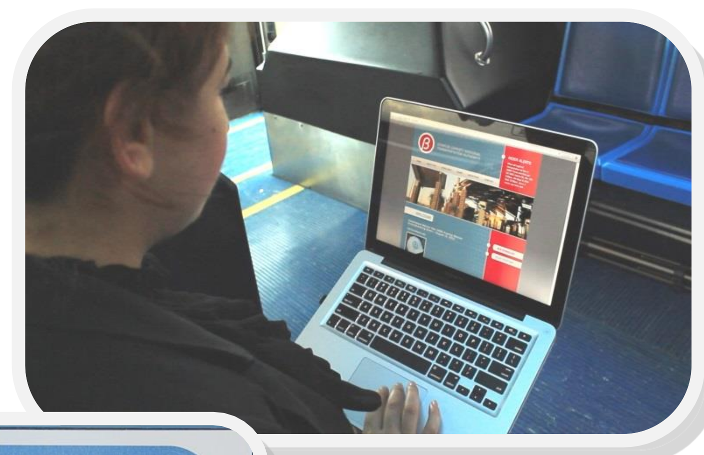
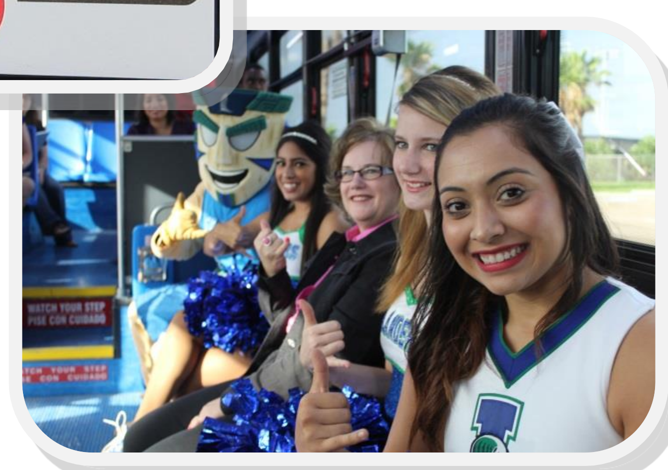
Corpus Christi Regional Transportation Authority
Corpus Christi, Texas





Comprehensive Annual Financial Report
For the Years Ended December 31, 2014 and 2013

Corpus Christi Regional Transportation Authority
Corpus Christi, Texas

Comprehensive Annual Financial Report

For the Years Ended December 31, 2014 and 2013

Mission Statement

The Corpus Christi Regional Transportation Authority was created by the people to provide quality transportation and enhance the regional economy in a responsible manner consistent with its financial resources and the diverse needs of our community.

Prepared by the Finance Department

2014
Introductory Section

Comprehensive Annual Financial Report

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CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

5658 Bear Lane **Corpus Christi, Texas 78405** **(361) 289-2712**

June 29, 2015

Vangie Chapa, Board Chair
and Members of the Board of Directors of the
Corpus Christi Regional Transportation Authority

Dear Board Chair, Board Members, and Citizens:

Management is pleased to submit to you this Comprehensive Annual Financial Report (CAFR) of the Corpus Christi Regional Transportation Authority (Authority) for its fiscal year ended December 31, 2014. This CAFR is indicative of Authority management's continued commitment to provide high quality, complete, concise and reliable financial information about the Authority.

Management assumes full responsibility for the completeness and reliability of this information based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not outweigh the benefits, the Authority's system of controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

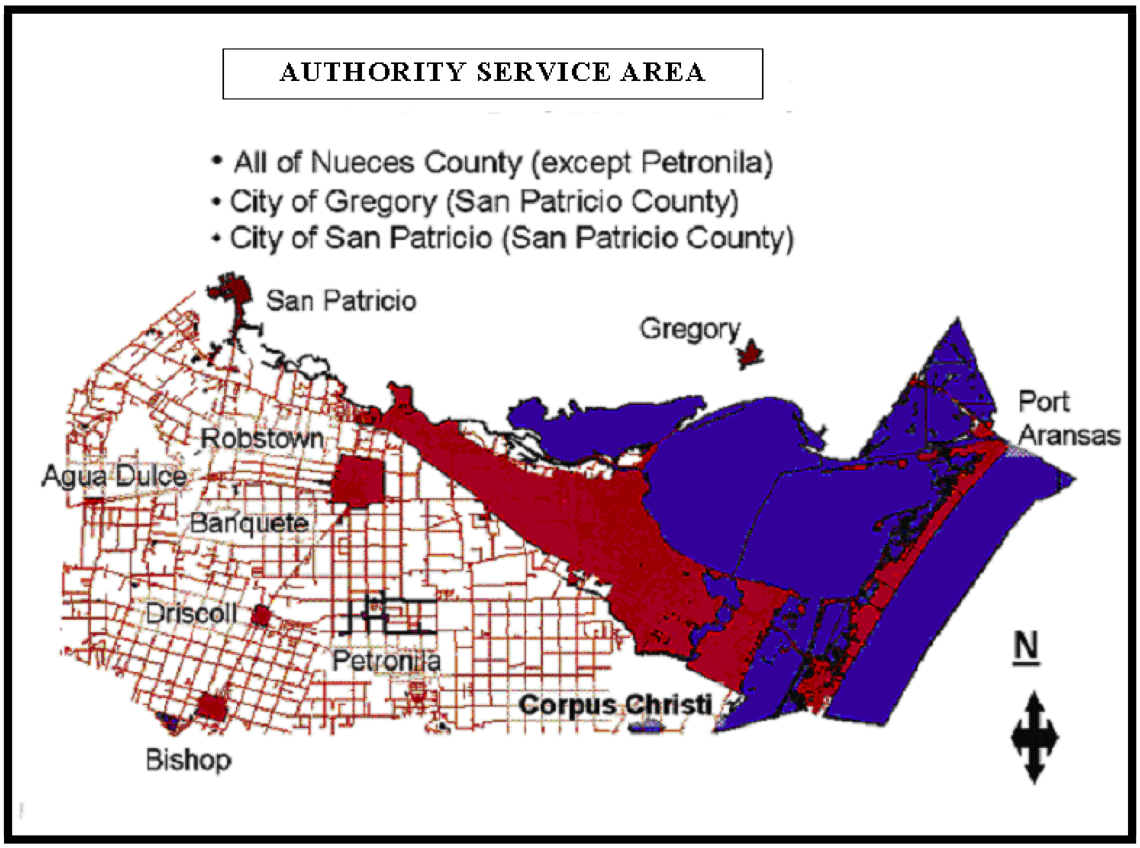
Pursuant to Section 451.451, Subchapter J, of the Texas Transportation Code, the financial statements contained herein are required to be independently audited. The Authority is also required by federal regulations to undergo an audit related to its federal grants. The independent firm of Collier, Johnson & Woods, P.C., Certified Public Accountants, has issued an unmodified (clean) opinion on the Authority's financial statements. Their opinion letters are presented first in the Financial and Single Audit sections of this CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE AUTHORITY

The Authority was created in 1985 by majority vote of the taxpayers and commenced operations on January 1, 1986. Note 1 in the Financial Section provides more details about the Authority as a legal entity.

Located in Corpus Christi, Texas on the coast of the Gulf of Mexico, the Authority is a *regional* provider of mass transportation services, primarily within Nueces County and also part of San Patricio County. Nueces County includes the cities of Agua Dulce, Bishop, Corpus Christi, Driscoll, Port Aransas, Robstown, and unincorporated areas. San Patricio County coverage includes the cities of Gregory and San Patricio. The total area is 838 square miles and has an estimated population of 355,638. A map of the Authority's service area is presented below.



Services and Service Delivery

Either directly or through contractors, the Authority provides virtually all public transportation services in this area. These services include fixed route, paratransit, vanpool, specialized services, and ferryboat transportation. The Authority maintains 1,421 bus stops, four transfer stations, three park and ride lots and a fleet of 75 fixed route and 38 paratransit vehicles. Certain commuter, paratransit and ferry services are provided through contractors specializing in these services. Table 12 in the Statistical Section contains service delivery statistics for the past ten years.

Officials

An eleven-member Board of Directors (Board) governs the Authority. The City of Corpus Christi, Nueces County and the Committee of Small City Mayors appoint members to the Board, excluding the Chair. The Board makes decisions, designates management, significantly influences operations and maintains primary fiscal accountability.

The Board establishes policy and sets direction for the Authority. The Board is made up of a chair and ten members. Five members are appointed by the City of Corpus Christi, three members are appointed by the Nueces County Commissioners and two members are appointed by participating small cities. The Chair is appointed by the sitting Board members. The Board members serve overlapping two-year terms. A listing of Authority Board members is included on page ix.

Executives

A Chief Executive Officer (CEO) is responsible for the daily operations of the Authority. The CEO supervises three major divisions including Administration, Capital Programs, and Operations. These broad divisions are organized into numerous departments for operational efficiency. The Authority has more than 255 employees in addition to about 100 staff employed by various contractors. An organizational chart is shown on page x.

Budget

The Board is required to adopt an annual operating budget before the beginning of each fiscal year. The budget serves as a policy document, an operations guide, a financial plan and a communication device. The board also adopts an annual capital budget. The process for developing the Authority's budgets typically begins with Board strategic planning in June or July and, through a series of meetings and analysis, results in an operating budget and a prioritized capital budget prior to the beginning of the fiscal year. The Authority may not spend more than the approved operating budget, and must approve increases to the budget. The CEO may permit movement of funds within the approved budget. If these reallocations are significant, Board approval is obtained.

LOCAL ECONOMY

The regional economy is diversified and includes naval air training, shipping, fishing, tourism, petrochemical refining, construction, agriculture, health care, government services and higher education. The region has a varied base that adds to the relative stability of employment. The estimated unemployment rate in Nueces County was 4.44% in 2014 compared to 5.4% in 2005. Per capita income rose from $29,835 in 2005 to an estimated $44,108 in 2014.

The Authority's ability to fund its operations is heavily dependent on a ½-cent sales and use tax generated from its regional economy. Sales tax revenues have grown at an annual average of 7.5% over the past ten years compared to average growth in operating expenses, including depreciation, of 4.1% over the same period. The Authority continues to operate with its original transit tax rate of .5%. The current overall sales and use tax rate for the Corpus Christi area is 8.25%, which is the maximum allowed by current law. Although the price of oil has dropped and caused drilling exploration to slow down, drilling activity and the auxiliary activities in the Eagle Ford Shale area of South Texas continue to be a major contributor to the increase in sales tax revenue.

In 2014, the average fuel prices for both diesel and unleaded fuel dropped $.25 and $.18, respectively from 2013 prices. However, over the past ten years diesel prices have increased by 79% while the price of unleaded gasoline has increased by 64%. Over time, higher fuel costs impact the Authority's ability to afford fuel needed to provide services. Rising fuel costs also impact the cost of maintenance materials for the Authority's fleet and energy prices associated with the Authority's customer amenities. In response to these high costs, in 2012, the Authority began the conversion of its fleet to CNG, and continues replacement with CNG vehicles to maximize cost savings. At the end of 2014, over 30% of the fleet was operating on CNG, and after acquisition of an additional forty-one buses, the Authority's fleet will be converted to 60% CNG.

Consistent with its mission statement, the Authority remains steadfast in its commitment to provide excellent public transportation to its riders while responsibly managing resources.

Long-Range Financial Planning

Due to the significant capital investment in buses and bus facilities used for service delivery and the operating cost growth challenges experienced by transit systems across the country, the Authority maintains 20-year long-term financial projections. A primary goal of long term planning is to ensure that adequate resources are maintained for the replacement of capital assets and system expansion. Financial projections are maintained and updated when significant events occur that warrant changes to the underlying assumptions. In 2012 the Authority's long range financial plan was updated as part of a long range system plan update, and is scheduled for another update in 2015.

Capital projects completed in 2014 included a $358 thousand Robstown Park & Ride transfer station, equipment for the maintenance division and continued upgrades to information technology for our transit stations and administration building. In 2015, the Authority expects to complete another phase in the ADA bus stop accessibility plan and continue construction of the new Staples Street Center in downtown Corpus Christi with a projected completion date of February 2016. The majority of the funding for the customer service center comes from a combination of taxable and non-taxable bonds issued in late 2013.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We express appreciation to the staff of the Finance Department for the significant investment of time and effort needed to prepare this report. Thank you to executive management for their various contributions to the information contained in this report. We also express deep appreciation for the innumerable efforts of our bus operators, street supervisors, dispatchers, trainers, security, safety personnel, mechanics, fleet service workers and facility maintenance staff who are directly involved with the daily provision of service to our customers.

Cindy O'Brien

Jorge Cruz-Aedo
Interim Chief Executive Officer

Cindy O'Brien, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Corpus Christi Regional

Transportation Authority, Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

BOARD OF DIRECTORS AND ADMINISTRATION

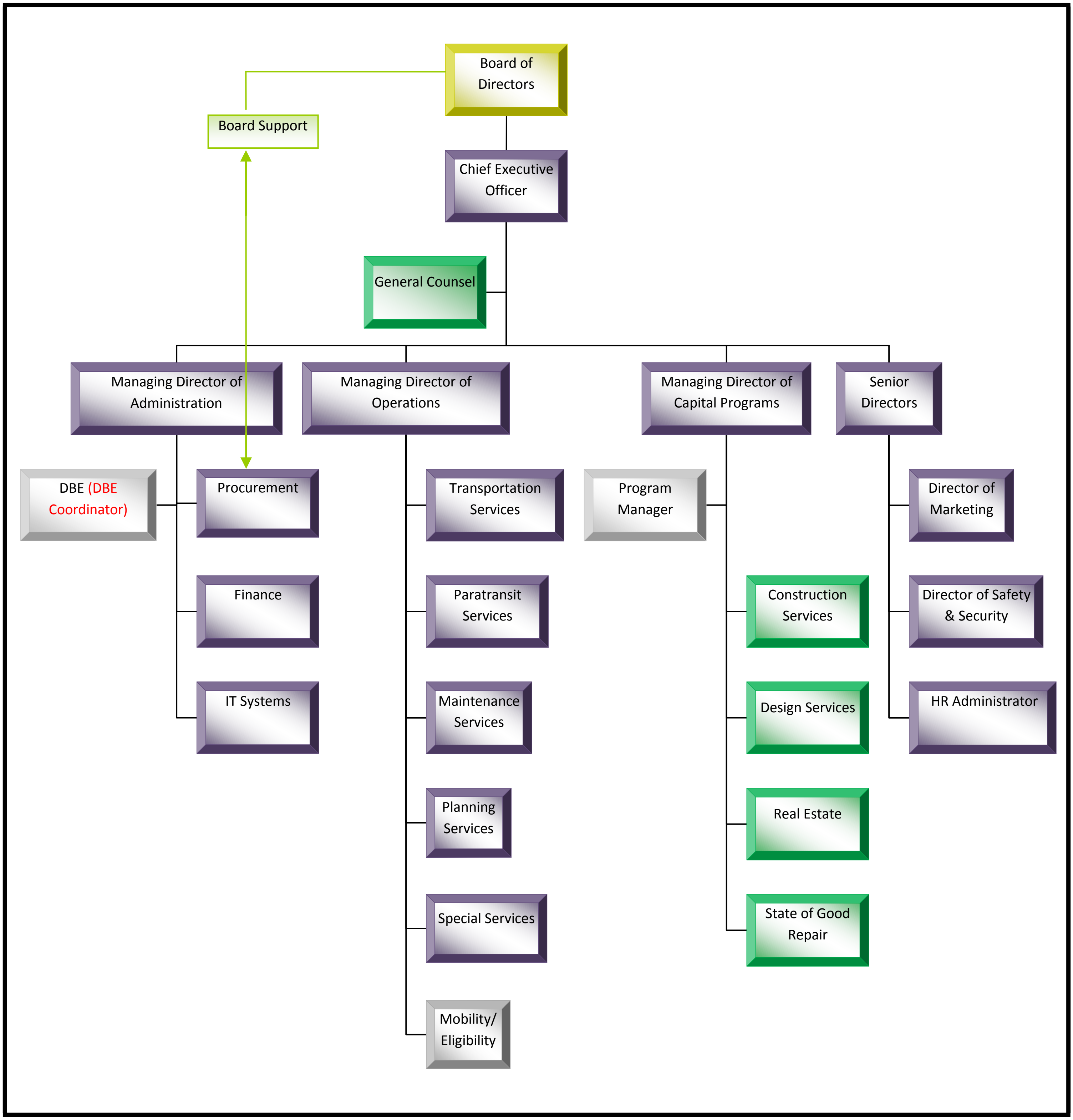
BOARD OF DIRECTORS

Board Chair	**Vangie Chapa**
Board Vice-Chair	**Lamont Taylor**
Board Secretary	**Mary Saenz**
Members	**George Clower** **Thomas Dreyer** **Tony Elizondo** **Angie Flores-Granado** **Ray Hunt** **Eddie Martinez** **Mike Reeves** **Curtis Rock**
Advisory Board Member	**John Valls**

