



# FY26 Second Quarter Financial Report

BART Board of Directors

March 12, 2026



# Executive Summary

- BART required less SB 125 emergency assistance than budgeted in the first half of FY26
  - Above budget operating revenues (driven by ridership) and financial assistance (mostly sales tax)
  - Strong investment income
  - Operating expense very close to budget, some debt service savings
- \$27.7M less SB 125 emergency assistance needed to balance revenue and expense through Q2
- Uncertainty remains around year-end projection; staff not projecting significant variance in emergency assistance utilization at this time
- Cash and reserves remain stable

# Agenda

## FY26 Q2 budget to actuals:

- Ridership review
- Operating budget to actuals
  - Sources
  - Uses
  - Net Result
- SB 125 emergency assistance drawdowns and expenditures

## Financial position:

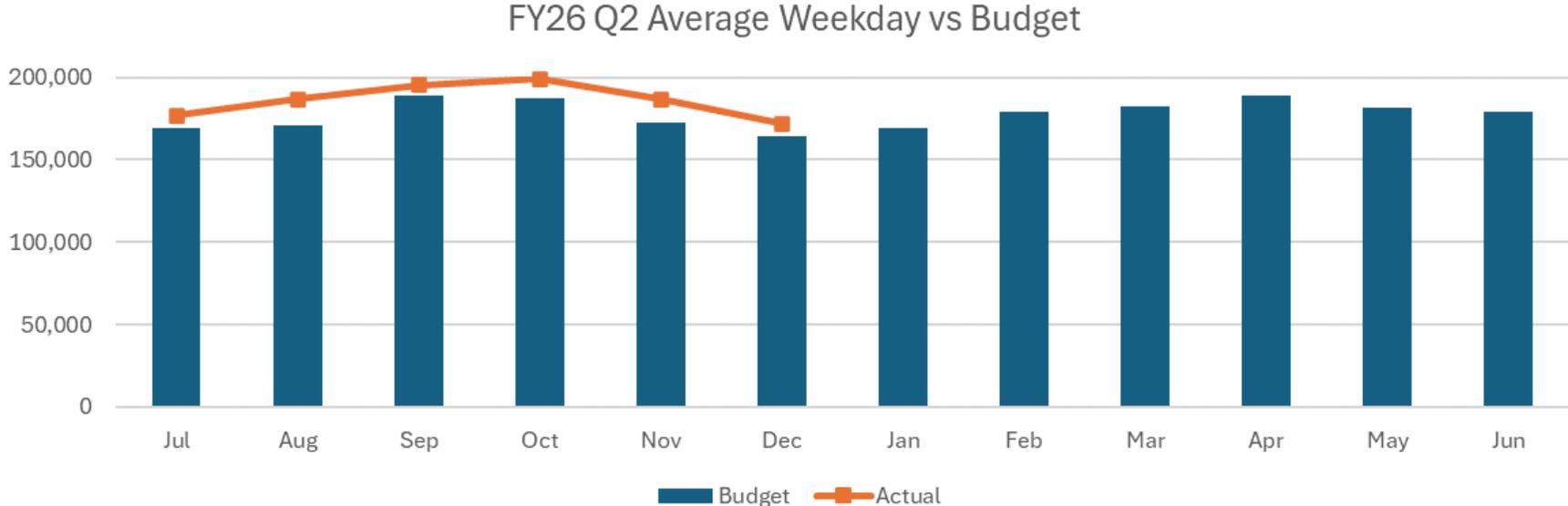
- Accounts receivable
- Cash and investments
- Operating and other reserves
- Outstanding bonds
- CalPERS pension funding progress: Miscellaneous and Safety plans
- Other Post-Employment Benefits (OPEB) funding progress of Retiree Health Benefits Trust (RHBT)

Appendices include additional detail on emergency assistance drawdowns & utilization and post-employment benefits

# FY26 Q2 Ridership Review

FY26 Q2 Ridership Comparison		
	vs FY25	vs Budget
Weekday	+10.7%	+6.5%
Saturday	+20.4%	+15.6%
Sunday	+12.6%	+7.4%
<b>Total</b>	<b>+11.8%</b>	<b>+7.7%</b>

- FY26 Q2 totaled 14.1M trips:
  - 11.8% higher than FY25
  - 7.7% above budget
- Transition to Clipper 2.0 began on December 10, with bulk migration still pending the resolution of ongoing transition issues



