



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

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

Financial Report

October 2013

Prepared by:

Finance Department

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CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for October 2013

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**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
PRELIMINARY FINANCIAL REPORT
MONTH AND YEAR TO DATE OCTOBER 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 \$79.9 million, liabilities of \$2.5 million and net position (assets less liabilities) of \$77.4 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.

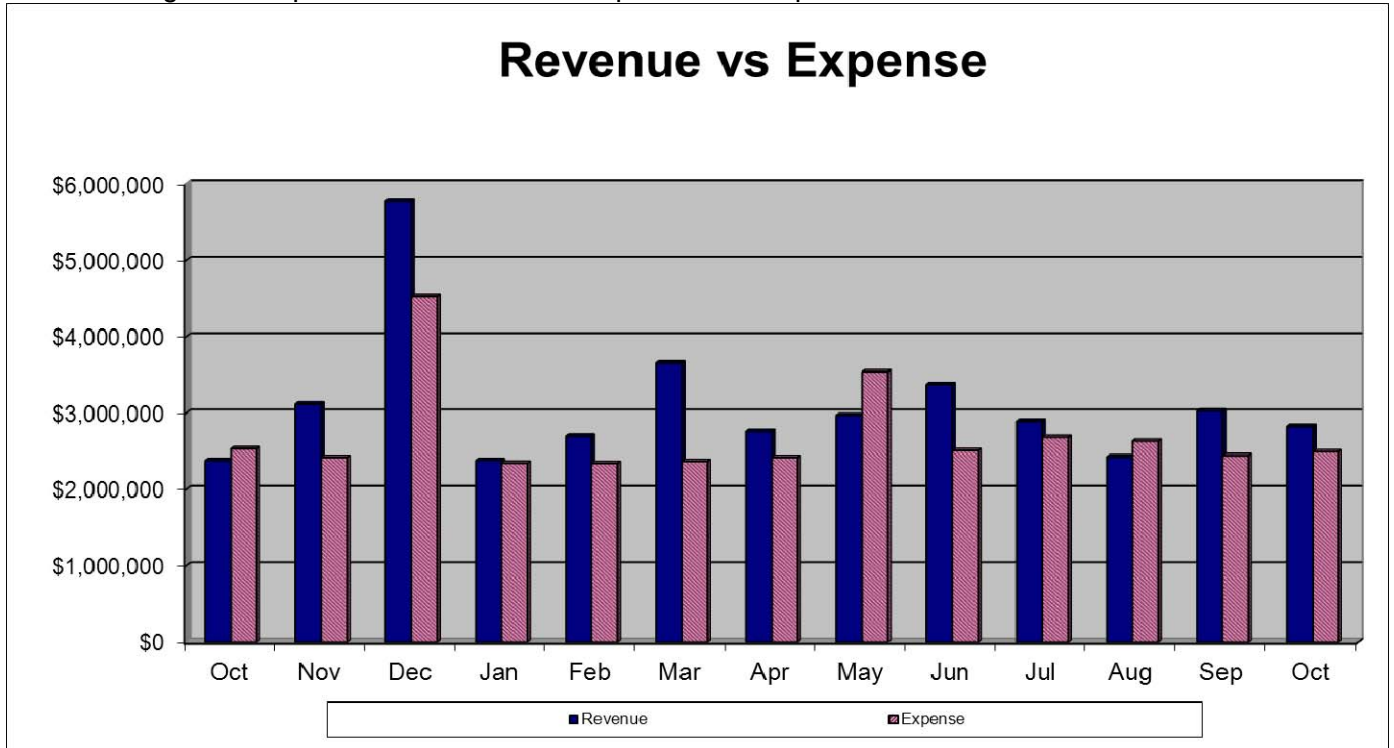
Unrestricted Net Position

Designated for Operating reserve	\$8,329,717
Designated for Employee Benefits	590,536
Capital Reserve	4,999,910
Undesignated	20,349,709
Total Unrestricted Net Position	<u><u>\$34,269,872</u></u>

