This Annual Report for the period July 1, 1974 to June 30, 1975 is published by the District pursuant to Article 28770 of the State of California Public Utilities Code. District Headquarters are located at 800 Madison Street, Oakland, California 94607. Telephone 415-665-4100.
At its formation in 1957, the District was governed by a 16-member Board of Directors apportioned according to the populations of the five member counties: Alameda, Contra Costa, Marin, San Mateo, and San Francisco. San Mateo and Marin counties officially withdrew in April and May, 1962, respectively, reducing the Board to 11 members representing the three remaining counties. Legislation was enacted in 1965, entitling less populous Contra Costa County to a fourth director. Henceforth, four Directors from each county were seated on a 12-member Board. Six members were appointed by the Boards of Supervisors from their respective counties. Six members were appointed by mayoral committees of Alameda and Contra Costa counties, and by the Mayor of San Francisco City & County. Under Chapter 521 of the California Statutes of 1973, the appointed Board was succeeded by the District’s first elective Board as of 12 o’clock noon, November 29, 1974.

APPOMTED BOARD OF DIRECTORS

ALAMEDA COUNTY
RICHARD O. CLARK
Chairman
L. D. DAHMS
Acting General Manager
H.R. LANGE
General Counsel
W. F. GOELZ
Director of Finance
R. J. SHEPHARD
Secretary

CONTRA COSTA COUNTY
NELLO J. BIANCO
Chairman
DANIEL C. HELIX
Vice-Chairman
JAMES D. HILL
DeWITT C. WILSON

CITY & COUNTY OF SAN FRANCISCO
WILLIAM H. CHESTER
Chairman
THOMAS F. HAYES
Vice-Chairman
QUENTIN L. KOPP

OFFICERS

L. D. DAHMS
Acting General Manager
M. BARRETT
General Counsel
W. F. GOELZ
Director of Finance
R. J. SHEPHARD
Secretary

DEPARTMENT HEADS

C. K. BERNARD
Marketing & Research
M. K. BOWERS
Employee Relations
R. W. CARROLL
System Maintenance
M. A. DENOWITZ
Quality Control
J. B. FISCHER
Construction
W. F. HEIN
Planning
C. O. KRAMER
Safety
R. M. LINDSEY
Police Services
W. J. RHINE
Engineering
G. H. RINGENBERG
Procurement & Capital
Program Management
A. E. WOLF
Transportation

WHERE OPERATING FUNDS CAME FROM:

- Sales Tax 13.09%
- Revenue Bonds 31.89%
- Construction Funds 31.89%
- Transit Aid 1.46%
- Property Taxes 8.85%
- Interest and other 12.04%
- Fares 32.07%

HOW FUNDS WERE SPENT:

- Transportation 22.38%
- Gen. Administrative 10.06%
- Construction & Engr. 7.25%
- Police Services 4.06%
- Maint. & Qual. Control 48.25%

The Cover: Silver BART trains speed through twin bores of the 1.6-mile transbay tube. When the trains are past, stillness is virtually absolute in the steel and concrete structure lying 75 to 135 feet under the Bay. Excellent ventilation prevents heat build-up from trains, keeping tube temperatures between 65-67 degrees the year around.
San Francisco Bay Area Rapid Transit District

NOTES TO FINANCIAL STATEMENTS CONTINUED

The 1974-75 fiscal year was a landmark year for BART in many respects.

During the years, construction in progress decreased as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>$14,430,952</td>
</tr>
<tr>
<td>1979</td>
<td>$59,127,982</td>
</tr>
</tbody>
</table>

As an analysis of project costs, based upon information available at June 30, 1976, was developed to determine the estimated cost of the rapid transit system at completion. This estimate amounts to $1,831,240,000 (including $779,879,000 for the transbay tube being financed by the State of California and $1,051,361,000 for transit vehicles being financed by federal grant funds and other District funds). Presently, the final cost of the system cannot be determined, as future economic conditions, resolution of pending contractors' claims (Note I) and delay in start of full revenue operations may have a significant effect on the final cost of the system. Initial operation of the system began in September 1971. All 71 miles of transit train line were in regular passenger service on September 15, 1974.

