



CORPUS CHRISTI REGIONAL  
TRANSPORTATION AUTHORITY

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

**Financial Report**

**August 2013**

**Prepared by:**

**Finance Department**

**Cindy O'Brien, Interim Director of Finance**

# CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

## Financial Report for August 2013

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**CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY  
PRELIMINARY FINANCIAL REPORT  
MONTH AND YEAR TO DATE AUGUST 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 \$78.5 million, liabilities of \$2.5 million and net position (assets less liabilities) of \$76.0 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.

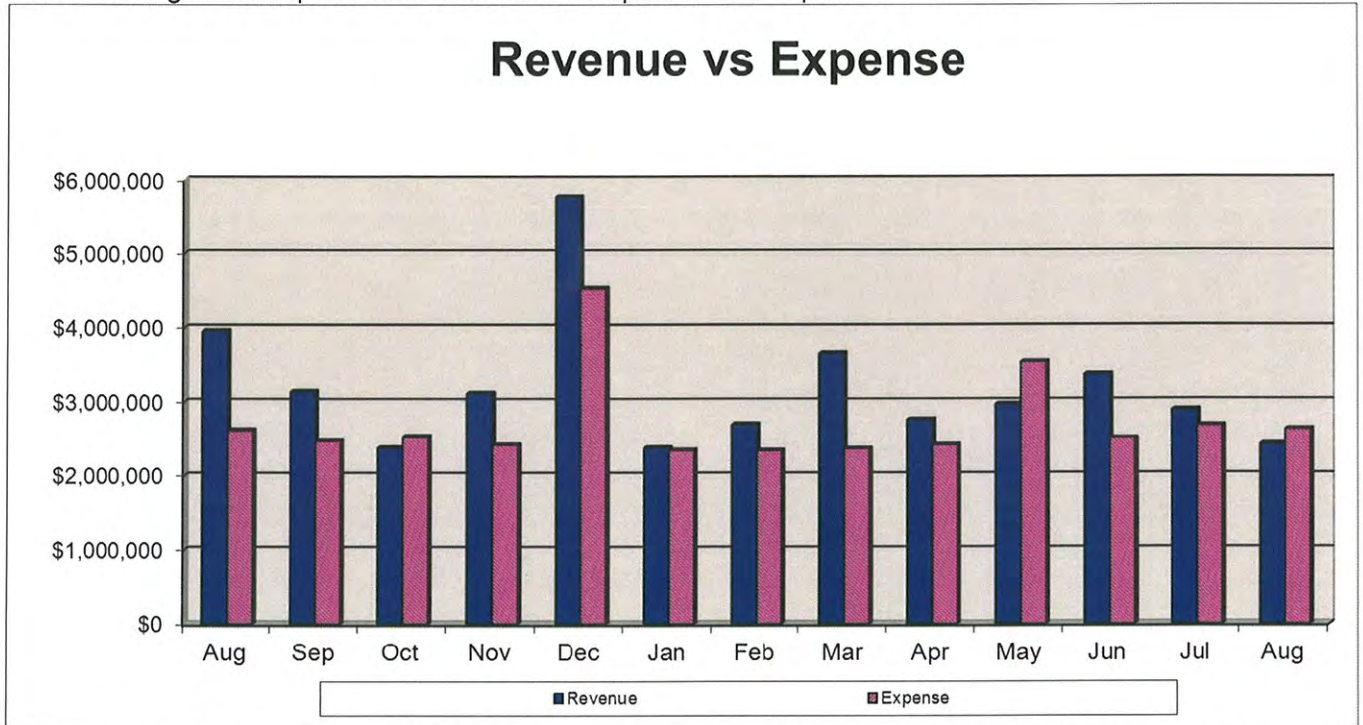
Unrestricted Net Position

Designated for Operating reserve	\$8,329,717
Designated for Employee Benefits	590,536
Capital Reserve	4,999,910
Undesignated	19,031,118
Total Unrestricted Net Position	<u>\$32,951,281</u>