ADMINISTRATION

Interim Chief Executive Officer	**Jorge Cruz-Aedo**
Managing Director of Capital Programs	**Sharon Montez**
Managing Director of Operations	**Rosa Villarreal**

Director of Finance	**Cindy O'Brien**
Director of Maintenance	**Jose Tovar**
Director of Marketing	**Jane Haas**
Director of Planning	**Gordon Robinson**
Director of Procurement	**William Laridis**
Director of Special Services	**Terry Klinger**
Director of Transportation	**Robert Saldaña**


Board of Directors
Board Support
Chief Executive Officer
General Counsel
Managing Director of Administration
Managing Director of Operations
Managing Director of Capital Programs
Senior Directors
DBE (DBE Coordinator)
Procurement
Finance
IT Systems
Transportation Services
Paratransit Services
Maintenance Services
Planning Services
Special Services
Mobility/ Eligibility
Program Manager
Construction Services
Design Services
Real Estate
State of Good Repair
Director of Marketing
Director of Safety & Security
HR Administrator

2014
Financial Section

Comprehensive Annual Financial Report

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COLLIER, JOHNSON & WOODS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

555 N. Carancahua Suite 1000
Corpus Christi, Texas 78401-0839
361-884-9347 · Fax 361-884-9422
www.cjw-cpa.com

INDEPENDENT AUDITOR'S REPORT

June 29, 2015

Board of Directors of the
Corpus Christi Regional Transportation Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Corpus Christi Regional Transportation Authority as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corpus Christi Regional Transportation Authority as of December 31, 2014 and 2013, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18 and other required supplementary information on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corpus Christi Regional Transportation Authority's basic financial statements. The introductory section, supplemental schedules, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal financial awards, pages 81 and 82, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The supplemental schedules and the schedule of expenditures of federal financial awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules and the schedule of expenditures of federal financial awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Collier, Johnson & Woods

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Corpus Christi Regional Transportation Authority (Authority) offers to readers of its financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended December 31, 2014 and 2013. We encourage readers to consider this information in conjunction with the information provided in our transmittal letter found in the introductory section of this report and all other information presented in the notes to the financial statements and other sections.

FINANCIAL HIGHLIGHTS

- The Authority's net position at December 31, 2014 was $83,414,294. Of this amount, $32,585,594 (39.1%) may be used to meet the Authority's ongoing obligations to citizens and creditors in accordance with its mission statement.

- The Authority's net position increased by $5,947,248 (7.6%) during 2014 as a result of net income of $1,454,646 and capital grants of $4,492,602.

- As of December 31, 2014, the Authority had long term obligations of $21,542,686, composed of $20,915,000 in long-term debt, net of current maturities, $518,327 of other post-employment benefits and $109,359 in accrued compensated absences.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion serves to introduce the Authority's basic financial statements. These statements have two components: (1) government-wide financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The Authority is structured as a stand-alone proprietary fund and presents its financial information using the accrual basis of accounting similar to the way private sector businesses present their financial information. Revenues are recognized in the financial statements when both earned and measurable, not when actually received in cash. Expenses are recognized when they are incurred, not when they are paid. The historical costs of capital assets are capitalized and depreciated over the estimated useful life of the assets.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities; with the difference between them being reported as net position. This is a measure of financial position, which can indicate improvement or deterioration from year to year. The presentation of net position also distinguishes between those invested in capital assets, restricted by bond covenant, and those that are unrestricted by external parties or legal requirements.

The *Statement of Revenues, Expenses and Changes in Net Position* accounts for the change in net position by showing the activities that caused the change. This statement measures the Authority's operations and can also be used to determine whether the Authority has successfully recovered all of its costs through fares and other user charges, sales taxes received, subsidies and other sources of funding available.

The *Statement of Cash Flows* provides details about the Authority's sources of, uses of and the change in cash over a fiscal year. This information is categorized into operating, non-capital financing, capital and related financing and investing activities.

The Authority also has fiduciary responsibility for two employee retirement funds and presents two financial statements related to them: (a) Fiduciary Funds - Statement of Net Position and (b) Fiduciary Funds - Statement of Changes in Net Position, which follow the government-wide financial statements. There is also information concerning these plans in Note 5 in the notes to the financial statements in this section.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes should be read as an integral part of the financial statements.

The Authority's basic financial statements can be found beginning on page 19.

FINANCIAL ANALYSIS

Statement of Net Position:

Net Position: Increases in net position indicate an improved financial position while decreases indicate deterioration of financial position. The Statement of Net Position provides the necessary information on which to base this determination. The net position is presented in three components: (1) the net invested in capital assets, (2) the restricted by bond covenants, and (3) the unrestricted and available for operations. 39.1% of the Authority's net position is the net invested in capital assets consisting of buses, equipment, bus stops, shelters, stations, operating facilities and related land net of related debt. The Authority uses these assets for the purpose of achieving its mission. The Authority issued $22,025,000 in debt to fund a new customer service center along with the renovation of an adjacent transit station in November of 2013. At the end of 2014 $18,268,309 of debt proceeds remained unspent.

Table 1 provides summary multi-year comparative information about the Authority's net position. The change in net position can be explained by looking at the other components of the Statement of Net Position.

Table 1

CONDENSED SUMMARY OF NET POSITION

		At December 31			At December 31		
		2014	2013	Change	2013	2012	Change
Current Assets	$	43,399,652	32,959,067	10,440,585	32,959,067	35,104,552	(2,145,485)
Restricted Assets		19,879,611	23,611,392	(3,731,781)	23,611,392	-	23,611,392
Capital Assets		52,399,089	48,003,491	4,395,598	48,003,491	43,439,575	4,563,916
Other Assets		908,062	452,465	455,597	452,465	-	452,465
Total Assets		116,586,414	105,026,415	11,559,999	105,026,415	78,544,127	26,482,288
Current Liabilities		11,629,434	5,531,112	6,098,322	5,531,112	4,653,052	878,060
Long-Term Liabilities		21,542,686	22,028,257	(485,571)	22,028,257	607,514	21,420,743
Total Liabilities		33,172,120	27,559,369	5,612,751	27,559,369	5,260,566	22,298,803
Invested in Capital Assets		49,217,398	48,003,491	1,213,907	48,003,491	43,439,575	4,563,916
Restricted for Debt Service		1,611,302	1,611,302	-	1,611,302	-	1,611,302
Unrestricted		32,585,594	27,852,253	4,733,341	27,852,253	29,843,986	(1,991,733)
Total Net Position	$	83,414,294	77,467,046	5,947,248	77,467,046	73,283,561	4,183,485

The Authority's net position at December 31, 2014 was $83,414,294. Of this amount, $49,217,398 (59%) represents the Authority's net investment in capital assets, $1,611,302 was restricted for debt service and the remaining $32,585,594 was unrestricted. Net position increased $5,947,248 in 2014 due to an overall increase in investments and capital assets (net of accumulated depreciation), receivables and prepaid expenses offset by an increase in liabilities. It is the intent of the Board to assure that the Authority maintains adequate resources for operations and capital projects.

The Authority's net position at December 31, 2013 total $77,467,046. Of this amount, $48,003,491 (61.9%) represents the Authority's net investment in capital assets, $1,611,302 was restricted for Debt Service, and the remaining $27,852,253 was unrestricted.

Current Assets: At the end of 2014, the Authority's current assets had increased by $10,440,585 from the end of 2013. Investments decreased by $644,651 while cash increased by $10,578,534. Receivables and prepaid expenses were higher in 2014 by $510,190 while inventories decreased by $3,488. The Authority continues a strategy to maintain adequate resources for replacement, enhancement and expansion of capital assets and withstanding economic uncertainty.

During 2013, the Authority's current assets decreased by $1,693,020. Investments increased by a similar reduction in cash while receivables and prepaid expenses were lower than in 2012 by $2,179,740. Net pension assets and inventories increased by $282,954 and $147,346 respectively.

Restricted Assets: At the end of 2014, the Authority's restricted assets totaled $19,879,611, which were unspent proceeds from the issuance of bonds and reserves required by bond covenants.

Capital Assets: As of December 31, 2014, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $52,399,089, an increase of $4,395,598 from December 31, 2013. During the year, capital assets totaling $9,669,414 were added and depreciation totaling $5,273,816 decreased the carrying value. Significant 2014 capital additions include:

- Completion of the Robstown Transfer Station
- Modifications to the Maintenance building to accommodate CNG vehicles
- Construction on the Staples Street Center
- Continuing upgrades to the Authority's information systems including fiber for Security Cameras
- Acquisition of trash receptacles for every bus stop
- Acquisition of equipment for Maintenance department

As of December 31, 2013, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $48,003,491, an increase of $4,563,916 from December 31, 2012. During the year, capital assets totaling $10,336,137 were added and depreciation totaling $5,772,221 decreased the carrying value. Significant 2013 capital additions included:

- Purchase of 23 Arboc Spirit of Mobility Buses and 7 Supervisor Vans
- Sidewalk improvements, bus pads, turnouts and curb cuts at bus stops and shelters
- Accessibility enhancements per the Authority's ADA Transition Plan
- Continuing upgrades to the Authority's information systems including a new budget software and 12 new employee computers
- Replacement of the bus operator and supervisors radios

Additional details about the Authority's capital asset activities are presented in Note 3 of the notes to the financial statements. The primary funding source for capital projects is federal grants with a matching principle requiring that the Authority generally fund 20% of the total cost. The 23 Arboc Spirit of Mobility Buses and the 7 Supervisor Vans were funded with local funds in 2013 and reimbursed to the Authority in 2014 with federal grants. The Schedule of Expenditures of Federal Awards in the Single Audit Section provides more details on federal grant activity during the year. The following shows the investment in the Authority's assets by funding source as of December 31, 2014 and 2013:

Table 2

		Federal and Other Funding	Local Funding	Total
At December 31, 2014:				
Capital Assets At Cost	$	71,861,713	36,625,933	108,487,646
Less Accumulated Depreciation		44,956,995	11,131,562	56,088,557
Capital Assets, Net	$	26,904,718	25,494,371	52,399,089
At December 31, 2013:				
Capital Assets At Cost	$	68,528,342	31,707,172	100,235,514
Less Accumulated Depreciation		41,897,132	10,334,891	52,232,023
Capital Assets, Net	$	26,631,210	21,372,281	48,003,491

Liabilities: The Authority's total liabilities as of December 31, 2014 are $33,172,120, of which $11,629,434 is current and customary to the Authority's business and $21,542,686 are non-current liabilities. Current liabilities increased mainly due to increased accounts payable related to construction costs and increased amounts due to other governmental entities for street improvements. Non-current liabilities decreased by $485,571 related to debt service payments to fund a new Customer Service Center, offset by an increase of $31,163 in Net OPEB Obligation and $18,266 in compensated absences. As of December 31, 2013 the Authority's total liabilities were $27,559,369, of which $5,531,112 was current and $22,028,257 was non-current. Current liabilities increased due to increased amounts due to other governmental entities for street improvements and increased trade payables and non-current liabilities increased due to the new debt.

Long-Term Debt: On November 20, 2013, the Authority issued revenue bonds, Series 2013 (AMT) in the amount of $11,525,000, with proceeds from the sale to be used for (1) renovation of the existing Staples Street bus transfer station; (2) construct and equip a portion of a new multi-use building adjacent to the Staples Street bus transfer station; (3) construct a new parking lot to serve the Staples Street bus transfer station and the multi-use building, and (4) pay the costs of issuing the Tax-Exempt Bonds. The Authority also issued revenue bonds, Taxable Series 2013 in the amount of $10,500,000 on November 20, 2013, with the proceeds from the sale to be used to (1) construct and equip a portion of a new multiuse building adjacent to the Staples Street bus transfer station and (2) pay the costs of issuing the Taxable Bonds. Additional information regarding the Authority's long-term debt can be found in Note 4 to the financial statements on page 34.

Statement of Revenues, Expenses and Changes in Net Position:

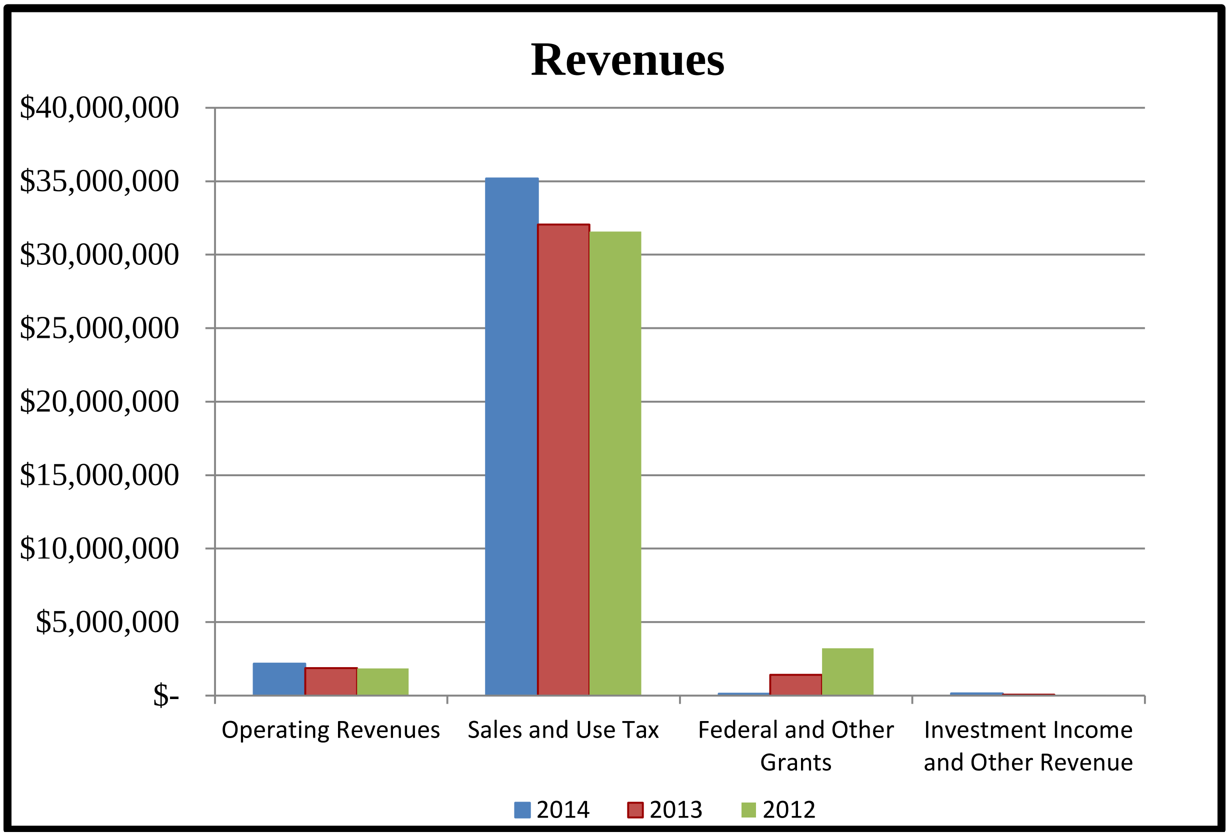
Change in Net position: While the Statement of Net Position focuses on financial position at a point in time, the Statement of Revenues, Expenses, and Changes in Net Position provides further details as to what specific activities took place during the year that led to the changes shown on the Statement of Net Position. The Authority's activities are presented in Table 3.