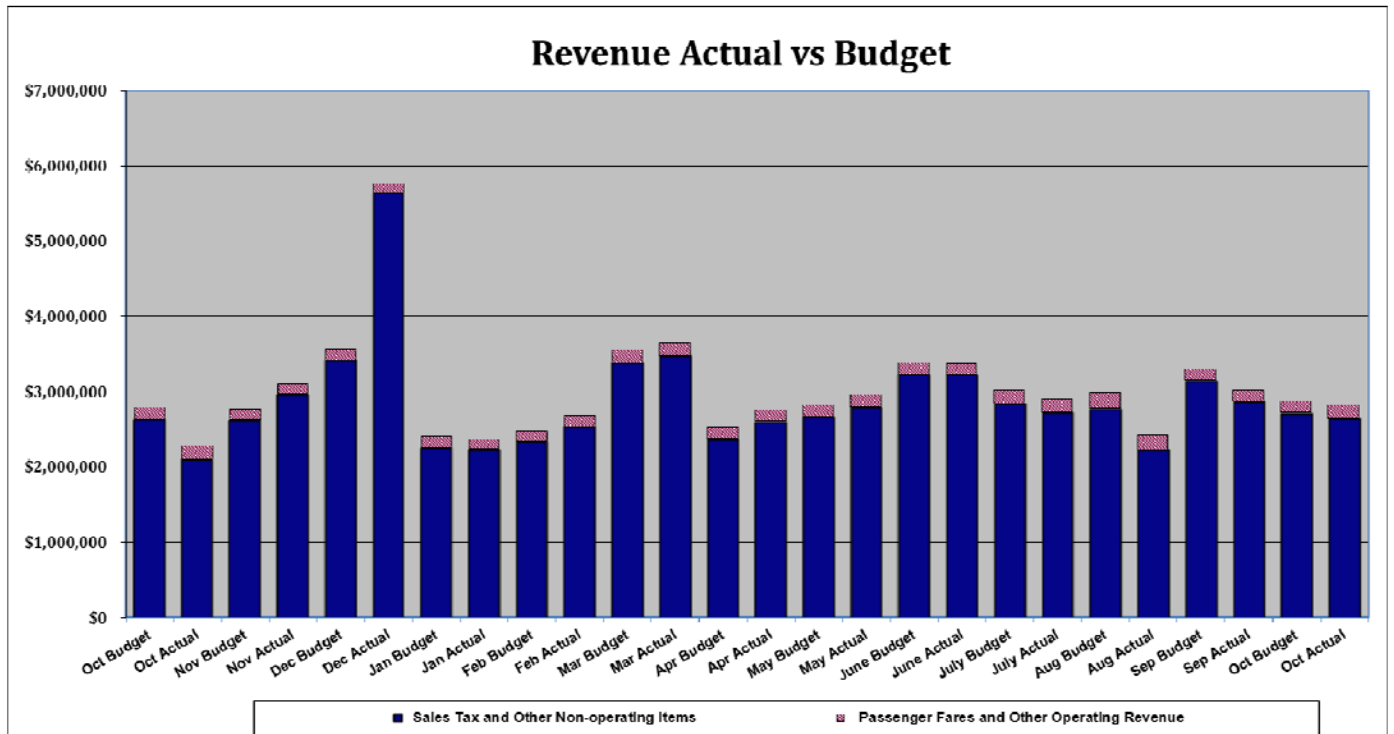
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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 \$3.2 million compared to budgeted year-to-date net income of \$1,537,000. The total year to date increase in Net Position is \$4.2 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 \$6,720 less than the Fiscal 2013 budget and \$6,668 less 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 \$2,173 (0.15%) more than budgeted. Revenues from passenger service are \$17,634 (1.2%) 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 \$13,191 (25.3%) above budget and \$2,217 (3.3%) less than 2012 primarily due to timing of payments for bus bench advertising.

