



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

5658 Bear Lane ~~~ Corpus Christi, Texas 78405 ~~~ 361 289 2712

Financial Report

May 2011

Prepared by:

Finance Department

Susan Vinson, Director of Finance

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for May 2011

TABLE OF CONTENTS

Financial Report Narrative..... 1

Comparative Balance Sheets..... 7

Comparative Statements of Revenues and Expenditures – Month 8

Comparative Statements of Revenues and Expenditures – Year to date... 9

Statement of Cash Flows..... 10

Sales Tax Report..... 11

**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
FINANCIAL REPORT
MONTH AND YEAR TO DATE MAY 2011**

The Corpus Christi Regional Transportation Authority (Authority) desires to supply clear and concise financial information to those who are interested in its financial activities. The financial information contained in this monthly financial report is un-audited. The Authority accounts for its financial activities as a single enterprise fund and issues full accrual basis financial statements, which begin on page 5 of this report. This narrative provides highlights of the results of operations for the month with some emphasis on the year to date where relevant. For a more lengthy discussion about the financial operations of the Authority, please consult the Authority's latest Comprehensive Annual Financial Report (CAFR). An electronic copy of that report in Adobe format can be obtained at <http://ccrta.org/wp-content/uploads//2010/03/2009-Comprehensive-Annual-Financial-Report-.pdf> or by filing a written request to the attention of Beth Vidaurri, Manager of the Executive Office.

STATEMENT OF NET ASSETS

This statement is located on page 5 of this report. In the past, questions have been raised about the net assets section of this statement. Therefore, this statement is being presented in a format that provides more detailed information about internal designations (reserves) for specific activities.

At the end of the month, the Authority had assets of \$62.4 million, liabilities of \$2.1 million and net assets (assets less liabilities) of \$60.3 million. Assets are comprised of undesignated and internally designated cash, investments, accounts receivable, fuel and parts inventories and capital assets used to fulfill the Authority's mission. Construction in Progress is a line item used to reflect the current year outlays in connection with the Authority's capital budget. At year-end, an analysis will be performed to reclassify these outlays into the specific asset categories listed in the asset section.

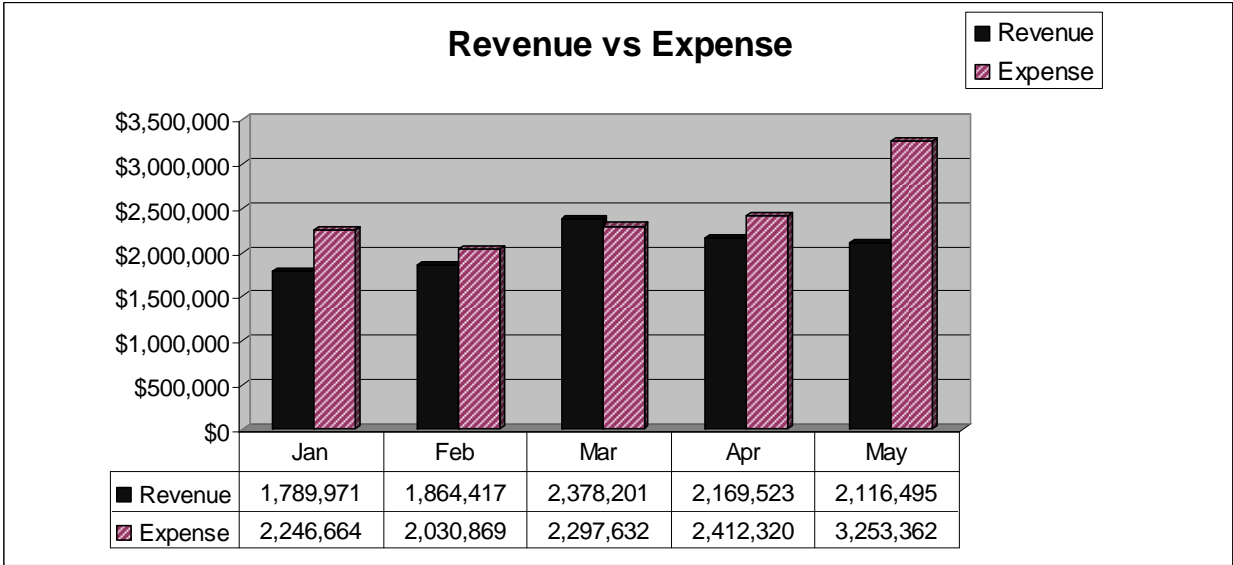
Liabilities include trade payables, accrued payroll and employee benefits, estimated leave balances due to Authority employees and amounts due for the Authority's street improvement program that are accrued but not paid as of the end of the month.

