

San Francisco Bay Area Rapid Transit District FY25 Popular Annual Financial Report

California

FISCAL YEAR ENDED JUNE 30, 2025





BART Entrance

Proof of payment required beyond this point



3283

3282

3281

2222

This report provides a detailed overview of the financial situation, ridership, and operational priorities of the Bay Area Rapid Transit District (BART) in fiscal year 2025 (FY25). It is intended to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

1. INTRODUCTION

BART's vision is to support a sustainable and prosperous Bay Area by connecting communities with seamless mobility.

BART's mission is to provide safe, reliable, clean, quality transit service for riders.

BART has played a critical role in keeping the Bay Area moving for more than 50 years, providing a safe, clean, and reliable alternative to driving. Despite a substantial reduction in ridership due to the COVID-19 pandemic and resulting shifts in work and travel patterns, BART continues to focus on improving the rider experience while promoting sustainability and working to secure a permanent operating funding source.

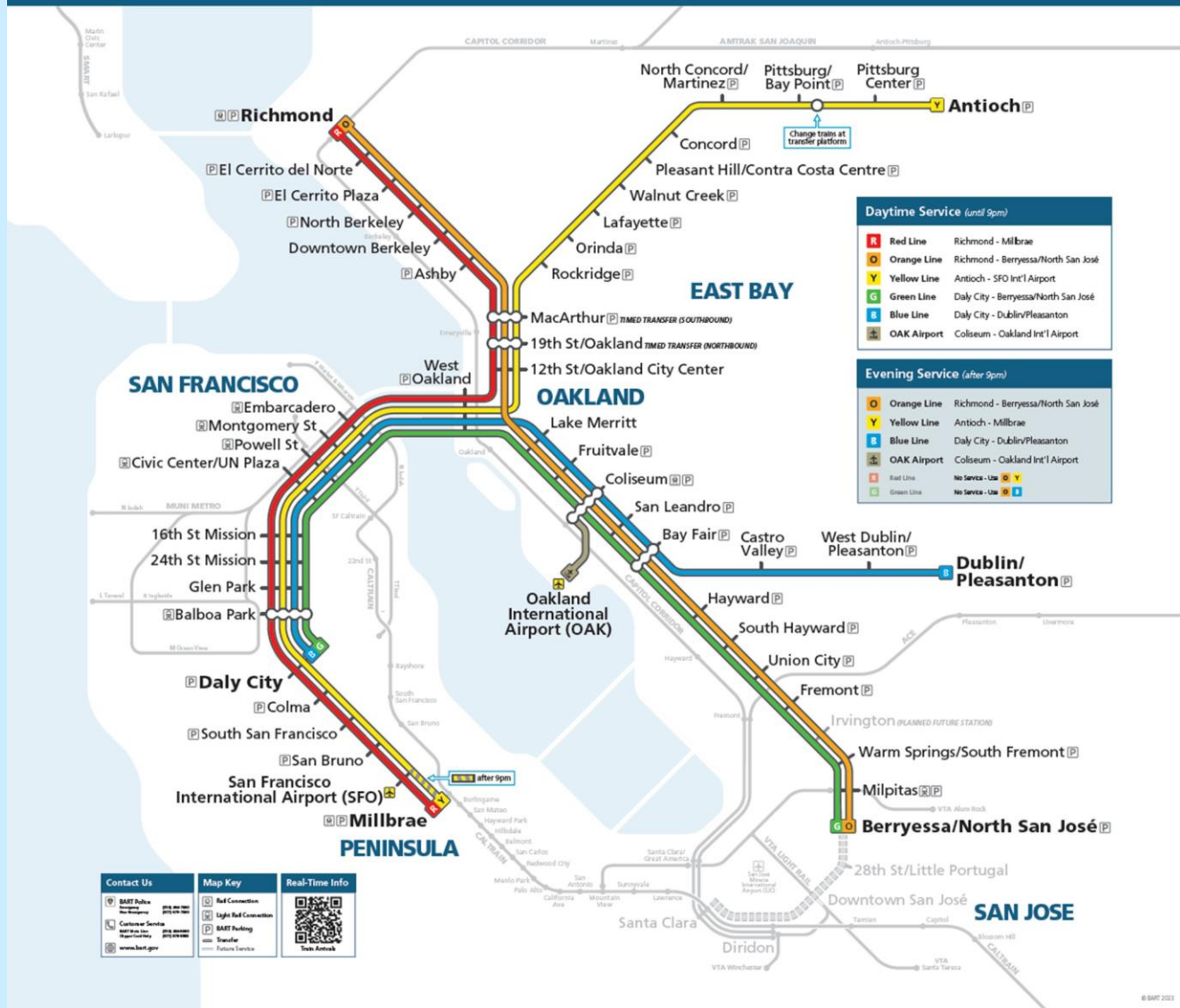
2. BART SYSTEM OVERVIEW

The BART system comprises five lines of service over 131.4 miles of track and includes 50 stations in five Bay Area counties. With BART's exclusive right-of-way system, passengers experience predictable travel times, free from traffic congestion. In FY25, even with the impacts of remote work in the Bay Area, BART delivered nearly 53 million passenger trips.

BART's 1,000+-car electric train fleet is powered by renewable energy sources, with 88% of its electricity coming from greenhouse gas-free sources. BART also maintains an eight car Diesel Multiple Unit (DMU) fleet serving the non-electrified portion of the system in East Contra Costa County. BART's service plan has been optimized to match new ridership patterns, with increased service on nights and weekends to capture non-work-related ridership growth.

Details on the BART system, its history, role in the region, and other information can be found at bart.gov/about/history/facts and bart.gov/roleintheregion.

