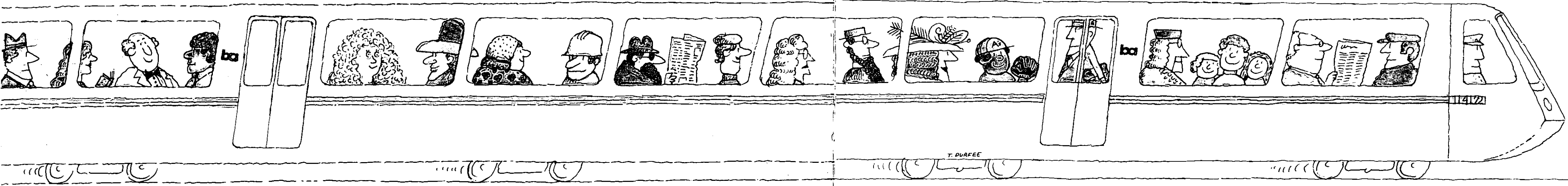


BART BAY AREA RAPID TRANSIT DISTRICT
800 Madison Street
Oakland, California 94607
(415) 465-4100





Barclay Simpson
District 1
Vice chairperson, Administration Committee. BART liaison with the Metropolitan Transportation Commission. Member, Pleasant Hill Station Impact Study. Director since 1976. Board president, 1977. Lafayette resident. San Leandro businessman.



Nello Bianco
District 2
Chairperson, Engineering & Operations Committee. Member, El Cerrito Station Impact Study. BART liaison, Light Rail Feasibility Study for Eastern Contra Costa County. Director since October 1969. Board president, 1975 and 1980. Board vice president, 1973, 1976 and 1978. Richmond resident and businessman.



Arthur J. Shartsis
District 3
Vice President. Serves as ex-officio member of all board committees. Director since 1976. Oakland resident. San Francisco attorney.



Margaret K. Pryor
District 4
Vice chairperson, Public Information & Legislation Committee. Member, Engineering & Operations Committee. BART liaison with Alameda Contra Costa Transit District. Member, Oakland Downtown Circulation Study. Director since September 1980. Administrator, OCCUR, Oakland, CA. Oakland resident.



Eugene Garfinkle
District 8
President. Serves as ex-officio member of all board committees. Director since March 1977. Board vice president, 1980. San Francisco resident and attorney.



Robert S. Allen
District 5
Vice chairperson, Engineering & Operations Committee. Member, Public Information & Legislation Committee. BART liaison with Alameda Contra Costa Transit District. Director since 1974. Board vice president, 1981. Livermore resident. Railroad cost analyst.



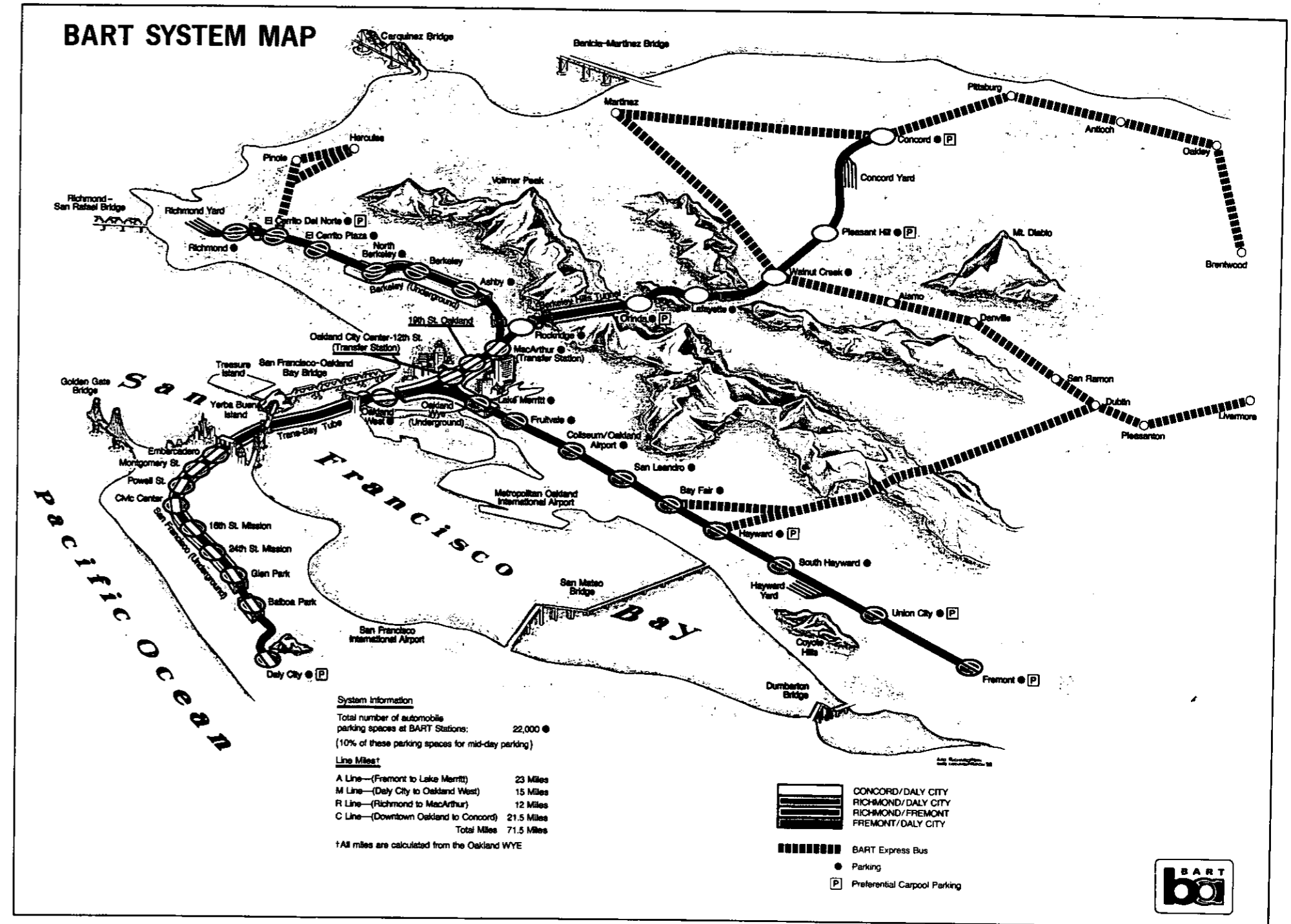
John Glenn
District 6
Chairperson, Administration Committee. BART representative to the Executive Committee, American Public Transit Association (APTA). Director since 1978. Board president, 1981. Board vice president, 1979. Fremont resident. Oakland business executive.



Wilfred T. Ussery
District 7
Vice Chairperson, Administration Committee. BART liaison with San Francisco Municipal Railway. Director since December 1978. San Francisco resident. Director of Program Development, San Francisco Housing Authority.



John H. Kirkwood
District 9
Chairperson, Public Information & Legislation Committee. BART liaison with San Francisco Municipal Railway. Director since 1974. Board president, 1979. San Francisco resident and businessman.



In 1962, voters of the member countries of the District authorized a bonded indebtedness totaling \$792 million of General Obligation Bonds. Payment of both principal and interest is provided by the levy of District wide property taxes. During 1966, City of Berkeley voters formed Special Service District No. 1 and authorized the issuance of \$20.5 million of General Obligation Bonds for construction of subway extensions within that city. 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 15 and interest is payable semiannually on June 15 and December 15 from debt service funds. Interest of \$12,719,000 on General Obligation Bonds and \$182,000 on Special Service District No. 1 Bonds is payable on December 15, 1982.

The following is a schedule of principal repayments required under General Obligation Bonds as of June 30, 1982 (in thousands):

Year Ending June 30	1962 District Serial Bonds	1966 Special Service District Bonds	Total
1983	\$ 26,750	\$ 370	\$ 27,120
1984	28,575	390	28,965
1985	30,350	410	30,760
1986	32,400	420	32,820
1987	34,225	440	34,665
Later Years	463,950	6,290	470,240
	<u>\$616,250</u>	<u>\$8,320</u>	<u>\$624,570</u>

5—U.S. Government Grants

Capital

The U.S. Government, under grant contracts with the District, provides financial assistance for capital projects. Grants for capital projects are recorded as additions to net capital investment when received. A summary of Urban Mass Transportation Administration Grants in force at June 30, 1982 is as follows:

Type of Grant	------(In Thousands)-----	
	Maximum Grant	Funds Received
Beautification	\$ 1,961	\$ 1,961
Demonstration	13,360	13,317
Capital	377,799	311,583
	<u>\$393,120</u>	<u>\$326,861</u>

6—Litigation and Disputes with Contractors and Others

The District is involved in various lawsuits, claims and disputes, which for the most part, are normal to the District's operations. In the opinion of management, the costs that might be incurred, if any, would not materially affect the District's financial position or operations.

