San Mateo County
Transportation Authority
San Carlos, California

Popular Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2025

SAN MATEO COUNTY
Transportation
Authority

December 29, 2025

We are pleased to present the Popular Annual Financial Report (PAFR) of the San Mateo County Transportation Authority (TA) for the fiscal year ended June 30, 2025.

The PAFR provides a summary of the TA's organization and governance, an overview of Measure A & W Transportation Expenditure Plan (TEP), a highlight of the TA's programs, financial performance, and the following year's budget in an easy-to-understand manner that is transparent to our readers.

The financial information in this report is derived from the TA's FY2025 Annual Comprehensive Financial Report (ACFR). The ACFR is prepared in conformity with generally accepted accounting principles (GAAP) and provides details and disclosures required for fair presentation in conformity with GAAP. Readers desiring a more detailed discussion of the TA's financial results may refer to the TA's Annual Comprehensive Financial Report.

Please visit our website at https://www.smcta.com/resources/finance/popular-annual-financial-reports to view or download copies of the TA's PAFR, and other reports.

Sincerely,

Danny Susantin
Interim Accounting Director

Questions about the San Mateo County Transportation Authority can be directed to the Administrative Offices:

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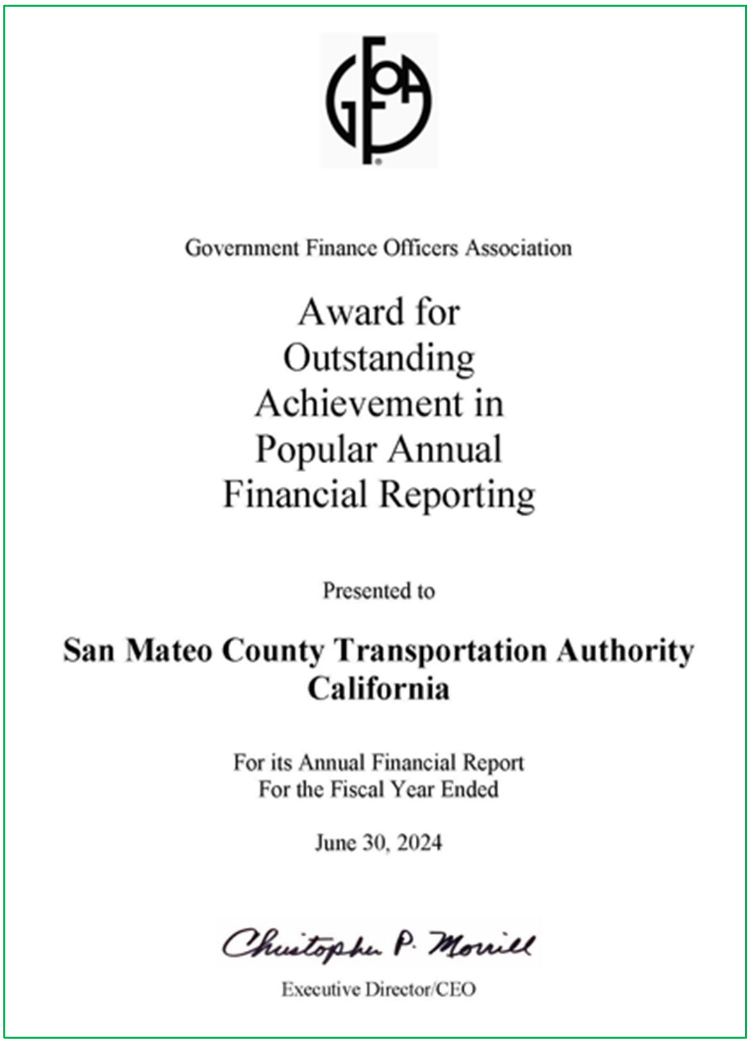
info@smcta.com

https://www.facebook.com/TransportationAuthority/

Content

Award of Outstanding Achievement


Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

San Mateo County Transportation Authority California

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to **San Mateo County Transportation Authority** for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. TA has received a Popular Award for the last three consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

Who We Are

The San Mateo County Transportation Authority (TA) plans, funds, and delivers transportation programs and projects throughout San Mateo County.

The TA was formed in 1988 with the passage of the voter-approved half-cent sales tax for countywide transportation projects and programs, known as Measure A.

The original Measure A ran through 2008. In 2004, county voters overwhelmingly voted to reauthorize Measure A for an additional 25 years beyond the original expiration date of December 31, 2008. In 2018, county voters passed Measure W, which provided an additional revenue stream to improve transit and relieve traffic congestion. The TA's role is to administer the proceeds from Measure A and Measure W to fund a broad spectrum of transportation-related projects and programs.

The TA is a legally separate and financially independent governmental agency, similar to a special district, that is not a component unit of the County of San Mateo or any other entity. The TA is an independent agency governed by an appointed board of seven directors, who are elected officials, representing the county, cities, and the San Mateo County Transit District.

The administrative work of the San Mateo County Transportation Authority (TA) is staffed by its managing agency San Mateo County Transit District (District). The TA Executive Director, who is also the District Chief Executive Officer/General Manager (CEO/GM), is responsible for overseeing the operations of TA. Day-to-day business is the responsibility of District staff who are fully dedicated to the Transportation Authority and are responsible for the oversight of voter-approved TEPs, strategic planning, project/program level planning, as well as project delivery and project oversight. The various divisions that support the work of TA are described on the next page.

Who We Are

The *Communications Division* is responsible for customer service and experience, government and community affairs, marketing, sales, advertising, distribution services, public information, fare media, media relations, digital communications and website development, creative services, and community outreach.

The *Executive Office* is responsible for providing support to the Board of Directors. This office also includes the Safety and Security function.

