

## INTER OFFICE MEMO

**To:** Administration & Finance Committee

**Date:** 06/28/2022

**From:** Amber Johnson, Chief Financial Officer

**Reviewed by:** WC.

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**SUBJECT: Income Statements for the Nine Months Ended March 31, 2022**

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### **Background:**

The quarterly income statement report is an opportunity for the Committee to review the Authority's financial status and to provide fiscal and operational accountability.

### **Summary:**

The unaudited County Connection Income Statements for the first nine months of Fiscal Year (FY) 2022 are presented for review. Actual revenues and expenses are compared to the *total* approved budget. The combined expenses of Fixed Route and Paratransit for the period are \$28.7 million (*Schedule 1*), which is 63.3% of the annual budget of \$45.3 million.

### **Fixed Route:**

Fixed Route overall revenues and expenses are presented on *Schedule 2*. Expenses for the period are \$23 million, representing 64.2% of the total budget. Since Transportation Development Act (TDA) revenue is utilized as needed, revenues are equivalent to expenses.

Expenses in most categories are tracking at about 70% of the total budget, which is slightly lower than anticipated at the third quarter reporting milestone. The primary driver of the expense budget is Salaries and Wages, which continue to be under budget due to staffing vacancies. *Schedule 4* provides additional detail of various components of operator wages within the budget. Overtime and Training continue to track a little higher than anticipated, but with overall Salaries and Wages under budget, these variances are not a cause for concern.

Materials and supplies expenses have utilized 90% of the budget, which is higher than anticipated at the this point in the year. The primary driver for this variance is the increasing costs of diesel fuel as compared to pricing when the budget was developed. Fortunately, the contingency reserve of \$900 thousand has not been utilized to date, and is more than adequate to offset any increased fuel costs that tip the fixed route expenditures over budget.

Purchased transportation continues to be significantly under budget at 9.6% utilization. The budget anticipated certain extra COVID-related services for transporting passengers to COVID testing sites and for distributing food for the Meals on Wheels program. These services have not been as robust as anticipated this year to date, resulting in underspending in this category.

*Schedule 5* provides additional detail of other revenues, other operating assistance, and miscellaneous expenses. In general, each of these categories are tracking well under budget.

**Paratransit:**

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period are \$5.6 million, representing 60% of the total budget. TDA revenue is also utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Salaries and benefits for the period continue to outpace the budget at 88% utilization, due to the additional staff member that was added in December 2021 that was not included in the budget projections. Salaries make up a very small portion of the overall Paratransit expenditure budget, and an overage in this category will not necessitate a budget adjustment at this time. Special Trip Services (purchased transportation) represent most of the Paratransit budget, and these services continue to track under budget at 59% budget utilization due to COVID-related impacts on ridership.

**Statistics:**

*Schedule 6* provides select statistical information through Q3 of FY 2022 as compared to this same period in FY 2021 and FY 2020.

Statistics shown for the first three quarters of FY 2020 represent pre-pandemic activities (July 2019-March 2020). At this point in time, the fixed route farebox recovery ratio was 16.7%, and the cost of service per passenger was \$8.86. In the first three quarters of FY 2021, the farebox recovery ratio dropped to 4.3%, and the cost per passenger increased to \$27.61, due to unprecedented COVID-related drops in ridership and service. In FY 2022, we see a rebound over FY 2021, with a farebox recovery ratio of 7.6% and cost per passenger of \$16.98.

The statistics for Paratransit services tell a similar story. The farebox recovery ratio of 6.8% in FY 2020 dropped to 1.8% in FY 2021 but has rebounded to 3.3% in the current year. Likewise, the cost of service per passenger of \$55.34 in FY 2020 increased to \$136.32 in FY 2021 and has decreased to \$124.19 in the current year.

Overall, the statistics reveal improvements to efficiencies in service delivery, as pandemic-related impacts to ridership begin to subside.

**Financial Implications:**

There are no financial implications associated with this report.

**Action Requested:**

Staff requests that the A&F Committee accept the report and provide the update to the Board.