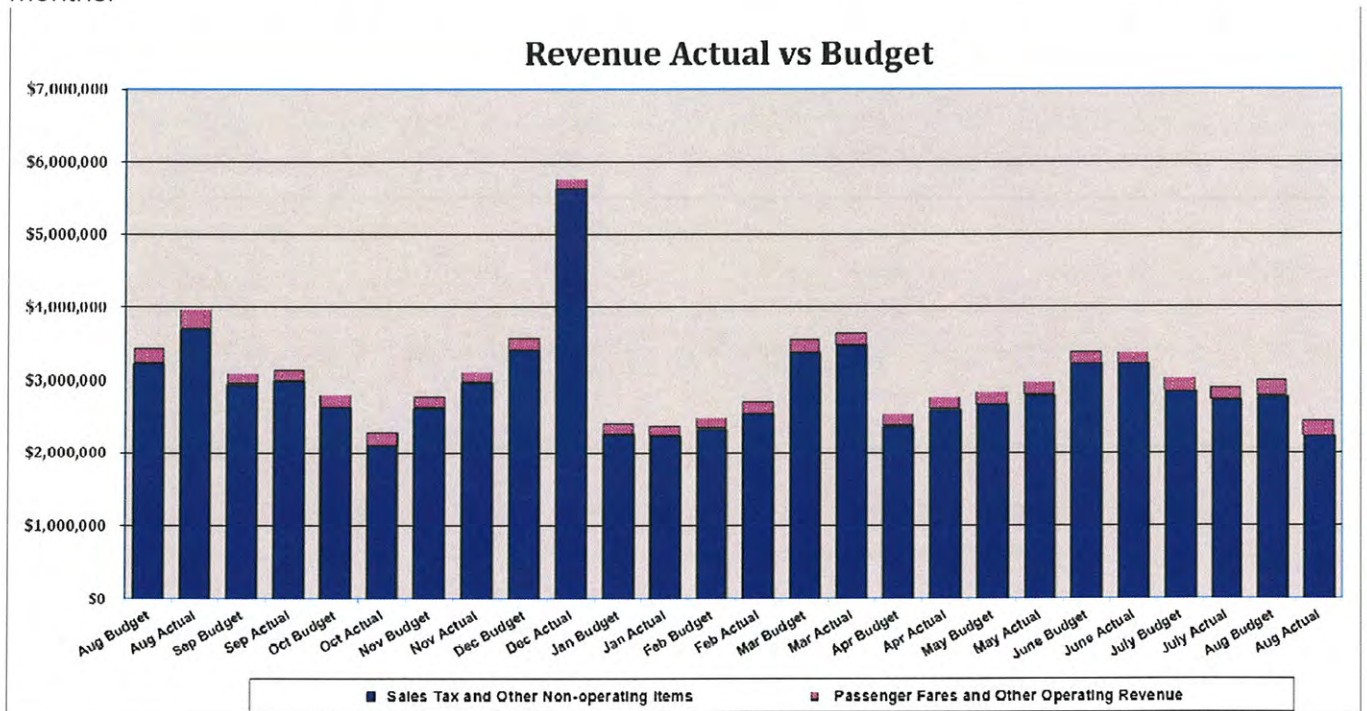
## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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 \$608,000. The total year to date increase in Net Position is \$2.8 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 \$24,309 less than the Fiscal 2013 budget and \$12,723 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 \$4,824 (0.4%) less than budgeted. Revenues from passenger service are \$5,311 (0.5%) more than in 2012. Harbor Ferry fares are up by about \$14,000 over 2012. The remaining increase is primarily from commuter routes.
- Bus Advertising – This represents contractual on-board advertising. These revenues are \$22,243 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 \$2,600 (6.2%) above budget and \$4,051 (10.1%) higher than 2012 primarily due to timing of payments for bus bench advertising.

## Sales Tax:

July Sales Tax was \$2,135,526 which was a 16.1% decrease from 2012. This is \$341,596 less than budgeted. Without audit activity, July Sales Tax was 4.13% over July 2012.

Year to Date through July Sales tax was \$18,009,007, an increase of \$964,289 (5.7%) over 2012.

August sales tax has been estimated at \$2,632,440 which is a .7% increase over 2012.

