



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

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

Financial Report

August 2011

Prepared by:

Finance Department

Susan Vinson, Director of Finance

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for August 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 AUGUST 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 7 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//2010/03/2010-CAFR.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 7 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 \$62.6 million, liabilities of \$3.7 million and net assets (assets less liabilities) of \$58.9 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 as well as any construction in progress at the end of 2010. At year-end, an analysis will be performed to reclassify these outlays into the specific asset categories listed in the asset section.

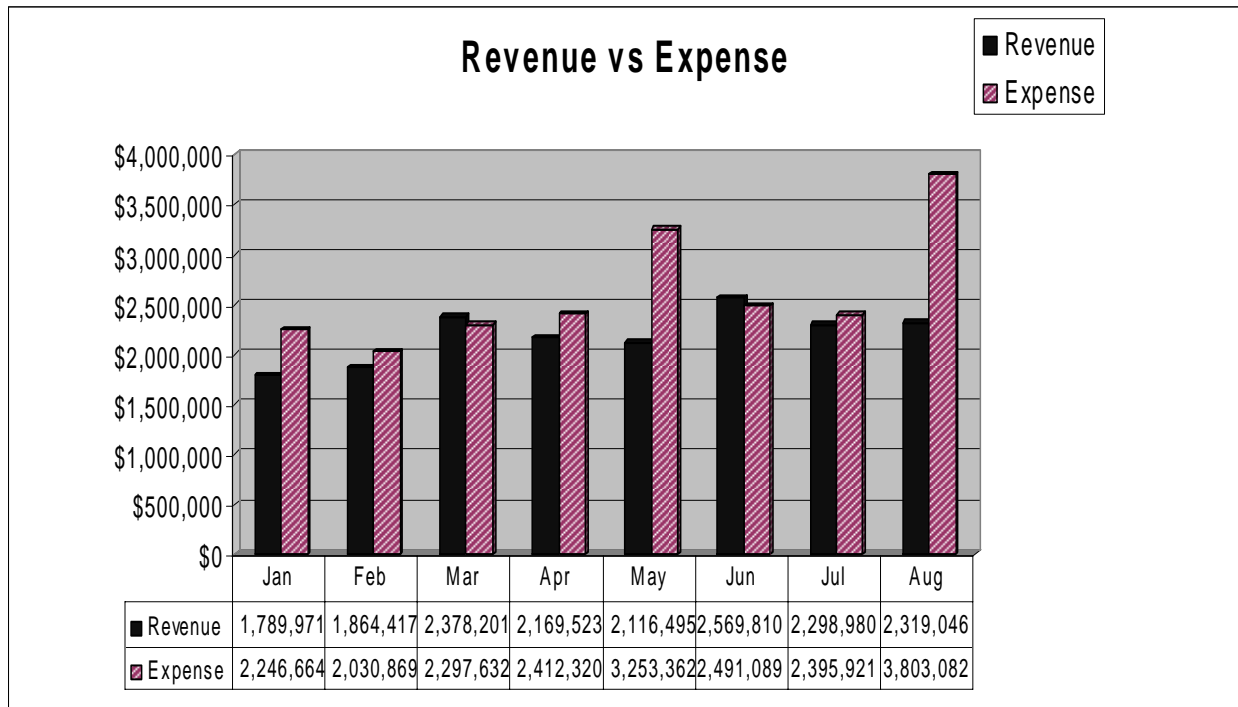
Liabilities include trade payables, accrued payroll and employee benefits, estimated leave balances due to Authority employees and amounts due for the Authority's street improvement program that are accrued but not paid as of the end of the month.