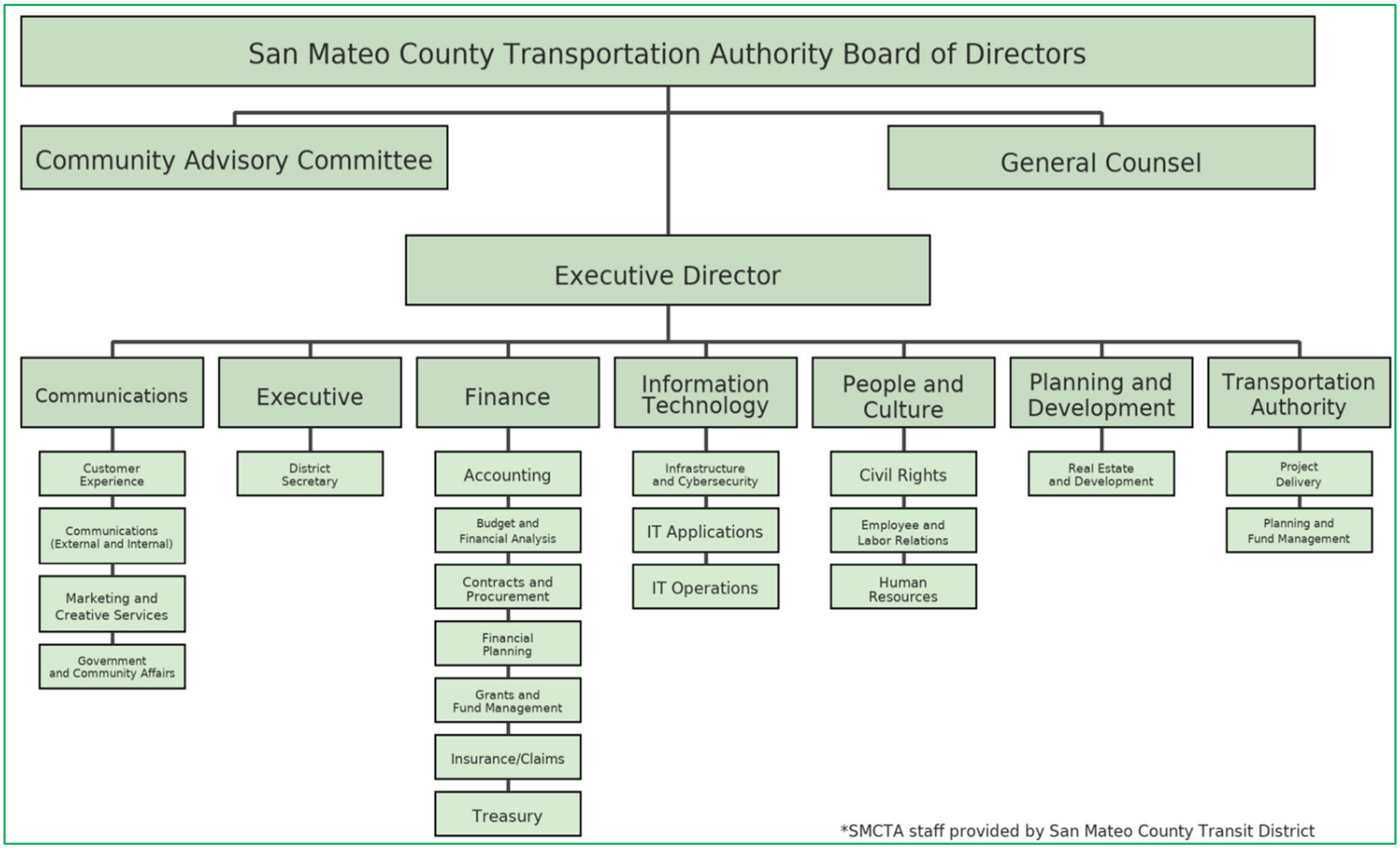
The *Finance Division* is responsible for financial accounting and reporting, capital and operating budgeting, payroll and vendor disbursements, investments and cash management, debt management, revenue control, purchasing, contract administration, grant administration, financial planning and analysis, and risk management.

The *Division of Innovation and Technology (DoIT)* is tasked with overseeing and managing the District's innovation and technology functions. This includes critical areas such as Cybersecurity, Technology Infrastructure, Data Center Management, IT Applications and Software, Database Administration, Network Administration, and Systems Administration.

The *People and Culture Division* is comprised of the Office of Civil Rights (OCR), Employee and Labor Relations (ER), and Human Resources (HR) Services.

The *Planning and Development Division* oversees real estate transactions and property management for TA-owned properties and right-of-way activities.

The *Transportation Authority Division* is responsible for oversight of voter-approved Transportation Expenditure Plans and strategic planning as well as project delivery and project oversight.



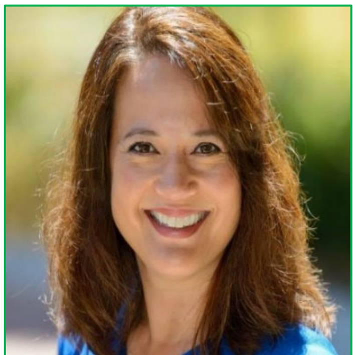
Governance

The TA is governed by a seven-member Board of Directors with input from a 15-member volunteer Citizens' Advisory Committee (CAC).

2025 Board of Directors

The Board of Directors includes two Board members appointed by the publicly elected County Board of Supervisors, four Board members appointed by local governments who participate in a Cities Selection Committee, and one Board member appointed by the San Mateo County Transit District (District).

Carlos Romero (Chair)
Representing South County



Julia Mates (Vice Chair)
Representing Central County

Carlos Romero (Chair) - Representing South County
Julia Mates (Vice Chair) - Representing Central County
Anders Fung - Representing Cities at Large
Noelia Corzo - Representing Board of Supervisors
Rico E. Medina - Representing SamTrans
Mark Nagales - Representing North County
Jackie Speier - Representing Board of Supervisors

2025 Citizens Advisory Committee

The 15-member volunteer Citizens Advisory Committee (CAC) acts as a liaison between the public and the Board of Directors, providing valuable input to the board on the projects and programs.

Barbara Arietta (Chair)	Richard Garbarino	Gus Mattammal
Mike Swire (Vice Chair)	Rich Hedges	Vacant
Giuliano Carlini	Christopher Kao	Vacant
Nheeda Enriquez	Karen Kuklin	Vacant
John Fox	Sandra Lang	Vacant

The TA interviews applicants for vacant positions on its Community Advisory Committee (CAC) each May. Applications can be made online via https://www.smcta.com/ta-cac-online-application.