**Attachments:**

Attachment 1: CCCTA Income Statements for FY2022 Q3 (Schedules 1 through 6)

## Schedule 1-Combined Fixed Route &amp; Paratransit

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Combined Fixed Route and Paratransit Income Statement**  
**FY 2022 Year to Date - Comparison of Actual vs. Budget**  
**For the Nine Months Ended March 31, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Revenues</b>				
Passenger fares	\$ 1,569,292	\$ 2,210,813	\$ (641,521)	71.0%
Special fares	363,678	641,820	(278,142)	56.7%
	<u>1,932,970</u>	<u>2,852,633</u>	<u>(919,663)</u>	<u>67.8%</u>
Advertising	161,958	212,195	(50,237)	76.3%
Safe Harbor lease	3,078	3,000	78	102.6%
Other revenue	40,214	108,700	(68,486)	37.0%
Federal operating	8,529,900	8,815,590	(285,690)	96.8%
TDA earned revenue	7,670,668	18,487,803	(10,817,135)	41.5%
STA revenue	1,500,534	4,533,634	(3,033,100)	33.1%
Measure J	6,709,369	6,711,000	(1,631)	100.0%
LAVTA Fees	860,239	1,900,766	(1,040,527)	45.3%
Other operating assistance	1,278,709	1,678,113	(399,404)	76.2%
	<u>26,754,669</u>	<u>42,450,801</u>	<u>(15,696,132)</u>	<u>63.0%</u>
<b>Total Revenue</b>	<b>\$ 28,687,639</b>	<b>\$ 45,303,434</b>	<b>\$ (16,615,795)</b>	<b>63.3%</b>
<b>Expenses</b>				
Wages- Operators	\$ 5,508,472	\$ 8,000,000	\$ (2,491,528)	68.9%
Wages-Other	4,613,416	6,896,271	(2,282,855)	66.9%
	<u>10,121,888</u>	<u>14,896,271</u>	<u>(4,774,383)</u>	<u>67.9%</u>
Fringe Benefits	8,030,953	12,181,667	(4,150,714)	65.9%
Services	1,427,580	2,573,650	(1,146,070)	55.5%
Materials & Supplies	2,329,380	2,599,800	(270,420)	89.6%
Utilities	266,200	395,000	(128,800)	67.4%
Insurance	728,001	1,113,600	(385,599)	65.4%
Taxes	272,511	255,015	17,496	106.9%
Leases and Rentals	42,649	58,000	(15,351)	73.5%
Miscellaneous	125,884	218,590	(92,706)	57.6%
Special Trip Services	5,342,593	10,111,841	(4,769,248)	52.8%
<b>Operations</b>	<b>28,687,639</b>	<b>44,403,434</b>	<b>(15,715,795)</b>	<b>64.6%</b>
Contingency Reserve	-	900,000	(900,000)	0.0%
<b>Total Expenses</b>	<b>\$ 28,687,639</b>	<b>\$ 45,303,434</b>	<b>\$ (16,615,795)</b>	<b>63.3%</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

## Schedule 2-Fixed Route

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Fixed Route Income Statement**  
**FY 2022 Year to Date - Comparison of Actual vs. Budget**  
**For the Nine Months Ended March 31, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Revenues</b>				
Passenger fares	\$ 1,383,177	\$ 1,611,500	\$ (228,323)	85.8%
Special fares	363,678	641,820	(278,142)	56.7%
	<u>1,746,855</u>	<u>2,253,320</u>	<u>(506,465)</u>	<u>77.5%</u>
Advertising	161,958	212,195	(50,237)	76.3%
Safe Harbor lease	3,078	3,000	78	102.6%
Other revenue <sup>2</sup>	40,214	108,700	(68,486)	37.0%
Federal operating	7,473,700	7,575,590	(101,890)	98.7%
TDA earned revenue	6,495,036	15,469,409	(8,974,373)	42.0%
STA revenue	1,080,934	3,921,634	(2,840,700)	27.6%
Measure J	4,937,111	4,911,000	26,111	100.5%
Other operating assistance <sup>2</sup>	1,122,986	1,478,113	(355,127)	76.0%
	<u>21,315,017</u>	<u>33,679,641</u>	<u>(12,364,624)</u>	<u>63.3%</u>
<b>Total Revenue</b>	<b>\$ 23,061,872</b>	<b>\$ 35,932,961</b>	<b>\$ (12,871,089)</b>	<b>64.2%</b>
<b>Expenses</b>				
Wages- Operators <sup>1</sup>	\$ 5,508,472	8,000,000	\$ (2,491,528)	68.9%
Wages-Other	4,415,324	6,671,029	(2,255,705)	66.2%
	<u>9,923,796</u>	<u>14,671,029</u>	<u>(4,747,233)</u>	<u>67.6%</u>
Fringe Benefits	7,926,042	12,048,415	(4,122,373)	65.8%
Services	1,363,824	2,480,350	(1,116,526)	55.0%
Materials & Supplies	2,329,216	2,596,800	(267,584)	89.7%
Utilities	242,146	354,000	(111,854)	68.4%
Insurance	728,001	1,097,500	(369,499)	66.3%
Taxes	272,511	255,015	17,496	106.9%
Interest	-	-	-	
Leases and Rentals	42,649	58,000	(15,351)	73.5%
Miscellaneous <sup>2</sup>	112,593	207,590	(94,997)	54.2%
Purchased Transportation	121,094	1,264,262	(1,143,168)	9.6%
<b>Operations</b>	<b>23,061,872</b>	<b>35,032,961</b>	<b>(11,971,089)</b>	<b>65.8%</b>
Contingency Reserve	-	900,000	(900,000)	0.0%
<b>Total Expenses</b>	<b>\$ 23,061,872</b>	<b>\$ 35,932,961</b>	<b>\$ (12,871,089)</b>	<b>64.2%</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