# FY26 Q2 Operating Sources

	Q1 Actuals	Q2 Budget	Q2 Actuals	Q2 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget
<b><u>Operating Revenue</u></b>									
Net Passenger Revenue	70.6	61.2	67.1	5.9	125.2	137.8	12.6	10.1%	259.8
Parking Revenue	4.9	4.8	4.9	0.1	9.6	9.8	0.2	1.9%	19.9
Other Operating Revenue	6.3	6.2	6.7	0.6	12.1	13.0	0.9	7.6%	24.0
<b>Total Net Operating Revenue</b>	<b>81.8</b>	<b>72.2</b>	<b>78.8</b>	<b>6.5</b>	<b>146.9</b>	<b>160.6</b>	<b>13.7</b>	<b>9.3%</b>	<b>303.7</b>
Investment Income	9.5	6.1	9.0	2.9	14.3	18.6	4.2	29.3%	21.4
<b>Total Non Operating Revenue</b>	<b>9.5</b>	<b>6.1</b>	<b>9.0</b>	<b>2.9</b>	<b>14.3</b>	<b>18.6</b>	<b>4.2</b>	<b>29.3%</b>	
<b>Total Revenue</b>	<b>91.4</b>	<b>78.3</b>	<b>87.8</b>	<b>9.5</b>	<b>161.2</b>	<b>179.1</b>	<b>17.9</b>	<b>11.1%</b>	<b>325.1</b>
<b><u>Financial Assistance</u></b>									
Sales Tax	81.4	77.6	79.6	2.0	156.2	161.0	4.8	3.1%	314.1
Property Tax	4.1	31.9	32.0	0.1	35.6	36.1	0.5	1.4%	68.0
State Transit Assistance	14.6	11.4	10.0	(1.5)	22.9	24.6	1.7	7.4%	45.8
VTA Financial Assistance	9.1	9.0	9.1	0.1	18.0	18.2	0.2	1.0%	35.9
Other Assistance, Net of Emergency Assistance	5.9	19.8	12.5	(7.3)	25.0	18.4	(6.6)	-26.5%	47.9
<b>Total Financial Assistance</b>	<b>115.2</b>	<b>149.8</b>	<b>143.2</b>	<b>(6.6)</b>	<b>257.7</b>	<b>258.3</b>	<b>0.6</b>	<b>0.2%</b>	<b>511.8</b>
<b>Total Operating Sources</b>	<b>206.5</b>	<b>228.1</b>	<b>230.9</b>	<b>2.9</b>	<b>419.0</b>	<b>437.5</b>	<b>18.5</b>	<b>4.4%</b>	<b>836.9</b>

# FY26 Q2 Operating Uses

	Q1 Actuals	Q2 Budget	Q2 Actuals	Q2 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget
<b><u>Operating Expense</u></b>									
Gross Wages, Fringe & Other Labor	212.9	211.1	208.5	2.6	424.8	421.4	3.4	0.8%	849.1
Capital Reimbursements - Labor & Fringe	(38.4)	(36.6)	(23.6)	(13.0)	(73.2)	(62.0)	(11.1)	-15.2%	(145.1)
Subtotal - Net Operating Labor & Fringe	174.5	174.5	184.9	(10.4)	351.7	359.4	(7.7)	-2.2%	704.0
Gross Overtime	24.4	20.0	24.4	(4.4)	39.7	48.9	(9.2)	-23.2%	79.7
Capital Reimbursements - Overtime	(6.9)	(5.1)	(8.0)	2.9	(10.2)	(14.9)	4.7	46.2%	(20.4)
Subtotal - Net Operating Overtime	17.5	14.9	16.5	(1.6)	29.5	34.0	(4.5)	-15.2%	59.3
<b>Total Operating Labor</b>	<b>191.9</b>	<b>189.4</b>	<b>201.4</b>	<b>(12.0)</b>	<b>381.2</b>	<b>393.4</b>	<b>(12.2)</b>	<b>-3.2%</b>	<b>763.3</b>
Electric Power	13.7	15.9	13.1	2.9	33.1	26.8	6.3	19.1%	65.0
Purchased Transportation	8.0	8.2	8.0	0.3	16.5	15.9	0.5	3.2%	34.8
Other Non Labor	23.9	34.7	38.2	(3.5)	67.4	62.2	5.3	7.8%	143.5
<b>Total Non Labor</b>	<b>45.6</b>	<b>58.9</b>	<b>59.3</b>	<b>(0.4)</b>	<b>117.0</b>	<b>104.9</b>	<b>12.1</b>	<b>10.4%</b>	<b>243.4</b>
<b>Total Operating Expense</b>	<b>237.6</b>	<b>248.3</b>	<b>260.7</b>	<b>(12.3)</b>	<b>498.1</b>	<b>498.2</b>	<b>(0.1)</b>	<b>0.0%</b>	<b>1,006.7</b>
<b><u>Debt Service and Allocations</u></b>									
Debt Service	14.3	15.0	12.9	2.2	30.1	27.2	2.9	9.5%	60.2
Capital and Other Allocations, Net of Emergency Assistance	8.7	10.3	5.5	4.8	20.6	14.2	6.4	31.2%	85.0
<b>Total Debt Service and Allocations</b>	<b>23.0</b>	<b>25.3</b>	<b>18.4</b>	<b>6.9</b>	<b>50.7</b>	<b>41.4</b>	<b>9.3</b>	<b>18.3%</b>	<b>145.2</b>
<b>Total Operating Uses</b>	<b>260.5</b>	<b>273.7</b>	<b>279.1</b>	<b>(5.4)</b>	<b>548.8</b>	<b>539.6</b>	<b>9.2</b>	<b>1.7%</b>	<b>1,151.8</b>

