



► FY25 First Quarter and Second Quarter  
Financial Report  
BART Board of Directors  
February 13, 2025



# Executive Summary

- Despite close budget to actuals performance, some notable variances:
  - Sales tax below budget expectations
  - Operating labor above budget (driven by lagging capital reimbursements and overtime)
  - Non-labor under budget
- BART required \$175.3M in emergency assistance to balance the first half of FY25; budget assumed \$189.1M (\$13.8M less used than anticipated)
- Year-end projection is stable; staff currently project to end FY25 on budget, though uncertainty remains
- Cost control measures are being implemented
- BART continues to make progress on reducing retirement-related liabilities
- Cash and reserves remain robust

# Agenda

## Budget to actuals:

- FY25 combined Q1 & Q2 operating budget to actuals and year-end projection
  - Sources
  - Uses
  - Net Result
- Emergency assistance to BART

## Financial position:

- CalPERS pension funding progress: Miscellaneous and Safety plans
- Other Post-Employment Benefits (OPEB) funding progress of Retiree Health Benefits Trust (RHBT)
- Outstanding bonds
- Accounts receivable
- Cash and investments
- Operating and other reserves

# FY25 Q2 Operating Sources

Quarterly Financial Report - Second Quarter FY25												
(\$ Millions)	Q1 Actuals	Q2 Budget	Q2 Actuals	Q2 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q2 YE Forecast	Projected Year-End Variance (Q2)	Projected Year-End Variance %
Operating Revenue												
Net Passenger Revenue	60.3	55.6	56.9	1.3	114.9	117.1	2.2	1.9%	235.7	237.7	2.0	0.8%
Parking Revenue	4.4	4.3	4.3	0.1	8.7	8.8	0.1	0.7%	16.5	16.5	0.1	0.3%
Other Operating Revenue	4.8	5.4	5.7	0.3	10.6	10.4	-0.1	-1.4%	21.9	21.9	0.0	0.0%
Total Net Operating Revenue	69.5	65.2	66.9	1.7	134.2	136.3	2.1	1.6%	274.1	276.1	2.0	0.7%
Non Operating Revenue -												
Investment Income	9.2	6.2	5.7	-0.5	13.4	14.9	1.5	11.1%	23.5	23.5	0.0	0.0%
Total Revenue	78.7	71.4	72.5	1.2	147.6	151.2	3.6	2.4%	297.5	299.5	2.0	0.7%
Financial Assistance												
Sales Tax	79.1	79.9	78.1	-1.8	162.3	157.2	-5.1	-3.2%	320.3	310.1	-10.2	-3.2%
Property Tax	3.6	26.7	31.1	4.4	30.0	34.8	4.7	15.7%	64.3	66.9	2.6	4.1%
State Transit Assistance	0.1	0.0	0.0	0.0	0.0	0.1	0.0	245.1%	48.8	48.8	0.0	0.0%
VTA Financial Assistance	9.1	8.8	9.1	0.3	17.6	18.3	0.7	3.8%	35.2	35.2	0.1	0.2%
Other Assistance, Net of Federal												
Emergency Assistance	6.7	14.9	19.4	4.5	20.7	26.1	5.3	25.8%	31.8	33.9	2.1	6.7%
Total Financial Assistance	98.6	130.3	137.8	7.4	230.7	236.4	5.7	2.5%	500.3	494.9	-5.4	-1.1%
Total Operating Sources	177.3	201.7	210.3	8.6	378.3	387.6	9.3	2.5%	797.8	794.5	-3.3	-0.4%