<sup>1</sup> See additional detail at Schedule 4.<sup>2</sup> See additional detail at Schedule 5.

## Schedule 3- Paratransit

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Paratransit Income Statement**  
**FY 2022 Year to Date - Comparison of Actual vs. Budget**  
**For the Nine Months Ended March 31, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Revenues</b>				
Passenger fares	\$ 186,115	\$ 599,313	\$ (413,198)	31.1%
Federal operating	1,056,200	\$ 1,240,000	(183,800)	85.2%
TDA earned revenue	1,175,632	\$ 3,018,394	(1,842,762)	38.9%
STA revenue	419,600	\$ 612,000	(192,400)	68.6%
Measure J	1,772,258	\$ 1,800,000	(27,742)	98.5%
LAVTA Fees	860,239	\$ 1,900,766	(1,040,527)	45.3%
Other operating assistance	155,723	\$ 200,000	(44,277)	77.9%
	5,439,652	8,771,160	(3,331,508)	62.0%
<b>Total Revenue</b>	<b>\$ 5,625,767</b>	<b>\$ 9,370,473</b>	<b>\$ (3,744,706)</b>	<b>60.0%</b>
<b>Expenses</b>				
Wages-Other	198,092	\$ 225,242	\$ (27,150)	87.9%
Fringe Benefits	104,911	\$ 133,252	(28,341)	78.7%
Services	63,756	\$ 93,300	(29,544)	68.3%
Materials & Supplies	164	\$ 3,000	(2,836)	5.5%
Utilities	24,054	\$ 41,000	(16,946)	58.7%
Insurance	-	\$ 16,100	(16,100)	0.0%
Miscellaneous	13,291	\$ 11,000	2,291	120.8%
Special Trip Services	5,221,499	\$ 8,847,579	(3,626,080)	59.0%
<b>Total Expenses</b>	<b>\$ 5,625,767</b>	<b>\$ 9,370,473</b>	<b>\$ (3,744,706)</b>	<b>60.0%</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

Schedule 4- Operator Wages

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Operator Wages**  
**For the Nine Months Ended March 31, 2022**

	Actual	Total Budget	Variance	% Budget Used
Platform/report/turn in	\$ 4,708,094	\$ 6,569,600	\$ (1,861,506)	71.7%
Guarantees	170,795	\$ 323,200	(152,405)	52.8%
Overtime	279,773	\$ 270,400	9,373	103.5%
Spread	84,002	\$ 123,200	(39,198)	68.2%
Protection	176,896	\$ 575,200	(398,304)	30.8%
Travel	3,687	\$ 56,000	(52,313)	6.6%
Training	70,515	\$ 36,800	33,715	191.6%
Other Misc	14,711	\$ 45,600	(30,889)	32.3%
	<b>\$ 5,508,472</b>	<b>\$ 8,000,000</b>	<b>\$ (2,491,528)</b>	<b>68.9%</b>

