



Controller-Treasurer's Quarterly Report Periods Ending 06.30.2022 and 09.30.2022



BART Board of Directors
February 9, 2023

Controller-Treasurer's Quarterly Report

Periods Ending 06.30.2022 and 09.30.2022

- 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 \$400 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.

Controller-Treasurer's Quarterly Report

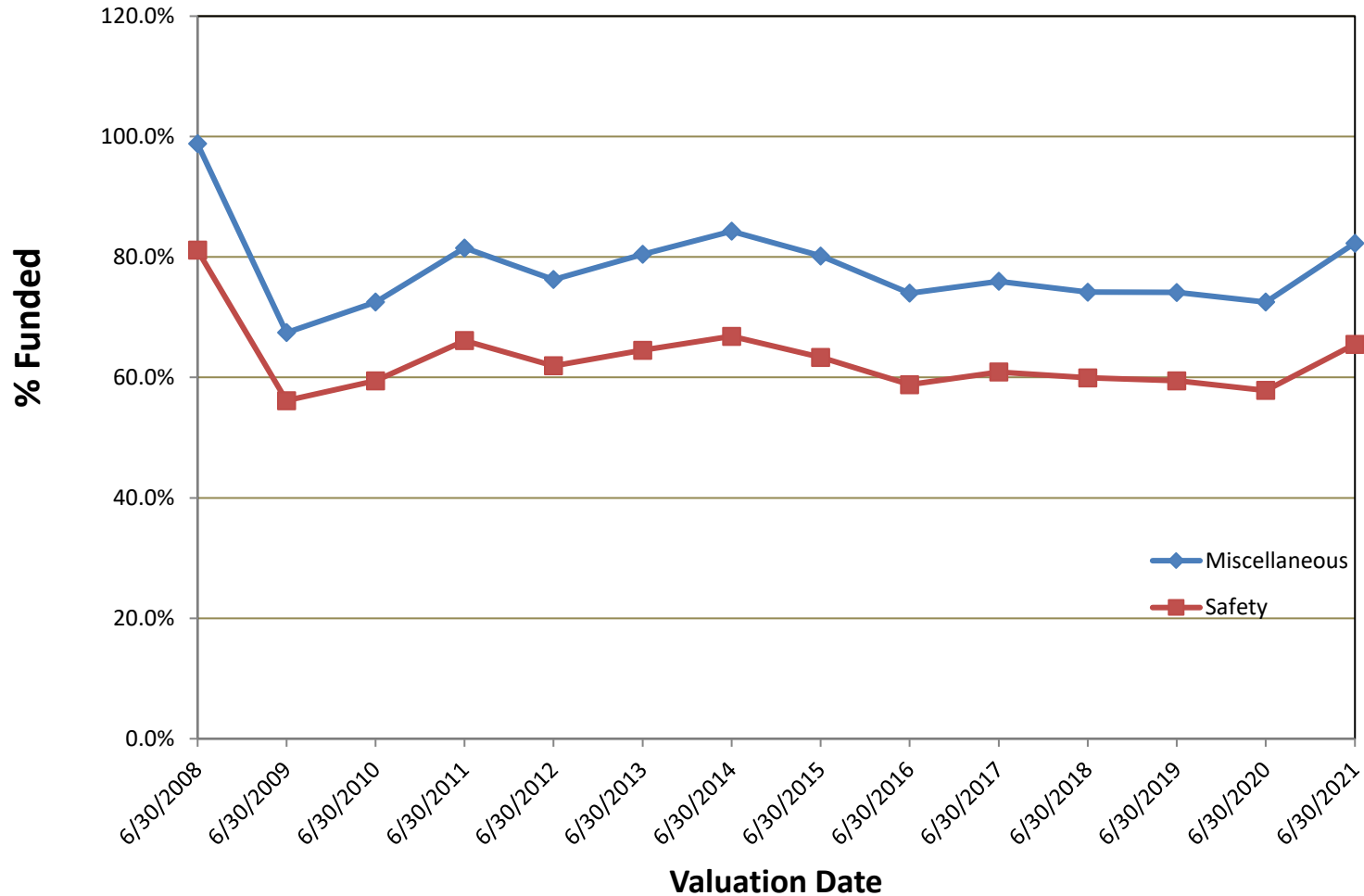
Periods Ending 06.30.2022 and 09.30.2022

