



CORPUS CHRISTI REGIONAL  
TRANSPORTATION AUTHORITY

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

**Financial Report**

**November 2011**

**Prepared by:**

**Finance Department**

**Susan Vinson, Director of Finance**

**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY**

**Financial Report for November 2011**

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**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY  
FINANCIAL REPORT  
MONTH AND YEAR TO DATE NOVEMBER 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 \$65.0 million, liabilities of \$2.8 million and net assets (assets less liabilities) of \$62.2 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.

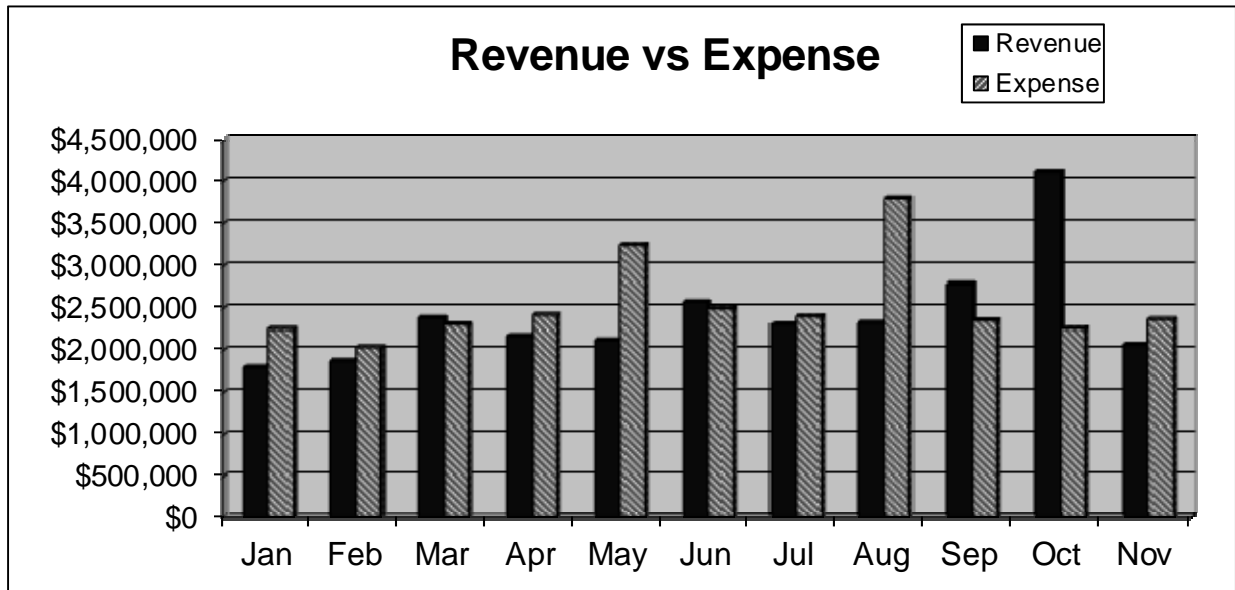
Liabilities include trade payables, accrued payroll and employee benefits, estimated leave balances due to Authority employees and amounts due for the Authority's street improvement program that are accrued but not paid as of the end of the month.