7—Public Employees' Retirement System

The District contributes to the Public Employees' Retirement System. The System is a contributory pension plan providing retirement, disability, and death benefits to employees of certain State and local governmental units. Substantially all full-time employees of the District are covered by the System. Pension costs of the System are determined actuarially and required contributions are expensed currently. Pension expense was \$6,036,000 and \$5,856,000 in 1982 and 1981, respectively.

8—Grants and Contributions

Under a joint exercise of power agreement, the District was responsible for the administration and execution of a federally funded project to construct assets shared with another agency. During the year ended June 30, 1981, the administration of the constructed assets passed to the other agency on completion of the project. A reduction in grants received by the District of \$11,565,000 in respect of this is reflected in the statement of changes in net capital investment for the year ended June 30, 1981.

9—Subsequent Events

In September 1982, the District sold \$65 million in revenue bonds with an effective interest rate of approximately 10.2% to assist in the purchase of new rail transit vehicles and related automatic train control equipment. The District expects to purchase additional rail transit vehicles, which are designed to improve the system's performance, capacity and reliability.

San Francisco Bay Area Rapid Transit District
800 Madison Street — Oakland, CA 94607 (415) 465-4100

Established in 1957 by the California State Legislature. Authorized to plan, finance, construct and operate a rapid transit system.

Governed by a Board of Directors elected for four-year terms by voters in nine election districts within the Counties of Alameda, Contra Costa and San Francisco.

Board Appointed Officers

C. K. Bernard, *General Manager*
Malcolm M. Barrett, *General Counsel*
William F. Goetz, *Controller/Treasurer*
Phillip O. Ormsbee, *District Secretary*

Department Heads Reporting to the General Manager

Richard P. Demko, *Executive Manager, Maintenance & Engineering*
William B. Fleisher, *Chief Transportation Officer*
Howard L. Goode, *Planning & Analysis*
Michael C. Healy, *Public Affairs*
Ernest G. Howard, *Administrative Services*
John Mack, *Affirmative Action*
Hedy Morant, *Budget & Capital Program Control*
Thomas R. Sheehan, *Information Systems*
William Thomas, *Material Management & Procurement*
Ralph S. Weule, *Safety*
Larry A. Williams, *Employee Relations*

The Annual Report is published by the District Pursuant to Section 28770, Public Utilities Code of the State of California.

Design: Catherine Hopkins / Illustration: Tom Durfee / Typesetting & Printing: Inter-City Printing Company

Photography: California Photo Service, Emeryville, California.
Gordon Kloess, Half Moon Bay, California.

BART has come of age. As we celebrate our tenth year of passenger service, we can be proud of our system and its development into an important and reliable part of the Bay Area's transportation network.

It took courage, foresight and dedication to build BART in the years when sleek, high-speed trains whisking people through underwater tubes were the stuff of science fiction novels, not real life. It has taken continued dedicated efforts to make our system become a working reality.

Today, we carry about 36 percent of the transbay commuters, and we keep an estimated 46,000 cars off the freeways and out of congested downtown areas. We have a healthy and stable financial picture, and equitable wages and labor agreements. We have one of the safest transit systems in the world: As of June 30, 1982, BART had carried 328 million patrons 4.3 billion miles without a single passenger fatality. During the 1981/82 fiscal year more patrons rode BART than ever before and the percentage of on-time train arrivals was higher than ever before.

However, with our successful development has come the need for an expanded BART system. Trains are overcrowded during commute hours, and there is virtually no more equipment to put into service.

A survey showed that if all the current commuters who could feasibly use BART to get to

work were to do so, ridership would be three times as high as it is now. Additionally, office space in downtown San Francisco and Oakland is expected to grow by 26 percent in the next few years, thus further increasing the demand for passenger capacity. When the economy recovers, commercial growth and a large increase in home construction is forecast for the suburban areas now served by BART.

During the 1981/82 fiscal year, we aggressively moved ahead with vital improvement programs to see that BART will keep pace with the area's growth. When completed over the next five years, these programs will increase passenger capacity by about 85 percent for a fraction of the system's original cost — an excellent investment in the future of the San Francisco Bay Area.

We will buy 150 cars with a new and more efficient design. Revenue bonds will pay a portion of the cost of these cars. The remaining cost will be funded with grants from federal, state and local sources. Construction of a third track through downtown Oakland is under way, and we are planning to buy a new Integrated Control System, which will allow us to handle up to 75 trains in the near term and 115 trains in the future. The present computer limit is 50 trains; however, we now operate 43 trains during peak hour periods of service because of other constraints.

Another major element of our capital improvement plan is the construction of the Daly City turnback track. This is a critical component of our program to increase capacity. And, we are beginning negotiations for rights of way for extensions from the Concord BART Station to Pittsburg and Antioch; from the Fremont BART Station to the Warm Springs district of Fremont; and from the Bay Fair BART Station to Pleasanton and Livermore.

To turn these capital improvement plans into reality, we will need help and we will be seeking financial assistance from the federal government.

I am proud to have had the opportunity to serve as board president during this year, and I would like to thank all of those who have helped over the years to make the original dream of BART become a reality. I would like to compliment my fellow board members for their careful stewardship during the past fiscal year, as BART completed the fulfillment of one dream and turned to the task of fulfilling a new dream.

But most of all, I would like to thank the employees of the system — without whose day-to-day efforts BART could not have attained its place among the finest transit systems in the world today.



EUGENE GARFINKLE
President, Board of Directors
San Francisco Bay Area
Rapid Transit District

Listen to people around the Bay Area talk. You'll notice that in recent years residents of San Francisco and the East Bay have added a new verb to their vocabularies: BART. More and more frequently, you'll hear people saying, "I BARTed to work today," or "I BARTed to the city last night." BART has entered the language in the Bay Area as a verb—and we think that's a good measure of its success.

There were other good measures of BART's success during the 1981/82 fiscal year. This system carried more patrons than ever before. The percentage of on-time arrivals was higher than ever, and fewer cars were out of service for repair on any given day. Safety records were better than ever, too.

Ridership and reliability

The total number of passenger trips exceeded forecasts every single month last year for a yearly total of 53,290,643. That total is an average of 9.7 percent above the yearly forecast.

Trains arrived within five minutes of schedule 93.3 percent of the time, up from 91.1 percent the year before, and 98.6 percent of the scheduled train runs were completed, up from 97.4 percent the previous year.

Thanks to continued improvements in the car maintenance program, based on sound maintenance and engineering philosophy and which was put into effect in 1976, fewer cars were out of service for repair on an average day than ever before. At the end of the year, there was an average of 112 A-Cars (lead cars) available for service at 4 a.m., well above the target number of 102. The



1—Summary of Significant Accounting Policies

Description of District

The San Francisco Bay Area Rapid Transit District is a public agency created by the legislature of the State of California in 1957 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 statutes and by provisions of various grant contracts entered into with Federal and State agencies.

Securities

It is the District's policy to hold investments until their maturity and, accordingly, securities are carried at cost. At June 30, 1982 and 1981, cost exceeded market value by \$6,505,000 and \$5,398,000, respectively. The face value of securities exceeded cost at June 30, 1982 and 1981.

Facilities, Property and Equipment

Facilities, property and equipment are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The amount of depreciation of assets acquired with District funds is distinguished from depreciation of assets acquired with grants and contributions by others. The latter amount is shown on the statement of changes in net capital investment with the related grants and contributions.

Federal and State Grants

The District receives amounts from both Federal and State governments to assist in operations and for capital or other projects. Grants for capital and other projects are recorded as additions to net capital investment on receipt. Grants for operating expenditures are included as financial assistance in the statement of operations.

Sales Tax Revenue

The one-half percent transactions and use tax is collected and administered by the State Board of Equalization. Of the amounts available for distribution, 75% is transmitted directly to the District and 25% is allocated by the Metropolitan Transportation Commission to the District, the City and County of San Francisco, and the Alameda-Contra Costa Transit District for transit services on the basis of regional priorities established by the Commission. The District records these amounts as financial assistance when received. The State Board of Equalization estimates that transactions and use tax revenues for the period April 1, 1982 to June 30, 1982 will be approximately \$13,125,000. Of this amount, \$3,281,250 had been received and recorded by the District. Comparable figures for 1981 were \$12,000,000 and \$3,000,000, respectively.

