FY26 First Quarter Financial Report

BART Board of Directors

December 4, 2025

Executive Summary

- BART finished Q1 better than budget
  - Above budget operating revenues (driven by ridership) and financial assistance
  - Labor expense close to budget, with non-labor expenses below budget
  - Net of $30.7M less SB 125 emergency assistance needed to balance revenue and expense
- Staff continue to monitor expenses closely
- FY26 year-end projection will be included in 2nd quarter financial report
- Cash and reserves remain stable

Agenda

<u>Budget to actuals:</u>

- FY26 Q1 operating budget to actuals
  - Sources
  - Uses
  - Net Result
- Emergency assistance to BART

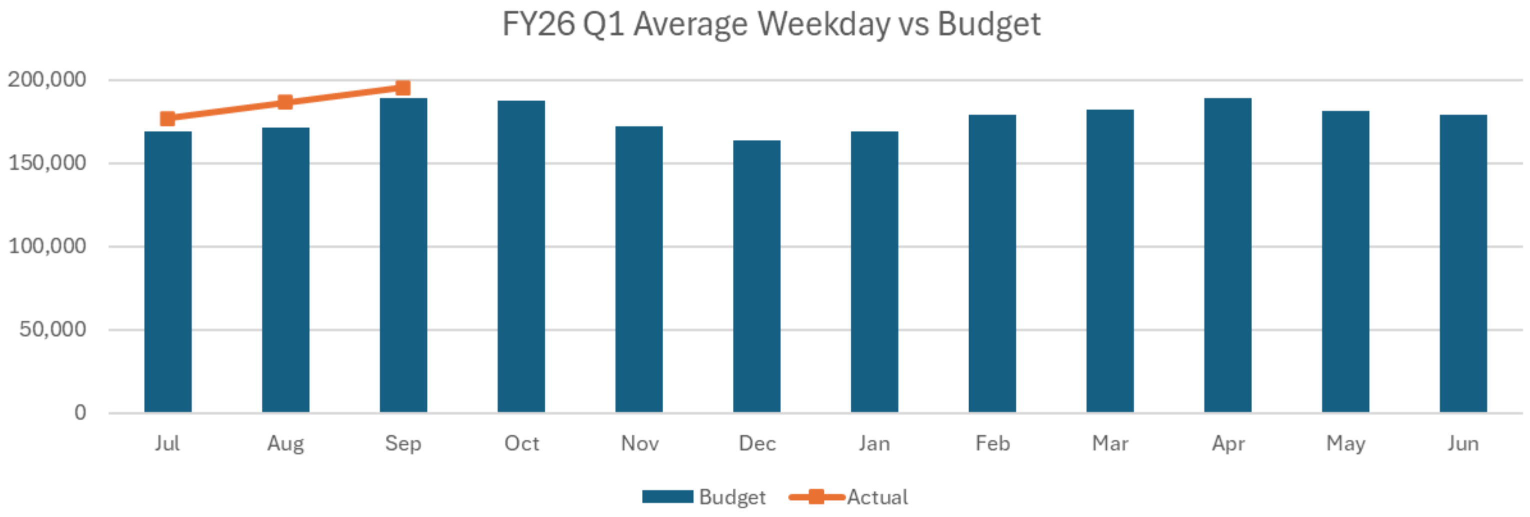
<u>Financial position:</u>

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

FY26 Q1 Ridership Review

FY26 Q1 Ridership Comparison		
	vs FY25	vs Budget
Weekday	+10.0%	5.5%
Saturday	+16.0%	15.8%
Sunday	+9.8%	11.5%
Total	**+10.5%**	**7.0%**

- FY26 Q1 totaled 14.7M trips:
  - 10.5% higher than FY24
  - 7.0% above budget
- Tap and Ride was introduced on August 20 and now accounts for ~10% of all trips
- BayPass had a major expansion with UC Berkeley students joining the program: September saw a 142% jump in BayPass ridership compared to a year ago.



