



FY25 Year End Financial Report

BART Board of Directors

October 9, 2025



Executive Summary

- BART finished FY25 requiring \$314.4M in emergency assistance
 - \$13.8M less than assumed in the adopted FY25 budget
- Both revenues and expense finished the year above budget
 - Positive revenue variance driven by passenger fares, investment income, and local assistance, partially offset by lower than budget state assistance and other operating income
 - Labor expense was above budget, driven by overtime and lower-than-expected capital reimbursements, partially offset by under budget non-labor spending
- While BART's operating outlook remains uncertain, BART has maintained a positive financial position with reserves and trusts
 - Continued progress paying down retirement-related liabilities
 - Cash and reserves remain robust

Agenda

Budget to actuals:

- FY25 operating budget to actuals and year-end projection
 - Sources
 - Uses
 - Net Result
- Emergency assistance to BART

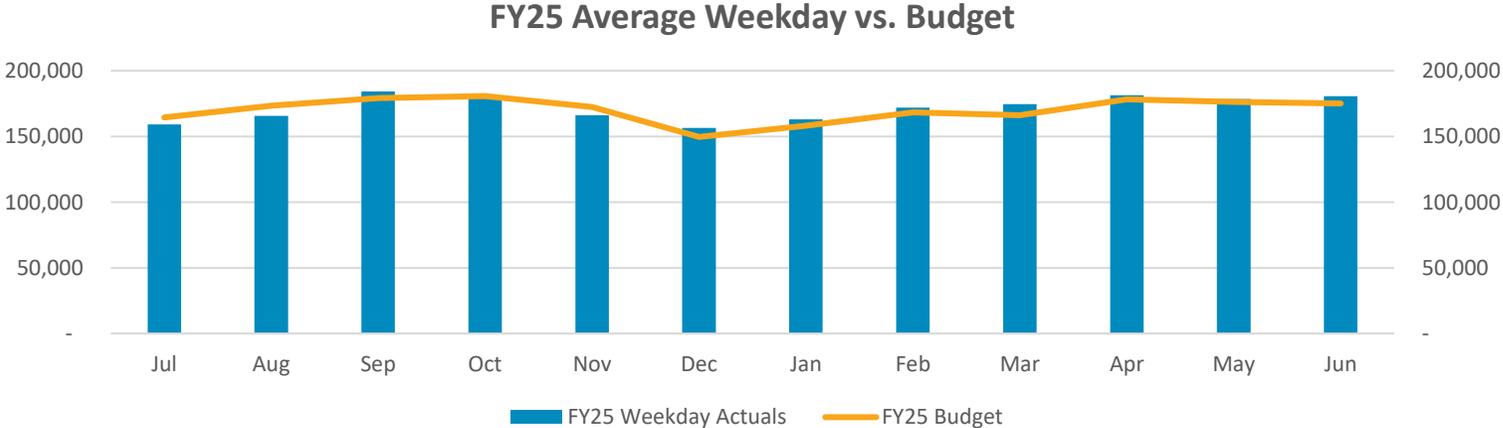
Financial position:

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

FY25 Ridership Review

FY25 Ridership Comparison		
	vs FY24	vs Budget
Weekday	+5.9%	1.0%
Saturday	+9.9%	4.8%
Sunday	+9.5%	3.1%
Total	+6.3%	1.9%

- FY25 totaled 52.7M trips:
 - 6.3% higher than FY24
 - 1.9% above budget
- Ridership was particularly robust in the 2nd half of the fiscal year (Jan-June), at 8.3% above 2024 and 3.8% above budget
- Clipper START trips doubled between FY24 and FY25



FY25 Net Operating Sources

(\$ Millions)	Q4 Budget	Q4 Actuals	Q4 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Q3 YE Forecast
<u>Operating Revenue</u>								
Net Passenger Revenue	63.9	67.7	3.8	235.7	243.9	8.2	3.5%	240.4
Parking Revenue	4.1	4.8	0.7	16.5	18.1	1.6	9.8%	17.9
Other Operating Revenue	6.0	5.1	(0.9)	21.9	20.5	(1.3)	-6.1%	22.6
Total Net Operating Revenue	73.9	77.6	3.6	274.1	282.5	8.5	3.1%	280.9
Non Operating Revenue - Investment Income	4.7	8.5	3.8	23.5	37.1	13.6	57.9%	33.2
Total Non Operating Revenue	4.7	8.5	3.8	23.5	37.1	13.6	57.9%	33.2
Total Revenue	78.6	86.1	7.5	297.5	319.6	22.1	7.4%	314.1
<u>Financial Assistance</u>								
Sales Tax	76.9	77.2	0.3	320.3	317.3	(3.0)	-0.9%	311.9
Property Tax	30.9	28.8	(2.1)	64.3	66.6	2.3	3.6%	66.9
State Transit Assistance	4.4	22.8	18.3	48.8	36.0	(12.7)	-26.1%	49.2
VTA Financial Assistance	8.8	18.8	10.0	35.2	46.1	11.0	31.2%	36.0
Other Assistance, Net of Emergency Assistance	5.2	12.9	7.7	31.8	46.2	14.4	45.4%	36.4
Total Financial Assistance	126.3	160.5	34.2	500.3	512.2	11.9	2.4%	500.3
Total Operating Sources	204.9	246.6	41.7	797.8	831.8	34.0	4.3%	814.4

FY25 Net Operating Uses

(\$ Millions)	Q4 Budget	Q4 Actuals	Q4 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Q3 YE Forecast
<u>Operating Expense</u>								
Gross Wages, Fringe & Other Labor	212.6	206.5	6.1	874.9	861.1	13.8	1.6%	868.8
Capital Reimbursements - Labor & Fringe	(37.3)	(29.6)	(7.80)	(151.3)	(125.2)	(26.1)	-17.2%	-135.8
Subtotal - Net Operating Labor & Fringe	175.3	177.0	(1.7)	723.6	735.9	(12.3)	-1.7%	733.0
Gross Overtime	19.3	22.8	(3.6)	77.0	89.4	(12.4)	-16.1%	88.3
Capital Reimbursements - Overtime	(5.0)	(7.1)	2.1	(20.0)	(23.3)	3.3	16.6%	-24.8
Subtotal - Net Operating Overtime	14.3	15.7	(1.4)	57.0	66.1	(9.1)	-15.9%	63.5
Total Operating Labor	189.5	192.7	(3.1)	780.6	802.0	(21.3)	-2.7%	796.5
Electric Power	15.1	13.4	1.8	61.6	53.7	7.9	12.9%	58.6
Purchased Transportation	7.8	7.6	0.1	31.1	30.1	1.0	3.3%	31.8
Other Non Labor	39.3	68.0	(28.7)	160.5	175.7	(15.2)	-9.5%	146.2
Total Non Labor	62.2	89.0	(26.8)	253.2	259.5	(6.3)	-2.5%	236.6
Total Operating Expense	251.8	281.7	(29.9)	1,033.9	1,061.5	(27.6)	-2.7%	1,033.1
<u>Debt Service and Allocations</u>								
Debt Service	15.0	15.0	0.0	60.2	60.2	0.0	0.0%	60.2
Capital and Other Allocations, Net of Emergency Assistance	8.0	4.2	3.8	32.0	24.6	7.4	23.2%	32.0
Total Debt Service and Allocations	23.0	19.3	3.8	92.2	84.8	7.4	8.1%	92.2
Total Operating Uses	274.8	301.0	(26.2)	1,126.1	1,146.3	(20.2)	-1.8%	1,125.3

FY25 Net Operating Result

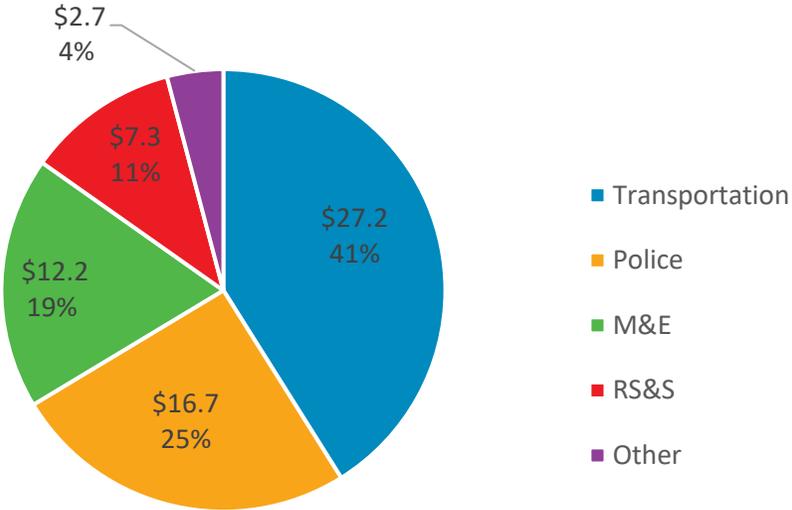
(\$ Millions)

