



Quarterly Report of the Controller-Treasurer Period Ending 03/31/17



BART Board of Directors
June 22, 2017

Quarterly Report of the Controller-Treasurer

Period Ended 03/31/17

- 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 it's 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 March 31, 2017.
 - a. Invested in a combination of stocks, bonds, REIT & cash,
 - b. Benchmark 6.75%,
 - c. Total net assets \$263.3 million and inception to date return is 6.7%,
 - d. Quarterly Report to the Unions
 - **Survivor Benefits** of active and retired employees funded by the employees (\$15/month),
 - **Life Insurance** for retired employees which is currently unfunded but with a net required OPEB contribution of \$20.0 million as of March 31, 2017.
 - 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 03/31/17

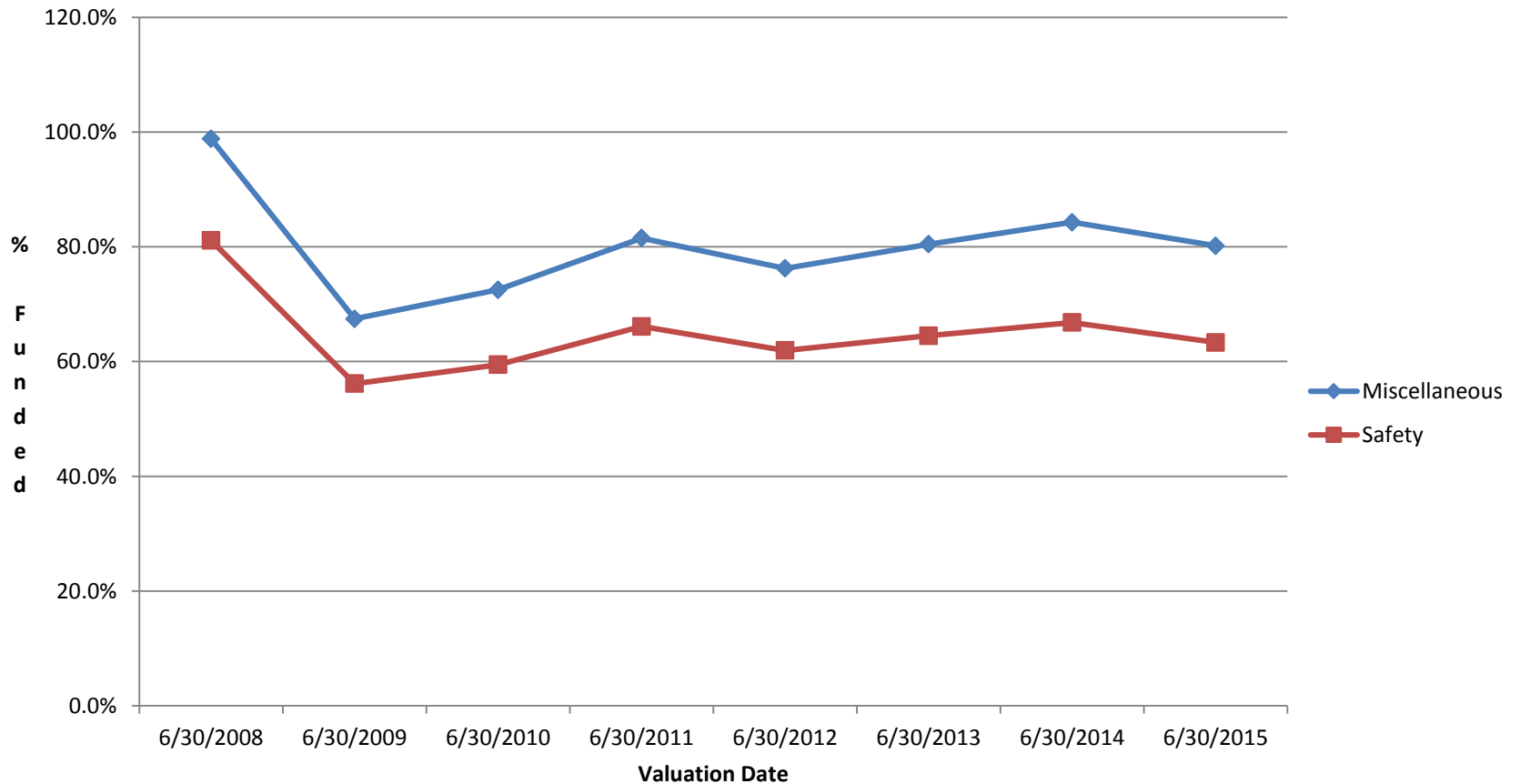
Funding Summary of Pension, Retiree Health & Other Post-Employment Benefits

