



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

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

Financial Report

July 2011

Prepared by:

Finance Department

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CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for July 2011

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**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
FINANCIAL REPORT
MONTH AND YEAR TO DATE JULY 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 \$2.3 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 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.

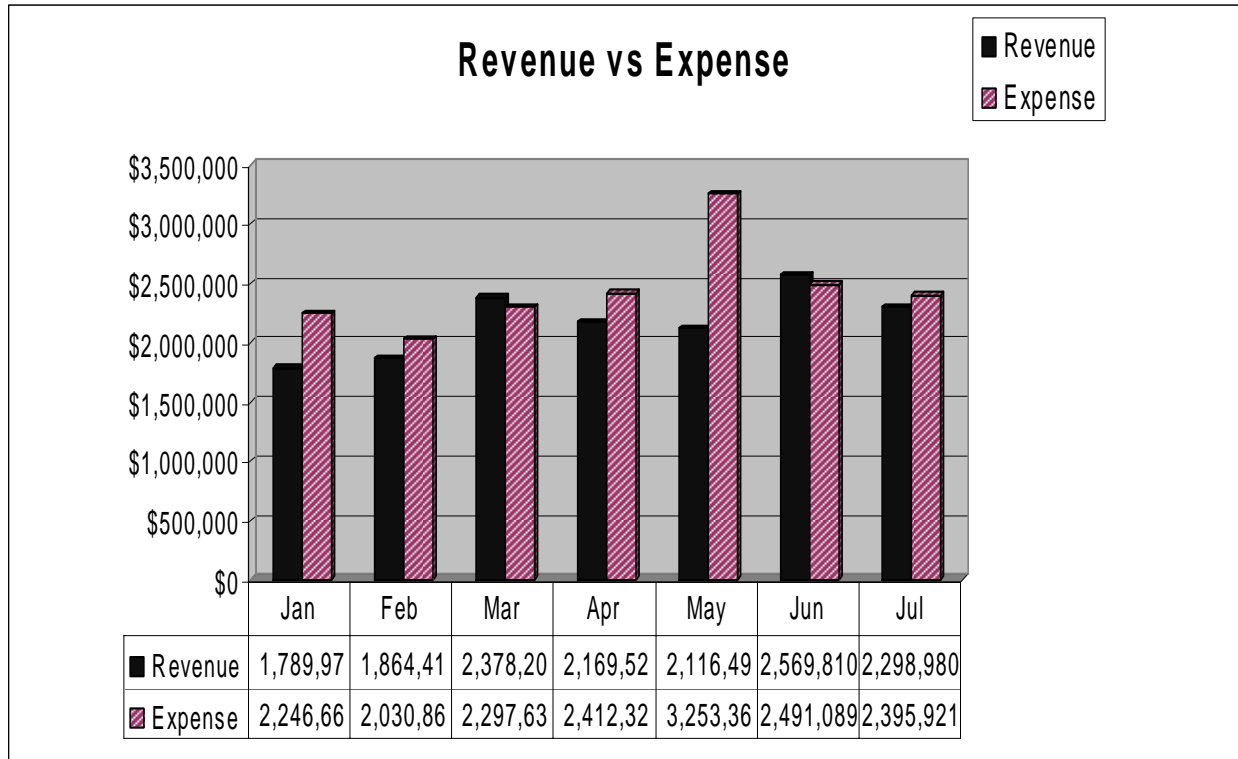
Liabilities include trade payables, accrued payroll and employee benefits, estimated leave balances due to Authority employees and amounts due for the Authority's street improvement program that are accrued but not paid as of the end of the month.