Property Tax Revenue

The District receives property tax revenues to service the debt requirements of the General Obligation Bonds and records these revenues in the debt service funds. It also receives an allocation of property tax revenues to provide for general and administrative expenses not involving construction, although such revenues may be used for construction if needed. The District records this property tax allocation as financial assistance.

Interest Earned on Capital Sources

The District accounts for interest earned on capital sources as an increase in net capital investment to recognize that this interest should be directly associated with the capital which gives rise to the interest and which is not available for current operations.

In accordance with this policy, management allocated to net capital investment \$2,500,000 of interest revenue earned on assets held in the general fund but which related to capital projects.

Self-Insurance

The District is largely self-insured for worker's compensation, general liability claims, and major property damage. The District records the costs of self-insured claims and major property damage when they are incurred.

Capital Allocations

The Board of Directors allocates a portion of unrestricted financial assistance and general fund revenues to net capital investment for capital projects.

2—Reserves

Securities are separately classified on the balance sheet to reflect designation by the Board of Directors of a portion of the District's capitalization as reserves for the following purposes:

	------(In Thousands)-----	
	1982	1981
Basic System Completion	\$12,581	\$12,706
System Improvement	20,436	18,683
Self-Insurance	9,000	9,000
Vehicle Replacement	5,000	5,000
	<u>\$47,017</u>	<u>\$45,389</u>

3—Facilities, Property and Equipment

Facilities, property and equipment, assets lives, and accumulated depreciation and amortization at June 30, 1982 and 1981 are summarized as follows:

	------(In Thousands)-----				
	1982	1981	1982	1981	1981
	Lives (Years)	Cost	Accumulated Depreciation and Amortization	Cost	Accumulated Depreciation and Amortization
Land	—	\$ 109,698	\$ —	\$ 109,610	\$ —
Improvements	80	1,034,269	112,247	1,041,617	100,593
System-wide operation and control	20	108,827	38,790	102,717	33,450
Revenue transit vehicles	30	154,659	41,402	152,500	36,247
Service and miscellaneous equipment	3 to 20	16,450	7,238	14,499	6,191
Capitalized construction and start-up costs	30	99,433	27,493	85,655	25,159
Repairable property items	30	7,481	1,782	7,432	1,551
		<u>\$1,530,817</u>	<u>\$228,952</u>	<u>\$1,514,030</u>	<u>\$203,191</u>

4—General Obligation Bonds

	Composite Interest Rate	Year Last Series Matures	------(In Thousands)-----					
			Original Amount Authorized	Amount Issued	-----1982-----		-----1981-----	
				Due in 1 Year	Total	Due in 1 Year	Total	
1962 District Bonds	4.01%	1999	\$792,000	\$792,000	\$26,750	\$616,250	\$25,000	\$641,250
1966 Special Service District Bonds	4.37%	1998	20,500	12,000	370	8,320	360	8,680
			<u>\$812,500</u>	<u>\$804,000</u>	<u>\$27,120</u>	<u>\$624,570</u>	<u>\$25,360</u>	<u>\$649,930</u>

STATEMENT OF CHANGES IN NET CAPITAL INVESTMENT Years Ended June 30, 1982 and 1981 (In Thousands)

	Property Tax	Transactions and Use Tax	Grants and Contributions	Depreciation and Retirements of Assets Acquired With Grants and Contributions by Others	Accumulated Deficit	Interest on Capital	Reserves	Net Capital Investment
Balance, June 30, 1980	\$130,430	\$150,000	\$531,035	(\$ 62,520)	(\$ 96,400)	\$134,697	(\$ 43,743)	\$743,499
Net loss for the year	—	—	—	—	(17,241)	—	—	(17,241)
Proceeds from grants and contributions	—	—	30,700	—	—	—	—	30,700
Other agency's portion of shared grant	—	—	(11,565)	—	—	—	—	(11,565)
Depreciation of assets acquired with grants and contributions by others	—	—	—	(11,370)	—	—	—	(11,370)
Interest on capital	—	—	—	—	—	6,752	—	6,752
Decrease in system completion reserve	—	—	—	—	—	—	292	292
Increase in system improvement reserve	—	—	—	—	—	—	(1,938)	(1,938)
Bond principal	23,640	—	—	—	—	—	—	23,640
Balance, June 30, 1981	154,070	150,000	550,170	(73,890)	(113,641)	141,449	(45,389)	762,769
Net loss for the year	—	—	—	—	(12,579)	—	—	(12,579)
Proceeds from grants and contributions	—	—	17,915	—	—	—	—	17,915
Depreciation of assets acquired with grants and contributions by others	—	—	—	(12,326)	—	—	—	(12,326)
Interest on capital	—	—	—	—	—	10,064	—	10,064
Decrease in system completion reserve	—	—	—	—	—	—	125	125
Increase in system improvement reserve	—	—	—	—	—	—	(1,753)	(1,753)
Bond principal	25,360	—	—	—	—	—	—	25,360
Balance, June 30, 1982	\$179,430	\$150,000	\$568,085	(\$86,216)	(\$126,220)	\$151,513	(\$47,017)	\$789,575

STATEMENT OF CHANGES IN FINANCIAL POSITION
Years Ended June 30, 1982 and 1981 (In Thousands)

	1982	1981
Cash and securities provided (used) by:		
Operations:		
Net loss transferred to accumulated deficit	(\$12,579)	(\$17,241)
Deduct expenses not requiring cash:		
Depreciation of assets acquired with own funds	14,100	16,623
Cash and securities provided (used) by operations	1,521	(618)
Contributions from U.S. Government grants and others	17,915	30,700
Increase in contracts and other liabilities	5,566	2,186
Increase in unearned passenger revenue	176	341
Interest on capital	10,064	6,752
Total cash and securities provided	35,242	39,361
Cash and securities applied to:		
Increase (decrease) in deposits, notes and other receivables	3,571	(872)
Additions to construction in progress	2,538	3,473
Additions to facilities, property and equipment	17,452	17,804
Additions to materials and supplies	1,325	357
Total cash and securities applied	24,886	20,762
Increase in cash and securities	\$ 10,356	\$18,599

DEBT SERVICE FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES Years Ended June 30, 1982 and 1981 (In Thousands)

	General Obligation Bonds	
	1982	1981
Revenues:		
Property tax	\$48,686	\$48,882
Interest	3,116	3,156
	51,802	52,038
Expenditures:		
Interest	27,050	28,258
Principal	25,360	23,640
	52,410	51,898
	(608)	140
Balance, beginning of year	15,347	15,207
	\$14,739	\$15,347
Balance, end of year		
Represented by:		
Cash (including time deposits: 1982, \$2,972; 1981, \$4,684)	\$ 2,989	\$ 4,740
Securities	10,049	9,155
Taxes and interest receivable	1,701	1,452
	\$14,739	\$15,347

The accompanying notes are an integral part of these financial statements.

average number of B-Cars (mid-train cars) available at 8 a.m. was 271, passing the goal of 266. These 373 cars meant that BART had available for service, on the average, about 85.6 percent of its total fleet, compared to an average of 85 percent among U.S. rail transit operations.

Extra Service in Emergencies

With more cars available for service, BART was better able to respond to emergencies which cause commuters to turn to public transportation.

In January, when many highways and streets were impassable because of heavy rains and mud slides, BART put extra cars into service to accommodate additional patrons on the Richmond line.

In April, after the explosion and fire that forced the closing of one of the three bores of the Caldecott tunnel for three days, BART put two additional trains on the Concord line during peak commute periods. The second highest ridership on a single day occurred on April 6, when BART carried 212,946 patrons.

Special Trains for Special Events

Throughout the year, BART offered extra service for special events. When the victorious Forty-Niners football team returned from the Super Bowl, BART put on extra trains for the crowds that welcomed them at a parade through San Francisco. The result was the highest ridership on a single day — 213,745 patrons on January 25, 1982.

As attendance at the Oakland A's home baseball games increased, so did patronage on BART's "Billy Ball Specials." These trains provided direct service to the Oakland Coliseum from Concord and San Francisco line BART stations, making it unnecessary to transfer in downtown

Oakland. This special service and other promotional efforts with the A's helped BART to carry 17 percent of the Coliseum gate during the last three months of the fiscal year.

