

# ***Quarterly Financial Report***

## ***Fiscal Year 2026 Preliminary Quarter 1 Results***

***JPB Finance Committee  
December 15, 2025***



# Agenda

- 1. FY 26 Adopted Budget**
- 2. Executive Summary / Q1 Financial Results**
  - Sources
  - Uses
- 3. Financial Outlook**
- 4. Next Steps**

# FY26 Adopted Operating Budget

(in millions)	Budget through FY26 Q1	FY26 Annual Budget
Operating Revenue	\$17.5	\$69.7
Contributed Revenue	\$31.7	\$173.6
<b>Total Sources</b>	<b>\$49.2</b>	<b>\$243.2</b>
Direct Expense	\$49.8	\$197.5
Administrative Expense	\$13.1	\$48.5
Debt Service Expense	\$0.0	\$13.0
<b>Total Uses</b>	<b>\$62.9</b>	<b>\$259.0</b>
Net Surplus/(Deficit)	(\$13.7)	(\$15.8)
Draw from Measure RR Reserve	\$0.0	\$30.0
Measure RR for Capital	\$0.0	(\$14.2)
<b>Adjusted Net Surplus/(Deficit)</b>	<b>(\$13.7)</b>	<b>(\$0.0)</b>

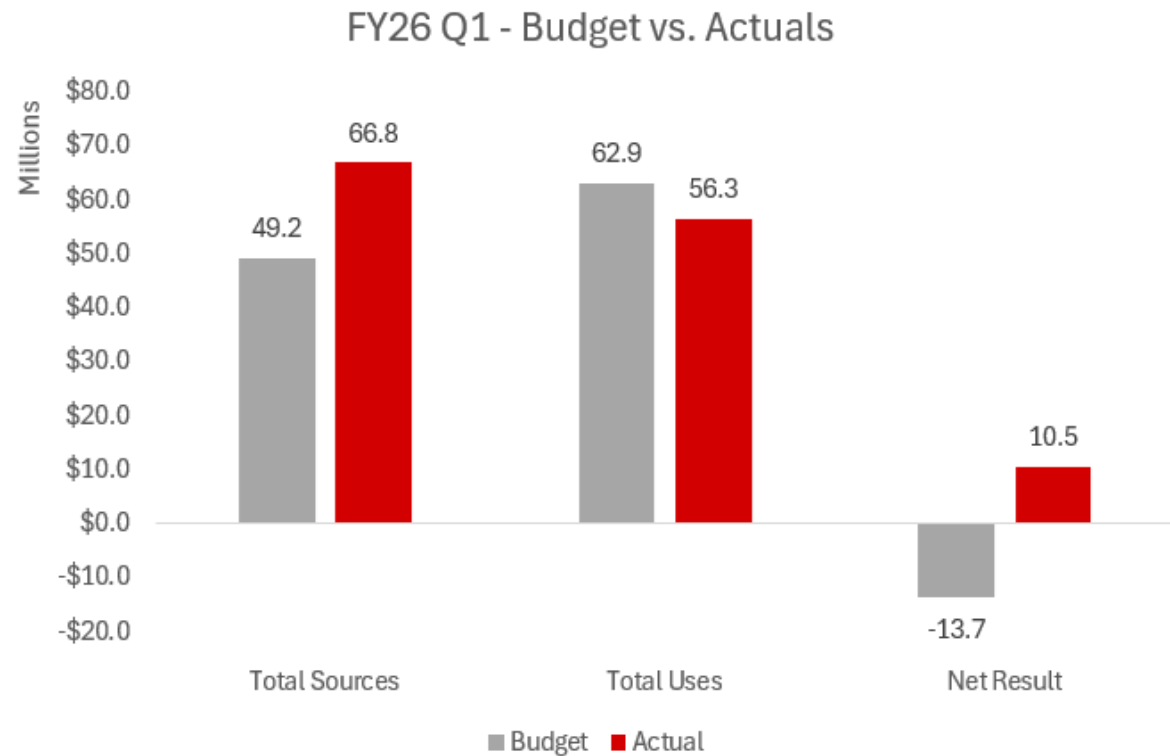
# Executive Summary / Q1 Result

## FY26 Q1 Year Summary

**Sources:** Revenue exceeded budget by \$17.5M attributed to the timing of receipt of prior years' SRA allocations.

**Uses:** Expenses came in below budget, mostly due to non-labor timing-related savings.

**Result:** Strong quarterly performance than anticipated – actuals show a surplus of \$10.5M, compared to a budgeted deficit of \$13.7M.



