



FY25 Third Quarter Financial Report

BART Board of Directors

May 22, 2025



Executive Summary

- Despite close budget to actuals performance, some notable variances:
 - State Transit Assistance (STA) below budget expectations but expected to catch up by FY end
 - Operating labor above budget (driven by lagging capital reimbursements and overtime)
 - Non-labor remains under budget
- BART required \$260.0M in emergency assistance to balance the first nine months of FY25; budget assumed \$258.3M (\$1.7M more than budgeted)
 - Negative variance driven by lagging STA payments
- Year-end projection has improved since Q2; staff currently project to need \$17.3M less emergency assistance than budgeted, though uncertainty remains
- Cost control measures have been implemented
- Cash and reserves remain robust

Agenda

Budget to actuals:

- FY25 combined Q1, Q2 & Q3 operating budget to actuals and year-end projection
 - Sources
 - Uses
 - Net Result
- Emergency assistance to BART

Financial position:

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

FY25 Q3 Operating Sources

Quarterly Financial Report - Third Quarter FY25

(\$ Millions)	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Revenue													
Net Passenger Revenue	60.3	56.9	56.9	59.1	2.1	171.8	176.2	4.4	2.5%	235.7	240.4	4.7	2.0%
Parking Revenue	4.4	4.3	3.7	4.5	0.8	12.4	13.3	0.9	7.2%	16.5	17.9	1.5	9.0%
Other Operating Revenue	4.8	5.7	5.3	5.0	-0.2	15.9	15.5	-0.4	-2.5%	21.9	22.6	0.7	3.4%
Total Net Operating Revenue	69.5	66.9	65.9	68.6	2.7	200.1	205.0	4.9	2.4%	274.1	280.9	6.9	2.5%
Non Operating Revenue -													
Investment Income	9.2	5.7	5.4	15.7	10.3	18.8	30.6	11.8	62.8%	23.5	33.2	9.7	41.3%
Total Revenue	78.7	72.5	71.3	84.3	13.0	218.9	235.5	16.7	7.6%	297.5	314.1	16.6	5.6%
Financial Assistance													
Sales Tax	79.1	78.1	81.0	82.8	1.8	243.4	240.0	-3.3	-1.4%	320.3	311.9	-8.4	-2.6%
Property Tax	3.6	31.1	3.3	3.0	-0.3	33.3	37.8	4.4	13.3%	64.3	66.9	2.6	4.1%
State Transit Assistance	0.1	0.0	44.4	13.2	-31.1	44.4	13.3	-31.1	-70.1%	48.8	49.2	0.4	0.9%
VTA Financial Assistance	9.1	9.1	8.8	9.1	0.3	26.4	27.4	1.0	3.8%	35.2	36.0	0.8	2.3%
Other Assistance, Net of Federal													
Emergency Assistance	6.7	19.4	5.8	7.2	1.3	26.6	33.3	6.7	25.2%	31.8	36.4	4.6	14.4%
Total Financial Assistance	98.6	137.8	143.3	115.4	-27.9	374.0	351.7	-22.3	-6.0%	500.3	500.3	0.0	0.0%
Total Operating Sources	177.3	210.3	214.6	199.7	-14.9	592.9	587.3	-5.6	-0.9%	797.8	814.4	16.6	2.1%

FY25 Q3 Operating Uses

Quarterly Financial Report - Third Quarter FY25

(\$ Millions)

	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Expense													
Gross Wages, Fringe & Other Labor	219.9	214.0	220.4	220.7	-0.3	662.3	654.6	7.7	1.2%	874.9	868.8	6.1	0.7%
Capital Reimbursements - Labor & Fringe	-33.1	-31.2	-37.4	-31.4	-6.0	-113.9	-95.6	-18.3	-16.1%	-151.3	-135.8	-15.5	10.2%
Subtotal - Net Operating Labor & Fringe	186.8	182.8	182.9	189.3	-6.3	548.3	558.9	-10.6	-1.9%	723.6	733.0	-9.3	-1.3%
Gross Overtime	21.4	23.5	19.3	21.8	-2.5	57.8	66.6	-8.8	-15.3%	77.0	88.3	-11.3	-14.7%
Capital Reimbursements - Overtime	-4.8	-5.7	-5.0	-5.7	0.7	-15.0	-16.2	1.2	8.0%	-20.0	-24.8	4.8	-24.1%
Subtotal - Net Operating Overtime	16.6	17.8	14.3	16.0	-1.8	42.8	50.4	-7.6	-17.8%	57.0	63.5	-6.5	-11.4%
Total Operating Labor	203.4	200.6	197.2	205.3	-8.1	591.1	609.3	-18.2	-3.1%	780.6	796.5	-15.8	-2.0%
Electric Power	14.5	14.9	16.5	10.9	5.6	46.5	40.3	6.2	13.3%	61.6	58.6	3.0	4.9%
Purchased Transportation	7.5	7.4	7.8	7.5	0.3	23.3	22.4	0.9	3.9%	31.1	31.8	-0.7	-2.3%
Other Non Labor	28.6	39.3	39.4	39.9	-0.5	121.2	107.7	13.5	11.1%	160.5	146.2	14.3	8.9%
Total Non Labor	50.6	61.6	63.6	58.2	5.4	191.0	170.5	20.5	10.7%	253.2	236.6	16.6	6.5%
Total Operating Expense	254.1	262.2	260.8	263.6	-2.8	782.1	779.8	2.3	0.3%	1,033.9	1,033.1	0.7	0.1%
Debt Service and Allocations													
Debt Service	15.0	15.0	15.0	15.0	0.0	45.1	45.1	0.0	0.0%	60.2	60.2	0.0	0.0%
Capital and Other Allocations, Net of Emergency Assistance	10.4	6.1	8.0	5.9	2.1	24.0	22.4	1.6	6.7%	32.0	32.0	0.0	0.0%
Total Debt Service and Allocations	25.5	21.1	23.0	20.9	2.1	69.1	67.5	1.6	2.3%	92.2	92.2	0.0	0.0%
Total Operating Uses	279.5	283.3	283.9	284.5	-0.6	851.3	847.3	3.9	0.5%	1,126.1	1,125.3	0.7	0.1%

FY25 Q3 Net Operating Result

Quarterly Financial Report - Third Quarter FY25

(\$ Millions)