	Q4 Budget	Q4 Actuals	Q4 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Q3 YE Forecast
Operating Revenue								
Total Operating Revenue	78.6	86.1	7.5	297.5	319.6	22.1	7.4%	314.1
Total Financial Assistance	126.3	160.5	34.2	500.3	512.2	11.9	2.4%	500.3
Total Operating Sources	204.9	246.6	41.7	797.8	831.8	34.0	4.3%	814.4
Operating Expense								
Total Operating Labor	189.5	192.7	(3.1)	780.6	802.0	(21.3)	-2.7%	796.5
Total Non Labor	62.2	89.0	(26.8)	253.2	259.5	(6.3)	-2.5%	236.6
Total Debt Service and Allocations	23.0	19.3	3.8	92.2	84.8	7.4	8.1%	92.2
Total Operating Uses	274.8	301.0	(26.2)	1,126.1	1,146.3	(20.2)	-1.8%	1,125.3
Net Operating Result Before Emergency Assistance	(69.9)	(54.4)	15.5	(328.2)	(314.4)	13.8	4.2%	(310.9)
Federal Emergency Assistance Applied	11.9	13.8	1.9	270.2	273.8	3.6	1.3%	270.2
SB125 Emergency Assistance Applied	58.0	40.6	(17.4)	58.0	40.6	(17.4)	-30.0%	40.7
Net Operating Result After Emergency Assistance	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0%	0

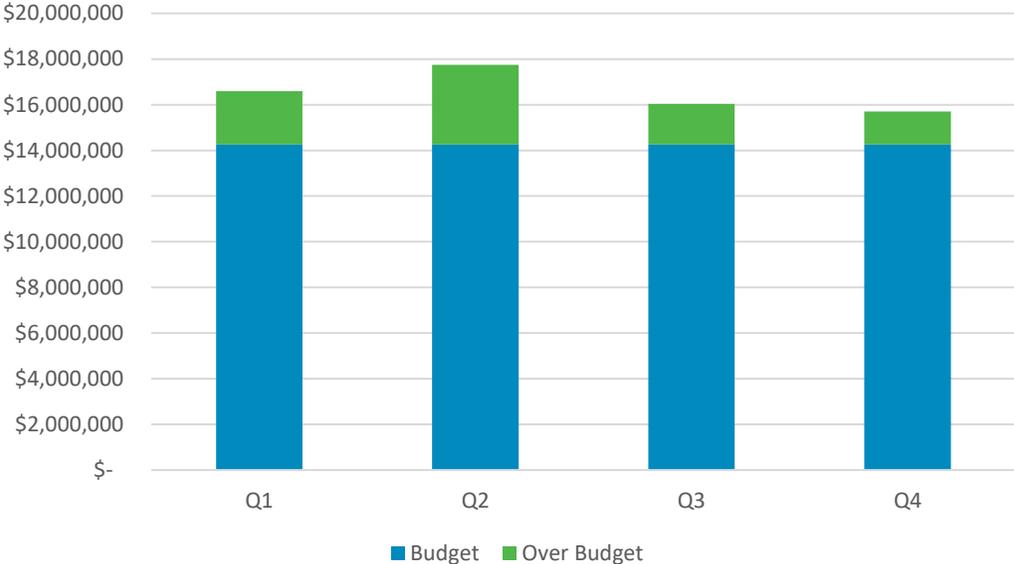
- In FY25, BART used a total of \$314.4M in emergency assistance to make up the difference between operating revenues and expense, \$13.8M less than the \$328.2M assumed in the Adopted FY25 Operating Budget.
- The Adopted FY26 Operating Budget assumes an additional \$3.5M in emergency assistance would be carried forward.

FY25 Operating Overtime

FY25 Operating Overtime by Department (\$ millions)



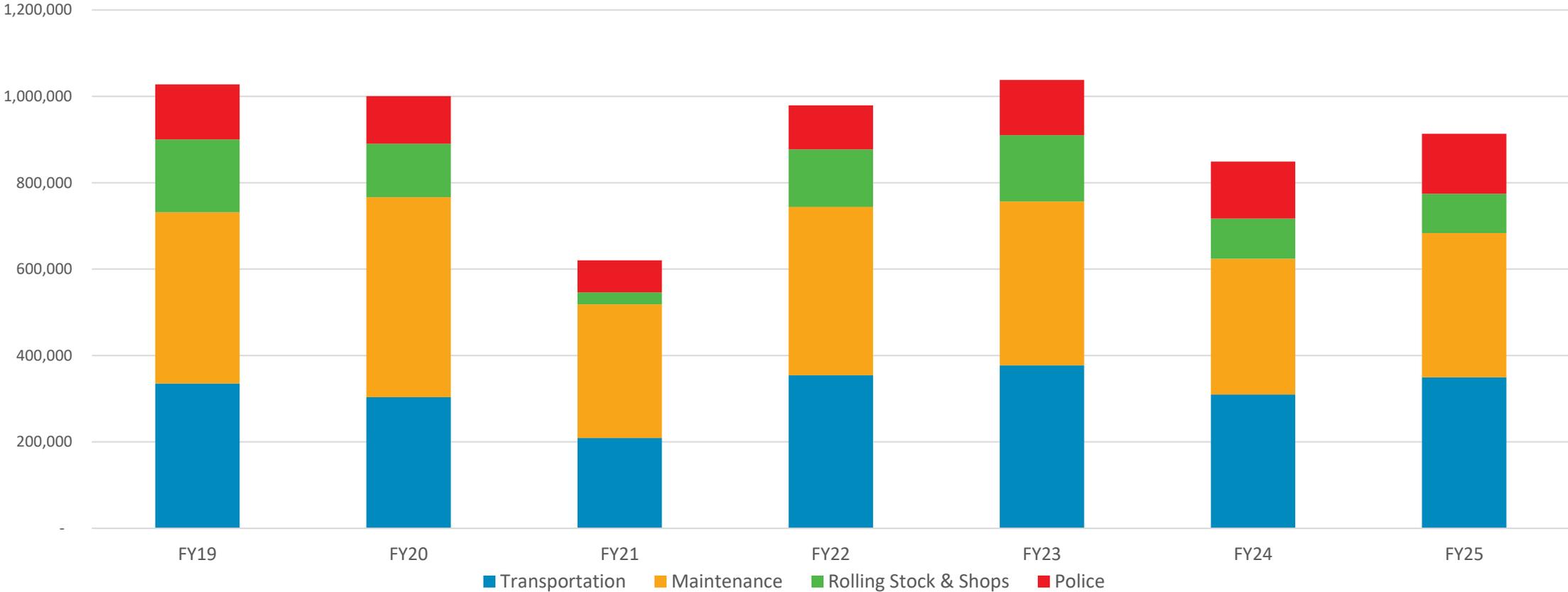
FY25 Operating Overtime by Quarter



- Most of BART’s overtime spending is generated within Transportation, Police, Maintenance, and Rolling Stock & Shops
- Q2 (October – December) is historically the quarter with the highest overtime use
- Changes to State sick leave regulations (SB 616) effective January 1, 2024 may be driving increased sick leave utilization, resulting in additional shifts requiring overtime backfills



Gross Overtime Hours: FY19 through FY25



- Overtime dropped significantly during COVID when BART reduced service: April 2020 – July 2021
- Highest use years were in FY20 before COVID (400+k passengers a day) and in late FY22 and FY23 when BART struggled to fill shifts due to lower staffing
- Hiring surge in Transportation reduced overtime in FY24, but hours were higher in FY25



Emergency Assistance Used by BART as of June 30, 2025

Expenditures (\$M) - applied to offset incurred expenses as of 6/30/25	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	274	853
SB 125 State and Regional Assistance	0	0	0	0	0	41	41
<i>Subtotal - all expenditures</i>	<i>120</i>	<i>298</i>	<i>287</i>	<i>316</i>	<i>314</i>	<i>314</i>	<i>1,649</i>

Remaining emergency assistance for FY26: 311

BART received \$58M in SB 125 funds in FY25. An additional \$224M was received in July 2025; the remaining \$70M of the full \$352M in planned funding is expected by the end of FY26.