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**

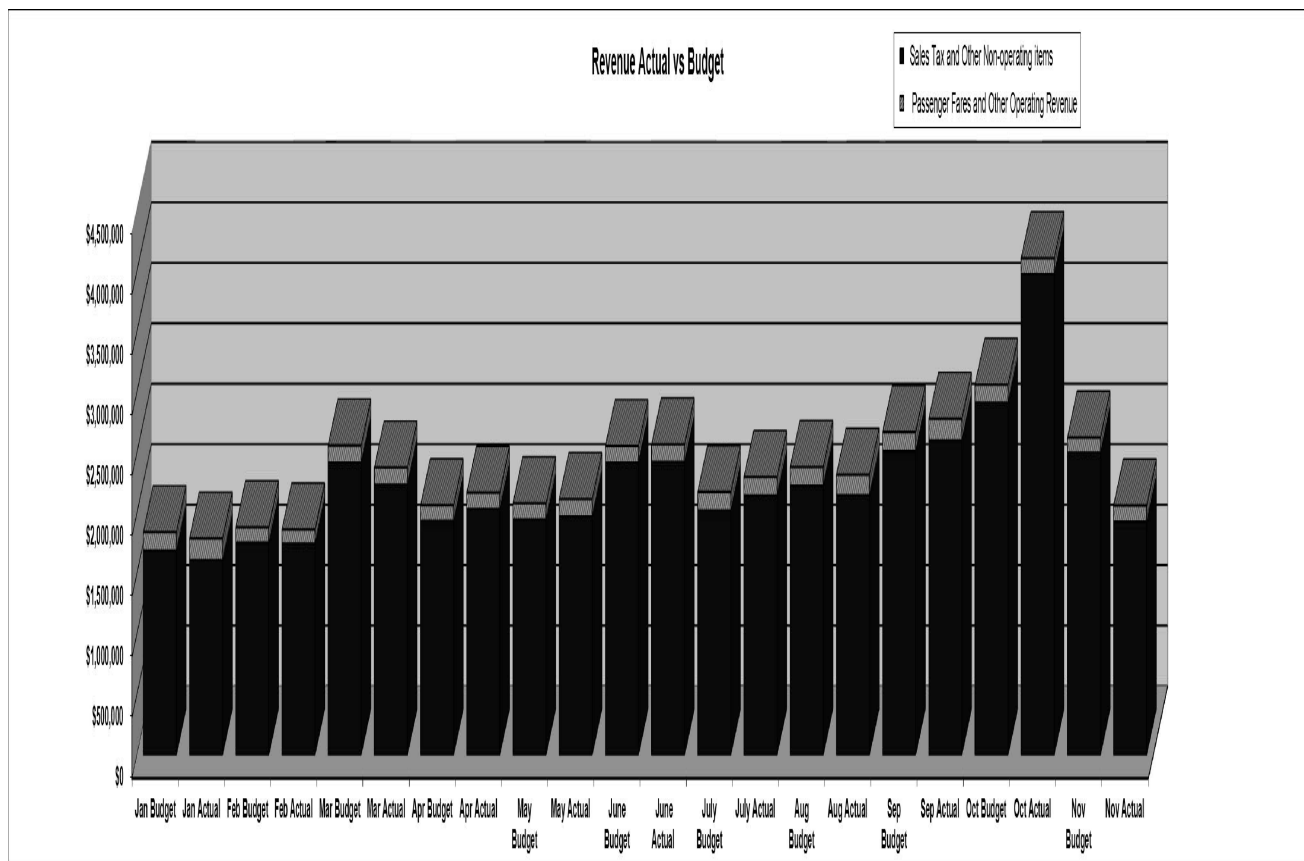
The monthly and annual statements of revenues and expenses begin on page 8. The Authority has a year-to-date net loss of \$1,428,647 compared to a budgeted year-to-date net loss of \$2,738,766. Total revenues exceed budget by \$553,270, while operating expenses are under budget by \$756,849.

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 \$73,994 more than the Fiscal 2011 budget and \$114,401 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 \$75,742 (5.2%) more than budgeted. Revenues from passenger service are \$120,750 (8.6%) higher than in 2010. The Harbor Ferry is responsible for \$52,336 of the increase over 2010. The increase is 4.8% if the Harbor Ferry is disregarded.
- Bus Advertising – This represents contractual on-board advertising. These revenues are even with the budgeted amounts and exceed prior year amounts by one month's revenue. 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 \$1,752 below budget and \$6,683 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 **October** of 2011, sales tax was as follows:
  - ◆ Year to date - \$21,033,705 which is \$2,584,156 (14.01%) more than 2010. Without audit activity, the increase would have been \$3,268,929 for an increase of 17.98%.
  - ◆ Year to date Actual vs. Budget – a favorable variance of \$472,833.
- 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. Total grant revenue for the year to date is about \$1.8 million which is \$70,492 (3.9%) ahead of budget.
- Investment income is \$35,226 which is about 35% of budget. The variance is due to continued lower than anticipated interest rates. The decrease in investment income when compared to 2010 is \$43,030. Recent statements by the Fed indicate that interest rates will remain historically low through 2012.

