



Annual Comprehensive Financial Report

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

For Fiscal Year Ended June 30, 2023

Janice Li, President, Board of Directors
Robert Powers, General Manager



San Francisco Bay Area
Rapid Transit District
Oakland, California

Annual Comprehensive
Financial Report

For the Fiscal Year Ended June 30, 2023

*Prepared by the
Office of the Controller - Treasurer
Christopher S. Gan, CPA, Controller/Treasurer (Interim)*

San Francisco Bay Area Rapid Transit District

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2023

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San Francisco Bay Area Rapid Transit District



INTRODUCTORY SECTION



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

2150 Webster Street, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

2022

Letter of Transmittal

Janice Li
PRESIDENT

Mark Foley
VICE PRESIDENT

Robert Powers
GENERAL MANAGER

DATE

The Board of Directors
San Francisco Bay Area Rapid Transit District
Oakland, California

DIRECTORS

Debora Allen
1ST DISTRICT

Mark Foley
2ND DISTRICT

Rebecca Saltzman
3RD DISTRICT

Robert Raburn, Ph.D.
4TH DISTRICT

John McPartland
5TH DISTRICT

Elizabeth Ames
6TH DISTRICT

Lateefah Simon
7TH DISTRICT

Janice Li
8TH DISTRICT

Bevan Duffy
9TH DISTRICT

Dear Honorable Board of Directors:

Subject: Annual Comprehensive Financial Report

I am pleased to submit to you the Annual Comprehensive Financial Report of the San Francisco Bay Area Rapid Transit District (BART or the District) for the fiscal year ended June 30, 2023. The District's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) as promulgated by the Governmental Accounting Standards Board. Public Utility Code 28769 requires the Board of Directors to have an annual audit of all books and accounts of the District by an independent public accountant.

BART is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance. Information related to the Single Audit, including the Schedule of Federal and State awards, findings, and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are set forth in a separate Single Audit report.

Crowe LLP, a firm of licensed Certified Public Accountants, has audited the BART's financial statements. The main goal of the independent audit is to provide reasonable assurance that the financial statements of BART as of and for the fiscal year ended June 30, 2023, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion on BART's financial statements as of and for the fiscal year ended June 30, 2023. The independent auditor's report is located at the beginning of the financial section of this report.

The responsibility for the accuracy of the data and for the completeness and fairness of the presentation, including all disclosures, rests with BART's management. Management assumes full responsibility for the completeness and reliability of information contained in this report based on existing comprehensive structure of internal accounting controls. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatements. All material disclosures necessary to enable the reader to gain an understanding of BART's financial activities have been included. I believe that the reported data is accurate in all material respects and that its presentation fairly depicts BART's financial position and changes in its financial position.

BART's Management's Discussion and Analysis (MD&A), shown on pages 16 to 26, provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Governance

BART is a special district created in 1957 and began revenue service in 1972. The system is managed by a nine-member Board of Directors, elected by residents according to geographical boundaries within the BART District. Directors serve four-year terms and elections are held every two years, alternating between four and five available positions.¹

Demographics

The BART District consists of three counties; Alameda, Contra Costa and San Francisco, while serving the greater San Francisco Bay Area. The San Francisco Bay Area is the fourth-largest metropolitan area in the United States by population and home to nearly eight million people: about half live in the BART service area. The region spans 7,000 square miles, 101 cities—anchored by San Francisco, San José, and Oakland—and nine counties, including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.²

Population in the region has more than doubled since 1960 with the most significant growth occurring in Santa Clara County, now comprising 25% of the region's residents. Distribution has followed national trends with residents shifting from concentration in the urban core to outlying areas; however, over the past decade, the distribution of Bay Area residents between center cities and suburban communities has stabilized.³

The Bay Area is a diverse region with 39.2% White, 28.0% Asian, 24.4% Hispanic or Latino of any race, 5.8% non-Hispanic Black or African American, 1.1% Native American or Alaska Native, 0.6% Pacific Islander, 11.8% from two or more races, and 13.4% from other races.⁴

Budget Process and Summary

The District's Operating Budget is a on nine-month cycle, beginning with budget development in the Fall and Budget Adoption in June. The budget is developed using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred.

September kicks off the budget development cycle. Operating Budgets meets with departments to discuss budget needs. Departments submit budget adjustments for review and approval. Any known adjustments for existing services are approved and included. The goal is to establish a baseline budget for the Fiscal Year; incorporate any known budget increase or decrease, and adjustments. The final product is the District's baseline budget, also known as the Proforma Budget.

During Winter, Operating Budgets continue to review any department budget adjustment submissions identified as a "new need" and present a list of budget requests to the General Manager for review and approval. The District's Preliminary budget is then built to incorporate any approved adjustments, new initiatives, and organizational changes. By March 31, BART publishes the Preliminary Budget Memo and posts it on bart.gov.

In Spring, the BART Board is updated with several Budget presentations and conducts a Public Hearing on the proposed budget. After this review process, the Board typically adopts the final budget in June.

¹ San Francisco Bay Area Rapid Transit District Financial and Operating Information, bart.gov/about/financials.

² Metropolitan Transportation Commission, <https://mtc.ca.gov/about-mtc/what-mtc>

³ Metropolitan Transportation Commission, vitalsigns.mtc.ca.gov/our-population

⁴ 2020 US Census, data.census.gov/cedsci/

Economy

The region's economy is bolstered by many industries including banking, technology, tourism and manufacturing, and hosts the second highest concentration of Fortune 500 companies after the New York metropolitan area.⁵ The area is also home to multiple public and private colleges and universities, including San Francisco State University, Stanford University, University of California at Berkeley, and University of California at San Francisco.

Strong economic growth has created great wealth but also resulted in a housing shortage, high costs of living, and poverty. Following a long trend of growing income inequality, between 2020 and 2022, non-farm wages in the BART service area increased about 16% on average, with the lowest-income segment of the workforce seeing the greatest wage growth.⁶ Local legal minimum wages also increased by an average of 10% and total employment has returned to pre-pandemic levels.

Transportation

With dozens of transit providers, Bay Area residents have multiple options for regional travel, including light, heavy and commuter rail, bus, ferry, microtransit, and private vehicle sharing utilizing Transportation Network Companies such as Uber and Lyft. BART fills a critical role in this transit sphere, in FY19 prior to the impacts of COVID-19, daily ridership averaged 410,774 trips each weekday with 118.1 million total trips. BART serves San Francisco, Oakland, and five counties with the addition of service to Milpitas and Berryessa/North San José in Santa Clara County in 2020.

The System

BART is a traction power, protected right-of-way commuter rail system that spans 131 miles of double track, 50 stations, and five counties—Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. BART service lines run through urban and suburban landscapes, crossing the San Francisco Bay via an underwater passageway (the "Transbay Tube"), and connecting passengers to San Francisco International Airport, Oakland International Airport, Caltrain, Capitol Corridor, San Francisco Municipal Railway ("Muni"), Alameda-Contra Costa Transit (AC Transit), and numerous other transit operators across the Bay Area.

Service and Ridership Experience

Throughout the pandemic, BART has continued to run trains and serve all stations systemwide. However, in response to dramatically lower ridership early in the pandemic, BART reduced service levels by 40% in April 2020. In response to calls for service restoration from riders and employers in BART's service area, in August 2021 BART led the way in supporting the region's economic recovery by substantially restoring service. System hours were extended and service frequency on most lines was almost doubled. BART further increased weekend service in February 2022 by extending Sunday service hours, and for the first time, offering 5-line service on most Sundays. In September 2022, BART made additional improvements to weekend service, with 5-line service on all Sundays and better train spacing through San Francisco.

In response to the flattening of traditional peak commute ridership and relatively strong off-peak ridership, BART implemented a new service schedule in September 2023, with all lines operating on a base schedule of 20-minute headways. Every day of the week, BART will run 5-line service until approximately 9PM, and 3-line service from 9PM to system close. The more heavily used Yellow Line trains run at 10-minute headways on weekdays before 9PM. This service plan dramatically increases train service during evening and weekends while maintaining adequate service during the day on weekdays.

In addition to modifying the number of trains per hour in September, BART adjusted train sizing to improve safety and efficiency. To maximize police presence and cleanliness, BART trains will have enough cars to cover peak-hour demand, with no more than needed to minimize empty spaces; this is in contrast to BART's

prior strategy of running only 10-car trains to promote social distancing. Initially, BART will operate 8-car trains on the Yellow line and 6-car trains on all other lines, for weekdays and weekends, while closely

⁵ Walker, Richard and Alex Schafran (2015). "The strange case of the Bay Area". Environment and Planning, web.archive.org/web/20170924185034/http://geography.berkeley.edu/wp-content/uploads/2016/01/Walker_107.pdf

⁶ CA EDD Occupational Employment and Wage Statistics for Oakland and San Francisco Metro Division, <https://data.edd.ca.gov/Wages/Occupational-Employment-and-Wage-Statistics-OEWS-/pwxn-y2g5/data>

monitoring September return-to-work ridership and preparing to scale-up train lengths with ridership growth. These changes were finalized after the budget was adopted, so the expected operating savings are not captured in the Adopted Budget. They will be incorporated into future budgets.

Safety remains a top focus. In early March, the BART Police Department (BPD) adjusted its deployment to ensure that more sworn officers are present in stations and on trains. Stations and elevators are being refreshed and underground restrooms in some high ridership stations are staffed. In July 2023, the BART Board approved a 22% salary increase for sworn BART police officers, which is expected to improve recruitment and retention, ultimately leading to more officers in the system. Like the train sizing initiative, this change was approved after the budget was adopted; the increased costs will be regularly reported and incorporated into future budgets.

Looking forward, BART will further improve the customer experience by replacing fare gates systemwide and advancing work on the region's Transit Transformation Action Plan⁷, which aims to grow ridership and improve customer experience on transit throughout the 9-county Bay Area. Alongside MTC, BART is co-leading regional fare integration work under the direction of the region's Fare Integration Task Force. Two fare integration pilot projects are advancing during this budget cycle, both of which are funded through the Transformation Action Plan funding pool. The Clipper BayPass pilot is deploying the region's first pre-paid all you can ride transit pass. Phase 1 of the pilot began in 2022 in partnership with colleges, universities, and affordable housing properties and will continue through 2024. Phase 2 is expected to launch in late 2023 with a limited but diverse set of employers and Transportation Management associations. The Fare Integration Task force has also endorsed a regional free and reduced-cost inter-agency transfer pilot, which is planned to launch with the rollout of the next generation Clipper system in 2024. The transition to a more modern fare payment technology, along with the continued work of the regional Fare Integration Task Force, will improve fare payment options while promoting inter-agency transfers. BART will also increase the discount for low-income riders participating in the region's Clipper START program with a 50% fare discount starting in January 2024.

Fiscal Challenges

The Adopted FY24 & FY25 Budget addresses the highly uncertain and challenging fiscal outlook faced by BART. Though the District has been fortunate to receive substantial emergency operating support from the federal government since the COVID-19 pandemic began in March of 2020, the full drawdown of those funds (referred to as the end of the fiscal runway) is projected in March 2025, within the District's current two-year operating budget window. BART's \$93 million deficit in FY25 reflects this challenge. Over the course of coming months, BART staff, stakeholders, and the Board must work together to solve this deficit while maintaining current service levels.

Despite these challenges, BART is committed to delivering the transit service the Bay Area expects and needs. Thousands of regular riders across the Bay Area rely on BART every day, while many more benefit from the congestion relief it provides. The District is committed to serving its riders and the Bay Area by continuing to provide robust service that is safe, frequent, reliable, and equitable while aiding the State of California in meeting its greenhouse gas reduction targets.

Addressing BART's Fiscal Challenges

The reduction in ridership since the beginning of the COVID-19 pandemic has resulted in unsustainable operating deficits for BART. With ridership still hovering around 40% of pre-pandemic levels and not projected to significantly increase in the next few years, staff continue to project operating deficits up to \$350M over the next five years. While federal emergency assistance will balance those deficits in FY24 and through most of FY25, it is clear that BART's current revenue model needs to shift away from a dependence on fares paid by riders toward a more robust funding source.

Overcoming BART's fiscal challenges will require a mix of new revenues and expenditure reductions. As the District advocates for new funding, staff continue to work to reduce costs with the goal of preserving current service levels as long as possible. In the near term, the District faces significant budget deficits that must be mitigated. This will require tradeoffs, which staff are in the process of evaluating, with a goal to

⁷ https://mtc.ca.gov/sites/default/files/documents/2021-09/Transit_Action_Plan_1.pdf

present a revised short-term plan to the Board at the end of October 2023. This plan will result in tangible negative tradeoffs for BART. Though service will not be directly impacted, there will be longer term impacts, especially to BART's ability to mitigate future cost increases.

Operating Transparently & Efficiently

The FY24 & FY25 Adopted Budget includes measures to improve BART's financial transparency and efficiency while controlling spending. In partnership with the Metropolitan Transportation Commission (MTC), BART is significantly increasing the budget of its Office of the Inspector General (OIG) in FY24. This independent oversight unit is charged with promoting cost-effective stewardship of the District's limited financial resources. The FY23 budget of \$1M is increasing to \$2.7M, with MTC contributing \$1.1M of new funding and BART contributing the remaining \$0.6M. A districtwide re-organization has created a new Office of Infrastructure Delivery (OID) by merging two existing business units responsible for infrastructure. By consolidating project management and delivery, the District expects to realize both time and cost savings on its capital work.

Capital Investments

The FY24 & FY25 Adopted Budget fully funds capital and other allocations. This includes the Baseline capital allocation, which is used to leverage outside funding or fund work that cannot be funded by other courses. Priority capital projects are fully funded in accordance with current project deliverable timelines. The FY24 & FY25 Adopted Budget suspends the Pension Trust and Sustainability allocations.

These allocations fund critical work across the District that will keep the system running reliably. The continuation of emergency federal assistance enables BART to maintain these investments, and not fall further behind in addressing major deferred maintenance and rehabilitation.

Five-Year Outlook

Prior to the COVID-19 pandemic, riders contributed the majority of funding for BART operations. In FY19, the last fiscal year before the pandemic, fare revenue and parking fees (a subset of operating revenues) provided \$520M in revenue, or 66% of operating expense. These two sources are budgeted at \$240M in FY24 and \$270M in FY25, covering less than a quarter of operating expenses. One-time federal emergency assistance of \$1.6B has allowed BART to sustain operations since 2020. Projected operating deficits (excluding federal assistance) for the years FY24 through FY28 total over \$1.7B and average \$331M per year. In this scenario, federal assistance will offset projected operating deficits through FY24 and contribute \$250M toward closing the FY25 deficit leaving a \$93M gap. Remaining projected operating deficits for FY25 through FY28 period exceed \$1.0B.

The primary deficit driver is depressed ridership levels. BART will continue to contain expenses to reduce expenditures and generate additional revenues, it is clear that BART will not be able to balance annual deficits of this magnitude on its own. To sustain service at the projected level, a combination of new revenues, expenditure reductions, and operational efficiencies are needed.

Ridership Outlook

Over the first half of FY23, BART ridership ranged from approximately 135,000 average weekday trips in July to nearly 162,000 average weekday trips in September. Ridership during the winter months of December and January waned to approximately 130,000 average weekday trips, an expected decline due to seasonal variation. After a steady uptick of ridership throughout the spring, weekday ridership averaged nearly 160,000 for the last quarter of the fiscal year. Overall, ridership in FY23 was approximately 11 million trips greater than in FY22, a 33% increase.

Below is a summary of the FY24 & FY25 ridership forecast methodology:

- **Develop a stable baseline of ridership from Fall 2022** - Over the months of September through November 2022, trip-making was relatively stable, i.e., neither growing nor shrinking when corrected for pre-pandemic seasonality. This time period also did not exhibit substantive shifts in return-to-work rates, had little overlap with the tech layoffs that occurred, and no public health concerns or interventions that would have affected ridership. In other words, this time period represented a stable stretch of ridership that was then used as a basis to develop the budget forecasts.

- **Ridership stratification** - For developing the forecasted growth, ridership was stratified into five different streams in order to apply different growth assumptions to differing types of ridership.

	Description	Associated Ridership Proxy
Weekday AM/PM Downtown	AM peak period exits and PM peak period entries at downtown stations	Predominantly downtown work trips
Weekday AM/PM Other	Remaining AM and PM peak period ridership	Other work trips
Weekday Off-peak	Early AM, Midday, and Evening ridership	Predominantly non-work trips
Saturday	Saturday ridership	Predominantly non-work trips
Sunday	Sunday ridership	Predominantly non-work trips

- **Growth assumptions** - According to the Bay Area Council's Return to Transit Tracking Poll (November 2022), approximately 70% of the surveyed employers were already operating at their "new normal" of onsite work rates. The survey indicated that 19% would reach their "new normal" within the next six months, and 23% within the next 12 months. This implies that the onsite work rate would increase from 2.5 days per week to 2.8 days per week over the next year. While this growth schedule is mode agnostic, it has been observed that vehicular volumes on key Bay Area highways have largely returned to pre-pandemic levels, whereas BART ridership has not. This disparity broadly indicates there is a preference for personal vehicles over public transit for a variety of reasons. This finding informed an adjustment to lag the onsite work rate schedule by several months. This growth was applied to the Weekday AM/PM Downtown ridership stratum and partially to the Weekday AM/PM Other ridership stratum. For non-work trips, there has been slow but steady growth in weekday off-peak and weekend ridership, when corrected for seasonality. In the second half of 2022, this ridership segment grew approximately 1% per month, adjusted for seasonality. For a conservative approach, a 0.8% monthly growth factor was applied.
- **Seasonality** - Over the course of the pandemic, a higher range of seasonality than under pre-pandemic conditions has been observed. The seasonal factor is a measure of how far a particular month's ridership deviates from the annual average. New seasonal factors were developed for the budget forecast using observed data across calendar year 2022, corrected for underlying ridership growth. The results show that since the pandemic, seasonal effects have been slightly amplified compared to pre-pandemic conditions. December, for example, showed 93% of annual average ridership pre-pandemic, compared to 87% during the pandemic.

Integrating the baseline, stratifying ridership, applying the growth factors, and implementing the seasonality results in overall ridership of 51.3M in FY24 and 55.4M in FY25 in the Base Case scenario. FY24 ridership is forecast to be 49% of pre-pandemic expectations as of June 2024, while FY25 is forecast at 52% as of June 2025.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to BART for its Annual Comprehensive Financial Report ("ACFR") for the year ended June 30, 2022. This was the first year that the BART has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report and it must satisfy both generally accepted accounting principles and legal requirement.

A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I want to express my appreciation to the entire staff of the Accounting Department, who have worked diligently and whose professionalism and dedication are responsible for the preparation of these financial statements. Special thanks also to the Budget Department for their contributions in the preparation of this report. I would also like to acknowledge the Board and our General Manager for their continuous support

in maintaining the highest standard of professionalism in the management of BART's finances. Finally, I want to thank our independent auditors, Crowe LLP, for their invaluable professional support throughout this audit engagement.

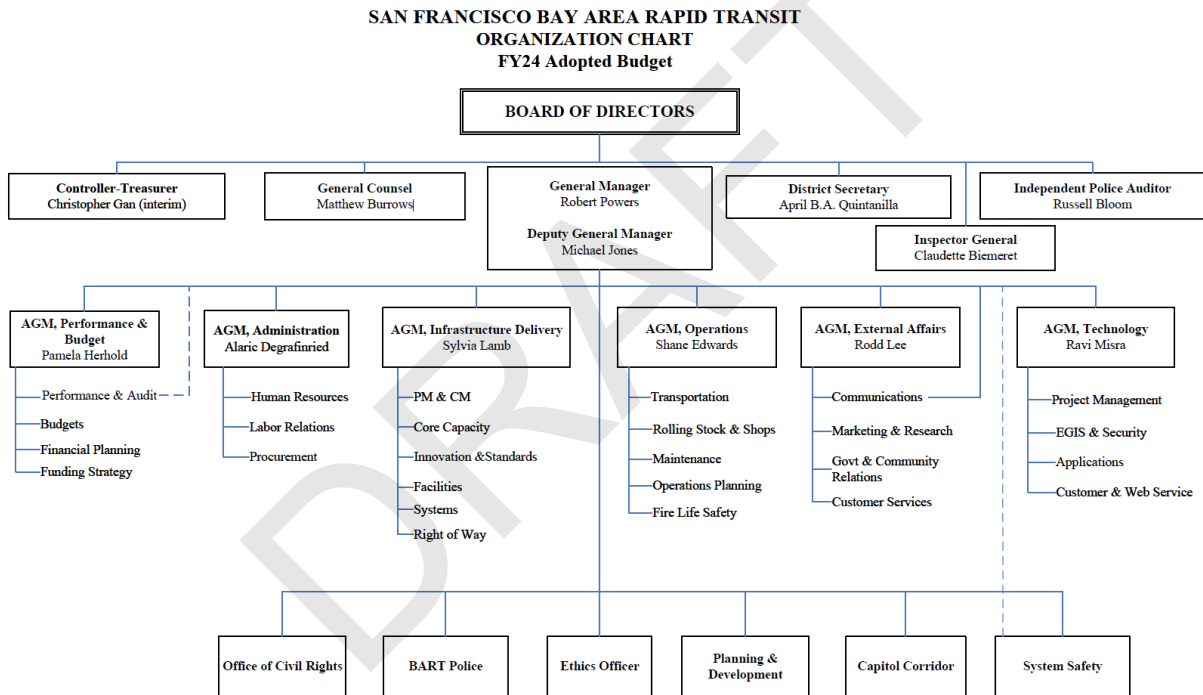
Respectfully submitted,

Christopher S. Gan, CPA
Controller-Treasurer (Interim)

DRAFT

San Francisco Bay Area Rapid Transit District

Organizational Chart



San Francisco Bay Area Rapid Transit District

Board of Directors (Updated as of October 27, 2023)



Janice Li
Board President
BART Director, District 8

Mark Foley
Board Vice President
BART Director, District 2



Debora Allen
Board Member
Director, District 1

Rebecca Saltzman
Board Member
Director, District 3

Robert Raburn
Board Member
Director, District 4

John McPartland
Board Member
Director, District 5



Liz Ames
Board Member
Director, District 6

Lateefah Simon
Board Member
Director, District 7

Bevan Duffy
Board Member
Director, District 9

San Francisco Bay Area Rapid Transit District

List of Board Appointed Officials

(Updated as of November 22, 2023)

Robert M. Powers

General Manager

April B. A. Quintanilla

District Secretary

Christopher Gan (Interim)

Controller-Treasurer

Claudette Biemeret,

Inspector General

Jeana Zelan (Interim)

General Counsel

Russell Bloom

Independent Police Auditor

Executive Staff

Michael Jones

Deputy General Manager

Pamela Herhold

Assistant General Manager, Performance & Budget

Alaric Degrafinried

Assistant General Manager, Administration

Ravindra Misra

Assistant General Manager, Technology

Alicia Trost

Chief Communication Officer

Robert Padgett

Managing Director Capital Corridor

Kevin Franklin

Police Chief

Roddrick Lee

Assistant General Manager, External Affairs

Jeffrey Lau

Chief Safety Officer

Sylvia Lamb

Assistant General Manager, Office of Infrastructure and Delivery

(Vacant)

Director of Office of Civil Rights

Val Menotti

Chief Planning & Development Officer

Shane Edwards

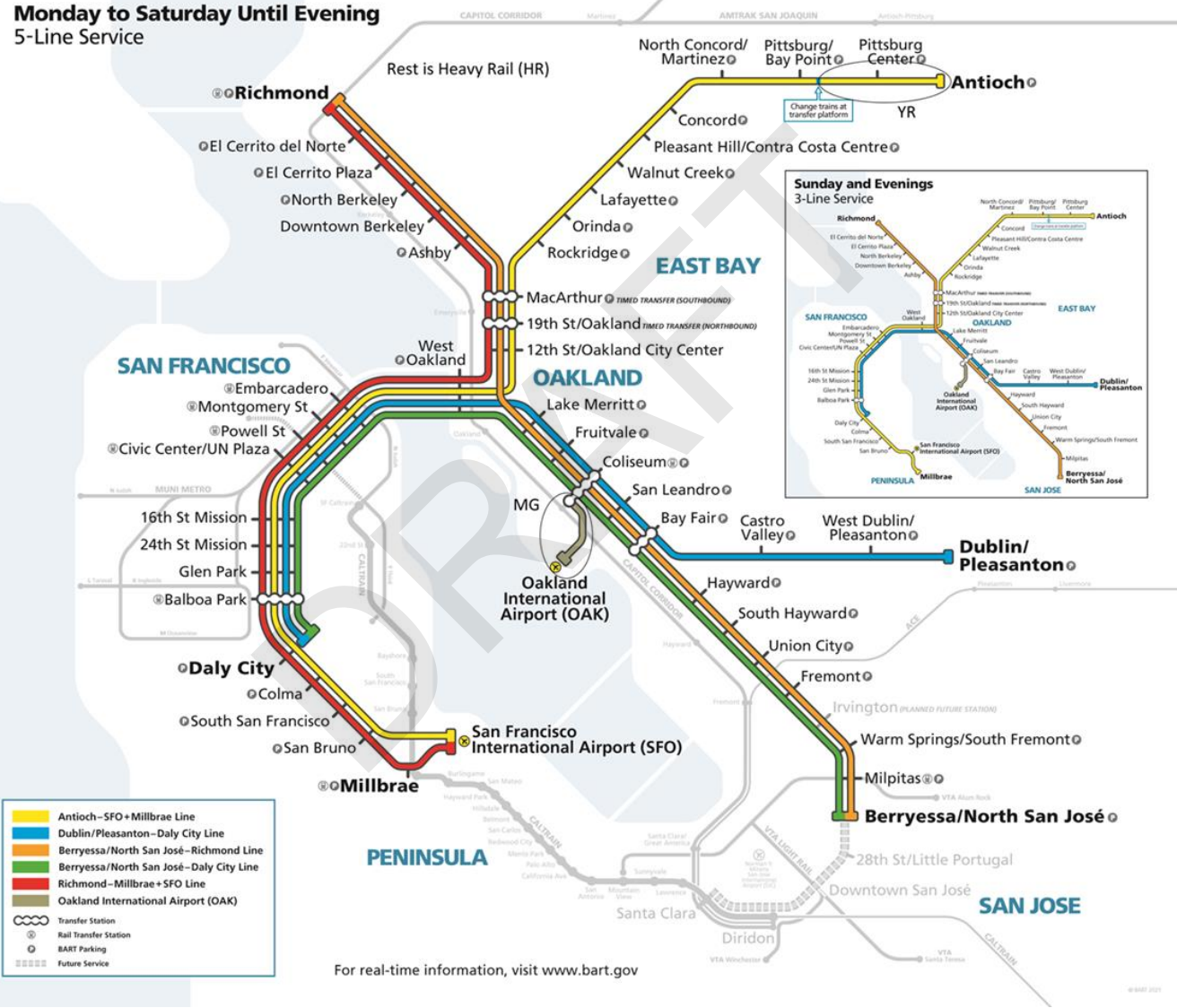
Assistant General Manager, Operations

San Francisco Bay Area Rapid Transit District

BART System Map



Monday to Saturday Until Evening
5-Line Service





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Francisco Bay Area Rapid Transit District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

San Francisco Bay Area Rapid Transit District



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
San Francisco Bay Area Rapid Transit District
Oakland, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the San Francisco Bay Area Rapid Transit District ("the District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of employer pension contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of employer OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statement of fiduciary net position and the combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and the combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated , 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

San Francisco, California
, 2023

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Introduction

The following discussion and analysis of the financial performance and activity of the San Francisco Bay Area Rapid Transit District (the District or BART) provide an introduction and understanding of the basic financial statements of the District for the years ended June 30, 2023 and 2022. This discussion was prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The District is an independent agency created in 1957 by the legislature of the State of California for the purpose of providing an adequate, modern, interurban mass rapid transit system in the various portions of the metropolitan area surrounding the San Francisco Bay. The District started its revenue operations in September 1972. It presently operates a 131-mile, 50-station system serving the five counties of Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara. On June 13, 2020 the District celebrated the opening of the Berryessa Extension in Santa Clara County, which added two (2) stations and 10 miles of track to the system. The Operating and Maintenance agreement provides guidance on the financial, maintenance and operating responsibilities of each party, where Valley Transportation Authority (VTA) owns the extensions including the transit centers and the District operates the service and maintains the system. The governance of the District is vested in a Board of Directors composed of nine members, each representing an election district within the District.

The Financial Statements

The basic financial statements provide information about the District's Enterprise Fund and Fiduciary Funds. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

Enterprise fund – The enterprise fund summarizes the District's business activities related to operating, capital, and financing transactions. The enterprise fund consolidates the financial information associated with the District's General Fund, Capital Funds and Debt Service Funds.

- General Fund: The General Fund accounts for the District's operating activities. Revenues and expense in the General Fund are distinguished between operating and nonoperating. Operating revenues includes receipts from passenger fares, parking revenues, telecommunication revenues, advertising, and other income associated with transit operations. Operating expenses consists of labor and non-labor expenses associated with providing transit services. Sales tax revenues, property tax revenues, and funding from local, state, and federal agencies that are used for paying operating expenses are recognized in the General Fund as nonoperating income.
- Capital Funds: These funds account for financial resources to be used for the acquisition or construction of capital assets. Major sources of revenues for these funds comes primarily from grants, proceeds from sale of bonds, or allocations from the General Fund. Upon completion of a capital project, all of the associated cost are capitalized and transferred to the District's General Fund.

Debt Service Funds: These funds account for transactions related to long-term debt obligations associated with the District's Sales Tax Revenue and General Obligation bonding programs. Transactions recorded on these funds includes the recognition of the debt obligations upon issuance of the bonds, recognition of the discount or premiums related to the bond issuance and the subsequent amortization, receipt of funds to cover debt service from sales tax revenues allocated by the General Fund and from property tax assessments, payments of debt obligations, both principal and interest expense, and recognition of investment income earned from funds held prior to making the debt service payments.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Fiduciary Funds – BART's Fiduciary funds shows the financial position and summarizes the activities of the District's Retiree Health Benefit Trust and Survivors' Benefit Trust (the Trust). Balances reflected in the fiduciary fund financial statements are not reflected in the Enterprise Fund since the trust assets are restricted to be used for the benefit of the beneficiaries of those funds.

Overview of the Enterprise Fund Financial Statements

The *Statement of Net Position* reports assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference as *net position*. The entire equity section is combined to report total *net position* and is displayed in three components - *net investment in capital assets*; *restricted net position*; and *unrestricted net position*.

The *Statement of Revenues, Expenses and Change in Net Position* consist of operating and nonoperating revenues and expenses based upon definitions provided by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended by GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. Accordingly, significant recurring sources of the District's revenues, such as capital contributions, are reported separately, after nonoperating revenues and expenses.

The *Statement of Cash Flows* are presented using the direct method and include a reconciliation of operating loss to net cash used in operating activities.

Condensed Statements of Revenues, Expenses and Change in Net Position

A summary of the District's Statements of Revenues, Expenses and Change in Net Position for the years 2023 and 2022 is as follows (dollar amounts in thousands):

	<u>2023</u>	<u>2022</u>	<u>Change</u>	
			<u>Favorable (Unfavorable)</u>	
			<u>Amount</u>	<u>Percent</u>
Operating revenues	\$ 221,680	\$ 166,112	\$ 55,568	33.45 %
Operating expenses, net	<u>1,204,557</u>	<u>1,052,805</u>	<u>151,752</u>	<u>14.41 %</u>
Operating loss	(982,877)	(886,693)	(96,184)	10.85 %
Nonoperating revenues, net	962,688	872,094	90,594	10.39 %
Capital contributions	<u>593,205</u>	<u>332,321</u>	<u>260,884</u>	<u>78.50 %</u>
Change in net position	573,016	317,722	255,294	80.35 %
Net position, beginning of year	<u>7,670,332</u>	<u>7,352,610</u>	<u>317,722</u>	<u>4.32 %</u>
Net position, end of year	<u>\$ 8,243,348</u>	<u>\$ 7,670,332</u>	<u>\$ 573,016</u>	<u>7.47 %</u>

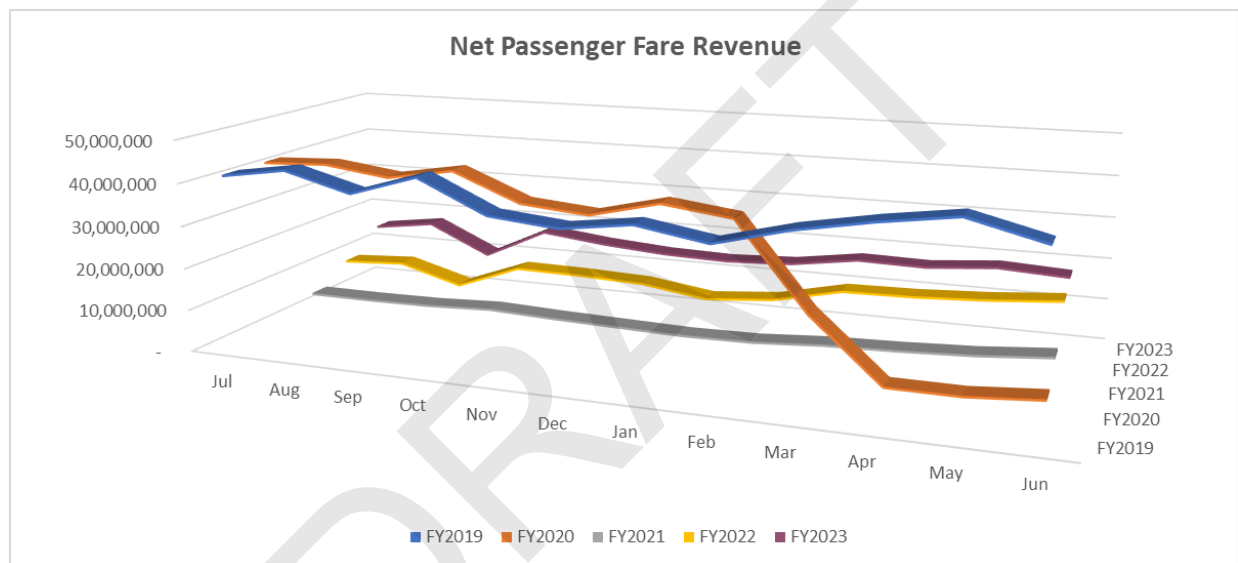
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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Operating Revenues

Operating revenues increased by \$55,568,000 in fiscal year 2023 driven primarily by partial recovery in transit ridership. Fare revenues increased by \$52,357,000. Average weekday ridership in fiscal year 2023 was 150,000 exits compared to 111,000 exits in fiscal year 2022. Total ridership in fiscal year 2023 were 45,900,000 trips, an increase of approximately 33% compared to the 34,500,000 trips in fiscal year 2022. The District's ridership and fare revenues remained well below pre-pandemic levels (37% and 39%, respectively, of 2019's level) due to prevalence of remote work arrangement in the San Francisco Bay Area. Parking revenues in the current fiscal year increased by \$2,627,000 due also to growth in ridership. Advertising revenue were higher by \$2,200,000 in the current fiscal year but it was offset by decrease in fees and permits by \$3,898,000, which were higher in fiscal year 2022 due to one time non-recurring fees recognized in that fiscal year.

The chart below shows the monthly net passenger fare revenue from fiscal year 2019 to 2023.



Operating Expenses, Net

In fiscal year 2023, net operating expenses increased by \$151,752,000 compared to the previous year.

Net labor expense increased by \$153,064,000 in fiscal year 2023 primarily driven by \$98,776,000 increased in pension expense, recognized under GASB 68, due to investment losses in fiscal year 2022 (GASB 68 report measurement date) on the District's pension funds managed by CalPERS. Salaries and wages increased by \$27,574,000 due to contractual increases in wages and reduction in vacancy rate from 14% at the end of fiscal year 2022 to 6% in fiscal year 2023. Overtime, net of capital reimbursements, increased by \$12,729,000 due to operational need and increases in wage rates. Other labor related changes during the fiscal year were from: a) \$3,435,000 decrease in payroll expense in fiscal year 2023 due to discontinuation of state mandated COVID related benefits paid to employees; b) increase in labor expense due to \$14,713,000 decrease in labor reimbursement from capital projects; and c) increase of \$3,490,000 in health insurance premium.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Total non-labor expense decreased by \$1,312,000 in fiscal year 2023 mostly from the following factors: a) \$13,669,000 increase in traction power due to high natural gas prices in January and February 2023, which had a spillover effect on other energy prices; b) \$1,922,000 increase in Interchange fees, Clipper and other bank fees generally attributable to increase in ridership; c) \$3,051,000 increase in purchased transportation from increase activities related to paratransit services; d) \$5,123,000 increase in materials cost and maintenance related expenses due to operational need, including an increase of \$2,850,000 related to provisions for obsolete legacy C-Car parts; e) \$3,329,000 increase in professional and technical services; f) 7,200,000 increase in uninsured public liability insurance claims; g) \$1,043,000 increase in miscellaneous expenses primarily from election cost incurred in fiscal year 2023; and offset by; h) decrease of \$5,000,000 in feeder transfer payment as part of management cost control decision to reduce operating expense; and i) reduction in depreciation and amortization expense by \$35,093,000.