\$311M in emergency funding is available to BART in FY26; this number is \$3.8M less than assumed in the adopted FY26 operating budget.

*Federal emergency assistance glossary:
 CARES: Coronavirus Aid, Relief, and Economic Security Act of 2020
 CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act of 2021
 ARPA: American Recovery Plan Act of 2021*



FY25 Capital Budget and Expenditure by Program

Category (\$M)	FY25 Planned	FY25 Q1 Actual	FY25 Q2 Actual	FY25 Q3 Actual	FY25 Q4 Actual	FY25 Actual	YTD %
System Reinvestment	251	69	75	78	62	283	113%
Service & Capacity Enhancement	961	99	169	209	272	749	78%
Safety & Security	4	1	1	2	2	7	191%
Resiliency	12	2	1	0	13	16	129%
System Development	16	2	3	3	1	8	52%
Total Expenditure	1,244	173	250	291	349	1,063	85%

- Actual capital expenditures in FY25 rose by roughly 10% over FY24 (\$1.1B vs. \$982M). By contrast, the FY25 capital budget was approx. 16% lower than in FY24 (\$1.2B vs. \$1.5B), due to more rigorous cost forecasting and cashflow management
- The variance between budget and actuals narrowed in FY25, underscoring effective cost management and alignment with project delivery targets

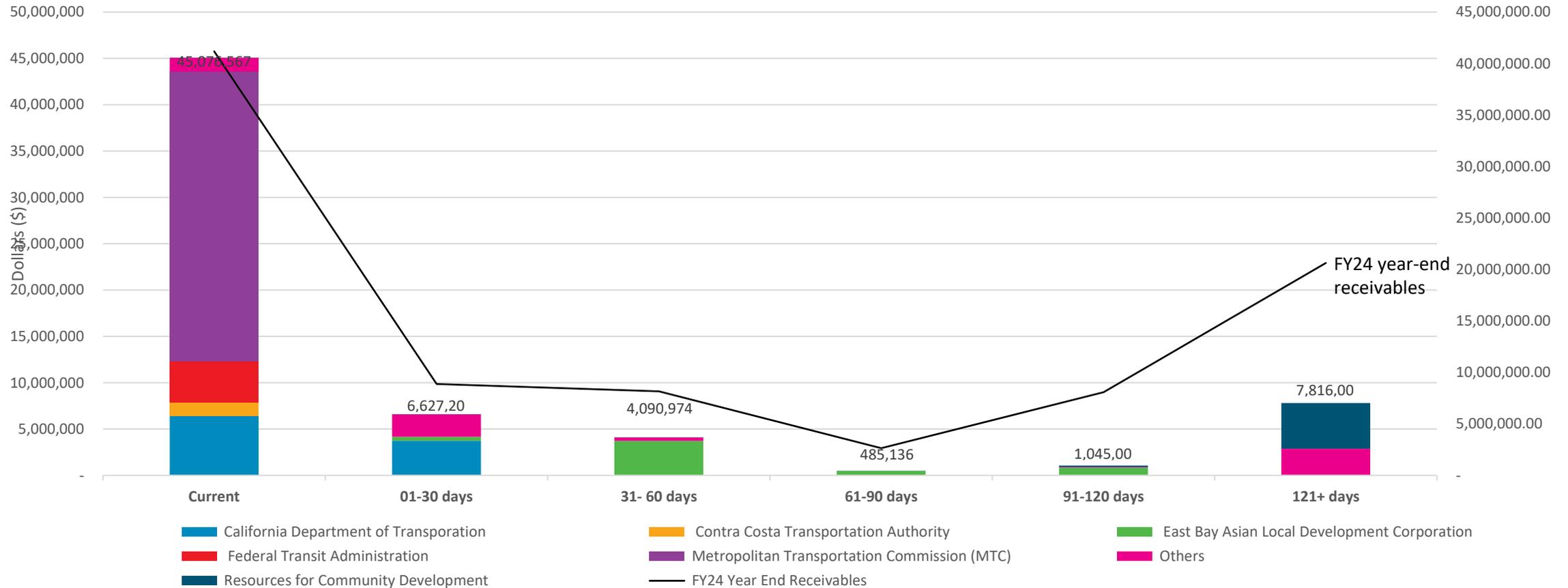


Financial Position



Outstanding Billed Accounts Receivable Grants

The status of receivables from BART's funding partners is shown in the chart below. The total amount outstanding was \$65.1M, of which amount \$20.1M (31%) was past due as of June 30, 2025.



- Prior year-end receivables for comparison:
 - FY23: \$142M
 - FY24: \$41M

Summary of Outstanding Bonds

As of June 30, 2025

	Authorized	Issued as of June 30, 2025	Outstanding Balance March 31, 2025	Issuance	Accretion (Payments)	Outstanding Balance June 30, 2025	Annual Debt Service Fiscal Year 2025	Property Tax Assessments Fiscal Year 2025**
Sales Tax Revenue Bonds *		\$ 984,260,000	\$ 554,055,000	\$ -	\$ -	\$ 554,055,000	\$ 60,131,289	
TIFIA Loan***	\$ 544,642,843	\$ 150,000,000	\$ 151,695,945	\$ -	\$ 1,695,945	\$ 153,391,890	\$ -	
Measure AA General Obligation Bonds	\$ 980,000,000	\$ 980,000,000	\$ 572,805,000	\$ -	\$ -	\$ 572,805,000	\$ 54,655,294	\$4.70/\$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
Total		\$ 4,174,260,000	\$ 3,097,010,945	\$ -	\$ 1,695,945	\$ 3,098,706,890	\$ 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.

Cash and Investments

As of June 30, 2025

Investment allocation

	<u>Amount</u>	<u>% Allocation</u>
CD, Cash on hand and Cash In Bank	\$ 84,441,530	8.02%
Mutual Fund - Bond Fund	42,615,444	4.05%
Money Market	175,024,018	16.63%
US Government Securities	678,702,317	64.49%
Local Agency Investment Fund	71,669,405	6.81%
Total Cash & Investments	<u>\$ 1,052,452,714</u>	<u>100.00%</u>

Breakdown of US Government Securities

US Treasury	\$ 619,196,917
Federal Home Loan Bank	<u>59,505,400</u>
	<u>\$ 678,702,317</u>

Weighted average return on investments in U.S. Government Securities were 4.03%.

Cash by fund and restriction

	<u>General Fund</u>	<u>Capital</u>	<u>Total Cash</u>
Restricted	\$ 16,941,706	\$ 53,344,760	\$ 70,286,466
Unrestricted	391,516,222	590,650,026	982,166,248
	<u>\$ 408,457,928</u>	<u>\$ 643,994,786</u>	<u>\$ 1,052,452,714</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 June 30, 2025

Quarterly Changes

		April - June 2025			
		March 31, 2025	Additions	Usage	June 30, 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)	13,776,120	-	(13,776,120)	-
From SB 125 State and Regional Assistance	(3)	58,211,496	-	(40,593,424)	17,618,072
Operating Reserve - Fiscal Stability - Pension	(4)	41,938,420	677,024	-	42,615,444
Operating Reserve - Low Carbon Fuel Standard Credits	(5)	18,498,668	-	-	18,498,668
Working Capital Reserve Fund		92,495,902	853,079	-	93,348,981
Operating Reserve - RHBT Contribution	(6)	-	5,694,375	-	5,694,375
Total		\$ 312,974,331	\$ 7,224,478	\$ (54,369,544)	\$ 265,829,265

(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 FY18, FY19, FY20, FY21, and FY22 for pension contribution or for prefunding of the District's pension obligation.