	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Revenue													
Total Operating Revenue	78.7	72.5	71.3	84.3	13.0	218.9	235.5	16.7	7.6%	297.5	314.1	16.6	5.6%
Total Financial Assistance	98.6	137.8	143.3	115.4	-27.9	374.0	351.7	-22.3	-6.0%	500.3	500.3	0.0	0.0%
Total Operating Sources	177.3	210.3	214.6	199.7	-14.9	592.9	587.3	-5.6	-0.9%	797.8	814.4	16.6	2.1%
Operating Expense													
Total Operating Labor	203.4	200.6	197.2	205.3	-8.1	591.1	609.3	-18.2	-3.1%	780.6	796.5	-15.8	-2.0%
Total Non Labor	50.6	61.6	63.6	58.2	5.4	191.0	170.5	20.5	10.7%	253.2	236.6	16.6	6.5%
Total Debt Service and Allocations	25.5	21.1	23.0	20.9	2.1	69.1	67.5	1.6	2.3%	92.2	92.2	0.0	0.0%
Total Operating Uses	279.5	283.3	283.9	284.5	-0.6	851.3	847.3	3.9	0.5%	1,126.1	1,125.3	0.7	0.1%
Net Operating Result Before Emergency Assistance													
	-102.3	-73.0	-69.3	-84.8	-15.5	-258.3	-260.0	-1.7	-0.7%	-328.2	-310.9	17.3	5.3%
Emergency Assistance Applied	102.3	73.0	69.3	84.8	15.5	258.3	260.0	1.7	0.7%	328.2	310.9	-17.3	-5.3%
Net Operating Result before GASB													
	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	

- Through Q3, BART generated \$5.6M less than budgeted revenues and spent \$3.9M less than budgeted for a net result of (\$1.7M) compared to budget, primarily due to timing of payments around State Transit Assistance (STA)
- By FY25 year-end, staff project BART will generate \$16.6M more revenues than budgeted and spend \$0.7M less than budgeted, for a net result of \$17.3M compared to budget, allowing that amount of emergency assistance to be used in FY26

Emergency Assistance to BART as of March 31, 2025

Emergency Assistance to BART (as of March 31, 2025)

Award amounts (\$M)	FY20	FY21	FY22	FY23	FY24	FY25	Total Awarded
CARES	252	125	0	0	0	0	377
CRRSAA	0	378	0	0	0	0	378
ARPA + Add'l Assistance	0	0	853	0	0	0	853
SB125 State and Regional Assistance*	0	0	0	0	58	0	58
<i>Subtotal - all awards</i>	<i>252</i>	<i>504</i>	<i>853</i>	<i>0</i>	<i>58</i>	<i>0</i>	<i>1,667</i>

Funds allocated to BART

Draw downs (\$M) - funds received as of 3/31/25	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	Total Drawn Down
CARES	186	192	0	0	0	0	377
CRRSAA	0	211	167	0	0	0	378
ARPA + Add'l Assistance	0	0	276	408	169	0	853
SB125 State and Regional Assistance	0	0	0	0	0	58	58
<i>Subtotal - all drawdowns</i>	<i>186</i>	<i>402</i>	<i>443</i>	<i>408</i>	<i>169</i>	<i>58</i>	<i>1,667</i>

Funds received by BART

Allocated emergency funds to be drawn down after 3/31/25 (\$M)

0

Expenditures (\$M) - applied to offset incurred expenses as of 3/31/25	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	Total Applied
CARES	120	257	0	0	0	0	377
CRRSAA	0	41	287	50	0	0	378
ARPA + Add'l Assistance	0	0	0	266	314	260	839
SB125 State and Regional Assistance	0	0	0	0	0	0	0
<i>Subtotal - all expenditures</i>	<i>120</i>	<i>298</i>	<i>287</i>	<i>316</i>	<i>314</i>	<i>260</i>	<i>1,595</i>

Funds used by BART to offset incurred costs

BART expended the last of its federal emergency assistance in April 2025

Drawn down funds in BART reserves as of 3/31/25 (\$M)

72

Remaining awarded funds to be used to offset expenses after 3/31/25 (\$M)