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

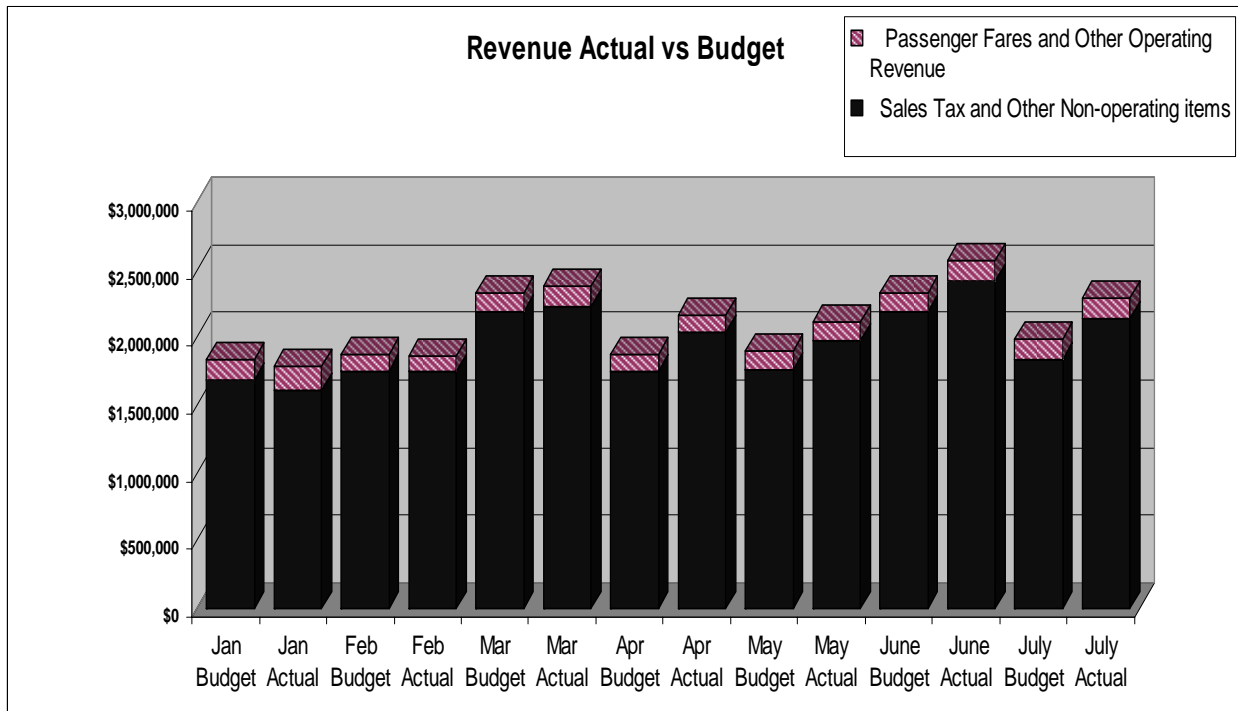
The monthly and annual statements of revenues and expenses begin on page 8. The Authority has a year-to-date net loss of \$1,940,460 compared to a budgeted year-to-date net loss of \$3,417,492. Total revenues exceed budget by \$1,031,542, while operating expenses are under budget by \$445,490.

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 \$39,353 more than the Fiscal 2011 budget and \$82,092 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 \$42,589 (4.7%) more than budgeted. Revenues from passenger service are \$85,157 (9.8%) higher than in 2010. The Harbor Ferry is responsible for \$34,817 of the increase over 2010. The increase is 5.8% 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 \$3,238 under budget and \$3,398 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:

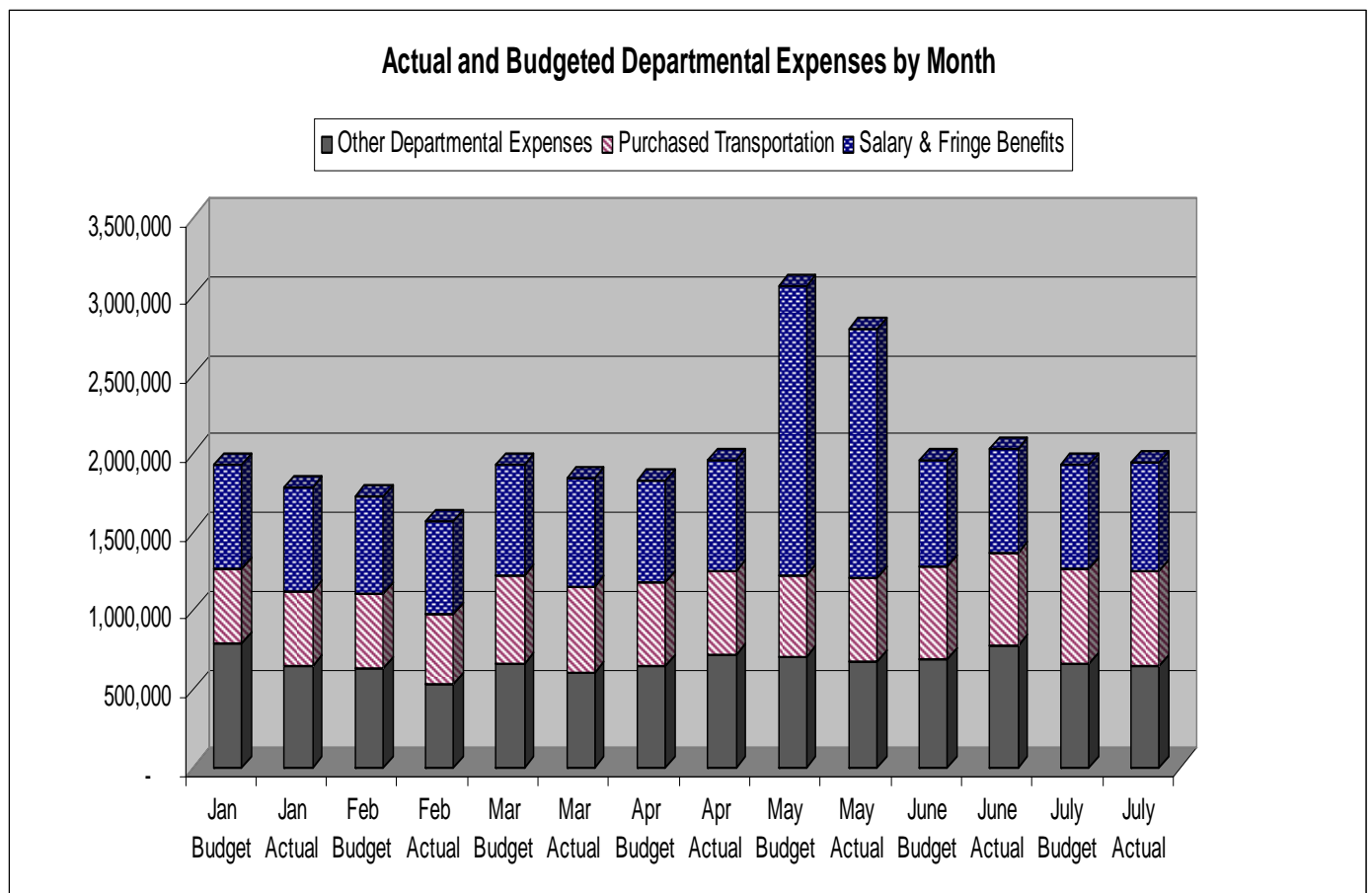
- **Sales Taxes** – Sales tax revenue information becomes known two months following the month in which the sales taxes were generated in the community. Through **June** of 2011, sales tax was as follows:
 - ◆ Year to date - \$12,320,408 which is \$1,298,075 (11.78%) more than 2010. Without audit activity, the increase would have been \$1,729,669 for an increase of 16.14%.
 - ◆ Year to date Actual vs. Budget – a favorable variance of \$1,135,709.
- 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 \$52,290 for JARC grants or about 33% 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 \$23,826 which is about 39% of budget. The variance is due to continued lower than anticipated interest rates. The decrease in investment income when compared to 2010 is \$30,759. 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	\$ 685,940	656,186	(29,754)	5,561,643	5,812,411	250,768
Services	123,823	125,144	1,321	764,987	979,025	214,038
Materials & Supplies	354,716	335,219	(19,497)	2,365,955	2,327,174	(38,781)
Utilities	29,100	31,748	2,648	207,474	219,846	12,372
Insurance	112,287	144,414	32,127	1,028,039	993,783	(34,256)
Purchased Transportation	599,745	604,158	4,413	3,738,542	3,740,048	1,506
Miscellaneous	28,342	21,977	(6,365)	211,222	256,265	45,043
Leases	3,635	5,291	1,656	41,664	36,464	(5,200)
Total Department Expenses	\$ 1,937,588	1,924,137	(13,451)	13,919,526	14,365,016	445,490