# FY26 Q2 Net Operating Result

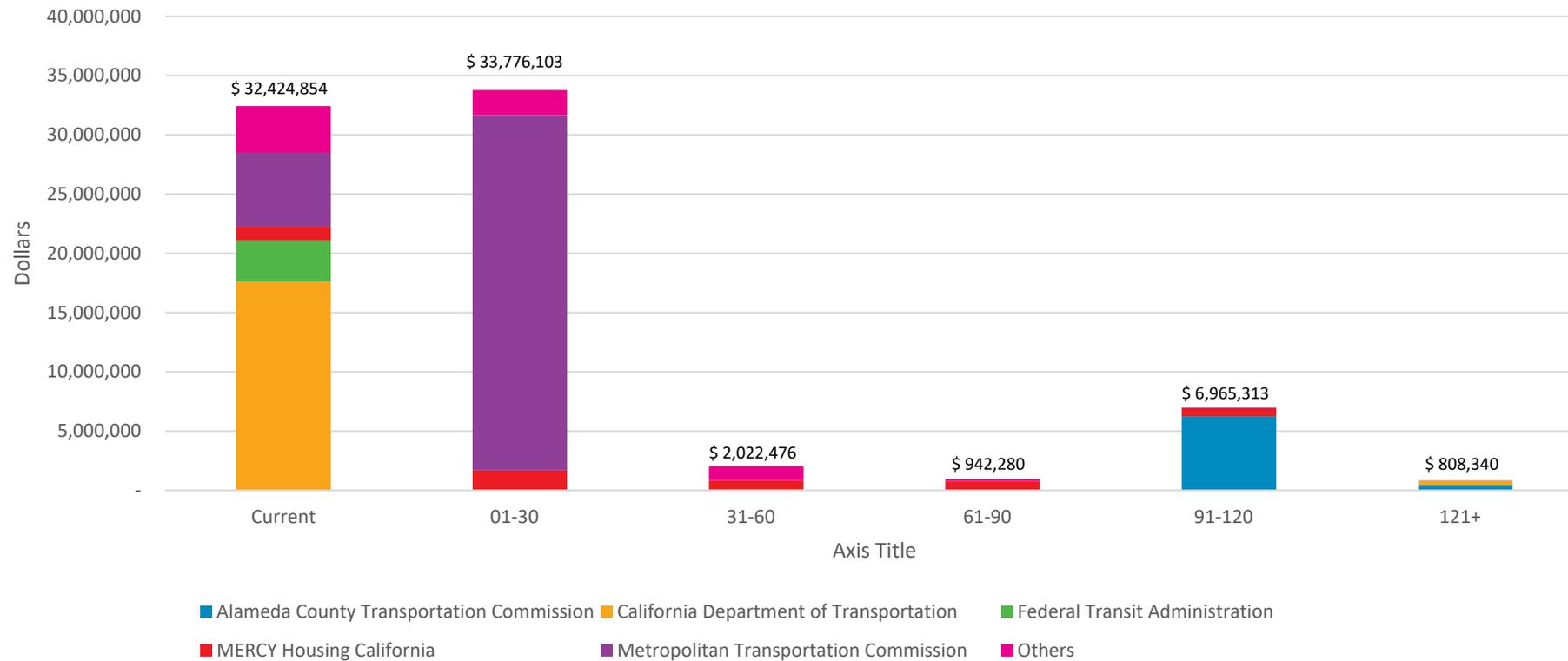
	Q1 Actuals	Q2 Budget	Q2 Actuals	Q2 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	FY26 Annual Adopted Budget
<b>Operating Revenue</b>									
Net Operating Revenue	81.8	72.2	78.8	6.5	146.9	160.6	13.7	9.3%	303.7
Non Operating Revenue	9.5	6.1	9.0	2.9	14.3	18.6	4.2	29.3%	21.4
Financial Assistance	115.2	149.8	143.2	(6.6)	257.7	258.3	0.6	0.2%	511.8
<b>Total Operating Sources</b>	<b>206.5</b>	<b>228.1</b>	<b>230.9</b>	<b>2.9</b>	<b>419.0</b>	<b>437.5</b>	<b>18.5</b>	<b>4.4%</b>	<b>836.9</b>
<b>Operating Expense</b>									
Operating Labor	191.9	189.4	201.4	(12.0)	381.2	393.4	(12.2)	-3.2%	763.3
Non Labor	45.6	58.9	59.3	(0.4)	117.0	104.9	12.1	10.4%	243.4
Debt Service and Allocations	23.0	25.3	18.4	6.9	50.7	41.4	9.3	18.3%	145.2
<b>Total Operating Uses</b>	<b>260.5</b>	<b>273.7</b>	<b>279.1</b>	<b>(5.4)</b>	<b>548.8</b>	<b>539.6</b>	<b>9.2</b>	<b>1.7%</b>	<b>1,151.8</b>
<b>Net Operating Result Before Emergency Assistance</b>									
	(54.0)	(45.6)	(48.2)	(2.5)	(129.9)	(102.2)	27.7	21.3%	(315.0)
SB 125 Emergency Assistance Applied	54.0	45.6	48.2	2.5	129.9	102.2	(27.7)	-21.3%	315.0
<b>Net Operating Result After Emergency Assistance</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>



