



FY25 Third Quarter Financial Report

BART Board of Directors

May 22, 2025



Executive Summary

- Despite close budget to actuals performance, some notable variances:
 - State Transit Assistance (STA) below budget expectations but expected to catch up by FY end
 - Operating labor above budget (driven by lagging capital reimbursements and overtime)
 - Non-labor remains under budget
- BART required \$260.0M in emergency assistance to balance the first nine months of FY25; budget assumed \$258.3M (\$1.7M more than budgeted)
 - Negative variance driven by lagging STA payments
- Year-end projection has improved since Q2; staff currently project to need \$17.3M less emergency assistance than budgeted, though uncertainty remains
- Cost control measures have been implemented
- Cash and reserves remain robust

Agenda

Budget to actuals:

- FY25 combined Q1, Q2 & Q3 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 Q3 Operating Sources

Quarterly Financial Report - Third Quarter FY25

(\$ Millions)	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Revenue													
Net Passenger Revenue	60.3	56.9	56.9	59.1	2.1	171.8	176.2	4.4	2.5%	235.7	240.4	4.7	2.0%
Parking Revenue	4.4	4.3	3.7	4.5	0.8	12.4	13.3	0.9	7.2%	16.5	17.9	1.5	9.0%
Other Operating Revenue	4.8	5.7	5.3	5.0	-0.2	15.9	15.5	-0.4	-2.5%	21.9	22.6	0.7	3.4%
Total Net Operating Revenue	69.5	66.9	65.9	68.6	2.7	200.1	205.0	4.9	2.4%	274.1	280.9	6.9	2.5%
Non Operating Revenue -													
Investment Income	9.2	5.7	5.4	15.7	10.3	18.8	30.6	11.8	62.8%	23.5	33.2	9.7	41.3%
Total Revenue	78.7	72.5	71.3	84.3	13.0	218.9	235.5	16.7	7.6%	297.5	314.1	16.6	5.6%
Financial Assistance													
Sales Tax	79.1	78.1	81.0	82.8	1.8	243.4	240.0	-3.3	-1.4%	320.3	311.9	-8.4	-2.6%
Property Tax	3.6	31.1	3.3	3.0	-0.3	33.3	37.8	4.4	13.3%	64.3	66.9	2.6	4.1%
State Transit Assistance	0.1	0.0	44.4	13.2	-31.1	44.4	13.3	-31.1	-70.1%	48.8	49.2	0.4	0.9%
VTA Financial Assistance	9.1	9.1	8.8	9.1	0.3	26.4	27.4	1.0	3.8%	35.2	36.0	0.8	2.3%
Other Assistance, Net of Federal													
Emergency Assistance	6.7	19.4	5.8	7.2	1.3	26.6	33.3	6.7	25.2%	31.8	36.4	4.6	14.4%
Total Financial Assistance	98.6	137.8	143.3	115.4	-27.9	374.0	351.7	-22.3	-6.0%	500.3	500.3	0.0	0.0%
Total Operating Sources	177.3	210.3	214.6	199.7	-14.9	592.9	587.3	-5.6	-0.9%	797.8	814.4	16.6	2.1%

FY25 Q3 Operating Uses

Quarterly Financial Report - Third Quarter FY25

(\$ Millions)