BART System Map

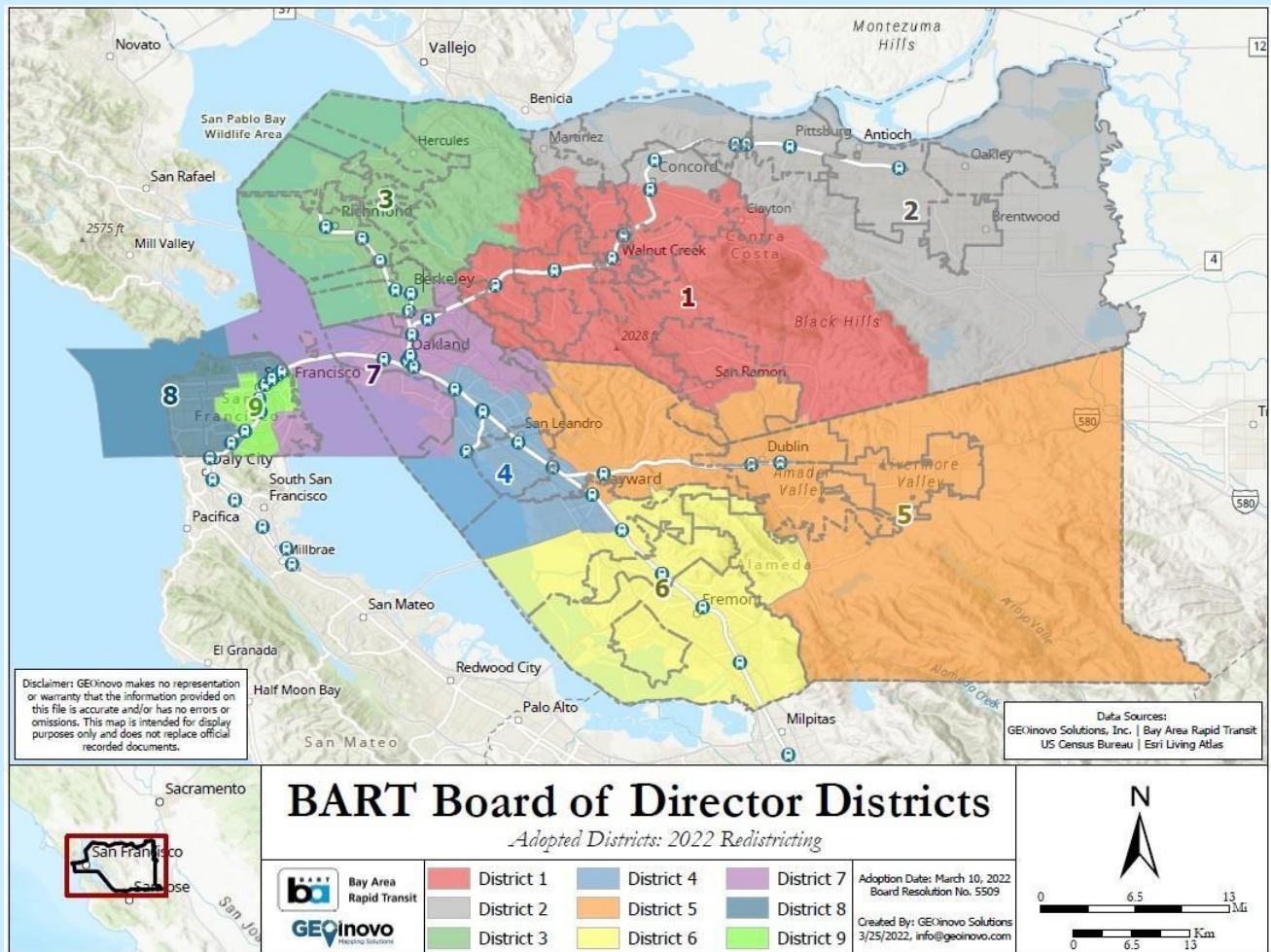


3. GOVERNANCE

BART is designated as a special purpose district, formally known as the San Francisco Bay Area Rapid Transit District. The BART District includes three counties (Alameda, Contra Costa, and San Francisco). BART also provides service in two counties outside the District (Santa Clara and San Mateo). BART's Board of Directors is the legislative body responsible for establishing BART policy. Senior staff work closely with the Board of Directors to help ensure delivery of safe and reliable service.

There are nine members of the Board of Directors, each representing a district within the BART District. Each Director is elected by voters within their election district and serves a four-year term. Elections are on a two-year cycle, alternating between odd numbered districts (Districts 1, District 3, District 5, District 7, and District 9) and even numbered districts (District 2, District 4, District 6, and District 8).

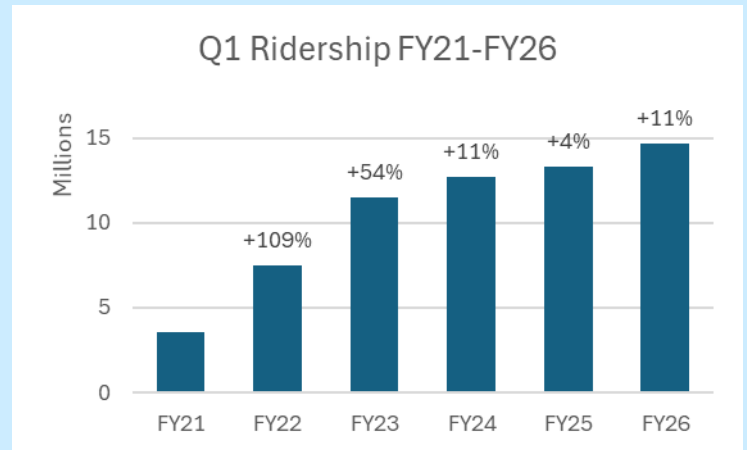
Regular meetings of the Board of Directors are held in person. Members of the public may attend these meetings in person or via teleconference with the exception of closed sessions.



Director	District	Term Expiration (December)
Matthew Rinn	1	2028
Mark Foley	2	2026
Barnali Ghosh	3	2028
Robert Raburn	4	2026
Melissa Hernandez	5	2028
Liz Ames	6	2026
Victor Flores	7	2028
Janice Li	8	2026
Edward Wright	9	2028

4. RIDERSHIP AND SERVICE TRENDS

In FY25, ridership totaled 52.7 million trips, an increase of 6.3% from FY24. Post-pandemic ridership grew significantly in FY22 and FY23, with growth slowing in the subsequent years. While FY26 ridership is budgeted at 54.2 million (a 2.8% increase), recent trends have shown an increased acceleration in ridership growth beyond budget expectations. The first quarter of FY26 showed a strong 11% growth over the previous year. Overall, ridership remains below pre-pandemic levels as the Bay Area has embraced remote work at higher rates than other areas of the country.



BART Ridership (Pre-Pandemic to FY26 Budget)



BART's current service plan, introduced in September 2023, provides consistent service on all lines throughout the week, with 20-minute headway (three trains per hour) from system opening until 9 PM. On weekdays, the more heavily used Yellow Line operates with 10-minute headways to accommodate higher passenger volumes. The service plan responds to changes in commute patterns while increasing train frequency during off-peak hours. In September 2025, BART started running longer trains on most of its lines in response to the surge in ridership. All trains on the Yellow Line (Antioch to SFO), were extended from eight cars to nine. BART also extended some trains on the Red, Blue, and Green lines. Each line now features three eight-car trains in the AM and PM peak. The longer trains will expand capacity as more riders take BART. BART will continue to evaluate train lengths and service frequency as ridership increases.

Day of Week	Hours of Service	Service <small>(as of 9/23)</small>
Monday through Friday	5:00 AM – 9:00 PM	10-minute headways (6 trains per hour) on Yellow 20-minute headways (3 trains per hour) on other 4 lines
	9:00 PM – 12:00 AM	20-minute headways (3 trains per hour) on 3 lines (Orange, Yellow, Blue Lines)
Saturday/Sunday	Saturday: 6:00 AM – 9:00 PM Sunday: 8:00 AM – 9:00 PM	20-minute headways (3 trains per hour) on 5 lines
	9:00 PM – 12:00 AM	20-minute headways (3 trains per hour) on 3 lines (Orange, Yellow, Blue Lines)

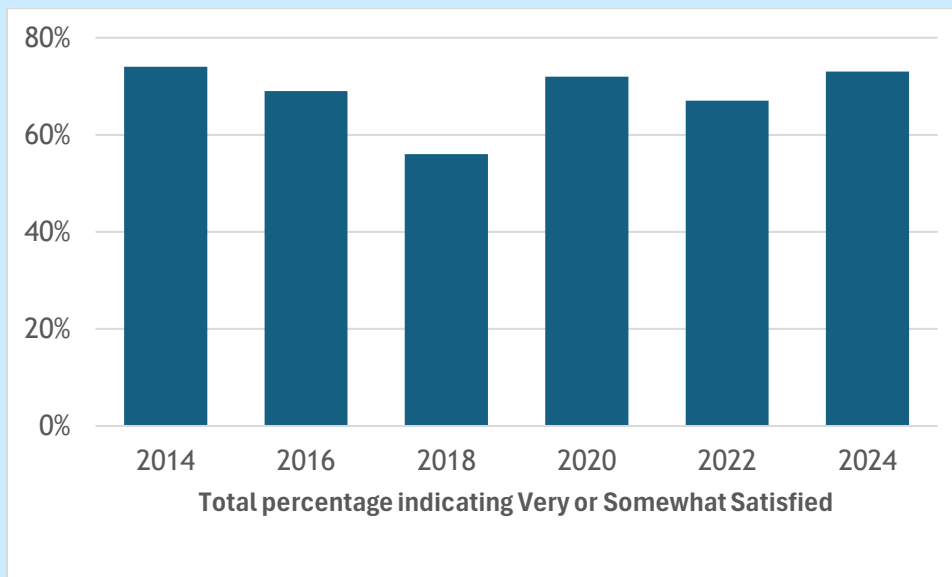
5. SAFETY AND RIDER EXPERIENCE IMPROVEMENTS

BART has focused on improving the rider experience, with investments in safety, security, stations, and innovative fare products.