# Financial Position

# Outstanding Billed Grants Receivable

The status of receivables from BART's funding partners is shown below. As of December 31, 2025, total outstanding receivables were \$76.9M, with \$32.4M (42%) in current status and \$33.8M (44%) 30 days past due; \$60M (78%) of the outstanding balance has been collected since 12/31/25.



# Cash and Investments

As of December 31, 2025

## Investment allocation

	<u>Amount</u>	<u>% Allocation</u>
CD, Cash on hand and Cash In Bank	\$ 39,866,337	7.62%
Mutual Fund - Bond Fund Section115	43,875,964	3.78%
Money Market TIFIA and Debt Service Reserve	406,712,875	15.34%
US Government Securities	986,443,822	61.90%
Supranational Bonds	19,167,294	5.12%
Local Agency Investment Fund	75,223,961	6.25%
<b>Total Cash &amp; Investments</b>	<b>\$ 1,571,290,253</b>	<b>100.00%</b>

## Breakdown of US Government Securities

US Treasury	\$ 236,692,785
Federal Home Loan Bank (FHLB)	566,796,962
Federal Home Loan Mortgage Corporation (FHLMC)	158,328,186
Federal National Mortgage Association (FNMA)	24,625,889
	<u>\$ 986,443,822</u>

Weighted average return on investments was 3.78%

## Cash by fund and restriction

	<u>General Fund</u>			<u>Capital Fund</u>			<b>Total Cash &amp; Investments</b>
	BART General Fund	Remaining Proceeds of TIFIA loan #2	Total	BART Allocations & Other BART funds	Remaining Proceeds of TIFIA loan #1	Total	
Restricted	\$ 20,651,933	\$ -	\$ 20,651,933	\$ 72,117,565	\$ -	\$ 72,117,565	\$ 92,769,498
Unrestricted	539,998,083	395,957,187	935,955,269	401,871,014	140,694,471	542,565,485	1,478,520,755
	<u>\$ 560,650,015</u>	<u>\$ 395,957,187</u>	<u>\$ 956,607,202</u>	<u>\$ 473,988,579</u>	<u>\$ 140,694,471</u>	<u>\$ 614,683,050</u>	<u>\$ 1,571,290,253</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 December 31, 2025

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

## Quarterly Changes

		October - December 2025			
		September 30, 2025	Additions	Usage	December 31, 2025
Operating Reserve	(1)	\$ 53,708,182	\$ -	\$ -	\$ 53,708,182
Insurance Calamity Reserve	(2)	9,000,000	-	-	9,000,000
Operating Reserve - Economic Uncertainty					
General Reserve for Economic Uncertainty	(3)	25,345,543	-	-	25,345,543
From SB 125 State and Regional Assistance	(3)	199,391,535		(10,554,360)	188,837,175
Operating Reserve - Fiscal Stability - Pension	(4)	43,312,159	563,806	-	43,875,965
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		94,458,262	648,414	-	95,106,676
Operating Reserve- RHBT Contribution	(6)	15,240,625	9,546,250	-	24,786,875
<b>Total</b>		<b>\$ 458,954,974</b>	<b>\$ 10,758,469</b>	<b>\$ (10,554,360)</b>	<b>\$ 459,159,084</b>