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

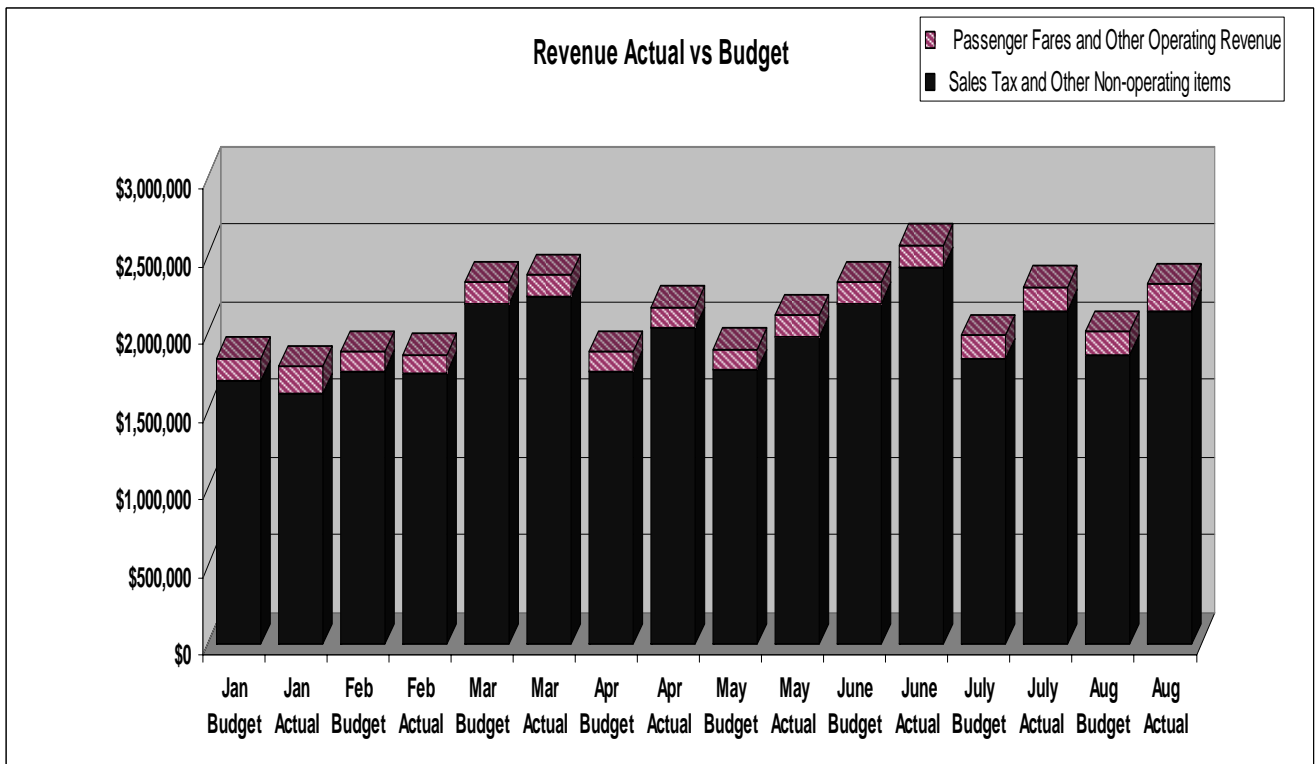
The monthly and annual statements of revenues and expenses begin on page 8. The Authority has a year-to-date net loss of \$3,424,496 compared to a budgeted year-to-date net loss of \$5,128,566. Total revenues exceed budget by \$1,337,029, while operating expenses are under budget by \$367,041. In August 2011, \$1,289,945 (budgeted) was accrued for the 2011 Regional Entities Street Improvement Program.

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 ancillary activities. Total operating revenues are \$56,140 more than the Fiscal 2011 budget and \$110,559 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 \$58,102 (5.5%) more than budgeted. Revenues from passenger service are \$115,327 (11.5%) higher than in 2010. The Harbor Ferry is responsible for \$45,244 of the increase over 2010. The increase is 7.0% if the Harbor Ferry is disregarded.
- Bus Advertising – This represents contractual on-board advertising. These revenues are even with the budgeted amounts and ahead of the prior year amounts by one month (July). In 2010, the former contract expired June 30 while the new contract was not effective until August 1.
- 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 \$1,965 under budget and \$5,102 lower than in 2010. Over \$4,000 was received in escheated property from the State of Texas in January 2010.

Sales Tax and Other Non-Operating Items:

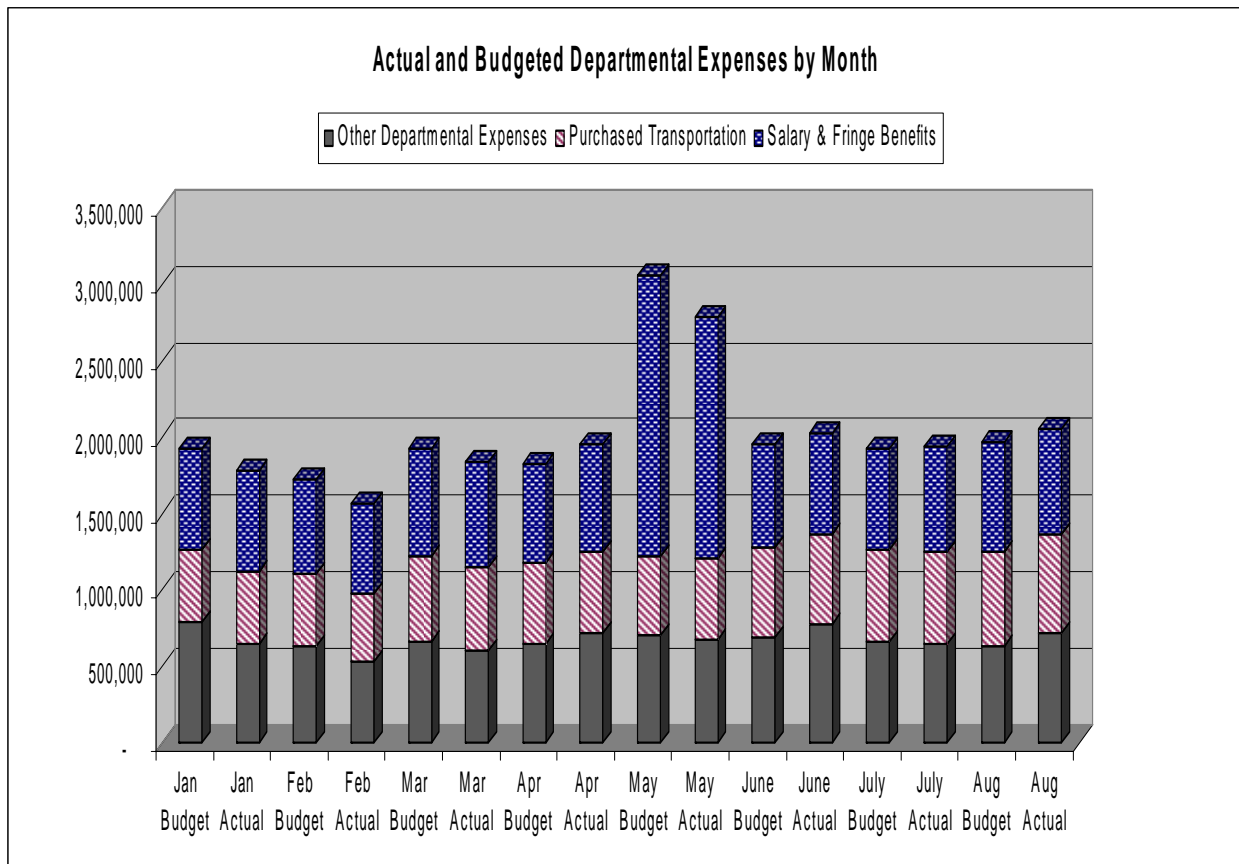
- Sales Taxes – Sales tax revenue information becomes known two months following the month in which the sales taxes were generated in the community. Through **July** of 2011, sales tax was as follows:
 - ◆ Year to date - \$14,434,691 which is \$1,608,307 (12.54%) more than 2010. Without audit activity, the increase would have been \$2,005,312 for an increase of 15.99%.
 - ◆ Year to date Actual vs. Budget – a favorable variance of \$1,464,095.
- 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 \$59,303 for JARC grants or about 30% of what was budgeted. We expect revenues to increase significantly in the coming months as we begin to draw down preventive maintenance funds.
- Investment income is \$26,699 which is about 38% of budget. The variance is due to continued lower than anticipated interest rates. The decrease in investment income when compared to 2010 is \$34,354. Recent statements by the Fed indicate that interest rates will remain historically low through 2012.

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	\$ 691,041	717,559	26,518	6,252,684	6,529,970	277,286
Services	119,095	95,095	(24,000)	884,082	1,074,120	190,038
Materials & Supplies	405,520	335,600	(69,920)	2,771,475	2,662,774	(108,701)
Utilities	27,150	31,744	4,594	234,624	251,590	16,966
Insurance	152,544	144,414	(8,130)	1,180,583	1,138,197	(42,386)
Purchased Transportation	637,629	616,898	(20,731)	4,376,171	4,356,946	(19,225)
Miscellaneous	15,966	29,897	13,931	227,188	286,162	58,974
Leases	5,859	5,148	(711)	47,523	41,612	(5,911)
Total Department Expenses	\$ 2,054,804	1,976,355	(78,449)	15,974,330	16,341,371	367,041