Funding Summary of Pension Benefit Obligations

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retirement Pension with CALPERS					
Miscellaneous Employees	6/30/2021	\$ 2,428,597,412	\$ 2,949,517,562	\$ 520,920,150	82.3%
Safety Employees	6/30/2021	\$ 292,270,831	\$ 446,325,701	\$ 154,054,870	65.5%
Section 115 Pension Trust	9/30/2022	<u>\$ 36,803,869</u>		<u>\$ (36,803,869)</u>	
Total – Pension Benefit Obligations		<u>\$ 2,757,672,112</u>	<u>\$ 3,395,843,263</u>	<u>\$ 638,171,151</u>	

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CALPERS Pension Plan Funding Progress

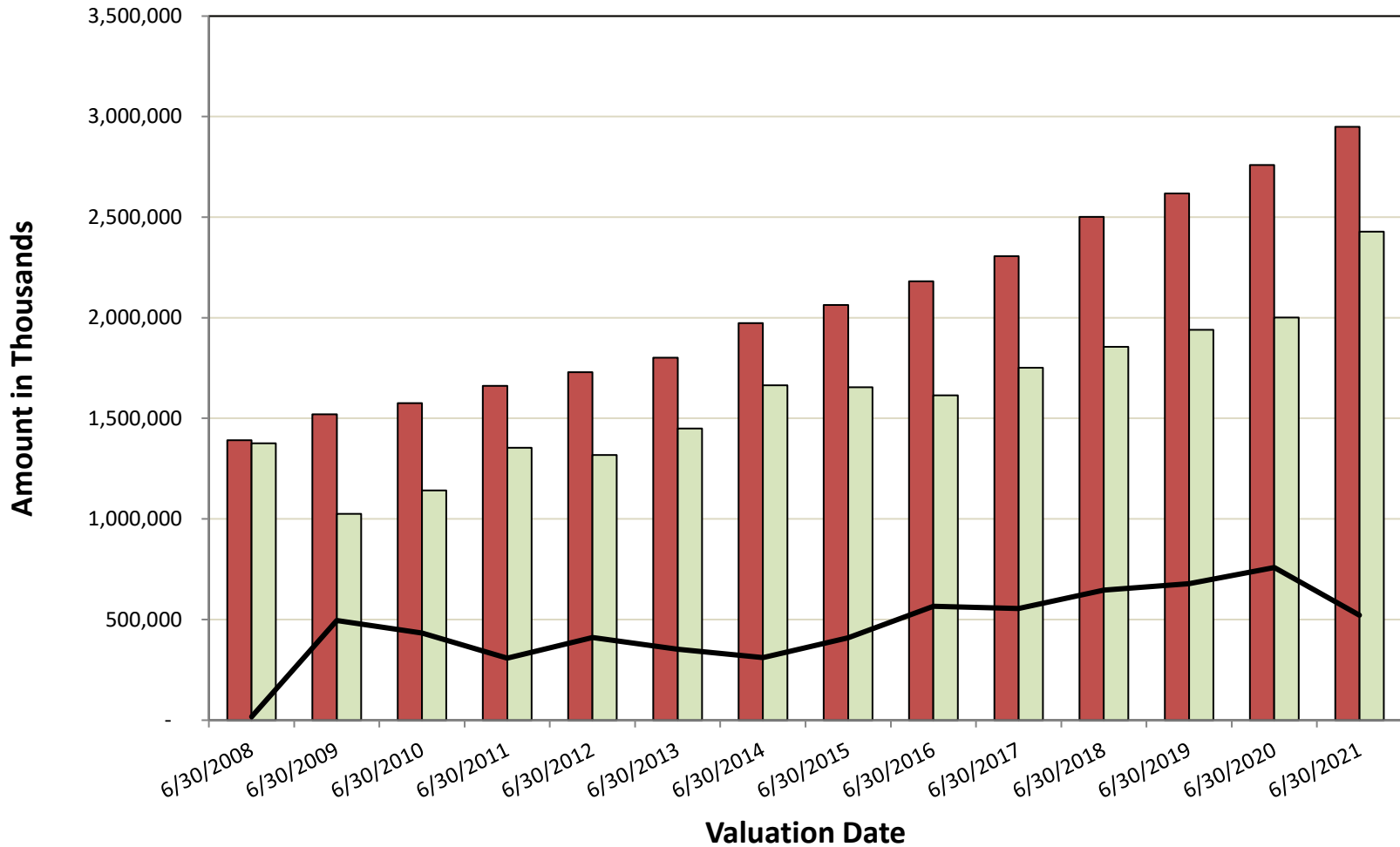


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CALPERS Miscellaneous Pension Plan Funding Progress

