



FY26 Third Quarter Financial Report

BART Board of Directors

May 28, 2026



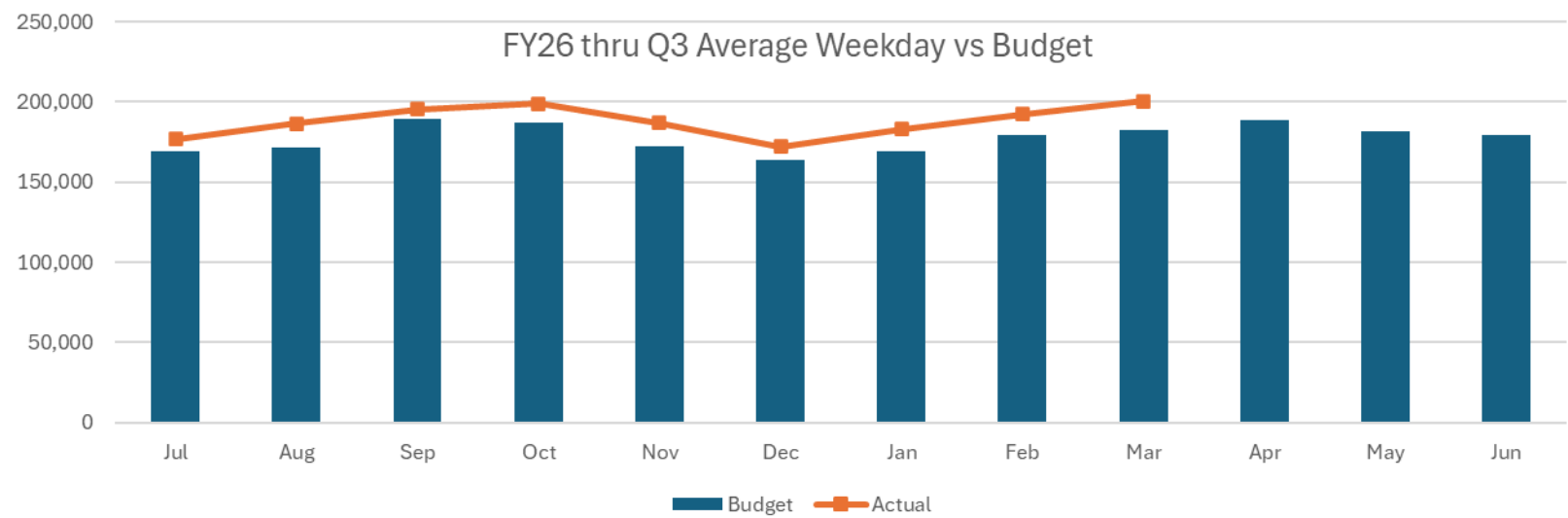
Executive Summary

- BART is doing better than budget through Q3 of FY26
 - Operating revenue is above budget, reflecting strong ridership
 - Investment income is above budget, reflecting optimized cash management strategies
 - Operating expense is below budget, reflecting focus on expense reduction
- Through end of March, BART used \$52.4M less emergency assistance than budgeted
 - Any emergency assistance remaining at FY end can be used to reduce borrowing in FY27
- Much uncertainty remains
 - Expenses (especially non-labor) are generally higher in fourth quarter, mostly due to invoicing
 - Liabilities are generally settled at year-end; will have better visibility by end of September when year-end closing process is complete
- Cash and reserves are stable; large balances reflect short-term cash preservation strategies in advance of November ballot measure

FY26 Q3 Ridership Review

FY26 Q3 Ridership Comparison		
	vs FY25	vs Budget
Weekday	+13.3%	+8.6%
Saturday	+26.3%	+25.7%
Sunday	+20.7%	+15.6%
Total	+14.9%	+10.6%

- FY26 Q3 totaled 14.6M trips:
 - 14.9% higher than FY25
 - 10.6% above budget
- Elevated Q3 ridership driven by:
 - Very strong weekend ridership, buoyed by large special events
 - Robust weekday commute patterns
 - Mild weather



