

To: Administration & Finance Committee

Date: 01/02/2025

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Income Statements for the Three Months Ended September 30, 2024

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 quarter of Fiscal Year (FY) 2025 are presented for review. Actual revenues and expenses are presented as compared to the adopted budget. The combined revenues were \$11.2 million (*Schedule 1*), representing 20.3% of the budget of \$55.1 million, including an estimated \$300 thousand in revenue available to transfer to the Authority's discretionary reserve fund at year end. The combined expenses of fixed route and paratransit for the period were \$10.9 million, which represents 19.9% of the of the budget of \$54.7 million.

Fixed Route:

Overall Fixed Route revenues and expenses are presented on *Schedule 2*. Revenues for the period were \$8.1 million or 18.6% of the total budget. Expenses for the period were \$7.8 million or 18.0% of the total budget.

The primary driver of the expense budget is wages and benefits. Actual expenditures on wages and benefits utilized 17.7% of the annual budget. All other Fixed Route expenditures are tracking as expected at this point in the year.

Paratransit:

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period were \$3.1 million, representing 27.2% of the total budget. TDA revenue is utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses. Recognition of federal operating funds takes place in the first quarter of the year, resulting in low reliance on other forms of revenue.

Purchased transportation expenses are the primary driver of the paratransit budget. Actual expenditures on purchased transportation for the Authority's paratransit service has utilized 27.8% of the budget. Purchased transportation expenses related to paratransit services operated on behalf of our partners have been budgeted to a separate line, and these expenditures have utilized 25.5% of the

budget. It is important to note that these expenditures will be completely reimbursed by our partners, so any budget overage on this line is not a cause for concern.

Statistics:

Schedule 4 provides select statistical information for FY 2025 as compared to this same period in FY 2024 and FY 2023.

In the first quarter of FY 2023, the fixed route farebox recovery ratio was 10.9%, and the cost of service per passenger was \$14.26. The farebox recovery ratio diminished to 8.9% in FY 2024, but the cost per passenger improved to \$12.90 as ridership improved but costs escalated post-pandemic. In the most recent Q1 of FY 2025, the farebox recovery ratio and cost per passenger improved over the prior year to 9.4% and \$11.63, respectively.

Paratransit has experienced rising operating expenditure costs in the past two years, causing worsening farebox recovery ratios and costs per passenger statistics. The farebox recovery ratio of 6.4% in FY 2023 declined to 6.1% in FY 2024 and 5.3% in FY 2025. The cost of service per passenger of \$89.10 in FY 2023 decreased to \$83.38 in FY 2024 and increased to \$98.55 in FY 2025. Staff are analyzing the reasons behind this trend.

Financial Implications:

There are no financial implications associated with this report.

Recommendation:

Staff recommends that the A&F Committee review the report for approval.

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 FY2025 Q1 (Schedules 1 through 4)

County Connection
COMBINED Income Statement - Actual vs Budget
For Year to Date Through 9/30/2024