Accrued Liability Market Value of Assets Unfunded Liability

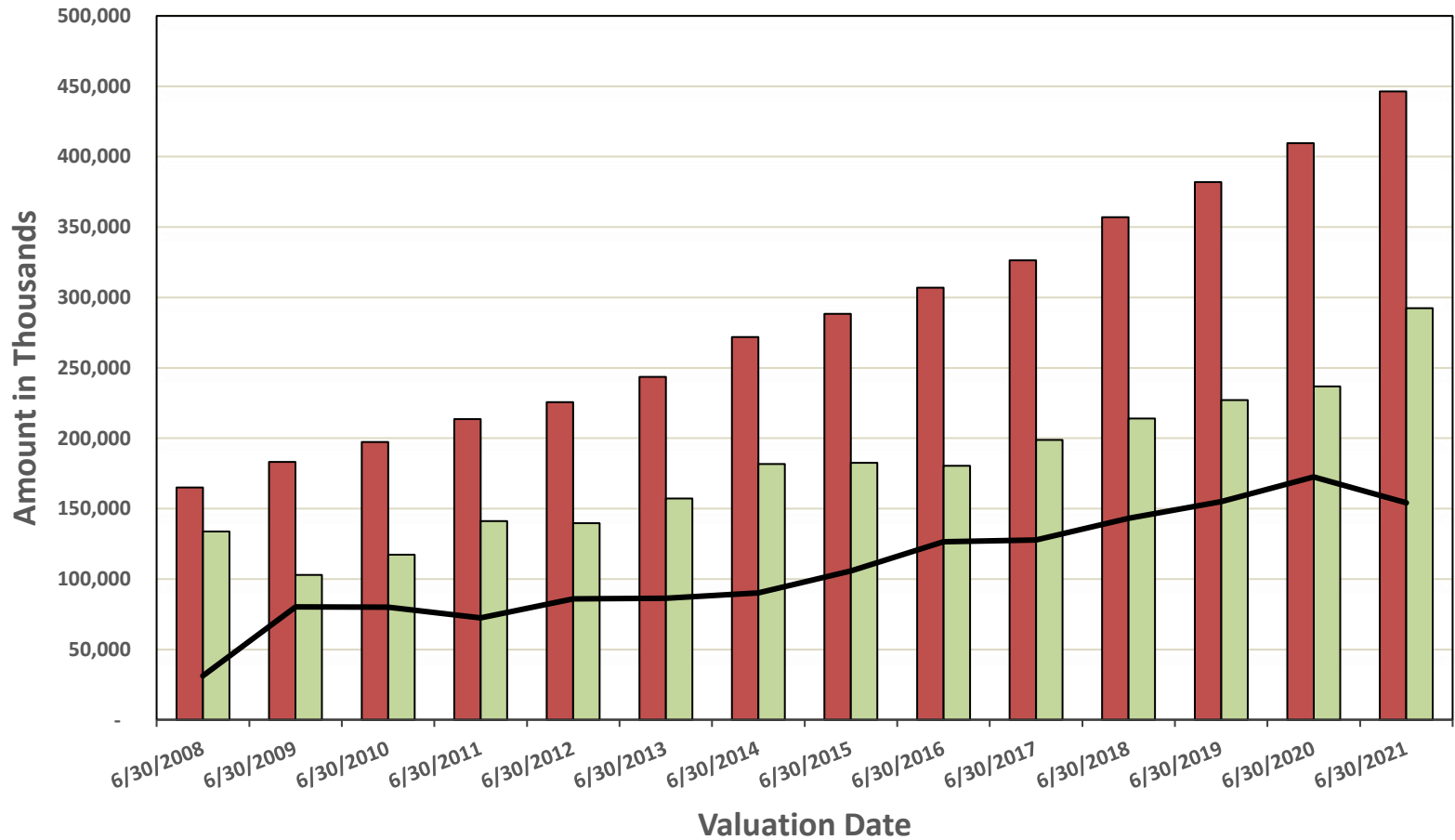


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CALPERS Safety Pension Plan Funding Progress

■ Accrued Liability
 ■ Market Value of Assets
 — Unfunded Liability



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Summary of Trust Assets for Other Post Employment Benefits

Quarterly Change

	<u>Net Assets</u> <u>March 31, 2022</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Gain (Loss)</u>	<u>Net Assets</u> <u>June 30, 2022</u>	<u>Inception to-date</u> <u>Return</u>
Retiree Health Benefit Trust	\$ 505,941,484	\$ 13,667,154	\$ (7,515,674)	\$ (62,064,580)	\$ 450,028,384	6.6%
Section 115 Pension Trust	28,688,292	6,666,668	-	(819,851)	34,535,109	-2.5%
Survivors Benefit Trust	10,717,757	110,580	(108,140)	(1,230,778)	9,489,419	2.4%
Total	<u>\$ 545,347,532</u>	<u>\$ 20,444,402</u>	<u>\$ (7,623,814)</u>	<u>\$ (64,115,209)</u>	<u>\$ 494,052,912</u>	

	<u>Net Assets</u> <u>June 30, 2022</u>	<u>Contributions</u>	<u>Expenses</u>	<u>Gain (Loss)</u>	<u>Net Assets</u> <u>September 30, 2022</u>	<u>Inception to-date</u> <u>Return</u>
Retiree Health Benefit Trust	\$ 450,028,384	\$ 9,757,462	\$ (7,867,395)	\$ (20,226,837)	\$ 431,691,614	6.3%
Section 115 Pension Trust	34,535,109	3,333,332	-	(1,064,571)	36,803,870	-3.4%
Survivors Benefit Trust	9,489,419	188,458	(88,805)	(422,669)	9,166,403	-0.4%
Total	<u>\$ 494,052,912</u>	<u>\$ 13,279,252</u>	<u>\$ (7,956,200)</u>	<u>\$ (21,714,077)</u>	<u>\$ 477,661,887</u>	