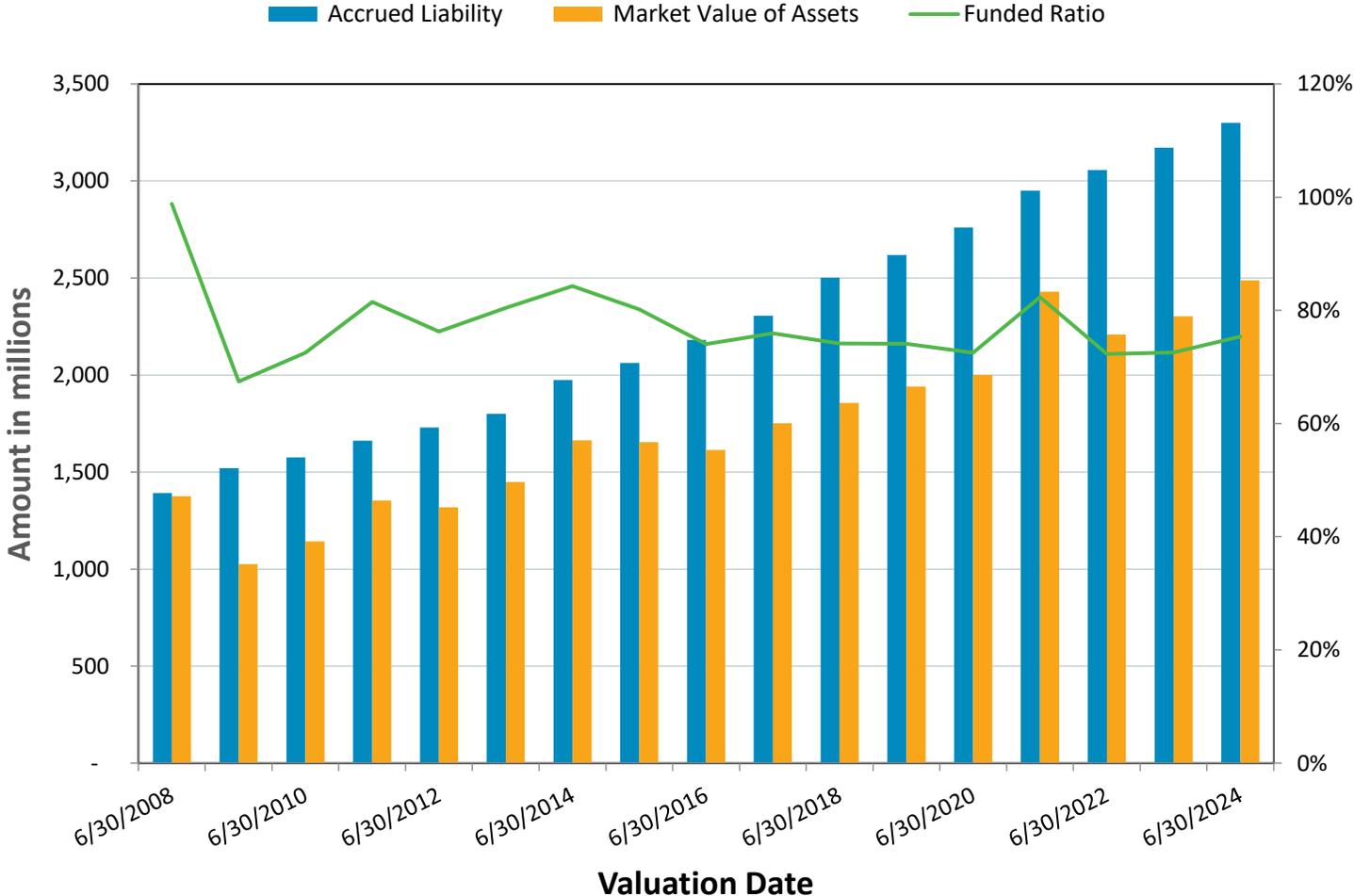
A Section 115 Pension Trust has been created for this reserve.

(5) Portion of proceeds from sale of Low Carbon Fuel Standard 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

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:

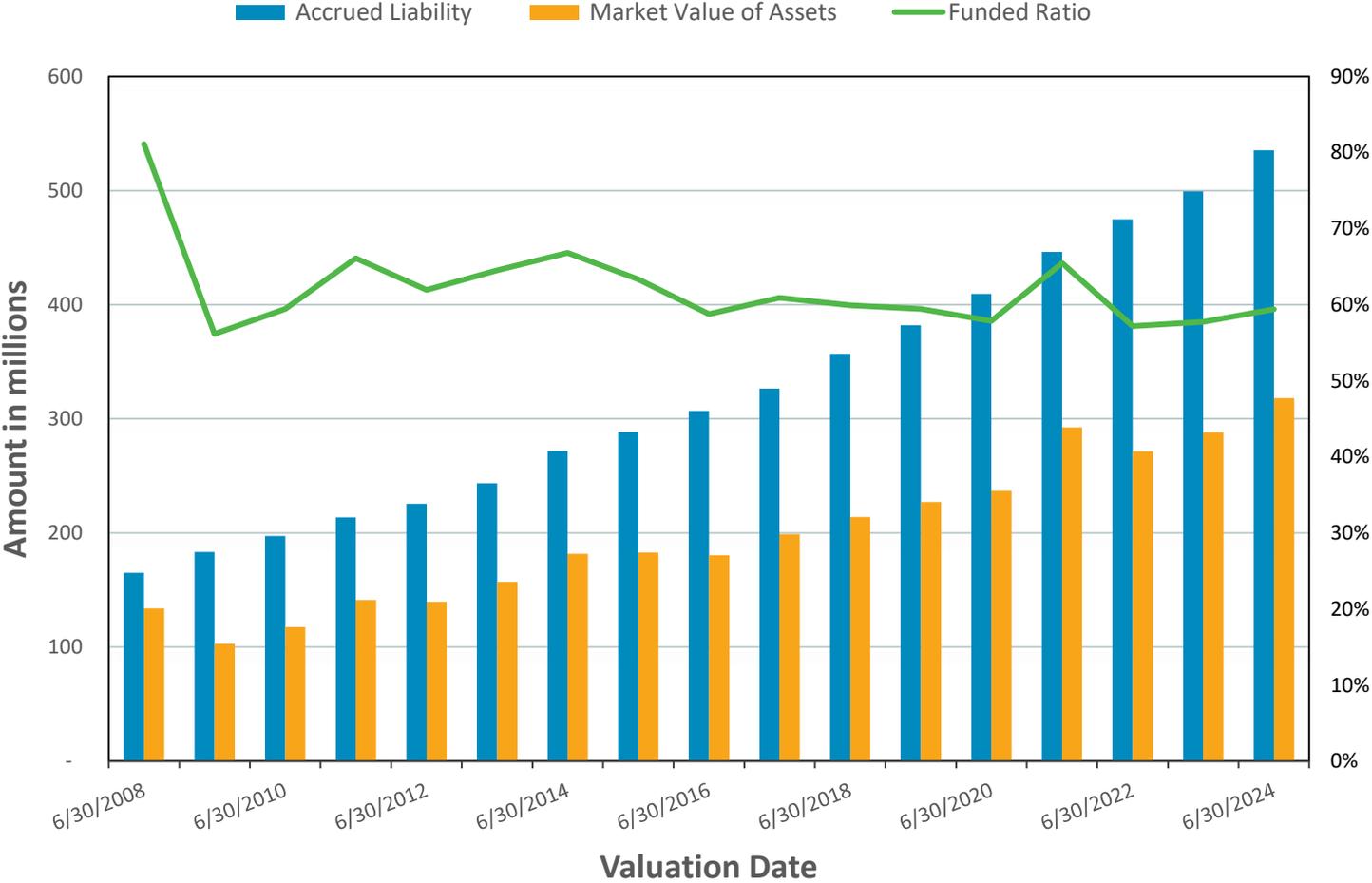
- Normal cost: \$47.2M
- Unfunded Actuarial Liability (UAL): \$73.1M
- Total: \$120.3M

CalPERS expected to release 6/30/25 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

FY25 budget contributions for Safety Plan:

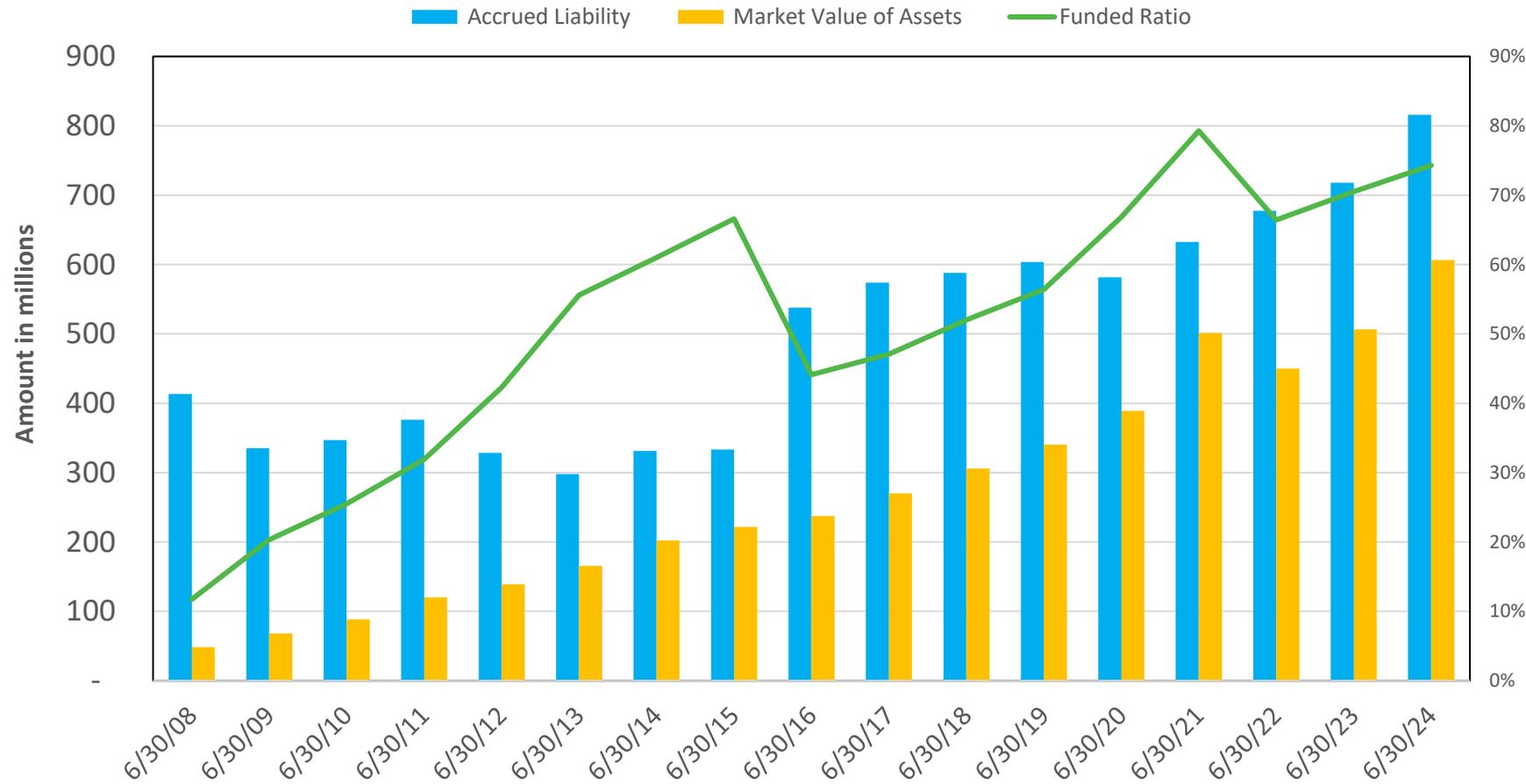
- Normal cost: \$10.7M
- UAL: \$15.8M
- Total: \$26.5M

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



Funding Progress Retiree Health Benefits Plan

Retiree Health Benefit Trust (RHBT) Funding Progress



- BART funds retiree medical costs via contributions to its Retiree Health Benefit Trust (RHBT)
- \$5.7M of FY25 budgeted and all of \$38.2M planned FY26 contributions diverted into a reserve to maintain cash flexibility in future fiscal years; funded ratio expected to decrease by FY26 year-end

Looking Ahead

Today:

- *Resolution:* Amend the adopted FY25 budget to align actual revenues and expenditures

November Board Meeting:

- FY27 update, including updated financial outlook

December Board Meeting:

- FY25 audited financials
- FY26 first quarter financial report



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 June 30, 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>
Funds Managed by CALPERS					
Miscellaneous Employees	6/30/2024	\$ 2,487,088,696	\$ 3,299,290,210	\$ 812,201,514	75.4%
Safety Employees	6/30/2024	\$ 317,966,736	\$ 535,401,423	\$ 217,434,687	59.4%
Section 115 Pension Trust	6/30/2025	\$ 42,615,444	\$ -	\$ (42,615,444)	
Total - Pension Benefit Obligations		<u>\$ 2,847,670,876</u>	<u>\$ 3,834,691,633</u>	<u>\$ 987,020,757</u>	



Funding Status of Other Post Employment Benefit Obligations

As of June 30, 2025

Most Recent Valuation

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

Quarterly Change

	Net Assets March 31, 2025	Contributions	Expenses	Gain (Loss)	Net Assets June 30, 2025	Quarterly Return	Inception to-date Return
Retiree Health Benefit Trust	\$ 644,536,690	\$ 7,201,375	\$ (9,826,818)	\$ 48,069,053	\$ 689,980,300	7.4%	7.6%
Section 115 Pension Trust	41,938,420	-	-	677,024	42,615,444	1.6%	1.1%
Survivors Benefit Trust	13,731,547	216,249	(121,056)	975,425	14,802,165	7.4%	9.0%
Total	\$ 700,206,657	\$ 7,417,624	\$ (9,947,874)	\$ 49,721,502	\$ 747,397,909		

Fiscal Year to Date Change

	Net Assets June 30, 2024	Contributions	Expenses	Gain (Loss)	Net Assets June 30, 2025	Fiscal Year to Date Return
Retiree Health Benefit Trust	\$ 606,309,252	\$ 45,888,625	\$ (36,776,559)	\$ 74,558,982	\$ 689,980,300	12.1%
Section 115 Pension Trust	39,880,717	-	-	2,734,727	42,615,444	6.9%
Survivors Benefit Trust	12,977,626	821,631	(521,520)	1,524,428	14,802,165	12.2%
Total	\$ 659,167,595	\$ 46,710,256	\$ (37,298,079)	\$ 78,818,137	\$ 747,397,909	



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors **DATE:** October 3, 2025

FROM: General Manager

SUBJECT: **FY25 Fourth Quarter and Year-End Financial Report (QFR)**

Executive Summary

This package contains BART's Fiscal Year 2025 (FY25) Year-End Financial Report (July 2024 – June 2025).

The District's net operating result was balanced through the fourth quarter (Q4) of FY25 due to the continued use of federal and state emergency assistance funds allocated through the American Rescue Plan Act (ARPA) and the SB 125 Transit Program. These funds enabled the District to cover a \$314.4 million (M) operating deficit (the difference between revenues and expenses incurred) over the twelve months of July 1, 2024 to June 30, 2025. BART ended FY25 by using \$13.8M less emergency assistance than budgeted. Those funds will be carried over into FY26 to offset deficits.

The District experienced above-budget operating revenues, primarily driven by ridership growth and investment income, though some sources (notably commercial communications revenue, ground leases, sales tax, and State Transit Assistance) came in under budget. On the expense side, BART spent more than budgeted on labor; though improvements have been made since FY24, the District continues to struggle to fully recover the cost of all reimbursable capital hours worked by staff. Non-labor costs generally stayed under budget for the year, offsetting a large deposit into the Liability Reserve to fund anticipated legal liabilities.

BART's capital spending ended FY25 14.5% below budget. A share of the variance was driven by the adjustments noted above. The FY25 budget was lower than the FY24 capital budget due to more rigorous cost forecasting and cashflow management.

The District's cash position as of June 30, 2025, remains healthy, with over \$1.05B in cash and investments directly managed by the District. As BART draws down emergency assistance, this number will decline. Outstanding debt, secured by property taxes in the three BART District counties and the operating budget remained steady.

The most recent CalPERS valuation for BART's Miscellaneous and Safety retirement plans as of June 30, 2024, showed an increase in funded ratio of 2.8% and 1.7% respectively. Though the Retiree Health Benefit Trust (RHBT) funding level increased as of June 30, 2025, BART's decision to preserve cash flexibility by deferring contributions to the RHBT is expected to reduce its funded level by June 30, 2026.

Ridership

Ridership totaled 52.7M exits through Q4 FY25, 1.9% above budget and 6.3% more than the same period one year ago. Average weekday ridership during this period was 171,891 exits, 1.0% above budget, and 5.9% higher than one year ago.