Sales Tax:

September Sales Tax was \$2,901,648 which was an 11.4% increase over 2012. This is \$47,734 more than budgeted.

Year to Date through September Sales tax was \$23,541,198, an increase of \$1,276,199 (5.73%) over 2012.

October sales tax has been estimated at \$2,592,473 which is a 5.1% increase over 2012.

Federal, state and local grant assistance:

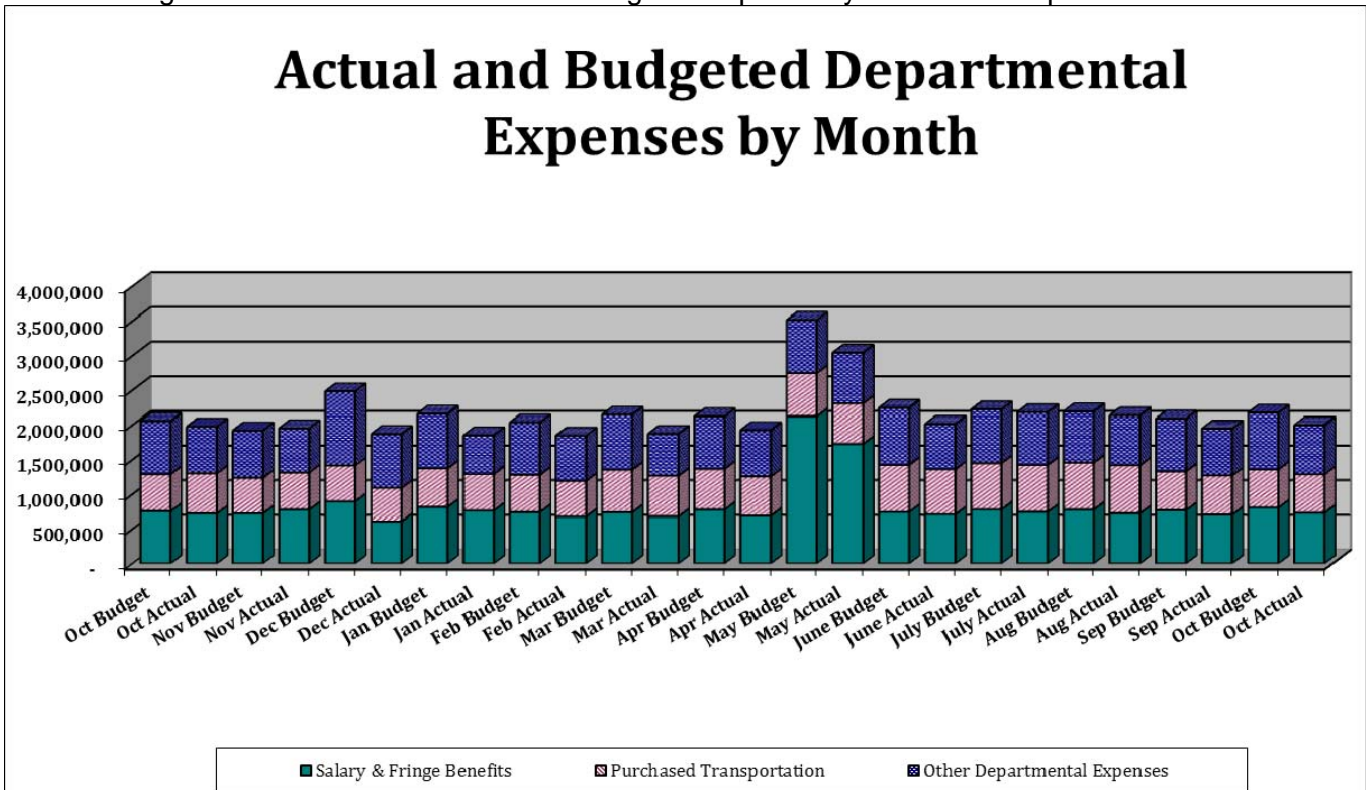
Total grant revenues for non-capital expenses are \$1,227,781 which is \$643,852 less than 2012. Capital contributions for the year to date are at \$934,921 compared to \$1,489,063 in 2012.

