



Quarterly Report of the Controller-Treasurer Period Ending 09/30/2019



BART Board of Directors
January 23, 2020

Quarterly Report of the Controller-Treasurer

Period Ended 09/30/19

- 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 \$300 billion.
 - **Retiree Medical Benefits** coverage funded by a Trust established by the District in 2005. The Trust as of September 30, 2019.
 - a. Invested in a combination of stocks, bonds, REIT & cash,
 - b. Benchmark 6.5%,
 - c. Total net assets \$350.0 million and inception to date return is 6.8%,
 - d. Quarterly Report to the Unions
 - **Survivor Benefits** of active and retired employees funded by the employees (\$15/month),
 - **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.

Quarterly Report of the Controller-Treasurer

Period Ended 09/30/19

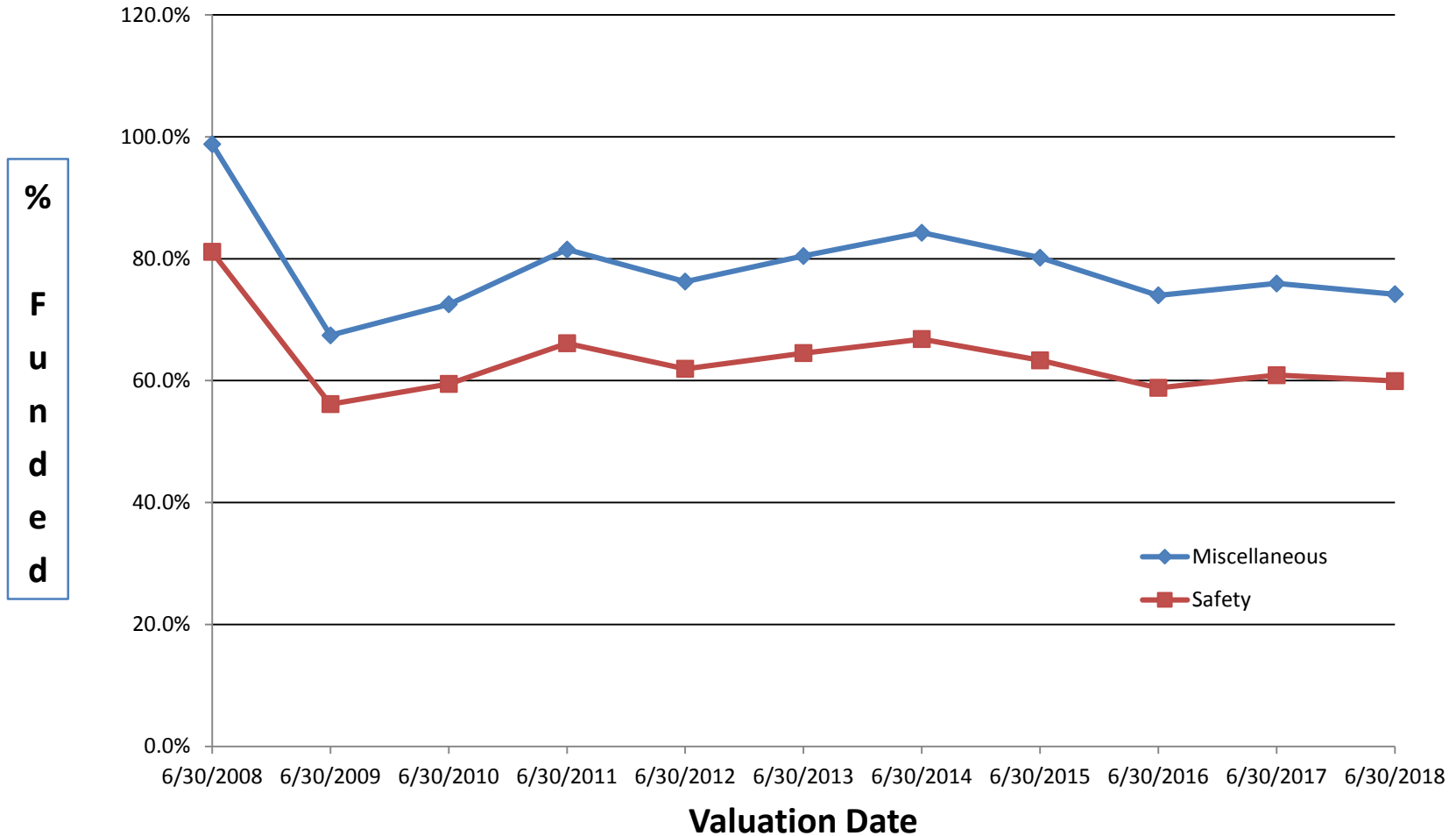
Funding Summary of Pension, Retiree Health & Other Post-Employment Benefits