FY26 Q1 Operating Sources

($ Millions)	Q1 Budget	Q1 Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget
Operating Revenue					
Net Passenger Revenue	63.9	70.6	6.7	10.4%	259.8
Parking Revenue	4.8	4.9	0.1	2.4%	19.9
Other Operating Revenue	5.9	6.3	0.4	6.2%	24.0
Total Net Operating Revenue	**74.7**	**81.8**	**7.2**	**9.6%**	**303.7**
Non Operating Revenue - Investment Income	8.2	9.5	1.3	15.8%	21.4
Total Non Operating Revenue	**8.2**	**9.5**	**1.3**	15.8%	
Total Revenue	**82.9**	**91.4**	**8.5**	**10.2%**	**325.1**
Financial Assistance					
Sales Tax	78.6	81.4	2.8	3.6%	314.1
Property Tax	3.7	4.1	0.4	11.3%	68.0
State Transit Assistance	11.4	14.6	3.2	27.9%	45.8
VTA Financial Assistance	9.0	9.1	0.1	1.0%	35.9
Other Assistance, Net of Emergency Assistance	5.3	6.4	1.1	21.6%	47.9
Total Financial Assistance	**108.0**	**115.6**	**7.6**	**7.1%**	**511.8**
Total Operating Sources	**190.9**	**207.0**	**16.1**	**8.4%**	**836.9**

FY26 Q1 Operating Uses

($ Millions)	Q1 Budget	Q1 Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget
Operating Expense					
Gross Wages, Fringe & Other Labor	213.7	212.9	0.8	0.4%	849.1
Capital Reimbursements - Labor & Fringe	(36.6)	(38.4)	1.8	5.0%	(145.1)
Subtotal - Net Operating Labor & Fringe	177.1	174.5	2.7	1.5%	704.0
Gross Overtime	19.7	24.4	(4.8)	-24.2%	79.7
Capital Reimbursements - Overtime	(5.1)	(6.9)	1.9	36.3%	(20.4)
Subtotal - Net Operating Overtime	14.6	17.5	(2.9)	-19.9%	59.3
Total Operating Labor	**191.7**	**191.9**	**(0.2)**	**-0.1%**	**763.3**
Electric Power	17.2	13.7	3.5	20.1%	65.0
Purchased Transportation	8.2	8.0	0.3	3.3%	34.8
Other Non Labor	32.7	23.9	8.8	26.8%	143.5
Total Non Labor	**58.1**	**45.6**	**12.5**	**21.5%**	**243.4**
Total Operating Expense	**249.8**	**237.6**	**12.3**	**4.9%**	**1,006.7**
Debt Service and Allocations					
Debt Service	15.0	14.3	0.7	4.8%	60.2
Capital and Other Allocations, Net of Emergency Assistance	10.3	8.7	1.6	15.7%	85.0
Pension Trust Contribution	0.0	0.0	0.0		
Total Debt Service and Allocations	**25.3**	**23.0**	**2.3**	**9.2%**	**145.2**
Total Operating Uses	**275.1**	**260.5**	**14.6**	**5.3%**	**1,151.8**

FY26 Q1 Net Operating Result

($ Millions)	Q1 Budget	Q1 Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget
Sources					
Net Operating Revenue	74.7	81.8	7.2	9.6%	303.7
Non Operating Revenue	8.2	9.5	1.3	15.8%	
Financial Assistance	108.0	115.6	7.6	7.1%	511.8
Total Operating Sources	**190.9**	**207.0**	**16.1**	**8.4%**	**836.9**
Uses					
Operating Labor	191.7	191.9	(0.2)	-0.1%	763.3
Non Labor	58.1	45.6	12.5	21.5%	243.4
Debt Service and Allocations	25.3	23.0	2.3	9.2%	145.2
Total Operating Uses	**275.1**	**260.5**	**14.6**	**5.3%**	**1,151.8**
Net Operating Result Before Emergency Assistance	**(84.2)**	**(53.5)**	**30.7**	**36.4%**	**(315.0)**
SB 125 Emergency Assistance Applied	84.2	53.5	(30.7)	-36.4%	315.0
Net Operating Result After Emergency Assistance	**0.0**	**0.0**	**0.0**	**0%**	**0.0**