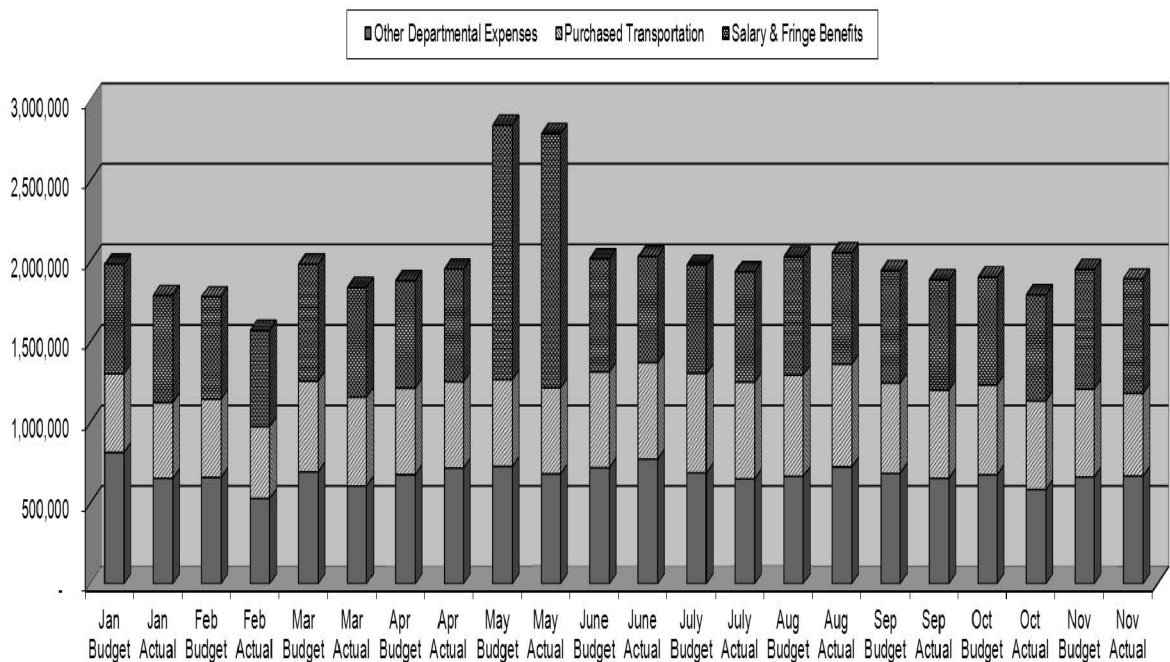
## Operating Expenses:

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	\$ 710,175	742,840	32,665	8,305,727	8,504,546	198,819
Services	120,009	119,979	(30)	1,215,136	1,406,518	191,382
Materials & Supplies	319,229	347,082	27,853	3,781,738	3,924,769	143,031
Utilities	35,121	31,349	(3,772)	326,254	345,231	18,977
Insurance	164,778	144,414	(20,364)	1,567,817	1,573,689	5,872
Purchased Transportation	513,268	545,095	31,827	5,987,882	6,121,119	133,237
Miscellaneous	24,620	12,067	(12,553)	300,638	366,762	66,124
Leases	5,244	8,315	3,071	63,459	62,866	(593)
<b>Total Department Expenses</b>	<b>\$ 1,892,444</b>	<b>1,951,141</b>	<b>58,697</b>	<b>21,548,651</b>	<b>22,305,500</b>	<b>756,849</b>

