



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

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

Financial Report

November 2013

Prepared by:

Finance Department

Cindy O'Brien, Director of Finance

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for November 2013

TABLE OF CONTENTS

Financial Report Narrative..... 1

Comparative Statements of Net Position..... 6

Comparative Statements of Revenues and Expenditures – Month 7

Comparative Statements of Revenues and Expenditures – Year to date... 8

Statement of Cash Flows..... 9

Sales Tax Report..... 10

**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
PRELIMINARY FINANCIAL REPORT
MONTH AND YEAR TO DATE NOVEMBER 2013**

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 6 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://www.ccrta.org/assets/2012-ccrta-cafr.pdf> or by filing a written request to the attention of Beth Vidaurri.

STATEMENT OF NET POSITION

This statement is located on page 6 of this report. This statement has been updated to reflect current accounting guidelines and to more closely follow the statement presentation in the Comprehensive Annual Financial Report.

At the end of the month, the Authority had assets of \$80.5 million, liabilities of \$2.6 million and net position (assets less liabilities) of \$77.9 million. Assets are comprised of cash, investments, accounts receivable, fuel and parts inventories and capital assets used to fulfill the Authority's mission. Construction in Progress is used to reflect the current year outlays as well as any construction in progress at the end of 2012. At year-end, an analysis will be performed to reclassify these outlays into specific asset categories.

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 position reflects 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 position. Net Position includes only three categories: Invested in Capital Assets, Restricted for Pension Obligation and Unrestricted. The following schedule shows the elements of the unrestricted portion of the Net Position including board designations in conformity with the Board's Reserve Policy.