Eight special trains carried approximately 3,500 patrons to the Bay-to-Breakers foot race in San Francisco on May 16. Seven stations opened at 6 a.m., three hours earlier than the normal Sunday opening time of 9 a.m., to provide service for the event. This was the first time BART had provided special service for this event.

Perhaps one of the most unusual special trains was the one provided for the International Clown, Mime, Puppetry and Dance Ministry, whose 200 members wanted to go from Berkeley to San Francisco as a group for a performance. BART was able to add what was dubbed "The Clown Special" to the Sunday schedule without disrupting regular service.

Other promotional events focused on accommodating travel to Cinco de Mayo celebrations



held in Oakland and San Francisco and the Breakers tennis matches at the Oakland Coliseum. The Alameda County Fair operated a special shuttle bus connecting with the regular BART Express Bus in downtown Pleasanton.

Discounts Attract Riders

BART also offered patrons special admission discounts to selected events, and discounts for travel on holidays and weekends between Thanksgiving and New Year's. For the month of February, BART offered a special 20 percent discount for weekday travel between 10 a.m. and 3 p.m., resulting in an estimated 4,400 extra trips each day the fare was in effect.

As a result of these efforts, weekday travel during off-peak hours averaged 91,090 trips per day in the 1981/82 fiscal year, 15.2 percent above forecast.

Other Promotions

BART undertook several other promotional efforts during the 1981/82 fiscal year as part of its ongoing effort to keep and attract patrons.

Using the theme, "Fun goes farther on BART," BART published a special travel guide, listing recreation possibilities, ranging from museums to sports centers to restaurants, which can be reached by BART. T-shirts with the message, "Fun goes Farther on BART," also went on sale. In addition, BART began publishing a monthly newsletter, "BART Times," for patrons.

A special traveling exhibit entitled, "BART. Going Places," opened at the Embarcadero BART Station last year and has since been on display at Fremont, Lafayette, and Lake Merritt BART stations, and at the Kaiser Center in Oakland. The exhibit includes a video display with two short films. One film tells how the system was constructed, and the other gives a behind-the-scenes look at today's operation. By the time the exhibit completes its tour around the system and the Bay Area over a 15-month period, it is expected that as many as 250,000 persons will have seen it.

BART employees had a special event of their own in May 1982 — a contest to calculate the number of "Billy Balls" that will fit into a BART B-Car. The answer, 335,488, was calculated by the Institute of Transportation Studies at the University of California at Berkeley. The contest winner, Rick Mikla, a vehicle maintenance engineer at the Hayward shops, calculated the number at 334,411, and received the chance to toss out the first ball on BART night at the Oakland A's-Cleveland Indians game on May 6.

Safety

During the 1981/1982 fiscal year, BART continued to be one of the safest ways to travel. The passenger accident rate declined to 17.96 from 18.43 per million passenger trips the previous year. None of the accidents resulted in serious injury. Employee safety awareness and training programs helped reduce the number of lost-time injuries by 10.6 percent this year. Actual lost-time incidents numbered 203, down from 227 the previous year. The number of days of work that were lost due to accidents was 3,226, compared to 3,661 the previous year.

In April BART awarded a \$17.8 million contract for a two-and-a-half year program to make cars more fire resistant by replacing interior ceiling and wall liners, providing protective coating for vehicle floor panels, and adding metal panels between the floors and the heat-generating equipment mounted under the cars. During the 1982/83 fiscal year, this work will require the removal from service of five A-Cars and 11 B-Cars at a time. The contract is part of an extensive fire safety program, which was begun in 1979. The first phase, completed in 1980, involved replacing all 34,000 polyurethane seat cushions with new wool-covered, low-smoke neoprene cushions.

BART's new C-Cars will come equipped with all of these fire safety features.

Improving Station Access

As part of its effort to make BART more attractive to patrons, BART enlarged parking lots, expanded its carpool program, and worked to improve bus service to stations.

During the past year, parking lots were enlarged or restriped to create a total of approximately 1,574 more parking spaces at BART stations at Orinda, Lafayette, Walnut Creek, Pleasant Hill, Concord, Union City and Fremont.

Also expanded was the BARTpool program, which was begun in September 1981, to offer close-in preferential parking places for cars used by three or more patrons. By June, there were 2,500 patrons taking advantage of the BARTpool program.

Local bus service was improved to the Richmond, El Cerrito and Pleasant Hill BART stations. San Francisco MUNI lines feeding BART were restructured, with lines added to serve the Daly City BART

The Board of Directors San Francisco Bay Area Rapid Transit District

We have examined the balance sheet of San Francisco Bay Area Rapid Transit District as of June 30, 1982 and 1981 and the related statements of operations, changes in net capital investment, changes in financial position, and revenues, expenditures and fund balances of debt service funds for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of San Francisco Bay Area Rapid Transit District as of June 30, 1982 and 1981 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Adams, Grant, White & Co.
Certified Public Accountants

Main Hurdman
Certified Public Accountants

September 3, 1982 (except as to Note 9 which is as of September 17, 1982)

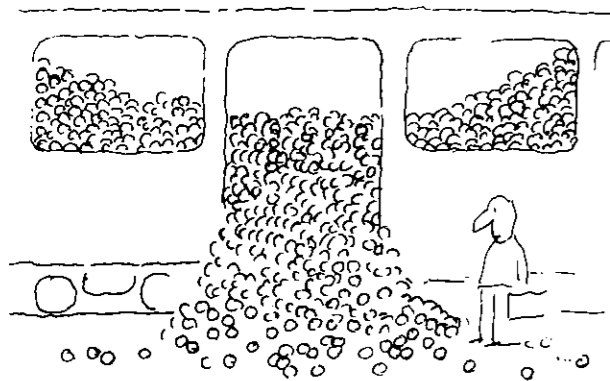
BALANCE SHEET June 30, 1982 and 1981 (In Thousands)

	1982	1981
ASSETS		
Cash	\$ 1,176	\$ 1,429
Securities	77,742	68,761
Securities representing reserves	47,017	45,389
Deposits, notes and other receivables	9,149	5,578
Construction in progress	42,082	39,544
Facilities, property and equipment—at cost (less accumulated depreciation and amortization: 1982, \$228,952; 1981, \$203,191)	1,301,865	1,310,839
Materials and supplies—at average cost	11,923	10,598
Debt service funds, net assets	14,739	15,347
	<u>\$1,505,693</u>	<u>\$1,497,485</u>
LIABILITIES AND CAPITALIZATION		
Contracts and other liabilities	\$ 28,542	\$ 22,976
Unearned passenger revenue	1,250	1,074
Debt service funds	14,739	15,347
	<u>44,531</u>	<u>39,397</u>
Capitalization:		
Reserves	47,017	45,389
General Obligation Bonds	624,570	649,930
Net capital investment	789,575	762,769
	<u>1,461,162</u>	<u>1,458,088</u>
	<u>\$1,505,693</u>	<u>\$1,497,485</u>

STATEMENT OF OPERATIONS Years Ended June 30, 1982 and 1981 (In Thousands)

	1982	1981
Operating revenues:		
Fares	\$ 57,547	\$ 51,055
Less discounts and other deductions	4,870	4,848
	<u>52,677</u>	<u>46,207</u>
Other	936	870
Investment income	5,496	5,745
Total operating revenues	<u>59,109</u>	<u>52,822</u>
Operating expenses:		
Transportation	44,396	36,985
Maintenance	46,525	40,443
Police services	5,962	5,017
Construction and engineering	3,617	3,986
General and administrative	20,778	19,315
	<u>121,278</u>	<u>105,746</u>
Less capitalized costs	3,458	2,490
Net operating expenses	<u>117,820</u>	<u>103,256</u>
Operating loss before depreciation expense	<u>58,711</u>	<u>50,434</u>
Depreciation (unfunded):		
Of assets acquired with own funds	14,100	16,623
Of assets acquired with grants and contributions by others	12,326	11,370
Total depreciation	<u>26,426</u>	<u>27,993</u>
Operating loss	<u>85,137</u>	<u>78,427</u>
Financial assistance:		
Transactions and use tax	60,989	56,426
Property tax	4,794	4,064
State	71	94
Transportation Development Act of 1971	2,478	1,732
Capital allocations	(8,100)	(12,500)
Total financial assistance	<u>60,232</u>	<u>49,816</u>
Net loss	<u>24,905</u>	<u>28,611</u>
Depreciation of assets acquired with grants and contributions by others	<u>12,326</u>	<u>11,370</u>
Net loss transferred to accumulated deficit	<u>\$ 12,579</u>	<u>\$ 17,241</u>
Reconciliation to net funded deficit:		
Operating loss before depreciation expense	\$ 58,711	\$ 50,434
Deduct financial assistance	60,232	49,816
Funded excess of revenues over expenses (expenses over revenues)	<u>\$ 1,521</u>	<u>(\$ 618)</u>

The accompanying notes are an integral part of these financial statements.