Fourth quarter FY25 ridership was elevated compared with the previous quarter, even when accounting for typical seasonal variation. Average Saturday ridership in Q4 was 19.0% higher than the same period a year ago, whereas Q3 showed 14.1% growth. For Sundays, Q4 was 12.0% higher than the year before, compared to 8.3% for Q3. On a month-to-month basis, average weekday ridership increased along seasonal expectations: April (181,467), May (178,564) and June (180,521).

Operating Revenue

Operating Revenue was \$8.5M (3.1%) above budget through Q4 FY25. **Net Passenger Revenue** was \$8.2M (3.5%) positive, and **Parking Revenue** was \$1.6M (9.8%) above expectations. **Other Operating Revenue** was \$1.3M (6.1%) below budget, with \$1.3M of higher-than-expected advertising revenue offset by under budget Commercial Communications Revenue Program (CCRP) revenue (\$2.0M) and Ground Lease revenues (\$2.0M).

Non-Operating Revenue

Investment Income was \$13.6M (57.9%) above budget through Q4 FY25, driven by favorable market conditions and by the disbursement of the first SB125 tranche in November, which generated unbudgeted interest revenues.

Financial Assistance

Sales Tax revenue was \$3.0M (0.9%) unfavorable through Q4 FY25, driven in part by lower-than-expected consumption of general consumer goods. **Property Tax** revenue was \$2.3M (3.6%) favorable through Q4 with actual revenues above budget in Alameda and Contra Costa counties. **State Transit Assistance (STA)**, was unfavorable at \$12.7M (26.1%) through Q4 due to lower than forecast performance of a statewide diesel fuel sales tax from which STA revenues are based, as well as \$4.8M in STA State of Good Repair funds budgeted in FY25 that will be received and used in FY26. **VTA Financial Assistance** was \$11.0M (31.2%) higher than budgeted due to operating expenses attributable to VTA that were updated after FY25 budget adoption.

Other Assistance through Q4 was \$14.4M (45.4%) favorable. Unbudgeted non-emergency Federal Assistance was \$7.9M favorable, unbudgeted State Assistance was \$3.5M favorable and Local Assistance was \$3.0M favorable. Low Carbon Fuel Standard (LCFS) credit sales were \$0.05M (0.8%) below budget.

Operating Expense

Total Operating Expense was \$27.6M (2.7%) higher than budget through the fourth quarter of FY25.

Labor costs exceeded budget through the fourth quarter by \$21.3M (2.7%), 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 \$13.8M (1.6%) below budget. However, Net Operating Wages, Fringe Benefits & Other Labor finished Q4 \$12.3M (1.7%) unfavorable to budget, driven by \$26.1M (17.2%) in below budget Capital Labor Reimbursements.

- For comparison, FY24's Net Operating Wages, Fringe Benefits & Other Labor finished Q4 \$50.0M (7.7%) unfavorable to budget, driven by \$53.7M (28.0%) in below budget Capital Labor Reimbursements.
- OPEB Funded Retiree Medical was \$5.7M favorable within the Labor budget, but this savings was offset by a deposit into the Allocations Reserve account 431055-ORA RHBT Contributions. This net neutral action was taken to preserve cash flexibility in future years by placing retiree medical contributions into a reserve instead of the District's Retiree Health Benefits Trust (RHBT), an action continuing in FY26.

Total gross **Overtime** was \$89.4M through Q4, above budget by \$12.4M, and \$9.1M higher than FY24. A share of BART's overtime costs are reimbursed by capital funding sources; when they are accounted for, net operating overtime variance is \$9.1M (15.9%) unfavorable to budget, compared to \$8.5M (16%) unfavorable to budget in FY24. The District continues to make efforts to reduce overtime where possible, without impacting service delivery or passenger and employee safety.

BART's overtime mostly occurs in four operational areas: Transportation, Maintenance, BART Police, and Rolling Stock & Shops (RS&S). The first three overspent their overtime budgets in FY25, while savings in RS&S partially offset the total.

Non-labor was higher than budget at year-end by \$6.3M (2.5%).

- Professional Fees were \$13.0M (25.7%) over budget, mostly due to \$18.5M of unbudgeted Misc. Non-Capital Professional Fees. These expenses were budgeted as capital work but reclassified at year-end as operating expenses. The revenues that funded these costs was also shifted to operating; the net effect is neutral as the adjustments fully offset each other.
- Miscellaneous Expenses were \$6.6M (20.4%) unfavorable to budget, mostly due to a \$16.4M deposit into the Liability Reserve to fund anticipated legal settlement costs. This negative variance was slightly offset by \$8.4M of favorable Clipper Fees due to the delay in the launch of Clipper 2.0 improvements.
- Electrical Power was \$7.9M (12.9%) favorable. High hydroelectric generation across the state decreased power costs statewide. In addition, total electric load was 3.1% lower than projections, driven by a similar decrease in total car-miles in the BART system.
- Material Usage was \$4.2M (8.3%) favorable, mostly due to \$5.3M of favorable Inventory Write-Offs & Adjustments.

Debt Service and Allocations

- **Debt Service** was on budget. **Allocations** were \$7.4M (23.2%) favorable through Q4. Reverse Capital Allocations of \$15.2M were made at year-end to offset reclassifications of capital costs to operating.
- \$5.7M deposit into an operating reserve account for Retiree Health Benefit Trust contributions as part of the District's strategy to conserve cash in advance of FY27.

Note on net neutral year-end accounting adjustments

The numbers shown in the attached documents include higher revenues and expenses than anticipated due to year-end accounting adjustments to re-classify approximately \$32M in expense from capital to operating expenses. These costs were budgeted and undertaken as capital work (e.g. for State of Good Repair preventive maintenance) but were ultimately appropriately classified as operating expenses. The funding for these costs has also been moved to operating, so both revenue and expense were increased; the net effect is neutral as the adjustments fully offset each other.

Emergency Assistance

The District required \$314.4M in federal emergency funds and SB 125 funding to cover the shortfall between operating revenue and expense through the fourth quarter of FY25, which was \$13.8M (4.2%) less than anticipated in the budget.

Financial Position

Accounts Receivable, Cash, and Investments

As of June 30, 2025, \$65.1M in accounts receivable was outstanding, with approximately \$45M (69%) of receivables in current status, \$11M (17%) receivables outstanding between 31 to 90 days, and \$8.8M (14%) over 90 days due. After June 30, 2025, approximately \$56.9M (87%) of the total outstanding accounts receivable have been collected.

BART had \$1.05B 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 Q4 was 4.03%, lower than what was realized in the prior quarter due to an expected reduction in the Federal Funds rate.

Outstanding Bonds, Loan and Debt Service

As of June 30, 2025, the District has outstanding principal bonds obligations of \$2.9B and \$153M for the TIFIA loan. Debt service payments for outstanding bond obligations are paid on August 1 and February 1 of each year for General Obligation bonds and July 1 and January 1 for Sales Tax bonds. All debt service payments were made timely and in accordance with the debt service schedules. Annual debt service of all combined debt was paid accordingly.

Reserves

BART's total reserves declined from \$313M from the previous quarter to \$265.8M at the end of June 30, 2025. The decline was primarily driven by the \$54.4M drawdowns from the ARPA Reserve (\$13.8M) and the SB125 State and Regional Assistance (\$40.6M) which were needed to offset operating costs during the quarter.

Starting May 2025, the District began deferring contributions of the Actuarially Determined Contribution (ADC) to the Retiree Health Benefit Trust (RHBT) and set it aside to an operating reserve account. For Q4 FY25, the amount deferred and set aside to an operating reserve account was \$5.7M.

BART's reserve balance is comprised of \$17.6M from the unused portion of SB 125 earned in fiscal year 2025 and Working Capital Reserve fund with a balance of \$93.3M as of June 30, 2025. BART's other remaining operating reserve funds (Operating Reserve, Insurance Calamity Reserve, General Reserve for Economic Uncertainty, Low Carbon Fuel Standard Credits, Fiscal Stability – Pension, and RHBT Deferred Contribution) totaled \$154.9M as of June 30, 2025.

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 financial markets as central banks cut interest rates. Q4 FY25 resulted in 7.4% investment gain for both the RHBT and the Survivor's Benefit Trust (SBT). The District's Section 115 Pension Trust gained 1.6% during the quarter due to the decline in interest rates on bonds, which lifted the price of bonds.

As of June 30, 2025, the District's assets in its Section 115 Pension Trust, which was set-up to offset future pension liabilities, increased to \$42.6M, a gain of \$2.73M (6.9%) in FY25. BART's two Other Post Employment Obligations (OPEB), the RHBT and SBT, saw returns of \$74.6M (12.1%) and \$1.5M (12.2%), respectively, in FY25.