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	\$ 730,263	807,094	76,831	8,146,007	9,071,794	925,787
Services	140,262	122,922	(17,340)	1,172,396	1,362,718	190,322
Materials & Supplies	353,429	430,118	76,689	3,495,815	3,805,415	309,600
Utilities	32,392	33,507	1,115	314,269	321,515	7,246
Insurance	146,965	188,965	42,000	1,380,075	1,880,926	500,851
Purchased Transportation	558,007	550,209	(7,798)	5,922,739	6,052,699	129,960
Miscellaneous	29,750	35,700	5,950	312,365	345,824	33,459
Leases	5,478	5,584	106	56,909	56,272	(637)
Total Department Expenses	\$ 1,996,546	2,174,099	177,553	20,800,575	22,897,163	2,096,588

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



- Salaries & Benefits – Favorable to budget by \$925,787 (10.2%) 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 \$190,322 (14.0%). 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 \$287,000 (13.6%) under budget for the year. Prices were lower than budgeted. Details as of the end of October:

Fuel Type	Budget Price	Year to Date Average Price	Last Price Paid
Diesel	\$ 3.44	\$ 3.06	\$ 2.97
Unleaded	\$ 3.18	\$ 2.85	\$ 2.52
CNG*	\$1.20	\$1.21	\$1.13

*Includes related electric compression costs.

Bus Repair Parts and related Vehicle Materials & Supplies combined are over budget by about \$101,000.

Other materials and supplies are about \$124,000 under budget.

- Utilities – About \$7,000 under budget for the year.
- Insurance – The Authority’s self-funded health insurance is about \$492,000 (30.6%) under budget due primarily to lower than anticipated year to date claims costs. This is about \$169,000 less than in 2012. Property & liability insurance costs are about \$9,000 under budget for the year.
- Purchased Transportation– \$5,923,000 with a favorable variance of about \$130,000. Savings are primarily due to budgeted costs of a new Northwest route not yet initiated of about \$97,000. Lower than anticipated utilization of B-Line services has contributed savings of about \$73,000.
- Miscellaneous Expenses – Overall, these expenses are about \$33,000 under budget.
- Leases & Rentals – About \$1,000 over 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 October 31, 2013 & September 30, 2013 & October 31, 2012

	<u>October 31, 2013</u>	<u>September 30, 2013</u>	<u>October 31, 2012</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 8,068,679	6,831,459	21,453,715
Investments	21,790,812	22,604,408	5,506,995
Receivables			
Sales taxes	5,494,121	5,491,369	4,657,010
Accrued interest receivable	67,383	88,177	28,403
Due from federal/state Government	410,450	399,498	958,515
Other	107,522	62,792	112,853
Inventories	611,373	605,256	430,114
Prepaid Expenses	194,061	227,963	153,350
Net Pension Asset	452,465	452,465	-
Total Current Assets	<u>37,196,866</u>	<u>36,763,387</u>	<u>33,300,955</u>
Capital Assets:			
Land and Construction in progress	8,628,161	8,176,132	10,017,187
Other capital assets, net of depreciation	34,101,883	34,597,321	26,641,042
Total Capital Assets	<u>42,730,044</u>	<u>42,773,453</u>	<u>36,658,229</u>
Total Assets	<u>79,926,910</u>	<u>79,536,840</u>	<u>69,959,184</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	602,987	585,008	986,116
Accrued compensated absences	175,493	175,493	207,174
Distributions to regional entities payable	727,454	727,454	598,825
Other accrued liabilities	361,081	322,380	762,225
Total current liabilities	<u>1,867,015</u>	<u>1,810,335</u>	<u>2,554,340</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>2,474,529</u>	<u>2,417,849</u>	<u>3,120,255</u>
NET POSITION			
Net Investment in Capital Assets	42,730,044	42,773,453	36,658,229
Restricted for pension plan obligation	452,465	452,465	-
Unrestricted	34,269,872	33,893,073	30,180,700
Total Net Position	<u>\$ 77,452,381</u>	<u>77,118,991</u>	<u>66,838,929</u>