72

**SB125 has been partially allocated; BART expects approximately \$352M in total over several years*

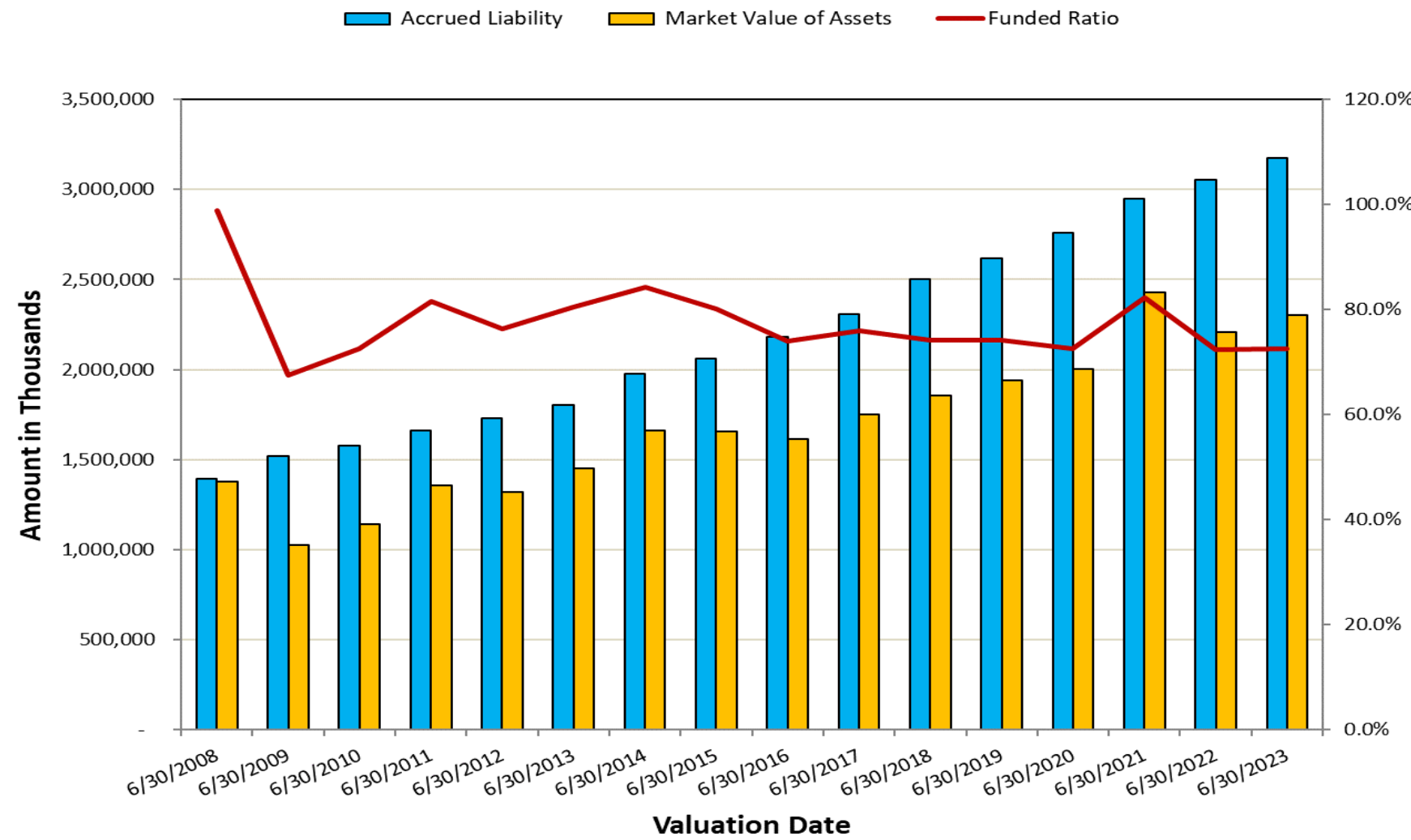


Financial Position



CalPERS Pension Plan Funding Progress: Miscellaneous

CALPERS Miscellaneous Pension Plan Funding Progress



Miscellaneous plan covers all BART staff except sworn BART Police officers

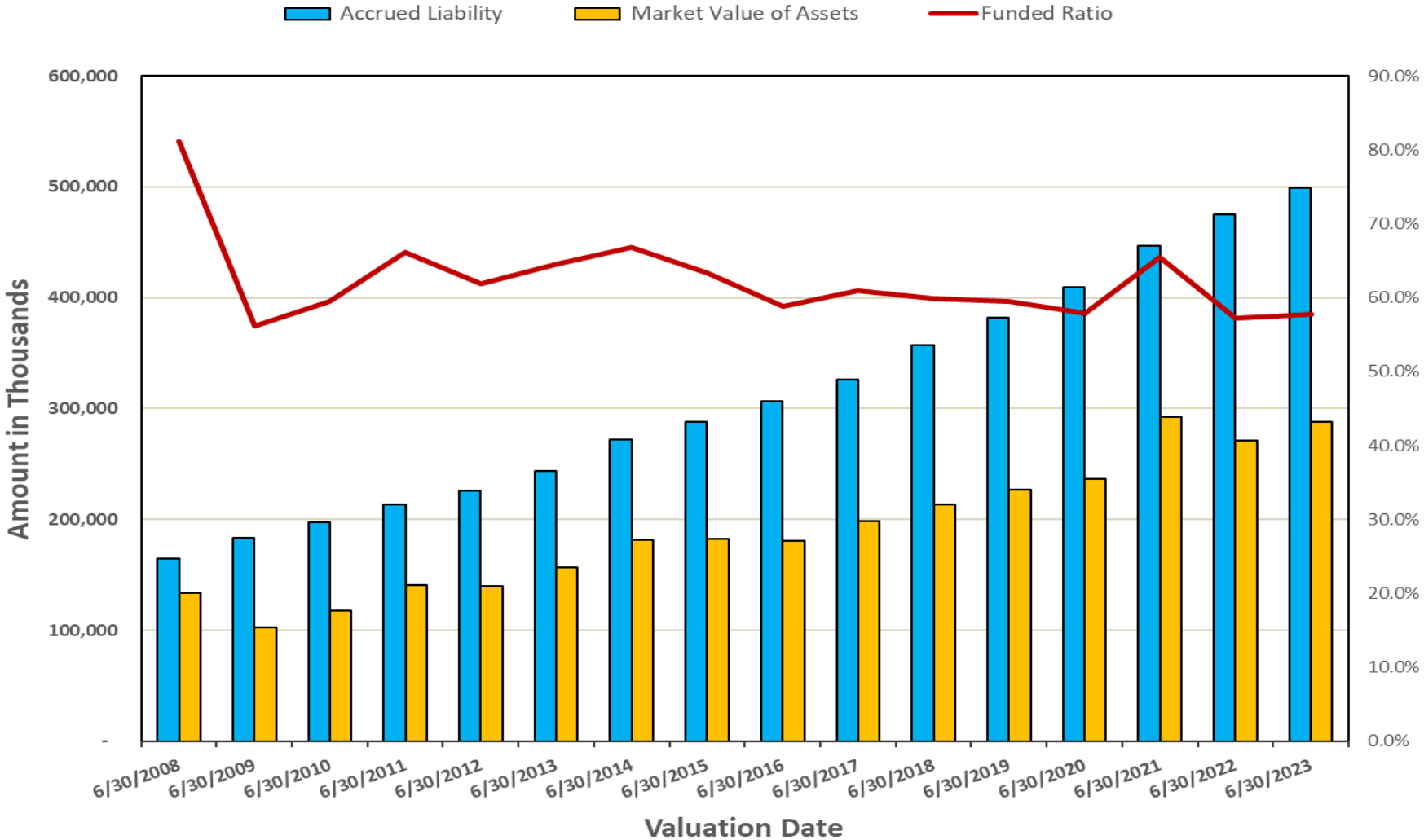
FY25 budget contributions for Miscellaneous Plan:
Normal cost: \$47.2M
Unfunded Actuarial Liability (UAL): \$73.1M
Total: \$120.3M

