Annual Comprehensive Financial Report

For the Fiscal Years Ended December 31, 2023 and 2022

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Corpus Christi Regional Transportation Authority

Corpus Christi, Texas

Annual Comprehensive Financial Report

For the Fiscal Years Ended December 31, 2023 and 2022

<u>Mission Statement</u>

To provide our riders with safe, accessible, convenient, and sustainable transportation solutions that unite communities and promote local economic growth.

Prepared by the Finance Department

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

2023
Introductory Section

Annual Comprehensive Financial Report

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

STATISTICAL SECTION

SINGLE AUDIT SECTION

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
602 N. Staples St.
Corpus Christi, TX 78401
361-289-2712
ccrta.org

January 15, 2025

To the Citizens of the CCRTA transit Service Area and the Board of Directors:

We are pleased to submit to you the Corpus Christi Regional Transportation Authority's Annual Comprehensive Financial Report (***ACFR***) for the fiscal year ended December 31, 2023. The ACFR is prepared annually in compliance with the Texas statute and Federal Single Audit Act requirements to have an annual audit of our basic financial statements performed by an independent certified public accountant or firm of independent certified public accountants. In accordance with Texas and Federal Statutes including Section 451.451, Subchapter J, of the Texas Transportation Code, this report is being published and submitted to fulfill these requirements.

Management assumes full responsibility for the accuracy, completeness and reliability of the information contained in this report, which is based upon a comprehensive framework of internal controls established specifically for this purpose. The internal controls are designed to provide reasonable, rather than absolute assurances that the financial statements presented are free of any material misstatements. We believe that the financial statements are presented accurate in all material aspects and in accordance with accounting principles generally accepted in the United States of American (GAAP) for local government units.

All disclosures necessary to enable its reader to gain an understanding of CCRTA's financial affairs have been included. In addition, the Authority continues to prioritize transparency in all areas of the organization. We strive to be accountable to the citizens of the communities we serve by being good stewards, measuring fiscal performance, and cultivating integrity into all aspects of our culture, operations, and services.

This report is presented in four parts:

1. **The Introductory Section** includes this letter of transmittal, the 2022 Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting, an organizational chart and a listing of the Board of Directors and members of the management team.
2. **The Financial Section** presents the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), and the basic financial statements with accompanying notes.
3. **The Statistical Section** provides unaudited financial, economic and other miscellaneous information that is useful for indicating trends for comparative fiscal periods.

4. The Single Audit Section contains the independent auditor's report on internal control of financial reporting and on compliance, along with the independent auditors' report on compliance for each major federal program and on internal control over compliance required by the uniform guidance.

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

The independent certified public accounting firm of Carr, Riggs & Ingram, LLC has rendered an unmodified opinion on CCRTA's financial statements for the year ended December 31, 2023. The independent auditor's report is presented as the first item in the financial section of this report.

PROFILE OF THE AUTHORITY

The system's legal name is Corpus Christi Regional Transportation Authority (Authority). In June 1984 the Authority was first created by ordinance from the City of Corpus Christi. It operated with a 5-member interim board appointed by the City of Corpus Christi until the confirmation election in August 1985. By majority vote of the taxpayers in Nueces and San Patricio counties, voters approved the funding of the Authority through a one-half cent sales tax levied in Corpus Christi and seven other unincorporated areas of Nueces County. Operations commenced January 1, 1986.

Located in Corpus Christi, Texas, on the coast of the Gulf of Mexico, the Authority is the regional operator of public transportation in Nueces County and part of San Patricio County. Nueces County includes the cities of Agua Dulce, Bishop, Corpus Christi, Driscoll, Port Aransas, Robstown, and unincorporated area. San Patricio includes the cities of Gregory and San Patricio. Across a service area of 846 square miles with an estimated population of 337,974 of which 317,804 or 94.03% is from the Corpus Christi area, the transit system provides various modes of transportation to accommodate the needs of the public.

