

## INTER OFFICE MEMO

**To:** Administration & Finance Committee

**Date:** 09/28/2022

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

**Reviewed by:** WC.

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**SUBJECT:** Income Statements for Fiscal Year Ended June 30, 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 Fiscal Year (FY) 2022 are presented for review. Actual revenues and expenses are presented as compared to the adopted budget. The combined expenses of Fixed Route and Paratransit for the period were \$39.7 million (*Schedule 1*), which was under budget by 12.5% or \$5.6 million.

### Fixed Route:

Overall Fixed Route revenues and expenses are presented on *Schedule 2*. Expenses for the period were \$32 million, representing 89.3% of the total budget. Since Transportation Development Act (TDA) revenue is utilized as needed, revenues are always equivalent to expenses.

The primary driver of the expense budget is salaries and wages. Actual expenditures on salaries and wages were less than budgeted by 5.4% or \$800 thousand, due to staffing vacancies. *Schedule 4* provides additional detail of various components of operator wages within the budget.

Materials and supplies expenses exceeded the budget by 28.7% or \$745 thousand dollars. The primary driver for this variance was the increased cost of diesel fuel as compared to pricing when the budget was developed.

Fixed Route purchased transportation expenses were 82% or \$1 million less than budgeted. 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 were not as robust as anticipated, resulting in underspending in this category.

*Schedule 5* provides additional detail of other revenues, other operating assistance, and miscellaneous expenses. Of particular note: due to the fair market value adjustment performed at year-end on the LAIF investment account, we are showing an interest revenue loss for the fiscal year.

**Paratransit:**

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period were \$7.6 million, representing 80.8% of the total budget. TDA revenue is also utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Salaries for the period exceeded the budget by 30% or \$68 thousand, due to an additional staff member that was added in December 2021 that was not included in the budget projections. Purchased transportation represents most of the Paratransit budget, and these expenses came in under budget by 11.7% or \$760 thousand due to COVID-related impacts on ridership.

This report has been slightly modified from the prior format to report revenues and purchased transportation for our partner agencies (LAVTA, One Seat partners) separately. The goal of this change is to increase clarity in understanding the Authority's financial picture separately from revenues and expenses that are passed through to other agencies.

**Statistics:**

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

Statistics shown for FY 2020 represent primarily pre-pandemic activities (July 2019-June 2020). At this point in time, the fixed route farebox recovery ratio was 13.7%, and the cost of service per passenger was \$11.01. In FY 2021, the farebox recovery ratio dropped to 4.3%, and the cost per passenger increased to \$26.63, 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 \$17.46.

Paratransit is experiencing a more sluggish recovery at the farebox, and a modest recovery in the cost per passenger. The farebox recovery ratio of 6.3% in FY 2020 dropped to 1.7% in FY 2021 and remains at 1.7% in FY 2022. The cost of service per passenger of \$60.33 in FY 2020 increased to \$136.68 in FY 2021 and has decreased to \$103.02 in the current year. Greater cost per passenger efficiency is anticipated with the new paratransit contract effective July 1, 2022.