# FY25 Q2 Operating Uses

Quarterly Financial Report - Second Quarter FY25												
(\$ Millions)	Q1 Actuals	Q2 Budget	Q2 Actuals	Q2 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q2 YE Forecast	Projected Year-End Variance (Q2)	Projected Year-End Variance %
<b>Operating Expense</b>												
Gross Wages, Fringe & Other Labor	219.9	219.0	214.0	5.1	441.9	433.9	8.0	1.8%	874.9	861.7	13.2	1.5%
Capital Reimbursements - Labor & Fringe	<u>-33.1</u>	<u>-38.2</u>	<u>-31.2</u>	<u>-7.1</u>	<u>-76.5</u>	<u>-64.3</u>	<u>-12.3</u>	<u>-16.0%</u>	<u>-151.3</u>	<u>-140.3</u>	<u>-11.0</u>	<u>7.3%</u>
Subtotal - Net Operating Labor & Fringe	186.8	180.8	182.8	-2.0	365.4	369.6	-4.2	-1.2%	723.6	721.4	2.2	0.3%
Gross Overtime	21.4	19.3	23.5	-4.2	38.5	44.8	-6.3	-16.4%	77.0	89.7	-12.6	-16.4%
Capital Reimbursements - Overtime	<u>-4.8</u>	<u>-5.0</u>	<u>-5.7</u>	<u>0.7</u>	<u>-10.0</u>	<u>-10.5</u>	<u>0.5</u>	<u>4.8%</u>	<u>-20.0</u>	<u>-21.9</u>	<u>1.9</u>	<u>-9.5%</u>
Subtotal - Net Operating Overtime	<u>16.6</u>	<u>14.3</u>	<u>17.8</u>	<u>-3.5</u>	<u>28.5</u>	<u>34.4</u>	<u>-5.8</u>	<u>-20.5%</u>	<u>57.0</u>	<u>67.8</u>	<u>-10.7</u>	<u>-18.8%</u>
<b>Total Operating Labor</b>	<b>203.4</b>	<b>195.0</b>	<b>200.6</b>	<b>-5.5</b>	<b>393.9</b>	<b>404.0</b>	<b>-10.1</b>	<b>-2.6%</b>	<b>780.6</b>	<b>789.1</b>	<b>-8.5</b>	<b>-1.1%</b>
Electric Power	14.5	15.8	14.9	0.9	30.0	29.4	0.5	1.8%	61.6	61.6	0.0	0.0%
Purchased Transportation	7.5	7.8	7.4	0.3	15.5	15.0	0.6	3.8%	31.1	31.8	-0.7	-2.3%
Other Non Labor	<u>28.6</u>	<u>42.6</u>	<u>39.3</u>	<u>3.3</u>	<u>81.9</u>	<u>67.9</u>	<u>14.0</u>	<u>17.1%</u>	<u>160.5</u>	<u>148.0</u>	<u>12.5</u>	<u>7.8%</u>
<b>Total Non Labor</b>	<b>50.6</b>	<b>66.2</b>	<b>61.6</b>	<b>4.6</b>	<b>127.4</b>	<b>112.2</b>	<b>15.1</b>	<b>11.9%</b>	<b>253.2</b>	<b>241.4</b>	<b>11.8</b>	<b>4.7%</b>
<b>Total Operating Expense</b>	<b>254.1</b>	<b>261.2</b>	<b>262.2</b>	<b>-1.0</b>	<b>521.3</b>	<b>516.2</b>	<b>5.1</b>	<b>1.0%</b>	<b>1,033.9</b>	<b>1,030.5</b>	<b>3.3</b>	<b>0.3%</b>
<b>Debt Service and Allocations</b>												
Debt Service	15.0	15.0	15.0	0.0	30.1	30.1	0.0	0.0%	60.2	60.2	0.0	0.0%
Capital and Other Allocations, Net of Emergency Assistance	<u>10.4</u>	<u>8.0</u>	<u>6.1</u>	<u>1.9</u>	<u>16.0</u>	<u>16.5</u>	<u>-0.5</u>	<u>-3.3%</u>	<u>32.0</u>	<u>32.0</u>	<u>0.0</u>	<u>0.0%</u>
<b>Total Debt Service and Allocations</b>	<b>25.5</b>	<b>23.0</b>	<b>21.1</b>	<b>1.9</b>	<b>46.1</b>	<b>46.6</b>	<b>-0.5</b>	<b>-1.1%</b>	<b>92.2</b>	<b>92.2</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total Operating Uses</b>	<b>279.5</b>	<b>284.3</b>	<b>283.3</b>	<b>1.0</b>	<b>567.4</b>	<b>562.9</b>	<b>4.5</b>	<b>0.8%</b>	<b>1,126.1</b>	<b>1,122.7</b>	<b>3.3</b>	<b>0.3%</b>