Nonoperating Revenues, Net

Net nonoperating revenues increased by \$90,594,000 in fiscal year 2023. Total nonoperating revenues increased by \$115,861,000 driven by the following: a) sales tax revenue increased by \$16,422,000 and continued to be resilient driven in part by inflation and strong auto sales; b) property tax revenue increased by \$86,474,000 in the current fiscal year. Property tax collections used for general operations increased by \$4,689,000 due to continued rise in value for tax assessments purposes, while Property tax collections earmarked for debt service of outstanding Measure AA and Measure RR General Obligation Bonds also increased by \$81,785,000; c) \$50,589,000 increase in investment income driven by higher yields on investments due to increase in interest rates; offset by d) \$37,623,000 decline in financial assistance for general operations primarily from; 1) \$12,021,000 decrease in State Transit Assistance (STA); 2) \$35,374,000 decrease in emergency relief grants received from the Federal Transit Administration based on qualifying expenses claimed; 3) \$6,531,000 decrease revenue from sale of Low Carbon Fuel Standard credits; 4) \$1,999,000 decrease in revenue received from Measure B due to expiration of the tax measure; and offset by: 5) \$2,248,000 increase in Measure BB tax revenue; 6) \$2,126,000 increase revenue for reimbursements billed to San Francisco Municipal Transportation Agency (SFMTA); 7) \$4,719,000 operating financial assistance from Valley Transportation Authority (VTA) to support the phase 1 extension to Berryessa; 8) \$5,891,000 increase in grants received from the State of California Cap and Trade program to support the eBART extension; and 9) \$2,394,000 grants revenue recognized in fiscal year 2023 for reimbursement of COVID 19 related expenses. Total nonoperating expenses increased by \$25,267,000. Interest expense increased by \$23,773,000 primarily due to higher outstanding Measure RR General Obligation bonds. Planning related expenses associated with the Link21 project also increase by \$3,621,000 compared to fiscal year 2022, offset by decrease of \$2,127,000 in debt related issuance cost

Capital Contributions

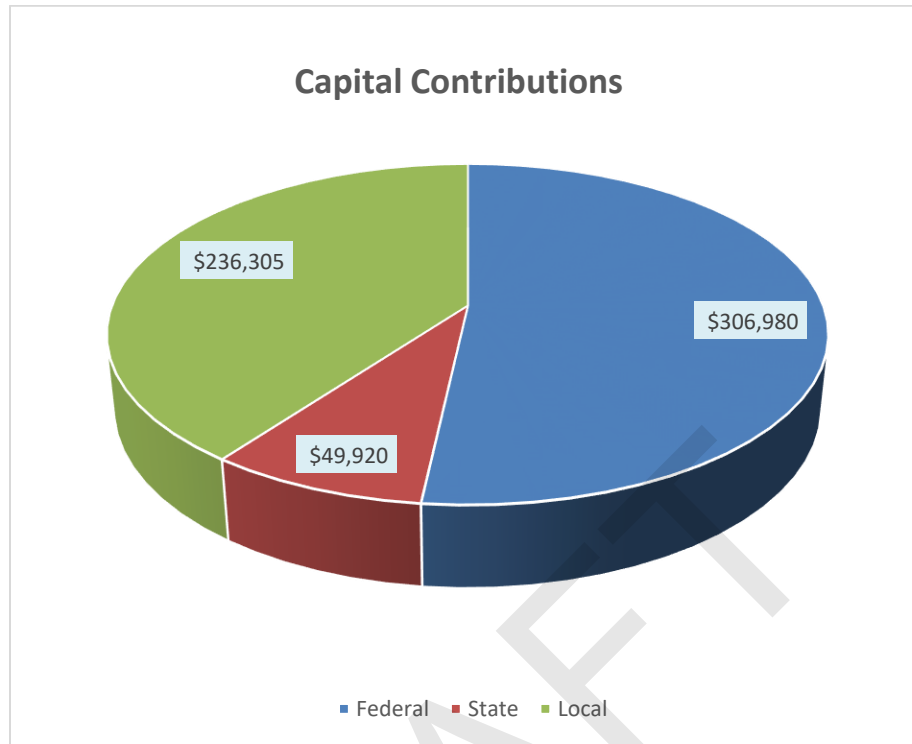
Revenues from capital contributions are related to grants and other financial assistance received by the District from federal, state, and local agencies to fund capital projects. The District receives mostly reimbursement-type grants of which the District has to first incur eligible costs under the provider's program before qualifying for the grant resources. Revenues from capital contributions are recognized at the time when the eligible project costs are incurred.

In fiscal year 2023 the District received capital contributions of \$593,205,000 from the following sources (dollar amounts in thousands):

Federal	\$ 306,980
State	49,920
Local	<u>236,305</u>
	<u>\$ 593,205</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023



Major funding from federal sources came from the Federal Transit Administration Section 5309-8, 5337 and 5307 grants. A significant portion of these funding were allocated and spent to support the Rail Car Procurement Project, Hayward Maintenance Complex Phase 2, and Communication Base Train Control (CBTC). Other projects funded by federal dollars include the Hayward East Storage Yard, 34.5 KV upgrade and replacement, Traction Power Substation Project, Wayside Equipment, and Non-Revenue Vehicle Procurement. Major sources of revenues from the State includes the State's Proposition 1B, SB1 Public Transportation Account, and from Department of Housing and Community Development under the Affordable Housing and Sustainable Communities (AHSC) Program, which were used to fund, among others, the Rail Car Procurement Project, CBTC, Station Modernization projects, which include the El Cerrito Del Norte and Powell Street Gateway Stations. Major sources of local revenues came from the Metropolitan Transportation Commission (MTC) Exchange Fund which were used to fund the Rail Car Procurement Project. Other local funding sources were provided by VTA subsidy for capital projects, Alameda County Transportation Commission (ACTC) Measure B and BB, City and County of San Francisco Proposition A GO Bonds, and San Francisco Municipal Transportation Agency (SFMTA), which were used to fund, among others, BART 19th Street Station Modernization, San Francisco Canopy and Escalator Replacements, and the Warm Springs Irvington Station Design.

The major additions in fiscal year 2023 to capital projects are detailed on page 23.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Condensed Statements of Net Position

A comparison of the District's *Statements of Net Position* as of June 30, 2023 and 2022 is as follows (dollar amounts in thousands):

			Change	
			Increase (Decrease)	
	2023	2022	Amount	Percent
Current assets	\$ 1,502,099	\$ 1,363,628	\$ 138,471	10.2 %
Capital assets, net	10,932,815	10,333,902	598,913	5.8 %
Noncurrent assets - other	827,122	1,069,877	(242,755)	(22.7) %
Total assets	13,262,036	12,767,407	494,629	3.9 %
Deferred outflows of resources	439,995	239,737	200,258	83.5 %
Current liabilities	488,397	485,130	3,267	0.7 %
Noncurrent liabilities	4,692,446	4,348,125	344,321	7.9 %
Total liabilities	5,180,843	4,833,255	347,588	7.2 %
Deferred inflows of resources	277,840	503,557	(225,717)	(44.8) %
Net position				
Net investment in capital assets	7,855,281	7,466,830	388,451	5.2 %
Restricted	197,431	156,553	40,878	26.1 %
Unrestricted (deficit)	190,636	46,949	143,687	306.0 %
Total net position	\$ 8,243,348	\$ 7,670,332	\$ 573,016	7.5 %

Current Assets

In fiscal year 2023, current assets increased by \$138,471,000 primarily from: a) \$140,980,000 increase in government receivables due to timing in invoicing driven by project schedules and receipt of payments for outstanding invoices; b) \$9,524,000 increase in other receivables primarily due to \$2,878,000 increase in property tax receivables, \$2,338,000 increase in interest receivable mostly related to the implementation of GASB 87, and \$ 3,146,000 increase in prepaid assets; c) \$6,578,000 increase in materials and supplies; and offset by d) \$18,890,000 decrease in cash, cash equivalents and investments due to timing in paying vendor invoices.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Noncurrent Assets - Other

Noncurrent assets – other decreased in fiscal year 2023 by \$242,755,000 mainly due to decrease of \$273,976,000 in non-current restricted cash and investments, \$9,510,000 decrease in lease receivable, and offset by \$39,925,000 increase in receivables associated with the implementation of GASB 94. The decrease in non-current restricted cash and investments was attributable to the decrease of \$296,039,000 in restricted cash and investments from utilization of project fund balances funded by 2019 Measure AA General Obligation Bonds (GOB), 2020 and 2022 Measure RR GOB, 2019 Sales Tax Revenue Bonds and various cash advances from grants received from the State, offset by \$22,063,000 increase in funds set aside for payment of the District's outstanding Measure AA General Obligation Bonds, Measure RR General Obligation Bonds and Sales Tax Revenue Bonds.

Current Liabilities

Current liabilities increased in fiscal year 2023 by \$3,267,000 primarily from a) \$10,466,000 increase in payable to vendors and contractors due to timing in receipt and settlement of invoices; b) \$8,138,000 increase in interest payable primarily related to the 2022 Series D Measure RR GO Bonds that were issued in May 2022; c) \$1,144,000 increase in lease liability; d) \$1,861,000 increase in liability related to recognition of right of use assets associated with subscription based information technology arrangements (SBITA) under GASB 96; e) \$5,240,000 increase in current portion of long-term debt based on debt service requirement; f) \$2,676,000 increase in short term portion of general liability and workers compensation self-insured programs; and offset by: g) \$16,447,000 decrease in payable for salaries and benefits due to timing in remittances; h) \$5,689,000 net decrease in subsidies received in advance from Valley Transportation Authority (VTA) for operating the Silicon Valley Extension, Phase I; and i) \$4,567,000 decrease in other unearned revenue for portions earned on grant funds received in advance from local and State agencies.

Noncurrent Liabilities

Noncurrent liabilities increased in fiscal year 2023 by \$344,321,000 principally from the following factors: a) \$469,800,000 increase in the balance of pension liability per GASB 68 actuarial valuation report; offset by: b) \$102,871,000 decreased in long-term debt from: 1) \$68,735,000 decrease in outstanding sales tax revenue bonds and general obligation bonds for principal payments made in fiscal year 2023, 2) decrease of \$28,896,000 in premium on bonds payable associated with the annual amortization of premiums on all outstanding bonds; and 3) \$5,240,000 decrease in long-term debt from higher amount reclassified to current liability in fiscal year 2023 compared to balance reclassified in fiscal year 2022; c) \$13,581,000 decrease in self-insurance liabilities from settlement of some of the major general liability cases in fiscal year 2023; and d) \$12,265,000 decrease for retiree medical and survivors benefit post-employment obligations offset by \$4,471,000 increase in retiree life insurance post employment liabilities per GASB 74-75 actuarial valuations report.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Capital Assets

Details of capital assets, net of accumulated depreciation, as of June 30, 2023 and 2022 are as follows (dollar amounts in thousands):

	<u>2023</u>	<u>2022</u>
Land and easements	\$ 719,633	\$ 719,632
Construction in progress	1,780,536	1,869,708
Stations, track, structures and improvements	5,635,117	5,172,808
Buildings	551,971	559,674
Systemwide operation and control	127,178	133,938
Revenue transit vehicles	988,315	739,136
Service and miscellaneous equipment	148,369	127,500
Capitalized construction and start-up costs	298,808	325,356
Repairable property items	578,151	585,337
Right of use- leased assets	64,047	67,870
Right of use-SBITA	7,847	-
Information systems	<u>32,843</u>	<u>32,943</u>
Total capital assets, net	<u>\$ 10,932,815</u>	<u>\$ 10,333,902</u>

During fiscal year 2023, capital additions to construction in progress amounted to \$886,144,000 related to acquisitions and/or major improvements for the following assets (dollar amounts in thousands):

Guideway	\$ 307,052
Passenger stations	130,253
Maintenance and administration building	44,935
Revenue transit vehicles	335,671
Communication and information system	48,810
Automatic fare collections and other equipment	<u>19,423</u>
	<u>\$ 886,144</u>

Additional information related to the District's capital assets can be found in Note 4 – Capital Assets and Note 7– Long-Term Debt.

The District has entered into contracts for the construction of various facilities and equipment totaling approximately \$2,914,725,000 at June 30, 2023.

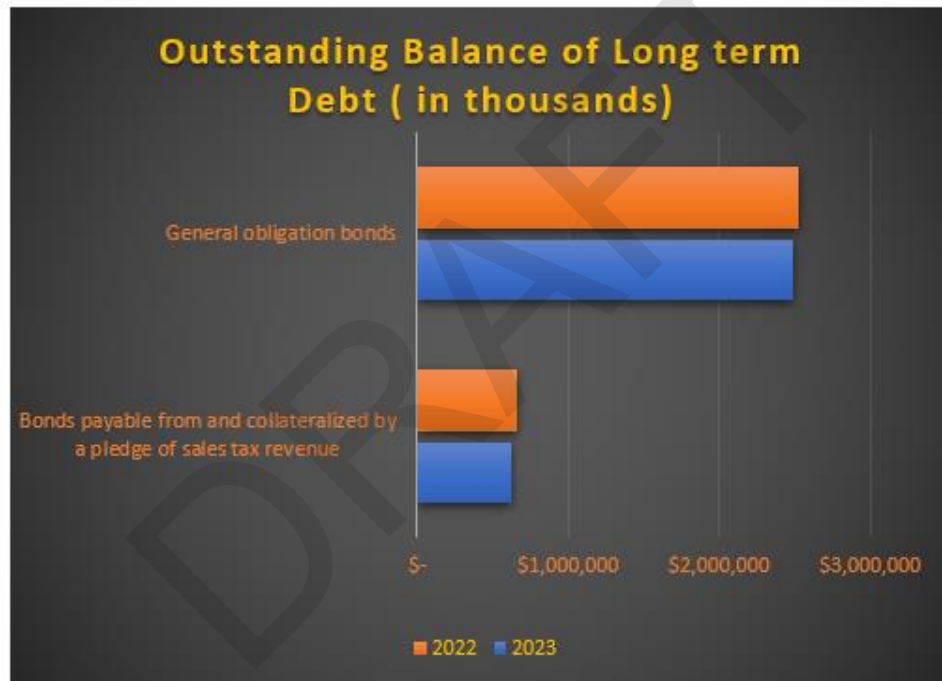
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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

Long-Term Debt

The outstanding balance of total long-term debt (including current portion but excluding unamortized balance of bond premium/discounts) as of June 30, 2023 and 2022 are as follows (dollar amounts in thousands):

	2023	2022
Bonds payable from and collateralized by a pledge of sales tax revenues	\$ 626,070	\$ 657,520
General obligation bonds	<u>2,484,285</u>	<u>2,521,570</u>
	<u>\$ 3,110,355</u>	<u>\$ 3,179,090</u>



Sales Tax Revenue Bonds are rated "AA+" by Standard and Poor's Global Ratings (S&P) and "AA" by Fitch Ratings. General Obligation Bonds are rated "Aaa" by Moody's and "AAA" by Fitch Ratings.

Principal payments made on outstanding bonds during the year were \$31,450,000 for Sales Tax Revenue Bonds and \$37,285,000 for the General Obligation Bonds. Additional information on the District's long-term debt obligations can be found in Note 7 – Long -Term Debt.

Economic Factors and Next Year's Budgets

On June 8, 2023, the District's Board of Directors adopted BART's two-year budget. The budget is balanced in fiscal year 2024 (FY24) and fiscal year 2025 (FY25) projects a deficit of \$92,793,000. Total operating budget in FY24 is \$1,084,148,000 and the capital forecasted budget is \$1,479,318,000. A total of \$350,784,000 in federal assistance is budgeted in FY24 to balance the budget.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Management's Discussion and Analysis (Unaudited)
Year ended June 30, 2023

The FY24 operating budget is \$66,742,000 (7%) higher than the budget in the prior fiscal year. In the first quarter of FY24, BART implemented a new service plan to operate transparently and efficiently.

- In September, a new service schedule was implemented, providing more robust nighttime and weekend service, emphasizing ridership growth opportunities, and relying less on outdated commuting models.
- Train lengths were adjusted where demand does not require full 10-car trains; this change is expected to generate operational savings for the District without sacrificing service levels or reliability.
- A recent salary increase for sworn BPD officers is expected to result in improved recruitment and retention, further boosting the number of BPD officers in the system.
- In partnership with the Metropolitan Transportation Commission (MTC), BART is significantly increasing the budget of its Office of the Inspector General (OIG) in FY24. This independent oversight unit is charged with promoting cost-effective stewardship of the District's limited financial resources. The FY23 budget of \$1,000,000 is increasing to \$2,700,000, with MTC contributing \$1,100,000 of new funding and BART contributing the remaining \$600,000.

In the FY24 Budget, BART changed the vacancy rate assumption (the percentage of positions assumed to be vacant at any given time) applied in the budget. Through fiscal year 2023 (FY23), it was calculated against wages, benefits, and capital reimbursements, then budgeted in its own account line. In FY24 and beyond, the vacancy assumption is spread out over the wage, benefit, and capital reimbursement accounts. This change will allow for more clarity regarding where savings from vacancies will appear and is anticipated to reduce the District's budget to actual variance on individual line items. In addition, BART is also including a capital vacancy rate that will be applied against the capital reimbursement accounts. This rate was implemented to reflect the actual higher vacancy rate in capital positions. On the revenue side, the adopted FY24 budget assumes that over the course of the year, BART averages 43% of pre-COVID ridership expectations. The costs associated with running frequent service despite lower ridership are offset by federal emergency funding.

FY24 operating revenues continue to be constrained due to the COVID-related ridership decline, though it is projected to improve over FY23 levels. For FY24, Rail passenger revenue is budgeted to be 20% higher (\$37,144,000) than FY23 actuals, and 1% higher (\$2,825,000) than the FY23 budget. FY24 sales tax revenue is estimated to be (\$319,842,000), which is an increase of 7% compared to the budget in FY23. FY24 property tax revenue is estimated to be (\$61,200,000), which is an increase of 6% compared to the budget in FY23. Both the sales and property tax increases are in line with the observed increase in their respective actual revenues versus budget over FY23.

The FY24 budget funds a rail service plan that is responsive to post-pandemic commute patterns and ridership growth opportunities. This plan began on September 2023 and ensures that no BART rider will wait more than 20 minutes for a scheduled train. The plan is designed to be cost-neutral versus the prior plan, and increases evening and weekend service by 50%. Weekday daytime service increases service on the Yellow Line from 15-minute headways to 10-minute headways, while other lines decrease from 15-minute to 20-minute headways.

The FY24 Budget contains major cuts and deferrals to planned allocations. Due to the decrease in fare revenue that resulted from the pandemic, BART reduced planned capital allocations to conserve available funding for operations. The Pension and Sustainability allocations are suspended indefinitely as of FY24. A total of \$90,502,000 is included in budget allocations in FY24.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
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Year ended June 30, 2023

A full \$710,000,000 (48%) of capital expenses in FY24 are directed to System Reinvestment including a portion of the New Rail Car Program, train control components renewal, traction power, guideway infrastructure and other capital projects. Service and Capacity Enhancement represents 46% (\$679,000,000) of the budget and will focus on station access improvements and modernization, upgraded facilities at HMC and Concord Shop, as well as train control modernization and traction power upgrades as part of the Core Capacity program. The Earthquake Safety Program, which represents 2% (\$24,000,000) of the FY24 capital budget, will focus on the Transbay Tube Seismic Retrofit project. Other capital work on essential security upgrades, life safety improvements, and ADA/system accessibility improvements will also continue.

Contacting the District's Financial Management

The District's financial report is designed to provide the District's Board of Directors, management, investors, creditors, legislative and oversight agencies, citizens and customers with an overview of the District's finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Christopher Gan, Interim Controller-Treasurer, at 2150 Webster Street, P.O. Box 12688, Oakland, California 94612.

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 PROPRIETARY FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 June 30, 2023
 (Dollar amounts in thousands)

ASSETS

Current assets

Unrestricted assets

Cash and cash equivalents	\$ 69,620
Investments	841,073
Government receivables	362,638
Lease receivable	544
Receivables and other assets	49,510
Materials and supplies	79,970
Total unrestricted current assets	<u>1,403,355</u>

Restricted assets

Cash and cash equivalents	2,226
Investments	89,232
Receivables and other assets	7,286
Total restricted current assets	<u>98,744</u>
Total current assets	<u>1,502,099</u>

Noncurrent assets

Capital assets

Nondepreciable	2,500,169
Depreciable, net of accumulated depreciation	8,432,646

Unrestricted assets

Lease receivables	88,393
PPP Receivable	39,925
Receivables and other assets	51

Restricted assets

Cash and cash equivalents	319,669
Investments	364,559
Receivables and other assets	14,525
Total noncurrent assets	<u>11,759,937</u>

Total assets	<u>13,262,036</u>
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DEFERRED OUTFLOWS OF RESOURCES

Losses on refundings of debt	9,768
Pension related	368,962
Other postemployment benefits related	61,265
Total deferred outflows of resources	<u>439,995</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 PROPRIETARY FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 June 30, 2023
 (Dollar amounts in thousands)

LIABILITIES

Current liabilities

Accounts payable and other liabilities	\$ 316,708
Unearned revenue	62,687
Lease liability	8,592
SBITA liability	1,861
Current portion of long-term debt	73,975
Self-insurance liabilities	<u>24,574</u>
Total current liabilities	488,397

Noncurrent liabilities

Accounts payable and other liabilities	55,618
Unearned revenue	20,010
Lease liability, net of current portion	57,955
SBITA liability	4,356
Long-term debt, net of current portion	3,248,324
Self-insurance liabilities, net of current portion	36,242
Net other postemployment benefits liability	273,924
Net pension liability	<u>996,017</u>
Total noncurrent liabilities	<u>4,692,446</u>

Total liabilities	5,180,843
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DEFERRED INFLOWS OF RESOURCES

Other postemployment benefits related	106,545
Lease related	132,049
PPP related	<u>39,246</u>
Total deferred inflows of resources	<u>277,840</u>

NET POSITION

Net investment in capital assets	7,855,281
Restricted for debt service and other liabilities	197,431
Unrestricted	<u>190,636</u>
Total net position	<u><u>\$ 8,243,348</u></u>

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 PROPRIETARY FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
 Year ended June 30, 2023
 (Dollar amounts in thousands)

Operating revenues	
Fares	\$ 188,311
Other	<u>33,369</u>
Total operating revenues	221,680
Operating expenses	
Transportation	269,156
Maintenance	456,702
Police services	97,787
Construction and engineering	28,715
General and administrative	207,053
Depreciation and amortization	<u>302,446</u>
Total operating expenses	1,361,859
Less - capitalized costs	<u>(157,302)</u>
Net operating expenses	<u>1,204,557</u>
Operating loss	(982,877)
Nonoperating revenues (expenses)	
Transactions and use tax - sales tax	327,128
Property tax	211,132
Operating financial assistance	515,016
Investment income	51,653
Interest expense	(99,581)
Planning and studies	<u>(42,660)</u>
Total nonoperating revenues, net	<u>962,688</u>
Change in net position before capital contributions	(20,189)
Capital contributions	<u>593,205</u>
Change in net position	573,016
Net position, beginning of year	<u>7,670,332</u>
Net position, end of year	<u><u>\$ 8,243,348</u></u>

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 PROPRIETARY FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 Year ended June 30, 2023
 (Dollar amounts in thousands)

Cash flows from operating activities

Receipts from customers	\$ 185,770
Payments to suppliers	(240,104)
Payments to employees	(688,556)
Other operating cash receipts	31,927
Receipts of principal and interest related to leases	<u>1,231</u>
Net cash used in operating activities	(709,732)

Cash flows from noncapital financing activities

Transactions and use tax (sales tax) received	267,209
Property tax received	61,805
Operating financial assistance received	<u>519,665</u>
Net cash provided by noncapital financing activities	848,679

Cash flows from capital and related financing activities

Transactions and use tax (sales tax) received	59,919
Property tax received	146,449
Capital grants received	403,423
Expenditures for facilities, property and equipment	(837,468)
Payments related to planning and studies	(42,660)
Proceeds from disposition of property	219
Principal and interest payments related to leases	(10,254)
Principal and interest payments related to SBITA	(9,951)
Principal paid on long-term debt	(68,735)
Payments of long-term debt issuance and service costs	-
Proceeds from issuance of General Obligation Bonds	-
Interest paid on long-term debt	(117,006)
Deposit refunded	<u>(2,614)</u>
Net cash provided by capital and related financing activities	<u>(478,678)</u>

Cash flows from investing activities

Proceeds from sale and maturity of investments	496,802
Purchase of investments	(541,910)
Interest received	<u>46,865</u>
Net cash used in investing activities	<u>1,757</u>

Net change in cash and cash equivalents (337,974)

Cash and cash equivalents, beginning of year 729,489

Cash and cash equivalents, end of year \$ 391,515

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 PROPRIETARY FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 Year ended June 30, 2023
 (Dollar amounts in thousands)

Reconciliation of cash and cash equivalents to
 the Statement of Net Position

Current unrestricted cash and cash equivalents	\$ 69,620
Current restricted cash and cash equivalents	2,226
Noncurrent restricted cash and cash equivalents	<u>319,669</u>
Total cash and cash equivalents	<u>\$ 391,515</u>

**Reconciliation of operating loss to net cash used in
 operating activities**

Operating loss	\$ (982,877)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	302,446
Provision for inventory obsolescence	5,034
Provision for doubtful accounts	1,132
Amortization of deferred charges	17
Loss on disposal of assets	(117)
Expenses for planning and studies	
Net effect of changes in:	
Receivables and other assets	(5,161)
Materials and supplies	(11,612)
Accounts payable and other liabilities	(10,059)
Self-insurance liabilities	(10,905)
Unearned revenue	(4,196)
Net pension liability	469,801
Deferred outflows of resources related to pensions	(373,216)
Deferred inflows of resources related to pensions	(75,026)
Net other postemployment benefits liability	(7,794)
Deferred outflows of resources related to other postemployment benefits	(7,870)
Deferred inflows of resources related to other postemployment benefits	<u>671</u>
Net cash used in operating activities	<u>\$ (709,732)</u>

Noncash transactions

Capital assets acquired with a liability at year-end	\$ 212,029
Change in fair value of investments	1,797
Amortization of long-term debt premium and discount	(28,896)
Amortization of loss on refunding of debt	1,224
Capital grants included in government receivables	358,946
Increase in right to use assets	4,025

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
FIDUCIARY FUND FINANCIAL STATEMENTS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023
(Dollar amounts in thousands)

ASSETS

Cash and cash equivalents	\$ 50,331
Receivables and other assets	
Receivable from BART	261
Interest & dividend receivables	647
Pending trades receivables	43,426
Prepaid expenses	<u>16</u>
Total receivables and other assets	<u>44,350</u>

Investments

Domestic common stocks	52,266
Foreign stocks	4,026
U.S. Treasury obligations	27,854
Mortgage Backed Securities	29,689
Mutual funds - equity	261,117
Mutual funds - fixed income securities	82,556
Corporate obligations	37,010
Foreign obligations	<u>889</u>
Total investments	<u>495,407</u>

Total assets	<u>590,088</u>
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LIABILITIES

Accounts payable	136
Pending trades payable	<u>72,669</u>
Total liabilities	<u>72,805</u>

Net position restricted for other postemployment benefits	<u><u>\$ 517,283</u></u>
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The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
FIDUCIARY FUND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year ended June 30, 2023
(Dollar amounts in thousands)

Additions

Employer contributions	\$ 36,242
Employee and retiree contributions	797
Net investment income (expense)	
Interest and dividend income	9,679
Net realized and unrealized gains (losses) on investments	43,344
Investment expense	<u>(340)</u>
Net investment income (expense)	<u>52,683</u>
 Total additions	 89,722

Deductions

Benefit payments	31,642
Legal fees	15
Audit fees	37
Insurance expense	25
Administrative fees	<u>237</u>
Total deductions	<u>31,956</u>
 Change in net position	 57,766
 Net position restricted for other postemployment benefits, beginning of year	 <u>459,517</u>
 Net position restricted for other postemployment benefits, end of year	 <u>\$ 517,283</u>

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity: The San Francisco Bay Area Rapid Transit District (the District or BART) is a public agency created by the legislature of the State of California in 1957 and regulated by the San Francisco Bay Area Rapid Transit District Act, as amended, and subject to transit district law as codified in the California Public Utilities Code. The disbursement of funds received by the District is controlled by statutes and by provisions of various grant contracts entered into with federal, state and local agencies.

Basis of Accounting and Presentation: The basic financial statements provide information about the District's Enterprise Fund and the Retiree Health Benefit Trust and Survivor Benefit Trust (the Trusts). Separate statements for each fund category – proprietary and fiduciary – are presented. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues from property taxes are recognized in the fiscal year for which the taxes are levied; revenue from sales taxes are recognized in the fiscal year when the underlying exchange takes place; revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied; and revenue from investments is recognized when earned.

The Enterprise Fund, a proprietary fund, distinguishes operating revenues and expenses from nonoperating items. The District's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for the transit operations include all costs related to providing transit services. These costs include labor, fringe benefits, materials, supplies, services, utilities, leases and rentals, and depreciation and amortization on capital assets. All other revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Trusts, fiduciary funds, are used to account for assets held by the District as a trustee to pay retiree health care premiums and survivor benefits. The assets of the Trusts cannot be used to support the District's programs. Separate financial statements are maintained for the Retiree Health Benefit Trust and Survivor Benefit Trust, the former receives contributions from the District, whereas the latter is solely funded by employee, retiree and survivor contributions.

Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments: The District records investment transactions on the trade date. Investments in nonparticipating interest-earning investment contracts (e.g. nonnegotiable certificates of deposits and guaranteed investment contracts) are reported at cost and all other investments are at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GAAP. As a matter of policy, the District usually holds investments until their maturity.

Restricted Assets: Certain assets are classified as restricted assets on the statement of net position because their use is subject to externally imposed stipulations, either by certain bond covenants, laws or regulations or provisions of debt agreements. Restricted assets are further categorized as current and non current based on the planned use, i.e., current restricted assets are expected to be consumed or realized within a year. Noncurrent restricted assets on the other hand includes cash and claims to cash that are restricted as to withdrawal or use for other than current operations, that are designated for disbursement in the acquisition or construction of noncurrent assets, or that are segregated for the liquidation of long-term debts. Cash and cash equivalent and investments specifically capital funds and debt service funds are included in the noncurrent restricted assets.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Capital Grants/Contributions: The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, the State of California, and local transportation funds for the acquisition of transit-related equipment, improvements and preventative maintenance. Capital grants receivables represent amounts expected from governmental agencies to reimburse the District for costs incurred for capital projects (Note 9) and are reported as government receivables on the statement of net position.

Materials and Supplies: Materials and supplies consist primarily of replacement parts for the system and rail vehicles, which are stated at cost using the average-cost method. Materials and supplies are expensed as consumed.

Bond Discounts, Premiums and Losses on Refunding: The bond discounts, premiums and losses on refunding are amortized over the term of the bonds as a component of interest expense. The unamortized portion of these items, except the losses on refunding, which are reported as deferred outflows of resources, are presented as an adjustment of the face amount of bonds payable.

Capital Assets: Capital assets are stated at cost (except for intangible right-to-use lease and right-to-use SBITA assets, the measurement of which is discussed in "Leases" and "SBITA's" below and in Note 5 and Note 6 or at acquisition value of donated assets and depreciated using the straight-line method over the estimated useful lives of the assets ranging from 2 to 80 years. The District's policy is to capitalize acquisitions of capital assets with a cost of \$5,000 or more and a useful life of more than one year, and all costs related to capital projects, regardless of amounts. Upon disposition, costs and accumulated depreciation/amortization are removed from the accounts and resulting gains or losses are included in operations.

The District capitalizes as intangible capital assets, internally generated intangibles such as computer software, right-to-use leased assets, and right-to-use SBITA assets. Easements and rights-of-way are capitalized and recorded as part of land and are not amortized as they have indefinite useful lives while computer software is amortized over a period of 20 years.

Major improvements and betterments to existing facilities and equipment are capitalized. Costs for maintenance and repairs that do not extend the useful life or the service utility of the applicable assets are charged to expense as incurred.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, right to use – leased assets, are depreciated/amortized using the straight-line method over the following estimated useful lives or the lease term for right of use- leased assets:

<u>Capital assets category</u>	<u>Lives in years</u>
Tangible asset	
Stations, tracks, structures and improvements	2-80
Buildings	8-80
System-wide operation and control	3-30
Revenue transit vehicles	5-40
Service and miscellaneous equipment	3-30
Capitalized construction and start-up costs	3-80
Repairable property items	5-50

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Intangible asset

Right to use - leased assets	
Land	30
Buildings	3-52
Equipment	3-5
Vehicles	2-5
Right to use - SBITAs	1.5-10
Information systems	2-20

Leases: The District has implemented GASB Statement No. 87, *Leases*, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Lessee Leases

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Key estimates and assumptions related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District's incremental borrowing rate of 3% was used as the discount rate for lessee leases entered into prior to June 30, 2022 and 4.2% for leases entered into after June 30, 2022.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with current liabilities and long term debt on the statement of net position. Please refer to Note 6 for further information.

Lessor Leases

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

(Continued)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District's incremental borrowing rate of 3% was used as the discount rate for lessor leases entered into prior to June 30, 2022 and 4.2% for leases entered into after June 30, 2022.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Please refer to Note 6 for further information.

Subscription Based Information Technology Arrangements (SBITA's):

In May 2020, the Government Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA's). The statement establishes uniform accounting and financial reporting requirements for SBITAs; improves the comparability of government's financial statements; and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. As defined in GASB Statement No. 96, paragraph 6, a SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (with underlying IT assets), as specified in the contract, for a period of time, in an exchange or exchange-like transaction.

The District is required to recognize a right-of-use (ROU) subscription assets and a corresponding subscription liability on its financial statements for SBITAs that meet the criteria.

The District has various noncancellable SBITA contracts with terms ranging from 15-111 months, for which an intangible right-to-use SBITA asset and SBITA liability has been recognized. The District recognizes SBITA liabilities with an initial, individual value of \$5,000 or more.

The District's incremental borrowing rate of 3% was used as the discount rate for SBITAs entered into prior to June 30, 2022 and 4.2% for SBITAs entered into after June 30, 2022.

Public-Private and Public-Public Partnerships and Availability Payment Arrangements:

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships* (PPPs or P3s) and *Availability Payment Arrangements* (APAs). The primary objective of this Statement is to improve financial reporting by addressing issues related to PPPs. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. APAs are considered a financing transaction. The District has no contract that meets APA criteria as of the GASB 94 implementation date.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Beginning July 1, 2022, if ownership on improvements constructed by the operator (e.g., parking garage, housing, retail space, etc.) under a TOD ground lease arrangements transfers to BART at the end of the lease, the District is required to recognize the estimated net book value of the capital asset as a PPP receivable. In addition, the District recognizes a receivable for any installment payments at the present value of PPP payments expected to be received during the PPP term.

The District recognizes a corresponding deferred inflow of resources when the assets are placed in service. PPP revenue is recognized as the deferred inflow of resources is amortized over the PPP or ground lease term.

Unearned Revenue: Unearned revenue consists of (1) prepayments of revenues related to license fees paid by telecommunication companies for the use of the District's right of way for wireless accessibility to their customers; (2) estimated passenger tickets sold but unused; (3) advances received from grant agreements; and (4) value of property received in exchange for the District's property not yet transferred at the end of the fiscal year. The detailed balances of unearned revenue as of June 30, 2023, is presented below (dollar amounts in thousands):

	<u>Current</u>	<u>Non Current</u>	<u>Total</u>
Telecom & Cell Site license fees	\$ 4,213	\$ 16,263	\$ 20,476
Passenger/Parking tickets	18,311	-	18,311
Grant advances	337	3,747	4,084
Property exchange*	30,110	-	30,110
VTA advances	7,880	-	7,880
Other Advances	<u>1,836</u>	<u>-</u>	<u>1,836</u>
 Total	 <u>\$ 62,687</u>	 <u>\$ 20,010</u>	 <u>\$ 82,697</u>

*Transaction related to the Richmond parking garage and parcel exchange that has not been fully transferred yet. Please refer to Note 16 for further information.

Compensated Absences: Compensated absences are reported and accrued as a liability in the period incurred. Compensated absences have a total balance of \$80,118,000 as of June 30, 2023, and are shown in the statement of net position under accounts payable and other liabilities (see Note 8) as follows (dollar amounts in thousands):

Compensated Absences July 1, 2022	\$ 78,355
Leave benefits earned	64,122
Leave benefits used	<u>(62,359)</u>
Compensated Absences June 30, 2023	80,118
Less: Noncurrent portion	<u>52,559</u>
 Current portion of Compensated Absences	 <u>\$ 27,559</u>

(Continued)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Pollution Remediation: The recognition of pollution remediation obligations (including contamination) address the current or potential detrimental effects of existing pollution by estimating costs associated with participating in pollution remediation activities, such as site assessments and cleanups. There are no known material remediation obligations that the District is currently or potentially involved in.

Net Position: Net investment in capital assets include capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Restricted net position consists of assets where constraints on their use are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restricted net position includes amounts restricted for debt service and other liabilities. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets. This net position component includes net position that has been designated by management for specific purposes, which in the case of the District include allocations to fund capital projects, and other liabilities, which indicate that management does not consider them to be available for general operations. Generally, the District's policy is to spend restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Transactions and Use Tax (Sales Tax) Revenues: The State of California legislation authorizes the District to impose a 0.5% transaction and use tax within District boundaries, which is collected and administered by the State Board of Equalization. Of the amounts available for distribution, 75% is paid directly to the District for the purpose of paying operating expenses, except for the portion that is paid directly to trustees to cover principal and interest payments of maturing sales tax revenue bonds. The remaining 25% is allocated by the Metropolitan Transportation Commission (MTC) to the District, the City and County of San Francisco, and the Alameda-Contra Costa Transit District for transit services. The District records the total transactions and use taxes earned (including amounts paid to the trustees) as nonoperating revenue.

Property Taxes, Collection and Maximum Rates: The State of California Constitution Article XIII.A provides that the general purpose maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII.A and may be adjusted by no more than 2% per year, unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the counties, cities, school districts and other districts, such as the District.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The District receives an allocation of property tax revenues for transit operations. Additionally, beginning in fiscal year 2006, the District received property tax allocations for the debt service payments on Measure AA General Obligation Bonds. Beginning in fiscal year 2018, the District also received property tax allocation for the debt service of Measure RR General Obligation Bonds. As required by the law of the State of California, the District utilizes the services of each of the three BART Counties of Alameda, Contra Costa and San Francisco for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as county, school district and other special district taxes. Property taxes are recorded as revenue in the fiscal year of levy. Assessed values are determined annually by the Assessor's Offices of City and County of San Francisco, County of Alameda and County of Contra Costa on January 1, and become a lien on the real properties at January 1. The levy date for secured and unsecured properties is July 1 of each year. Secured taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent after August 31.

Operating Financial Assistance: Financial assistance grants for operations from federal, state and local agencies are reported as nonoperating revenue in the period in which all eligibility requirements have been satisfied (Note 11).

Collective Bargaining: Approximately 87% of the District's employees are subject to collective bargaining. The current bargaining units consist of the following:

- American Federation of State, County and Municipal Employees (AFSCME), Local 3993
- Amalgamated Transit Union (ATU), Local 1555
- Service Employees International Union (SEIU), Local 1021
- BART Police Officers Association (BPOA)
- BART Police Managers Association (BPMA)

Capitalized Costs: The District initially charges employee salaries, wages and benefits to operating expenses by functional expense category. Labor costs included in those amounts that are associated with capital projects are subsequently adjusted to be included in the cost of the related capital asset. This adjustment is reflected in the statement of revenues, expenses and change in net position as a reduction of operating expenses.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's Pension Plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by California Public Employees' Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms.