CalPERS expected to release 6/30/24 funded status between July – September 2025



CalPERS Pension Plan Funding Progress: Safety

CALPERS Safety Pension Plan Funding Progress



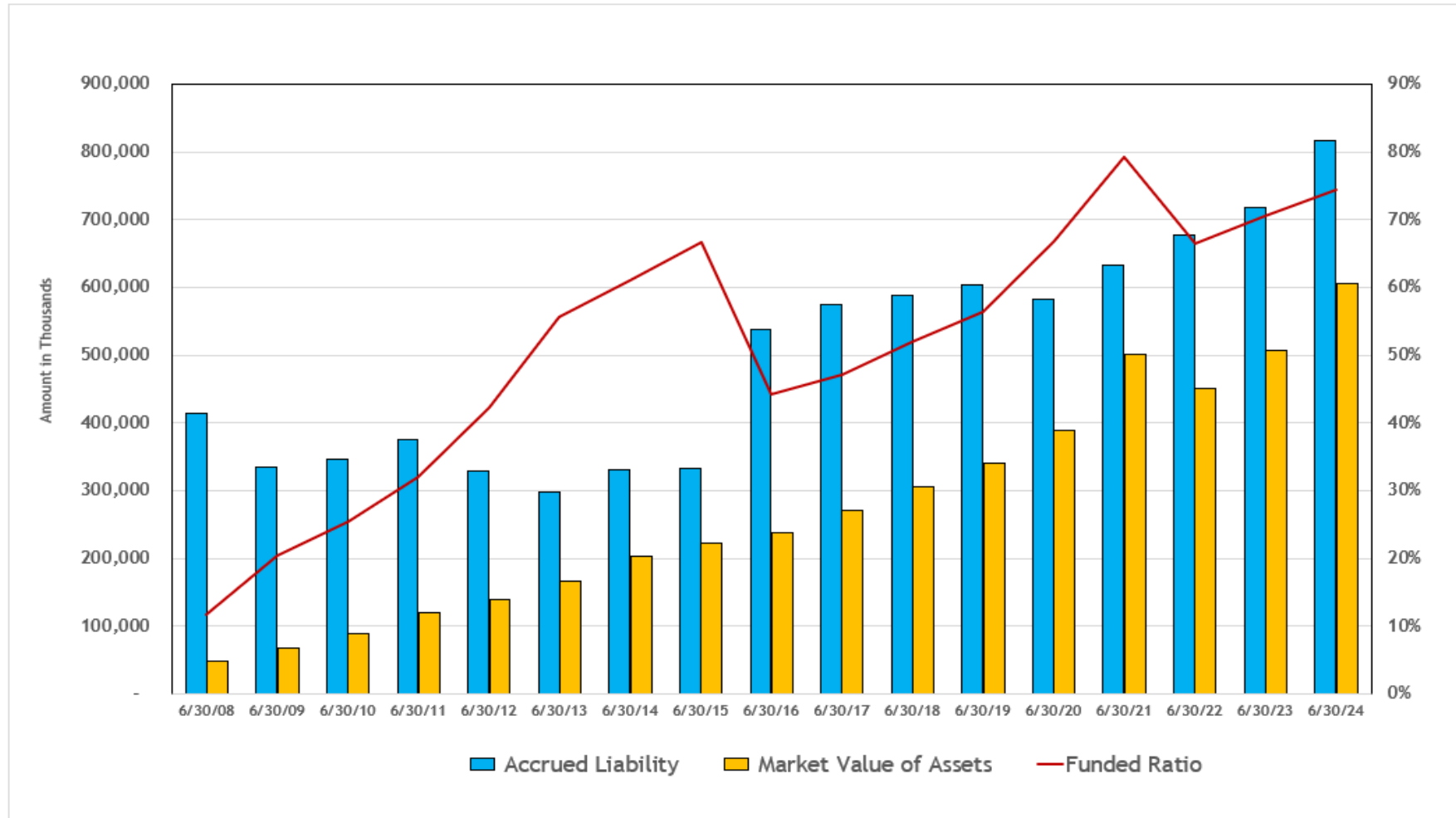
Safety plan covers sworn BART Police officers

FY25 budget contributions for Safety Plan:
Normal cost: \$10.7M
UAL: \$15.8M
Total: \$26.5M

CalPERS expected to release 6/30/24 funded status between July – September 2025



Funding Progress Retiree Health Benefits Plan



- BART funds retiree medical costs via contributions to its Retiree Health Benefit Trust (RHBT)
- FY25 budgeted contribution is \$45.6M

Summary of Outstanding Bonds

As of March 31, 2025

	Authorized	Issued as of March 31, 2025	Outstanding Balance 12-31-2024	Issuance	Accretion (Payments)	Outstanding Balance 03-31-2025	Annual Debt Service Fiscal Year 2025	Property Tax Assessments Fiscal Year 2025**	FY 2024
Sales Tax Revenue Bonds *		\$ 984,260,000	\$ 554,055,000	\$ -	\$ -	\$ 554,055,000	\$ 60,131,289		
TIFIA Loan***	\$ 544,642,843	\$ 150,000,000	\$ -	\$ 150,000,000	\$ 1,695,945	\$ 151,695,945	\$ -		
Measure AA General Obligation Bonds	\$ 980,000,000	\$ 980,000,000	\$ 572,805,000	\$ -	\$ -	\$ 572,805,000	\$ 54,655,294	\$4.70/\$100,000	\$4.80/\$100,000
Measure RR General Obligation Bonds	\$ 3,500,000,000	\$ 2,060,000,000	\$ 1,818,455,000	\$ -	\$ -	\$ 1,818,455,000	\$ 98,537,675	\$10.10/\$100,000	\$8.60/\$100,000
Total		\$ 4,174,260,000	\$ 2,945,315,000	\$ 150,000,000	\$ 1,695,945	\$ 3,097,010,945	\$ 213,324,258		

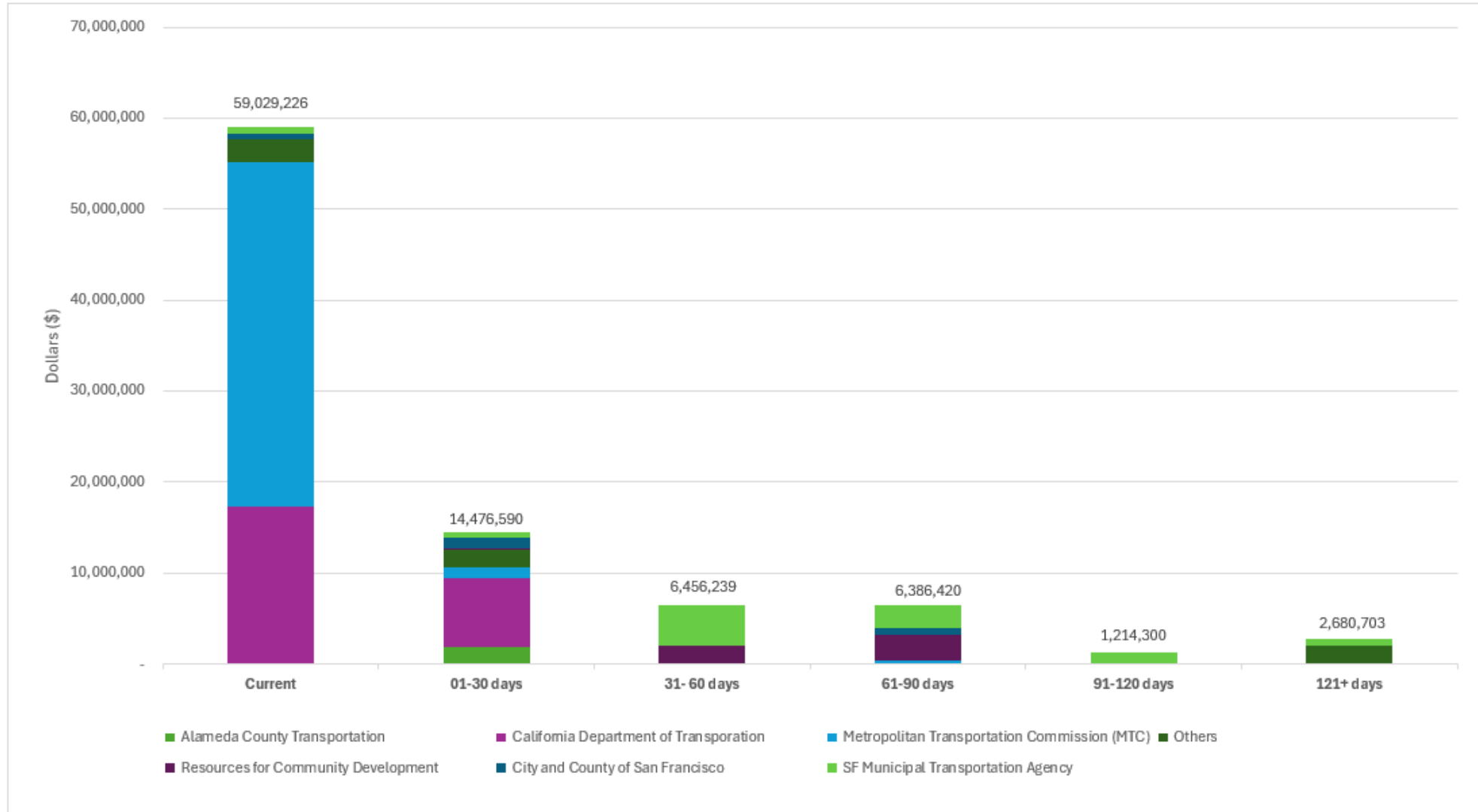
* Sales Tax Revenue Bonds with outstanding balances.

