

To: Administration & Finance Committee

Date: May 29, 2026

From: Amber Johnson, Chief Financial Officer

Reviewed by: *W.C.*

SUBJECT: Income Statements for the Nine Months Ended March 31, 2026

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) 2026 are presented for review. Actual revenues and expenses are presented as compared to the adopted budget. The combined revenues were \$41.0 million (Schedule 1), representing 71.8% of the budget of \$57.1 million, including an estimated \$1.1 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 \$39.9 million, which represents 70.4% of the of the budget of \$56.7 million.

Fixed Route:

Overall Fixed Route revenues and expenses are presented on Schedule 2. Revenues for the period were \$31.8 million or 72.5% of the total budget. Expenses for the period were \$30.8 million or 70.7% of the total budget.

The primary driver of the expense budget is wages and benefits. Actual expenditures on wages and benefits utilized 73.8% 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 \$9.1 million, representing 69.3% of the total budget. TDA revenue is utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Purchased transportation expenses are the primary driver of the paratransit budget. Actual expenditures on purchased transportation for the Authority's paratransit service has utilized 71.3% 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 61.3% of the budget.

Statistics:

Schedule 4 presents selected statistical information for FY 2026 compared with the same period in FY 2025 and FY 2024.

In the third quarter of FY 2024, the fixed route farebox recovery ratio was 9.6%, and the cost of service per passenger was \$13.88. In FY 2025, the farebox recovery ratio increased to 10.2%, while the cost per passenger declined slightly to \$13.52. In the most recent third quarter of FY 2026, the farebox recovery ratio decreased to 9.4%, and the cost per passenger rose to \$15.11.

The increase in cost per passenger in FY 2026 is primarily due to a 10.8% rise in expenses, while passenger volumes declined by 0.9%. The increase in costs is attributable to several factors:

- **Wages and Benefits** increased by \$2.2 million compared to the prior period. Of this amount, \$400 thousand reflects a change in accounting for certain compensated absences (shifting the calculation from year-end to mid-year), and \$300 thousand relates to one-time payments to certain retiree health savings accounts authorized with changes to the Authority's post-employment benefit offering. The remaining \$1.5 million represents a 7% increase over the prior nine-month period, driven by contractual rate increases, higher workers' compensation insurance rates, and fewer operator vacancies.
- **Services** increased by \$300 thousand, primarily due to higher legal costs, contracted information technology services (such as Swiftly), and outsourced vehicle repair services.
- **Materials and Supplies** costs rose by \$300 thousand, largely due to increased fuel prices.
- **General liability and vehicle insurance** costs increased by \$160 thousand.

Although these cost increases contributed to a higher cost per passenger for the period, overall expenses remain within the approved budget authority. Additionally, some of these variances may be due to timing differences in expenditures compared to prior years and may normalize by year-end.

Last fiscal year, paratransit experienced rising operating expenditure costs, but this has stabilized in the current year to date. The farebox recovery ratio of 6.2% in FY 2024 improved to 6.6% in FY 2025 and 7.0% in FY 2026. The cost of service per passenger of \$89.45 in FY 2024 increased to \$91.84 in FY 2025, however this metric decreased back to \$90.03 in FY 2026.

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 FY2026 Q3 (Schedules 1 through 4)

Schedule 1

County Connection
COMBINED Income Statement - Actual vs Budget
For Year to Date Through 3/31/2026