Other Post-Employment Benefits (OPEB): The District currently has the following OPEB Plans: Retiree Health Benefit Plan, Survivor Benefit Plan and Life Insurance. For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, information about the fiduciary net position of the District's OPEB Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans Benefit payments and contribution due from employer or retirees and survivors (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

New Accounting Pronouncements:

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The District adopted this statement in fiscal year 2023. The adoption of the standard had no impact on the District's financial statements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*, establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The District adopted this standard for the fiscal year ended June 30, 2023. Upon adoption of GASB 96 on July 1, 2022, the District recognized a PPP receivable and deferred inflow of resources of \$39,925,000.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, establishes standards of accounting and financial reporting for SBITAs by a government end user (a government). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Upon adoption of GASB 96 on July 1, 2022, the District recognized \$3,317,000 of right to use SBITA assets and SBITA liabilities. The transition accounts and amounts related to SBITA is presented below (dollar amounts in thousands):

Right to use- subscription assets	3,317
Long term subscription liability	(1,800)
Short term subscription liability	(1,517)

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement are effective as follows: (a) The requirements in paragraph 26-32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by the pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. (b) The requirements in paragraphs 11-25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (c) The requirements in paragraphs 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District adopted paragraphs 26-32 in fiscal year 2022 and paragraphs 11-25 in fiscal year 2023. The adoption of the above requirements has no impact on the District's financial statements. Management is currently evaluating the effect of the remaining paragraphs of this statement on the District's financial statements.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and errors corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this statement on the District's financial statements.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences and associated salary-related payments by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statements are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this statement on the District's financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents, and Investments of the Enterprise Fund

Cash, cash equivalents and investments are reported in the Enterprise Fund as follows (dollar amounts in thousands):

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash and cash equivalents	\$ 69,620	\$ 321,895	\$ 391,515
Investments	<u>841,073</u>	<u>453,791</u>	<u>1,294,864</u>
Total	<u>\$ 910,693</u>	<u>\$ 775,686</u>	<u>\$ 1,686,379</u>

In March 2019, the Board approved the creation of Pension Funding Policy and an Internal Revenue Service (IRS) Section 115 Irrevocable Supplemental Pension Trust for the purpose of providing additional funds to pay down the District's liability base or be used as stabilization fund if the required CalPERS pension contributions exceed the budgeted projections. In fiscal year 2023, an additional \$3,333,000 was deposited to the Section 115 account for allocations made in fiscal year 2022 and investment income of \$213,000 was recognized by the Trust. The balance of Section 115 Irrevocable Supplemental Pension Trust account as of June 30, 2023 was \$38,081,000 and is reflected as part of restricted cash and cash equivalents.

Investment Policy: The California Public Utilities Code, Section 29100, and the California Government Code (CGC), Section 53601, provide the basis for the District's investment policy. To meet the objectives of the investment policy – (1) preservation of capital, (2) liquidity, and (3) yield – the investment policy, approved by the Board of Directors, specifically identifies the types of permitted investments, as well as any maturity limits and other restrictions. The following table presents the authorized investment, requirements, and restrictions per the CGC and the District's investment policy:

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investment Type	Maximum Maturity (1)		Maximum % of Portfolio		% with One Issuer		Minimum Rating (2)	
	CGC	District	CGC	District	CGC	District	CGC	District
U.S. Treasury Obligations (bills, bonds, or notes)	5 years	5 years	None	None	None	None	None	None
U.S. Agencies	5 years	5 years	None	None	None	None	None	None
Bankers' Acceptances	180 days	180 days	40%	40%	30%	30%	None	None
Commercial Paper (3)	270 days	270 days	25%	25%	10%	10%	P1	P1
Negotiable Certificates	5 years	5 years	30%	30%	None	None	None	None
Repurchase Agreements	1 year	1 year	None	None	None	None	None	None
Reverse Repurchase Agreements	92 days	90 days	20%	20%	None	None	None	None
Local Agency Investment Fund	N/A	N/A	None	20%	None	None	None	None
Non-Negotiable Time Deposits	5 years	5 years	30%	30%	None	None	None	None
Medium Term Notes/Bonds (3)	5 years	5 years	30%	30%	None	None	A	A
Municipal Securities of California Local Agencies	5 years	5 years	None	None	None	None	None	None
Mutual Funds	N/A	N/A	20%	20%	10%	10%	AAA	AAA
Notes, Bonds, or Other Obligations	5 years	5 years	None	None	None	None	None	None
Mortgage Pass-Through Securities	5 years	5 years	20%	20%	None	None	AAA	AAA
Financial Futures (3)	N/A	N/A	None	None	None	None	None	None

Footnotes

- (1) In the absence of a specified maximum, the maximum is 5 years.
(2) Minimum credit rating categories include modifications (+/-).
(3) District will not invest in these investment types unless specifically authorized by the Board.

Investments Authorized by Debt Agreements: The District must maintain required amounts of cash and investments with fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds and funds set aside for debt service. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Securities of the U.S. Government and its agencies	None	None	None	None
Housing Authority Bonds or project notes issued by public agencies or municipalities fully secured by the U.S.	None	None	None	None
Obligations of any state, territory, or commonwealth of the U.S. or any agency or political subdivisions thereof	None	Aa1/AA+	None	None
Collateralized time deposits	None	A-1	None	None
Commercial paper	None	Aaa/AAA	None	None
Repurchase agreements	None	None	None	None
Money market mutual funds	None	None	None	None
Investment agreements	None	Aa1/AA+	None	None
Other investments approved by the Board that will not adversely affect ratings on bonds	None	None	None	None
Corporate bonds, notes, and debentures	None	Aa1/AA+	None	None
Local Agency Investment Fund	None	None	None	None

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. One of the District's primary objectives is to provide sufficient liquidity to meet its cash outflow needs, however, the District does not have any policies specifically addressing interest rate risk, except as outlined in the CGC. A summary of investments by type of investments and by segmented time distribution as of June 30, 2023, is as follows (dollar amounts in thousands):

	<u>Total</u>	Investment Maturities (in Years)	
		<u>Less Than 1</u>	<u>1 - 5</u>
Money market mutual funds*	\$ 266,976	\$ 266,976	\$ -
U.S. Treasuries	420,079	420,079	-
U.S. government agencies	835,975	835,975	-
Commercial paper	47,930	47,930	-
Certificates of deposit	730	730	-
	<u>1,571,690</u>	<u>\$ 1,571,690</u>	<u>\$ -</u>
Total investments subject to interest rate risk	1,571,690	\$ 1,571,690	\$ -
Deposits with banks	74,170		
Mutual funds	38,079		
Imprest funds	2,440		
	<u>1,686,379</u>		
Total cash and investments	<u>\$ 1,686,379</u>		

* Weighted-average maturity

Credit Risk: The District's credit rating risk is governed by Section 53601 of the CGC which, among others, limits investments in money market mutual funds to those funds with the highest evaluations granted by the rating agencies, which is AAAM. There are no investment limits on the securities of U.S. Treasury or certain U.S. government agencies that are backed by the full faith and credit of the United States government. The following is a summary of the credit quality distribution for securities with credit exposure as rated by Standard & Poor's, Fitch Ratings and/or Moody's as of June 30, 2023 (dollar amounts in thousands):

	<u>Total</u>	Credit Ratings			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Money market mutual funds	\$ 266,976	\$ 266,976	\$ -	\$ -	\$ -
U.S. Treasuries	420,079	420,079	-	-	-
U.S. government agencies	835,975	835,975	-	-	-
Commercial paper	47,930	47,930	-	-	-
Mutual funds	38,079	-	-	-	38,079
Certificates of deposit	730	-	-	-	730
	<u>1,609,769</u>	<u>\$ 1,570,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,809</u>
Total investments subject to credit risk	1,609,769	\$ 1,570,960	\$ -	\$ -	\$ 38,809
Deposits with banks	74,170				
Imprest funds	2,440				
	<u>1,686,379</u>				
Total cash and cash equivalents and investments	<u>\$ 1,686,379</u>				

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value Hierarchy: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the District does not value any of its investments using Level 3 inputs).

The following is a summary of the fair value of investments of the District as of June 30, 2023 (dollar amounts in thousands):

<u>Investments by Fair Value Level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Money market mutual funds	\$ 266,976	\$ 255,496	\$ 11,480
U.S. Treasuries	420,079	420,079	-
U.S. government agencies	835,975	-	835,975
Commercial paper	47,930	-	47,930
Mutual funds	38,079	38,079	-
Total investments at fair value	1,609,039	\$ 713,654	\$ 895,385
Excluded from fair value hierarchy reporting:			
Certificate of deposit	730		
Total investments	\$ 1,609,769		
Cash and cash equivalents			
Deposits with banks	74,170		
Imprest funds	2,440		
Total cash and cash equivalents and investments	\$ 1,686,379		

Investments valued at \$713,654,000 in fiscal year 2023 are classified in Level 1 of the fair value hierarchy. This asset category consists of U.S. Treasury securities, mutual funds and some money market mutual funds which are valued using Institutional Bond quotes, i.e., quoted market prices in active markets.

Investments valued at \$895,385,000 in fiscal year 2023 are classified in Level 2 of the fair value hierarchy. Fair value was determined using Matrix Pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Concentration of Credit Risk: The District does not have a policy to limit investments in any one issuer to no more than 5% of the total portfolio. However, the District is required to disclose investments that represent a concentration of 5% or more of investments in any one issuer other than U.S. Treasury obligations and pooled investments. The District has investments in FHLB of \$791,428,000 as of June 30, 2023, which exceed 5% of total investments.

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The CGC Section 53652 requires California banks and savings and loan associations to secure governmental deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure governmental deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. Such collateral is considered to be held in the District's name.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk – Investments: For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the District may not be able to recover the value of its investments. The exposure to the District is limited as the District's investments are held in the District's name by a third-party safe-keeping custodian that is separate from the counterparty or in the custody of a trust department, as required by bond covenants.

Investments of the Retiree Health Benefit Trust and Survivor Benefit Trust

Investment Policy: The investment objective of the Trusts is to achieve consistent long-term growth for the Trusts and to maximize income consistent with the preservation of capital for the sole and exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Trusts. The District's Board of Directors establishes the general investment policy and guidelines for the Trusts. Allowable investments under the Trusts investment guidelines include:

- Cash equivalents such as U.S. Treasury bills, money market mutual funds, short-term interest fund (STIF) trusts, commercial paper rated A1/P1, banker's acceptances, certificates of deposits and repurchase agreements;
- Fixed income securities, which include U.S. agency and corporation bonds (including Yankees) and preferred stock and Rule 144A issues, and mortgage or asset-backed securities; and
- Equity securities, including U.S. traded common, preferred stocks and convertible stocks and bonds, including American Depository Receipts.

Interest Rate Risk: The Trusts' investment policies mitigate exposure to changes in interest rates by requiring that the assets of the Trust be invested in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Equity securities	45%	70%	60%
Fixed income securities	25%	45%	35%
Cash equivalents	3%	10%	5%

Fixed income securities have the following maturity restrictions: (1) maximum maturity for any single security is 40 years, and (2) the weighted average portfolio maturity may not exceed 25 years.

A summary of investments by type of investments and by segmented time distribution as of June 30, 2023, is as follows (dollar amounts in thousands):

	<u>Total</u>	<u>Investment Maturities</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
U.S. Treasury obligations	\$ 27,854	\$ 11,464	\$ 1,804	\$ 5,860	\$ 8,726
Mortgage backed securities	29,689	5	-	1,007	28,677
Corporate obligations	37,010	-	11,610	17,194	8,206
Foreign obligations	889	-	-	889	-
Total investments subject to interest rate risk	95,442	\$ 11,469	\$ 13,414	\$ 24,950	\$ 45,609
Domestic common stocks	52,266				
Foreign stocks	4,026				
Mutual funds - equity	261,117				
Mutual funds - fixed income securities	82,556				
Money market mutual funds & cash in banks	50,331				
Total cash and cash equivalents and investments	\$ 545,738				

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: The Trusts' credit risk policy is defined in its Statement of Investment Policy approved by the District's Board of Directors. The policy states that the Board recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Trusts' objectives and that the Trusts' investment managers are expected to make reasonable efforts to control risk. The investment policy requires that all of the Trusts' assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Trusts, with minimal impact on market prices. The investment policy also demands that no single investment shall exceed five percent of the total Trusts assets, at market value, except obligations of the U.S. government, short-term money market funds, index funds and other diversified commingled accounts; and for actively managed equity accounts, where, for issues that comprise more than 4% of the account's stated benchmark, the limit shall be 125% of the weight of the common stock benchmark.

The following is a summary of the credit quality distribution for securities with credit exposure as rated by Standard & Poor's and/or Moody's as of June 30, 2023 (dollar amounts in thousands):

	Total	Credit Ratings					Not Rated
		AAA	AA	A	BBB		
U.S. Treasury obligations	\$ 27,854	\$ 27,854	\$ -	\$ -	\$ -	\$ -	-
Mortgage backed securities	29,689	29,689	-	-	-	-	-
Corporate obligations	37,010	12,728	730	11,173	12,379	-	-
Foreign obligations	889	-	-	536	353	-	-
Mutual funds - fixed income securities	82,556	-	-	-	-	-	82,556
Total investments subject to credit risk	177,998	\$ 70,271	\$ 730	\$ 11,709	\$ 12,732		\$ 82,556
Domestic common stocks	52,266						
Foreign stocks	4,026						
Mutual funds - equity	261,117						
Money market mutual funds & cash in banks	50,331						
Total cash and cash equivalents and investments	\$ 545,738						

Fair Value Hierarchy: The Trusts categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the Trusts as of June 30, 2023 (dollar amounts in thousands):

<u>Investments by Fair Value Level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Domestic common stocks	\$ 52,266	\$ 52,266	\$ -
Foreign stocks	4,026	4,026	-
U.S. Treasury obligations	27,854	27,854	-
Mortgage backed securities	29,689	-	29,689
Mutual funds - equity	261,117	261,117	-
Mutual funds - fixed income securities	82,556	82,556	-
Corporate obligations	37,010	-	37,010
Foreign obligations	889	-	889
Total investments at fair value	\$ 495,407	\$ 427,819	\$ 67,588
Money market mutual funds & cash in banks	50,331		
Total cash and cash equivalents and investments	\$ 545,738		

Investments classified in Level 1 of the fair value hierarchy valued at \$427,819,000 in fiscal year 2023 are valued using quoted prices in active markets.

Investments amounting to \$67,588,000 in fiscal year 2023 are classified under Level 2 of the fair value hierarchy and are valued using matrix pricing, which is used to value securities based on the securities' relationship to benchmark quoted prices.

Concentration of Credit Risk: The Trusts' investment policies mitigate exposure to concentration of credit risk by diversifying the portfolio and limiting investments in any one issuer to no more than 5% of the total portfolio with the following exceptions: obligations of the U.S. Government, diversified short term money market funds, index funds, other diversified comingled accounts and actively managed equity accounts. As of June 30, 2023, none of the investments exceed 5% of total investments or 5% of the fiduciary net position except pooled investments.

Custodial Credit Risk – Investments: For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the Trusts may not be able to recover the value of its investments. The exposure to the Trusts is limited as the Trusts' investments are in the custody of a third-party custodian that is separate from the counterparty.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 – RECEIVABLES AND OTHER ASSETS

Amounts other than leases and PPP receivables are aggregated into a single accounts receivables and other assets account (net of allowance for doubtful accounts) in the statement of net position as of June 30, 2023 (dollar amounts in thousands):

Prepaid expenses	\$ 18,040
Deposit for Power Supply	14,525
Property tax receivables	8,711
Contract Warranty Receivable	4,951
Imprest deposits for self-insurance liabilities	4,470
Interest receivable	7,204
Capitol Corridor Joint Powers Authority receivable (Note 16)	2,044
Telecommunications	2,870
Other	12,052
Allowance for doubtful accounts	<u>(3,495)</u>
 Total receivables and other assets	 <u><u>\$ 71,372</u></u>
 Current, unrestricted portion	 \$ 49,510
Current, restricted portion	7,286
Noncurrent, unrestricted portion	51
Noncurrent, restricted portion	<u>14,525</u>
 Total receivables and other assets	 <u><u>\$ 71,372</u></u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – CAPITAL ASSETS

Changes to capital assets during the fiscal year ended June 30, 2023, were as follows (dollar amounts in thousands):

	July 1, <u>2022</u>	Additions and <u>Transfers</u>	Retirements and <u>Transfers</u>	June 30, <u>2023</u>
Capital assets, not being depreciated or amortized				
Land and easements	\$ 719,632	\$ -	\$ -	\$ 719,632
Construction in progress	1,869,708	886,144	(975,315)	1,780,537
Total capital assets, not being depreciated or amortized	2,589,340	886,144	(975,315)	2,500,169
Capital assets, being depreciated and amortized				
Tangible asset				
Stations, track, structures and improvements	6,899,057	610,466	(16)	7,509,507
Buildings	595,153	1,370	-	596,523
System-wide operation and control	762,004	11,809	(183)	773,630
Revenue transit vehicles	1,580,862	279,772	(225,270)	1,635,364
Service and miscellaneous equipment	465,103	39,460	(557)	504,006
Capitalized construction and start-up costs	680,369	2,319	-	682,688
Repairable property items	777,120	25,392	(243)	802,269
Intangible assets				
Right to use - leased assets				
Land	1,132	-	-	1,132
Buildings	58,841	1,635	(2)	60,474
Equipment	1,264	1,108	(34)	2,338
Vehicles	18,712	2,493	(176)	21,029
Right to use - SBITA*	3,317	6,805	-	10,122
Information systems	73,353	4,727	-	78,080
Total capital assets, being depreciated and amortized	11,916,287	987,356	(226,481)	12,677,162
Less accumulated depreciation and amortization				
Tangible asset				
Stations, track, structures and improvements	(1,726,249)	(148,073)	(69)	(1,874,391)
Buildings	(35,479)	(9,072)	-	(44,551)
System-wide operation and control	(628,066)	(18,569)	183	(646,452)
Revenue transit vehicles	(841,726)	(30,593)	225,270	(647,049)
Service and miscellaneous equipment	(337,603)	(18,590)	555	(355,638)
Capitalized construction and start-up costs	(355,013)	(28,867)	-	(383,880)
Repairable property items	(191,783)	(32,486)	152	(224,117)
Intangible asset				-
Right to use - leased assets				
Land	(206)	(103)	1	(308)
Buildings	(5,099)	(2,870)	-	(7,969)
Equipment	(583)	(545)	34	(1,094)
Vehicles	(6,191)	(5,569)	205	(11,555)
Right to use - SBITA	-	(2,275)	-	(2,275)
Information systems	(40,410)	(4,827)	-	(45,237)
Total accumulated depreciation and amortization	(4,168,408)	(302,439)	226,331	(4,244,516)
Total capital assets, being depreciated and amortized, net	7,747,879	684,917	(150)	8,432,646
Total capital assets, net	\$ 10,337,219	\$ 1,571,061	\$ (975,465)	\$ 10,932,815

*Implementation of GASB 96

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – CAPITAL ASSETS (Continued)

To replace the District's aging fleet of revenue rail vehicles, on May 10, 2012, the Board of Directors authorized the award of a contract to Bombardier Transit Corporation for the procurement of additional and replacement cars. The base contract provides for the design, engineering, manufacture, testing, supply spare parts, special tools, test equipment, cab simulator, documentation, drawings, program management, in-service support, warranty, training and data submittal, management and support of 260 heavy rail transit vehicles, with several options to procure additional vehicles thereafter, including two options for 150 vehicles, one option for 115 vehicles, and one option for 100 vehicles. The District awarded the base contract for 260 vehicles and exercised options to the additional vehicles for a total purchase of 775 vehicles, comprised of 310 "D" (control cab-equipped) and 465 "E" (non-control) cars. The total project cost for the 775 vehicles is approximately \$2,190,000,000 and is being paid from funding sources including funds from FTA, MTC, VTA and from the District. In addition to the 775 new vehicles on order, the District plans to acquire an additional 425 new cars to enable a peak capacity of 30 scheduled ten-car trains per hour via the Transbay Tube, for the network as expanded to Santa Clara by Phase II of the Silicon Valley Extension. These additional cars will be all "E" (non-control cars), which will bring the revenue fleet to 310 "D" and 890 "E" cars, for a total of 1,200 cars. As of June 30, 2023, a total of 476 cars have been delivered and deployed in revenue service.

At an election held on November 8, 2016, the District obtained an authorization to issue General Obligation Bonds (Measure RR) up to \$3,500,000,000 to finance its System Renewal Program in order to keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; and to address critical infrastructure needs which include replacing and upgrading 90 miles of severely worn tracks, tunnels damaged by water intrusion, 44-year old train control systems, and other deteriorating infrastructure. Please see Note 9 for a summary of major projects and related expenses funded by Measure RR.

A portion of assets capitalized in fiscal years 2021 through 2023 relate to the cost of the BART Headquarters (BHQ). The purchase price and build out cost for the new building was financed through the issuance of the 2019A Sales tax revenue bonds (see Note 9). Detail of assets capitalized as of June 30, 2023 is presented below (dollar amounts in thousands):

Land	\$ 27,651
Building and improvement	193,298
Technology and fixtures	<u>1,147</u>
 Total	 <u><u>\$ 222,096</u></u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – CAPITAL ASSETS (Continued)

Construction in progress with a balance of \$1,780,537,000 as of June 30, 2023, is composed of the following projects (dollar amounts in thousands):

<u>Project ID</u>	<u>Project name</u>	<u>Project balance</u>
49GH004	CBTC - CIG	\$ 170,851
40FA001	Rail Car Procurement	149,253
15EJRRR	A-Line 34.5kV AC Cable Replace	118,571
40FA000	775 CAR ACQUISITION PLANNING	108,103
15EKRR1	TP-Switch Stations & Gap Break	63,352
15EJRRR	R-Line 34.kV AC Cable Replace	62,703
15EK600	Substation for Core Capacity	60,835
09EK300	EMERG GENERATOR-FOR TBT	57,575
40FD001	New Car Phase II procurement	57,104
49GH000	Train Control Mod - CENGR	52,811
15LK002	San Francisco Escalator Repl	41,995
15TC002	Renewal of Tunnels & Structures	38,429
15EK350	Substn Replace/Install Grp II	37,271
01RQ100	HMC Phase 2 Preliminary Eng'r	32,976
15CQ012	A77 Interlocking Replacement	31,228
01RQ103	HMC East Storage Yard	30,404
15LK001	Canopy/Escalators Replacement	29,474
15TC007	Aerial Fall Protection	27,416
15IIRR1	Stations, Emergency Lighting	25,781
15IF003	Powell Street - Gateway Stn	23,329
15EJRRR	C-Line 34.5kV AC Cable Replace	23,312
15CQ008	KLine Interlocks K23, K25, K33C15	21,933
15ELRR1	MPR Install & Rectifier Rehab	20,620
47CJ014	Fare Gate Renovation & Rehab	17,361
02DD000	WSX Irvington Station Design	15,918
09AU000	TBT RETROFIT #1 (UNDERWATER)	14,190
47CJ016	Clipper C2 Upgrade Prog Integ	13,763
15CQ007	Oakland Yard Tracks Project	13,034
20AJ003	Replace Trunked Radio SWD Ph1	11,689
15EJRRK	K-Line 34.5kV AC Cable Replace	11,111
49GH006	CBTC Enabling Works (49GH-130)	10,033
15TC023	Fences Systemwide	9,822
15IJ200	Stat Fire Alrm Repl R&K Line	9,618
15EK201	TRAC/POWER Portable Substation	9,478
54RR260	FIRE SERVICES YARDS_OHY	9,311
15TD003	FY 2018 NRVE Procurement	9,174

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 – CAPITAL ASSETS (Continued)

<u>Project ID</u>	<u>Project name</u>	<u>Project balance</u>
60CC004	Renewal and Upgrade OCC	\$ 8,965
15NU002	Accessibility Improvement Prog	8,897
15EK601	TCCP EB TPSS Procu & Install	8,547
15TD000	WAYSIDE EQUIPMENT FY06	8,460
40FA002	New Car Warranty-Reimbursable	8,111
60CC002	Transit Operations Facility	6,964
15EK200	TRCT/POWER SUBST RENOV-PROCURE	6,963
79NKRR1	Train Control Rm UPS System	6,959
54RR350	TURNTABLE REP BACKLOG-OCY/ORY	6,411
15AARR1	Tunnel LED Lighting Upgrade	6,244
60CC000	New OCC	6,090
45GA000	Station Hardening	5,311
15JA001	Garage LED Lighting	5,311
15ELRR2	34.5kV Blocking Scheme Syswide	5,252
47CJ011	BHU Replacement - Phase 1	5,166
59CT001	Wayfinding Improvements Phase3	5,140
15QN004	ROW FENCING REPLACEMENT	4,853
20AJ001	ENG SVS PHASED RADIO REPLCMNT	4,794
03QJ001	CONCORD TRUING MACHINE	4,404
57RR204	N Berkeley Stn Access Improv	4,403
79PB000	CONV TO DIGITAL CCTV - SF STAN	4,073
15QN003	Tunnel Waterproof W Line	3,655
15CH001	Tail TrackExt- Dublin&Millbrae	3,585
15TC004	Water Intrusion Train Control	3,531
15CQ018	Rail Relay	3,483
01ZP000	OAC CARP Work	3,480
59CT002	Wayfinding Improve Phase IV	3,182
20LN001	Wayside Line Repl Unit Wayside	3,157
03SO003	Concord Station Modernization	3,064
15IJRR2	Fire Alarm Replacement Ph 3	3,049
11FE001	EMB New Platform Elevator	3,006
	Others	<u>176,198</u>
Total Construction in Progress June 30, 2023		<u>\$ 1,780,536</u>

The District has entered into contracts for the construction of various facilities and equipment totaling approximately \$2,914,725,000 at June 30, 2023.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - LEASES

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Starting in fiscal year 2022, the District adopted GASB 87.

Lessee:

The District is lessee on various noncancellable leases of non-revenue vehicles, warehouse storage space, office and miscellaneous equipment, and parcels used for parking. The lease term ranges from 24 to 624 months, with monthly payments ranging from \$104 to \$208,000. The District recognizes a lease liability and an intangible right-to-use leased asset with an initial, individual value of \$5,000 or more.

Activity in right to use leased assets and related accumulated amortization is presented below (dollar amounts in thousands):

	Right to use - leased assets <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	Right to use - leased assets <u>June 30, 2023</u>	<u>Amortization</u>	Net right to use - leased assets <u>June 30, 2023</u>
Land	\$ 1,132	\$ -	\$ -	\$ 1,132	\$ (308)	\$ 824
Building	58,841	1,635	(2)	60,474	(7,969)	52,505
Equipment	1,264	1,108	(34)	2,338	(1,094)	1,244
Vehicle	18,712	2,493	(176)	21,029	(11,555)	9,474
Total	<u>\$ 79,949</u>	<u>\$ 5,236</u>	<u>\$ (212)</u>	<u>\$ 84,973</u>	<u>\$ (20,926)</u>	<u>\$ 64,047</u>

Activity in lease liabilities is presented below (dollar amounts in thousands):

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
Total lease liabilities	<u>\$ 69,701</u>	<u>\$ 5,262</u>	<u>\$ (8,416)</u>	<u>\$ 66,547</u>

Future payments under noncancelable lessee leases at June 30, 2023 are as follows (dollar amounts in thousands):

<u>Year ending June 30</u>	Lease <u>Commitments</u>	<u>Principal</u>	<u>Interest Payment</u>
2024	\$ 10,497	\$ 8,592	\$ 1,905
2025	7,946	6,287	1,659
2026	4,947	3,444	1,503
2027	3,936	2,519	1,417
2028	3,488	2,143	1,345
2029-2033	14,567	8,698	5,869
2034-2038	12,638	7,984	4,654
2039-2043	12,500	9,121	3,379
2044-2048	12,500	10,595	1,905
2049-2053	<u>7,500</u>	<u>7,164</u>	<u>336</u>
Total minimum rental payments	<u>\$ 90,519</u>	<u>\$ 66,547</u>	<u>\$ 23,972</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 – LEASES (Continued)

Lessor:

The District is the lessor for a noncancellable leases of parcels of land (ground lease) and office space. The District recognized a lease receivable of \$88,937,000 and a deferred inflow of resources of \$132,049,000 in the statement of financial position as of June 30, 2023. The District recognized \$1,487,000 in lease revenue and \$2,326,000 in interest revenue on leases for the year ended June 30, 2023. Listed below are the various lessor leases with cash consideration for office and ground lease that the District have with corresponding contract terms:

<u>Lease Description</u>	<u>Asset Category</u>	<u>Contract Start Date</u>	<u>Contract End Date</u>
Asian Health Services - 101 8th Street Oakland, CA 94607	Building	10/31/2022	10/31/2025
BikeHub, Inc. - 1775 and 1773 Broadway Oakland, CA 94612	Building	7/1/2022	6/30/2025
Coliseum Transit Village One, LP - Coliseum Station Oakland, CA 94611	Land	8/31/2017	8/30/2083
1.80 Acres - Fruitvale Development Corp., Inc.	Land	12/9/2003	12/8/2078
1.84 Acres - Gateway Millbrae Office LLC - Office	Land	12/1/2019	11/30/2118
1.96 Acres - Gateway Millbrae Hotel Development LLC - Hotel	Land	12/1/2019	11/30/2118
2.75 Acres - Gateway Millbrae Residential LLC - Market Rate Housing	Land	12/1/2019	11/30/2118
Metropolitan Transportation Commission - Freeway Lease Area #04-ALA-880-50	Land	2/1/2020	9/30/2024
Richmond Business Hub, LLC - 1500 MacDonald Ave. Richmond, CA 94801	Land	8/30/2019	8/31/2029
Walnut Creek Transit Lifestyle Associates, LLC - STATE HWY 680 Walnut Creek, CA 94596	Land	2/1/2020	9/7/2083
1393 - Workday Inc. - 6002 Stoneridge Mall Road Pleasanton, CA 94588	Land	1/30/2014	12/31/2108

NOTE 6 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA's)

The District has entered into numerous subscription based information technology arrangements. The District has evaluated and reported these agreements under GASB Statement No. 94, *Subscription Based Information Technology Arrangements*. As of June 30, 2023, the District recorded the following SBITA's (dollar amounts in thousands):

<u>Year ending June 30</u>	<u>SBITA Commitments</u>	<u>Principal</u>	<u>Interest Payment</u>
SBITA Liabilities	\$ 3,946	\$ 3,906	\$ 40

Future payments under noncancelable SBITA contracts at June 30, 2023 are as follows (dollar amounts in thousands):

<u>Year ending June 30</u>	<u>SBITA Commitments</u>	<u>Principal</u>	<u>Interest Payment</u>
2024	\$ 2,126	\$ 1,861	\$ 265
2025	1,714	1,528	186
2026	1,284	1,164	120
2027	1,003	932	71
2028	193	162	31
2029-2033	619	569	50
Total minimum subscription payments	<u>\$ 6,939</u>	<u>\$ 6,216</u>	<u>\$ 723</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS

The District has various agreements which have been evaluated and reported under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. As of June 30, 2023, the District recorded the following PPP's (dollar amounts in thousands):

<u>PPP Transit Oriented Development Project</u>	<u>Description</u>	<u>Remaining Ground lease term as of June 30, 2023 (in years)</u>	<u>Long term receivable-PPP as of June 30, 2023</u>
Coliseum	Affordable and Market Rate Housing, Retail and Parking	60	\$ 11,041
Fruitvale Phase I	Affordable and Market Rate Housing, Retail and Community Service	55	3,262
Walnut Creek Parcel 1	Parking, Police Zone Command Facility, Intermodal Bus Facility & Offsite Improvement	60	9,485
Castro Valley	Affordable Housing	49	773
San Leandro Phase I	Affordable Housing	56	11,958
San Leandro Phase I	BART Patron Parking	56	1,630
San Leandro Phase II	Senior Housing	59	1,544
San Leandro Phase II	Parking	59	232

NOTE 8 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

The District reports the following aggregated payables as accounts payable and other liabilities in the statement of net position as of June 30, 2023 (dollar amounts in thousands):

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Payable to vendors and contractors	\$ 204,062	\$ 3,055	\$ 207,117
Employee salaries and benefits	30,457	-	30,457
Accrued compensated absences	27,559	52,559	80,118
Accrued interest payable	<u>54,630</u>	<u>4</u>	<u>54,634</u>
Liabilities at the end of year	<u>\$ 316,708</u>	<u>\$ 55,618</u>	<u>\$ 372,326</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT

Long-term debt activity for the fiscal year ended June 30, 2023 is summarized as follows (dollar amounts in thousands):

	July 1, <u>2022</u>	<u>Additions</u>	Payments/ <u>Amortization</u>	June 30, <u>2023</u>
2012A Sales Tax Revenue Refunding Bonds	\$ 4,175	\$ -	\$ (4,175)	\$ -
2012B Sales Tax Revenue Bonds	2,845	-	(2,845)	-
2015A Sales Tax Revenue Refunding Bonds	121,975	-	(2,795)	119,180
2016A Sales Tax Revenue Refunding Bonds	73,900	-	(3,640)	70,260
2017A Sales Tax Revenue Refunding Bonds	118,260	-	-	118,260
2017B Sales Tax Revenue Refunding Bonds	33,055	-	(17,995)	15,060
2019A Sales Tax Revenue Bonds	223,020	-	-	223,020
2019B Sales Tax Revenue Refunding Bonds	80,290	-	-	80,290
2013C General Obligation Bonds - Measure AA	73,490	-	(10,985)	62,505
2015D General Obligation Refunding Bonds - Measure AA	264,155	-	(9,235)	254,920
2017E General Obligation Refunding Bonds - Measure AA	68,935	-	-	68,935
2019F General Obligation Bonds - Measure AA	205,100	-	(6,095)	199,005
2019G General Obligation Refunding Bonds - Measure AA	43,500	-	-	43,500
2017A General Obligation Bonds - Measure RR	252,155	-	(5,445)	246,710
2019B General Obligation Bonds - Measure RR	302,500	-	(5,525)	296,975
2020C General Obligation Bonds - Measure RR	625,005	-	-	625,005
2022D General Obligation Bonds - Measure RR	686,730	-	-	686,730
	<u>3,179,090</u>	-	(68,735)	3,110,355
Add (less):				
Original issue premiums and discounts, net	<u>240,840</u>	-	(28,896)	211,944
Total long-term debt	3,419,930	<u>\$ -</u>	<u>\$ (97,631)</u>	3,322,299
Less current portion of long-term debt	<u>(68,735)</u>			<u>(73,975)</u>
Long-term debt, net of current portion	<u>\$ 3,351,195</u>			<u>\$ 3,248,324</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

2012 Series A Sales Tax Revenue Refunding Bonds (the 2012A Refunding Bonds): On October 4, 2012, the District issued the 2012 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of \$130,475,000 and a premium of \$23,439,000 to provide sufficient funds, along with \$10,690,000 in other District funds, to refund \$51,605,000 principal amount of the Association of Bay Area Governments BART SFO Extension Bond (Airport Premium Fare), 2002A Bonds, to refund the remaining balance of the 2001 Bonds with an aggregate principal amount of \$41,745,000, to refund \$63,615,000 principal amount of the 2006 Bonds, and to fund costs of issuance of the 2012A Refunding Bonds. The 2012A Refunding Bonds are special obligations of the District, payable from and secured by a pledge of sales tax revenues. In December 2017, a portion of the 2012A Refunding Bonds in the amount of \$26,820,000 were refunded from the proceeds of 2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds. Additionally, in October 2019, \$72,335,000 of the outstanding 2012A Refunding Bonds were refunded from the proceeds of the 2019B Refunding Bonds. On July 1, 2022, the remaining outstanding serial bonds in the amount of \$4,175,000 were fully paid.

2012 Series B Sales Tax Revenue Bonds (the 2012B Bonds): On October 4, 2012, the District issued the 2012 Series B Sales Tax Revenue Bonds, with a principal amount of \$111,085,000 to provide financing for the Oakland International Airport Connector Project and to fund the costs of issuance. The 2012B Bonds are special obligations of the District, payable from and secured by a pledge of sales tax revenues. In December 2017, a portion of the 2012B Bonds in the amount of \$86,025,000 were refunded from the proceeds of the 2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds. On July 1, 2022, the remaining outstanding serial bonds in the amount of \$2,845,000 were fully paid.

2015 Series A Sales Tax Revenue Refunding Bonds (the 2015A Refunding Bonds): In October 2015, the District issued the 2015 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of \$186,640,000 and a premium of \$31,350,000 to, along with other District funds, provide sufficient funds to (1) refund \$231,250,000 principal amount of the District's 2005 Refunding Bonds; (2) refund \$720,000 principal amount of the District's 2006 Bonds; and (3) fund costs of issuance associated with the 2015A Refunding Bonds. The 2015A Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2023, the 2015A Refunding Bonds consist of serial bonds amounting to \$119,180,000 with interest rate of 5%, with various maturity dates from July 1, 2023 to July 1, 2034.

2016 Series A Sales Tax Revenue Refunding Bonds (the 2016A Refunding Bonds): In August 2016, the District issued 2016 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of \$83,800,000 and a premium of \$11,855,000 to provide sufficient funds, along with other District funds, to (1) refund \$94,450,000 principal amount of the District's 2006A Refunding Bonds, and (2) to fund costs of issuance associated with the 2016A Refunding Bonds. The 2016A Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2023, the 2016A Refunding Bonds consist of serial bonds amounting to \$70,260,000 with interest rates ranging from 2.125% to 5%, with various maturity dates from July 1, 2023 to July 1, 2036.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds (the 2017A Refunding Bonds and 2017B Refunding Bonds): In December 2017, the District issued 2017 Series A Sales Tax Revenue Refunding Bonds with a principal amount of \$118,260,000 and 2017 Series B Sales Tax Revenue Refunding Bonds with a principal amount of \$67,245,000 to provide sufficient funds, along with other District funds, to (1) refund all of the outstanding principal balance amounting to \$115,095,000 of the District's 2010 Sales Tax Refunding Bonds, refund a portion of the outstanding principal balance amounting to \$26,820,000 of the District's 2012 Series A Sales Tax Refunding Bonds, and refund a portion of outstanding principal balance amounting to \$86,025,000 of the District's 2012 Series B Sales Tax Revenue Bonds and 2) fund costs of issuance associated with the 2017 Series A and 2017 Series B Refunding Bonds. The 2017A Refunding Bonds and 2017B Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2023, the 2017A Refunding Bonds consist of serial bonds amounting to \$118,260,000 with interest rates ranging from 3% to 5%, with various maturity dates from July 1, 2023 to July 1, 2034; and the 2017B Refunding Bonds consist of serial bonds amounting to \$15,060,000 with interest rate of 2.621% and matures on July 1, 2023.

2019 Series A Sales Tax Revenue Bonds (the 2019A Bonds): In October 2019, the District issued 2019 Series A Sales Tax Revenue Bonds with a principal amount of \$223,020,000 to provide sufficient funds (1) to fund the acquisition, renovation, improvement and equipping of facilities which will serve as the District's new headquarters; (2) to provide capitalized interest through July 1, 2021; and (3) to fund costs of issuance associated with the 2019A Bonds. The 2019A Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2023, the 2019A Bonds consist of serial bonds amounting to \$113,485,000 with interest rates ranging from 4% to 5%, with various maturity dates from July 1, 2029 to July 1, 2039 and term bonds with interest rate of 3% in the amount of \$109,535,000 due on July 1, 2044, with mandatory redemptions at various dates beginning July 1, 2040 through July 1, 2044.

2019 Series B Sales Tax Revenue Refunding Green Bonds (the 2019B Refunding Bonds): In October 2019, the District issued 2019 Series B Sales Tax Revenue Green Bonds with a principal amount of \$80,290,000 to provide sufficient funds to (1) refund \$72,335,000 of the District's 2012A Bonds; and (2) fund costs of issuance associated with issuance of the 2019B Refunding Bonds. The 2019B Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2023, the 2019B Refunding Bonds consist of serial bonds amounting to \$80,290,000 with interest rates ranging from 1.891% to 3.098%, with various maturity dates from July 1, 2023 to July 1, 2036.

