

# *Quarterly Financial Report*

*Fiscal Year 2026 Preliminary  
Quarter 2 Results*

*JPB Finance Committee  
February 23, 2026*



# Agenda

- 1. Executive Summary / Q2 Financial Results**
- 2. Financial Outlook**
- 3. Next Steps**

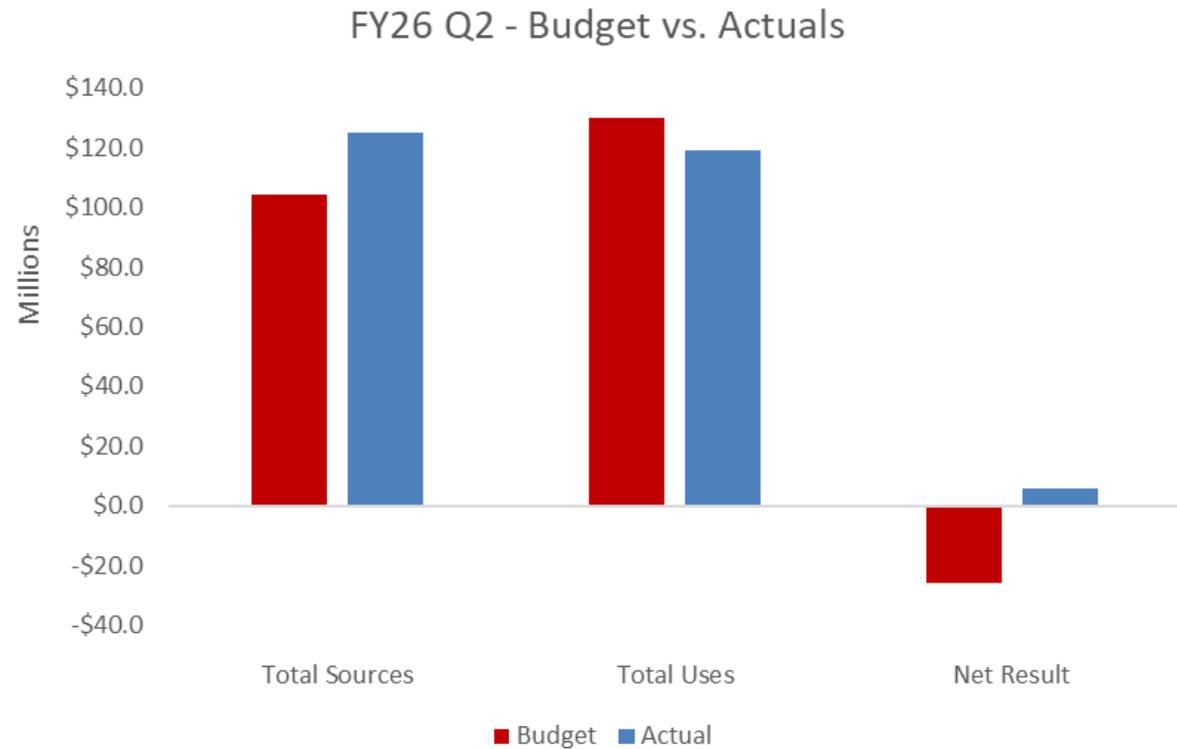
# Executive Summary / Q2 Result

## FY26 Q2 Summary

**Sources:** Revenue exceeded budget by \$20.8M attributed to the timing of receipt of prior years' SRA allocations and strong ridership recovery