**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 Q4 (Schedules 1 through 6)

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Combined Fixed Route and Paratransit Income Statement**  
**FY 2022 Year to Date - Comparison of Actual vs. Budget**  
**For the Twelve Months Ended June 30, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Revenues</b>				
Passenger fares	\$ 2,217,862	\$ 2,210,813	\$ 7,049	100.3%
Special fares	499,941	641,820	(141,879)	77.9%
	2,717,803	2,852,633	(134,830)	95.3%
Advertising	292,311	212,195	80,116	137.8%
Safe Harbor lease	6,003	3,000	3,003	200.1%
Other revenue	(82,508)	108,700	(191,208)	-75.9%
Federal operating	8,913,014	8,815,590	97,424	101.1%
TDA earned revenue	13,130,349	18,487,803	(5,357,454)	71.0%
STA revenue	4,508,268	4,533,634	(25,366)	99.4%
Measure J	7,418,320	6,711,000	707,320	110.5%
LAVTA Fees	1,120,095	1,900,766	(780,671)	58.9%
Other operating assistance	1,634,316	1,678,113	(43,797)	97.4%
	36,940,168	42,450,801	(5,510,633)	87.0%
<b>Total Revenue</b>	<b>\$ 39,657,971</b>	<b>\$ 45,303,434</b>	<b>\$ (5,645,463)</b>	<b>87.5%</b>
<b>Expenses</b>				
Wages- Operators	\$ 7,685,499	\$ 8,000,000	\$ (314,501)	96.1%
Wages-Other	6,482,786	6,896,271	(413,485)	94.0%
	14,168,285	14,896,271	(727,986)	95.1%
Fringe Benefits	10,647,911	12,181,667	(1,533,756)	87.4%
Services	2,130,816	2,573,650	(442,834)	82.8%
Materials & Supplies	3,343,149	2,599,800	743,349	128.6%
Utilities	389,067	395,000	(5,933)	98.5%
Insurance	1,143,753	1,113,600	30,153	102.7%
Taxes	415,987	255,015	160,972	163.1%
Leases and Rentals	57,331	58,000	(669)	98.8%
Miscellaneous	180,168	218,590	(38,422)	82.4%
Purchased Transportation	7,181,504	10,111,841	(2,930,337)	71.0%
<b>Operations</b>	<b>39,657,971</b>	<b>44,403,434</b>	<b>(4,745,463)</b>	<b>89.3%</b>
Contingency Reserve	-	900,000	(900,000)	0.0%
<b>Total Expenses</b>	<b>\$ 39,657,971</b>	<b>\$ 45,303,434</b>	<b>\$ (5,645,463)</b>	<b>87.5%</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY****Fixed Route Income Statement****FY 2022 Year to Date - Comparison of Actual vs. Budget****For the Twelve Months Ended June 30, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Revenues</b>				
Passenger fares	\$ 1,936,353	\$ 1,611,500	\$ 324,853	120.2%
Special fares	499,941	641,820	(141,879)	77.9%
	2,436,294	2,253,320	182,974	108.1%
Advertising	292,311	212,195	80,116	137.8%
Safe Harbor lease	6,003	3,000	3,003	200.1%
Other revenue <sup>2</sup>	(82,508)	108,700	(191,208)	-75.9%
Federal operating	7,468,956	7,575,590	(106,634)	98.6%
TDA earned revenue	11,194,270	15,469,409	(4,275,139)	72.4%
STA revenue	3,896,268	3,921,634	(25,366)	99.4%
Measure J	5,452,610	4,911,000	541,610	111.0%
Other operating assistance <sup>2</sup>	1,425,396	1,478,113	(52,717)	96.4%
	29,653,306	33,679,641	(4,026,335)	88.0%
<b>Total Revenue</b>	<b>\$ 32,089,600</b>	<b>\$ 35,932,961</b>	<b>\$ (3,843,361)</b>	<b>89.3%</b>
<b>Expenses</b>				
Wages- Operators <sup>1</sup>	\$ 7,685,499	8,000,000	\$ (314,501)	96.1%
Wages-Other	6,188,709	6,671,029	(482,320)	92.8%
	13,874,208	14,671,029	(796,821)	94.6%
Fringe Benefits	10,493,340	12,048,415	(1,555,075)	87.1%
Services	2,041,219	2,480,350	(439,131)	82.3%
Materials & Supplies	3,342,563	2,596,800	745,763	128.7%
Utilities	347,677	354,000	(6,323)	98.2%
Insurance	1,129,779	1,097,500	32,279	102.9%
Taxes	415,987	255,015	160,972	163.1%
Leases and Rentals	57,331	58,000	(669)	98.8%
Miscellaneous <sup>2</sup>	161,652	207,590	(45,938)	77.9%
Purchased Transportation	225,844	1,264,262	(1,038,418)	17.9%
<b>Operations</b>	<b>32,089,600</b>	<b>35,032,961</b>	<b>(2,943,361)</b>	<b>91.6%</b>
Contingency Reserve	-	900,000	(900,000)	0.0%
<b>Total Expenses</b>	<b>\$ 32,089,600</b>	<b>\$ 35,932,961</b>	<b>\$ (3,843,361)</b>	<b>89.3%</b>

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

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY****Paratransit Income Statement****FY 2022 Year to Date - Comparison of Actual vs. Budget*****For the Twelve Months Ended June 30, 2022***