2013 Measure AA General Obligation Bonds, Series C (the 2013C Measure AA GO Bonds): On November 21, 2013, the District issued the 2013 Series C Measure AA General Obligation Bonds, with a principal amount of \$240,000,000. The 2013C Measure AA GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2013C Measure AA GO Bonds. The 2013C Measure AA GO Bonds constitute the third issue of general obligation bonds issued pursuant to the Measure AA authorization to provide financing for earthquake safety improvements to District facilities in the Three District Counties, including strengthening tunnels, bridges, overhead tracks, the underwater Transbay Tube and the Berkeley Hills Tunnel. In August 2019, a portion of the 2013C Measure AA GO Bonds in the amount of \$59,540,000 were refunded using other District funds and proceeds from the 2019 Series G Measure AA Green Bond Refunding GO Bonds. On June 30, 2023, the 2013C Measure AA GO Bonds consist of \$62,505,000 in serial bonds due from August 1, 2023 to August 1, 2033 with interest ranging from 3% to 5%.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

2015 Measure AA General Obligation Bonds Refunding Series D (the 2015D Measure AA Refunding GO Bonds): In October 2015, the District issued the 2015 Series D Measure AA Refunding General Obligation Bonds, with a principal amount of \$276,805,000 and a premium of \$42,300,000. The 2015D Measure AA Refunding GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2015D Measure AA Refunding GO Bonds. The purpose of the 2015D Measure AA Refunding GO Bonds is to apply the proceeds and refund \$34,680,000, principal amount of the District's 2005A Measure AA Refunding GO Bonds and to advance refund \$265,735,000 principal amount of the District's 2007B GO Bonds, and to pay costs of issuance of the 2015D Measure AA Refunding GO Bonds. The refunded bonds were issued to finance earthquake safety improvements to the District facilities, including aerial trackway structures, overhead and underground trackway structures, stations and administrative, maintenance, and operations facilities, and to finance additional retrofits to facilitate rapid return to service after an earthquake or other disasters.

On June 30, 2023, the 2015D Measure AA Refunding GO Bonds consist of \$254,920,000 in serial bonds due from August 1, 2023 to August 1, 2035 with interest ranging from 4% to 5%. The serial bonds maturing on or after August 1, 2026 are subject to redemption prior to their respective stated maturities, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 2025, at the principal amount of such 2015D Measure AA Refunding GO Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium. If less than all of the 2015D Measure AA Refunding GO Bonds are called for redemption, the 2015D Measure AA Refunding GO Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District), and if less than all of the 2015D Measure AA Refunding GO Bonds of any given maturity are called for redemption, the portions of 2015D Measure AA Refunding GO Bonds of a given maturity shall be determined by lot.

2017 Measure AA General Obligation Bonds Refunding Series E (the 2017E Measure AA Refunding GO Bonds): In June 2017, the District issued the 2017 Series E Measure AA Refunding General Obligation Bonds, with a principal amount of \$84,735,000 and a premium of \$9,341,000. The 2017E Measure AA Refunding GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2017E Measure AA Refunding GO Bonds. The purpose of the 2017E Measure AA Refunding GO Bonds is to apply the proceeds, together with other District funds, to current refund \$93,780,000, principal amount of the District's 2007B Measure AA Refunding GO Bonds and to pay costs of issuance of the 2017E Measure AA Refunding GO Bonds. The refunded bonds were issued to finance earthquake safety improvements to the District facilities, including aerial trackway structures, overhead and underground trackway structures, stations and administrative, maintenance, and operations facilities, and to finance additional retrofits to facilitate rapid return to service after an earthquake or other disasters.

On June 30, 2023, the 2017E Measure AA Refunding GO Bonds consist of \$68,935,000 in serial bonds due from August 1, 2036 to August 1, 2037 with interest ranging from 4% to 5%. The serial bonds maturing on or after August 1, 2036 are subject to redemption prior to their respective stated maturities, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 2027, at the principal amount of such 2017E Measure AA Refunding GO Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium. If less than all of the 2017E Measure AA Refunding GO Bonds are called for redemption, the 2017E Measure AA Refunding GO Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District), and if less than all of the 2017E Measure AA Refunding GO Bonds of any given maturity are called for redemption, the portions of 2017E Measure AA Refunding GO Bonds of a given maturity shall be determined by lot.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

2019 Measure AA General Obligation Bonds (Green Bonds) Series F-1 and Series F-2 (the 2019F-1 Measure AA GO Bonds and 2019F-2 Measure AA GO Bonds): In August 2019, the District issued the 2019 Measure AA General Obligation Bonds Series F-1 with a principal amount of \$205,100,000 and 2019 Measure AA General Obligation Series F-2 with a principal amount of \$34,900,000. The 2019 Measure AA GO Bonds Series F-1 and Series F-2 are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2019 Measure AA GO Bond Series F-1 and Series F-2. On June 30, 2023, the 2019F-1 Measure AA GO Bonds consist of \$199,005,000 in serial bonds due from August 1, 2023 to August 1, 2038 with interest ranging from 3% to 5%. The total outstanding balance of \$34,900,000 on the 2019F-2 Measure AA Go Bonds were fully paid in September 2019.

The 2019F-1 Measure AA GO Bonds and 2019F-2 Measure AA GO Bonds constitute the last issuance of general obligation bonds issued pursuant to the Measure AA authorization to provide financing for earthquake safety improvements to District facilities in the Three District Counties, including strengthening tunnels, bridges, overhead tracks, the underwater Transbay Tube and the Berkeley Hills Tunnel.

2019 Measure AA General Obligation Bonds Green Bond Refunding Series G (the 2019G Measure AA Refunding GO Bonds): In August 2019, the District issued the 2019 Measure AA Refunding Green Bond General Obligation Bonds Series G, with a principal amount of \$43,500,000. The 2019G Measure AA Refunding GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2019G Measure AA Refunding GO Bonds. The purpose of the 2019G Measure AA Refunding GO Bonds is to apply the proceeds, together with other District funds, to refund \$59,540,000, principal amount of the District's 2013C Measure AA GO Bonds and to pay costs of issuance. The refunded bonds were issued to finance earthquake safety improvements authorized under Measure AA and will be redeemed on August 1, 2023. At June 30, 2023, the 2019G Measure AA Refunding GO Bonds consist of \$36,745,000 in serial bonds due from August 1, 2029 to August 1, 2034 with interest ranging from 2.622% to 2.922% and term bonds in the amount of \$6,755,000, with interest of 3.145% due from August 1, 2035 to August 1, 2037.

2017 Measure RR General Obligation Bonds (the 2017A Measure RR GO Bonds): In June 2017, the District issued the 2017 Series A Measure RR General Obligation Bonds with an aggregate principal amount of \$300,000,000 and a premium of \$35,641,000. The 2017A Measure RR GO Bonds were issued in 2 series, 2017A-1 Measure RR Bonds in the amount of \$271,600,000 and 2017A-2 Measure RR Bonds (Federally Taxable) in the amount of \$28,400,000. The 2017A Measure RR GO Bonds are part of a \$3,500,000,000 authorization approved at an election held on November 8, 2016 (Election of 2016), by over two-thirds of the qualified voters of the District voting on a ballot measure ("Measure RR") titled "BART Safety, Reliability and Traffic Relief" to keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks, tunnels damaged by water intrusion; 44-year old train control systems; and other acquisition or improvement of real property. The 2017A Measure RR GO Bonds constitute the first issue of general obligation bonds being issued pursuant to the Measure RR authorization. Proceeds from the 2017A Measure RR Bonds will be applied to (1) finance the projects described in Measure RR, and (2) pay a portion of the debt service on the 2017A Measure RR Bonds through February 1, 2018, including the debt service in full of the 2017A-2 Bonds.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

The 2017A Measure RR GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2017A Measure RR GO Bonds.

At June 30, 2023, the 2017A-1 Measure RR GO Bonds consist of \$115,590,000 in serial bonds due from August 1, 2023 to August 1, 2037 with interest ranging from 2% to 5%, a \$58,500,000 term bond with interest of 4% due from August 1, 2038 to August 1, 2042, and a \$72,620,000 term bond with interest of 5% due from August 1, 2043 to August 1, 2047. The 2017A-1 serial bonds maturing on or after August 1, 2028 are subject to redemption prior to their respective stated maturities, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 2027, at the principal amount of such 2017A-1 Measure RR GO Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium. If less than all of the 2017A-1 Measure RR GO Bonds are called for redemption, the 2017A-1 Measure RR GO Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District), and if less than all of the 2017A-1 Measure RR GO Bonds of any given maturity are called for redemption, the portions of 2017A-1 Measure RR GO Bonds of a given maturity shall be determined by lot. The 2017A-1 Term Bonds maturing on August 1, 2038 to August 1, 2047 are subject to mandatory sinking fund redemption beginning August 1, 2038, at a redemption price equal to the principal amount to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

2019 Measure RR General Obligation Bonds (Green Bonds) Series B-1 and B-2 (the 2019B-1 Measure RR GO Bonds and 2019B-2 Measure RR GO Bonds): In August 2019, the District issued the 2019 Measure RR General Obligation Bonds Series B-1 with an aggregate principal amount of \$313,205,000 and 2019 Measure RR General Obligation Bonds Series B-2 with an aggregate principal amount of \$46,795,000. The 2019B-1 Measure RR GO Bonds and 2019B-2 Measure RR GO Bonds constitute the second issuance under authorization approved at an election held on November 8, 2016 (Election of 2016), by over two-thirds of the qualified voters of the District voting on a ballot measure ("Measure RR") titled "BART Safety, Reliability and Traffic Relief".

The 2019 Measure RR GO Bonds Series B-1 and Series B-2 are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged for debt service of these bonds. The full principal balance of \$46,795,000 pertaining to the 2019B-2 Measure RR GO Bonds were fully paid in September 2019. On June 30, 2023, the 2019B-1 Measure RR GO Bonds consist of \$149,145,000 in serial bonds due from August 1, 2023 to August 1, 2039 with interest ranging from 3% to 5%, a term bond with principal balance of \$37,750,000 due from August 1, 2040 to August 1, 2044 with 4% interest, and a term bond with principal balance of \$110,080,000 due from August 1, 2040 to August 1, 2049, with 3% interest.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

2020 Measure RR General Obligation Bonds (Green Bonds) Series C-1 and C-2 (the 2020C-1 Measure RR GO Bonds and 2020C-2 Measure RR GO Bonds): On August 27, 2020, the District issued the 2020C Measure RR General Obligation Bonds, with an aggregate principal amount of \$700,000,000. The 2020C Measure RR GO Bonds were issued in 2 series, 2020 Series C-1 Green Bonds in the amount of \$625,005,000 and 2020 Series C-2 Federally Taxable Green Bonds in the amount of \$74,995,000. The 2020C-1 and 2020C-2 Measure RR GO Bonds constitute the third issuance under authorization approved at an election held on November 8, 2016 (Election of 2016), by over two-thirds of the qualified voters of the District voting on a ballot measure ("Measure RR") titled "BART Safety, Reliability and Traffic Relief". The 2020C-1 and 2020C-2 Measure RR GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2020C-1 and 2020C-2 Measure RR GO Bonds. Proceeds from the 2020C-1 and 2020C-2 Measure RR Bonds will be used to finance specific acquisition, construction and improvement projects for District facilities approved by the voters and to pay the costs of issuance. The full principal balance of \$74,995,000 pertaining to the 2020C-2 Measure RR GO Bonds were fully paid in September 2020. On June 30, 2023, the 2020C-1 Measure RR GO Bonds consist of \$305,365,000 in serial bonds due from August 1, 2024 to August 1, 2042 with interest ranging from 2% to 5%, serial bonds with a principal balance of \$31,125,000 with 2% interest due on August 1, 2046, a term bond with principal balance of \$86,385,000 due from August 1, 2043 to August 1, 2045 with 4% interest, and a term bond with principal balance of \$202,130,000 due from August 1, 2047 to August 1, 2050, with 3% interest.

2022 Measure RR General Obligation Bonds (Green Bonds) Series D-1 and D-2 (the 2022D-1 Measure RR GO Bonds and 2022D-2 Measure RR GO Bonds): On May 25, 2022, the District issued the 2022D Measure RR General Obligation Bonds, with an aggregate principal amount of \$700,000,000. The 2022D Measure RR GO Bonds were issued in 2 series, 2022 Series D-1 Green Bonds in the amount of \$686,730,000 and 2022 Series D-2 Federally Taxable Green Bonds in the amount of \$13,270,000. The 2022D-1 and 2022D-2 Measure RR GO Bonds constitute the fourth issuance under authorization approved at an election held on November 8, 2016 (Election of 2016), by over two-thirds of the qualified voters of the District voting on a ballot measure ("Measure RR") titled "BART Safety, Reliability and Traffic Relief". The 2022D-1 and 2022D-2 Measure RR GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco. No other revenues of the District are pledged to the payment of the 2022D-1 and 2022D-2 Measure RR GO Bonds. Proceeds from the 2022D-1 and 2022D-2 Measure RR Bonds will be used to finance specific acquisition, construction and improvement projects for District facilities approved by the voters and to pay the costs of issuance. The full principal balance of \$13,270,000 pertaining to the 2022D-2 Measure RR GO Bonds were fully paid on June 15, 2022.

On June 30, 2023, the 2022D-1 Measure RR GO Bonds consist of \$190,590,000 in serial bonds due from August 1, 2024 to August 1, 2042 with interest ranging from 3% to 5%, a term bond with principal balance of \$75,000,000 due from August 1, 2043 to August 1, 2047 with 5.25% interest, a term bond with principal balance of \$80,570,000 due from August 1, 2043 to August 1, 2047 with 4% interest, a term bond with principal balance of \$20,000,000 due from August 1, 2048 to August 1, 2052 with 4.125% interest, and a term bond with a principal balance of \$320,570,000 due from August 1, 2048 to August 1, 2052, with 4.25% interest.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

After the issuance of the 2022 Measure RR GO Bonds, Series D-1 and Series D-2, the remaining Measure RR General Obligation Bonds that can be issued by the District as authorized under Measure RR is \$1,440,000,000.

Measure RR proceeds, uses and balances are listed below (dollar amounts in thousands):

2017 RR GO Bond Series A-1 and A-2 proceeds	\$ 300,000
2019 RR GO Bond Series B-1 and B-2 proceeds	360,000
2020 RR GO Bond Series C-1 and C-2 proceeds	700,000
2022 RR GO Bond Series D-1 and D-2 proceeds	700,000
Total bonds proceeds as of June 30, 2023	<u>\$ 2,060,000</u>

Project fund expenditures:

Fiscal year 2017	\$ 17,891	
Fiscal year 2018	87,434	
Fiscal year 2019	229,156	
Fiscal year 2020	309,032	
Fiscal year 2021	407,274	
Fiscal year 2022	354,724	
Fiscal year 2023	<u>299,878</u> *	<u>1,705,389</u>

Balance of bond proceeds as of June 30, 2023	<u><u>\$ 354,611</u></u>
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*Includes accrual of \$53,072,000

The following are the major projects and related expenses funded by proceeds from Measure RR GO Bonds issued through June 30, 2023 (dollar amounts in thousands):

<u>Project</u>	<u>Description</u>	<u>Cumulative Expenses through June 30, 2022</u>	<u>FY23 Project Expenses</u>	<u>Cumulative Expenses through June 30, 2023</u>
15CQ002	Rails, ties, fasteners phase 3	135,590	11,045	146,636
15EJRRR	A-Line 34.5kV AC cable replacement	69,499	48,889	118,388
09AU000	TBT retrofit #1 (underwater)	80,653	32,049	112,702
09JA000	Link21	64,933	41,598	106,530
15EJ450	M-Line 34.5 KV replace phase II	102,279	1,229	103,508
15EJRR1	34.5 KV AC cable replacement	69,152	11,929	81,081
15EKRR1	TP-switch stations & gap break	62,334	1,088	63,422
15EJRRR	R-Line 34.kV AC cable replacement	28,386	34,245	62,631
15CQ018	Rail relay	43,410	10,250	53,660
09EK300	Emergency generator for TBT	45,019	4,010	49,029
15TC002	Renewal of tunnels & structures	39,840	8,083	47,923
15LK002	San Francisco escalator replacement	26,394	10,051	36,445

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

<u>Project</u>	<u>Description</u>	<u>Cumulative Expenses through June 30, 2022</u>	<u>FY23 Project Expenses</u>	<u>Cumulative Expenses through June 30, 2023</u>
15CQ012	A77 interlocking replacement	18,355	12,815	31,169
15EK350	Substation replacement/install group II	26,067	4,949	31,016
15TC007	Aerial fall protection	25,315	2,116	27,432
15IIRR1	Stations, emergency lighting	15,512	10,269	25,781
15CQ011	A65/A75 interlocking (replacement)	23,629	252	23,880
15EJRR1	C-Line 34.5kV AC cable replacement	19,155	4,157	23,312
15CQ008	K Line Interlocks K23,K25,K33 C15	11,616	10,338	21,954
15ELRR1	MPR install & rectifier rehabilitation	18,033	2,552	20,586
49GH000	Train control modernization - CENGR	20,137	0	20,137
15CQ005	C35 interlocking	19,406	0	19,406
49GH002	TCMP- enabling work	18,572	226	18,797
15CQ017	Rail re-profiling	16,564	1,677	18,241
54RR004	M&E line rail equipment	15,329	1,607	16,936
15CQ006	C25 interlocking	13,128	51	13,179
15EIRR1	CWS bulk supply transformer	10,163	2,969	13,132
15CQ007	Oakland yard tracks project	9,975	3,059	13,034
09AF002	Replace cross passenger doors TBT control	12,011	0	12,011
15EK600	Substation for core capacity	13,415	(1,765)	11,651
15EJRR1	K-Line 34.5kV AC cable replacement	9,729	1,446	11,175
11IA002	Civic Center platform stairs	9,200	1,778	10,978
15CQ016	Direct fixation pads	9,838	427	10,265
54RR270	Fire services yard ORY	9,944	20	9,965
05HA002	El Cerrito del Norte Station modernization	9,752	15	9,767
07EA011	19th St. station modernization construction	8,185	1,431	9,616
15TC023	Fences systemwide	7,449	1,960	9,409
54RR260	Fire services yards OHY	905	8,406	9,311
54RR610	Facilities HVAC replacement phase 1 & 2	9,001	246	9,247
15CQ004	Track C55 interlocking	9,031	0	9,031
05HA001	El Cerrito Del Norte gateway	11,176	(2,577)	8,599
15CQ014	R65 mainline interlocking	8,508	33	8,541
15LK001	Canopy/escalators replacement	0	8,296	8,296
01VM001	UC intermodal station phase 2A	7,874	141	8,015
01RQ100	HMC phase 2 preliminary engineering	7,974	0	7,974
49GH004	CBTC - CIG	26,076	(18,171)	7,905
15CQ001	Rails, ties, fasteners 2	7,803	0	7,803
54RR250	Fire services yards OCY	7,459	3	7,462
79NKRR1	Train control room UPS system	5,733	1,304	7,037
54RR350	Turntable replacement backlog-OCY/ORY	2,670	3,815	6,485
15ELRR3	Third rail replacement phase 3	6,419	0	6,419

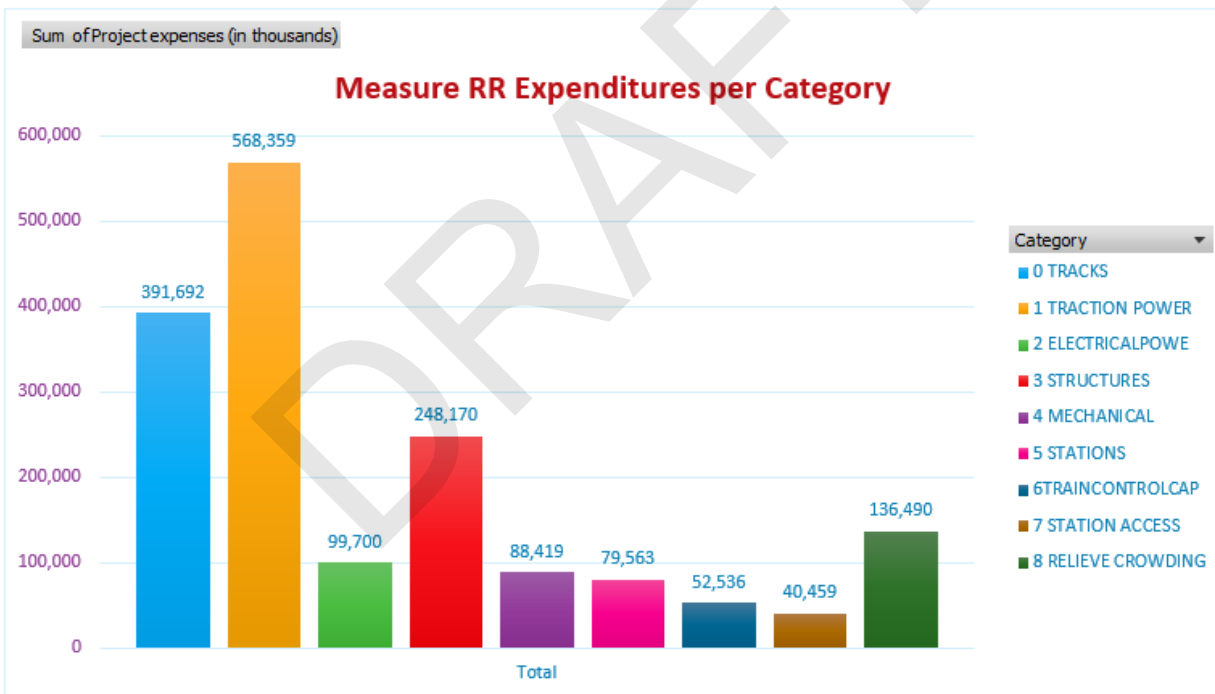
(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

<u>Project</u>	<u>Description</u>	<u>Cumulative Expenses through June 30, 2022</u>	<u>FY23 Project Expenses</u>	<u>Cumulative Expenses through June 30, 2023</u>
15AARR1	Tunnel LED lighting upgrade	6,246	0	6,246
15IF003	Powell Street - Gateway station	3,429	2,061	5,490
96DARR1	FTA core capacity	5,375	0	5,375
15ELRR2	34.5kV blocking scheme systemwide	4,689	579	5,269
15TC011	Platform edge structure rehab	5,006	53	5,059
	Others	<u>132,572</u>	<u>18,470</u>	<u>151,042</u>
	Total Measure RR project expenses	<u><u>1,450,657</u></u>	<u><u>299,473</u></u>	<u><u>1,705,389</u></u>

Cumulative Measure RR Project Expenses per category are presented below (dollar amounts in thousands):



Of the total expended amount of \$1,705,389,000, \$1,606,596,000 was reimbursed by the Trustee from the bond proceeds as of June 30, 2023.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

Defeased Bonds: On various dates, the District issued bonds to refund certain outstanding sales tax revenue bonds previously issued by the District. In fiscal year 2018, the 2017A Sales Tax Revenue Refunding Bonds and 2017B Sales Tax Revenue Refunding Bonds were issued in December 2017 to refund a portion of outstanding principal balance amounting to \$26,820,000 of the District's 2012 Series A Sales Tax Refunding Bonds, and refund a portion of outstanding principal balance amounting to \$86,025,000 of the District's 2012 Series B Sales Tax Revenue Bonds. In October 2019, the District refunded \$72,335,000 of the outstanding principal balance of the District's 2012A Sales Tax Revenue Bonds from the proceeds of the 2019B Refunding Sales Tax Revenue Bonds. During fiscal year 2020, the District issued in August 2019, Measure AA Refunding General Obligation Bonds Series G, and together with other District funds, refunded a portion of the outstanding principal balance amounting to \$59,540,000 of the District's 2013C Measure AA GO Bonds.

On the above-described defeasances, the District placed in irrevocable trusts, the required amounts to pay the future debt service payments on the defeased bonds. The advance refunding met the requirement of the in-substance debt defeasance, and the defeased bonds were removed from the District's long-term debt. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the District's financial statements.

All of the outstanding principal balance of the defeased 2012 Series A and 2012 Series B Sales Tax Revenue Bonds were all redeemed on July 1, 2022. There were no outstanding defeased bonds associated with Measure AA General Obligation Bonds on June 30, 2023 when they were redeemed.

Arbitrage Bonds: The District is subject to certain bond covenants, including the rules set forth by IRS Code Section 148a, which requires that interest earned on the proceeds of a tax-exempt bond issuance does not exceed the interest expense related to those bonds, which qualifies those bonds as arbitrage bonds. Any excess interest income is subject to a 100% tax and is payable to the Federal Government. The District has recorded an estimated arbitrage liability with a balance amounting to \$4,000 in fiscal year 2023, which is included in accounts payable and other liabilities in the statement of net position.

Pledge of Revenue to Repay Sales Tax Revenue Bonds: The District issues sales tax revenue bonds primarily to finance a portion of its capital projects. The sales tax revenue bonds are special obligations of the District, payable from and secured by a pledge of sales tax revenues derived from a seventy-five percent (75.0%) portion of a transactions and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco in an amount equal to one-half of one percent (0.5%) of gross retail receipts.

The sales tax revenue bonds outstanding as of June 30, 2023 consist of the 2015A Refunding Bonds, the 2016A Refunding Bonds, the 2017A Refunding Bonds, and the 2017B Refunding Bonds, the 2019A Bonds, and the 2019B Refunding Bonds. Interest on the sales tax revenue bonds is payable on January 1 and July 1 of each year, and the principal is payable on July 1 of the scheduled year until July 1, 2044. The total principal and interest remaining on these sales tax revenue bonds is \$845,215,000 as of June 30, 2023, which is 9.46% of the total projected sales tax revenues of \$8,937,397,000 as of June 30, 2023 covering the period from fiscal year 2024 through fiscal year 2044 based on the last scheduled bond principal payment as of June 30, 2023.

The pledged sales tax revenues recognized in fiscal year 2023 was \$327,128,000 compared to total debt service payments of \$59,919,000 in fiscal year 2023.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

Events of Default and Acceleration Clauses: The District is considered to be in default if the District fails to pay the principal or redemption price of or sinking fund installment for, or interest on, any outstanding bond, when and as the same will become due and payable, whether on the interest payment date, at maturity, by call redemption, or otherwise. If the District defaults on its obligations under the bond indenture, the Trust Agreements do not contain provision allowing for the accelerated provision in the event of a default in the payment of principal and interest on the GO Bonds and Sales Tax Revenue Bonds when due. In the event of a default by the District, each holder of the bonds will have the right to exercise the remedies, subject to the limitations thereon, set forth in the respective Trust Agreements.

Debt Service Requirements - Sales Tax Revenue Bonds: The following is a schedule of long-term debt principal and interest payments required for sales tax revenue bonds as of June 30, 2023 (dollar amounts in thousands):

<u>Year ending June 30:</u>	<u>2015A Sales Tax Revenue Refunding Bonds</u>		<u>2016A Sales Tax Revenue Refunding Bonds</u>		<u>2017A Sales Tax Revenue Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,935	\$ 5,886	\$ 3,835	\$ 2,431	\$ 9,185	\$ 5,423
2025	16,215	5,407	4,030	2,235	12,065	4,892
2026	17,090	4,574	4,235	2,028	12,520	4,277
2027	17,870	3,700	4,450	1,833	13,105	3,636
2028	18,760	2,784	4,630	1,652	13,665	2,967
2029 - 2033	36,575	5,508	25,565	6,046	44,590	6,987
2034 - 2038	9,735	493	23,515	1,710	13,130	387
	<u>\$ 119,180</u>	<u>\$ 28,352</u>	<u>\$ 70,260</u>	<u>\$ 17,935</u>	<u>\$ 118,260</u>	<u>\$ 28,569</u>

<u>Year ending June 30:</u>	<u>2017B Sales Tax Revenue Refunding Bonds</u>		<u>2019A Sales Tax Revenue Refunding Bonds</u>		<u>2019B Sales Tax Revenue Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 15,060	\$ 197	\$ -	\$ 7,999	\$ 4,250	\$ 2,082
2025	-	-	-	7,999	4,440	1,998
2026	-	-	-	7,999	4,640	1,903
2027	-	-	-	7,999	4,870	1,795
2028	-	-	-	7,999	5,115	1,674
2029 - 2033	-	-	13,585	38,670	32,345	6,053
2034 - 2038	-	-	60,985	31,938	24,630	1,431
2039 - 2043	-	-	102,685	15,170	-	-
2044 - 2047	-	-	45,765	1,383	-	-
	<u>\$ 15,060</u>	<u>\$ 197</u>	<u>\$ 223,020</u>	<u>\$ 127,156</u>	<u>\$ 80,290</u>	<u>\$ 16,936</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

<u>Year ending June 30:</u>	<u>Total Sales Tax Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 35,265	\$ 24,018
2025	36,750	22,531
2026	38,485	20,781
2027	40,295	18,963
2028	42,170	17,076
2029 - 2033	152,660	63,264
2034 - 2038	131,995	35,959
2039 - 2043	102,685	15,170
2044 - 2047	45,765	1,383
	<u>\$ 626,070</u>	<u>\$ 219,145</u>

Debt Service Requirements – General Obligation Bonds: The following is a schedule of long-term debt principal and interest payments required for general obligation bonds as of June 30, 2023 (dollar amounts in thousands):

<u>Year ending June 30:</u>	<u>2013C Measure AA General Obligation Bonds</u>		<u>2015D Measure AA Refunding General Obligation Bonds</u>		<u>2017E Measure AA General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 10,825	\$ 2,771	\$ 10,190	\$ 11,504	\$ -	\$ 3,089
2025	10,640	2,250	11,405	11,021	-	3,089
2026	10,420	1,755	12,600	10,478	-	3,088
2027	10,125	1,266	14,000	9,813	-	3,088
2028	9,840	767	15,490	9,075	-	3,089
2029 - 2033	9,500	469	103,865	31,409	-	15,443
2034 - 2038	1,155	23	87,370	5,417	68,935	12,243
	<u>\$ 62,505</u>	<u>\$ 9,301</u>	<u>\$ 254,920</u>	<u>\$ 88,717</u>	<u>\$ 68,935</u>	<u>\$ 43,129</u>

<u>Year ending June 30:</u>	<u>2019F Measure AA General Obligation Bonds</u>		<u>2019G Measure AA General Obligation Bonds</u>		<u>Total Measure AA General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,340	\$ 8,035	\$ -	\$ 1,228	\$ 27,355	\$ 26,627
2025	6,660	7,743	-	1,228	28,705	25,331
2026	6,925	7,437	-	1,229	29,945	23,987
2027	7,270	7,118	-	1,229	31,395	22,514
2028	7,560	6,784	-	1,229	32,890	20,944
2029 - 2033	47,880	27,316	28,465	4,513	189,710	79,150
2034 - 2038	63,305	13,229	15,035	903	235,800	31,815
2039 - 2043	53,065	1,592	-	18	53,065	1,610
	<u>\$ 199,005</u>	<u>\$ 79,254</u>	<u>\$ 43,500</u>	<u>\$ 11,577</u>	<u>\$ 628,865</u>	<u>\$ 231,978</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - LONG-TERM DEBT (Continued)

Year ending June 30:	2017A Measure RR General Obligation Bonds		2019B Measure RR General Obligation Bonds		2020C Measure RR General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 5,555	\$ 11,161	\$ 5,800	\$ 11,511	\$ -	\$ 20,399
2025	5,665	10,964	6,090	11,214	9,560	20,160
2026	5,950	10,673	6,395	10,902	10,035	19,669
2027	6,250	10,369	6,715	10,574	10,530	19,155
2028	6,560	10,048	7,050	10,230	11,065	18,615
2029 - 2033	38,070	44,889	40,915	45,355	63,770	84,592
2034 - 2038	47,540	35,271	52,115	33,991	77,855	70,522
2039 - 2043	58,500	24,188	63,365	22,825	122,550	57,341
2044 - 2048	72,620	9,432	75,125	10,952	149,260	37,295
2049 - 2053	-	-	33,405	1,010	170,380	8,281
	<u>\$ 246,710</u>	<u>\$ 166,995</u>	<u>\$ 296,975</u>	<u>\$ 168,564</u>	<u>\$ 625,005</u>	<u>\$ 356,029</u>

Year ending June 30:	2022D Measure RR General Obligation Bonds		Total Measure RR General Obligation Bonds		Total Measure AA & RR General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ -	\$ 30,053	\$ 11,355	\$ 73,124	\$ 38,710	\$ 99,751
2025	4,295	29,946	25,610	72,284	54,315	97,615
2026	4,515	29,725	26,895	70,969	56,840	94,956
2027	4,740	29,493	28,235	69,591	59,630	92,105
2028	4,975	29,251	29,650	68,144	62,540	89,088
2029 - 2033	28,880	142,164	171,635	317,000	361,345	396,150
2034 - 2038	36,850	133,987	214,360	273,771	450,160	305,586
2039 - 2043	106,335	119,638	350,750	223,992	403,815	225,602
2044 - 2048	155,570	90,798	452,575	148,477	452,575	148,477
2049 - 2053	340,570	46,235	544,355	55,526	544,355	55,526
	<u>\$ 686,730</u>	<u>\$ 681,290</u>	<u>\$ 1,855,420</u>	<u>\$ 1,372,878</u>	<u>\$ 2,484,285</u>	<u>\$ 1,604,856</u>

NOTE 10 - RISK MANAGEMENT

The District faces numerous types of risks: Liabilities to patrons from District related activities, injuries to District's employees from work related hazards, damage to property and operating systems from fire, flood, explosion and earth movement, acts of terrorism which can cause either damage to our property, loss of operations, loss of revenues, or, injuries to our patrons caused by this peril, and errors and omissions made by the Board of Directors and/or executive management. The District manages its risks through a combination of self-insurance and risk transfer (traditional insurance). The District carries a large self - insured retention for workers' compensation, which is \$4,000,000 per accident with a \$10,000,000 limit of liability. The District's casualty program carries a retention of \$15,000,000 for any one occurrence. Claims in excess of the self-insured retention are covered up to a total of \$150,000,000 by insurance policies. The District's property program carries a \$5,000,000 self-insured retention with a limit of \$50,000,000 per any one occurrence.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 10 - RISK MANAGEMENT (Continued)

The self-insurance programs are administered by independent claims adjustment firms. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities are discounted at a 3% rate, in part, upon the independent adjustment firms' estimate of reserves necessary for the settlement of outstanding claims and related administrative costs and include estimates of claims that have been incurred but not yet reported, including loss adjustment expenses. Such reserves are estimated by professional actuaries through June 30 and are subject to periodic adjustments as conditions warrant.

The estimated liability for insurance claims on June 30, 2023 is believed to be sufficient to cover any costs arising out of claims filed or to be filed for accidents occurring through that date. At June 30, 2023, the estimated amounts of these liabilities were \$60,816,000.

Insurance liabilities during fiscal year 2023 are presented below (dollar amounts in thousands):

	<u>2023</u>
Liabilities at beginning of year	\$ 71,720
Current year claims and changes in estimates	24,952
Payments of claims	<u>(35,856)</u>
Liabilities at the end of year	\$ 60,816
Less current portion	<u>(24,574)</u>
Net noncurrent portion	<u>\$ 36,242</u>

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS

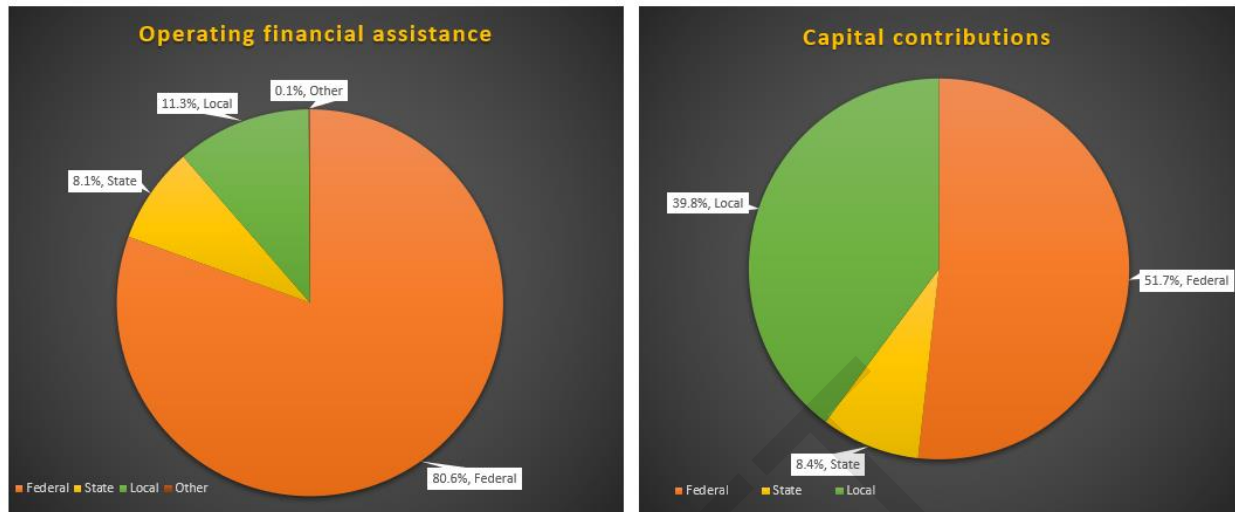
The District reports the following aggregated operating financial assistance and capital contributions in the statements of revenues, expenses, and changes in net position for the year ended June 30, 2023 (dollar amounts in thousands):

	<u>Operating Financial Assistance</u>	<u>Capital Contributions</u>
Federal	\$ 414,854	\$ 306,980
State	41,536	49,920
Local	58,100	236,198
Other	<u>526</u>	<u>107</u>
	<u>\$ 515,016</u>	<u>\$ 593,205</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)



Federal Operating Financial Assistance and Capital Contributions

The District is a recipient of grants from the Federal Transit Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Response and Relief Appropriation Act of 2021 (CRRSAA), and American Rescue Plan Act (ARPA). The grants specifically cover operating shortfall resulting from the effect of the pandemic and to cover additional expenses incurred associated with preventing the spread and dealing with and responding to issues brought by the coronavirus. Eligibility period starts on January 20, 2020, up to December 31, 2023. The District recognized from these relief grants a total of \$407,768,000 in operating financial assistance in fiscal year 2023 (dollar amounts in thousands):

	<u>Award</u>	<u>Recognized in Prior Years</u>	<u>Recognized in FY 2023</u>	<u>Remaining</u>
CARES Act	\$ 377,053	\$ 377,053	\$ -	\$ -
CRRSAA	378,138	378,138	-	-
ARPA	<u>853,114</u>	<u>275,857</u>	<u>407,768</u>	<u>169,489</u>
Total	<u>\$ 1,608,305</u>	<u>\$ 1,031,048</u>	<u>\$ 407,768</u>	<u>\$ 169,489</u>

The District also recognized \$7,086,000 of other federal operating financial assistance grants in fiscal year 2023.