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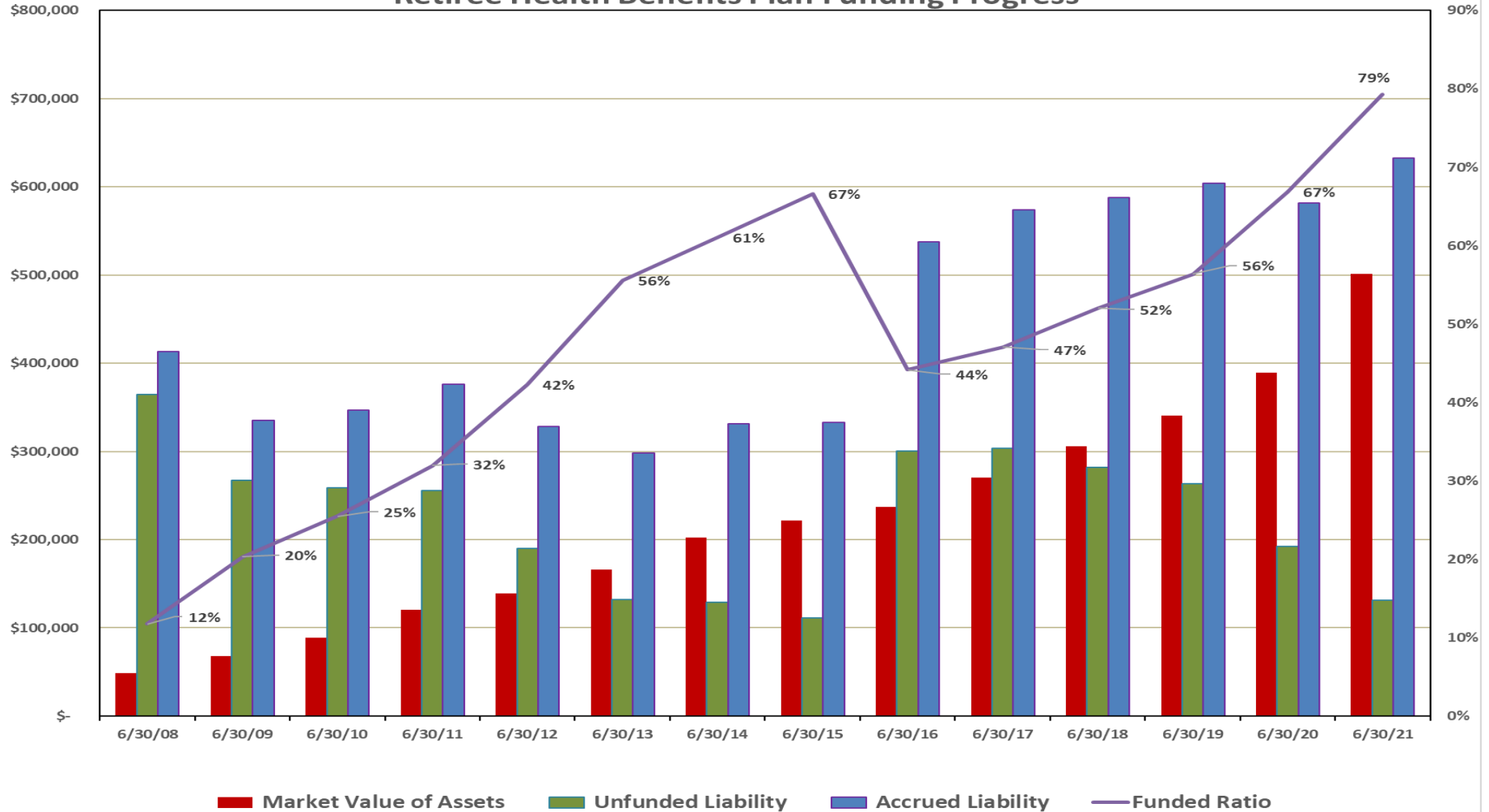
Funding Summary of Other Post Employment Benefit Obligations

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retiree Health Benefits	6/30/2021	\$ 501,321,000	\$ 632,402,000	\$ 131,081,000	79.3%
Other Post Employment Benefits					
Life Insurance	6/30/2021	\$ -	\$ 41,943,000	\$ 41,943,000	0.0%
Survivors Benefits	6/30/2021	\$ 10,468,000	\$ 21,247,000	\$ 10,779,000	49.3%