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



- Salaries & Benefits – Favorable to budget by \$277,286 (4.2%) for the year due to a lower than anticipated required pension plan contribution.
- Services – Year to date service costs are below budget by \$190,038 (17.7%). This was due primarily to lower than budgeted amounts for contracted vehicle maintenance, consulting and other professional services 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 \$128,840 (8.9%) over budget for the year. Lower than anticipated fuel consumption for directly operated routes has partially offset year to date cost increases. There was a negative budget variance of \$37,866 (20.6%) for the month of August. Details as of the end of August:

Fuel Type	Budget Price	Year to Date Average Price	Last Price Paid
Diesel	\$ 2.64	\$3.05	\$ 3.09
Unleaded	\$ 2.48	\$ 2.91	\$ 2.93

Bus Repair Parts and related Vehicle Materials & Supplies combined are under budget by \$8,100.

Other materials are \$12,039 favorable to budget due primarily to delays in printing costs.

- Utilities – Favorable for the year by a variance of \$16,966 primarily due to lower telecommunications charges.
- Insurance – The Authority’s self-funded health insurance is \$47,009 (5.1%) over budget. Property & liability insurance has a positive variance of \$4,623 (2.2%) due to lower than budgeted rates for windstorm and property coverage offset by higher than budgeted rates for 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 \$19,225 (.44%) over budget. Less than anticipated service costs for the Harbor Ferry of \$75,420 are more than offset by higher than budgeted fuel costs of almost \$158,000. B-Line services are \$20,701 (1.0%) over budget.
- Miscellaneous Expenses – Overall, these expenses are under budget by \$58,974 due primarily to lower than expected costs for travel & training, advertising and community services.
- Leases – over budget by \$5,911 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 10 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 August 31, 2011 & July 30, 2011 & August 31, 2010**

	<u>August 31, 2011</u>	<u>July 31, 2011</u>	<u>August 31, 2010</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	-	-
Investments	8,141,730	7,377,231	4,401,215
Receivables:			
Sales taxes	3,925,573	4,294,444	3,584,608
Accrued interest receivable	42,456	26,307	60,486
Due from federal/state Government	22,461	15,448	375,690
Other	67,495	60,009	55,655
Inventory	514,027	559,405	606,132
Other current assets	181,955	220,797	198,451
Total current assets	<u>12,895,697</u>	<u>12,553,641</u>	<u>9,282,237</u>
Reserved Assets:			
Cash and cash equivalents	14,192,775	13,415,127	10,366,361
Investments	8,194	785,842	3,908,675
Sales taxes	-	-	-
Accrued interest receivable	-	-	-
Due from federal/state Government	-	-	-
Other current assets	-	-	-
Total reserved assets	<u>14,200,969</u>	<u>14,200,969</u>	<u>14,275,036</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	5,557,080	5,505,247	11,607,821
Total property and equipment	84,125,330	84,073,497	80,671,283
Less: Accumulated Depreciation	(48,839,163)	(48,380,830)	(43,324,736)
Net property and equipment	<u>35,286,167</u>	<u>35,692,667</u>	<u>37,346,547</u>
Net Pension asset	177,546	177,546	-
Total Assets	\$ <u>62,560,379</u>	<u>62,624,823</u>	<u>60,903,820</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 2,222,817	886,665	1,334,972
Accrued compensated absences	201,115	201,115	191,872
Accrued pension liability	-	-	-
Other accrued liabilities	811,114	727,676	694,320
Total current liabilities	<u>3,235,046</u>	<u>1,815,456</u>	<u>2,221,164</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	3,687,704	2,268,114	2,509,051
NET ASSETS (Note)			
Investment in Capital Assets:			
Contributed Capital Assets	29,741,330	29,741,330	29,792,350
Other Capital Assets	5,544,837	5,951,337	7,554,197
Total Investment in Capital Assets	<u>35,286,167</u>	<u>35,692,667</u>	<u>37,346,547</u>
Internally Designated Net Assets:			
Operating reserve	3,369,408	3,369,408	3,309,578
Employee benefit reserve	487,960	487,960	715,800
Grant matching reserve	5,257,845	5,257,845	6,466,053
Capital acquisition reserve	3,621,402	3,621,402	1,862,701
Capital replacement reserve	1,464,354	1,464,354	1,920,904
Reserves before pension plan	14,200,969	14,200,969	14,275,036
Reserve for pension plan obligation	177,546	177,546	-
Unreserved	12,632,489	12,225,987	9,662,947
Current year income (loss)	(3,424,496)	(1,940,460)	(2,889,761)
Total Net Assets	<u>58,872,675</u>	<u>60,356,709</u>	<u>58,394,769</u>
Total Liabilities and Net Assets	\$ <u>62,560,379</u>	<u>62,624,823</u>	<u>60,903,820</u>