	Valuation Date	Market Value of Assets	Total Pension Liability	Unfunded Pension Liability	% Funded
Retirement Pension with CALPERS					
Miscellaneous Employees	6/30/2015	\$ 1,653,930,454	\$ 2,063,048,906	\$ 409,118,452	80.2%
Safety Employees	6/30/2015	\$ 182,630,907	\$ 288,315,795	\$ 105,684,888	63.3%
Retiree Health Benefits	6/30/2016	\$ 237,403,000	\$ 537,873,000	\$ 300,470,000	44.1%
Other Post Employment Benefits					
Life Insurance	6/30/2016	\$ -	\$ 30,501,000	\$ 30,501,000	0.0%
Survivors Benefits			----- Note A -----		

Note A Actuarial valuation for this plan is currently being calculated.

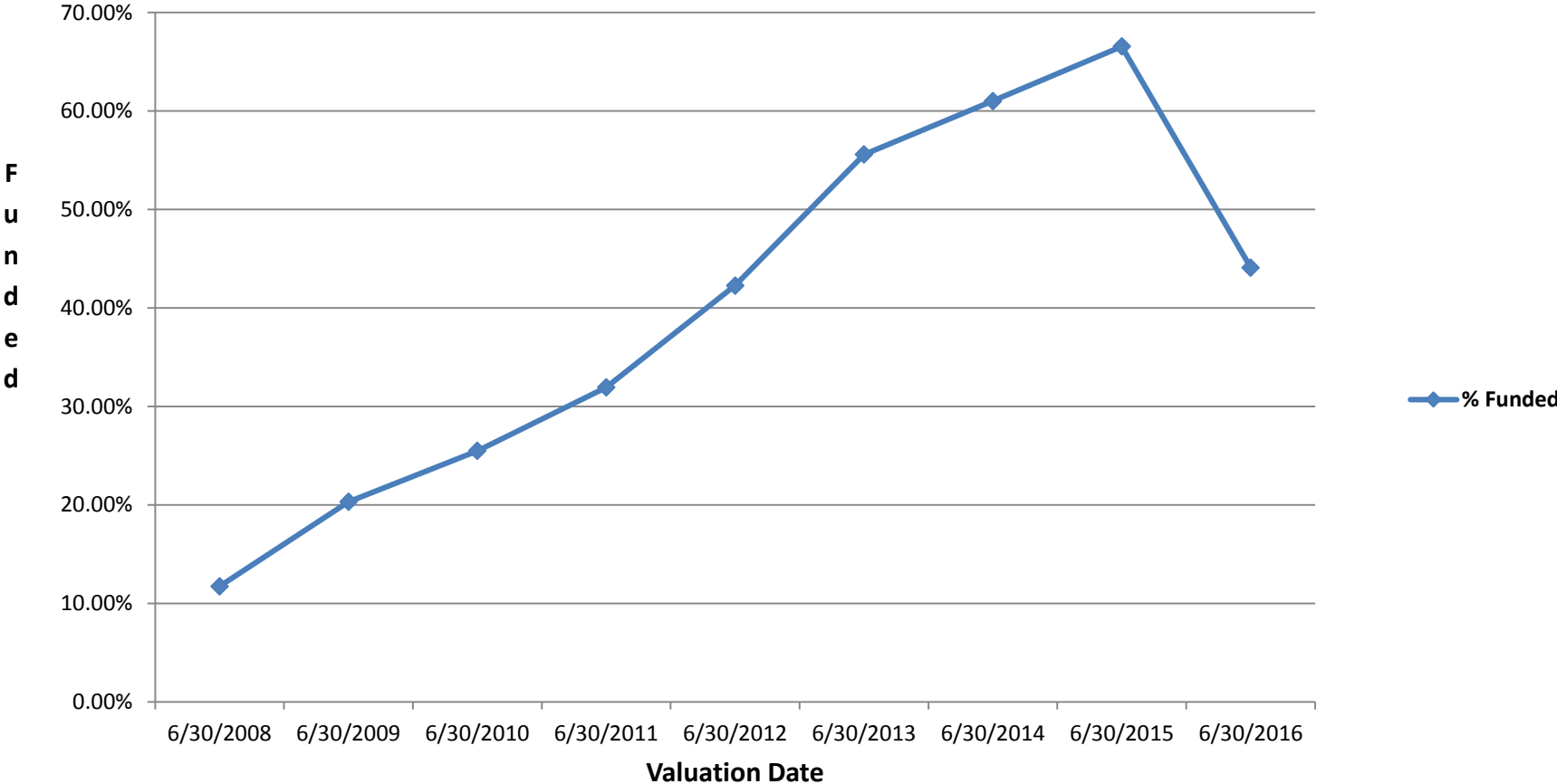
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CALPERS Pension Plan Funding Progress



