



London Breed, Mayor

Gwyneth Borden, Chair
Amanda Eaken, Vice Chair
Cheryl Brinkman, Director

Steve Heminger, Director
Sharon Lai, Director

Jeffrey Tumlin, Director of Transportation

San Francisco Municipal Transportation Agency of the City and County of San Francisco

Annual Disclosure Report For Fiscal Year Ending June 30, 2020

Disclaimer



This document provides general information about the San Francisco Municipal Transportation Agency (SFMTA) and its outstanding bonds, notes or other obligations. The information is provided for quick reference only. It is not a summary or a compilation of all information relevant to any particular financial transactions, bonds, notes or other obligations. It does not purport to include every item that may be relevant, nor does it purport to present full and fair disclosure with respect to any financial transactions, bonds, notes or other obligations related to the SFMTA within the meaning of applicable securities laws and regulations.

The information presented in this document speaks only as of the date it was posted or, if such information is dated, as of its dated date. The SFMTA does not undertake continuously to update materials posted in this document. Developments may occur after the dated date or posted date of such information that could render it inaccurate or unreliable.

Certain information has come from other sources that are not developed by the SFMTA, and the SFMTA presents that information for convenience only. The SFMTA does not guarantee the accuracy of any such information and undertakes no responsibility to verify any of that information. Links to other websites similarly are provided for convenience; the SFMTA takes no responsibility for the accuracy of such information.

THIS IS NOT AN OFFER TO SELL BONDS. Information in this document is not an offer to sell securities or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Viewers acknowledge that: (1) the SFMTA is not now by this document and the information shown herein offering any bonds, notes or other obligations, nor soliciting an offer to buy any such securities; (2) this document and the information herein shall not be construed as any description of the SFMTA, any departments thereof or the programs of the SFMTA in conjunction with any offering of bonds, notes or other obligations; (3) the information in this document is subject to change without notice, and no one shall assume from the availability of this document and the information herein that the affairs of the SFMTA and/or the programs of the SFMTA have not changed since the date of this information; (4) no representation is made as to the propriety or legality of any secondary market trading of the bonds, notes or other obligations of the SFMTA by anyone in any jurisdiction, (5) the information in this document speaks as of its date, and the SFMTA does not hereby obligate itself in any manner to periodically or otherwise update this information or to maintain the availability of this information.

All information in this document has been obtained by the SFMTA from sources believed to be reliable but no representation or warranty is made by the SFMTA as to its accuracy or completeness. Neither the SFMTA, nor any of its agencies or departments nor any of its officers or employees, shall be held liable for any use of the information described and/or contained in this document. In no event shall the SFMTA or its agencies or departments, officers or employees be liable for any direct, indirect, incidental, special, exemplary or consequential damages however caused and on any theory of liability, whether in contract, strict liability or tort (including negligence or otherwise) arising in any way out of the use of this document, even if advised of the possibility of such damage. This disclaimer of liability applies to any and all damages and injuries, including, but not limited to those caused by any failure of performance, error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, theft or destruction or unauthorized access to, alteration of, or use of any record, whether for breach of contract, tortious behavior, negligence or under any other cause of action. This disclaimer applies to both isolated and aggregate uses of the information in this document.

Any addresses or links to other websites which may be contained in this document are given only for the convenience of the viewer. The SFMTA has not participated in the preparation, collection, compilation or selection of information on any such other website and assumes no responsibility or liability for the contents of such websites. Due to the dynamic nature of the internet, resources that are free and publicly available one day may require a fee or restricted access the next, and the location of items may change as menus, homepages and files are reorganized. If you obtain any information from this document from any source other than this document, please be aware that electronic data can be altered subsequent to original distribution. Data can also quickly become out of date. It is recommended that careful attention be paid to any data associated with a file, and that the originator of the data or information be contacted with any questions regarding appropriate use.

Choice of Law Construction of the disclaimers above and resolution of disputes regarding such disclaimers are governed by the laws of the State of California. The laws of the State of California shall apply to all uses of this document and the information contained in this document.

Viewer Acknowledgement and Agreement. The viewer acknowledges and agrees that the information provided in this document is provided by the SFMTA for convenience. By viewing this document and the information contained herein, the viewer acknowledges and agrees that any use of the document and information contained herein shall conform to all applicable laws and regulations and that the viewer shall not violate the rights of any third parties and agrees to all of the terms, conditions and provisions set forth above under "Notice to Readers," "THIS IS NOT AN OFFER TO SELL BONDS" and "Choice of Law."

