

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 5/30/2025

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Income Statements for the Nine Months Ended March 31, 2025

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 third 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 \$38.1 million (*Schedule 1*), representing 69.2% of the budget of \$55.1 million, including an estimated \$1.4 million 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 \$36.7 million, which represents 67.2% of the of the budget of \$54.7 million. A budget amendment was approved at the last board meeting to transfer \$750 thousand of expenditures from the fixed route category to the paratransit category. This report incorporates that transfer.

Fixed Route:

Overall fixed route revenues and expenses are presented on *Schedule 2*. Revenues for the period were \$29.1 million or 67.5% of the total budget. Expenses for the period were \$27.7 million or 65.0% of the total budget.

Total fare revenue includes payments collected by passengers, payments from organizations who replace passenger fares, and payments from organizations who contribute general operating assistance for agreed upon amounts. Actual fare revenue collection this period is on track to exceed the budget estimate of \$3.5 million, with \$2.8 million or 81.0% of the budget collected so far. Discretionary revenue sources include advertising and investment income. Actual revenue collection in both categories have outpaced budgetary estimates, collecting 346% of anticipated revenues in these categories.

The primary driver of the expense budget is wages and benefits. Actual expenditures on wages and benefits utilized 67.3% of the annual budget, as vacancies continue to result in budget savings in this category. All other Fixed Route expenditures are tracking as expected at this point in the year, except for utilities, which is utilizing 84.8% of the annual budget.

Paratransit:

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period were \$9.0 million, representing 75.1% of the total budget. TDA revenue is utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Paratransit fare revenue collection this period has already exceeded the budget estimate of \$445 thousand, with \$455 thousand or 102.2% of the budget collected so far.

Purchased transportation expenses are the primary driver of the paratransit budget. Actual expenditures on purchased transportation for the Authority's paratransit service has utilized 76.4% 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 74.8% of the budget. All other Paratransit expenditures are tracking as expected at this point in the year, except for utilities, which is utilizing 77.6% of the annual budget.

Statistics:

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

In the third quarter of FY 2023, the fixed route farebox recovery ratio was 9.4%, and the cost of service per passenger was \$14.20. The farebox recovery ratio improved to 9.6% in FY 2024, and the cost per passenger improved to \$13.88. In the most recent Q3 of FY 2025, the farebox recovery ratio improved to 10.2%, and the cost per passenger decreased slightly at \$13.52. When comparing year to date figures over the last two years from FY 2023 to FY 2025, we see that passengers have increased by 14.2%, while revenue hours have gone up only 1.2%. This demonstrates a growing demand in fixed route service.

The paratransit farebox recovery ratio of 4.4% in FY 2023 improved to 6.2% in FY 2024 and 6.6% in FY 2025. The cost of service per passenger of \$83.33 in FY 2023 increased to \$89.45 in FY 2024 and to \$91.84 in FY 2025. The increase in cost per passenger is due to increased demand, paired with decreased productivity (passengers per vehicle). Staff continues to closely monitor expenditures and work with the Contractor to improve efficiency wherever possible.

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 Q3 (Schedules 1 through 4)

County Connection
COMBINED Income Statement - Actual vs Budget
For Year to Date Through 3/31/2025