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

# Summary of Outstanding Bonds and Loans

As of December 31, 2025

	<u>Authorized</u>	<u>Issued as of 12-31-2025</u>	<u>Outstanding Balance 09-30-2025</u>	<u>Issuance</u>	<u>Accretion (Payments)</u>	<u>Outstanding Balance 12-31-2025</u>	<u>Annual Debt Service Fiscal Year 2026</u>	<u>Property Tax Assessments Fiscal Year 2026**</u>
<b>Sales Tax Revenue Bonds *</b>		\$ 984,260,000	\$ 506,070,000	\$ -	\$ -	\$ 506,070,000	\$ 59,436,363	
<b>TIFIA Loan***</b>	\$ 544,642,843	\$ 544,642,843	\$ 155,154,931	\$ 394,642,843	\$ 3,275,009	\$ 553,072,783	\$ -	
<b>Measure AA General Obligation Bonds</b>	\$ 980,000,000	\$ 980,000,000	\$ 517,320,000	\$ -	\$ -	\$ 517,320,000	\$ 54,654,145	\$4.30/\$100,000
<b>Measure RR General Obligation Bonds</b>	\$ 3,500,000,000	\$ 2,760,000,000	\$ 2,429,690,000	\$ -	\$ -	\$ 2,429,690,000	\$ 144,476,517	\$10.90/\$100,000
<b>Total</b>		<b>\$ 5,268,902,843</b>	<b>\$ 3,608,234,931</b>	<b>\$ 394,642,843</b>	<b>\$ 3,275,009</b>	<b>\$ 4,006,152,783</b>	<b>\$ 258,567,024</b>	

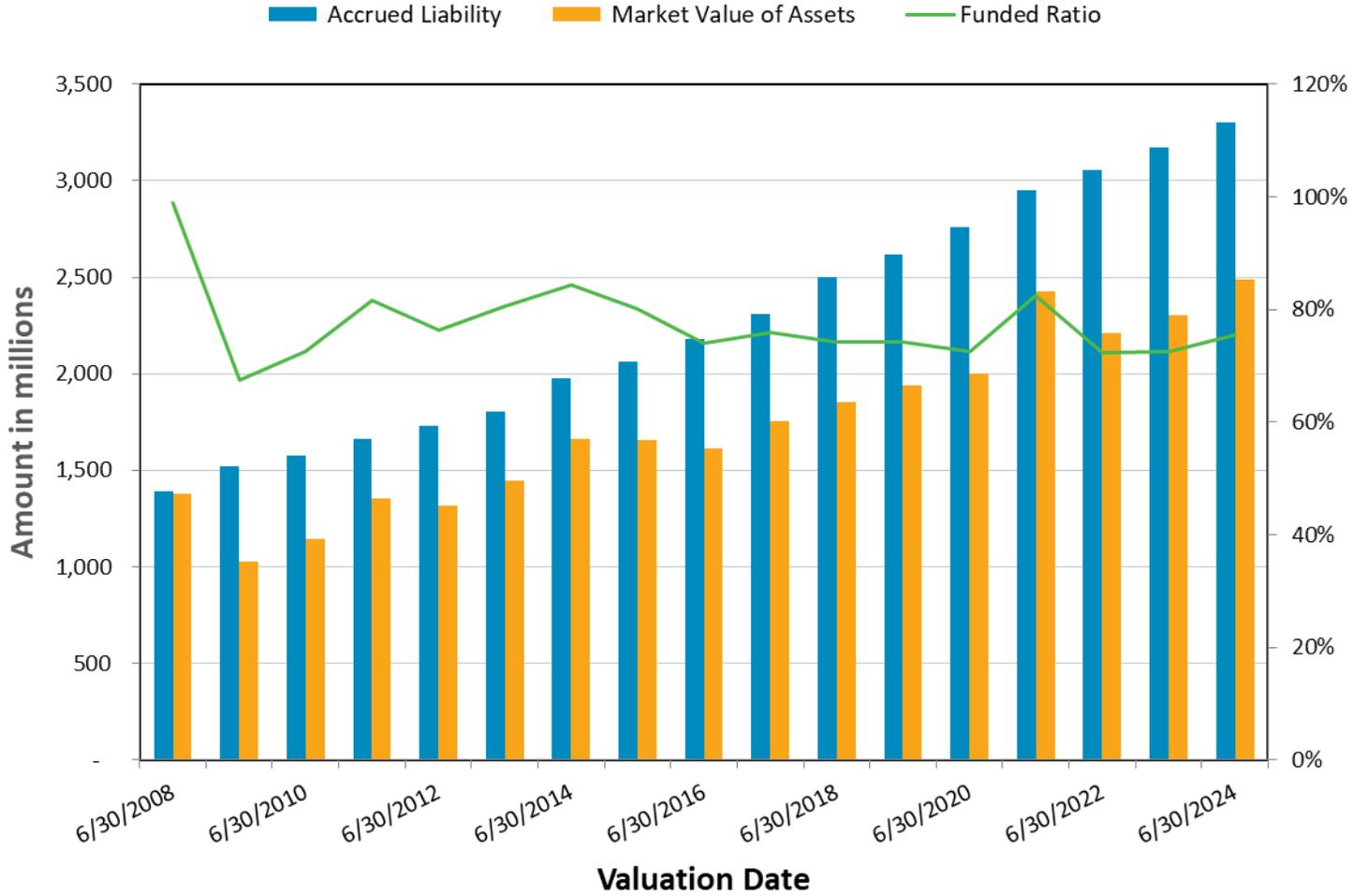
\* Sales Tax Revenue Bonds with outstanding balances.

