



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

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

Financial Report

October 2011

Prepared by:

Finance Department

Susan Vinson, Director of Finance

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for October 2011

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**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
FINANCIAL REPORT
MONTH AND YEAR TO DATE OCTOBER 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 \$64.0 million, liabilities of \$2.5 million and net assets (assets less liabilities) of \$61.5 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.

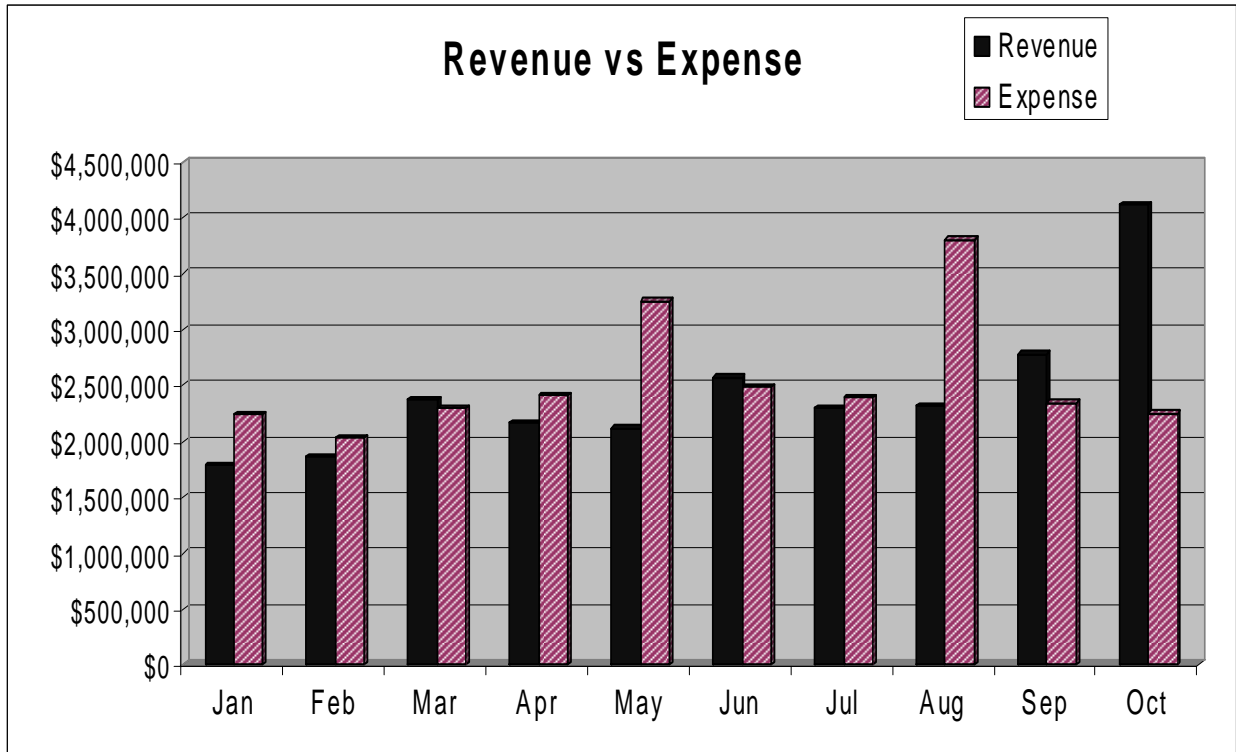
Liabilities include trade payables, accrued payroll and employee benefits, estimated leave balances due to Authority employees and amounts due for the Authority's street improvement program that are accrued but not paid as of the end of the month.

