

2025

POPULAR ANNUAL FINANCIAL REPORT



**METROPOLITAN
TRANSPORTATION COMMISSION**

December 30, 2025

We are pleased to present the Popular Annual Financial Report (PAFR) of the Metropolitan Transportation Commission (MTC) for the fiscal year ended June. 30, 2025.

The PAFR is designed to provide a clear and easy-to-understand overview of MTC’s financial position, services, major projects, and key accomplishments from the past year. Its purpose is to keep Bay Area residents and stakeholders informed about the agency’s financial activities. The financial information included in the PAFR excludes the Bay Area Headquarters Authority (BAHA), which is reported in the MTC ACFR as a discretely presented component unit.

Readers are also encouraged to review MTC’s audited Annual Comprehensive Financial Report (ACFR), from which the financial information in this PAFR is summarized. The ACFR was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and independently audited by Crowe LLP. This summary report, however, remains unaudited.

Both the PAFR and ACFR reports are available on MTC’s webpage at <https://mtc.ca.gov/tags/comprehensive-annual-financial-report>



Andrew B. Fremier
Executive Director



Derek Hansel
Chief Financial Officer

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MTC Overview

What is MTC

The Metropolitan Transportation Commission (MTC) was created by the California Legislature in 1970 to plan, finance and coordinate the Bay Area's transportation system. The Commission's scope over the years has expanded to address other regional issues, including housing and development.



The Region We Serve

MTC serves more than 7 million residents in the following nine Bay Area counties:



What MTC Does

- Plans and sets regional transportation policy by developing long-term transportation plans and priorities integrated with housing, land use, equity, and climate goals.
- Funds and manages transportation investments by allocating state and federal funds and overseeing Bay Area bridge toll revenues.
- Coordinates and oversees the Bay Area transportation system by working with local agencies to improve transit, roads, biking, walking, safety, reliability, and mobility.

Governance

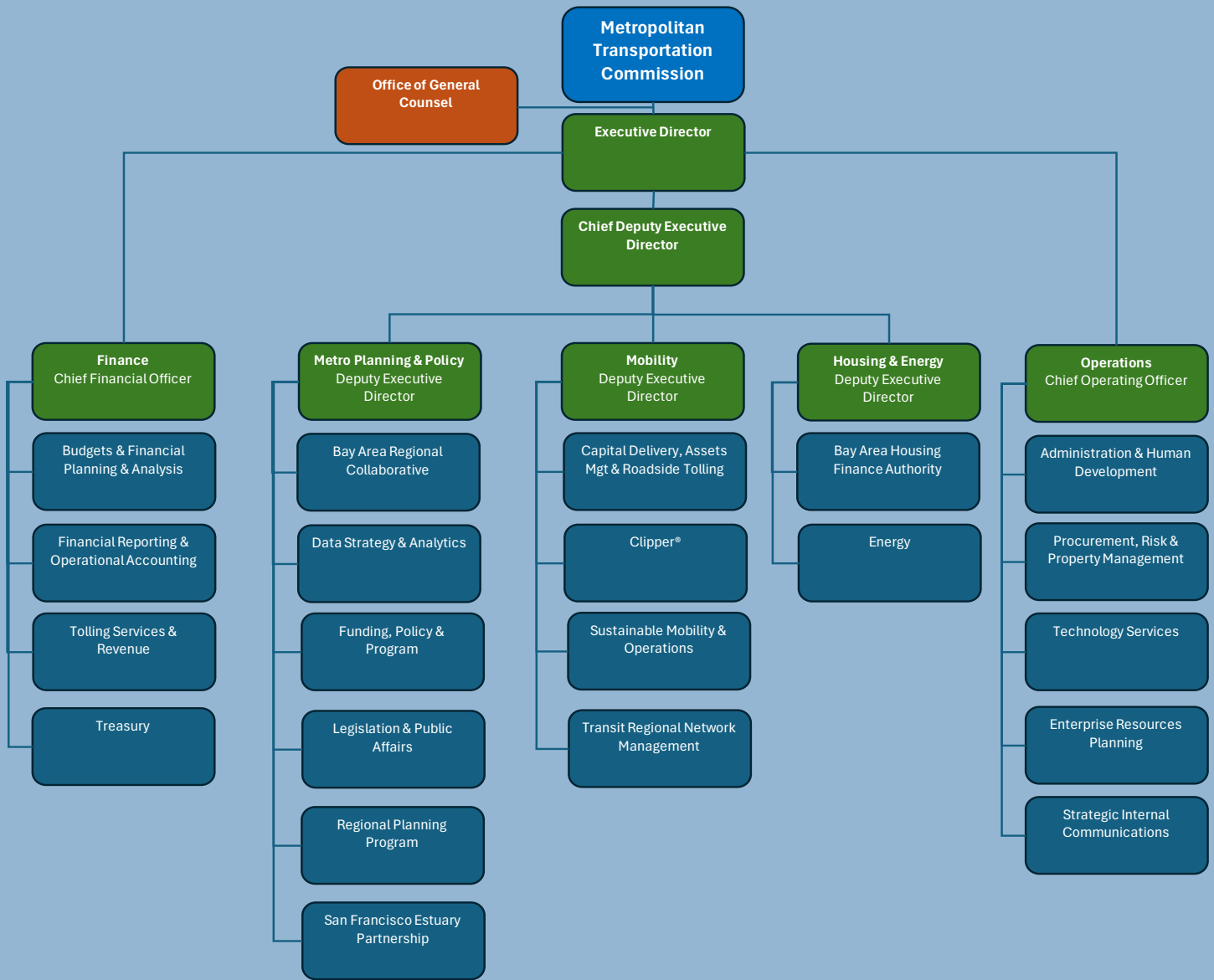
MTC is governed by a 21-member Commission composed of elected officials and agency representatives. Decisions are informed by public input and regional collaboration.



