



CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

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

Financial Report

June 2013

Prepared by:

Finance Department

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CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Financial Report for June 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 JUNE 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 \$78.4 million, liabilities of \$2.5 million and net position (assets less liabilities) of \$75.9 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.

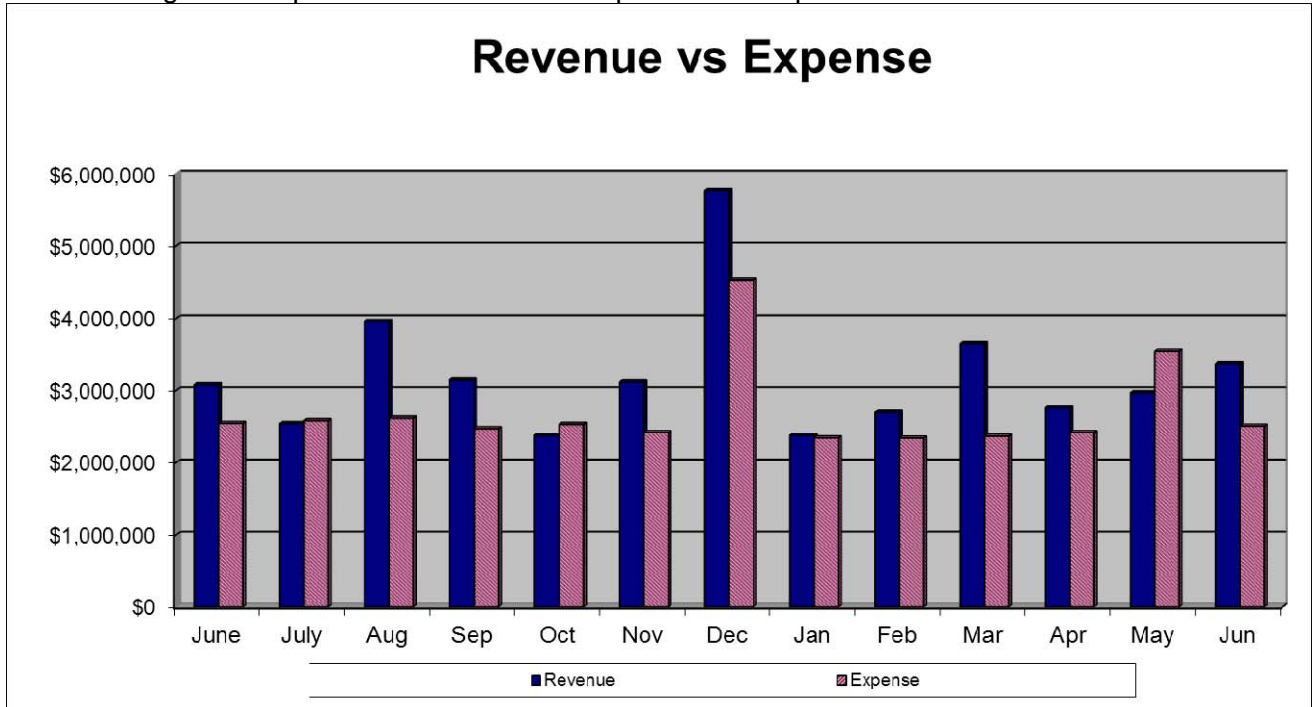
Unrestricted Net Position

Operating Reserve	\$ 8,329,717
Employee Benefits Reserve	590,536
Capital Reserve	4,687,258
Undesignated	<u>20,249,404</u>
Total Unrestricted Net Position	<u><u>\$ 33,856,915</u></u>