FY26 Q3 Operating Sources

Bay Area Rapid Transit Quarterly Financial Report - Third Quarter FY26

(\$M)	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
<u>Operating Revenue</u>											
Net Passenger Revenue	65.0	72.4	7.4	190.1	210.1	20.0	10.5%	259.8	287.0	27.2	10.5%
Parking Revenue	4.9	5.6	0.7	14.5	15.4	0.8	5.8%	19.9	21.0	1.1	5.5%
Other Operating Revenue	6.1	6.7	0.7	18.2	19.8	1.6	8.7%	24.0	23.0	(1.0)	-4.2%
Total Net Operating Revenue	75.9	84.7	8.7	222.8	245.3	22.4	10.1%	303.7	331.0	27.3	9.0%
Total Non Operating Revenue	4.2	9.1	5.0	18.5	27.7	9.2	49.5%	21.4	29.2	7.8	36.3%
Total Revenue	80.1	93.8	13.7	241.3	273.0	31.6	13.1%	325.1	360.2	35.1	10.8%
<u>Financial Assistance</u>											
Sales Tax	82.3	85.1	2.9	238.4	246.2	7.7	3.2%	314.1	321.5	7.4	2.4%
Property Tax	3.0	2.5	(0.5)	38.7	38.7	0.0	0.0%	68.0	69.2	1.2	1.7%
State Transit Assistance	11.4	10.0	(1.5)	34.3	35.4	1.0	3.0%	45.8	49.1	3.3	7.2%
VTA Financial Assistance	9.0	9.1	0.1	27.0	27.2	0.3	1.0%	35.9	45.3	9.4	26.1%
Net Other Assistance, Net of Emergency Assistance	11.4	22.3	10.9	36.4	35.9	(0.5)	-1.4%	47.9	52.1	4.2	
Total Financial Assistance	117.1	129.0	11.9	374.8	383.4	8.5	2.3%	511.8	537.2	25.4	5.0%
Total Operating Sources	197.2	222.8	25.6	616.2	656.3	40.1	6.5%	836.9	897.4	60.5	7.2%

FY26 Q3 Operating Uses

Bay Area Rapid Transit Quarterly Financial Report - Third Quarter FY26

(\$M)	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Expense											
Gross Wages, Fringe & Other Labor	211.9	218.6	(6.7)	636.7	640.0	(3.3)	-0.5%	849.1	853.3	(4.2)	-0.5%
Net Capital Reimbursements - Labor & Fringe	(35.8)	(30.5)	(5.3)	(108.9)	(105.4)	(3.5)	-3.2%	(145.1)	(143.7)	(1.5)	1.0%
Subtotal - Net Operating Labor & Fringe	176.1	188.1	(12.0)	527.8	534.6	(6.8)	-1.3%	704.0	709.7	(5.7)	-0.8%
Gross Overtime	19.7	23.2	(3.5)	59.3	72.0	(12.7)	-21.4%	79.7	96.3	(16.6)	-20.8%
Capital Reimbursements - Overtime	(5.1)	(6.8)	1.7	(15.3)	(21.7)	6.4	41.8%	(20.4)	(27.8)	7.4	-36.5%
Subtotal - Net Operating Overtime	14.6	16.4	(1.8)	44.1	50.4	(6.3)	-14.3%	59.3	68.4	(9.2)	-15.4%
Total Operating Labor	190.7	204.5	(13.8)	571.8	585.0	(13.1)	-2.3%	763.3	778.1	(14.8)	-1.9%
Electric Power	18.3	11.8	6.5	51.4	38.6	12.8	24.8%	65.0	52.2	12.8	19.6%
Purchased Transportation	8.2	8.1	0.1	24.7	24.1	0.6	2.4%	34.8	34.8	0.0	0.0%
Net Other Non Labor	35.1	37.6	(2.6)	102.5	94.2	8.3	8.1%	143.5	135.1	8.4	5.9%
Total Non Labor	61.5	57.6	4.0	178.5	156.9	21.7	12.1%	243.4	222.2	21.2	8.7%
Total Operating Expense	252.2	262.1	(9.9)	750.4	741.8	8.6	1.1%	1,006.7	1,000.3	6.3	0.6%
Debt Service and Allocations											
Debt Service	15.0	13.0	2.1	45.1	40.2	4.9	10.9%	60.2	53.6	6.6	10.9%
Allocations, Net of Emergency Assistance	10.3	10.3	(0.1)	30.9	32.1	(1.3)	-4.1%	85.0	85.0	0.0	0.0%
Total Debt Service and Allocations	25.3	23.3	2.0	76.0	72.3	3.7	4.9%	145.2	138.6	6.6	4.5%
Total Operating Uses	277.6	285.4	(7.9)	826.4	814.1	12.3	1.5%	1,151.8	1,138.9	12.9	1.1%

