827	0.71%
Uber Technologies Inc	10	3,413	0.64%
Total		<u>119,849</u>	

* Most recent information available.

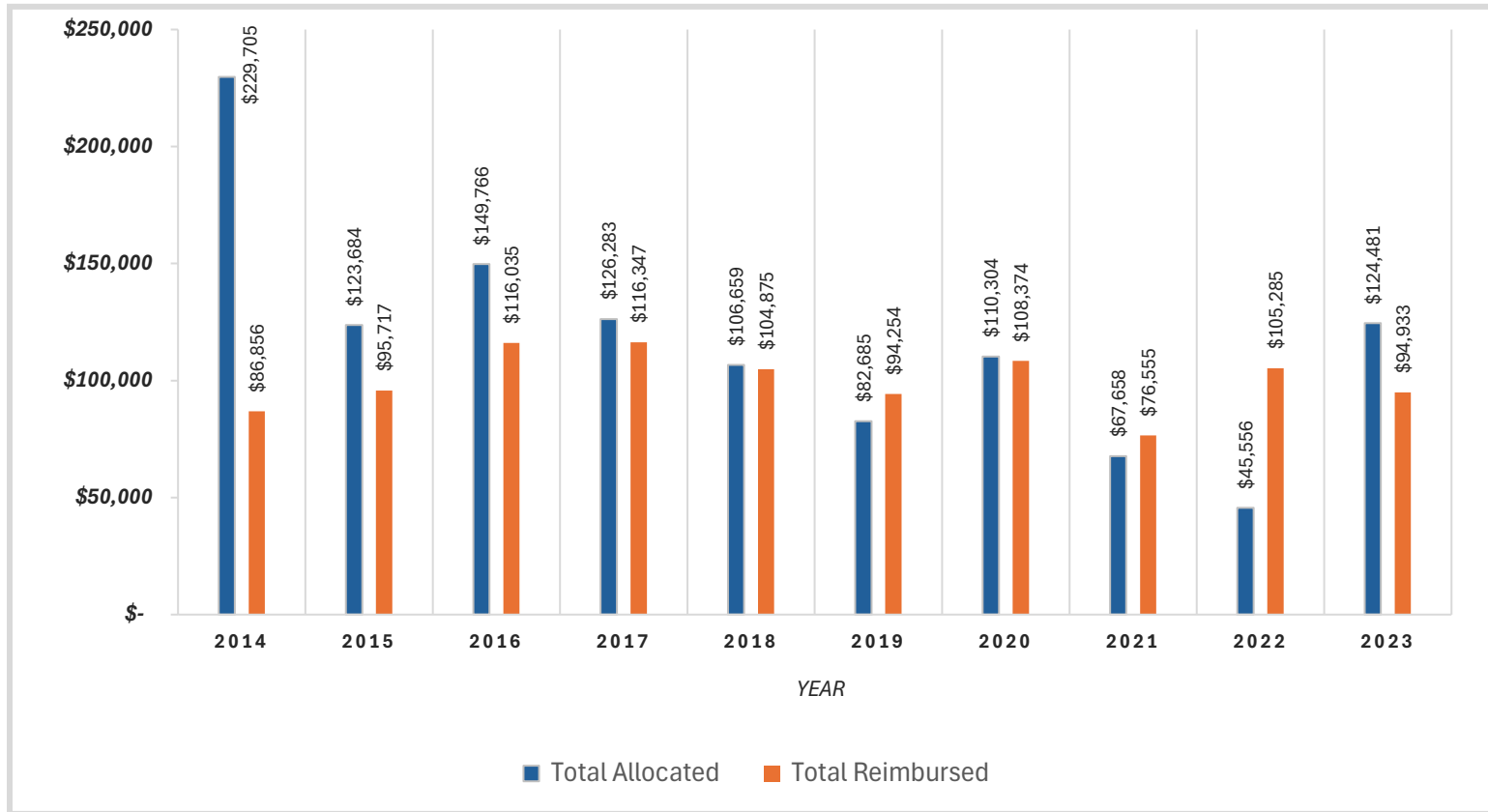
Employer	2013		
	Rank	Number of Employees	Percentage of Total City Employment
City and County of San Francisco	1	25,458	4.18%
University of California, San Francisco	2	20,100	3.30%
Wells Fargo & Co.	3	8,200	1.35%
San Francisco Unified School District	4	8,189	1.35%
Gap, Inc	5	6,000	0.99%
California Pacific Medical Center	6	5,934	0.98%
PG&E Corporation	7	4,394	0.72%
State of California	8	4,108	0.67%
San Francisco State University	9	3,707	0.61%
Kaiser Permanente	10	3,492	0.57%
Total		<u>89,582</u>	

Source: City and County of San Francisco Annual Comprehensive Financial Report for the year ended June 30, 2024.