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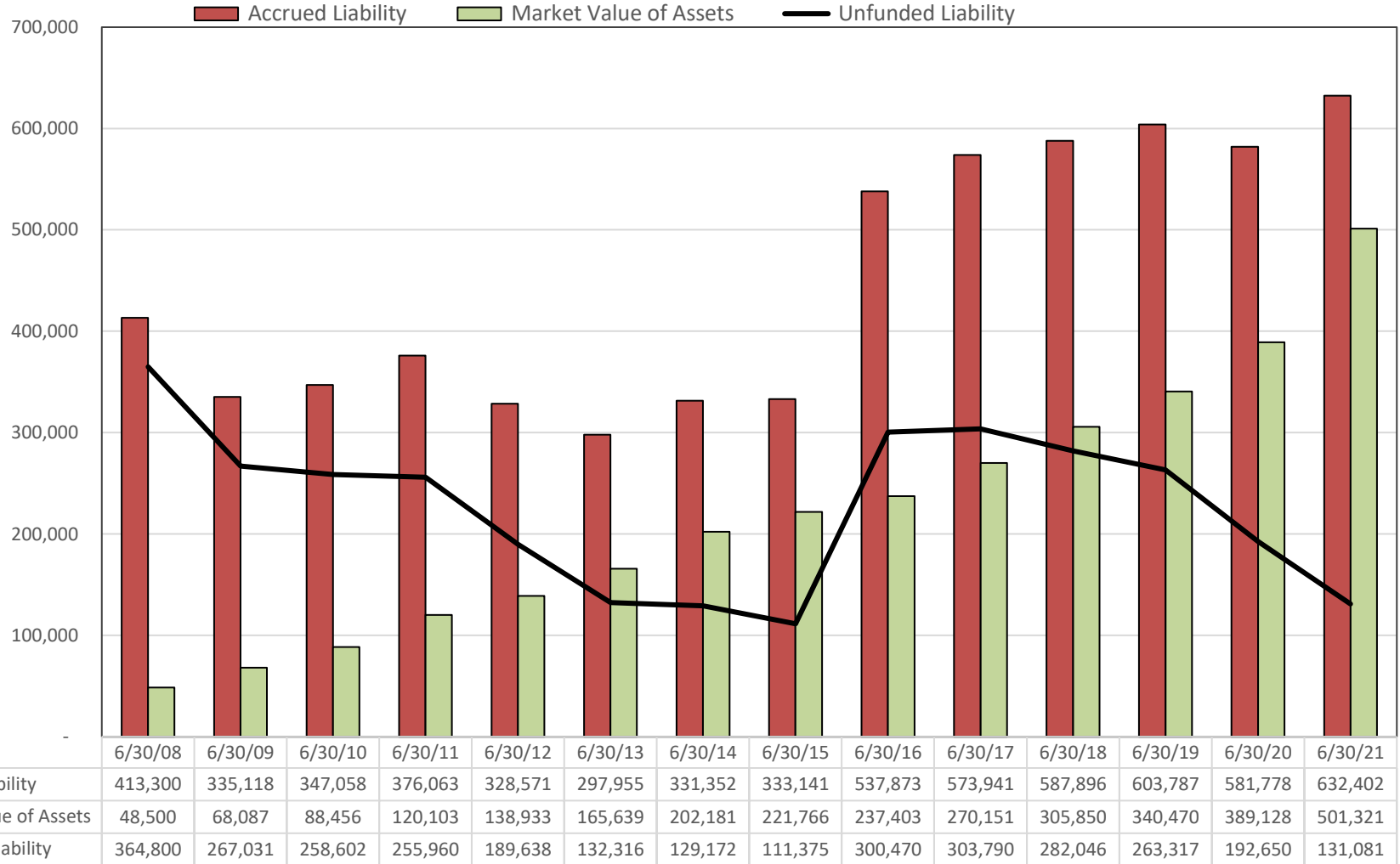
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Retiree Health Benefits Plan Funding Progress



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Funding Progress Retiree Health Benefits Plan