** 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.

Outstanding Billed A/R Grants

The status of receivables from BART's funding partners is shown in the chart below. The amount outstanding was \$90.24M as of March 31, 2025.



Cash and Investments

As of March 31, 2025

Investment allocation

	Amount	% Allocation
CD, Cash on hand and Cash In Bank	\$ 33,581,340	3.26%
Mutual Fund - Bond Fund	41,938,420	4.07%
Money Market	148,330,016	14.40%
US Government Securities	795,196,886	77.19%
Local Agency Investment Fund	11,192,223	1.09%
Total Cash & Investments	<u>\$ 1,030,238,885</u>	<u>100.00%</u>

Breakdown of US Government Securities

US Treasury	\$ 453,032,828
Federal Home Loan Bank	342,164,058
	<u>\$ 795,196,886</u>

Weighted average return on investments in U.S. Government Securities were 4.16%.

Cash by fund and restriction

	General Fund	Capital	Total Cash
Restricted	\$ 20,763,304	\$ 32,395,070	\$ 53,158,373
Unrestricted	358,436,588	618,643,924	977,080,512
	<u>\$ 379,199,892</u>	<u>\$ 651,038,993</u>	<u>\$ 1,030,238,885</u>
Allocated		\$ 427,091,713	
Scheduled to be Allocated		223,947,280	
		<u>\$ 651,038,993</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, which can be used for general operating purposes.

Operating and Other Reserves

As of March 31, 2025

Quarterly Changes

<u>Quarterly Changes</u>		January-March 2025			
		December 31, 2024	Additions	Usage	March 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 Federal Assistance - ARP	(3)	98,544,350	-	(84,768,230)	13,776,120
From SB 125 State and Regional Assistance	(3)	58,211,496		-	58,211,496
Operating Reserve - Fiscal Stability - Pension	(4)	40,991,320	947,100		41,938,420
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		91,659,204	836,699		92,495,902
Total		\$ 395,958,763	\$ 1,783,799	\$ (84,768,230)	\$ 312,974,331

- (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 set aside due to uncertain economic conditions.
- (4) Amount set aside in FY18, FY19, FY20, FY21, and FY22 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.



Discussion





Appendices



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, 2025

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded 06/30/2023</u>
Funds Managed by CALPERS					
Miscellaneous Employees	6/30/2023	\$ 2,302,318,321	\$ 3,172,426,609	\$ 870,108,288	72.6%
Safety Employees	6/30/2023	\$ 288,221,813	\$ 499,342,063	\$ 211,120,250	57.7%
Section 115 Pension Trust	3/31/2025	<u>\$ 41,938,420</u>		<u>\$ (41,938,420)</u>	
Total - Pension Benefit Obligations		<u>\$ 2,632,478,554</u>	<u>\$ 3,671,768,672</u>	<u>\$ 1,039,290,118</u>	

Funding Status of Other Post Employment Benefit Obligations

As of March 31, 2025

<u>Most Recent Valuation</u>					
	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retiree Health Benefits	6/30/2024	\$ 606,309,000	\$ 816,045,000	\$ 209,736,000	74.3%
Other Post Employment Benefits					
Life Insurance	6/30/2023	-	\$ 47,823,000	\$ 47,823,000	0.0%
Survivors Benefits	6/30/2023	\$ 10,890,000	\$ 20,986,000	\$ 10,096,000	51.9%

Trust Assets for Post Employment Benefits Held by the District

As of March 31, 2025

Quarterly Change

	Net Assets December 31, 2024	Contributions	Expenses	Gain (Loss)	Net Assets March 31, 2025	Quarterly Return	Inception to-date Return
Retiree Health Benefit Trust	\$ 655,527,670	\$ 12,895,750	\$ (9,722,771)	\$ (14,163,959)	\$ 644,536,690	-2.2%	7.3%
Section 115 Pension Trust	40,991,320			947,100	41,938,420	2.3%	0.8%
Survivors Benefit Trust	13,980,227	168,948	(137,518)	(280,110)	13,731,547	-2.1%	7.8%
Total	<u>\$ 710,499,217</u>	<u>\$ 13,064,698</u>	<u>\$ (9,860,289)</u>	<u>\$ (13,496,969)</u>	<u>\$ 700,206,657</u>		

Fiscal Year to Date Change

	Net Assets June 30, 2024	Contributions	Expenses	Gain (Loss)	Net Assets March 31, 2025	Fiscal Year to Date Return
Retiree Health Benefit Trust	\$ 606,309,252	\$ 38,687,250	\$ (26,949,742)	\$ 26,489,930	\$ 644,536,690	4.3%
Section 115 Pension Trust	39,880,717	-	-	2,057,703	41,938,420	5.2%
Survivors Benefit Trust	12,977,626	605,382	(400,464)	549,003	13,731,547	4.5%
Total	<u>\$ 659,167,595</u>	<u>\$ 39,292,632</u>	<u>\$ (27,350,206)</u>	<u>\$ 29,096,636</u>	<u>\$ 700,206,657</u>	

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: May 15, 2025

FROM: General Manager

SUBJECT: FY25 Third Quarter Financial Report (QFR)

Executive Summary

The Fiscal Year 2025 (FY25) Third Quarter Financial Report (January – March 2025) is attached. Additional explanatory detail is provided in this memo; summaries of ridership performance and drawdowns of emergency assistance are also included in this package.