January 8, 2021

VIA: MSRB EMMA

Dear Investors, Friends, Stakeholders, and Interested Parties:

We are pleased to present the Annual Disclosure Report for fiscal year ending June 30, 2020 for the San Francisco Municipal Transportation Agency of the City and County of San Francisco (SFMTA). It is delivered pursuant to the continuing disclosure certificates (the "Continuing Disclosure Certificates") that the SFMTA has executed in connection with the following bond issues:

- San Francisco Municipal Transportation Agency Revenue Bonds, Series 2012A, dated July 11, 2012
- San Francisco Municipal Transportation Agency Revenue Bonds, Series 2012B, dated July 11, 2012
- San Francisco Municipal Transportation Agency Revenue Bonds, Series 2013, dated December 4, 2013
- San Francisco Municipal Transportation Agency Revenue Bonds, Series 2014, dated December 10, 2014
- San Francisco Municipal Transportation Agency Revenue Bonds, Series 2017, dated June 7, 2017

This Annual Disclosure Report is being provided by the SFMTA in connection with our undertaking entered into in accordance with Rule 15c2-12, promulgated by the U.S. Securities and Exchange Commission. The information provided in this Annual Disclosure Report speaks only as of its date, January 8, 2021. The delivery of this Annual Disclosure Report may not, under any circumstances, create an implication that there has been no other change to the information provided in any final official statement. Other than as set forth in the Continuing Disclosure Agreement, SFMTA has not agreed to notify the secondary market of subsequent changes to the information in this Annual Disclosure Report ("Report").

The filing of this Report does not constitute or imply any representation (1) that any or all of the information provided is material to investors, (2) regarding any other financial, operating or other information relating to the security for the referenced securities, (3) that no changes, circumstances or events have occurred which may have a bearing on the security for the referenced securities or an investor's decision to buy, sell, or hold the referenced securities. Any statements regarding the referenced securities, other than a statement made by the City and County of San Francisco in an official release or subsequent notice or annual report, published in a financial newspaper of general circulation and/or filed with the Municipal Securities Rulemaking Board (MSRB) or on Electronic Municipal Market Access (EMMA), are not authorized by the SFMTA. The SFMTA shall not be responsible for the accuracy, completeness, or fairness of any such unauthorized statement.

If you need additional information, please refer to the year ending audits and other financial information available at the following link: <https://www.sfmta.com/about-sfmta/investor-relations>.

Please direct any questions regarding this Annual Disclosure Report to Jonathan Rewers, Interim Chief Financial Officer at (415) 579-9704 or by e-mail at Jonathan.Rewers@sfmta.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jonathan Rewers".

Jonathan Rewers
Interim Chief Financial Officer

Enclosure: Annual Disclosure Report

Page intentionally left blank.

SFMTA Annual Disclosure Report Fiscal Year Ended June 30, 2020

Description of Issuer

The San Francisco Municipal Transportation Agency (SFMTA) is governed by the SFMTA Board of Directors, who are appointed by the Mayor and Board of Supervisors. The SFMTA's financial statements include the entire City and County of San Francisco's (City's) surface transportation network that encompasses pedestrians, bicycling, transit (Muni), traffic and on- and off-street parking, regulation of the taxi industry, and two nonprofit parking garage corporations operated by separate nonprofit corporations whose operations are interrelated. All significant inter-entity transactions have been eliminated. The SFMTA is an integral part of the City, and these statements are reported as a major enterprise fund in the City's Comprehensive Annual Financial Report. The accompanying financial statements present only the financial position, the changes in financial position and cash flows of SFMTA and do not purport to, and do not, present fairly the financial position of the City, the changes in its financial position and cash flows in accordance with U.S. generally accepted accounting principles.

The SFMTA was established by voter approval of the addition of Article VIII A to the Charter of the City (the Charter) in 1999 (Proposition E). The purpose of the Charter amendment was to consolidate all surface transportation functions within a single City department, and to provide the Transportation System with the resources, independence, and focus necessary to improve transit service and the City's transportation system. The voters approved additional Charter amendments: (1) in 2007 (Proposition A), which increased the autonomy of and revenue to the SFMTA; (2) in 2010 (Proposition G), which increased management flexibility related to labor contracts; (3) in 2014 (Proposition A), which provided \$500 million in general obligation bonds for transportation and street infrastructure; and (4) in 2014 (Proposition B), which increases general fund allocation to SFMTA based on the City's population increase.