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Retiree Health Benefits Plan



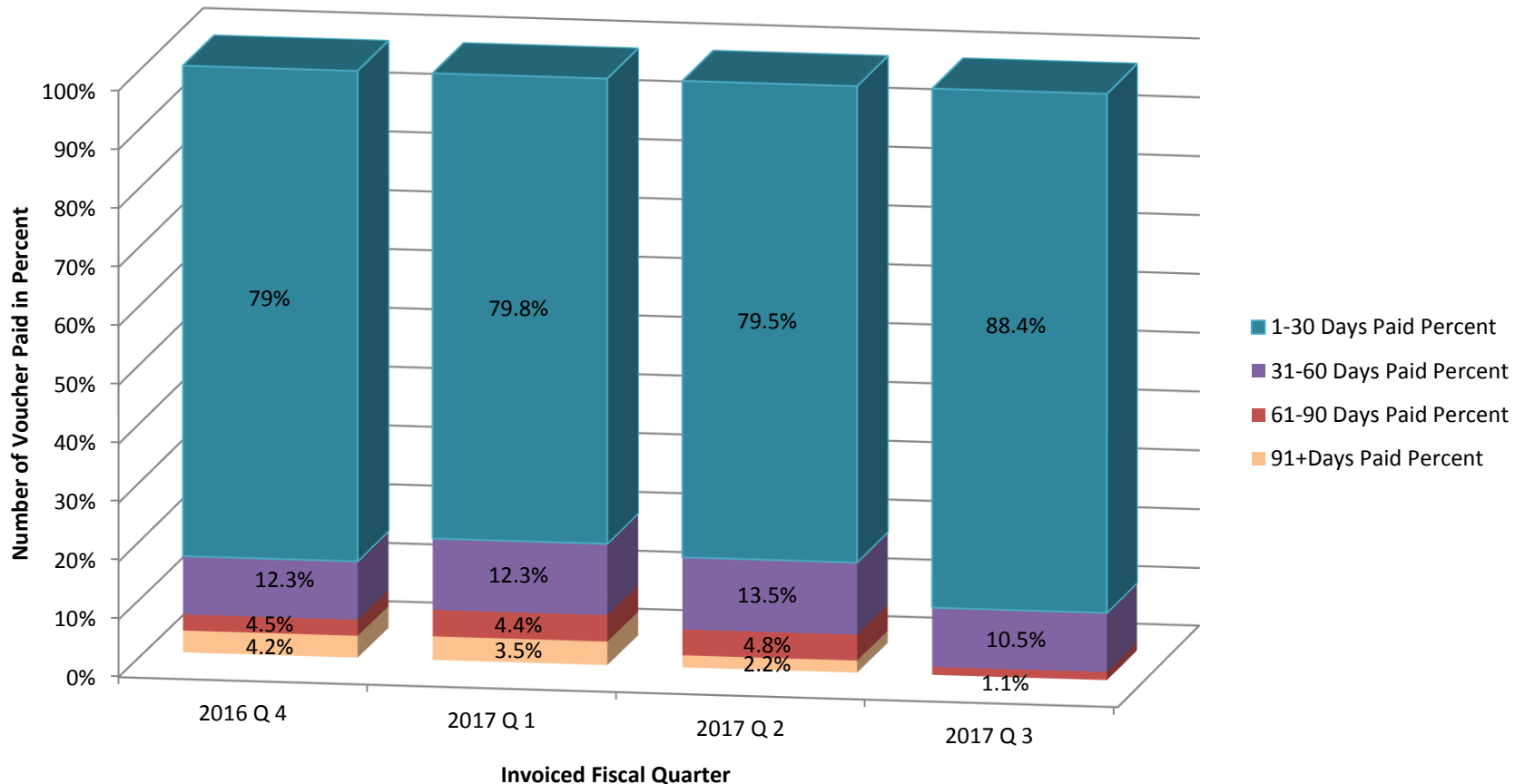
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Period Ended 03/31/17