Milliman, the District's actuary, completed the actuarial valuation on the Retiree Health Benefit Trust, the Survivor Benefit Trust and Retiree Life Insurance Plan as of June 30, 2024. The latest valuation reported that the funded ratio of the RHBT has improved from 70.5%, as shown in the previous valuation, to 74.3%. Actuarial valuation for the SBT also reflected an increase in funded ratio, from the previous valuation of 51.9% to 66.1%.

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

DocuSigned by:
Michael Jones
47000790E2D7463...
Robert Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

FY25 Operating Results

(\$ million)

	Budget	Actual	Var.	%
<u>Sources:</u>				
Rail Passenger Revenue	235.1	243.3	8.2	3%
ADA Passenger Revenue	0.6	0.6	0.0	4%
Parking Revenue	16.5	18.1	1.6	10%
Other Operating Revenue	21.9	20.5	(1.3)	-6%
Non Operating Revenue	23.5	37.1	13.6	58%
Sales Tax	320.3	317.3	(3.0)	-1%
Property Tax	64.3	66.6	2.3	4%
State Transit Assistance (STA)	48.8	36.0	(12.7)	-26%
VTA Financial Assistance	35.2	46.1	11.0	31%
Low Carbon Transit Operations Program	11.0	11.0	0.0	0%
Low Carbon Fuel Standard Program	6.0	6.0	0.0	-1%
Local & Other Assistance	14.8	29.2	14.5	98%
Total Sources	797.8	831.8	34.0	4%
<u>Uses:</u>				
Labor	780.6	802.0	(21.3)	0.0
ADA Paratransit	22.5	22.4	0.1	0%
Purchased Transportation	8.6	7.7	0.9	11%
Power	61.6	53.7	7.9	13%
Other Non-Labor	160.5	175.7	(15.2)	-9%
Total Expense	1,033.9	1,061.5	(27.6)	-3%
Debt Service	60.2	60.2	0.0	0%
Capital & Other Allocations	32.0	24.6	7.4	23%
Total Debt Service & Allocations	92.2	84.8	7.4	8%
Total Uses	1,126.1	1,146.3	(20.2)	-2%
Net Result Before Financial Assistance	(328.2)	(314.4)	13.8	4%
Emergency Assistance Applied	328.2	314.4	(13.8)	-4%
NET RESULT	0.0	0.0	0.0	

FY25 Quarterly Financial Report - Fourth Quarter

	Q4 Budget	Q4 Actuals	Q4 Variance	YTD Budget	YTD Actuals	YTD Variance	YTD Variance %	Q3 YE Forecast
<u>Operating Revenue</u>								
Net Passenger Revenue	63.9	67.7	3.8	235.7	243.9	8.2	3.5%	240.4
Parking Revenue	4.1	4.8	0.7	16.5	18.1	1.6	9.8%	17.9
Other Operating Revenue	6.0	5.1	(0.9)	21.9	20.5	(1.3)	-6.1%	22.6
Total Net Operating Revenue	73.9	77.6	3.6	274.1	282.5	8.5	3.1%	280.9
Non Operating Revenue - Investment Income	4.7	8.5	3.8	23.5	37.1	13.6	57.9%	33.2
Total Non Operating Revenue	4.7	8.5	3.8	23.5	37.1	13.6	57.9%	33.2
Total Revenue	78.6	86.1	7.5	297.5	319.6	22.1	7.4%	314.1
<u>Financial Assistance</u>								
Sales Tax	76.9	77.2	0.3	320.3	317.3	(3.0)	-0.9%	311.9
Property Tax	30.9	28.8	(2.1)	64.3	66.6	2.3	3.6%	66.9
State Transit Assistance	4.4	22.8	18.3	48.8	36.0	(12.7)	-26.1%	49.2
VTA Financial Assistance	8.8	18.8	10.0	35.2	46.1	11.0	31.2%	36.0
Other Assistance, Net of Emergency Assistance	5.2	12.9	7.7	31.8	46.2	14.4	45.4%	36.4
Total Financial Assistance	126.3	160.5	34.2	500.3	512.2	11.9	2.4%	500.3
Total Operating Sources	204.9	246.6	41.7	797.8	831.8	34.0	4.3%	814.4
<u>Operating Expense</u>								
Gross Wages, Fringe & Other Labor	212.6	206.5	6.1	874.9	861.1	13.8	1.6%	868.8
Capital Reimbursements - Labor & Fringe	(37.3)	(29.6)	(7.8)	(151.3)	(125.2)	(26.1)	-17.2%	(135.8)
Subtotal - Net Operating Labor & Fringe	175.3	177.0	(1.7)	723.6	735.9	(12.3)	-1.7%	733.0
Gross Overtime	19.3	22.8	(3.6)	77.0	89.4	(12.4)	-16.1%	88.3
Capital Reimbursements - Overtime	(5.0)	(7.1)	2.1	(20.0)	(23.3)	3.3	16.6%	(24.8)
Subtotal - Net Operating Overtime	14.3	15.7	(1.4)	57.0	66.1	(9.1)	-15.9%	63.5
Total Operating Labor	189.5	192.7	(3.1)	780.6	802.0	(21.3)	-2.7%	796.5
Electric Power	15.1	13.4	1.8	61.6	53.7	7.9	12.9%	58.6
Purchased Transportation	7.8	7.6	0.1	31.1	30.1	1.0	3.3%	31.8
Other Non Labor	39.3	68.0	(28.7)	160.5	175.7	(15.2)	-9.5%	146.2
Total Non Labor	62.2	89.0	(26.8)	253.2	259.5	(6.3)	-2.5%	236.6
Total Operating Expense	251.8	281.7	(29.9)	1,033.9	1,061.5	(27.6)	-2.7%	1,033.1
<u>Debt Service and Allocations</u>								
Debt Service	15.0	15.0	(0.0)	60.2	60.2	(0.0)	0.0%	60.2
Capital and Other Allocations, Net of Emergency Assistance	8.0	4.2	3.8	32.0	24.6	7.4	23.2%	32.0
Total Debt Service and Allocations	23.0	19.3	3.8	92.2	84.8	7.4	8.1%	92.2
Total Operating Uses	274.8	301.0	(26.2)	1,126.1	1,146.3	(20.2)	-1.8%	1,125.3
Net Operating Result Before Emergency Assistance	(69.9)	(54.4)	15.5	(328.2)	(314.4)	13.8	4.2%	(310.9)
Federal Emergency Assistance Applied	11.9	13.8	1.9	270.2	273.8	3.6	1.3%	270.2
SB125 Emergency Assistance Applied	58.0	40.6	(17.4)	58.0	40.6	(17.4)	-30.0%	40.7
Net Operating Result After Emergency Assistance	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0%	0.0
Operating Result (Deficit)	(177.8)	(204.1)	(26.3)	(759.8)	(779.0)	(19.1)	-2.5%	(752.2)
System Operating Ratio	29.4%	27.5%	-1.8%	26.5%	26.6%	0.1%		27.2%
Rail Cost / Passenger Mile (\$)	\$ 1.19	\$ 1.27	\$ (0.08)	\$ 1.29	\$ 1.28	\$ 0.01	0.8%	

Emergency Assistance

(in \$millions)

Emergency Assistance to BART (as of June 30, 2025)

Expenditures (\$M) - applied to offset incurred expenses as of 6/30/25	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	274	853
SB 125 State and Regional Assistance	0	0	0	0	0	41	41
<i>Subtotal - all expenditures</i>	<i>120</i>	<i>298</i>	<i>287</i>	<i>316</i>	<i>314</i>	<i>314</i>	<i>1,649</i>

Remaining emergency assistance in FY26

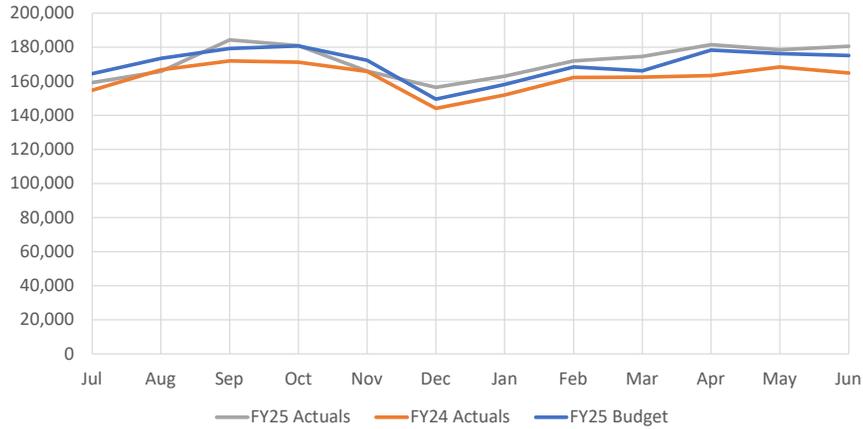
311

BART received \$58M in SB 125 funds in FY25. An additional \$224M was received in July 2025; the remaining \$70M of the full \$352M in planned funding is expected by the end of FY26.