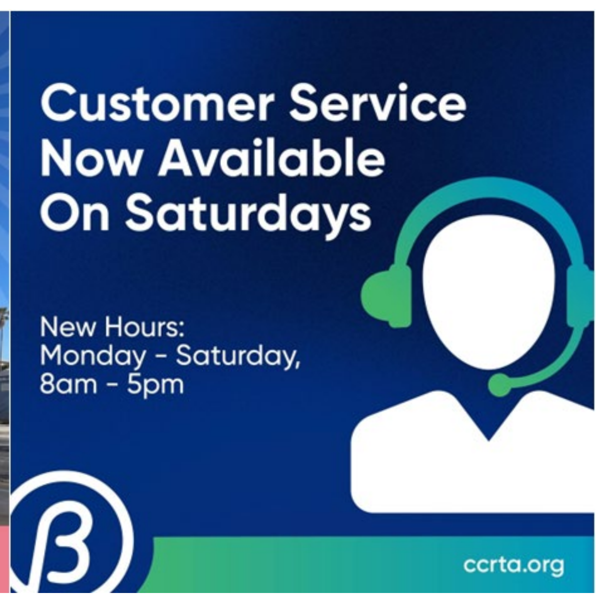
When the Authority was first formed, the letter "B" was chosen as a symbol that not only would uniquely identify the Authority but would simultaneously exemplify our mission. The "B" stands for "Bus". The logo designed has since been rebranded, but the mission remains focused on providing affordable mobility access to employment, community resources, medical care, and recreational opportunities to every citizen.

Over the years, the services have transformed from a single fixed-route platform servicing only the urban areas of the City of Corpus Christi, to providing enjoyable and reliable options for connecting the rural suburban neighborhoods within the City and the surrounding areas. Paratransit services now supplement fixed routes and include demand-response curb-to-curb service to qualified individuals. In addition, the Authority assists people in creating vanpools and rideshare programs to promote a more affordable and convenient way to travel while increasing the Authority's commitment to improve environmental quality.

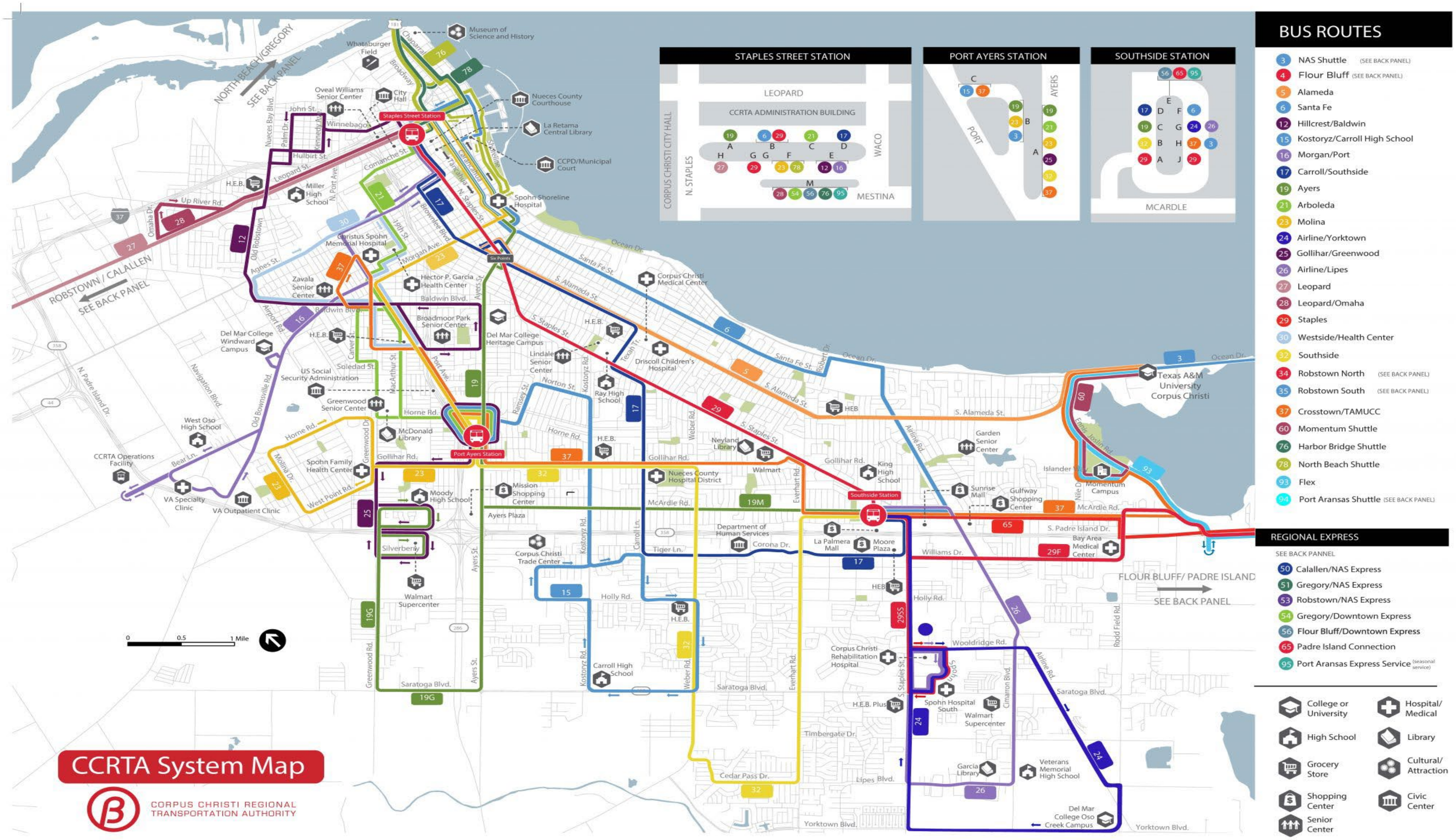
The Authority has become a lifeline to our riders during normal conditions as well as in times of catastrophic events, the most recent being the unprecedented Coronavirus pandemic that first impacted the area in 2020 and continued its presence throughout 2021. The pandemic affected all sectors of the economy, but the Authority successfully overcame these challenges and continues to be the connecting force that links the community closer together, keeping its promise to connect residents to their destinations. In 2023, ridership increased by 488,954 or 17.37% from 2022 by ending the year with 3,303,474 from the previous year of 2,814,520. 2023 ridership represents 62.92% of the 5,249,866 pre-Covid levels, and the Authority continues to adjust its service plan to meet the changing needs of riders in the community.