Table 3

CONDENSED SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

		Year Ended December 31			Year Ended December 31		
		2014	**2013**	**Change**	**2013**	**2012**	**Change**
Revenues:							
Operating Revenues	$	2,179,796	1,875,420	304,376	1,875,420	1,851,238	24,182
Non-Operating Revenues							
Sales and Use Tax		35,188,390	32,064,316	3,124,074	32,064,316	31,571,834	492,482
Federal and Other Grants		125,900	1,416,988	(1,291,088)	1,416,988	3,226,061	(1,809,073)
Investment Income		110,052	62,160	47,892	62,160	51,173	10,987
Gain on Property Disposed		46,519	225	46,294	225	1,086	(861)
Total Revenues		37,650,657	35,419,109	2,231,548	35,419,109	36,701,392	(1,282,283)
Expenses:							
Operating Expenses		27,553,169	24,840,389	2,712,780	24,840,389	25,239,860	(399,471)
Depreciation		5,273,812	5,772,221	(498,409)	5,772,221	5,523,334	248,887
Distribution to Regional Entities		2,900,327	2,593,634	306,693	2,593,634	2,154,150	439,484
Bond Issuance Expense		-	598,682	(598,682)	598,682	-	598,682
Interest Expense and Fiscal Charges		468,703	21,122	447,581	21,122	-	21,122
Total Expenses		36,196,011	33,826,048	2369,963	33,826,048	32,917,344	908,704
Net Income(Loss) Before Capital Grants		1,454,646	1,593,061	(138,415)	1,593,061	3,784,048	(2,190,987)
Capital Grants		4,492,602	2,590,424	1,902,178	2,590,424	5,792,677	(3,202,253)
Increase In Net Position		5,947,248	4,183,485	1,763,763	4,183,485	9,576,725	(5,393,240)
Net Position, January 1		77,467,046	73,283,561	4,183,485	73,283,561	63,706,836	9,576,725
Net Position, December 31	$	83,414,294	77,467,046	5,947,248	77,467,046	73,283,561	4,183,485

Net position increased by $5,947,248 during 2014. The Authority's net position increased because of $4,492,602 in Federal capital grants and net income of $1,454,646. Net position increased by $4,183,485 during 2013 due to $2,590,424 in Federal capital grants and net income of $1,593,061. The discussion on the following pages provides details of the more significant aspects of the Authority's operating activities that changed net position.



Revenues: The Authority's revenues are from sources customary to the public mass transportation industry. Total revenues are made up primarily of sales and use taxes with the smaller share of overall revenues generated from user charges and other ancillary revenues, grants used for operating assistance, earnings from investing activities, and occasional gains from disposing of property owned by the Authority.

In 2014, the Authority's total revenues increased $2,231,548 from 2013, mainly from an increase in Sales tax revenue by $3,124,074 offset by a decrease in grant revenue of $1,291,088 from 2013. The large variance in grant revenues from 2013 to 2014 is due to not utilizing grant reimbursements for preventive maintenance in 2014 whereas preventive maintenance reimbursements were received in 2013. In 2013, the Authority's total revenues decreased $1,282,283 (3.5%) from 2012. Sales taxes, operating revenues and investment income all increased from the prior year while grant revenues and gain on disposed property decreased. Details about the Authority's revenue activities are discussed in the following sections.

- Operating Revenues include user charges for transportation services, bus bench advertising, onboard advertising and other ancillary operating revenues. For 2014, operating revenues represent 5.8% of total revenues and are $304,376 more than in 2013. Overall rider-ship, however, is down from 2013 by 1.5% with ridership on fixed routes is down by 1.4%, paratransit ridership decreased by 0.9% and ridership on the Harbor Ferry is down by 9.8% compared to 2013.

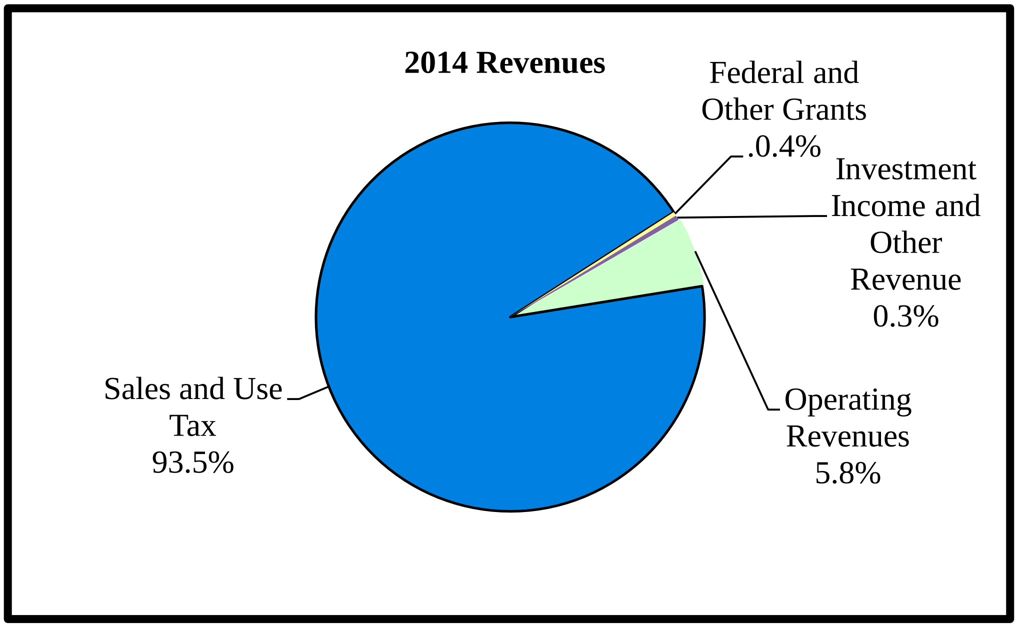
Passenger revenues were up 5.4%, or $93,980, compared to decreased ridership, mainly due to the contractual agreements the Authority has with the local university and college. In 2013, operating revenues represented 5.1% of total revenues and were $24,182 more than in 2012. Overall rider-ship was down by 0.6%. Ridership on fixed routes was down by 0.1% while paratransit ridership decreases by 4.2%. Ridership on the Harbor Ferry was up 7.5% from 2012.

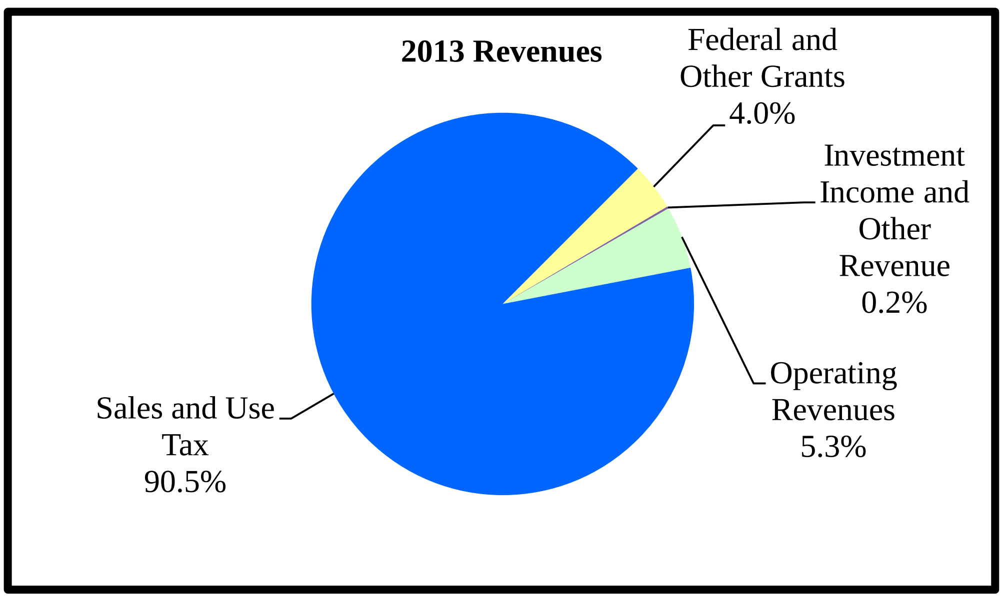
- Sales and Use Tax is a dedicated ½ cent sales and use tax levied on certain goods and services sold within the region which provides the primary funding for the Authority's operating budget. For 2014, sales taxes represent 93.5% of total revenues and increased 9.7% from 2013, reflecting an improvement in the overall economy. The Eagle Ford Shale will continue to have a predominant effect on our economy for years to come even though the price of oil has begun to drop. In 2013, sales taxes were 90.5% of total revenues and were 1.6% higher than in 2012, as continued improvements in the overall economy and increased economic activity related to the Eagle Ford Shale directly impacted sales tax collections in the region.

- Operating Grant Assistance represents reimbursements to the Authority for preventative maintenance activities, the cost of certain work related routes and regional mobility coordination. The Authority has the option of utilizing its annual "Formula" grants provided by the Federal Transit Administration (FTA) for operating assistance or to fund capital asset acquisitions. In 2014, these grant revenues are made up primarily of reimbursements for operating assistance for ADA paratransit services. There are also revenues from FTA Job Access and Reverse Commute used to help pay for the cost of certain work related routes and regional mobility coordination, and a small amount from a New Freedom Grant for travel training. In 2014, these grants represent 0.33% of total revenues compared to 4% in 2013, and 8.7% in 2012 as the Authority made greater use of preventive maintenance reimbursements in 2013 and 2012. In 2013, these grant revenues were primarily made up of reimbursements for preventative maintenance activities and operating assistance for ADA paratransit services. There were also revenues from FTA Job Access and Reverse Commute used to help pay for the cost of certain work related routes and regional mobility coordination, and a small amount from a New Freedom Grant for travel training.

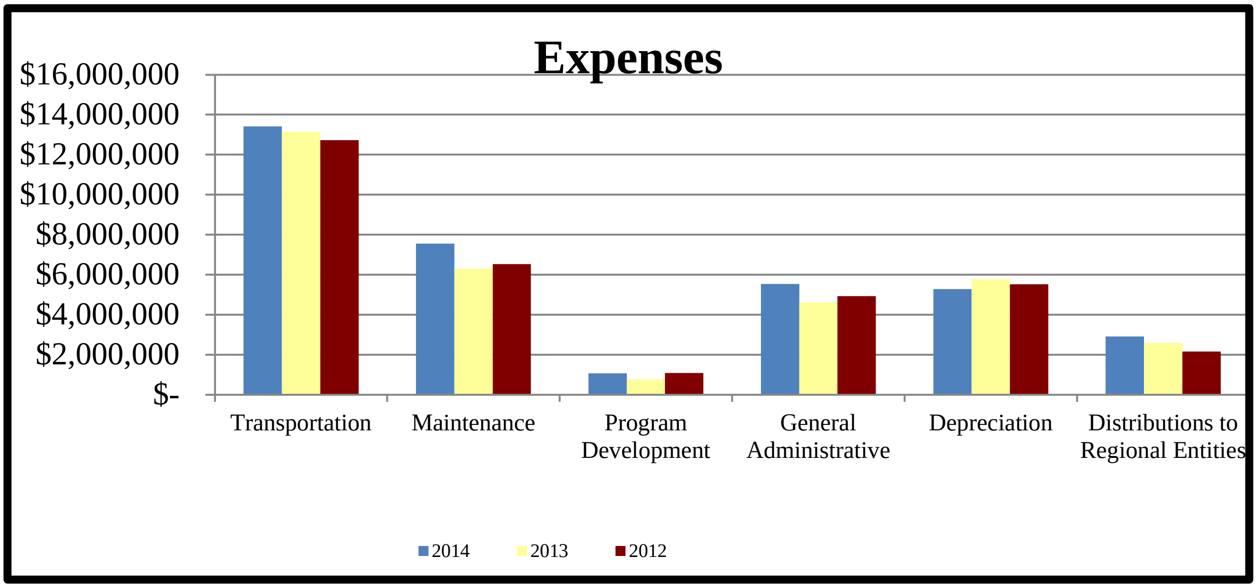
- Investment Income is income earned from the Authority's investing activities. Income generated from the Authority's portfolio increased $47,892 from 2013. This increase was primarily due to Bond proceeds investments and increased sales tax revenue available for investing. In 2014, the average portfolio was $49,990,543 and yielded 0.25% compared to the 2013 average portfolio of $28,624,121 which yielded .16%. In 2013, these revenues increased $10,987 from 2012 due to slightly higher yields applied to higher balances which resulted from increased sales tax revenue. The average portfolio increased to $28,624,121 from $25,614,230 in 2012 and the yield decreased to .16% from .20% in 2012.

In 2014 gains on disposal of assets resulted in revenues of $46,519 compared to $225 in 2013, and $1,086 in 2012. Other revenues have been included with interest income on the revenue charts below.





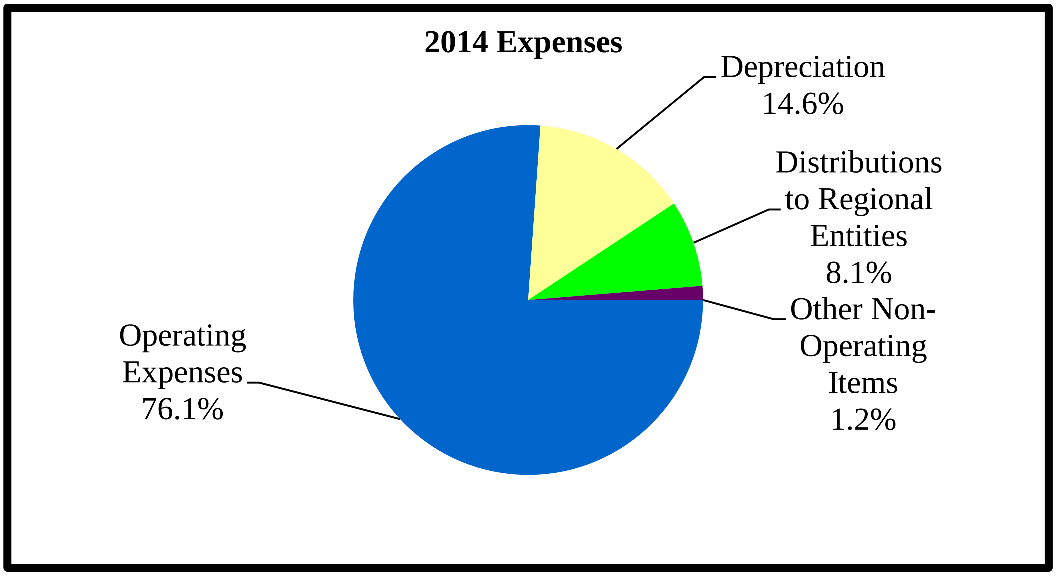
Expenses: The Authority's expenses consist of operating expenses (directly operated and purchased transportation services, maintenance, planning and program development, and general administrative costs), depreciation of capital assets, and distributions to regional entities for the Authority's street improvement program. In 2014, total expenses increased by $2,369,963 (7%) over 2013. Bond issue costs of $619,804 were included in 2013 costs, however, for comparative purposes, are not included in the chart below. In 2013, total expenses increased by $908,704 (2.8%) over 2012.