Note - See Accompanying Narrative

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

	Current Month			Prior Year Comparison	
	Actual	Budget	Favorable	2010	Favorable
			(Unfavorable)		(Unfavorable)
A	B	A vs B	C	A vs C	
Operating Revenues:					
Passenger service	\$ 160,267	144,754	15,513	130,097	30,170
Bus advertising	3,334	3,333	1	3,333	1
Charter service	-	-	-	-	-
Other operating revenues	5,477	4,204	1,273	7,181	(1,704)
Total Operating Revenues	169,078	152,291	16,787	140,611	28,467
Operating Expenses:					
Transportation	441,930	440,182	(1,748)	413,608	(28,322)
Customer Programs	25,374	33,677	8,303	26,043	669
Purchased Transportation	642,529	621,794	(20,735)	506,028	(136,501)
Service Development	21,605	20,128	(1,477)	13,762	(7,843)
MIS	14,553	23,838	9,285	21,563	7,010
Vehicle Maintenance	521,762	448,354	(73,408)	416,658	(105,104)
Facilities Maintenance	78,854	81,269	2,415	67,981	(10,873)
Contracts and Grants	13,222	10,927	(2,295)	10,098	(3,124)
CEO's Office	55,804	68,188	12,384	88,940	33,136
Finance and Accounting	25,312	26,589	1,277	24,165	(1,147)
Materials Management	11,276	11,974	698	11,425	149
Human Resources	167,618	132,297	(35,321)	117,151	(50,467)
DBE/EEO	10,436	10,754	318	10,330	(106)
Capital Projects	6,332	8,685	2,353	8,620	2,288
Marketing & Special Projects	18,197	30,029	11,832	18,177	(20)
TCN - Regional Coordinator	-	7,670	7,670	6,249	6,249
Total Departmental Expenses	2,054,804	1,976,355	(78,449)	1,760,798	(294,006)
Depreciation	458,333	458,333	-	366,667	(91,666)
Total Operating Expenses	2,513,137	2,434,688	(78,449)	2,127,465	(385,672)
Operating Income (Loss)	(2,344,059)	(2,282,397)	(61,662)	(1,986,854)	(357,205)
Other Income (Expense)					
Sales Tax Revenue	2,140,082	1,811,268	328,814	1,838,812	301,270
Federal, state and local grant assistance	7,013	40,000	(32,987)	31,287	(24,274)
Investment Income	2,873	10,000	(7,127)	6,468	(3,595)
Gain (Loss) on Disposition of Property	-	-	-	-	-
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	(1,289,945)	(1,289,945)	-	(1,107,891)	(182,054)
Net Other Income (Expense)	860,023	571,323	288,700	768,676	91,347
Net Income (Loss)	\$ (1,484,036)	(1,711,074)	227,038	(1,218,178)	(265,858)

