

Quarterly Financial Report

***Fiscal Year 2026 Preliminary
Quarter 3 Year-to-Date Results***

**JPB Finance Committee
May 18, 2026**



Agenda

- **Executive Summary / FY26 Q3 Year-to-Date Financial Results**
- **FY26 Year End Financial Outlook**
- **Next Steps**

Executive Summary / FY26 Q3 YTD Result

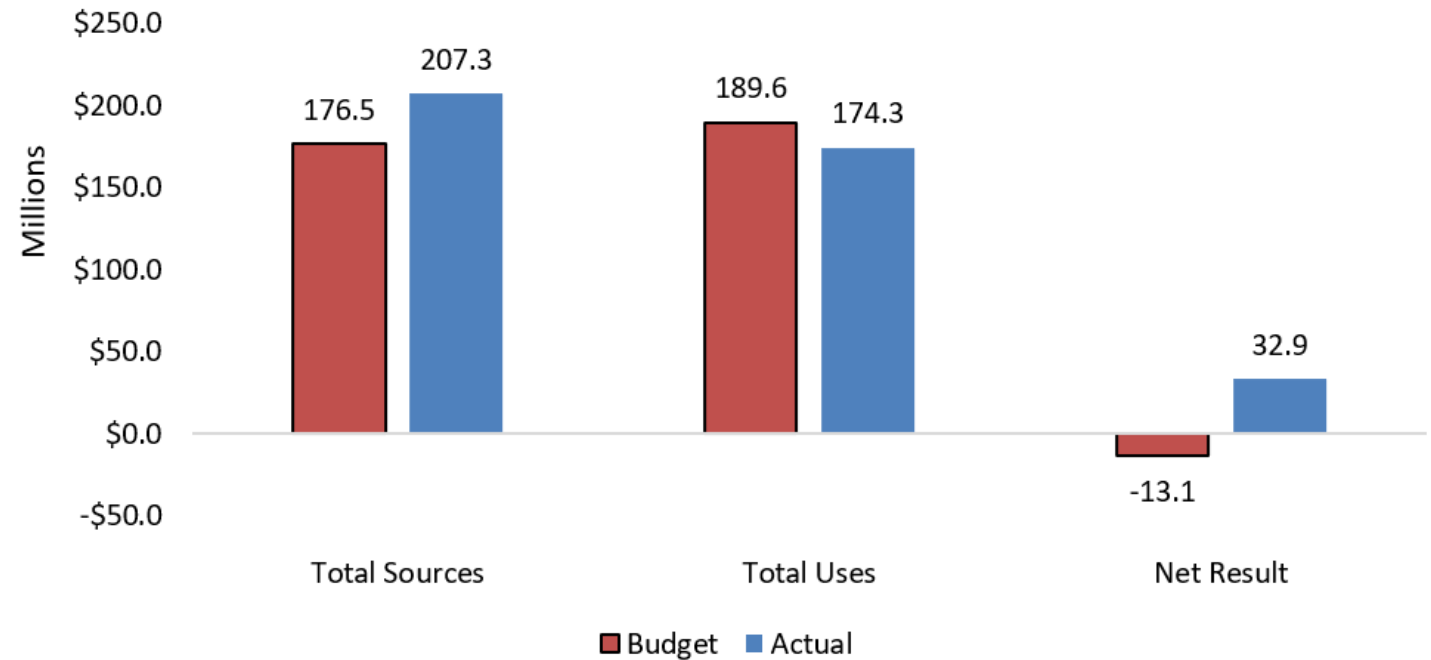
FY26 Q3 YTD Summary

Sources: Revenue exceeded budget by \$30.8M attributed to strong ridership recovery, receipt of prior years' SRA allocations, and higher sales tax revenues

Uses: Expenses came in \$15.3M below budget, mostly due to timing of non-labor expenses