FY26 Q3 Net Operating Result

Bay Area Rapid Transit Quarterly Financial Report - Third Quarter FY26

(\$M)	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Total Net Operating Revenue	75.9	84.7	8.7	222.8	245.3	22.4	10.1%	303.7	331.0	27.3	9.0%
Total Non Operating Revenue	4.2	9.1	5.0	18.5	27.7	9.2	49.5%	21.4	29.2	7.8	36.3%
Total Financial Assistance	117.1	129.0	11.9	374.8	383.4	8.5	2.3%	511.8	537.2	25.4	5.0%
Total Operating Sources	197.2	222.8	25.6	616.2	656.3	40.1	6.5%	836.9	897.4	60.5	7.2%
<u>Operating Expense</u>											
Total Operating Labor	190.7	204.5	(13.8)	571.8	585.0	(13.1)	-2.3%	763.3	778.1	(14.8)	-1.9%
Total Non Labor	61.5	57.6	4.0	178.5	156.9	21.7	12.1%	243.4	222.2	21.2	8.7%
Total Operating Expense	252.2	262.1	(9.9)	750.4	741.8	8.6	1.1%	1,006.7	1,000.3	6.3	0.6%
Total Debt Service and Allocations	25.3	23.3	2.0	76.0	72.3	3.7	4.9%	145.2	138.6	6.6	4.5%
Total Operating Uses	277.6	285.4	(7.9)	826.4	814.1	12.3	1.5%	1,151.8	1,138.9	12.9	1.1%
Net Operating Result Before Emergency Assistance	(80.3)	(62.6)	17.7	(210.2)	(157.8)	52.4	24.9%	(315.0)	(241.5)	73.5	23.3%
SB 125 Emergency Assistance Applied	80.3	62.6	(17.7)	210.2	157.8	(52.4)	-24.9%	315.0	241.5	(73.5)	-23.3%
Net Operating Result After Emergency Assistance	-	-	-	-	-	-	-	-	-	-	-

Next Steps

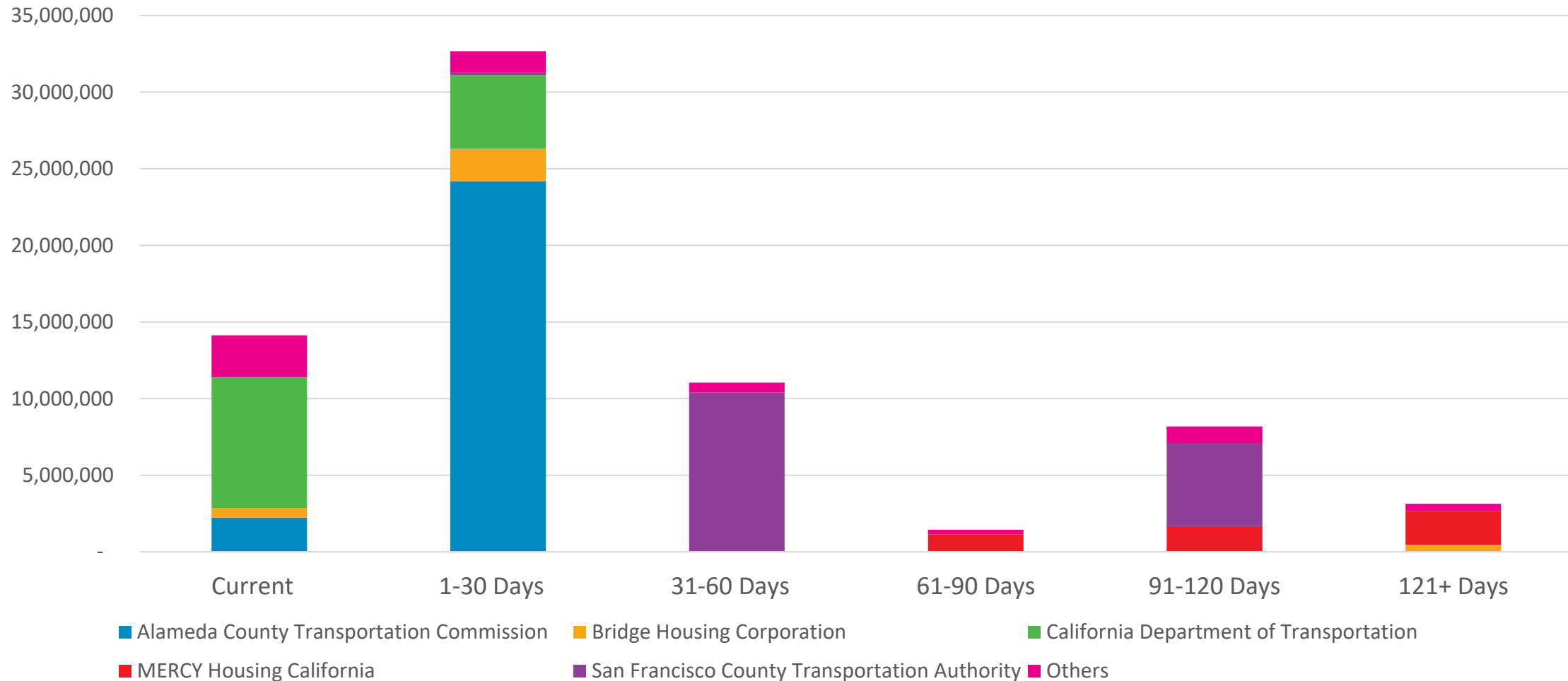
- BART has a structural deficit; operating losses are offset in FY26 by SB 125 emergency assistance
- BART performed \$52.4M better than budget through the first three quarters of FY26
- Considerable uncertainty remains; final number will be known by end of Q1 of FY27
- If current trends hold, staff project a ~\$74M positive variance by FY end (less SB 125 used), which staff recommend using to reduce deferrals and borrowing FY27