Note - See Accompanying Narrative

Corpus Christi Regional Transportation Authority
Statement of Revenues and Expenditures By Cost Center (Unaudited)
Months ended October 31, 2013 & October 31, 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	\$ 154,317	147,686	6,631	140,465	13,852
Bus advertising	3,333	3,333	-	3,334	(1)
Charter service	-	-	-	-	-
Other operating revenues	17,719	5,213	12,506	26,741	(9,022)
Total Operating Revenues	175,369	156,232	19,137	170,540	4,829
Operating Expenses:					
Transportation	420,813	449,003	28,190	404,392	(16,421)
Customer Programs	11,412	16,220	4,808	14,277	2,865
Purchased Transportation	614,831	614,485	(346)	644,081	29,250
Service Development	14,953	27,228	12,275	27,217	12,264
MIS	27,683	27,038	(645)	13,206	(14,477)
Vehicle Maintenance	422,090	457,307	35,217	445,233	23,143
Facilities Maintenance	101,853	88,457	(13,396)	82,651	(19,202)
Contracts and Procurements	17,772	19,395	1,623	14,026	(3,746)
CEO's Office	49,296	50,272	976	42,893	(6,403)
Finance and Accounting	30,648	25,493	(5,155)	24,894	(5,754)
Materials Management	12,635	12,607	(28)	11,311	(1,324)
Human Resources	153,523	181,054	27,531	138,245	(15,278)
General Administration	27,465	37,763	10,298	33,674	6,209
Capital Project Management	12,253	15,624	3,371	8,249	(4,004)
Marketing & Communications	24,088	107,576	83,488	33,922	9,834
Safety & Security	55,231	44,577	(10,654)	36,749	(18,482)
TCN - Regional Coordinator	-	-	-	-	-
Total Departmental Expenses	1,996,546	2,174,099	177,553	1,975,020	(21,526)
Depreciation	495,438	495,438	-	466,667	(28,771)
Total Operating Expenses	2,491,984	2,669,537	177,553	2,441,687	(50,297)
Operating Income (Loss)	(2,316,615)	(2,513,305)	196,690	(2,271,147)	(45,468)
Other Income (Expense)					
Sales Tax Revenue	2,633,295	2,418,450	214,845	2,019,145	614,150
Federal, state and local grant assistance	10,952	300,000	(289,048)	180,315	(169,363)
Investment Income	5,751	4,800	951	6,661	(910)
Gain (Loss) on Disposition of Property	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	(90,057)	90,057
Net Income (Loss) Before Capital Grants and Donations	333,383	209,945	123,438	(155,083)	488,466
Capital Grants & Donations	-	205,000	(205,000)	-	-
Change in Net Assets	\$ 333,383	414,945	(81,562)	(155,083)	488,466