Net Assets reflect externally funded assets provided primarily by the Federal Transit Administration (FTA) for the purchase of assets, internally designated reserves for particular purposes and unrestricted net assets.

STATEMENT OF REVENUES AND EXPENSES

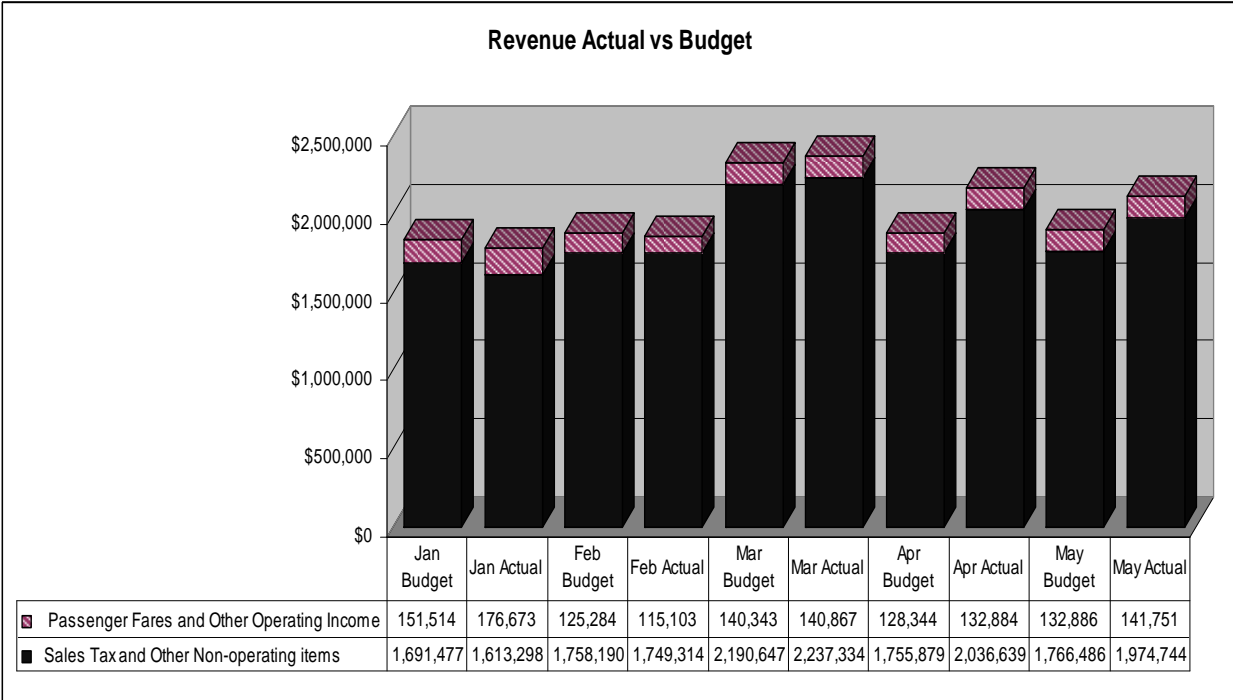
The monthly and annual statements of revenues and expenses begin on page 6. The Authority has a year-to-date net loss of \$1,922,240 compared to a budgeted year-to-date net loss of \$2,928,195. Total revenues exceed budget by \$477,557, while operating expenses are under budget by \$528,398.

The following chart depicts revenues versus expense for each month year to date.



The following sections provide explanations of the details of major budget variances with an emphasis on the fiscal year to date activity.

Revenue: The following graph shows revenue versus budget by major type for each month year to date.