| | Y-T-D Actual | Annual Budget | Variance | % Budget |
|--|-------------------|-------------------|---------------------|----------------|
| REVENUES | | | | |
| Passenger Fares | 2,629,017 | 3,473,593 | (844,576) | 75.69% |
| Special Service Revenue | 792,872 | 931,791 | (138,919) | 85.09% |
| Total Fare Revenue | 3,421,889 | 4,405,384 | (983,495) | 77.68% |
| Federal Operating | 1,751,669 | 1,949,798 | (198,129) | 89.84% |
| State Transit Assistance | 5,065,079 | 6,728,438 | (1,663,359) | 75.28% |
| BART Feeder Funds | 802,469 | 802,469 | 0 | 100.00% |
| Other State Grants | 161,976 | 361,767 | (199,791) | 44.77% |
| TDA Article 4.0 | 18,877,698 | 29,372,566 | (10,494,868) | 64.27% |
| TDA Article 4.5 | 825,592 | 1,077,864 | (252,272) | 76.60% |
| Measure J Sales Tax | 6,720,339 | 8,980,938 | (2,260,599) | 74.83% |
| Other Local Grants and Charges | 182,599 | 248,503 | (65,904) | 73.48% |
| Total Federal-State-Local Revenue | 34,387,421 | 49,522,343 | (15,134,922) | 69.44% |
| Advertising Income | 203,250 | 200,000 | 3,250 | 101.63% |
| Investment and Misc Income | 966,532 | 275,000 | 691,532 | 351.47% |
| Total Other Revenue | 1,169,782 | 475,000 | 694,782 | 246.27% |
| Fare Revenue - LAVTA | 23,306 | 30,000 | (6,694) | 77.69% |
| LAVTA Fees | 1,342,844 | 1,982,151 | (639,307) | 67.75% |
| Fare Revenue - One Seat Partners | 44,213 | 39,000 | 5,213 | 113.37% |
| One Seat Ride Fees | 594,136 | 663,891 | (69,755) | 89.49% |
| Go San Ramon Fees | 8,090 | 5,000 | 3,090 | 161.80% |
| Total Paratransit Partners | 2,012,589 | 2,720,042 | (707,453) | 73.99% |
| TOTAL REVENUE | 40,991,681 | 57,122,769 | (16,131,088) | 71.76% |
| EXPENSES | | | | |
| Wages | 13,219,472 | 18,275,540 | (5,056,068) | -72.33% |
| Fringe Benefits | 10,997,573 | 14,514,672 | (3,517,099) | -75.77% |
| Total Wages & Benefits | 24,217,045 | 32,790,212 | (8,573,167) | -73.85% |
| Services | 2,222,038 | 4,134,434 | (1,912,396) | -53.74% |
| Materials and Supplies | 2,662,435 | 3,625,150 | (962,715) | -73.44% |
| Utilities | 377,989 | 516,150 | (138,161) | -73.23% |
| Insurance | 1,142,303 | 1,554,193 | (411,890) | -73.50% |
| Taxes | 303,985 | 390,372 | (86,387) | -77.87% |
| Leases and Rentals | 80,000 | 75,000 | 5,000 | -106.67% |
| Miscellaneous | 212,755 | 391,500 | (178,745) | -54.34% |
| Purchased Transportation | 7,010,211 | 9,975,718 | (2,965,507) | -70.27% |
| Total Other Operating (non-wages) | 14,011,716 | 20,662,517 | (6,650,801) | -67.81% |
| Purchased Transp - Partners | 1,667,825 | 2,720,040 | (1,052,215) | -61.32% |
| Contingency | 0 | 500,000 | (500,000) | 0.00% |
| TOTAL EXPENSES | 39,896,586 | 56,672,769 | (16,776,183) | -70.40% |
| Excess Revenue Over (Under) Expenditures | 1,095,095 | 450,000 | 645,095 | 243.35% |

Schedule 2

County Connection
Fixed Route Income Statement - Actual vs Budget
For Year to Date Through 3/31/2026