	<u>Valuation Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retirement Pension with CALPERS					
Miscellaneous Employees	6/30/2018	\$ 1,855,353,186	\$ 2,501,596,748	\$ 646,243,562	74.2%
Safety Employees	6/30/2018	\$ 213,948,635	\$ 356,999,187	\$ 143,050,552	59.9%
Retiree Health Benefits	6/30/2018	\$ 305,850,000	\$ 587,896,000	\$ 282,046,000	52.0%
Other Post Employment Benefits					
Life Insurance	6/30/2018	\$ -	\$ 34,628,000	\$ 34,628,000	0.0%
Survivors Benefits	6/30/2018	\$ 7,665,000	\$ 29,141,000	\$ 21,476,000	26.3%

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Period Ended 09/30/19

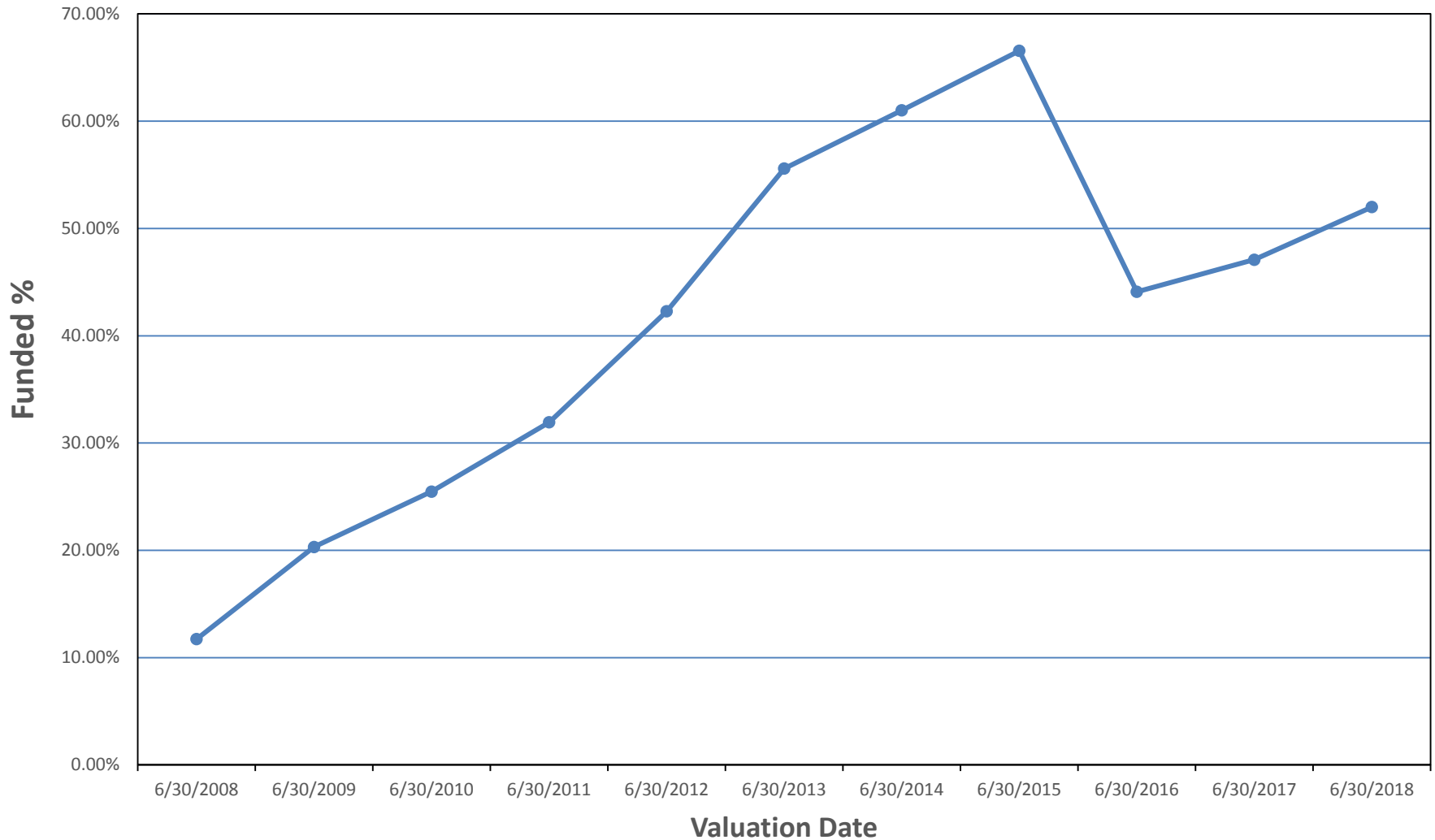
CALPERS Pension Plan Funding Progress



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Period Ended 09/30/19

Retiree Health Benefits Plan



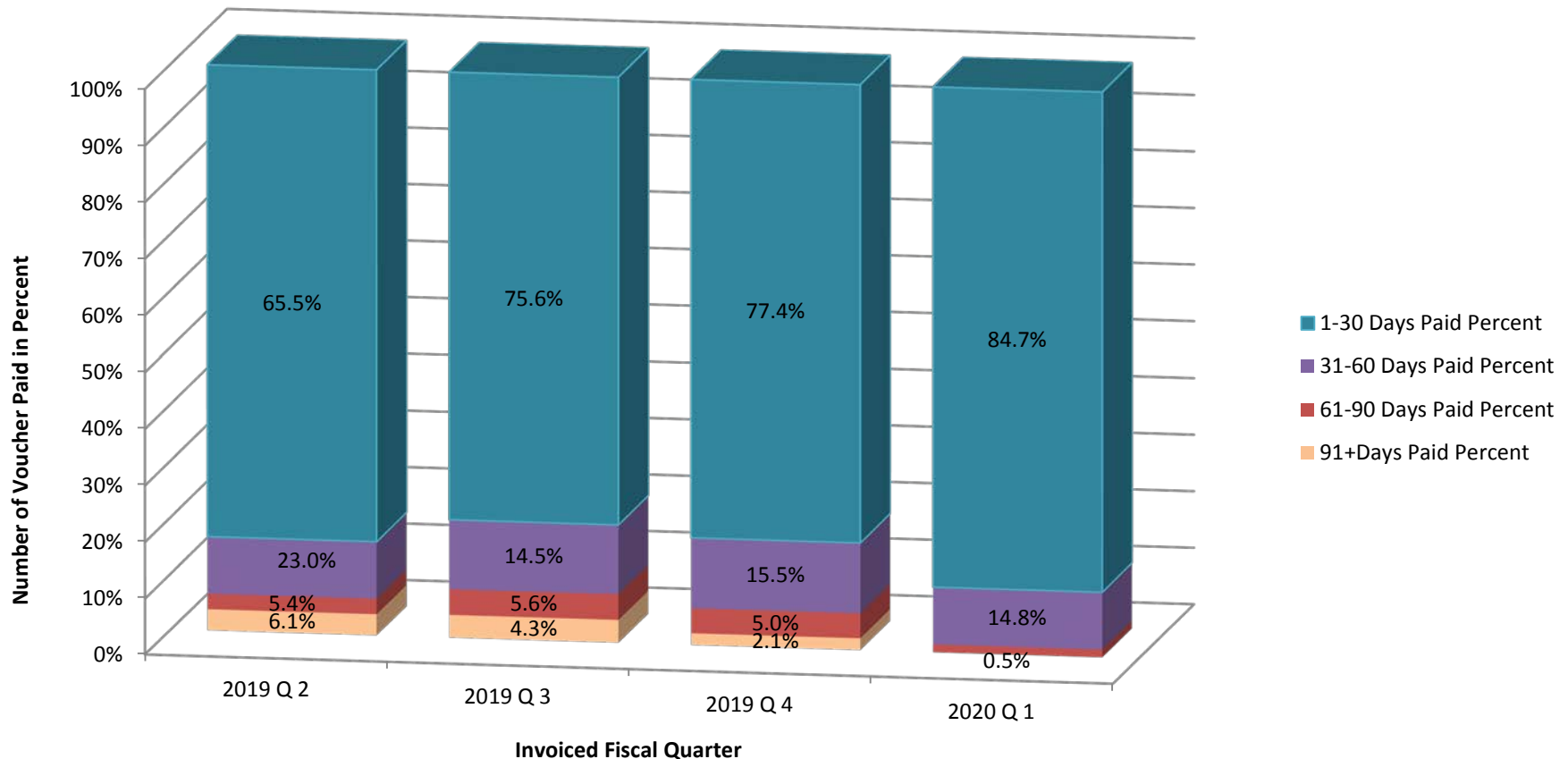
Quarterly Report of the Controller-Treasurer