Passenger Fares and Other Operating Revenues:

These revenues represent income from all of the various transportation services and some ancillary activities. Total operating revenues are \$28,907 more than the Fiscal 2011 budget and \$54,288 more than 2010. The following discussion provides further details:

- Passenger service – This represents fares received from all modes of transportation services. For the year, these revenues are \$31,657 (4.9%) more than budgeted. Revenues from passenger service are \$60,228 (9.8%) higher than in 2010. The Harbor Ferry is responsible for \$12,975 of the increase over 2010. The increase is 7.7% if the Harbor Ferry is disregarded.
- Bus Advertising – This represents contractual on-board advertising. These revenues are even with both the budgeted amounts and the prior year amounts.
- Other Operating – These revenues include bus bench advertising, charges for copies, sales of scrap metals, public telephone revenues and other expense reimbursements. For 2011 these revenues are \$2,752 under budget and \$2,940 lower than in 2010. Over \$4,000 was received in escheated property from the State of Texas in January 2010. \$2,633 was received in May 2011 from the US Mint for the redemption of mutilated coins.

Sales Tax and Other Non-Operating Items:

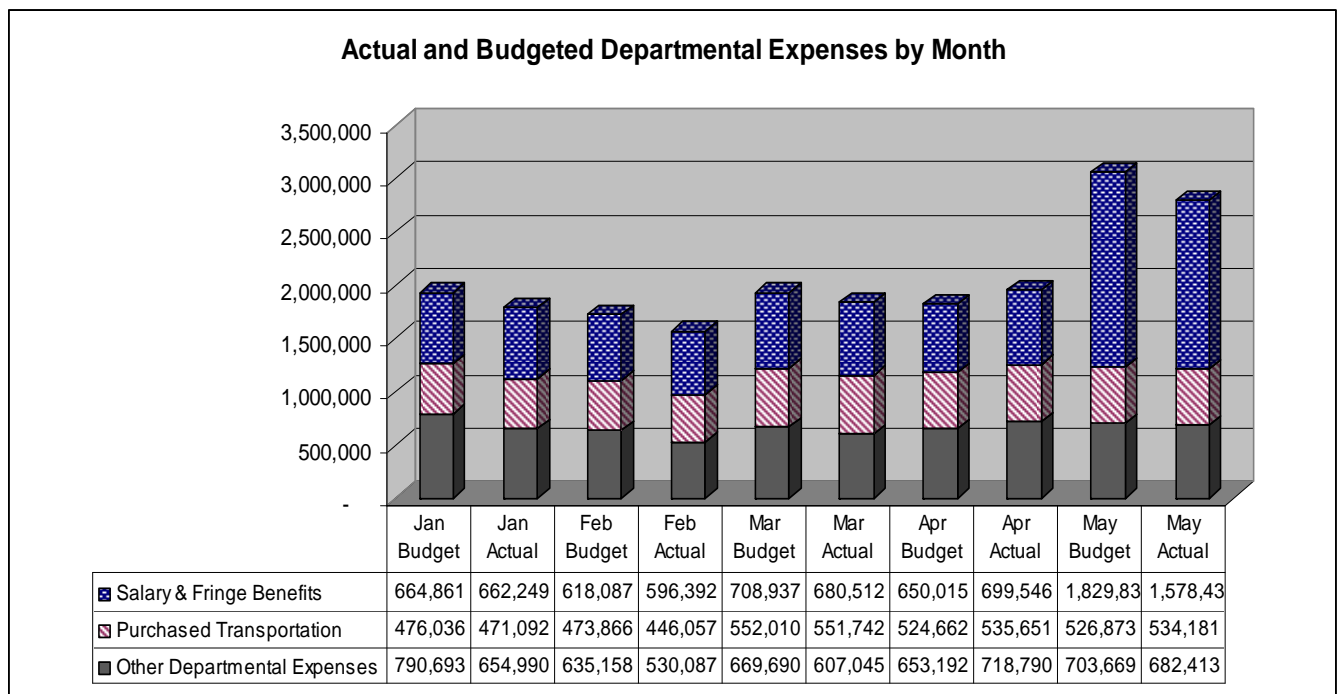
- **Sales Taxes** – Sales tax revenue information becomes known two months following the month in which the sales taxes were generated in the community. Through **April** of 2011, sales tax was as follows:
 - ◆ Year to date - \$7,820,538 which is \$796,935 (11.35%) more than 2010. Without audit activity, the increase would have been \$1,090,657 for an increase of 16.02%.
 - ◆ Year to date Actual vs. Budget – a favorable variance of \$520,345.
- Federal, state and local grant assistance is a category of non-operating income that includes reimbursements for certain maintenance activities using grants secured from the Federal Transit Administration. Year to date grant revenue is \$38,558 for JARC grants or about 43% of what was budgeted. We expect revenues to increase significantly in the coming months as we begin to draw down preventive maintenance funds in order to close out old grants.
- Investment income is \$22,897 which is about 51% of budget. The variance is due to continued lower than anticipated interest rates. The decrease in investment income when compared to 2010 is \$10,294.