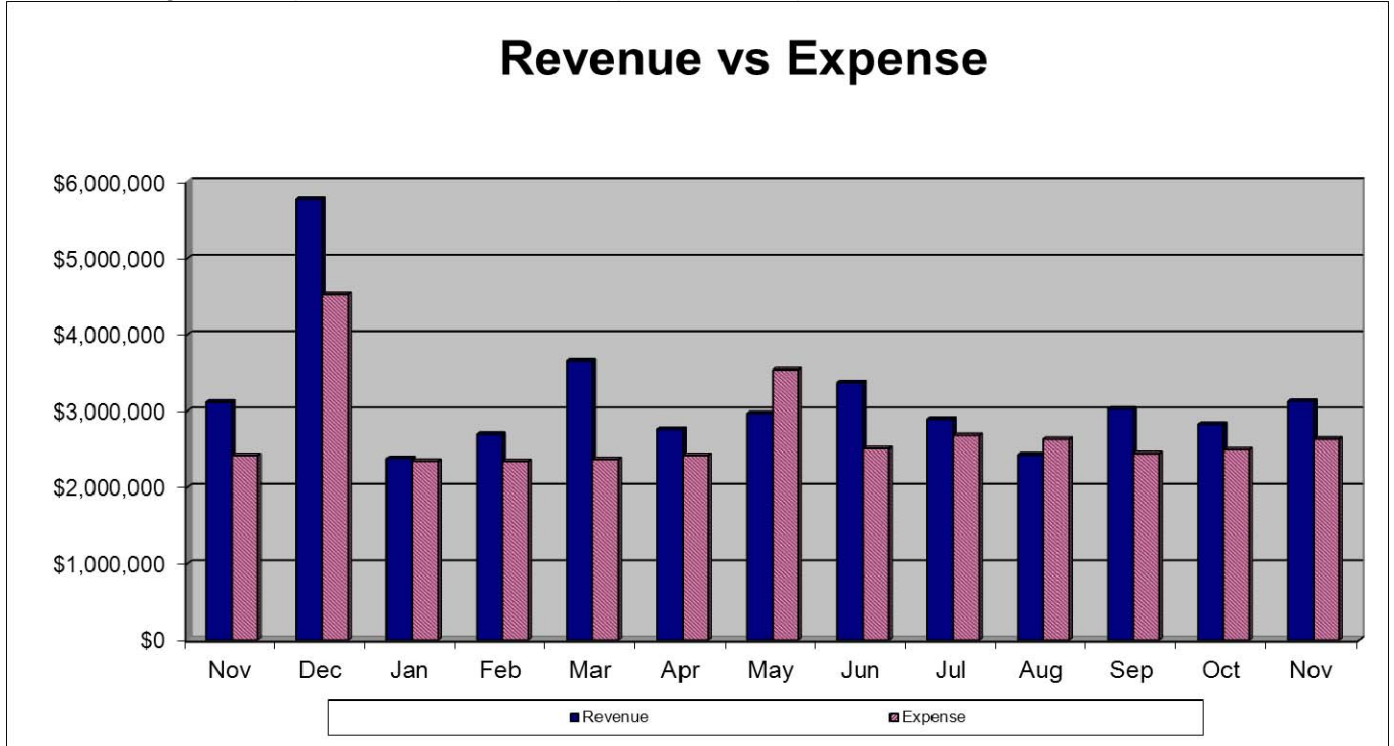
Unrestricted Net Position

Designated for Operating reserve	\$8,329,717
Designated for Employee Benefits	590,536
Capital Reserve	4,999,910
Undesignated	16,690,376
Total Unrestricted Net Position	<u><u>\$30,610,539</u></u>

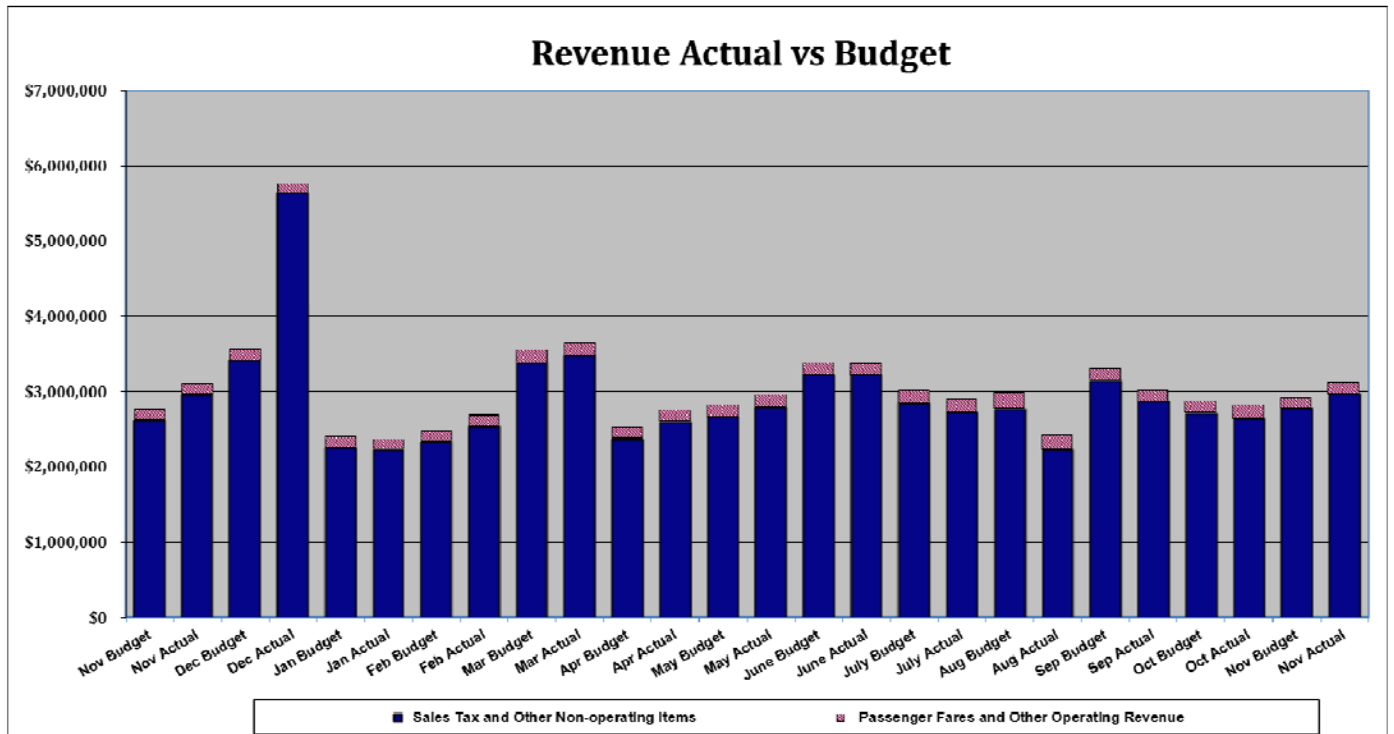
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The monthly and annual statements of revenues and expenditures and changes in net position begin on page 7. The Authority has year-to-date net income of \$3.7 million compared to budgeted year-to-date net income of \$1,832,000. The total year to date increase in Net Position is \$4.7 million.