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

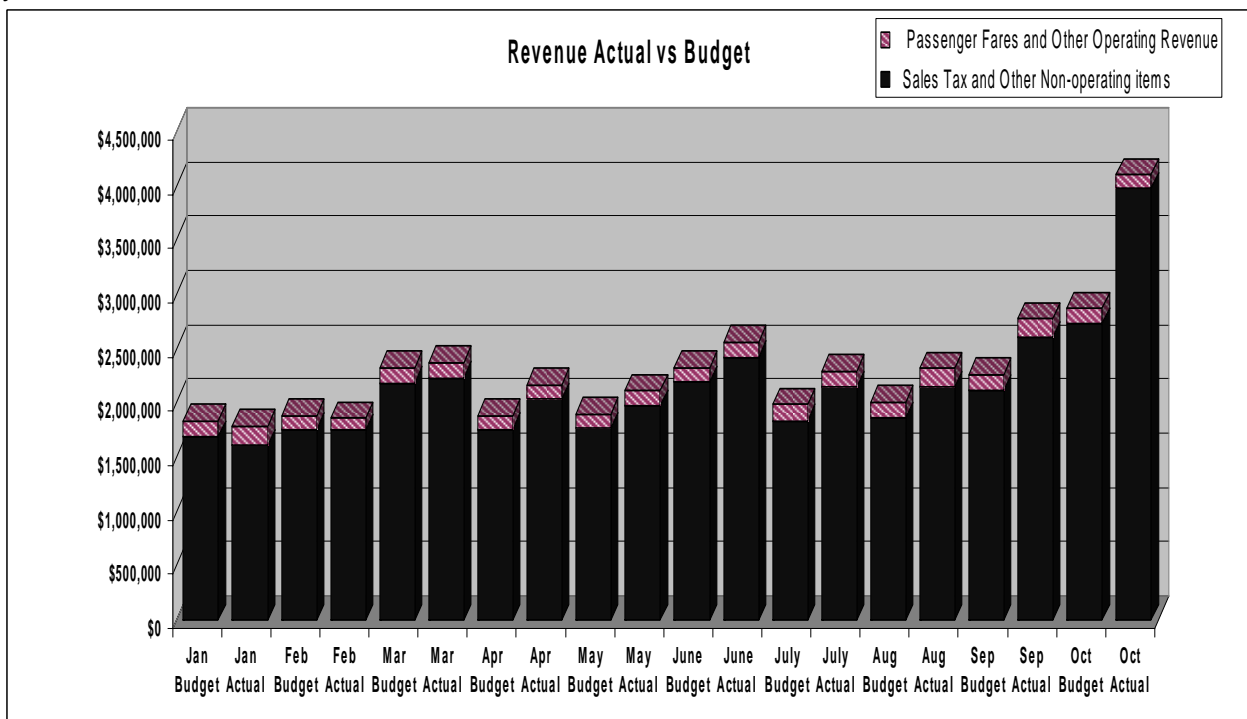
The monthly and annual statements of revenues and expenses begin on page 8. The Authority has a year-to-date net loss of \$1,132,365 compared to a budgeted year-to-date net loss of \$4,637,854. Total revenues exceed budget by \$3,080,997, while operating expenses are under budget by \$424,492.

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 \$64,205 more than the Fiscal 2011 budget and \$116,581 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 \$64,061 (4.8%) more than budgeted. Revenues from passenger service are \$121,215 (9.4%) higher than in 2010. The Harbor Ferry is responsible for \$50,973 of the increase over 2010. The increase is 5.5% 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 \$141 over budget and \$4,967 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:

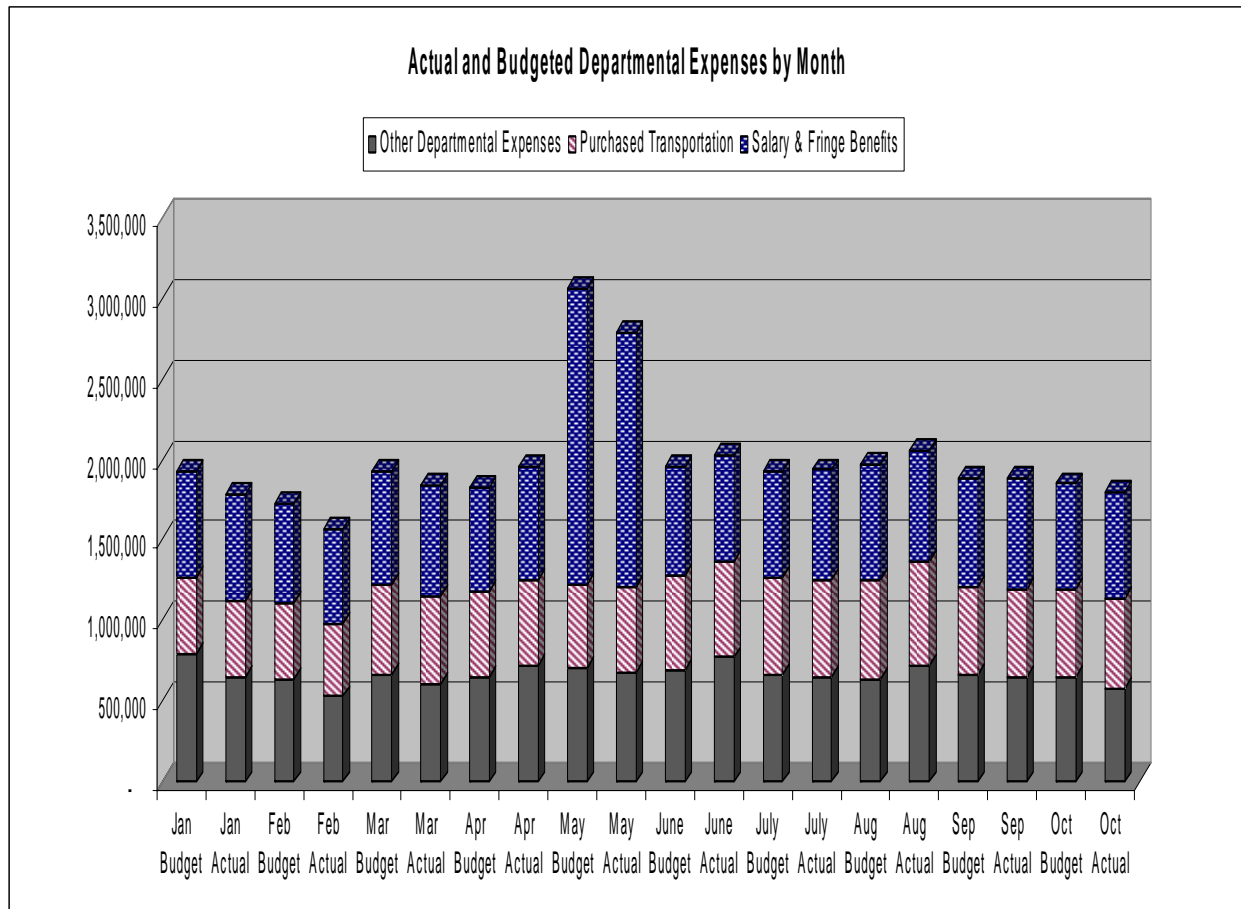
- **Sales Taxes** – Sales tax revenue information becomes known two months following the month in which the sales taxes were generated in the community. Through **September** of 2011, sales tax was as follows:
 - ◆ Year to date - \$19,278,308 which is \$2,601,700 (15.60%) more than 2010. Without audit activity, the increase would have been \$2,955,943 for an increase of 18.01%.
 - ◆ Year to date Actual vs. Budget – a favorable variance of \$2,432,527.
- 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 \$69,075 for JARC grants or about 25% of what was budgeted. In October, we drew \$4,277 for New Freedom grants and \$1,726,712 in preventive maintenance funds. Total grant revenue for the year to date is \$1,800,064 which is \$588,064 (48.5%) ahead of budget.
- Investment income is \$32,514 which is about 36% of budget. The variance is due to continued lower than anticipated interest rates. The decrease in investment income when compared to 2010 is \$40,492. 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	\$ 658,810	652,070	(6,740)	7,595,552	7,863,046	267,494
Services	89,173	94,115	4,942	1,095,127	1,286,539	191,412
Materials & Supplies	340,747	336,144	(4,603)	3,462,509	3,327,687	(134,822)
Utilities	31,060	30,553	(507)	291,133	313,882	22,749
Insurance	97,220	145,414	48,194	1,403,039	1,429,275	26,236
Purchased Transportation	550,071	546,282	(3,789)	5,474,614	5,451,024	(23,590)
Miscellaneous	22,038	37,491	15,453	276,018	354,695	78,677
Leases	5,243	7,792	2,549	58,215	54,551	(3,664)
Total Department Expenses	\$ 1,794,362	1,849,861	55,499	19,656,207	20,080,699	424,492

