

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee
From: Erick Cheung, Director of Finance

Date: October 5, 2016

SUBJECT: Income Statements for the Fiscal Year 2016

The attached unaudited County Connection Income Statements for FY 2016 are presented for your review. The audit field work has been mostly completed and except for GASB 68 adjustments, it is not expected that there will be any adjustments that would materially alter the statements.

The combined actual expenses of \$33,808,751 for Fixed Route and Paratransit, (Schedule 1), **are 8.0% under the budget (\$2,932,414)**. The expense categories with the most significant variances are:

Wages	\$ 488,955	3.7%	Wages are higher than budget due to agreed upon salaries increases for FY 2016.
Fringe Benefits	\$(346,660)	(3.7)%	Fringe Benefits are under due to workers comp (\$393K); various other categories are over.
Services	\$(436,459)	(19.2)%	Services are under mainly due to lower service repairs (\$162K), legal expense (\$117K), and Clipper admin fee (\$86K).
Materials & Supplies	\$(1,332,145)	(36.9)%	Materials and supplies are lower due to lower diesel fuel costs (\$1.1 million) and fewer repair parts expenses (\$155K).
Contingency	\$(1,326,396)	(100.0)%	Not needed based on expenses being under budget.

Fixed route and Paratransit revenues and expenses are presented on **Schedules 2 and 3**. Actual expenses are compared to the year-to-date approved budget. Fixed route expenses are 9.4% under budget and Paratransit expenses are at budget.

The combined revenues are also under budget. The most significant variances:

Passenger fares/special fares	\$(191,888)	(3.7)%	Fixed route passenger fares/special fares are (\$102K) lower than budget and Paratransit fares are (\$90K) lower than budget. Compared to the same period in the prior year, Fixed route is (\$145K) lower and Paratransit is (\$4K) lower.
Federal operating	\$ 745,182	49.9%	Federal operating is more than budgeted due to using unspent grant allocations.
TDA revenue earned	\$(3,100,915)	(17.2)%	TDA revenue is lower due to lower than expected expenses.
STA revenue earned	\$(493,239)	(15.3)%	STA revenue is lower than originally budgeted due to lower diesel fuel revenue.

Fixed Route Operator Wages (Schedule 4)

Schedule 4 compares various components of operator wages with the budget.

- Platform (work time) is 4.4% over budget.
- Overtime is on budget.
- Training is 7.0% over budget.
- Overall wages for operators are 3.5% over budget and as noted above, expenses are higher due to agreed upon salary increases.

Statistics (Schedule 6)

Schedule 6 provides selected statistical information for the current year compared to the last two years:

Fixed route:

- Passenger fares/special fares are -3.2% less than FY 2015 and -0.8% less than FY 2014.
- The farebox recovery ratio is less compared to FY 2015 and FY 2014. The ratio is 15.7% in FY 2016; 16.3% in FY 2015 and 16.3% in FY 2014.
- Operating expenses are 0.5% more than in FY 2015 and 2.9% more than in FY 2014.
- Fixed route revenue hours are 3.0% more than FY 2015 and 2.4% more than FY 2014.
- The cost per revenue hour has decreased -1.5% compared to FY 2015 and -0.4% compared to FY 2014.
- Passengers have increase 2.6% compared to FY 2015 and 10.8% compared to FY 2014. The increase in ridership and lower revenue is due to a change in the factor applied to raw data produced from the Ridecheck software and additional free ride routes described by Director Muzzini in her April report to the A&F Committee.
- The cost per passenger has decreased -2.0% compared to FY 2015 and decreased -7.2% compared to FY 2014.
- Passengers per revenue hour have decreased -0.4% compared to FY 2015 and increased 8.2% compared to FY 2014.