Period Ended 09/30/19

Accounts Payable

- Our goal is to pay 93% of our invoices within 30 days. During the most recent quarter, the District was able to process 84.7% of all paid invoices within 30 days. Of those that were not processed in 30 days, 14.8% were processed within 60 days, and .5% were processed within 90 days. The trend depicting the past year is shown here:

Quarterly Number of Voucher Payment Trend



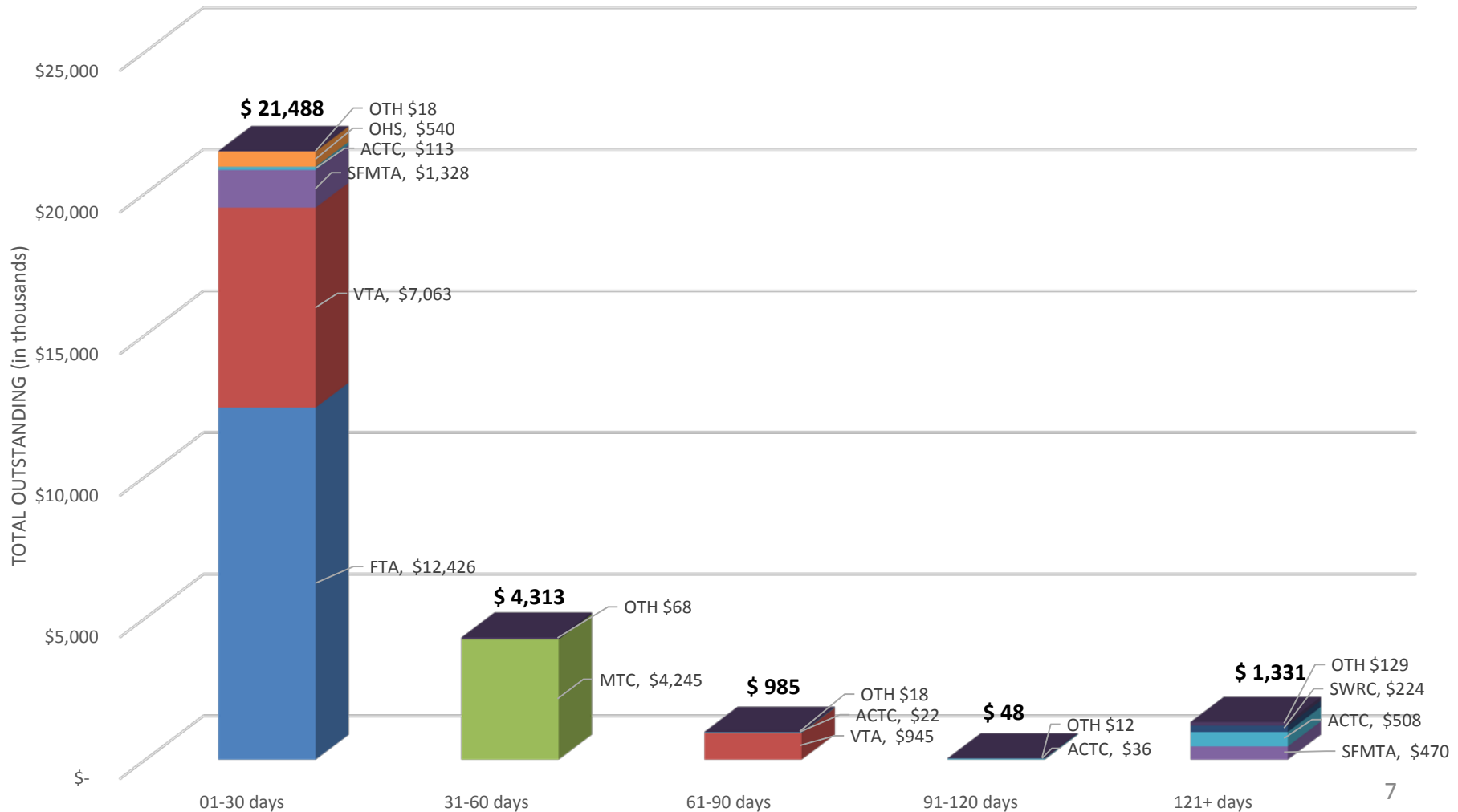
Quarterly Report of the Controller-Treasurer