PERFORMANCE HIGHLIGHTS

Rail Ridership

	FY 1981/82	FY 1980/81
Annual passenger trips	53,290,643	46,879,319
Average weekday trips	184,062	161,965
Average trip length	13.5 miles	13.4 miles
Annual passenger miles	717,998,000	626,662,000
System utilization ratio (passenger miles to available seat miles)	35.0%	31.4%
End-of-period ratios:		
Peak patronage	50%	49%
Offpeak patronage	50%	51%
BART's estimated share of peak period transbay trips—cars, trains & buses	35.5%	30.2% ¹
Passengers with automobile available (as alternative to BART)	57%	60%

Operations

	FY 1981/82	FY 1980/81
Annual revenue car miles	28,505,000	27,707,000
Unscheduled train removals—average per revenue day	5.3	7.8
Transit car availability to revenue car fleet	88.3%	83.3%
Passenger miles per equivalent gallon of gasoline	77	69
Passenger accidents reported per million passenger trips	17.96	18.43
Patron-related crimes reported per million passenger trips	15.14	18.45

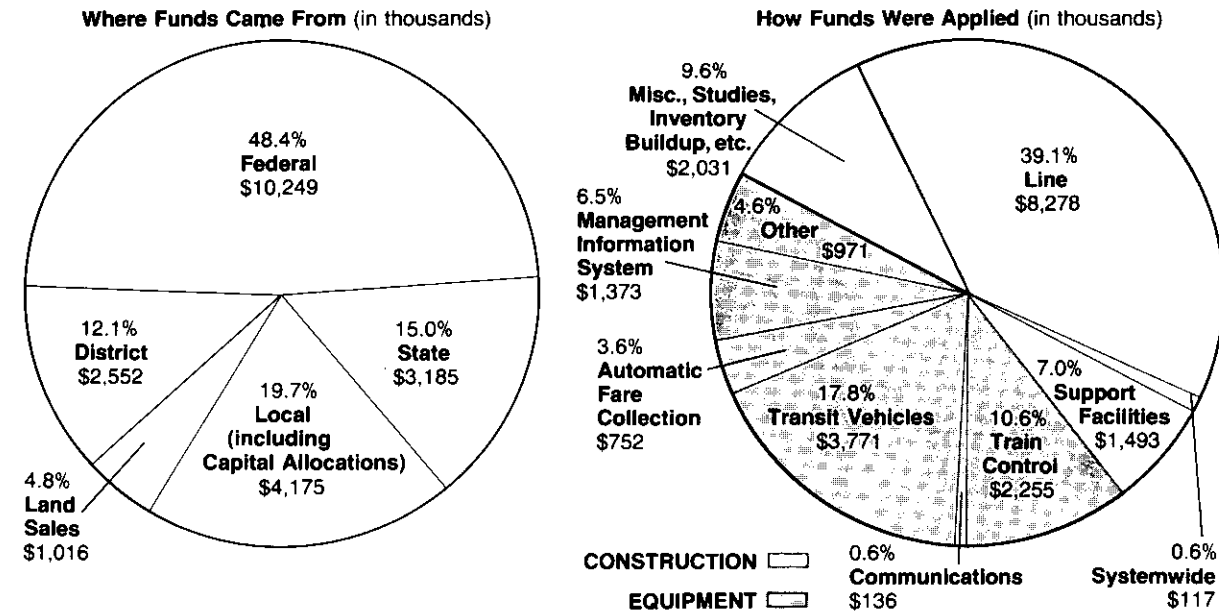
Financial

	FY 1981/82	FY 1980/81
Net passenger revenues	\$ 52,677,000	\$ 46,207,000
Other operating revenues	6,432,000	6,615,000
Total operating revenues	59,109,000	52,822,000
Net operating expenses	117,820,000	103,256,000
Farebox ratio (net passenger revenues to net operating expenses)	45.16%	45.27%
Operating ratio (total operating revenues to net operating expenses)	50.67%	51.75%
Net rail passenger revenue per passenger mile	7.3 ^c	7.2 ^c
Rail operating cost per passenger mile	15.4 ^c	15.5 ^c
Net average passenger fare	98.8 ^c	96.4 ^c

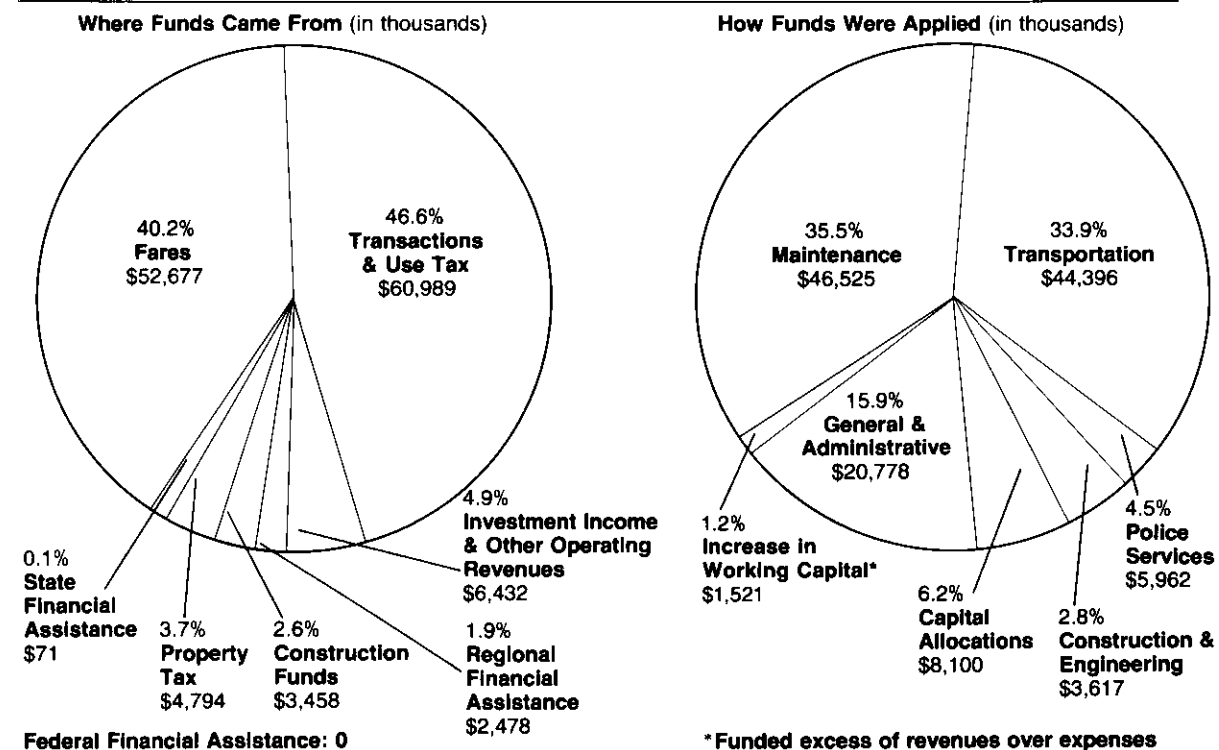
Notes

General note: Data represent annual averages unless otherwise noted.
¹Average of October 1980 and April 1981 survey data.