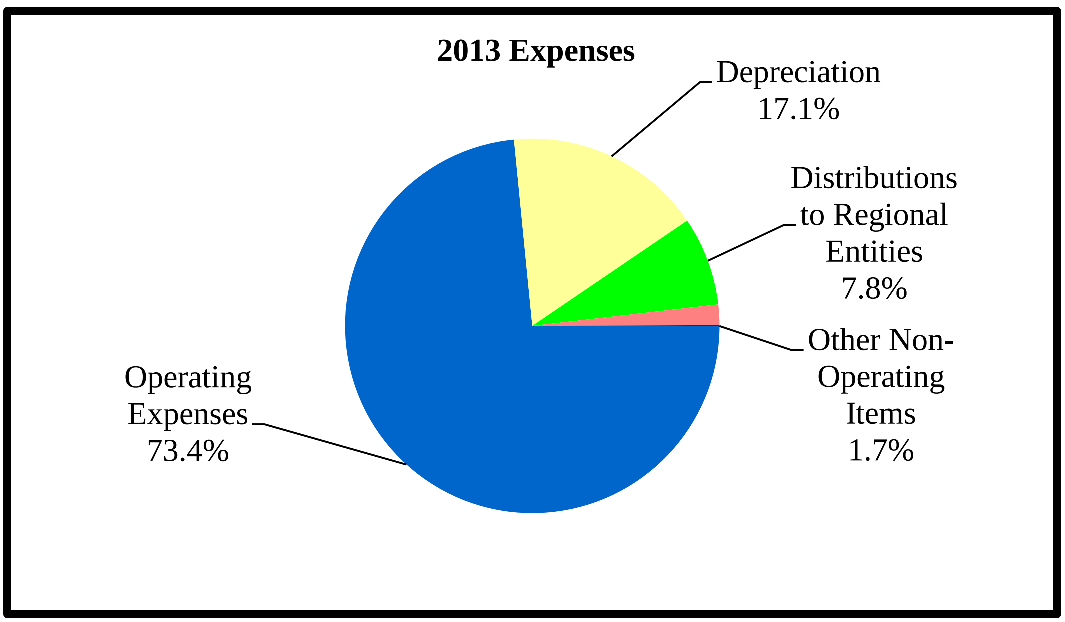


- **Operating Expenses:** The largest component of the Authority's total expenses is operating expenses. These expenses account for 76.1% and 73.4% of total expenses in 2014 and 2013, respectively.

  As shown in Table 3 on page 10, operating expenses increased by $2,712,780 (10.9%) in 2014. Transportation costs which include both directly operated services and purchased transportation services increased $260,157 (2.0%) mainly due to increased personnel costs associated with increased service improvements. Maintenance costs for facilities and for directly operated revenue and support vehicles increased by $1,242,707 (19.7%) in 2014, mainly due to contracting out the bus stop maintenance and landscaping services. Costs for program development (including service development, customer service, and marketing) increased by $309,211 (40.5%) with much of the cost related to new and enhanced customer programs. Administrative costs increased $900,705 (19.5%) from 2013 due to experiencing much higher health insurance costs in 2014, several very large claims, and an additional employee in the MIS Department.

For 2013, operating expenses were 1.6% less than 2012. Transportation costs increased by $427,912 (3.4%), attributable to a 3% COLA and an additional amount for merit and additional funding for Security, along with increased paratransit and Harbor Ferry Services. Maintenance costs decreased by $220,550 (3.4%) from 2013. Costs for program development (service development, customer services, and marketing) decreased by $112,135 (10.4%) with much of the cost decrease related to the development of a new long range system plan in 2012. Administrative costs decreased $494,698 (10%) from 2012, primarily from the cost of funding the Authority's health care and pension costs.





Depreciation: Depreciation is $498,409 (8.6%) lower in 2014 than 2013 due to the sale of vehicles in 2014. In 2013, depreciation was $248,887 (4.6%) higher than 2012 due to an increase in newly added capital assets.

Distributions to Regional Entities: The Authority, through collaborative efforts with the regional member government entities, maintains a street improvement program for the purpose of constructing, rebuilding and rehabilitating streets within its service region. These projects represent a major investment in enhancing mobility, reducing congestion and improving the overall service area. The streets are not the property of the Authority and, thus, the expenditures are reported as non-operating expenses in the Authority's financial statements. The level of funding is determined annually based on budgeted sales tax revenues and other factors. In 2014, these costs increased $306,693 (11.8%) from 2013 due to an increase in sales tax. Likewise, in 2013, the costs of the program increased $439,484 (20.4%) from 2012 due to an increase in sales tax.

Fiduciary Funds:

Following the government-wide basic financial statements are similar financial statements for the Authority's two fiduciary funds. These statements provide financial information about the Authority's defined benefit pension and defined contribution retirement plans. During 2014, steady performance in the fixed income markets resulted in a $2,038,064 (5.38%) increase in value of the plans' assets since the end of 2013. During 2013, steady performance in the fixed income markets resulted in a $3,803,288 (11.2%) increase in value of the plans' assets since the end of 2012. Note 5 in the notes section provides a discussion of the administration of the plans and there are further details contained in required supplementary information and supplemental schedules contained in the financial section of this CAFR.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For 2015 operating expenses including depreciation, are budgeted at $35,714,182. This represents a 1.8% decrease over the final 2014 budget. Sales tax, the Authority's largest revenue source, was budgeted at $35,846,246, an increase of 2.75% over what was budgeted in 2014. Sales tax is expected to equal 100.4% of operating expenses in 2015 as opposed to 96.6% in the 2014 budget.

Similar to the 2014 budget, the 2015 budget is formulated in the expectation that the Eagle Ford Shale will continue expansion of operations resulting in an increase in sales tax revenue that will cover inflationary pressures on expenses. The Eagle Ford Shale is a 20,000 square mile formation that produces natural gas, oil, and related condensate and liquids located in South Central Texas. The Eagle Ford Shale has a significant impact on 20 Texas counties: fourteen producing counties, and six others including Nueces and San Patricio that provide major support to the producing counties such as transportation, refining and pipe laying and manufacturing. A 2013 study released by the Center for Community and Business Research at the University of Texas at San Antonio Economic Institute for Economic Development estimates that in 2012, Eagle Ford related activity in Nueces County resulted in $8.5 billion in output, supported 6,699 jobs, with payrolls in excess of $350 million, and over $2 billion in gross county product. By 2022, Eagle Ford Shale related output is expected to be $19.9 billion, with employment of 11,563, and payrolls in excess of $650 million, and gross county product exceeding $4 billion. Though gas prices have dropped, it is expected that Eagle Ford Shale will continue to stimulate the economy over time.

Sales tax revenue growth is expected to increase but at a slower rate than in 2013 and 2014. Sales tax revenue in the first quarter of 2015 increased 1.7% from 2014, compared to first quarter growth in 2014 of 5% compared to the same period in 2013.

Other assumptions in the 2015 budget include the continuation of improvements to our services which experienced major service enhancements in 2014 which provided more direct service and more frequent and faster service. A Comprehensive Operational Analysis and a ND Passenger Sampling Survey will also be performed in 2015. The debt service payment for the bonds issued in 2014 will be included in the 2015 budget and there is a new line item budgeted – local funds designated for capital acquisitions. The current fare structures will be maintained and continued growth of fuel and health care costs will be expected. A 2.5 % COLA will be provided to all employees, and a 3% Merit Pay Program will be included for 2015. The budget also includes funding for preventive maintenance, available through federal grants.

Passenger fare revenues were 3.4% higher for the first quarter of 2015, than for the same period in 2014. Expenses for the first quarter of 2015 are 7.1% under budget and 2.8% under expenses for the first quarter of 2014. Some of these variances are due to timing differences in posting in addition to lower than anticipated costs for fuel and vacant positions..

Several significant capital projects are planned for 2015. The cost will be funded with a combination of FTA and other federal grants and local funds. The projects include:

- Continued of construction of the Customer Service Center adjoining the Staples Street Transfer Station in downtown Corpus Christi, with completion date of early 2016.
- ADA Improvements, Shelters & Facilities throughout the system
- Improvements and amenities to Bus Stops
- Continued improvements to information technology
- Fuel Management System

During 2015, the Authority is continuing to carefully assess factors in the local economy and ways to increase revenues or decrease costs in order to live within the means available. The Authority also continues to look for ways to partner with others to enhance the local economy and transportation options.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in its finances. Questions concerning any of the information in this report or requests for additional information should be addressed to Open Records Request, Attn.: Beth Vidaurri, Corpus Christi Regional Transportation Authority, 5658 Bear Lane, Corpus Christi, Texas 78405, (361) 289-2712.In addition this Comprehensive Annual Financial Report will be posted on the Authority's website: www.ccrta.org.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
December 31, 2014 and 2013

		2014		2013
ASSETS				
Current Assets:				
Cash and Cash Equivalents (Note 2)	$	18,404,444	$	7,825,910
Investments (Note 2)		16,982,955		17,627,606
Receivables:				
Sales and Use Taxes		6,342,102		6,001,051
Accrued Interest		67,053		67,240
Federal Government		422,836		574,468
Other		385,245		67,954
Inventories		654,726		658,214
Prepaid Expenses		140,291		136,624
Total Current Assets		43,399,652		32,959,067
Non-Current Assets:				
Restricted Cash and Cash Equivalents (Note 2)		9,094,640		23,611,392
Restricted Investments (Note 2)		10,784,971		-
Net Pension Asset (Note 5)		908,062		452,465
Capital Assets (Note 3):				
Land		3,658,054		3,658,054
Buildings		18,363,541		17,777,762
Transit Stations, Stops and Pads		24,462,906		24,462,906
Other Improvements		3,957,438		3,957,438
Vehicles and Equipment		46,119,307		47,063,619
Construction in Progress		11,926,400		3,315,735
Total Capital Assets		108,487,646		100,235,514
Less: Accumulated Depreciation		(56,088,557)		(52,232,023)
Net Capital Assets		52,399,089		48,003,491
Total Non-Current Assets		73,186,762		72,067,348
TOTAL ASSETS		**116,586,414**		**105,026,415**
LIABILITIES AND NET POSITION				
Current Liabilities:				
Accounts Payable		6,663,893		825,885
Contractors Retainage Payable		242,732		190,966
Current Portion of Long-Term Liabilities (Note 4):				
Long-Term Debt		535,000		575,000
Compensated Absences		227,838		225,748
Distributions to Regional Entities Payable		3,399,150		3,222,897
Other Accrued Liabilities		560,821		490,616
Total Current Liabilities		11,629,434		5,531,112
Non-Current Liabilities:				
Long-Term Liabilities, Net of Current Portion (Note 4):				
Long-Term Debt		20,915,000		21,450,000
Compensated Absences		109,359		91,093
Net OPEB Obligation (Note 6)		518,327		487,164
Total Non-Current Liabilities		21,542,686		22,028,257
TOTAL LIABLILITES		**33,172,120**		**27,559,369**
Net Position:				
Net Invested in Capital Assets		49,217,398		48,003,491
Restricted for Debt Service		1,611,302		1,611,302
Unrestricted		32,585,594		27,852,253
TOTAL NET POSITION	$	**83,414,294**	$	**77,467,046**

See Notes to Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues:		
Passenger Service	$ 1,844,604	$ 1,750,624
Bus Advertising	134,409	48,762
Charter Service	-	158
Other Operating Revenues	200,783	75,876
Total Operating Revenues	2,179,796	1,875,420
Operating Expenses:		
Transportation	6,264,717	5,544,329
Customer Programs	219,529	177,716
Purchased Transportation	6,166,212	7,601,783
Service Development	214,279	239,623
MIS	466,187	341,939
Vehicle Maintenance	6,035,530	5,065,704
Facilities Maintenance	1,382,143	1,108,574
Materials Management	127,546	128,234
Administrative and General	6,217,601	4,285,467
Marketing & Communications	459,425	347,020
Depreciation	5,273,812	5,772,221
Total Operating Expenses	32,826,981	30,612,610
Operating Loss	**(30,647,185)**	**(28,737,190)**
Non-Operating Revenues (Expenses):		
Sales and Use Tax Revenue	35,188,390	32,064,316
Federal and Other Grant Assistance	125,900	1,416,988
Investment Income	110,052	62,160
Gain on Disposition of Property	46,519	225
Bond Issuance Costs	-	(598,682)
Interest Expense and Fiscal Charges	(468,703)	(21,122)
Distributions to Regional Entities	(2,900,327)	(2,593,634)
Net Income Before Capital Grants	1,454,646	1,593,061
Capital Grants & Donations	4,492,602	2,590,424
Change in Net Position	5,947,248	4,183,485
Net Position, January 1	77,467,046	73,283,561
Net Position, December 31	$ **83,414,294**	$ **77,467,046**

See Notes to Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities:		
Cash Received from Customers	$ 1,854,150	$ 1,770,415
Cash Received from Bus Advertising and Other Ancillary	17,901	111,465
Cash Payments to Suppliers for Goods and Services	(10,975,604)	(14,261,687)
Cash Payments to Employees for Services	(9,631,816)	(8,373,194)
Cash Payments for Employee Benefits	(3,927,204)	(2,952,829)
Net Cash Used for Operating Activities	(22,662,573)	(23,705,830)
Cash Flows from Non-Capital Financing Activities:		
Sales and Use Taxes Received	34,847,339	32,904,353
Grants and Other Reimbursements	125,900	1,416,988
Distributions to Region Entities	(2,724,074)	(2,002,858)
Net Cash Provided by Non-Capital Financing Activities	32,249,165	32,318,483
Cash Flows from Capital and Related Financing Activities:		
Federal and Other Grant Assistance	4,644,234	3,952,525
Proceeds from Sale of Capital Assets	46,519	225
Proceeds from Bonds	-	21,426,318
Repayment of Long-Term Debt	(575,000)	-
Interest and Fiscal Charges	(431,529)	-
Purchase and Construction of Capital Assets	(7,178,953)	(10,363,267)
Net Cash Used for Capital and Related Financing Activities	(3,494,729)	15,015,801
Cash Flows from Investing Activities:		
Investment Income	82,348	232,445
Purchases of Investments	(27,632,664)	(21,797,815)
Maturities and Redemptions of Investments	17,520,235	14,432,340
Net Cash Used for Non-Capital Financing Activities	(10,030,081)	(7,133,030)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,938,218)	16,495,424
Cash and Cash Equivalents, January 1	31,437,302	14,941,878
Cash and Cash Equivalents, December 31	$ 27,499,084	$ 31,437,302

(Continued)

	2014	2013
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	$ (30,647,185)	$ (28,737,190)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	5,273,812	5,772,221
Changes in Assets and Liabilities:		
Other Receivables	(317,291)	(13,331)
Inventories	3,488	(147,346)
Prepaid Expenses	(3,667)	13,735
Accounts Payable and Accrued Liabilities	1,021,108	(593,919)
Net Cash Used for Operating Activities	$ (22,662,573)	$ (23,705,830)
Non-Cash Investing, Capital and Financing Activities:		
Premiums/Discounts on Investments	$ (27,891)	$ 193,087
Acquisition of Assets Accrued But Not Paid	$ (2,438,691)	$ -
Change in:		
Interest Receivable	(187)	22,802
Sales and Use Tax Receivable	341,051	(840,037)
Receivable from Federal Government	(151,632)	(1,362,101)
Retainage Payable	51,766	(27,130)
Accrued Interest Payable	37,174	21,122
Distribution to Regional Entities Payable	176,253	590,776
Bond Cost Withheld from Bond Proceeds	-	598,682

See Notes to Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Fiduciary Funds - Statement of Net Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Investments (Note 2)		
Money Market Funds	$ 1,432,682	$ 971,056
Debt Mutual Funds	11,714,935	11,330,129
Equity Mutual Funds	26,746,217	25,554,585
TOTAL ASSETS	39,893,834	37,855,770
LIABILITIES	-	-
NET POSITION		
Restricted For Pension Benefits	$ 39,893,834	$ 37,855.770

See Notes to Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Fiduciary Funds - Statement of Changes in Net Position
Years Ended December 31, 2014 and 2013

	2014	2013
Additions:		
Investment Income	$ 2,105,027	$ 5,376,808
Employee Contributions	827,753	729,165
Employer Contributions (Note 5)	1,178,498	1,280,330
Total Additions	4,111,278	7,386,303
Deductions:		
Benefits Paid	1,960,395	3,472,247
Administrative Expenses	112,819	110,768
Total Deductions	2,073,214	3,583,015
Increase in Net Position	2,038,064	3,803,288
Net Position, January 1	37,855,770	34,052,482
Net Position, December 31	$ 39,893,834	$ 37,855,770

See Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to the accounting principles generally accepted in the United States of America (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The Corpus Christi Regional Transportation Authority (Authority) was established by referendum on August 10, 1985, as a political subdivision of the State of Texas, to develop, maintain and operate a public mass transportation system, principally within Nueces County, Texas and certain neighboring communities. The Authority commenced operations on January 1, 1986.