Operations

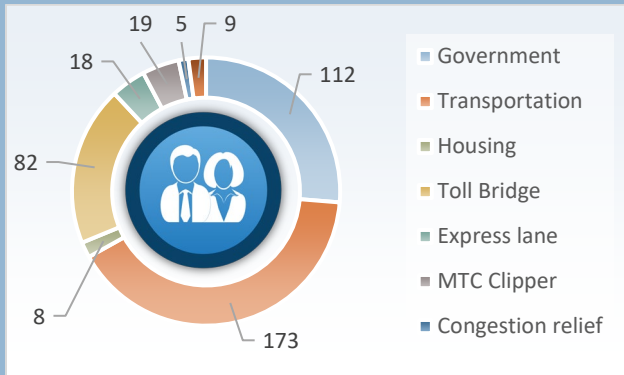
- MTC works every day to help Bay Area residents to get around. MTC operates traveler programs like Clipper®, FasTrak® and 511, invests in programs that improve freeways and roads, and provides support for key emergency systems and beautiful regional trails and parks.

ORGANIZATIONAL CHART

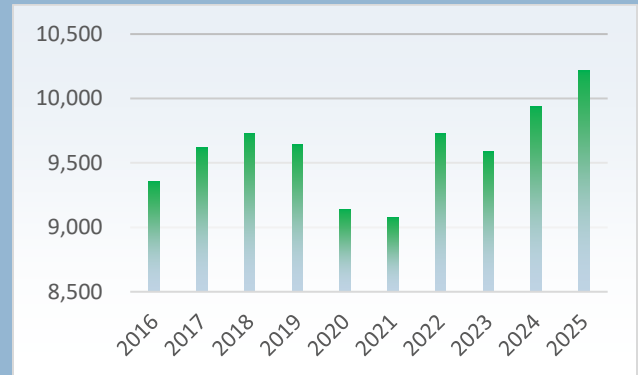


MTC at a Glance

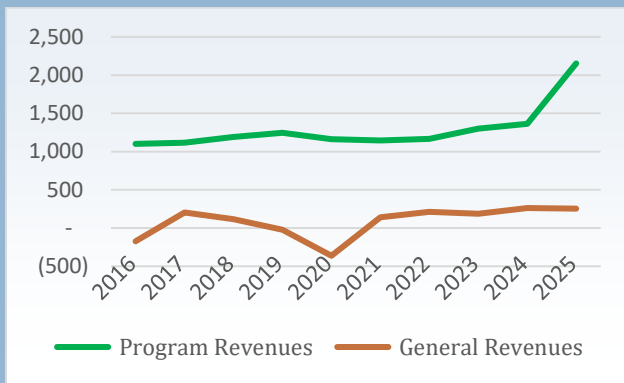
Full Time Equivalents (FTE) by Function



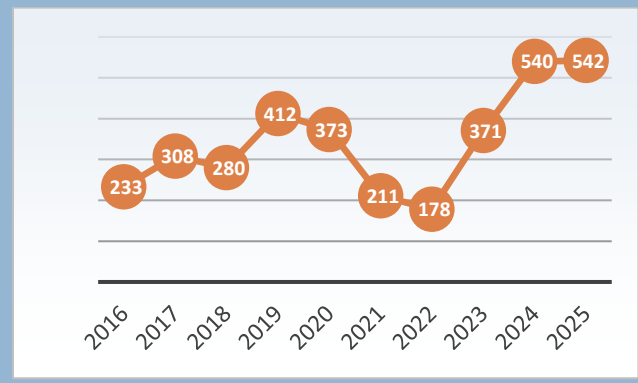
Outstanding Toll Revenue Bonds (Last Ten Fiscal Years - \$ in Millions)



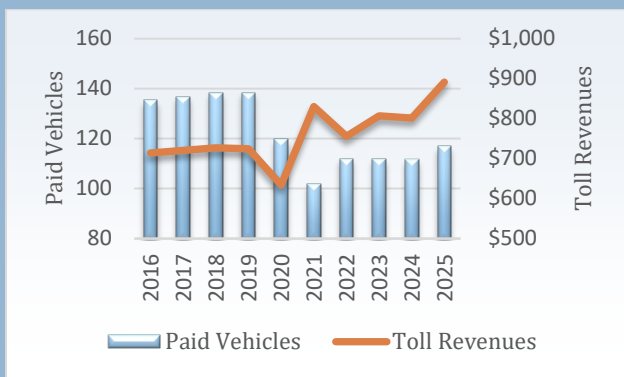
Governmental Revenues (Last Ten Fiscal Years - \$ in Millions)



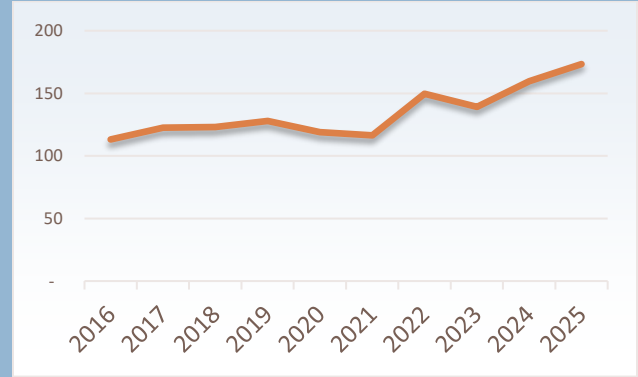
Governmental Expenditures* (Last Ten Fiscal Years - \$ in Millions)



Toll Revenues – Bridge Toll (Last Ten Fiscal Years - \$ in Millions)



Bridge Toll Operating Expenditures* (Last Ten Fiscal Years - \$ in Millions)



*Excluding "Allocations to other agencies"

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025

The MTC remains fiscally responsible, ensuring financial sustainability and transparency in all our operations. MTC ended the fiscal year 2025 with a strong financial position, compared to the end of fiscal year 2024.

Net Position

 **6.2%**

Total net position (the excess of total assets over total liabilities) increased by \$366.4 million, or 6.2% as compared to last fiscal year. The increase was mainly driven by increased cash received from the state grant pursuant to the Senate Bill (SB) 125 in FY 2025.

Capital Assets

 **0.5%**

Total Capital Assets increased by \$1.5 million, or 0.5% as compared to last fiscal year. The increase was mainly due to the construction in progress of the MTC's Oracle Enterprise Resource Planning System, the I-80 Solano Express Lanes, and the Clipper 2.0 public transit fare payment system.