	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Expense													
Gross Wages, Fringe & Other Labor	219.9	214.0	220.4	220.7	-0.3	662.3	654.6	7.7	1.2%	874.9	868.8	6.1	0.7%
Capital Reimbursements - Labor & Fringe	-33.1	-31.2	-37.4	-31.4	-6.0	-113.9	-95.6	-18.3	-16.1%	-151.3	-135.8	-15.5	10.2%
Subtotal - Net Operating Labor & Fringe	186.8	182.8	182.9	189.3	-6.3	548.3	558.9	-10.6	-1.9%	723.6	733.0	-9.3	-1.3%
Gross Overtime	21.4	23.5	19.3	21.8	-2.5	57.8	66.6	-8.8	-15.3%	77.0	88.3	-11.3	-14.7%
Capital Reimbursements - Overtime	-4.8	-5.7	-5.0	-5.7	0.7	-15.0	-16.2	1.2	8.0%	-20.0	-24.8	4.8	-24.1%
Subtotal - Net Operating Overtime	16.6	17.8	14.3	16.0	-1.8	42.8	50.4	-7.6	-17.8%	57.0	63.5	-6.5	-11.4%
Total Operating Labor	203.4	200.6	197.2	205.3	-8.1	591.1	609.3	-18.2	-3.1%	780.6	796.5	-15.8	-2.0%
Electric Power	14.5	14.9	16.5	10.9	5.6	46.5	40.3	6.2	13.3%	61.6	58.6	3.0	4.9%
Purchased Transportation	7.5	7.4	7.8	7.5	0.3	23.3	22.4	0.9	3.9%	31.1	31.8	-0.7	-2.3%
Other Non Labor	28.6	39.3	39.4	39.9	-0.5	121.2	107.7	13.5	11.1%	160.5	146.2	14.3	8.9%
Total Non Labor	50.6	61.6	63.6	58.2	5.4	191.0	170.5	20.5	10.7%	253.2	236.6	16.6	6.5%
Total Operating Expense	254.1	262.2	260.8	263.6	-2.8	782.1	779.8	2.3	0.3%	1,033.9	1,033.1	0.7	0.1%
Debt Service and Allocations													
Debt Service	15.0	15.0	15.0	15.0	0.0	45.1	45.1	0.0	0.0%	60.2	60.2	0.0	0.0%
Capital and Other Allocations, Net of Emergency Assistance	10.4	6.1	8.0	5.9	2.1	24.0	22.4	1.6	6.7%	32.0	32.0	0.0	0.0%
Total Debt Service and Allocations	25.5	21.1	23.0	20.9	2.1	69.1	67.5	1.6	2.3%	92.2	92.2	0.0	0.0%
Total Operating Uses	279.5	283.3	283.9	284.5	-0.6	851.3	847.3	3.9	0.5%	1,126.1	1,125.3	0.7	0.1%

FY25 Q3 Net Operating Result

Quarterly Financial Report - Third Quarter FY25

(\$ Millions)

	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Revenue													
Total Operating Revenue	78.7	72.5	71.3	84.3	13.0	218.9	235.5	16.7	7.6%	297.5	314.1	16.6	5.6%
Total Financial Assistance	98.6	137.8	143.3	115.4	-27.9	374.0	351.7	-22.3	-6.0%	500.3	500.3	0.0	0.0%
Total Operating Sources	177.3	210.3	214.6	199.7	-14.9	592.9	587.3	-5.6	-0.9%	797.8	814.4	16.6	2.1%
Operating Expense													
Total Operating Labor	203.4	200.6	197.2	205.3	-8.1	591.1	609.3	-18.2	-3.1%	780.6	796.5	-15.8	-2.0%
Total Non Labor	50.6	61.6	63.6	58.2	5.4	191.0	170.5	20.5	10.7%	253.2	236.6	16.6	6.5%
Total Debt Service and Allocations	25.5	21.1	23.0	20.9	2.1	69.1	67.5	1.6	2.3%	92.2	92.2	0.0	0.0%
Total Operating Uses	279.5	283.3	283.9	284.5	-0.6	851.3	847.3	3.9	0.5%	1,126.1	1,125.3	0.7	0.1%
Net Operating Result Before Emergency Assistance													
Emergency Assistance	-102.3	-73.0	-69.3	-84.8	-15.5	-258.3	-260.0	-1.7	-0.7%	-328.2	-310.9	17.3	5.3%
Emergency Assistance Applied	102.3	73.0	69.3	84.8	15.5	258.3	260.0	1.7	0.7%	328.2	310.9	-17.3	-5.3%
Net Operating Result before GASB													
GASB	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	

- Through Q3, BART generated \$5.6M less than budgeted revenues and spent \$3.9M less than budgeted for a net result of (\$1.7M) compared to budget, primarily due to timing of payments around State Transit Assistance (STA)
- By FY25 year-end, staff project BART will generate \$16.6M more revenues than budgeted and spend \$0.7M less than budgeted, for a net result of \$17.3M compared to budget, allowing that amount of emergency assistance to be used in FY26

Emergency Assistance to BART as of March 31, 2025

Emergency Assistance to BART (as of March 31, 2025)

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 3/31/25	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

Allocated emergency funds to be drawn down after 3/31/25 (\$M)

0

Expenditures (\$M) - applied to offset incurred expenses as of 3/31/25	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	260	839
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>260</i>	<i>1,595</i>

Funds used by BART to offset incurred costs

BART expended the last of its federal emergency assistance in April 2025

Drawn down funds in BART reserves as of 3/31/25 (\$M)