| | Y-T-D Actual | Annual Budget | Variance | % Budget |
|--|-------------------|-------------------|---------------------|----------------|
| REVENUES | | | | |
| Passenger Fares | 2,274,386 | 2,941,593 | (667,207) | 77.32% |
| Special Service Revenue | 622,625 | 710,491 | (87,866) | 87.63% |
| Total Fare Revenue | 2,897,011 | 3,652,084 | (755,073) | 79.32% |
| Federal Operating | 108,682 | 285,303 | (176,621) | 38.09% |
| State Transit Assistance | 4,315,079 | 5,728,438 | (1,413,359) | 75.33% |
| BART Feeder Funds | 802,469 | 802,469 | 0 | 100.00% |
| Other State Grants | 161,976 | 361,767 | (199,791) | 44.77% |
| TDA Article 4.0 | 17,584,095 | 26,271,231 | (8,687,136) | 66.93% |
| Measure J Sales Tax | 4,809,300 | 6,353,000 | (1,543,700) | 75.70% |
| Total Federal-State-Local Revenue | 27,781,601 | 39,802,208 | (12,020,607) | 69.80% |
| Advertising Income | 203,250 | 200,000 | 3,250 | 101.63% |
| Investment and Misc Income | 966,532 | 275,000 | 691,532 | 351.47% |
| Total Other Revenue | 1,169,782 | 475,000 | 694,782 | 246.27% |
| TOTAL REVENUE | 31,848,394 | 43,929,292 | (12,080,898) | 72.50% |
| EXPENSES | | | | |
| Wages | 12,943,840 | 17,956,414 | (5,012,574) | -72.08% |
| Fringe Benefits | 10,812,863 | 14,255,077 | (3,442,214) | -75.85% |
| Total Wages & Benefits | 23,756,703 | 32,211,491 | (8,454,788) | -73.75% |
| Services | 2,106,059 | 3,916,434 | (1,810,375) | -53.77% |
| Materials and Supplies | 2,660,862 | 3,621,150 | (960,288) | -73.48% |
| Utilities | 329,329 | 450,150 | (120,821) | -73.16% |
| Insurance | 1,128,119 | 1,533,195 | (405,076) | -73.58% |
| Taxes | 303,985 | 390,372 | (86,387) | -77.87% |
| Leases and Rentals | 80,000 | 75,000 | 5,000 | -106.67% |
| Miscellaneous | 208,966 | 381,500 | (172,534) | -54.77% |
| Purchased Transportation | 179,276 | 400,000 | (220,724) | -44.82% |
| Total Other Operating (non-wages) | 6,996,596 | 10,767,801 | (3,771,205) | -64.98% |
| Contingency | 0 | 500,000 | (500,000) | 0.00% |
| TOTAL EXPENSES | 30,753,299 | 43,479,292 | (12,725,993) | -70.73% |
| Excess Revenue Over (Under) Expenditures | 1,095,095 | 450,000 | 645,095 | 243.35% |

Schedule 3

County Connection
Paratransit Income Statement - Actual vs Budget
For Year to Date Through 3/31/2026

