



July 30, 2020

FY 2020 Financial Notes:
For the Month of June, 2020

Synopsis:

The COVID-19 pandemic had yet another a devastating impact on CBITD's June and YTD financial position and it is expected that the impacts will continue through the rest of this fiscal year. CBITD's CARES Act award drawdowns have commenced to mitigate some of the impact of COVID-19. The total draw for CARES Act, to date is nearly \$2M.

June Revenues were \$263K and compared unfavorably to budget by 63.2% and were 66.8% unfavorable to June, 2019. Expenses were favorable to budget by 9.6% and were 6.7% lower than June of last year. Operating results were 364.9% unfavorable to budget at -\$286K, and were unfavorable to June of last year by 240.9%. **The final result, which was impacted by CARES Act grant revenues was a surplus of \$70K, while a surplus of \$193K was expected. On YTD basis, Revenue was 30.2% worse than budget and 37.5% below last YTD, while expenses were 4.8% better than budget and 1.3% lower than last YTD.**

Revenue Assessment: Poor

Current Month:

June Operating Revenue of \$263K closed 63.2% under budgeted amounts and 66.8% below the same period last fiscal year.

- Scheduled passenger revenues of \$80K were 72.8% below budget and 76.9% below the same period last year.
 - Extending winter rates through early July has had an impact on revenues that compounds COVID-19 reduced ridership, due to reduced revenue and not experiencing typical pre-buys ahead of normal April rate increase.
- Vehicle revenues of \$92K closed 29.9% below budget and also 29.7% lower than the same period last year.
 - Extension of winter rates into early July reduced vehicle revenues further.
- Freight revenues were \$86K and closed 34.8% below budget and 35.2% below the same period last year.
 - Extended off-peak freight rates were also a component in reducing June revenues for this category.
- Group sales closed 98.1% below projections and also 98.4% lower than the same month last year.
 - This is attributed to ceasing all tour and charter operations beginning in mid-March due to COVID-19.
 - For July, revenue of \$151K was budgeted and only \$2.8K was realized.

Year to date (YTD):

YTD Operating Revenue was \$1.800M and was 30.2% behind budget and 37.5% below the same period last fiscal year.

- Scheduled passenger revenues of \$632K YTD were lower than budget by 44.8%, and were down 47.9% as compared to last fiscal year.
 - COVID-19 has been the primary driver of low revenue.
- Vehicle revenues YTD of \$503K are worse than budget by 5.2% and are 18.0% behind FY19 YTD.
- Freight revenues YTD of \$4881K were 7.0% below budgeted numbers and were 18.0% behind last fiscal YTD.
- Group sales YTD of \$141K closed 57.8% below budget and 65.4% behind of the same period last year.
 - This is attributed to ceasing all tour operations beginning in mid-March due to COVID-19. Also, most charters and lobster bakes for the year have either cancelled or rescheduled due to the ongoing pandemic.

Expense Assessment: Good

Current Month:

May expenses of \$549K were 9.6% under budgeted amount and were 6.7% lower than June of last year.

- Personnel expenses were 13.4% under budget and 7.0% below last June.
 - In many categories, Payroll continues to trend close to budget despite COVID-19, as CBITD has made the decision to avoid furloughs and layoffs as all staff is currently being paid for reserve duty.
 - Admin Direct Offset was -\$3.2K.
 - Employee insurances were under budget for the month, despite sharp increases in 2020, and waiver of employee premiums.
- Vessel maintenance ended 12.4% over budget and 39.7% higher than June of last year. Much of this variance can be attributed to Maquoit drydock delay, which a total of \$74K was recognized in June but budgeted in February and March.
 - Many Diving line items are negative, as year to date accruals were reversed in June, at the same time that vendor invoicing caught up. While June diving numbers have been skewed, year-to-date totals are actual expense.
 - Machigonne was under budget for June. The vessel required various general repairs totaling \$3.5K.
 - Maquoit has returned to service, and drydock delay caused \$74K to be recognized in June, with more to come in July. A total of \$349K has been recognized to date. Maquoit maintenance for the month totaled \$2.4K and included camera repairs, hydraulic work and crane inspection.
 - Bay Mist has required minimal repairs, due to being sidelined currently because of a lack of charters and reduced schedule. June repairs included mandatory PFD (life jacket) replacements.
 - Aucocisco required various general repairs during the month and was well under budget of \$5.0K, as only \$1.4K was spent in June. Repairs included fuel system work and elevator inspection.
 - Wabanaki for the month included various small repairs as well as elevator inspection. Total expense was \$5.9K vs. a budget of \$4K.
 - Fuel was well under budget, as the District was running a reduced schedule for the entire month of April. CBL has locked fuel at the following prices, \$2.38; \$2.25 and \$1.85 per gallon.