Emergency Assistance to BART as of September 30, 2025

FY26 Q1

Emergency Assistance to BART (as of September 30, 2025)

Expenditures ($M) - applied to offset incurred expenses as of 9/30/25	**FY20 Actual**	**FY21 Actual**	**FY22 Actual**	**FY23 Actual**	**FY24 Actual**	**FY25 Actual**	**FY26 Actual (Q1)**	**Total Applied**
CARES	120	257	0	0	0	0	0	377
CRRSAA	0	41	287	50	0	0	0	378
ARPA + Add'l Assistance	0	0	0	266	314	274	0	853
SB125 State and Regional Assistance	0	0	0	0	0	41	54	94
Subtotal - all expenditures	*120*	*298*	*287*	*316*	*314*	*314*	*54*	*1,702*

Remaining emergency assistance in FY26: ***258***

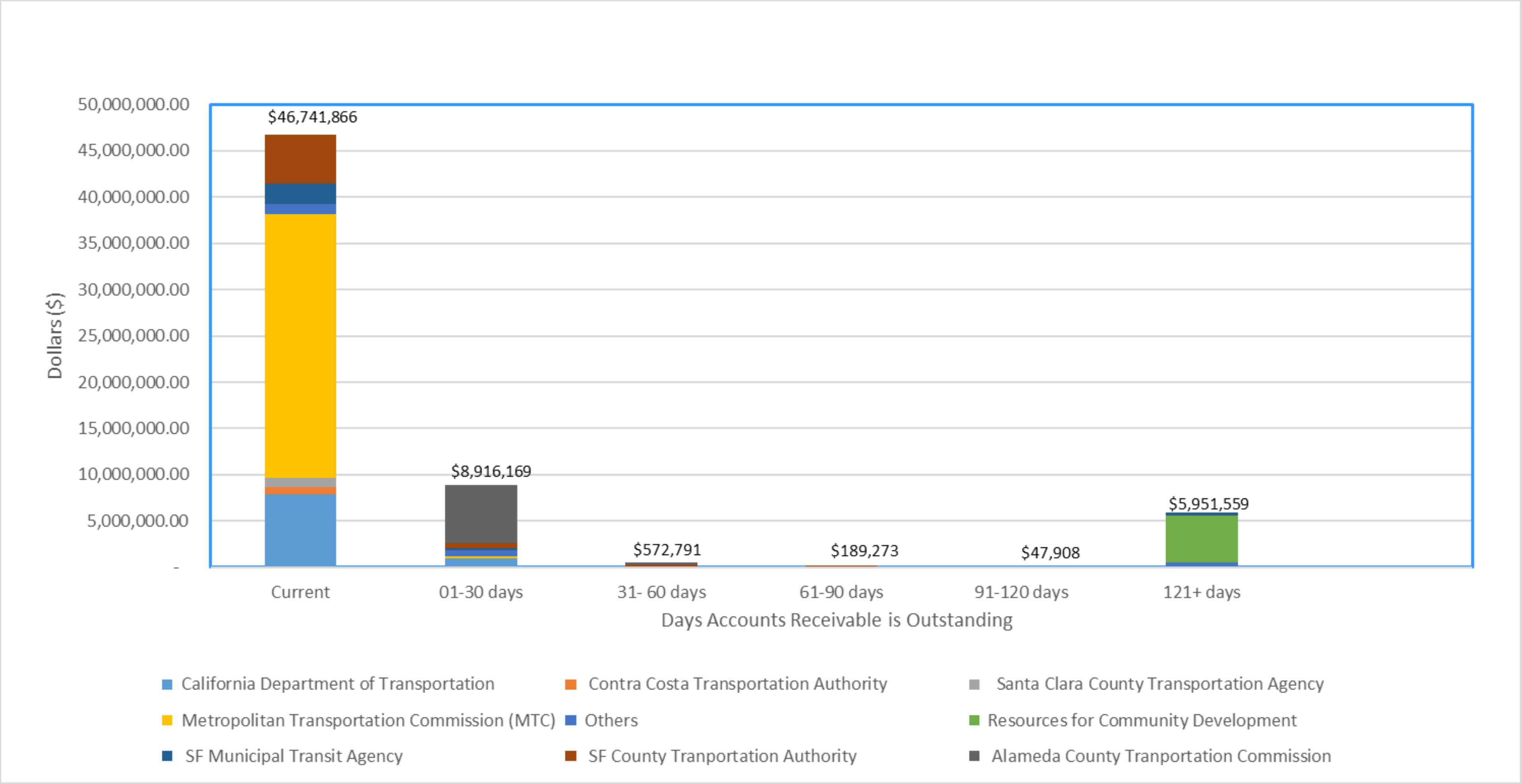
BART received $58M in SB 125 funds in FY25. An additional $224M was received in July 2025; the remaining $70M of the full $352M in planned funding is expected by the end of FY26.

