

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 02/21/2023

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Income Statements for the Six Months Ended December 31, 2022

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 County Connection Income Statements for the second quarter of Fiscal Year (FY) 2023 are presented for review. Unaudited revenues and expenditures are shown on a full accrual basis consistent with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. All known revenues and expenditures for the period are reported even if they have not been received or are awaiting payment. Revenues and expenses are presented as compared to the adopted budget. The combined expenses of Fixed Route and Paratransit for the period were \$21.4 million (*Schedule 1*), which represents 45% of the budget of \$47.3 million.

Fixed Route:

Overall Fixed Route revenues and expenses are presented on *Schedule 2*. Expenses for the period were \$17.4 million, representing 46% of the total budget. Since Transportation Development Act (TDA) revenue is utilized as needed, revenues are always equivalent to expenses.

Certain revenues are tracking higher than anticipated at this point in the year, namely: special service revenue, non-operating revenue, Dougherty Valley development fees, and RM2/Other revenue. Special service revenue are payments from our partners such as BART (for bus bridges), the City of Walnut Creek, Saint Mary's, Alamo Creek and 511.org subsidies. These revenues were budgeted conservatively, and the actual usage is much higher than anticipated. Non-operating revenue is primarily interest income (\$147 thousand) and reversal of the FY 2022 negative fair market value adjustment (\$207 thousand). Dougherty Valley development fees are being claimed more quickly than budgeted, as Contra Costa County has encouraged County Connection to draw down the remaining development funds and close out the fund. A majority of RM2 funds have been claimed in the first half of the year, but it is not anticipated that these revenues will exceed the budget by a significant amount at year end.

The primary driver of the expense budget is salaries and wages. Actual expenditures on salaries and wages utilized 45% of the annual budget. *Schedule 4* provides additional details of various components specific to *operator wages* only.

Certain other expenses are tracking higher than anticipated at this point of the year. The COVID reimbursement payments of \$2,500 that were issued to represented and administrative employees (totaling \$500 thousand) are captured in the category “miscellaneous”, causing this category to swing over the budgeted amount. However, the contingency budget is adequate to compensate for this overage. Actual expenditures for taxes are tracking at 60% of the budget, but since this category represents less than 1% of the fixed route budget, this slight overage is not cause for concern. All other categories in the fixed route budget are tracking as expected.

Paratransit:

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period were \$4 million, representing 42% of the total budget. TDA revenue is also utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Purchased transportation expenses for the Authority’s paratransit service has utilized 40% of the total budget for the year under the new paratransit contract, which is less than the 50% utilization expected at this point in the year. All other paratransit expenditures are tracking as expected.

Statistics:

Schedule 5 provides select statistical information for FY 2023 as compared to this same period in FY 2022 and FY 2021.

Statistics shown for FY 2021 represent the heart of pandemic activities (July 2020-December 2020). At this point in time, the fixed route farebox recovery ratio was 4.7%, and the cost of service per passenger was \$26.68. In FY 2022, the farebox recovery ratio improved to 6.8%, and the cost per passenger decreased to \$16.62, due to improvements in ridership. In FY 2023, we see continued improvements as compared to FY 2022, with a farebox recovery ratio of 9% and cost per passenger of \$14.49. However, it should be noted that the cost per revenue hour has worsened this fiscal year (\$184/hour in FY23 to date as compared to \$160/hour in FY22 to date), due to a higher cost of service to operate a similar amount of revenue hours. The primary drivers for this increased cost of service are inflation, volatile fuel costs, and the one-time COVID reimbursement payments.

Paratransit has also experienced recovery at the farebox, and in the cost per passenger. The farebox recovery ratio of 0.4% in FY 2021 improved to 3.8% in FY 2022 and jumped to 5.2% in FY 2023. The cost of service per passenger of \$141.59 in FY 2021 decreased to \$98.15 in FY 2022 and has decreased to \$85.48 at this point of the current year.