- Fuel continues to run well under budget due to schedule reductions necessary in CBITD's response to COVID-19.
- Operations expense was 2.7% over budget and 23.8% lower than the same period last year.
 - Data processing included licensing, AVL support, and quarterly network maintenance payments.
 - Ops Misc. included many items and supplies to clean and sanitize vessels due to COVID-19.
 - Ops Misc. also includes production costs for signage in and around the terminal as well as translation services and some COVID-19 related services.
 - Credit card fees were under budget for the month, as ridership declines have reduced the number of transactions made on credit cards.
 - Crew meals are high due to purchasing meals for extended crew schedules necessitated by COVID-19.
 - Legal expense was higher than planned due to COVID-19 related issues.
- Terminal expense was 46.4% over budget and 67.9% higher than last June.
 - Paper and Cleaning Supplies included various safety supplies and items and supplies to clean and sanitize terminal areas due to COVID-19.
 - Terminal Misc. included sandwich boards and signage for terminal area as well as off-site storage fees, and replacement of motion activated faucets in bathrooms.
 - Plowing was recognized in June due to a vendor billing issue.
- Sales expense was under budget and closed 87.2% under projections and 90.2% lower than the same period last year.
 - Marketing included COVID-19 communications consulting and related services for the month.
 - Website included updates and configuration changes for COVID-19 related communication purposes.

Year to date (YTD):

YTD Expenses were 4.8% under budget and were 1.3% lower than last YTD.

- Personnel expenses YTD were 3.0% favorable to budget and 3.1% above last YTD.
 - Employee insurance, medical coverage experienced sharp increases of 26.0% from calendar 2019 to calendar 2020, due to state legislation changes for groups CBITD's size.
 - COVID-19 related personnel savings are minimal, as CBITD is maintaining full staffing through pandemic. These costs will be offset by operating assistance provided through CARES Act funding.
 - During COVID-19 pandemic, CBITD waived employee premiums on health insurance coverage.
- Vessel maintenance is 4.4% under budget and 16.9% lower than last fiscal YTD.
 - Wabanaki drydock expense was recognized in December and final cost was \$175K against \$150K budgeted.
 - Maquoit was in drydock for the month of April and a total of \$349K has been recognized to date and it is expected that the final bills will be posted in July. The budget for Maquoit drydock was \$320K.
- Operations expense was 10.1% better than budget and 17.4% below last YTD.

- During COVID-19 pandemic, additional cleaning and sanitizing supplies have added cost in this category.
- Also during pandemic, hotel stays were necessary for some staff, to maintain platooning, which added significantly to operations expense.
- Terminal expense was 17.0% unfavorable to budget and 6.0% higher than last YTD.
 - COVID-19 has added expense to this category, with necessary cleaning, signage and pandemic response supplies.
- Sales expense YTD was 42.2% below budget and 40.5% below last YTD.
 - COVID-19 communications expense has taken over as the primary expense line item in this category.
 - Most marketing and advertising has been postponed due to COVID-19.

Operating Surplus/Loss: Poor

Current Month:

Operating result of -\$286K was 364.9% worse than budget and 240.9% worse than the same period last year, which was \$203K.