Period Ended 09/30/19

Accounts Receivable

- The time to receive reimbursement from our funding partners is shown in the chart below. The amount outstanding is \$28,165,000 as of September 30, 2019.

Amount Billed A/R Grants as of 09/30/2019



Quarterly Report of the Controller-Treasurer

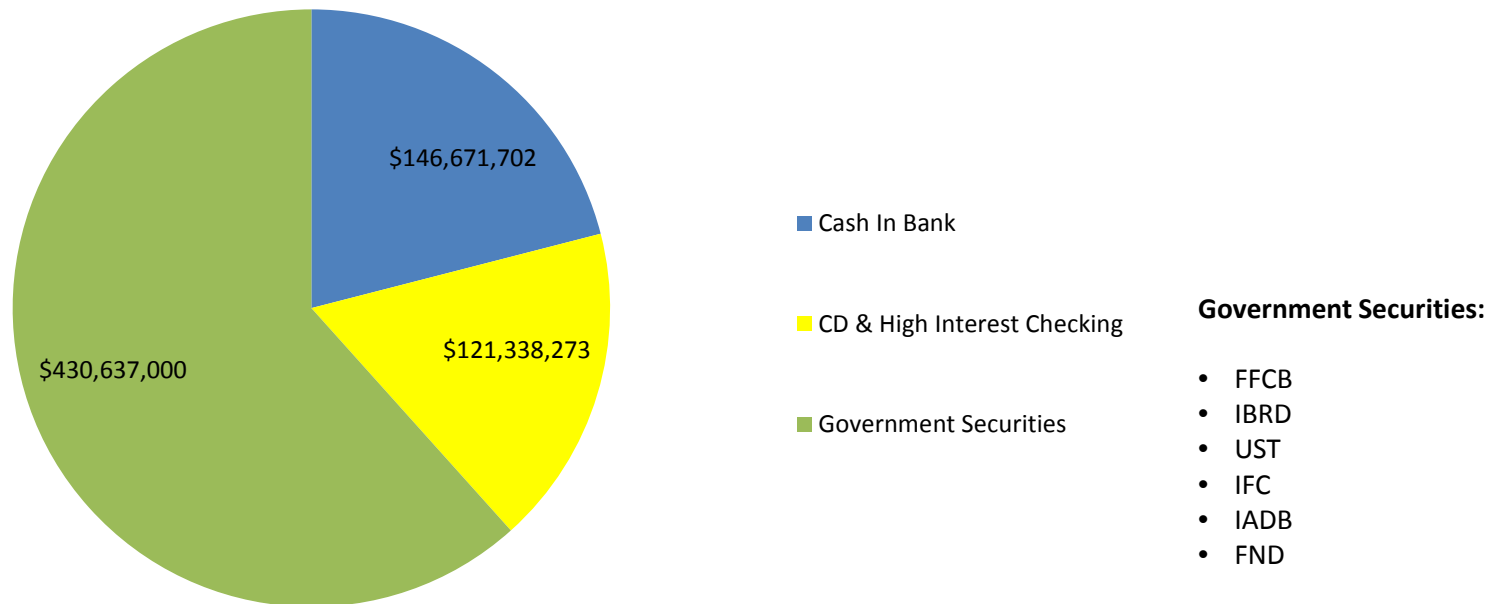
Period Ended 09/30/19

3. DISTRICT FINANCES

Shown below are the composition of the District's cash and investments as of the end of the quarter.

Total Cash and Investments - \$698,646,975

- Total Cash in Banks: \$146,671,702
- Total CD: \$872,999 and High Interest Checking Account: \$120,465,274
- Total Government Securities: \$430,637,000
- Weighted average return on our Investments has been trending slightly lower. Current quarter's rate of return is 2.15% compared to 2.38% reported in previous quarter. The weighted average maturity (WAM) of our Investment portfolio is 128 days.



Quarterly Report of the Controller-Treasurer

Period Ended 09/30/19

Debt

- The District currently has two types of debt outstanding:
 1. Sales Tax Revenue Debt
 2. General Obligation Debt

Sales Tax Revenue Debt

- Currently outstanding debt of \$481.48 million.
- Annual Debt Service \$47.2 million.
- Debt Service comes “off the top” of sales tax revenues remitted to the district by the State Department of Tax & Fee Administration.
- This directly impacts the operating budget.

General Obligation Bonds

❖ **Measure AA**

- Currently outstanding debt of \$707.3 million.
- Fully issued \$980 million authorized by voters.
- Most recent assessment for fiscal year 2019/2020 is \$7.40/\$100,000 (effect. Nov. 2019)

❖ **Measure RR**

- Currently outstanding debt of \$575.5 million.
- Issued \$660 million out of \$3.5 billion authorized by voters.