Under state law, the Authority is authorized to levy ½-cent sales and use tax for transit purposes, including both capital improvement and operating expenses. The Authority is not authorized to levy property taxes. The Authority may issue bonds backed by operating revenues. Subject to referendum, the Authority may also issue bonds backed by sales taxes. The Authority is not subject to federal income taxes.

Reporting Entity: "The Financial Reporting Entity," as defined in Section 2100 of GASB Codification of Governmental Accounting and Financial Reporting Standards, is comprised of the primary government and its component units. The primary government includes all departments and operations of the Authority that are not legally separate organizations. Component units are legally separate organizations that are fiscally dependent on the Authority or for which the Authority is financially accountable. An organization is fiscally dependent if it must receive the Authority's approval for its budget, the levying of taxes or the issuance of debt. The Authority is financially responsible for an organization if it appoints a majority of the organization's board and either (a) has the ability to impose its will on the organization or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the Authority. The reporting entity of the Authority consists only of the primary government. There are no component units. The Authority is not included as part of another governmental reporting entity.

Measurement Focus, Basis of Accounting and Financial Statements: The accounts of the Authority are organized as a proprietary fund. Proprietary funds account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent is that costs of providing services to the general public on a continuing basis are financed or recovered through user charges. The Authority's accounts are used for all Authority assets, liabilities, equities, revenues and expenses and are maintained on the accrual basis of accounting. Revenues from operations, investments and other sources are recorded when earned and expenses, including depreciation and amortization, of providing services to the public are accrued when incurred.

Operating revenues include charges for transportation services and related ancillary revenues. Operating expenses include costs of operating the Authority, including fixed route, purchased services, service planning, customer service, vehicle and facilities maintenance and administrative functions. All revenues and expenses that do not meet these definitions are classified as non-operating.

Non-operating revenues are non-exchange transactions, in which the Authority receives value without directly giving something of equal value in return, including sales taxes and grants. Sales tax is recognized when the taxable sales occur. Grants are recognized on a reimbursement basis when all grant requirements have been satisfied.

Budget: State law requires that an annual operating budget be adopted prior to the commencement of a fiscal year. Before the budget is adopted, the Authority's Board of Directors is required to conduct a public hearing and the proposed budget must be made available to the public at least 14 days prior to the hearing. The Authority may not incur operating expenses in excess of the total budgeted operating expenses unless the Board amends the budget by order after public notice and hearing. Monthly budget reports are prepared for budgetary control purposes.

Fiduciary funds: Fiduciary funds are used to account for pension activities for which the Authority is financially accountable. Since these assets are being held for the benefit of other parties and cannot be used to finance the activities of the Authority, they are separately presented funds.

Cash and Cash Equivalents: The Authority considers all cash on hand, demand deposits and short-term investments with original maturities of less than 90 days to be cash and cash equivalents.

Investments: The Authority's investments are stated at fair value, except for money market funds and investments with a remaining maturity of one year or less when purchased and non-participating interest earning investment contracts, which are carried at cost. Fair value fluctuates with interest rates and increasing rates may cause the fair value to decline below cost. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Net change in the fair value of investments is recognized and reported as investment income in the financial statements. The Authority's investment policy focuses on strategies that attain preservation of principal primarily and maximizing earnings secondarily.

Receivables: Receivables generally consist of amounts due from customers, grantor agencies, cost-sharing agreements, employees, warranties and similar activities.

Inventories: Parts inventories are stated at average cost. Fuel inventories are carried at cost using the first-in, first-out method. In accordance with industry practice, all inventories are classified as current assets regardless of whether the inventory will be utilized within one year.

Capital Assets: Beginning in January 2013 the Authority changed the definition of a capital asset from an initial cost of at least $750 ($500 for IT equipment) and an estimated useful life in excess of one year to a threshold to $5,000 for all items and an estimated life of at least two years. Capital assets, which include property, facilities, and equipment, are stated at historical cost. Donated assets are recorded at estimated market value as of the date of donation. Leasehold improvements are amortized over the shorter of the lease term or lives of related improvements. All costs of normal maintenance and repairs are expensed to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Standard useful life estimates by asset types are as follows:

Asset Type	Years
Buildings	20-30
Transit Stations and Bus Pads	2-15
Improvements other than buildings	2-5
Building Equipment	2-12
Vehicles	3-12
Furniture & Equipment	2-12
Systems	2-5
Leasehold improvements	2-5

Upon disposal, the costs of assets, including accumulated depreciation, are removed with the resulting gain or loss being reflected as a non-operating expense in the statement of revenues, expenses, and changes in net position. A portion of the proceeds from sale of property and equipment acquired with federal grants must be remitted to the granting federal agency under certain circumstances.

Compensated Absences: Employees of the Authority are compensated for personal, holiday, and health leave and other qualifying absences. The number of days compensated for these absences is based generally on length of service. It is the Authority's policy to permit employees to accumulate earned but unused personal leave. The amount of unused time that can be carried over to the next year is limited to 80 hours. Sick leave can be carried over indefinitely and up to 240 hours paid out if the employee retires from the Authority. Compensated absences are reflected in the financial statements when earned and available to the employee.

Pension Plans: It is the Authority's policy to fund pension costs annually. Pension costs are composed of normal service cost and amortization of unfunded actuarial accrued liability and prior service costs.

Estimates: Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Recent Accounting Pronouncements: GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* – establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., nonexchange financial guarantees). GASB 70 was implemented in the year ended December 31, 2014 and had no impact on the Authority.

Future Accounting Pronouncements: GASB 68, *Accounting and Financial Reporting for Pensions; an amendment for GASB Statement No.* 27 – revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits. Statement 68 will require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Authority will implement this statement in fiscal year 2015.

(2) Deposits and Investments

As of December 31, 2014 and 2013, the Authority had the following cash and investments

	2014			2013		
Deposits & Investments by Type	**Enterprise Fund Fair Value**	**Fiduciary Funds Fair Value**	**Weighted Average Maturity**	**Enterprise Fund Fair Value**	**Fiduciary Funds Fair Value**	**Weighted Average Maturity**
Demand Deposits	$16,223,759	-	1	$ 3,438,326	-	1
Government Agencies	10,180,572	-	105	7,761,498	-	308
Government Treasury	909,557	-	134	-	-	189
Municipal Obligations	7,003,257	-	241	8,369,805	-	189
Certificates of Deposit	9,658,497	-	385	1,495,235	-	154
Money Market Funds	11,275,325	1,432,682	1	27,998,975	971,056	1
Debt Mutual Funds	-	11,714,935	1	-	11,330,129	1
Equity Mutual Funds	-	26,746,217	1	-	25,554,585	1
Total	55,250,967	39,893,834		49,063,839	37,855,770	
Included In Cash and Cash Equivalents	(27,499,084)	(1,432,682)		(31,437,302)	(971,056)	
Equity in Investments	$ 27,751,883	$ 38,461,152		$ 17,626,537	$ 36,884,714	

The carrying value of the Enterprise Fund Equity in Investments was $27,767,926 and $17,627,606 at December 31, 2014 and 2013, respectively.

The Authority's deposits and investments are subject to various types of risks. The following disclosures are for the purpose of assessing the types of risks involved.

Interest Rate Risk: This is the risk that changes in the interest rates will negatively impact the fair value of the Authority's investments. As market interest rates rise, the fair value of an investment held decreases. By policy, the Authority's strategy for managing this risk is to limit the weighted average maturity for the portfolio to one year. The maximum maturity for any one investment is three years.

For the Enterprise Fund as of December 31, 2014,

- no holding in the portfolio had a stated maturity date beyond 385 days,
- holdings maturing beyond six months represented 7.70% of the total portfolio,
- the dollar weighted average maturity of the portfolio was 98 days.

For the Enterprise Fund as of December 31, 2013,

- no holding in the portfolio had a stated maturity date beyond 308 days,
- holdings maturing beyond six months represented 43.19% of the total portfolio,
- the dollar weighted average maturity of the portfolio was 159 days.

Credit Risk - Investments: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Authority. The primary stated objective of the Authority's adopted Investment Policy is the safety of principal and the avoidance of principal loss. Credit risk within the Authority's portfolio among the authorized investments in the Policy is represented in time and demand deposits, repurchase agreements, state and local government obligations, local government pools,banker's acceptances, commercial paper and non-rated SEC registered money market mutual funds. All other investments are rated AAA, or equivalent, by at least one nationally recognized rating organization (NRSRO).

Certificates of deposit are limited to a stated maturity of two years and FDIC insurance is required. Brokered certificates of deposit must be FDIC insured and delivered versus payment to the Authority's depository. Maximum maturity is two years with 102% collateralization required. FDIC insurance must be verified before purchase and monitored thereafter. All investments requiring a rating must be monitored on an ongoing basis.

Concentration of Credit Risk: This is the risk of investing predominantly in any one type of investment or entity. The Authority recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The Authority's adopted investment policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on a monthly basis. As of December 31, 2014 the limits on the various types of authorized investments as a percent of the portfolio were:

Investment Type	Allowable	Actual as of 12/31/2014	Actual as of 12/31/2013
US Treasury Obligations	80.00%	1.65%	0.00%
US Agencies/Instrumentalities	80.00%	18.43%	29.74%
State Government Obligations	45.00%	0.00%	0.00%
Local Government Obligations	45.00%	12.67%	32.07%
Certificates of Deposit (Depository)	50.00%	17.48%	5.73%
Brokered Certificates of Deposit	30.00%	0.00%	0.00%
Repurchase Agreements	50.00%	0.00%	0.00%
Flex in CIP Funds	100.00%	0.00%	0.00%
Local Government Investment Pools	80.00%	0.00%	0.00%
Money Market Funds / Demand Deposits	100.00%	49.77%	32.45%
Commercial Paper	25.00%	0.00%	0.00%
Bankers Acceptances	20.00%	0.00%	0.00%

Custodial Credit Risk – Deposits and Investments: For deposits, this is the risk that if a bank fails, the Authority may not recover its deposits. The Authority contractually requires that all demand deposits held in the bank overnight and repurchase agreements be fully insured or collateralized at 102% under a written agreement. Collateral is held in safekeeping by an independent third party. At December 31, 2014 and 2013 bank funds on deposit in excess of FDIC insurance were collateralized at more than 102%.

For investments, this is the risk that if counterparty fails, the Authority may not recover the value of its investments held by an outside party. The Authority requires that all securities must be cleared on a delivery versus payment (DVP) basis and Authority ownership documented by original clearing confirmations and safekeeping receipts. At December 31, 2014 and 2013, all Authority's securities were handled in this manner.

Fiduciary Funds: Funds in the Authority's Defined Benefit and Defined Contribution plans are invested through trust plans managed by Wells Fargo. These funds are invested under separate investment policies which allow for investments in money market accounts, mutual funds, stocks and bonds. Through adherence to the plans' investment policies, management attempts to limit or mitigate certain risks. The Authority is responsible for the Plans' assets.

Defined Benefit Plan: The primary investment objective is to earn a rate of return sufficient to match or exceed the long-term growth of the Plan's liabilities through a combination of income and capital appreciation in a manner consistent with the fiduciary standards of ERISA and with sound investment practices. Assets are invested to minimize the chance of suffering market value losses. Assets are diversified into different styles with a prudent number of individual issues within each style to mitigate concentration risk.

Defined Contribution Plan: The overall objective is to enable eligible employees to save for retirement by providing a tax-deferred savings plan and offering enough funds from distinct asset classes to accommodate a broad range of individual investment goals. The Plan provides multiple investment alternatives, each with different risk and return characteristics, so that each participant can choose the potential return and risk levels as well as attain diversification among the alternatives. The Authority employs certain qualitative and quantitative measures to evaluate potential investment alternatives.

(3) Capital Assets

The Authority's capital assets represent investments in land, buildings, transit stations, infrastructure improvements, bus stops, street pads, bus turn-ins, motor coaches, trolleys, paratransit vehicles, sedans, vans, cars and trucks, garage equipment, facilities maintenance equipment, office equipment and information technology needed to conduct the Authority's operations.

Capital asset activities for the year ended December 31, 2014 is as follows:

		Balance at 12/31/2013	Additions / Transfers	Retirements	Balance at 12/31/2014
Assets Not Being Depreciated:					
Land	$	3,658,054	-	-	3,658,054
Construction in Progress		3,315,735	8,610,665	-	11,926,400
		6,973,789	8,610,665	-	15,584,454
Assets Being Depreciated:					
Buildings		17,777,762	585,779	-	18,363,541
Transit Stations, Bus Stops, Street Pads & Other Improvements		24,462,906	-	-	24,462,906
Improvements other than Buildings		3,957,438	-	-	3,957,438
Vehicles, Furniture and Equipment		47,063,619	472,970	(1,417,282)	46,119,307
		93,261,725	1,058,749	(1,417,282)	92,903,192
Total Capital Assets		**100,235,514**	**9,669,414**	**(1,417,282)**	**108,487,646**
Less: Accumulated Depreciation:					
Buildings		9,523,622	633,535	-	10,157,157
Transit Stations, Bus Stops, Street Pads & Other Improvements		16,459,806	1,153,840	-	17,613,646
Improvements other than Buildings		1,844,511	103,755	-	1,948,266
Vehicles, Furniture and Equipment		24,404,084	3,382,686	(1,417,282)	26,369,488
Total Accumulated Depreciation		**52,232,023**	**5.273,816**	**(1,417,282)**	**56,088,557**
Total Capital Assets, Net	$	**48,003,491**	**4,395,598**	**-**	**52,399,089**

Capital asset activities for the year ended December 31, 2013 is as follows:

		Balance at 12/31/2012	Additions / Transfers	Retirements	Balance at 12/31/2013
Assets Not Being Depreciated:					
Land	$	3,658,054	-	-	3,658,054
Construction in Progress		725,258	2,590,477	-	3,315,735
		4,383,312	2,590,477	-	6,973,789
Assets Being Depreciated:					
Buildings		17,777,762	-	-	17,777,762
Transit Stations, Bus Stops, Street Pads & Other Improvements		22,191,353	2,271,553	-	24,462,906
Improvements other than Buildings		3,756,651	200,787	-	3,957,438
Vehicles, Furniture and Equipment		41,790,299	5,273,320	-	47,063,619
		85,516,065	7,745,660	-	93,261,725
Total Capital Assets		**89,899,377**	**10,336,137**	**-**	**100,235,514**
Less: Accumulated Depreciation:					
Buildings		8,962,515	561,107	-	9,523,622
Transit Stations, Bus Stops, Street Pads & Other Improvements		14,921,765	1,538,041	-	16,459,806
Improvements other than Buildings		1,598,058	246,453	-	1,844,511
Vehicles, Furniture and Equipment		20,977,464	3,426,620	-	24,404,084
Total Accumulated Depreciation		**46,459,802**	**5,772,221**	**-**	**52,232,023**
Total Capital Assets, Net	$	**43,439,575**	**4,563,916**	**-**	**48,003,491**

(4) Long – Term Liabilities

Changes in Long Term Liabilities

2014		1/1/2014	Additions	Retirements	12/31/2014	Due Within One Year
Revenue Bonds	$	22,025,000	-	575,000	21,450,000	535,000
Net OPEB Obligations		487,163	121,654	(90,490)	518,327	-
Compensated Absences		316,841	352,185	(331,829)	337,197	227,838
Total Long Term Liabilities	$	22,829,004	473,839	152,681	22,305,524	635,888

2013		1/1/2013	Additions	Retirements	12/31/2013	Due Within Due Within One Year
Revenue Bonds	$	-	22,025,000	-	22,025,000	575,000
Net OPEB Obligations		531,047	36,810	(80,693)	487,164	-
Compensated Absences		334,861	375,180	(393,200)	316,841	225,748
Total Long Term Liabilities	$	865,908	22,436,990	(473,893)	22,829,005	800,748

Long-Term Debt:

On November 20, 2013, the Authority issued revenue bonds, Series 2013 (AMT) in the amount of $11,525,000, with proceeds from the sale to be used for (1) renovation of the existing Staples Street bus transfer station; (2) construct and equip a portion of a new multi-use building adjacent to the Staples Street bus transfer station; (3) construct a new parking lot to serve the Staples Street bus transfer station and the multi-use building, and (4) pay the costs if issuing the Tax-Exempt Bonds. The Authority also issued revenue bonds, Taxable Series 2013 in the amount of $10,500,000 on November 20, 2013, with the proceeds from the sale to be used to (1) construct and equip a portion of a new multiuse building adjacent to the Staples Street bus transfer station and (2) pay the costs of issuing the Taxable Bonds. Both issues were capital related debt.