# FY25 Q2 Net Operating Result

Quarterly Financial Report - Second Quarter FY25												
(\$ Millions)	Q1 Actuals	Q2 Budget	Q2 Actuals	Q2 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q2 YE Forecast	Projected Year-End Variance (Q2)	Projected Year-End Variance %
<b>Operating Revenue</b>												
Total Net Operating Revenue	69.5	65.2	66.9	1.7	134.2	136.3	2.1	1.6%	274.1	276.1	2.0	0.7%
<b>Non Operating Revenue -</b>												
Investment Income	9.2	6.2	5.7	-0.5	13.4	14.9	1.5	11.1%	23.5	23.5	0.0	0.0%
Total Revenue	78.7	71.4	72.5	1.2	147.6	151.2	3.6	2.4%	297.5	299.5	2.0	0.7%
<b>Financial Assistance</b>												
Total Financial Assistance	98.6	130.3	137.8	7.4	230.7	236.4	5.7	2.5%	500.3	494.9	-5.4	-1.1%
Total Operating Sources	177.3	201.7	210.3	8.6	378.3	387.6	9.3	2.5%	797.8	794.5	-3.3	-0.4%
<b>Operating Expense</b>												
Total Operating Labor	203.4	195.0	200.6	-5.5	393.9	404.0	-10.1	-2.6%	780.6	789.1	-8.5	-1.1%
Total Non Labor	50.6	66.2	61.6	4.6	127.4	112.2	15.1	11.9%	253.2	241.4	11.8	4.7%
Total Operating Expense	254.1	261.2	262.2	-1.0	521.3	516.2	5.1	1.0%	1,033.9	1,030.5	3.3	0.3%
<b>Debt Service and Allocations</b>												
Total Debt Service and Allocations	25.5	23.0	21.1	1.9	46.1	46.6	-0.5	-1.1%	92.2	92.2	0.0	0.0%
Total Operating Uses	279.5	284.3	283.3	1.0	567.4	562.9	4.5	0.8%	1,126.1	1,122.7	3.3	0.3%
<b>Net Operating Result Before Emergency Assistance</b>												
Emergency Assistance	-102.3	-82.6	-73.0	9.5	-189.1	-175.3	13.8	7.3%	-328.2	-328.3	0.0	0.0%
Emergency Assistance Applied	102.3	82.6	73.0	-9.5	189.1	175.3	-13.8	-7.3%	328.2	328.3	0.0	0.0%
Net Operating Result	0.0	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0%	0.0	0.0	0.0	

- Through Q2, BART performed \$13.8M better than budget
- FY25 year-end projection shows slight underperformance in revenue offset by slight savings in expense, resulting in balanced budget at year-end

# Emergency Assistance to BART as of December 31, 2024

## Emergency Assistance to BART as of 12/31/2024

Award amounts (\$M)	FY20	FY21	FY22	FY23	FY24	FY25	Total Awarded
CARES	252	125	0	0	0	0	377
CRRSAA	0	378	0	0	0	0	378
ARPA + Add'l Assistance	0	0	853	0	0	0	853
SB125 State and Regional Assistance*	0	0	0	0	58	0	58
<i>Subtotal - all awards</i>	<i>252</i>	<i>504</i>	<i>853</i>	<i>0</i>	<i>58</i>	<i>0</i>	<i>1,667</i>

Funds allocated to BART

Draw downs (\$M) - funds received as of 12/31/24	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	Total Drawn Down
CARES	186	192	0	0	0	0	377
CRRSAA	0	211	167	0	0	0	378
ARPA + Add'l Assistance	0	0	276	408	169	0	853
SB125 State and Regional Assistance	0	0	0	0	0	58	58
<i>Subtotal - all drawdowns</i>	<i>186</i>	<i>402</i>	<i>443</i>	<i>408</i>	<i>169</i>	<i>58</i>	<i>1,667</i>

Funds received by BART

**Remaining emergency funds to be drawn down after 12/31/24 (\$M)**

0

Expenditures (\$M) - applied to offset incurred expenses as of 12/31/24	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	Total Applied
CARES	120	257	0	0	0	0	377
CRRSAA	0	41	287	50	0	0	378
ARPA + Add'l Assistance	0	0	0	266	314	175	755
SB125 State and Regional Assistance	0	0	0	0	0	0	0
<i>Subtotal - all expenditures</i>	<i>120</i>	<i>298</i>	<i>287</i>	<i>316</i>	<i>314</i>	<i>175</i>	<i>1,510</i>

Funds used by BART to offset incurred costs

**Drawn down funds in BART reserves as of 12/31/24 (\$M)**

157

**Remaining awarded funds to be used to offset expenses after 12/31/24 (\$M)**

157

\*SB125 has been partially allocated; BART expects approximately \$352M in total over several years