Measure A & W Overview

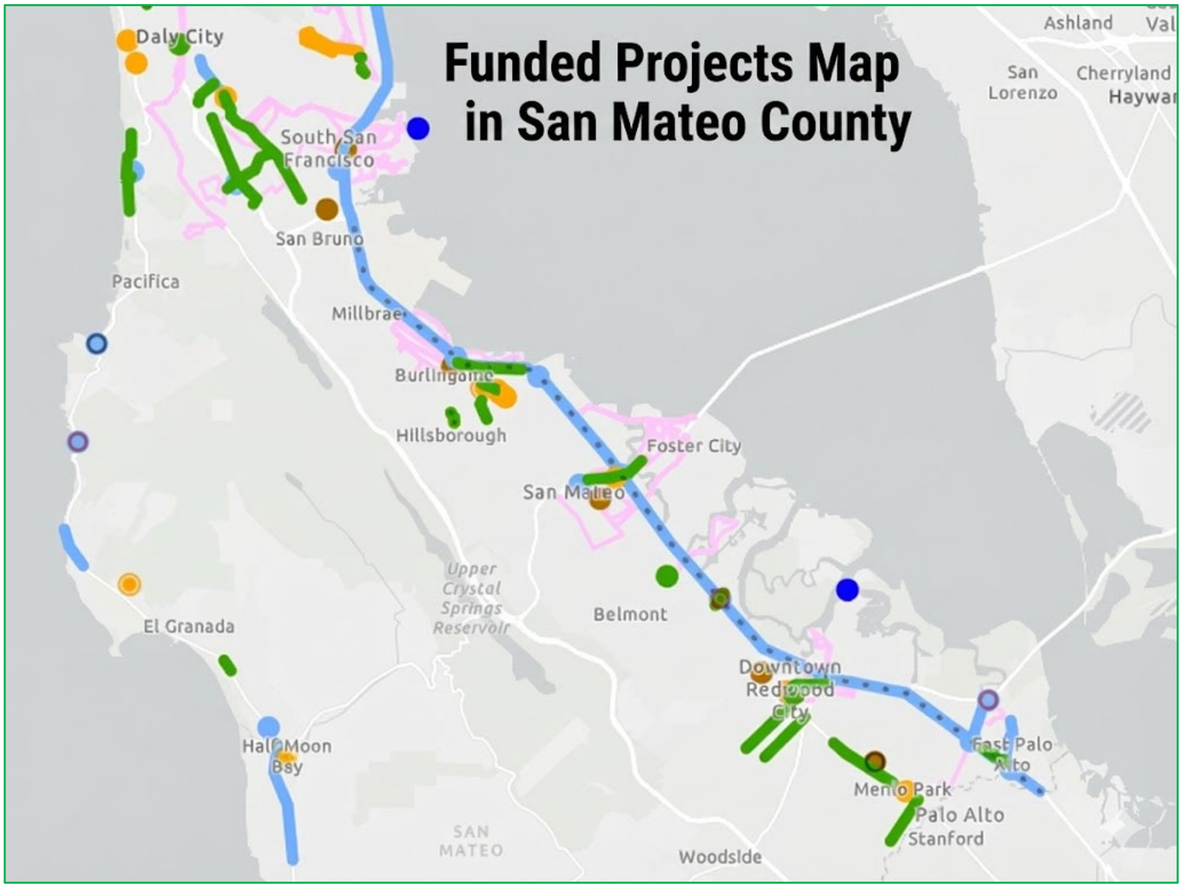
The TA administers the proceeds from the voter-approved Measure A and Measure W sales tax revenues to fund a broad spectrum of projects and programs to meet San Mateo County's growing transportation needs.

The 2004 Measure A Transportation Expenditure Plan (TEP) requires the TA to develop and adopt a Strategic Plan and update the Strategic Plan at least once every five years.

The Measure W TEP, otherwise known as the San Mateo County Congestion Relief Plan, also requires the TA to prepare a Strategic Plan with broad-based public outreach.

The Transportation Authority's Board of Directors approved a single Strategic Plan in December 2024 to provide policy guidance for the implementation of both the Measure A and Measure W transportation sales tax programs that the Transportation Authority is tasked with administering over the five years from 2025 to 2029.

For full details, please see https://www.smcta.com/StrategicPlan2029.

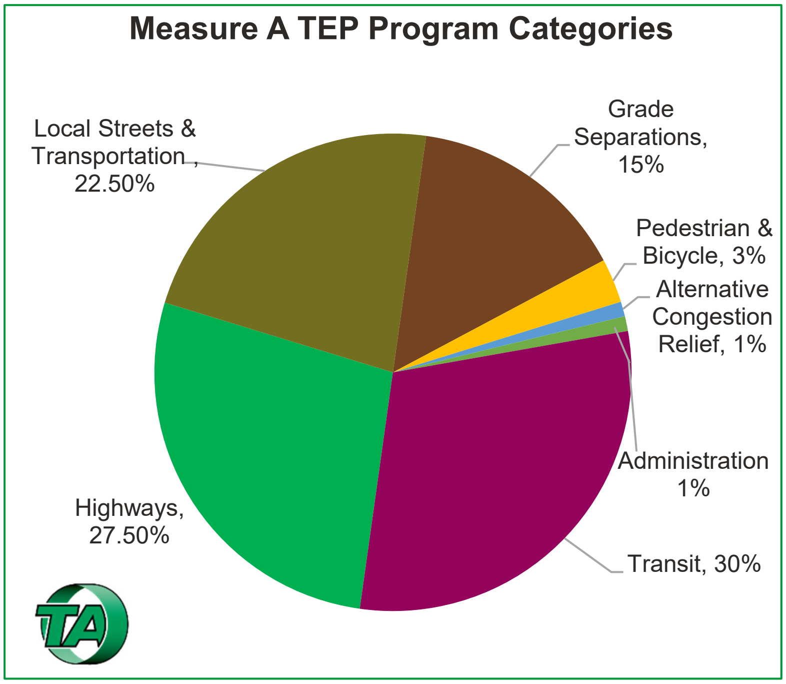


Measure A & W Overview

Measure A

Measure A is a half-cent sales tax dedicated towards transportation facilities, services, and programs. San Mateo County voters first approved Measure A in 1988. The 1988 sales tax expired on December 31, 2008. In 2004, the San Mateo County voters reauthorized the Measure A half-cent sales tax and a new Transportation Expenditure Plan (TEP) for an additional 25 years running between January 1, 2009 and December 31, 2033.