1981-82 CAPITAL FUNDS — \$21,177,000



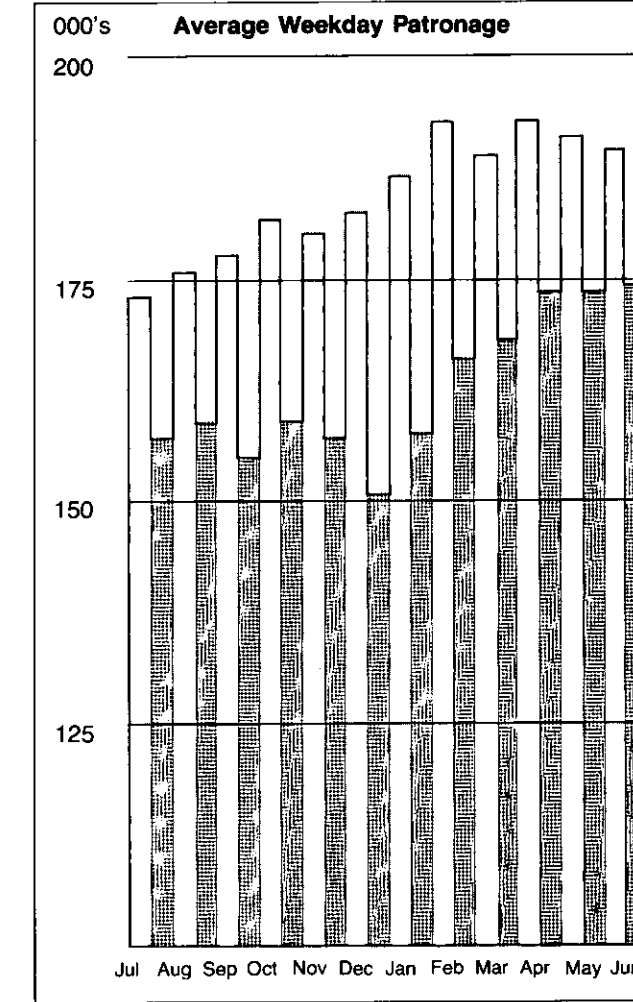
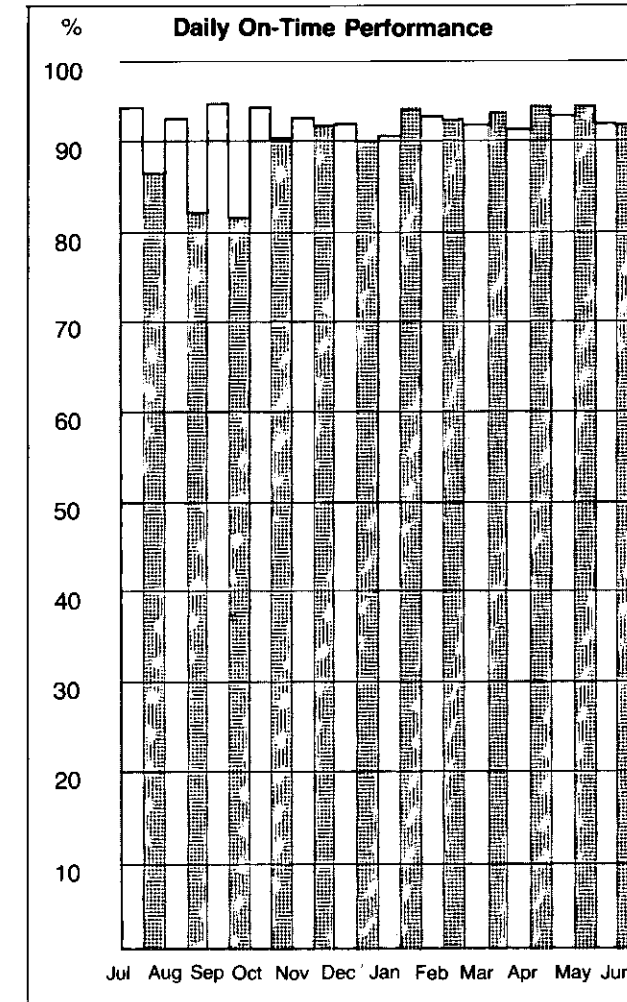
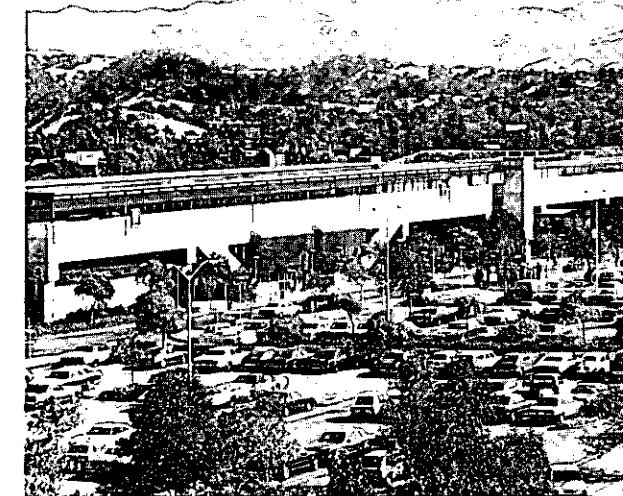
1981-82 OPERATING FUNDS — \$130,899,000 (including Capitalized Costs)



Station and most San Francisco BART stations. Negotiations between BART and the San Francisco Public Utilities Commission regarding a joint BART/MUNI pass continued, and initial prototype testing of modified fare gates to be used in San Francisco BART stations was completed. BART also participated in a state-funded study of a combined AC Transit/BART/MUNI pass. Neither the negotiations regarding the BART/MUNI pass nor the study concerning the AC Transit/BART/MUNI pass had been concluded at the close of the fiscal year.

Contract Negotiations

Service continued without interruption while BART and its two major unions successfully completed negotiations for a new, three-year labor contract. The contract, which was signed at 5 a.m. on Sunday morning, June 27, 1982, covered some 1,700 members of BART's work force.



Notes: Fares reduced 20% between 10 a.m. and 3 p.m. weekdays in February 1982.
 Peak period train schedule revised October 1980.
 34.9% fare increase starting June 30, 1980 and addition of direct Richmond/Daly City service.

Legend:
 [White bar] FY 1981-82
 [Hatched bar] FY 1980-81

During the 1981/82 fiscal year, BART made substantial progress on a \$500 million capital improvement program for which it is seeking state and federal funds.

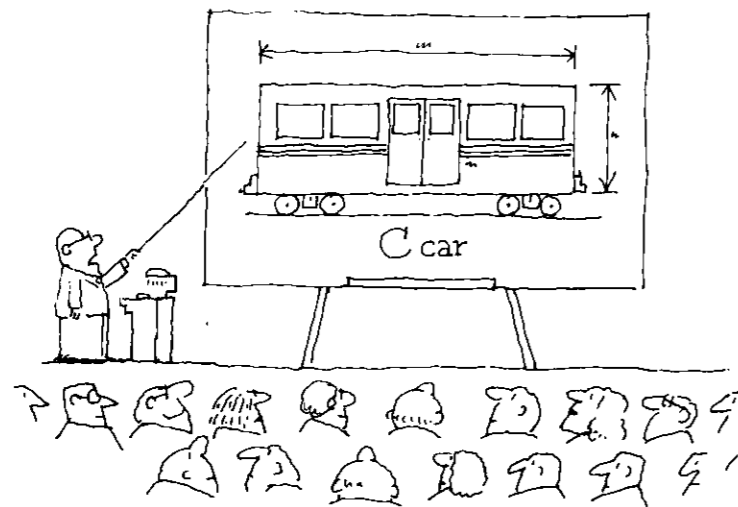
The District received a federal grant to help build four prototypes of a new and improved transit car, to be known as the C-Car, advertised for bids on from 60 to 150 of the new cars, and began the implementation of a plan to sell revenue bonds to pay for a portion of the cost.

Track work was completed on the first phase of the K-E track, which will serve as a "spare" track through downtown Oakland. Meanwhile, environmental studies were continued on a Daly City turnback track and storage yard. In addition, the District continued to work on plans to purchase a new Integrated Control System and modifications and improvements to the system's wayside automatic train control system. These new systems will allow BART to take advantage of computer and automation technology which has been developed since BART began operation.

The completion of all five of these and other projects will increase BART's capacity by 85 percent, and ensure that BART will continue to meet the growing demand in the years ahead.

Purchase of C-Cars Approved

In October 1981 BART received a \$6.7 million federal grant toward the building and testing of



sently under construction between Castro Valley and Dublin.

- In June 1982, BART directors authorized \$45,000 for consultants to update the 1976 Livermore/Pleasanton BART Extension Study, and an additional \$45,000 for consultants to study a BART extension within the Interstate 80 corridor between Richmond and Crockett. Although the Crockett extension was not included in the current extension program, area residents have requested that BART explore the possibility of extending service to their communities.