The District's net operating result was balanced through the third quarter (Q3) of FY25 due to the continued use of federal emergency assistance funds allocated through the American Rescue Plan Act (ARPA). These funds enabled the District to cover a \$260.0 million (M) operating deficit (the difference between revenues and expenses incurred) over the nine-month period of July 1, 2024 to March 31, 2025.

Though BART ended Q3 unfavorable to budget due to State Transit Assistance (STA) timing of payments, staff currently project that by year-end, the budget will be balanced, with more revenues and under-budget expenditures in non-labor. Thus, BART currently projects to need \$17.3M less emergency assistance than included in the FY25 Adopted Budget; these funds will be carried over into FY26 to offset deficits in that year.

Ridership totaled 38.6M exits through Q3 FY25, 1.3% above budget and 4.9% more than the same period one year ago. Average weekday ridership during this period was 169,167 exits, 0.6% above budget, and 4.9% higher than one year ago.

Third quarter FY25 ridership was on par with the previous quarter, consistent with expected seasonal variation due to winter weather and holidays. On a month-to-month basis, average weekday ridership increased along seasonal expectations: January (162,938), February (171,856) and March (174,538).

Operating Revenue

Operating Revenue was \$16.7M (7.6%) above budget through Q3 FY25. **Net Passenger Revenue** was \$4.4M (2.5%) positive, and **Parking Revenue** was \$0.9M (7.2%) above expectations. **Other Operating Revenue** was \$0.4M (2.5%) below budget, with higher-than-expected advertising revenue being offset by lower-than-expected Commercial Communications Revenue Program (CCRP) revenue.

Financial Assistance

Sales Tax revenue was \$3.3M (1.4%) unfavorable through Q3 FY25, driven in part by lower-than-expected consumption of general consumer goods. **Property Tax** revenue was \$4.4M (13.3%) favorable through Q3 as revenues were elevated across all three BART counties. **State Transit Assistance (STA)** was \$31.1M (70.1%) unfavorable through Q3 due to timing of payments. However, STA is estimated to end FY25 \$0.4M (0.9%) above budget. **VTA Financial Assistance** was \$1.0M (3.8%) higher than budgeted due to operating expenses attributable to VTA that were updated after FY25 budget adoption.

Other Assistance through Q3 was \$6.7M (25.2%) favorable. Unbudgeted non-emergency Federal Assistance was \$2.1M favorable, unbudgeted State Assistance was \$2.2M favorable and Local Assistance was \$2.1M favorable. Low Carbon Fuel Standard (LCFS) credit sales were \$0.3M (5.4%) above budget.

Operating Expense

Total Operating Expense was \$2.3M (0.3%) lower than budget through the third quarter of FY25, as Non-Labor underspending more than offset Labor overspending.

Labor costs exceeded budget through the third quarter by \$18.2M (3.1%), primarily driven by above budget Overtime and unfavorable Capital Labor Reimbursements, which were partially offset by underspending in Gross Wages.

Total gross **Wages, Fringe Benefits & Other Labor** was \$7.7M (1.2%) below budget. However, Net Operating Wages, Fringe Benefits & Other Labor finished 3Q \$10.6M (1.9%) unfavorable to budget, driven by \$18.3M (16.1%) in below budget Capital Labor Reimbursements. At this time, staff are conducting a review of Q1 to Q3 capital charging to ensure that all reimbursable hours are charged to capital sources; the outcome of this work may result in increased capital reimbursements in Q4. Changes have also been made to ongoing charging; for the first time in FY25, March's Total Labor Reimbursement variance was under \$1.0M unfavorable.

Total gross **Overtime** was \$66.6M through Q3, above budget by \$8.8M, and \$7.2M higher than FY24 Q3 YTD. When Capital Reimbursements Overtime is accounted for, net operating overtime variance is \$7.6M (17.8%) unfavorable to budget, compared to \$6.3M unfavorable to budget through FY24 Q3.

Non-labor was below budget through the third quarter by \$20.5M (10.7%). **Other Non-Labor** was \$13.5M (11.1%) favorable to budget, with most of the favorable variance in Miscellaneous Expenses, Electrical Power, and Repairs & Maintenance. Miscellaneous Expense and Electrical Power were \$8.9M and \$6.2M, respectively, favorable mostly due to deferred Clipper 2.0 fees, other Clipper fee reductions, and invoice timing for election costs. Repairs & Maintenance was \$2.0M favorable and Other Utilities was \$1.2M favorable due to timing of vendor invoices.

Debt Service and Allocations

Debt Service is on budget. **Allocations** were \$1.6M (6.7%) favorable through Q3.

Emergency Assistance

The District required \$260.0M in ARPA funding to cover the shortfall between operating revenue and expense through the third quarter of FY25, which was \$1.7M (0.7%) more than anticipated in the budget. The shortfall is due primarily to timing of payments; State Transit Assistance (STA) assumed in Q3 is now expected to be received in Q4.

The District is relying on ARPA funding to close its operating deficit for most of FY25, with SB125 state and regional assistance expected to begin closing deficits in Q4, after the last of BART's ARPA funds are expended. Through March, of the total \$1.6B of federal emergency assistance allocated to the District since 2020, \$1.6B (99.1%) has been expended, with \$13.8M (0.9%) remaining for use in future quarters. An additional \$58.2M of SB125 assistance has been allocated and placed in operating reserves.

FY25 Year-End Projection

The FY25 Q3 Financial Report includes a year-end projection. As the projection is based on nine months of actual data, year-end actuals may vary significantly.

At this time, staff project to end FY25 with a \$0.0M deficit against the adopted budget. Total sources are expected to end the year \$16.6M (2.1%) higher than budget, driven primarily by higher than budgeted Investment Income, Other Financial Assistance, and Net Passenger Revenue, but slightly offset by lower than budgeted Sales Tax. Total uses are expected to end the year just under \$1M (0.1%) under budget, driven primarily by Non-Labor underspending, offset by higher than budgeted Labor expense.

As BART uses emergency assistance to close its operating deficits, better than budget results mean BART requires less emergency assistance to close that year's deficit. The savings can then be used to offset future deficits. In FY25, BART projects to need \$17.3M less emergency assistance; that amount can be used to offset the FY26 deficit, and is currently assumed in the FY26 budget.