## Federal, state and local grant assistance:

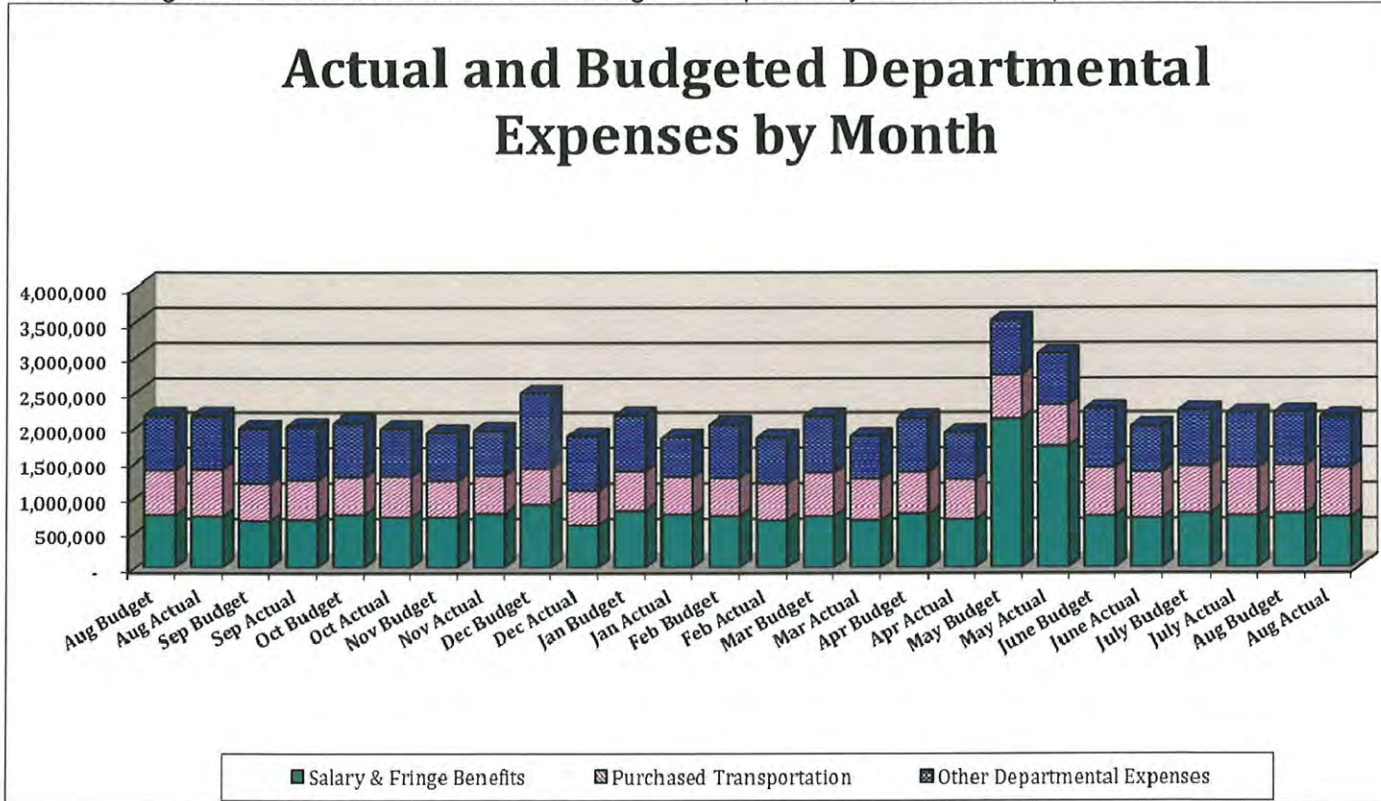
Total grant revenues for non-capital expenses is \$1,206,786 which is \$290,958 less than 2012. Capital contributions for the year to date are at \$452,778 compared to \$847,869 in 2012.