Muni is one of America's oldest public transit agencies, the largest in the Bay Area, and eighth largest system in the United States. It currently has more than 169 million boardings annually. Operating historic streetcars, modern light rail vehicles, diesel buses, alternative fuel vehicles, electric trolley coaches, and the world-famous cable cars, Muni's fleet is among the most diverse in the world.

The SFMTA's Sustainable Streets initiates and coordinates improvements to the City's streets, transit, bicycles, pedestrians, and parking infrastructure. It manages 21 City-owned garages and 18 metered parking lots. In March 2009, the former Taxi Commission was merged with the SFMTA, which then assumed responsibility for taxi regulation to advance industry reforms.

Nonprofit corporations provide operational oversight to two garages, namely Japan Center and Portsmouth. Of these two garages, Portsmouth garage is owned by the Recreation and Park Department but managed by the SFMTA. The activities of these nonprofit garages are accounted for in the parking garages account.

IMPACT OF COVID-19 PANDEMIC

The outbreak of a new highly transmissible strain of coronavirus ("COVID-19") has spread to numerous countries across the globe, including the United States. The World Health Organization has characterized the spread of COVID-19 as a pandemic, and states of emergency have been declared in the United States, California and San Francisco. The State and the City have issued directives for all people to stay at

home except to meet essential needs or to work to provide essential services (“stay-at-home orders”). Some of the City’s stay-at-home orders have been revised to allow for limited commercial activity and social interaction among small, consistent groups, but the easing of restrictions slowed, stopped or reversed as new cases of COVID-19 increased in some parts of San Francisco. It is unknown when and whether restrictions will continue to be eased or will be reinstated or enhanced. The duration of these stay-at-home orders, even those with specified end dates, is not known with any level of certainty.

In December 2020, two vaccines from Pfizer-BioNTech and Moderna received emergency use authorization from the U.S. Food and Drug Administration as effective treatments for COVID-19. The timetable for vaccinating sufficient numbers of Americans to affect the trajectory or duration of the COVID-19 pandemic is unknown and depends ultimately on the effectiveness of the vaccines and the willingness of U.S. citizens to get vaccinated. Although both vaccines were subject to extensive clinical trial testing protocols, any health uncertainties could slow down or halt the use of either vaccine.

The SFMTA continues its operations as an essential service. This report describes some of the impacts that COVID-19 and the City’s stay-at-home orders have had on the SFMTA’s transit operations, parking and traffic functions, financial condition and current assets, operating revenues and expenses, capital program and operating budget, as well as the SFMTA’s budgetary and operational strategy for the next few Fiscal Years.

COVID-19 and the City’s stay-at-home orders have had, and are expected to continue to have in the near future, a materially adversely effect on the SFMTA’s operations and revenues. Accordingly, any historical information or budgets or projections described in this Annual Disclosure Report which predate the COVID-19 pandemic, or do not fully reflect its potential impact, should be considered in the light of a possible or probable negative impact from the COVID-19 pandemic.

Continuing Disclosure Information

Transit

Of Muni's five fixed route modes of service, motorbuses serve the highest number of passengers, followed by trolley buses, light rail, street rail and cable car. During the five-year period from Fiscal Year 2016 through Fiscal Year 2020, annual Muni ridership varied between approximately 170 million and 232 million boardings. (A Fiscal Year begins on July 1 and ends on June 30.)

Impact of COVID-19 on Transit Operations

Transit ridership declined by approximately 95% during the initial shelter-in-place period from March to May 2020, as compared to the same period in 2019. In Fiscal Year 2020, total transit ridership declined by 23.6% from approximately 222.9 million in Fiscal Year 2019 to approximately 170.3 million in Fiscal Year 2020. See also "Table 1 – Historic Fixed Route Ridership by Mode."

Because of the decline in ridership as described above, the SFMTA created and implemented its COVID-19 Muni Core Service Plan (the "Core Service Plan"), which reduced the number of operating bus routes and temporarily closed the Muni Metro light rail system, replacing some rail lines with bus routes. Under the Core Service Plan, 30 core bus routes operate from 5 a.m. to 10 p.m. and a reduced "owl" network comprised of 12 routes operates overnight from 10 p.m. to 5 a.m. To determine which routes to maintain under the Core Service Plan, the SFMTA considered factors such as hospital access, ridership levels, equity needs and Citywide coverage. A phased reopening of the Muni Metro light rail system began on December 19, 2020 with the reopening of one rail line. Additional rail lines and service will be added as ridership demand increases and subway repairs are completed.