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



- Salaries & Benefits – Favorable to budget by \$250,768 (4.3%) for the year due to a lower than anticipated required pension plan contribution.
- Services – Year to date service costs are below budget by \$214,038 (21.9%). 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 \$90,974 (7.2%) over budget for the year. Lower than anticipated fuel consumption for directly operated routes has partially offset year to date cost increases. However there was a negative budget variance of \$25,575 (13.9%) for the month of July. Details as of the end of July:

Fuel Type	Budget Price	Year to Date Average Price	Last Price Paid
Diesel	\$ 2.64	\$3.06	\$ 3.21
Unleaded	\$ 2.48	\$ 2.91	\$ 3.11

Bus Repair Parts and related Vehicle Materials & Supplies combined are under budget by \$35,179. Newer vehicles have been a factor in reducing costs.

Other materials are \$17,014 favorable to budget due primarily to delays in printing costs.

- Utilities – Favorable for the year by a variance of \$12,372 primarily due to lower telecommunications charges.
- Insurance – The Authority’s self-funded health insurance is \$35,848 (4.4%) over budget. Property & liability insurance has a positive variance of \$1,592 (.9%) 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 \$1,506 (.04%) under budget. Less than anticipated service costs for the Harbor Ferry and contracted fixed routes are offsetting higher than budgeted fuel costs.
- Miscellaneous Expenses – Overall, these expenses are under budget by \$45,043 due primarily to lower than expected costs for travel & training, advertising and community services.
- Leases – over budget by \$5,200 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 July 31, 2011 & June 30, 2011 & July 31, 2010**

	<u>July 31, 2011</u>	<u>June 30, 2011</u>	<u>July 31, 2010</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	-	-
Investments	7,377,231	6,753,897	4,753,628
Receivables:			
Sales taxes	4,294,444	4,147,939	3,941,377
Accrued interest receivable	26,307	10,159	38,207
Due from federal/state Government	15,448	310,553	358,003
Other	60,009	51,587	53,588
Inventory	559,405	530,027	627,263
Other current assets	220,797	254,543	230,758
Total current assets	<u>12,553,641</u>	<u>12,058,705</u>	<u>10,002,824</u>
Reserved Assets:			
Cash and cash equivalents	13,415,127	12,778,644	10,701,667
Investments	785,842	1,422,325	3,573,369
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	5,505,247	5,489,559	11,132,558
Total property and equipment	<u>84,073,497</u>	<u>84,057,809</u>	<u>80,196,020</u>
Less: Accumulated Depreciation	<u>(48,380,830)</u>	<u>(47,922,497)</u>	<u>(42,958,069)</u>
Net property and equipment	<u>35,692,667</u>	<u>36,135,312</u>	<u>37,237,951</u>
Net Pension asset	177,546	177,546	-
Total Assets	\$ <u>62,624,823</u>	<u>62,572,532</u>	<u>61,515,811</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 886,665	779,523	789,479
Accrued compensated absences	201,115	201,115	191,872
Accrued pension liability	-	-	-
Other accrued liabilities	727,676	685,589	633,627
Total current liabilities	<u>1,815,456</u>	<u>1,666,227</u>	<u>1,614,978</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	2,268,114	2,118,885	1,902,865
NET ASSETS (Note)			
Investment in Capital Assets:			
Contributed Capital Assets	29,741,330	29,741,330	29,792,350
Other Capital Assets	5,951,337	6,393,982	7,445,601
Total Investment in Capital Assets	<u>35,692,667</u>	<u>36,135,312</u>	<u>37,237,951</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	<u>14,200,969</u>	<u>14,200,969</u>	<u>14,275,036</u>
Reserve for pension plan obligation	177,546	177,546	-
Unreserved	12,225,987	11,783,339	9,771,542
Current year income (loss)	(1,940,460)	(1,843,519)	(1,671,583)
Total Net Assets	<u>60,356,709</u>	<u>60,453,647</u>	<u>59,612,946</u>
Total Liabilities and Net Assets	\$ <u>62,624,823</u>	<u>62,572,532</u>	<u>61,515,811</u>