Federal capital contributions are grants received from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation and U.S. Department of Homeland Security to support a variety of projects. Among the major projects funded by federal grants in fiscal year 2023 were the Rail Car Replacement Program, Hayward Maintenance Complex Phase 2, and Communication Base Train Control.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

State Operating Financial Assistance and Capital Contributions

Revenues provided by the State of California comes from the following sources (dollar amounts in thousands):

	Operating Financial <u>Assistance</u>	Capital <u>Contributions</u>
State Transit Assistance	\$ 24,765	\$ -
Proposition 1B - PTMISEA	-	4,553
Low Carbon Transit Operations Program	10,259	-
Low Carbon Fuel Standard Program Revenue	6,175	-
Other State Grants	<u>337</u>	<u>45,367</u>
	<u>\$ 41,536</u>	<u>\$ 49,920</u>

State Transit Assistance: The District is entitled to receive state operating and capital assistance from State Transit Assistance (STA). In fiscal year 2023, the District received total STA of \$16,196,000 for general operations. These funds are allocated by MTC based on the ratio of the District's transit operation revenue and local support to the revenue and local support of all state transit agencies. The District also received STA in the amount of \$801,000 as part of the settlement agreement with San Mateo County Transit District (SamTrans) to fund the operating cost of the San Francisco International Airport Extension (SFO Extension). In fiscal year 2023, the District earned \$6,526,000 of STA revenue – State of Good Repair (SGR) grants funded from fiscal year 22-23 allocation for preventive maintenance projects, \$876,000 from STA Block Grant to support the elevator attendant program in San Francisco, \$336,000 in Alameda County STA Block Grant and \$30,000 Contra Costa County STA Block Grant to support transit operations.

Proposition 1B PTMISEA Grants: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program of funding in the amount of \$4,000,000,000 to be in the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA). Of this amount, \$3,600,000,000 in the PTMISEA is available to project sponsors in California for allocation to eligible public transportation project.

The District has cumulatively received a total grant amount of \$354,201,000 in PTMISEA grant funds to fund various BART capital projects. The PTMISEA grants received are in the form of cash for \$349,010,000 and reimbursement grants for \$5,191,000. The grant is fully expended as of June 30, 2023.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

The following schedules show the changes in activities related to the PTMISEA grant funds during fiscal year 2023 (dollar amounts in thousands):

	Grant Fund Balance, Beginning of Year	Funding Realignment	Grants Received	Project Costs Incurred	Grant Fund Balance, End of Year	Interest Balance, Beginning of Year	Funding Realignment	Interest Earned	Project Costs Incurred	Interest Balance, End of Year	Final Grant Fund Balance, End of Year
eBART Extension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ashby Elevator	-	-	-	-	-	-	-	-	-	-	-
Station Modernization	4,042	385	-	4,427	-	4,344	153	91	4,588	-	-
Seismic Retrofit	-	-	-	-	-	-	-	-	-	-	-
Oakland Airport Connector	-	-	-	-	-	-	-	-	-	-	-
Warm Springs Extension	-	-	-	-	-	-	-	-	-	-	-
Walnut Creek TOD	1	(1)	-	-	-	3	(3)	-	-	-	-
Balboa Park Eastside	161	(161)	-	-	-	37	(39)	2	-	-	-
Berkeley Station Entrance	103	-	-	103	-	85	(6)	1	80	-	-
Access Improvements	243	(223)	-	20	-	101	(105)	4	-	-	-
Station Signage	-	-	-	-	-	-	-	-	-	-	-
Train Control ¹	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,550</u>	<u>\$ -</u>	<u>\$ 4,570</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 4,668</u>	<u>\$ -</u>	<u>\$ -</u>

During fiscal year 2023, the PTMISEA funds had earned interest income of \$98,000. All PTMISEA funds were fully expended as of June 30, 2023.

Low Carbon Transit Operations Program: Beginning in fiscal year 2015, the District has applied and received an allocation from the Low Carbon Transit Operations Program (LCTOP). The LCTOP is one of several programs established by the California Legislature in 2014 through Senate Bills 862 (SB 862) and 852 (SB 852). The source of funds for LCTOP is from the state's Cap-and-Trade Program annual proceeds and was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Eligible projects and programs include new or expanded bus or rail services, expanded intermodal transit facilities, equipment acquisition, fueling, maintenance and other operating costs. In September 2022, the District received in cash, the FY22 LCTOP funding from the State of California for \$10,259,000. This money was provided by the State to partially offset operating costs associated with the Antioch Extension in fiscal year 2023. The District fully utilized this allocation in fiscal year 2023, including the cumulative interest earned, which amounted to \$47,000.

Low Carbon Fuel Standard (LCFS) Program Revenue: The California Air Resources Board identified the Low Carbon Fuel Standard (LCFS) as one of the nine discrete early action measures to reduce California's greenhouse gas (GHG) emissions that cause climate change. The California LCFS requires fuel producers to reduce the carbon content of fuels to help the state meet its greenhouse gas (GHG) emission-reduction goals. The LCFS allows low and zero carbon fuel producers and transportation providers to generate credits and requires high carbon-intensity fuel providers to purchase credits while they work to reduce their carbon content. As a rail transportation agency which operates an electrified commuter rail system, BART generates LCFS credits and can translate these credits into revenues by selling it to high intensity fuel providers, such as oil refineries. In fiscal year 2023, the District generated \$6,175,000 from the LCFS program.

Other State Grants: The District receives other types of grants from the State of California for transit-related assets and improvements. Major sources of capital revenues from the State in fiscal year 2023 includes SB1 Public Transportation Account, and from Department of Housing and Community Development under the Affordable Housing and Sustainable Communities (AHSC) Program. These funds were used to fund, among others, the Rail Car Procurement Project, CBTC, and Station Modernization projects, which include the North Berkeley Station Access Improvement project.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

Local Operating and Capital Financial Assistance

Revenues from local funding sources were generated from the following sources (dollar amounts in thousands):

	<u>Operating Financial Assistance</u>	<u>Capital Contributions</u>
VTA Financial Assistance	\$ 42,912	\$ 13,677
ACTC Measure B	-	1,464
ACTC Measure BB	7,593	4,077
CCTA Measure J	151	186
San Mateo Measure A/Prop 1B	2,393	-
Rail Car Exchange Fund	-	194,042
SFMTA (MUNI)	2,126	5,255
City and County of San Francisco Prop A GO Bonds	-	13,942
Other Local Assistance	2,925	3,555
	<u>\$ 58,100</u>	<u>\$ 236,198</u>

Santa Clara Valley Transportation Authority (VTA) Financial Assistance: On June 13, 2020, the first phase of the Silicon Valley Berryessa Extension Project (SBVX) commenced revenue service. The Phase 1 extension extends the District's Warm Springs Station in Fremont to 2 new stations in the south bay, Milpitas and Berryessa. The Operations and Maintenance agreement requires VTA to be responsible for funding subsidies for the ongoing operating, maintenance and capital costs attributable to the extension including a share on costs associated with the District's core system, both operating and capital costs, and to provide dedicated funding for such cost. Total subsidy received from VTA in fiscal year 2023 are summarized below (dollar amount in thousands):

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Unused subsidy balance, June 30, 2022	\$ 2,474	\$ 11,094	13,568
Cash received	39,800	7,062	46,862
Recognized as revenue FY23	<u>(42,912)</u>	<u>(13,677)</u>	<u>(56,589)</u>
Unused subsidy balance June 30, 2023	<u>\$ (638)</u> ¹	<u>\$ 4,479</u>	<u>\$ 3,841</u>

¹ Net of receivable from VTA of \$4,039,000

On June 30, 2023, the unused subsidy balance of funds received from VTA are shown on the statement of net position as a component of current unearned revenues.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

Alameda County Transportation Commission Measure B and BB: The District receives Paratransit funds provided to cities and transit operators from Alameda County Transportation Commission (ACTC) Measure B funds to be used for services aimed at improving mobility for seniors and persons with disabilities. Beginning in April 2015, the ACTC also allocated to the District Measure BB funds to supplement the funding needed for the paratransit program. Additional Measure BB funds were also allocated to the District for transit operations, maintenance, and safety programs. ACTC is the administrator of both Measure B and BB funds. Measure B program ended in March 2022. Measure BB funds revenues for transit operations were \$5,695,000, and for paratransit operations, were \$1,898,000, in fiscal year 2023. The District also recognized grants revenue from Measure BB capital fund in the amount of \$4,077,000 for the 19th Street Station Modernization Project, in fiscal year 2023.

Rail Car Exchange Fund: The District's fleet replacement project consisting of construction for the A, B, C1 and C2 fleet replacement was formally launched in 2013. To set aside funding for this program, the District and MTC entered into the BART Car Replacement Funding Exchange Agreement on May 24, 2006. Under the agreement, MTC agrees to program federal funds to eligible BART projects that are ready to be delivered within the year of MTC's programming action. In exchange for MTC programming funds for ready-to-go BART projects, the District will deposit an equal amount of local unrestricted funds into a restricted account established to fund BART's car replacement program. MTC is the exclusive administrator of the restricted account and any withdrawal of funds from the account requires prior approval from the MTC Commission and the District's Board. In fiscal year 2023, the District utilized \$194,042,000 from this restricted account to cover costs incurred for the rail car replacement project. On June 30, 2023, the restricted account for BART's car replacement program held by MTC, which is excluded from the District's financial statements, reported a balance of \$302,241,000.

San Mateo Measure A/Prop 1B: This financial assistance relates to the recognition of the 2.0% San Mateo County half cent sales tax (Measure A) received by the District in the current year in the amount of \$2,393,000 received from San Mateo County Transit District (Samtrans) to cover the operating shortfall of the BART San Francisco International Airport Extension (SFO Extension) in fiscal year 2022. On February 28, 2007, the District, San Mateo County Transit District (SamTrans), and MTC entered into a Tri-Party Agreement (Agreement) establishing the operational and financial arrangement regarding the BART San Francisco International Airport Extension. To fund the operating costs of the SFO Extension, the Agreement provided that (1) the District would receive up-front funding of \$24,000,000 from MTC and \$32,000,000 from SamTrans from their shares of Proposition 1B funds; (2) the District would also receive 2.0% of the San Mateo County half cent sales tax, Measure A, which was reauthorized by the voters of San Mateo County in 2004, for 25 years beginning in fiscal year 2009; and (3) MTC shall allocate to the District additional STA revenue-based funds beginning in fiscal year 2009, which would otherwise be available for allocation to SamTrans as a result of the completion of the Traffic Congestion Relief Program projects, in an amount of \$801,000 annually. The above funds will be used first to cover any operating deficit on the SFO Extension and then to complete SamTrans' funding commitment of \$145,000,000 to the District's Warm Springs Extension Project. In December 2013, MTC adopted Resolution No. 4123, the Transit Core Capacity Challenge Grant Program, which re-directs the \$145,000,000 of SFO Net Operating Revenues to BART's New Railcar Procurement Program.

The up-front funding of \$24,000,000 from MTC was allocated to the District in 2008 in the form of Regional Measure 2 (RM2) revenues as a local match to capital projects funded by the Transit Capital Priorities Program. For the purpose of the Tri-Party Agreement, the District made up-front deposits equivalent to the RM2 revenues in the reserve account and MTC reimbursed the District with RM2 revenues, as the funds were earned. The District has received the full amount from MTC in fiscal year 2018. SamTrans' \$32,000,000 contribution was funded with approximately \$22,500,000 in Proposition 1B funds and \$9,500,000 in a direct allocation.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 11 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

At the end of fiscal year June 30, 2022, due to extremely low ridership in the SFO extension as consequence of the COVID-19 pandemic, the entire balance of the program reserves has been fully utilized. Fiscal year 2023 revenues received from Measure A and STA of \$3,194,000 were applied to cover the net operating shortfall of the SFO Extension in fiscal year 2023 as shown below (dollar amounts in thousands):

Reserves, beginning of year	\$ -
Received/accrued	
Measure A	2,393
STA	<u>801</u>
Total	3,194
Less amount used to cover SFO extension operating shortfall	<u>(3,194)</u>
Reserves, end of year	<u>\$ -</u>

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS

Plan Description: All eligible employees participate in the Public Employees' Retirement Fund (the Fund) of CalPERS under the Miscellaneous Plan and the Safety Plan of the San Francisco Bay Area Rapid Transit District. The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for 2891 local public agencies and school districts within the State of California. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age and compensation. Most employees become eligible for benefits after five years of service and 50 years of age (age 52 for employees hired after January 1, 2013, see paragraph below.) These benefit provisions and all other requirements are established by State statute and District contractual agreements.

Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), new members, defined as active members first hired on or after January 1, 2013, or who were hired after a break in service of more than six months, are required to contribute 50% of the "normal" pension cost. That amount is currently 14.25% of covered payroll for safety and 7.00% of covered payroll for miscellaneous. Represented employees were exempt from this provision; however, as a result of a court decision, they were determined to be covered effective December 30, 2014. There is currently a pending District Court case related to PEPRA's impact on represented employees which could alter the applicability of PEPRA to represented employees in the future.

Copies of CalPERS' annual financial report may be obtained from their Executive Office by writing or calling the Plan: California PERS, P.O. Box 942709, Sacramento, CA 94229-2709, (916) 326-3420. A separate report for the District's plan is not available.

Benefits Provided: The District provides service retirement and disability retirements, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. Benefits are based on years of credited service. Members with five years of total service are eligible to retire at age 50 (or 52 for PEPRA) with statutorily reduced benefits. The death benefit is as follows: The Basic Death Benefit for Miscellaneous and Safety employees; in addition, for Safety employees, the 4th level of 1959 Survivor Benefit.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

The Plan's provisions and benefits in effect on June 30, 2023, are summarized as follows:

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>	
	<u>Prior to</u>	<u>On or After</u>	<u>Prior to</u>	<u>On or After</u>
Hire date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62	3.0% @ 50	2.70% @ 57
Benefit vesting schedule	5 years	5 years	5 years	5 years
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Normal retirement age	55	62	50	57
Monthly benefits, as a percentage of eligible compensation	2.0%	2.0%	3.0%	2.7%
Required employee contribution rates	7.00%	7.00%	9.00%	14.25%
Required employer contribution rates	8.90%	8.90%	25.92%	25.92%

Starting in fiscal year 2018, in addition to the contributions noted above, employer contributions include additional unfunded liability payments, details of which are listed below (dollar amounts in thousands):

Miscellaneous plan	\$ 67,652
Safety plan	<u>14,058</u>
Total	<u><u>\$ 81,710</u></u>

On June 30, 2023, the following employees were covered by the benefit terms:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Inactive employees or beneficiaries currently receiving benefits	3,120	341
Inactive employees entitled to but not yet receiving benefits	67	3
Active employees	<u>3,962</u>	<u>213</u>
Total	<u><u>\$ 7,149</u></u>	<u><u>\$ 557</u></u>

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 based on the data as of June 30 two years prior. following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For fiscal year 2023, employee contribution rate for the Miscellaneous Plan is 7.00% and for the Safety Plan is 14.25% of their annual covered payroll. For employer's contribution, beginning in fiscal year 2018, CalPERS collects the employer contribution toward the plan's unfunded liability as a dollar amount instead of the prior method, which is based on a contribution rate. The District's actuarially determined employer contribution rate to cover the normal cost in fiscal year 2023 was 8.90% and 25.92% for Miscellaneous and Safety Plans, respectively, of annual covered payroll for the District's employees. Annual covered payroll amounted to \$435,657,000 for the fiscal year ended June 30, 2023 for the District's employees. The District's total employer contribution in fiscal year 2023 amounted to \$125,774,000, consisting of \$44,064,000 for normal cost and \$81,710,000 for payment of unfunded liability.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Net Pension Liability: The District's net pension liability for the Plans is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principle assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Reporting date	June 30, 2023	June 30, 2023
Measurement date	June 30, 2022	June 30, 2022
Valuation date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial assumptions:		
Discount rate	6.90%	6.90%
Inflation	2.50%	2.50%
Payroll growth	2.75%	2.75%
Investment rate of return	7.00%	7.00%
Mortality rate table ¹	Derived using CalPERS' Membership	Derived using CalPERS' Membership

¹ Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Discount Rate: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.50% and 2.50%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Asset Allocation

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges and manages those asset class allocations within their policy ranges. CalPERS Investment Belief No. 6 recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return. On December 19, 2017, the CalPERS Board of Administration adopted changes to the current asset allocation as shown in the Policy Target Allocation below expressed as a percentage of total assets.

The asset allocation shown below reflect the allocation of the Public Employees' Retirement Fund (PERF) in its entirety as of June 30, 2020. The assets for the District's Miscellaneous and Safety Plan are part of the PERF and are invested accordingly:

Asset Class ¹	Actual Allocation	Policy Target Allocation
Public Equity	53.00%	50.00%
Private equity	6.30%	8.00%
Global Fixed Income	28.30%	28.00%
Real Assets	11.30%	13.00%
Liquidity	0.90%	1.00%
Inflation Sensitive Assets	0.00%	0.00%
Trust Level ¹	0.20%	0.00%

¹ Trust Level Multi- Asset Class, Completion overlay, Risk Mitigation, Absolute Return Strategies, Plan Level Transition and Total Fund level portfolios

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District as of the June 30, 2022 measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate (dollar amounts in thousands):

	Discount Rate - 1% <u>5.90%</u>	Current Discount Rate <u>6.90%</u>	Discount Rate + 1% <u>7.90%</u>
<u>Miscellaneous Plan</u>			
District's Net Pension Liability (Asset)	\$1,178,135	\$809,197	\$500,558
<u>Safety Plan</u>			
District's Net Pension Liability (Asset)	\$248,885	\$186,820	\$135,993

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Change in Net Pension Liability: The following table shows the changes in the net pension liability for the Miscellaneous Plan for the fiscal year ended June 30, 2023, based on a measurement date of June 30, 2022 (dollar amounts in thousands):

<u>Miscellaneous Plan</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at June 30, 2022	\$ 2,828,004	\$ 2,428,747	399,257
Changes during the year			
Service cost	63,485	-	63,485
Interest on the total pension liability	197,935	-	197,935
Changes of Assumptions	80,743	-	80,743
Differences between expected and actual experience	7,610	-	7,610
Net plan to plan resource movement		1	(1)
Contributions from the employer	-	92,996	(92,996)
Contributions from the employees	-	29,745	(29,745)
Net investment income	-	(181,396)	181,396
Benefit payments, including refunds of employee contributions	(158,962)	(158,962)	-
Administrative expense	-	(1,513)	1,513
Other miscellaneous income	-	-	-
Net changes	<u>190,811</u>	<u>(219,129)</u>	<u>409,940</u>
Balance at June 30, 2023	<u>\$ 3,018,815</u>	<u>\$ 2,209,618</u>	<u>\$ 809,197</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

The following table shows the changes in the net pension liability for Safety Plan for the fiscal year ended June 30, 2023, based on measurement date of June 30, 2022 (dollar amounts in thousands):

<u>Safety Plan</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at June 30, 2022	419,248	292,289	126,959
Changes during the year			
Service cost	10,734	-	10,734
Interest on the total pension liability	29,989	-	29,989
Changes of assumptions	16,895		16,895
Differences between expected and actual experience	4,719		4,719
Net plan to plan resource movement		(1)	1
Contributions from the employer	-	19,115	(19,115)
Contributions from the employees	-	5,657	(5,657)
Net investment income	-	(22,112)	22,112
Benefit payments, including refunds of employee contributions	(23,204)	(23,204)	-
Administrative expense	-	(183)	183
Other miscellaneous income	-	-	-
Net changes	<u>39,133</u>	<u>(20,728)</u>	<u>59,861</u>
Balance at June 30, 2023	<u>\$ 458,381</u>	<u>\$ 271,561</u>	<u>\$ 186,820</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

The following table shows the changes in the net pension liability for the total of Miscellaneous and Safety Plans for the fiscal year ended June 30, 2023, based on measurement date of June 30, 2022 (dollar amounts in thousands):

<u>Total Miscellaneous and Safety Plans</u>	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at June 30, 2022	\$ 3,247,252	\$ 2,721,036	\$ 526,216
Changes during the year			
Service cost	74,219	-	74,219
Interest on the total pension liability	227,924	-	227,924
Changes of assumptions	97,638		97,638
Differences between expected and actual experience	12,329	-	12,329
Net plan to plan resource movement		-	-
Contributions from the employer	-	112,111	(112,111)
Contributions from the employees	-	35,402	(35,402)
Net investment income	-	(203,508)	203,508
Benefit payments, including refunds of employee contributions	(182,166)	(182,166)	-
Administrative expense	-	(1,696)	1,696
Other miscellaneous income	-	-	-
Net changes	<u>229,944</u>	<u>(239,857)</u>	<u>469,801</u>
Balance at June 30, 2023	<u>\$ 3,477,196</u>	<u>\$ 2,481,179</u>	<u>\$ 996,017</u>

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

For the fiscal year ended June 30, 2023, the District incurred a pension expense of \$147,734,000.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollar amounts in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan</u>		
Pension contributions subsequent to measurement date	\$ 104,135	\$ -
Changes in assumptions	63,564	-
Differences between actual and expected experience	34,077	-
Net differences between projected and actual earnings on plan investments	111,300	-
Total	<u>\$ 313,076</u>	<u>\$ -</u>
<u>Safety Plan</u>		
Pension contributions subsequent to measurement date	\$ 21,639	\$ -
Changes in assumptions	11,926	-
Differences between actual and expected experience	8,450	-
Net differences between projected and actual earnings on plan investments	13,871	-
Total	<u>\$ 55,886</u>	<u>\$ -</u>
<u>Total Miscellaneous and Safety Plans</u>		
Pension contributions subsequent to measurement date	\$ 125,774	\$ -
Changes in assumptions	75,490	-
Differences between actual and expected experience	42,527	-
Net differences between projected and actual earnings on plan investments	125,171	-
Total	<u>\$ 368,962</u>	<u>\$ -</u>

The \$125,774,000 deferred outflow of resources for pension contributions after the measurement date in fiscal year 2023 will be recognized as a reduction of net pension liability in fiscal year 2024.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 12 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Other deferred inflows and deferred outflows of resources as of June 30, 2023 related to pensions will be recognized in future pension expense as follows (dollar amounts in thousands):

Measurement period ending June 30:	Miscellaneous Plan	Safety Plan
	Deferred Outflows / (Inflows) of Resources	Deferred Outflows / (Inflows) of Resources
2023	\$ 51,094	\$ 12,043
2024	43,665	10,114
2025	31,507	3,629
2026	82,675	8,462
2027	-	-
Thereafter	-	-
Total	<u>\$ 208,941</u>	<u>\$ 34,248</u>

NOTE 13 - MONEY PURCHASE PENSION PLAN

Most District employees participate in the Money Purchase Pension Plan (MPPP), which is a supplemental retirement defined contribution plan. Effective January 1981, the District's employees elected to withdraw from the Federal Social Security System (FICA) and established the Money Purchase Pension Plan. The District contributes an amount equal to 6.65% of eligible employees' annual compensation (up to \$29,700 after deducting the first \$133 paid during each month) up to a maximum annual contribution of \$1,868 for all employees except part-time SEIU employees pursuant to their labor agreement. An additional contribution to the MPPP equal to 1.627% of eligible compensation is provided to all employees except for part-time SEIU and employees in the CalPERS safety pension plan. Prior to 2013 payment of this additional contribution was suspended for all CalPERS eligible individuals, with various effective dates, pursuant to labor agreements and District policy as a cost saving measure. These payments resumed on July 1, 2013. However, starting in 2014 per the labor agreements with ATU, SEIU, and AFSCME, the District retained 0.0888% of the 1.627% contribution. The District also retained this same amount for non-represented employees. In addition, the District retained \$37 per month of the 1.627% for ATU, SEIU, and AFSCME employees who elected medical to pay for medical premiums.

The annual compensation limit subject to the additional contribution is established by the Internal Revenue Code Section 401(a) (17). Each employee's account is available for distribution upon such employee's termination.

The District's total expense and funded contribution for this Plan for the year ended June 30, 2023 was \$13,072,000. The MPPP assets at June 30, 2023 (excluded from the accompanying financial statements) per the plan administrator's unaudited reports were \$412,862,000. At June 30, 2023, there were approximately 296 participants receiving payments under this plan.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling BART Investments Plans Committee, 2150 Webster Street 4th Floor, Oakland, California 94612, (510) 464-6238.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

In addition to the retirement benefits described in Notes 12 and 13, and specified in the District's contractual agreements, the District provides certain other postemployment benefits ("OPEB") to employees, which may include medical benefits to retirees and surviving spouses, retiree life insurance, survivor dental and vision benefits, and medical benefits to survivors of active employees. Most employees who retire directly from the District or their surviving spouses are eligible for medical benefits if the employee retires at or after age 50 with a minimum of 5 years of service with the District, elects to take an annuity from CalPERS and makes a timely election of retiree medical.

Retiree Health Benefit Plan: This is a single employer OPEB plan that covers the medical benefits of retirees. Eligible retirees covered under this plan only pay the designated premium rate and the balance is paid by the Retiree Health Benefit Trust (RHBT).

In compliance with GASB requirements, the District accounts for OPEB on an accrual basis and created the RHBT. The purpose of establishing the RHBT is to facilitate the provision of medical benefits and other health and welfare benefits ("retiree medical benefits") for the qualifying retirees of the District; to provide the means for financing the costs and expenses of operating and administering such benefits; to hold Trust assets for the sole and exclusive purpose of providing benefits to participants and beneficiaries; and to defray the reasonable expenses of administering the RHBT and designated plans. The RHBT covers the funding for the "retiree medical benefits", which include retiree medical benefits and medical benefits provided to widows and widowers of retirees. Assets placed into the RHBT cannot be used for any other purposes and are not available to satisfy general creditors of the District. Under California state law, the restrictions on the use of any proceeds from liquidation of the RHBT are significant enough to render the RHBT effectively irrevocable.

The RHBT is administered by one or more Trustees appointed by the District's Board of Directors. Currently, the Board has appointed the District's Controller-Treasurer as the Trustee. The RHBT issues a publicly available audited financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Retiree Health Benefit Trust, San Francisco Bay Area Rapid Transit District, 2150 Webster Street, P.O. Box 12688, Oakland, California 94612.

Survivor Benefit Plan: This is a single-employer OPEB plan that enables eligible surviving dependents of participating employees to continue their BART-provided group health, dental or vision insurance on a financially favorable basis following the death of the participating employee. Subject to the following "benefits cap," the eligible surviving dependents will have their BART-provided group health insurance provided by BART or paid for by BART. BART's obligation to pay for or provide such medical insurance benefits is limited to the greater of the premium cost of (a) the greater Bay Area Blue Shield Access + (currently \$2,799.78 for family); or (b) the Bay Area Kaiser basic premium (currently \$2,655.67 for family) ("Premium Cap"), or the actual premium cost if less, less the \$15.00 per month participation fee. Special rules, premiums, and coverages apply to participants who are Medicare eligible.

(Continued)

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Survivor Benefits is available to the “eligible dependents” of all full-time employees of BART, provided that certain requirements are met:

- a. All full-time employees are given a single opportunity to elect participation in the program. The election period lasts ninety (90) days from the date of full-time hire. The election must be in writing on a form provided by BART’s HR department and must be accepted by the HR department within that time period.
- b. Because there is only one enrollment opportunity, all full-time employees must elect to participate within this time period even if they do not yet have a spouse or dependents. Failure to enroll and satisfy the other participation requirements will prevent any future dependents from receiving benefits.
- c. All participating employees and their benefiting survivors must pay a \$15.00 per month participation fee on a continuous basis. The \$15.00 fee applies to each family group regardless of size. Participating employees will have the fee deducted from their second paycheck of each month on a post-tax basis.
- d. If a participating employee or a benefiting survivor (group) discontinues participation, or stops payment of the monthly fee, they will lose eligibility for Survivor Benefits and will not be able to re-enroll in the program.

In May 2020, the BART Board of Directors approved the creation of the Survivor Benefit Trust of the San Francisco Bay Area Rapid Transit District (SBT) for the purpose of providing retiree survivor health and welfare benefits to survivors of eligible District retirees. The benefits will be available to survivors of employees and retirees who, at the time of hire, elected to contribute to a survivor health benefit program. Survivors of employees and retirees who elected this program and who continue to contribute are eligible for medical, dental and vision coverage at a cost of \$15 per month. The SBT is to be maintained in accordance with Government Code Sections 53206, 53620, 53622 et seq. The objective is to achieve consistent long-term growth for the SBT and maximize income consistent with the preservation of capital for the sole and exclusive purpose of providing benefits to beneficiaries and defraying reasonable expenses of administering the SBT. Assets placed into the SBT cannot be used for any other purposes and are not available to satisfy general creditors of the District. Under California state law, the restrictions on the use of any proceeds from liquidation of the SBT are significant enough to render the SBT effectively irrevocable.

The SBT is administered by one or more Trustees appointed by the District’s Board of Directors. Currently, the Board has appointed the District’s Controller-Treasurer as the Trustee. The SBT issues a publicly available audited financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Survivor Benefit Trust of the San Francisco Bay Area Rapid Transit District, 2150 Webster St., P.O. Box 12688, Oakland, California 94612, (510) 464-6238.

Retiree Life Insurance Plan: This is a single-employer OPEB plan that provides life insurance to employees who retire from the District on either a service or a disability retirement as follows:

1. First year of retirement, fifty percent (50%) of the employee’s annual base earnings rounded to the next higher even thousand dollars (\$1,000);
2. Second year of retirement, forty percent (40%) of the employee’s annual base earnings rounded to the next higher even thousand dollars (\$1,000);
3. Third year of retirement, thirty percent (30%) of the employee’s annual base earnings rounded to the next higher even thousand dollars (\$1,000);
4. Fourth and subsequent years of retirement, twenty percent (20%) of the employee’s annual base earnings rounded to the next higher even thousand dollars (\$1,000).

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

All represented and non represented employees are covered by the retiree life insurance plan except for BPOA and BPMA members. BPOA and BPMA retirees before January 1, 2019 and July 1, 2019, respectively, have retiree life insurance; and BPOA and BPMA employees who retire after the noted dates are not covered in the retiree life insurance.

There are no assets accumulated in trust for the Retiree Life Insurance Plan.

Basis of Accounting: The financial statements of the Trusts are prepared using the accrual basis of accounting. The RHBT recognizes contributions from the District in accordance with the provisions contained in the District collective bargaining agreements, as described briefly in the following discussion.

Method Used to Value Investments: Investments are reported at fair value as determined by the financial institutions, which have custody of the investments based on fair value measurements under GASB 72.

Funding Policy and Long-Term Contract for Contributions: The District's current collective bargaining agreements with its unions (CBA) describe the District's funding commitments to the RHBT. Beginning in fiscal year 2008, the District funded the Trust with a "ramp up" (increasing) percentage of the "full" actuarial determined required contribution (ADC) in addition to funding the pay-as-you-go amount every year for the following six years. Including fiscal years 2007 and 2008, this "ramp-up" contribution funded an eight-year period covering fiscal years 2006 through 2013. The CBAs include the baseline "ramp-up" percentages, which is the minimum amount that the District is committed to contribute to the Trust during the "ramp-up" period. The District commissions an actuarial study of the retiree medical insurance plan liabilities and funding needs, including the ADC, every year. The revised "ramp-up" percentage became the basis for the District's contribution to the Trust, except when it was less than the baseline "ramp-up" percentage. In addition, in fiscal year 2009 the District contributed into the Trust a lump sum makes up payment reflecting the amounts it would have contributed for fiscal years 2006 and 2007, which was actuarially calculated at \$14,629,000.

Beginning in fiscal year 2014, the District contributed to the RHBT each pay period an amount equal to the full GASB compliant ADC. Also, effective on July 1, 2013, retiree medical insurance premiums and related administration fees are paid by the Trust.

Funding Policy: Employer contributions to the retiree health benefits plan are actuarially determined and amounted to \$36,242,000 for fiscal year 2023 (including \$5,980,000 implied subsidy). The actuarial valuation for fiscal year 2021 was used to determine the actuarially determined contribution for fiscal year 2023. The District also paid in fiscal year 2023 life insurance premiums, on a pay as you go basis, amounting to \$1,308,000 (including \$1,168,000 implied subsidy). There were no employer contributions for the survivor benefit plan.

The District does not charge any administration cost to the RHBT. For calendar year 2023, most retirees paid \$160.96 per month for their share of the medical premium (\$174.97 for police) and for calendar year 2022, medical premium is \$157.35 for non-police and \$169.87 for police. The balance is paid by the District.

Employer's Net OPEB Liability: The Net OPEB liability is measured as the difference between the District's total OPEB liability and the plan's fiduciary net position (for Retiree Health Plan and Survivor Benefit), as of the measurement date.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The net OPEB liability as of June 30, 2023 for the Retiree Health Benefit, Survivor Benefit and Retiree Life Insurance totals \$273,924,000, detail of which is presented below (dollar amounts in thousands):

Fiscal Year Ending	June 30, 2023
Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
<u>Retiree Health Benefits</u>	
Total OPEB Liability (TOL)	\$ 711,264
Fiduciary Net Position (FNP)	<u>(506,393)</u>
Net OPEB Liability	<u><u>\$ 204,871</u></u>
<u>Survivor Benefit Plan</u>	
Total OPEB Liability (TOL)	\$ 32,139
Fiduciary Net Position (FNP)	<u>(10,890)</u>
Net OPEB Liability	<u><u>\$ 21,249</u></u>
<u>Retiree Life Insurance</u>	
Total OPEB Liability (TOL)	\$ 47,804
Fiduciary Net Position (FNP)	<u>-</u>
Net OPEB Liability	<u><u>\$ 47,804</u></u>
<u>Total</u>	
Total OPEB Liability (TOL)	\$ 791,207
Fiduciary Net Position (FNP)	<u>(517,283)</u>
Net OPEB Liability	<u><u>\$ 273,924</u></u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability:

The total OPEB liability for retiree health benefits was determined by an actuarial valuation using the following actuarial assumptions:

Retiree Health Benefits

Measurement date	June 30, 2023
Valuation date	June 30, 2022, update procedures were used to roll forward the total OPEB liability to June 30, 2023
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	6.00% Plan assets projected to be sufficient to pay all benefits from the Trust
Long-term investment rate of return	6.00%
General inflation	2.50% per annum
Contribution Policy	Employer contributes full ADC
Mortality, disability, termination, retirement	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Medical trend	Non-Medicare-8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) 7.5% for 2024, decreasing to an ultimate rate of 3.45% for 2076 Medicare (Kaiser) 6.25% for 2024, decreasing to an ultimate rate of 3.45% for 2076
Healthcare participation for future retirees	Tier 1: 90% Tier 2: 50% with < 10 years; 70% with 10 years Increasing to 90% with 20 years Spouse Coverage: varies by bargaining unit, 56% to 81% 10% of waived retirees under age 65 on valuation date assumed to elect coverage at 65 Assumptions based on study of recent retirees
Change of assumptions	Demographic assumption was updated based on CalPERS 2000-2019 Experience Study Active participation at retirement assumption Expected retirement age assumption Medical trend was changed from 6.5% for 2023 to 8.5% for 2024 for Non-Medicare, from 5.65% for 2023 to 7.5% for 2024 for Medicare (Non-Kaiser), and from 4.6% for 2023 to 6.25% for 2024 for Medicare (Kaiser)

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability is 6.0% as of fiscal year 2023 and fiscal year 2022. The projection of cash flows used to determine the discount rate assumed that the Trust contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments is applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return on Investments: The long-term expected rate of return on investments used is 6%, net of investment expenses for fiscal year 2023. The table below reflects the long-term expected real rate of return by asset class. The geometric return method was used to calculate the rate of return. The target allocation for the valuation date was as follows:

<u>Asset class</u>	<u>Strategic Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
U.S Equity	56.00%	6.00%
International Equity	0.70%	6.00%
Fixed Income	34.70%	6.00%
Non U.S. Fixed Income	0.60%	6.00%
Cash Equivalents	8.00%	6.00%
Total	100.00%	

The total OPEB liability for survivor medical benefits was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions:

Survivor Benefit Plan

Measurement date	June 30, 2023
Valuation date	June 30, 2022 update procedures were used to roll forward the total OPEB liability to June 30, 2022
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	4.04% based on crossover test
Long-term investment rate of return	6.00% at June 30, 2023
Municipal bond rate	3.65%; at June 30, 2023 (Bond Buyer 20-Bond GO Index) 3.54% at June 30, 2022 (Bond Buyer 20-Bond GO Index)
General inflation	2.50% per annum
Mortality, disability, termination, retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Crossover Test	Administrative expenses = .36% of assets Continued future participant contributions No future employer contributions Crossover in 2044
Salary increases	Aggregate 2.75 annually% Merit- CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare – 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) – 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) – 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Participation	Current covered employees and retirees will continue paying premium for coverage. Future retirees will elect to be covered by District retiree healthcare benefits
Change of Assumptions	Discount rate was updated from 3.79% to 4.04% based on crossover test Economic Assumptions: <ul style="list-style-type: none">- Change in medical trend rate- Updated demographic assumptions based on CalPERS 2000-2019 Experience Study- Municipal bond rate changed

Discount Rate: The discount rate used to measure the total OPEB liability is 4.04% as of fiscal year 2023 based on the blending of the long-term expected return on assets of the plan and the municipal bond rate. Based on the assumptions listed above, the OPEB plan's fiduciary net position is projected to be available to make all projected OPEB payments for current active and inactive employees through 2044.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Long- Term Expected Rate of Return on Investments: The long-term expected rate of return on investments used is 6%, net of investment expenses for fiscal year 2023. The table below reflects the long-term expected real rate of return by asset class. The geometric return method was used to calculate the rate of return. The target allocation for the valuation date was as follows:

<u>Asset class</u>	<u>Strategic Allocation</u>	<u>10 Year Expected Rate of Return</u>
U.S Equity	60.00%	6.00%
Fixed Income	35.00%	6.00%
Cash Equivalents	5.00%	6.00%
Total	100.00%	

The total OPEB liability for retiree life insurance was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions:

Retiree Life Insurance

Measurement date	June 30, 2023
Valuation date	June 30, 2022, update procedures were used to roll forward the total OPEB liability to June 30, 2023
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	3.65% at June 30, 2023 (Bond Buyer 20- Bond Index) 3.54% at June 30, 2022 (Bond Buyer 20- Bond Index)
Long -term investment rate of return	N/A
Municipal bond rate	3.65% based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023
General inflation	2.50% annually
Mortality, disability, termination, retirement	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021
Trend	N/A
Life insurance participation for future retirees	100%, except BPOA and BPMA
Benefit valued	Valuation based on death benefit payable, not premiums No administrative expense included
Changes of benefit terms	None

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes of assumptions

Discount rate was updated based on municipal bond rate as of the measurement date
Updated demographic assumptions based on CalPERS 2000-2019 Experience Study

Sensitivity of the Net OPEB Liability to Changes in Assumptions

Retiree Health Benefits: The following presents the net OPEB liability of the Retiree Health Benefits Plan as of the June 30, 2023 measurement date, calculated using the current discount rate and healthcare trend rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate (dollar amounts in thousands):

<u>Discount rate</u>	<u>1% Decrease (5.0%)</u>	<u>Current Rate (6.0%)</u>	<u>1% Increase (7.0%)</u>
Net OPEB liability	\$ 296,371	\$ 204,871	\$ 128,842
<u>Heath care costs trend rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 111,073	\$ 204,871	\$ 319,679