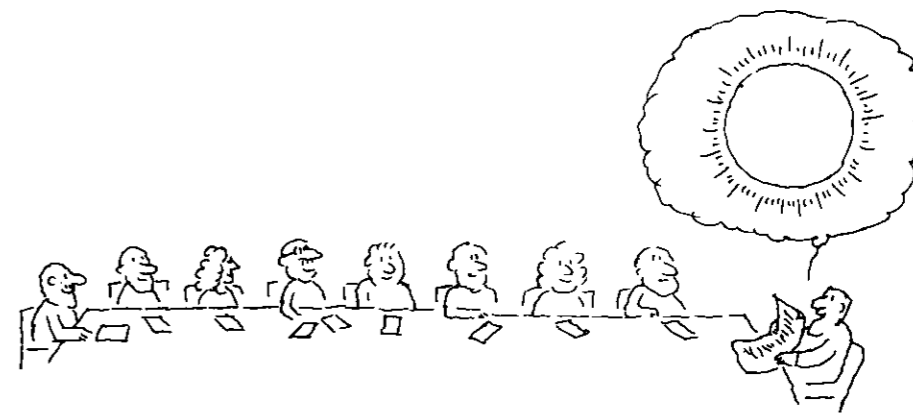
Other Plans for the Future

BART has been alert to ways to make better use of its current property. In March, ground was broken for the \$12 million Regional Administration Facility on BART property adjacent to the current headquarters at Eighth and Madison streets in Oakland. The building, which BART will share in a "condominium" arrangement with the Metropolitan Transportation Commission and the Association of Bay Area Governments, is to be completed in 1983. It will be the first governmental agency "condominium" arrangement in the area.

BART also has begun a program of working with local cities and agencies to explore the possibility of leasing property at and around its stations, including air rights, to private developers. Directors this year selected Keyser Marsten & Associates to begin the program by studying development opportunities at BART stations.

From Dream to Reality

In its decade of service, BART has proved that what was once a dream can become reality. The once unknown acronym of BART is now an integral part of our Bay Area language.



BART Is Already Looking Toward the Future—and to the expansion that will allow residents of an even wider geographic area to make BART a part of their daily life and vocabulary.

Extensions Under Consideration

During this fiscal year, the BART Board of Directors took the following actions to move ahead with the district's 20-Year Extension Program which is to be accomplished concurrently along each route, on an incremental basis:

- In July 1981, this year, Directors adopted a preferred extension alignment and station sites for the Pittsburg/Antioch corridor. Also, during this fiscal year, BART began negotiating with the U.S. Navy for utilization of land for the proposed site of the North Concord/Martinez BART Station, which would be the first station along the 15.4 mile BART extension to Pittsburg and Antioch.
- In December 1981, applications totaling \$16.3 million for work on two of the extensions were submitted for funding through the state fixed guideways program. When approved, the funds will be used for preliminary engineering work on the extensions from the Fremont BART Station to the Warm Springs district (\$6.9 million), and to North Concord (\$5.4 million).
- In March 1982, BART and the Alameda County Planning Department issued a joint report identifying sites for a proposed Castro Valley BART Station, along the extension route from the Bay Fair BART Station to Pleasanton and Livermore. To accommodate this extension, Caltrans is leaving room for BART tracks in the median strip of the new Highway 580, which is pre-

four prototype C-Cars. During the 1981/82 fiscal year, the District advertised for bids for the procurement of 60 to 150 new C-Cars. The C-Car proposal called for the manufacture and extensive testing of four prototypes of the new cars. Awarding of the C-Car contract will take place in the 1982/83 fiscal year.

The BART Board of Directors proposes, in the next fiscal year, to sell \$65 million worth of revenue bonds to pay a portion of the cost of 150 new rail transit vehicles and related automatic train control equipment. In addition to the bond proceeds, BART expects to use additional federal, state and local government grants, interest earnings, and its own capital improvement reserves to pay for the new C-Cars.

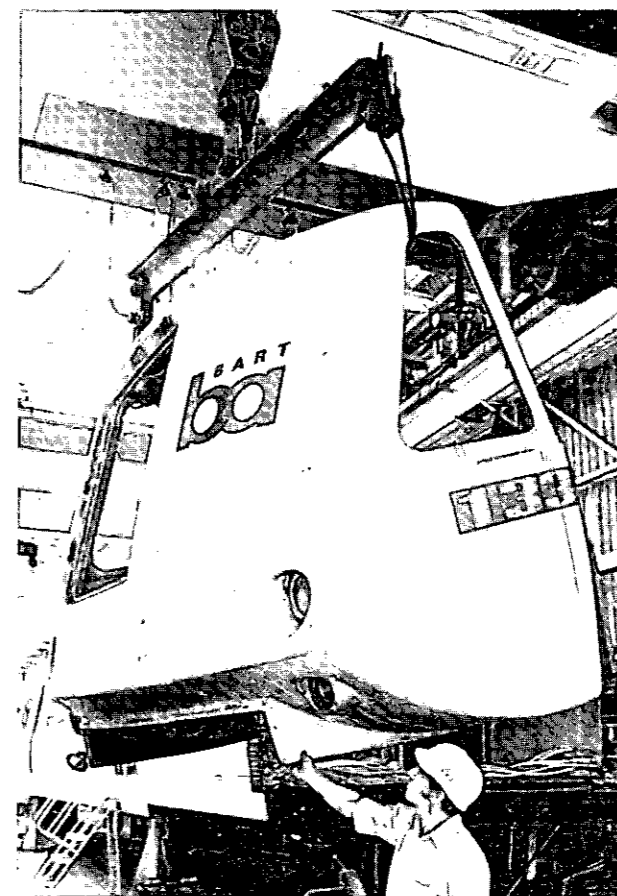
The C-Cars, designed by BART engineers working with consultants, will be similar in appearance to the present cars, but will not have the sloped front of the A-Cars. The new cars will have automatic train control systems, and can serve as either a lead car or as a mid-train car, giving BART greater flexibility by allowing one long train to be broken into two shorter trains without returning to a yard. The C-Cars will seat 68 passengers, four less than the present A-Cars.

Car Conversion Program

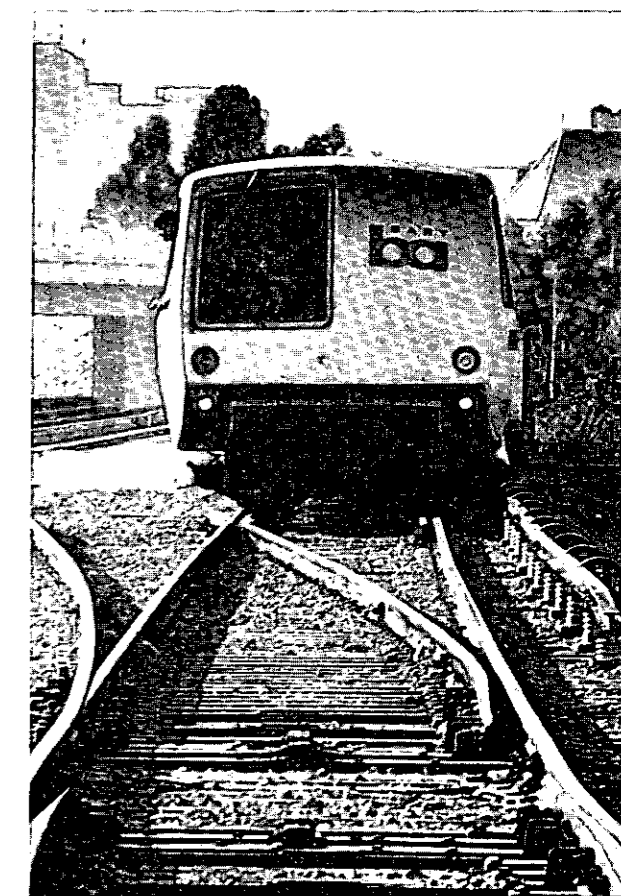
As part of a program to convert 35 A-Cars to B-Cars, started in 1978 and aimed at obtaining a better fleet mix of A-Cars and B-Cars, BART converted 12 A-Cars to B-Cars during the 1981/82 fiscal year. The final two car conversions in the program were in progress when the fiscal year closed. Even with the conversion program, all currently available capacity is fully utilized.