Note - See Accompanying Narrative

Corpus Christi Regional Transportation Authority
Statement of Revenues And Expenditures By Cost Center (Unaudited)
Months ended July 31, 2011 & July 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	\$ 144,636	143,949	687	123,272	21,364
Bus advertising	3,333	3,333	-	-	3,333
Charter service	-	-	-	-	-
Other operating revenues	4,169	4,204	(35)	5,923	(1,754)
Total Operating Revenues	152,138	151,486	652	129,195	22,943
Operating Expenses:					
Transportation	434,200	408,280	(25,920)	422,455	(11,745)
Customer Programs	23,194	28,951	5,757	24,698	1,504
Purchased Transportation	604,305	608,634	4,329	488,368	(115,937)
Service Development	12,500	19,168	6,668	17,256	4,756
MIS	11,204	18,322	7,118	15,806	4,602
Vehicle Maintenance	473,341	435,224	(38,117)	407,839	(65,502)
Facilities Maintenance	79,308	88,844	9,536	62,370	(16,938)
Contracts and Grants	8,837	12,991	4,154	9,535	698
CEO's Office	97,653	49,108	(48,545)	54,472	(43,181)
Finance and Accounting	23,004	24,187	1,183	25,201	2,197
Materials Management	10,804	11,709	905	11,514	710
Human Resources	117,873	161,567	43,694	113,678	(4,195)
DBE/EEO	11,314	12,136	822	10,449	(865)
Capital Projects	11,915	9,745	(2,170)	9,433	(2,482)
Marketing & Special Projects	18,136	29,193	11,057	24,175	6,039
TCN - Regional Coordinator	-	6,078	6,078	5,118	5,118
Total Departmental Expenses	1,937,588	1,924,137	(13,451)	1,702,367	(235,221)
Depreciation	458,333	458,333	-	366,667	(91,666)
Total Operating Expenses	2,395,921	2,382,470	(13,451)	2,069,034	(326,887)
Operating Income (Loss)	(2,243,783)	(2,230,984)	(12,799)	(1,939,839)	(303,944)
Other Income (Expense)					
Sales Tax Revenue	2,137,422	1,785,897	351,525	2,153,006	(15,584)
Federal, state and local grant assistance	6,773	40,000	(33,227)	17,624	(10,851)
Investment Income	2,647	10,000	(7,353)	6,628	(3,981)
Gain (Loss) on Disposition of Property	-	-	-	10,487	(10,487)
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
Net Other Income (Expense)	2,146,842	1,835,897	310,945	2,187,745	(40,903)
Net Income (Loss)	\$ (96,941)	(395,087)	298,146	247,906	(344,847)