## 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	\$ 723,843	777,490	53,647	6,711,819	7,495,792	783,973
Services	106,104	118,422	12,318	883,497	1,119,432	235,935
Materials & Supplies	431,599	363,622	(67,977)	2,802,167	3,001,131	198,964
Utilities	33,914	29,702	(4,212)	251,713	254,501	2,788
Insurance	106,718	188,965	82,247	1,112,266	1,502,996	390,730
Purchased Transportation	693,089	676,986	(16,103)	4,799,414	4,941,832	142,418
Miscellaneous	35,078	31,523	(3,555)	254,569	272,299	17,730
Leases	5,056	5,584	528	42,705	45,104	2,399
Total Department Expenses	\$ 2,135,401	2,192,294	56,893	16,858,150	18,633,087	1,774,937

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



- Salaries & Benefits – Favorable to budget by \$783,973 (10.5%) 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 \$235,935 (21.1%). 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 \$232,000 (13.8%) under budget for the year. Prices were lower than budgeted. Details as of the end of August:

<u>Fuel Type</u>	<u>Budget Price</u>	<u>Year to Date Average Price</u>	<u>Last Price Paid</u>
Diesel	\$ 3.44	\$ 3.07	\$ 3.18
Unleaded	\$ 3.18	\$ 2.89	\$ 2.94
CNG*	\$1.20	\$1.26	\$1.19

\*Includes related electric compression costs.

Bus Repair Parts and related Vehicle Materials & Supplies combined are over budget by about \$34,000.

Other materials and supplies are about \$1,200 under budget.

- Utilities – About \$3,000 under budget for the year.
- Insurance – The Authority's self-funded health insurance is about \$383,000 (29.8%) under budget due primarily to lower than anticipated year to date claims costs. This is about \$149,000 less than in 2012. Property & liability insurance costs are about \$8,000 under budget for the year.
- Purchased Transportation– \$4,799,000 with a favorable variance of about \$142,000. Savings are primarily due to lower than budgeted fuel costs of about \$39,000. Lower than anticipated utilization of B-Line services has contributed savings of about \$65,000.
- Miscellaneous Expenses – Overall, these expenses are about \$18,000 under budget.
- Leases & Rentals – About \$2,400 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 August 31, 2013 & July 31, 2013 & August 31, 2012

	<u>August 31, 2013</u>	<u>July 31, 2013</u>	<u>August 31, 2012</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 5,359,982	6,933,006	15,207,287
Investments	23,623,011	22,646,008	11,519,557
Receivables			
Sales taxes	4,767,966	5,459,357	5,006,019
Accrued interest receivable	105,170	107,498	78,578
Due from federal/state Government	678,560	663,775	1,237,826
Other	61,578	46,646	107,503
Inventories	586,169	590,319	453,646
Prepaid Expenses	261,170	308,029	215,804
Net Pension Asset	452,465	452,465	-
<b>Total Current Assets</b>	<u>35,896,071</u>	<u>37,207,103</u>	<u>33,826,220</u>
<b>Capital Assets:</b>			
Land and Construction in progress	7,557,288	6,029,888	6,942,292
Other capital assets, net of depreciation	35,092,759	35,588,197	27,574,376
<b>Total Capital Assets</b>	<u>42,650,047</u>	<u>41,618,085</u>	<u>34,516,668</u>
<b>Total Assets</b>	<u>78,546,118</u>	<u>78,825,188</u>	<u>68,342,888</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	695,976	562,211	459,659
Accrued compensated absences	175,493	175,493	207,174
Distributions to regional entities payable	727,454	727,454	769,319
Other accrued liabilities	285,888	493,445	657,014
<b>Total current liabilities</b>	<u>1,884,811</u>	<u>1,958,603</u>	<u>2,093,166</u>
<b>Non-Current Liabilities:</b>			
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>
<b>Total Liabilities</b>	<u>2,492,325</u>	<u>2,566,117</u>	<u>2,659,081</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	42,650,047	41,618,085	34,516,668
Restricted for pension plan obligation	452,465	452,465	-
Unrestricted	32,951,281	34,188,521	31,167,139
<b>Total Net Position</b>	<u>\$ 76,053,793</u>	<u>76,259,071</u>	<u>65,683,807</u>