Bridge Toll Revenues

 **11.2%**

Total Bridge Toll Revenues increased by \$89.8 million, or 11.2% as compared to last fiscal year. The increase mainly reflected the final \$1 Regional Measure 3 toll hike.

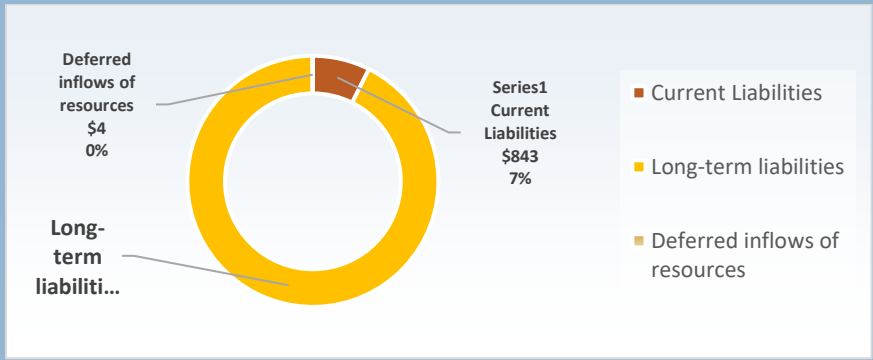
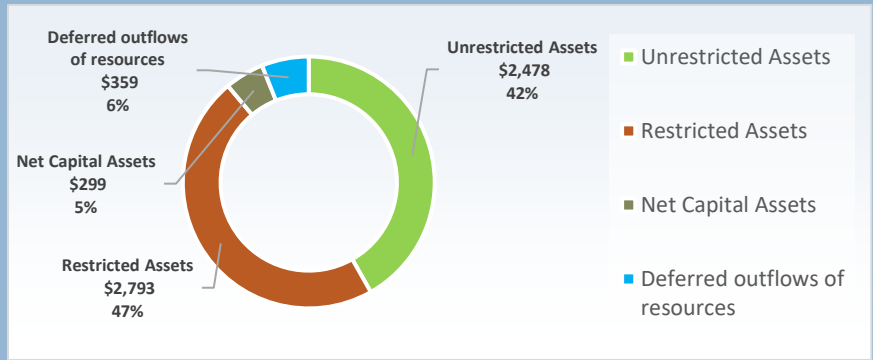
Long-Term Debt

 **2.8%**

Long-term debt increased by \$277 million, or 2.8% as compared to last fiscal year. The increase was primarily due to the new bonds issued by BATA and increased draws under the BAIFA credit agreement to fund the BART car replacement project.

FINANCIAL PERFORMANCE – NET POSITION

The Statement of Net Position presents all MTC’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as the net position. MTC’s overall net position increased by 6.2%, or \$366 million, compared to the prior fiscal year.