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



- Salaries & Benefits – Favorable to budget by \$267,494 (3.4%) for the year due to a lower than anticipated required pension plan contribution.
- Services – Year to date service costs are below budget by \$191,412 (14.9%). 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 \$189,166 (10.5%) 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 \$23,809 (12.9%) for the month of October. Details as of the end of October:

<u>Fuel Type</u>	<u>Budget Price</u>	<u>Year to Date Average Price</u>	<u>Last Price Paid</u>
Diesel	\$ 2.64	\$3.05	\$ 3.14
Unleaded	\$ 2.48	\$ 2.89	\$ 2.76

Bus Repair Parts and related Vehicle Materials & Supplies combined are under budget by \$35,142.

Other materials are \$19,202 favorable to budget due primarily to delays in printing costs.

- Utilities – Favorable for the year by a variance of \$22,749 primarily due to lower telecommunications charges.
- Insurance – The Authority’s self-funded health insurance is \$23,916 (2.1%) under budget. Property & liability insurance has a positive variance of \$2,320 (.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 \$23,590 (.43%) over budget. Less than anticipated service costs for the Harbor Ferry of \$72,497 are more than offset by higher than budgeted fuel costs of over \$205,000. B-Line services are \$53,614 (2.2%) over budget.
- Miscellaneous Expenses – Overall, these expenses are under budget by \$78,677 due primarily to lower than expected costs for travel & training, advertising and community services.
- Leases – over budget by \$3,664 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 October 31, 2011 & September 30, 2011 & October 31, 2010

	<u>October 31, 2011</u>	<u>September 30, 2011</u>	<u>October 31, 2010</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ -	-	-
Investments	7,573,473	6,900,514	6,218,381
Receivables:			
Sales taxes	4,302,375	4,407,591	3,843,085
Accrued interest receivable	74,223	58,077	104,323
Due from federal/state Government	2,101,940	27,416	994,974
Other	92,392	116,950	54,598
Inventory	512,576	500,143	599,180
Other current assets	137,776	174,060	121,643
Total current assets	<u>14,794,755</u>	<u>12,184,751</u>	<u>11,936,184</u>
Reserved Assets:			
Cash and cash equivalents	13,787,891	13,101,783	10,755,762
Investments	550,578	1,236,686	2,057,889
Sales taxes	-	-	-
Accrued interest receivable	-	-	-
Due from federal/state Government	-	-	-
Other current assets	-	-	-
Total reserved assets	<u>14,338,469</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	5,851,740	5,848,714	11,639,640
Total property and equipment	<u>84,419,990</u>	<u>84,416,964</u>	<u>80,703,102</u>
Less: Accumulated Depreciation	<u>(49,755,829)</u>	<u>(49,297,496)</u>	<u>(44,058,070)</u>
Net property and equipment	<u>34,664,161</u>	<u>35,119,468</u>	<u>36,645,032</u>
Net Pension asset	177,546	177,546	-
Total Assets	\$ <u>63,974,931</u>	<u>61,820,234</u>	<u>61,394,867</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 1,171,614	1,257,114	1,105,992
Accrued compensated absences	201,115	201,115	191,872
Accrued pension liability	-	-	-
Other accrued liabilities	646,017	601,596	585,801
Total current liabilities	<u>2,018,746</u>	<u>2,059,825</u>	<u>1,883,665</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	2,471,404	2,512,483	2,171,552
NET ASSETS (Note)			
Investment in Capital Assets:			
Contributed Capital Assets	30,080,048	29,741,330	30,600,727
Other Capital Assets	4,584,113	5,378,138	6,044,305
Total Investment in Capital Assets	<u>34,664,161</u>	<u>35,119,468</u>	<u>36,645,032</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	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>14,338,469</u>	<u>14,338,469</u>	<u>12,813,651</u>
Reserve for pension plan obligation	177,546	177,546	-
Unreserved	13,455,716	12,661,684	12,634,229
Current year income (loss)	(1,132,365)	(2,989,416)	(2,869,597)
Total Net Assets	<u>61,503,527</u>	<u>59,307,751</u>	<u>59,223,315</u>
Total Liabilities and Net Assets	\$ <u>63,974,931</u>	<u>61,820,234</u>	<u>61,394,867</u>