San Francisco County Transportation Authority
 Operating Information - Full Time Equivalent Employees by Function
 Last Ten Calendar Years

Function	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Capital Projects	6.00	5.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00	4.00
Executive	8.00	8.00	5.00	7.00	6.00	7.00	7.00	6.00	6.00	6.00
Finance and Administration	10.00	9.00	10.00	10.00	9.00	9.00	9.00	8.00	6.00	8.00
Planning	7.00	6.00	6.00	6.00	7.00	7.00	8.00	8.00	7.00	9.00
Policy and Programming	6.00	6.00	7.00	8.00	8.00	7.00	8.00	8.00	7.00	6.00
Technology, Data, and Analysis	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total Employees	42.00	38.00	36.00	39.00	37.00	37.00	39.00	38.00	34.00	37.00

San Francisco County Transportation Authority
 Operating Information - Operating Indicators by Function - Project Funding Allocations and Actual Reimbursements
 Sales Tax, Vehicle Registration Fee for Transportation Improvements, and Traffic Congestion Mitigation Tax Program
 Last Ten Calendar Years (in thousands)



Source: San Francisco County Transportation Authority's Annual Report from 2014 to 2023. Calendar year basis for data presented.

San Francisco County Transportation Authority
 Operating Information - Capital Asset Statistics
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Capital assets										
Construction in progress	\$ -	\$ 233,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leasehold improvements	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624	3,023,624
Furniture and equipment	1,198,648	1,148,679	1,042,367	908,819	899,864	850,135	856,146	890,753	890,753	961,989
Right-to-use subscription assets	963,867	-	-	-	-	-	-	-	-	-
Right-to-use leased assets	3,675,744	3,675,744	3,675,744	-	-	-	-	-	-	-
Total capital assets	8,861,883	8,081,147	7,741,735	3,932,443	3,923,488	3,873,759	3,879,770	3,914,377	3,914,377	3,985,613
Less accumulated depreciation/amortization										
Leasehold improvements	2,790,725	2,557,825	2,324,925	2,092,025	1,859,125	1,626,225	1,393,325	1,160,425	927,525	694,626
Furniture and equipment	1,019,167	920,001	866,345	829,824	816,496	798,126	773,396	825,211	762,439	772,407
Right-to-use subscription assets	321,289	-	-	-	-	-	-	-	-	-
Right-to-use leased assets	2,756,808	1,837,872	918,936	-	-	-	-	-	-	-
Total accumulated depreciation	6,887,989	5,315,698	4,110,206	2,921,849	2,675,621	2,424,351	2,166,721	1,985,636	1,689,964	1,467,033
Total capital assets, net	\$ 1,973,894	\$ 2,765,449	\$ 3,631,529	\$ 1,010,594	\$ 1,247,867	\$ 1,449,408	\$ 1,713,049	\$ 1,928,741	\$ 2,224,413	\$ 2,518,580



Compliance
Section



Independent Auditor's Reports
June 30, 2024

San Francisco County
Transportation Authority



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, and each major fund of the San Francisco County Transportation Authority (Transportation Authority), a component unit of the City and County of San Francisco, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Transportation Authority's basic financial statements, and have issued our report thereon dated November 22, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California
November 22, 2024



Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the San Francisco County Transportation Authority's (Transportation Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Transportation Authority's major federal program for the year ended June 30, 2024. The Transportation Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Transportation Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Transportation Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Transportation Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Transportation Authority's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Transportation Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Transportation Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Transportation Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Transportation Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Transportation Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California
November 22, 2024

San Francisco County Transportation Authority
 Summary of Auditor's Results
 Year Ended June 30, 2024

Financial Statements

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

Federal Awards

Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Federal Financial Assistance Listing	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 813,652
Auditee qualified as low-risk auditee?	Yes

None reported.

San Francisco County Transportation Authority
Federal Awards Findings and Questioned Costs
Year Ended June 30, 2024

None reported.

San Francisco County Transportation Authority
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

None reported.



**San Francisco
County Transportation
Authority**

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