# Sources – FY26 Q1 Budget vs. Actuals

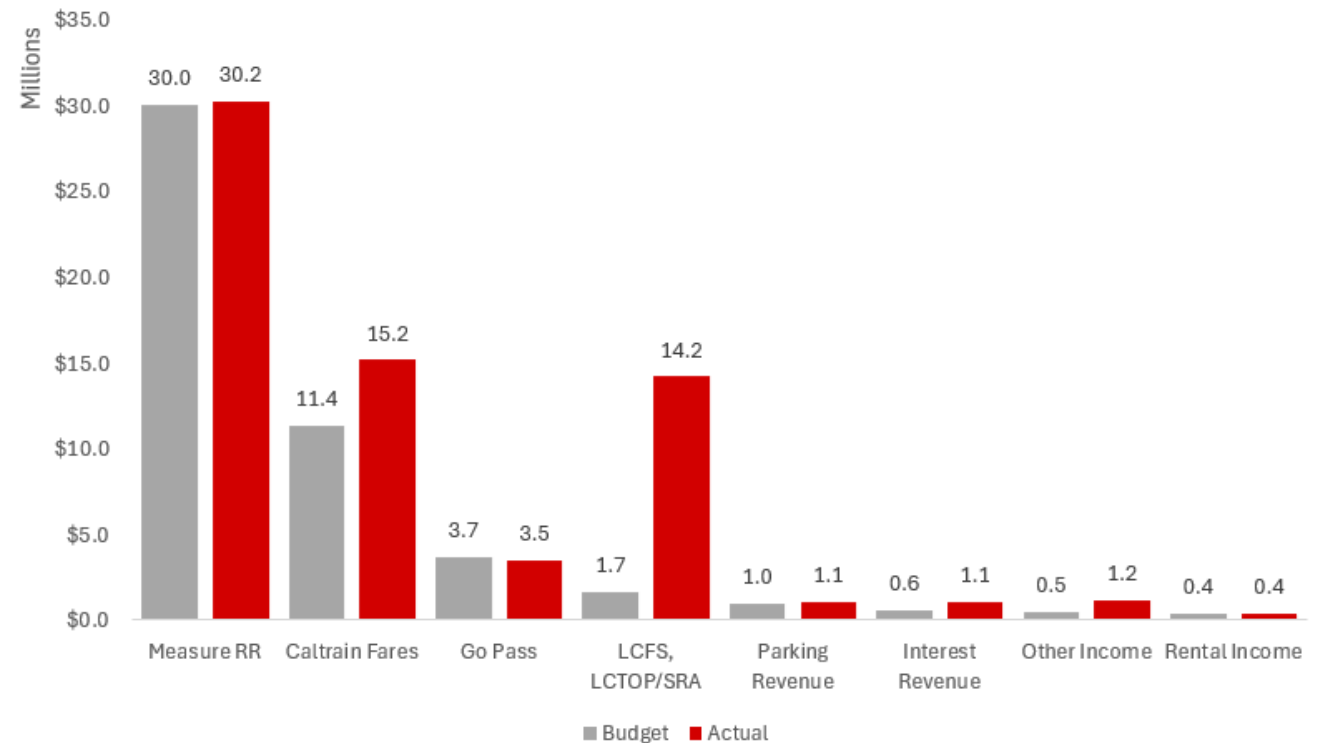
## Sources \$17.5M favorable - Main Drivers:

**SRA \$12.3M favorable:** Driven by receipt of prior years' SRA allocation.

**Caltrain Fares: \$3.8M favorable:**  
Exceeded budget by ~33.5% reflecting strong ridership recovery.

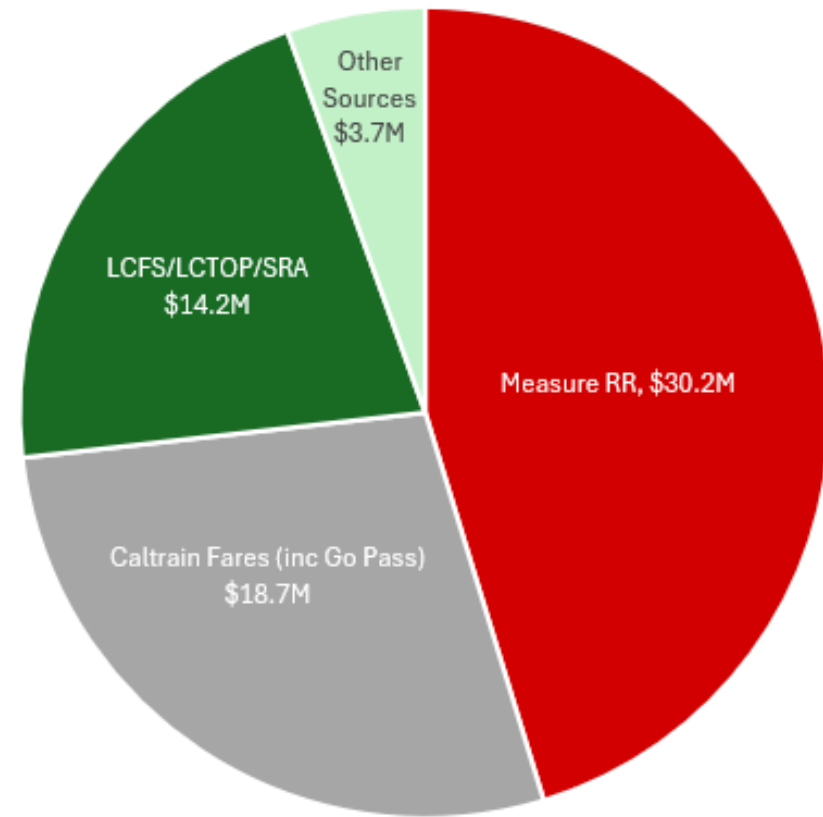
**Interest and Other Income \$1.2M favorable:** Outperformed budget due to higher interest earnings and insurance reimbursements.