Paratransit:

- Passenger fares have decreased -0.7% compared to FY 2015 and -11.5% compared to FY 2014.
- The farebox ratio is less than FY 2015 and FY 2014. The ratio is 10.2% in FY 2016; 10.8% in FY 2015; and 11.9% in FY 2014.
- Expenses have increased 5.7% compared to the prior year and 3.4% compared to FY 2014.
- Revenue hours are 3.5% more than FY 2015 and 2.6% more than FY 2014.
- Passengers have decreased -1.8% compared to FY 2015 and -3.1% compared to FY 2014.
- The cost per passenger has increased 7.6% since FY 2015 and 6.7% compared to FY 2014.
- Paratransit passengers per revenue hour have decreased -5.1% compared to FY 2015 and decreased -5.5% compared to FY 2014.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2016 Year to Date Comparison of Actual vs Budget

For the Twelve Months Ended June 30, 2016

Combined Fixed Route and Paratransit Income Statement -Unaudited

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 3,549,945	3,785,346	(235,401)	-6.2%
Special fares	\$ 1,447,303	1,403,790	43,513	3.1%
	\$ 4,997,248	5,189,136	(191,888)	-3.7%
Advertising	\$ 599,100	617,100	(18,000)	-2.9%
Safe Harbor lease	\$ 6,150	5,000	1,150	23.0%
Other revenue *	\$ 262,126	105,100	157,026	149.4%
Federal operating	\$ 2,237,709	1,492,527	745,182	49.9%
TDA 4.0 earned revenue	\$ 14,877,616	17,978,531	(3,100,915)	-17.2%
TDA 4.5 earned revenue	\$ 829,680	829,680	0	0.0%
STA revenue	\$ 2,390,409	2,883,648	(493,239)	-17.1%
Measure J	\$ 5,650,646	5,640,120	10,526	0.2%
Other operating assistance *	\$ 1,958,067	2,000,323	(42,256)	-2.1%
	\$ 28,811,503	31,552,029	(2,740,526)	-8.7%
Total Revenue	\$ 33,808,751	36,741,165	(2,932,414)	-8.0%
Expenses				
Wages- Operators	\$ 7,996,416	7,729,100	267,316	3.5%
Wages-Other	\$ 5,729,056	5,507,417	221,639	4.0%
	\$ 13,725,472	13,236,517	488,955	3.7%
Fringe Benefits	\$ 9,137,882	9,484,541	(346,659)	-3.7%
Services	\$ 1,838,832	2,275,290	(436,458)	-19.2%
Materials & Supplies	\$ 2,273,865	3,606,010	(1,332,145)	-36.9%
Utilities	\$ 284,644	343,300	(58,656)	-17.1%
Insurance	\$ 685,551	567,862	117,689	20.7%
Taxes	\$ 193,913	285,400	(91,487)	-32.1%
Leases and Rentals	\$ 44,983	42,000	2,983	7.1%
Miscellaneous *	\$ 164,769	184,341	(19,572)	-10.6%
Special Trip Services	\$ 5,458,840	5,389,508	69,332	1.3%
Operations	\$ 33,808,751	35,414,769	(1,606,018)	-4.5%
Contingency Reserve	\$ -	1,326,396	(1,326,396)	-100.0%
Total Expenses	\$ 33,808,751	36,741,165	(2,932,414)	-8.0%
Net Income (Loss)	\$ -	-	-	
Revenue Hours	304,225	300,824	3,401	1.1%
Cost per Rev Hr	\$ 110.98	122.00	(11.01)	-9.0%
Passengers	3,833,883	3,616,032	217,851	6.0%
Cost per Passenger	\$ 8.82	10.16	(1.34)	-13.2%
Farebox ratio	14.8%	14.1%	0.7%	4.7%

(fares,spec fares/Oper exp-w/o contingency-leases)

* See Schedule 5 for detail

Schedule 1-Combined - Fixed Route and Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2016 Year to Date Comparison of Actual vs Budget For the Twelve Months Ended June 30, 2016 *Fixed Route Income Statement- Unaudited*