Federal emergency assistance glossary:
CARES: Coronavirus Aid, Relief, and Economic Security Act of 2020
CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act of 2021
ARPA: American Recovery Plan Act of 2021

Financial Position

Outstanding Billed A/R Grants

The status of receivables from BART's funding partners is shown in the chart below. The amount outstanding as of September 30, 2025 was $62.4M, of which $15.7M (25%) was past due.



Cash and Investments

As of September 30, 2025

Investment allocation

	Amount	% Allocation
CD, Cash on hand and Cash In Bank	$ 87,390,063	7.62%
Mutual Fund - Bond Fund	43,312,159	3.78%
Money Market	175,953,992	15.34%
US Government Securities	710,151,456	61.90%
Supranational bonds	58,722,081	5.12%
Local Agency Investment Fund	71,669,405	6.25%
Total Cash & Investments	$ 1,147,199,156	100.00%

Cash by fund and restriction

	General Fund	Capital	Total Cash
Restricted	$ 17,940,051	$ 50,292,258	$ 68,232,309
Unrestricted	489,119,189	589,847,658	1,078,966,847
	$ 507,059,240	$ 640,139,916	$ 1,147,199,156

Breakdown of US Government Securities

US Treasury	$ 267,418,635
Federal Home Loan Bank (FHLB)	372,732,821
Federal Home Loan Mortgage Corporation (FHLMC)	70,000,000
	$ 710,151,456

Weighted average return on investments in U.S. Government Securities were 4.05%.

- 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.
- Unrestricted funds are typically internally generated (e.g., Capital Allocations) or generated through investment decisions (e.g., GO Bond interest earnings), and are not subject to restrictions.
- A significant portion of unrestricted capital funds are committed to planned and ongoing capital projects, including the BPD Headquarters and Core Capacity Program.

Operating and Other Reserves
As of September 30, 2025

Quarterly Changes			July- Sept 2025		
		June 30, 2025	Additions	Usage	September 30, 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)	-	-	-	-
From SB 125 State and Regional Assistance	(3)	17,618,072	224,390,775	(42,617,312)	199,391,535
Operating Reserve - Fiscal Stabilility - Pension	(4)	42,615,444	696,715		43,312,159
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		93,348,981	1,109,281		94,458,262
Operating Reserve- RHBT Contribution	(6)	5,694,375	9,546,250		15,240,625
Total		$ 265,829,265	$ 235,743,021	$ (42,617,312)	$ 458,954,974

(1) Cumulative balance of operating reserves per "Financial Stability Policy" approved by the Board.
(2) This reserve was set aside in the 1986 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.
(6) Deferral of RHBT contribution starting May 15, 2025