Accounts Payable

- Our goal is to pay 93% of our invoices within 30 days. We continue to keep our focus on getting our vendors paid as quickly as possible. During the most recent quarter, the District was able to process 88.4% of all paid invoices within 30 days. Of those that were not processed in 30 days, 10.5% were processed within 60 days, and 1.1% were processed within 90 days. The trend depicting the past year is shown here:

Quarterly Number of Voucher Payment Trend



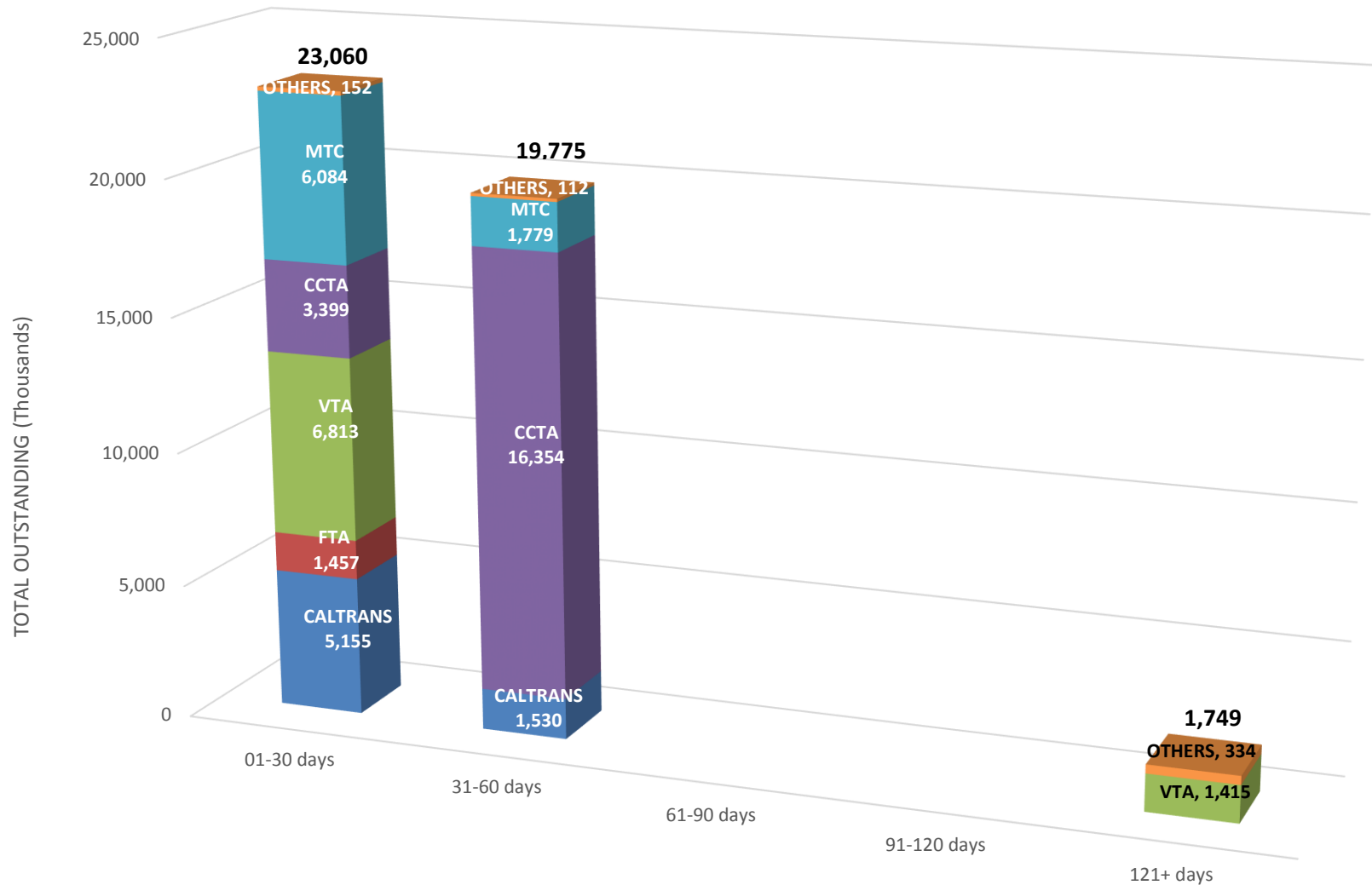
Quarterly Report of the Controller-Treasurer

Period Ended 03/31/17

Accounts Receivable

- The time to receive reimbursement funding from our funding partners is shown in the chart below. The amount outstanding is \$44,584,000 as of March 31, 2017.