	Y-T-D Actual	Annual Budget	Variance	% Budget
REVENUES				
Passenger Fares	1,946,477	2,891,500	(945,023)	67.32%
Special Service Revenue	1,339,888	1,049,978	289,910	127.61%
Total Fare Revenue	3,286,365	3,941,478	(655,113)	83.38%
Federal Operating	1,663,074	2,040,376	(377,302)	81.51%
State Transit Assistance	5,036,960	6,690,946	(1,653,986)	75.28%
BART Feeder Funds	820,003	820,003	0	100.00%
Other State Grants	986,741	1,336,880	(350,139)	73.81%
TDA Article 4.0	15,091,323	27,613,209	(12,521,886)	54.65%
TDA Article 4.5	809,469	1,079,293	(269,824)	75.00%
Measure J Sales Tax	6,782,263	8,500,000	(1,717,737)	79.79%
Other Local Grants and Charges	229,362	250,503	(21,141)	91.56%
Total Federal-State-Local Revenue	31,419,195	48,331,210	(16,912,015)	65.01%
Advertising Income	375,000	200,000	175,000	187.50%
Investment and Misc Income	1,255,839	271,000	984,839	463.41%
Total Other Revenue	1,630,839	471,000	1,159,839	346.25%
Fare Revenue - LAVTA	20,108	34,175	(14,067)	58.84%
LAVTA Fees	1,339,733	1,970,940	(631,207)	67.97%
Fare Revenue - One Seat Partners	27,153	0	27,153	0.00%
One Seat Ride Fees	415,025	375,785	39,240	110.44%
Total Paratransit Partners	1,802,019	2,380,900	(578,881)	75.69%
TOTAL REVENUE	38,138,418	55,124,588	(16,986,170)	69.19%
EXPENSES				
Wages	12,504,645	18,628,353	(6,123,708)	-67.13%
Fringe Benefits	9,438,230	13,982,486	(4,544,256)	-67.50%
Total Wages & Benefits	21,942,875	32,610,839	(10,667,964)	-67.29%
Services	1,945,207	4,033,150	(2,087,943)	-48.23%
Materials and Supplies	2,370,805	3,667,700	(1,296,895)	-64.64%
Utilities	381,596	455,000	(73,404)	-83.87%
Insurance	976,633	1,358,173	(381,540)	-71.91%
Taxes	283,681	434,400	(150,719)	-65.30%
Leases and Rentals	47,622	70,000	(22,378)	-68.03%
Miscellaneous	202,734	376,250	(173,516)	-53.88%
Purchased Transportation	6,804,460	9,283,176	(2,478,716)	-73.30%
Total Other Operating (non-wages)	13,012,738	19,677,849	(6,665,111)	-66.13%
Purchased Transp - Partners	1,785,713	2,385,900	(600,187)	-74.84%
TOTAL EXPENSES	36,741,326	54,674,588	(17,933,262)	-67.20%
Excess Revenue Over (Under) Expenditures	1,397,092	450,000	947,092	310.46%

County Connection
Fixed Route Income Statement - Actual vs Budget
For Year to Date Through 3/31/2025

	Y-T-D Actual	Annual Budget	Variance	% Budget
REVENUES				
Passenger Fares	1,491,351	2,446,200	(954,849)	60.97%
Special Service Revenue	1,339,888	1,049,978	289,910	127.61%
Total Fare Revenue	2,831,239	3,496,178	(664,939)	80.98%
Federal Operating	72,698	450,000	(377,302)	16.16%
State Transit Assistance	5,036,960	6,690,946	(1,653,986)	75.28%
BART Feeder Funds	820,003	820,003	0	100.00%
Other State Grants	144,056	300,000	(155,944)	48.02%
TDA Article 4.0	13,777,067	24,386,076	(10,609,009)	56.50%
Measure J Sales Tax	4,809,300	6,500,000	(1,690,700)	73.99%
Other Local Grants and Charges	1,270	10,000	(8,730)	12.70%
Total Federal-State-Local Revenue	24,661,354	39,157,025	(14,495,671)	62.98%
Advertising Income	375,000	200,000	175,000	187.50%
Investment and Misc Income	1,255,839	271,000	984,839	463.41%
Total Other Revenue	1,630,839	471,000	1,159,839	346.25%
TOTAL REVENUE	29,123,432	43,124,203	(14,000,771)	67.53%
EXPENSES				
Wages	12,276,498	18,288,470	(6,011,972)	-67.13%
Fringe Benefits	9,282,825	13,743,233	(4,460,408)	-67.54%
Total Wages & Benefits	21,559,323	32,031,703	(10,472,380)	-67.31%
Services	1,816,305	3,808,150	(1,991,845)	-47.70%
Materials and Supplies	2,370,004	3,663,700	(1,293,696)	-64.69%
Utilities	335,043	395,000	(59,957)	-84.82%
Insurance	964,197	1,340,000	(375,803)	-71.96%
Taxes	283,681	434,400	(150,719)	-65.30%
Leases and Rentals	47,622	70,000	(22,378)	-68.03%
Miscellaneous	202,734	366,250	(163,516)	-55.35%
Purchased Transportation	147,431	565,000	(417,569)	-26.09%
Total Other Operating (non-wages)	6,167,017	10,642,500	(4,475,483)	-57.95%
TOTAL EXPENSES	27,726,340	42,674,203	(14,947,863)	-64.97%
Excess Revenue Over (Under) Expenditures	1,397,092	450,000	947,092	310.46%