The unaudited financial statements for the month of July 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 July 31, 2011 & July 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	\$ 954,089	911,500	42,589	868,932	85,157
Bus advertising	23,333	23,331	2	20,000	3,333
Charter service	-	-	-	3,000	(3,000)
Other operating revenues	26,190	29,428	(3,238)	29,588	(3,398)
Total Operating Revenues	1,003,612	964,259	39,353	921,520	82,092
Operating Expenses:					
Transportation	2,931,287	2,873,788	(57,499)	2,921,967	(9,320)
Customer Programs	179,009	237,629	58,620	187,602	8,593
Purchased Transportation	3,798,680	3,776,956	(21,724)	3,342,672	(456,008)
Service Development	91,079	117,784	26,705	123,955	32,876
MIS	169,397	214,698	45,301	139,606	(29,791)
Vehicle Maintenance	3,134,078	3,181,002	46,924	2,716,863	(417,215)
Facilities Maintenance	553,655	571,774	18,119	441,799	(111,856)
Contracts and Grants	70,869	78,293	7,424	74,774	3,905
CEO's Office	474,655	457,857	(16,798)	440,017	(34,638)
Finance and Accounting	190,302	200,954	10,652	197,689	7,387
Materials Management	80,629	80,708	79	81,301	672
Human Resources	1,901,985	2,142,319	240,334	2,030,856	128,871
DBE/EEO	99,564	94,762	(4,802)	80,113	(19,451)
Capital Projects	64,171	58,886	(5,285)	61,040	(3,131)
Marketing & Special Projects	167,952	207,961	40,009	117,483	(50,469)
TCN - Regional Coordinator	12,214	69,645	57,431	15,596	3,382
Total Departmental Expenses	13,919,526	14,365,016	445,490	12,973,333	(946,193)
Depreciation	3,208,331	3,208,331	-	2,566,669	(641,662)
Total Operating Expenses	17,127,857	17,573,347	445,490	15,540,002	(1,587,855)
Operating Income (Loss)	(16,124,245)	(16,609,088)	484,843	(14,618,482)	(1,505,763)
Other Income (Expense)					
Sales Tax Revenue	14,105,899	12,970,596	1,135,303	12,768,129	1,337,770
Federal, state and local grant assistance	52,290	160,000	(107,710)	113,358	(61,068)
Investment Income	23,826	61,000	(37,174)	54,585	(30,759)
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	-	-	-	-	-
Net Other Income (Expense)	14,183,785	13,191,596	992,189	12,946,899	1,236,886
Net Income (Loss)	\$ (1,940,460)	(3,417,492)	1,477,032	(1,671,583)	(268,877)

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

Cash Flows From Operating Activities:

Cash Received from Customers	\$	947,265
Cash Received from Bus Advertising and Other Ancillary		56,735
Cash Payments to Suppliers for Goods and Services		(7,277,528)
Cash Payments to Employees for Services		(4,384,012)
Cash Payments for Employee Benefits		(2,162,217)
Net Cash Used for Operating Activities		<u>(12,819,757)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received		14,253,617
Grants and Other Reimbursements		52,290
Distributions to Region Entities		(541,328)
Net Cash Provided by Non-Capital Financing Activities		<u>13,764,579</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance		3,985,280
Proceeds from Sale of Capital Assets		1,766
Purchase and Construction of Capital Assets		(3,412,617)
Net Cash Provided by Capital and Related Financing Activities		<u>574,429</u>

Cash Flows from Investing Activities:

Investment Income		207,197
Purchases of Investments		(5,121,840)
Maturities and Redemptions of Investments		5,100,000
Net Cash Provided by Non-Capital Financing Activities		<u>185,357</u>

Net Increase in Cash and Cash Equivalents 1,704,608

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

Cash and Cash Equivalents, Ending \$ 13,415,127

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$	0
Reserved cash and cash equivalents		13,415,127
Cash and Cash Equivalents, Ending	\$	<u><u>13,415,127</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	1,785,492	-1.0%	1,804,051	1,625,860	2,110,894	1,657,034	1,381,050
August		N/A	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	\$ 14,105,899	-38.4%	\$ 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.