With a fleet of 122 buses, the Authority provides a variety of services to meet different transportation needs using 88 buses for fixed-route services and 34 buses for paratransit services. The conventional fixed-route services are operated by the Authority and a third-party contractor, while paratransit services, which are more flexible and do not conform to a fixed schedule or route, are exclusively contracted out. Paratransit services provide on-demand curb-to curb response service which allowed passengers to book their trip during service operating hours along with Flexi-B routes which is a ride-sharing program that picks up and drops off passengers at any bus stop along the route. A vanpool program is also another mode of transportation services that currently operates 34 vehicles.

The Authority also serves in connecting tourists and vacationers to popular attractions. A seasonal express route to Padre Island complements the two year-round shuttles to downtown Corpus Christi and Port Aransas, Texas. Shuttles are buses designed to look like trolleys and are equipped with ADA Accessible wheelchair lifts, bicycle racks and complementary wi-fi. Accordingly, the Authority is instrumental in the success of public activities by providing special movement services during community events that include national and regional notables such as Buc Days Rodeo, Beach to Bay, Texas Jazz Fest, Fiesta de la Flor, Dia de los Muertos, and the American Cancer Society Walk.



Corpus Christi Regional Transportation Authority System Service Area Map



LOCAL ECONOMY

The dynamic economy of Corpus Christi spans from aerospace and aviation, chemical and petroleum manufacturing, to energy-related industries. The resilience of the local economy is shown in the sales tax revenue growth during the pandemic. Sales tax revenue has continued to show growth trends as receipts in 2023 increased by $2,310,726 or 6.00% from the $38,482,167 receipts recognized in 2022 In addition, the favorable business climate of the area has promoted an ongoing influx of out-of-state businesses and skilled workers. This influx is further bolstered by the talent pool provided by Del Mar College and Texas A&M University-Corpus Christi.

Corpus Christi is the 8th largest city in Texas and has a total area of 460.2 square miles of which 124.3 are land and 327.9 are covered with water. Corpus Christi serves as the county seat for Nueces County with a population of 352,289 making it the 17th most populous county in the state. It is home to the Naval Air Station Corpus Christi and the Port of Corpus Christi.