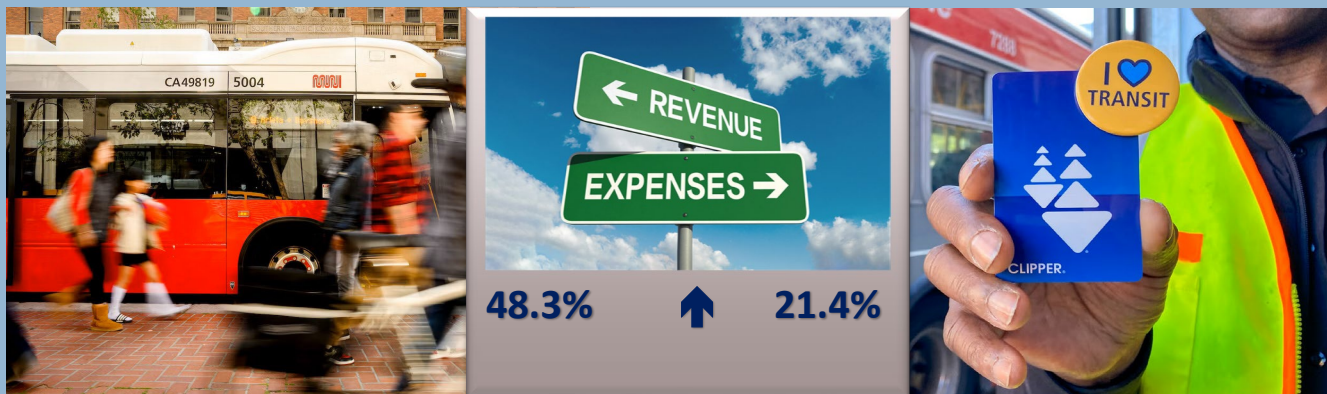


10-Year History of Net Position (millions)

Trend Analysis: The following chart shows MTC’s 10-year net position history. Overall, the trend reflects periods of decline followed by steady improvement in recent years due to the increase in State Grants.



FINANCIAL PERFORMANCE – REVENUES & EXPENSES



Revenues increased by \$784 million, or 48.3% as compared to last fiscal year. The increase was primarily due to the \$728 million of SB125 grants received in FY 2025, increased toll revenues, and increased investment earnings as a result of higher average cash and investment balances.



Expenses increased by \$359 million, or 21.4% as compared to last fiscal year. The increase was primarily related to increased distributions of RM3 capital funds to other agencies.

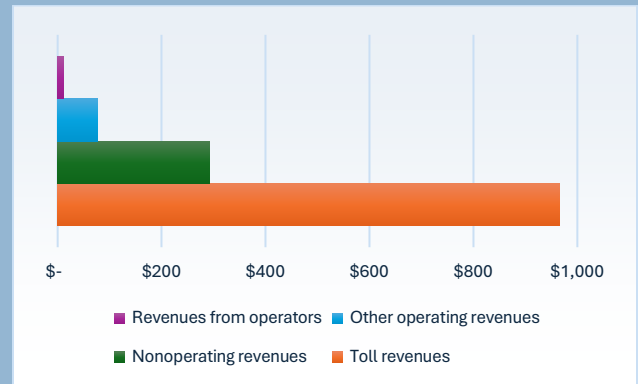
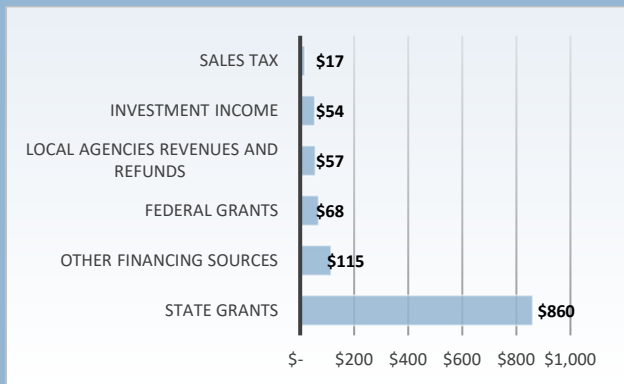
The Statement of Activities shows how MTC’s net position changed during the year reported, and shows total revenues earned and expenses incurred. When revenues exceed expenses, MTC’s net position increases. If expenses were to exceed revenues, the net position would decrease. As of June 30, 2025, MTC’s Government-Wide revenues exceeded expenses by \$370 million.

Statement of Activities (millions)			
	FY2023	FY2024	FY2025
Revenues			
Program revenues	\$ 1,301	\$ 1,361	\$ 2,154
General revenues	187	262	254
Total Revenues	1,488	1,623	2,408
Expenses			
General government	106	142	152
Allocation to other agencies	264	398	390
Housing	2	5	18
Toll bridge activities	809	999	1,331
Express lane activities	43	49	62
Clipper® smart card	53	65	65
Congestion relief	22	20	20
Total Expenses	1,299	1,678	2,038
Change in net position	189	(55)	370
Net position (beginning)	(6,008)	(5,819)	(5,874)
Restatement for GASB101 adoption	-	-	(4)
Net position (ending)	\$ (5,819)	\$ (5,874)	\$ (5,508)

REVENUES: WHERE DOES THE MONEY COME FROM?