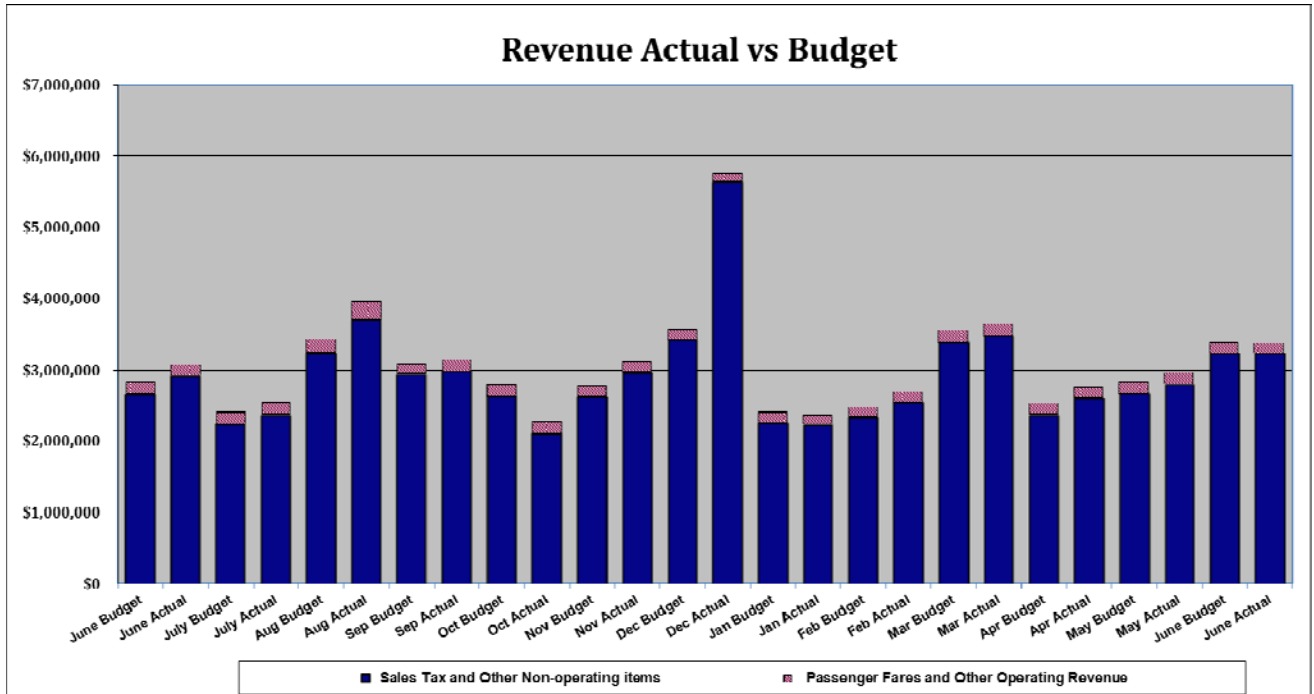
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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 \$2.3 million compared to budgeted year-to-date net income of \$4,517. The total year to date change in Net Position is \$2.6 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 \$3,047 less than the Fiscal 2013 budget and \$34,005 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 \$7,615 (0.9%) less than budgeted. Revenues from passenger service are \$30,446 (3.7%) more than in 2012. Harbor Ferry fares are up by about \$10,000 over 2012. Revenues from contracts with Del Mar College and TAMU-CC are up by about \$8,000. The remaining increase is primarily from commuter routes.
- Bus Advertising – This represents contractual on-board advertising. These revenues are even with 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 \$4,408 (14.1%) above budget and \$3,401 (10.5%) higher than 2012 primarily due to timing of payments for bus bench advertising.

Sales Tax:

May Sales Tax was \$2,645,394 which was an 11.5% increase over 2012. This is \$279,792 more than budgeted.

Year to Date through May Sales tax was \$12,966,565, an increase of \$1,236,119 (10.5%) over 2012.

June sales tax has been estimated at \$2,927,091 which is a 5.7% increase over 2012.

Federal, state and local grant assistance:

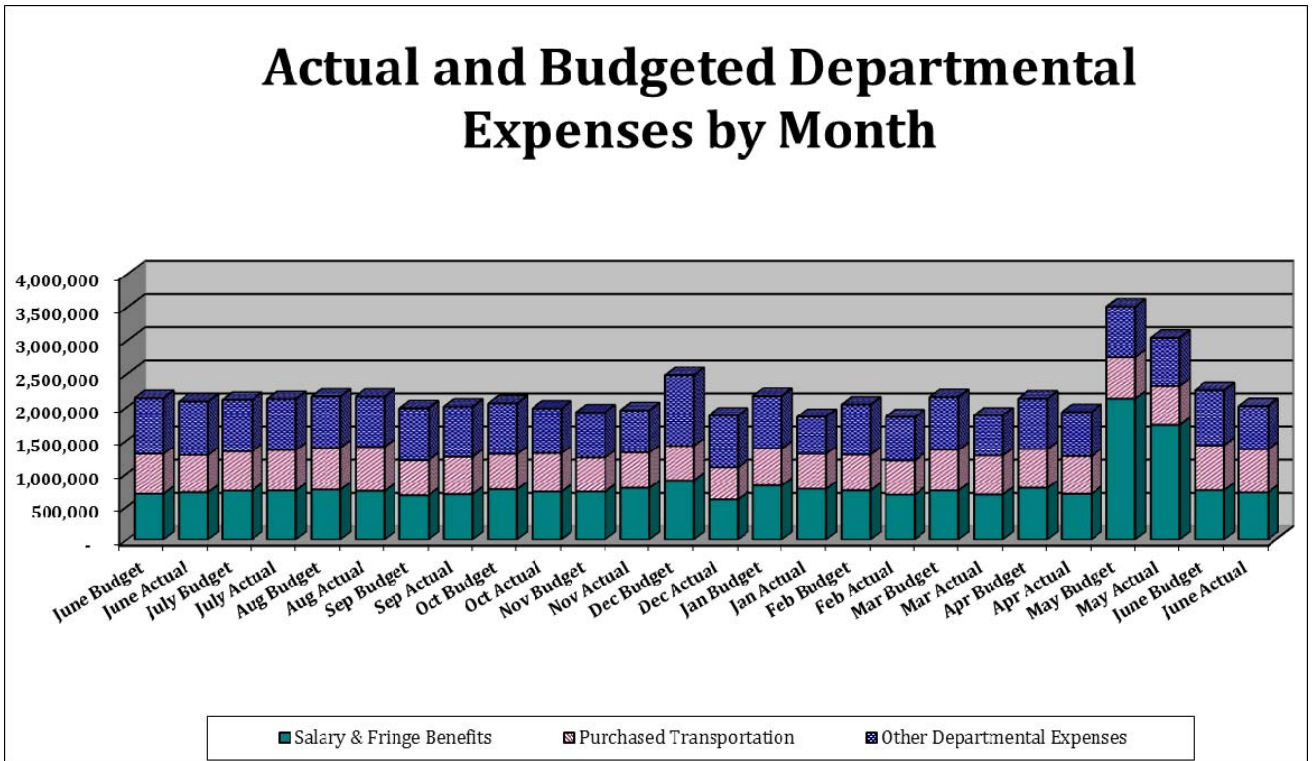
Total grant revenues for non-capital expenses is \$997,902 which is \$461,258 more than 2012. Capital contributions for the year to date are at \$272,207 compared to \$571,143 in 2012.

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	\$ 708,827	743,329	34,502	5,242,565	5,938,529	695,964
Services	134,931	177,364	42,433	628,625	837,794	209,169
Materials & Supplies	330,710	387,651	56,941	1,993,029	2,271,849	278,820
Utilities	28,914	34,007	5,093	186,663	191,792	5,129
Insurance	124,337	188,965	64,628	839,612	1,125,066	285,454
Purchased Transportation	650,789	679,427	28,638	3,428,580	3,597,382	168,802
Miscellaneous	28,331	27,969	(362)	189,882	221,701	31,819
Leases	5,004	5,584	580	32,184	33,792	1,608
Total Department Expenses	\$ 2,011,843	2,244,296	232,453	12,541,140	14,217,905	1,676,765

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



- Salaries & Benefits – Favorable to budget by \$695,964 (11.7%) 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 \$209,169 (25.0%). 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 \$204,000 (16.2%) under budget for the year. Prices were lower than budgeted. Details as of the end of June:

Fuel Type	Budget Price	Year to Date Average Price	Last Price Paid
Diesel	\$ 3.44	\$ 3.06	\$ 2.93
Unleaded	\$ 3.18	\$ 2.86	\$ 2.71
CNG*	\$ 1.20	\$ 1.26	\$ 1.26

*Includes related electric compression costs.

Bus Repair Parts and related Vehicle Materials & Supplies combined are under budget by about \$38,000.

Other materials and supplies are about \$37,000 under budget.

- Utilities – About \$5,000 under budget for the year.

- Insurance – The Authority’s self-funded health insurance is about \$278,000 (28.9%) under budget due primarily to lower than anticipated year to date claims costs. This is about \$123,000 less than in 2012. Property & liability insurance costs are about \$7,000 under budget for the year.
- Purchased Transportation– \$3,429,000 with a favorable variance of about \$169,000. Savings are primarily due to lower than budgeted fuel costs of about \$90,000. Lower than anticipated utilization of B-Line services has contributed savings of about \$51,000.
- Miscellaneous Expenses – Overall, these expenses are about \$32,000 under budget.
- Leases & Rentals – About \$2,000 less than 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 June 30, 2013 & May 31, 2013 & June 30, 2012**