Survivor Benefit: The following presents the net OPEB liability of the Survivor Benefit Plan as of the June 30, 2023 measurement date, calculated using the current discount rate and healthcare trend rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate (dollar amounts in thousands):

<u>Discount rate</u>	<u>1% Decrease (3.04%)</u>	<u>Current Rate (4.04%)</u>	<u>1% Increase (5.04%)</u>
Net OPEB liability	\$ 27,978	\$ 21,249	\$ 16,092
<u>Heath care costs trend rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 15,659	\$ 21,249	\$ 28,823

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retiree Life Insurance: The following presents the total OPEB liability of the Retiree Life Insurance Plan as of the June 30, 2023 measurement date, calculated using the current discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate. Healthcare trend rates are not applicable to the Retiree Life Insurance Plan (dollar amounts in thousands):

	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
<u>Discount rate</u>			
Total OPEB liability	\$ 57,085	\$ 47,804	\$ 40,531

OPEB Expense: For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$22,557,000. The details of the OPEB expense were as follows (dollar amounts in thousands):

	Retiree Health Benefit	Survivor Benefit	Life Insurance	Total
OPEB expense (income)	\$ 22,025	\$ (2,963)	\$ 3,495	\$ 22,557

Employees Covered by Benefit Terms: At June 30, 2023 reporting date, the following numbers of employees were covered by the benefit terms:

	Retiree Health Benefit	Survivor Benefit	Retiree Life Insurance
Inactives currently receiving benefits	2,862	255	-
Inactives entitled to but not yet receiving benefits	385	1,296	2,775
Active employees	<u>4,195</u>	<u>3,105</u>	<u>3,875</u>
Total	<u>7,442</u>	<u>4,656</u>	<u>6,650</u>

Deferred Outflows/Inflows of Resources: On June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (dollar amounts in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Retiree Health Benefits</u>		
Differences between actual and expected experience	\$ -	\$ 56,344
Changes in assumptions	36,871	14,421
Net difference between projected and actual earnings on plan investments	<u>9,119</u>	<u>-</u>
Total	<u>45,990</u>	<u>70,765</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
<u>Survivor Benefits</u>		
Differences between actual and expected experience	-	10,079
Changes in assumptions	7,067	16,452
Net difference between projected and actual earnings on plan investments	486	-
	<u>7,553</u>	<u>26,531</u>
<u>Retiree Life Insurance</u>		
Differences between actual and expected experience	2,937	831
Changes in assumptions	4,785	8,418
Total	<u>7,722</u>	<u>9,249</u>
Total	<u>\$ 61,265</u>	<u>\$ 106,545</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2023 will be recognized in future OPEB expense as follows (dollar amounts in thousands):

<u>Year ending June 30</u>	Deferred Outflows (Inflows) of <u>Resources</u>
<u>Retiree Medical Benefits</u>	
2024	\$ (14,347)
2025	(8,592)
2026	6,609
2027	(9,803)
2028	(24)
Thereafter	<u>1,382</u>
Total	<u>\$ (24,775)</u>
<u>Survivor Benefits</u>	
2024	\$ (4,317)
2025	(3,348)
2026	(2,060)
2027	(2,658)
2028	(3,611)
Thereafter	<u>(2,984)</u>
Total	<u>\$ (18,978)</u>

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

<u>Year ending June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
<u>Retiree Life Insurance</u>	
2024	605
2025	391
2026	(1,077)
2027	(1,631)
2028	9
Thereafter	<u>176</u>
Total	<u>\$ (1,527)</u>

Net OPEB Liability/(Asset): The following tables shows the changes in the net OPEB liability on retiree health benefits for the fiscal year ended June 30, 2023 (dollar amounts in thousands):

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2022 *	\$ 663,877	\$ 450,028	\$ 213,849
Changes for the year			
Service cost	23,162	-	23,162
Interest	40,285	-	40,285
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(23,998)	-	(23,998)
Change of assumptions	39,204	-	39,204
Contributions from the employer	-	36,242	(36,242)
Net investment income	-	51,680	(51,680)
Benefit payments, including refunds***	(31,266)	(31,266)	-
Administrative expense	-	(291)	291
Net changes	<u>47,387</u>	<u>56,365</u>	<u>(8,978)</u>
Balance at June 30, 2023 **	<u>\$ 711,264</u>	<u>\$ 506,393</u>	<u>\$ 204,871</u>

* Measurement date June 30, 2022

** Measurement date June 30, 2023

*** Includes \$5,980,000 implied subsidy benefit payments for fiscal year 2023

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following tables shows the changes in the net OPEB liability on survivor benefit for the fiscal year ended June 30, 2023 (dollar amounts in thousands):

	Increase (Decrease)		
	Total OPEB <u>Liability</u>	Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Balance at June 30, 2022 *	\$ 34,025	\$ 9,489	\$ 24,536
Changes for the year			
Service cost	1,987	-	1,987
Interest	1,358	-	1,358
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,466)	-	(2,466)
Change of assumptions	(2,389)	-	(2,389)
Contributions from the employee	-	797	(797)
Net investment income	-	1,014	(1,014)
Benefit payments, including refunds	(376)	(376)	-
Administrative expense	-	(34)	34
Net changes	<u>(1,886)</u>	<u>1,401</u>	<u>(3,287)</u>
Balance at June 30, 2023 **	<u>\$ 32,139</u>	<u>\$ 10,890</u>	<u>\$ 21,249</u>

* Measurement date June 30, 2022

** Measurement date June 30, 2023

Net OPEB Liability/(Asset) (Continued): The following tables shows the changes in the total OPEB liability on retiree life insurance for the fiscal year ended June 30, 2023 (dollar amounts in thousands):

	Total OPEB <u>Liability</u>	Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Balance at June 30, 2022 *	\$ 43,333	\$ -	\$ 43,333
Changes for the year			
Service cost	1,391	-	1,391
Interest	1,560	-	1,560
Changes of benefit terms	-	-	-
Difference between expected and actual experience	2,421	-	2,421
Change of assumptions	407	-	407
Contributions from the employer	-	-	-
Benefit payments, including refunds***	(1,308)	-	(1,308)
Administrative expense	-	-	-
Net changes	<u>4,471</u>	<u>-</u>	<u>4,471</u>
Balance at June 30, 2023 **	<u>\$ 47,804</u>	<u>\$ -</u>	<u>\$ 47,804</u>

* Measurement date June 30, 2022

** Measurement date June 30, 2023

*** Includes implied subsidy benefit payments of \$1,168,000 in fiscal year 2023

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 15 - BOARD OF DIRECTORS' EXPENSES

Total Directors' expenses, consisting of travel and other business-related expenses, for the fiscal year ended June 30, 2023 amounted to \$8,940.

NOTE 16 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS

Capitol Corridor Joint Powers Authority: The Joint Exercise of Powers Agreement dated December 31, 1996, between the District and five other transportation authorities in surrounding counties (Agencies) provided for the creation of the Capitol Corridor Joint Powers Authority (CCJPA), a public instrumentality of the State of California. The CCJPA was formed for the purpose of administering and managing the operation of the Capitol Corridor Rail Service as part of the California intercity passenger rail system. The District is the managing agency of CCJPA and in that capacity, it provides all necessary administrative support to CCJPA. CCJPA entered into an Interagency Transfer Agreement with the State of California and assumed administration and operation commencing on July 1, 1998. The initial term of the Interagency Transfer Agreement was for three years beginning July 1, 1998 and was extended for three additional years effective July 1, 2001. In 2004, State legislation was enacted that eliminated the sunset date of the Interagency Transfer Agreement, which now exists indefinitely.

The governing board of CCJPA consists of sixteen members, of which six members are from the District and two members are from each of the five other Agencies. Neither the District nor the other Agencies are responsible for any debt, liabilities and obligations of CCJPA and the District would not be entitled to any of CCJPA's net assets should it terminate.

The District charged the CCJPA a total of \$5,916,000 for marketing, administrative services and Link 21 related operating expenses during fiscal year 2023. In addition, CCJPA reimburses the District for its advances for capital project expenses, overhead and other operating expenses. Reimbursements for expenses incurred by the District on behalf of and in providing services to the CCJPA are netted against the corresponding expense in the statement of revenues, expenses and change in net position. Unreimbursed expenses and advances for capital project costs from CCJPA amount to \$2,044,000 as of June 30, 2023. All unreimbursed expenses and advances are included as current receivables and other assets in the statement of net position. As the District has no ownership involvement or ongoing financial interest or responsibility in CCJPA, its financial statements include only amounts related to the services and advances it provides to CCJPA.

East Bay Paratransit Consortium: In 1994, the District and the Alameda-Contra Costa Transit District (AC Transit) executed an agreement establishing the East Bay Paratransit Consortium (the Consortium). The purpose of the Consortium is to enable the District and AC Transit to jointly provide paratransit services in the overlapping service area of the District and AC Transit. Revenues and expenses for the Consortium are split 31.0% and 69.0% between the District and AC Transit, respectively, except for program coordinator's expenses, which are split 50/50 starting in 2011. The District's financial statements reflect its portion of revenues and expenses as operating activities. The District supported the project primarily through its own operating funds, with some financial assistance from Alameda County Measure B and BB funds and from the Contra Costa Transportation Authority Measure J funds (Note 9). The District has no equity interest in the Consortium.

Pleasant Hill BART Station Leasing Authority: In July 2004, the District, the County of Contra Costa (County) and the Contra Costa County Redevelopment Agency (Agency) entered into a Joint Exercise of Powers Agreement (JPA Agreement) to create the Pleasant Hill BART Station Leasing Authority (Pleasant Hill Authority). In 2012, the Agency was dissolved by California Assembly Bill ABX1 26, and the Pleasant Hill Authority now consists of the District and the County. The Pleasant Hill Authority was created as a means of accomplishing the cooperation and coordination among the agencies to provide for the development of a mixed-used transit village located at BART's Pleasant Hill/Contra Costa Centre Station, which includes rental residential, retail and a future office development. The original lease to the Pleasant Hill Authority was for a 99-year term expiring on May 14, 2105. All subsequent leases will be conterminous with the May 14, 2105 date.

(Continued)

NOTE 16 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

On June 30, 2009, the District received as ground lease payments for the full term of the lease, a cash base rent of \$99 and a noncash base rent in the form of a newly constructed parking structure located at the Pleasant Hill BART station. The District accepted the completion of the new parking structure and became its new owner effective June 30, 2009. The replacement parking garage was recorded as a capital asset at a value of \$51,236,000, which is its final construction cost as reported by its developer. As a result of the Agency's funding of the replacement parking garage, future sublease revenue will be split between the County and BART at 75.0% and 25.0%, respectively, after defeasance of the Agency's final incremental contribution to the parking garage project.

The District agreed that the rent on the 2nd Phase (Block C) of the Pleasant Hill/Contra Costa Centre Transit Village will be shared between the two JPA members, the County and BART. The agreement stipulates that the County will receive 100% of the rental proceeds from the project, up to \$4.5M net present value, after which the sharing of revenue will revert to the 75/25 split.

The Pleasant Hill Authority is a public entity separate from any member and as such, its debts, liabilities and obligations shall not be the debts, liabilities and obligations of any of the members. The governing body of the Pleasant Hill Authority is a Board of Directors consisting of four persons – two each from the County and the District.

The Pleasant Hill ground lease agreement qualifies under GASB Statement No. 87, and upon adoption, unearned revenue amounting to \$44,289,000 was reclassified to deferred inflow of resources. Please refer to Note 5 - Leases for further information.

Richmond Redevelopment Agency or Successor Agency: On April 11, 2002, the District entered into a Disposition and Development Agreement with Richmond Redevelopment Agency and Richmond Transit, LLC for the development of a mixed-use transit village on the property owned by the Redevelopment Agency, the City of Richmond, and BART.

The transit village will be developed in two phases. The first phase has been completed and consists of the development of the townhouses on the western side of the tracks, and a parking structure that includes retail space incorporated within the structure (the "Phase One Improvements").

The second phase will consist of the development of additional housing and the improvement of Nevin Avenue and the Nevin Avenue walkway on the eastern side of the Tracks (the "Phase Two Improvements").

The District had agreed to issue grant deeds to the developer pertaining to two parcels with approximate total size of 245,070 square feet in both the West side and the East side for the development projects. The agreement states that in exchange for the parcels, the Richmond Redevelopment Agency, at their expense, will construct a parking structure on the West side of BART's property, and transfer ownership of the garage to the District upon completion. The transfer of maintenance and responsibility to the District of the parking structure, which consisted of 750 parking spaces and approximately 9000 +/- square feet of commercial space, occurred in September 2014. As of June 30, 2021, only the parcel on the West side of the development project has been transferred by the District to the developer. The transfer of the parcel on the East side will occur upon the request of the City of Richmond and/or their designated developer once all prerequisites are met. Prerequisites include a fully entitled East Side development project. The transfer is expected to occur in fiscal year 2024.

The District allocated the value of the garage, which amounted to \$36,260,000, between the two parcels. The total cost of the structure was recorded as part of capital assets. A gain of \$6,012,000 was recognized in fiscal year 2015 pertaining to the value allocated to the West side parcel that was transferred to the developer, after deducting the cost. The allocated value pertaining to the East side parcel amounting to \$30,110,000 was recognized as unearned revenue, pending the transfer, and is shown as part of current unearned revenue.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 16 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

MacArthur Transit Village: On July 29, 2010, the District entered into a Purchase and Lease Option agreement with MacArthur Transit Community Partners LLC (Developer) pertaining to the development of the MacArthur Transit Village, a mixed-use, transit-oriented project, including affordable and market rate housing, retail/commercial and community space and replacement parking adjacent to the MacArthur BART Station.

The District owned a portion of the project's real property totaling approximately 7.76 acres that has been used to develop the project.

As a consideration for the purchase of parcels totaling 198,642 square feet and 99-year ground lease of a 34,404 square foot parcel, the Developer constructed a parking garage structure, funded in part by the Oakland Redevelopment Agency, with 450 BART parking spaces and approximately 5,200 square feet of retail spaces. The parking structure was completed and transferred to the District in September 2014. In addition to the parking structure, the project includes transit improvements to the BART station's plaza and frontage road. These improvements are also the responsibility of the Developer as part of the consideration for the land. The total value of the garage and the improvements amounted to \$27,596,000 and were recognized as part of depreciable capital assets. \$1,780,000 of the consideration was allocated to the 99-year term ground lease; and was recorded as deferred ground lease prior to 2017. The land transfers to the master developer's designated assignee developers have occurred on December 29, 2016 for Parcels A and C1 and on June 29, 2017 for Parcel B. The District recognized a gain from exchange of property of \$24,839,000 resulting from the completion of required land transfers.

The MacArthur ground lease qualifies under GASB Statement No.87, and upon adoption, unearned revenue amounting to \$1,622,000 was reclassified to deferred inflow of resources. Please refer to Note 6-Leases for further information.

Using the City of Oakland Redevelopment Agency funds, the project acquired two parcels under the District's name which were used for the construction of the BART garage structure. The total consideration paid by the City of Oakland for the two parcels was \$5,121,000. The costs of these parcels were recorded by the District as non-depreciable capital assets. The District also recognized a revenue (donated income) equivalent to the value of the land received.

South Hayward Transit Oriented Development: On June 18, 2012, the District and JMJ Development LLC (Developer) entered into an Option Agreement for a-TOD. That agreement also includes the right to purchase approximately 1.65 acres of land from the District. The right to purchase was exercised in fiscal year 2014 for a total consideration of \$692,000. Grant deed for the transfer was issued on October 8, 2014. The District recognized a gain of \$620,000 from this sale. An Option Agreement between the District and the Developer provided further consideration to the District of a transfer benefit fee (TBF) which guarantees the District a perpetual revenue stream. The TBF amounts to a 1% assessment against successive transfers of each of the development units (i.e., unit sales) or a 1% annual assessment against Gross Annual Rental Revenue from rental of the units. A total of 206 market rate rental units were completed in 2017. The TBF commenced accrual in October 2019, the first anniversary of the project stabilization date.

South Hayward BART Station Access Authority: On September 1, 2011, the District entered into a Joint Exercise of Powers Agreement with the City of Hayward which provided for the creation of a public entity known as the South Hayward BART Station Access Authority (South Hayward JPA). The purpose of the South Hayward JPA is to manage and administer parking and access within the boundaries of the South Hayward JPA in an equitable and orderly fashion in order to promote transit-oriented development, support access to the station by District patrons, maximize BART ridership and protect the neighborhoods surrounding the South Hayward Station.

(Continued)

NOTE 16 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

The governing board of the South Hayward JPA consists of four members, two each from the governing Board of the District and from the City of Hayward, appointed by the governing board of the District and the Hayward City Council, respectively. Neither the District nor the City of Hayward is responsible for any debt, liabilities and obligation of the South Hayward JPA.

The parking fees and traffic citation fees collected by the District for the South Hayward Station are transferred to the South Hayward JPA to cover maintenance and other expenses. The District and the City of Hayward are entitled to reimbursement of operating and/or capital expenses incurred for the benefit of the South Hayward JPA. Net revenues will be used by the South Hayward JPA to implement parking and access projects in line with the objectives set forth in the Joint Exercise of Powers Agreement.

A study on the parking demand found that BART rider parking demand would not exceed the existing supply until another transit-oriented development project breaks ground, which, at the earliest, would occur in the mid-term (2025-2030). In addition, the study found that the JPA structure was administratively burdensome and financially unsustainable. For these reasons, the study recommended replacing the JPA with a simplified intergovernmental agreement that outlines roles and responsibilities for each government entity to retain policymaker oversight and public engagement pertaining to parking and access around the station. Consequently, JPA related transactions ceased on June 30, 2022.

On November 15th and December 1st, 2022, the City of Hayward's Council and the BART Board approved and authorized the dissolution of the JPA and execution of an Intergovernmental Agreement (IGA). On December 7th, 2022, the South Hayward BART Station Access JPA authorized the dissolution of the JPA with the District and City of Hayward executing the close-out affairs of the JPA. The District and City of Hayward staff reconciled past revenues and operations and maintenance (O&M) costs and settled all accounts as of June 30, 2023. The remaining fund balance of the JPA will be distributed to both the City and the District in proportion to the number of parking spaces within the JPA, 20% and 80% percent respectively. According to governing documents, surplus funds must be spent on South Hayward BART station related investments, including access improvements.

Millbrae Transit Oriented Development: On August 8, 2019, the District entered into a Lease Option Agreement with Republic Millbrae LLC to separately ground lease four parcels for the development of a transit oriented mixed-use project. Subject to modifications, the project is anticipated to consist of (1) approximately 300 market rate apartment units; (2) approximately 100 affordable apartment units (80 veterans preferred and 20 moderate income); (3) approximately 44,000 square feet of retail space; (4) approximately 150,000 square feet of office space; and (5) an approximately 160 room hotel. The ground lease term is for 99 years. Three of the phases (affordable housing, market rate housing, hotel) have been completed as of December 2022. Please refer to Note 6 for further information.

Santa Clara Valley Transportation Authority: The BART Silicon Valley Extension (SVX) Program (formerly referred to as the Silicon Valley Rapid Transit, or SVRT Project) is a planned 16-mile extension of the regional BART system from BART's Warm Springs Station in Fremont, which opened in March 2017, to the cities of Milpitas, San Jose and Santa Clara in the County of Santa Clara. The SVX Program is being financed and implemented by Santa Clara Valley Transportation Authority (VTA) in coordination with BART per the VTA – BART Comprehensive Agreement executed on November 19, 2001. The Comprehensive Agreement outlines the roles and responsibilities of the two agencies concerning the design, construction, financing, operation and maintenance of this extension. BART and VTA's Operations and Maintenance Agreement describes their rights and responsibilities related to the operation of SVX.

The 16-mile extension is planned to include: six stations – one in Milpitas, four in San Jose and one in the city of Santa Clara; a five-mile tunnel in downtown San Jose and provision of a yard and shops at the end of the line in Santa Clara. The capital cost for the six-station extension is estimated at \$9.27 billion in Year-Of-Expenditure ("YOE") dollars. Construction of SVX is being implemented in phases.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 16 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

The first phase, The Silicon Valley Berryessa Extension Project ("SVBX"), comprised of a 10-mile extension of BART service with two stations – one in Milpitas and one in San Jose at Berryessa Road. The first phase, with an estimated capital cost of \$2,420,000,000 in YOE dollars, was granted an FTA Full Funding Grant Agreement in March of 2012.

The second phase, the Silicon Valley Santa Clara Extension Project ("SVSX") will comprise six miles of the extension with four stations. Planning and environmental studies for the second phase have been completed. In June 2019, the FTA selected VTA as its first Expedited Project Delivery (EPD) pilot program, and in August 2018, the FTA allocated \$125 million to the second phase of the Silicon Valley Extension. The VTA received a notice of funding opportunity from FTA on July 28, 2020. VTA received a Letter of Intent (LOI) from the Federal Transit Administration (FTA) announcing the project was formally selected for funding through the EPD Pilot Program. The project funding plan includes 25% of the costs to be funded through the EPD Program and the remaining 75% from state and local sources. SVSX is forecasted to start revenue service by 2030.

In order to accommodate the new extension, among other things, BART is constructing a revenue vehicle primary maintenance facility at BART's Hayward Yard, is adding 60 new cars to the revenue vehicle fleet and is enlarging its Transit Operations Facility. BART expects to procure additional revenue vehicles in connection with SVSX and make other improvements to the core BART system as needed to accommodate the extension. VTA has full financial responsibility for SVX project costs, including BART's costs, and the ongoing operating, maintenance and capital costs caused by operation of SVX, both those that occur within and/or outside Santa Clara County.

On June 13, 2020, the first phase of SVBX Project, specifically, the Milpitas and Berryessa/North San Jose stations officially commenced revenue service. The Operating and Maintenance agreement provides guidance on the financial, maintenance and operating responsibilities of each party, where VTA owns the extensions including the transit centers and the District operates the service and maintains the system. The Operations and Maintenance agreement, dated May 22, 2020, requires VTA to be responsible for funding subsidies for the ongoing operating, maintenance and capital costs attributable to the extension including a share of the District's core system, capital costs, and to provide dedicated funding for such costs.

Northern California Power Agency (NCPA): The operation of the BART system requires substantial electricity. The District's annual electric energy requirement is approximately 400,000 megawatt-hours (MWh), with peak electric demand of approximately 76 megawatts (MW). With authorization granted under statute, the District currently procures its electric supply primarily from wholesale resources with support from the Northern California Power Agency (NCPA), a Joint Powers Authority comprised of 16 public entities, including BART. To support the price stability of the District's long-term electric supply planning and budgeting, the Board has also authorized partial District ownership of NCPA's Lodi Energy Center (LEC), a gas-fired generator commissioned in 2012. The District has agreed to unconditionally provide for 6.6% share in operation and maintenance expenses and all capital improvement based on the Generation entitlement share (GES). The Lodi facility is operated according to the needs of the California Independent System Operator (CAISO), the entity responsible for grid operations and facilitation of wholesale electric markets in California. The District pays operations, maintenance, and fuel costs for its share of the facility, and receives a proportionate share of the revenues from the energy, capacity and ancillary services sold into wholesale electric markets. The remainder of the District's electric demand is usually served with non-carbon-emitting resources including two large long-term Power Purchase Agreements, one with Slate Solar for 50.5 MW and one with Sky River Wind for 30MW.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Litigation: The District is involved in various lawsuits, claims and disputes, which for the most part are normal to the District's operations. It is the opinion of the District's management that the costs that might be incurred in the disposition of these matters, if any, would not materially affect the District's financial position.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 17 - COMMITMENTS AND CONTINGENCIES (Continued)

Wholesale Electric Procurement: The District purchases electricity and other wholesale products to serve its electrical load requirements and satisfy various compliance obligations as a wholesale market participant. Existing contracts for electricity and other wholesale products currently extend as far as calendar year 2054 with a total remaining contract cost of approximately \$221,684,000 as of June 30, 2023. Contract values are determined by wholesale market pricing and are subject to change over time as the District proceeds with its ongoing electric procurement activities.

Included in the above cost obligations are the contracts with NCPA, which are in place through calendar year 2036, with a total remaining contract value of \$39,969,000 as of June 30, 2023.

Operations and Maintenance Agreement for the Oakland International Airport Connector: On October 1, 2010, the District entered into an Operations and Maintenance Contract with Doppelmayr Cable Car, Inc., to operate and maintain the Oakland International Airport Connector (OAC) for an amount not to exceed \$4,907,000 (base service payment in 2009 dollars) annually for a period of twenty (20) years from revenue service date, subject to annual escalation based on Consumer Price Index. The OAC started revenue operations on November 22, 2014. Total operating expenses incurred under this agreement amounted to \$7,011,000 in fiscal year 2023. As part of the contract, the District is also required to deposit to a reserve account, an amount of \$768,000 annually, subject to escalation, for Capital Asset Replacement Program (CARP). The District allocated to the CARP reserve account \$1,139,000 in fiscal year 2023. The CARP will cover all major maintenance and rehabilitation expenses during the term of the Operations and Maintenance Contract.

Fruitvale Development Corp.: On October 1, 2001, the District entered into a ground lease agreement with Fruitvale Development Corporation (FDC) pertaining to 1.8 acres of land for the purpose of constructing thereon portions of a mixed-use development project commonly known as the Fruitvale Transit Village, which consists of approximately 250,000 square feet of commercial, community service and residential improvements. The lease agreement became effective December 9, 2003, and continues through January 31, 2077.

The terms of the lease require FDC to pay the District a Base Rent and a Percentage Rent. The Base Rent is a fixed amount determined at the inception of the lease subject to periodic CPI adjustments. Percentage Rent is calculated equal to 15.0% of annual net revenues, as defined in the ground lease agreement.

The District provided FDC a Rent Credit with an initial amount of \$7,247,000, to acknowledge its assistance in obtaining grants for the construction of a Replacement BART Commuter Parking Garage near the Fruitvale Transit Village. The initial Rent Credit earned interest on the outstanding balance at simple interest based on the prime rate and can only be applied to satisfy the Base Rent. In October 2010, there was a second amendment to the ground lease agreement, which recalculated the initial Rent Credit available to FDC as it relates to the replacement parking. The amount of the Replacement Parking Rent Credit was revised to \$4,642,000, after a payment of \$5,500,000 coming from the proceeds of the sale of land at the Fruitvale BART Station to the City of Oakland Redevelopment Agency. The second amendment also stated that no interest shall accrue on the revised Replacement Parking Rent Credit and that beginning on December 1, 2003, and continuing throughout the term of the ground lease, base rent and percentage rent shall be subtracted from the Replacement Parking Rent Credit balance, until there is no longer a positive Replacement Parking Rent Credit. The offset base rent for fiscal year 2023 amounted to \$0. There was no percentage rent offset for fiscal year 2023. The remaining balance in the Replacement Parking Rent Credit was \$1,598,000 as of June 30, 2023.

Based on the agreement, FDC shall not be under any obligation to make any cash payment to the District for base rent and percentage rent at any time that the Replacement Parking Rent Credit still has a positive balance.

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

<u>Miscellaneous Plan</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability									
Service cost	\$ 63,485	\$ 61,972	\$ 57,054	\$ 52,659	\$ 48,382	\$ 45,264	\$ 37,959	\$ 36,151	\$ 36,182
Interest on total pension liability	197,935	191,351	181,474	173,379	163,858	157,621	152,757	146,226	139,931
Changes of assumptions	80,743	-	-	-	(16,469)	120,524	-	(32,773)	-
Differences between expected and actual experience	7,610	33,648	12,856	38,558	11,525	(1,484)	1,193	(4,807)	-
Benefit payments, including refunds of of employee contributions	(158,962)	(141,156)	(131,807)	(123,955)	(115,594)	(108,947)	(102,543)	(95,653)	(89,968)
Net change in total pension liability	190,811	145,815	119,577	140,641	91,702	212,978	89,366	49,144	86,145
Total pension liability - beginning	2,828,004	2,682,189	2,562,612	2,421,971	2,330,269	2,117,291	2,027,925	1,978,781	1,892,636
Total pension liability - ending	<u>\$ 3,018,815</u>	<u>\$ 2,828,004</u>	<u>\$ 2,682,189</u>	<u>\$ 2,562,612</u>	<u>\$ 2,421,971</u>	<u>\$ 2,330,269</u>	<u>\$ 2,117,291</u>	<u>\$ 2,027,925</u>	<u>\$ 1,978,781</u>
Plan fiduciary net position									
Contributions - Employer	\$ 92,996	\$ 84,944	\$ 76,895	\$ 65,138	\$ 52,106	\$ 47,272	\$ 38,283	\$ 32,466	\$ 28,276
Contributions - Employee	29,745	28,447	28,551	25,011	22,042	20,144	18,174	17,818	21,375
Plan to Plan resource movement	1	-	525	(17)	(7)	12	(1)	(36)	-
Net investment income	(181,396)	451,420	95,892	121,050	147,891	181,091	8,747	37,388	251,137
Benefit payments, including refunds of of employee contributions	(158,962)	(141,156)	(131,807)	(123,955)	(115,594)	(108,947)	(102,543)	(95,653)	(89,968)
Administrative expense	(1,513)	(2,005)	(2,735)	(1,323)	(2,735)	(2,389)	(1,009)	(1,865)	-
Other miscellaneous income / (expenses)	-	-	-	4	(5,195)	-	-	-	-
Net change in fiduciary net position	(219,129)	421,650	67,321	85,908	98,508	137,183	(38,349)	(9,882)	210,820
Plan fiduciary net position - beginning	2,428,747	2,007,097	1,939,776	1,853,868	1,755,360	1,618,177	1,656,526	1,666,408	1,455,588
Plan fiduciary net position - ending	<u>\$ 2,209,618</u>	<u>\$ 2,428,747</u>	<u>\$ 2,007,097</u>	<u>\$ 1,939,776</u>	<u>\$ 1,853,868</u>	<u>\$ 1,755,360</u>	<u>\$ 1,618,177</u>	<u>\$ 1,656,526</u>	<u>\$ 1,666,408</u>
Plan net pension liability - ending	<u>\$ 809,197</u>	<u>\$ 399,257</u>	<u>\$ 675,092</u>	<u>\$ 622,836</u>	<u>\$ 568,103</u>	<u>\$ 574,909</u>	<u>\$ 499,114</u>	<u>\$ 371,399</u>	<u>\$ 312,373</u>
Plan fiduciary net position as a percentage of the total pension liability	73.19%	85.88%	74.83%	75.70%	76.54%	75.33%	76.43%	81.69%	84.21%
Covered payroll**	\$ 376,766	\$ 402,936	\$ 366,202	\$ 331,836	\$ 307,661	\$ 285,848	\$ 264,024	\$ 246,901	\$ 240,171
Plan net pension liability as a percentage of covered payroll	214.77%	99.09%	184.35%	187.69%	184.65%	201.12%	189.04%	150.42%	130.06%

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB 68, therefore only nine years of information is shown.

** Based on actuarial report

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

<u>Safety Plan</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability									
Service cost	\$ 10,734	\$ 10,023	\$ 8,160	\$ 7,751	\$ 7,563	\$ 7,416	\$ 6,491	\$ 5,935	\$ 5,790
Interest on total pension liability	29,989	28,352	26,416	24,689	23,272	22,274	21,340	20,099	18,885
Changes of assumptions	16,895			-	(1,362)	18,632	-	(4,942)	-
Differences between expected and actual experience	4,719	11,944	10,303	5,967	1,241	745	4,387	4,794	-
Benefit payments, including refunds of employee contributions	(23,204)	(21,311)	(19,418)	(18,181)	(15,962)	(15,408)	(14,803)	(14,140)	(13,199)
Net change in total pension liability	39,133	29,008	25,461	20,226	14,752	33,659	17,415	11,746	11,476
Total pension liability - beginning	419,248	390,240	364,779	344,553	329,801	296,142	278,727	266,981	255,505
Total pension liability - ending	<u>\$ 458,381</u>	<u>\$ 419,248</u>	<u>\$ 390,240</u>	<u>\$ 364,779</u>	<u>\$ 344,553</u>	<u>\$ 329,801</u>	<u>\$ 296,142</u>	<u>\$ 278,727</u>	<u>\$ 266,981</u>
Plan fiduciary net position									
Contributions - Employer	\$ 19,115	\$ 17,129	\$ 16,614	\$ 14,706	\$ 12,357	\$ 11,742	\$ 10,038	\$ 9,428	\$ 7,442
Contributions - Employee	5,657	5,258	2,938	2,687	2,136	2,165	1,854	1,917	2,817
Plan to Plan resource movement	(1)	-	(525)	17	3	(14)	1	1	-
Net investment income	(22,113)	53,872	11,338	14,093	16,940	20,183	924	4,015	27,150
Benefit payments, including refunds of employee contributions	(23,204)	(21,311)	(19,418)	(18,181)	(15,962)	(15,408)	(14,803)	(14,140)	(13,199)
Administrative expense	(182)	(237)	(319)	(153)	(311)	(267)	(112)	(206)	-
Other miscellaneous income / (expenses)	-	-	-	1	(590)	-	-	-	-
Net change in fiduciary net position	(20,728)	54,711	10,628	13,170	14,573	18,401	(2,098)	1,015	24,210
Plan fiduciary net position - beginning	292,289	237,578	226,950	213,780	199,207	180,806	182,904	181,889	157,679
Plan fiduciary net position - ending	<u>271,561</u>	<u>292,289</u>	<u>\$ 237,578</u>	<u>\$ 226,950</u>	<u>\$ 213,780</u>	<u>\$ 199,207</u>	<u>\$ 180,806</u>	<u>\$ 182,904</u>	<u>\$ 181,889</u>
Plan net pension liability - ending	<u>\$ 186,820</u>	<u>\$ 126,959</u>	<u>\$ 152,662</u>	<u>\$ 137,829</u>	<u>\$ 130,773</u>	<u>\$ 130,594</u>	<u>\$ 115,336</u>	<u>\$ 95,823</u>	<u>\$ 85,092</u>
Plan fiduciary net position as a percentage of the total pension liability	59.24%	69.72%	60.88%	62.22%	62.05%	60.40%	61.05%	65.62%	68.13%
Covered payroll**	\$ 28,494	\$ 28,370	\$ 22,986	\$ 20,974	\$ 20,809	\$ 20,420	\$ 19,738	\$ 17,941	\$ 17,377
Plan net pension liability as a percentage of covered payroll	655.65%	447.51%	664.15%	657.14%	628.44%	639.54%	584.33%	534.10%	489.68%

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB 68, therefore only nine years of information is shown.

** Based on actuarial report

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years*

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
(Dollar amounts in thousands)
Last 10 Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Miscellaneous Plan</u>									
Actuarially determined contribution	\$ 99,884	\$ 90,735	\$ 85,108	\$ 77,622	\$ 64,169	\$ 56,040	\$ 46,709	\$ 39,768	\$ 32,756
Contributions in relation to the actuarially determined contribution	<u>(99,884)</u>	<u>(90,735)</u>	<u>(85,108)</u>	<u>(77,622)</u>	<u>(64,169)</u>	<u>(56,040)</u>	<u>(46,709)</u>	<u>(39,768)</u>	<u>(32,756)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 406,642	\$ 377,709	\$ 392,137	\$ 403,146	\$ 345,828	\$ 315,184	\$ 288,637	\$ 265,778	\$ 245,593
Contribution as a percentage of covered payroll	24.56%	24.02%	21.70%	19.25%	18.56%	17.78%	16.18%	14.96%	13.34%
<u>Safety Plan</u>									
Actuarially determined contribution	\$ 25,890	\$ 20,974	\$ 19,410	\$ 16,391	\$ 13,046	\$ 12,162	\$ 11,677	\$ 10,658	\$ 9,512
Contributions in relation to the actuarially determined contribution	<u>(25,890)</u>	<u>(20,974)</u>	<u>(19,410)</u>	<u>(16,391)</u>	<u>(13,046)</u>	<u>(12,162)</u>	<u>(11,677)</u>	<u>(10,658)</u>	<u>(9,512)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 29,014	\$ 30,018	\$ 29,645	\$ 28,061	\$ 22,789	\$ 21,946	\$ 20,953	\$ 20,410	\$ 19,741
Contribution as a percentage of covered payroll	89.23%	69.87%	65.47%	58.41%	57.25%	55.42%	55.73%	52.22%	48.18%

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB 68; therefore, only nine years of information is shown.

** Based on actual payroll

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
Last 10 Years*

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2023 were derived from the June 30, 2022 funding valuation reports, as presented below:

	<u>Miscellaneous</u>	<u>Safety</u>
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method/period	Level percentage of payroll	Level percentage of payroll
Asset valuation method	Fair Value of Assets	Fair Value of Assets
Inflation	2.50% compounded annually	2.50% compounded annually
Projected salary increase	Varies by entry age	Varies by entry age
Payroll growth	2.75% compounded annually	2.75% compounded annually
Discount Rate	7.00% compounded annually, net of Investment & Administrative Expenses; includes inflation Derived using CalPERS' Membership	7.00% compounded annually, net of Investment & Administrative Expenses; includes inflation Derived using CalPERS' Membership
Retirement age	Based on the 2017 CalPERS Experience Study for the period from 1997-2015	Based on the 2017 CalPERS Experience Study for the period from 1997-2015
Mortality ¹	Based on the 2017 CalPERS Experience Study from the period from 1997 to 2015	Based on the 2017 CalPERS Experience Study from the period from 1997-2015

¹ Pre-retirement and post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**
(Dollar amounts in thousands)
Last 10 Years*

<u>Retiree Health Benefits</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 23,162	\$ 27,787	\$ 24,764	\$ 23,497	\$ 23,480	\$ 21,777	\$ 21,143
Interest	40,285	40,125	42,511	41,348	40,503	39,409	36,977
Changes of benefit terms	-	-	(2,994)	-	(1,224)	-	-
Difference between expected and actual experience	(23,998)	(12,079)	(29,719)	(17,434)	(29,522)	(35,022)	-
Change of assumptions	39,204	(18,173)	5,333	(4,784)	4,337	35,015	-
Benefit payments, including refunds *	(31,266)	(29,480)	(26,890)	(25,130)	(24,060)	(23,095)	(22,396)
Net changes in total OPEB liability	47,387	8,180	13,005	17,497	13,514	38,084	35,724
Total OPEB liability- beginning	663,877	655,697	642,692	625,195	611,681	573,597	537,873
Total OPEB liability- ending	<u>\$ 711,264</u>	<u>\$ 663,877</u>	<u>\$ 655,697</u>	<u>\$ 642,692</u>	<u>\$ 625,195</u>	<u>\$ 611,681</u>	<u>\$ 573,597</u>
Fiduciary net position							
Contributions from the employer	\$ 36,242	\$ 44,021	\$ 45,978	\$ 41,832	\$ 39,511	\$ 35,569	\$ 28,912
Net investment income	51,680	(65,580)	93,374	32,235	19,355	23,448	26,497
Benefit payments, including refunds *	(31,266)	(29,480)	(26,890)	(25,130)	(24,060)	(23,095)	(22,396)
Administrative expense	(291)	(254)	(269)	(279)	(186)	(223)	(266)
Net changes in total fiduciary net position	56,365	(51,293)	112,193	48,658	34,620	35,699	32,747
Total fiduciary net position- beginning	450,028	501,321	389,128	340,470	305,850	270,151	237,404
Total fiduciary net position- ending	<u>\$ 506,393</u>	<u>\$ 450,028</u>	<u>\$ 501,321</u>	<u>\$ 389,128</u>	<u>\$ 340,470</u>	<u>\$ 305,850</u>	<u>\$ 270,151</u>
Net OPEB liability	<u>\$ 204,871</u>	<u>\$ 213,849</u>	<u>\$ 154,376</u>	<u>\$ 253,564</u>	<u>\$ 284,725</u>	<u>\$ 305,831</u>	<u>\$ 303,446</u>
Plan fiduciary net position as a percentage of the total OPEB liability	71.20%	67.79%	76.46%	60.55%	54.46%	50.00%	47.10%
Covered employee payroll	\$ 567,230	\$ 505,787	\$ 504,541	\$ 508,509	\$ 463,124	\$ 418,573	\$ 372,887
Net OPEB liability as a percentage of covered employee payroll	36.12%	42.28%	30.60%	49.86%	61.48%	73.07%	81.38%

This schedule is intended to show information for the past ten years. Additional years will be displayed as they become available.