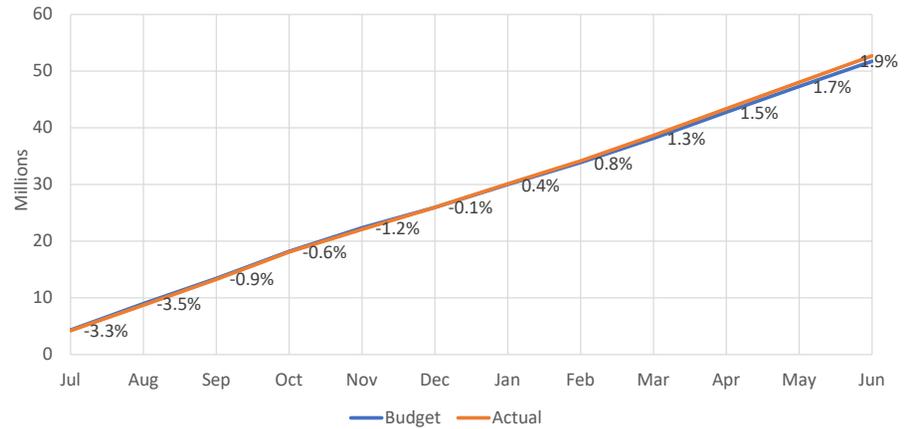
\$311M in emergency funding is available to BART in FY26; this number is \$3.8M less than assumed in the adopted FY26 operating budget.

FY25 (Jul-Jun) Ridership Stats

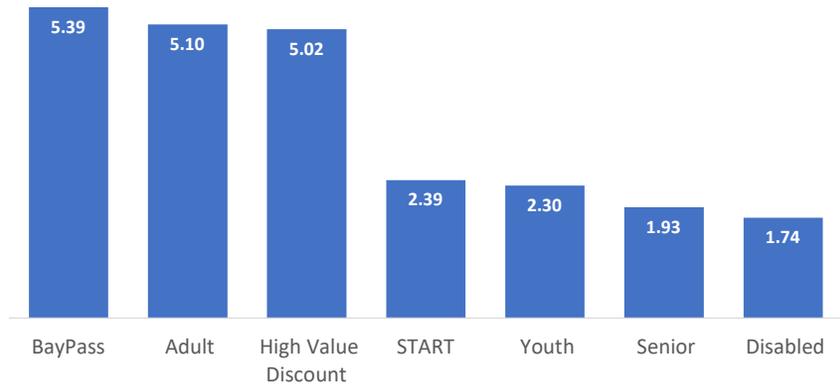
Average Weekday Ridership



FY25 Cumulative Budget to Actual Variance



Clipper Product Avg Net Fare



Exits	Actual	Budget	Actual
	FY24 YTD	FY25 YTD	FY25 YTD
Weekday	162,374	170,323	171,981
Saturday	90,795	95,154	99,766
Sunday	68,080	72,346	74,566
Total	49,609,918	51,747,000	52,714,285

FY25 YTD Actual vs.	
FY24 YTD Actual	FY25 YTD Budget
105.9%	101.0%
109.9%	104.8%
109.5%	103.1%
106.3%	101.9%



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...	GENERAL MANAGER ACTION REQ'D:		
DATE: 9/25/2025	10/3/2025	BOARD INITIATED ITEM: No			
Originator/Prepared by: Katherine Alagar Dept: Operating Budgets	General Counsel	Chief Financial Officer	District Secretary	BARC	
Signature/Date: DocuSigned by: <i>Katherine Alagar</i> 697EB8AE6F87469... 10/2/2025	DocuSigned by: <i>Amelia Sandoval-Smith</i> 2528C067C44147D... 10/2/2025 []	Signed by: <i>Joseph Beach</i> 7D9A7C6E7348456... 10/2/2025 []	DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 10/3/2025 []	DocuSigned by: <i>Pamela Herd</i> 3BB24D65B8724F5... 10/2/2025 []	

FY25 Fourth Quarter Financial Report and FY25 Year End Budget Resolution

PURPOSE: To amend the Fiscal Year 2025 (FY25) Budget for year-end adjustments.

DISCUSSION: Per the FY25 Adopted Budget Resolution, BART is required to amend its annual operating budget to match the actuals. Since 2020, BART has relied on emergency assistance to balance its budget. In FY25, BART's reliance on emergency assistance was lower than assumed in the Adopted Budget. The District finished FY25 with a balanced budget using \$314.4 million (M) in emergency assistance. This was \$13.8M less than assumed in the adopted FY25 operating budget. The District's financial results are explained in detail in the attached resolution, cover memo, and attachments.

Total sources finished FY25 \$34.0M above budget, while total uses finished the year \$27.6M above budget.

FISCAL IMPACT: Board approval of the proposed adjustments amends the FY25 budget to match actuals. There is no fiscal impact.

ALTERNATIVES: If the Board does not approve the adjustments, the District's FY25 budget will not match actuals.

RECOMMENDATION: Approval of the motion below.

MOTION: Approve the attached resolution "In the Matter of Amending Resolution No. 5586 regarding Fiscal Year 2025 Annual Budget."



Exhibit A

BEFORE THE BOARD OF DIRECTORS OF THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

In the matter of amending Resolution No. 5586 regarding Fiscal Year 2025 Annual Budget

Resolution No. _____

RESOLVED, that Resolution No. 5586 is amended by changing the following line items in Exhibit A

<u>Fund Source Line Item:</u>	<u>Current Amount</u>	<u>Increase/ (Decrease) In This Resolution</u>	<u>Amended Amount</u>
Operating and Non Operating Revenue	\$ 297,517,508	\$ 22,074,049	\$ 319,591,557
Sales Tax	\$ 320,309,800	\$ (3,033,730)	\$ 317,276,070
Property Tax	\$ 64,260,000	\$ 2,328,234	\$ 66,588,234
STA Financial Assistance	\$ 48,781,274	\$ (12,742,969)	\$ 36,038,305
VTA Financial Assistance	\$ 35,167,085	\$ 10,975,336	\$ 46,142,421
Other Financial Assistance	\$ 31,779,725	\$ 14,419,040	\$ 46,198,765
Subtotal Operating Sources	\$ 797,815,392	\$ 34,019,959	\$ 831,835,351
SB 125 - Emergency Assistance	\$ 58,000,000	\$ 211,496	\$ 58,211,496
Subtotal-Emergency Assistance	\$ 58,000,000	\$ 211,496	\$ 58,211,496
Total Operating Sources	\$ 855,815,392	\$ 34,231,455	\$ 890,046,847
 <u>Fund Use Line Item:</u>			
Labor Expense	\$ 780,647,902	\$ 21,349,858	\$ 801,997,760
Non-Labor Expense	\$ 253,214,680	\$ 6,282,514	\$ 259,497,194
Subtotal Operating & Non-Operating Expenses	\$ 1,033,862,582	\$ 27,632,372	\$ 1,061,494,954
Revenue Bond Debt Service	\$ 60,163,276	\$ 0	\$ 60,163,276
Allocations to Capital & Other	\$ 32,026,318	\$ (7,431,860)	\$ 24,594,458
Operating Reserve Allocation - ARPA	\$ (270,236,784)	\$ (3,587,129)	\$ (273,823,913)
Operating Reserve Allocation - SB 125	\$ -	\$ 17,618,072	\$ 17,618,072
Subtotal Debt Service and Allocations	\$ (178,047,190)	\$ 6,599,083	\$ (171,448,107)
Total Operating Uses	\$ 855,815,392	\$ 34,231,455	\$ 890,046,847
 Net Result	 \$ -	 \$ -	 \$ -