The SFMTA has taken extensive actions to reduce COVID-19 risks to Muni drivers and passengers. The SFMTA has established and implemented employee protection protocols, including but not limited to providing operators with personal protective equipment and cleaning supplies, temporarily limiting passenger boardings to rear doors only, discontinuing high-risk modes of transportation such as cable car and historic trolley service, establishing daily deep-cleaning routines on vehicles, redesigning schedules so operators start their shifts in recently sanitized buses, and working with the City's Department of Public Health to establish procedures for when staff test positive for COVID-19, such as contact tracing.

The SFMTA has also implemented modified operating procedures, including a mandatory operator barrier, mandatory mask wearing requirements and lower passenger loads to support social distancing. The SFMTA has implemented a Muni marketing campaign (including customer announcements, signage and the use of social media) to urge people to wear protective masks and promote social distancing, and an ambassador program along Market Street to promote social distancing at stops.

TABLE 1
HISTORIC FIXED ROUTE RIDERSHIP BY MODE
(ANNUAL BOARDINGS IN THOUSANDS)
(FISCAL YEARS ENDED JUNE 30)

Mode	2016	2017	2018	2019	2020⁽¹⁾
Motor Bus	101,847	107,796	111,809	110,803	86,175
Trolley Bus	65,121	53,301	49,200	49,248	38,098
Light Rail	52,125	50,993	49,834	49,796	37,419
Street Rail	7,456	7,472	7,476	7,387	4,580
Cable Car	5,800	6,224	6,292	5,704	4,012
Total Ridership	232,349	225,786	224,611	222,938	170,284

⁽¹⁾ Fiscal Year 2020 ridership numbers have been submitted but have not yet been approved by the Federal Transit Administration and the National Transit Database (“NTD”). Decrease in ridership numbers was due in substantial part to the COVID-19 pandemic.

Source: SFMTA

Financial Operations

The SFMTA’s financial operations are supported from each of the following sources: (1) passenger fares, (2) City General Fund Transfer No. 1 and City General Fund Transfer No. 2 (each defined in table 2 below), (3) federal, state and regional grants, and (4) local parking revenues. This diversity of sources gives the SFMTA a relatively stable base of operating revenues.

Federal Relief For The COVID-19 Pandemic

As of December 31, 2020, the SFMTA has received approximately \$374 million under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, and approximately \$1.4 million from the Federal Emergency Management Agency (“FEMA”) Disaster Grants – Public Assistance Program, all of which has been fully expended. Of the \$374 million received under the CARES Act, approximately \$197 million was allocated to operating expenses in Fiscal Year 2020, and approximately \$177 million was allocated to operating expenses in Fiscal Year 2021.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (the “2021 Coronavirus Act”), which became law on December 27, 2020, provided additional federal relief for public transportation. Federal relief funds will be provided to the SFMTA through the Metropolitan Transportation Commission (MTC) and, assuming such funds will be allocated in the same manner as funds distributed under the CARES Act, the SFMTA projects that it will receive approximately \$230 million in additional federal relief under the 2021 Coronavirus Act, with approximately \$148 million expected to be allocated to operating expenses in Fiscal Year 2021, and approximately \$82 million expected to be allocated to operating expenses in Fiscal Year 2022. However, the SFMTA has not yet received such federal relief funds and there can be no assurance that the SFMTA will receive such amounts.

Impact Of COVID-19 On Financial Operations

Operating Revenues

The COVID-19 pandemic has substantially affected sources that support the SFMTA's financial operations, including passenger fares, parking and citation, advertising, real estate rents, and City General Fund transfers, each of which are further described below.

Passenger Fare Revenue

In Fiscal Year 2020, passenger fare revenue declined by 22% from approximately \$196 million in Fiscal Year 2019 to approximately \$154 million in Fiscal Year 2020.

Parking and Citation Revenues

In Fiscal Year 2020, off-street parking garage revenues declined by 23% from approximately \$72 million in Fiscal Year 2019 to approximately \$56 million in Fiscal Year 2020. Net income from garages turned negative in April 2020 and continued through June 2020. Following significant expense cuts, and with rebounding utilization, net income totaled \$1.7 million in October 2020, which is approximately 50% of pre-COVID-19 monthly net income, which averaged approximately \$3.25 million.