NOTE I — Litigation and Other Disputes with Contractors

The District has filed suit against its consulting engineer, Parsons, Brinckerhoff, Ferris, Fox & Duryea, and the construction firms of Bow-Washington, a subcontractor, Bulova, and the primary contractors' respective sureties. These actions, seeking to recover damages of $28 million from Bulova, $24 million from Boehringer, $3 million from Westinghouse, and $500,000 from the primary contractors' respective sureties, seeking in damages approximately $88 million from Westinghouse, Bulova, and the primary contractors' respective sureties, seeking in damages approximately $88 million from Westinghouse, $45 million from Boehringer, $6 million from Boehringer, and $5 million from the primary contractors' respective sureties. Bulova and Pringle & bullock lodged a cross-claim against the District.

The ultimate liability, if any, with respect to these cross-claims is unknown. In addition, contractor claims amounting to approximately $82 million have been submitted to the District. It is anticipated that additional such claims will be submitted in the future. Special Trial Counsel is unable to comment on the District's ultimate liability, if any, for these claims since they involve substantial factual and legal disputes which have not yet been fully analyzed.

NOTE L — San Francisco State Street Grant

Certain funds transferred to the District in the year ending June 30, 1975, and $23,000,000 in the year ending June 30, 1974, are shown as State grants. In the opinion of the Board these grants were made subject to the District's assumption of future obligations. The accrual of such obligations is being reviewed in connection with the periodic audit of the District by the State Comptroller of the State of California.

NOTE M — Reserve for Self-Insurance

The reserve for self-insurance is presently limited, by resolution of the Board of Directors of the District, to a maximum of $6 million to provide for the uninsured portion of general liability and property damage and workmen's compensation exposure. Policies for excess risks are in effect with major balance at beginning of year $59,127,982 $562,279,087

NOTE H — Construction in Progress

The construction in progress decreased as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>$59,127,982</td>
</tr>
<tr>
<td>1976</td>
<td>$14,430,952</td>
</tr>
</tbody>
</table>

During the past year, we welcomed a new elected Board, which took office on December 2, after an overwhelming victory in the June primaries to make the BART Directors directly responsible to the people. Certainly, BART taxpayers can take encouragement to this Board's frank toughness.

Also during the past year, we welcomed a new elected Board, which took office on December 2, after an overwhelming victory in the June primaries to make the BART Directors directly responsible to the people. Certainly, BART taxpayers can take encouragement to this Board's frank toughness.

PRESIDENT'S MESSAGE

President Clark is host to group of Bay Area biking enthusiasts on opening day of "Bikes on BART" program.

NOTE L — San Francisco State Street Grant

Certain funds transferred to the District in the year ending June 30, 1975, and $23,000,000 in the year ending June 30, 1974, are shown as State grants. In the opinion of the Board these grants were made subject to the District's assumption of future obligations. The accrual of such obligations is being reviewed in connection with the periodic audit of the District by the State Comptroller of the State of California.
NOTES TO FINANCIAL STATEMENTS

Years ended June 30, 1975 and 1974

NOTE A — Summary of Significant Accounting Policies

The San Francisco Bay Area Rapid Transit District is a political subdivision of the State of California created by the Legislature in 1962 and regulated by the San Francisco Bay Area Rapid Transit District Act, as amended. The District does not have stockholders or equity holders and is not subject to income tax. The disbursement of all funds received by the District is controlled by statute and by provisions of various grant contracts entered into with the State of California and the United States Government.

The District receives an allocation of property tax revenues for purposes of providing for general and administrative expenses not involving construction in progress. Security is carried at an amount which approximates market.

The cost of construction and acquisition of rapid transit facilities as recorded in construction in progress represents amounts paid or owing to contractors including amounts provided by State and Federal grants for construction purposes. As facilities are completed and become operational, the District transfers them to facilities, property and equipment accounts.

Depreciation on facilities, property and equipment is computed using the straight-line method over the estimated useful lives of the assets. The amount of depreciation of assets acquired with contributions from others, and the latter amount is shown on the balance sheet with the related contributions. This format follows the recommendations for public transportation systems in the Industry Audit Guide "Audit of State and Local Governmental Units" prepared by the Committee on Governmental Accounting and Auditing and issued by the AICPA in September 1970.