Fare evasion is being addressed with the installation of Next Generation Fare Gates across the system. All 50 BART stations now have new fare gates as of August 2025, four months ahead of schedule. Since the introduction of new fare gates the number of riders who say they've witnessed someone fare evade on their trip has dropped by more than 50% in just the last year. In the Q1 FY26 Quarterly Performance Report, only 9% of riders said they saw someone fare evade, down from 22% in the first quarter of FY25. Upcoming fare gate work will focus on the full utilization of advanced sensors to make it harder for those who want to “piggyback” into the system by closely following behind paying riders.

Safety is a top priority for BART, both for passengers and staff. At the end of 2025, 23% of riders reported seeing BART Police on their most recent trip, a significant improvement from previous years. BART continues to actively recruit police officers and optimize deployment patterns to maximize uniformed presence in the system. BART's progressive policing efforts, including the deployment of unarmed ambassadors, crisis intervention specialists, and managers, aim to increase rider safety and confidence. Passenger satisfaction surveys indicate that these efforts are making a noticeable difference in the overall experience.

Customer Satisfaction Over Time (Pre- and Post-Pandemic)



The rider experience is also improving. BART's new trains offer quieter, more comfortable rides; station cleanliness has improved, with signage and wayfinding improvements to make navigating BART even easier coming soon.

At the regional level, BART has boosted collaboration with other transit operators, an effort named Big Sync, by better aligning schedules and service to sync up the timing of schedule changes and significantly improve transfer reliability and timing. With these changes, transit riders who use more than one system will see a variety of improvements across the Bay Area saving some riders as much as 20 minutes on their trips. The launch of the Next Generation of Clipper on December 10, 2025, makes travel across multiple transit agencies easier to pay for and more affordable. It is expected to improve overall rider experience while boosting operational efficiency. The transfer program offers standardized transfer discounts between all agencies so riders can use all services as one network without paying extra. BART kicked off the transition to the upgraded Clipper system by rolling out “Tap and Ride” on

August 20, 2025. BART's "Tap and Ride" contactless payment system, allows for paying fares with a contactless credit/debit card or mobile wallet. These innovations build on the success of other recent fare product offerings such as Clipper BayPass and Clipper START, as well as increased transfer discounts, and youth, disabled, and senior discounts, all of which promote increased ridership while keeping transit affordable.

Spotlight on Next Generation Faregates



Next Generation Fare Gates: Project Completed Ahead of Schedule

- **Installation complete at all 50 BART stations** — ahead of schedule
- **715 fare gates installed** across five counties, completed **4 months early**
- Project is already **improving system safety** and reducing fare evasion
- **Fare evasion reports declining** as installation progressed
 - Rider-reported fare evasion sightings **down over 50%** in the past year
- **Next phase:** Enhancing **advanced sensor technology** to prevent "piggybacking" behind paying riders

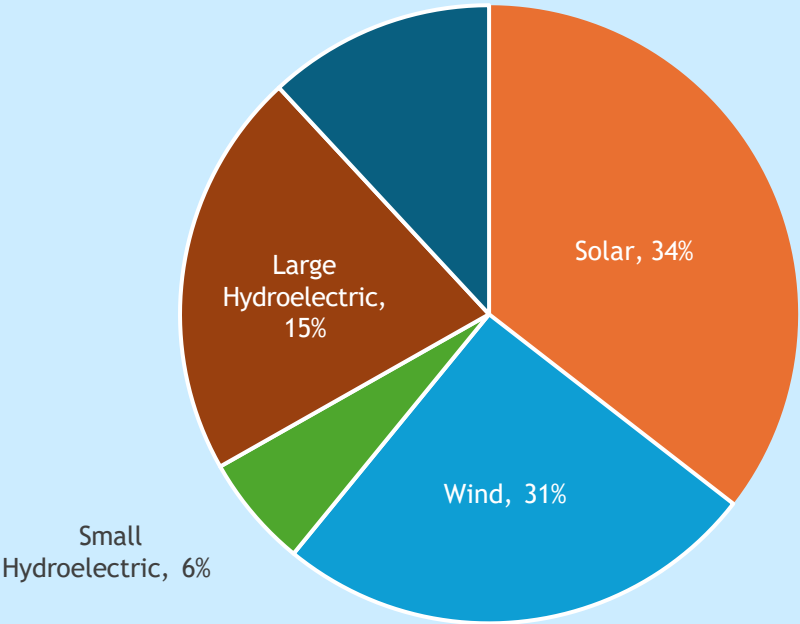


6. SUSTAINABILITY INITIATIVES

BART is committed to providing safe, affordable, equitable, and environmentally-friendly transit by reducing its environmental impact with the use of clean energy sources and promoting sustainable transit options. In 2024, the most recent year with data available, BART achieved a power supply that was 86% GHG-free while growing its total share of eligible renewable electricity to 71%. BART’s renewable power mix was comprised primarily of photovoltaic solar (34%) and wind (31%), supplemented by small hydroelectric resources (6%). Its remaining power was sourced from large hydroelectric generation (15%) and unspecified power purchased directly from the electric grid (14%).

64% of BART’s power was provided by its long-term Power Purchase Agreements with two renewable facilities in California: Slate Solar and Sky River Wind.

BART Energy Mix (2024)



The system’s trains are fully electric, and BART is upgrading lighting in stations and parking facilities to more energy efficient and brighter LED fixtures.

In 2024, BART riders collectively helped avoid over 600,000 pounds of CO2 emissions per weekday by choosing transit over driving and 25.1 lbs. of CO2 emissions avoided per average round trip. The system continues to innovate in sustainability with energy-efficient train designs, solar energy projects, and policies that encourage dense, mixed-use developments around stations. Going forward, BART is seeking to provide publicly accessible EV charging infrastructure to eventually serve up to 10% of parking spaces at 35 BART-managed station parking lots and garages, one park and ride, and five employee parking areas. BART plans to prioritize EV deployment at stations in or near disadvantaged communities.

For detailed information on BART’s sustainability work and energy mix, visit bart.gov/sustainability.

7. FY25 FINANCIAL PERFORMANCE

Condensed Statements of Revenues, Expenses and Change in Net Position¹

A summary of the District's Statements of Revenues, Expenses and Change in Net Position for the years 2025 and 2024 is as follows (dollar amounts in thousands):

	<u>2025</u>	<u>2024</u>	<u>Change</u>	
			<u>Increase (Decrease)</u>	<u>Amount</u>
			<u>Amount</u>	<u>Percent (%)</u>
Fare revenues	\$ 243,924	\$ 218,988	\$ 24,936	11.39
Other revenues	38,138	39,636	(1,498)	(3.78)
Operating revenues	282,062	258,624	23,438	9.06
Operating expenses, net	1,395,481	1,346,951	48,530	3.60
Operating loss	(1,113,419)	(1,088,327)	(25,092)	2.31
Nonoperating revenues, net				
Transactions and use tax - sales tax	317,276	320,133	(2,857)	(0.89)
Property tax	239,695	218,718	20,977	9.59
Operating financial assistance	192,539	320,534	(127,995)	(39.93)
Investment income	59,538	74,565	(15,027)	(20.15)
Interest expense	(99,280)	(98,036)	(1,244)	1.27
Planning and studies	(6,115)	(23,354)	17,239	(73.82)
Gain from exchange of property	-	29,436	(29,436)	100.00
Nonoperating revenues, net	703,653	841,996	(138,343)	(16.43)
Capital grants and contributions	882,190	655,790	226,400	34.52
Change in net position	472,424	409,459	62,965	15.38
Net position- beginning of year, as previously reported	8,652,807	8,243,348	409,459	4.97
Cumulative effect of a change in accounting principle	(15,486)	-	(15,486)	(100.00)
Net position, beginning of the year, as restated	8,637,321	8,243,348	393,973	4.78
Net position, end of year	\$ 9,109,745	\$ 8,652,807	\$ 456,938	5.28