The unaudited financial statements for the month of August 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 August 31, 2011 & August 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	\$ 1,114,356	1,056,254	58,102	999,029	115,327
Bus advertising	26,667	26,664	3	23,333	3,334
Charter service	-	-	-	3,000	(3,000)
Other operating revenues	31,667	33,632	(1,965)	36,769	(5,102)
Total Operating Revenues	1,172,690	1,116,550	56,140	1,062,131	110,559
Operating Expenses:					
Transportation	3,373,217	3,313,970	(59,247)	3,335,575	(37,642)
Customer Programs	204,383	271,306	66,923	213,645	9,262
Purchased Transportation	4,441,209	4,398,750	(42,459)	3,848,700	(592,509)
Service Development	112,684	137,912	25,228	137,717	25,033
MIS	183,950	238,536	54,586	161,169	(22,781)
Vehicle Maintenance	3,655,840	3,629,356	(26,484)	3,133,521	(522,319)
Facilities Maintenance	632,509	653,043	20,534	509,780	(122,729)
Contracts and Grants	84,091	89,220	5,129	84,872	781
CEO's Office	530,459	526,045	(4,414)	528,957	(1,502)
Finance and Accounting	215,614	227,543	11,929	221,854	6,240
Materials Management	91,905	92,682	777	92,726	821
Human Resources	2,069,603	2,274,616	205,013	2,148,007	78,404
DBE/EEO	110,000	105,516	(4,484)	90,443	(19,557)
Capital Projects	70,503	67,571	(2,932)	69,660	(843)
Marketing & Special Projects	186,149	237,990	51,841	135,660	(50,489)
TCN - Regional Coordinator	12,214	77,315	65,101	21,845	9,631
Total Departmental Expenses	15,974,330	16,341,371	367,041	14,734,131	(1,240,199)
Depreciation	3,666,664	3,666,664	-	2,933,336	(733,328)
Total Operating Expenses	19,640,994	20,008,035	367,041	17,667,467	(1,973,527)
Operating Income (Loss)	(18,468,304)	(18,891,485)	423,181	(16,605,336)	(1,862,968)
Other Income (Expense)					
Sales Tax Revenue	16,245,981	14,781,864	1,464,117	14,606,941	1,639,040
Federal, state and local grant assistance	59,303	200,000	(140,697)	144,645	(85,342)
Investment Income	26,699	71,000	(44,301)	61,053	(34,354)
Gain (Loss) on Disposition of Property	1,770	-	1,770	10,827	(9,057)
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	(1,289,945)	(1,289,945)	-	(1,107,891)	(182,054)
Net Other Income (Expense)	15,043,808	13,762,919	1,280,889	13,715,575	1,328,233
Net Income (Loss)	\$ (3,424,496)	(5,128,566)	1,704,070	(2,889,761)	(534,735)

The unaudited financial statements for year-to-date ended August 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 August 31, 2011

Cash Flows From Operating Activities:

Cash Received from Customers	\$	1,105,614
Cash Received from Bus Advertising and Other Ancillary		58,060
Cash Payments to Suppliers for Goods and Services		(8,247,814)
Cash Payments to Employees for Services		(4,952,594)
Cash Payments for Employee Benefits		(2,327,585)
Net Cash Used for Operating Activities		<u>(14,364,319)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received		16,762,570
Grants and Other Reimbursements		59,303
Distributions to Region Entities		(676,113)
Net Cash Provided by Non-Capital Financing Activities		<u>16,145,760</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance		3,978,267
Proceeds from Sale of Capital Assets		1,768
Purchase and Construction of Capital Assets		(3,464,450)
Net Cash Provided by Capital and Related Financing Activities		<u>515,585</u>

Cash Flows from Investing Activities:

Investment Income		207,070
Purchases of Investments		(5,121,840)
Maturities and Redemptions of Investments		5,100,000
Net Cash Provided by Non-Capital Financing Activities		<u>185,230</u>

Net Increase in Cash and Cash Equivalents 2,482,256

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

Cash and Cash Equivalents, Ending \$ 14,192,775

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$	0
Reserved cash and cash equivalents		14,192,775
Cash and Cash Equivalents, Ending	\$	<u><u>14,192,775</u></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	2006
January	\$ 1,603,597	-6.1%	\$ 1,707,787	\$ 1,731,089	\$ 1,627,494	\$ 1,524,518	\$ 1,490,686
February	1,789,411	5.9%	1,690,511	1,780,559	1,664,758	1,684,537	1,537,300
March	2,473,035	27.7%	1,936,991	2,027,122	2,206,449	2,001,554	1,967,614
April	1,954,495	15.8%	1,688,314	1,638,161	1,878,111	1,576,532	1,612,713
May	1,990,917	10.4%	1,803,150	1,634,741	1,858,483	1,728,626	1,643,684
June	2,508,953	14.3%	2,195,580	1,733,918	2,252,697	1,836,852	1,834,691
July	2,114,283	17.2%	1,804,051	1,625,860	2,110,894	1,657,034	1,381,050
August	1,811,290	2.4%	1,769,527	1,567,976	1,919,105	1,737,809	1,619,501
September		N/A	2,080,698	1,720,734	2,120,582	1,823,751	1,672,215
October		N/A	1,772,941	1,583,354	1,926,081	1,652,417	1,525,077
November		N/A	1,865,505	1,542,919	1,897,111	1,871,651	1,578,043
December		N/A	2,576,657	2,235,142	2,792,366	2,233,684	2,252,708
Total	\$ 16,245,981	-29.0%	\$ 22,891,712	\$ 20,821,573	\$ 24,254,131	\$ 21,328,965	\$ 20,115,282

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