Assuming proceeds of General Obligation Bonds (Note C), Sales Tax Revenue Bonds (Note D), Government Grants (Note E and F), reserves for ancillary services (Note G) and construction in progress (Note H) are described in separate footnotes.

Since 1962, the District has consistently capitalized, as part of pre-sale revenue operating expenses, certain start-up costs. The amount of capitalization for the year ended June 30, 1975 ($11,094,000) was determined.

Certain reclassifications have been made in the 1974 financial statements to conform to the classifications used in 1975.

NOTE B — Facilities, Property and Equipment

Facilities, property and equipment, asset lives, and accumulated depreciation and amortization at June 30, 1975 are summarized below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Accumulated Depreciation and Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$105,372,869</td>
<td>Nondepreciable</td>
</tr>
<tr>
<td>Improvements</td>
<td>1,025,857,099</td>
<td>$25,198,775</td>
</tr>
<tr>
<td>Systemwide operations and control</td>
<td>83,950,847</td>
<td>30,051,844</td>
</tr>
<tr>
<td>Revenue-producing vehicles</td>
<td>186,884,168</td>
<td>7,395,387</td>
</tr>
<tr>
<td>Service and auxiliary equipment</td>
<td>8,278,442</td>
<td>3 to 20</td>
</tr>
<tr>
<td>Pre-sale revenue operating expenses</td>
<td>94,374,482</td>
<td>5,709,380</td>
</tr>
<tr>
<td>Reparable property items</td>
<td>5,072,732</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>$1,347,442,015</td>
<td>$54,035,470</td>
</tr>
</tbody>
</table>

NOTE C — General Obligation Bonds

In 1962, voters of the member counties of the District authorized a bonded indebtedness totaling $792,000,000 of General Obligation Bonds. Bonds amounting to $783,000,000 were outstanding at June 30, 1975, with principal maturities from 1976 to 1999. Payment of both principal and interest is provided by the issuance of property tax revenues. During 1962, City of Berkeley voters formed Special Service District No. 1 and authorized the issuance of $28,000,000 of General Obligation Bonds for construction of subway extensions within that City. Special Service District No. 1 Bonds amounting to $16,000,000 were outstanding at June 30, 1975, with principal maturities from 1976 to 1986. Payment of both principal and interest is provided by taxes levied upon property within the Special Service District.

Bond principal is payable annually on June 19 and interest is payable semiannually on December 15 and June 15 from Debt Service Funds. Principal of $14,025,000 General Obligation Bonds and $280,000 Special Service District No. 1 Bonds mature on June 15, 1976. Interest of $18,245,760 on General Obligation Bonds and $237,008 on Special Service District No. 1 Bonds is payable on December 15, 1975. The composite interest rate on bonds currently outstanding is 4.15%.

NOTE D — Sales Tax Revenue Bonds

The 1962 Legislature of the State of California authorized the District to issue revenue bonds totaling $300,000,000. Bonds amounting to $280,000,000 were outstanding at June 30, 1975, with principal maturities from 1976 to 1999. The Sales Tax Revenue Bonds are secured by a pledge of the proceeds of the Transactions and Use Tax authorized by the 1962 Legislature and from moneys received by the District from other sources, in lieu of Transac- tions and Use Tax proceeds, if legally made available. The bonds maturing on or after January 1, 1974, are redeemable prior to maturity at the option of the District on various dates at prices ranging from 104% to 109%. The collection and administration of the tax, which becomes effective April 1, 1970, is performed exclusively by the State Board of Equalization and all taxes are transmitted directly to the appointed trustee for the purpose of paying bond interest semiannually on January 1 and July 1 and principal annually on January 1, Principal of $12,500,000 matures on January 1, 1976, and interest of $1,830,000 is payable on July 1, 1975. The composite interest rate on bonds currently outstanding is 5.15%.

The State Board of Equalization assumed the tax liabilities of the District on various dates at prices ranging from 104% to 109%. The collection and administration of the tax, which becomes effective April 1, 1970, is performed exclusively by the State Board of Equalization and all taxes are transmitted directly to the appointed trustee for the purpose of paying bond interest semiannually on January 1 and July 1 and principal annually on January 1. Principal of $12,500,000 matures on January 1, 1976, and interest of $1,830,000 is payable on July 1, 1975. The composite interest rate on bonds currently outstanding is 5.15%.

