



**SFMTA**  
Municipal  
Transportation  
Agency

# Audit Report and Financial Statements Fiscal Year 2015-2016

Board of Directors Meeting

12/06/2016

San Francisco, California

# YEAR END AUDIT FY 2015-2016

- **ANNUALLY THE YEAR-END AUDIT INCLUDES:**
  - **FINANCIAL AUDIT – PICTURE OF SFMTA’S FINANCIAL STATUS**
  - **SINGLE AUDIT – GRANT COMPLIANCE. THIS IS SCHEDULED FOR COMPLETION BY END OF JANUARY 2016.**
  - **MANAGEMENT LETTER – AUDITOR’S RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT AND OVERSIGHT**
    - **NO FINDINGS**

**SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**COMPARATIVE JUNE 30, 2016 AND 2015**  
**(IN THOUSANDS)**

Category	FY15-16	FY14-15 (Restated)	Change	Notes
Operating revenues	\$499,234	504,625	(5,391)	Decrease in passenger fares with the implementation of the Free Fares for low and moderate income youth, senior and disabled patrons. Lower taxi medallion sales and permit renewal fees.
Non-operating revenues	206,529	166,761	39,768	Increase in development fees and in amortized portion of the lease leaseback benefits
Capital contributions	419,738	293,350	126,388	Increase in capital expenditures billable to grantors such as Central Subway and Revenue Vehicles procurement
Transfers	452,990	341,331	111,659	Increase in City's General Fund baseline allocation, Population-based allocation, and City's General Obligation Bond to support various transportation and road improvement projects
<b>Total Revenues</b>	<b>1,578,491</b>	<b>1,306,067</b>	<b>272,424</b>	
<b>Total Expenses</b>	<b>1,100,234</b>	<b>1,019,981</b>	<b>80,253</b>	See next page for detail
<b>Change in net position</b>	<b>\$478,257</b>	<b>286,086</b>	<b>192,171</b>	Revenues less Expenses

**SUMMARY OF OPERATING EXPENSES  
COMPARATIVE JUNE 30, 2016 AND 2015  
(IN THOUSANDS)**

Category	FY15-16	FY14-15 (Restated)	Change	Notes
Personnel services	\$677,174	624,636	52,538	Increases in hiring, COLA, workers' compensation, and pension costs
Contractual services	124,780	101,707	23,073	Increase mainly due to LRV overhaul and repair contract
Materials and supplies	81,417	73,043	8,374	Increase usage of equipment maintenance supplies and repairs
Depreciation and amortization	133,715	126,756	6,959	Increase in assets capitalized
Services from other City departments	61,959	52,802	9,157	Increase in share of cost on City-wide financial system replacement project, SFPUC electricity/utilities billings, and City Attorney services
General and administrative	42,695	43,732	(1,037)	Decrease mainly in claims payments
Other operating expenses	(21,506)	(2,695)	(18,811)	More cost recovery and less noncapitalizable cost
<b>Total Expenses</b>	<b>\$1,100,234</b>	<b>1,019,981</b>	<b>80,253</b>	

CONDENSED SUMMARY OF NET POSITION  
COMPARATIVE JUNE 30, 2016 AND 2015 (IN THOUSANDS)

Category	FY15-16	FY14-15 (Restated)	Change	Notes
Current assets	\$1,083,976	1,074,180	9,796	Increase in receivables from capital projects billings to grantors and procurement of maintenance parts
Restricted assets	86,597	52,475	34,122	Increase in collections from Transit Impact Development fees
Capital assets	3,147,877	2,747,219	400,658	Investment in equipment and capital infrastructure
<b>Total Assets</b>	<b>4,318,450</b>	<b>3,873,874</b>	<b>444,576</b>	
Deferred outflows of resources	98,333	79,870	18,463	For GASB 68 – related to pensions reporting
Current liabilities	390,861	388,033	2,828	Increase in general liability per actuarial
Noncurrent liabilities	900,659	792,967	107,692	Increase in net pensions, post-employment benefits, workers' compensation, and general liability
<b>Total Liabilities</b>	<b>1,291,520</b>	<b>1,181,000</b>	<b>110,520</b>	
Deferred Inflows of Resources	104,306	230,044	(125,738)	For GASB 68–pensions amortization
<b>Net Position</b>	<b>\$3,020,957</b>	<b>2,542,700</b>	<b>478,257</b>	