Statement of Activities present MTC’s Government-Wide overall financial performance by combining all governmental and business-type activities. To provide additional insight into how resources are generated and used, the following breaks down revenues and expenses by major fund types. Governmental funds primarily reflect MTC’s planning, grant, and allocation activities, while proprietary funds capture business-type operations such as bridge tolls, express lanes, and transit-related services.

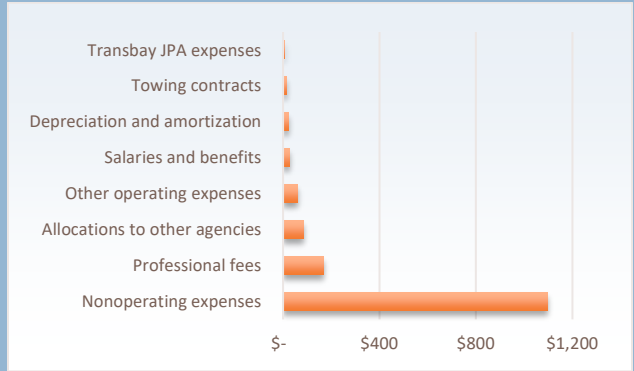
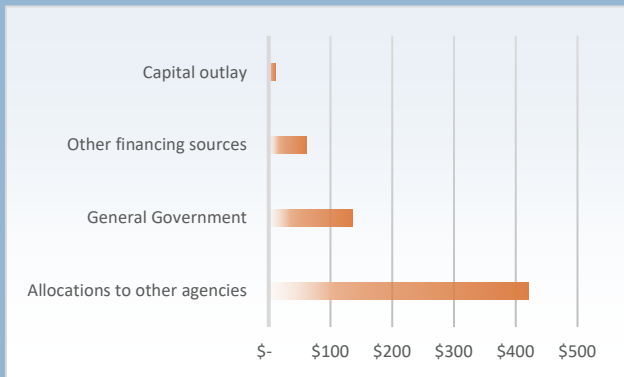
<u>GOVERNMENT FUNDS</u>	<u>REVENUES (MILLIONS)</u>	<u>PROPRIETARY FUNDS</u>	<u>REVENUES (MILLIONS)</u>
State Grants	\$ 860	Toll revenues	\$ 966
Other financing sources	115	Nonoperating revenues	293
Federal Grants	68	Other operating revenues	76
Local agencies revenues and refunds	57	Revenues from operators	12
Investment income	54	TOTAL	\$ 1,347
Sales Tax	17		
TOTAL	\$ 1,171		



EXPENSES: WHERE DOES THE MONEY GO?

GOVERNMENT FUNDS	EXPENSES (MILLIONS)
Allocations to other agencies	\$ 420
General Government	135
Other financing sources	61
Capital outlay	11
TOTAL	\$ 627

PROPRIETARY FUNDS	EXPENSES (MILLIONS)
Nonoperating expenses	\$ 1,098
Professional fees	167
Allocations to other agencies	84
Other operating expenses	59
Salaries and benefits	28
Depreciation and amortization	23
Towing contracts	16
Operating expenses - Transbay JPA	6
TOTAL	\$ 1,481



MAJOR PROGRAMS



The State Transit Assistance (STA) Fund provides funding for transit operations, capital projects, and regional coordination, derived from the state sales tax on fuel and allocated based on population and revenue formulas defined in state law. In 2017, Senate Bill 1 (SB 1) expanded STA funding through the State of Good Repair (SGR) program to support transit infrastructure and service improvements. Like STA, SGR funds are distributed based on population and revenue, but projects must be pre-approved by Caltrans.

MTC receives both STA and SGR revenues based on the population of the nine Bay Area counties.

The BART Car Exchange Fund is restricted to financing BART railcar procurement, including replacements and cars for the Transbay Corridor Core Capacity Project. Established in FY2013, it allows MTC to program federal funds for BART projects while BART deposits an equal amount of local funds into a dedicated railcar account.



SB 125 Transit Fund is established to support the Transit and Intercity Rail Capital Program (TIRCP) and the Zero-Emission Transit Capital Program (ZETCP). It allocates funds based on population to regional agencies, allowing flexibility for transit operations or capital improvements, and supports zero-emission transit initiatives through population- and revenue-based formulas.