Note - See Accompanying Narrative



Corpus Christi Regional Transportation Authority  
Statement of Revenues and Expenditures By Cost Center (Unaudited)  
Months ended August 31, 2013 & August 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
<b>Operating Revenues:</b>					
Passenger service	\$ 170,690	164,729	5,961	198,134	(27,444)
Bus advertising	12,095	34,340	(22,245)	34,338	(22,243)
Charter service	-	-	-	-	-
Other operating revenues	6,231	5,213	1,018	5,556	675
<b>Total Operating Revenues</b>	<b>189,016</b>	<b>204,282</b>	<b>(15,266)</b>	<b>238,028</b>	<b>(49,012)</b>
<b>Operating Expenses:</b>					
Transportation	422,593	433,760	11,167	455,830	33,237
Customer Programs	11,006	15,554	4,548	26,250	15,244
Purchased Transportation	749,803	743,194	(6,609)	718,714	(31,089)
Service Development	14,169	25,224	11,055	59,264	45,095
MIS	32,836	26,709	(6,127)	15,710	(17,126)
Vehicle Maintenance	502,691	465,150	(37,541)	508,144	5,453
Facilities Maintenance	96,401	80,548	(15,853)	90,476	(5,925)
Contracts and Procurements	15,363	16,304	941	7,858	(7,505)
CEO's Office	32,875	41,447	8,572	47,444	14,569
Finance and Accounting	34,213	30,183	(4,030)	32,262	(1,951)
Materials Management	9,429	12,153	2,724	13,046	3,617
Human Resources	98,364	176,121	77,757	133,318	34,954
General Administration	26,236	37,678	11,442	14,979	(11,257)
Capital Project Management	20,652	13,151	(7,501)	16,808	(3,844)
Marketing & Communications	32,709	31,944	(765)	11,524	(21,185)
Safety & Security	36,061	43,174	7,113	-	(36,061)
TCN - Regional Coordinator	-	-	-	-	-
<b>Total Departmental Expenses</b>	<b>2,135,401</b>	<b>2,192,294</b>	<b>56,893</b>	<b>2,151,627</b>	<b>16,226</b>
Depreciation	495,438	495,438	-	466,667	(28,771)
<b>Total Operating Expenses</b>	<b>2,630,839</b>	<b>2,687,732</b>	<b>56,893</b>	<b>2,618,294</b>	<b>(12,545)</b>
<b>Operating Income (Loss)</b>	<b>(2,441,823)</b>	<b>(2,483,450)</b>	<b>41,627</b>	<b>(2,380,266)</b>	<b>(61,557)</b>
<b>Other Income (Expense)</b>					
Sales Tax Revenue	2,215,525	2,477,122	(261,597)	2,775,445	(559,920)
Federal, state and local grant assistance	14,785	300,000	(285,215)	934,852	(920,067)
Investment Income	6,244	4,800	1,444	8,259	(2,015)
Gain (Loss) on Disposition of Property	-	-	-	-	-
Street Improvements Program for CCRTA Region Entities	-	-	-	-	-
<b>Net Income (Loss) Before Capital Grants and Donations</b>	<b>(205,269)</b>	<b>298,472</b>	<b>(503,741)</b>	<b>1,338,290</b>	<b>(1,543,559)</b>
Capital Grants & Donations	-	25,000	(25,000)	276,726	(276,726)
<b>Change in Net Assets</b>	<b>\$ (205,269)</b>	<b>323,472</b>	<b>(528,741)</b>	<b>1,615,016</b>	<b>(1,820,285)</b>

The unaudited financial statements for the month of August 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 August 31, 2013 & August 31, 2012