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

Actual and Budgeted Departmental Expenses by Month



- Salaries & Benefits – Favorable to budget by \$198,819 (2.3%) for the year due to reductions and vacancies in non-operator positions.
- Services – Year to date service costs are below budget by \$191,382 (13.6%). This was due primarily to lower than budgeted amounts for contracted vehicle maintenance 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 \$77,268 (3.4%) under budget for the year. Lower than anticipated fuel consumption for directly operated routes has offset year to date cost increases. There was a positive budget variance of \$16,434 (8.3%) for the month of November. Details as of the end of November:

<b>Fuel Type</b>	<b>Budget Price</b>	<b>Year to Date Average Price</b>	<b>Last Price Paid</b>
Diesel	\$ 2.93	\$3.06	\$ 3.01
Unleaded	\$ 2.75	\$ 2.89	\$ 3.04

Bus Repair Parts and related Vehicle Materials & Supplies combined are under budget by \$34,159.

Other materials are \$31,604 favorable to budget due primarily to delays in printing costs.

- Utilities – Favorable for the year by a variance of \$18,977 primarily due to lower telecommunications and electricity charges.
- Insurance – The Authority’s self-funded health insurance is \$2,365 (.2%) under budget. Property & liability insurance has a positive variance of \$3,507 (1.2%) 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 \$133,237 (2.2%) under budget. Less than anticipated service costs for the Harbor Ferry of \$77,272 add to the savings of \$110,215 resulting from delay in startup of the JARC Northwest Circulator and New Freedom Services. B-Line services are \$55,149 (2.0%) over budget due to increased demand.
- Miscellaneous Expenses – Overall, these expenses are under budget by \$66,124 due primarily to lower than expected costs for travel & training, advertising and community services.
- Leases – over budget by \$593 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 November 30, 2011 & October 31, 2011 & November 30, 2010**

	November 30, 2011	October 31, 2011	November 30, 2010
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 4,374,280	-	-
Investments	6,111,631	7,573,473	7,455,248
Receivables:			
Sales taxes	3,696,544	4,302,375	3,528,141
Accrued interest receivable	81,812	74,223	137,736
Due from federal/state Government	44,120	2,101,940	453,830
Other	69,130	92,392	54,845
Inventory	515,471	512,576	565,202
Other current assets	101,300	137,776	103,441
Total current assets	<u>14,994,288</u>	<u>14,794,755</u>	<u>12,298,443</u>
Reserved Assets:			
Cash and cash equivalents	14,445,460	13,787,891	11,952,923
Investments	-	550,578	860,728
Sales taxes	-	-	-
Accrued interest receivable	-	-	-
Due from federal/state Government	-	-	-
Other current assets	-	-	-
Total reserved assets	<u>14,445,460</u>	<u>14,338,469</u>	<u>12,813,651</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	6,982,968	5,851,740	11,879,841
Total property and equipment	<u>85,551,218</u>	<u>84,419,990</u>	<u>80,943,303</u>
Less: Accumulated Depreciation	<u>(50,214,162)</u>	<u>(49,755,829)</u>	<u>(44,424,737)</u>
Net property and equipment	<u>35,337,056</u>	<u>34,664,161</u>	<u>36,518,566</u>
Net Pension asset	177,546	177,546	-
<b>Total Assets</b>	<b>\$ <u>64,954,350</u></b>	<b><u>63,974,931</u></b>	<b><u>61,630,660</u></b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 1,443,714	1,171,614	1,244,696
Accrued compensated absences	201,115	201,115	191,872
Accrued pension liability	-	-	-
Other accrued liabilities	666,480	646,017	594,264
Total current liabilities	<u>2,311,309</u>	<u>2,018,746</u>	<u>2,030,832</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>
<b>Total Liabilities</b>	2,763,967	2,471,404	2,318,719
<b>NET ASSETS (Note)</b>			
Investment in Capital Assets:			
Contributed Capital Assets	31,063,194	30,080,048	30,811,473
Other Capital Assets	4,273,862	4,584,113	5,707,093
Total Investment in Capital Assets	<u>35,337,056</u>	<u>34,664,161</u>	<u>36,518,566</u>
Internally Designated Net Assets:			
Operating reserve	3,476,399	3,369,408	3,309,578
Employee benefit reserve	487,960	487,960	715,800
Grant matching reserve	5,257,845	5,257,845	4,765,015
Capital acquisition reserve	3,621,402	3,621,402	2,150,684
Capital replacement reserve	1,601,854	1,601,854	1,872,574
Reserves before pension plan	<u>14,445,460</u>	<u>14,338,469</u>	<u>12,813,651</u>
Reserve for pension plan obligation	177,546	177,546	-
Unreserved	13,658,968	13,455,716	12,971,432
Current year income (loss)	(1,428,647)	(1,132,365)	(2,991,708)
Total Net Assets	<u>62,190,383</u>	<u>61,503,527</u>	<u>59,311,941</u>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>64,954,350</u></b>	<b><u>63,974,931</u></b>	<b><u>61,630,660</u></b>