The Bay Area Housing Finance Authority (BAHFA) Fund supports regional housing initiatives through revenue from special taxes, bonds, and state and local grants. BAHFA is authorized to levy parcel and business taxes, issue general obligation and revenue bonds, and use these funds to finance affordable housing projects across the region.



MAJOR PROGRAMS



The Bay Area Toll Authority (BATA), established by Senate Bill 226 in 1998, manages toll revenues from the seven state-owned Bay Area bridges. Operating as a proprietary (enterprise) fund, BATA's revenues and debt are secured solely by toll receipts. Under a cooperative agreement with Caltrans, BATA oversees electronic toll collection, while Caltrans owns and maintains the bridges. BATA's responsibilities were expanded under AB 144 (2005), and the agreement currently extends through July 2025.

The MTC Service Authority for Freeways and Expressways (MTC SAFE), established in 1988, is funded by a DMV fee of up to \$1 per vehicle in the nine Bay Area counties to operate the Call Box program and other motorist aid services. In 1993, its role expanded to include the Freeway Service Patrol (FSP) program in partnership with Caltrans and CHP, funded through state and federal grants.



The Bay Area Infrastructure Financing Authority (BAIFA) was formed in 2006 by MTC and BATA under the Joint Exercise of Powers Act to develop, finance, and operate high-occupancy toll (express) lanes in the Bay Area. MTC delegated express lane authority to BAIFA in 2013. In 2022, its governing board structure was aligned with MTC's board, leading BAIFA to be reported as a major enterprise fund beginning in FY2022.

LOOKING AHEAD

As the Bay Area continues to grow and adapt to new economic, environmental, and mobility realities, MTC and its regional partners are advancing major initiatives that shape the region’s future. These efforts build on strong collaboration and long-range planning to create a transportation system, with a Bay Area, that is more resilient, connected, and equitable for all residents. The following highlights capture key initiatives underway or launching in 2026 that will define the next decade of regional progress.

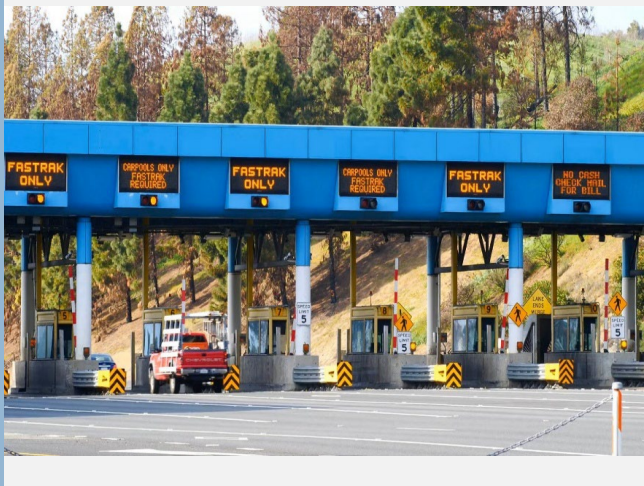


PLAN BAY AREA 2050+



In 2026, Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) will adopt Plan Bay Area 2050+, an update to the 2021 long-range plan. It refines 35 strategies addressing transportation, housing, the economy and the environment to reflect new financial realities and lessons learned. A draft was released for public review in October 2025.

Transit & Fare Modernization - As ridership continues recovering, MTC and the region’s transit partners are moving ahead with the 27-point Transit Transformation Action Plan. In December 2025, the next-generation Clipper system launched — enabling riders to use contactless credit/debit cards, mobile Clipper via Apple Wallet/Google Wallet, instant value reloads, free/discounted transfers and online youth/senior discount applications.



Toll Bridge Capital Investment - Through its affiliate Bay Area Toll Authority (BATA), MTC is supporting a \$2.3 billion ten-year investment in the region’s seven state-owned toll bridges. To fund this, tolls will increase by 50 cents each year from 2026–2030, spreading the impact rather than imposing a large one-time hike.

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