The TEP sets the specific program categories and the mandated percentage allocation of the sales tax revenues to each of six primary program categories: Transit, Highways, Local Streets & Transportation, Grade Separations, Pedestrian & Bicycle, and Alternative Congestion Relief Programs.



Measure A Expenditures

($ in millions)

Activities	2025	2024	2023
Transit	20.8	13.9	16.3
Highways	7.0	4.2	3.6
Local Streets & Transportation	25.7	26.0	26.5
Grade Separations	7.9	9.3	10.6
Pedestrian & Bicycle	4.2	3.9	0.4
Alternative Congestion Relief	1.4	1.0	0.9
Administration	3.7	3.2	1.9

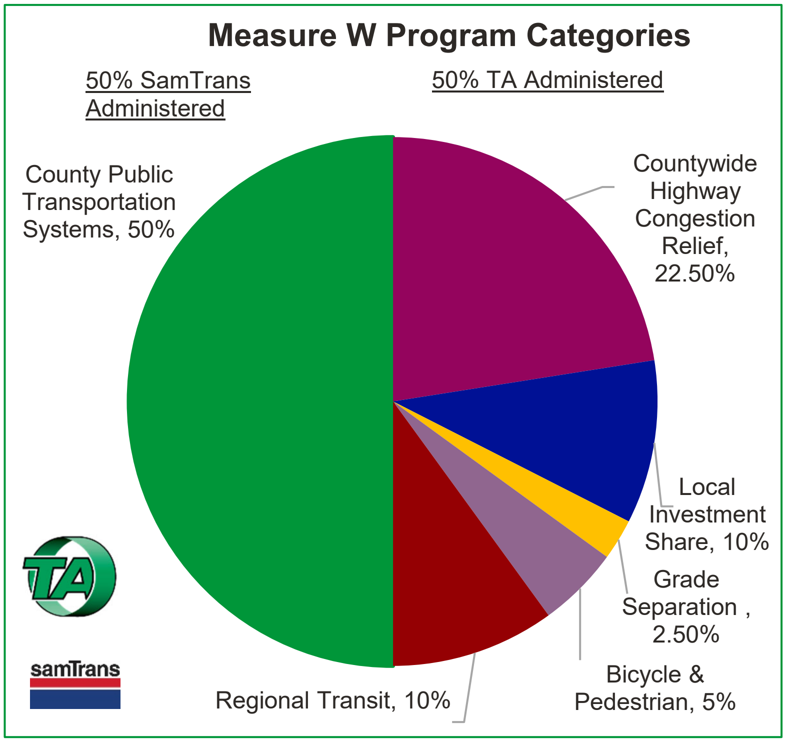
Measure A & W Overview

Measure W

In 2018, the San Mateo County voters approved Measure W, a 30-year half-cent sales tax, from July 1, 2019, through June 30, 2049, to provide additional funding for transportation projects and programs that address the San Mateo County Congestion Relief Plan.

San Mateo County Transit District (SamTrans) administers 50% of the Measure W sales tax proceeds.

The TA administers the remaining 50% of sales tax proceeds to invest in the following five categories: Countywide Highway Congestion Improvements, Local Safety, Pothole and Congestion Relief Improvements, Grade Separations, Bicycle & Pedestrian Improvements, and Regional Transit Connections.



Measure W Expenditures

($ in millions)

Activities	2025	2024	2023
Highways	3.8	1.7	1.5
Local Investment Share	11.4	11.5	11.7
Grade Separations	0.0	0.0	0.0
Pedestrian & Bicycle	1.9	2.1	1.2
Regional Transit Connection	0.3	0.4	0.2

For year 2025, total expenditure amounted to $95.4 million, consisting of $70.9 million for Measure A, $17.4 million for Measure W, and $7.1 million in other expenses. Other expenses primarily include interest and related costs associated with the $100 million bond issuance in 2020, which was used to fund a loan to the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

More information about Measure A & W can be found on the Transportation Authority website.

Program Highlights

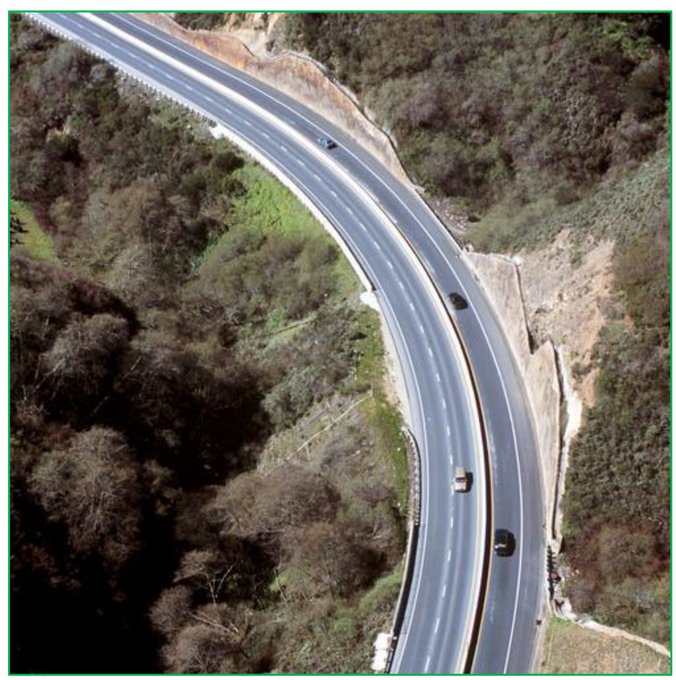
Local Streets and Transportation

The purpose of this program is to provide directly distributed funds to local cities and San Mateo County for various transportation-related improvements according to a formula based on population and number of road-miles. The recipients primarily use the fund for street rehabilitation projects.

Highway Program

The purpose of this program is to reduce congestion and improve safety on highways in San Mateo County. The following are examples of the types of projects funded under the highway program:

- Roadway safety improvements.
- Highway throughput enhancements.
- Interchange reconstruction.
- Highway ramp modification.
- Travel pattern forecasts.
- Travel time information system.
- Applying technology to help better manage traffic.