The following chart depicts revenues versus expense for the past 13 months.



Revenue: The following graph shows revenue versus budget by major type for the past 13 months.



Passenger Fares and Other Operating Revenues:

These revenues represent income from all of the various transportation services and ancillary activities. Total operating revenues are \$2,325 more than the Fiscal 2013 budget and \$948 more than 2012. The following discussion provides further details:

- Passenger Service – This represents fares received from all modes of transportation services. For the year, these revenues are \$13,742 (0.86%) more than budgeted. Revenues from passenger service are \$24,057 (1.5%) more than in 2012. Harbor Ferry fares are up by about \$13,000 over 2012. The remaining increase is primarily from commuter routes.
- Bus Advertising – This represents contractual on-board advertising. These revenues are \$22,242 less than the budgeted and prior year amounts.
- Other Operating – These revenues include bus bench advertising, charges for copies, sales of scrap metals, and other expense reimbursements. These revenues are \$10,667 (18.6%) above budget and \$1,024 (1.5%) less than 2012 primarily due to timing of payments for bus bench advertising.

Sales Tax:

October Sales Tax was \$2,522,066 which was a 2.3% increase over 2012. This is \$103,616 more than budgeted.

Year to Date through October Sales tax was \$26,063,265, an increase of \$1,332,518 (5.39%) over 2012.

November sales tax has been estimated at \$3,032,691 which is a 3.0% increase over 2012.

Federal, state and local grant assistance:

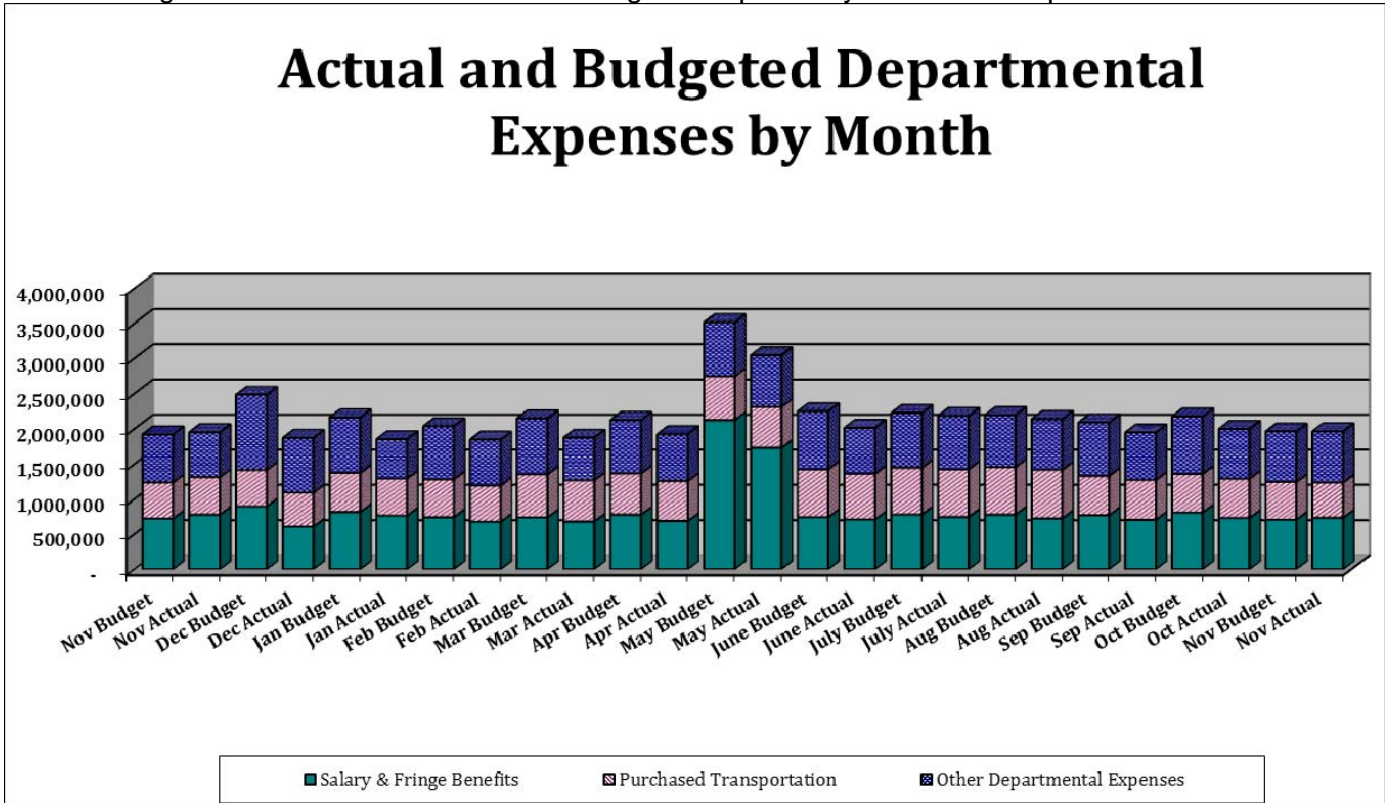
Total grant revenues for non-capital expenses are \$1,237,791 which is \$1,003,115 less than 2012. Capital contributions for the year to date are at \$934,921 compared to \$5,591,397 in 2012.

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	\$ 732,963	705,989	(26,974)	8,878,970	9,777,783	898,813
Services	113,934	119,211	5,277	1,286,330	1,481,929	195,599
Materials & Supplies	370,909	353,812	(17,097)	3,866,724	4,159,227	292,503
Utilities	33,686	30,507	(3,179)	347,955	352,022	4,067
Insurance	178,992	188,961	9,969	1,559,067	2,069,887	510,820
Purchased Transportation	499,905	535,446	35,541	6,422,644	6,588,145	165,501
Miscellaneous	27,672	21,540	(6,132)	340,037	367,364	27,327
Leases	5,057	5,728	671	61,966	62,000	34
Total Department Expenses	\$ 1,963,118	1,961,194	(1,924)	22,763,693	24,858,357	2,094,664

The following chart shows the actual versus budgeted expense by month for the past 13 months.



- Salaries & Benefits – Favorable to budget by \$898,813 (9.2%) for the year. Salaries & wages are under budget primarily due to vacant positions. Benefits are under budget due to the lower than expected required pension contribution resulting from strong market performance in 2012.
- Services – Year to date service costs are below budget by \$195,599 (13.2%). This is due primarily to lower year to date spending for security services and lagging invoices from consultants and other service providers.
- Materials – Fuel and related taxes and fees for directly operated modes of transportation and service vehicles are about \$334,000 (14.5%) under budget for the year. Prices were lower than budgeted. Details as of the end of November:

<u>Fuel Type</u>	<u>Budget Price</u>	<u>Year to Date Average Price</u>	<u>Last Price Paid</u>
Diesel	\$ 3.44	\$ 3.05	\$ 3.04
Unleaded	\$ 3.18	\$ 2.82	\$ 2.54
CNG*	\$1.20	\$1.20	\$1.13

*Includes related electric compression costs.

Bus Repair Parts and related Vehicle Materials & Supplies combined are over budget by about \$136,000.

Other materials and supplies are about \$95,000 under budget.