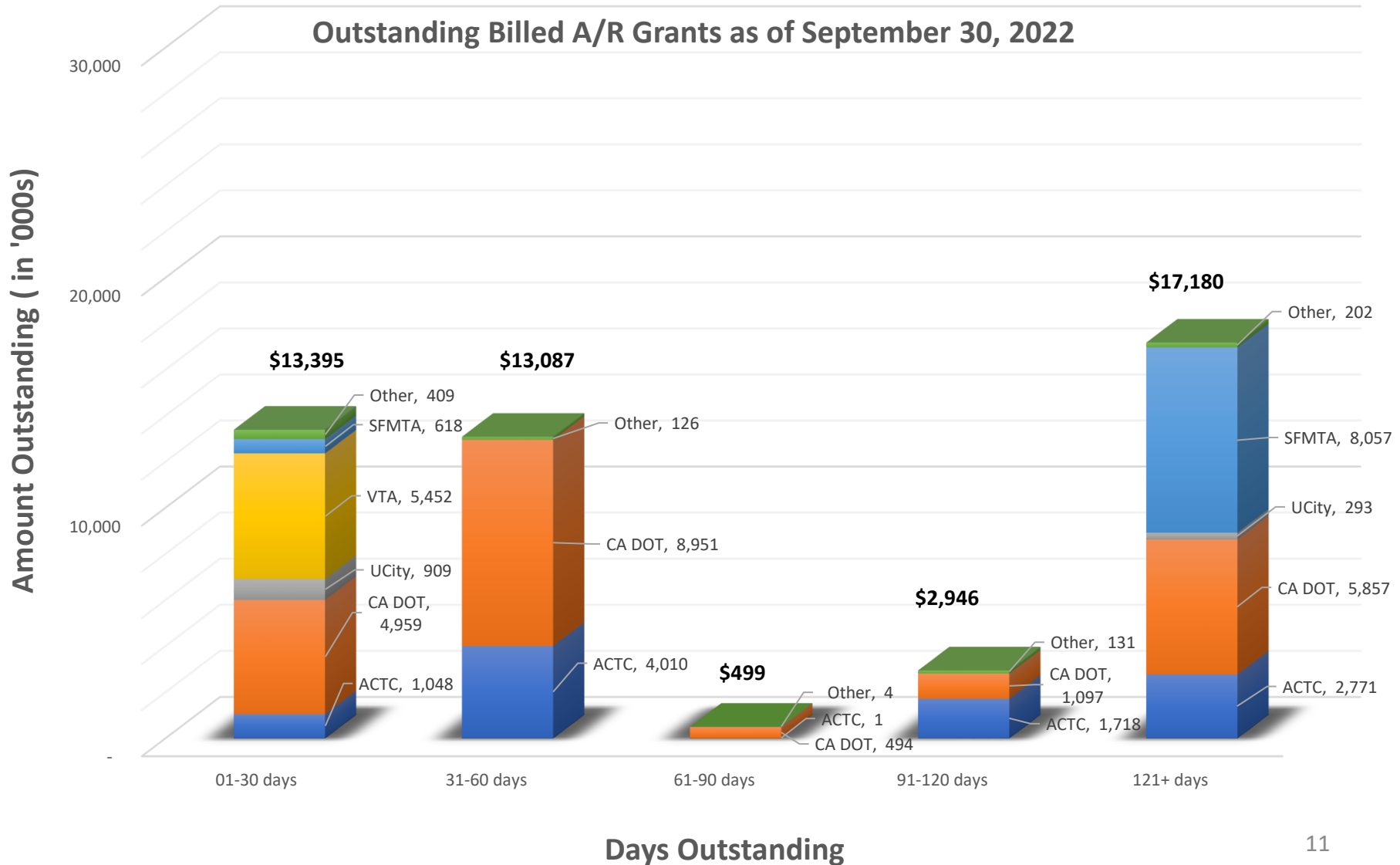
Valuation Date

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Accounts Receivable

- The status of receivables from our funding partners is shown in the chart below. The amount outstanding is \$47,106,670 as of September 30, 2022.



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Cash and Investments

Shown below are the composition of the District's cash and investments for the General Fund and Working Capital Fund as of the end of the quarter.

	<u>6/30/2022*</u>	<u>% Allocation</u>	<u>9/30/2022**</u>	<u>% Allocation</u>
CD, Cash on hand and Cash In Bank	\$ 152,742,110	16%	\$ 76,991,195	9%
US Government Securities	705,883,000	76%	697,715,000	82%
Mutual Fund - Bond Fund	37,553,325	4%	36,803,870	4%
Local Agency Investment Fund	35,081,732	4%	35,201,094	4%
Total Cash & Investments	<u>\$ 931,260,167</u>	<u>100%</u>	<u>\$ 846,711,158</u>	<u>100%</u>

* US Government Securities are invested in: UST and FHDN

** US Government Securities are invested in: UST, FHDN, FHLB, FFCB

➤ Weighted average return on our Investments in Government Securities were 1.67% (06/30/2022) and 2.92% (09/30/2022). The yield on Local Agency Investment Fund for the quarter 06/30/2022 is .69% and for quarter 09/30/2022 is 1.29%.