These bonds are first lien revenue bonds, and will be repaid from the pledged revenues of the Authority. Pledged revenues, as defined by the bond resolution include the net operating revenues, plus any additional revenues, income, receipts, or other revenues which are pledged by the Issuer.

Unspent proceeds for the bonds at December 31, 2014 and 2013 were $18,268,309 and $22,025,000, respectively.

Total interest cost for period ending December 31, 2014 was $991,610 of which $522,907 was capitalized. Total interest cost for period ending December 31, 2013 was $42,068 of which $20,946 was capitalized.

Total debt service requirements as of December 31, 2014 are as follows:

$11,525,000 Series 2013 (AMT Bonds)			
Years Ending December 31,	**Principal**	**Interest**	**Total Requirements**
2015	$ 280,000	$ 533,823	$ 813,823
2016	285,000	528,223	813,223
2017	295,000	516,823	811,823
2018	310,000	505,023	815,023
2019	320,000	492,623	812,623
2020-2024	1,795,000	2,279,744	4,074,744
2025-2029	2,235,000	1,836,704	4,071,704
2030-2034	2,840,000	1,227,881	4,067,881
2035-2038	2,865,000	395,331	3,260,331
	$ 11,225,000	$ 8,316,175	$ 19,541,175

$10,500,000 Series 2013, Taxable Bonds			
Years Ending December 31,	**Principal**	**Interest**	**Total Requirements**
2015	$ 255,000	$ 539,542	$ 794,542
2016	255,000	536,023	791,023
2017	260,000	531,203	791,203
2018	265,000	524,885	789,885
2019	275,000	517,147	792,147
2020-2024	1,550,000	2,411,400	3,961,400
2025-2029	1,990,000	1,973,629	3,963,629
2030-2034	2,635,000	1,323,068	3,958,068
2035-2038	2,740,000	430,050	3,170,050
	$ 10,225,000	$ 8,786,947	$ 19,011,947

OPEB and Compensated Absences:

Authority employees are allowed to carry a maximum of 80 hours of accrued but unused personal leave as of December 31 into the next year. Unused personal leave in excess of 80 hours is forfeited. Sick leave can be carried over indefinitely and up to 240 hours can be paid to an employee retiring from the RTA.

(5) Retirement Plans

Defined Benefit Plan

Plan Description: The *RTA Employees Defined Benefit Plan and Trust* (DB Plan) is a single-employer defined benefit pension plan administered by the Authority and established upon the applicable sections of the Internal Revenue Code. The Authority Board may periodically amend the DB Plan document. The current plan provisions were established by a plan and trust agreement adopted by the Board of Directors in July 1986, and amended in July 1994, February 2002, November 2010, December 2011, and December 2012.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The DB Plan assets are maintained under a trust agreement with Wells Fargo Bank (Trustee). The trustee carries out an investment policy established by the Authority Board consistent with purposes of the plan and all applicable laws. Administration costs are paid by the plan.

All full time employees are included in the plan. Vesting begins at three years of service with full vesting at seven years. Employees who retire on or after age 62 are entitled to an annual retirement benefit equal to 2% of average compensation for the final three consecutive years of employment times their number of years of service for the Authority. Reduced retirement benefits are available at age 55 with ten years of service. In December 2012, the plan was amended to allow those eligible for early retirement during a specified window without incurring the normal reduction in benefits. The plan is not indexed for inflation. As of January 1, 2014 there were 480 participants in this plan as follows:

Retirees and beneficiaries currently receiving benefits	113
Terminated and entitled to, but not yet receiving benefits	160
Active employees	207

Funding Policy: The Authority is the only source of contributions which are determined annually based on actuarial studies as of the valuation date. The contributions consist of a normal annual pension cost and amortization of any unfunded actuarial accrued liability (UAAL). Significant actuarial assumptions used in the valuations are as follows:

Valuation Date	*01/01/14*	*01/01/13*
Cost Method	*Entry Age Normal Cost*	*Entry Age Normal Cost*
Inflation Rate	*0.0%*	*0.0%*
Investment Rate of Return – Pre Retire	*7.50%*	*7.50%*
Investment Rate of Return – Post Retire	*7.50%*	*7.50%*
Projected Salary Increases	*3.50%*	*3.50%*
Amortization Method	*Closed-Level dollar amount over 15years from 01/01/09*	*Closed-Level dollar amount over 15 years from 01/01/09*
Remaining Amortization Period	*10 Years*	*11 Years*
Asset Valuation Method	*Market Value*	*Market Value*

Normal Cost as a percent of covered payroll	*9.9%*	*9.6%*
Annual Required Contribution	$ 695,517	$ 988,534
Contribution Made	$1,178,498	$1,280,330

Annual Pension Cost and Net Pension Obligation: The following represents the components of the Annual Pension Cost (APC), contributions, interest and changes in the Net Pension Obligation (NPO) for the years ended December 31, 2014 and 2013:

	2014	2013
Annual Required Contribution (ARC)	$ 695,517	$ 988,534
Adjustment to ARC	61,319	21,555
Interest on Net Pension Asset	(33,935)	(12,713)
APC	772,901	997,376
Contribution Paid	(1,178,498)	(1,280,330)
Change in Net Pension Asset	455,597	282,954
Net Pension Asset – Beginning of Year	452,465	169,511
Net Pension Asset – End of Year	$ 908,062	$ 452,465

Trend Information: Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Such trend information as of January 1 for the end of the preceding fiscal years (actuarial valuation date) is as follows:

Year	Annual Pension Cost (APC)	Employer Contribution	Percentage of APC Contributed	Net Pension Asset
2014	$ 772,901	$ 1,178,498	152%	$ 908,062
2013	$ 997,376	$ 1,280,330	128%	$ 452,465
2012	$1,133,686	$ 1,125,651	99%	$ 169,511

Funded Status and Funding Progress: The funded status of the plan as of the most recent valuation date is as follows:

January 1	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
2014	$29,617,120	$29,016,953	$ (600,167)	102.1%	$7,274,172	(8.3%)
2013	$25,566,845	$27,944,142	$2,377,297	91.5%	$7,474,445	31.8%
2012	$21,791,159	$25,576,425	$3,785,266	85.2%	$7,221,526	52.4%

A schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, is intended to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities.

The Plan's assets are exposed to various risks such as interest rate, market, and credit risks. To meet the primary investment goal of a rate of return that will match or exceed the growth of the plan's liabilities, while limiting risk, the plan's assets are in high quality investments such as debt and equity mutual funds. The targeted mix to meet these objectives is 40% fixed income (debt) funds and 60% equity funds. At December 31, 2014, the Plan's net position was $31,162,434, an increase of 5.2% since December 31, 2013. As a result, the annual required contribution for 2015 is estimated to be $983,696 in comparison to the $695,517 required contribution for 2014.

Financial Statements: The DB Plan does not issue a separate stand-alone financial report. Financial statements for the years ended 2014 and 2013 are as follows:

Statement of Fiduciary Net Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Money Market Funds	$ 627,043	$ 231,228
Mutual Funds - Debt	11,110,251	10,699,414
Mutual Funds - Equity	19,425,140	18,686,478
TOTAL ASSETS	31,162,434	29,617,120
LIABILITIES	-	-
NET POSITION		
Restricted For Pension Benefits	$ 31,162,434	$ 29,617,120

Statement of Changes in Fiduciary Net Position
Years Ended December 31, 2014 and 2013

		2014		2013
Additions:				
Investment Income	$	1,706,633	$	4,019,847
Employer Contributions		1,178,498		1,280,330
Total Additions		2,885,131		5,300,177
Deductions:				
Benefits Paid		1,248,352		1,160,885
Administrative Expenses		91,465		89,017
Total Deductions		1,339,817		1,249,902
Increase in Net Position		1,545,314		4,050,275
Net Position, January 1		29,617,120		25,566,845
Net Position, December 31	$	31,162,434	$	29,617,120

Defined Contribution Plan

Plan Description: The *RTA Employees' Defined Contribution Plan* (DC Plan) covers all employees. This defined contribution plan has a plan document in compliance with the Internal Revenue Code and adopted by the Board, who may amend it.

Benefits depend on amounts contributed to the plan plus investment earnings. Employees are fully vested in their contributions. Employees direct their investments.

Funding Policy: Employees are required to contribute 7.51% of gross remuneration and may make additional contributions of up to 10%. The Authority may make contributions, but has made none to date. Total covered payrolls were $9,670,070 in 2014 and $8,339,381 in 2013. Employee contributions were $827,753 in 2014 and $729,165 in 2013. Employees may make selections from money market, debt and equity mutual funds approved by the investment committee.

Financial Statements: The DC Plan does not issue a separate stand-alone financial report. Financial statements for the years ended 2014 and 2013 are as follows:

Statement of Fiduciary Net Position
December 31, 2014 and 2013

		2014	2013
ASSETS			
Money Market Funds	$	805,639	739,828
Mutual Funds - Debt		604,684	630,715
Mutual Funds - Equity		7,321,077	6,868,107
Total Assets		8,731,400	8,238,650
LIABILITIES		-	-
NET POSITION			
Restricted For Pension Benefits	$	8,731,400	8,238,650

Statement of Changes in Fiduciary Net Position
Years Ended December 31, 2014 and 2013

		2014	2013
Additions:			
Investment Income	$	398,394	1,356,961
Employee Contributions		827,753	729,165
Total Additions		1,226,147	2,086,126
Deductions:			
Benefits Paid		712,043	2,311,362
Administrative Expenses		21,354	21,751
Total Deductions		733,397	2,333,113
Increase/ (Decrease) in Net Position		492,750	(246,987)
Net Position, January 1		8,238,650	8,485,637
Net Position, December 31	$	8,731,400	8,238,650

(6) Other Post-Employment Benefits (OPEB) Plan

GASB in Section P50 of the Codification of Governmental Accounting and Financial Reporting Standards established accounting standards for postretirement benefits other than pensions. This standard does not require funding of OPEB, but does require that any difference between the annual required contribution (ARC) and the amount funded during the year be recorded in the employer's financial statements as an increase (or decrease) to the OPEB. The most recent actuarial valuation performed in accordance with the standard was dated January 1, 2014.

The 2014 valuation included changes in actuarial assumptions since the prior 2012 valuation. These changes are as follows:

- Contribution Rates – previous assumption was that retiree contribution rates would increase at the same rate as medical costs. CCRTA has not increased the retiree contribution rate since the prior valuation, resulting in a 12% increase in the Actuarial Accrued Liability (AAL)
- Medical Costs and Trend – prior valuation assumed medical costs would increase 9% in 2013 and 8.75% in 2014, whereas actual cost trend was approximately 13% per year. Due to higher increases the 2014 estimated increase was revised to 9%. These changes result in a 28% increase in AAL
- Mortality Rates – The PR-2000 Combined Healthy mortality table was updated to project mortality improvement from 2012 to 2014, resulting in a slight increase in the liability.
- Retirement Rates – increased due to recent experience from 1.6% to 1.9%, resulting in estimated 7% increase in AAL.
- Turnover Rates – Average turnover increased from 18.5% to 25% per year, resulting in a decrease in AAL of 3%.

Plan Description: The Authority administers a single-employer defined benefit healthcare plan that allows access to medical benefits by eligible retirees and their families until the retiree reaches age 65. The Authority Board establishes benefit provisions. The plan is not accounted for as a fiduciary fund as an irrevocable trust has not been established to fund the plan. The plan does not issue a financial report.

Funding Policy: The Authority requires retirees to pay a portion of the monthly "blended" rates that apply to the group as a whole. Since retiree health care costs are generally higher than active employee healthcare costs, there is an implicit subsidy higher than the stated subsidy of the Authority. For 2014, $627.99 was the required monthly contribution for retiree family coverage and $246.44 for retiree single coverage. The Authority's contributions are on a pay-as-you-go basis. As of the most recent valuation membership is as follows:

Retirees	13
Active	182
Total	195

Annual OPEB Cost and Net OPEB Obligation: The Authority's annual other post-employment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Authority's annual OPEB cost, the amounts actually contributed toward the plan and changes in the net OPEB obligation are as follows:

	2014	2013
Annual Required Contribution	$ 129,256	$ 45,097
Interest on OPEB Liability	19,487	21,241
Adjustment to the ARC	(27,089)	(29,529)
Annual OPEB Cost	121,654	36,809
Employer Contributions	(90,490)	(80,693)
Net Change in OPEB Liability	31,164	(43,884)
OPEB Liability at January 1	487,163	531,047
OPEB Liability at December 31	$ 518,327	$ 487,163

Trend Information: The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation At Year-End
2014	$121,653	74.4%	$518,327
2013	$36,809	243.7%	$487,163
2012	$37,436	(7.2)%	$531,047

Funded Status and Funding Progress: The funded status of the plan as of the most recent valuation dates is as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Unit Cost	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL As Percentage of Payroll
01/01/14	$ -	$ 1,645,605	$ 1,645,605	$ 6,838,718	24.1%
01/01/12	$ -	$ 377,934	$ 377,934	$ 6,436,310	5.9%
01/01/10	$ -	$ 1,016,925	$ 1,016,925	$ 7,246,956	14%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost inflation. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, is intended to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time in relation to the actuarial accrued liability.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of cost-sharing between the Authority and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant assumptions used include the following:

Valuation Date	*01/01/14*	*01/01/12*
Cost Method	*Projected Unit Credit*	*Projected Unit Credit*
Asset Valuation Method	*Unfunded, Pay-as-you-go basis*	*Unfunded, Pay-as-you-go basis*
*Investment Rate of Return ***	*4.00%*	*4.00%*
Annual Healthcare Cost Trend	*9% initially, graded down to 5% in year 17*	*9% initially, graded down to 5% in year 17*
Inflation Rate	*2.50%*	*2.50%*
Utilization	*33% of eligible actives*	*33% of eligible actives*
Amortization Period	*30 Years*	*30 Years*
Amortization Method	*Level Dollar, Open*	*Level Dollar, Open*

*** Expected long term returns on Authority investments that will fund the benefits.*

(7) Risk Management and Insurance

The Authority is exposed to various risks of loss related to third party liability claims; theft of, damage to, and destruction of assets; errors and omissions and injuries to employees. The Authority has an inter-local agreement with the Texas Municipal League for the purpose of providing all-risk property coverage with various limits on property and equipment of the Authority.

As a governmental unit, Authority's general and automobile liability are limited by the Texas Tort Claims Act to $100,000 for each person and $300,000 for each occurrence for bodily injury or death and $100,000 for each occurrence for injury to or destruction of property.

The Authority operated a self-insurance program for workers' compensation claims until 2004, at which point the Authority became fully insured through the Texas Municipal League. There are no outstanding claims from self-insurance.

The Authority is self-funded for employee dental and healthcare benefits, which include medical, drug and vision. These benefits are provided through a contract with a third party administrator, Entrust, Inc. The coverage in force during 2014 includes specific deductibles for up to $65,000 per individual claim and an annual aggregate estimated at $1,600,000. Claims are normally paid within ninety days and considered current liabilities.