In Fiscal Year 2020, on-street meter revenues declined by 28% from approximately \$61 million in Fiscal Year 2019 to approximately \$44 million in Fiscal Year 2020. The SFMTA reduced on-street parking meter rates from April 2020 to June 2020 largely due to the COVID-19 pandemic, but has since resumed regular rate implementation. While rate reductions may naturally result from standard demand-responsive rate adjustments at meters, the SFMTA does not have plans to implement reduced rates in the future.

In Fiscal Year 2020, traffic fines, fees, permits & taxi revenues declined by 23% from approximately \$151 million in Fiscal Year 2019 to approximately \$116 million in Fiscal Year 2020.

In addition, the Shared Spaces program, implemented to aide businesses during the COVID-19 pandemic, costs the SFMTA approximately \$1.0 million to maintain per quarter, coupled with an estimated loss of approximately \$1.1 million in parking revenues. The SFMTA is considering transitioning the program into a paid program with a fee per parking space after July 2021.

Advertising Revenue

The SFMTA receives advertising revenue from advertising agreements with Clear Channel Outdoor and Intersection Media. In Fiscal Year 2020, advertising revenues declined by 15% from approximately \$25 million in Fiscal Year 2019 to approximately \$22 million in Fiscal Year 2020.

Real Estate Rents

The SFMTA manages over 25 agency-owned or leased facilities and administers over 390 real estate related contracts. The SFMTA receives rental revenue from retail shops in SFMTA-controlled parking garages and from telecom service providers that lease and license SFMTA property for telecom infrastructure. Retail rents typically account for approximately \$3.7 million in revenues annually. Because the SFMTA's retail tenants have been adversely impacted by COVID-19 and the City's stay-at-home order, the SFMTA allowed the retail tenants to forbear rent payments through December 2020,

with rents now payable by June 30, 2021. Telecom rents typically account for approximately \$1.5 million in revenues annually and have not been adversely impacted by COVID-19 or the City's stay-at-home order.

In Fiscal Year 2020, total retail rents declined by 4.6% from approximately \$3.1 million in Fiscal Year 2019 to approximately \$3.0 million in Fiscal Year 2020, due in part to the retail rent forbearance described above.

City General Fund Transfers

The SFMTA receives annual non-discretionary transfers, referred to herein as General Fund Transfer No. 1, from the City's General Fund, as well as an additional guaranteed annual amount from the City's General Fund equivalent to 80% of the revenues from the City's tax on occupancy of commercial off-street parking spaces, referred to herein as General Fund Transfer No. 2. In Fiscal Year 2020, revenues from General Fund Transfer No. 1 declined by 10.1% from approximately \$408.7 million in Fiscal Year 2019 to approximately \$367.5 million in Fiscal Year 2020, and revenues from General Fund Transfer No. 2 declined by approximately 19.3% from approximately \$68.8 million in Fiscal Year 2019 to approximately \$55.6 million in Fiscal Year 2020.

Operating Expenses/Cost Controls

The SFMTA has implemented a strict hiring freeze for all non-critical positions. In addition, a Cost Control Committee reviews all proposed positions and has implemented strict cost controls on hiring and overtime. Although the SFMTA has been able to minimize short-term negative impacts to services and has not yet furloughed or laid off any of its workforce, the SFMTA may be required to cut service and make structural adjustments to its labor force if additional federal funding is not received, subject to any limitations under its labor contracts.

Impact on Contingency Reserve

The SFMTA maintains a contingency reserve fund, which has approximately \$125 million on deposit. The SFMTA did not use any funds from the contingency reserve fund in Fiscal Year 2020.