County Connection
Paratransit Income Statement - Actual vs Budget
For Year to Date Through 3/31/2025

	Y-T-D Actual	Annual Budget	Variance	% Budget
REVENUES				
Passenger Fares	455,126	445,300	9,826	102.21%
Total Fare Revenue	455,126	445,300	9,826	102.21%
Federal Operating	1,590,376	1,590,376	0	100.00%
Other State Grants	842,685	1,036,880	(194,195)	81.27%
TDA Article 4.0	1,314,256	3,227,133	(1,912,877)	40.73%
TDA Article 4.5	809,469	1,079,293	(269,824)	75.00%
Measure J Sales Tax	1,972,963	2,000,000	(27,037)	98.65%
Other Local Grants and Charges	228,092	240,503	(12,411)	94.84%
Total Federal-State-Local Revenue	6,757,841	9,174,185	(2,416,344)	73.66%
Fare Revenue - LAVTA	20,108	34,175	(14,067)	58.84%
LAVTA Fees	1,339,733	1,970,940	(631,207)	67.97%
Fare Revenue - One Seat Partners	27,153	0	27,153	0.00%
One Seat Ride Fees	415,025	375,785	39,240	110.44%
Total Paratransit Partners	1,802,019	2,380,900	(578,881)	75.69%
TOTAL REVENUE	9,014,986	12,000,385	(2,985,399)	75.12%
EXPENSES				
Wages	228,147	339,883	(111,736)	-67.13%
Fringe Benefits	155,405	239,253	(83,848)	-64.95%
Total Wages & Benefits	383,552	579,136	(195,584)	-66.23%
Services	128,902	225,000	(96,098)	-57.29%
Materials and Supplies	801	4,000	(3,199)	-20.03%
Utilities	46,553	60,000	(13,447)	-77.59%
Insurance	12,436	18,173	(5,737)	-68.43%
Miscellaneous	0	10,000	(10,000)	0.00%
Purchased Transportation	6,657,029	8,718,176	(2,061,147)	-76.36%
Total Other Operating (non-wages)	6,845,721	9,035,349	(2,189,628)	-75.77%
Purchased Transp - Partners	1,785,713	2,385,900	(600,187)	-74.84%
TOTAL EXPENSES	9,014,986	12,000,385	(2,985,399)	-75.12%
Excess Revenue Over (Under) Expenditures	0	0	0	0.00%

Schedule 4

County Connection Statistical Comparisons

For Year to Date Through 03/31/2025

	Actual FY 2025 through Q3	Actual FY 2024 through Q3	Variance FY 2025 to FY 2024	Actual FY 2023 through Q3	Variance FY 2025 to FY 2023
Fixed Route					
Fares & Fare Replacements	\$ 2,831,239	\$ 2,590,816	9.3%	\$ 2,381,996	18.9%
Operating Exp (Less leases)	\$ 27,678,718	\$ 26,919,141	2.8%	\$ 25,455,474	8.7%
Farebox recovery ratio	10.2%	9.6%		9.4%	
Revenue Hours	143,648	142,012	1.2%	141,925	1.2%
Cost per Rev Hour	\$ 192.68	\$ 189.56		\$ 179.36	
Passengers	2,046,977	1,940,012	5.5%	1,792,909	14.2%
Cost per Passenger	\$ 13.52	\$ 13.88		\$ 14.20	
Passengers per Rev Hr	14.25	13.66		12.63	
Paratransit					
Fares	\$ 455,126	\$ 372,096	22.3%	\$ 207,105	119.8%
Operating Exp (Less Partners)	\$ 6,845,721	\$ 6,027,790	13.6%	\$ 4,745,637	44.3%
Farebox recovery ratio	6.6%	6.2%		4.4%	
Revenue Hours	49,888	43,761	14.0%	34,289	45.5%
Cost per Rev Hour	\$ 137.22	\$ 137.74		\$ 138.40	
Passengers	74,536	67,386	10.6%	56,951	30.9%
Cost per Passenger	\$ 91.84	\$ 89.45		\$ 83.33	
Passengers per Rev Hr	1.49	1.54		1.66	