Note - See Accompanying Narrative

Corpus Christi Regional Transportation Authority  
Statement of Revenues And Expenditures By Cost Center (Unaudited)  
Months ended November 30, 2011 & November 30, 2010

	Current Month			Prior Year Comparison	
	Actual	Budget	Favorable	2010	Favorable
			(Unfavorable)		(Unfavorable)
A	B	A vs B	C	A vs C	
<b>Operating Revenues:</b>					
Passenger service	\$ 125,528	113,847	11,681	125,993	(465)
Bus advertising	3,334	3,333	1	3,333	1
Charter service	-	-	-	-	-
Other operating revenues	2,311	4,204	(1,893)	4,027	(1,716)
<b>Total Operating Revenues</b>	<b>131,173</b>	<b>121,384</b>	<b>9,789</b>	<b>133,353</b>	<b>(2,180)</b>
<b>Operating Expenses:</b>					
Transportation	461,902	470,153	8,251	422,801	(39,101)
Customer Programs	26,830	30,606	3,776	28,756	1,926
Purchased Transportation	518,998	549,781	30,783	463,303	(55,695)
Service Development	47,593	45,361	(2,232)	14,903	(32,690)
MIS	14,992	18,642	3,650	20,288	5,296
Vehicle Maintenance	410,172	453,246	43,074	385,067	(25,105)
Facilities Maintenance	104,390	86,264	(18,126)	82,726	(21,664)
Contracts and Grants	15,252	13,797	(1,455)	11,296	(3,956)
CEO's Office	61,767	48,056	(13,711)	50,780	(10,987)
Finance and Accounting	28,792	27,241	(1,551)	26,940	(1,852)
Materials Management	13,428	12,021	(1,407)	12,820	(608)
Human Resources	145,853	139,754	(6,099)	110,500	(35,353)
DBE/EEO	3,265	12,035	8,770	12,316	9,051
Capital Projects	11,254	8,199	(3,055)	8,988	(2,266)
Marketing & Special Projects	22,449	29,755	7,306	15,828	(6,621)
TCN - Regional Coordinator	5,507	6,230	723	5,300	(207)
<b>Total Departmental Expenses</b>	<b>1,892,444</b>	<b>1,951,141</b>	<b>58,697</b>	<b>1,672,612</b>	<b>(219,832)</b>
Depreciation	458,333	458,333	-	366,667	(91,666)
<b>Total Operating Expenses</b>	<b>2,350,777</b>	<b>2,409,474</b>	<b>58,697</b>	<b>2,039,279</b>	<b>(311,498)</b>
<b>Operating Income (Loss)</b>	<b>(2,219,604)</b>	<b>(2,288,090)</b>	<b>68,486</b>	<b>(1,905,926)</b>	<b>(313,678)</b>
<b>Other Income (Expense)</b>					
Sales Tax Revenue	1,894,204	1,941,192	(46,988)	1,765,753	128,451
Federal, state and local grant assistance	35,445	553,017	(517,572)	12,812	22,633
Investment Income	2,712	10,000	(7,288)	5,250	(2,538)
Gain (Loss) on Disposition of Property	-	-	-	-	-
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	(9,039)	(9,039)	-	-	(9,039)
<b>Net Other Income (Expense)</b>	<b>1,923,322</b>	<b>2,495,170</b>	<b>(571,848)</b>	<b>1,783,815</b>	<b>139,507</b>
<b>Net Income (Loss)</b>	<b>\$ (296,282)</b>	<b>207,080</b>	<b>(503,362)</b>	<b>(122,111)</b>	<b>(174,171)</b>