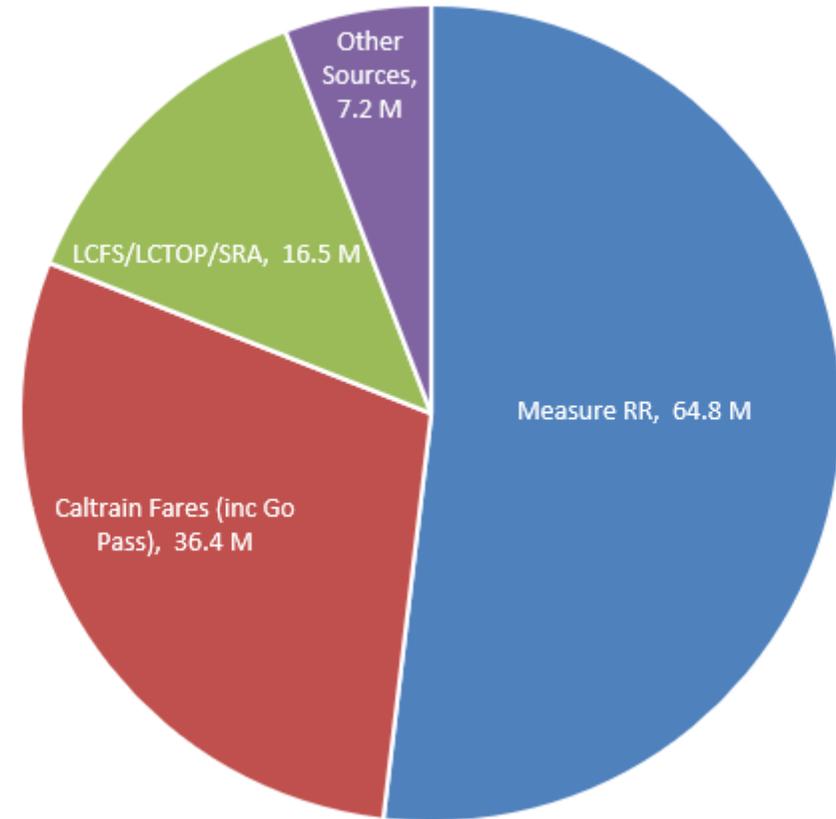
**Uses:** Expenses came in below budget, mostly due to non-labor timing-related savings

**Result:** Q2 YTD performance outperformed projections – actuals show a net surplus of \$5.9M, \$31.9M (123%) better than the budgeted deficit of \$26.0M.



# Sources – Allocation of FY26 Q2 YTD Actuals

Source Category (in millions)	FY26 Q2 Actual	% of Total Revenue
Measure RR	\$64.8	52%
Caltrain Fares (inc Go Pass)	\$36.4	29%
LCFS, LCTOP/SRA	\$16.5	13%
Other Sources	\$7.2	6%
<b>Total Sources</b>	<b>\$124.9</b>	<b>100%</b>



# Sources – FY26 Q2 Budget vs. Actuals

Sources \$20.8M favorable - Main Drivers:

**SRA: \$12.3M favorable**

Driven by receipt of prior years' SRA allocation.

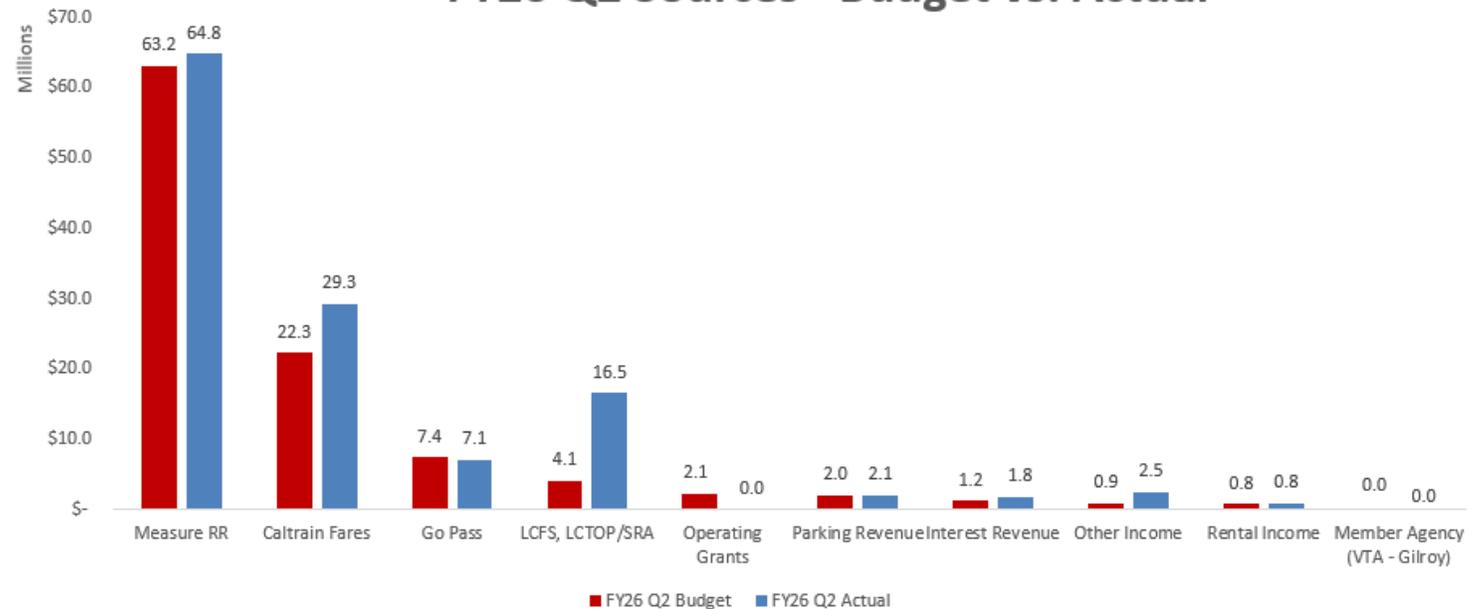
**Caltrain Fares: \$7.1M favorable**

Exceeded budget by ~31.7% reflecting strong ridership recovery.