\*\* 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

**CALPERS Miscellaneous Pension Plan Funding Progress**



Miscellaneous plan covers all BART staff except sworn BART Police officers

FY26 budget contributions for Miscellaneous Plan:

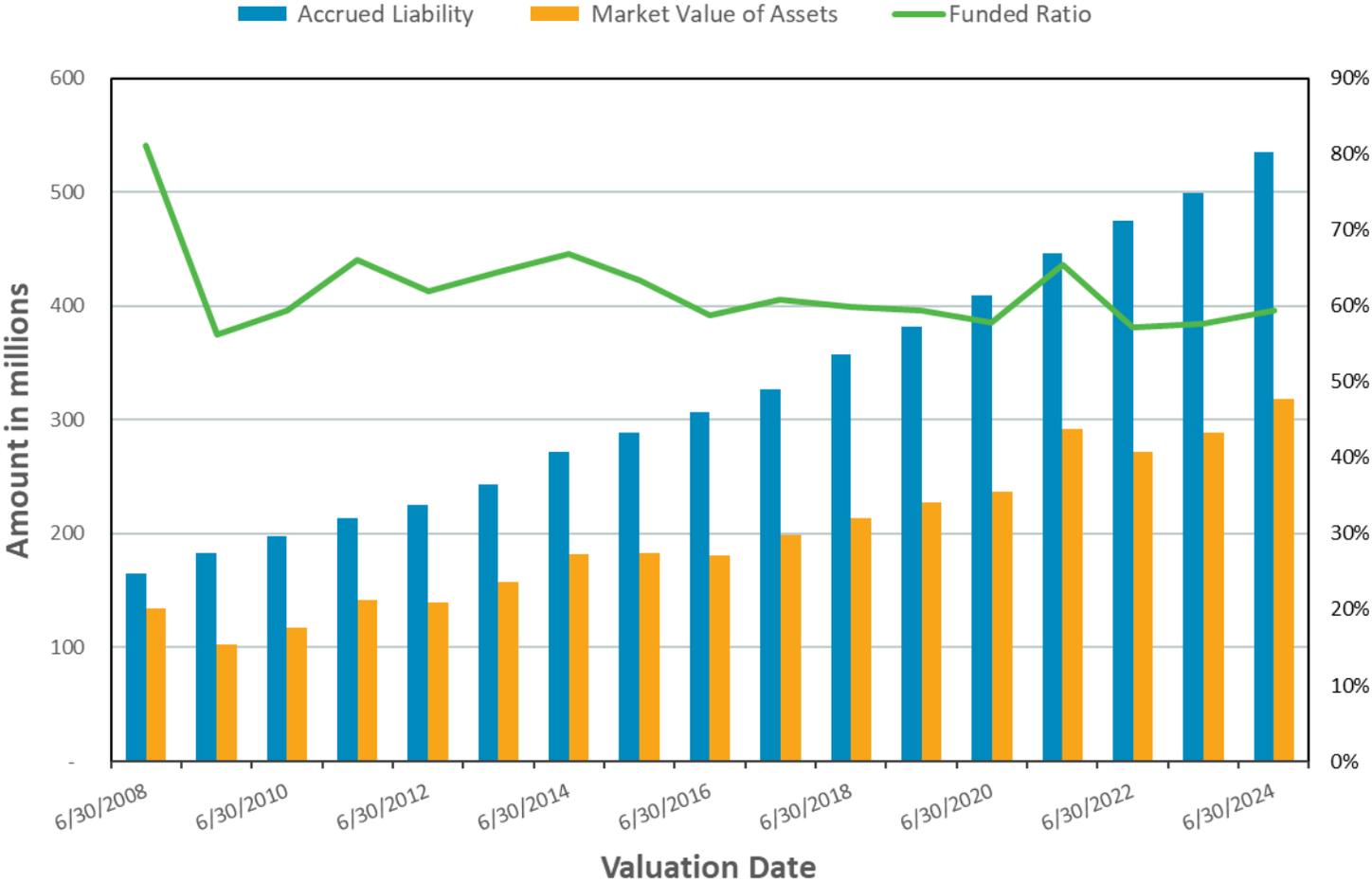
Normal cost: \$49.9M  
 Unfunded Actuarial Liability (UAL): \$71.2M  
 Total: \$121.1M