	Year-to-date			Prior Year Comparison	
	Actual	Budget	Favorable	2012	Favorable
			(Unfavorable)		(Unfavorable)
	A	B	A vs B	C	A vs C
<b>Operating Revenues:</b>					
Passenger service	\$ 1,176,355	1,181,179	(4,824)	1,171,044	5,311
Bus advertising	35,428	57,671	(22,243)	57,671	(22,243)
Charter service	158	-	158	-	158
Other operating revenues	44,304	41,704	2,600	40,253	4,051
<b>Total Operating Revenues</b>	<b>1,256,245</b>	<b>1,280,554</b>	<b>(24,309)</b>	<b>1,268,968</b>	<b>(12,723)</b>
<b>Operating Expenses:</b>					
Transportation	3,356,450	3,474,840	118,390	3,621,104	264,654
Customer Programs	116,178	169,406	53,228	263,325	147,147
Purchased Transportation	5,255,083	5,449,166	194,083	4,830,510	(424,573)
Service Development	167,308	183,996	16,688	383,752	216,444
MIS	217,587	233,986	16,399	218,945	1,358
Vehicle Maintenance	3,334,851	3,648,657	313,806	3,642,138	307,287
Facilities Maintenance	695,333	706,084	10,751	662,703	(32,630)
Contracts and Procurements	107,335	136,964	29,629	92,660	(14,675)
CEO's Office	379,089	416,402	37,313	496,768	117,679
Finance and Accounting	270,828	246,530	(24,298)	253,970	(16,858)
Materials Management	80,254	97,622	17,368	96,956	16,702
Human Resources	2,039,586	2,824,698	785,112	2,485,333	445,747
General Administration	229,119	300,656	71,537	152,735	(76,384)
Capital Project Management	124,689	116,035	(8,654)	90,892	(33,797)
Marketing & Communications	225,284	283,120	57,836	148,050	(77,234)
Safety & Security	259,176	344,925	85,749	-	(259,176)
TCN - Regional Coordinator	-	-	-	-	-
<b>Total Departmental Expenses</b>	<b>16,858,150</b>	<b>18,633,087</b>	<b>1,774,937</b>	<b>17,439,841</b>	<b>581,691</b>
Depreciation	3,963,504	3,963,504	-	3,733,336	(230,168)
<b>Total Operating Expenses</b>	<b>20,821,654</b>	<b>22,596,591</b>	<b>1,774,937</b>	<b>21,173,177</b>	<b>351,523</b>
<b>Operating Income (Loss)</b>	<b>(19,565,409)</b>	<b>(21,316,037)</b>	<b>1,750,628</b>	<b>(19,904,209)</b>	<b>338,800</b>
<b>Other Income (Expense)</b>					
Sales Tax Revenue	20,641,447	20,117,398	524,049	19,505,480	1,135,967
Federal, state and local grant assistance	1,206,786	1,770,000	(563,214)	1,497,744	(290,958)
Investment income	39,407	37,000	2,407	28,991	10,416
Gain (Loss) on Disposition of Property	225	-	225	1,086	(861)
Street Improvements Program for CCRTA Region Entities	(4,991)	-	(4,991)	-	(4,991)
<b>Net Income (Loss) Before Capital Grants and Donations</b>	<b>2,317,465</b>	<b>608,361</b>	<b>1,709,104</b>	<b>1,129,092</b>	<b>1,188,373</b>
Capital Grants & Donations	452,778	95,000	357,778	847,869	(395,091)
<b>Change in Net Assets</b>	<b>\$ 2,770,243</b>	<b>703,361</b>	<b>2,066,882</b>	<b>1,976,961</b>	<b>793,282</b>

The unaudited financial statements for year-to-date ended August 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 August 31, 2013

<b>Cash Flows From Operating Activities:</b>	
Cash Received from Customers	\$ 1,176,355
Cash Received from Bus Advertising and Other Ancillary	72,935
Cash Payments to Suppliers for Goods and Services	(9,910,350)
Cash Payments to Employees for Services	(5,767,475)
Cash Payments for Employee Benefits	(2,355,380)
Net Cash Used for Operating Activities	<u>(16,783,915)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Sales and Use Taxes Received	22,714,569
Grants and Other Reimbursements	1,206,786
Distributions to Region Entities	(1,909,658)
Net Cash Provided by Non-Capital Financing Activities	<u>22,011,697</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Federal and Other Grant Assistance	1,710,785
Proceeds from Sale of Capital Assets	232
Purchase and Construction of Capital Assets	(3,331,577)
Net Cash Used for Capital and Related Financing Activities	<u>(1,620,560)</u>
<b>Cash Flows from Investing Activities:</b>	
Investment Income	105,685
Purchases of Investments	(20,539,803)
Maturities and Redemptions of Investments	7,245,000
Net Cash Used for Non-Capital Financing Activities	<u>(13,189,118)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(9,581,896)
<b>Cash and Cash Equivalents, January 1</b>	14,941,878
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 5,359,982</u>
<b>Reconciliation to Statement of Net Assets:</b>	
Operating cash and cash equivalents	\$ 5,359,982
Reserved cash and cash equivalents	<u>0</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,359,982</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	2,632,440	0.7%	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
<b>Total</b>	<b>\$ 20,641,447</b>	<b>-34.6%</b>	<b>\$ 31,571,834</b>	<b>\$ 26,235,525</b>	<b>\$ 22,891,712</b>	<b>\$ 20,821,573</b>

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