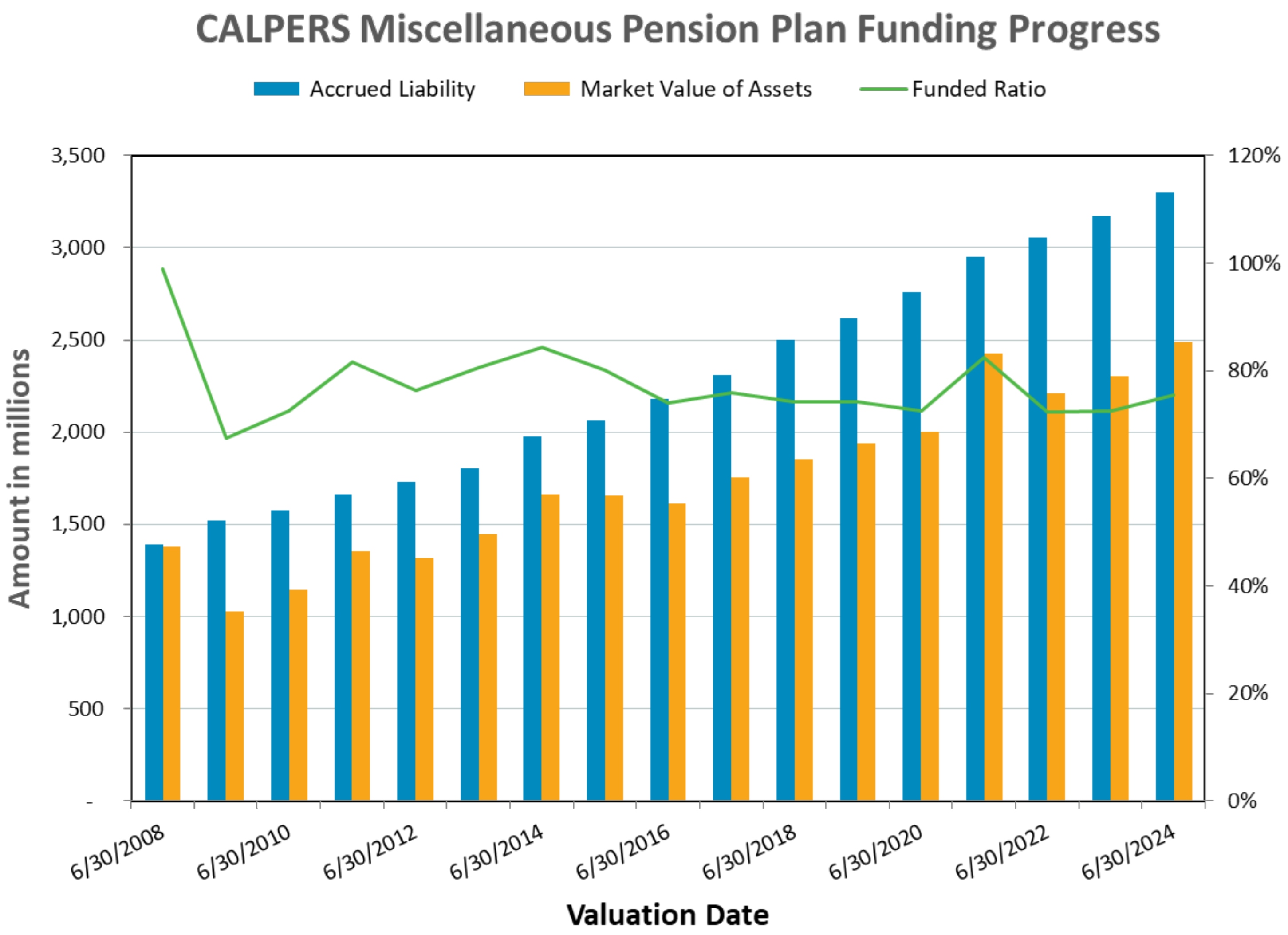
Summary of Outstanding Bonds

As of September 30, 2025

	Authorized	Issued as of September 30, 2025	Outstanding Balance 06-30-2025	Issuance/Refunding	Accretion (Payments)	Outstanding Balance 09-30-2025	Annual Debt Service Fiscal Year 2026	Property Tax Assessments Fiscal Year 2026**
Sales Tax Revenue Bonds *		$ 984,260,000	$ 554,055,000	$ 73,440,000	$ (121,425,000)	$ 506,070,000	$ 60,163,276	
TIFIA Loan***	$ 544,642,843	$ 150,000,000	$ 153,391,890	$ -	$ 1,763,041	$ 155,154,931	$ -	
Measure AA General Obligation Bonds****	$ 980,000,000	$ 980,000,000	$ 572,805,000	225,805,000	$ (281,290,000)	$ 517,320,000	$ 54,657,643	$4.30/$100,000