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



# CalPERS Pension Plan Funding Progress: Safety

**CALPERS Safety Pension Plan Funding Progress**



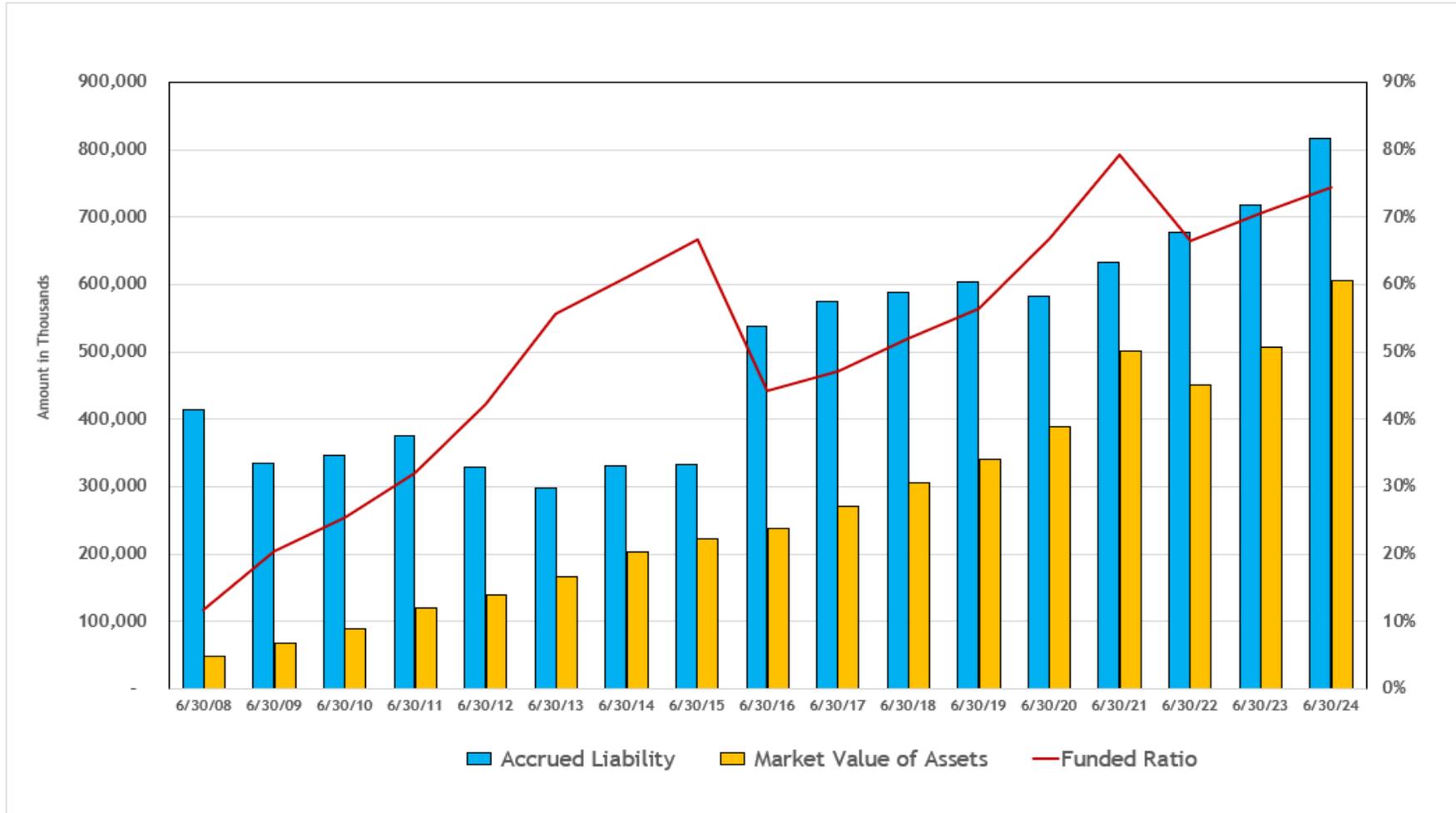
Safety plan covers sworn BART Police officers

FY26 budget contributions for Safety Plan:

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



# Funding Progress Retiree Health Benefits Plan



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



# Discussion





# Appendices



# State/Regional Emergency Assistance Draw Downs

<b>SB 125 Funding Plan Draw Downs by Source</b>	<b>Allocation</b>	<b>FY25 Draw Down</b>	<b>FY26 Draw Down (through Q2)</b>	<b>Remaining Balance to be Drawn Down in FY26</b>
Transit & Intercity Rail Capital Program	\$ 11,865,487	\$ 11,865,487	\$ -	\$ -
Zero-Emission Transit Capital Program	\$ 46,346,009	\$ 46,346,009	\$ -	\$ -
Federal Transit Administration 5307*	\$ 16,925,711	\$ -	\$ -	\$ 16,925,711
Federal Transit Administration 5337*	\$ 41,601,813	\$ -	\$ 38,067,648	\$ 3,534,165
State Transit Assistance	\$ 10,918,407	\$ -	\$ 10,918,407	\$ -
Transit & Intercity Rail Capital Program	\$ 224,390,775	\$ -	\$ 224,390,775	\$ -
<b>Total</b>	<b>\$ 352,048,202</b>	<b>\$ 58,211,496</b>	<b>\$ 273,376,830</b>	<b>\$ 20,459,876</b>