Financial Position

Outstanding Billed Grants Receivable

The status of receivables from BART's funding partners is shown below. As of March 31, 2026, total outstanding receivables were \$70.6M, with \$14.1M (20%) in current status, \$32.7M (46%) 30 days past due and \$23.8M (34%) over 30 days past due; \$49M (70%) of the outstanding balance has been collected since 3/31/2026



Cash and Investments

As of March 31, 2026

Investment allocation

	Amount	% Allocation
CD, Cash on hand and Cash In Bank	\$ 66,299,100	4.17%
Mutual Fund - Fixed Income Section 115 Pension	43,866,315	2.76%
Money Market TIFIA and Debt Service Reserve	154,676,416	9.73%
US Government Securities	1,101,863,425	69.31%
Supranational Bonds	56,203,683	3.54%
Corporate Debt Securities	91,954,588	5.78%
Local Agency Investment Fund	74,999,961	4.72%
Total Cash & Investments	<u>\$ 1,589,863,488</u>	<u>100.00%</u>

Breakdown of US Government Securities

US Treasury	\$ 454,499,213
Federal Home Loan Bank (FHLB)	517,939,162
Federal Home Loan Mortgage Corporation (FHLMC)	74,689,050
Federal National Mortgage Association (FNMA)	24,854,500
Federal Farm Credit Bank (FFCB)	29,881,500
	<u>\$ 1,101,863,425</u>

Weighted average return on investments was 3.67%

Cash by fund and restriction

	General Fund			Capital Fund			Total Cash & Investments
	BART General Fund	Remaining Proceeds of TIFIA loan #2	Total	BART Allocations & Other BART funds	Remaining Proceeds of TIFIA loan #1	Total	
Restricted	\$ 27,371,473	\$ -	\$ 27,371,473	\$ 74,872,851	\$ -	\$ 74,872,851	\$ 102,244,324
Unrestricted	577,568,695	396,102,615	973,671,311	387,617,729	126,330,125	513,947,854	1,487,619,164
	<u>\$ 604,940,168</u>	<u>\$ 396,102,615</u>	<u>\$ 1,001,042,783</u>	<u>\$ 462,490,580</u>	<u>\$ 126,330,125</u>	<u>\$ 588,820,705</u>	<u>\$ 1,589,863,488</u>

- BART's General Fund includes restricted and unrestricted funds.
- Restricted funds are generally limited by statute or regulation to specific uses and tracked separately from unrestricted funds.
- Unrestricted funds are typically internally generated (e.g., Capital Allocations) or generated through investment decisions (e.g., GO Bond interest earnings), and are not subject to restrictions. A significant portion of unrestricted capital funds are committed to planned and ongoing capital projects, including the BPD Headquarters and Core Capacity Program.

Operating and Other Reserves

As of March 31, 2026

Sums shown below are reflected in cash in General Fund shown on previous slide

Quarterly Changes

		January-March 2026			
		December 31, 2025	Additions	Usage	March 31, 2026
Operating Reserve	(1)	\$ 53,708,182	\$ -	\$ -	\$ 53,708,182
Insurance Calamity Reserve	(2)	9,000,000	-	-	9,000,000
Operating Reserve - Economic Uncertainty					
General Reserve for Economic Uncertainty	(3)	25,345,543	-	-	25,345,543
From Federal Assistance - ARP	(3)	-	-		-
From SB 125 State and Regional Assistance	(3)	188,837,175		(39,082,110)	149,755,065
Operating Reserve - Fiscal Stability - Pension	(4)	43,875,965	(9,650)		43,866,315
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		95,106,676	574,883		95,681,559
Operating Reserve- RHBT Contribution	(6)	24,786,875	9,546,250		34,333,125
Total		<u>\$ 459,159,084</u>	<u>\$ 10,111,483</u>	<u>\$ (39,082,110)</u>	<u>\$ 430,188,457</u>

(1) Cumulative balance of operating reserves per "Financial Stability Policy" approved by the Board.

(2) This reserve was set aside in the 1986 to cover catastrophic losses associated with District property damage, public liability and workers' compensation claims.

(3) Operating reserve set aside due to uncertain economic conditions.

(4) Amount set aside in FY20, FY21, FY22 and FY23 for pension contribution or for prefunding of the District's pension obligation. A Section 115 Pension Trust has been created for this reserve.

(5) Portion of proceeds from sale of Low Carbon Fuel Standards credits sold set aside to support operations per "Low Carbon Fuel Standard Policy" approved by the Board in July 2017.