Note - See Accompanying Narrative

Corpus Christi Regional Transportation Authority
Statement of Revenues And Expenditures By Cost Center (Unaudited)
Months ended October 31, 2011 & October 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	\$ 125,964	138,056	(12,092)	127,124	(1,160)
Bus advertising	3,333	3,333	-	3,333	-
Charter service	-	-	-	-	-
Other operating revenues	3,284	4,204	(920)	5,609	(2,325)
Total Operating Revenues	132,581	145,593	(13,012)	136,066	(3,485)
Operating Expenses:					
Transportation	424,549	405,380	(19,169)	426,764	2,215
Customer Programs	22,017	30,333	8,316	28,568	6,551
Purchased Transportation	554,675	553,258	(1,417)	484,309	(70,366)
Service Development	19,261	19,768	507	17,283	(1,978)
MIS	16,695	18,322	1,627	19,220	2,525
Vehicle Maintenance	434,994	431,966	(3,028)	382,775	(52,219)
Facilities Maintenance	84,096	82,860	(1,236)	79,835	(4,261)
Contracts and Grants	15,188	10,128	(5,060)	11,254	(3,934)
CEO's Office	34,908	70,229	35,321	57,717	22,809
Finance and Accounting	27,206	25,087	(2,119)	27,988	782
Materials Management	10,332	10,659	327	10,864	532
Human Resources	97,800	134,902	37,102	132,380	34,580
DBE/EEO	2,811	11,636	8,825	10,635	7,824
Capital Projects	8,694	9,949	1,255	5,987	(2,707)
Marketing & Special Projects	41,136	29,346	(11,790)	17,936	(23,200)
TCN - Regional Coordinator	-	6,038	6,038	5,451	5,451
Total Departmental Expenses	1,794,362	1,849,861	55,499	1,718,966	(75,396)
Depreciation	458,333	458,333	-	366,667	(91,666)
Total Operating Expenses	2,252,695	2,308,194	55,499	2,085,633	(167,062)
Operating Income (Loss)	(2,120,114)	(2,162,601)	42,487	(1,949,567)	(170,547)
Other Income (Expense)					
Sales Tax Revenue	2,238,366	1,749,423	488,943	1,896,660	341,706
Federal, state and local grant assistance	1,735,806	972,000	763,806	12,640	1,723,166
Investment Income	2,993	10,000	(7,007)	5,974	(2,981)
Gain (Loss) on Disposition of Property	-	-	-	-	-
Pension Plan Income (Expense)	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
Net Other Income (Expense)	3,977,165	2,731,423	1,245,742	1,915,274	2,061,891
Net Income (Loss)	\$ 1,857,051	568,822	1,288,229	(34,293)	1,891,344