Operating Expenses:

Operating expenses shown in the financial statements are listed by department or 'cost center.' For this more detailed discussion, expenses are presented by type of activity or "object code" for both the month and year-to-date:

Expense	Month			Year to Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Salaries & Benefits	\$ 1,578,435	1,829,831	251,396	4,217,134	4,471,731	254,597
Services	93,154	139,901	46,747	511,280	697,956	186,676
Materials & Supplies	379,984	334,930	(45,054)	1,626,489	1,662,856	36,367
Utilities	23,557	29,749	6,192	142,380	156,354	13,974
Insurance	150,530	142,985	(7,545)	739,724	703,705	(36,019)
Purchased Transportation	534,181	526,873	(7,308)	2,538,723	2,553,447	14,724
Miscellaneous	31,497	50,957	19,460	142,177	205,506	63,329
Leases	3,691	5,147	1,456	31,275	26,025	(5,250)
Total Department Expenses	\$ 2,795,029	3,060,373	265,344	9,949,182	10,477,580	528,398

The following chart shows the actual versus budget expense by month year to date.



- Salaries & Benefits – Favorable to budget by \$254,597 (5.7%) for the year due to a lower than anticipated required pension plan contribution.
- Services – Year to date service costs are below budget by \$186,676 (26.7%). This was due primarily to lower than budgeted amounts for contracted maintenance and vehicle maintenance, consulting and security and appears to be primarily due to timing differences.
- Materials – Fuel and related taxes and fees for directly operated modes of transportation and service vehicles are \$29,253 (3.3%) over budget for the year. Lower than anticipated fuel consumption for directly operated routes has offset year to date cost increases. However there was a negative budget variance of \$25,927 (14.1%) for the month of May. Details as of the end of May:

<u>Fuel Type</u>	<u>Budget Price</u>	<u>Year to Date Average Price</u>	<u>Last Price Paid</u>
Diesel	\$ 2.64	\$3.03	\$ 3.09
Unleaded	\$ 2.48	\$ 2.85	\$ 3.00

Bus Repair Parts and related Vehicle Materials & Supplies combined are under budget by \$32,470. Newer vehicles have been a factor in reducing costs.

Other materials are \$33,150 favorable to budget due primarily to delays in printing costs.

- Utilities – Favorable for the year by a variance of \$13,974. Both telephones and electricity were less than budgeted while gas and water exceeded budget.
- Insurance – The Authority’s self-funded health insurance is \$31,554 (5.5%) over budget. Property & liability insurance has a negative variance of \$4,465 (3.5%) due to higher than budgeted rates for windstorm, property and auto liability coverage.
- Purchased Transportation – These costs include transportation services performed by the Authority’s contractors, related fuel, maintenance and other expenses of providing those services. These expenses are \$14,724 (.6%) under budget. Less than anticipated service costs for the Harbor Ferry and MV are more than offsetting higher than budgeted fuel costs.
- Miscellaneous Expenses – Overall, these expenses are under budget by \$63,329 due primarily to lower than expected costs for travel & training, advertising and community services.
- Leases – over budget by about \$5,000 due primarily to lease payments to Kleberg bank on the Port Ayers property. Nothing was budgeted because the purchase of the land was expected to occur prior to the start of the year.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows on page 8 shows the sources and uses of the Authority's cash since January 1, 2011. The format of the statement is designed to clearly show the activities affecting cash flows. Of note is that the scope of this statement is cash and cash equivalents. For example, when investing activities section shows net of cash "used," this means that cash was put into longer term investments that are outside the scope of this statement. Also, when reviewing the Authority's cash position as it relates to net assets, it is important to understand that the Authority's cash and investments are not necessarily idle resources without a purpose attached to them. The primary uses are for the future replacement of buses and bus facilities in the Authority's capital improvement program, which require grant matching funds.