72

Remaining awarded funds to be used to offset expenses after 3/31/25 (\$M)

72

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

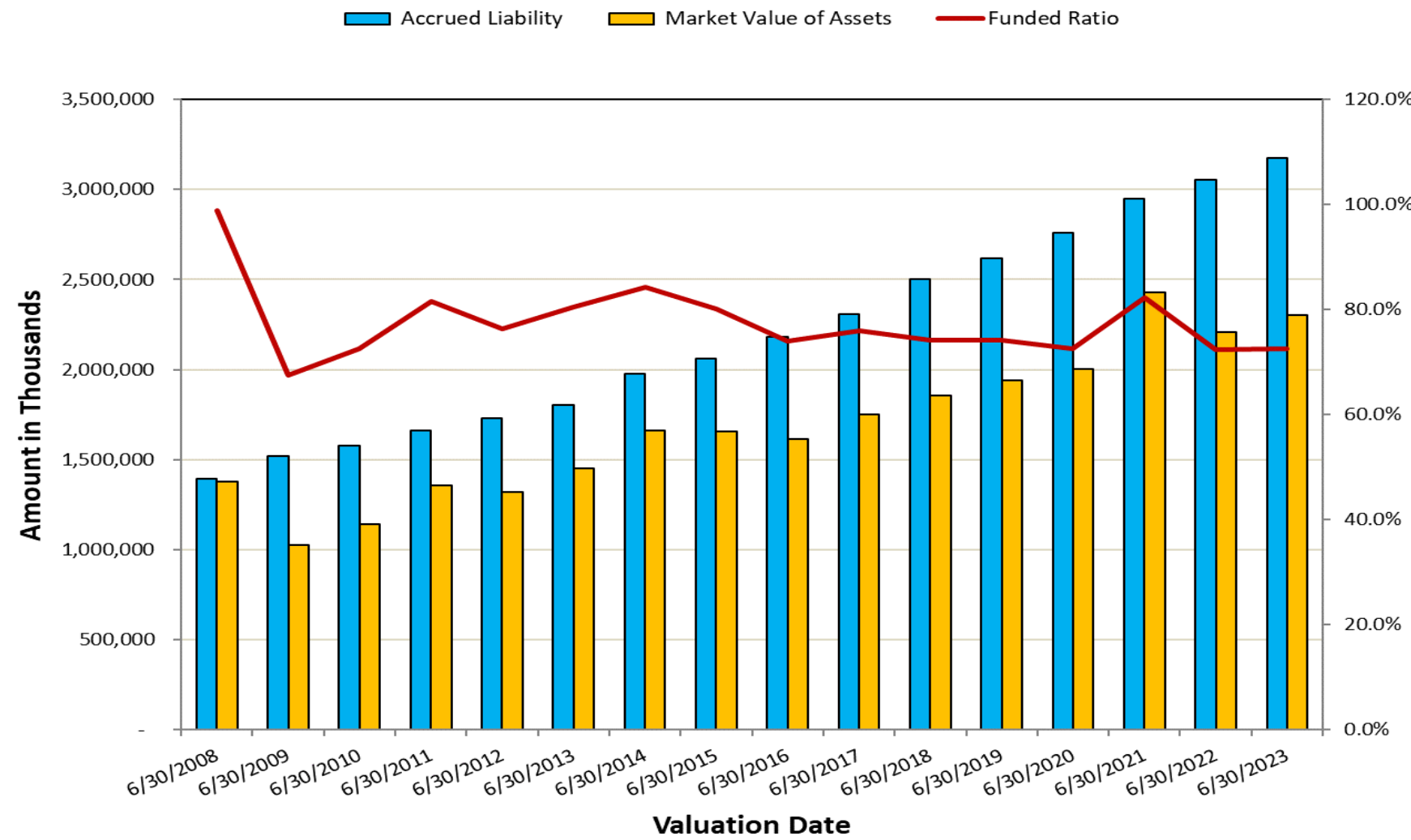


Financial Position



CalPERS Pension Plan Funding Progress: Miscellaneous