	Actual	Total Budget	Variance	% Budget Used
<b>Revenues</b>				
Passenger fares	\$ 107,206	\$ 210,000	\$ (102,794)	51.1%
Partner agency fares collected	\$ 174,303	\$ 389,313	\$ (215,010)	44.8%
	281,509	599,313	(317,804)	47.0%
Federal operating	1,444,058	\$ 1,240,000	204,058	116.5%
TDA earned revenue	1,936,079	\$ 3,018,394	(1,082,315)	64.1%
STA revenue	612,000	\$ 612,000	-	100.0%
Measure J	1,965,710	\$ 1,800,000	165,710	109.2%
LAVTA Fees	1,120,095	\$ 1,900,766	(780,671)	58.9%
Other operating assistance	208,920	\$ 200,000	8,920	104.5%
	7,286,862	8,771,160	(1,484,298)	83.1%
<b>Total Revenue</b>	<b>\$ 7,568,371</b>	<b>\$ 9,370,473</b>	<b>\$ (1,802,102)</b>	<b>80.8%</b>
<b>Expenses</b>				
Wages-Other	\$ 294,077	\$ 225,242	\$ 68,835	130.6%
Fringe Benefits	154,571	\$ 133,252	21,319	116.0%
Services	89,597	\$ 93,300	(3,703)	96.0%
Materials & Supplies	586	\$ 3,000	(2,414)	19.5%
Utilities	41,390	\$ 41,000	390	101.0%
Insurance	13,974	\$ 16,100	(2,126)	86.8%
Miscellaneous	18,516	\$ 11,000	7,516	168.3%
Purchased Transportation	5,792,998	\$ 6,557,500	(764,502)	88.3%
Partner Agency Purchased Transp	1,162,662	2,290,079	(1,127,417)	50.8%
<b>Total Expenses</b>	<b>\$ 7,568,371</b>	<b>\$ 9,370,473</b>	<b>\$ (1,802,102)</b>	<b>80.8%</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Operator Wages**  
***For the Twelve Months Ended June 30, 2022***

	Actual	Total Budget	Variance	% Budget Used
Platform/report/turn in	\$ 6,583,066	\$ 6,569,600	\$ 13,466	100.2%
Guarantees	228,145	\$ 323,200	(95,055)	70.6%
Overtime	375,626	\$ 270,400	105,226	138.9%
Spread	118,249	\$ 123,200	(4,951)	96.0%
Protection	261,340	\$ 575,200	(313,860)	45.4%
Travel	5,681	\$ 56,000	(50,319)	10.1%
Training	92,183	\$ 36,800	55,383	250.5%
Other Misc	21,210	\$ 45,600	(24,390)	46.5%
	<b>\$ 7,685,499</b>	<b>\$ 8,000,000</b>	<b>\$ (314,501)</b>	<b>96.1%</b>

## Schedule 5- Other Revenues/Other Expenses

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**Other Revenue; Other Operating Assistance; Miscellaneous Expenses (Fixed Route)**  
**For the Twelve Months Ended June 30, 2022**

	Actual	Total Budget	Variance	% Budget Used
<b>Other Revenue</b>				
Investment income (interest)*	\$ (146,574)	\$ 30,600	(177,174)	-479.0%
ADA Database Management revenue	75,000	75,000	-	100.0%
RTC card revenue	287	500	(213)	57.4%
Gain/Loss on sales; misc income	(11,221)	2,600	(13,821)	-431.6%
	<b>\$ (82,508)</b>	<b>\$ 108,700</b>	<b>\$ (191,208)</b>	<b>-75.9%</b>
<b>Other Operating Assistance</b>				
RM2	33,275	102,464	(69,189)	32.5%
BART feeder revenue	891,994	891,994	-	100.0%
Dougherty Valley	123,171	150,000	(26,829)	82.1%
LCTOP	215,584	196,855	18,729	109.5%
SB1 State of Good Repair Funds	152,319	130,800	21,519	116.5%
Go San Ramon On-Demand Pilot	5,000	6,000	(1,000)	83.3%
Other Revenue	4,053	-	4,053	--
	<b>\$ 1,425,396</b>	<b>\$ 1,478,113</b>	<b>\$ (52,717)</b>	<b>96.4%</b>
<b>Miscellaneous Expenses</b>				
Board Travel Expense	7,717	25,000	(17,283)	30.9%
Staff Travel Expense	60,910	75,000	(14,090)	81.2%
CTA Dues	1,764	1,000	764	176.4%
APTA Dues	35,500	35,500	-	100.0%
Other Dues	1,110	3,090	(1,980)	35.9%
Employee Functions	25,324	16,000	9,324	158.3%
Employee Incentives	16,000	16,500	(500)	97.0%
Employee Awards/pins	772	4,000	(3,228)	19.3%
Training	10,844	20,000	(9,156)	54.2%
Various other	1,714	11,500	(9,786)	14.9%
	<b>\$ 161,656</b>	<b>\$ 207,590</b>	<b>\$ (45,935)</b>	<b>77.9%</b>