## Schedule 5- Other Revenues/Other Expenses

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Other Revenue; Other Operating Assistance; Miscellaneous Expenses (Fixed Route)**  
**For the Nine Months Ended March 31, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Other Revenue</b>				
Investment income (interest)	\$ 38,559	\$ 30,600	7,959	126.0%
RTC card revenue	253	500	(247)	50.6%
Various	1,402	77,600	(76,198)	1.8%
	<b>\$ 40,214</b>	<b>\$ 108,700</b>	<b>\$ (68,486)</b>	<b>37.0%</b>
<b>Other Operating Assistance</b>				
RM2	-	102,464	(102,464)	0.0%
BART feeder revenue	891,994	891,994	-	100.0%
Dougherty Valley	-	150,000	(150,000)	0.0%
LCTOP	161,504	-	161,504	--
SB1 State of Good Repair Funds	64,488	130,800	(66,312)	49.3%
Go San Ramon On-Demand Pilot	5,000	-	5,000	--
Other Grant Revenue	-	202,855	(202,855)	0.0%
	<b>\$ 1,122,986</b>	<b>\$ 1,478,113</b>	<b>\$ (355,127)</b>	<b>76.0%</b>
<b>Miscellaneous Expenses</b>				
Board Travel Expense	7,379	25,000	(17,621)	29.5%
Staff Travel Expense	32,093	75,000	(42,907)	42.8%
CTA Dues	1,284	1,000	284	128.4%
APTA Dues	26,622	35,500	(8,878)	75.0%
Other Dues	1,110	3,090	(1,980)	35.9%
Employee functions	16,464	16,000	464	102.9%
Employee Christmas gift cards	16,000	16,500	(500)	97.0%
Employee Awards/pins	109	4,000	(3,891)	2.7%
Training	10,099	20,000	(9,901)	50.5%
Various other	1,434	11,500	(10,066)	12.5%
	<b>\$ 112,593</b>	<b>\$ 207,590</b>	<b>\$ (94,996)</b>	<b>54.2%</b>

## Schedule 6- Statistics

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**FY 2022 Year to Date - Statistical Comparisons**  
**For the Nine Months Ended March 31, 2022**

	Actual FY 2022 through Q3	Actual FY 2021 through Q3	Variance FY 2022 to FY 2021	Actual FY 2020 through Q3	Variance FY 2022 to FY 2020
<b>Fixed Route</b>					
Fares	\$ 1,383,177	\$ 739,810	87.0%	\$ 2,441,882	-43.4%
Special Fares	363,678	243,241	49.5%	1,500,238	-75.8%
<b>Total Fares</b>	<b>\$ 1,746,855</b>	<b>\$ 983,051</b>	<b>77.7%</b>	<b>\$ 3,942,120</b>	<b>-55.7%</b>
<i>Farebox recovery ratio</i>	<i>7.6%</i>	<i>4.3%</i>	<i>75.1%</i>	<i>16.7%</i>	<i>-54.6%</i>
Operating Exp (Less leases)	\$ 23,019,223	\$ 22,680,649	1.5%	\$ 23,566,111	-2.3%
<i>Revenue Hours</i>	<i>141,765</i>	<i>133,591</i>	<i>6.1%</i>	<i>166,219</i>	<i>-14.7%</i>
<i>Cost per Rev Hour</i>	<i>\$ 162.38</i>	<i>\$ 169.78</i>	<i>-4.4%</i>	<i>\$ 141.78</i>	<i>14.5%</i>
<i>Passengers</i>	<i>1,355,377</i>	<i>821,570</i>	<i>65.0%</i>	<i>2,659,660</i>	<i>-49.0%</i>
<i>Cost per Passenger</i>	<i>\$ 16.98</i>	<i>\$ 27.61</i>	<i>-38.5%</i>	<i>\$ 8.86</i>	<i>91.7%</i>
<i>Passengers per Rev Hr</i>	<i>9.56</i>	<i>6.15</i>	<i>55.5%</i>	<i>16.00</i>	<i>-40.2%</i>
<b>Paratransit</b>					
Fares	\$ 186,115	\$ 60,649	206.9%	\$ 368,715	-49.5%
<i>Farebox recovery ratio</i>	<i>3.3%</i>	<i>1.8%</i>	<i>79.2%</i>	<i>6.8%</i>	<i>-51.3%</i>
Operating Exp (Less leases)	\$ 5,625,767	\$ 3,285,809	71.2%	\$ 5,424,507	3.7%
<i>Revenue Hours</i>	<i>35,162</i>	<i>19,255</i>	<i>82.6%</i>	<i>51,771</i>	<i>-32.1%</i>
<i>Cost per Rev Hour</i>	<i>\$ 160.00</i>	<i>\$ 170.65</i>	<i>-6.2%</i>	<i>\$ 104.78</i>	<i>52.7%</i>
<i>Passengers</i>	<i>45,300</i>	<i>24,103</i>	<i>87.9%</i>	<i>98,029</i>	<i>-53.8%</i>
<i>Cost per Passenger</i>	<i>\$ 124.19</i>	<i>\$ 136.32</i>	<i>-8.9%</i>	<i>\$ 55.34</i>	<i>124.4%</i>
<i>Passengers per Rev Hr</i>	<i>1.29</i>	<i>1.25</i>	<i>2.8%</i>	<i>1.89</i>	<i>-32.0%</i>