Notable street and highway project milestones include:

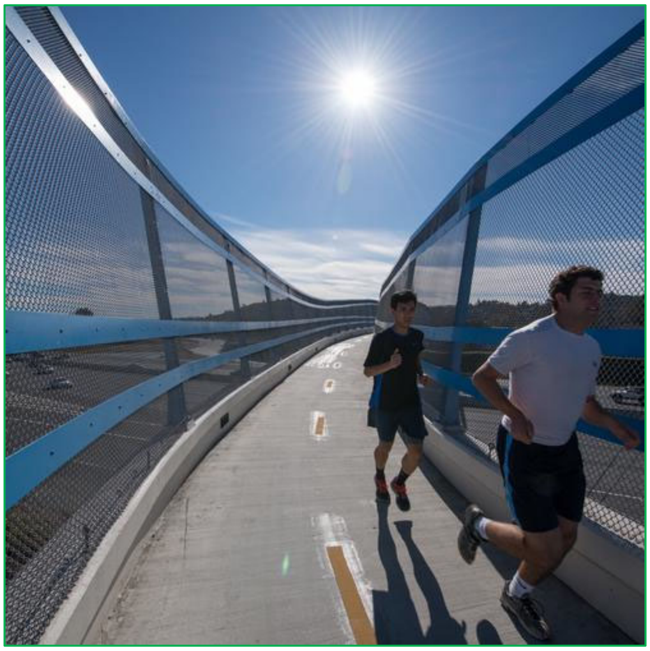
- Start of the construction phase for the U.S. 101/SR 92 Area Improvement Project.
- On-going support for the environmental clearance phase for the U.S. 101/SR 92 Direct Connector Project.
- On-going final design and initiation of the right-of-way phase for the U.S. 101/Woodside Road Interchange Project.
- On-going support for the environmental clearance phase for U.S. 101 Managed Lanes North of I-380 Project.
- On-going support for the environmental clearance phase for El Camino Real (State Route 82) project in the Town of Colma and City of South San Francisco.

Program Highlights

Pedestrian and Bicycle Programs

The purpose of this program is to fund specific projects to encourage and improve walking and bicycling conditions. Notable milestones include:

- On-going support for the Town of Atherton's El Camino Real Complete Streets Plan.
- On-going support for the design and construction of the Serramonte Boulevard West project in the Town of Colma.
- Completed construction of the Mission Streetscape project in the City of Daly City.
- Completed final design and right-of-way for the Pacific Coast Bikeway Connectivity Project North in the City of Half Moon Bay.
- Completed construction of the Haven Avenue Streetscape project in the City of Menlo Park.



Grade Separations

The purpose of the Grade Separations program is to reduce the number of at-grade (street-level) crossings on the Caltrain railroad.

Notable recent projects supported by Measure A include:

- Ongoing design of the Broadway Grade Separation Project in the City of Burlingame.
- Ongoing preliminary engineering and environmental clearance of the South Linden Street and Scott Avenue Grade Separation Project in the City of South San Francisco and City of San Bruno.

Accessible Services

Accessible Services provide mobility options for county residents.

Program Highlights

Transit

Caltrain

The 2004 Measure A TEP established a category to help subsidize San Mateo County's share of the Peninsula Corridor Joint Powers Board (JPB) annual operating and capital funding needs.

Projects funded include:

- Peninsula Corridor Electrification Project
- Installation of quad crossing gates at Watkins Avenue in the Town of Atherton
- Planning studies to support new capital projects and operations
- State of good repair projects for:
  - Rail and associated civil structures
  - Bridges
  - Signal and communications
  - Facilities
  - Vehicles

Shuttles

The purpose of the program is to support commuter and community shuttle programs in San Mateo County. In June 2025, the Board of Directors allocated $13.6 million for 22 shuttles for Fiscal Years 2026 and 2027. To date, the Measure A program has allocated over $57.7 million in funding for shuttle operations.

Ferry

The purpose of the program is to fund specific projects related to capital projects that support ferry service in South San Francisco and Redwood City.

Notable recent projects supported by Measure A:

- Ongoing feasibility study for a second ferry terminal in South San Francisco.
- Ongoing preliminary engineering and environmental clearance for the Redwood City Ferry Terminal.

Program Highlights

Regional Transit Connections

The purpose of the program is to invest in infrastructure and services that are designed to improve transit connectivity between the County and the rest of the nine-county Bay Area region.

Investments from this category will be prioritized based on a project's ability to reduce congestion and enhance mobility options by connecting the County to the rest of the region, and a project's support through public-private partnerships.

Alternative Congestion Relief (ACR)

The purpose of this program is to reduce single occupancy vehicle (SOV) trips on congested freeways and busy city streets. ACR programs have an incremental but discernible impact on reducing traffic congestion and improving air quality in San Mateo County and the San Francisco Bay region. The TA allocates funds to support Commute.org's FY2024 and FY2025 work plans. Commute.org's work plan concentrates on four primary activities:

- Employer outreach and support services.
- Employer-based shuttle program administration.
- Commuter outreach and incentive programs.
- Development of public-private partnerships to reduce congestion.

The Transportation Authority allocated $708,000 in support of Commute.org's Fiscal Year 2025 general operations and $118,000 toward the Countywide Transportation Demand Management (TDM) Monitoring Program. In December 2024, the Board of Directors allocated $2.1 million for nine projects selected through the 2024 Cycle 2 TDM Call for Projects.