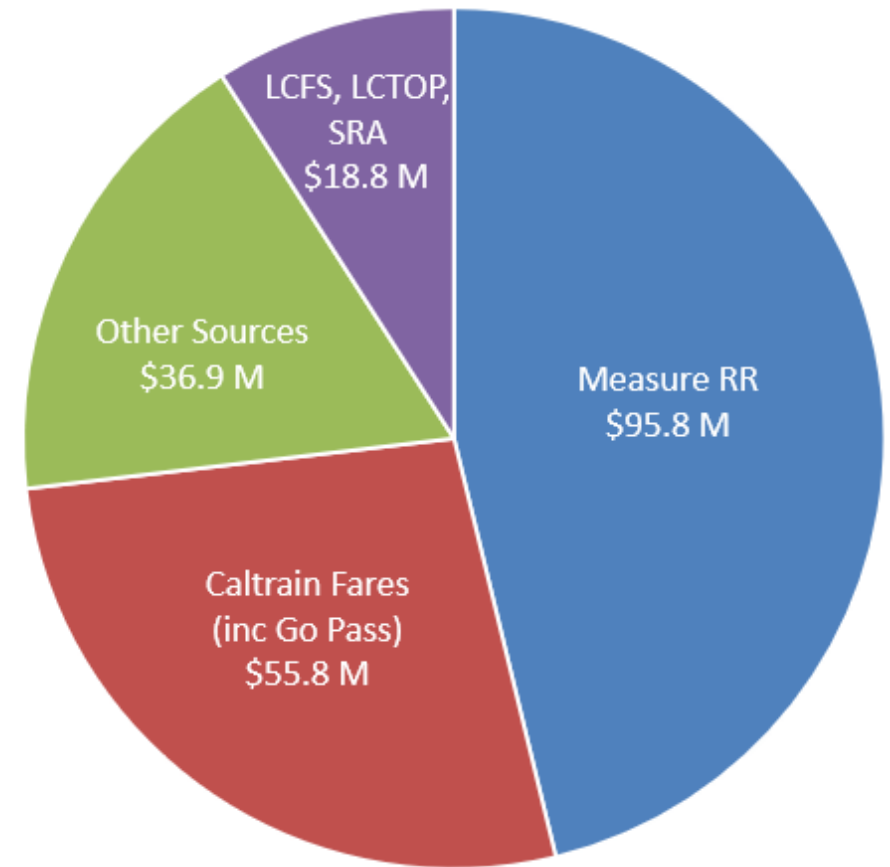
Result: Q3 YTD performance outperformed projections – actuals show a net surplus of \$32.9M, \$46.1M better than the budgeted deficit of \$13.1M.

FY26 Q3 YTD - Budget vs. Actuals



Sources – Allocation of FY26 Q3 YTD Actuals

Source Category (in millions)	FY26 Q3 YTD Actual	% of Total Revenue
Measure RR	\$95.8	46%
Caltrain Fares (inc Go Pass)	\$55.8	27%
Other Sources	\$36.9	18%
LCFS, LCTOP, SRA	\$18.8	9%
Total Sources	\$207.3	100%



Sources – FY26 Q3 YTD Budget vs. Actuals

Sources \$30.8M favorable - Main Drivers:

Caltrain Fares: \$12.9M favorable

Exceeded budget by ~40.0% reflecting strong ridership recovery.

SRA: \$9.4M favorable

Driven by receipt of prior years' SRA allocation.