Year to date (YTD):

YTD operating result of \$-3.024M was 21.3% below budget and 48.2% unfavorable to last YTD where the result was \$-2.040M.

Grant Revenues: Excellent

Current Month:

Grant revenue of \$356K for the month was 318.8% above budget and 758.3% above the same period last year. Virtually all of the grant revenue was attributed to the CARES Act funding in response to COVID-19, which allowed CBITD to take advantage of available funds as operating assistance, both urban and rural. June grant revenue includes operating assistance for the months of May and June.

Year to date (YTD):

Grant revenue YTD of \$2.531M is 95.33% over budget, and 75.19% above last YTD. As discussed above, CARES Act funding is an enormous component of this YTD number and CBITD anticipates that these large draws will continue into the future.

Surplus/Loss: Excellent

Current Month:

Final result of a surplus of \$70K was well under projections of a surplus of \$193K, though the surplus was attributed to CARES funding for 2 months posted into the current June financial reports.

Year to date (YTD):

Our current YTD result is -\$493K, which is 59.0% better than budget and 38.8% favorable to last YTD, where the result was -\$806K.

Line of Credit Balance: Currently \$0 with an available credit balance of \$2,000,000

**CBITD Revenues and Expenses
Overview**

	FY2020 BUDGET	JUNE				FISCAL YEAR TO DATE				PREVIOUS	FY20 vs
		PROJECTED	ACTUAL	VARIANCE	VARIANCE %	PROJECTED	ACTUAL	VARIANCE	VARIANCE %	YTD	FY19
REVENUES											
SCH SERVICE	\$4,507,620	\$561,136	\$259,630	-\$301,506	-53.7%	\$2,201,822	\$1,624,578	-\$577,244	-26.2%	\$2,428,840	-33.1%
GR SALES	\$1,033,577	\$151,353	\$2,864	-\$148,489	-98.1%	\$335,350	\$141,584	-\$193,766	-57.8%	\$408,784	-65.4%
MISC	\$56,340	\$3,940	\$917	-\$3,023	-76.7%	\$42,685	\$34,570	-\$8,115	-19.0%	\$42,534	-18.7%
TOTAL REVENUES	\$5,597,537	\$716,429	\$263,411	-\$453,018	-63.2%	\$2,579,857	\$1,800,732	-\$779,125	-30.2%	\$2,880,158	-37.5%
EXPENSES											
PERSONNEL	\$4,204,868	\$375,416	\$325,150	\$50,266	13.4%	\$2,896,672	\$2,778,657	\$118,015	4.1%	\$2,724,096	-2.0%
VESSELS	\$1,711,175	\$107,422	\$120,752	-\$13,330	-12.4%	\$1,323,018	\$1,264,288	\$58,730	4.4%	\$1,520,974	16.9%
OPERATIONS	\$638,382	\$52,621	\$54,046	-\$1,425	-2.7%	\$455,824	\$411,154	\$44,670	9.8%	\$459,027	10.4%
TERMINAL	\$312,693	\$30,379	\$44,465	-\$14,086	-46.4%	\$231,381	\$271,235	-\$39,854	-17.2%	\$253,689	-6.9%
SALES	\$319,120	\$42,440	\$5,453	\$36,987	87.2%	\$173,413	\$100,226	\$73,187	42.2%	\$163,277	38.6%
DEBT SERVICE	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$0	0.0%
PROVISION FOR DEF RED	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$0	0.0%
TOTAL EXPENSES	\$7,186,238	\$608,278	\$549,867	\$58,412	9.6%	\$5,080,308	\$4,825,560	\$254,748	5.0%	\$5,121,065	5.8%
OPERATING SURPLUS/LOSS	-\$1,588,701	\$108,151	-\$286,456	-\$394,607	364.9%	-\$2,500,451	-\$3,024,828	-\$524,377	21.0%	-\$2,240,907	-35.0%
OP GRANT REVENUES											
FTA PM REVENUE	\$1,145,214	\$73,319	\$166	-\$73,153	-99.8%	\$928,046	\$441,115	-\$486,931	-52.5%	\$1,088,028	-59.5%
FTA RURAL REVENUE	\$300,000	\$11,800	\$89,401	\$77,601	657.6%	\$300,000	\$622,009	\$322,009	107.3%	\$278,374	123.4%
FTA OPERATING REVENUE	\$0	\$0	\$266,918	\$266,918	0.0%	\$0	\$1,399,883	\$1,399,883	0.0%	\$0	0.0%
STATE SUBSIDY REVENUE	\$68,444	\$0	\$0	\$0	0.0%	\$68,444	\$68,444	\$0	0.0%	\$68,444	0.0%
TOTAL OP GRANT RESERVES	\$1,513,658	\$85,119	\$356,485	\$271,366	318.8%	\$1,296,490	\$2,531,451	\$1,234,961	95.3%	\$1,434,846	76.4%
SURPLUS/LOSS	-\$75,043	\$193,270	\$70,029	-\$123,241	63.8%	-\$1,203,961	-\$493,377	\$710,584	59.0%	-\$806,061	38.8%