Claims or settlements have not exceeded coverage for each of the last three years.

Changes in liabilities for self-funded workers' compensation and health insurance liabilities for the years ended December 31, 2012, 2013 and 2014 are as follows:

	Workers' Compensation	Health and Dental Benefits
Balance at 12/31/11	$ 21,252	$ 280,691
Incurred Claims	-	1,119,460
Changes in Estimate	(6,133)	-
Claims Paid	(7,105)	(1,299,591)
Balance at 12/31/12	8,014	100,560
Incurred Claims	-	1,089,312
Changes in Estimate	(8,014)	-
Claims Paid	-	(1,076,821)
Balance at 12/31/13	-	113,051
Incurred Claims	-	2,774,257
Changes in Estimate	-	-
Claims Paid	-	(2,724,001)
Balance at 12/31/14	$ -	$ 163,307

(8) Commitments and Contingencies

Expenditures financed by Federal grants are subject to audit by the granting agencies. In the event of any such audits, management is of the opinion that no significant liability will arise.

As of December 31, 2014 the Authority received a notice to proceed from the Board of Directors to purchase 23 ARBOC buses and 29 Gillig buses with a total cost of $18,721,407.

As of December 31, 2014 the Staples Street Customer Service Center was under construction with commitments totaling $19,693,278.

9) Concentrations

During 2014, the Authority received $4,492,602 for capital assistance and $125,900 for other projects from the Federal Transportation Administration.

During 2013, the Authority received $2,590,424 for capital assistance and $1,416,988 for other projects from the Federal Transportation Administration.

Changes in the Authority's relationship with the FTA could ultimately affect the operating results of the Authority. The Single Audit Section provides further details on FTA and other federal grant funding received.

(10) Purchased Transportation Services

The Authority had an extended contract with MV Transportation, Inc. through 2013 to provide paratransit services for elderly and persons with disability and certain fixed route services. A new contract was executed January 6, 2014 establishing a term for these services from January 6, 2014 through December 31, 2018 with an option for the Authority to extend the contract for an additional two years. Expenses under the contract amounted to $4,419,202 in 2014 and $5,191,088 in 2013. All passenger fares related to these transit services are recorded by the Authority as operating revenue.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for Defined Benefit Pension Plan:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
January 1, 2014	$29,617,120	$29,016,953	($ 600,167)	102.1%	$ 7,274,172	(8.3%)
January 1, 2013	$ 25,566,845	$ 27,944,142	$ 2,377,297	91.5%	$ 7,474,445	31.8%
January 1, 2012	$ 21,791,159	$ 25,576,425	$ 3,785,266	85.2%	$ 7,221,526	52.4%
January 1, 2011	$ 21,547,899	$ 23,682,639	$ 2,134,740	91.0%	$ 7,073,120	30.2%
January 1, 2010	$ 17,913,932	$ 22,390,777	$ 4,476,845	80.0%	$ 7,246,596	61.8%
January 1, 2009	$ 13,297,998	$ 20,416,886	$ 7,118,888	65.1%	$ 6,634,041	107.3%
January 1, 2008	$ 18,514,359	$ 18,587,028	$ 72,669	99.6%	$ 6,394,664	1.14%

Schedule of Employer Contributions for Defined Benefit Pension Plan:

Year	Annual Required Contribution	Percentage Contributed
2014	$ 695,517	169%
2013	$ 988,534	130%
2012	$ 1,125,651	100 %
2011	$ 886,742	120 %
2010	$ 1,168,423	100 %
2009	$ 1,355,811	100%
2008	$ 576,140	100%

Schedule of Funding Progress for Other Post-Employment Benefits (as of the most recent valuation dates)**:**

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Unit Cost	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL As Percentage of Payroll
January 1, 2014	$ -	$ 1,645,605	$ 1,645,605	$ 6,838,718	24.1%
January 1, 2012	$ -	$ 377,934	$ 377,934	$ 6,436,310	6%
January 1, 2010	$ -	$ 1,016,925	$ 1,016,952	$ 7,246,956	14%
January 1, 2008	$ -	$ 766,655	$ 766,655	$ 6,394,664	12%

SUPPLEMENTAL SCHEDULES

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Supplemental Schedule - Actual and Budget By Function
Year Ended December 31, 2014

		Original Budget	Final Budget	Actual	Variance Final Budget Versus Actual
Operating Revenues:					
Passenger Service	$	1,885,722	1,885,722	1,844,604	(41,118)
Bus Advertising		70,000	70,000	134,409	64,409
Other Operating Revenues		73,500	73,500	200,783	127,283
Total Operating Revenues		2,029,222	2,029,222	2,179,796	150,574
Operating Expenses:					
Transportation		6,983,274	6,983,274	6,264,717	718,557
Customer Programs		262,867	262,867	219,529	43,338
Purchased Transportation		8,977,307	8,977,307	6,166,212	2,811,095
Program & Service Development		499,813	499,813	214,279	285,534
MIS		502,719	502,719	466,187	36,532
Vehicle Maintenance		5,919,782	5,919,782	6,035,530	(115,748)
Facilities Maintenance		1,016,010	1,016,010	1,382,143	(366,133)
Materials Management		128,215	128,215	127,546	669
Administrative and General		5,125,140	5,125,140	6,217,601	(1,092,461)
Marketing & Communications		638,193	638,193	459,425	178,768
Depreciation		5,930,000	5,930,000	5,273,812	656,188
Total Operating Expenses		35,983,320	35,983,320	32,826,981	3,156,339
Operating Loss		**(33,954,098)**	**(33,954,098)**	**(30,647,185)**	**3,306,913**
Non-Operating Revenues (Expenses):					
Sales and Use Tax Revenue		34,885,754	34,885,754	35,188,390	302,636
Federal and Other Grant Assistance		2,286,209	2,286,209	125,900	(2,160,309)
Investment Income		66,000	66,000	110,052	44,052
Gain (Loss) on Property Dispositions		-	-	46,519	46,519
Interest Expense and Fiscal Charges		-	-	(468,703)	(468,703)
Distributions to Regional Entities		(2,770,903)	(2,770,903)	(2,900,327)	(129,424)
Net Income Before Capital Grant Contributions	$	512,962	512,962	1,454,646	941,684

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Fiduciary Funds - Combining Statement of Net Position
December 31, 2014 With Comparative Totals for December 31, 2013

		2014			2013
		Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	Total
ASSETS					
Money Market Funds/Cash Sweeps	$	627,043	805,639	1,432,682	971,056
Mutual Funds - Debt		11,110,251	604,684	11,714,935	11,330,129
Investments		19,425,140	7,321,077	26,746,217	25,554,585
TOTAL ASSETS		31,162,434	8,731,400	39,893,834	37,855,770
LIABILITIES		-	-	-	-
NET POSITION					
Restricted For Pension Benefits	$	31,162,434	8,731,400	39,893,834	37,855,770

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Fiduciary Funds - Combining Statement of Changes in Net Position
Year Ended December 31, 2014 With Comparative Totals for December 31, 2013

		2014			2013
		Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	Total
Additions:					
Investment Income	$	1,706,633	398,394	2,105,027	5,376,808
Employee Contributions		-	827,753	827,753	729,165
Employer Contributions		1,178,498	-	1,178,498	1,280,330
Total Additions		2,885,131	1,226,147	4,111,278	7,386,303
Deductions:					
Benefits Paid		1,248,352	712,043	1,960,395	3,472,247
Administrative Expenses		91,465	21,354	112,819	110,768
Total Deductions		1,339,817	733,397	2,073,214	3,583,015
Increase (Decrease) in Net Position		1,545,314	492,750	2,038,064	3,803,288
Net Position, January 1		29,617,120	8,238,650	37,855,770	34,052,482
Net Position, December 31	$	31,162,434	8,731,400	39,893,834	37,855,770

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Schedule of Long-Term Debt Amortization
Year Ended December 31, 2014

$11,525,000 Series 2013 (AMT Bonds)

Years Ending December 31,	Principal	Interest	Total Requirements
2015	$ 280,000	$ 533,823	$ 813,823
2016	285,000	528,223	813,223
2017	295,000	516,823	811,823
2018	310,000	505,023	815,023
2019	320,000	492,623	812,623
2020-2024	1,795,000	2,279,744	4,074,744
2025-2029	2,235,000	1,836,704	4,071,704
2030-2034	2,840,000	1,227,881	4,067,881
2035-2038	2,865,000	395,331	3,260,331
	$ 11,225,000	$ 8,316,175	$ 19,541,175

$10,500,000 Series 2013, Taxable Bonds

Years Ending December 31,	Principal	Interest	Total Requirements
2015	$ 255,000	$ 539,542	$ 794,542
2016	255,000	536,023	791,023
2017	260,000	531,203	791,203
2018	265,000	524,885	789,885
2019	275,000	517,147	792,147
2020-2024	1,550,000	2,411,400	3,961,400
2025-2029	1,990,000	1,973,629	3,963,629
2030-2034	2,635,000	1,323,068	3,958,068
2035-2038	2,740,000	430,050	3,170,050
	$ 10,225,000	$ 8,786,947	$ 19,011,947

2014
Statistical Section

Comprehensive Annual Financial Report

ABOUT THE AUTHORITY'S STATISTICAL TABLES

This section of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial situation.

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Financial Trends …………………………………………………………………….. 58

These schedules contain trend information to help the reader understand how the Authority's financial performance has changed over time.

Revenue Capacity ……………………………………………………………………. 60

These schedules contain information to help the reader assess the Authority's most significant revenue source, sales and use tax.

Debt Capacity ………………………………………………………………………... 66

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt.

Demographic & Economic Data …………………………………………….…. 68

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information ………………………………………………………………. 72

These schedules contain service data to help the reader understand how the information in the Authority's financial report relates to the services that the Authority provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Change in Net Position
Last Ten Fiscal Years
(Unaudited)

		2005	2006	2007	2008
Net Investment in Capital Assets	$	27,995,330	25,040,740	23,923,319	27,431,699
Restricted		-	-	-	-
Unrestricted		19,925,305	22,205,341	24,467,194	26,063,981
Total	$	47,920,635	47,246,081	48,390,513	53,495,680

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2009	2010	2011	2012	2013	2014
37,044,364	35,551,031	35,534,213	43,439,575	48,003,491	49,217,398
-	-	-	-	1,611,302	1,611,302
22,398,741	23,900,805	28,172,623	29,843,986	27,852,253	32,585,594
59,443,105	59,451,836	63,706,836	73,283,561	77,467,046	83,414,294

Table 2

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Changes in Net Position
Last Ten Years
(Unaudited)

		2005	2006	2007	2008
Operating Revenues:					
Passenger Service	$	1,197,195	1,380,241	1,602,328	1,707,930
Other Operating		44,061	78,147	105,656	111,106
Total Operating Revenues		1,241,256	1,458,388	1,707,984	1,819,036
Operating Expenses:					
Transportation		9,029,595	9,521,582	10,130,199	10,989,280
Vehicle/Facilities Maintenance		4,821,933	5,084,954	5,686,273	6,201,002
Program Development		894,035	873,695	937,440	936,894
General And Administrative		3,444,749	3,401,302	3,571,073	4,284,956
Depreciation		4,394,500	3,969,403	3,748,996	3,958,931
Total Operating Expenses		22,584,812	22,850,936	24,073,981	26,371,063
Operating Loss		(21,343,556)	(21,392,548)	(22,365,997)	(24,552,027)
Non-Operating Revenues (Expenses):					
Sales and Use Tax		18,939,617	20,115,282	21,328,966	24,254,132
Grant Assistance		1,951,794	213,829	276,340	496,631
Investment Income		529,327	959,788	1,121,785	723,930
Other Non-Operating Items		12,648	(499,721)	-	-
Distributions to Region Entities		(1,255,302)	(1,274,132)	(1,342,549)	(1,258,613)
Net Income/ (Loss) before Capital Grants		(1,165,472)	(1,877,502)	(981,455)	(335,947)
Capital Grants		763,059	1,202,948	2,125,887	5,441,114
Total Change in Net Position	$	(402,413)	(674,554)	1,144,432	5,105,167

2009	2010	2011	2012	2013	2014
1,577,232	1,537,772	1,660,782	1,706,528	1,750,624	1,844,604
81,443	88,525	152,881	144,710	124,796	335,192
1,658,675	1,626,297	1,813,663	1,851,238	1,875,420	2,179,796
10,743,234	10,619,566	11,764,029	12,718,200	13,146,112	12,430,929
5,137,764	5,886,849	6,519,067	6,523,062	6,302,512	7,545,219
702,690	701,064	1,073,506	1,075,444	764,359	893,233
4,711,623	4,983,114	4,444,485	4,923,154	4,627,406	6,683,788
4,514,063	5,203,248	5,878,720	5,523,334	5,772,221	5,273,812
25,809,374	27,393,841	29,679,807	30,763,194	30,612,610	32,826,981
(24,150,699)	(25,767,544)	(27,866,144)	(28,911,956)	(28,737,190)	(30,647,185)
20,821,573	22,891,712	26,235,525	31,571,834	32,064,316	35,188,390
805,664	995,526	2,527,017	3,226,061	1,416,988	125,900
81,807	100,071	27,860	51,173	62,160	110,052
(433,539)	8,012	1,733	1,086	(619,579)	(422,184)
(1,458,952)	(1,325,648)	(1,918,020)	(2,154,150)	(2,593,634)	(2,900,327)
(4,334,146)	(3,097,871)	(992,029)	3,784,048	1,593,061	1,454,646
10,281,571	3,106,602	5,247,029	5,792,677	2,590,424	4,492,602
5,947,425	8,731	4,255,000	9,576,725	4,183,485	5,947,248

Table 3

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Revenues By Source
Last Ten Years
(Unaudited)

Year		Operating Revenues (1)	Sales And Use Tax	Federal Operating Grants And Reimbursements	Investment Income	Other (2)	Total
2005	$	1,241,256	18,939,617	1,951,794	529,327	12,648	22,674,642
2006	$	1,458,388	20,115,282	213,829	959,788	-	22,747,287
2007	$	1,707,984	21,328,966	276,340	1,121,785	-	24,435,075
2008	$	1,819,036	24,254,132	496,631	723,930	-	27,293,729
2009	$	1,658,675	20,821,573	805,664	81,807		23,367,719
2010	$	1,626,297	22,891,712	995,526	100,071	8,012	25,621,618
2011	$	1,813,663	26,235,525	2,527,017	27,860	1,733	30,605,798
2012	$	1,851,238	31,571,834	3,226,061	51,173	1,086	36,701,392
2013	$	1,875,420	32,064,315	1,416,988	62,160	225	35,419,108
2014	$	2,179,796	35,188,390	125,900	110,052	46,519	37,650,657

(1) Fares, bus bench advertising, on-board advertising, and other ancillary revenues.

(2) Includes rental income from leasing office space at the former Six Points location and gain on sales of buses and other property.

Table 4

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Revenues And Operating Assistance - Comparison To Industry Trend Data

Last Ten Years

(Unaudited)

Year	Operating And Other Miscellaneous	Sales And Use Tax	Operating Grants And Reimbursements	Operating And Other Miscellaneous	Directly Generated Tax	Other Grants And Assistance
	Corpus Christi RTA			Transportation Industry (1)		
2005	7.9%	83.5%	8.6%	39.6%	8.5%	51.9%
2006	10.7%	88.4%	0.9%	40.2%	8.3%	51.5%
2007	11.6%	87.3%	1.1%	37.9%	7.6%	54.5%
2008	9.3%	88.9%	1.8%	37.7%	6.4%	55.9%
2009	7.5%	89.1%	3.4%	37.4%	6.5%	56.1%
2010	6.7%	89.3%	4.0%	37.5%	6.5%	56.0%
2011	6.0%	85.7%	8.3%	37.8%	6.2%	56.0%
2012	5.2%	86.0%	8.8%	37.1%	6.5%	56.4%
2013	5.5%	90.5%	4.0%	*	*	*
2014	6.2%	93.5%	0.3%	*	*	*

(1) Source: The American Public Transportation Association, Public Transportation Fact Book, Appendix A: Historical Tables, Table 85.