	<u>June 30, 2013</u>	<u>May 31, 2013</u>	<u>June 30, 2012</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 12,714,105	15,385,001	21,094,719
Investments	16,882,015	13,140,957	5,145,264
Receivables			
Sales taxes	5,572,485	4,966,525	5,020,485
Accrued interest receivable	93,851	68,432	42,134
Due from federal/state Government	289,105	985,369	344,668
Other	49,182	55,722	83,809
Inventories	555,610	536,575	469,891
Prepaid Expenses	237,519	253,430	256,286
Net Pension Asset	452,465	452,465	-
Total Current Assets	<u>36,846,337</u>	<u>35,844,476</u>	<u>32,457,256</u>
Capital Assets:			
Land and Construction in progress	5,474,707	4,794,573	5,846,194
Other capital assets, net of depreciation	36,083,635	36,579,073	28,507,710
Total Capital Assets	<u>41,558,342</u>	<u>41,373,646</u>	<u>34,353,904</u>
Total Assets	<u>78,404,679</u>	<u>77,218,122</u>	<u>66,811,160</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	584,422	448,558	364,005
Accrued compensated absences	175,493	175,493	207,174
Distributions to regional entities payable	732,445	732,445	769,319
Other accrued liabilities	437,083	387,857	794,731
Total current liabilities	<u>1,929,443</u>	<u>1,744,353</u>	<u>2,135,229</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>2,536,957</u>	<u>2,351,867</u>	<u>2,701,144</u>
NET POSITION			
Net Investment in Capital Assets	41,558,342	41,373,646	34,353,904
Restricted for pension plan obligation	452,465	452,465	-
Unrestricted	33,856,915	33,040,144	29,756,112
Total Net Position	<u>\$ 75,867,722</u>	<u>74,866,255</u>	<u>64,110,016</u>

Note - See Accompanying Narrative

Corpus Christi Regional Transportation Authority
Statement of Revenues and Expenditures By Cost Center (Unaudited)
Months ended June 30, 2013 & June 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	\$ 136,966	145,343	(8,377)	140,125	(3,159)
Bus advertising	3,333	3,333	-	3,333	-
Charter service	-	-	-	-	-
Other operating revenues	2,487	5,213	(2,726)	3,858	(1,371)
Total Operating Revenues	142,786	153,889	(11,103)	147,316	(4,530)
Operating Expenses:					
Transportation	431,757	419,881	(11,876)	446,574	14,817
Customer Programs	10,284	39,678	29,394	55,186	44,902
Purchased Transportation	704,704	744,098	39,394	613,897	(90,807)
Service Development	21,817	21,224	(593)	37,227	15,410
MIS	23,960	26,573	2,613	24,692	732
Vehicle Maintenance	398,173	445,387	47,214	479,353	81,180
Facilities Maintenance	88,159	89,587	1,428	87,825	(334)
Contracts and Procurements	13,702	19,250	5,548	10,415	(3,287)
CEO's Office	41,630	45,224	3,594	39,364	(2,266)
Finance and Accounting	57,683	53,987	(3,696)	55,321	(2,362)
Materials Management	9,476	11,776	2,300	12,989	3,513
Human Resources	113,326	205,486	92,160	173,300	59,974
General Administration	24,712	35,367	10,655	12,925	(11,787)
Capital Project Management	15,214	15,429	215	9,448	(5,766)
Marketing & Communications	22,439	28,870	6,431	20,807	(1,632)
Safety & Security	34,807	42,479	7,672	-	(34,807)
TCN - Regional Coordinator	-	-	-	-	-
Total Departmental Expenses	2,011,843	2,244,296	232,453	2,079,323	67,480
Depreciation	495,438	495,438	-	466,667	(28,771)
Total Operating Expenses	2,507,281	2,739,734	232,453	2,545,990	38,709
Operating Income (Loss)	(2,364,495)	(2,585,845)	221,350	(2,398,674)	34,179
Other Income (Expense)					
Sales Tax Revenue	3,068,013	2,927,091	140,922	2,919,952	148,061
Federal, state and local grant assistance	156,443	300,000	(143,557)	7,069	149,374
Investment Income	4,250	4,600	(350)	3,808	442
Gain (Loss) on Disposition of Property	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
Net Income (Loss) Before Capital Grants and Donations	864,211	645,846	218,365	532,155	332,056
Capital Grants & Donations	137,268	25,000	112,268	337,599	(200,331)
Change in Net Assets	\$ 1,001,479	670,846	330,633	869,754	131,725