**Other Income: \$1.6M favorable**

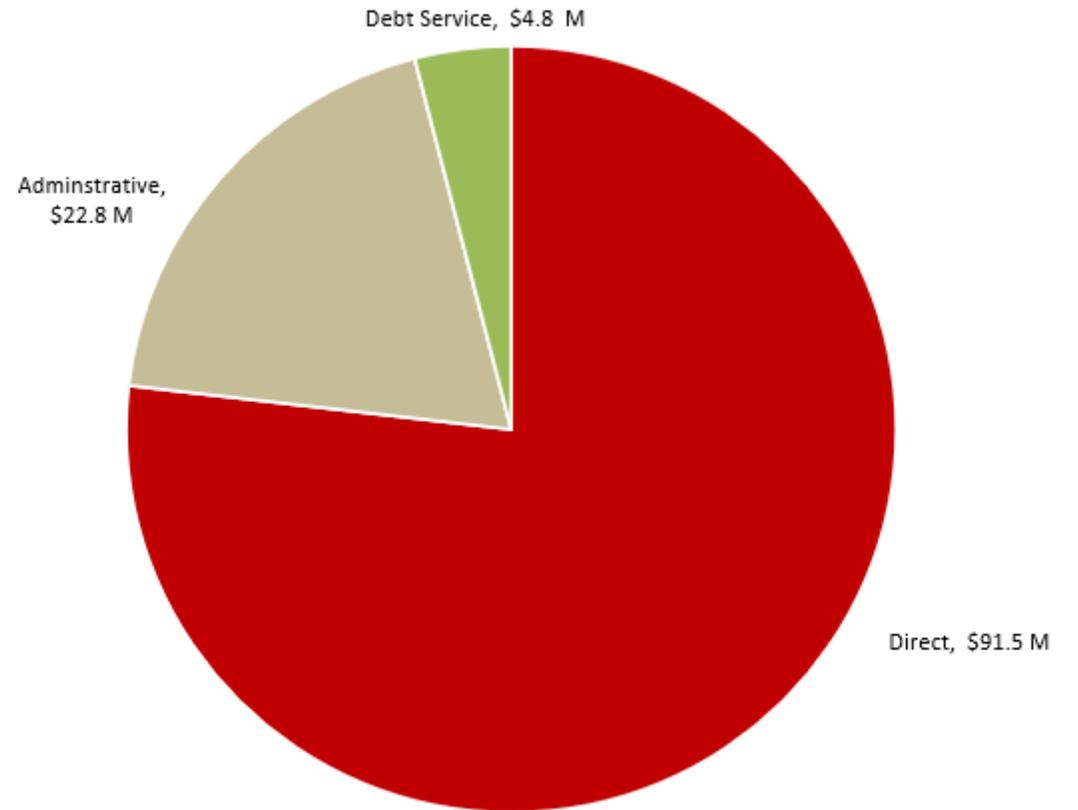
Outperformed budget due insurance reimbursements and higher advertising revenue

FY26 Q2 Sources - Budget vs. Actual



# Uses – Allocation of FY26 Q2 YTD Actuals

Use Category (in millions)	FY26 Q2 Actual	% of Total Expense
<b>Direct Expense</b>	<b>\$91.5</b>	<b>77%</b>
Rail Operations	63.0	53%
Electric Charges for Power Traction	7.4	6%
Maintenance & Facilities	6.6	6%
Insurance & Risk Management	6.1	5%
Security & Safety	5.0	4%
Others - Direct	3.3	3%
<b>Administrative Expense</b>	<b>\$22.8</b>	<b>19%</b>
Wages & Benefits	11.8	10%
Professional & Contracted Services	5.0	4%
Others - Administrative	3.2	3%
Managing Agency Admin OH Cost'	2.8	2%
<b>Debt Service Expense</b>	<b>\$4.8</b>	<b>4%</b>
<b>Total Uses</b>	<b>\$119.0</b>	<b>100%</b>



# Uses – FY26 Q2 YTD Budget vs. Actuals

Uses \$11.1M favorable - Main Drivers:

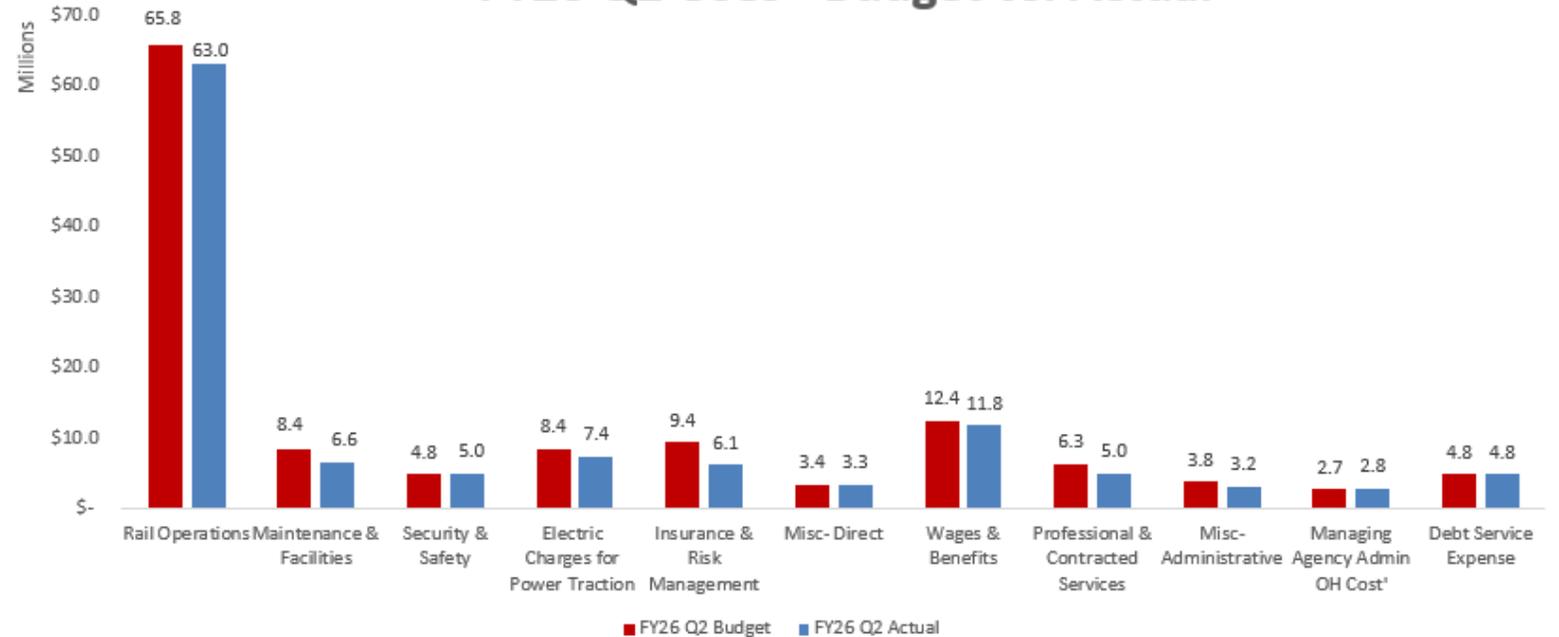
## Direct Expense

- **Insurance & Risk Management:** \$3.3M favorable, timing and premium actuals
- **Rail Operations:** \$2.8M favorable, vacancies and timing
- **Maintenance & Facilities:** \$1.8M favorable, timing
- **Electric Charge for Power Traction:** \$1.0M favorable, tax rates and credits from regenerative compensation