Though BART currently anticipates having a balanced budget by year-end, a number of factors could increase or decrease the amount of emergency assistance needed. These include ridership, economic factors, operational issues, and the effect of cost-control measures currently being implemented. It is important to note that BART's SB125 assistance in the current year is capped at \$58.2M, all of which was assumed in the budget. If the year-end projected deficit grows, staff will need to identify additional offsetting savings in order to end the year balanced.

Financial Position

Post-Employment Benefits

BART maintains three trusts to offset liabilities generated by post-employment benefits. For FY25, net assets of all three trusts benefited from the upward run in global equity markets as central banks cut interest rates. Results in Q3 of FY25 however were negative 2.2% for the Retiree Health Benefit Trust (RHBT) and negative 2.1% for the Survivor's Benefit Trust (SBT) since US equities fell over tariff-related uncertainty. The District's Section 115 Pension Trust gained 2.3% during the quarter due to the decline in interest rates on bonds, which lifted the price of bonds.

As of March 31, 2025, the District's assets in its Section 115 Pension Trust, which was set-up to offset future pension liabilities, increased to \$41.94M, a gain of \$2.1M in the three quarters of FY25. Net assets of BART's two Other Post Employment Obligations (OPEB), the RHBT and SBT, saw returns of \$26.5M (4.3%) and \$549K (4.5%), respectively, in the three quarters of FY25.

Milliman, the District's new actuary, completed the actuarial valuation on the Retiree Health Benefit Trust as of June 30, 2024. The latest valuation reported that the funded ratio of the RHBT has improved from 70.51%, shown in the previous valuation, to 74.3%. Update on the actuarial valuation for the SBT and the Retiree Life Insurance Benefit program are still in progress.

Accounts Receivable, Cash, and Investments

As of March 31, 2025, \$90.2M in accounts receivable was outstanding, with approximately \$59M (65%) of receivables in current status, and \$21M (23%) receivables outstanding between 31 to 90 days. Receivables over 120 days outstanding decreased by \$1.8M, from \$4.5M at the end of Q2 FY25 to \$2.7M at the end of Q3

FY25. After March 31, 2025, approximately \$56.6M (63%) of the total outstanding accounts receivable have been collected.

BART had \$1.03B in cash and investments between its capital accounts allocated from operations and General Fund. BART's weighted average return on investments in US government securities in Q3 was 4.16%, lower than what was realized in the prior quarter due to expectation of a reduction in the Federal Funds rate. Cash and Investments increased by \$112M compared to the previous quarter mainly due to the receipt of proceeds of \$150M from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan.

Outstanding Bonds and Debt Service

The District's total outstanding bond obligations increased by \$151.7 M in Q3 of FY25 due to the issuance of TIFIA loan amounting to \$150M in January 2025, plus the accretion of capitalized interest of \$1.7M. TIFIA loan is payable in 35 years at 4.56% interest. Debt service payments, which will start on July 1, 2029, will be funded by the District's Sales Tax revenues.

Reserves

BART's total reserves declined from \$396M from the previous quarter to \$313M at the end of March 31, 2025. The decline is primarily driven by the \$85M drawdown from the ARPA Reserve, which was needed to offset operating costs during the quarter.

BART's reserve balance is comprised of \$72M from the unused portion of ARPA and SB 125 and Working Capital Reserve fund with a balance of \$92.5M as of March 31, 2025. BART's other remaining operating reserve funds (Operating Reserve, Insurance Calamity Reserve, General Reserve for Economic Uncertainty, Low Carbon Fuel Standards Credits, and Fiscal Stability - Pension) totaled \$148.5M as of March 31, 2025.

If you have any questions about this report, please contact Joseph Beach, Chief Financial Officer, at joseph.beach@bart.gov.

DocuSigned by:

Michael Jones

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Robert Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

Bay Area Rapid Transit District Quarterly Financial Report - Third Quarter FY25													
(\$ Millions)	Q1 Actuals	Q2 Actuals	Q3 Budget	Q3 Actuals	Q3 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Annual Budget	Q3 YE Forecast	Projected Year-End Variance (Q3)	Projected Year-End Variance %
Operating Revenue													
Total Net Operating Revenue	69.5	66.9	65.9	68.6	2.7	200.1	205.0	4.9	2.4%	274.1	280.9	6.9	2.5%
Non Operating Revenue - Investment Income	9.2	5.7	5.4	15.7	10.3	18.8	30.6	11.8	62.8%	23.5	33.2	9.7	41.3%
Total Revenue	78.7	72.5	71.3	84.3	13.0	218.9	235.5	16.7	7.6%	297.5	314.1	16.6	5.6%
Total Financial Assistance	98.6	137.8	143.3	115.4	-27.9	374.0	351.7	-22.3	-6.0%	500.3	500.3	0.0	0.0%
Total Operating Sources	177.3	210.3	214.6	199.7	-14.9	592.9	587.3	-5.6	-0.9%	797.8	814.4	16.6	2.1%
Operating Expense													
Total Operating Labor	203.4	200.6	197.2	205.3	-8.1	591.1	609.3	-18.2	-3.1%	780.6	796.5	-15.8	-2.0%
Total Non Labor	50.6	61.6	63.6	58.2	5.4	191.0	170.5	20.5	10.7%	253.2	236.6	16.6	6.5%
Total Operating Expense	254.1	262.2	260.8	263.6	-2.8	782.1	779.8	2.3	0.3%	1,033.9	1,033.1	0.7	0.1%
Debt Service and Allocations													
Total Debt Service and Allocations	25.5	21.1	23.0	20.9	2.1	69.1	67.5	1.6	2.3%	92.2	92.2	0.0	0.0%
Total Operating Uses	279.5	283.3	283.9	284.5	-0.6	851.3	847.3	3.9	0.5%	1,126.1	1,125.3	0.7	0.1%
Net Operating Result Before Emergency Assistance	-102.3	-73.0	-69.3	-84.8	-15.5	-258.3	-260.0	-1.7	-0.7%	-328.2	-310.9	17.3	5.3%
Emergency Assistance Applied	102.3	73.0	69.3	84.8	15.5	258.3	260.0	1.7	0.7%	328.2	310.9	-17.3	-5.3%
Net Operating Result before GASB	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	
SB125 Emergency Assistance Recognition		58.2	0.0	0.0	0.0	0.0	58.2	58.2	-				
SB125 Emergency Assistance Reserves		58.2	0.0	0.0	0.0	0.0	58.2	-58.2	-				
Operating Result (Deficit)	-184.6	-195.3	-194.9	-194.9	0.0	-582.0	-574.8	6.5	3.4%	-759.8	-752.2	7.6	1.0%
System Operating Ratio	27.3%	25.5%	25.3%	26.0%	0.8%	25.6%	26.3%	0.7%		26.5%	27.2%	0.7%	
Rail Cost / Passenger Mile (\$)	\$ 1.21	\$ 1.31	\$ 1.40	\$ 1.33	\$ 0.07	\$ 1.33	\$ 1.28	\$ 0.03	2.7%				