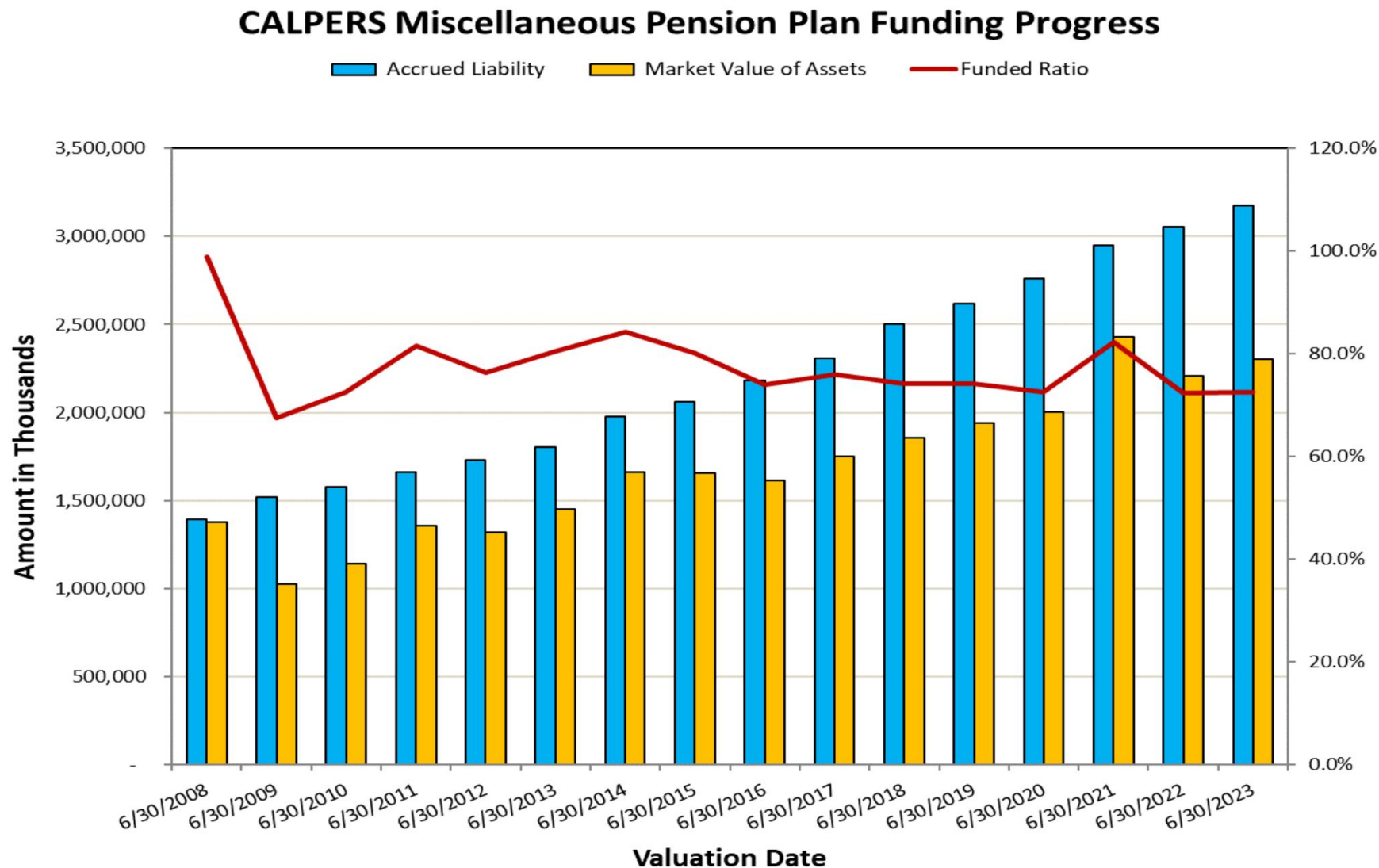


# Financial Position





# CalPERS Pension Plan Funding Progress: Miscellaneous



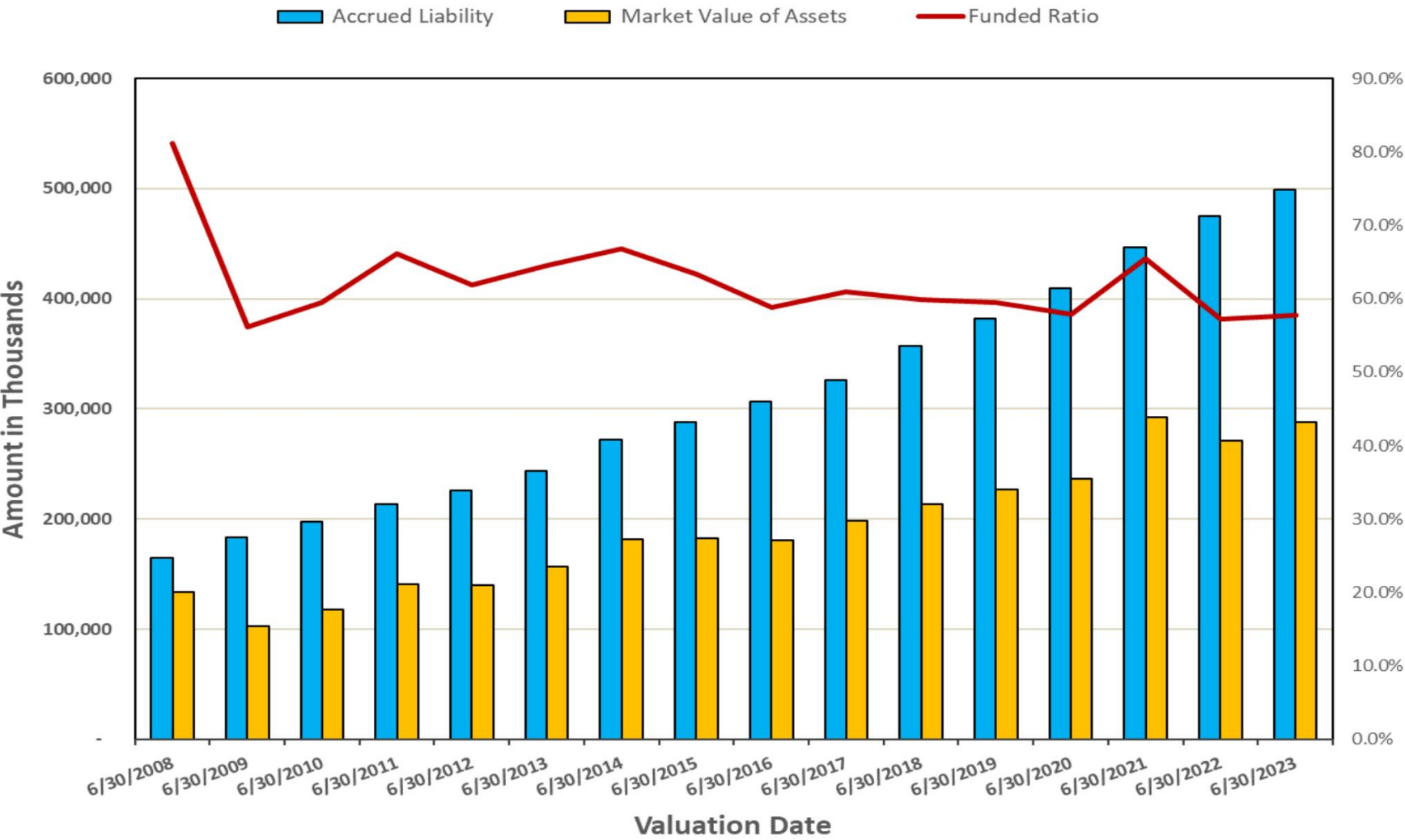
Miscellaneous plan covers all BART staff except sworn BART Police officers

FY25 budget contributions for Miscellaneous Plan:  
Normal cost: \$47.2M  
Unfunded Actuarial Liability (UAL): \$73.1M  