**CBITD Revenues
Summary**

	FY2020 BUDGET	JUNE				FISCAL YEAR TO DATE				PREVIOUS	FY20 vs FY19
		PROJECTED	ACTUAL	VARIANCE	VARIANCE %	PROJECTED	ACTUAL	VARIANCE	VARIANCE %	YTD	
REVENUES											
PASSENGER	\$2,529,205	\$296,943	\$80,832	-\$216,111	-72.8%	\$1,145,248	\$632,420	-\$512,828	-44.8%	\$1,214,140	-47.9%
VEHICLE	1,059,460	131,460	92,192	-\$39,268	-29.9%	531,253	503,719	-\$27,534	-5.2%	614,358	-18.0%
FREIGHT	848,995	126,903	80,684	-\$46,219	-36.4%	472,851	433,551	-\$39,300	-8.3%	544,299	-20.3%
MAIL	69,960	5,830	5,923	\$93	1.6%	52,470	54,889	\$2,419	4.6%	56,044	-2.1%
TOTAL	\$4,507,620	\$561,136	\$259,630	-\$301,506	-53.7%	\$2,201,822	\$1,624,578	-\$577,244	-26.2%	\$2,428,840	-33.1%
GR SALES											
TOURS	\$599,351	\$62,502	\$0	-\$62,502	-100.0%	\$159,816	\$68,979	-\$90,837	-56.8%	\$195,382	-64.7%
CHARTERS	224,500	42,000	0	-42,000	0.0%	83,000	33,592	-49,408	-59.5%	101,870	-67.0%
CATERING	168,550	43,500	0	-43,500	0.0%	58,500	28,204	-30,296	-51.8%	87,572	-67.8%
VENDING	8,000	750	0	-750	-100.0%	5,250	2,008	-3,242	-61.8%	3,452	-41.8%
PROMOTIONAL	9,000	0	839	839	0.0%	7,650	2,500	-5,150	-67.3%	2,931	0.0%
ADVERTISING	24,176	2,601	2,025	-576	-22.1%	21,134	6,300	-14,834	-70.2%	17,577	-64.2%
TOTAL	\$1,033,577	\$151,353	\$2,864	-\$148,489	-98.1%	\$335,350	\$141,584	-\$193,766	-57.8%	\$408,784	-65.4%
OTHER INCOME											
MISC	11,140	940	1	-\$939	-99.9%	8,585	7,552	-\$1,033	-12.0%	7,501	0.7%
INTEREST	45,200	3,000	916	-2,084	-69.5%	34,100	27,018	-7,082	-20.8%	35,034	-22.9%
TOTAL	\$56,340	\$3,940	\$917	-\$3,023	-76.7%	\$42,685	\$34,570	-\$8,115	-19.0%	\$42,534	-18.7%
TOTAL OP REVENUES	\$5,597,537	\$716,429	\$263,411	-\$453,018	-63.2%	\$2,579,857	\$1,800,731	-\$779,125	-30.2%	\$2,880,158	-37.5%