* Includes implied subsidy benefit payments of \$5,980,000, \$4,560,000, \$4,655,000, \$4,413,000, \$4,306,000, \$4,196,000 and \$3,900,000 in fiscal years 2023, 2022, 2021, 2020, 2019, 2018 and 2017, respectively.

Changes of Benefit terms

- 2019 -The additional \$44 monthly BPO & BPMA retiree contributions cease in 2035 (ceased in 2018 for previous measurement date)
- 2021-\$37/month retiree contributions extended to 2024

Changes in Assumptions

- 2018 - Discount rate was changed from 6.75% at 6/30/2017 to 6.50% at 6/30/2018
 - General inflation was changed from 3.00% in 2017 to 2.75% in 2018
- 2019 - Demographic assumptions were updated to CalPERS 1997-2015 Experience Study
- 2020 - Mortality improvement scale was updated to Scale MP-2019
 - Medical trend was changed from 7.50% for 2020 to 7.25% for 2021 for Non-Medicare, and from 6.50% for 2020 to 6.30% for 2021 for Medicare
- 2021-Discount rate was changed from 6.50% at 6/30/2020 to 6.00% at 6/30/2021
 - Mortality improvement scale was updated to Scale MP-2020
 - Claim cost was updated using age based claims
 - Medical trend rate for Kaiser Senior Advantage Plans was decreased
- 2022-General inflation changed from 2.75% to 2.50% per annum
 - Salary increases changed from 3.00% to 2.75% annually
 - Mortality improvement scale was updated from Scale MP-2020 to Scale MP-2021
 - Retiree participation at retirement, spouse coverage at retirement
- 2023- Demographic assumption was updated based on CalPERS 2000-2019 Experience Study
 - Active participation at retirement assumption
 - Expected retirement age assumption
 - Medical trend was changed from 6.5% for 2023 to 8.5% for 2024 for Non-Medicare, from 5.65% for 2023 to 7.5% for 2024 for Medicare (Non-Kaiser), and from 4.6% for 2023 to 6.25% for 2024 for Medicare (Kaiser)

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

<u>Survivor Benefit Plan</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 1,987	\$ 3,334	\$ 3,527	\$ 2,011	\$ 1,901	\$ 2,071	\$ 2,559
Interest	1,358	1,236	1,168	1,260	1,428	1,588	1,396
Changes of benefit terms	-	-	142	-	22	-	-
Difference between expected and actual experience	(2,466)	(4,901)	(2,797)	(971)	(5,946)	(1,017)	-
Change of assumptions	(2,389)	(12,368)	(4,132)	13,366	1,935	(9,676)	(7,743)
Benefit payments, including refunds	(376)	(340)	(296)	(434)	(213)	(329)	(346)
Net changes in total OPEB liability	(1,886)	(13,039)	(2,388)	15,232	(873)	(7,363)	(4,134)
Total OPEB liability- beginning	34,025	47,064	49,452	34,220	35,093	42,456	46,590
Total OPEB liability- ending	<u>\$ 32,139</u>	<u>\$ 34,025</u>	<u>\$ 47,064</u>	<u>\$ 49,452</u>	<u>\$ 34,220</u>	<u>\$ 35,093</u>	<u>\$ 42,456</u>
Fiduciary net position							
Contributions from the employee	\$ 797	\$ 695	\$ 9,456	\$ 434	\$ 213	\$ 329	\$ 346
Investment income	1,014	(1,279)	1,309	-	-	-	-
Administrative expenses	(376)	(38)	(18)	-	-	-	-
Benefit payments, including refunds	(34)	(340)	(296)	(434)	(213)	(329)	(346)
Net changes in total fiduciary net position	1,401	(962)	10,451	-	-	-	-
Total fiduciary net position- beginning	9,489	10,451	-	-	-	-	-
Total fiduciary net position- ending	<u>10,890</u>	<u>\$ 9,489</u>	<u>\$ 10,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 21,249</u>	<u>\$ 24,536</u>	<u>\$ 36,613</u>	<u>\$ 49,452</u>	<u>\$ 34,220</u>	<u>\$ 35,093</u>	<u>\$ 42,456</u>
Plan fiduciary net position as a percentage of the total OPEB liability	33.88%	27.89%	22.21%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	567,230	\$ 505,787	\$ 504,541	\$ 508,509	\$ 463,124	\$ 418,573	\$ 372,887
Net OPEB liability as a percentage of covered employee payroll	3.75%	4.85%	7.26%	9.72%	7.39%	8.38%	11.39%

* This schedule is intended to show information for the past ten years. Additional years will be displayed as they become available.

Changes of benefit terms

- 2019 - The additional \$44 monthly BPOA & BPMA retiree contributions cease in 2035 (ceased in 2018 for previous measurement date)
- 2021 - \$37/month retiree contributions reimbursed by Plan to survivors extended to 2024

Changes of Assumptions

- 2017 - Discount rate changed from 2.85% in 2016 to 3.58% in 2017
- 2018 - Discount rate changed from 3.58% in 2017 to 3.87% in 2018
 - General Inflation changed from 3.0% in 2017 to 2.75% in 2018
- 2019 - Demographic assumptions were updated to CalPERS 1997-2015 experience Study
- 2020 - Discount rate was updated based on municipal bond rate as of measurement date
 - Mortality improvement scale was updated to Scale MP-2019
- 2021 - Plan funding through a trust began
 - Discount rate based on crossover test
 - Decreased medical trend rate for Kaiser Senior Advantage plans
 - Mortality improvement scale was updated to Scale MP-2020
- 2022 - Discount rate was updated from 2.46% to 3.79% based on crossover test
 - Economic Assumptions:
 - General inflation changed from 2.75% to 2.50% per annum
 - Salary increases changed from 3.00% to 2.75% annually
 - Mortality improvement scale was updated from Scale MP-2020 to MP-2021
- 2023 - Discount rate was updated from 3.79% to 4.04% based on crossover test
 - Updated medical trend rate
 - Updated demographic assumptions based on CalPERS 2000-2019 Experience Study
 - Mortality improvement scale was updated from Scale MP-2020 to MP-2021

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

<u>Retiree Life Insurance</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 1,391	\$ 2,430	\$ 2,087	\$ 1,321	\$ 1,146	\$ 1,158	\$ 1,401
Interest	1,560	1,215	1,147	1,339	1,402	1,264	1,101
Changes of benefit terms	-	-	-	-	(1,032)	-	-
Difference between expected and actual experience	2,421	(1,133)	1,188	748	(414)	167	-
Change of assumptions	407	(12,428)	733	10,636	1,838	(891)	(4,915)
Benefit payments, including refunds **	(1,308)	(1,181)	(1,030)	(1,367)	(821)	(679)	(685)
Net changes in total OPEB liability	4,471	(11,097)	4,125	12,677	2,119	1,019	(3,098)
Total OPEB liability- beginning	43,333	54,430	50,305	37,628	35,509	34,490	37,588
Total OPEB liability- ending	<u>\$ 47,804</u>	<u>\$ 43,333</u>	<u>\$ 54,430</u>	<u>\$ 50,305</u>	<u>\$ 37,628</u>	<u>\$ 35,509</u>	<u>\$ 34,490</u>
Covered employee payroll	\$ 511,167	\$ 453,877	\$ 456,619	\$ 508,509	\$ 463,124	\$ 418,573	\$ 372,887
Total OPEB liability as a percentage of covered employee payroll	9.35%	9.55%	11.92%	9.89%	8.12%	8.48%	9.25%

There are no assets accumulated in trust for the Retiree Life Insurance plan

* This schedule is intended to show information for the past ten years. Additional years will be displayed as they become available.

** Includes implied subsidy benefit payments as summarized below:

<u>Year</u>	<u>Implied Subsidy</u> <u>(in thousands)</u>
2023	\$ 1,168
2022	1,021
2021	892
2020	1,210
2019	679
2018	547
2017	542

Benefit Changes:

2019 - the additional \$44 monthly BPOA & BPMA retiree contributions cease in 2035 (ceased in 2018 for previous measurement date)

- BPOA and BPMA members retiring on or after 1/1/19 do not have life insurance benefits provided by the District, nor would they be eligible to purchase life insurance through the District plan

Changes in Assumptions:

2017 - Discount rate was updated based on municipal bond rate as of measurement date

- Mortality improvement scale was updated to Scale MP - 2017

2018 - Discount rate was updated based on municipal bond rate as of measurement date, 3.87% for 2018

2019 - Discount rate was updated based on municipal bond rate as of measurement date, 3.50% for 2019

- CalPERS 1997-2015 Experience study was used

2020 - Discount rate was updated based on municipal bond rate as of measurement date, 2.21% for 2020

- Mortality improvement scale was updated to Scale MP- 2019

2021 - Discount rate was updated based on municipal bond rate as of measurement date, 2.16% for 2021

- Mortality improvement scale was updated to Scale MP – 2020

2022 - Discount rate was updated based on municipal bond rate as of the measurement date

- Economic Assumptions

Inflation decreased from 2.75% to 2.50%

- Mortality Improvement scale was updated to Scale MP-2021

2023 - Discount rate was updated based on municipal bond rate as of the measurement date

- Updated demographic assumptions based on CalPERS 2000-2019 Experience study

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
(Dollar amounts in thousands)
Last 10 Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Retiree Health Benefits</u>							
Actuarially determined contribution (ADC)	\$ 36,242	\$ 44,021	\$ 45,978	\$ 41,832	\$ 39,511	\$ 35,569	\$ 28,912
Contributions in relation to the actuarially determined contribution	<u>(36,242)</u>	<u>(44,021)</u>	<u>(45,978)</u>	<u>(41,832)</u>	<u>(39,511)</u>	<u>(35,569)</u>	<u>(28,912)</u>
Contribution deficiency / (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll **	\$ 567,230	\$ 505,787	\$ 504,541	\$ 508,509	\$ 463,124	\$ 418,573	\$ 372,887
Contributions as a percentage of covered employee payroll	6.39%	8.70%	9.11%	8.23%	8.53%	8.50%	7.75%
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Survivor Benefit Plan</u>							
Actuarially determined contribution (ADC)	\$ 1,270	\$ 1,169	\$ 1,227	\$ 3,019	\$ 2,911	\$ 2,672	\$ 3,138
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency / (excess)	<u>\$ 1,270</u>	<u>\$ 1,169</u>	<u>\$ 1,227</u>	<u>\$ 3,019</u>	<u>\$ 2,911</u>	<u>\$ 2,672</u>	<u>\$ 3,138</u>
Covered employee payroll **	\$ 567,230	\$ 505,787	\$ 504,541	\$ 508,509	\$ 463,124	\$ 418,573	\$ 372,887
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
Last 10 Years*

Methods and assumptions for the actuarially determined contribution for fiscal year 2023 are as follows:

Retiree Health Benefits

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age, level percentage of payroll
Amortization Method	Level percent of payroll
Amortization Period	12- year fixed period for 2021 valuation changes
Asset Valuation Method	Market value of asset
Discount Rate and Long Term	3.65%
Expected Rate of Return on Assets	6.00%
General Inflation	2.50%
Medical Trend	Non-Medicare- 6.75% for 2023 decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser)- 5.90% for 2023, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Kaiser)- 4.85% for 2023, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational Scale MP-2021

Survivor Benefits

Valuation Date	June 30, 2022
Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll
Amortization Period	19 -year fixed (closed) period beginning June 30, 2021
Asset Valuation Method	Market value of assets
Discount Rate	4.04%
General Inflation	2.50%
Medical Trend	Non-Medicare- 6.50% for 2023 decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) 5.65% for 2023 decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser)- 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076.
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational Scale MP-2021

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS – FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
(Dollar amounts in thousands)
June 30, 2023

	Retiree Health Benefit Trust	Survivor Benefit Trust	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	\$ 49,422	\$ 909	\$ 50,331
Receivables and other assets			
Receivable from BART	-	261	261
Interest and dividend receivables	644	3	647
Pending trades receivables	43,426	-	43,426
Prepaid expenses	16	-	16
Total receivables and other assets	<u>44,086</u>	<u>264</u>	<u>44,350</u>
Investments			
Domestic common stocks	52,266	-	52,266
Foreign stocks	4,026	-	4,026
U.S. Treasury obligations	27,854	-	27,854
Mortgage backed securities	29,689	-	29,689
Mutual funds - equity	254,879	6,238	261,117
Mutual funds - fixed income securities	79,059	3,497	82,556
Corporate obligations	37,010	-	37,010
Foreign obligations	889	-	889
Total investments	<u>485,672</u>	<u>9,735</u>	<u>495,407</u>
Total assets	579,180	10,908	590,088
LIABILITIES			
Accounts payable	118	18	136
Pending trades payable	<u>72,669</u>	-	<u>72,669</u>
Total liabilities	<u>72,787</u>	<u>18</u>	<u>72,805</u>
Net position restricted for other postemployment benefits	<u>\$ 506,393</u>	<u>\$ 10,890</u>	<u>\$ 517,283</u>

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS – FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(Dollar amounts in thousands)
Year ended June 30, 2023

	Retiree Health Benefit Trust	Survivor Benefit Trust	Total Fiduciary Funds
Additions			
Employer contributions	\$ 36,242	\$ -	\$ 36,242
Employee and retiree contributions	-	797	797
Net investment income (expense):			
Interest and dividend income	9,439	240	9,679
Net realized and unrealized gains on investments	42,571	773	43,344
Investment expense	(330)	(10)	(340)
Net investment income (expense)	<u>51,680</u>	<u>1,003</u>	<u>52,683</u>
Total additions	87,922	1,800	89,722
Deductions			
Benefit payments	31,266	376	31,642
Legal fees	15	-	15
Audit fees	19	18	37
Insurance expense	25	-	25
Administrative fees	232	5	237
Total deductions	<u>31,557</u>	<u>399</u>	<u>31,956</u>
Change in net position	56,365	1,401	57,766
Net position restricted for other postemployment benefits, beginning of year	<u>450,028</u>	<u>9,489</u>	<u>459,517</u>
Net position restricted for other postemployment benefits, end of year	<u>\$ 506,393</u>	<u>\$ 10,890</u>	<u>\$ 517,283</u>

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San Francisco Bay Area Rapid Transit District



STATISTICAL SECTION

Statistical Section

This section of San Francisco Bay Area Rapid Transit District's (BART) annual comprehensive financial report presents trend information about BART's financial results, major revenue sources, outstanding debt obligations, demographic statistics, and operating activities to help the reader understand BART's overall financial condition.

Financial Trends

These schedules contain trend information to help the reader understand how BART's financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess BART'S local revenue sources: sales taxes, operating assistance, and passenger fares.

Debt Capacity

These schedules present information to help the reader assess the affordability of BART's current outstanding debts and BART's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules contain demographic and economic indicators to assist the reader in understanding the environment within which BART's financial activities take place.

Operating Information

These schedules contain service and facilities statistics to help the reader understand how BART's financial report relates to its services and operating activities and how it compares to the transit industry.

Financial Trends

San Francisco Bay Area Rapid Transit District
Net Position by Component
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Investment in Capital Assets	\$ 5,611,108	\$ 5,816,753	\$ 6,055,965	\$ 6,426,653	\$ 6,586,781	\$ 6,840,499	\$ 7,127,402	\$ 7,426,365	\$ 7,466,830	\$ 7,855,281
Restricted	237,694	193,944	214,849	190,612	156,387	191,394	178,326	205,370	156,553	197,431
Unrestricted	360,701	6,495	78,141	(242,644)	(191,334)	(261,741)	(275,894)	(278,113)	46,949	190,636
Total Net Position	\$ 6,209,503	\$ 6,017,192	\$ 6,348,955	\$ 6,374,621	\$ 6,551,834	\$ 6,770,152	\$ 7,029,834	\$ 7,353,622	\$ 7,670,332	\$ 8,243,348

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

San Francisco Bay Area Rapid Transit District
Changes in Net Position
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenues										
Fares	\$ 416,573	\$ 463,634	\$ 489,583	\$ 485,674	\$ 481,783	\$ 482,644	\$ 341,587	\$ 62,528	\$ 135,818	\$ 188,311
Other	46,587	50,907	56,217	61,426	64,831	72,040	53,347	27,981	30,294	33,369
Total operating revenues	463,160	514,541	545,800	547,100	546,614	554,684	394,934	90,509	166,112	221,680
Operating expenses										
Transportation	174,958	183,296	188,236	209,335	219,590	223,089	221,809	215,274	240,333	269,156
Maintenance	226,227	251,817	285,996	302,699	333,840	370,506	403,242	374,529	409,899	456,702
Police services	56,308	55,722	63,921	64,236	68,166	74,360	84,054	88,054	93,835	97,787
Construction and engineering	19,539	20,309	23,917	26,700	30,139	36,257	39,789	34,769	28,065	28,715
General and administrative	147,031	149,287	150,986	200,376	228,768	225,504	269,863	233,795	116,197	207,053
Depreciation	147,652	170,025	196,452	191,877	219,782	207,345	230,198	228,528	337,540	302,446
Total operating expenses	771,715	830,456	909,508	995,223	1,100,285	1,137,061	1,248,955	1,174,949	1,225,869	1,361,859
Less - capitalized costs	(52,763)	(63,315)	(74,762)	(87,158)	(107,469)	(138,887)	(181,426)	(185,185)	(173,064)	(157,302)
Net operating expenses	718,952	767,141	834,746	908,065	992,816	998,174	1,067,529	989,764	1,052,805	1,204,557
Operating loss	(255,792)	(252,600)	(288,946)	(360,965)	(446,202)	(443,490)	(672,595)	(899,255)	(886,693)	(982,877)
Nonoperating revenues (expenses)										
Transactions and use tax - sales tax	221,149	233,148	241,547	247,185	257,883	280,385	266,895	258,522	310,706	327,128
Property tax	72,251	62,394	55,849	99,163	119,218	123,677	170,582	195,951	124,658	211,132
Operating financial assistance	96,312	107,308	72,794	77,069	54,736	65,693	282,938	497,524	552,639	515,016
Contribution for BART car replacement funding exchange program		(74,168)	(50,176)	(52,548)					-	
Investment income	(72,000)	2,507	2,752	3,747	12,088	19,337	19,653	1,523	1,064	51,653
Interest expense	37	(39,088)	(36,217)	(28,423)	(32,846)	(31,132)	(60,906)	(65,837)	(75,808)	(99,581)
Donated assets received		5,121							-	
Planning and Studies	(34,590)							(28,372)	(39,038)	(42,660)
Gain from exchange of property		6,012	7,284	24,839					-	
Other expense	(652)	(20)	(1,247)	(5,070)	(906)	(328)	(3,561)	(2,080)	(2,127)	-
Total nonoperating revenues, net	282,507	303,214	292,586	365,962	410,173	457,632	675,601	857,231	872,094	962,688
Change in net position before capital contr	26,715	50,614	3,640	4,997	(36,029)	14,142	3,006	(42,024)	(14,599)	(20,189)
Capital contributions	326,690	256,231	328,123	342,270	233,728	204,176	256,676	365,812	332,321	593,205
Special Item - settlement of loans	88,500	-	-	-	-	-	-	-	-	-
Change in net position	441,905	306,845	331,763	347,267	197,699	218,318	259,682	323,788	317,722	573,016
Net position, beginning of year	5,767,598	6,209,503	6,017,192	6,348,955	6,374,621	6,551,834	6,770,152	7,029,834	7,353,622	7,670,332
Restatement for adoption of GASB 65	-	(499,156)	-	-	-	-	-	-	-	-
Provision for GASB 75	-	-	-	(321,601)	-	-	-	-	-	-
Loss from Discontinued Operation - Livermore Extension	-	-	-	-	(20,486)	-	-	-	-	-
Prior Period Adjustment - Leases GASB 87 Implementation	-	-	-	-	-	-	-	-	(1,012)	-
Net position, end of year	\$ 6,209,503	\$ 6,017,192	\$ 6,348,955	\$ 6,374,621	\$ 6,551,834	\$ 6,770,152	\$ 7,029,834	\$ 7,353,622	\$ 7,670,332	\$ 8,243,348
Debt service as a percentage of noncapital expenditures	14.13%	14.29%	10.53%	12.22%	14.97%	11.52%	11.93%	15.24%	16.39%	14.21%

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

Revenue Capacity

San Francisco Bay Area Rapid Transit District
Operating Revenue Base
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Table 3

Fiscal Year	Passenger Fares	Parking Revenue	Advertising Revenue	Telecom Revenue	Non-Transportation Revenue	Other Agency Revenues	Total
2014	\$ 416,573	\$ 20,049	\$ 8,305	\$ 6,392	\$ 3,758	\$ 8,083	\$ 463,160
2015	463,634	28,404	8,701	6,488	3,558	3,757	514,542
2016	489,583	33,543	9,126	7,793	1,704	4,052	545,800
2017	485,675	35,110	9,707	7,647	4,306	4,656	547,100
2018	481,783	36,164	11,480	7,452	4,021	5,714	546,614
2019	482,644	37,015	17,852	7,104	4,020	6,050	554,684
2020	341,587	28,212	8,159	7,890	4,174	4,912	394,934
2021	62,529	7,183	1,619	9,531	5,126	4,522	90,509
2022	135,817	11,592	1,132	8,252	7,192	2,126	166,112
2023	188,311	14,219	3,332	8,624	4,832	2,362	221,680

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

San Francisco Bay Area Rapid Transit District
Business-type Activities - Transit Operations
Farebox Recovery Percentage by Mode
Last Ten Fiscal Years
(Amounts expressed in thousands)

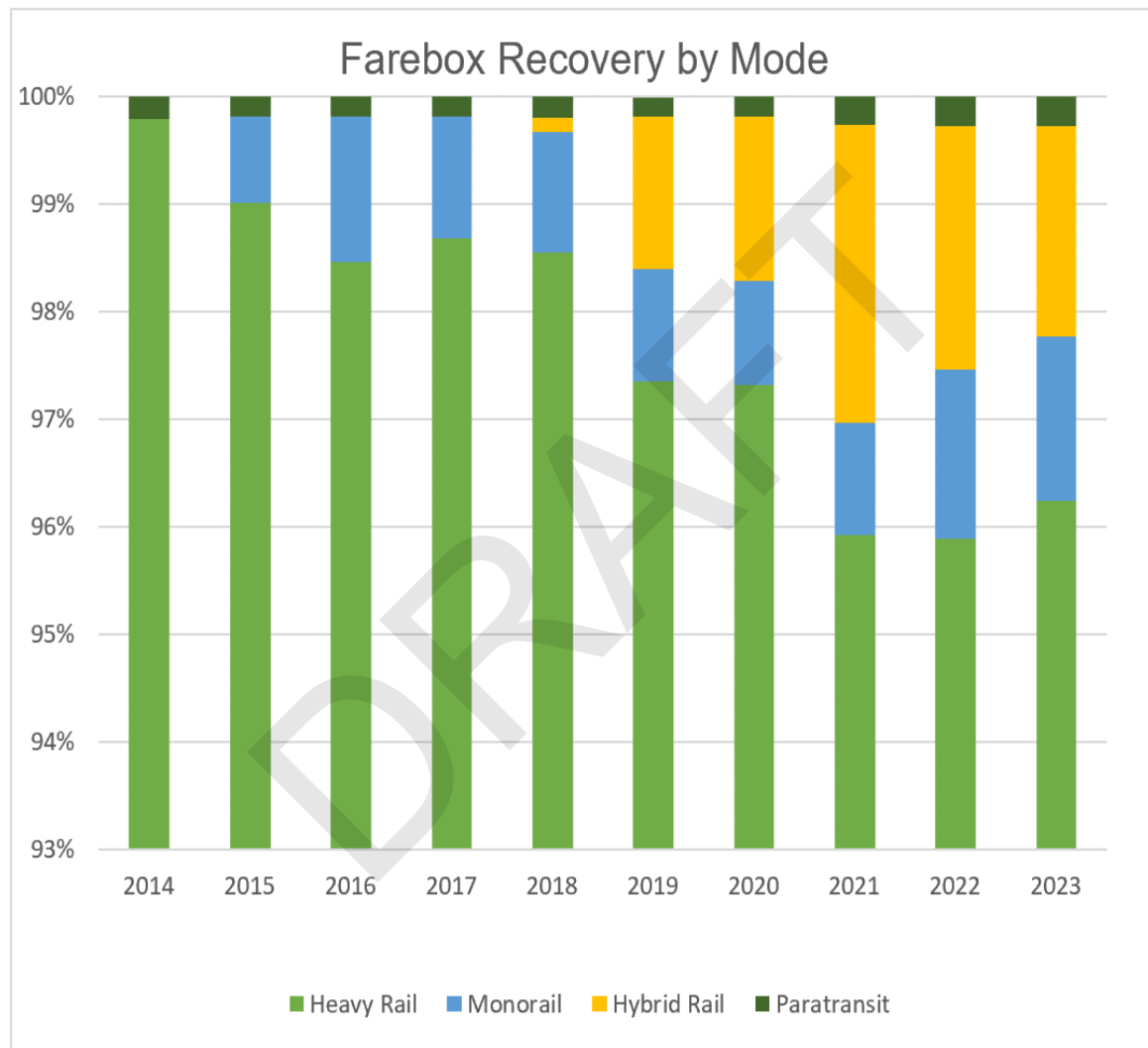
Table 4

Fiscal Year	Heavy Rail	Monorail	Hybrid Rail	Paratransit	All Modes
2014	99.80%	0.00%	0.00%	0.20%	100.00%
2015	99.01%	0.81%	0.00%	0.19%	100.00%
2016	98.46%	1.36%	0.00%	0.18%	100.00%
2017	98.68%	1.14%	0.00%	0.18%	100.00%
2018	98.55%	1.13%	0.13%	0.19%	100.00%
2019	97.35%	1.04%	1.42%	0.18%	100.00%
2020	97.32%	0.96%	1.53%	0.18%	100.00%
2021	95.93%	1.04%	2.77%	0.26%	100.00%
2022	95.89%	1.56%	2.27%	0.27%	100.00%
2023	96.25%	1.53%	1.96%	0.27%	100.00%

Fiscal Year	Heavy Rail	Monorail	Hybrid Rail	Paratransit	All Modes
2014	\$ 415,742	\$ -	\$ -	\$ 831	\$ 416,573
2015	459,042	3,733	-	860	463,634
2016	482,050	6,666	-	867	489,583
2017	479,277	5,536	-	861	485,675
2018	474,797	5,421	628.00	938	481,783
2019	469,866	5,038	6,876.76	863	482,644
2020	332,443	3,290	5,238.15	615	341,587
2021	59,981	653	1,734	161	62,529
2022	130,241	2,124	3,085	368	135,817
2023	181,243	2,878	3,685	505	188,311

SOURCE : National Transit Database

**Graphical Presentation of Table 4
Farebox Recovery by Mode**



San Francisco Bay Area Rapid Transit District
Passenger Fare Structure ¹
Last Ten Calendar Years

Table 5

<i>Calendar year ²</i>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022 ⁴</u>	<u>2023</u>
<u>Trip Length Tier Minimum Fare ³</u>										
Short	1.74	1.74	1.80	1.80	1.85	1.85	1.95	1.95	2.02	2.02
Medium	1.93	1.93	2.00	2.00	2.05	2.05	2.16	2.16	2.23	2.23
Long	3.04	3.04	3.14	2.14	3.22	3.22	3.39	3.39	3.51	3.51
<u>Trip Length Tier Per Mile Additional Charge ³</u>										
Medium	0.141	0.141	0.146	0.146	0.150	0.150	0.158	0.158	0.163	0.163
Long	0.085	0.085	0.088	0.088	0.090	0.090	0.095	0.095	0.098	0.098
<u>Excursion Fare</u>										
Base fare for entering and exiting same station	5.40	5.40	5.60	5.60	5.75	5.75	6.05	6.05	6.25	6.25
<u>Speed Differential</u>	0.05	0.05	0.06	0.06	0.058	0.058	0.061	0.061	0.063	0.063
<u>Surcharge Assumptions</u>										
Capital	0.13	0.13	0.13	0.13	0.13	0.13	0.14	0.14	0.14	0.14
Transbay	0.94	0.94	0.97	0.97	1.00	1.00	1.05	1.05	1.09	1.09
Daly City to West Bay	1.08	1.08	1.12	1.12	1.15	1.15	1.21	1.21	1.25	1.25
San Mateo County	1.24	1.24	1.28	1.28	1.31	1.31	1.38	1.38	1.43	1.43
San Mateo County Actual	1.37	1.37	1.41	1.41	1.44	1.44	1.52	1.52	1.57	1.57
San Francisco Airport base premium	4.27	4.27	4.42	4.42	4.54	4.54	4.79	4.79	4.95	4.95
Oakland Airport base premium	6.00	6.00	6.00	6.00	6.16	6.16	6.49	6.49	6.71	6.71
Mag stripe blue ticket	-	-	-	-	0.50	0.50	0.50	0.50	0.50	0.50
Productivity-adjusted Inflation-based percent increase from prior	5.2%	5.2%	3.4%	3.4%	2.7%	2.7%	5.4%	5.4%	3.4%	3.4%

¹ Fares are calculated based on distance traveled, with surcharges applied to certain trips, adjusted by a speed differential.

These components, however, are not visible to the rider, who pays their sum rounded to the nearest nickel.

² BART has a statutory program in place to increase fares by small, inflation-based amounts every two calendar years.

³ Trip Length Tier Parameters

Short trip maximum number of miles - 6 miles

Medium trip maximum number of miles - 14 miles

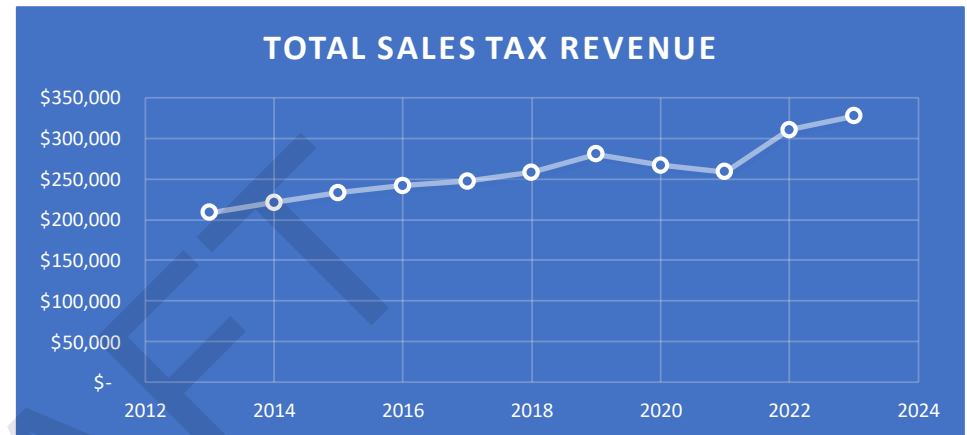
Long trip - over 14 miles

⁴ In 2012 and 2022, the fare increase planned for January was deferred for 6 months to July.

**San Francisco Bay Area Rapid Transit District
Sales Tax Revenue
Last Ten Fiscal Years
(Cash Basis of Accounting)
(Amounts expressed in thousands)**

Table 6

Fiscal Year	Total Sales Tax Revenue
2014	\$ 221,149
2015	233,148
2016	241,546
2017	247,185
2018	257,882
2019	280,385
2020	266,895
2021	258,522
2022	310,706
2023	327,128



SOURCE : BART Audited Financial Statements
www.bart.gov/financials

San Francisco Bay Area Rapid Transit District
City and County of San Francisco Taxable Transactions by Type of Business
Last Ten Calendar Years
(Amounts expressed in thousands)

Table 7

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ¹
All Other Outlets	N/A	\$ 5,839,079	\$ 6,174,841	\$ 5,981,674	\$ 6,312,252	\$ 6,689,891	\$ 4,839,281	\$ 5,503,320	\$ 6,685,572	\$ 3,144,458
Building Material and Garden Equipment and Supplies Dealers	N/A	588,279	586,373	605,711	681,369	718,692	642,104	685,895	691,182	313,948
Clothing and Clothing Accessories Stores	N/A	2,163,743	2,132,167	2,056,070	2,046,414	2,029,312	1,163,031	1,587,968	1,746,756	760,863
Food and Beverage Stores	N/A	830,061	843,717	863,215	856,217	861,757	746,455	722,410	768,428	373,781
Food Services and Drinking Places	N/A	4,441,352	4,670,360	4,743,633	4,844,464	5,046,263	2,081,728	2,953,373	4,266,095	2,190,035
Gasoline Stations	N/A	471,496	428,473	490,255	583,480	548,509	304,977	432,768	612,261	266,571
General Merchandise Stores	N/A	865,959	837,698	814,324	790,845	755,350	560,059	667,930	691,405	292,229
Home Furnishings and Appliance Stores	N/A	1,010,769	965,919	916,777	1,018,006	1,034,213	768,022	919,239	940,945	385,500
Motor Vehicle and Parts Dealers	N/A	565,639	573,965	628,666	674,008	601,929	593,476	625,719	575,323	281,708
Other Retail Group	N/A	2,136,115	2,223,654	2,373,545	2,535,667	2,671,219	2,690,590	2,508,494	2,633,438	1,191,142
Grand Total	N/A	\$ 18,912,492	\$ 19,437,167	\$ 19,473,870	\$ 20,342,722	\$ 20,957,135	\$ 14,389,723	\$ 16,607,116	\$ 19,611,406	\$ 9,200,234

SOURCE: Board of Equalization

N/A - Data unavailable

¹ Data available is only for January - June 2023

**San Francisco Bay Area Rapid Transit District
Contra Costa County Taxable Transactions by Type of Business
Last Ten Calendar Years
(Amounts expressed in thousands)**

Table 8

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ¹
All Other Outlets	N/A	\$ 4,249,805	\$ 4,177,784	\$ 4,256,199	\$ 4,444,000	\$ 4,762,302	\$ 4,899,331	\$ 6,100,481	\$ 6,730,812	\$ 3,171,876
Building Material and Garden Equipment and Supplies Dealers	N/A	1,002,124	1,069,948	1,159,632	1,247,703	1,229,980	1,393,714	1,520,337	1,538,421	730,777
Clothing and Clothing Accessories Stores	N/A	902,810	940,766	956,380	1,006,196	1,027,195	776,036	1,126,024	1,170,671	516,281
Food and Beverage Stores	N/A	816,995	841,672	894,222	911,240	924,880	1,008,278	1,002,522	1,025,388	489,888
Food Services and Drinking Places	N/A	1,613,644	1,074,675	1,786,381	1,853,159	1,959,850	1,480,020	1,981,255	2,274,731	1,192,873
Gasoline Stations	N/A	1,341,604	1,249,397	1,409,204	1,638,072	1,611,849	1,059,711	1,431,283	1,906,410	792,686
General Merchandise Stores	N/A	1,567,416	1,598,156	1,651,647	1,711,123	1,704,564	1,634,668	1,806,926	1,923,439	827,883
Home Furnishings and Appliance Stores	N/A	686,740	718,157	710,526	739,695	700,037	638,465	813,371	783,507	355,936
Motor Vehicle and Parts Dealers	N/A	2,245,947	2,389,936	2,466,061	2,524,584	2,441,947	2,371,368	2,710,019	2,621,355	1,285,408
Other Retail Group	N/A	1,359,781	1,413,796	1,467,381	1,532,117	1,718,142	2,781,984	2,565,136	2,546,288	1,279,179
Grand Total	N/A	\$ 15,786,866	\$ 15,474,287	\$ 16,757,633	\$ 17,607,889	\$ 18,080,746	\$ 18,043,575	\$ 21,057,354	\$ 22,521,022	\$ 10,642,787

SOURCE: Board of Equalization

N/A - Data unavailable

¹ Data available is only for January - June 2023

San Francisco Bay Area Rapid Transit District
Alameda County Taxable Transactions by Type of Business
Last Ten Calendar Years
(Amounts expressed in thousands)

Table 9

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 ¹
All Other Outlets	N/A	\$ 11,067,352	\$ 11,571,792	\$ 11,915,581	\$ 12,215,953	\$ 13,194,421	\$ 12,244,743	\$ 15,332,822	\$ 20,413,002	\$ 9,436,083
Building Material and Garden Equipment and Supplies Dealers	N/A	1,566,918	1,662,615	1,810,222	1,861,085	1,897,573	2,013,946	2,242,196	2,334,922	1,063,188
Clothing and Clothing Accessories Stores	N/A	1,573,419	1,702,836	1,723,977	1,824,581	1,874,869	1,262,678	1,761,513	1,834,632	812,567
Food and Beverage Stores	N/A	1,146,357	1,198,454	1,243,767	1,257,774	1,277,945	1,323,098	1,301,005	1,321,542	646,389
Food Services and Drinking Places	N/A	3,027,990	3,212,759	3,382,643	3,512,894	3,699,924	2,418,690	3,309,221	3,882,642	1,998,611
Gasoline Stations	N/A	1,807,464	1,626,667	1,853,251	2,111,653	2,068,341	1,327,851	1,870,129	2,427,691	1,013,354
General Merchandise Stores	N/A	1,989,749	1,952,448	2,046,788	2,110,422	2,130,021	1,981,213	2,207,098	2,269,182	1,027,856
Home Furnishings and Appliance Stores	N/A	1,349,605	1,341,821	1,318,289	1,336,807	1,374,406	1,221,330	1,608,196	1,490,562	616,757
Motor Vehicle and Parts Dealers	N/A	3,932,865	4,212,924	4,565,390	5,831,346	4,628,050	4,301,875	4,658,944	4,681,248	2,265,584
Other Retail Group	N/A	2,512,594	2,681,005	2,842,175	3,010,788	2,970,613	4,080,577	3,644,471	3,668,247	1,679,845
Grand Total	N/A	\$ 29,974,313	\$ 31,163,321	\$ 32,702,083	\$ 35,073,303	\$ 35,116,163	\$ 32,176,001	\$ 37,935,595	\$ 44,323,669	\$ 20,560,235