Table 2
SFMTA HISTORICAL OPERATING REVENUES AND EXPENSES
(FISCAL YEARS ENDING JUNE 30)

	2016	2017	2018	2019	2020
Operating Revenues					
Passenger Fares (fixed route & paratransit)	206,757,542	197,226,565	203,786,619	197,109,784	154,100,412
Fines, Fees, Permits & Taxi	127,316,062	142,189,098	146,843,303	151,066,069	116,027,827
Parking Meters	63,603,024	66,681,541	63,813,492	61,264,074	43,912,682
Parking Garages	68,183,966	65,117,322	70,747,995	72,412,231	56,049,361
General Fund Transfer No. 2 ⁽¹⁾	68,812,637	67,420,000	66,790,000	68,820,000	55,570,000
Other (includes rent, advertising & interest)	34,568,135	30,920,928	37,147,775	50,477,804	39,888,998
<i>Operating Grants:</i>					
Regional Grants (AB 1107, TDA, Bridge Tolls)	87,180,536	89,428,039	90,636,494	95,626,666	96,371,546
State Transit Assistance (STA)	36,379,697	27,211,840	42,630,948	64,726,627	61,227,565
Gas Tax Adjustment	3,098,525	3,098,525	3,098,525	3,098,525	3,039,033
Restricted Paratransit Grants (5307, Prop K, STA, other)	16,594,109	17,194,348	16,503,739	18,432,443	16,756,134
Federal Pandemic Support	-	-	-	-	199,628,866
<i>Subtotal Operating Grants</i>	143,252,867	136,932,752	152,869,706	181,884,261	377,023,144
General Fund Transfer No. 1 ⁽¹⁾	284,730,000	312,600,000	338,850,000	408,734,000	367,478,127
Appropriated Fund Balance	20,009,965	45,350,000	47,088,034	33,200,000	-
TOTAL OPERATING REVENUES	1,017,234,198	1,064,438,206	1,127,936,924	1,224,968,223	1,210,050,551
Operating Expenses					
Salaries	450,546,839	478,547,829	506,525,413	531,992,859	552,428,459
Less: Overhead/Recoveries	(46,208,785)	(52,987,924)	(49,126,475)	(59,243,916)	(56,268,531)
Net Salaries	404,338,054	425,559,905	457,398,938	472,748,943	496,159,928
<i>Fringe Benefits:</i>					
Pension	78,590,585	77,067,260	82,088,678	83,112,307	97,807,821
Medical	99,515,495	105,639,073	112,087,780	116,887,329	122,571,401
Less: Overhead/Recoveries	(13,802,624)	(15,827,562)	(14,674,142)	(17,696,235)	(16,807,483)
Net Pension & Medical	164,303,456	166,878,771	179,502,316	182,303,401	203,571,739
All Other Fringe Benefits	36,018,903	37,909,733	40,266,143	41,810,394	42,869,711
Fuel & Lubricants	11,246,552	11,220,353	11,386,423	11,042,471	9,200,641
All Other Materials and Supplies	84,454,524	68,005,816	76,326,938	73,774,504	73,803,191
Paratransit Service Contract	22,545,250	24,008,387	24,557,402	27,369,236	27,020,855
All Other Professional Services	80,786,337	102,137,996	82,269,967	107,640,263	99,646,509
Service from Other City Departments ⁽²⁾	55,249,813	60,423,371	61,280,476	70,801,366	71,382,008
Rent and Buildings	12,858,888	14,310,866	15,369,687	17,270,986	20,776,131
Insurance and Claims	50,332,041	52,798,927	54,993,344	59,644,538	52,904,630
Payments to Other Governmental Entities	13,292,429	12,711,031	11,234,963	13,766,844	13,645,034
Debt Service	17,018,022	17,171,462	28,652,912	25,259,913	25,137,403
Operating Expenses before Transfers	952,444,269	993,136,618	1,043,239,509	1,103,432,859	1,136,117,780
<i>Transfers:</i>					
Transfers to Current Capital Projects	5,636,235	30,017,486	25,758,135	54,776,004	30,404,749
Transfers to Future Capital Projects and Net Changes in Operating Carryforward	3,559,394	13,427,343	7,089,918	(17,199,804)	1,483,920
Transfers to Reserves	2,340,000	6,165,317	2,340,000	2,340,000	2,340,000
TOTAL OPERATING EXPENSES & TRANSFERS	963,979,898	1,042,746,764	1,078,427,562	1,143,349,059	1,170,346,449

⁽¹⁾ General Fund Transfer No. 1 is reported in the SFMTA's audited financial statements as "General Fund Baseline Transfer (by City Charter)." General Fund Transfer No. 2 is reported in the SFMTA's audited financial statements as "General Fund - in lieu of Parking Tax."

⁽²⁾ Service from Other City Departments includes amounts paid to various cities departments for services such as SFPUC for electricity.