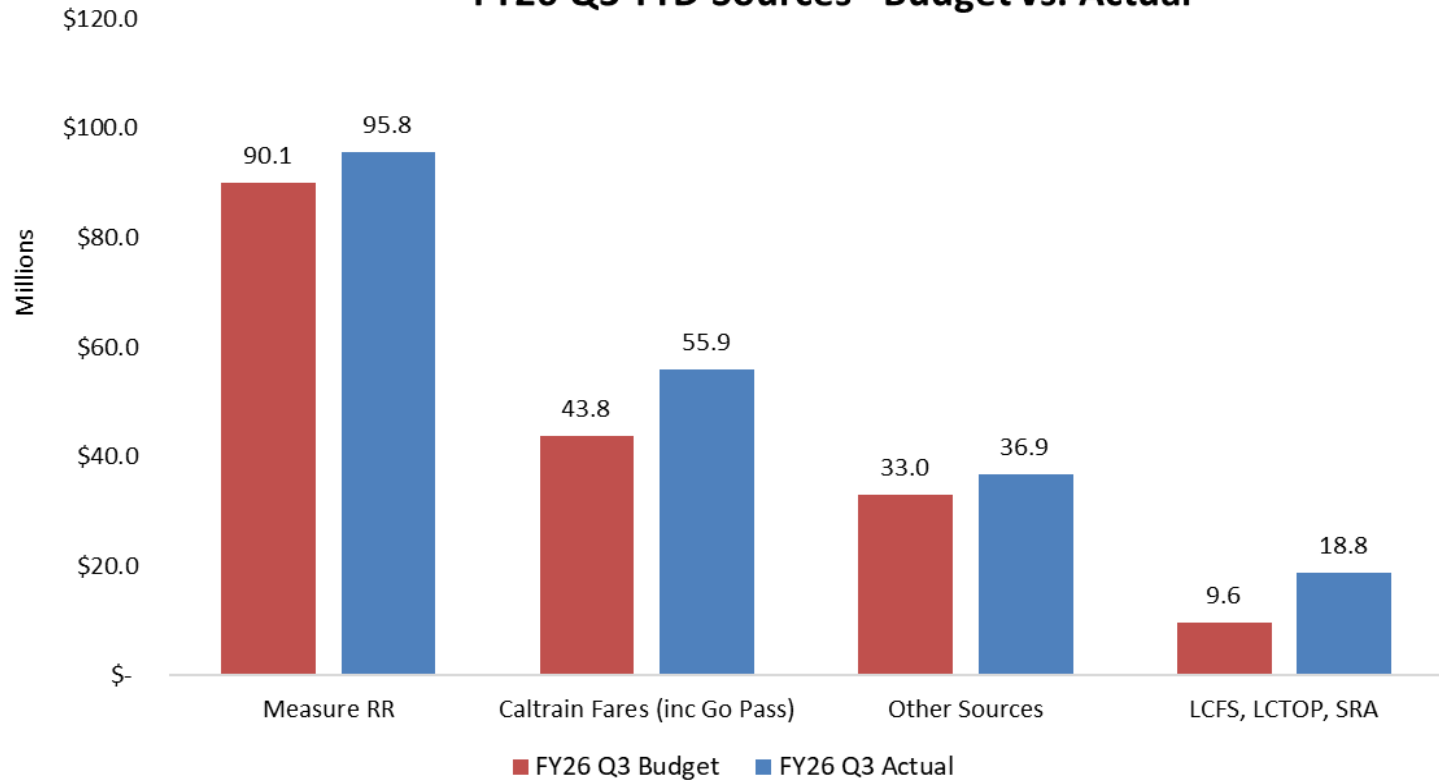
Measure RR: \$5.7M favorable

Attributed to growth in consumer spending

Other Income: \$2.2M favorable

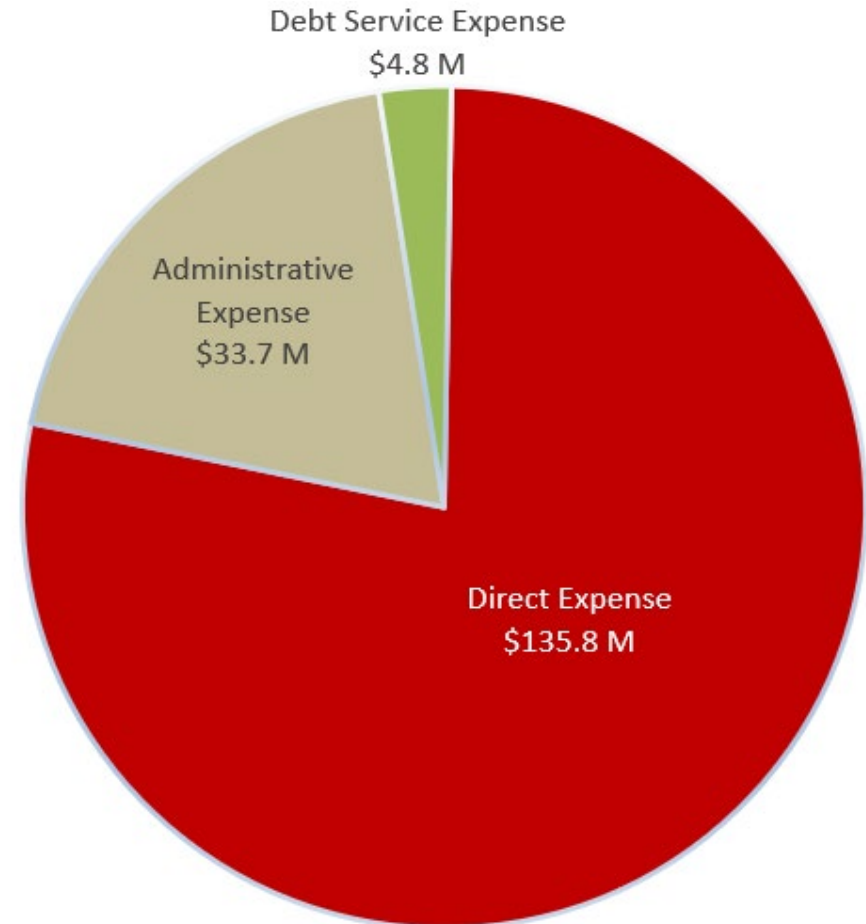
Due to insurance reimbursements and higher advertising revenue

FY26 Q3 YTD Sources - Budget vs. Actual



Uses – Allocation of FY26 Q3 YTD Actuals

Use Category (in millions)	FY26 Q3 YTD Actual	% of Total Expense
Direct Expense	\$135.8	78%
Rail Operations	93.4	53%
Electric Charges for Power Traction	10.7	6%
Maintenance & Facilities	10.4	6%
Insurance & Risk Management	9.9	6%
Security & Safety	6.6	4%
Others - Direct	4.8	3%
Administrative Expense	\$33.7	19%
Wages & Benefits	17.3	10%
Professional & Contracted Services	7.5	4%
Others - Administrative	4.5	3%
Managing Agency Admin OH Cost'	4.4	2%
Debt Service Expense	\$4.8	3%
Total Uses	\$174.3	100%



