

**Capital Area Transit System
Balance Sheet
May, 2020**

5/31/2020 5/31/2019

ASSETS

Current Assets:		
Cash and Cash Equivalents	5,168,493	9,444,919
Accounts Receivable	189,632	694,378
Property Tax Receivable	17,350,395	17,300,802
Due from Governments	612,515	2,944,175
Notes Receivable	0	0
Interest and Dividends Receivable	0	0
Inventory	356,689	233,839
Prepaid Expenses and Other Assets	77,094	36,570
Total Current Assets:	23,754,817	30,654,683
Restricted Assets:		
Cash and Cash Equivalents	301,017	695,900
Total Restricted Assets:	301,017	695,900
Investments	0	0
Net Pension Asset, Long-Term	496,897	1,466,268
Equipment, Net	21,001,612	24,928,078
Total Assets	45,554,343	57,744,929
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	530,307	4,194,462
Accrued Payroll and Tax Liabilities	97,877	280,642
Accrued Interest (Bus Lease)	0	0
Note Payable	0	0
Accrued Compensated Absences	751,112	424,440
Claims Payable and Related Liabilities	1,065,376	855,488
Capital Lease Payable	266,864	565,026
Deferred Revenue (Grants/Prop Tax)	12,772,334	0
Other Current Liabilities	0	0
Total Current Liabilities	15,483,870	6,320,058
Long-Term Liabilities		
Note Payable, Less Current Portion	0	0
Accrued Compensated Absences, Less Current Portion	0	0
Capital Lease Payable, Less Current Portion	2,193,983	2,788,983
Estimated Liabilities	1,301,975	3,254,871
Total Long-Term Liabilities	3,495,958	6,043,854
Total Liabilities	18,979,828	12,363,912
Net Assets:		
Investments in Capital Assets, Net of Related Debt	18,540,765	21,574,069
Restricted Cash and Cash Equivalents		
Unrestricted	8,033,751	23,806,947
Total Net Assets:	26,574,516	45,381,017
Total Liabilities And Net Assets	45,554,343	57,744,929

**Capital Area Transit System
Statement of Operating Budget vs. Actual
For the Period Ended May 31, 2020**

	Current Month			Year to Date			Approved Budget
	Budget	Actual	Variance	Budget	Actual	Variance	
Operating Revenues							
Passenger Paid Fares	154,262	(22)	(154,284)	771,310	361,580	(409,730)	1,851,144
Special Transit Fares (Contract)	19,669	2,601	(17,068)	98,345	73,264	(25,081)	236,028
ADA/Paratransit Revenue	0	0	0	0	44,375	44,375	0
Advertising Revenue	45,000	27,807	(17,193)	225,000	197,959	(27,041)	540,000
Interest Income	13,621	1,070	(12,551)	68,105	38,428	(29,677)	163,452
Other Agency Revenue	11,668	919	(10,749)	58,340	33,638	(24,702)	140,016
Total CATS Generated	244,220	32,375	(211,845)	1,221,100	749,244	(471,856)	2,930,640
Non Federal Revenue							
Hotel/Motel Tax	102,022	0	(102,022)	510,110	327,947	(182,163)	1,224,264
Parish Transportation Fund	45,833	0	(45,833)	229,165	0	(229,165)	549,996
Property Tax Revenue	1,481,667	1,481,667	0	7,408,335	7,328,468	(79,867)	17,780,004
Total Non Federal	1,629,522	1,481,667	(147,855)	8,147,610	7,656,415	(491,195)	19,554,264
Federal Operating Subsidies							
FTA - Cares Grant	0	2,800,000	2,800,000	0	10,260,000	10,260,000	0
FTA - Preventive Maintenance	256,959	0	(256,959)	1,284,795	540,451	(744,344)	3,083,508
FTA - Planning	8,333	41,415	33,082	41,665	41,415	(250)	99,996
FTA - Formula	10,924	0	(10,924)	54,620	0	(54,620)	131,088
FTA Capital Projects	258,866	0	(258,866)	1,294,330	63,870	(1,230,460)	3,106,392
Total Federal Operating	535,082	2,841,415	2,306,333	2,675,410	10,905,736	8,230,326	6,420,984
Total Operating Revenues	2,408,824	4,355,457	1,946,633	12,044,120	19,311,395	7,267,275	28,905,888
Operating Expenses							
Labor	919,067	1,203,992	(284,925)	4,595,335	4,210,805	384,530	11,028,804
Fringe Benefits	491,263	940,936	(449,673)	2,456,315	3,238,256	(781,941)	5,991,936
Casualty and Liability	101,166	180,581	(79,415)	505,830	732,408	(226,578)	1,213,992
Services	209,810	116,554	93,256	1,049,050	872,301	176,749	2,517,720
Purchased Transportation	203,319	93,481	109,838	1,016,595	900,028	116,567	2,439,828
Materials & Supplies	318,424	189,723	128,701	1,592,120	1,571,788	20,332	3,821,088
Utilities	23,666	20,264	3,402	118,330	86,922	31,408	283,992
Miscellaneous Expenses	125,738	64,028	61,710	628,690	340,888	287,802	1,508,856
Leases and Rentals	8,306	7,703	603	41,530	38,901	2,629	99,672
Total Operating Expenses	2,400,759	2,817,262	(416,503)	12,003,795	11,992,297	11,498	28,905,888
Depreciation	0	229,151	(229,151)	0	1,145,755	(1,145,755)	
NET SURPLUS/(DEFICIT)	8,065	1,309,044	1,300,979	40,325	6,173,343	6,133,018	