**CBITD Expenses
Summary**

	FY2020	JUNE				FISCAL YEAR TO DATE				PREVIOUS	FY20 vs FY19
		PROJECTED	ACTUAL	VARIANCE	VARIANCE %	PROJECTED	ACTUAL	VARIANCE	VARIANCE %	YTD	
EXPENSES											
PERSONNEL											
PAYROLL	\$3,151,946	\$284,265	\$257,166	\$27,099	9.5%	\$2,131,237	\$2,109,720	\$21,517	1.0%	\$2,038,619	-3.5%
TAXES	246,924	22,190	20,137	2,053	9.3%	167,283	161,442	5,841	3.5%	157,788	-2.3%
EMPLOYEE INSURANCE	415,160	36,384	15,082	21,302	58.5%	306,009	215,685	90,324	29.5%	231,737	6.9%
EMPLOYEE RELATED EXP	18,390	1,540	1,729	-189	-12.3%	12,810	12,023	787	6.1%	12,543	4.1%
PENSION	372,448	31,037	31,037	0	0.0%	279,333	279,786	-453	-0.2%	283,410	1.3%
TOTAL	\$4,204,868	\$375,416	\$325,150	\$50,266	13.4%	\$2,896,672	\$2,778,657	\$118,015	4.1%	\$2,724,096	-2.0%
VESSELS											
REPAIRS	\$954,350	\$54,050	\$87,232	-\$33,182	-61.4%	\$790,200	\$818,330	-\$28,130	-3.6%	\$982,334	16.7%
FUEL	680,025	46,972	27,713	19,259	41.0%	475,218	393,696	81,522	17.2%	486,379	19.1%
INSURANCE	76,800	6,400	5,807	593	9.3%	57,600	52,261	5,339	9.3%	52,261	0.0%
TOTAL	\$1,711,175	\$107,422	\$120,752	-\$13,330	-12.4%	\$1,323,018	\$1,264,288	\$58,730	4.4%	\$1,520,974	16.9%
OPERATIONS											
TELEPHONE	\$22,440	\$1,870	\$1,940	-\$70	-3.7%	\$16,830	\$17,342	-\$512	-3.0%	\$14,745	-17.6%
MAIL AGENT	11,220	935	935	0	0.0%	8,415	8,423	-8		8,415	-0.1%
OFFICE	228,882	16,361	30,205	-13,844	-84.6%	173,394	192,881	-19,487	-11.2%	150,394	-28.3%
CREDIT CARD	123,809	8,911	5,197	3,714	41.7%	59,969	61,295	-1,326	-2.2%	61,324	0.0%
POSTAGE	3,360	280	0	280	100.0%	2,520	2,477	43	1.7%	2,554	3.0%
TRAVEL	16,500	400	126	274	68.5%	15,300	10,328	4,972	32.5%	17,068	39.5%
DAMAGES	22,950	4,300	1,692	2,608	0.0%	15,800	6,759	9,041	57.2%	6,395	-5.7%
OTHER INSURANCES	29,880	2,490	2,708	-218	-8.8%	22,410	20,511	1,899	8.5%	23,036	11.0%
MISCELLANEOUS	16,076	2,564	1,230	1,334	52.0%	8,771	5,524	3,247	37.0%	10,119	45.4%
BARGE SUBCONTRACTING	8,500	2,000	950	1,050	0.0%	5,500	9,900	-4,400	-80.0%	73,300	0.0%
PROFESSIONAL	95,125	8,660	8,045	615	7.1%	77,005	52,113	24,892	0.0%	68,022	23.4%
DUE & PUC	20,975	100	0	100	0.0%	16,975	12,399	4,576	0.0%	19,916	37.7%
UNIFORMS	28,915	3,300	1,019	2,281	69.1%	24,535	11,201	13,334	54.3%	1,504	-644.7%
TRAINING	9,750	450	0	450	100.0%	8,400	0	8,400	100.0%	2,234	0.0%
TOTAL	\$638,382	\$52,621	\$54,046	-\$1,426	-2.7%	\$455,824	\$411,154	\$44,671	9.8%	\$459,027	10.4%