The State Board of Equalization has estimated that the revenue from the transactions and Use Tax, for the period April 1 to June 30, 1975, will be approximately $75,000,000, of which some has been removed by the trustee or recovered by the District of June 30, 1975.

NOTE E — U.S. Government Grants

The U.S. government, under grant contracts with the District, provides financial assistance for research, beautification, certain construction projects and transit vehicles and other programs. Additionally, the District is administering federal grants to the City and County of San Francisco (CA-38-0010) for construction of Fish & Market Street Station activities, two street plazas and street extensions, and a grant to the City of Berkeley (CA-38-0008) in connection with the construction of subway extensions within Berkeley. The following grants were in force as of June 30, 1975.
The Nine BART Election Districts

This map is necessarily limited in detail. In the event a question arises as to what election district an individual resides in, verification can be obtained from the County Registrar of Voters. Please note that election district 7 includes portions of both the East Bay and West Bay.
ELECTED BOARD OF DIRECTORS
San Francisco Bay Area Rapid Transit District

The first elected Board of Directors in the history of the District succeeded the previous appointed Board as of 12 o'clock noon on November 29, 1974. The nine members of the Board were elected on November 5 directly by the people of the nine voting districts shown on centerspread map. Directors’ terms expire on November 26, 1976 for odd-numbered districts, and on November 24, 1978 for even-numbered districts. After the 1976 elections, all Directors’ terms will be four years.

ROBERT S. ALLEN, District 5 — Engineering Director of the Engineering and Operations Division, former Member of the San Francisco Police Department, owner of the Allen Construction Company, and member of several professional and civic organizations.

JOHN W. GLENN, District 6 — Member of the San Francisco Police Department, former President of the San Francisco Police Association, and member of the San Francisco Police Officers Union.

JAMES D. HILL, District 1 — Appointed to the Board February 13, 1974, by the Contra Costa County Board of Supervisors, and now its senior member. Member of the Board of Directors of the San Francisco Bay Area Rapid Transit District since 1974.

NELIO J. BIANCO, District 2 — Appointed to the Board September 23, 1966, by the Contra Costa County Board of Supervisors, and now its senior member. Member of the Board of Directors of the San Francisco Bay Area Rapid Transit District since 1966.

RICHARD O. CLARK, District 3 — Appointed to the Board March 4, 1979, by the Mayor of the San Francisco Bay Area Rapid Transit District.

The first elected Board of Directors in the history of the District succeeded the previous appointed Board as of 12 o'clock noon on November 29, 1974. The nine members of the Board were elected on November 5 directly by the people of the nine voting districts shown on centerspread map. Directors’ terms expire on November 26, 1976 for odd-numbered districts, and on November 24, 1978 for even-numbered districts. After the 1976 elections, all Directors’ terms will be four years.
Heavy activity continued in the engi-
neering and maintenance areas, aimed at
improving system reliability and effi-
ciency, with emphasis on problems
involving vehicle and train control com-
ponents.

The summer months preceding the
September 16 start-up of transbay ser-
vice called for particularly close coordi-
nation between transportation and technical personnel to ready the organi-
ization for a swift expansion, as well as in
train operations and support activities.

Car availability (i.e., those cars avail-
able for revenue service out of total fleet)
was the leading common problem shared by transportation, maintenance, and
engineering personnel throughout the
period. In June, 1974, average daily avail-
bility was 45 percent, or 131 out of
291 cars on hand. Availability rose to
150-160 cars during the summer.

Transbay service started at a 200-car level of availability, which continued until November. Availability then fell off to
100-190 cars in the third quarter, hitting a low of 160 cars during Febru-
ary. From May forward, availabil-
ity was generally up in the 220-240
range. In the ending month of June,
1975, availability averaged 219 out of
the current 498 fleet total (54 percent).

Besides the ongoing shortage of spare parts, lower reliability of major com-
ponents and subsystems was another factor in the period's discouraging car
availability levels. Test work and acci-
dent damage also kept some cars out of
revenue service.