The amounts in Table 3 (extracted from Table 2) represent the SFMTA revenues that constituted “Pledged Revenues” during Fiscal Years Ending 2016 through 2020 and SFMTA revenues that would have constituted “Pledged Revenues” under the Indenture in earlier Fiscal Years had the Indenture been in effect at such time. Revenues shown in Table 2 but not in Table 3 would not or, as applicable, would not have constituted “Pledged Revenues” under the Indenture. This table includes federal relief funds received in Fiscal Year 2020, amounting to approximately \$199.6 million.

Table 3
PLEDGED REVENUES
(IN THOUSANDS)
(FISCAL YEARS ENDING JUNE 30)

<u>REVENUE SOURCE</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Passenger Fares (fixed route and paratransit) ⁽¹⁾	206,758	197,227	203,787	197,110	154,100
Fines, Fees, Permits & Taxi ⁽¹⁾	127,316	142,189	146,843	151,066	116,028
Parking Meters ^{(1), (2)}	63,603	66,682	63,813	61,264	43,913
Parking Garages ^{(1), (3)}	68,184	65,117	70,748	72,412	56,049
Other (includes rent, advertising and interest)	34,568	30,921	37,148	50,478	39,889
AB 1107	40,262	41,215	43,009	46,776	44,486
State Transit Assistance (STA) ⁽⁴⁾	36,380	27,212	42,631	64,727	61,228
Transportation Development(TDA)	44,231	45,526	44,940	46,163	49,434
Federal Pandemic Support ⁽⁵⁾	-	-	-	-	199,629
Total Pledged Revenues	621,302	616,089	652,919	689,996	764,756

⁽¹⁾ Managed Revenues over which the SFMTA has rate-setting authority.

⁽²⁾ Amounts shown include all parking meter revenues received by the SFMTA in the applicable Fiscal Year. Parking meter revenues constitute Pledged Revenues only to the extent Bonds or other Parity Obligations have financed traffic regulation and control functions. As of November 1, 2014, Outstanding Bonds have financed or refinanced sufficient traffic regulation and control functions so as to result in all parking meter revenues constituting Pledged Revenues for such Bonds in the Fiscal Years set forth in Table 7. Should this change in the future, however, some or all of such parking meter revenues may be unavailable to pay debt service on the Bonds.

⁽³⁾ Net of operating and maintenance expenses from non-profit garage corporations.

⁽⁴⁾ A portion of the State Transit Assistance funds received by the SFMTA are restricted to application for paratransit purpose and therefore do not constitute Pledged Revenues under the Indenture and not included in Table 7.

⁽⁵⁾ Funding received under the Coronavirus Aid, Relief, and Economic Security Act and the Disaster Grants-Public Assistance.

Source: SFMTA

During Fiscal Years ending 2011 through 2020, annual Muni ridership varied between 170 million and 232 million boardings. The 2020 decrease in ridership numbers was due in substantial part to the COVID-19 pandemic. The table below shows the average fare per passenger over the ten-year period.

Table 4
FARE REVENUE, RIDERSHIP AND AVERAGE FARES PER PASSENGER

Fiscal Year	Total Fare Revenue⁽¹⁾ (In Thousands)	Total Annual Boardings (In Thousands)	Percentage Change in Boardings	Average Fare Per Passenger⁽²⁾	Percentage Change in Average Fare⁽³⁾
2020	154,100	170,284 ⁽⁴⁾	-23.6%	0.90	2.4%
2019	197,110	222,938	0.0	0.88	0.0
2018	203,787	224,611	-0.5	0.91	3.9
2017	197,227	225,786	-2.8	0.87	-1.8
2016	206,758	232,349	5.9	0.89	-9.1
2015	214,698	219,326	-3.8	0.98	4.8
2014	212,861	227,977	2.2	0.93	-5.4
2013	220,101	222,991	0.4	0.99	8.4
2012	202,284	222,126	3.9	0.91	1.6
2011	191,637	213,748	-1.0	0.90	3.2

⁽¹⁾ Pursuant to a contract finalized with BART in Fiscal Year 2013, Fare Revenues for Fiscal Year ending 2013 include a one-time payment totaling approximately \$8.0 million made by BART for feeder services provided by SFMTA during Fiscal Years ending 2010 through 2012, and a payment of approximately \$2.8 million for feeder services provided by SFMTA in Fiscal Year ending 2013. Fare Revenues for Fiscal Years ending 2014, 2015, 2016, 2017, 2018, 2019 and 2020 included payments for feeder services provided by SFMTA to BART of \$2.9 million, \$3.1 million, \$3.2 million, \$3.4 million, \$3.5 million, \$3.6 million and \$3.8 million, respectively.