The unaudited financial statements for the month of November 30, 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 November 30, 2011 & November 30, 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	
<b>Operating Revenues:</b>					
Passenger service	\$ 1,532,135	1,456,393	75,742	1,411,385	120,750
Bus advertising	36,667	36,663	4	33,333	3,334
Charter service	-	-	-	3,000	(3,000)
Other operating revenues	44,492	46,244	(1,752)	51,175	(6,683)
<b>Total Operating Revenues</b>	<b>1,613,294</b>	<b>1,539,300</b>	<b>73,994</b>	<b>1,498,893</b>	<b>114,401</b>
<b>Operating Expenses:</b>					
Transportation	4,694,292	4,777,369	83,077	4,500,776	(193,516)
Customer Programs	284,348	365,760	81,412	298,145	13,797
Purchased Transportation	6,067,945	6,179,271	111,326	5,266,526	(801,419)
Service Development	203,488	222,602	19,114	179,366	(24,122)
MIS	231,907	294,142	62,235	222,693	(9,214)
Vehicle Maintenance	4,975,985	5,198,869	222,884	4,285,560	(690,425)
Facilities Maintenance	902,061	904,650	2,589	830,419	(71,642)
Contracts and Grants	129,056	123,712	(5,344)	118,212	(10,844)
CEO's Office	696,866	710,906	14,040	695,318	(1,548)
Finance and Accounting	296,673	305,134	8,461	299,523	2,850
Materials Management	126,673	126,453	(220)	128,698	2,025
Human Resources	2,432,092	2,421,318	(10,774)	2,508,574	76,482
DBE/EEO	119,658	141,407	21,749	124,007	4,349
Capital Projects	100,131	93,554	(6,577)	91,044	(9,087)
Marketing & Special Projects	269,755	327,841	58,086	191,060	(78,695)
TCN - Regional Coordinator	17,721	112,512	94,791	38,255	20,534
<b>Total Departmental Expenses</b>	<b>21,548,651</b>	<b>22,305,500</b>	<b>756,849</b>	<b>19,778,176</b>	<b>(1,770,475)</b>
Depreciation	5,041,663	5,041,663	-	4,033,337	(1,008,326)
<b>Total Operating Expenses</b>	<b>26,590,314</b>	<b>27,347,163</b>	<b>756,849</b>	<b>23,811,513</b>	<b>(2,778,801)</b>
<b>Operating Income (Loss)</b>	<b>(24,977,020)</b>	<b>(25,807,863)</b>	<b>830,843</b>	<b>(22,312,620)</b>	<b>(2,664,400)</b>
<b>Other Income (Expense)</b>					
Sales Tax Revenue	22,974,852	22,502,064	472,788	20,204,749	2,770,103
Federal, state and local grant assistance	1,835,509	1,765,017	70,492	231,184	1,604,325
Investment Income	35,226	101,000	(65,774)	78,256	(43,030)
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	(1,298,984)	(1,298,984)	-	(1,204,104)	(94,880)
<b>Net Other Income (Expense)</b>	<b>23,548,373</b>	<b>23,069,097</b>	<b>479,276</b>	<b>19,320,912</b>	<b>4,227,461</b>
<b>Net Income (Loss)</b>	<b>\$ (1,428,647)</b>	<b>(2,738,766)</b>	<b>1,310,119</b>	<b>(2,991,708)</b>	<b>1,563,061</b>