The unaudited financial statements for the month of October 31, 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 October 31, 2013 & October 31, 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	\$ 1,473,353	1,471,180	2,173	1,455,719	17,634
Bus advertising	42,095	64,337	(22,242)	64,338	(22,243)
Charter service	158	-	158	-	158
Other operating revenues	65,321	52,130	13,191	67,538	(2,217)
Total Operating Revenues	1,580,927	1,587,647	(6,720)	1,587,595	(6,668)
Operating Expenses:					
Transportation	4,200,280	4,357,388	157,108	4,226,396	26,116
Customer Programs	138,864	217,005	78,141	283,312	144,448
Purchased Transportation	6,490,699	6,690,773	200,074	6,099,199	(391,500)
Service Development	200,437	233,448	33,011	456,060	255,623
MIS	271,220	290,858	19,638	254,292	(16,928)
Vehicle Maintenance	4,181,622	4,551,647	370,025	4,577,775	396,153
Facilities Maintenance	885,135	886,365	1,230	819,159	(65,976)
Contracts and Procurements	143,435	172,055	28,620	118,173	(25,262)
CEO's Office	485,443	515,571	30,128	585,689	100,246
Finance and Accounting	326,808	298,772	(28,036)	299,607	(27,201)
Materials Management	102,340	122,382	20,042	118,668	16,328
Human Resources	2,307,459	3,182,549	875,090	2,763,794	456,335
General Administration	278,562	377,782	99,220	234,053	(44,509)
Capital Project Management	157,365	147,592	(9,773)	111,350	(46,015)
Marketing & Communications	278,850	420,695	141,845	200,469	(78,381)
Safety & Security	352,056	432,281	80,225	271,780	(80,276)
TCN - Regional Coordinator	-	-	-	-	-
Total Departmental Expenses	20,800,575	22,897,163	2,096,588	21,419,776	619,201
Depreciation	4,954,380	4,954,380	-	4,666,670	(287,710)
Total Operating Expenses	25,754,955	27,851,543	2,096,588	26,086,446	331,491
Operating Income (Loss)	(24,174,028)	(26,263,896)	2,089,868	(24,498,851)	324,823
Other Income (Expense)					
Sales Tax Revenue	26,133,671	25,389,762	743,909	24,316,942	1,816,729
Federal, state and local grant assistance	1,227,781	2,370,000	(1,142,219)	1,871,633	(643,852)
Investment Income	51,238	46,600	4,638	42,261	8,977
Gain (Loss) on Disposition of Property	225	-	225	1,086	(861)
Street Improvements Program for CCRTA Region Entities	(4,991)	(4,991)	-	(90,057)	85,066
Net Income (Loss) Before Capital Grants and Donations	3,233,896	1,537,475	1,696,421	1,643,014	1,590,882
Capital Grants & Donations	934,921	900,000	34,921	1,489,063	(554,142)
Change in Net Assets	\$ 4,168,817	2,437,475	1,731,342	3,132,077	1,036,740

The unaudited financial statements for year-to-date ended October 31, 2013 have been reviewed and appear to be reasonable. CO Reviewed

Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
Year-to-date October 31, 2013

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 1,476,072
Cash Received from Bus Advertising and Other Ancillary	54,675
Cash Payments to Suppliers for Goods and Services	(12,270,409)
Cash Payments to Employees for Services	(7,024,999)
Cash Payments for Employee Benefits	(2,672,780)
Net Cash Used for Operating Activities	<u>(20,437,441)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received	27,480,638
Grants and Other Reimbursements	1,227,781
Distributions to Region Entities	(1,909,658)
Net Cash Provided by Non-Capital Financing Activities	<u>26,798,761</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance	2,461,038
Proceeds from Sale of Capital Assets	230
Purchase and Construction of Capital Assets	(4,388,486)
Net Cash Used for Capital and Related Financing Activities	<u>(1,927,218)</u>

Cash Flows from Investing Activities:

Investment Income	191,984
Purchases of Investments	(21,796,805)
Maturities and Redemptions of Investments	10,297,520
Net Cash Used for Non-Capital Financing Activities	<u>(11,307,301)</u>

Net Increase in Cash and Cash Equivalents (6,873,199)

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

Cash and Cash Equivalents, Ending \$ 8,068,679

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$ 8,068,679
Reserved cash and cash equivalents	0
Cash and Cash Equivalents, Ending	<u>\$ 8,068,679</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	2,592,473	5.1%	2,465,748	1,755,397	1,772,941	1,583,354
November		N/A	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	\$ 26,133,671	-17.2%	\$ 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.