	Y-T-D Actual	Annual Budget	Variance	% Budget
REVENUES				
Passenger Fares	751,734	2,891,500	(2,139,766)	26.00%
Special Service Revenue	115,816	543,906	(428,090)	21.29%
Total Fare Revenue	867,550	3,435,406	(2,567,856)	25.25%
Federal Operating	1,562,913	2,040,376	(477,463)	76.60%
State Transit Assistance	1,728,987	6,690,946	(4,961,959)	25.84%
BART Feeder Funds	820,003	820,003	0	100.00%
Other State Grants	63,673	1,842,952	(1,779,279)	3.45%
TDA Article 4.0	2,666,247	27,613,209	(24,946,962)	9.66%
TDA Article 4.5	71,434	1,079,293	(1,007,859)	6.62%
Measure J Sales Tax	2,354,829	8,500,000	(6,145,171)	27.70%
Other Local Grants and Charges	58,252	250,503	(192,251)	23.25%
Total Federal-State-Local Revenue	9,326,338	48,837,282	(39,510,944)	19.10%
Advertising Income	87,500	200,000	(112,500)	43.75%
Investment and Misc Income	316,752	271,000	45,752	116.88%
Total Other Revenue	404,252	471,000	(66,748)	85.83%
Fare Revenue - LAVTA	7,024	34,175	(27,151)	20.55%
LAVTA Fees	456,782	1,970,940	(1,514,158)	23.18%
Fare Revenue - One Seat Partners	9,424	0	9,424	0.00%
One Seat Ride Fees	132,590	375,785	(243,195)	35.28%
Total Paratransit Partners	605,820	2,380,900	(1,775,080)	25.44%
TOTAL REVENUE	11,203,960	55,124,588	(43,920,628)	20.32%
EXPENSES				
Wages	3,974,833	18,628,353	(14,653,520)	-21.34%
Fringe Benefits	1,823,497	13,982,486	(12,158,989)	-13.04%
Total Wages & Benefits	5,798,330	32,610,839	(26,812,509)	-17.78%
Services	836,161	4,033,150	(3,196,989)	-20.73%
Materials and Supplies	789,556	3,917,700	(3,128,144)	-20.15%
Utilities	134,561	455,000	(320,439)	-29.57%
Insurance	279,281	1,358,173	(1,078,892)	-20.56%
Taxes	100,014	434,400	(334,386)	-23.02%
Leases and Rentals	18,378	70,000	(51,622)	-26.25%
Miscellaneous	40,773	376,250	(335,477)	-10.84%
Purchased Transportation	2,292,023	8,538,176	(6,246,153)	-26.84%
Total Other Operating (non-wages)	4,490,747	19,182,849	(14,692,102)	-23.41%
Purchased Transp - Partners	606,685	2,380,900	(1,774,215)	-25.48%
Contingency	0	500,000	(500,000)	0.00%
TOTAL EXPENSES	10,895,762	54,674,588	(43,778,826)	-19.93%
Excess Revenue Over (Under) Expenditures	308,198	450,000	(141,802)	68.49%

County Connection
Fixed Route Income Statement - Actual vs Budget
For Year to Date Through 9/30/2024

	Y-T-D Actual	Annual Budget	Variance	% Budget
REVENUES				
Passenger Fares	621,593	2,446,200	(1,824,607)	25.41%
Special Service Revenue	115,816	543,906	(428,090)	21.29%
Total Fare Revenue	737,409	2,990,106	(2,252,697)	24.66%
Federal Operating	0	450,000	(450,000)	0.00%
State Transit Assistance	1,728,987	6,690,946	(4,961,959)	25.84%
BART Feeder Funds	820,003	820,003	0	100.00%
Other State Grants	63,673	806,072	(742,399)	7.90%
TDA Article 4.0	2,666,247	25,136,076	(22,469,829)	10.61%
Measure J Sales Tax	1,721,900	6,500,000	(4,778,100)	26.49%
Other Local Grants and Charges	1,148	15,000	(13,852)	7.65%
Total Federal-State-Local Revenue	7,001,958	40,418,097	(33,416,139)	17.32%
Advertising Income	87,500	200,000	(112,500)	43.75%
Investment and Misc Income	316,752	271,000	45,752	116.88%
Total Other Revenue	404,252	471,000	(66,748)	85.83%
TOTAL REVENUE	8,143,619	43,879,203	(35,735,584)	18.56%
EXPENSES				
Wages	3,899,494	18,288,470	(14,388,976)	-21.32%
Fringe Benefits	1,793,925	13,743,233	(11,949,308)	-13.05%
Total Wages & Benefits	5,693,419	32,031,703	(26,338,284)	-17.77%
Services	794,007	3,808,150	(3,014,143)	-20.85%
Materials and Supplies	789,133	3,913,700	(3,124,567)	-20.16%
Utilities	116,785	395,000	(278,215)	-29.57%
Insurance	279,281	1,340,000	(1,060,719)	-20.84%
Taxes	100,014	434,400	(334,386)	-23.02%
Leases and Rentals	18,378	70,000	(51,622)	-26.25%
Miscellaneous	40,773	366,250	(325,477)	-11.13%
Purchased Transportation	3,631	570,000	(566,369)	-0.64%
Total Other Operating (non-wages)	2,142,002	10,897,500	(8,755,498)	-19.66%
Contingency	0	500,000	(500,000)	0.00%
TOTAL EXPENSES	7,835,421	43,429,203	(35,593,782)	-18.04%
Excess Revenue Over (Under) Expenditures	308,198	450,000	(141,802)	68.49%