The unaudited financial statements for year-to-date ended November 30, 2011 have been reviewed and appear to be reason: SEV Reviewed

**Corpus Christi Regional Transportation Authority**  
**Statement of Cash Flows (Unaudited)**  
**Year-to-date November 30, 2011**

**Cash Flows From Operating Activities:**

Cash Received from Customers	\$	1,532,135
Cash Received from Bus Advertising and Other Ancillary		79,250
Cash Payments to Suppliers for Goods and Services		(11,491,000)
Cash Payments to Employees for Services		(7,051,554)
Cash Payments for Employee Benefits		(2,738,232)
Net Cash Used for Operating Activities		<u>(19,669,401)</u>

**Cash Flows from Non-Capital Financing Activities:**

Sales and Use Taxes Received		23,720,470
Grants and Other Reimbursements		1,835,509
Distributions to Region Entities		(1,411,693)
Net Cash Provided by Non-Capital Financing Activities		<u>24,144,286</u>

**Cash Flows from Capital and Related Financing Activities:**

Federal and Other Grant Assistance		5,278,472
Proceeds from Sale of Capital Assets		1,763
Purchase and Construction of Capital Assets		(4,838,593)
Net Cash Provided by Capital and Related Financing Activities		<u>441,642</u>

**Cash Flows from Investing Activities:**

Investment Income		214,534
Purchases of Investments		(5,121,840)
Maturities and Redemptions of Investments		7,100,000
Net Cash Provided by Non-Capital Financing Activities		<u>2,192,694</u>

**Net Increase in Cash and Cash Equivalents** 7,109,221

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

**Cash and Cash Equivalents, Ending** \$ 18,819,740

**Reconciliation to Statement of Net Assets:**

Operating cash and cash equivalents	\$	4,374,280
Reserved cash and cash equivalents		14,445,460
Cash and Cash Equivalents, Ending	\$	<u><u>18,819,740</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
<b>January</b>	\$ 1,603,597	-6.1%	\$ 1,707,787	\$ 1,731,089	\$ 1,627,494	\$ 1,524,518
<b>February</b>	1,789,411	5.9%	1,690,511	1,780,559	1,664,758	1,684,537
<b>March</b>	2,473,035	27.7%	1,936,991	2,027,122	2,206,449	2,001,554
<b>April</b>	1,954,495	15.8%	1,688,314	1,638,161	1,878,111	1,576,532
<b>May</b>	1,990,917	10.4%	1,803,150	1,634,741	1,858,483	1,728,626
<b>June</b>	2,508,953	14.3%	2,195,580	1,733,918	2,252,697	1,836,852
<b>July</b>	2,114,283	17.2%	1,804,051	1,625,860	2,110,894	1,657,034
<b>August</b>	2,343,583	32.4%	1,769,527	1,567,976	1,919,105	1,737,809
<b>September</b>	2,500,035	20.2%	2,080,698	1,720,734	2,120,582	1,823,751
<b>October</b>	1,755,397	-1.0%	1,772,941	1,583,354	1,926,081	1,652,417
<b>November</b>	1,941,147	4.1%	1,865,505	1,542,919	1,897,111	1,871,651
<b>December</b>		N/A	2,576,657	2,235,142	2,792,366	2,233,684
<b>Total</b>	\$ 22,974,852	0.4%	\$ 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.