FY25 Q3**Emergency Assistance to BART (as of March 31, 2025)**

Award amounts (\$M)	FY20	FY21	FY22	FY23	FY24	FY25	Total Awarded
CARES	252	125	0	0	0	0	377
CRRSAA	0	378	0	0	0	0	378
ARPA + Add'l Assistance	0	0	853	0	0	0	853
SB125 State and Regional Assistance*	0	0	0	0	58	0	58
<i>Subtotal - all awards</i>	<i>252</i>	<i>504</i>	<i>853</i>	<i>0</i>	<i>58</i>	<i>0</i>	<i>1,667</i>

Draw downs (\$M) - funds received as of 3/31/25	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	Total Drawn Down
CARES	186	192	0	0	0	0	377
CRRSAA	0	211	167	0	0	0	378
ARPA + Add'l Assistance	0	0	276	408	169	0	853
SB125 State and Regional Assistance	0	0	0	0	0	58	58
<i>Subtotal - all drawdowns</i>	<i>186</i>	<i>402</i>	<i>443</i>	<i>408</i>	<i>169</i>	<i>58</i>	<i>1,667</i>

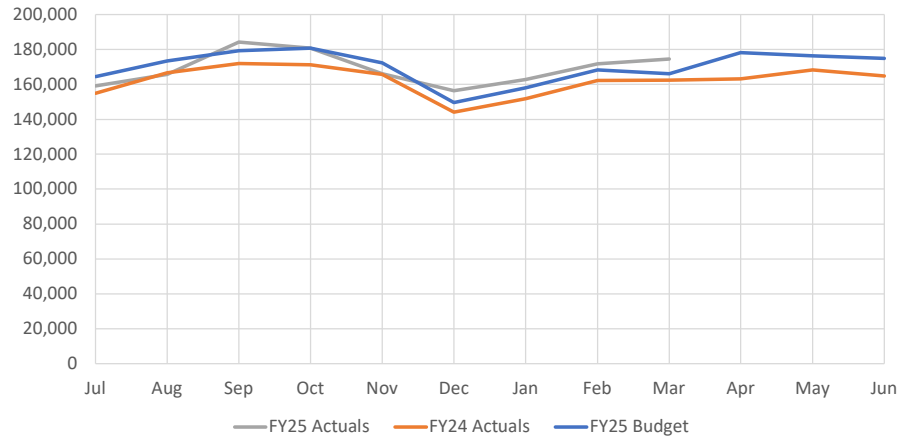
Allocated emergency funds to be drawn down after 3/31/25 (\$M)***0***

Expenditures (\$M) - applied to offset incurred expenses as of 3/31/25	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	Total Applied
CARES	120	257	0	0	0	0	377
CRRSAA	0	41	287	50	0	0	378
ARPA + Add'l Assistance	0	0	0	266	314	260	839
SB125 State and Regional Assistance	0	0	0	0	0	0	0
<i>Subtotal - all expenditures</i>	<i>120</i>	<i>298</i>	<i>287</i>	<i>316</i>	<i>314</i>	<i>260</i>	<i>1,595</i>

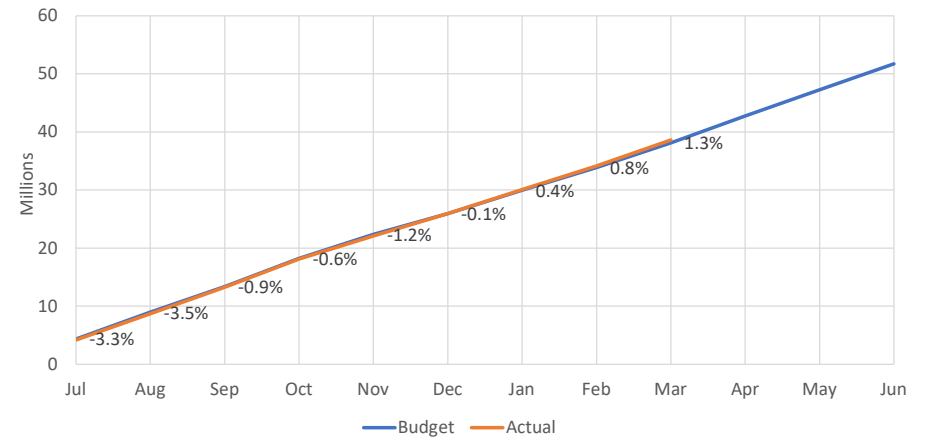
Drawn down funds in BART reserves as of 3/31/25 (\$M)***72******Remaining awarded funds to be used to offset expenses after 3/31/25 (\$M)******72*****SB125 has been partially allocated; BART expects approximately \$352M in total over several years*

FY25Q3 (Jul-Mar) Ridership Stats

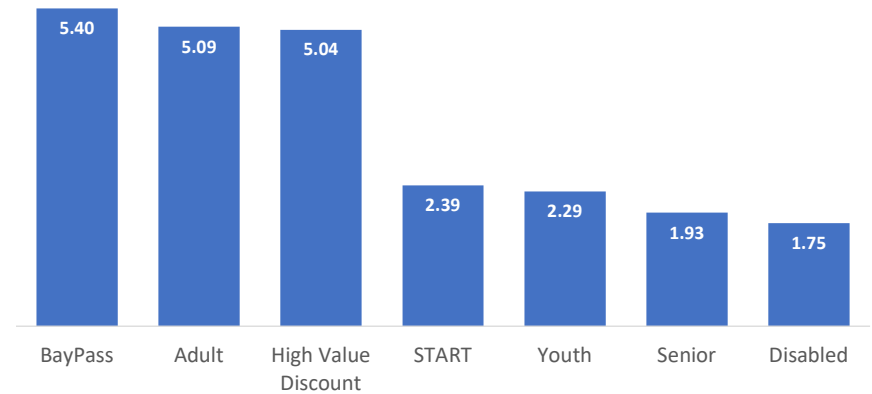
Average Weekday Ridership



FY25 Cumulative Budget to Actual Variance



Clipper Product Avg Net Fare



Exits	Actual FY24 YTD	Budget FY25 YTD	Actual FY25 YTD
Weekday	161,313	168,188	169,167
Saturday	90,394	94,418	96,528
Sunday	65,687	69,233	71,247
Total	36,824,248	38,135,800	38,635,346

FY25 YTD Actual vs.	
FY24 YTD Actual	FY25 YTD Budget
104.9%	100.6%
106.8%	102.2%
108.5%	102.9%
104.9%	101.3%