**Corpus Christi Regional Transportation Authority
Comparative Statements of Net Assets (Unaudited)
At May 31, 2011 & April 30, 2011 & May 31, 2010**

	<u>May 31, 2011</u>	<u>April 30, 2011</u>	<u>May 31, 2010</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	-	-
Investments	7,757,328	7,219,610	6,632,566
Receivables:			
Sales taxes	3,682,061	4,189,913	3,359,683
Accrued interest receivable	131,494	107,601	69,198
Due from federal/state Government	632,805	33,481	1,672,416
Other	57,298	53,440	45,334
Inventory	478,914	527,931	606,526
Other current assets	197,505	237,688	189,318
Total current assets	<u>12,937,405</u>	<u>12,369,664</u>	<u>12,575,041</u>
Reserved Assets:			
Cash and cash equivalents	12,313,859	11,984,431	10,192,967
Investments	431,536	988,804	1,537,672
Sales taxes	-	-	-
Accrued interest receivable	-	-	-
Due from federal/state Government	-	-	-
Other current assets	-	-	-
Total reserved assets	<u>12,745,395</u>	<u>12,973,235</u>	<u>11,730,639</u>
Property and Equipment:			
Land	1,928,997	1,928,997	1,722,307
Buildings	16,741,830	16,741,830	9,823,133
Transit stations, bus stops & Street Pads	17,370,114	17,370,114	16,871,482
Other improvements	1,695,709	1,695,709	1,695,710
Vehicles and equipment	40,831,600	40,831,600	38,950,830
Construction in progress	5,425,262	4,989,583	10,454,775
Total property and equipment	83,993,512	83,557,833	79,518,237
Less: Accumulated Depreciation	(47,464,164)	(47,005,831)	(42,224,735)
Net property and equipment	<u>36,529,348</u>	<u>36,552,002</u>	<u>37,293,502</u>
Net Pension asset	177,546	1,064,288	600,000
Total Assets	\$ <u>62,389,694</u>	<u>62,959,189</u>	<u>62,199,182</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 739,439	839,720	780,483
Accrued compensated absences	201,115	201,115	191,872
Accrued pension liability	-	-	-
Other accrued liabilities	675,635	602,229	654,215
Total current liabilities	<u>1,616,189</u>	<u>1,643,064</u>	<u>1,626,570</u>
Noncurrent Liabilities:			
Accrued compensated absences	68,902	68,902	70,382
Other Post Employment Benefits	383,756	383,756	217,505
Total noncurrent liabilities	<u>452,658</u>	<u>452,658</u>	<u>287,887</u>
Total Liabilities	2,068,847	2,095,722	1,914,457
NET ASSETS (Note)			
Investment in Capital Assets:			
Contributed Capital Assets	29,687,248	29,092,997	29,529,529
Other Capital Assets	6,842,100	7,459,005	7,763,973
Total Investment in Capital Assets	<u>36,529,348</u>	<u>36,552,002</u>	<u>37,293,502</u>
Internally Designated Net Assets:			
Operating reserve	3,369,408	3,369,408	3,309,578
Employee benefit reserve	487,960	715,800	964,000
Grant matching reserve	4,379,377	4,379,377	2,782,570
Capital acquisition reserve	3,127,764	3,127,764	1,500,000
Capital replacement reserve	1,380,886	1,380,886	3,174,491
Reserves before pension plan	<u>12,745,395</u>	<u>12,973,235</u>	<u>11,730,639</u>
Reserve for pension plan obligation	177,546	1,064,288	600,000
Unreserved	12,790,798	11,059,315	11,397,568
Current year income (loss)	(1,922,240)	(785,373)	(736,984)
Total Net Assets	<u>60,320,847</u>	<u>60,863,467</u>	<u>60,284,725</u>
Total Liabilities and Net Assets	\$ <u>62,389,694</u>	<u>62,959,189</u>	<u>62,199,182</u>

Note - See Accompanying Narrative

**Corpus Christi Regional Transportation Authority
Statement of Revenues And Expenditures By Cost Center (Unaudited)
Months ended May 31, 2011 & May 31, 2010**