CALPERS Miscellaneous Pension Plan Funding Progress



Miscellaneous plan covers all BART staff except sworn BART Police officers

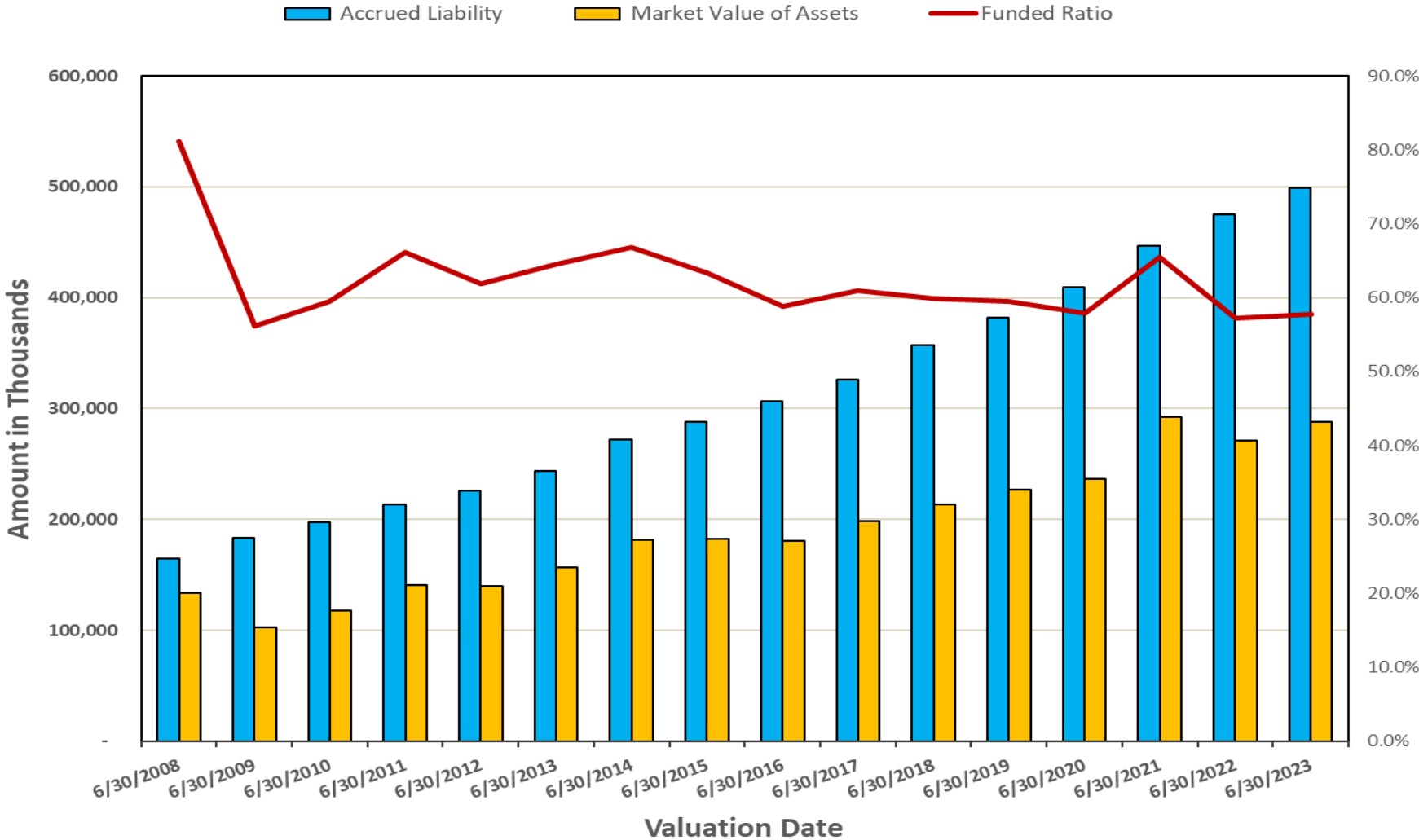
FY25 budget contributions for Miscellaneous Plan:
Normal cost: \$47.2M
Unfunded Actuarial Liability (UAL): \$73.1M
Total: \$120.3M