\* Federal funding drawn down on a reimbursement basis

# Emergency Assistance Usage

## FY25

Draw Downs	\$ 58,211,496
Emergency assistance use	\$ (40,593,424)
Carry forward	\$ 17,618,072

## FY26

FY25 carry forward	\$ 17,618,072
Draw downs	\$ 273,376,830
Remaining draw downs	\$ 20,459,876
Available assistance in FY26	\$ 311,454,778
Emergency assistance used in FY26	\$ (102,157,727)
Remaining assistance and drawdowns	\$ 209,297,051

- BART has \$311.4M of emergency assistance available in FY26
- \$20.5M remains to be drawn down
- Through December 2025, BART used \$102.2M of emergency assistance, \$188.8M has been drawn down, and an additional \$20.5M is expected to be drawn down over the remainder of FY26
- The FY26 budget assumed a higher monthly utilization of emergency assistance in the second half of the fiscal year

# 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 December 31, 2025

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded 06/30/2024</u>
<b>Funds Managed by CALPERS</b>					
<b>Miscellaneous Employees</b>	6/30/2024	\$ 2,487,088,696	\$ 3,299,290,210	\$ 812,201,514	75.4%
<b>Safety Employees</b>	6/30/2024	\$ 317,966,736	\$ 535,401,423	\$ 217,434,687	59.4%
<b>Section 115 Pension Trust</b>	12/31/2025	\$ 43,875,964		\$ (43,875,964)	
<b>Total - Pension Benefit Obligations</b>		<u>\$ 2,848,931,396</u>	<u>\$ 3,834,691,633</u>	<u>\$ 985,760,237</u>	



# Funding Status of Other Post Employment Benefit Obligations

As of December 31, 2025

**Most Recent Valuation**

	<b>Report Date</b>	<b>Market Value of Assets</b>	<b>Total Liability</b>	<b>Unfunded Liability</b>	<b>% Funded</b>
<b>Retiree Health Benefits</b>	6/30/2024	\$ 606,309,000	\$ 816,045,000	\$ 209,736,000	74.3%
<b>Other Post Employment Benefits</b>					
<b>Life Insurance</b>	6/30/2024	\$ -	\$ 47,995,000	\$ 47,995,000	0.0%
<b>Survivors Benefits</b>	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 December 31, 2025

**Quarterly Change**

	<b>Net Assets Sept 30, 2025</b>	<b>Contributions</b>	<b>Expenses</b>	<b>Gain (Loss)</b>	<b>Net Assets Dec 31, 2025</b>	<b>Quarterly Return</b>	<b>Inception to-date Return</b>
Retiree Health Benefit Trust	\$ 723,223,030	\$ 2,096,500	\$ (10,228,910)	\$ 13,824,659	\$ 728,915,279	1.9%	7.8%
Section 115 Pension Trust	43,312,159	-	-	563,805	43,875,964	1.3%	1.5%
Survivors Benefit Trust	15,750,148	220,609	(135,890)	296,035	16,130,902	2.0%	9.7%
<b>Total</b>	<b>\$ 782,285,337</b>	<b>\$ 2,317,109</b>	<b>\$ (10,364,800)</b>	<b>\$ 14,684,499</b>	<b>\$ 788,922,145</b>		

**Fiscal Year to Date Change**

	<b>Net Assets June 30, 2025</b>	<b>Contributions</b>	<b>Expenses</b>	<b>Gain (Loss)</b>	<b>Net Assets 31-Dec-25</b>	<b>Fiscal Annual Return</b>
Retiree Health Benefit Trust	\$ 689,980,300	\$ 4,193,000	\$ (20,437,195)	\$ 55,179,174	\$ 728,915,279	6.0%
Section 115 Pension Trust	42,615,444	-	-	1,260,520	43,875,964	1.9%
Survivors Benefit Trust	14,802,165	439,672	(243,716)	1,132,781	16,130,902	5.6%
<b>Total</b>	<b>\$ 747,397,909</b>	<b>\$ 4,632,672</b>	<b>\$ (20,680,911)</b>	<b>\$ 57,572,475</b>	<b>\$ 788,922,145</b>	

