

**Metropolitan Transportation Commission
Administration Committee**

February 11, 2026

Agenda Item 2h-26-0191

**Fiscal Year (FY) 2026 Metropolitan Transportation Commission (MTC)
Statement of Revenues and Expenditures for the Period Ended December 31, 2025
(Unaudited)**

Subject:

Statement of revenues and expenditures for the period ended December 31, 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 December 31, 2025, year-to-date revenues were \$45.8 million, which was \$5.5 million greater than the prior year-to-date actual. The increase was primarily due to a \$6.0 million grant from Silicon Valley Community Foundation for Bay Area Housing Finance Authority (BAHFA) to start a home revolving loan fund. This grant was transferred to BAHFA and recorded as a transfer out expense in the same accounting period. The revenue increase was also due to the timing differences of grant revenues recorded. The revenue increases were partially offset by a decrease of \$5.7 million in Regional Early Action Planning (REAP 2.0) grant from the State Department of Housing and Community Development. This is due to spending down from ongoing priorities and initiatives. The grant will expire in December 2026.

Expenditure:

As of December 31, 2025, the year-to-date expenditures were \$54.2 million, which was \$4.7 million higher than the prior year-to-date actual. The increase was primarily due to an increase in overall salaries and benefits, which 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 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 December 31, 2025, the total year-to-date net transfers resulted in a net inflow of \$12.7 million, an increase of \$6.4 million compared to the prior year-to-date actual. The increase was primarily due to a timing difference in distribution of indirect costs to other agencies. In FY 2025, the distribution of indirect costs was completed in the third quarter of FY 2025.

Budget & Forecast Updates:

FY 2026 total MTC operating revenues appear to be lagging due to the timing of reimbursements for federal, state, and local grant revenues. Conversely, interest income is exceeding projected returns.

FY 2026 total MTC operating expenditures remain within the approved budget. Staff costs are generally aligned with budgeted levels, while Travel, Professional Fees, and Allocations to Other Agencies are significantly below budget. At this time, no further budget amendments are scheduled for FY 2026.

Recommendations:

None. Information only.

Attachments:

- Attachment A – MTC Statement of Revenues and Expenditures for the Period Ended December 31, 2025 (unaudited)



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