The Naval Air Station is the second-largest employer, supporting pilot training and operations since 1941. About 43,000 active-duty personnel, civilian employees and family members make up the base's population. Also residing at this military installation is the Corpus Christi Army Depot which is the largest helicopter repair facility in the world employing more than 4,989 civilian employees and contractors. The combined direct economic impact is approximately $654.6 million. The Port of Corpus Christi began in 1926. Since then, it has become a major gateway to international and domestic maritime commerce. It is the third-largest port in the United States in total tonnage and has an estimate economic impact to the Corpus Christi area of approximately $3 billion while supporting 98,000 jobs in the South Texas Coastal Bend region in various fields.

The diversification of public and private industries in the region helps to stabilize economic fluctuations. Corpus Christi's major employment segments include healthcare, educational services, accommodation and food services, construction, government, professional, scientific, technical services and tourism. Major employers include CCISD, Bay, Ltd, CITGO, City of Corpus Christi, Del Mar College, Texas A&M University Corpus Christi, Flint Hills Resources, H-E-B, Kiewit Offshore Services and Valero Refining. Although tourism was adversely affected by the pandemic, it is recovering. According to the Visit Corpus Christi economic impact report, Corpus Christi tourism contributed more than $1.44 billion into the local economy in comparison to the $1.50 billion accounted by tourism in 2022. The U.S. Bureau of Labor Statistics data shows the Corpus Christi area's leisure and hospitality sector grew by 1.63% in 2023.

The Corpus Christi area's unemployment rate stands at 3.7% as the region continues to rebound strongly from the pandemic. According to Jim Lee, Texas A&M University-Corpus Christi Regents Professor of Economics and director for the South Texas Economic Development Center in the College of Business, economists typically consider a 5% unemployment rate to be full employment. The respective rates for the state and national were 3.9% and 3.6%.

2023 AT A GLANCE

The Authority continued in its efforts to improve rider experience and community perception of public transportation in 2023. At the direction of the Board of Directors, leadership and staff worked to implement substantive change across the system, including such initiatives as Operation "Deep Clean", an effort to ensure the maintenance of vehicles, facilities, and amenities, as well as promote technological improvements such as on-board monitors and mobile ticketing, leading to improved rider experience and better performance tracking.

Additional 2023 efforts include:

Capital Investments:

- Installed 150 solar-lit bus shelters and amenities as part of an \$8,818,230 three-year plan funded by three (3) different grants, of which most funding coming from a 2022 American Rescue Plan (ARP) grant.
- Completed "super stops" on Rodd Field Road and Yorktown Boulevard to service the Del Mar College Oso Creek campus and further expand service to the southside of Corpus Christi.
- Began demolition and reconstruction of the Port Ayers Transfer Station, funded by the 5339(b) competitive FTA grant. The new transfer station held its grand opening in June 2024.
- In summary, 37 CIP projects completed totaling \$7,622,358, including 13 paratransit buses, improvements to buildings and facilities, various pieces of maintenance equipment, and IT equipment.

Service Outlook:

- Initiated the "Destination Education" program, proving free rides for students in grades pre-K through 12th grade, which led to a significant increase in student ridership, with nearly 75,000 rides taken.
- Provided 3.0 million passenger trips through 34 fixed routes.
- Partnered with military and local stakeholders to provide access to training, free medical services, emergency shelters, and special events throughout the year.

Safety & Security:

- Increased law enforcement presence at facilities and transfer stations and provided active shooter training to employees and tenants.
- Recognized nationally by APTA for improvements to bus and rider security, as well as emergency preparedness.
- Partnered with law enforcement to increase public awareness of human trafficking and provided training to staff and tenants.

Public Relations:

- CCRTA hosted more than 25 press conferences, special events, and ribbon cuttings and took part in more than 45 outreach events with community partners.
- Received:

- APTA 2023 Ad Wheel Awards for Print (Bus Days Wrap) and Special Event (Employee Appreciation Day)
- SWTA's Marketing Spotlight Award along with 3 Additional SWTA Awards
- TTA 2023 Awards for Outstanding Customer Service Employee and Transit Innovation

Governance – Officials

The Authority is governed by an eleven-member board of directors. Chapter 451 of the Texas Transportation Code is the enabling legislation that sets forth the governing structure of the Authority. Because of the population size of the principal municipality, an eleven (11) member board is required to govern all the activities of the Authority. The staggered term system allows overlapping two-year terms but limits board membership to eight (8) years and reappointments to presiding officer to two (2) consecutive years.