Measure RR General Obligation Bonds****	$ 3,500,000,000	$ 2,060,000,000	$ 1,818,455,000	700,000,000	$ (88,765,000)	$ 2,429,690,000	$ 98,532,925	$10.90/$100,000
Total		**$ 4,174,260,000**	**$ 3,098,706,890**	**$ 999,245,000**	**$ (489,716,959)**	**$ 3,608,234,931**	**$ 213,353,844**	

* Sales Tax Revenue Bonds with outstanding balances, refunding occurred in September 2025
** 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.
****Measure RR Tranche #5 was issued in September 2025 together with refunding for Measure AA

CalPERS Pension Plan Funding Progress: Miscellaneous



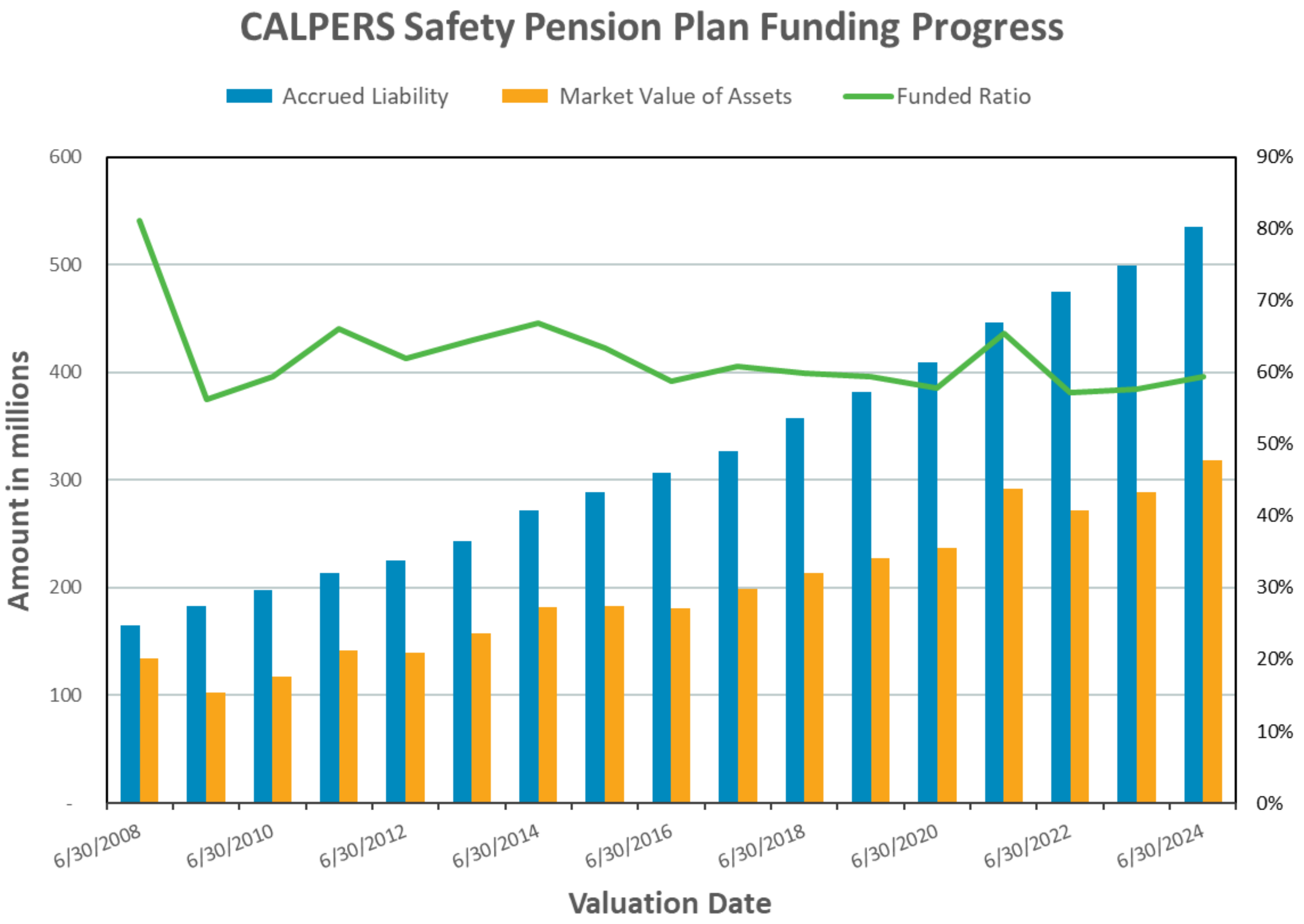
Miscellaneous plan covers all BART staff except sworn BART Police officers