With the system in transbay service and 30 trains operating from October, 1974, to June, 1975, non-scheduled train
removals for that period averaged 15 per
day. The average rose from 13.7 in
October to 17.6 for June. The average
for the previous fiscal period was 10.4 trains per day out of 22 operating. (Note:
non-scheduled removals can be for
minor reasons, such as lost windshield
wipers, as well as for major equipment
malfunctions.)

Actual run rounds completed by all trains (including replacement trains) for the period was 98 percent of the trips scheduled.

Technical Work In October, a special task force of engineers was established
to intensify investigation of vehicle reliability problems which had been keeping
the fleet in the air on an average of six
hours per day. In April, this effort was
expanded into three larger task forces
with a total of 35 engineers, including
seven specialists from Lawrence Berke-
ley Laboratory. Progress was reported
by period's end in the general areas of
(1) central control; (2) wayside train
control and detection equipment; and
(3) vehicle systems for propulsion, train
controls, door controls, and braking.

With short-range as well as long-range
goals, the task forces expect to make
measurable gains in system-vehicle reliability by the next period's end.

The Hayward Test Track was nearing
completion by period's end, and was
scheduled for activation by October, 1975. The new facility is expected to
speed the problem-solving work of the
 task force effort, as well as in
train operations and support activities.

Improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capa-
cities, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.

Line improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capaci-
ties, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.

Line improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capaci-
ties, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.

Line improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capaci-
ties, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.

Line improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capaci-
ties, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.

Line improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capaci-
ties, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.

Line improvements to the 1,000-volt D.C.
traction power distribution system
included increased sub-station capaci-
ties, and modifications to prevent
previous failures of gap-breaker equip-
ment. In December, discussions accel-
erated with the supplier, General Elec-
tric Company, regarding the causes and
correction of several gap-breaker and
related equipment failures which had
occurred on the system.

Well underway by period's end was systemwide installation of improved "diode array" grounding system, which will reduce stray current effects of traction power equipment on nearby
metal structures.

The $1.3 million SOR (Sequential Occu-
pancy Release) system was tested
systemwide in April. Despite some
minor reliability problems to be cor-
corrected, it was found to be satisfactory
as an additional train protection (anti-
collision) system. When satisfactorily
demonstrated in conjunction with train
stopping capabilities under adverse
weather conditions, the SOR will allow
headways shorter than the one-station
separation constraint now in effect.