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



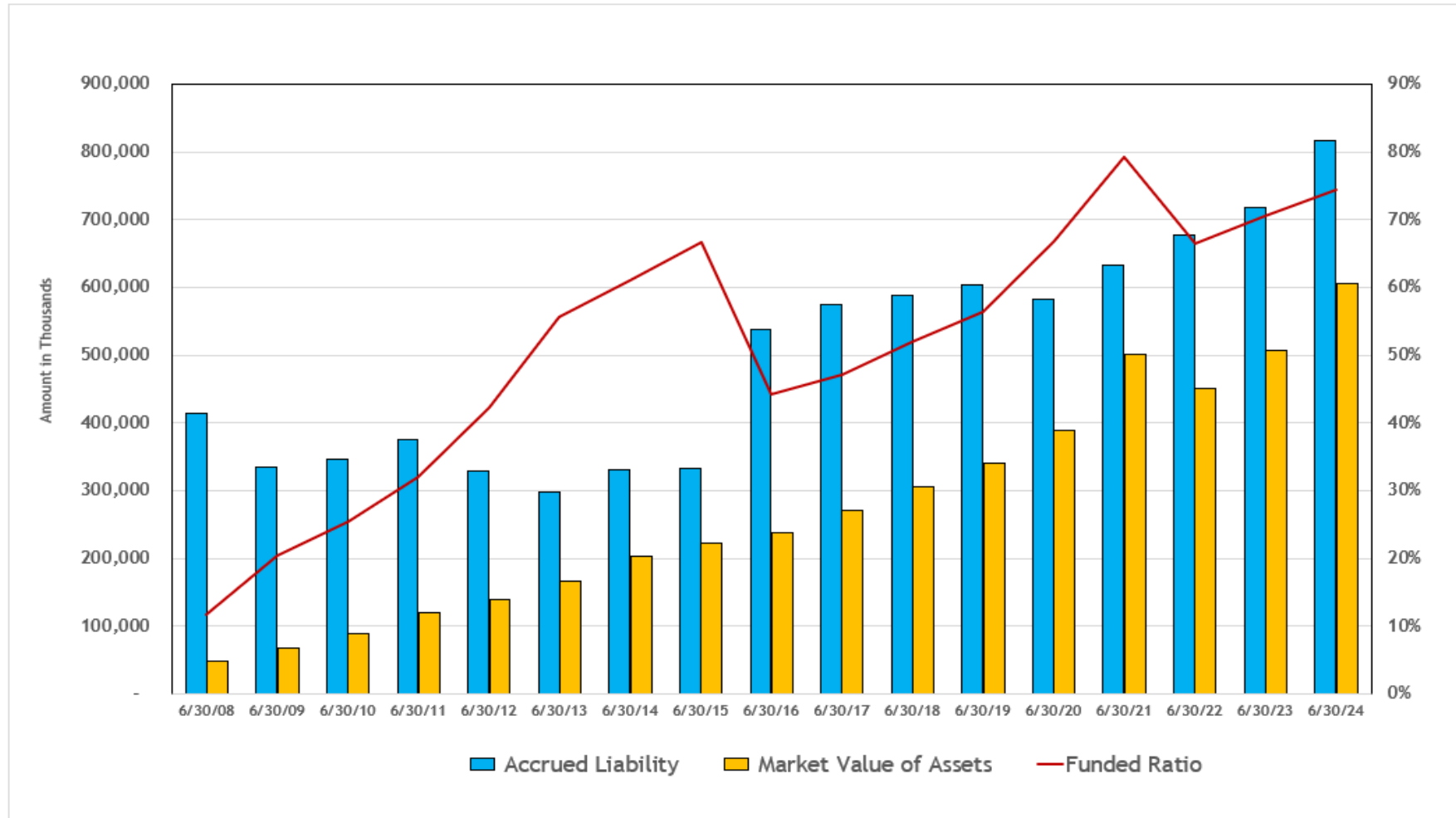
Safety plan covers sworn BART Police officers

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



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

Summary of Outstanding Bonds

As of March 31, 2025

	Authorized	Issued as of March 31, 2025	Outstanding Balance 12-31-2024	Issuance	Accretion (Payments)	Outstanding Balance 03-31-2025	Annual Debt Service Fiscal Year 2025	Property Tax Assessments Fiscal Year 2025**	FY 2024
Sales Tax Revenue Bonds *		\$ 984,260,000	\$ 554,055,000	\$ -	\$ -	\$ 554,055,000	\$ 60,131,289		
TIFIA Loan***	\$ 544,642,843	\$ 150,000,000	\$ -	\$ 150,000,000	\$ 1,695,945	\$ 151,695,945	\$ -		
Measure AA General Obligation Bonds	\$ 980,000,000	\$ 980,000,000	\$ 572,805,000	\$ -	\$ -	\$ 572,805,000	\$ 54,655,294	\$4.70/\$100,000	\$4.80/\$100,000
Measure RR General Obligation Bonds	\$ 3,500,000,000	\$ 2,060,000,000	\$ 1,818,455,000	\$ -	\$ -	\$ 1,818,455,000	\$ 98,537,675	\$10.10/\$100,000	\$8.60/\$100,000
Total		\$ 4,174,260,000	\$ 2,945,315,000	\$ 150,000,000	\$ 1,695,945	\$ 3,097,010,945	\$ 213,324,258		