* Not Available

Table 5

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Passenger Fee Capacity
Last Ten Years
(Unaudited)

Year	Total Unlinked Trips	Passenger Revenues
2005	5,880,493	1,197,195
2006	5,536,958	1,380,241
2007	5,175,983	1,602,328
2008	5,491,376	1,707,930
2009	5,283,174	1,577,232
2010	5,434,286	1,537,772
2011	6,011,114	1,660,782
2012	6,065,174	1,706,528
2013	6,016,379	1,750,624
2014	5,927,292	1,844,604

Table 6

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Miscellaneous Revenue Information
(Unaudited)

Sales Tax:

The Authority's Sales and Use Tax rate has remained the same since it began in 1985. The overall local sales and use tax rate is limited to 8.25%. The local rate is currently at the maximum.

0.50% Corpus Christi MTA 3178998 (Rate 1/2%) Eff: 01/01/86

Aqua Dulce
Bishop
Corpus Christi
Driscoll
Gregory
Unincorporated Nueces County (Excluding Petronila)
Port Aransas
Robstown
San Patricio

Source: Texas Comptroller of Public Accounts

Farebox Recovery Ratio:

Definition: Ratio of passenger service revenues to transit operating costs, excluding depreciation.

Significance: Indicates how much of cost of service provision is supported by user fees.

2005	…………………	6.58%
2006	…………………	7.31%
2007	…………………	7.88%
2008	…………………	7.62%
2009	…………………	7.41%
2010	…………………	6.93%
2011	…………………	6.98%
2012	…………………	6.76%
2013	…………………	6.93%
2014	…………………	6.70%

Table 7

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Ratio of Outstanding Debt

Last Ten Years

(Unaudited)

Year		Revenue Bonds	Per Capita Income	Percent of Personal Income
2005	$	-	-	-
2006	$	-	-	-
2007	$	-	-	-
2008	$	-	-	-
2009	$	-	-	-
2010	$	-	-	-
2011	$	-	-	-
2012	$	-	-	-
2013	$	22,025,000	42,151	0.19%
2014	$	21,450,000	44,108	0.21%

Table 8

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Revenue Bond Coverage
Last Ten Years
(Unaudited)

Year		Pledged Revenues (1)	Debt Service Requirements (2) Principal	Interest	Total	Coverage
2005	$	-	-	-		-
2006	$	-	-	-		-
2007	$	-	-	-		-
2008	$	-	-	-		-
2009	$	-	-	-		-
2010	$	-	-	-		-
2011	$	-	-	-		-
2012	$	-	-	-		-
2013	$	-	-	-		-
2014	$	2,179,796	575,000	1,033,678	1,608,678	1.36

(1) Pledged revenues (effective starting in 2014) represent all system revenues, which include passenger service, bus advertising, charter service, and other operating revenues.

Table 9

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Demographic Statistics
Last 10 Ten Years
(Unaudited)

Year	Population (1)	Personal Income (in thousands) (1)	Mean Per Capita Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2005	325,515	$9,711,696	$29,835	60,666	5.40%
2006	329,113	$10,424,076	$31,673	60,429	4.90%
2007	330,512	$11,170,436	$33,797	60,807	4.30%
2008	333,526	$12,237,536	$36,691	61,184	4.60%
2009	338,220	$11,647,857	$34,439	61,260	6.70%
2010	340,373	$12,438,913	$36,545	61,415	7.60%
2011	343,281	$13,196,232	$38,441	62,011	7.70%
2012	347,691	$14,226,934	$40,918	62,596	6.20%
2013	350,503	$14,920,952	$42,570	62,992	5.80%
2014	355,638	$15,685,304	$44,108	62,545	4.44%

(1) Nueces County - Source: US Department of Commerce Bureau of Economic Analysis
(2) Nueces County - Source: Nueces County/Texas Education Agency/PEIMS
- 2008 and 2009 Enrollment figures include charter schools
(3) Nueces County - Source: U.S. Department of Labor-Bureau of Labor Statistics

Table 10

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Major Employers
By Size of Employment
(Unaudited)

Rank	Business	Type of Product - Service	Employment 2014	% of Total Employment 2014	Employment 2005
1	Corpus Christi Army Depot	Helicopter Repair	5,800	3.5%	N/A
2	CHRISTUS Spohn Health Systems	Hospital	5,400	3.3%	N/A
3	Corpus Christi ISD	School District	5,178	3.2%	N/A
4	H.E.B.	Grocery Company	5,000	3.1%	N/A
5	City of Corpus Christi	City Government	3,171	1.9%	N/A
6	Corpus Christi Naval Air Station	Flight Training	2,822	1.7%	N/A
7	Bay, Ltd.	Industrial Construction	2,100	1.3%	N/A
8	Driscoll Children’s Hospital.	Hospital	1,800	1.1%	N/A
9	Del Mar College	Junior College	1,542	0.9%	N/A
10	Corpus Christ Medical Center	Hospital	1,300	0.8%	N/A

Source: Corpus Christi Regional Economic Development Corp.

N/A - information not available for 2005

Table 11

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Budgeted Full-Time Equivalent Positions
(Unaudited)

	2005	2006	2007	2008
Transportation				
Transportation - Directly Operated	119.50	114.50	116.50	117.00
Purchased Transportation*	1.00	1.00	2.00	2.00
	120.50	115.50	118.50	119.00
Maintenance				
Vehicle Maintenance	35.00	33.00	35.00	35.00
Facilities Maintenance	10.00	13.00	14.00	14.00
Materials Management	4.00	4.00	5.00	5.00
	49.00	50.00	54.00	54.00
Program Development				
Customer Programs	9.00	8.00	9.00	9.00
Service Development	3.00	4.00	4.00	4.00
Program Management	1.50	2.50	2.00	2.00
Marketing & Communications	-	-	-	-
	13.50	14.50	15.00	15.00
General Administrative:				
MIS	4.00	4.00	3.00	3.00
Contracts and Grants	2.00	3.00	2.00	2.00
CEO's Office	2.00	2.00	2.00	2.00
Finance and Accounting	5.50	5.50	5.75	5.75
Human Resources	6.00	5.00	3.00	3.00
General Administration	2.00	2.00	2.00	2.00
Safety and Security	-	-	-	-
TCN - Regional Coordinator	-	-	-	-
	21.50	21.50	17.75	17.75
Totals	204.50	201.50	205.25	205.75

* In addition the Authority's has contracted staff of about 100 under various purchased transportation contracts

2009	2010	2011	2012	2013	2014
117.00	117.00	122.00	131.00	131.00	160.00
1.00	1.00	1.00	1.00	3.00	3.00
118.00	118.00	123.00	132.00	134.00	163.00
38.00	38.00	38.00	36.00	36.00	38.00
14.00	14.00	14.00	14.00	15.00	15.00
4.00	4.00	4.00	4.00	4.00	3.00
56.00	56.00	56.00	54.00	55.00	56.00
7.00	7.00	6.00	8.00	4.00	4.80
3.00	3.00	4.00	4.00	4.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	3.00	3.00
14.00	14.00	14.00	16.00	13.00	12.80
2.00	2.00	1.00	1.00	2.00	3.00
3.00	3.00	2.00	3.00	3.00	5.00
5.00	5.00	3.00	3.00	1.00	1.00
5.80	5.80	5.80	5.80	5.55	5.55
3.00	3.00	2.00	2.00	3.00	3.00
2.00	2.00	2.00	3.00	8.00	5.00
-	-	-	-	1.00	1.00
-	1.00	1.00	-	-	-
20.80	21.80	16.80	17.80	23.55	23.55
208.80	209.80	209.80	219.80	225.55	255.35

Table 12

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Operating Statistics and Assets Utilized
Last Ten Years
(Unaudited)

			2005	2006	2007	2008
System Ridership						
Motor Bus	a		5,664,053	5,315,568	4,976,009	5,251,514
Demand Response / Paratransit	b		185,415	192,775	190,774	196,991
Ferry Boat	b		31,025	21,477	-	21,705
Vanpool	c/f		-	-	9,200	21,166
System Hours						
Motor Bus	a		206,098	198,456	198,524	194,647
Demand Response / Paratransit	b		64,867	67,798	67,422	68,733
Ferry Boat	b		679	688	-	694
Vanpool	c/f		-	647	652	1,344
System Miles						
Motor Bus	a		2,931,365	2,750,228	2,787,318	2,778,104
Demand Response / Paratransit	b		1,160,493	1,277,414	1,253,448	1,320,766
Ferry Boat	b		1,725	1,719	-	2,529
Vanpool	c/f		-	19,021	16,898	34,785
Vehicles In Service						
Motor Bus	a		63	58	58	59
Demand Response / Paratransit	b		30	30	30	30
Ferry Boat	b		1	1	-	1
Vanpool	c/f		-	2	3	2
Uses of Capital Funds	e					
Vehicles		$	-	320	1,863,855	2,492,718
Communications & Information		$	176,480	605,551	63,707	103,658
Facilities and Stations		$	502,846	624,952	669,006	3,433,780
Other		$	61,101	283,709	697,679	1,437,155
Operating Expenses by Mode	e					
Motor Bus	a	$	14,018,276	14,116,321	15,504,328	17,099,983
Demand Response / Paratransit	b	$	3,836,669	4,376,009	4,630,521	4,913,357
Ferry Boat	b	$	230,761	209,129	-	219,212
Vanpool	c/f	$	-	65,075	67,501	65,878

a - Directly Operated (Transportation Department) and Purchased Transportation (oversees contractors)
b - Purchased Transportation (contractors overseen by the Purchased Transportation Department)
c - Directly Operated - Customer Programs Department oversees operation of vanpools (through 2011)
d - Excludes miles not spent in active transportation service (i.e. deadhead, maintenance miles driven, etc.)
e - May not agree with GAAP-basis financial statements due to differences in NTD accounting methodologies
f - Van Pool operations do not meet FTA guidelines as of 2012 and are not reported on the NTD report and are not reported here after 2012

Source: National Transit Database

2009	2010	2011	2012	2013	2014
5,064,696	5,238,131	5,749,312	5,764,790	5,728,793	5,650,677
196,617	190,745	199,368	202,974	194,394	192,580
11,683	-	52,951	86,676	93,192	84,035
10,178	5,410	-	-	-	-
207,551	225,073	226,999	237,320	225,151	243,732
68,680	71,558	74,728	79,413	70,328	74,236
545	-	881	1,135	1,185	750
961	965	-	-	-	-
2,785,415	3,232,691	3,256,971	3,387,397	3,021,215	3,053,596
1,348,943	1,599,595	1,556,289	1,425,691	1,225,323	1,252,615
1,860	-	2,179	2,660	2,625	1,756
25,525	29,710	-	-	-	-
63	58	56	59	60	75
30	26	26	26	26	38
1	-	1	2	2	1
2	4	-	-	6	3
8,397,094	526,506	2,707,772	4,864,974	5,142,277	-
738,184	562,545	425,524	439,364	66,065	99,046
3,844,189	471,546	1,022,722	7,228,414	2,729,941	7,337,105
1,417,030	2,189,577	1,708,706	1,061,601	2,270,946	1,165,647
16,519,155	17,410,873	18,262,737	19,150,089	18,984,978	21,324,898
4,425,076	4,568,425	4,976,669	5,351,413	5,585,657	5,556,262
182,925	-	435,411	617,831	607,748	626,005
69,857	78,084	-	-	-	-

Source: National Transit Database

Table 13
CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Miscellaneous Statistics
(Unaudited)

Date Authority Created	August 10, 1985
Date Authority Began Operations	January 1, 1986
Form of Government	Board of Directors, CEO
Board of Directors	11
Service Area Square Miles	838
Population In Service Area	349,546
Type of Tax Support	Sales and Use Tax
Sales Tax Rate	.50%
Base Fare	$.75
Number of Routes *	44
Number of Transfer Stations *	5
Number of Bus Stops *	1,421

* Historical trend information is not available. See Table 12 for utilization and level of capital investment trends.

2014
Single Audit Section
Comprehensive Annual Financial Report

COLLIER, JOHNSON & WOODS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

555 N. Carancahua Suite 1000
Corpus Christi, Texas 78401-0839
361-884-9347 • Fax 361-884-9422
www.cjw-cpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 29, 2015

The Board of Directors of the
Corpus Christi Regional Transportation Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Corpus Christi Regional Transportation Authority as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Collier, Johnson & Woods

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CERTIFIED PUBLIC ACCOUNTANTS

555 N. Carancahua Suite 1000
Corpus Christi, Texas 78401-0839
361-884-9347 • Fax 361-884-9422
www.cjw-cpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 29, 2015

The Board of Directors of the
Corpus Christi Regional Transportation Authority

Report on Compliance for Each Major Federal Program

We have audited the Corpus Christi Regional Transportation Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Collier, Johnson & Woods

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2014

I. Summary of Audit Results:

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Corpus Christi Regional Transportation Authority.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

3. No instances of noncompliance material to the financial statements of the Corpus Christi Regional Transportation Authority which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133."

5. The auditor's report on compliance for major Federal award programs for the Corpus Christi Regional Transportation Authority expresses an unmodified opinion on all major programs.

6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.

7. The programs tested as major programs included:

   U.S. Department of Transportation, Federal Transportation Administration:
   Federal Transit Cluster

   1. Federal Transit – Capital Investment Grants (CFDA – 20.500)
   2. Federal Transit – Formula Grants (CFDA – 20.507)

   U.S. Department of Transportation, Federal Transportation Administration:
   Transit Services Cluster

   1. Transit Services – Job Access and Reverse Commute Program (CFDA – 20.516)
   2. Transit Services – New Freedom Program (CFDA – 20.521)

8. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

9. The Authority was determined to be a low-risk auditee.

II. Findings related to the financial statements – None

III. Findings and questioned costs for Federal awards – None

IV. Prior year audit findings requiring corrective action – None

Corpus Christi Regional Transportation Authority

Schedule of Expenditures of Federal Financial Awards

Year Ended December 31, 2014

GRANTOR	Federal CFDA Number	Grant Number		Expenditures, Indirect Costs, And Refunds	
DEPARTMENT OF TRANSPORTATION					
Federal Transportation Administration (FTA):					
Federal Transit Cluster					
Capital Investment Grant	20.500	TX04-0098	$	354,488	
Capital Investment Grant	20.500	TX04-0116		145,999	
				500,487	*
Transit Formula Funds	20.507	TX90-0857		469,065	
Transit Formula Funds	20.507	TX90-0931		154,375	
Transit Formula Funds	20.507	TX90-0978		2,942,358	
Transit Formula Funds	20.507	TX90-0059		3,707	
Transit Formula Funds - American Recovery & Reinvestment Act	20.507	TX96-X019		-	
				3,569,505	
Total Federal Transit Cluster				4,069,992	*
Management Internship Program	20.514	TX26-7108		3,850	
Job Access and Reverse Commute	20.516	TX37-4038		185,694	
New Freedoms	20.521	TX57-4007		358,966	
Total Department of Transportation			**$**	**4,618,502**	

* Major Program

See Notes to Federal Financial Awards

Corpus Christi Regional Transportation Authority
Notes to Schedule of Expenditures of Federal Financial Awards
For the Year Ended December 31, 2014

(1) General

The accompanying Schedule of Expenditures of Federal Financial Awards presents the activity of all Federal financial assistance programs of the Authority. The Authority's organization is defined in Note 1 to the Authority's Basic Financial Statements.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Financial Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Authority's Basic Financial Statements.

(3) Relationship to Basic Financial Statements

Federal financial capital and operating assistance is reported in the Authority's basic financial statements as follows:

Federal Operating Grants	$	125,900
Federal Capital Grants		4,492,602
Total Federal Grants	$	4,618,502

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Financial Awards may not agree with amounts reported in the related Federal financial reports filed with the grantor agency because of accruals which would be included in the next reports filed with the agencies.

5658 Bear Lane Corpus
Christi, Texas 78405
www.ccrta.org