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 Chair is appointed by the sitting Board members. A listing of Authority Board members is included on page xv.

Governance – 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 staffed their operations in 2023 with 229 salaried and hourly positions and with approximately 90 staff members employed by various contractors. An organizational chart is shown on page xvii.

Budget

Texas Transportation Code Section 451.102 requires that transit authorities adopt an Annual Operating Budget and Capital Improvement Plan before the start of a new fiscal year. The board adopted budget serves as a policy document, an operations guide, a financial plan and a communication device. The Authority may not spend more than the board approved budgets and must approve increases to the budget with board approved amendments. Monthly budget reports identify variances that are reported to management and the governing body for budgetary control purposes.

Governing legislation further provides that the Board of Directors hold a public hearing on the proposed operating budget prior to its adoption and shall, at least fourteen days before the date of such hearing, make the proposed budget available to the public.

The process for developing the Authority's zero-based budgets typically begins with Board strategic planning that starts in April. Through a series of meetings and analysis a framework is developed that reflects the shared board and management vision and

initiatives of the Authority's values and priorities for the budget year and for the next five years. It is the responsibility of each department manager to administer operations in such a manner as to ensure that the use of funds is consistent with the goals and objectives in the strategic plan, and that the department remains within budget.
The CEO may permit movement of funds within the approved operating budget after the original budget has been established without changing the total operating budget. If these reallocations are significant, board approval is obtained. Control of the budget is maintained at the department level with overview responsibility exercised by the Managing Director of Administration and the Director of Finance but the ultimate responsibility rests on the CEO.

Long-Term Financial Planning

CCRTA has a five and ten-year financial and capital plan that is updated annually during the budget development process. These plans are used to identify the financial resources necessary for future growth and to provide financial stability to achieve the Vision and Mission objectives of the Authority. The process starts with a year-end performance analysis of both revenues and expenses to identify patterns trends from seasonal events. The process then moves to evaluating historical trends over a defined period along with planned service changes. The process also includes evaluation of cash requirements and investment balances, fleet replacement schedules, proposed expenditures on capital facilities and equipment, projected availability and use of federal transit grants and the debt payment requirements.

Relevant Financial Policies

Basis of Accounting

As an enterprise fund, CCRTA prepares its financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Cash and Investments

CCRTA's investment policy conforms to the regulations of the Texas Public Funds Investment Act. A minimum $2,000,000 compensating balance is required by the Authority's depository Bank to be always maintained. All reserve balances that are designated by the Board are invested in short-term securities while the amount of the unrestricted portion of the fund balance is held in TexPool Prime.

Risk Management

CCRTA is partially self-insured for property damage claims and public liability and carries fire and extended coverage on scheduled buildings, facilities, and vehicles. The purchased coverage is to cover catastrophic losses more than the $10,000 deductible carried. Risk Strategies are evaluated annually to ensure that reserve levels are adequate to remedy an unexpected loss.

Contractors are required to carry adequate insurance coverage and to add CCRTA as an additional insured. Monitoring these requirements is performed by the Procurement and the Safety and Security departments.

The Authority is also partially self-insured for its health insurance plans and pays medical and dental claims from a dedicated account specifically, for this purpose. To limit exposure to large dollar medical claims, CCRTA maintains stop-loss insurance policies to cap claims for one individual per year at $60,000. CCRTA does not incur any expense with claims over the cap.

Key Budget Objectives

The 2023 Budget has two primary components: The Operating Budget and the Capital Budget. The Capital Budget represents the Authority's investments in facilities and infrastructure which are based on the first year of needs in the five-year Capital Improvement Program (CIP) Plan and supported by cost sharing grant programs. The five-year plan is revised annually to reflect progress changes and priorities aimed to help ensure that the limited federal transit dollars available are directed to projects that are essential. Both budgets were guided by the strategic plan, outlining four key goal areas:

- Customer
  - Delivering the best possible experience
- Leadership
  - Enhancing awareness of Agency in the region
- Community Value
  - Enhancing awareness of the value of the transportation system in the community
- Organizational
  - Continuing to improve organizational practices

The Operating Budget includes personnel costs and annual facility operating costs funded primarily from sales tax revenue, operating federal grants and other operating and non-operating income. Operating cost activities are evaluated and analyzed to identify those activities with the highest priorities knowing that passenger fares are used to cover annual debt service requirements while sales tax revenues, operating assistance grants and lease income are used fund the operations.