SOURCE: Board of Equalization

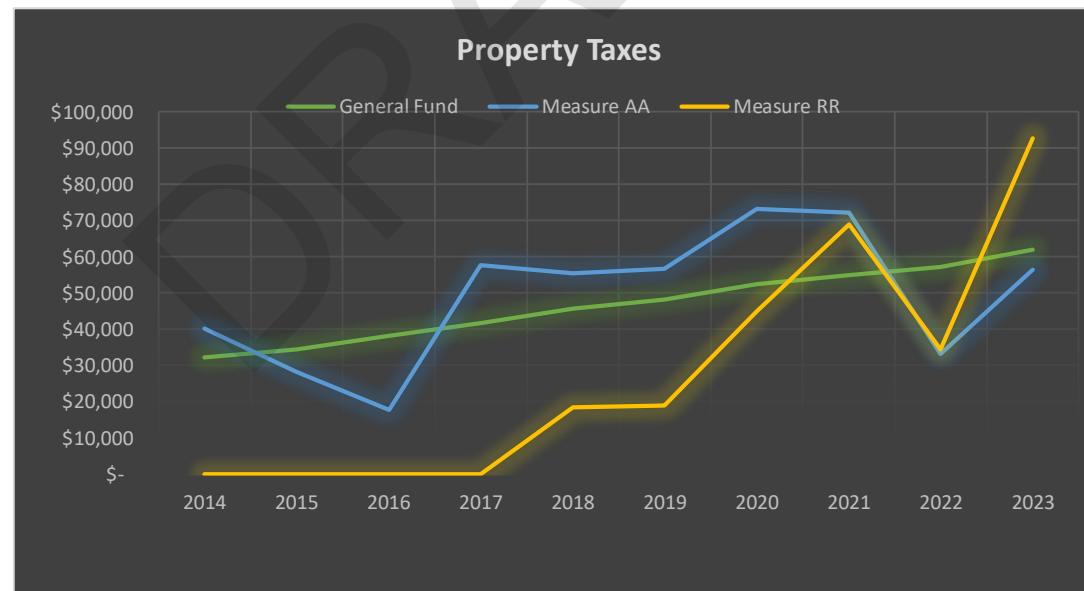
N/A - Data unavailable

¹ Data available is only for January - June 2023

San Francisco Bay Area Rapid Transit District
Property Taxes (Combined Alameda, Contra Costa & San Francisco Counties)
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 10

Fiscal Year	Debt Service Fund			Total
	Operating Fund	Measure AA	Measure RR	
2014	\$ 32,054	\$ 40,196	\$ -	\$ 72,251
2015	34,325	28,069	-	62,394
2016	38,086	17,763	-	55,849
2017	41,622	57,541	-	99,163
2018	45,701	55,269	18,248	119,218
2019	48,086	56,693	18,898	123,677
2020	52,393	73,277	44,912	170,582
2021	54,884	72,191	68,876	195,951
2022	57,189	33,183	34,286	124,657
2023	61,878	56,498	92,756	211,132
Total	\$ 466,218	\$ 490,680	\$ 277,976	\$ 1,234,874



SOURCE : BART Audited Financial Statements
www.bart.gov/financials

San Francisco Bay Area Rapid Transit District
Property Tax Levies and Collections for the General Obligation Bonds Program
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 11

Fiscal Year	Total Gross Levy	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections	
		Amount	Percentage of Gross Levy		Amount	Percentage of Adjusted Levy
2014	39,260	\$ 39,105	99.60%	\$ 1,092	\$ 40,196	102.38%
2015	25,197	25,764	102.25%	2,306	28,069	111.40%
2016	15,632	16,743	107.10%	1,020	17,763	113.63%
2017	51,646	56,911	110.19%	630	57,541	111.41%
2018	58,381	54,588	93.50%	681	55,269	94.67%
2019	52,583	72,307	137.51%	3,284	75,591	143.76%
2020	96,515	116,973	121.20%	1,216	118,189	122.46%
2021	119,011	135,879	114.17%	5,188	141,067	118.53%
2022	53,384	61,670	115.52%	5,799	67,469	126.38%
2023	57,162	146,565	256.40%	2,689	149,254	261.11%
TOTAL	\$ 568,771	\$ 726,504		\$ 23,903	\$ 750,407	

San Francisco Bay Area Rapid Transit District
Assessed Value of Taxable Property
Last Ten Fiscal years
(Amounts expressed in thousands)

Table 12

Year	Alameda County	Contra Costa County	City and County of San Francisco	Total
2022/2023	\$ 373,085,485	\$ 251,089,790	\$ 328,530,494	\$ 952,705,770
2021/2022	344,907,786	232,823,690	311,997,808	889,729,283
2020/2021	329,741,834	225,040,914	301,409,161	856,191,909
2019/2020	308,622,532	214,592,251	281,073,307	804,288,089
2018/2019	288,071,312	203,778,854	259,329,479	751,179,646
2017/2018	269,298,241	191,636,194	234,074,597	695,009,032
2016/2017	252,358,011	181,690,537	211,532,524	645,581,072
2015/2016	235,814,982	171,040,563	194,392,572	601,248,117
2014/2015	218,741,967	159,376,249	181,809,981	559,928,197
2013/2014	206,281,027	144,699,845	172,489,208	523,470,080

Source: Certificate of Assessed Valuations from Counties

Debt Capacity

San Francisco Bay Area Rapid Transit District
Ratios of outstanding debt by type
Last Ten Fiscal Years
(Amounts expressed in thousands, except per capita amounts)

Table 13

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Principal										
Construction Loan	-	-	-	-	-	-	-	-	-	-
Sales Tax Revenue Bonds	\$ 718,895	\$ 698,800	\$ 629,620	\$ 595,060	\$ 528,810	\$ 506,135	\$ 712,455	\$ 686,295	\$ 657,520	\$ 626,070
General Obligation Measure AA	648,275	630,795	603,495	591,135	566,220	542,630	707,255	681,780	655,180	628,865
General Obligation Measure RR	-	-	-	300,000	271,600	267,030	575,485	1,190,110	1,866,390	1,855,420
Total Outstanding Debts - Principal	1,367,170	1,329,595	1,233,115	1,486,195	1,366,630	1,315,795	1,995,195	2,558,185	3,179,090	3,110,355
Interest										
Sales Tax Revenue Bonds	386,380	354,270	314,689	275,088	205,785	183,329	308,058	270,508	244,332	219,146
General Obligation Measure AA	434,175	403,923	351,585	311,766	286,742	261,370	318,548	288,639	259,799	231,976
General Obligation Measure RR				233,644	225,469	213,356	406,185	778,969	1,436,877	1,372,878
Total Outstanding Debts - Interest	\$ 820,555	\$ 758,193	\$ 666,274	\$ 820,498	\$ 717,996	\$ 658,055	\$ 1,032,791	\$ 1,338,116	\$ 1,941,008	\$ 1,824,000
Original issue premiums and discounts	86,761	82,491	128,513	170,497	165,595	149,297	205,997	250,554	240,840	211,944
Total Outstanding Debts - Principal & Interest	\$ 2,274,486	\$ 2,170,279	\$ 2,027,902	\$ 2,477,190	\$ 2,250,221	\$ 2,123,147	\$ 3,233,983	\$ 4,146,855	\$ 5,360,938	\$ 5,146,299
Total Personal Income (Combined Alameda, Contra Costa & San Francisco Counties)	\$ 246,825,780	\$ 270,602,381	\$ 289,506,988	\$ 308,726,133	\$ 330,962,666	\$ 346,721,782	\$ 381,058,027	\$ 410,823,437	N/A	N/A
Outstanding Debt as a Percentage of Personal income	0.92%	0.80%	0.70%	0.80%	0.68%	0.61%	0.85%	1.01%	N/A	N/A
Service Area Population (Combined Alameda, Contra Costa & San Francisco Counties)	3,567	3,622	3,659	3,683	3,697	3,700	3,699	\$ 3,618	N/A	N/A
Outstanding Debt per Capita	\$ 637.61	\$ 599.24	\$ 554.17	\$ 672.62	\$ 608.64	\$ 573.80	\$ 874.29	\$ 1,146.17	N/A	N/A
Total annual unlinked passenger trips	125,784	135,241	137,658	132,802	129,044	128,217	91,007	17,840	38,224	49,043
Total debt ratio as a percentage of annual unlinked passenger trips	1086.92%	983.13%	895.78%	1119.11%	1059.04%	1026.22%	2192.35%	14339.86%	8316.98%	6342.06%

N/A - No data available

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

San Francisco Bay Area Rapid Transit District
Historical Debt Service Coverage Ratios - Sales Tax Revenue Bonds, GO Bonds Measure AA and Measure RR
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 14

Source	Fiscal Year	Net Sales Tax Revenue	Amount available for debt service from Sales Tax Revenue Bonds	Surplus Funds from Prior Year	Total amount available for Debt Service	Total Sales Tax Revenue Bonds Outstanding	Aggregate Debt Service Requirement	Debt Service Coverage Ratio
Sales Tax Revenue Bonds	2014	221,149	221,149	-	221,149	718,895	56,455	3.92
	2015	233,148	233,148	-	233,148	698,800	52,203	4.47
	2016	241,547	241,547	-	241,547	629,620	55,002	4.39
	2017	247,185	247,185	-	247,185	595,060	51,998	4.75
	2018	257,883	257,883	-	257,883	528,810	50,386	5.12
	2019	280,385	280,385	-	280,385	506,135	45,131	6.21
	2020	266,895	266,895	-	266,895	712,455	46,186	5.78
	2021	258,522	258,522	-	258,522	686,295	50,396	5.13
	2022	310,706	310,706	-	310,706	657,520	54,949	5.65
	2023	327,128	327,128	1	327,129	626,070	56,636	5.78
Source	Fiscal Year	Net Property Tax Revenue	Amount available for debt service on General Obligation	Surplus Funds from Prior Year	Total amount available for Debt Service	Total GO Bonds Outstanding Debt	Aggregate Debt Service Requirement	Debt Service Coverage Ratio
GO Bonds Measure AA	2014	40,197	40,197	1,900	42,097	648,275	36,735	1.15
	2015	28,069	28,069	28,014	56,083	630,795	47,732	1.17
	2016	17,763	17,763	10,222	27,985	603,495	24,055	1.16
	2017	57,541	57,541	4,115	61,656	591,135	50,224	1.23
	2018	55,269	55,269	10,190	65,459	566,220	49,940	1.31
	2019	56,693	56,693	14,419	71,112	542,630	48,960	1.45
	2020	73,277	73,277	42	73,319	707,255	48,795	1.50
	2021	72,191	72,191	-	72,191	681,780	55,388	1.30
	2022	33,183	33,183	34,191	67,374	655,180	55,437	1.22
	2023	56,498	56,498		56,498	628,865	54,135	1.04
GO Bonds Measure RR	2014	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
	2017	-	-	-	-	300,000	-	-
	2018	18,248	18,248	34,552 ¹	52,800	271,600	36,575	1.44
	2019	18,898	18,898	4,852	23,750	267,030	16,683	1.42
	2020	44,912	44,912	31	44,943	575,485	34,229	1.31
	2021	68,876	68,876	-	68,876	1,190,110	53,155	1.30
	2022	34,286	34,286	26,118	60,404	1,866,390	54,367	1.11
	2023	92,756	92,756		92,756	1,855,420	59,944	1.55

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

¹ Transfer of proceeds from Bonds Issuance

San Francisco Bay Area Rapid Transit District
Ratio of General Obligation Bonds Outstanding
Last Ten Fiscal years
(Amounts expressed in thousands)

Table 15

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Obligation Bonds										
Principal	\$ 648,275	\$ 630,795	\$ 603,495	\$ 891,135	\$ 837,820	\$ 809,660	\$ 1,282,740	\$ 1,871,890	\$ 2,521,570	\$ 2,484,285
Interest	434,175	403,923	351,585	545,410	512,211	474,726	724,733	1,067,608	1,696,676	1,604,854
Premium/discounts	40,443	77,315	69,651	107,276	98,724	90,455	147,952	200,924	199,117	177,255
Total	\$ 1,122,893	\$ 1,112,033	\$ 1,024,731	\$ 1,448,755	\$ 1,448,755	\$ 1,374,841	\$ 2,155,425	\$ 3,140,422	\$ 4,417,363	\$ 4,266,394
Assessed Value of Taxable Property (Combined Alameda, Contra Costa & San Francisco Counties)	\$ 523,470,080	\$ 559,928,197	\$ 601,248,117	\$ 645,581,072	\$ 695,009,032	\$ 751,179,646	\$ 804,288,089	\$ 856,191,909	\$ 889,729,283	\$ 952,705,770
Ratio of General Outstanding Debt per Assessed Value of Taxable Property	0.21%	0.20%	0.17%	0.21%	0.21%	0.18%	0.27%	0.37%	0.50%	0.45%
Service Area Population (Combined Alameda, Contra Costa & San Francisco Counties)	3,567	3,622	3,659	3,683	3,697	3,700	3,699	3,618	N/A	N/A
Ratio of General Outstanding Debt per Capita	\$ 315	\$ 307	\$ 280	\$ 392	\$ 392	\$ 372	\$ 583	\$ 868	N/A	N/A

N/A - data not available

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

Demographic and Economic Information

San Francisco Bay Area Rapid Transit District
Demographic and Economic Statistics - Alameda County
Last Ten Fiscal Years

Table 16

Fiscal Year	Population County of Alameda ¹	Population State of California ²	Personal Income County of Alameda ¹	Per Capita Personal Income County of Alameda ¹	Unemployment Rate County of Alameda ³
2014	1,607,638	38,586,706	93,163,772	57,951	6.0%
2015	1,634,326	38,904,296	102,412,663	62,664	5.0%
2016	1,650,765	39,149,186	109,572,257	66,377	4.6%
2017	1,659,824	39,337,785	116,802,392	70,370	3.9%
2018	1,666,596	39,437,463	125,583,845	75,354	3.3%
2019	1,668,412	39,437,610	131,535,494	78,839	3.2%
2020	1,680,380	39,499,738	149,239,559	88,841	13.1%
2021	1,643,837	39,237,836	164,437,681	99,746	6.9%
2022	N/A	N/A	N/A	N/A	2.9%
2023	N/A	N/A	N/A	N/A	3.9%

Sources :

¹ Bureau of Economic Analysis

² USAFacts.org

³ Employment Development Department, Labor Market Information resources

N/A - data is not available

San Francisco Bay Area Rapid Transit District
Demographic and Economic Statistics - City and County of San Francisco
Last Ten Fiscal Years

Table 17

Fiscal Year	Population of City and County of San Francisco ¹	Population State of California ²	Personal Income of City and County of San Francisco ¹	Per Capita Personal Income ¹	Unemployment Rate City and County of San Francisco ³
2014	850,918	38,586,706	83,383,919	97,993	4.50%
2015	863,237	38,904,296	91,384,623	105,863	3.80%
2016	871,343	39,149,186	98,482,927	113,024	3.50%
2017	877,471	39,337,785	104,937,684	119,591	3.20%
2018	879,676	39,437,463	113,724,925	129,280	2.60%
2019	878,826	39,437,610	117,635,944	133,856	2.40%
2020	866,606	39,499,738	125,499,720	144,818	12.10%
2021	811,253	39,237,836	131,043,138	160,749	5.90%
2022	N/A	N/A	N/A	N/A	2.20%
2023	N/A	N/A	N/A	N/A	3.00%

Sources :

¹ Bureau of Economic Analysis

² USAFacts.org

³ Employment Development Department, Labor Market Information resources

N/A - data is not available

San Francisco Bay Area Rapid Transit District
Demographic and Economic Statistics - Contra Costa County
Last Ten Fiscal Years

Table 18

Fiscal Year	Population of Contra Costa County ¹	Population State of California ²	Personal Income of Contra Costa County ¹	Per Capita Personal Income fo Contra Costa County ¹	Unemployment Rate of Contra Costa County ³
2014	1,108,665	38,586,706	70,278,089	63,390	6.4%
2015	1,124,148	38,904,296	76,805,095	68,323	5.3%
2016	1,137,259	39,149,186	81,451,804	71,621	4.8%
2017	1,145,623	39,337,785	86,986,057	75,929	4.1%
2018	1,150,840	39,437,463	91,653,896	79,641	3.5%
2019	1,152,883	39,437,610	97,550,344	84,614	3.3%
2020	1,152,333	39,499,738	106,318,748	92,264	13.0%
2021	1,161,413	39,237,836	115,342,618	99,312	7.3%
2022	N/A	N/A	N/A	N/A	3.2%
2023	N/A	N/A	N/A	N/A	4.1%

Sources :

¹ Bureau of Economic Analysis

² USAFacts.org

³ Employment Development Department, Labor Market Information resources

N/A - data is not available

San Francisco Bay Area Rapid Transit District
Major Employers in Alameda County
Current Year and Nine Years Ago

Table 19

Employer Name	Number of Employees June 30, 2022 ¹	Rank	Percentage of Total County Employment	Number of Employees June 30, 2013	Rank	Percentage of Total County Employment
Kaiser Permanente Medical Group Inc	34,666	1	4.35 %	10,914	2	1.40 %
Tesla Motors	13,000	2	1.63	4,500	10	0.58
Safeway Inc	9,731	3	1.22	7,599	5	0.97
County of Alameda	9,548	4	1.20	8,735	3	1.12
Sutter Health	9,377	5	1.18	-	20+	-
John Muir Health	6,300	6	0.79	-	20+	-
PG & E	5,100	7	0.64	-	20+	-
Workday	5,098	8	0.64	-	20+	-
Chevron	4,700	9	0.59	-	20+	-
Wells Fargo	4,354	10	0.55	-	20+	-
Total	101,874		12.79 %	31,748		4.07 %

Source : ACFR Alameda County, June 30, 2022

¹ Data as of June 30, 2023 not available

**San Francisco Bay Area Rapid Transit District
Major Employers in City and County of San Francisco
Current Year and Nine Years Ago**

Table 20

Employer Name	Number of Employees		Number of Employees June		Percentage of Total County Employment
	June 30, 2021 ¹	Rank	30, 2012	Rank	
City and County of San Francisco	35,802	1	25,458	1	5.33 %
University of California, San Francisco	29,500	2	22,664	2	4.74
Salesforce	10,603	3	4,000	9	0.84
San Francisco Unified School District	10,322	4	8,189	5	1.71
Sutter Health	6,100	5	-	-	-
Wells Fargo & Co	5,899	6	8,300	4	1.74
Uber Technologies	5,500	7	-	-	-
Allied Universal	4,095	8	-	-	-
Kaiser Permanente	3,921	9	3,581	10	0.75
First Republic Bank	3,042	10	-	-	-
PG & E Corporation	-	-	4,415	7	0.92
California Pacific Medical Center	-	-	8,559	3	1.79
Gap, Inc	-	-	6,000	6	1.26
State of California	-	-	4,184	8	0.88
			-	-	-
Total	114,784		95,350		19.96 %

Source : ACFR City and County of San Francisco, June 30, 2022

¹ Data as of June 30, 2023 not available

San Francisco Bay Area Rapid Transit District
Major Employers in Contra Costa County
Current Year and Nine Years Ago

Table 21

Employer Name	Estimated Number of Employees June 30, 2022 ¹	Rank	Percentage of Total County Employment	Estimated Number of Employees June 30, 2013	Rank	Percentage of Total County Employment
Chevron Corporation	10,000+	T-1	1.89 %	1,329	3	0.24 %
Kaiser Permanente	10,000+	T-1	1.89	2,000	2	0.36
Bio-Rad Laboratories Inc	1,000-4,999	T-2	0.56	900	9	0.16
John Muir Medical Center	1,000-4,999	T-2	0.56	2,200	1	0.40
La Raza Market	1,000-4,999	T-2	0.56			
USS-POSCO Industries	1,000-4,999	T-2	0.56			
Target Corporation				1,262	4	0.23
Walmart Stores Inc				1,150	5	0.21
Contra Costa Newspaper Inc				1,140	6	0.21
Doctors Medical Center				937	7	0.17
Shell.Martinez Refinery				900	8	0.16
Texaco Inc				800	10	0.15
All Others	499,600		9.98	536,100		97.71
Total	531,600		100.00 %	548,718		100.00 %

Source : ACFR Contra Costa County

¹ Data as of June 30, 2023 not available

Operating Information

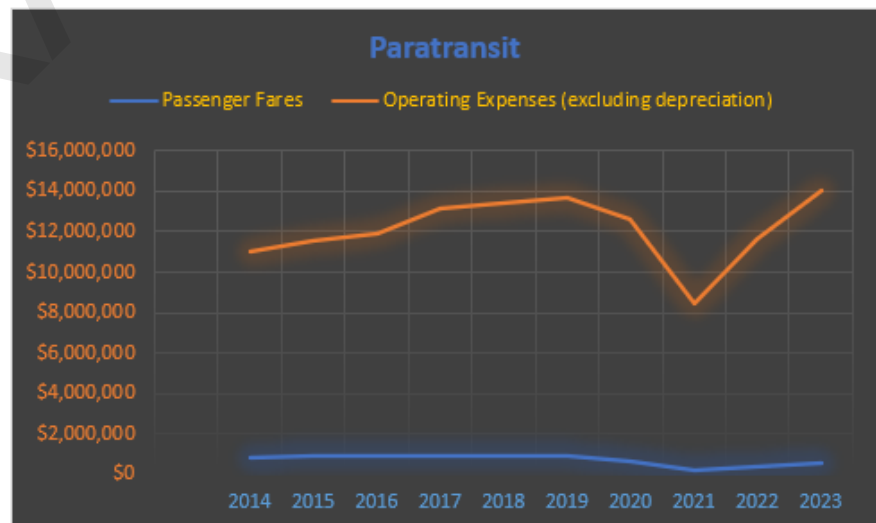
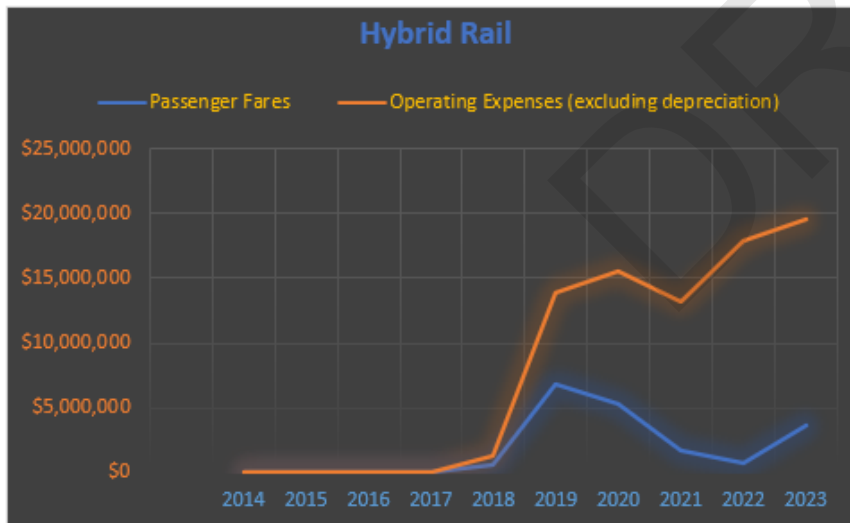
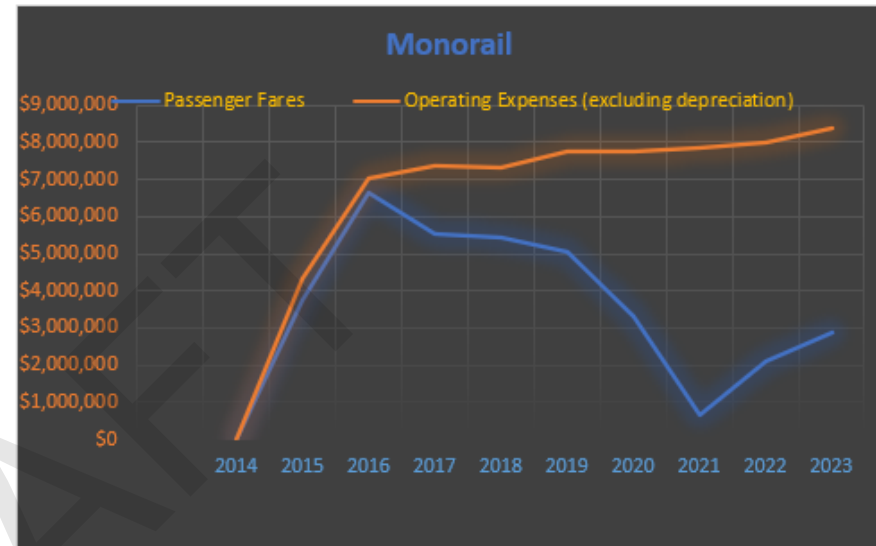
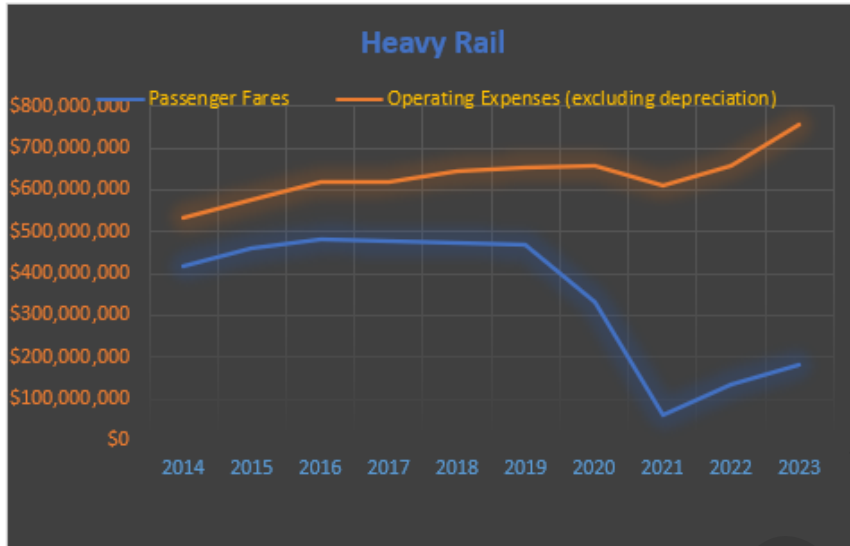
San Francisco Bay Area Rapid Transit District
Business-type activities - Transit Operations
(Excluding Claims and Compensated Absences)
Last Ten Fiscal Years

Table 22

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PASSENGER FARES										
Heavy rail	\$ 415,742,134	\$ 459,041,781	\$ 482,050,036	\$ 479,276,684	\$ 474,796,843	\$ 469,865,645	\$ 332,443,427	\$ 59,980,709	\$ 132,563,558	\$ 181,243,024
Monorail		3,732,554	6,666,416	5,536,442	5,420,678	5,038,104	3,289,817	652,596	2,123,705	2,878,424
Hybrid Rail					627,937	6,876,763	5,238,149	1,734,214	762,031	3,684,950
Paratransit	831,317	859,684	866,615	861,459	937,562	863,487	615,404	161,005	368,195	504,938
OPERATING EXPENSES (excluding depreciation)										
Heavy rail	\$ 533,550,586	\$ 575,457,469	\$ 618,454,856	\$ 618,691,516	\$ 644,126,076	\$ 651,029,953	\$ 658,199,898	\$ 611,176,963	\$ 659,542,866	\$ 754,188,006
Monorail		4,333,277	7,006,324	7,356,347	7,326,356	7,752,447	7,738,282	7,848,857	8,005,186	8,377,661
Hybrid Rail					1,227,804	13,880,433	15,550,731	13,198,004	17,965,406	19,617,059
Paratransit	11,007,629	11,518,412	11,917,053	13,131,902	13,397,188	13,678,318	12,586,161	8,404,442	11,609,302	14,077,251
PASSENGER MILES TRAVELLED										
Heavy rail	1,655,369,324	1,791,366,239	1,844,823,552	1,808,935,691	1,784,699,309	1,756,364,558	1,238,506,222	233,787,844	514,304,342	670,728,256
Monorail		1,857,603	3,299,491	3,154,096	3,059,958	2,819,118	1,822,531	359,280	1,200,793	1,397,222
Hybrid Rail					1,463,888	15,283,299	11,655,931	4,123,073	7,874,327	9,189,847
VEHICLE/PASSENGER CAR REVENUE MILES										
Heavy rail	8,745,981	8,921,934	9,247,591	9,241,934	9,331,833	9,215,648	7,973,519	5,210,283	8,516,292	9,209,906
Monorail		258,192	414,268	396,059	393,291	388,584	325,053	212,199	262,125	258,323
Hybrid Rail					45,232	448,424	392,125	256,487	380,283	382,785
VEHICLE/PASSENGER CAR REVENUE HOURS										
Heavy rail	243,485	252,746	262,343	263,378	268,300	263,519	229,211	176,454	267,986	292,634
Monorail		12,977	20,550	20,041	19,952	19,815	19,172	17,819	19,787	20,044
Hybrid Rail					1,539	15,016	13,929	11,221	13,360	11,145
RAIL CARS										
Heavy rail	669	669	669	669	689	749	861	838	828	879
Monorail					16	16	16	16	16	16
Hybrid Rail		12	12	12	12	12	12	12	12	12
PASSENGER STATIONS										
Heavy rail	44	44	44	45	45	45	47	47	47	47
Monorail		1	1	1	1	1	1	1	1	1
Hybrid Rail					2	2	2	2	2	2

Source: National Transit Database

Graphical Presentation of Table 22
Passenger Fares and Operating Expenses by Mode



San Francisco Bay Area Rapid Transit District
 Business-type activities - Transit Operations
 Passenger Boarding by Mode
 Last Ten Fiscal Years
 Boardings (expressed in thousands)

Table 23

Fiscal Year	Heavy Rail	Monorail ¹	Hybrid Rail ²	Total
2014	125,784	-	-	125,784
2015	134,660	581	-	135,241
2016	136,627	1,031	-	137,658
2017	131,810	992	-	132,802
2018	127,875	962	208	129,044
2019	125,105	887	2,225	128,217
2020	88,699	573	1,735	91,007
2021	17,125	113	601	17,840
2022	36,775	378	1,072	38,224
2023	49,043	457	1,264	50,764

¹ Revenue service date for the Oakland Airport connector is November 22, 2014

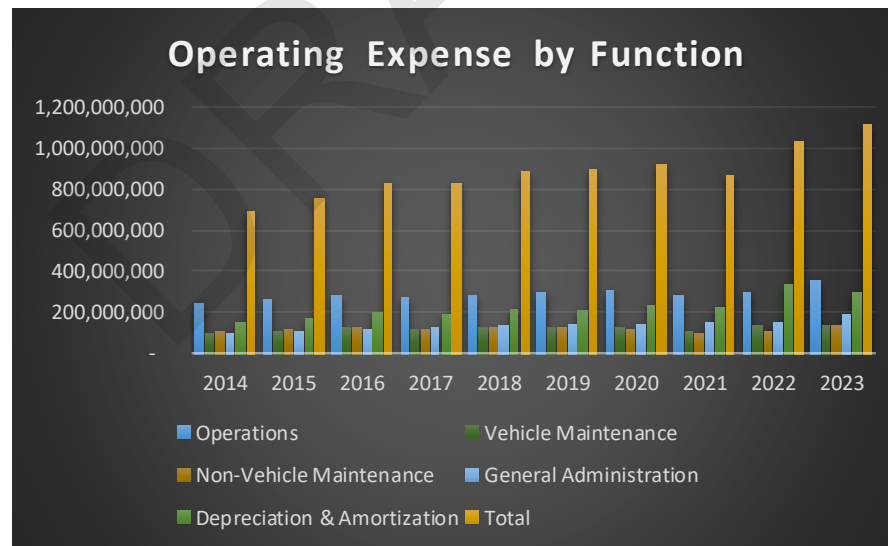
² Revenue service date for the Antioch Pittsburg eBART line is May 26, 2018

Source: National Transit Database

San Francisco Bay Area Rapid Transit District
Business-type activities - Transit Operations
Operating Expenses by Function (Bus and Rail)
Last Ten Fiscal Years

Table 24

Fiscal Year	Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration	Depreciation & Amortization	Total
2014	246,775,171	99,123,035	106,237,995	92,422,014	147,651,884	692,210,099
2015	261,872,640	108,466,765	112,910,101	108,059,652	170,025,314	761,334,472
2016	277,170,832	121,680,444	121,351,344	117,175,613	196,452,383	833,830,616
2017	274,391,275	117,156,947	119,608,294	128,023,249	191,877,348	831,057,113
2018	283,264,084	120,855,198	125,534,984	136,423,159	219,782,301	885,859,726
2019	294,969,001	126,852,983	123,323,408	141,195,759	207,344,716	893,685,867
2020	306,921,505	127,697,642	118,107,751	141,348,174	230,198,362	924,273,434
2021	283,641,568	108,306,706	99,862,300	148,817,692	228,528,144	869,156,410
2022	303,169,219	135,076,740	104,976,525	153,900,276	332,529,103	1,029,651,863
2023	353,865,147	135,118,743	134,970,843	184,263,385	302,446,199	1,110,664,317



Source: National Transit Database

**San Francisco Bay Area Rapid Transit District
Full-time Equivalent Employees by Function
Last Ten Fiscal Years**

Table 25

	2014	2015	2016	2017	2017	2019	2020	2021	2022	2023
Functions										
Operations	2,474	2,536	2,645	2,756	2,895	3,113	3,253	2,979	3,053	3,232
Planning & Development	26	26	30	32	35	41	50	42	38	45
Construction Project Management	62	65	64	63	65	63	63	52	56	43
Communications	10	10	10	6	6	8	7	8	7	10
Support Services	688	707	720	717	735	749	826	757	755	819
District Secretary's Office	5	5	5	5	5	5	5	5	5	5
Chief Executive Office	5	5	4	4	4	4	4	4	5	4
Total	3,271	3,354	3,479	3,584	3,748	3,985	4,209	3,848	3,918	4,158



SOURCE: BART Operating Budget

San Francisco Bay Area Rapid Transit District
Business-type activities - Transit Operations
Revenues and operating assistance
Comparison to Transit Industry Trend
Percent to Total
Last Ten Fiscal Years

Table 26

	Operations			Directly Generated Dedicated Funds	Operating Assistance				Total
	Passenger Fares	Other	Subtotal		Federal	State	Local	Subtotal	
Transportation Industry									
2014	32.00%	3.90%	35.90%	6.90%	23.20%	25.40%	8.60%	64.10%	100.00%
2015	32.52%	4.92%	37.43%	6.70%	24.42%	23.15%	8.29%	62.57%	100.00%
2016	31.30%	5.03%	36.33%	6.75%	24.67%	24.24%	8.01%	63.67%	100.00%
2017	31.35%	4.98%	36.33%	6.86%	25.32%	22.97%	8.52%	63.67%	100.00%
2018	30.66%	5.38%	36.05%	6.11%	26.51%	22.70%	8.63%	63.95%	100.00%
2019	29.53%	4.48%	34.01%	8.17%	26.95%	22.94%	7.92%	65.99%	100.00%
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SF BART									
2014	43.52%	4.82%	48.34%	41.77%	7.59%	2.10%	0.21%	51.66%	100.00%
2015	49.08%	5.58%	54.66%	34.15%	8.99%	1.91%	0.28%	45.34%	100.00%
2016	52.99%	6.32%	59.31%	32.99%	5.79%	1.39%	0.52%	40.69%	100.00%
2017	49.83%	6.90%	56.72%	35.54%	6.08%	1.13%	0.53%	43.28%	100.00%
2018	47.81%	9.51%	57.32%	37.42%	0.14%	4.58%	0.54%	42.68%	100.00%
2019	45.50%	10.31%	55.80%	38.09%	0.09%	5.44%	0.57%	44.20%	100.00%
2020	30.15%	6.36%	36.51%	38.61%	16.44%	6.43%	2.02%	63.49%	100.00%
2021	6.00%	2.74%	8.74%	43.61%	38.74%	4.11%	4.80%	91.26%	100.00%
2022	11.78%	2.63%	14.40%	37.76%	38.91%	4.67%	4.26%	85.60%	100.00%
2023	18.55%	6.55%	25.10%	24.22%	40.87%	4.09%	5.72%	74.90%	100.00%

SOURCE : National Transit Database
APTA for Transportation Industry
N/A- data is not available

San Francisco Bay Area Rapid Transit District
Business-type activities - Transit Operations
Operating Expenses by Function
Comparison to Transit Industry Trend
Percent to Total
Last Ten Fiscal Years

Table 27

Fiscal Year	Vehicle Operations	Non-Vehicle Maintenance	Vehicle Maintenance	General Administration	Purchased Transportation	Total
Transportation Industry						
2014	43.50%	16.20%	10.90%	15.70%	13.60%	100.00%
2015	42.70%	16.10%	10.80%	16.10%	14.20%	100.00%
2016	42.20%	16.40%	11.00%	16.70%	13.70%	100.00%
2017	41.90%	16.40%	11.70%	15.90%	14.20%	100.00%
2018	42.00%	16.00%	11.10%	16.50%	14.50%	100.00%
2019	41.60%	15.60%	11.30%	16.60%	15.00%	100.00%
2020	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A	N/A
SF BART						
2014	43.86%	18.04%	19.51%	16.66%	1.94%	100.00%
2015	42.64%	17.99%	19.02%	17.88%	2.47%	100.00%
2016	41.82%	18.76%	18.85%	17.87%	2.71%	100.00%
2017	41.20%	17.95%	18.47%	19.49%	2.90%	100.00%
2018	40.84%	17.76%	18.58%	19.93%	2.88%	100.00%
2019	41.23%	18.12%	17.73%	20.04%	2.88%	100.00%
2020	42.56%	18.09%	16.79%	19.88%	2.67%	100.00%
2021	43.07%	16.58%	15.31%	22.76%	2.27%	100.00%
2022	42.38%	18.60%	14.85%	21.57%	2.60%	100.00%
2023	48.96%	19.36%	19.38%	26.43%	1.80%	100.00%

SOURCE : National Transit Database

APTA for Transportation Industry

N/A- Data from APTA is not available

San Francisco Bay Area Rapid Transit District
Capital Assets by Mode
Last Ten Fiscal Years

Table 28

	<i>Mode</i>			<i>by Mode</i>			<i>Mode</i>		
	Heavy Rail ¹	Monorail ²	Hybrid Rail ³	Heavy Rail ¹	Monorail ²	Hybrid Rail ³	Heavy Rail ¹	Monorail ²	Hybrid Rail ³
2023	48	1	2	238.765	6.148	17.325	828	12	8
2022	48	1	2	238.765	6.148	17.325	828	12	8
2021	45	1	2	238.765	6.148	17.325	838	12	8
2020	45	1	2	238.765	6.148	17.325	861	12	8
2019	45	1	2	220.139	6.148	17.325	749	12	8
2018	45	1	2	220.139	6.148	17.325	689	12	8
2017	45	1		220.139	6.148		669	12	
2016	44	1		209.689	6.148		669	12	
2015	44	1		209.689	6.148		669	12	
2014	44			209.689	6.148		669		

SOURCE : BART Asset Management

¹ This data includes VTA owned stations and vehicles

² Revenue service date for the Oakland Airport connector is November 22, 2014

³ Revenue service date for the Antioch Pittsburg eBART line is May 26, 2018



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