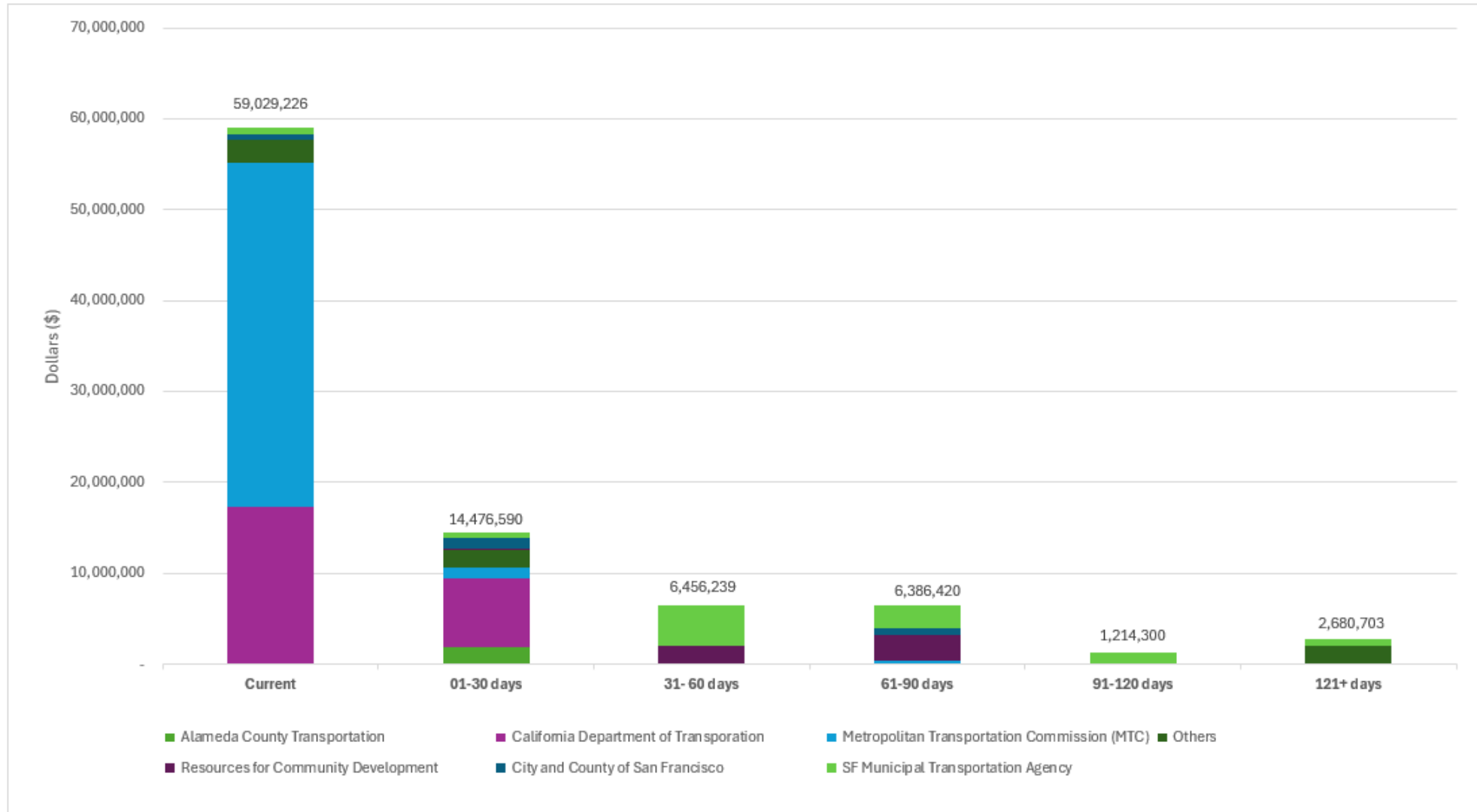
* Sales Tax Revenue Bonds with outstanding balances.

