

**Metropolitan Transportation Commission
Administration Committee**

November 12, 2025

Agenda Item 2e-25-1403

**Fiscal Year (FY) 2026 Metropolitan Transportation Commission (MTC)
Statement of Revenues and Expenditures for the Period Ended September 30, 2025
(Unaudited)**

Subject:

Statement of revenues and expenditures for the period ended September 30, 2025 (unaudited).

Background:

The Statement of Revenues and Expenditures has been prepared in accordance with the generally accepted accounting principles (GAAP). The columns have been designed to provide an easy comparison of current year-to-date actuals to the prior year-to-date actuals, including dollar and percentage variances.

Revenue:

As of September 30, 2025, year-to-date revenues were \$13.8 million, which was \$6.0 million less than the prior year-to-date actual. The decrease was primarily due to a decrease of \$5.7 million in Regional Early Action Planning (REAP 2.0) grant from the State Department of Housing and Community Development.

Expenditure:

As of September 30, 2025, the year-to-date expenditures were \$20.1 million, which was \$1.5 million less than the prior year-to-date actual. The decrease was primarily due to timing differences of the Clipper START program expenditures, which will occur at a later date in FY 2026. This decrease was partially offset by an increase in salaries and benefits. The increase in overall salaries and benefits can be attributed to several key factors. First, there was an increase in staffing levels, which led to higher aggregate compensation costs. Second, the implementation of a Cost-of-Living Adjustment (COLA) was applied pursuant to the Memorandum of Understanding, further contributing to the upward trend in personnel-related expenses. Third, there was a methodology change in leave expenses. In prior year, leave expenses were recorded directly to individual funds/entities. In FY 2026, leave expenses were recorded to a cost pool in MTC general fund and then allocated to other funds/entities through indirect cost allocation process.

Transfers:

As of September 30, 2025, the year-to-date net transfer in (out) was \$8.7 million which was \$9.5 million more than the net transfer amount in prior year-to-date actual. The increase was primarily due to a transfer out of \$5.7 million of Regional Early Action Planning (REAP 2.0) grant to Bay Area Housing Finance Authority (BAHFA) in the first quarter of FY 2025 and a timing difference in distribution of indirect costs to other agencies. In FY 2025, the distribution of indirect costs and related transfer in were completed in the third quarter of FY 2025.

Budget & Forecast Updates:

FY 2026 total operating expenditures remain within the approved budget. Additional budget amendments are anticipated for the Commission's approval in December to account for federal and state grant reconciliations from prior year, reallocation of staffing expenses, and additional contractual services. These estimated adjustments include \$12.0 million in pass-through funding for the New Community-Based Transportation Plan Technical Assistance initiative, \$4.0 million in additional funding for the Enterprise Resource Planning (ERP) Software Replacement capital project, and \$16.0 million in increased costs for Clipper operations.

Recommendations:

None. Information only.

Attachments:

- Attachment A–MTC Statement of Revenues and Expenditures for the Period Ended September 30, 2025 (unaudited)



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