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 FY2023 Q2 (Schedules 1 through 5)

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Combined Fixed Route and Paratransit Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Six Months Ended December 31, 2022

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Passenger fares	1,235,338	1,833,181	(597,843)	67.4%
Special fares	489,835	491,014	(1,179)	99.8%
Total Fare Revenue	1,725,173	2,324,195	(599,022)	74.2%
Advertising	101,702	300,000	(198,298)	33.9%
Other revenue	427,115	100,100	327,015	426.7%
Federal operating	3,493,322	7,675,630	(4,182,308)	45.5%
TDA earned revenue	7,427,636	20,358,064	(12,930,428)	36.5%
STA revenue	2,390,058	5,524,029	(3,133,971)	43.3%
Measure J	4,273,554	7,009,369	(2,735,815)	61.0%
Fees from LAVTA and One Seat partners	872,733	1,933,540	(1,060,807)	45.1%
Other operating assistance	701,363	2,090,567	(1,389,204)	33.5%
Total Other Revenue	19,687,483	44,991,299	(25,303,816)	43.8%
Total Revenue	21,412,656	47,315,494	(25,902,838)	45.3%
Expenses				
Wages	7,383,994	15,874,426	(8,490,432)	46.5%
Fringe Benefits	5,505,249	12,859,148	(7,353,899)	42.8%
Total Wages and benefits	12,889,243	28,733,574	(15,844,331)	44.9%
Services	1,342,045	2,765,800	(1,423,755)	48.5%
Materials & Supplies	1,852,447	3,916,400	(2,063,953)	47.3%
Utilities	168,213	383,500	(215,287)	43.9%
Insurance	535,780	1,169,280	(633,500)	45.8%
Taxes	182,839	300,015	(117,176)	60.9%
Leases and Rentals	22,237	60,000	(37,763)	37.1%
Miscellaneous	599,714	257,500	342,214	232.9%
Purchased Transportation	2,935,669	7,277,906	(4,342,237)	40.3%
Purchased Transportation - for partners	884,469	1,951,519	(1,067,050)	45.3%
Operations Expenses	8,523,414	18,081,920	(9,558,506)	47.1%
Contingency	-	500,000	(500,000)	0.0%
Total Expenses	21,412,656	47,315,494	(25,902,838)	45.3%
Net Income (Loss)	-	-		

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Fixed Route Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Six Months Ended December 31, 2022

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Fare revenue	1,059,552	1,735,000	(675,448)	61.1%
Special service revenue	489,835	491,014	(1,179)	99.8%
Total Fare Revenue	1,549,386	2,226,014	(676,628)	69.6%
Advertising revenue	101,702	300,000	(198,298)	33.9%
Non-Operating rev	427,115	100,100	327,015	426.7%
STA Population and Revenue	2,390,058	4,778,335	(2,388,277)	50.0%
Measure J	2,992,648	5,237,111	(2,244,463)	57.1%
TDA 4.0	6,720,107	17,333,307	(10,613,200)	38.8%
Federal Stimulus Funds	2,593,322	5,875,630	(3,282,308)	44.1%
Low Carbon Transit Ops Prog	220,442	600,000	(379,558)	36.7%
BART Express Funds	-	864,033	(864,033)	0.0%
Other State Grants	-	134,731	(134,731)	0.0%
Dougherty Valley Dev Fees	197,750	150,000	47,750	131.8%
Other Local Grants/Contributions	89,487	-	89,487	--
RM 2/Other- Express	90,263	117,538	(27,275)	76.8%
Total Other Revenue	15,822,894	35,490,785	(19,667,891)	44.6%
Total Revenue	17,372,280	37,716,799	(20,344,519)	46.1%
Expenses				
Wages	7,241,302	15,587,804	(8,346,502)	46.5%
Fringe benefits	5,426,302	12,727,405	(7,301,103)	42.6%
Total Wages and benefits	12,667,603	28,315,209	(15,647,606)	44.7%
Services	1,285,268	2,669,800	(1,384,532)	48.1%
Materials and supplies	1,852,447	3,912,400	(2,059,953)	47.3%
Utilities	150,940	344,500	(193,561)	43.8%
Casualty and liability	528,276	1,152,375	(624,099)	45.8%
Taxes	182,839	300,015	(117,176)	60.9%
Leases and rentals	22,237	60,000	(37,763)	37.1%
Miscellaneous	593,743	237,500	356,243	250.0%
Purchased transportation	88,927	225,000	(136,073)	39.5%
Total Other Expenses (non-wages)	4,704,677	8,901,590	(4,196,913)	52.9%
Contingency	-	500,000	(500,000)	0.0%
Total Expenses	17,372,280	37,716,799	(20,344,519)	46.1%
Net Income (Loss)	-	-	-	

CENTRAL CONTRA COSTA TRANSIT AUTHORITY**Paratransit Income Statement****FY 2023 Year to Date - Comparison of Actual vs. Budget*****For the Six Months Ended December 31, 2022***