10 (6) Deferral of RHBT contribution starting May 15, 2025

Summary of Outstanding Bonds and Loans

As of March 31, 2026

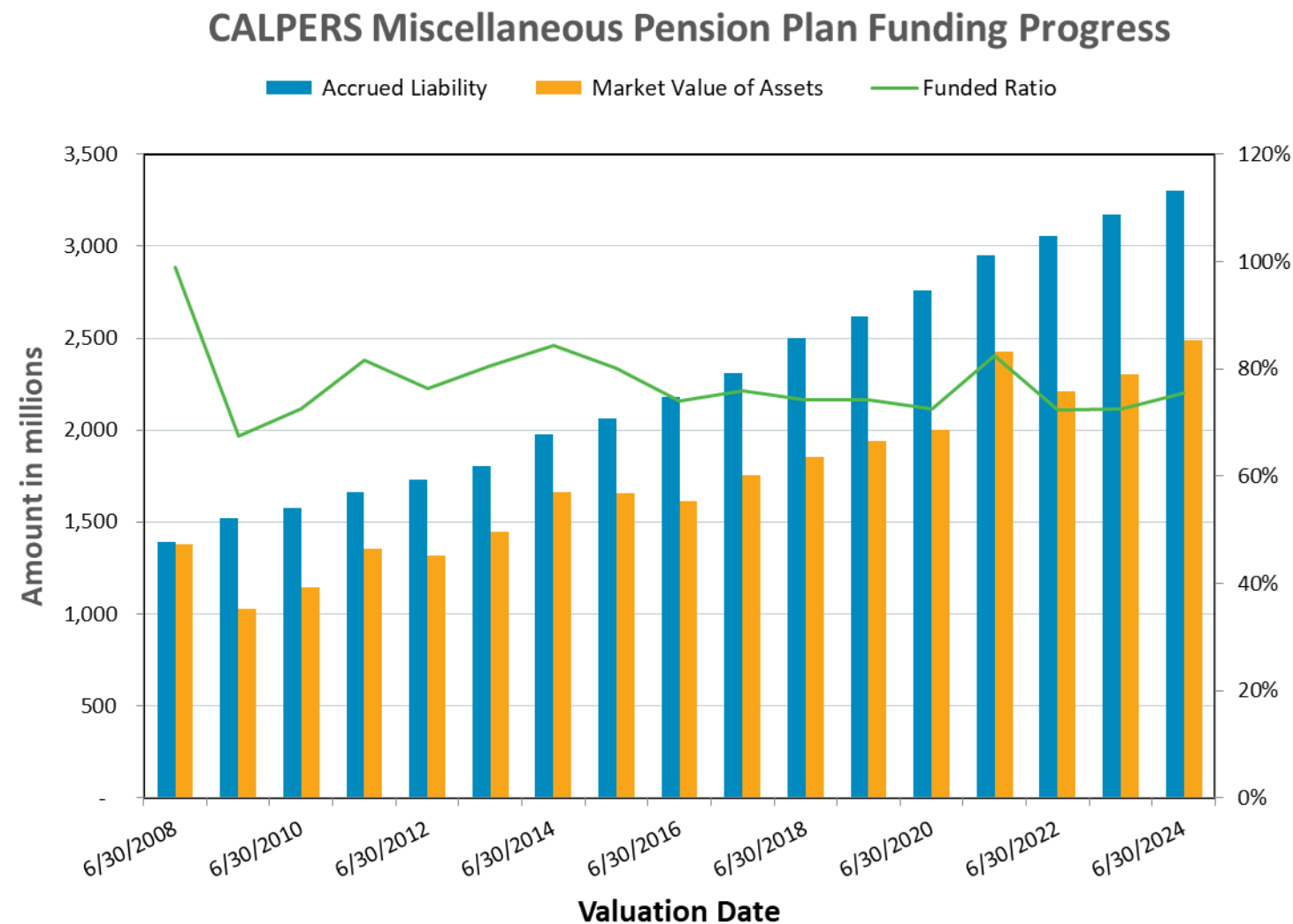
	Authorized	Issued as of March 31, 2026	Outstanding Balance 12-31-2025	Issuance	Accretion (Payments)	Outstanding Balance 03-31-2026	Annual Debt Service Fiscal Year 2026	Property Tax Assessments Fiscal Year 2026**
Sales Tax Revenue Bonds *		\$ 984,260,000	\$ 506,070,000	\$ -	\$ -	\$ 506,070,000	\$ 60,131,289	
TIFIA Loan***	\$ 544,642,843	\$ 544,642,843	\$ 553,072,783	\$ -	\$ 7,665,929	\$ 560,738,712	\$ -	
Measure AA General Obligation Bonds	\$ 980,000,000	\$ 980,000,000	\$ 517,320,000	\$ -	\$ -	\$ 517,320,000	\$ 54,655,294	\$4.30/\$100,000
Measure RR General Obligation Bonds	\$ 3,500,000,000	\$ 2,760,000,000	\$ 2,429,690,000	\$ -	\$ -	\$ 2,429,690,000	\$ 98,537,675	\$10.90/\$100,000
Total		<u>\$ 5,268,902,843</u>	<u>\$ 4,006,152,783</u>	<u>\$ -</u>	<u>\$ 7,665,929</u>	<u>\$ 4,013,818,712</u>	<u>\$ 213,324,258</u>	

* Sales Tax Revenue Bonds with outstanding balances.