The unaudited financial statements for the month of June 30, 2013 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 June 30, 2013 & June 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	\$ 850,695	858,310	(7,615)	820,249	30,446
Bus advertising	20,000	19,998	2	20,000	-
Charter service	158	-	158	-	158
Other operating revenues	35,686	31,278	4,408	32,285	3,401
Total Operating Revenues	906,539	909,586	(3,047)	872,534	34,005
Operating Expenses:					
Transportation	2,506,550	2,607,785	101,235	2,712,330	205,780
Customer Programs	82,133	136,813	54,680	212,785	130,652
Purchased Transportation	3,767,063	3,975,075	208,012	3,447,253	(319,810)
Service Development	138,328	136,448	(1,880)	298,244	159,916
MIS	153,130	179,675	26,545	184,318	31,188
Vehicle Maintenance	2,393,535	2,725,620	332,085	2,644,959	251,424
Facilities Maintenance	508,564	534,177	25,613	478,430	(30,134)
Contracts and Procurements	75,037	102,306	27,269	71,848	(3,189)
CEO's Office	274,764	300,758	25,994	366,161	91,397
Finance and Accounting	209,793	185,732	(24,061)	187,912	(21,881)
Materials Management	60,207	73,316	13,109	70,479	10,272
Human Resources	1,778,087	2,467,298	689,211	2,200,778	422,691
General Administration	173,080	226,390	53,310	107,566	(65,514)
Capital Project Management	76,623	89,608	12,985	64,219	(12,404)
Marketing & Communications	157,823	218,132	60,309	124,397	(33,426)
Safety & Security	186,423	258,772	72,349	-	(186,423)
TCN - Regional Coordinator	-	-	-	-	-
Total Departmental Expenses	12,541,140	14,217,905	1,676,765	13,171,679	630,539
Depreciation	2,972,628	2,972,628	-	2,800,002	(172,626)
Total Operating Expenses	15,513,768	17,190,533	1,676,765	15,971,681	457,913
Operating Income (Loss)	(14,607,229)	(16,280,947)	1,673,718	(15,099,147)	491,918
Other Income (Expense)					
Sales Tax Revenue	15,893,656	15,087,864	805,792	14,377,410	1,516,246
Federal, state and local grant assistance	997,902	1,170,000	(172,098)	536,644	461,258
Investment Income	27,406	27,600	(194)	16,133	11,273
Gain (Loss) on Disposition of Property	225	-	225	1,000	(775)
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
Net Income (Loss) Before Capital Grants and Donations	2,311,960	4,517	2,307,443	(167,960)	2,479,920
Capital Grants & Donations	272,207	95,000	177,207	571,143	(298,936)
Change in Net Assets	\$ 2,584,167	99,517	2,484,650	403,183	2,180,984

The unaudited financial statements for year-to-date ended June 30, 2013 have been reviewed and appear to be reasonable. SEV Reviewed

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

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 850,695
Cash Received from Bus Advertising and Other Ancillary	61,285
Cash Payments to Suppliers for Goods and Services	(7,320,181)
Cash Payments to Employees for Services	(4,161,137)
Cash Payments for Employee Benefits	(2,123,108)
Net Cash Used for Operating Activities	<u>(12,692,446)</u>

Cash Flows from Non-Capital Financing Activities:

Sales and Use Taxes Received	17,162,259
Grants and Other Reimbursements	987,641
Distributions to Region Entities	(1,899,676)
Net Cash Provided by Non-Capital Financing Activities	<u>16,250,224</u>

Cash Flows from Capital and Related Financing Activities:

Federal and Other Grant Assistance	1,929,939
Proceeds from Sale of Capital Assets	225
Purchase and Construction of Capital Assets	(1,266,911)
Net Cash Used for Capital and Related Financing Activities	<u>663,253</u>

Cash Flows from Investing Activities:

Investment Income	57,070
Purchases of Investments	(12,505,874)
Maturities and Redemptions of Investments	6,000,000
Net Cash Used for Non-Capital Financing Activities	<u>(6,448,804)</u>

Net Increase in Cash and Cash Equivalents (2,227,773)

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

Cash and Cash Equivalents, Ending \$ 12,714,105

Reconciliation to Statement of Net Assets:

Operating cash and cash equivalents	\$ 12,714,105
Reserved cash and cash equivalents	0
Cash and Cash Equivalents, Ending	<u>\$ 12,714,105</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	2,927,091	5.7%	2,769,015	2,508,953	2,195,580	1,733,918
July		N/A	2,545,257	2,114,283	1,804,051	1,625,860
August		N/A	2,615,213	2,343,583	1,769,527	1,567,976
September		N/A	2,605,068	2,500,035	2,080,698	1,720,734
October		N/A	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	\$ 15,893,656	-49.7%	\$ 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.