FY26 budget contributions for Miscellaneous Plan:

Normal cost: $49.9M
Unfunded Actuarial Liability (UAL): $71.2M
Total: $121.1M

CalPERS expected to release 6/30/25 funded status between July – September 2026

CalPERS Pension Plan Funding Progress: Safety

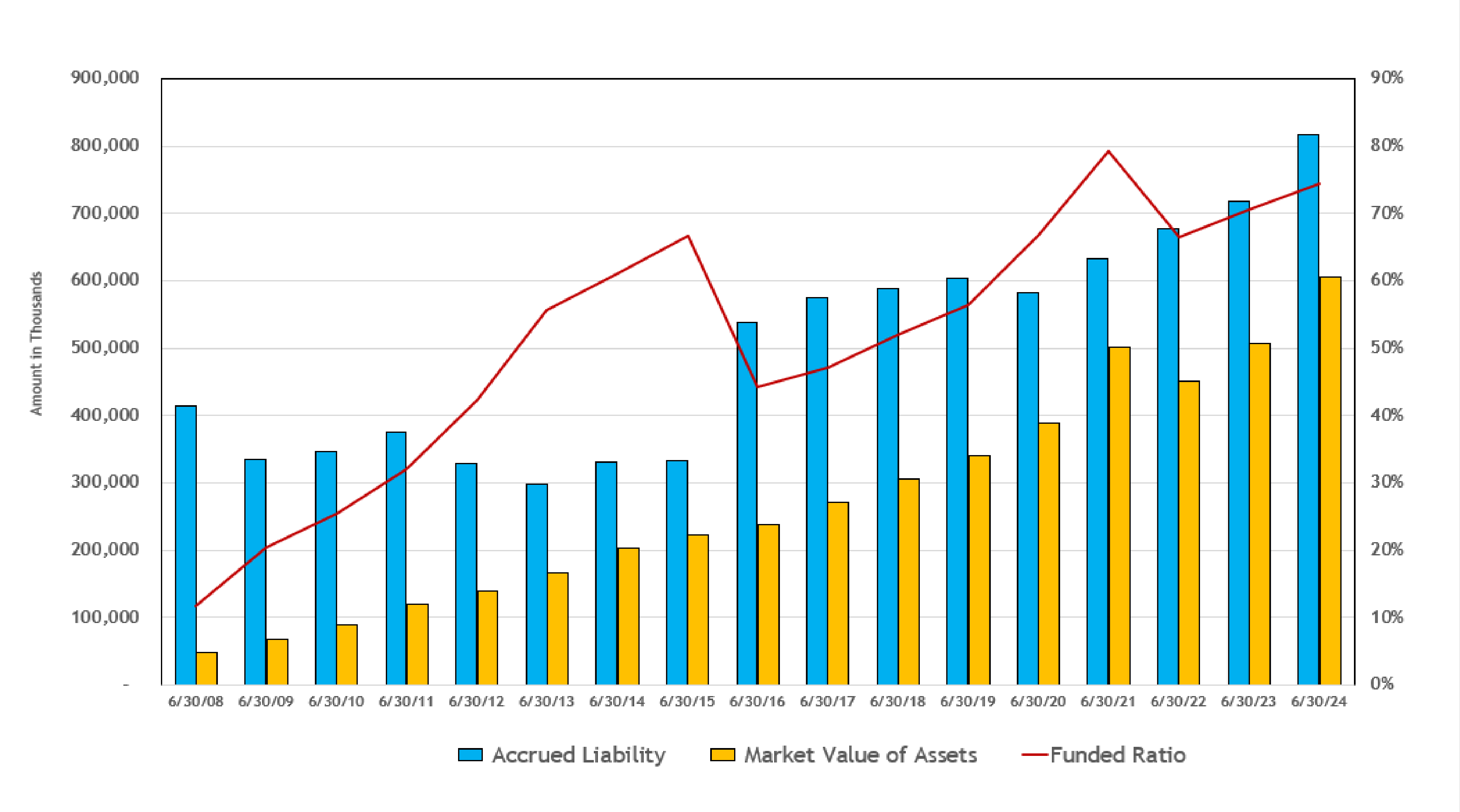


Safety plan covers sworn BART Police officers

FY26 budget contributions for Safety Plan:

Normal cost: $12.0M
UAL: $17.5M
Total: $29.5M

Funding Progress Retiree Health Benefits Plan



- BART funds retiree medical costs via contributions to its Retiree Health Benefit Trust (RHBT)
- FY26 budgeted contribution is $0 as BART is diverting contributions to a reserve fund

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 September 30, 2025

	Report Date	Market Value of Assets	Total Liability	Unfunded Liability	% Funded 06/30/2024
Funds Managed by CALPERS					
Miscellaneous Employees	6/30/2024	$ 2,487,088,696	$ 3,299,290,210	$ 812,201,514	75.4%
Safety Employees	6/30/2024	$ 317,966,736	$ 535,401,423	$ 217,434,687	59.4%
Section 115 Pension Trust	9/30/2025	43,312,159	$ -	$ (43,312,159)	
Total - Pension Benefit Obligations		$ 2,848,367,591	$ 3,834,691,633	$ 986,324,042	

Funding Status of Other Post Employment Benefit Obligations

As of September 30, 2025

Most Recent Valuation