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

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

CalPERS Pension Plan Funding Progress: Miscellaneous



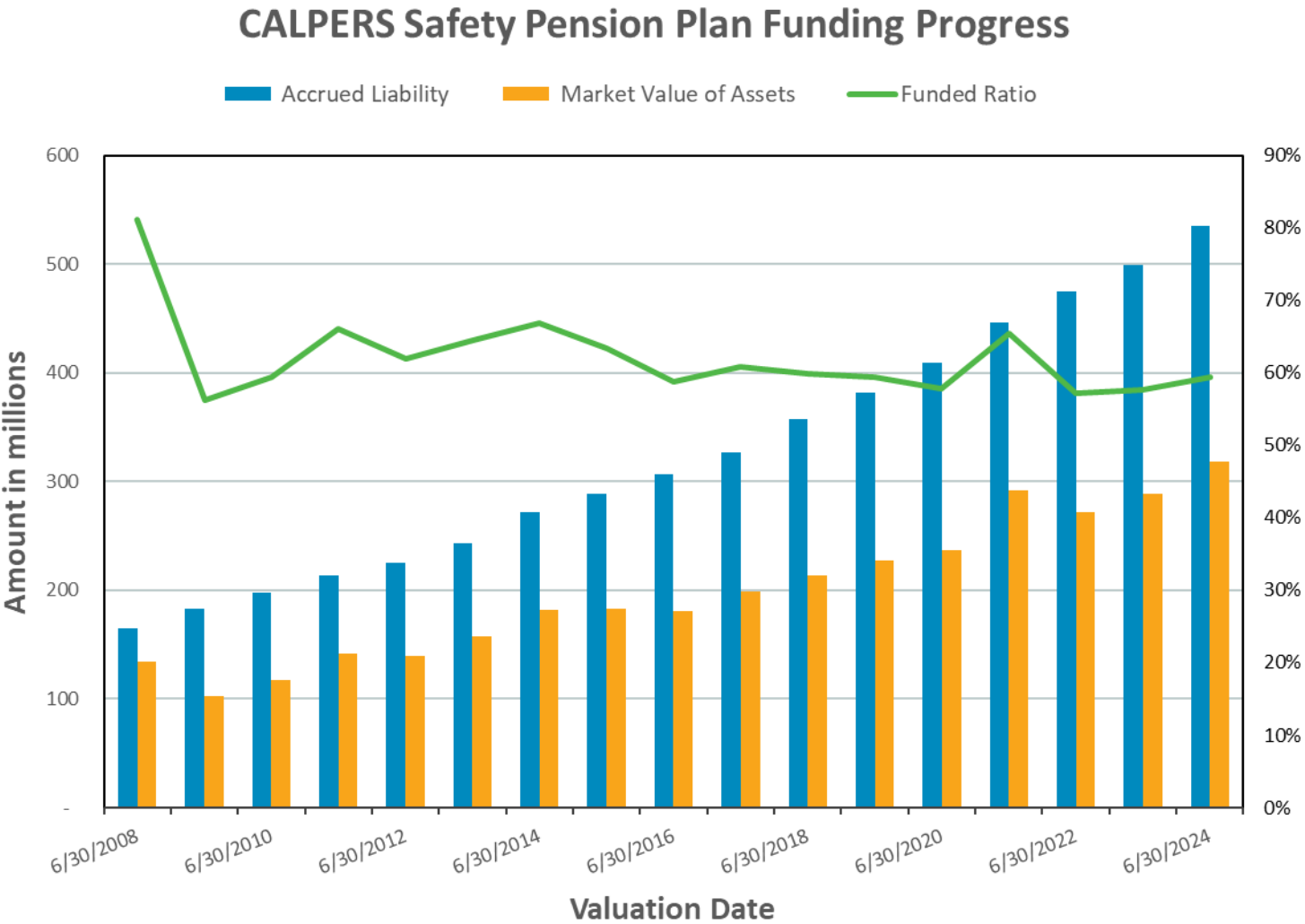
Miscellaneous plan covers all BART staff except sworn BART Police officers

FY26 budget contributions for Miscellaneous Plan:
Normal cost: \$49.9M
Unfunded Actuarial Liability (UAL): \$71.2M
Total: \$121.1M

Funded ratio for Miscellaneous Plan as of June 30, 2024: 75.4%

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

CalPERS Pension Plan Funding Progress: Safety



Safety plan covers sworn BART Police officers

FY26 budget contributions for Safety Plan:

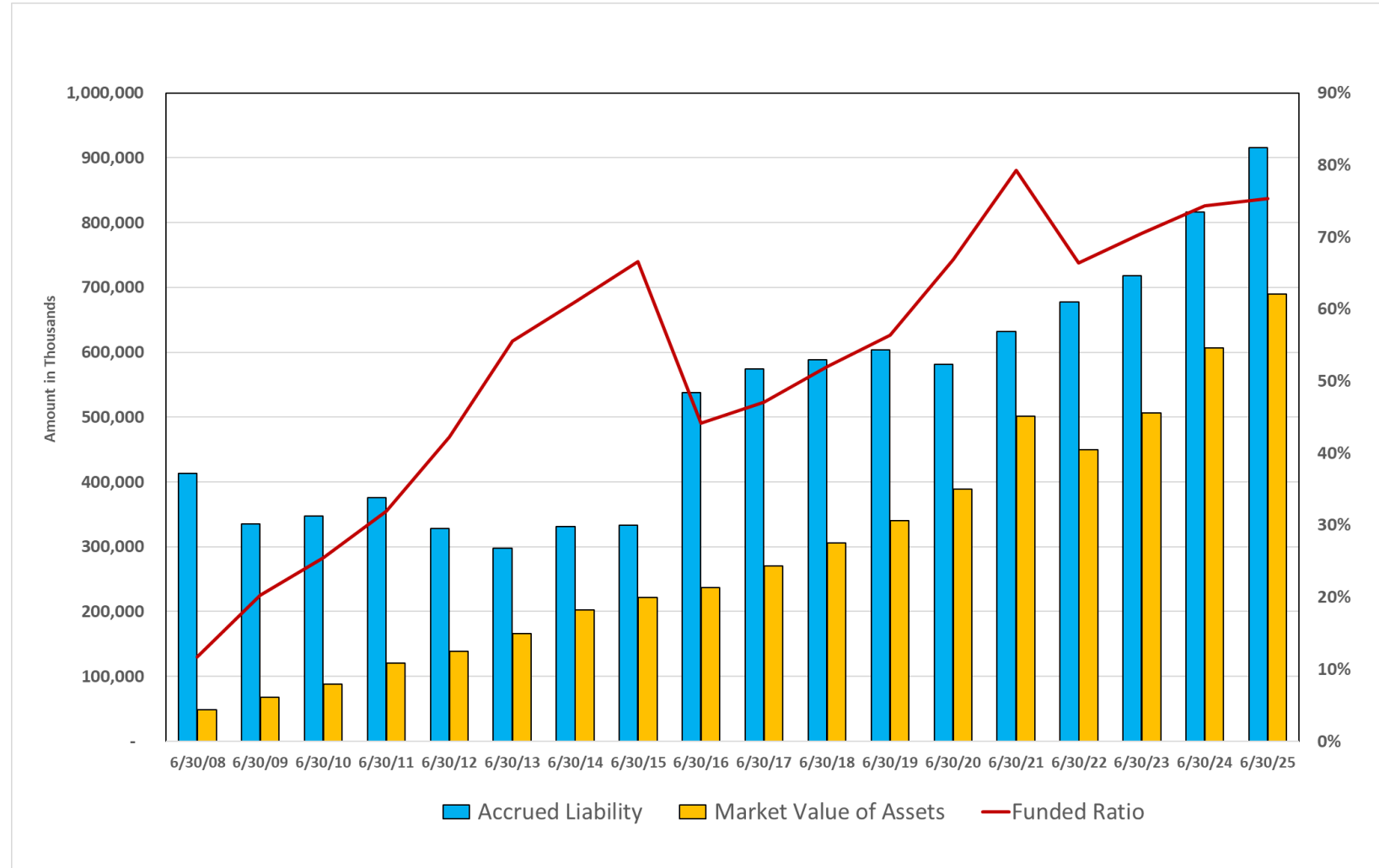
Normal cost: \$12.0M
UAL: \$17.5M
Total: \$29.5M

Funded ratio for Safety Plan as of June 30, 2024: 59.4%

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



Funding Progress Retiree Health Benefits Plan



- BART funds retiree medical costs via contributions to its Retiree Health Benefit Trust (RHBT)
- FY26 budgeted contribution is \$0 as BART is diverting contributions to a reserve fund
- As of 6/30/25, plan funded ratio is 75.4%
 - 74.3% funded as of 6/30/2024



Discussion





Appendices



State/Regional Emergency Assistance Draw Downs

SB 125 Funding Plan Draw Downs by Source	Allocation	FY25 Draw Down	FY26 Draw Down (through Q3)	Remaining Balance to be Drawn Down in FY26
TIRCP	\$ 11,865,487	\$ 11,865,487	\$ -	\$ -
ZETCP-GGRF	\$ 46,346,009	\$ 46,346,009	\$ -	\$ -
FTA 5307	\$ 16,925,711	\$ -	\$ 13,033,717	\$ 3,891,994
FTA 5337	\$ 41,601,813	\$ -	\$ 38,067,648	\$ 3,534,165
STA	\$ 10,918,407	\$ -	\$ 10,918,407	\$ -
TIRCP	\$ 224,390,775	\$ -	\$ 224,390,775	\$ -
Total	\$ 352,048,202	\$ 58,211,496	\$ 286,410,547	\$ 7,426,159