FY26 Q1 Sources - Budget vs. Actuals



# Sources – % Allocation of FY26 Q1 YTD Actuals

Source Category (in millions)	FY26 Q1 Actual	% of Total Revenue
Measure RR	\$30.2	45%
Caltrain Fares (inc Go Pass)	18.7	28%
LCFS/LCTOP/SRA	14.2	21%
Other Sources	3.7	6%
<b>Total Sources</b>	<b>\$66.8</b>	<b>100%</b>



# Uses – FY26 Q1 Budget vs. Actuals

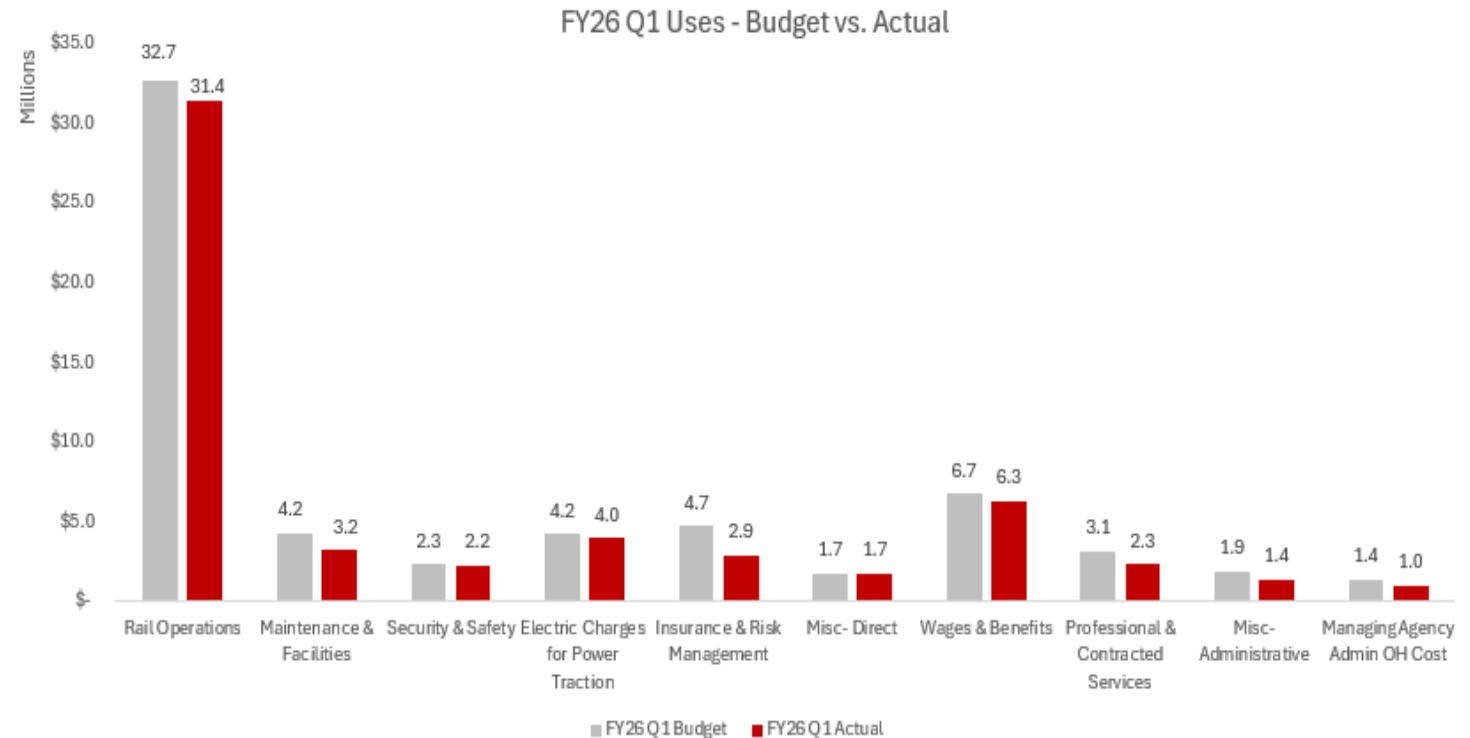
Uses \$6.6M favorable - Main Drivers:

## Direct Expense

- **Rail Operations:** \$1.3M favorable due to vacancies and timing of invoices.
- **Insurance & Risk Management:** \$1.8M favorable
- **Maintenance & Facilities:** \$1.0M favorable
  - due to timing of claims and invoices.