- Most recent assessment for fiscal year 2019/2020 is \$4.60/\$100,000 (effect. Nov. 2019)

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Period Ended 09/30/19

Operating and Other Reserves

Operating Reserve	(1)	\$	50,208,182
Insurance Calamity Reserve	(2)		9,000,000
Operating Reserve - Economic Uncertainty	(3)		25,345,543
Operating Reserve - Safety & Security	(4)		2,280,407
Operating Reserve - Fiscal Stability - Pension	(5)		10,000,000
Operating Reserve - Low Carbon Fuel Standards Credits	(6)		18,498,668
Working Capital Reserve Fund	(7)		82,324,808
Operating Reserve - Quality of Life	(8)		1,500,000
			\$ 199,157,608

- (1) Cumulative balance of operating reserves per "Financial Stability Policy" approved by the Board.
- (2) This reserve was set aside in the 1960s to cover catastrophic losses associated with District property damage, public liability and workers' compensation claims.
- (3) Operating reserve for economic uncertainty set aside in FY 19 to offset budgeted STA revenue due to possible repeal of SB1 and to set aside one time lump sum payment received from the new advertising contract.
- (4) Amount set aside in FY18 for Safety and Security net of utilization through September 2019.
- (5) Amount set aside in FY18 and FY19 for pension contribution or for prefunding of pension obligations.
- (6) 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.
- (7) Working capital fund.
- (8) Operating reserve set aside in FY 19 for quality of life initiatives.

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Period Ended 09/30/19

Breakdown of Cash and Investments

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Restricted	\$ 11,295,905	\$ 91,431,799	\$ 102,727,704
Unrestricted	\$ 180,004,572	\$ 415,914,699	\$ 595,919,271
Total	<u><u>\$ 191,300,477</u></u>	<u><u>\$ 507,346,498</u></u>	<u><u>\$ 698,646,975</u></u>