**CBITD Expenses
Summary**

	FY2020	JUNE				FISCAL YEAR TO DATE				PREVIOUS	FY20 vs FY19
		PROJECTED	ACTUAL	VARIANCE	VARIANCE %	PROJECTED	ACTUAL	VARIANCE	VARIANCE %	YTD	
EXPENSES											
TERMINAL											
UTILITIES	\$60,003	\$3,924	\$2,690	\$1,234	31.4%	\$47,961	\$44,978	\$2,983	6.2%	\$50,202	10.4%
JANITORIAL	\$72,540	\$6,130	\$11,527	-5,397	-88.0%	\$54,030	\$63,689	-9,659	-17.9%	\$62,228	-2.3%
RENT	35,940	2,995	2,995	0	0.0%	26,955	25,297	1,658	6.2%	26,300	3.8%
MAINTENANCE	144,210	17,330	27,253	-9,923	-57.3%	102,435	137,272	-34,837	-34.0%	114,959	-19.4%
TOTAL	\$312,693	\$30,379	\$44,465	-\$14,086	-46.4%	\$231,381	\$271,235	-\$39,854	-17.2%	\$253,689	-6.9%
SALES											
ADVERTISING	\$172,565	\$21,120	\$5,453	\$15,667	74.2%	\$120,118	\$77,700	\$42,418	35.3%	\$112,609	31.0%
CATERING	146,555	21,320	0	21,320	100.0%	53,295	22,526	30,769	57.7%	50,669	55.5%
TOTAL	\$319,120	\$42,440	\$5,453	\$36,987	87.2%	\$173,413	\$100,226	\$73,187	42.2%	\$163,277	38.6%
DEBT SERVICE											
TOTAL	\$0	\$0	\$0	\$0		\$0	\$0	\$0		\$0	
TOTAL EXPENSES	\$7,186,238	\$608,278	\$549,867	\$58,411	9.6%	\$5,080,308	\$4,825,560	\$254,748	5.0%	\$5,121,065	5.8%
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OP SURPLUS/LOSS	-\$1,588,701	\$108,151	-\$286,456	-\$394,607	-364.9%	-\$2,500,451	-\$3,024,828	-\$524,377	-21.0%	-\$2,240,907	-35.0%
OP GRANT REVENUES											
FTA PREVENTATIVE MAIN	\$1,145,214	\$73,319	\$166	-\$73,153	-99.8%	\$928,046	\$441,115	-\$486,931	-52.5%	\$1,088,028	-59.5%
FTA RURAL REVENUE	\$300,000	\$11,800	\$89,401	\$77,601	0.0%	\$300,000	622,009	322,009	107.3%	278,374	123.4%
FTA OPERATING REVENUE	\$0	\$0	\$266,918	\$266,918	0.0%	\$0	1,399,883	1,399,883	0.0%	0	0.0%
STATE SUBSIDY REVENUE	\$68,444	\$0	\$0	\$0	100.0%	\$68,444	68,444	0	0.0%	68,444	
TOTAL	\$1,513,658	\$85,119	\$356,485	\$271,366	318.8%	\$1,296,490	\$2,531,451	\$1,234,961	95.3%	\$1,434,846	76.4%
SURPLUS/LOSS	-\$75,043	\$193,270	\$70,029	-\$123,241	-63.8%	-\$1,203,961	-\$493,377	\$710,584	59.0%	-\$806,061	38.8%