Condensed Statements of Net Position

A comparison of the District's Statements of Net Position as of June 30, 2025, and 2024 is as follows (dollar amounts in thousands):

	<u>2025</u>	<u>2024</u>	<u>Amount</u>	<u>Percent</u>
Current assets	\$ 1,529,742	\$ 1,472,341	\$ 57,401	3.90
Capital assets, net	12,216,282	11,517,595	698,687	6.07
Noncurrent assets - other	411,851	592,718	(180,867)	(30.51)
Total assets	14,157,875	13,582,654	575,221	4.23
Deferred outflows of resources	345,432	392,459	(47,027)	(11.98)
Current liabilities	586,584	504,433	82,151	16.29
Noncurrent liabilities	4,536,003	4,557,744	(21,741)	(0.48)
Total liabilities	5,122,587	5,062,177	60,410	1.19
Deferred inflows of resources	270,975	260,129	10,846	4.17
Net position				
Net investment in capital assets	8,919,669	8,342,567	577,102	6.92
Restricted	75,501	199,070	(123,569)	(62.07)
Unrestricted (deficit)	114,575	111,170	3,405	3.06
Total net position	\$ 9,109,745	\$ 8,652,807	\$ 456,938	5.28

Discussion of Change in Net Position

Current Assets

In fiscal year 2025, current assets increased by \$57,401,000 primarily from: a) \$29,616,000 increase in government receivables due to timing in receiving payments for outstanding invoices and invoicing driven by project schedules; b) \$10,174,000 increase in other receivables mostly from \$7,799,000 increase in property tax receivables and \$1,712,000 increase in warranty receivables; and c) \$10,993,000 increase in materials and supplies inventory mostly from spare parts received for the new rail cars; and d) \$6,948,000 increase in cash, cash equivalents and investments.

Noncurrent Assets - Other

Noncurrent assets – other decreased in fiscal year 2025 by \$180,867,000 mainly due to a decrease in non-current restricted cash and investments. The decrease in non-current restricted cash and investments was attributable to: a) the decrease of \$196,863,000 in restricted cash and investments as project funds are expended from the remaining proceeds of the 2022 Measure RR General Obligation Bonds and 2019 Sales Tax Revenue Bonds; b) \$2,180,000 decrease in the Oakland Airport Connector's Capital Asset Replacement Program (CARP) Fund; and offset by c) \$19,317,000 increase in funds set aside for debt service payment of the District's outstanding Measure AA General Obligation Bonds, Measure RR General Obligation Bonds and Sales Tax Revenue Bonds.

Current Liabilities

Current liabilities increased in fiscal year 2025 by \$82,151,000 mostly from: a) \$49,281,000 net increase in Accounts Payable and Other Liabilities due to: 1) \$44,481,000 increase in payable to vendors and contractors due to timing in receipt and settlement of invoices; 2) \$3,947,000 increase in current liabilities related to salaries and benefits due to timing in payments and remittances of withholding taxes and other benefits, and accrual of Medicare taxes on leave balances associated with the implementation of Governmental Accounting Standards Board (GASB) 101 in the current fiscal year; 3) \$2,840,000 increase in current liabilities related to earned leave balances mostly from changes in accounting for earned sick leave; and offset by 4) \$1,987,000 decrease in interest payable primarily due to lower principal balances of outstanding bond obligations; b) \$4,260,000 net increase in current portion of long-term debt from \$95,325,000 reclassified from non-current liability, net of \$91,065,000 principal payments made in fiscal year 2025; c) \$10,460,000 increase in short term portion of the reserves for general liability and workers compensation self-insured programs; d) \$20,831,000 increase in unearned revenue principally from: 1) \$1,772,000 increase in deferred passenger fare and parking revenues; 2) \$4,036,000 increase in subsidies received in advance from Valley Transportation Authority (VTA) for capital contributions to the BART core system in accordance with the comprehensive agreement with VTA; and 3) \$13,830,000 net increase in current deferred revenues mostly from \$17,630,000 remaining unused portion of advance received from VTA to fund its portion of the cost of Rail Vehicles Procurement Phase 2 project offset by \$5,596,000 cash advances received in prior years from the State of California Department of Transportation (CalTrans) reclassified to non-current liabilities in fiscal year 2025 based on anticipated usage of the funds; and offset by e) \$2,604,000 decrease in current lease liability.

Noncurrent Liabilities

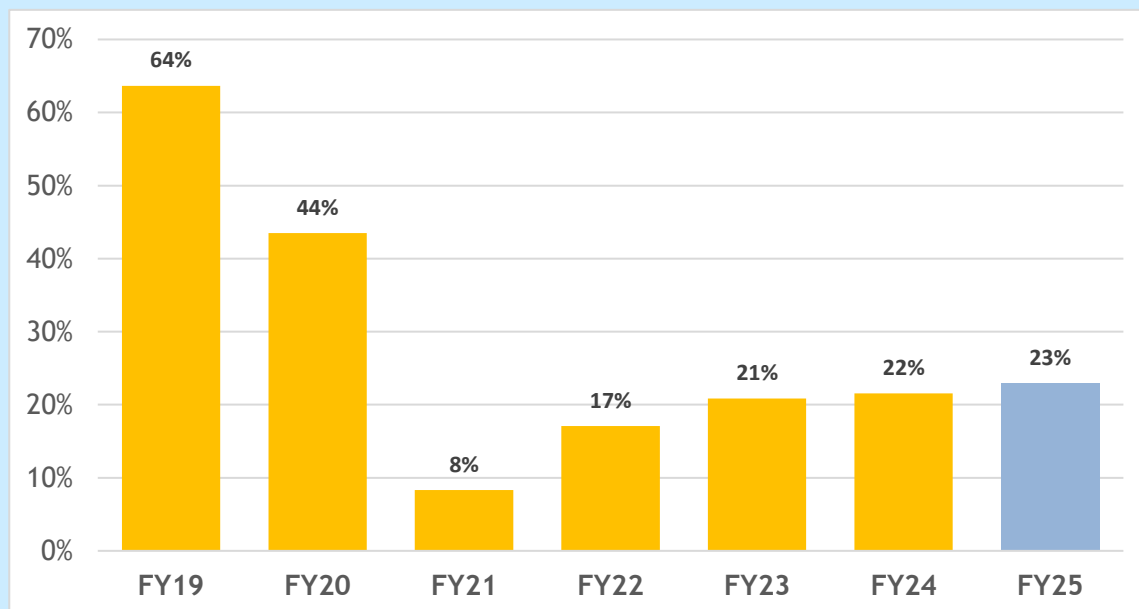
Noncurrent liabilities decreased in fiscal year 2025 by \$21,741,000 principally from the following factors: a) \$68,268,000 decrease in the balance of pension liability per GASB 68 actuarial valuation report primarily due to positive investment returns; b) \$1,348,000 decrease in the long term portion of unearned fiber optics revenue; c) \$3,867,000 decrease in lease obligations recognized under GASB 87; d) \$2,387,000 decrease in non-current portion of SBITA liability; e) \$1,363,000 decrease in long-term portion of liability related to the loan from PG&E from principal payments made; and offset by: f) \$32,803,000 increased in long-term debt from: 1) \$153,391,000 increase due to acquisition of \$150,00,000 new Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from the U.S. Department of Transportation in January 2025 and from accrual of the associated \$3,391,000 interest expense incurred through June 30, 2025, which were capitalized and added to the principal balance of the loan in accordance with the TIFIA agreement; offset by 2) \$95,325,000 decrease in outstanding sales tax revenue bonds and general obligation bonds for current portion reclassified to current liabilities in fiscal year 2025; and 3) decrease of \$25,263,000 in premium on bonds payable associated with the annual amortization of premiums on all outstanding bonds; g) \$6,272,000 increase in non-current unearned revenues mostly from cash advances received from CalTrans in prior years reclassified as long-term liability based on projected utilization of the funds; h) \$15,332,000 increase in Accounts Payable and Other Liabilities mostly from increase in the value of unused earned sick leave due to implementation of GASB 101, and from timing when leave credits were earned and taken; and i) net increase of \$760,000 in Other Post Employment Benefit obligation per GASB 74-75 actuarial valuation reports due to: 1) \$17,971,000 increase in unfunded liability for the retiree health medical program principally from changes in assumptions related to medical trend, medical plan selection and election rate; offset by: 2) \$9,886,000 decrease in unfunded liability for the survivors benefit program mostly due to changes in assumptions related to discount rates, spouse coverage for current retirees and medical trends; and 3) \$7,325,000 decrease in unfunded liability for the retiree life insurance program due to changes in salary increase assumptions and discount rate.