Maintenance Major effort was aimed at
improving both administrative controls
and technology in the complex area of
fleet maintenance. A new, computerized method of maintaining (on a daily basis)
"performance profiles" for each vehicle
was activated. Preventive maintenance
work was reorganized throughout the
fleet for greater workload efficiencies.
Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>1975</th>
<th>1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (including time deposits of $4,770,000 and $24,728,000)</td>
<td>$6,028,931</td>
<td>$5,963,349</td>
</tr>
<tr>
<td>Federal Agency securities (Notes A and B)</td>
<td>11,190,000</td>
<td>14,635,000</td>
</tr>
<tr>
<td>Other securities (Notes A and B)</td>
<td>25,001,472</td>
<td>26,396,182</td>
</tr>
<tr>
<td>Deposits, notes and miscellaneous receivables</td>
<td>3,775,478</td>
<td>2,973,478</td>
</tr>
<tr>
<td>Construction in progress (Notes A and B)</td>
<td>13,432,244</td>
<td>12,787,478</td>
</tr>
<tr>
<td>Federal Agency securities (Note A)</td>
<td>16,430,952</td>
<td>16,122,878</td>
</tr>
<tr>
<td>Construction contracts and other liabilities</td>
<td>1,457,469,819</td>
<td>1,132,153,715</td>
</tr>
<tr>
<td>Accumulated depreciation and amortization (Notes A and B)</td>
<td>(40,038,470)</td>
<td>(20,527,476)</td>
</tr>
<tr>
<td>Materials and supplies, at average cost</td>
<td>4,545,160</td>
<td>1,600,154</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>373,720,529</td>
<td>370,738,183</td>
</tr>
<tr>
<td>Liabilities and Capitalization</td>
<td>$1,566,244,538</td>
<td>$1,527,486,733</td>
</tr>
<tr>
<td>Contract construction funds and other liabilities</td>
<td>$32,667,460</td>
<td>$45,491,205</td>
</tr>
<tr>
<td>Unearned fare revenue</td>
<td>797,242</td>
<td>587,135</td>
</tr>
<tr>
<td>Payable to State of California (Note F)</td>
<td>39,110,538</td>
<td>39,110,538</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds ($42,485,000 authorized) (Note D)</td>
<td>16,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Debt service funds (Notes C and D)</td>
<td>73,720,529</td>
<td>73,720,529</td>
</tr>
<tr>
<td>Contingencies (Note I)</td>
<td>162,285,769</td>
<td>155,567,061</td>
</tr>
<tr>
<td>Capitalization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for self-insurance (Note G)</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>General Obligation Bonds ($812,500,000 authorized) (Note C)</td>
<td>562,900,000</td>
<td>775,400,000</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>41,020,000</td>
<td>28,500,000</td>
</tr>
<tr>
<td>Bonded and matured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bonds matured and retired</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Liabilities (Notes A and B)</td>
<td>150,000,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds ($50,000,000 authorized) (Note D):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingencies (Note I)</td>
<td>162,285,769</td>
<td>155,567,061</td>
</tr>
<tr>
<td>Capitalization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for self-insurance (Note G)</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>General Obligation Bonds ($812,500,000 authorized) (Note C)</td>
<td>562,900,000</td>
<td>775,400,000</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>41,020,000</td>
<td>28,500,000</td>
</tr>
<tr>
<td>Bonded and matured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bonds matured and retired</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Liabilities (Notes A and B)</td>
<td>150,000,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds ($50,000,000 authorized) (Note D):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingencies (Note I)</td>
<td>162,285,769</td>
<td>155,567,061</td>
</tr>
<tr>
<td>Capitalization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for self-insurance (Note G)</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>General Obligation Bonds ($812,500,000 authorized) (Note C)</td>
<td>562,900,000</td>
<td>775,400,000</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>41,020,000</td>
<td>28,500,000</td>
</tr>
<tr>
<td>Bonded and matured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bonds matured and retired</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Liabilities (Notes A and B)</td>
<td>150,000,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds ($50,000,000 authorized) (Note D):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingencies (Note I)</td>
<td>162,285,769</td>
<td>155,567,061</td>
</tr>
<tr>
<td>Capitalization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for self-insurance (Note G)</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>General Obligation Bonds ($812,500,000 authorized) (Note C)</td>
<td>562,900,000</td>
<td>775,400,000</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>41,020,000</td>
<td>28,500,000</td>
</tr>
<tr>
<td>Bonded and matured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bonds matured and retired</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Liabilities (Notes A and B)</td>
<td>150,000,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds ($50,000,000 authorized) (Note D):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingencies (Note I)</td>
<td>162,285,769</td>
<td>155,567,061</td>
</tr>
<tr>
<td>Capitalization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for self-insurance (Note G)</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>General Obligation Bonds ($812,500,000 authorized) (Note C)</td>
<td>562,900,000</td>
<td>775,400,000</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>41,020,000</td>
<td>28,500,000</td>
</tr>
<tr>
<td>Bonded and matured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bonds matured and retired</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Liabilities (Notes A and B)</td>
<td>150,000,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds ($50,000,000 authorized) (Note D):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingencies (Note I)</td>
<td>162,285,769</td>
<td>155,567,061</td>
</tr>
<tr>
<td>Capitalization:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for self-insurance (Note G)</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>General Obligation Bonds ($812,500,000 authorized) (Note C)</td>
<td>562,900,000</td>
<td>775,400,000</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>41,020,000</td>
<td>28,500,000</td>
</tr>
<tr>
<td>Bonded and matured</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bonds matured and retired</td>
<td>80,000,000</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Liabilities (Notes A and B)</td>
<td>150,000,000</td>
<td>150,000,000</td>
</tr>
</tbody>
</table>

Note: See notes to financial statements.
The first day of transbay service saw trains crowded with passengers who made their first trip beneath San Francisco Bay with reactions ranging from studied casualness to wide-eyed excitement.