- Utilities – About \$4,000 under budget for the year.
- Insurance – The Authority's self-funded health insurance is about \$511,000 (28.9%) under budget due primarily to lower than anticipated year to date claims costs. This is about \$86,000 less than in 2012. Property & liability insurance costs are about even with budget for the year.
- Purchased Transportation– \$6,423,000 with a favorable variance of about \$166,000. Savings are primarily due to budgeted costs of a new Northwest route not yet initiated of about \$109,000. Lower than anticipated utilization of B-Line services has contributed savings of about \$97,000.
- Miscellaneous Expenses – Overall, these expenses are about \$27,000 under budget.
- Leases & Rentals – About even with budget for the year.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows on page 9 shows the sources and uses of the Authority's cash since January 1, 2013. 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 position, 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 Position (Unaudited)
 At November 30, 2013 & October 31, 2013 & November 30, 2012

	<u>November 30,</u> <u>2013</u>	<u>October 31,</u> <u>2013</u>	<u>November 30,</u> <u>2012</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 8,880,820	8,068,679	12,258,905
Investments	17,641,441	21,791,105	8,503,248
Receivables			
Sales taxes	5,554,757	5,494,121	4,652,977
Accrued interest receivable	68,369	67,283	35,305
Due from federal/state Government	189,487	410,450	4,882,753
Other	88,962	107,522	67,723
Inventories	570,841	611,373	424,206
Prepaid Expenses	178,164	194,061	186,044
Net Pension Asset	452,465	452,465	-
Total Current Assets	<u>33,625,306</u>	<u>37,197,059</u>	<u>31,011,161</u>
Capital Assets:			
Land and Construction in progress	13,276,543	8,628,161	17,001,780
Other capital assets, net of depreciation	33,606,445	34,101,883	26,174,375
Total Capital Assets	<u>46,882,988</u>	<u>42,730,044</u>	<u>43,176,155</u>
Total Assets	<u>80,508,294</u>	<u>79,927,103</u>	<u>74,187,316</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	542,106	602,987	542,268
Accrued compensated absences	175,493	175,493	207,174
Distributions to regional entities payable	807,813	727,454	598,825
Other accrued liabilities	429,376	361,081	634,752
Total current liabilities	<u>1,954,788</u>	<u>1,867,015</u>	<u>1,983,019</u>
Non-Current Liabilities:			
Accrued compensated absences	76,467	76,467	75,017
Other Post Employment Benefits	531,047	531,047	490,898
	<u>607,514</u>	<u>607,514</u>	<u>565,915</u>
Total Liabilities	<u>2,562,302</u>	<u>2,474,529</u>	<u>2,548,934</u>
NET POSITION			
Net Investment in Capital Assets	46,882,988	42,730,044	43,176,155
Restricted for pension plan obligation	452,465	452,465	-
Unrestricted	30,610,539	34,270,065	28,462,227
Total Net Position	<u>\$ 77,945,992</u>	<u>77,452,574</u>	<u>71,638,382</u>

Note - See Accompanying Narrative

Corpus Christi Regional Transportation Authority
Statement of Revenues and Expenditures By Cost Center (Unaudited)
Months ended November 30, 2013 & November 30, 2012