Total: \$120.3M

CalPERS expected to release 6/30/24 funded status between July – September 2025

# CalPERS Pension Plan Funding Progress: Safety

CALPERS Safety Pension Plan Funding Progress



Safety plan covers sworn BART Police officers

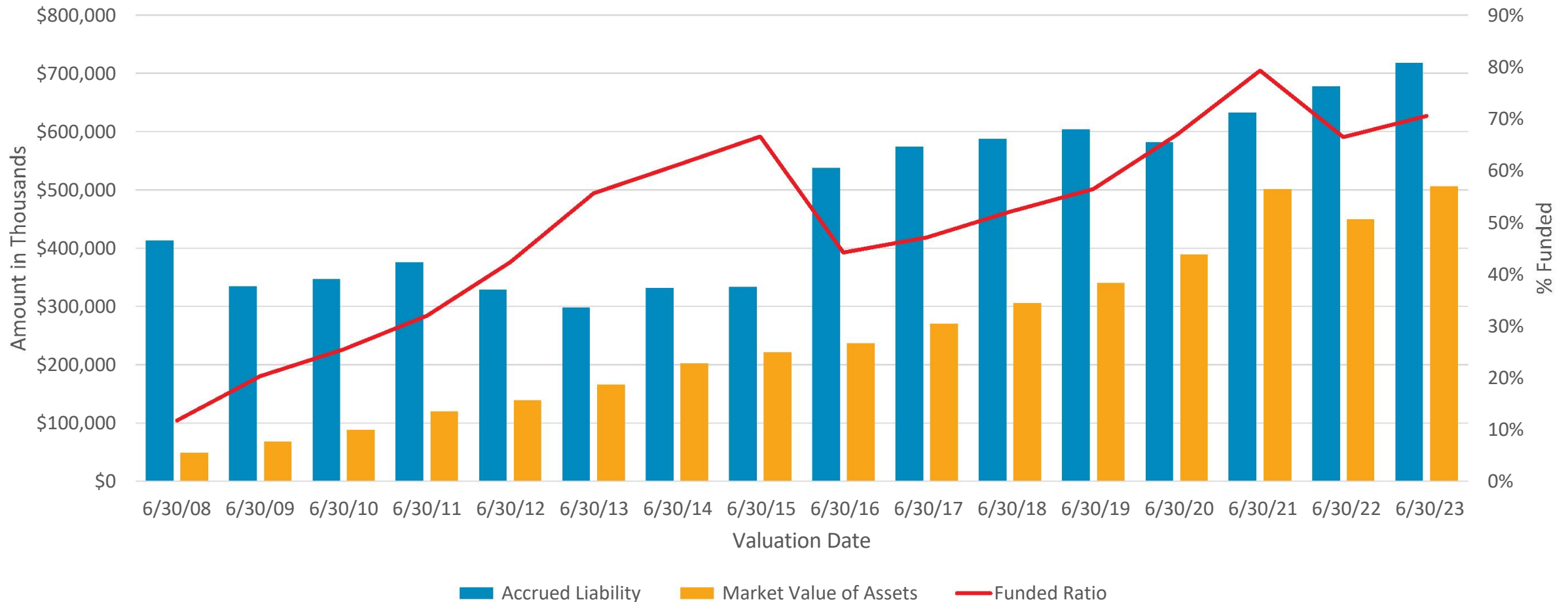
FY25 budget contributions for Safety Plan:  
Normal cost: \$10.7M  
UAL: \$15.8M  
Total: \$26.5M