County Connection
Paratransit Income Statement - Actual vs Budget
For Year to Date Through 9/30/2024

	Y-T-D Actual	Annual Budget	Variance	% Budget
REVENUES				
Passenger Fares	130,141	445,300	(315,159)	29.23%
Total Fare Revenue	130,141	445,300	(315,159)	29.23%
Federal Operating	1,562,913	1,590,376	(27,463)	98.27%
Other State Grants	0	1,036,880	(1,036,880)	0.00%
TDA Article 4.0	0	2,477,133	(2,477,133)	0.00%
TDA Article 4.5	71,434	1,079,293	(1,007,859)	6.62%
Measure J Sales Tax	632,929	2,000,000	(1,367,071)	31.65%
Other Local Grants and Charges	57,104	235,503	(178,399)	24.25%
Total Federal-State-Local Revenue	2,324,380	8,419,185	(6,094,805)	27.61%
Fare Revenue - LAVTA	7,024	34,175	(27,151)	20.55%
LAVTA Fees	456,782	1,970,940	(1,514,158)	23.18%
Fare Revenue - One Seat Partners	9,424	0	9,424	0.00%
One Seat Ride Fees	132,590	375,785	(243,195)	35.28%
Total Paratransit Partners	605,820	2,380,900	(1,775,080)	25.44%
TOTAL REVENUE	3,060,341	11,245,385	(8,185,044)	27.21%
EXPENSES				
Wages	75,339	339,883	(264,544)	-22.17%
Fringe Benefits	29,572	239,253	(209,681)	-12.36%
Total Wages & Benefits	104,911	579,136	(474,225)	-18.12%
Services	42,154	225,000	(182,846)	-18.74%
Materials and Supplies	423	4,000	(3,577)	-10.58%
Utilities	17,776	60,000	(42,224)	-29.63%
Insurance	0	18,173	(18,173)	0.00%
Miscellaneous	0	10,000	(10,000)	0.00%
Purchased Transportation	2,288,392	7,968,176	(5,679,784)	-28.72%
Total Other Operating (non-wages)	2,348,745	8,285,349	(5,936,604)	-28.35%
Purchased Transp - Partners	606,685	2,380,900	(1,774,215)	-25.48%
TOTAL EXPENSES	3,060,341	11,245,385	(8,185,044)	-27.21%
Excess Revenue Over (Under) Expenditures	0	0	0	0.00%

County Connection Statistical Comparisons

For Year to Date Through 9/30/2024

	Actual FY 2025 through Q1	Actual FY 2024 through Q1	Variance FY 2024 to FY 2023	Actual FY 2023 through Q1	Variance FY 2024 to FY 2022
Fixed Route					
Fares & Fare Replacements	\$ 737,409	\$ 716,951	2.9%	\$ 851,800	-13.4%
Operating Exp (Less leases)	\$ 7,817,043	\$ 8,070,435	-3.1%	\$ 7,821,766	-0.1%
Farebox recovery ratio	9.4%	8.9%	6.2%	10.9%	-13.4%
Revenue Hours	46,278	46,513	-0.5%	46,557	-0.6%
Cost per Rev Hour	\$ 168.91	\$ 173.51	-2.6%	\$ 168.00	0.5%
Passengers	671,982	625,766	7.4%	548,437	22.5%
Cost per Passenger	\$ 11.63	\$ 12.90	-9.8%	\$ 14.26	-18.4%
Passengers per Rev Hr	14.52	13.45	7.9%	11.78	23.3%
Paratransit					
Fares	\$ 130,141	\$ 115,254	12.9%	\$ 102,323	27.2%
Operating Exp (Less Partners)	\$ 2,453,656	\$ 1,881,493	30.4%	\$ 1,596,239	53.7%
Farebox recovery ratio	5.3%	6.1%	-13.4%	6.4%	-17.3%
Revenue Hours	16,749	16,237	3.2%	11,462	46.1%
Cost per Rev Hour	\$ 146.50	\$ 115.88	26.4%	\$ 139.26	5.2%
Passengers	24,897	22,564	10.3%	17,916	39.0%
Cost per Passenger	\$ 98.55	\$ 83.38	18.2%	\$ 89.10	10.6%
Passengers per Rev Hr	1.49	1.39	6.5%	1.56	-4.9%