Financial Performance

REVENUES 5.0% **EXPENSES** 17.4%

Percent Increases in FY2025

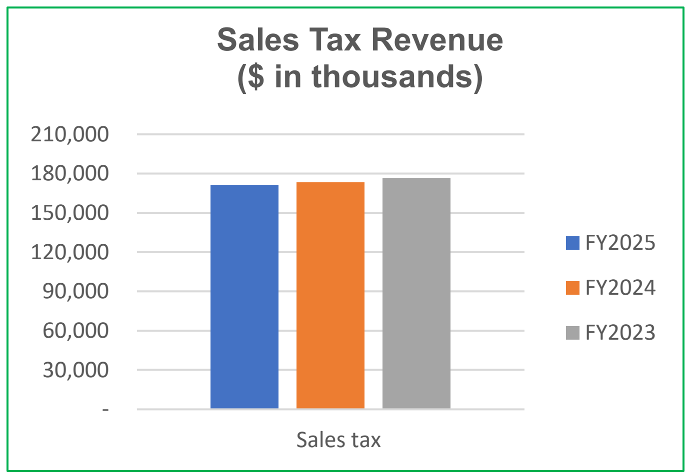
Revenues

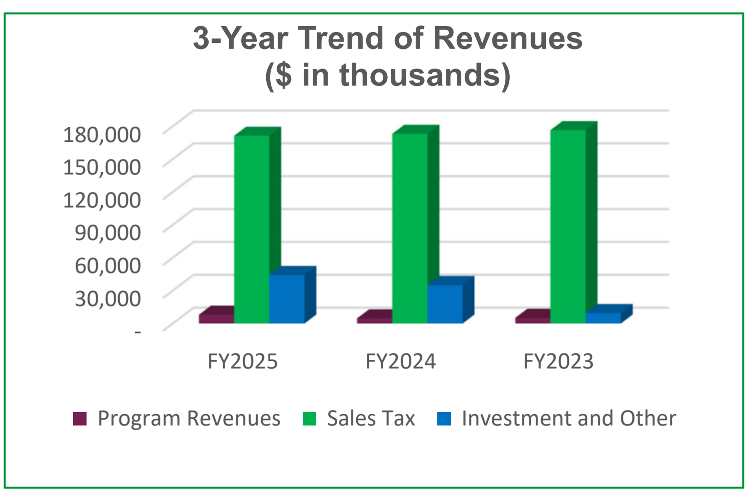
The total revenue was $224M. The TA recorded an increase in revenues from the prior year primarily due to an increase in investment income. The increase was partially offset by a decrease in sales tax revenue.

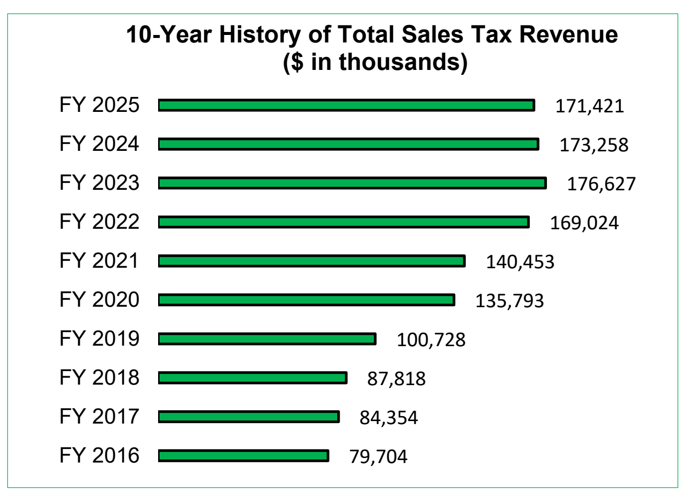
SALES TAX REVENUE decreased by $1.9 million or 1.1% to $171.4 million in FY2025 from FY2024.

PROGRAM REVENUE (Grant/Bond) increased by $3.3 million or 68.8% to $8.1 million in FY2025 from FY2024.

INVESTMENT INCOME AND OTHER REVENUES increased by $9.3 million or 26.5% to $44.4 million in FY2025 from FY2024.