OPERATING STATISTICS

<table>
<thead>
<tr>
<th>FY 1972/73</th>
<th>FY 1973/74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Car Miles (revenue service only)</td>
<td>21,465,055</td>
</tr>
<tr>
<td>Total Passenger Trips (patronage)</td>
<td>27,876,794</td>
</tr>
<tr>
<td>Ridership Ratio (at period's end)</td>
<td></td>
</tr>
<tr>
<td>Peak</td>
<td>59%</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>41%</td>
</tr>
<tr>
<td>Net Passenger Revenues (less fare discounts and other adjustments)</td>
<td>$15,694,768</td>
</tr>
<tr>
<td>Average Passenger Fare (with discount fares considered at full value)</td>
<td>60.3 cents</td>
</tr>
<tr>
<td>Average Trip Length (based on estimated passenger miles which include an allowance for excursion rides)</td>
<td>15.6 miles</td>
</tr>
</tbody>
</table>

San Francisco Bay Area Rapid Transit District

Statement of Operations

| Year Ended June 30 |
|---------------------|-----------------|
| 1975                | 1974            |
| Revenues:          |                 |
| Operating revenues: |                 |
| Fares              | $17,211,689     | $6,655,808 |
| Less discounts, transfers and other deductions | (1,219,600) | (599,839) |
| Financial assistance — Transportation Development Act of 1971 | 729,544 | 607,000 |
| Other              | 461,789 | 187,942 |
| Total              | 17,183,422 | 7,050,911 |
| Taxes              | 4,416,322 | 4,051,726 |
| Interest and other | 5,840,286 | 9,010,468 |
| Net Passenger Revenues | 27,434,040 | 20,113,105 |
| Expenses:          |                 |
| Transportation     | 11,157,482 | 7,646,011 |
| Maintenance and quality control | 2,025,272 | 1,910,689 |
| Police services    | 2,025,272 | 1,910,689 |
| Construction and engineering | 3,611,599 | 2,393,925 |
| General and adminis- | 9,003,778 | 6,119,005 |
| trative            |                 |
| Total              | 24,056,905 | 15,833,084 |
| Unfunded costs:    |                 |
| Depreciation and amortization of all assets | 26,011,692 | 20,298,578 |
| Less depreciation and amortization of assets acquired with contributions by others (Note A) | (7,477,274) | (5,550,698) |
| Total              | 18,534,518 | 14,748,880 |
| NET OPERATING LOSS | $46,977,514 | $30,265,489 |

Statement of Accumulated Net Revenues

| Year Ended June 30 |
|---------------------|-----------------|
| 1975                | 1974            |
| Accumulated net revenues at beginning of year | $95,786,396 | $94,492,405 |
| Less net operating loss | (46,977,514) | (30,569,489) |
| Add:                |                 |
| Start-up costs and construction overhead capitalized (Note A) | 15,897,361 | 22,401,581 |
| Reduction in reserve for self-insurance (Note A) | (4,277,424) | (9,577,989) |
| Accumulated net revenues at end of year | $54,808,842 | $64,226,916 |

See notes to financial statements.
Statement of Revenues, Expenses, and Fund Balances of Debt Service Funds

San Francisco Bay Area Rapid Transit District

Balance at beginning of year

Revenues:
- Bond interest
- Increase in debt service funds (net of $1,248,000 bond proceeds
- Bond principal
- Contributions from others
- Grants from U.S. Government
- Transations and use revenues
- Interest

FUNDS USED IN OPERATIONS

Balance at beginning of year

Balance at end of year

Financial Statements in Changeable Financial Position

Financial Resources Were Used for:

Operations:
- Non-operating loss
- Non-operating expense — depreciation and amortization

Funds Used in Operations

Additions to construction in progress and facilities, property and equipment

Bond principal

Bond interest

Bond premium

Other

Financial Resources Were Provided by:

Grants from U.S. Government

Property taxes

Transations and use revenues

Decrease in cash and securities

Contributions from others

Interest on investments

Decrease in deposits, notes and miscellaneous receivables

Grants from State of California

See notes to financial statements.

$2.5 million (amended by Board Action from $3.0 million).

$5.2 million in dividends to date.

$52.5 million (amended by Board Action

$5.0 million, which included closeout of 43 special

7.2 million to fund system

$5.2 million in dividends to date.

$10.000. A dividend of $568,545 was

$7.2 million to fund system

$5.2 million in dividends to date.

$10.000. A dividend of $568,545 was

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.

$5.2 million in dividends to date.