	Current Month			Prior Year Comparison	
	Actual	Budget	Favorable (Unfavorable)	2012	Favorable (Unfavorable)
			Variance		Comparison
A	B	A vs B	C	A vs C	
Operating Revenues:					
Passenger service	\$ 141,442	129,873	11,569	135,019	6,423
Bus advertising	3,333	3,333	-	3,333	-
Charter service	-	-	-	-	-
Other operating revenues	2,689	5,213	(2,524)	1,496	1,193
Total Operating Revenues	147,464	138,419	9,045	139,848	7,616
Operating Expenses:					
Transportation	432,266	396,915	(35,351)	443,830	11,564
Customer Programs	28,587	14,462	(14,125)	15,527	(13,060)
Purchased Transportation	554,238	595,078	40,840	592,583	38,345
Service Development	18,697	20,471	1,774	24,702	6,005
MIS	27,038	26,646	(392)	52,546	25,508
Vehicle Maintenance	420,714	432,081	11,367	464,966	44,252
Facilities Maintenance	99,400	88,415	(10,985)	85,553	(13,847)
Contracts and Procurements	14,635	16,872	2,237	15,261	626
CEO's Office	47,016	40,489	(6,527)	22,049	(24,967)
Finance and Accounting	29,103	30,140	1,037	37,325	8,222
Materials Management	10,983	11,247	264	12,915	1,932
Human Resources	163,056	178,745	15,689	75,722	(87,334)
General Administration	24,583	32,294	7,711	27,541	2,958
Capital Project Management	20,106	12,051	(8,055)	9,855	(10,251)
Marketing & Communications	27,903	22,757	(5,146)	43,057	15,154
Safety & Security	44,793	42,531	(2,262)	27,313	(17,480)
TCN - Regional Coordinator	-	-	-	-	-
Total Departmental Expenses	1,963,118	1,961,194	(1,924)	1,950,745	(12,373)
Depreciation	495,438	495,438	-	466,667	(28,771)
Total Operating Expenses	2,458,556	2,456,632	(1,924)	2,417,412	(41,144)
Operating Income (Loss)	(2,311,092)	(2,318,213)	7,121	(2,277,564)	(33,528)
Other Income (Expense)					
Sales Tax Revenue	2,962,284	2,481,856	480,428	2,601,034	361,250
Federal, state and local grant assistance	10,010	300,000	(289,990)	369,273	(359,263)
Investment Income	5,769	4,800	969	4,379	1,390
Gain (Loss) on Disposition of Property	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	(173,559)	(173,559)	-	-	(173,559)
Net Income (Loss) Before Capital Grants and Donations	493,412	294,884	198,528	697,122	(203,710)
Capital Grants & Donations	-	5,380,000	(5,380,000)	4,102,335	(4,102,335)
Change in Net Assets	\$ 493,412	5,674,884	(5,181,472)	4,799,457	(4,306,045)

The unaudited financial statements for the month of November 30, 2013 have been reviewed and appear to be reasonable. CO Reviewed

Corpus Christi Regional Transportation Authority
Statement of Revenues And Expenditures By Cost Center (Unaudited)
Year-to-date November 30, 2013 & November 30, 2012

	Year-to-date			Prior Year Comparison	
	Actual	Budget	Favorable (Unfavorable)	2012	Favorable (Unfavorable)
			Variance		Comparison
A	B	A vs B	C	A vs C	
Operating Revenues:					
Passenger service	\$ 1,614,795	1,601,053	13,742	1,590,738	24,057
Bus advertising	45,428	67,670	(22,242)	67,671	(22,243)
Charter service	158	-	158	-	158
Other operating revenues	68,010	57,343	10,667	69,034	(1,024)
Total Operating Revenues	1,728,391	1,726,066	2,325	1,727,443	948
Operating Expenses:					
Transportation	4,632,546	4,754,303	121,757	4,670,226	37,680
Customer Programs	167,451	231,467	64,016	298,839	131,388
Purchased Transportation	7,044,937	7,285,851	240,914	6,691,782	(353,155)
Service Development	219,134	253,919	34,785	480,762	261,628
MIS	298,258	317,504	19,246	306,838	8,580
Vehicle Maintenance	4,602,336	4,983,728	381,392	5,042,741	440,405
Facilities Maintenance	984,535	974,780	(9,755)	904,712	(79,823)
Contracts and Procurements	158,070	188,927	30,857	133,434	(24,636)
CEO's Office	532,459	556,060	23,601	607,738	75,279
Finance and Accounting	355,911	328,912	(26,999)	336,932	(18,979)
Materials Management	113,323	133,629	20,306	131,583	18,260
Human Resources	2,470,515	3,361,294	890,779	2,839,516	369,001
General Administration	303,145	410,076	106,931	261,594	(41,551)
Capital Project Management	177,471	159,643	(17,828)	121,205	(56,266)
Marketing & Communications	306,753	443,452	136,699	243,526	(63,227)
Safety & Security	396,849	474,812	77,963	299,093	(97,756)
TCN - Regional Coordinator	-	-	-	-	-
Total Departmental Expenses	22,763,693	24,858,357	2,094,664	23,370,521	606,828
Depreciation	5,449,818	5,449,818	-	5,133,337	(316,481)
Total Operating Expenses	28,213,511	30,308,175	2,094,664	28,503,858	290,347
Operating Income (Loss)	(26,485,120)	(28,582,109)	2,096,989	(26,776,415)	291,295
Other Income (Expense)					
Sales Tax Revenue	29,095,955	27,871,618	1,224,337	26,917,976	2,177,979
Federal, state and local grant assistance	1,237,791	2,670,000	(1,432,209)	2,240,906	(1,003,115)
Investment Income	57,200	51,400	5,800	46,640	10,560
Gain (Loss) on Disposition of Property	225	-	225	1,086	(861)
Street Improvements Program for CCRTA Region Entities	(178,550)	(178,550)	-	(90,057)	(88,493)
Net Income (Loss) Before Capital Grants and Donations	3,727,501	1,832,359	1,895,142	2,340,136	1,387,365
Capital Grants & Donations	934,921	6,280,000	(5,345,079)	5,591,397	(4,656,476)
Change in Net Assets	\$ 4,662,422	8,112,359	(3,449,937)	7,931,533	(3,269,111)