Operating Revenue

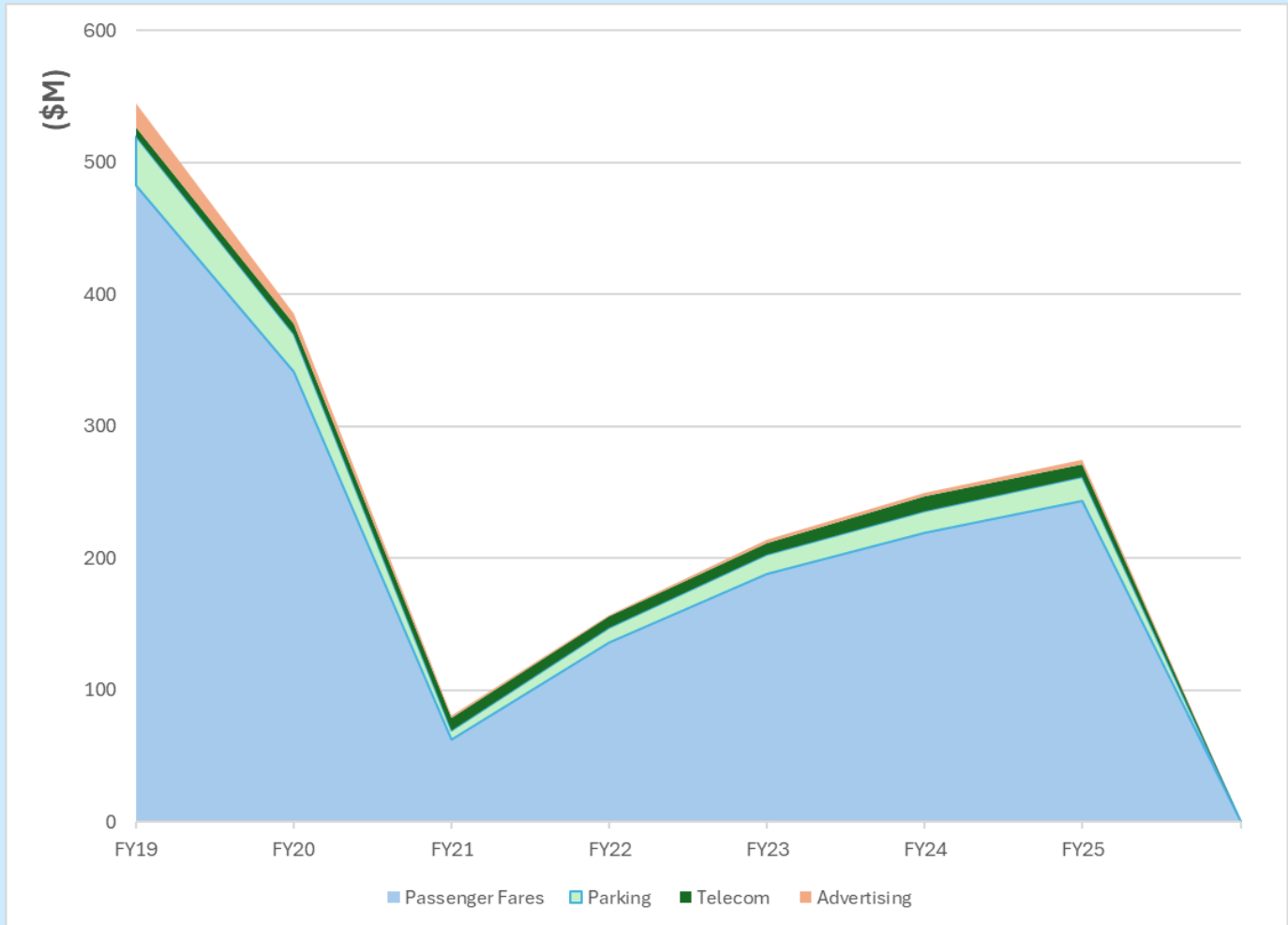
BART's revenues are comprised of self-generated funds such as passenger fare revenue, parking revenue, interest income, miscellaneous revenues and federal, state and local financial assistance. Operating revenue also consists of a share of sales tax revenue in BART District counties BART also receives property tax revenues in BART District counties to support operations and outstanding debts (Measure AA and RR bonds)

The pandemic significantly impacted BART's financial structure. Before the COVID-19 pandemic, fare revenue covered 64% of BART's operating expenses; in FY25, with much lower ridership, only 23% of operating costs were covered by fares. The FY25 results show an 11.39% increase in fare revenue, reflecting the uptick in ridership, albeit inadequate to fully sustain the District. This has created an ongoing structural financial deficit, severely impacting BART's long-term ability to deliver high quality transit service the Bay Area relies on. Since 2020, operating budget deficits have been closed with nearly \$2 billion in federal, state, and regional emergency assistance funding. The charts below illustrate these changes and their impact on BART's funding mix.

Fare Revenue As a Share of Operating Costs (Pre-Pandemic to FY25)



Operating Revenue by type



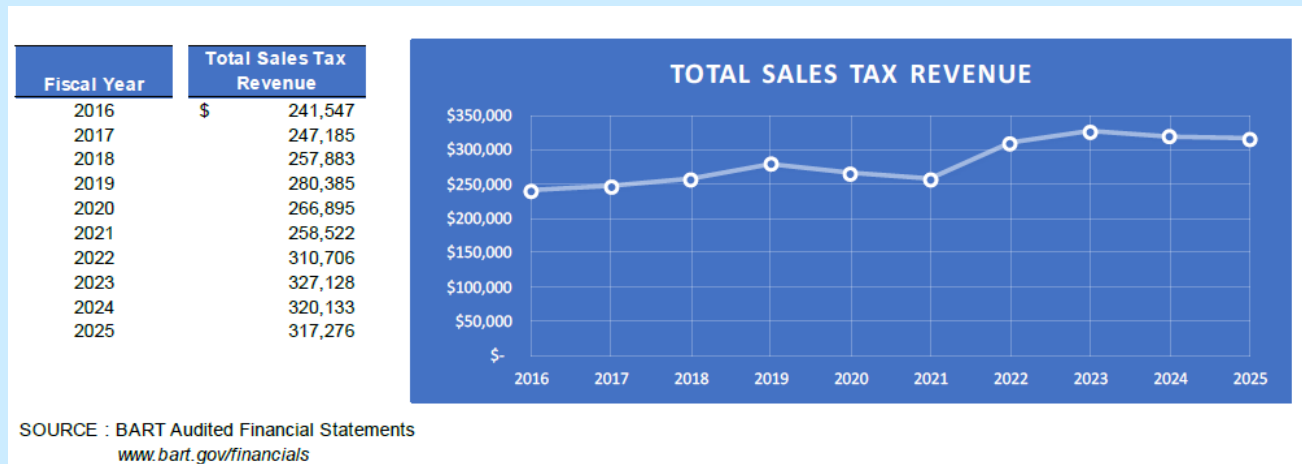
In FY25, BART's total operating revenue increased by \$23.4M from FY24, primarily due to passenger fare increases, reflecting higher-than-expected ridership recovery post-pandemic. Additionally, revenues from parking increased, coming in \$1.1M above FY24.