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 3,000,325	3,145,625	(145,300)	-4.6%
Special fares	\$ 1,447,303	1,403,790	43,513	3.1%
	<u>\$ 4,447,628</u>	<u>4,549,415</u>	<u>(101,787)</u>	<u>-2.2%</u>
Advertising	\$ 599,100	617,100	(18,000)	-2.9%
Safe Harbor lease	\$ 6,150	5,000	1,150	23.0%
Other revenue	\$ 262,037	105,000	157,037	149.6%
Federal operating	\$ 49,902	53,200	(3,298)	-6.2%
TDA earned revenue	\$ 14,877,616	17,978,531	(3,100,915)	-17.2%
STA revenue	\$ 2,109,919	2,004,760	105,159	5.2%
Measure J	\$ 4,231,477	4,212,120	19,357	0.5%
Other operating assistance	\$ 1,816,086	1,822,842	(6,756)	-0.4%
	<u>\$ 23,952,287</u>	<u>26,798,553</u>	<u>(2,846,266)</u>	<u>-10.6%</u>
Total Revenue	\$ 28,399,915	31,347,968	(2,948,053)	-9.4%
Expenses				
Wages- Operators	\$ 7,996,416	7,729,100	267,316	3.5%
Wages-Other	\$ 5,638,210	5,414,985	223,225	4.1%
	<u>\$ 13,634,626</u>	<u>13,144,085</u>	<u>490,541</u>	<u>3.7%</u>
Fringe Benefits	\$ 9,088,071	9,422,350	(334,279)	-3.5%
Services	\$ 1,826,414	2,263,970	(437,556)	-19.3%
Materials & Supplies	\$ 2,272,006	3,602,610	(1,330,604)	-36.9%
Utilities	\$ 262,420	322,500	(60,080)	-18.6%
Insurance	\$ 685,551	567,862	117,689	20.7%
Taxes	\$ 193,899	285,000	(91,101)	-32.0%
Leases and Rentals	\$ 44,983	42,000	2,983	7.1%
Miscellaneous	\$ 164,730	183,400	(18,670)	-10.2%
Special Trip Services	\$ 227,215	187,795	39,420	21.0%
Operations	\$ 28,399,915	30,021,572	(1,621,657)	-5.4%
Contingency Reserve		1,326,396	(1,326,396)	-100.0%
Total Expenses	\$ 28,399,915	31,347,968	(2,948,053)	-9.4%
Net Income (Loss)	\$ -	-	-	
Revenue Hours	227,916	224,324	3,592	1.6%
Cost per Rev Hr	\$ 124.41	139.56	(15.15)	-10.9%
Passengers	3,689,010	3,463,032	225,978	6.5%
Cost per Passenger	\$ 7.70	9.05	(1.35)	-15.0%
Passengers per Rev Hr	16.19	15.44	0.75	4.8%
Farebox recovery ratio	15.7%	14.5%	1.2%	7.9%

(fares,spec fares/Oper exp-w/o contingency-leases)

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2016 Year to Date Comparison of Actual vs Budget
For the Twelve Months Ended June 30, 2016
Paratransit Income Statement-Unaudited

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 549,620	639,721	(90,101)	-14.1%
	\$ 549,620	639,721	(90,101)	-14.1%
Other revenue	\$ 89	100	(11)	-11.0%
Federal operating	\$ 2,187,807	1,439,327	748,480	52.0%
TDA 4.5 earned revenue	\$ 829,680	829,680	0	0.0%
TDA 4.0 earned revenue		-	0	#DIV/0!
STA revenue	\$ 280,490	878,888	(598,398)	-68.1%
Measure J	\$ 1,419,169	1,428,000	(8,831)	-0.6%
Other operating assistance	\$ 141,981	177,480	(35,499)	-20.0%
	\$ 4,859,216	4,753,476	105,740	2.2%
Total Revenue	\$ 5,408,836	5,393,197	15,639	0.3%
Expenses				
Wages-Other	\$ 90,846	92,432	(1,586)	-1.7%
	\$ 90,846	92,432	(1,586)	-1.7%
Fringe Benefits	\$ 49,811	62,191	(12,380)	-19.9%
Services	\$ 12,418	11,320	1,098	9.7%
Materials & Supplies	\$ 1,859	3,400	(1,541)	-45.3%
Utilities	\$ 22,224	20,800	1,424	6.8%
Taxes	\$ 14	400	(386)	-96.5%
Miscellaneous	\$ 39	941	(902)	-95.9%
Special Trip Services	\$ 5,231,625	5,201,713	29,912	0.6%
Total Expenses	\$ 5,408,836	5,393,197	15,639	0.3%
Net Income (Loss)	\$ -	-	-	
Revenue Hours	76,309	76,500	(191)	-0.2%
Cost per Rev Hr	\$ 70.88	70.50	0.38	0.5%
Passengers	144,873	153,000	(8,127)	-5.3%
Cost per Passenger	\$ 37.34	35.25	2.09	5.9%
Passengers per Rev Hr	1.90	2.00	(0.10)	-5.1%
Farebox ratio	10.2%	11.9%	-1.7%	-14.3%
<i>(fares,spec fares/Oper exp-leases)</i>				