The unaudited financial statements for the month of October 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 October 31, 2011 & October 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	\$ 1,406,607	1,342,546	64,061	1,285,392	121,215
Bus advertising	33,333	33,330	3	30,000	3,333
Charter service	-	-	-	3,000	(3,000)
Other operating revenues	42,181	42,040	141	47,148	(4,967)
Total Operating Revenues	1,482,121	1,417,916	64,205	1,365,540	116,581
Operating Expenses:					
Transportation	4,232,390	4,140,556	(91,834)	4,077,975	(154,415)
Customer Programs	257,518	335,154	77,636	269,389	11,871
Purchased Transportation	5,548,947	5,504,490	(44,457)	4,803,223	(745,724)
Service Development	155,895	177,241	21,346	164,463	8,568
MIS	216,915	275,500	58,585	202,405	(14,510)
Vehicle Maintenance	4,565,813	4,495,623	(70,190)	3,900,493	(665,320)
Facilities Maintenance	797,671	818,386	20,715	747,693	(49,978)
Contracts and Grants	113,804	109,915	(3,889)	106,916	(6,888)
CEO's Office	635,099	662,850	27,751	644,538	9,439
Finance and Accounting	267,881	277,893	10,012	272,583	4,702
Materials Management	113,245	114,432	1,187	115,878	2,633
Human Resources	2,286,239	2,549,564	263,325	2,398,074	111,835
DBE/EEO	116,393	129,372	12,979	111,691	(4,702)
Capital Projects	88,877	85,355	(3,522)	82,056	(6,821)
Marketing & Special Projects	247,306	298,086	50,780	175,232	(72,074)
TCN - Regional Coordinator	12,214	106,282	94,068	32,955	20,741
Total Departmental Expenses	19,656,207	20,080,699	424,492	18,105,564	(1,550,643)
Depreciation	4,583,330	4,583,330	-	3,666,670	(916,660)
Total Operating Expenses	24,239,537	24,664,029	424,492	21,772,234	(2,467,303)
Operating Income (Loss)	(22,757,416)	(23,246,113)	488,697	(20,406,694)	(2,350,722)
Other Income (Expense)					
Sales Tax Revenue	21,080,648	18,595,204	2,485,444	18,438,996	2,641,652
Federal, state and local grant assistance	1,800,064	1,212,000	588,064	218,372	1,581,692
Investment Income	32,514	91,000	(58,486)	73,006	(40,492)
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)	-	(1,204,104)	(85,841)
Net Other Income (Expense)	21,625,051	18,608,259	3,016,792	17,537,097	4,087,954
Net Income (Loss)	\$ (1,132,365)	(4,637,854)	3,505,489	(2,869,597)	1,737,232

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

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 1,406,607
Cash Received from Bus Advertising and Other Ancillary	50,343
Cash Payments to Suppliers for Goods and Services	(10,724,314)
Cash Payments to Employees for Services	(6,428,090)
Cash Payments for Employee Benefits	(2,533,329)
Net Cash Used for Operating Activities	<u>(18,228,783)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received	21,220,435
Grants and Other Reimbursements	1,800,064
Distributions to Region Entities	(1,379,662)
Net Cash Provided by Non-Capital Financing Activities	<u>21,640,837</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance	2,237,506
Proceeds from Sale of Capital Assets	1,771
Purchase and Construction of Capital Assets	(3,759,110)
Net Cash Provided by Capital and Related Financing Activities	<u>(1,519,833)</u>

Cash Flows from Investing Activities:

Investment Income	206,991
Purchases of Investments	(5,121,840)
Maturities and Redemptions of Investments	5,100,000
Net Cash Provided by Non-Capital Financing Activities	<u>185,151</u>

Net Increase in Cash and Cash Equivalents 2,077,372

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

Cash and Cash Equivalents, Ending \$ 13,787,891

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$ 0
Reserved cash and cash equivalents	13,787,891
Cash and Cash Equivalents, Ending	<u>\$ 13,787,891</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	1,990,917	10.4%	1,803,150	1,634,741	1,858,483	1,728,626
June	2,508,953	14.3%	2,195,580	1,733,918	2,252,697	1,836,852
July	2,114,283	17.2%	1,804,051	1,625,860	2,110,894	1,657,034
August	2,343,583	32.4%	1,769,527	1,567,976	1,919,105	1,737,809
September	2,500,035	20.2%	2,080,698	1,720,734	2,120,582	1,823,751
October	1,802,340	1.7%	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	\$ 21,080,648	-7.9%	\$ 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.