	Current Month			Prior Year Comparison	
	Actual	Budget	Favorable (Unfavorable)	2010	Favorable (Unfavorable)
			Variance		Comparison
A	B	A vs B	C	A vs C	
Operating Revenues:					
Passenger service	\$ 132,509	125,349	7,160	121,957	10,552
Bus advertising	3,334	3,333	1	3,334	-
Charter service	-	-	-	3,000	(3,000)
Other operating revenues	5,908	4,204	1,704	4,381	1,527
Total Operating Revenues	141,751	132,886	8,865	132,672	9,079
Operating Expenses:					
Transportation	431,550	420,607	(10,943)	420,147	(11,403)
Customer Programs	23,748	41,743	17,995	23,685	(63)
Purchased Transportation	540,497	534,059	(6,438)	478,578	(61,919)
Service Development	14,139	19,561	5,422	21,702	7,563
MIS	14,131	18,518	4,387	14,971	840
Vehicle Maintenance	486,478	473,094	(13,384)	398,644	(87,834)
Facilities Maintenance	76,323	79,856	3,533	57,659	(18,664)
Contracts and Grants	11,085	10,428	(657)	9,256	(1,829)
CEO's Office	59,064	61,866	2,802	141,855	82,791
Finance and Accounting	21,055	24,844	3,789	25,152	4,097
Materials Management	11,302	11,036	(266)	12,776	1,474
Human Resources	1,051,403	1,287,011	235,608	148,394	(903,009)
DBE/EEO	11,291	13,420	2,129	10,112	(1,179)
Capital Projects	8,794	9,475	681	8,656	(138)
Marketing & Special Projects	34,177	29,454	(4,723)	18,841	(15,336)
TCN - Regional Coordinator	(8)	25,401	25,409	-	8
Total Departmental Expenses	2,795,029	3,060,373	265,344	1,790,428	(1,004,601)
Depreciation	458,333	458,333	-	366,667	(91,666)
Total Operating Expenses	3,253,362	3,518,706	265,344	2,157,095	(1,096,267)
Operating Income (Loss)	(3,111,611)	(3,385,820)	274,209	(2,024,423)	(1,087,188)
Other Income (Expense)					
Sales Tax Revenue	1,965,182	1,727,486	237,696	1,809,750	155,432
Federal, state and local grant assistance	5,073	30,000	(24,927)	12,370	(7,297)
Investment Income	4,489	9,000	(4,511)	6,905	(2,416)
Gain (Loss) on Disposition of Property	-	-	-	-	-
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
Net Other Income (Expense)	1,974,744	1,766,486	208,258	1,829,025	145,719
Net Income (Loss)	\$ (1,136,867)	(1,619,334)	482,467	(195,398)	(941,469)

The unaudited financial statements for the month of May 31, 2011 have been reviewed and appear to be reasonable.

SEV Reviewed

Corpus Christi Regional Transportation Authority
Statement of Revenues And Expenditures By Cost Center (Unaudited)
Year-to-date May 31, 2011 & May 31, 2010

	Year-to-date			Prior Year Comparison	
	Actual	Budget	Favorable (Unfavorable)	2010	Favorable (Unfavorable)
			Variance		Comparison
A	B	A vs B	C	A vs C	
Operating Revenues:					
Passenger service	\$ 672,343	640,686	31,657	612,115	60,228
Bus advertising	16,667	16,665	2	16,667	-
Charter service	-	-	-	3,000	(3,000)
Other operating revenues	18,268	21,020	(2,752)	21,208	(2,940)
Total Operating Revenues	707,278	678,371	28,907	652,990	54,288
Operating Expenses:					
Transportation	2,063,250	2,048,822	(14,428)	2,055,539	(7,711)
Customer Programs	129,026	172,259	43,233	132,643	3,617
Purchased Transportation	2,589,560	2,581,168	(8,392)	2,374,759	(214,801)
Service Development	65,205	75,055	9,850	93,834	28,629
MIS	141,347	177,546	36,199	106,233	(35,114)
Vehicle Maintenance	2,179,262	2,309,087	129,825	1,911,659	(267,603)
Facilities Maintenance	390,949	401,851	10,902	311,556	(79,393)
Contracts and Grants	50,646	54,784	4,138	55,532	4,886
CEO's Office	311,408	346,109	34,701	323,340	11,932
Finance and Accounting	115,686	123,090	7,404	122,240	6,554
Materials Management	58,034	55,463	(2,571)	56,805	(1,229)
Human Resources	1,609,856	1,816,246	206,390	627,738	(982,118)
DBE/EEO	76,406	70,105	(6,301)	60,235	(16,171)
Capital Projects	43,414	40,977	(2,437)	42,561	(853)
Marketing & Special Projects	113,106	147,680	34,574	79,626	(33,480)
TCN - Regional Coordinator	12,027	57,338	45,311	-	(12,027)
Total Departmental Expenses	9,949,182	10,477,580	528,398	8,354,300	(1,594,882)
Depreciation	2,291,665	2,291,665	-	1,833,335	(458,330)
Total Operating Expenses	12,240,847	12,769,245	528,398	10,187,635	(2,053,212)
Operating Income (Loss)	(11,533,569)	(12,090,874)	557,305	(9,534,645)	(1,998,924)
Other Income (Expense)					
Sales Tax Revenue	9,548,104	9,027,679	520,425	8,694,972	853,132
Federal, state and local grant assistance	38,558	90,000	(51,442)	69,158	(30,600)
Investment Income	22,897	45,000	(22,103)	33,191	(10,294)
Gain (Loss) on Disposition of Property	1,770	-	1,770	340	1,430
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
Net Other Income (Expense)	9,611,329	9,162,679	448,650	8,797,661	813,668
Net Income (Loss)	\$ (1,922,240)	(2,928,195)	1,005,955	(736,984)	(1,185,256)