CalPERS expected to release 6/30/24 funded status between July – September 2025



# Funding Progress Retiree Health Benefits Plan

Funding Progress Retiree Health Benefits Plan



- BART funds retiree medical costs via contributions to its Retiree Health Benefit Trust (RHBT)
- FY25 budgeted contribution is \$45.6M

# Summary of Outstanding Bonds

	Authorized	Issued as of 12-31-2024	Outstanding Balance 06-30-2024	Issuance	Payments	Outstanding Balance 12-31-2024	Annual Debt Service Fiscal Year 2025	Property Tax Assessments Fiscal Year 2025**	FY 2024
<b>Sales Tax Revenue Bonds *</b>		\$ 984,260,000	\$ 590,805,000	\$ -	\$ (36,750,000)	\$ 554,055,000	\$ 60,131,289		
<b>Measure AA General Obligation Bonds</b>	\$ 980,000,000	\$ 980,000,000	\$ 601,510,000	\$ -	\$ (28,705,000)	\$ 572,805,000	\$ 54,655,294	\$4.70/\$100,000	\$4.80/\$100,000
<b>Measure RR General Obligation Bonds</b>	\$ 3,500,000,000	\$ 2,060,000,000	\$ 1,844,065,000	\$ -	\$ (25,610,000)	\$ 1,818,455,000	\$ 98,537,675	\$10.10/\$100,000	\$8.60/\$100,000
<b>Total</b>		<u>\$ 4,024,260,000</u>	<u>\$ 3,036,380,000</u>	<u>\$ -</u>	<u>\$ (91,065,000)</u>	<u>\$ 2,945,315,000</u>	<u>\$ 213,324,258</u>		