Uses – FY26 Q3 YTD Budget vs. Actuals

Uses \$15.3M favorable

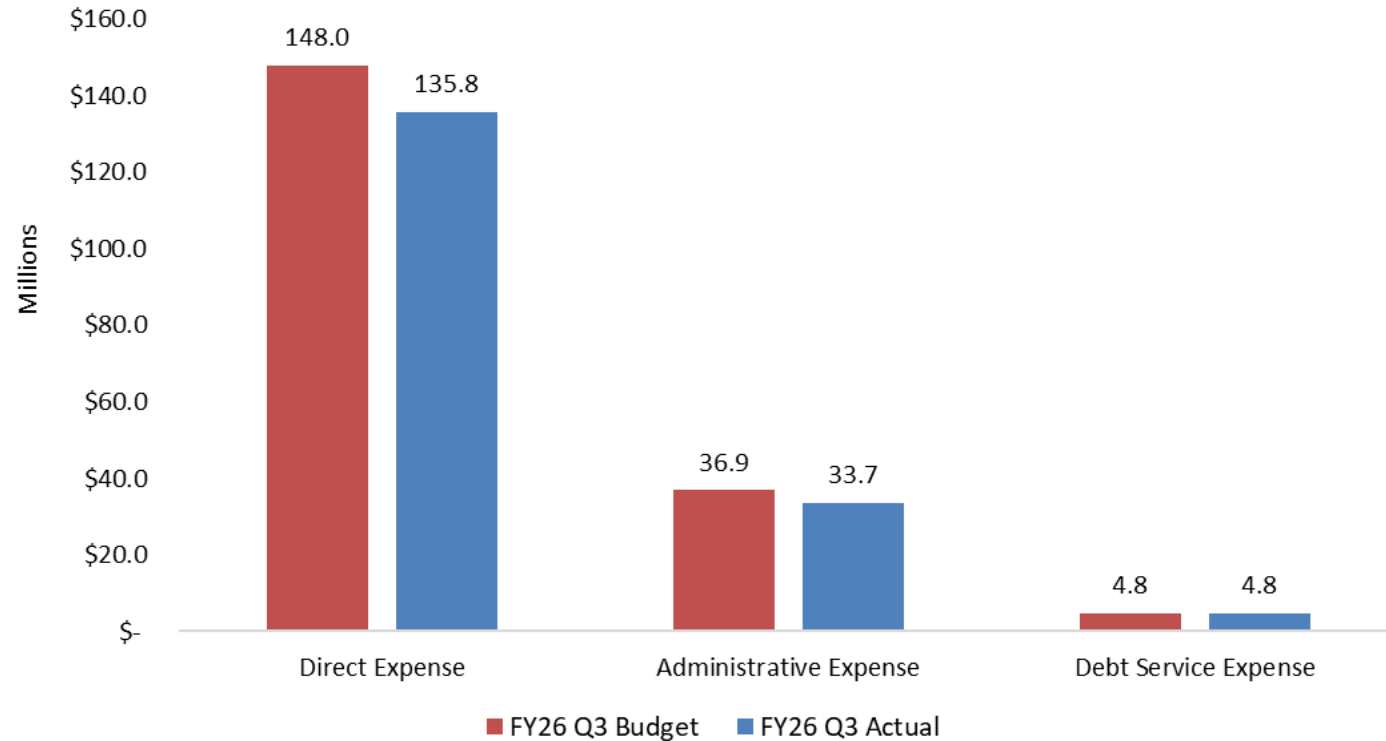
Direct Expense \$12.1M favorable – Main Drivers:

- **Insurance & Risk Management:** \$4.1M favorable, timing
- **Rail Operations:** \$3.4M favorable, timing
- **Maintenance & Facilities:** \$2.1M favorable, timing
- **Electric Charges for Power Traction:** \$1.5M favorable, due to lower tax rates and credits from regenerative braking

Administrative Expense \$3.2M favorable – Main Driver:

- **Professional Services:** \$2.3M favorable, timing

FY26 Q3 YTD Uses - Budget vs. Actual



FY26 Year-End Forecast

FY26 Forecast Net Result \$2.4 M

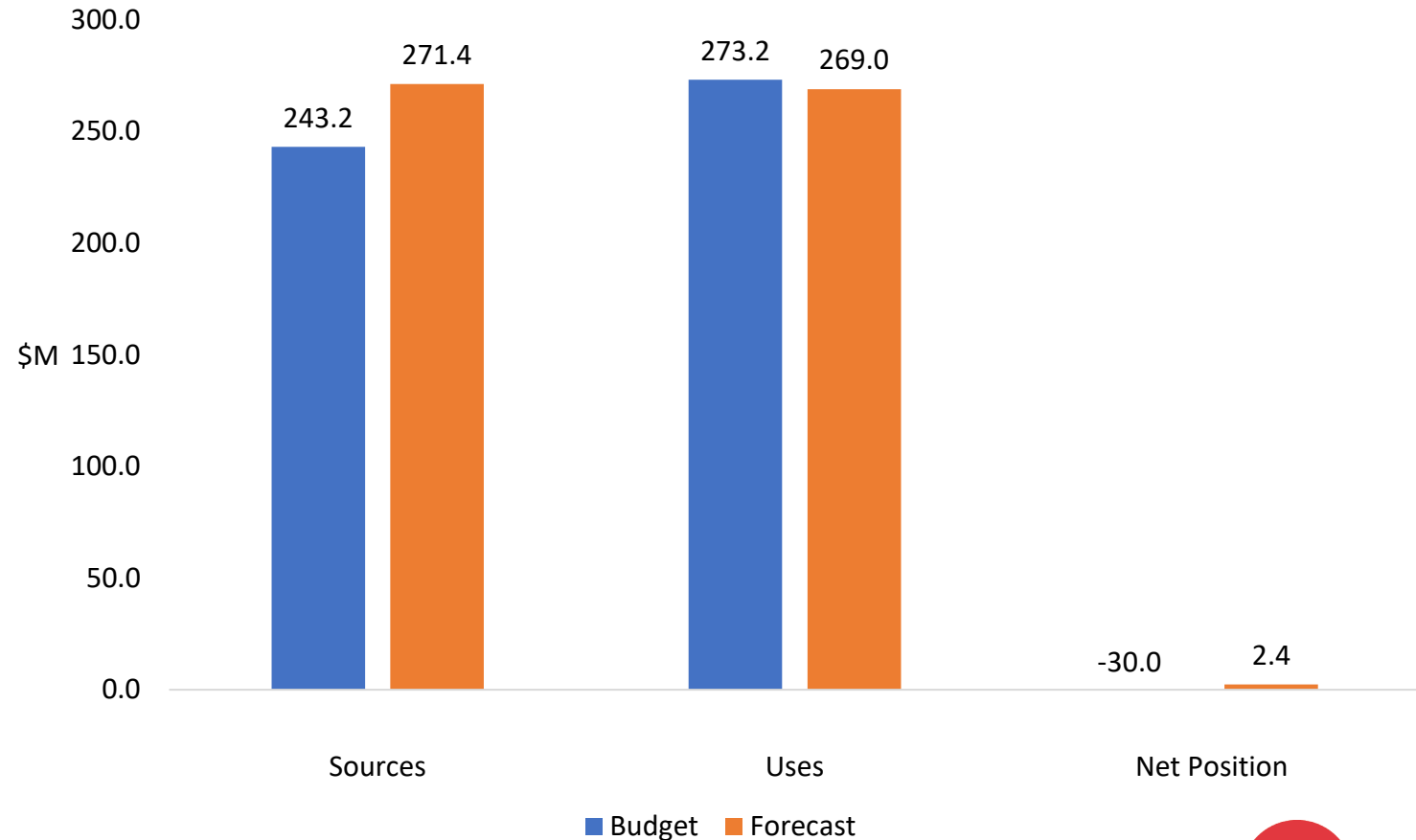
Net Result \$32.4M favorable

Sources \$28.2M favorable – Main Drivers:

- **Farebox Revenue:** \$15.2M favorable, reflects continued strong ridership performance
- **Measure RR:** \$5.4M favorable, reflects growth in business industry, restaurants/hotels, and fuel sales sectors
- **State Rail Assistance:** \$6.4M favorable, driven by prior years' grant receipts

Uses \$4.2M favorable – Main Drivers:

- **Insurance & Risk Management :** \$3.2M favorable, due to lower liability reserves and premiums
- **Electric Charges for Power Traction:** \$1.0M favorable, driven by regenerative energy credits reducing net electricity cost



Outlook

Current Conditions

- Ridership continues to rebound but still below pre-pandemic levels at 70.3%
- Cost pressures remains high amid continued inflation and economic uncertainty
- Near-term balance relies on non-recurring sources; structural deficit remains a critical challenge

Fiscal Challenges

- Caltrain projects \$75M average annual operating deficit over the next 15Y period
- \$50M State Loan closes the FY27 operating deficit
- Long-term, new external funding and cost efficiencies needed for operational sustainability

Next Steps

September Finance Committee / October Board

- FY26 Preliminary Year-End Results

November Finance Committee / December Board

- FY26 Annual Comprehensive Financial Report

Questions?

FOR MORE INFORMATION

WWW.CALTRAIN.COM