The unaudited financial statements for year-to-date ended May 31, 2011 have been reviewed and appear to be reasonable. SEV Reviewed

Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
Year-to-date May 31, 2011

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 663,583
Cash Received from Bus Advertising and Other Ancillary	44,858
Cash Payments to Suppliers for Goods and Services	(4,941,371)
Cash Payments to Employees for Services	(3,209,594)
Cash Payments for Employee Benefits	(1,802,479)
Net Cash Used for Operating Activities	<u>(9,245,003)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received	10,308,205
Grants and Other Reimbursements	38,558
Distributions to Region Entities	(541,328)
Net Cash Provided by Non-Capital Financing Activities	<u>9,805,435</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance	3,313,841
Proceeds from Sale of Capital Assets	1,766
Purchase and Construction of Capital Assets	(3,326,149)
Net Cash Provided by Capital and Related Financing Activities	<u>(10,542)</u>

Cash Flows from Investing Activities:

Investment Income	69,830
Purchases of Investments	(3,016,380)
Maturities and Redemptions of Investments	3,000,000
Net Cash Provided by Non-Capital Financing Activities	<u>53,450</u>

Net Increase in Cash and Cash Equivalents 603,340

Cash and Cash Equivalents, January 1 11,710,519

Cash and Cash Equivalents, Ending \$ 12,313,859

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$ 0
Reserved cash and cash equivalents	12,313,859
Cash and Cash Equivalents, Ending	<u>\$ 12,313,859</u>

Corpus Christi Regional Transportation Authority Sales Tax History

Highest comparable months are shaded

Sales tax history reported by month generated in the community.

(Accrual Method of Accounting - Reported in month RTA earns the income.)

	2011	% Change	2010	2009	2008	2007
January	\$ 1,603,597	-6.1%	\$ 1,707,787	\$ 1,731,089	\$ 1,627,494	\$ 1,524,518
February	1,789,411	5.9%	1,690,511	1,780,559	1,664,758	1,684,537
March	2,473,035	27.7%	1,936,991	2,027,122	2,206,449	2,001,554
April	1,954,495	15.8%	1,688,314	1,638,161	1,878,111	1,576,532
May	1,727,566	-4.2%	1,803,150	1,634,741	1,858,483	1,728,626
June		N/A	2,195,580	1,733,918	2,252,697	1,836,852
July		N/A	1,804,051	1,625,860	2,110,894	1,657,034
August		N/A	1,769,527	1,567,976	1,919,105	1,737,809
September		N/A	2,080,698	1,720,734	2,120,582	1,823,751
October		N/A	1,772,941	1,583,354	1,926,081	1,652,417
November		N/A	1,865,505	1,542,919	1,897,111	1,871,651
December		N/A	2,576,657	2,235,142	2,792,366	2,233,684
Total	\$ 9,548,104	-58.3%	\$ 22,891,712	\$ 20,821,573	\$ 24,254,131	\$ 21,328,965

Note: The last month of the current year is estimated until the amount becomes known.