Fiscal Year	Passenger Fares	Parking Revenue	Advertising Revenue	Telecom Revenue	Non-Transportation Revenue	Other Agency Revenues	Total
2016	\$ 489,583	\$ 33,543	\$ 9,126	\$ 7,793	\$ 1,704	\$ 4,052	\$ 545,800
2017	485,674	35,110	9,707	7,647	4,306	4,656	547,100
2018	481,783	36,164	11,480	7,452	4,021	5,714	546,614
2019	482,644	37,015	17,852	7,104	4,020	6,050	554,684
2020	341,587	28,212	8,159	7,890	4,174	4,912	394,934
2021	62,528	7,183	1,619	9,531	5,126	4,522	90,509
2022	135,818	11,592	1,132	8,252	7,192	2,126	166,112
2023	187,806	14,219	3,332	8,624	4,832	2,867	221,680
2024	218,988	17,016	2,299	10,892	6,454	2,974	258,624
2025	243,924	18,083	3,627	9,207	5,197	2,024	282,062

SOURCE : BART Audited Financial Statements
www.bart.gov/financials

Financial Assistance Revenue

In FY25, the largest single source of financial assistance comes from sales tax revenue, which decreased slightly between FY24 and FY25. BART receives a dedicated 75% share of a one-half cent sales tax levied in the three BART District counties (San Francisco, Alameda, and Contra Costa). Per AB 1107 (1977) and AB 842 (1979), the remaining 25% may be allocated by the Metropolitan Transportation Commission (MTC) to BART, the San Francisco Municipal Transportation Agency (SFMTA), and/or AC Transit. Since 1987, MTC has chosen to split the remaining 25%, currently about \$104M annually, equally between AC Transit and SFMTA. Sales tax is expected to remain BART's largest ongoing revenue source for operations in the near term.



FY25 Operating Expenses

In fiscal year 2025, net operating expenses increased by \$48.5M compared to the previous year. Operating labor, BART's biggest expense, increased by \$15.8M in FY25, driven largely by wage and benefit cost increases that were necessary to recruit qualified employees as well as a number of fiscal year-end adjustments. Overtime and recoveries from other funding sources (primarily from BART staff working on capital-funded projects) also contributed to increased spending year over year. Unexpected liability reserve deposits required by a revised actuarial valuation also contributed to higher spending.

Non-labor expense increased by \$32.8M in fiscal year 2025 mostly from the following factors mainly increase in depreciation and amortization expense as new assets are placed in service, including the new rail cars and increase in professional and technical services. However, some expenses came in significantly lower to provide offsets. \$6.5M decrease in uninsured public liability insurance claims; decrease of \$1.3M in system repairs and maintenance, \$3.8M decrease in bank and interchange fees and \$2.7M decrease in cost for traction power due to lower energy supply costs from higher hydroelectric generation across the state.

Outstanding Debt

BART carries different types of debt including general obligation bonds backed by voter-approved property and sales tax measures. These are used to fund capital projects like new cars, upgrades, and extensions. BART's various bonds and debt service obligations are outlined in detail on pages 61 to 77 of the Annual Comprehensive Financial Report (ACFR), Adopted Budget Manual (ABM), on BART's financials page: bart.gov/financials.

San Francisco Bay Area Rapid Transit District
Reconciliation of Operating Results between Audited Financial Statements and Operating Budget
For the Fiscal Year Ended June 30, 2025

	<u>Total Per Audit Report</u>	<u>Budgetary Adjustments</u>	<u>Actual Results Per Operating Budget</u>
Sources of Funds			
Operating and Non Operating Revenue			
Fares	\$ 243,923,945		\$ 243,923,945
Other Operating Revenues	38,138,544	\$ 477,436 a	38,615,980
Investment Income	59,537,692	(16,880,476) c	37,051,630
		(2,747,352) a	
		(123,505) d	
		(2,734,729) k	
Total Operating and Non Operating Revenue			319,591,556
Transactions and Use Tax - Sales Tax	317,276,070		317,276,070
Property Tax	239,695,008	(173,106,774) b	66,588,234
Operating Financial Assistance	192,539,138	(5,948,151) d	
Total Operating Financial Assistance		(186,590,986) m	
STA Financial Assistance		36,038,305 m	36,038,305
VTA Financial Assistance		46,142,421 m	46,142,421
Other Financial Assistance		46,198,765 m	46,198,765
SB125 - Emergency Assistance		58,211,496 m	58,211,496
Capital Contributions	882,189,568	(882,189,568) e	-
Total Sources of Funds for Operations	<u>1,973,299,965</u>		<u>\$ 890,046,847</u>
Uses of Funds			
Operating Expenses Excluding Depreciation	1,045,125,079	8,368,114 f	
		8,001,761 a	
Total Operating Expenses Excluding Depreciation		(1,061,494,954) m	
Labor Expense		801,997,760 m	801,997,760
Non-Labor Expense		259,497,194 m	259,497,194
Depreciation and amortization	350,356,363	(350,356,363) g	-
Planning & Studies Expense	6,114,854	(6,114,854) h	-
Interest Expense	99,279,952	(97,281,857) i	(0.0)
		(1,998,095) a	
Other Operating Sources (Uses)			
Debt Service Allocations		60,163,276 j	60,163,276
Allocations to Capital & Other			
Allocations to Capital		3,413,932 j	
Other Allocations		21,180,526 j	24,594,458
Operating Reserve Allocation - ARPA		(273,823,913) L	(273,823,913)
Operating Reserve Allocation - SB125		17,618,072 L	17,618,072
Total Uses of Funds	<u>1,500,876,247</u>		<u>\$ 890,046,847</u>
Excess of Revenues Over Expenditures	472,423,717		
Fund Balances - Beginning of Year	8,652,807,101		
Prior Period Adjustment	(15,486,151)		
Fund Balances - End of Year	<u>\$ 9,109,744,667</u>		

a GASB adjustments related to leases , SBITA and Public Private Partnership (PPP) arrangements.

b Property tax received for debt service of General Obligation Bonds.

c Interest Income from non-operating sources mostly from unspent bond proceeds and from funds set aside for debt service.

d Non Cash related sources/uses not accounted for in the General Fund for budgeting purposes.

e Non-operating grants revenues.

f GASB adjustments related to pension and other post employment obligations.

g Depreciation and right of use amortization expense for leases and SBITA presented in financial statements as part of depreciation; these expenses are not accounted for in the General Fund as operating expense for budgeting purposes.

h Considered as non-operating expense.

i Interest expense associated with sales tax revenue bonds, general obligation bonds, and TIFIA Loan.

j These are budgetary sources and uses recognized only in the General Fund.

k Investment Income from Section 115 Pension Trust excluded from operating sources in the EDD.

L Reclassify presentation of Utilization of Operating Reserves from the Emergency Assistance.

m Redistribution of total.

Balanced Budget in FY25, Deficit in FY26

BART has been fortunate to receive nearly \$2.0 billion in federal, state, and regional emergency assistance since the start of the pandemic. BART used the last of its federal emergency assistance (ARPA) in FY25, \$273m, and \$17.6m of last installment of State Emergency Assistance (SB125). When SB 125 passed, its intent was to help Bay Area operators eliminate deficits through FY26. Current budget projects to expend the last of its Senate Bill (SB) 125 state and regional emergency assistance in FY26. BART has managed to stretch the federal and state resources for as many years due to fiscal conservative and instituting additional efficiencies in its management practices.