⁽²⁾ Average fare per passenger is equal to revenue divided by boardings and reflects the impact of transfers, monthly passes and discounted fares. Rounded to the nearest \$0.01.

⁽³⁾ Percentages based on non-rounded average fare per passenger.

⁽⁴⁾ Fiscal Year 2020 ridership numbers have been submitted but have not yet been approved by the Federal Transit Administration and the National Transit Database ("NTD"). Decrease in ridership numbers was due in substantial part to the COVID-19 pandemic.

Source: SFMTA

Labor Relations

As prescribed under GASB 75, effective for the year ended June 30, 2018, net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense are actuarially determined on a citywide basis. Net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees attributed to those employees' past service, less the amount of the Retiree Healthcare Trust Fund investments measured at fair value. The SFMTA's proportionate share percentage of the Plan is determined based on its percentage of citywide pay-as-you-go contributions for the prior year ended June 30.

For Fiscal Year ended June 30, 2016 through June 30, 2017, the City determined a citywide Annual Required Contribution ("ARC"), interest on net Other Post-Employment Benefits ("OPEB") obligation, ARC adjustment and OPEB cost based on an actuarial valuation performed in accordance with GASB 45, by the City's actuaries. The City's allocation of OPEB costs to the SFMTA for the years ended June 30, 2016 through June 30, 2017 is based on a percentage of citywide pensionable salary.

The following table shows the components of the City's annual OPEB allocations for the SFMTA for the Fiscal Years ended June 30, 2016 through June 30, 2017 based on GASB 45, and for the Fiscal Year ended June 30, 2018 through June 30, 2020 based on GASB 75, the amounts contributed to the plan and changes in the net OPEB obligation.

TABLE 5
SFMTA OPEB ALLOCATIONS AND CONTRIBUTIONS
(IN THOUSANDS)

	(FISCAL YEARS ENDING JUNE 30)				
	2016 ⁽¹⁾	2017 ⁽²⁾	2018 ⁽³⁾	2019 ⁽⁴⁾	2020 ⁽⁵⁾
Annual Required Contribution	42,506	50,238			
Interest on net OPEB Obligation	13,496	13,652			
Adjustment to ARC	(10,973)	(5,521)			
Annual Net OPEB Cost	45,029	58,369	62,784	57,885	57,881
Contribution Made	(29,334)	(32,044)	(36,034)	(38,717)	(41,736)
Changes in Contributions subsequent to measurement date			36,034	19,549	30,276
Changes in Net difference between projected and actual earnings on plan investments			(1,060)	(58,081)	8,501
Increase in net OPEB Obligation	15,695	26,325	61,724	(19,364)	54,922
Net OPEB Obligation at beginning of Fiscal Year	220,297	235,992	262,317	657,062	637,698
Cumulative effect of change in accounting principle			333,021		
Net OPEB Obligation at end of Fiscal Year	235,992	262,317	657,062	637,698	692,620

⁽¹⁾ In Fiscal Year ending 2016, the City had 31,342 funded positions and the SFMTA had 5,308 funded positions for operations and capital project support. The total number of active employees during any Fiscal Year may vary from the number of authorized funded positions.

⁽²⁾ In Fiscal Year ending 2017, the City had 32,749 funded positions and the SFMTA had 5,660 funded positions for operations and capital project support. The total number of active employees during any Fiscal Year may vary from the number of authorized funded positions.

⁽³⁾ In Fiscal Year ending 2018, the City had 33,045 funded positions and the SFMTA had 5,692 funded positions for operations and capital project support. The total number of active employees during any Fiscal Year may vary from the number of authorized funded positions.

⁽⁴⁾ In Fiscal Year ending 2019, the City had 33,519 funded positions and the SFMTA had 5,842 funded positions for operations and capital project support. The total number of active employees during any Fiscal Year may vary from the number of authorized funded positions.

⁽⁵⁾ In Fiscal Year ending 2020, the City had 33,782 funded positions and the SFMTA had 5,981 funded positions for operations and capital project support. The total number of active employees during any Fiscal Year may vary from the number of authorized funded positions.

Source: SFMTA and City CAFR, calculated in accordance with GAAP