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Breakdown of Cash and Investments

	June 30, 2022			September 30, 2022		
	General Fund	Capital Fund	Total	General Fund	Capital Fund	Total
Restricted	\$ 23,333,006	\$ 22,110,258	\$ 45,443,264	\$ 22,338,168	\$ 21,664,611	\$ 44,002,779
Unrestricted	\$ 564,274,050	\$ 321,542,853	\$ 885,816,903	\$ 462,172,727	\$ 340,535,652	\$ 802,708,379
	<u>\$ 587,607,056</u>	<u>\$ 343,653,111</u>	<u>\$ 931,260,167</u>	<u>\$ 484,510,895</u>	<u>\$ 362,200,263</u>	<u>\$ 846,711,158</u>
Allocated		\$ 269,041,759			\$ 288,250,516	
Scheduled to be Allocated		\$ 74,611,352			\$ 73,949,747	
Total		<u>\$ 343,653,111</u>			<u>\$ 362,200,263</u>	

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Summary of Outstanding Bonds

	Authorized	Issued	Outstanding Balance 03-31-2022	Issuance	Payments	Outstanding Balance 09-30-2022	Annual Debt Service	Property Tax Assessments ***
Sales Tax Revenue Bonds **		\$ 984,260,000	\$ 657,520,000	\$ -	\$(31,450,000)	\$626,070,000	\$ 59,919,129	
Measure AA General Obligation Bonds	\$ 980,000,000	\$ 980,000,000	\$ 655,180,000	\$ -	\$(26,315,000)	\$628,865,000	\$ 54,655,344	\$5.30/\$100,000
Measure RR General Obligation Bonds	\$3,500,000,000	\$2,060,000,000	\$1,179,660,000	\$700,000,000	* \$(24,240,000)	\$1,855,420,000	\$ 84,679,275	\$8.70/\$100,000
Total		<u>\$4,024,260,000</u>	<u>\$2,492,360,000</u>	<u>\$700,000,000</u>	<u>\$(82,005,000)</u>	<u>\$3,110,355,000</u>	<u>\$ 199,253,748</u>	

* Issued in May 2022.

** Sales Tax Revenue Bonds with outstanding balances.

*** Net of cash available set aside for debt service from funds collected in prior year's tax assessments.

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Operating and Other Reserves

Quarterly Changes

		March 31, 2022	April - June 2022		July - September 2022		Sept. 30, 2022
			Additions	Usage	Additions	Usage	
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 - CRRSAA	(3)	120,054,404		(69,974,802)	-	(50,079,602)	(0)
From Federal Assistance - ARP	(3)	180,457,669	95,398,995	-	121,606,777	(50,480,910)	346,982,531
Operating Reserve - Fiscal Stability - Pension	(4)	33,688,292	5,000,000	(819,851)	-	(1,064,571)	36,803,870
Operating Reserve - Low Carbon Fuel Standards Credits	(5)	18,498,668	-	-	-	-	18,498,668
Working Capital Reserve Fund	(6)	83,911,239	39,262	-	406,318	-	84,356,820
Operating Reserve - eBART Operations	(7)	5,390,000	-	-	-	-	5,390,000
Total		\$ 530,053,998	\$ 100,438,257	\$ (70,794,653)	\$ 122,013,095	\$ (101,625,083)	\$ 580,085,614

- (1) Cumulative balance of operating reserves per "Financial Stability Policy" approved by the Board.
- (2) This reserve was set aside in the 1960s to cover catastrophic losses associated with District property damage, public liability and workers' compensation claims.
- (3) Operating reserve set aside due to uncertain economic conditions.
- (4) Amount set aside in FY18, FY19, FY20, FY21, and FY22 for pension contribution or for prefunding of the District's pension obligation. A Section 115 Pension Trust has been created for this reserve.
- (5) Portion of proceeds from sale of Low Carbon Fuel Standards credits sold set aside to support operations per "Low Carbon Fuel Standard Policy" approved by the Board in July 2017.
- (6) Working capital fund.
- (7) FY21 year end operating allocation for eBART non-labor operating cost.