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

***Accretion refers to the increase in outstanding liability resulting from the capitalization of accrued interest.

Outstanding Billed A/R Grants

The status of receivables from BART's funding partners is shown in the chart below. The amount outstanding was \$90.24M as of March 31, 2025.



Cash and Investments

As of March 31, 2025

Investment allocation

	Amount	% Allocation
CD, Cash on hand and Cash In Bank	\$ 33,581,340	3.26%
Mutual Fund - Bond Fund	41,938,420	4.07%
Money Market	148,330,016	14.40%
US Government Securities	795,196,886	77.19%
Local Agency Investment Fund	11,192,223	1.09%
Total Cash & Investments	<u>\$ 1,030,238,885</u>	<u>100.00%</u>

Breakdown of US Government Securities

US Treasury	\$ 453,032,828
Federal Home Loan Bank	342,164,058
	<u>\$ 795,196,886</u>

Weighted average return on investments in U.S. Government Securities were 4.16%.

Cash by fund and restriction

	General Fund	Capital	Total Cash
Restricted	\$ 20,763,304	\$ 32,395,070	\$ 53,158,373
Unrestricted	358,436,588	618,643,924	977,080,512
	<u>\$ 379,199,892</u>	<u>\$ 651,038,993</u>	<u>\$ 1,030,238,885</u>
Allocated		\$ 427,091,713	
Scheduled to be Allocated		223,947,280	
		<u>\$ 651,038,993</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

As of March 31, 2025

Quarterly Changes

		January-March 2025			
		December 31, 2024	Additions	Usage	March 31, 2025
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)	98,544,350	-	(84,768,230)	13,776,120
From SB 125 State and Regional Assistance	(3)	58,211,496		-	58,211,496
Operating Reserve - Fiscal Stability - Pension	(4)	40,991,320	947,100		41,938,420
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		91,659,204	836,699		92,495,902
Total		<u>\$ 395,958,763</u>	<u>\$ 1,783,799</u>	<u>\$ (84,768,230)</u>	<u>\$ 312,974,331</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 \$507 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

As of March 31, 2025

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded 06/30/2023</u>
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	3/31/2025	<u>\$ 41,938,420</u>		<u>\$ (41,938,420)</u>	
Total - Pension Benefit Obligations		<u>\$ 2,632,478,554</u>	<u>\$ 3,671,768,672</u>	<u>\$ 1,039,290,118</u>	

Funding Status of Other Post Employment Benefit Obligations

As of March 31, 2025

Most Recent Valuation

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retiree Health Benefits	6/30/2024	\$ 606,309,000	\$ 816,045,000	\$ 209,736,000	74.3%
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

As of March 31, 2025

Quarterly Change

	Net Assets December 31, 2024	Contributions	Expenses	Gain (Loss)	Net Assets March 31, 2025	Quarterly Return	Inception to-date Return
Retiree Health Benefit Trust	\$ 655,527,670	\$ 12,895,750	\$ (9,722,771)	\$ (14,163,959)	\$ 644,536,690	-2.2%	7.3%
Section 115 Pension Trust	40,991,320			947,100	41,938,420	2.3%	0.8%
Survivors Benefit Trust	13,980,227	168,948	(137,518)	(280,110)	13,731,547	-2.1%	7.8%
Total	<u>\$ 710,499,217</u>	<u>\$ 13,064,698</u>	<u>\$ (9,860,289)</u>	<u>\$ (13,496,969)</u>	<u>\$ 700,206,657</u>		

Fiscal Year to Date Change

	Net Assets June 30, 2024	Contributions	Expenses	Gain (Loss)	Net Assets March 31, 2025	Fiscal Year to Date Return
Retiree Health Benefit Trust	\$ 606,309,252	\$ 38,687,250	\$ (26,949,742)	\$ 26,489,930	\$ 644,536,690	4.3%
Section 115 Pension Trust	39,880,717	-	-	2,057,703	41,938,420	5.2%
Survivors Benefit Trust	12,977,626	605,382	(400,464)	549,003	13,731,547	4.5%
Total	<u>\$ 659,167,595</u>	<u>\$ 39,292,632</u>	<u>\$ (27,350,206)</u>	<u>\$ 29,096,636</u>	<u>\$ 700,206,657</u>	