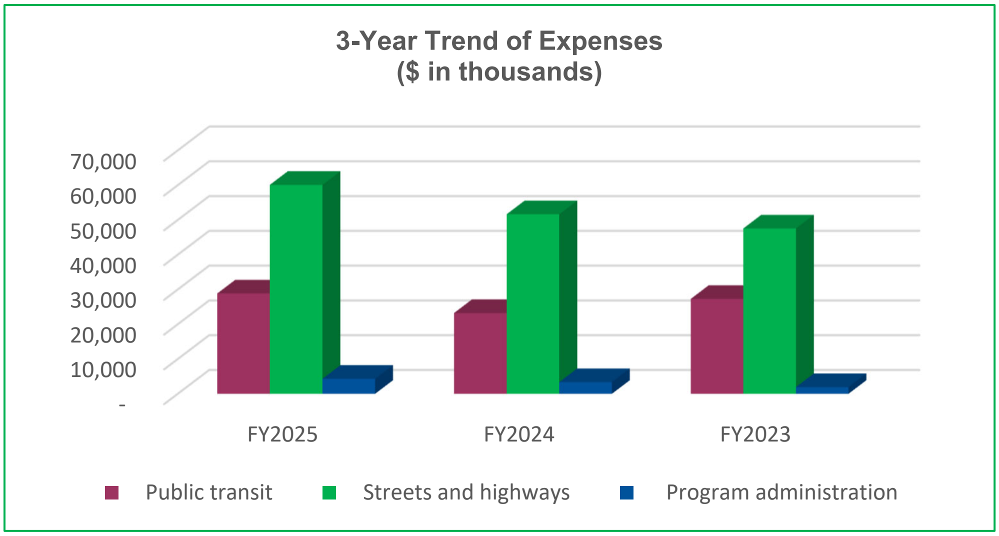
Financial Performance

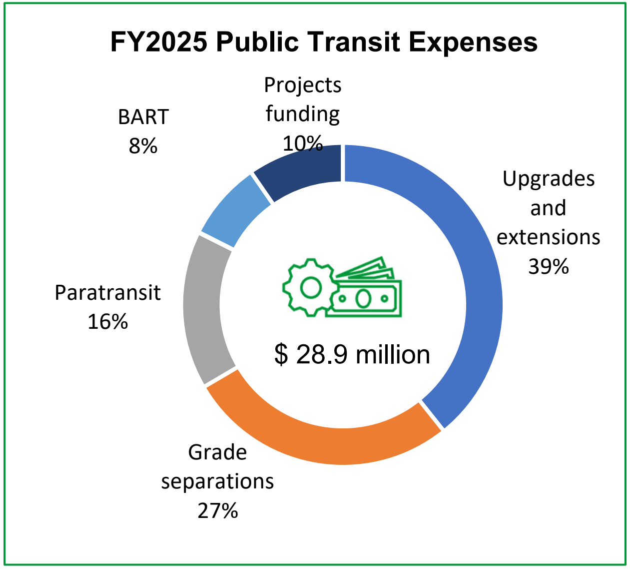
Expenses

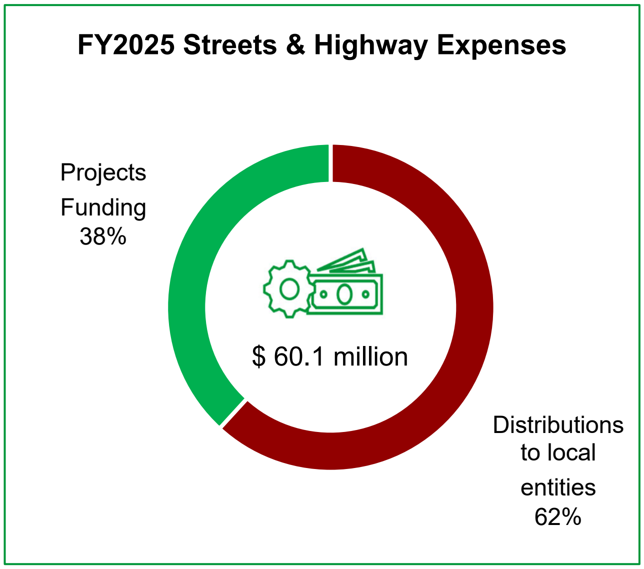
Total expenses for governmental activities were $95.4 million in FY2025, an increase of $14.4 million or 17.4% compared to FY2024 due to an increase in capital projects. The functional components of total expenses are Public Transit, Streets and Highways, and other programs (administrative overhead/debt services expenses).

PUBLIC TRANSIT expenses increased by $5.6 million or 24.2% to $28.9 million compared to FY2024. The increase was mainly driven by progression of capital projects such as upgrades and extensions projects.

STREETS AND HIGHWAYS expenses increased by $8.5 million or 16.4% to $60.1 million compared to FY2024 mainly due to 101 HOV Ln Whipple – San Bruno, FY23/24 Cycle 6 Pedestrian and Bicycle Program Call for Projects, Route 1/Manor Drive Overcross and US 101/SR 92 Direct Connector project.







Financial Performance

Capital Projects

The Transportation Authority spent $45.3 million on capital projects in FY2025, an increase of $14.7 million or 48.0% compared to 2024. Following are the major capital projects with associated expenses:

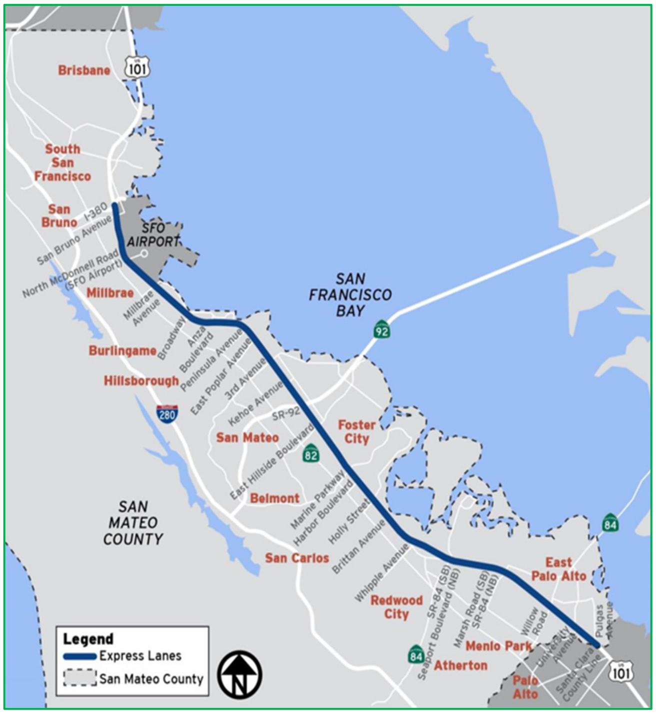
- SSF Caltrain Station project ($5.1 million)
- San Mateo Local Share JPB CIP project ($5.0 million)
- Broadway Grade Separation project ($4.6 million)
- 101 HOV Ln Whipple - San Bruno ($3.7 million)
- Ped/Bike Cycle 6 – FY23/24 project ($2.9 million)
- Shuttles FY24-25 Funding project ($2.6 million)
- US 101/SR 92 Direct Connector ($2.6 million)
- 25th Ave Grade Separation ($2.2 million)

San Mateo 101 Express Lanes

In 2019, the TA and the City/County Association of Governments of San Mateo County (C/CAG) jointly created the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) to administer and manage the operations of the San Mateo 101 Express Lanes Project.

The Project includes (i) the conversion of the existing High Occupancy Vehicle ("HOV") lanes into express lanes from the northern terminus of the Santa Clara County express lanes to the Whipple Road Interchange and (ii) the construction of new express lanes from Whipple Road to the north of I-380 in San Mateo County.

Since full corridors became operational in March 2023, the Project has provided continuous express lanes in San Mateo County in both the northbound and southbound directions of U.S. 101.