Progress on the K-E Track

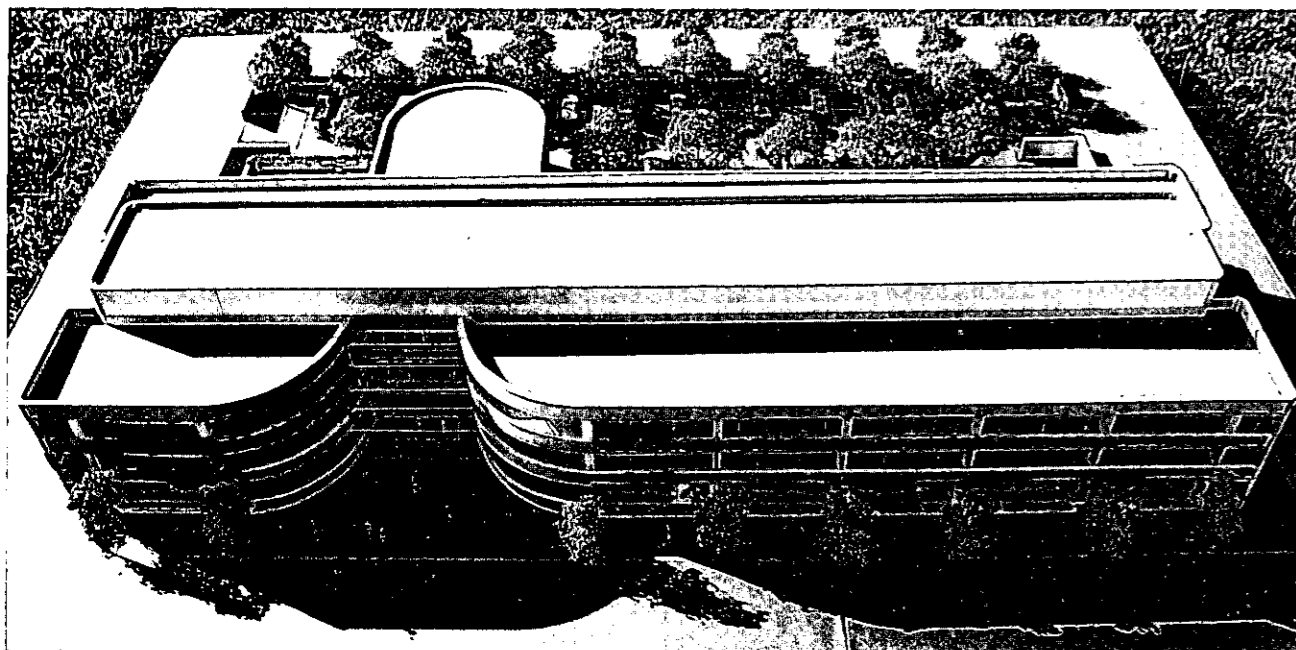
A major milestone in the construction of the K-E track took place on Oct. 31, 1981, when the first of eight massive switches, each of which weighs 35 tons and is 128 feet long, was moved into place. The K-E track, a third trackway in Oakland between the MacArthur and the Oakland West



BART stations, will increase flexibility and reliability by making it easier to remove malfunctioning trains from the main Oakland line, thus reducing service disruptions. It also can be used for overnight storage of trains. Scheduled for completion in 1985, the K-E track will be the first addition to BART's mainline trackage since the system began carrying passengers in 1972.



Regional Administration Facility ready in 1983.

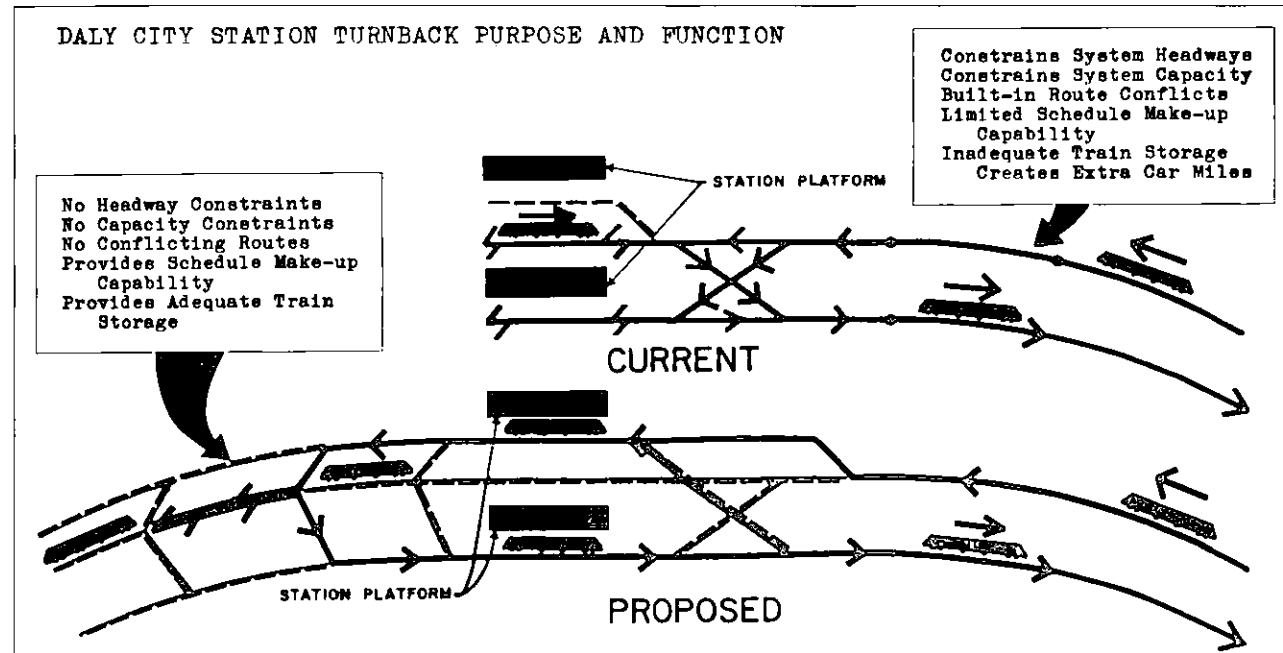


Daly City Turnback Track

Environmental studies were under way on a Daly City turnback track. Completion of the facility will permit trains to turn around faster, thus allowing trains to operate at closer intervals. It also will be used as a storage facility, and is expected to save BART at least \$700,000 a year in electricity costs because long, empty trains will not have to return to East Bay yards following the morning commute or in the evening. Environmental studies are scheduled to be completed in January 1983.

New Computer

The District moved ahead with plans to buy a new Integrated Control System to expand the capacity of BART's 13-year-old computer, which can handle a maximum of 50 trains at a time. The District plans to acquire a system that can handle up to 75 trains, at a time, with the capability of being expanded to handle up to 115 trains at a time.



BART's financial picture, like its service, was better than ever during the 1981/82 fiscal year. In addition to funding the \$120.4 million budget adopted at the beginning of the year, the District was able to allocate \$5.5 million to the vehicle acquisition program and still end the year with an excess of revenues of \$1,500,000 after operating expenses.

Net passenger revenue was \$52.7 million or 12.6 percent above budget. When combined with other operating revenue (primarily interest income and income from advertising space in trains and stations), total District operating revenue was \$59.1 million, or 14.2 percent above projections.

Total operating expenses were 2.1 percent under budget. Although the express bus program cost 25.8 percent above estimates, this additional cost was offset by reductions in utility bills. During the latter half of the year, heavy winter rains resulted in increased availability of lower-cost hydroelectric power, and the California Public Utilities Commission ordered rate reductions. Electric power expenses for BART closed out the year 12.7 percent under budget.

Improved Farebox Ratio

The farebox ratio was 45.2 percent, virtually the same as last year's 45.3 percent. This was well above the 40 percent objective set by BART directors, as well as the 33 percent ratio required

in order to maintain eligibility for certain state funds. The operating ratio — passenger fares and other operating revenues over operating expense — was 50.7 percent, slightly below the 51.8 percent ratio of the preceding year.

The rail cost per passenger-mile decreased slightly, dropping to 15.4 cents for the 1981/82 fiscal year from 15.5 cents the year before.

Other Revenue

In addition to operating revenues, BART received \$61 million in sales tax revenue, \$2.5 million in Transportation Development Act of 1971 (TDA) funds, and \$4.8 million in property tax as its share of the one percent maximum property tax as limited by Prop. 13.

The Board of Directors was able to reduce the property tax BART levies for repayment of the general obligation bonds authorized by voters for construction of the system. Directors set a tax rate of 6.97 cents per one hundred dollars of assessed value, anticipating revenues of \$46.9 million from property owners in Alameda, Contra Costa and San Francisco counties.

In the City of Berkeley, where voters approved creation of a special service district to finance subway construction through their city, the Board of Directors also set a property tax rate of 3.21 cents per hundred dollars of assessed value, which will raise an estimated revenue of \$671,000.