\*Negative number due to year-end fair market value adjustment to LAIF investments.

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY****FY 2022 Year to Date - Statistical Comparisons*****For the Twelve Months Ended June 30, 2022***

	<b>Actual FY 2022</b>	<b>Actual FY 2021</b>	<b>Variance FY 2022 to FY 2021</b>	<b>Actual FY 2020</b>	<b>Variance FY 2022 to FY 2020</b>
<b>Fixed Route</b>					
Fares	\$ 1,936,353	\$ 941,649	105.6%	\$ 2,646,161	-26.8%
Special Fares	499,941	350,307	42.7%	1,652,117	-69.7%
<b>Total Fares</b>	<b>\$ 2,436,294</b>	<b>\$ 1,291,956</b>	<b>88.6%</b>	<b>\$ 4,298,278</b>	<b>-43.3%</b>
<b>Farebox recovery ratio</b>	<b>7.6%</b>	<b>4.3%</b>	<b>77.9%</b>	<b>13.7%</b>	<b>-44.3%</b>
Operating Exp (Less leases & GASB adjustments)	\$ 32,032,269	\$ 30,226,942	6.0%	\$ 31,458,013	1.8%
<b>Revenue Hours</b>	<b>188,523</b>	<b>178,422</b>	<b>5.7%</b>	<b>206,764</b>	<b>-8.8%</b>
<b>Cost per Rev Hour</b>	<b>\$ 169.91</b>	<b>\$ 169.41</b>	<b>0.3%</b>	<b>\$ 152.14</b>	<b>11.7%</b>
<b>Passengers</b>	<b>1,834,108</b>	<b>1,135,251</b>	<b>61.6%</b>	<b>2,858,422</b>	<b>-35.8%</b>
<b>Cost per Passenger</b>	<b>\$ 17.46</b>	<b>\$ 26.63</b>	<b>-34.4%</b>	<b>\$ 11.01</b>	<b>58.7%</b>
<b>Passengers per Rev Hr</b>	<b>9.73</b>	<b>6.36</b>	<b>52.9%</b>	<b>13.82</b>	<b>-29.6%</b>
<b>Paratransit*</b>					
Fares	\$ 107,206	\$ 80,313	33.5%	\$ 397,550	-73.0%
<b>Farebox recovery ratio</b>	<b>1.7%</b>	<b>1.7%</b>	<b>-1.6%</b>	<b>6.3%</b>	<b>-73.5%</b>
Operating Exp (Less leases)	\$ 6,405,709	\$ 4,722,651	35.6%	\$ 6,287,244	1.9%
<b>Revenue Hours</b>	<b>46,120</b>	<b>29,142</b>	<b>58.3%</b>	<b>57,781</b>	<b>-20.2%</b>
<b>Cost per Rev Hour</b>	<b>\$ 138.89</b>	<b>\$ 162.06</b>	<b>-14.3%</b>	<b>\$ 108.81</b>	<b>27.6%</b>
<b>Passengers</b>	<b>62,179</b>	<b>34,553</b>	<b>80.0%</b>	<b>104,212</b>	<b>-40.3%</b>
<b>Cost per Passenger</b>	<b>\$ 103.02</b>	<b>\$ 136.68</b>	<b>-24.6%</b>	<b>\$ 60.33</b>	<b>70.8%</b>
<b>Passengers per Rev Hr</b>	<b>1.35</b>	<b>1.19</b>	<b>12.1%</b>	<b>1.80</b>	<b>-25.2%</b>