## Administrative Expense

- **Professional Services:** \$1.3M favorable, timing

FY26 Q2 Uses - Budget vs. Actual



# FY26 Year End Forecast: Net Operating Result

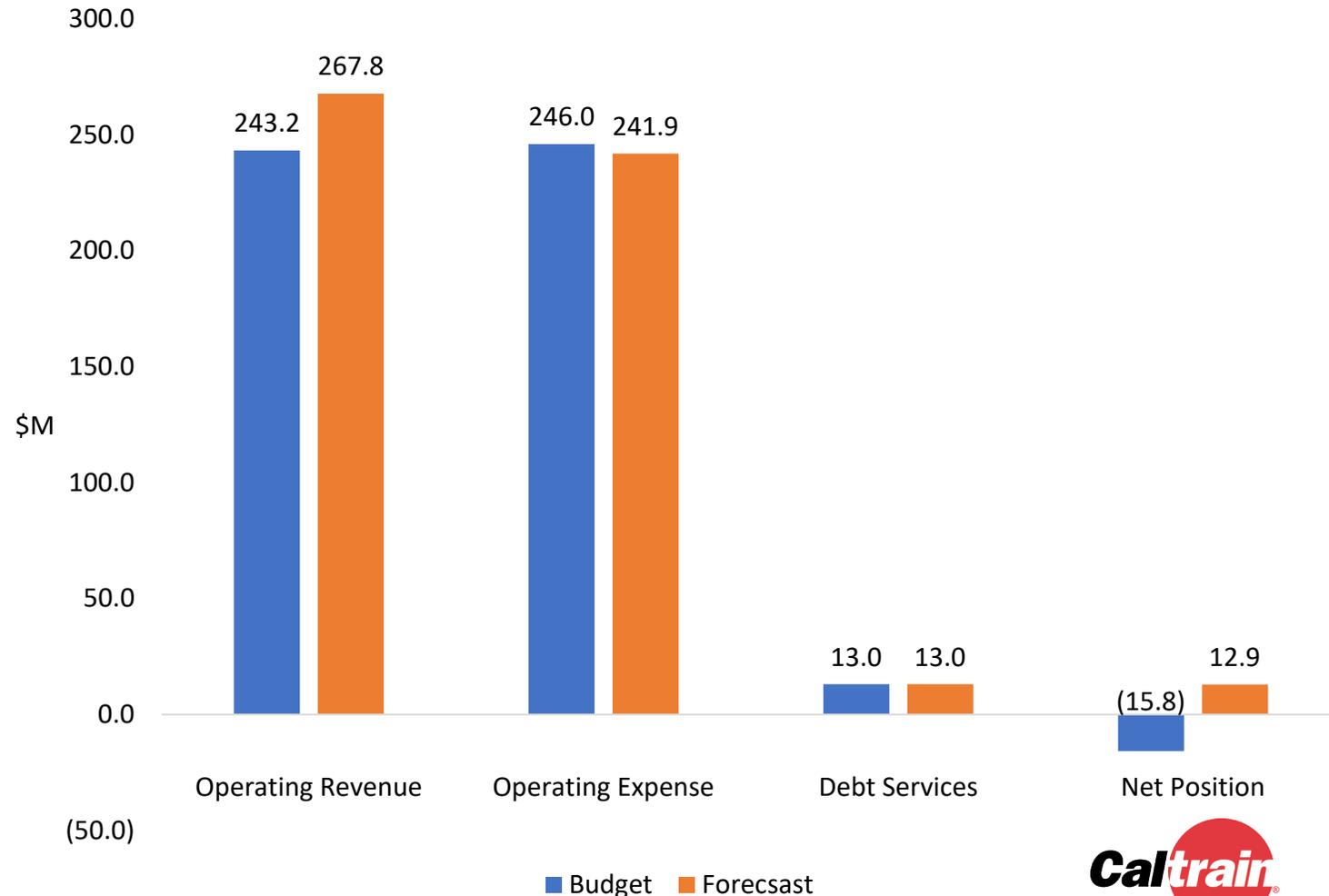
## Net Result \$28.7M favorable - Main Drivers:

### Operating Revenue

- **Farebox Revenue:** \$12.7M favorable, continued strong ridership performance
- **SRA:** \$6.4M favorable, Driven by receipt of prior years' SRA allocation
- **Measure RR:** \$5.4M favorable, better than expected consumer confidence and spending

### Operating Expense

- **Insurance & Risk Management :** \$3.0M favorable, lower liability reserves and premiums
- **Electric Charges for Power Traction:** \$1.7M favorable, tax rates and credits from regenerative compensation



# Outlook

## Current Conditions

- Ridership rebounding but still below pre-pandemic levels at 62.7%
- Growth in planned expenses due to sustained inflation and economic uncertainty

## Fiscal Cliff

- Transit industry nearing “fiscal cliff”
- Caltrain projecting \$75M average annual operating deficit over next 10Y period
- State Loan Agreement reached pending legislative approval; will be a cash flow bridge
- Longer term solution, such as a new revenue measure, needed for operational sustainability

## Managing Through FY26

- Stronger current cash position through grant reimbursements
- Cost savings efforts: frozen staff positions, management of professional services and service operation costs

# Next Steps: 2026 Board Meetings

## March Board Meeting

- FY26 Mid-Year Forecast

## April Budget Workshop

- FY27 Proforma Operating Budget
- 10-Year Strategic Financial Plan

## May Board Meeting

- FY27 Preliminary Operating Budget
- FY26 Year-End Forecast

## June Board Meeting

- FY27 Proposed Operating Budget

# Questions?

FOR MORE INFORMATION

[WWW.CALTRAIN.COM](http://WWW.CALTRAIN.COM)