Looking ahead to FY27

At this time, no SB 125 assistance is projected to be available in FY27, when BART faces a \$376M projected deficit. Emergency assistance is used as the last revenue to balance BART's operating deficit; it covers expenses in excess of the current operating revenue and financial assistance sources.

To address the structural deficit, BART is working with the region's transit operators, the MTC, and other stakeholders to pursue funding to address transit's financial challenges. While a permanent funding source is being pursued, BART is working proactively to contain costs and generate new revenues. These strategies will not close the structural deficit but will help stabilize BART's financial position while enhancing the rider experience.

BART will be almost halfway through FY27 when the results of an anticipated regional revenue measure slated for voters in November 2026 will be known. To help navigate this uncertainty, BART is proactively working to further reduce spending by \$20 million in FY27. These spending reductions will avoid cuts in service and negative impacts to the passenger experience. Additionally, BART is developing two separate budgets for FY27. The first will assume successful passage of a regional tax measure while the second assumes new revenues are not secured.

For detailed, up to date information on BART's finances and efforts to secure a permanent funding source, visit bart.gov/financials.



8. STRATEGIC PRIORITIES

The BART Strategic Plan Framework (BSPF) documents BART's organizational objectives, including its vision, mission, goals, and strategies. Given the vastly different and uncertain operating environment post-Pandemic and due to changing travel patterns, BART must be nimble and respond to shifting priorities. As such, executives from across BART collaborated to identify key BART initiatives over the FY24-FY25 period and focused on three priority areas to guide the work during that time. The three priority areas are: Financial Stability, Rider Experience, and On Track for the Future

BART's Two-Year Action Plans connect departmental activities with the three priorities as well as to the BSPF goals and strategies while outlining key sub-activities with specific milestones. These actions are cross functional in nature; therefore, activities are grouped and reported on by priority area. Each activity is owned by at least one department, which provides guidance to ensure the activity and the BSPF Strategy is successfully advanced. The Two-Year Action Plans provide transparency on department activities, communicates progress made toward advancing the BSPF, and positions BART to begin to assess risks to accomplishing organizational objectives.

Financial Stability: Respond to the financial challenges from changes in travel patterns (as the result of the COVID-19 Pandemic and remote work) by developing a nimble operating plan, advancing, and implementing efficiencies, managing expenses, and increasing revenue where feasible. In addition to controlling costs, BART will continue to pursue regional, state, and federal funding to fill the operating gap and to secure funding for capital commitments. Further, BART will explore alternative financing strategies for the capital program.

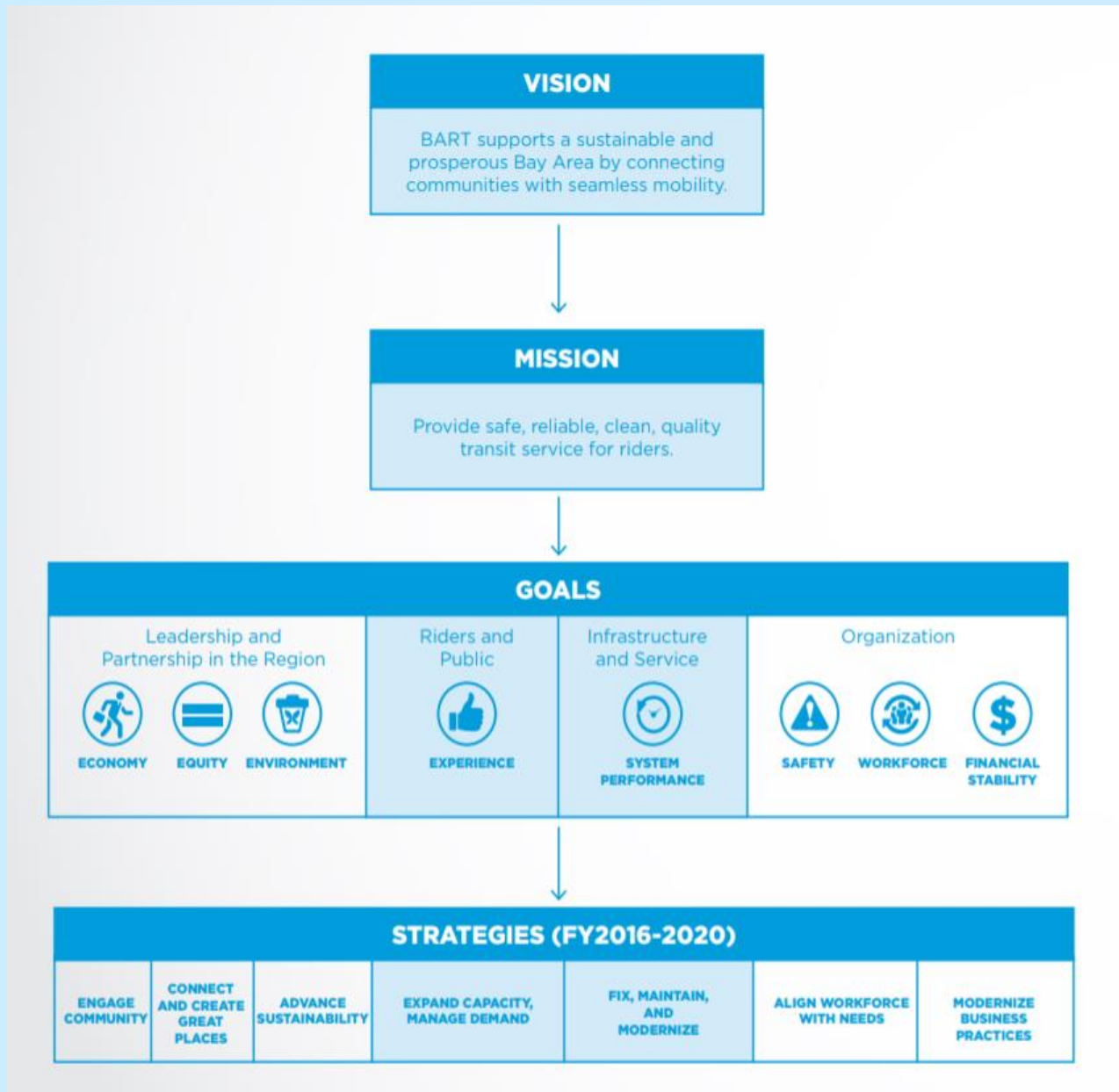
Rider Experience: Critical to BART's vision, mission, and recovery from the impacts of the COVID-19 Pandemic is continuous improvement of the rider experience to grow ridership and build confidence in transit. BART will continue to undertake critical activities to get people back on transit by providing a welcoming customer experience with a renewed focus on better serving transit-dependent riders, encouraging discretionary trips, improving communication to our riders and the public, and proactively developing relationships with youth and young adults who are the next generation of riders.

On Track for the Future: BART will stay on-track for the future by implementing critical capital projects that will increase capacity and improve reliability, and by continuing to take a leadership role on issues critical to the region and community, including sustainability and equity.

2-Year Action Plan Alignment with BART Strategic Plan Goals

Each year the annual operating budget is aligned with BART'S Strategic Plan Framework, the most recent iteration of which was adopted by the Board of Directors in 2015. This section outlines the agency's vision, mission, goals, and short-term strategies to achieve these goals. An overview of the framework, our goal areas and key performance measures is provided below.

Strategic Plan Framework



Goal Areas

The eight strategic plan goal areas are as follows:

Leadership & Partnership in the Region

1. Economy: Contribute to the region's global competitiveness and create economic opportunities.
2. Equity: Provide equitable delivery of transit service, policies, and programs.
3. Environment: Advance regional sustainability and public health outcomes.

Riders & Public

4. Experience: Engage the public and provide quality customer experience.

Infrastructure & Service

5. System Performance: Optimize and maintain system performance to provide reliable, safe, cost-effective, and customer-focused service.