The unaudited financial statements for year-to-date ended November 30, 2013 have been reviewed and appear to be reason. CO Reviewed

Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
Year-to-date November 30, 2013

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 1,635,631
Cash Received from Bus Advertising and Other Ancillary	79,257
Cash Payments to Suppliers for Goods and Services	(13,377,848)
Cash Payments to Employees for Services	(7,682,535)
Cash Payments for Employee Benefits	(2,840,617)
Net Cash Used for Operating Activities	<u>(22,186,112)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received	30,382,286
Grants and Other Reimbursements	1,237,791
Distributions to Region Entities	(2,002,858)
Net Cash Provided by Non-Capital Financing Activities	<u>29,617,219</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance	2,682,001
Proceeds from Sale of Capital Assets	236
Purchase and Construction of Capital Assets	(9,021,448)
Net Cash Used for Capital and Related Financing Activities	<u>(6,339,211)</u>

Cash Flows from Investing Activities:

Investment Income	211,511
Purchases of Investments	(21,796,805)
Maturities and Redemptions of Investments	14,432,340
Net Cash Used for Non-Capital Financing Activities	<u>(7,152,954)</u>

Net Increase in Cash and Cash Equivalents (6,061,058)

Cash and Cash Equivalents, January 1 14,941,878

Cash and Cash Equivalents, Ending \$ 8,880,820

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$ 8,880,820
Reserved cash and cash equivalents	<u>0</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 8,880,820</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.)

	2013	% Change	2012	2011	2010	2009
January	\$ 2,395,030	10.7%	\$ 2,164,316	\$ 1,603,597	\$ 1,707,787	\$ 1,731,089
February	2,464,001	10.7%	2,226,506	1,789,411	1,690,511	1,780,559
March	3,000,087	10.1%	2,724,073	2,473,035	1,936,991	2,027,122
April	2,462,052	9.8%	2,242,029	1,954,495	1,688,314	1,638,161
May	2,645,394	11.5%	2,373,521	1,990,917	1,803,150	1,634,741
June	2,906,916	5.0%	2,769,015	2,508,953	2,195,580	1,733,918
July	2,135,526	-16.1%	2,545,257	2,114,283	1,804,051	1,625,860
August	2,630,543	0.6%	2,615,213	2,343,583	1,769,527	1,567,976
September	2,901,648	11.4%	2,605,068	2,500,035	2,080,698	1,720,734
October	2,522,066	2.3%	2,465,748	1,755,397	1,772,941	1,583,354
November	3,032,691	3.0%	2,944,798	2,192,807	1,865,505	1,542,919
December		N/A	3,896,289	3,009,013	2,576,657	2,235,142
Total	\$ 29,095,955	-7.8%	\$ 31,571,834	\$ 26,235,525	\$ 22,891,712	\$ 20,821,573

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