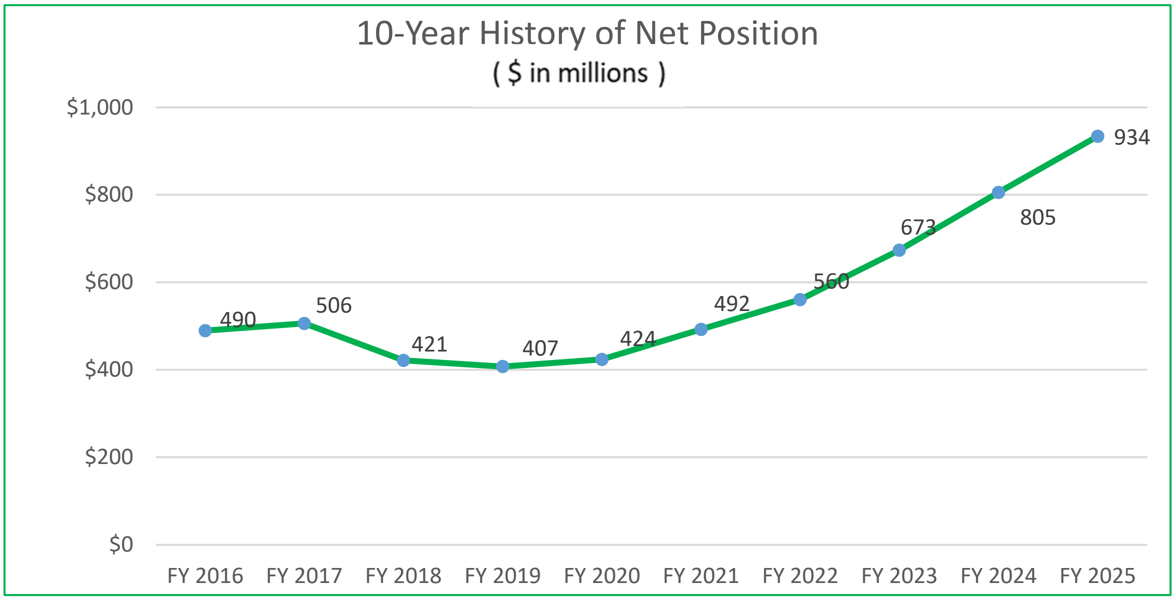
Financial Performance

Net Position

On June 30, 2025, total assets increased by 117.7 million or 12.6% to $1,048.2 million. Total liabilities decreased by $10.8 million or 8.7% to $114.2 million. Deferred inflows of resources decreased by $0.1 million or 100.0% from the prior year, resulting in zero deferred inflows reported for the current year.

With $114.2 million in total liabilities, the TA is in an excellent position to meet its obligations for current construction projects. As of the end of Fiscal Year 2025, existing encumbrances and expected future costs combined for current construction projects are estimated to total $356.1 million.

Net position increased by 128.5 million or 16.0% to $934.0 million, on June 30, 2025, as a result of total revenues exceeding total expenses in 2025.



Looking Ahead

Fiscal Year 2026 Budget

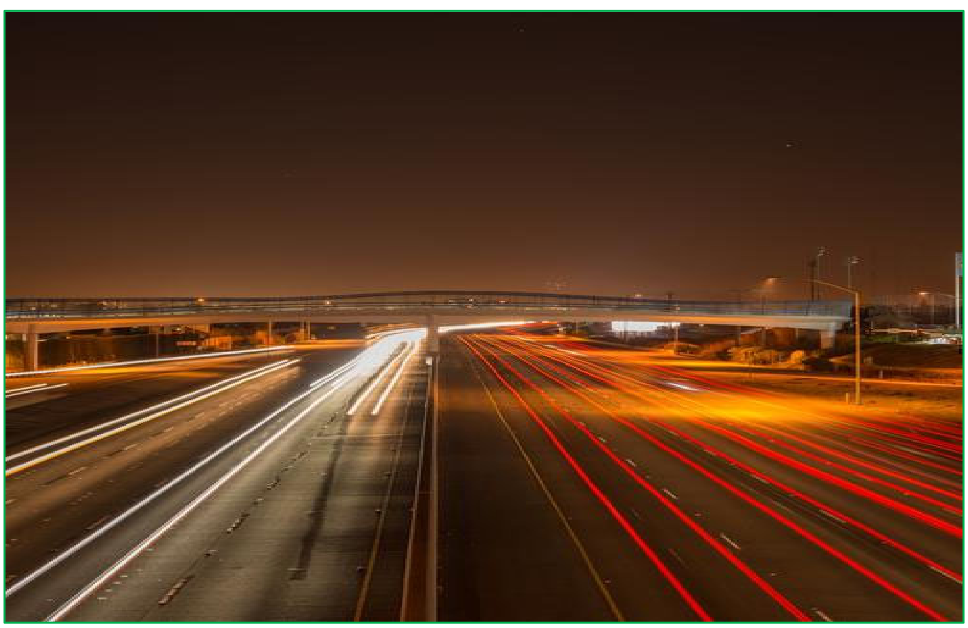
The TA's Board adopted the Fiscal Year 2026 Budget of $206.4 million on June 5, 2025. For full details, please see the Adopted Fiscal Year 2026 Budget.

- Annual allocations of approximately $44.2 million have been budgeted to plan categories based on a percentage of projected sales tax revenues, according to the 2004 TEP.

- Projected program expenditures are approximately $128.1 million and compose the funding requirements for Alternative Congestion Relief, Dumbarton, Caltrain, Pedestrian and Bicycle, Local Shuttle, Streets and Highways programs, Grade Separation and the San Mateo County Ferry Service, and Regional Transit Connections.

- Under Measure A, a budget of $1.1 million has been set aside to fund the Alternative Congestion Relief Program, $3.4 million to fund the Pedestrian and Bicycle Program, and $18.4 million to fund system-wide capital improvements for the Caltrain system. These include State of Good Repair rolling stock, signal, track, and station work. The Streets and Highways program includes a budget of $19.9 million for key congested corridors and $11.7 million for supplemental roadway projects. The Grade Separation program has a budget of $17.2 million.

- Under Measure W, a budget of $5.7 million is projected for the Bicycle and Pedestrian Improvements program, $11.5 million for the Regional Transit Connections program and $25.8 million for Countywide Highway Congestion Improvement program; of the $25.8 million budget, the $1.0 million was proposed to be set aside for Transportation Demand Management (TDM) subcategory, and $24.8 million for Highway Projects. The Transportation Authority will put out a call for projects in order to allocate these funds to eligible recipients.



Glossary

Sales Tax Revenue: Sales tax revenue is the income collected by state and local governments from a consumption tax levied on the sale of goods and services. For TA, the revenue reflects proceeds generated from a 0.5% tax rate under Measure A and a 0.25% tax rate under Measure W.

Program Revenue: Program revenues refer to charges paid by the recipients of goods or services offered by the program. For TA, these revenues include Grade Separations, Program Administration and Project Funding.

Investment Income: Investment income refers to earnings from interest, dividends, and capital gains on government-held funds. TA holds investments in the San Mateo County Treasurer's Investment Pool, State of California State Treasurer's Local Authority Investment Fund (LAIF) and California Asset Management Program (CAMP).

Public Transit Expenses: Public transit expenses are costs incurred by government entities for providing and operating shared-ride transportation services for the public. For TA, these expenses generally arise from upgrades and extensions, grade separations, paratransit services, BART-related costs, and project funding activities.

Streets and Highways Expenses: Street and highway expenses refer to the costs associated with research, planning, construction, improvement, maintenance, and operation of public roads, including bridges and related facilities. For TA, these expenses generally result from distributions to local entities and project funding activities.

Net Position: The difference between what the TA owns and what it owes, reflecting its overall financial health.