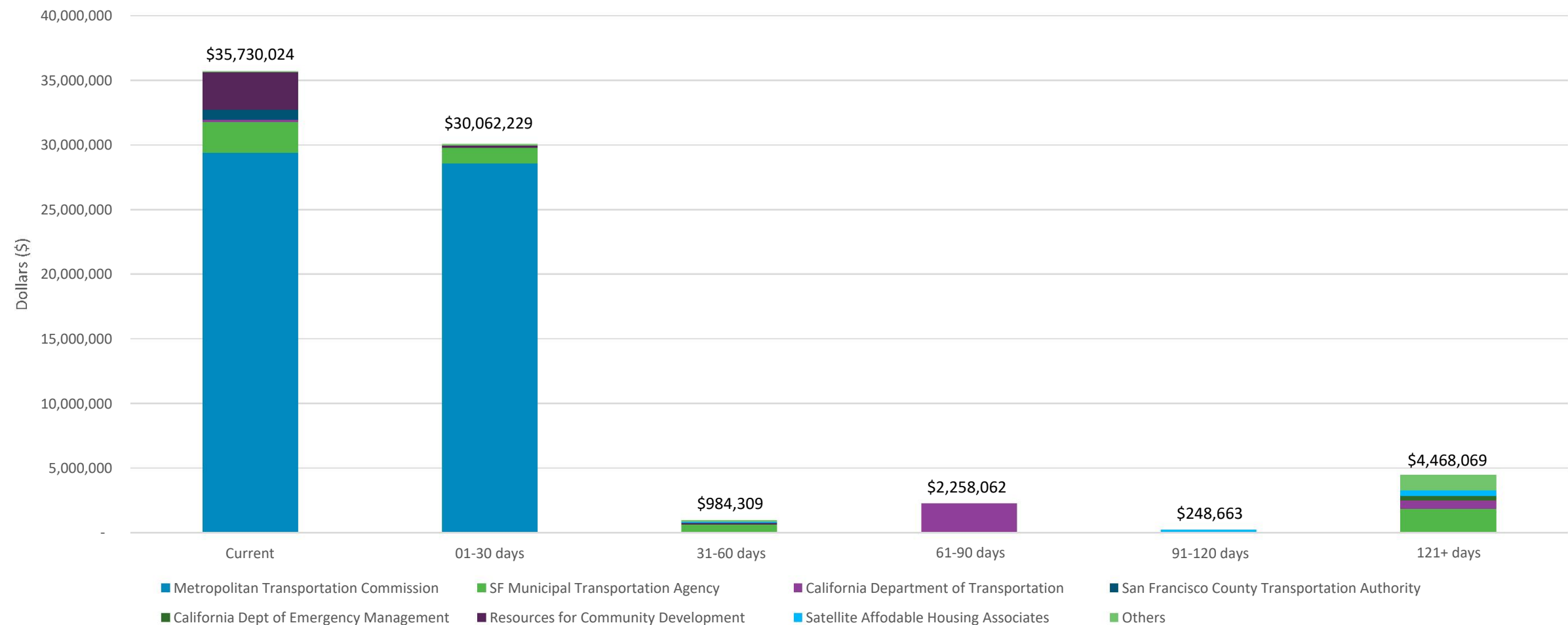
\* Sales Tax Revenue Bonds with outstanding balances.

\*\* Net of Cash Available for Debt Service collected from prior year's assessment.



# Outstanding Billed A/R Grants

The status of receivables from BART’s funding partners is shown in the chart below. The amount outstanding was **\$73.8M** as of **December 31, 2024**.



# Cash and Investments

## as of December 31, 2024

### Investment allocation

		<u>% Allocation</u>
CD, Cash on hand and Cash In Bank	\$ 91,893,218	10.01%
Money Market	\$ 10,399,962	1.13%
Mutual Fund - Bond Fund	\$ 41,387,797	4.51%
US Government Securities	\$ 763,436,207	83.15%
Local Agency Investment Fund	\$ <u>11,009,000</u>	<u>1.20%</u>
Total Cash & Investments	\$ <u>918,126,185</u>	<u>100%</u>

Breakdown of US Government Securities	
US Treasury	\$ 407,277,103
Federal Home Loan Bank	<u>356,159,105</u>
	<u>\$ 763,436,207</u>

Weighted average return on investments in U.S. Government Securities were 4.70%.

### Cash by fund and restriction

General Fund		Capital Fund		Total
Restricted	\$ 25,035,504	Allocated	\$ 300,454,476	
Unrestricted	389,347,091	Scheduled to be Allocated	203,289,114	
	<u>\$ 414,382,595</u>		<u>\$ 503,743,590</u>	<u>\$ 918,126,185</u>

*BART’s General Fund includes restricted and unrestricted funds. Restricted funds are generally limited by statute or regulation to specific uses and tracked separately from unrestricted funds, which can be used for general operating purposes.*

# Operating and Other Reserves

## Operating and Other Reserves As of December 31, 2024

<u>Quarterly Changes</u>		<u>October to December 2024</u>			
		<u>September 30, 2024</u>	<u>Additions</u>	<u>Usage</u>	<u>December 31, 2024</u>
Operating Reserve	(1)	\$ 53,708,182	\$ -	\$ -	\$ 53,708,182
Insurance Calamity Reserve	(2)	9,000,000	-	-	9,000,000
Operating Reserve - Economic Uncertainty					
General Reserve for Economic Uncertainty	(3)	25,345,543	-	-	25,345,543
From Federal Assistance - ARP	(3)	171,560,266	-	(73,015,915)	98,544,350
From SB 125 State and Regional Assistance	(3)	-	58,211,496	-	58,211,496
Operating Reserve - Fiscal Stability - Pension	(4)	41,484,405		(96,608)	41,387,798
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		90,774,429	884,774		91,659,204
Total		<u>\$ 410,371,493</u>	<u>\$ 59,096,270</u>	<u>\$ (73,112,523)</u>	<u>\$ 396,355,241</u>

- (1) Cumulative balance of operating reserves per "Financial Stability Policy" approved by the Board.
- (2) This reserve was set aside in the 1960s to cover catastrophic losses associated with District property damage, public liability and workers' compensation claims.
- (3) Operating reserve set aside due to uncertain economic conditions.
- (4) Amount set aside in FY18, FY19, FY20, FY21, and FY22 for pension contribution or for prefunding of the District's pension obligation. A Section 115 Pension Trust has been created for this reserve.
- (5) Portion of proceeds from sale of Low Carbon Fuel Standards credits sold set aside to support operations per "Low Carbon Fuel Standard Policy" approved by the Board in July 2017.