	Report Date	Market Value of Assets	Total Liability	Unfunded Liability	% Funded
Retiree Health Benefits	6/30/2024	$ 606,309,000	$ 816,045,000	$ 209,736,000	74.3%
Other Post Employment Benefits					
Life Insurance	6/30/2024	$ -	$ 47,995,000	$ 47,995,000	0.0%
Survivors Benefits	6/30/2024	$ 12,978,000	$ 19,637,000	$ 6,659,000	66.1%

Trust Assets for Post Employment Benefits Held by the District

As of September 30, 2025

Quarterly Change	Net Assets June 30, 2025	Contributions	Expenses	Gain (Loss)	Net Assets Sept 30, 2025	Quarterly Return	Inception to-date Return
Retiree Health Benefit Trust	$ 689,980,300	$ 2,096,500	$ (10,208,285)	$ 41,354,515	$ 723,223,030	6.0%	7.8%
Section 115 Pension Trust	42,615,444	-	-	696,715	43,312,159	1.6%	1.3%
Survivors Benefit Trust	14,802,165	219,619	(108,382)	836,746	15,750,148	5.9%	9.8%
Total	$ 747,397,909	$ 2,316,119	$ (10,316,667)	$ 42,887,976	$ 782,285,337		

Fiscal Year to Date Change	Net Assets June 30, 2025	Contributions	Expenses	Gain (Loss)	Net Assets 31-Dec-24	Fiscal Annual Return
Retiree Health Benefit Trust	$ 689,980,300	$ 2,096,500	$ (10,208,285)	$ 41,354,515	$ 723,223,030	6.0%
Section 115 Pension Trust	42,615,444	-	-	696,715	43,312,159	1.6%
Survivors Benefit Trust	14,802,165	219,619	(108,382)	836,746	15,750,148	5.9%
Total	$ 659,167,595	$ 2,316,119	$ (10,316,667)	$ 42,887,976	$ 782,285,337	