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Twelve Months Ended June 30, 2016

	Actual		Budget		Variance	Variance
Platform/report/turn in	\$ 6,400,519	\$	6,127,982	\$	272,537	4.4%
Guarantees	\$ 340,781	\$	373,960		(33,179)	-8.9%
Overtime	\$ 299,747	\$	298,850		897	0.3%
Spread	\$ 168,668	\$	160,787		7,881	4.9%
Protection	\$ 322,673	\$	301,873		20,800	6.9%
Travel	\$ 218,257	\$	220,377		(2,120)	-1.0%
Training	\$ 212,273	\$	198,378		13,894	7.0%
Other Misc	\$ 33,499	\$	46,893		(13,394)	-28.6%
	\$ 7,996,416	\$	7,729,100	\$	267,316	3.5%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Twelve Months Ended June 30, 2016

Other Revenue

Investment income (interest)	\$ 34,491
ADA Database Management revenue	75,000
Sale of Assets	144,855
Paypal Shipping revenue	1,660
RTC Card revenue	2,106
Warranty reimbursement	171
Accounts payable discount	68
Various	3,686
	\$ 262,037

Other Operating Assistance

Mobility mgt grant	\$ 29,995
RM2	145,339
Homeland security grant for IT Maintenance	201,304
BART feeder revenue	739,702
Lifeline	535,000
LCTOP	164,747
	\$ 1,816,087

Miscellaneous Expenses

Board Travel Expense	\$ 7,709
Staff Travel Expense	62,083
CTA Dues	13,558
APTA Dues	35,029
Employee Functions	35,842
Employee Awards/pins	5,406
Paypal Fees	2,903
Training	1,534
Various other	666
	\$ 164,730

Schedule 5- Other Revenues/Other Expenses

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2016 Year to Date Comparison of FY 2015 Actual & FY 2014 Actual
Statistics
For the Twelve Months Ended June 30, 2016

Actual FY2016	Actual FY2015	Variance Actual 2016 to Actual 2015	Actual FY2014	Variance Actual 2016 to Actual 2014
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Fixed Route

Fares	\$ 3,000,325	\$ 3,205,910	-6.4%	\$ 3,314,663	-9.5%
Special Fares	1,447,303	1,386,527	4.4%	1,169,472	23.8%
Total Fares	\$ 4,447,628	\$ 4,592,437	-3.2%	\$ 4,484,135	-0.8%
Fares box recovery ratio	15.7%	16.3%	-3.6%	16.3%	-3.6%
Operating Exp (Less leases & adjust for GASB 68)	\$ 28,354,932	\$ 28,225,262	0.5%	\$ 27,566,495	2.9%
Revenue Hours	227,916	221,320	3.0%	222,504	2.4%
Cost per Rev Hour	\$ 124.41	\$ 127.53	-2.4%	\$ 123.89	0.4%
Passengers	3,689,010	3,597,054	2.6%	3,328,513	10.8%
Cost per Passenger	\$ 7.69	\$ 7.85	-2.0%	\$ 8.28	-7.2%
Passengers per Rev Hr	16.19	16.25	-0.4%	14.96	8.2%

Paratransit

Fares	\$ 549,620	\$ 553,521	-0.7%	\$ 620,968	-11.5%
Fares box recovery ratio	10.2%	10.8%	-6.1%	11.9%	-14.4%
Operating Exp (Less leases)	\$ 5,408,836	\$ 5,117,037	5.7%	\$ 5,230,925	3.4%
Revenue Hours	76,309	73,717	3.5%	74,394	2.6%
Cost per Rev Hour	\$ 70.88	\$ 69.41	2.1%	\$ 70.31	0.8%
Passengers	144,873	147,495	-1.8%	149,454	-3.1%
Cost per Passenger	\$ 37.34	\$ 34.69	7.6%	\$ 35.00	6.7%
Passengers per Rev Hr	1.90	2.00	-5.1%	2.01	-5.5%