Organization

6. Safety: Evolve to a premier safety culture for our workers, riders, and the public.
7. Workforce: Invest in our current and future employees' development, wellness, and diversity.
8. Financial Stability: Ensure BART's revenues and investments support a sustainable and resilient system.

Priorities, Strategies & Work Plan Activities

The COVID-19 pandemic that began March 2020 and subsequent acceleration of remote work trends have changed travel patterns such that BART continues to face reduced ridership and funding uncertainty. In this context, BART has developed Two-Year Action Plans that identify key initiatives focused on three priority areas:

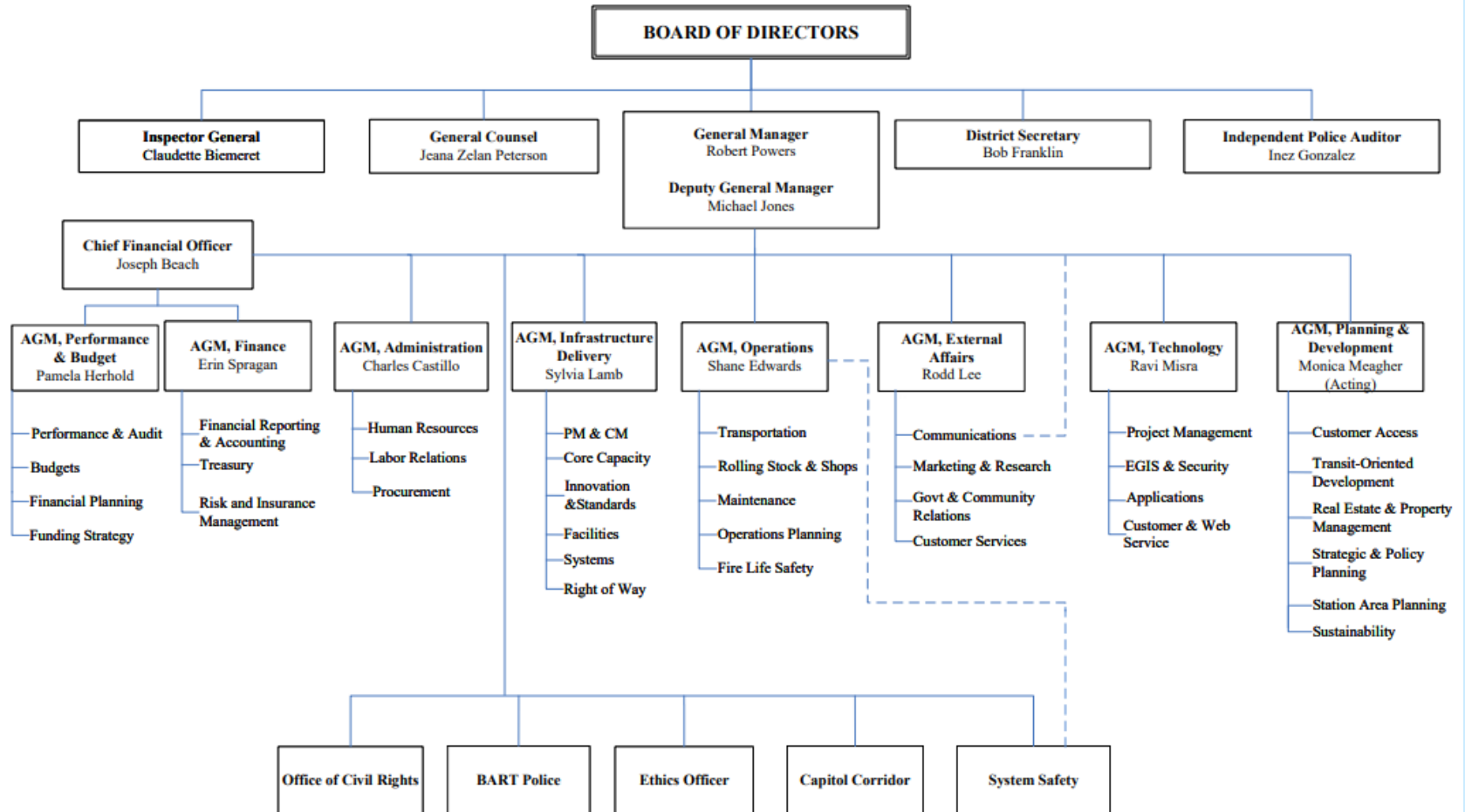
- **Financial Stability:** Establishing financial stability is central to the District's near and long-term success and underpins the District's ability to deliver on all initiatives. This work includes implementing a sustainable funding strategy identifying cost savings and efficiencies and generating additional revenue.
- **Rider Experience:** Central to BART's vision, mission, and ridership growth is to deliver an excellent customer experience, which also builds confidence in BART and helps grow ridership. This work includes initiatives to improve service, reliability and cleanliness, increase safety and security, deliver a capital program that improves the rider experience, activation, engagement and outreach, public communications, addressing homelessness and connecting to social services, improving access. Ridership development and regional coordination.
- **On Track for the Future:** Continue to run a world class organization by developing a strong and stable workforce and advancing process improvement and data driven decision making. Continue to advance core programs such as transit-oriented development, facility and ROW improvements, safety and emergency preparedness, ensuring rail car reliability, support of small businesses, and sustainability.

Activities and milestones in the Two-Year Action Plan activities support the three priority areas in addition to continuing progress on the Strategic Plan Framework goals. The Plans, summarized below by priority area, focus on a limited number of key activities that define BART's strategic work in the near-term, and are available at

bart.gov/about/planning/strategic/action-plan.¹

¹ As independent oversight offices, the Office of the Inspector General and the Office of the Independent Police Auditor develop workplans independently from implementation of the strategic plan and current District priorities and therefore are not included within the Two-Year Action Plans.

SAN FRANCISCO BAY AREA RAPID TRANSIT ORGANIZATION CHART



INTERESTED IN LEARNING MORE?

BART maintains multiple regularly updated resources online to keep riders, employees, members of the public, and other stakeholders informed.

Financial resources, including BART's Annual Comprehensive Financial Report (ACFR), Adopted Budget Manual (ABM), Capital Investment Plan (CIP), quarterly financial reports, bond statements, and other presentations are available on BART's financials page: bart.gov/financials.

Information on the BART system, facts & figures, and its history are available at bart.gov/about. BART's

Sustainability progress and information is available at bart.gov/sustainability.

Information about the Board of Directors, board meetings, and public comment opportunities is available at bart.gov/about/bod.

Information on fares, discount programs, and Clipper is available at bart.gov/tickets.

Trip planning assistance is available through the BART app, www.bart.gov or the BART Transit Information Center, which is open 8:00 am to 6:00 pm PST, Monday–Friday excluding most holidays.

BART Transit Information Center
Monday through Friday
8:00am to 6:00pm PST
(excluding most holidays)

(510) 465-2278
barttic@bart.gov

BART maintains a Customer Service Center at the Lake Merritt Station, where members of the public can purchase and add value to fare media including Senior and Youth Clipper cards and Clipper RTC discount cards and buy selected BART merchandise.

BART Customer Service Center
Monday through Friday
8:30am to 4:45pm PST
(excluding all observed holidays)

Lake Merritt Station
(concourse level)
800 Madison Street
Oakland, CA 94607
(510) 464-7133

The Customer Services Center has a sales window in both the free and paid areas.

Interested in buying BART merchandise but are not available to stop by the sales window at Lake Merritt Station? Visit railgoods.com for a variety of BART and Capitol Corridor clothing and gifts including t-shirts, hats, socks, kid's items, and more.

BART media, news, upcoming events, contests, and other fun stuff are available at bart.gov/news. Follow BART on Twitter at twitter.com/sfbart and on Instagram at [SFBART](https://www.instagram.com/SFBART)