May 2020 – Monthly Financial Report Narrative

Due to the COVID 19 pandemic and the rapidly changing congressional /federal assistance programs that followed, CATS was forced to adjust both financially and operationally. Luckily with the timing of the pandemic, CATS had already received a majority of the property tax revenue for 2020 and was cash strong.

We used this cash position to give us the time needed to fully study our options and respond in the most beneficial way. We elected to delay our normal monthly draw downs on our formula grants and applied for federal assistance under the CARES Act.

The CARES Act reimburses transit organizations 100% of operational cost along with 100% of lost revenues compared to our current formula grants that reimburse maintenance related expenses at 80% with less flexibility. The CARES Act was awarded in addition to our formula grants and will be used prior to using any of our formula grant money. Any remaining funds in our formula grants (eligible for maintenance & capital projects) at the end of 2020, will be used to help create needed cash reserves for legal claims, capital match, emergency, and other required reserves going forward. The CARES Act will cover these COVID operating expenses from January 20, 2020 until the funding is fully depleted.

As we studied the options and things became clear, it was in our best interest not to use any formula grants until the CARES Act application process was approved and completed. We funded our operations using our current cash reserves and replenished them with a \$7,460,001 draw down from the CARES Act in June 2020.

As we go through the May 2020 Balance Sheet, you will notice a \$4.2M reduction in cash and cash equivalents from the prior year. This is due to the use of our cash that was replenished in June 2020. The offset to the cash reduction is included in the \$12,772,334 increase in deferred revenue.

On the Income Statement side, you will notice that with the suspension of collecting rider fares and a sharp decrease in advertisement revenue, our operational revenue was down \$471,856 compared to the budget. Our hotel/motel tax and parish transportation fund receipts were down as a result of office closures or other delays with the pandemic.

As expected, FTA formula funds had very little activity and the CARES Grant accrual provided a majority of our income. In May, we estimated \$2,800,000 of CARES Act revenue to be drawn down in addition to the \$7,460,001 that has been received in June 2020. This will bring our CARES Act total revenue used to \$10,260,000 (of the total \$17 million) year to date. Our YTD Operational Expenses are \$11,498 below budget although we have had unexpected labor and material cost as a result of the pandemic.

For the month of May, our current month expense vs revenue balance was \$1,309,044. The May 2020 year to date balance is \$6,173,343.

In closing, if successful at retaining a positive cash balance by year end, we plan on using the projected surplus for 2020 to replenish our required cash reserves absorbed in prior years, and again, by seeking to reload cash reserves still needed for capital improvements and federally required grant matching funds. Not knowing yet what the “new normal” may be in terms of transit service, and with the 2021 property tax renewal close in our sights, we intend to establish a much stronger cash reserve position to better prepare for uncertainties.