Billed A/R Grants Outstanding as of 03/31/2017



Quarterly Report of the Controller-Treasurer

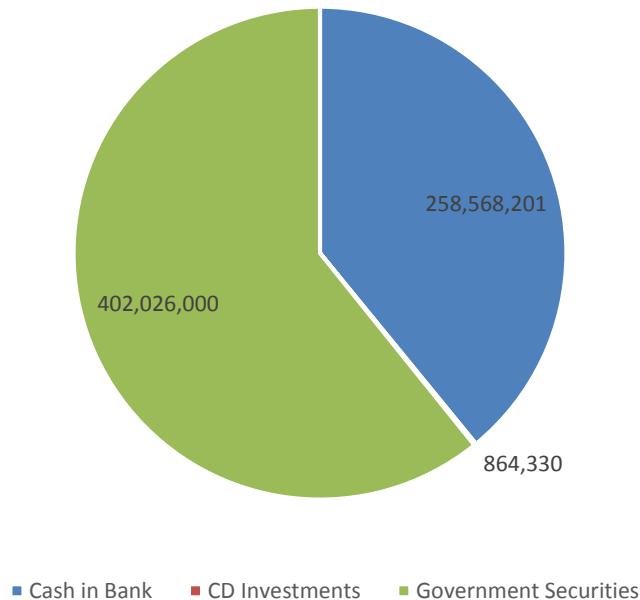
Period Ended 03/31/17

3. DISTRICT FINANCES

The District continues to actively search for investments which meets the Investment Policy and generates a yield higher than zero. Shown below are the composition of the District's cash and investments as of the end of the quarter.

Cash and Investments

- Total Cash in Banks: \$258,568,201
- Total CD Investments: \$864,330
- Total Government Securities: \$402,026,000
- Return on T-Bill Investments: Weighted average is .69% - Poor investment environment, but always looking. The weighted average maturity (WAM) of our T-Bill Investment portfolio is 122 days.
- Pie chart showing the difference in cash, CD investments and government securities



Government Securities:

- FHLB
- UST
- FHLMC
- IBRD
- State of California

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Operating and Other Reserves

Type of Reserves	Amount	Purpose
Unrestricted Retained Earnings	\$ 11,011,326	Cumulative unencumbered balance of the District's earnings in the General Fund. Per Board Resolution 2785, up to \$10,000,000 of this amount should be set aside as working capital reserve for the purpose of providing working capital for the District's day to day operations.
Operating Reserve	40,740,162	This was established as operating reserve for economic uncertainty. Resolution 5281 adopted in October 2014 sets a goal of 15% of Annual Operating Expenses or about \$96M. Access to this reserve fund are only allowed to be used in the event of a major adverse natural event, or to supplement budget due to an economic downturn and no other funding is available.
Insurance Calamity Reserve	9,000,000	Board Resolution No. 1363 established the creation of this reserve in 1969 to cover catastrophic losses associated with District property damage, public liability and workers' compensation claims.
Operating Reserve West Bay Parking	185,609	Amount established in FY 2008 to cover shortfall in operating the San Francisco Airport Extension, in case it is needed.
Operating Reserve - Power Market Uncertainty	1,456,693	Amount set aside in FY 2007 to protect the District against future energy market uncertainty.
Working Capital Reserve Fund	69,242,657	This was established in the 1990s to meet working capital needs. This fund support the District's cash flow requirement by providing the funds used for payment of capital expenditures that are funded by a grant or from bond proceeds. The District typically pays the expenses in advance before a reimbursement can be requested from the funding agencies or from the trustee.
Total Operating and Other Reserves	\$ 131,636,447	

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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 \$595.06 million.
- Annual Debt Service \$50.4 million.
- Debt Services comes “off the top” of sales tax revenues remitted to the district by the State Board of Equalization.
- This directly impacts the operating budget.

General Obligation Bonds

- These were passed by a 2/3 majority of eligible voters.
- Currently outstanding debt of \$600.2 million.
- Issued \$740 of \$980 authorized.
- Debt paid by annual assessment of BART property tax holders and does not impact the operating budget.
- Most recent assessment as of this current year is \$8.00/\$100,000