** Federal funding drawn down on a reimbursement basis*

Emergency Assistance Usage

FY25		
Draw Downs	\$	58,211,496
SB 125 Use	\$	(40,593,424)
Carry Forward	\$	17,618,072

FY26		
FY25 Carry Forward	\$	17,618,072
Draw Downs	\$	286,410,547
Remaining Draw Downs	\$	7,426,159
Available assistance in FY26	\$	311,454,778

Emergency assistance used in FY26	\$	(157,807,719)
Remaining assistance	\$	153,647,059

- BART has \$311.4M of SB 125 emergency assistance available in FY26

Through March 2026:

- BART has drawn down \$307.9M in SB 125 emergency assistance
- \$3.9M remains to be drawn down by the end of FY26
- Through three quarters of FY26, BART used \$157.8M of emergency assistance
- \$153.6M remains



Post-Employment Benefits Summary

- The District currently provides benefits to employees which include, but are not limited to:
 - **Retirement Pension Plan** managed by the California Public Employee Retirement System (CalPERS) and funded by contributions from the District and its employees. CalPERS is the largest pension plan in the United States with assets of approximately \$507 billion.
 - ✓ The District established a Section 115 Trust for prefunding the District's pension obligation on February 5, 2020.
 - **Retiree Medical Benefits** coverage funded by a Trust established by the District in 2005.
 - a. Invested in a combination of stocks, bonds, REIT & cash,
 - b. Benchmark 6.5%,
 - c. Quarterly Report to the Unions
 - **Survivor Benefits** of active and retired employees funded by the employees (\$15/month).
 - ✓ The Trust was established on May 18, 2020.
 - **Life Insurance** for retired employees.
 - The District also accrues liabilities through Property & Casualty insurance and workers compensation claims and maintains the required reserves related to its self-funded insurance programs for worker's compensation and general liability based on an annual actuarial study.

Funding Status of Pension Obligations

As of March 31, 2026

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded 03/31/2026</u>
Funds Managed by CALPERS					
Miscellaneous Employees	6/30/2024	\$ 2,487,088,696	\$ 3,299,290,210	\$ 812,201,514	75.4%
Safety Employees	6/30/2024	\$ 317,966,736	\$ 535,401,423	\$ 217,434,687	59.4%
Section 115 Pension Trust	6/30/2025	\$ 43,866,315	\$ -	\$ (43,866,315)	
Total - Pension Benefit Obligations		<u>\$ 2,848,921,747</u>	<u>\$ 3,834,691,633</u>	<u>\$ 985,769,886</u>	

Funding Status of Other Post Employment Benefit Obligations

As of March 31, 2026

Most Recent Valuation

	Report Date	Market Value of Assets		Total Liability	Unfunded Liability	% Funded
Retiree Health Benefits	6/30/2025	\$	689,980,000	\$ 915,585,000	\$ 225,605,000	75.4%
Other Post Employment Benefits						
Life Insurance	6/30/2025	\$	-	\$ 51,710,000	\$ 51,710,000	0.0%
Survivors Benefits	6/30/2024	\$	12,978,000	\$ 19,637,000	\$ 6,659,000	66.1%

Trust Assets for Post Employment Benefits Held by the District

As of March 31, 2026

Quarterly Change

	<u>Net Assets 31-Dec-25</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Gain (Loss)</u>	<u>Net Assets March 31, 2026</u>	<u>Quarterly Return</u>	<u>Inception to-date Return</u>
Retiree Health Benefit Trust	\$ 728,915,279	\$ 2,096,500	\$ (11,169,758)	\$ (16,862,741)	\$ 702,979,280	-2.4%	7.5%
Section 115 Pension Trust	43,875,964	-	-	(9,649)	43,866,315	0.0%	1.1%
Survivors Benefit Trust	16,130,922	209,705	(152,891)	(369,044)	15,818,692	-2.4%	8.7%
Total	<u>\$ 700,206,657</u>	<u>\$ 2,306,205</u>	<u>\$ (11,322,649)</u>	<u>\$ (17,241,434)</u>	<u>\$ 762,664,287</u>		

Fiscal Year to Date Change

	<u>Net Assets June 30, 2025</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Gain (Loss)</u>	<u>Net Assets March 30, 2026</u>	<u>Fiscal Year to Date Return</u>
Retiree Health Benefit Trust	\$ 689,980,300	\$ 6,289,500	\$ (31,606,953)	\$ 38,316,433	\$ 702,979,280	5.5%
Section 115 Pension Trust	42,615,444	-	-	1,250,871	43,866,315	2.9%
Survivors Benefit Trust	14,802,165	649,376	(396,586)	763,737	15,818,692	5.4%
Total	<u>\$ 747,397,909</u>	<u>\$ 6,938,876</u>	<u>\$ (32,003,539)</u>	<u>\$ 40,331,041</u>	<u>\$ 762,664,287</u>	