# Discussion







# Appendices



# Post-Employment Benefits Summary

- The District currently provides benefits to employees which include, but are not limited to:
  - **Retirement Pension Plan** managed by the California Public Employee Retirement System (CalPERS) and funded by contributions from the District and its employees. CalPERS is the largest pension plan in the United States with assets of approximately \$503 billion.
    - ✓ The District established a Section 115 Trust for prefunding the District's pension obligation on February 5, 2020.
  - **Retiree Medical Benefits** coverage funded by a Trust established by the District in 2005.
    - a. Invested in a combination of stocks, bonds, REIT & cash,
    - b. Benchmark 6.5%,
    - c. Quarterly Report to the Unions
  - **Survivor Benefits** of active and retired employees funded by the employees (\$15/month).
    - ✓ The Trust was established on May 18, 2020.
  - **Life Insurance** for retired employees.
  - The District also accrues liabilities through Property & Casualty insurance and workers compensation claims and maintains the required reserves related to its self-funded insurance programs for worker's compensation and general liability based on an annual actuarial study.

# Funding Status of Pension Obligations

Quarterly Report of the Controller-Treasurer  
 As of December 31, 2024  
 Funding Status of Pension Benefit Obligations

	Report Date	Market Value of Assets	Total Liability	Unfunded Liability	% Funded 06/30/2023
Funds Managed by CALPERS					
Miscellaneous Employees	6/30/2023	\$ 2,302,318,321	\$ 3,172,426,609	\$ 870,108,288	72.6%
Safety Employees	6/30/2023	\$ 288,221,813	\$ 499,342,063	\$ 211,120,250	57.7%
Section 115 Pension Trust	12/31/2024	\$ 40,991,320		\$ (40,991,320)	
Total - Pension Benefit Obligations		\$ 2,632,024,539	\$ 3,671,768,672	\$ 1,039,744,133	

# Funding Status of Other Post Employment Benefit Obligations

<u>Most Recent Valuation</u>					
	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retiree Health Benefits	6/30/2023	\$ 506,393,000	\$ 718,155,000	\$ 211,762,000	70.5%
Other Post Employment Benefits					
Life Insurance	6/30/2023	-	\$ 47,823,000	\$ 47,823,000	0.0%
Survivors Benefits	6/30/2023	\$ 10,890,000	\$ 20,986,000	\$ 10,096,000	51.9%



# Trust Assets for Post Employment Benefits Held by the District

## Quarterly Change

	Net Assets September 30, 2024	Contributions	Expenses	Gain (Loss)	Net Assets December 31, 2024	Quarterly Return	Inception to-date Return
Retiree Health Benefit Trust	\$ 643,505,263	\$ 12,895,750	\$ (8,601,230)	\$ 7,727,887	\$ 655,527,670	1.2%	7.5%
Section 115 Pension Trust	41,484,405	-	-	(493,085)	40,991,320	-1.2%	0.4%
Survivors Benefit Trust	13,735,290	214,362	(113,113)	143,688	13,980,227	1.1%	8.8%
Total	<u>\$ 698,724,958</u>	<u>\$ 13,110,112</u>	<u>\$ (8,714,343)</u>	<u>\$ 7,378,490</u>	<u>\$ 710,499,217</u>		

## Fiscal Year to Date Change

	Net Assets June 30, 2024	Contributions	Expenses	Gain (Loss)	Net Assets December 31, 2024	Fiscal Year to Date Return
Retiree Health Benefit Trust	\$ 606,309,252	\$ 25,791,500	\$ (17,226,971)	\$ 40,653,889	\$ 655,527,670	6.6%
Section 115 Pension Trust	39,880,717	-	-	1,110,603	40,991,320	2.8%
Survivors Benefit Trust	12,977,626	436,434	(262,946)	829,113	13,980,227	6.7%
Total	<u>\$ 659,167,595</u>	<u>\$ 26,227,934</u>	<u>\$ (17,489,917)</u>	<u>\$ 42,593,605</u>	<u>\$ 710,499,217</u>	