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Fare revenue	164,050	98,181	65,869	167.1%
Fare revenue - LAVTA	11,737	-	11,737	--
Total Fare Revenue	175,787	98,181	77,606	179.0%
Special service - One Seat Ride	171,681	162,906	8,775	105.4%
LAVTA Fees	701,052	1,770,634	(1,069,582)	39.6%
FTA Section 5307	900,000	1,800,000	(900,000)	50.0%
TDA 4.5	666,122	1,332,243	(666,122)	50.0%
TDA 4.0	41,408	1,692,514	(1,651,106)	2.4%
Measure J	1,280,906	1,772,258	(491,352)	72.3%
STA Paratransit & Rev based	-	745,694	(745,694)	0.0%
BART ADA Service/Other	103,421	224,265	(120,844)	46.1%
Total Other Revenue	3,864,589	9,500,514	(5,635,925)	40.7%
Total Revenue	4,040,376	9,598,695	(5,558,319)	42.1%
Expenses				
Wages	142,693	286,622	(143,929)	49.8%
Fringe benefits	78,947	131,743	(52,796)	59.9%
Total Wages and benefits	221,640	418,365	(196,725)	53.0%
Services	56,777	96,000	(39,223)	59.1%
Materials and supplies	-	4,000	(4,000)	0.0%
Utilities	17,274	39,000	(21,726)	44.3%
Liability	7,504	16,905	(9,401)	44.4%
Miscellaneous	5,971	20,000	(14,029)	29.9%
Purchased transportation	2,846,742	7,052,906	(4,206,164)	40.4%
Purchased transp - for partners	884,469	1,951,519	(1,067,050)	45.3%
Total Other Expenses (non-wages)	3,818,737	9,180,330	(5,361,593)	41.6%
Total Expenses	4,040,376	9,598,695	(5,558,319)	42.1%
Net Income (Loss)	-	-	-	

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Six Months Ended December 31, 2022

	Actual	Total Budget	Variance	% Budget Used
Platform/report/turn in	3,345,367	7,100,307	(3,754,939)	47.1%
Guarantees	93,448	246,070	(152,622)	38.0%
Overtime	195,095	405,139	(210,044)	48.2%
Spread	62,868	127,540	(64,672)	49.3%
Protection	153,451	281,874	(128,422)	54.4%
Travel	4,659	6,128	(1,469)	76.0%
Training	64,467	99,426	(34,959)	64.8%
Other Misc	17,647	22,876	(5,230)	77.1%
	3,937,003	8,289,360	(4,352,357)	47.5%

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2023 Year to Date - Statistical Comparisons
For the Six Months Ended December 31, 2022

	Actual FY 2023 through Q2	Actual FY 2022 through Q2	Variance FY 2023 to FY 2022	Actual FY 2021 through Q2	Variance FY 2023 to FY 2021
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Fixed Route

Fares	\$ 1,059,552	\$ 789,920	34.1%	\$ 579,696	82.8%
Special Fares	489,835	230,161	112.8%	142,780	243.1%
Total Fares	\$ 1,549,386	\$ 1,020,081	51.9%	\$ 722,476	114.5%
Farebox recovery ratio	8.9%	6.8%	31.3%	4.7%	88.8%
Operating Exp (Less leases)	\$ 17,350,043	\$ 15,001,215	15.7%	\$ 15,273,557	13.6%
Revenue Hours	94,083	94,039	0.0%	92,063	2.2%
Cost per Rev Hour	\$ 184.41	\$ 159.52	15.6%	\$ 165.90	11.2%
Passengers	1,197,239	902,509	32.7%	572,501	109.1%
Cost per Passenger	\$ 14.49	\$ 16.62	-12.8%	\$ 26.68	-45.7%
Passengers per Rev Hr	12.73	9.60	32.6%	6.22	104.6%

Paratransit

Fares	\$ 164,050	\$ 112,099	46.3%	\$ 9,706	1590.2%
Farebox recovery ratio	5.2%	3.8%	36.1%	0.4%	1112.6%
Operating Exp (Less Partners)	\$ 3,155,907	\$ 2,934,956	7.5%	\$ 2,264,096	39.4%
Revenue Hours	18,736	24,140	-22.4%	12,551	49.3%
Cost per Rev Hour	\$ 168.44	\$ 121.58	38.5%	\$ 180.39	-6.6%
Passengers	36,920	29,904	23.5%	15,990	130.9%
Cost per Passenger	\$ 85.48	\$ 98.15	-12.9%	\$ 141.59	-39.6%
Passengers per Rev Hr	1.97	1.24	37.1%	1.27	54.7%