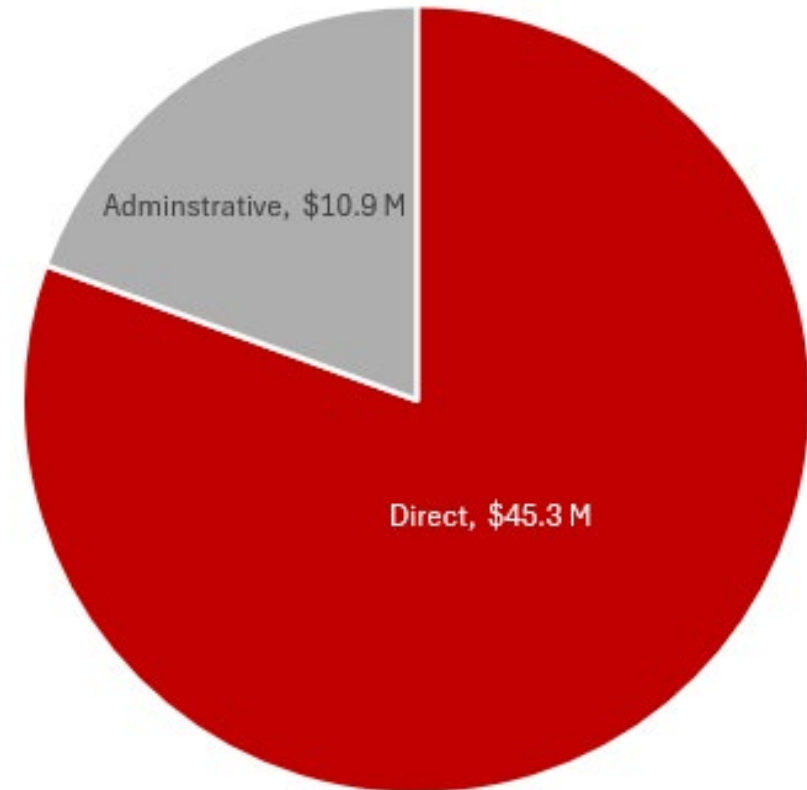
## Administrative Expense

- **Professional Services:** \$0.8M favorable
  - due to timing of invoices.
- **Wages & Benefits:** \$0.5M favorable, due to vacancies and less staff time charged to Caltrain
- **Managing Agency Admin OH Cost:** \$0.4M favorable, lower FY25 ICAP rate still applied pending approval of FY26 ICAP



# Uses – % Allocation of FY26 Q1 YTD Actuals

Use Category (in millions)	FY26 Q1 Actual	% of Total
<b>Direct Expense</b>	<b>\$45.3</b>	<b>81%</b>
Rail Operations	31.4	56%
Electric Charges for Power Traction	4.0	7%
Maintenance & Facilities	3.2	6%
Insurance & Risk Management	2.9	5%
Security & Safety	2.2	4%
Others - Direct	1.7	3%
<b>Administrative Expense</b>	<b>\$10.9</b>	<b>19%</b>
Wages & Benefits	6.3	11%
Professional & Contracted Services	2.3	4%
Others - Administrative	1.4	2%
Managing Agency Admin OH Cost	1.0	2%
<b>Debt Service Expense</b>	<b>\$0.0</b>	<b>0%</b>
<b>Total Uses</b>	<b>\$56.3</b>	<b>100%</b>





# Outlook

## Current Conditions

- Ridership continues to rebound but still below pre-pandemic levels
- Expense cost pressure remains high amid sustained inflation and economic uncertainty
- Guadalupe Project
  - San Francisco member contribution is on hold
  - San Mateo member contribution is conditional upon SF's contribution
  - Santa Clara member contribution is confirmed
- State loan amount and timing are unknown and would be a cash flow bridge only
- SB63 is the ongoing funding solution needed for the next 10-year period

## Managing Through FY26

- Staff will manage liquidity using reserves and the line of credit (LOC) if needed to bridge reimbursable capital outlays

# Next Steps: 2026 Board Meetings



# *Questions?*

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