| | Y-T-D Actual | Annual Budget | Variance | % Budget |
|--|------------------|-------------------|--------------------|----------------|
| REVENUES | | | | |
| Passenger Fares | 354,631 | 532,000 | (177,369) | 66.66% |
| Special Service Revenue | 170,247 | 221,300 | (51,053) | 76.93% |
| Total Fare Revenue | 524,878 | 753,300 | (228,422) | 69.68% |
| Federal Operating | 1,642,987 | 1,664,495 | (21,508) | 98.71% |
| State Transit Assistance | 750,000 | 1,000,000 | (250,000) | 75.00% |
| TDA Article 4.0 | 1,293,603 | 3,101,335 | (1,807,732) | 41.71% |
| TDA Article 4.5 | 825,592 | 1,077,864 | (252,272) | 76.60% |
| Measure J Sales Tax | 1,911,039 | 2,627,938 | (716,899) | 72.72% |
| Other Local Grants and Charges | 182,599 | 248,503 | (65,904) | 73.48% |
| Total Federal-State-Local Revenue | 6,605,820 | 9,720,135 | (3,114,315) | 67.96% |
| Fare Revenue - LAVTA | 23,306 | 30,000 | (6,694) | 77.69% |
| LAVTA Fees | 1,342,844 | 1,982,151 | (639,307) | 67.75% |
| Fare Revenue - One Seat Partners | 44,213 | 39,000 | 5,213 | 113.37% |
| One Seat Ride Fees | 594,136 | 663,891 | (69,755) | 89.49% |
| Go San Ramon Fees | 8,090 | 5,000 | 3,090 | 161.80% |
| Total Paratransit Partners | 2,012,589 | 2,720,042 | (707,453) | 73.99% |
| TOTAL REVENUE | 9,143,287 | 13,193,477 | (4,050,190) | 69.30% |
| EXPENSES | | | | |
| Wages | 275,632 | 319,126 | (43,494) | -86.37% |
| Fringe Benefits | 184,710 | 259,595 | (74,885) | -71.15% |
| Total Wages & Benefits | 460,342 | 578,721 | (118,379) | -79.54% |
| Services | 115,979 | 218,000 | (102,021) | -53.20% |
| Materials and Supplies | 1,573 | 4,000 | (2,427) | -39.33% |
| Utilities | 48,660 | 66,000 | (17,340) | -73.73% |
| Insurance | 14,184 | 20,998 | (6,814) | -67.55% |
| Miscellaneous | 3,789 | 10,000 | (6,211) | -37.89% |
| Purchased Transportation | | | | |
| Purchased Transportation | 6,830,935 | 9,575,718 | (2,744,783) | -71.34% |
| Total Other Operating (non-wages) | 7,015,120 | 9,894,716 | (2,879,596) | -70.90% |
| Purchased Transp - Partners | | | | |
| Purchased Transp - Partners | 1,667,825 | 2,720,040 | (1,052,215) | -61.32% |
| TOTAL EXPENSES | 9,143,287 | 13,193,477 | (4,050,190) | -69.30% |
| Excess Revenue Over (Under) Expenditures | 0 | 0 | 0 | 0.00% |

Schedule 4

County Connection Statistical Comparisons

For Year to Date Through 03/31/2026

| | Actual FY 2026 through Q3 | Actual FY 2025 through Q3 | Variance FY 2026 to FY 2025 | Actual FY 2024 through Q3 | Variance FY 2026 to FY 2024 |
|-------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Fixed Route | | | | | |
| Fares & Fare Replacements | \$ 2,897,011 | \$ 2,831,239 | 2.3% | \$ 2,590,816 | 11.8% |
| Operating Exp (Less leases) | \$ 30,673,299 | \$ 27,678,718 | 10.8% | \$ 26,919,141 | 13.9% |
| Farebox recovery ratio | 9.4% | 10.2% | -7.7% | 9.6% | -1.9% |
| Revenue Hours | 145,047 | 143,648 | 1.0% | 142,012 | 2.1% |
| Cost per Rev Hour | \$ 211.47 | \$ 192.68 | 9.8% | \$ 189.56 | 11.6% |
| Passengers | 2,029,334 | 2,046,977 | -0.9% | 1,940,012 | 4.6% |
| Cost per Passenger | \$ 15.11 | \$ 13.52 | 11.8% | \$ 13.88 | 8.9% |
| Passengers per Rev Hr | 13.99 | 14.25 | -1.8% | 13.66 | 2.4% |
| Paratransit | | | | | |
| Fares | \$ 524,878 | \$ 455,126 | 15.3% | \$ 372,096 | 41.1% |
| Operating Exp (Less Partners) | \$ 7,475,462 | \$ 6,845,721 | 9.2% | \$ 6,027,790 | 24.0% |
| Farebox recovery ratio | 7.0% | 6.6% | 5.6% | 6.2% | 13.7% |
| Revenue Hours | 50,047 | 49,888 | 0.3% | 43,761 | 14.4% |
| Cost per Rev Hour | \$ 149.37 | \$ 137.22 | 8.9% | \$ 137.74 | 8.4% |
| Passengers | 83,030 | 74,536 | 11.4% | 67,386 | 23.2% |
| Cost per Passenger | \$ 90.03 | \$ 91.84 | -2.0% | \$ 89.45 | 0.7% |
| Passengers per Rev Hr | 1.66 | 1.49 | 9.9% | 1.54 | 7.7% |