Since sales tax revenue is the primary source for funding transit operations, accurate forecasting is important for avoiding both underfunding and excessive funding. Typically, sales tax revenue accounts for 65 to 75 percent of CCRTA's total income. However, based on the economic trends and indicators available at the time, the sales tax revenue budget was set at $40,316,731 or 4.77% over 2022 actuals, representing 90.50% of the $44,548,227 total revenues projected for 2023. Other revenue sources included $1,565,828 from federal operating grants consisting of $800,000 in preventive maintenance and $765,828 earmarked for pass through reimbursements to sub-recipients. The balance of $2,665,668 would be provided by passenger fares and other revenue sources. With total transit operation costs at $48,197,779 and revenues at $44,548,227, the operating budget rendered a deficit of $3,649,552 which was financed using a transfer from fund balance.

The 2023 Capital Improvement Program (CIP) budget featured 21 projects including fleet replacements, improvements to bus shelters and facilities, maintenance equipment, and upgrades to IT and security infrastructure. The budget amount of $10,678,576 included federally funded projects totaling $8,864,316, with the remaining amount of $1,814,260 paid for by local funds.

Accountability, Transparency and Responsibility

CCRTA recognizes its responsibility of stewardship of public funds and strives for both financial accountability and transparency. Transparency awards recognize the quality and completeness of information that CCRTA makes available to the public and exemplifies outstanding financial management.

CCRTA is proud to have received the following commendations in recognition of the dedication and commitment of CCTA's employees in obtaining these prestigious awards.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Corpus Christi Regional Transportation Authority for its annual comprehensive financial report (ACFR) for the year ended December 31, 2022. This marks the nineteenth consecutive year that CCRTA has received this award and its twenty-sixth lifetime award since 1986.

A Certificate of Achievement is valid for a period of one year only. The financial document is prepared by the Finance Department in conformity with the Certificate of Achievement Program requirements and submits it to GFOA on an annual basis.

In addition, our website transparency efforts have earned the *Traditional Finances Star* from the Texas State Comptroller.

Acknowledgements

The preparation of these documents and reports would not have been possible without the dedication and hard work of the Finance Department. We give recognition to the various departments and project managers that contributed their time and efforts in providing the information for the preparation of these documents. Special thanks to the Marketing Department for their contributions in the field of graphics and extend a special appreciation to management and the Board of Directors for providing the leadership and support necessary to prepare these reports.

Sincerely,

Derrick Majchszak
Chief Executive Officer

Miguel Rendon
Deputy CEO

Robert Saldaña
Managing Director of Administration

Marie Roddel
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

BOARD OF DIRECTORS AND ADMINISTRATION

BOARD OF DIRECTORS

Terms of Office and Board Service

MEMBER	APPOINTMENT	TERM EXPIRATION	BEGAN SERVICE
Dan S. Leyendecker **(Board Chair)**	RTA Board	January 3, 2024	October 4, 2017
Arthur Granado	City of Corpus Christi	June 30, 2024	August 2, 2023
Eloy H. Salazar	City of Corpus Christi	June 30, 2024	July 1, 2020
Gabi Canales	City of Corpus Christi*	June 30, 2024	May 5, 2021
Jeremy Coleman	City of Corpus Christi	June 30, 2024	July 6, 2022
Erica Maymi	City of Corpus Christi	June 30, 2024	July 6, 2022
Lynn B. Allison **(Board Secretary)**	Nueces County	September 30, 2025	October 2, 2019
Anna M. Jimenez **(Board Vice-Chair)**	Nueces County	September 30, 2025	October 2, 2019
Aaron Munoz	Nueces County	September 30, 2025	April 6, 2022
Armando B. Gonzalez	Committee of Mayors	September 30, 2025	October 6, 2021
Beatriz Charo	Committee of Mayors	September 30, 2025	October 6, 2021

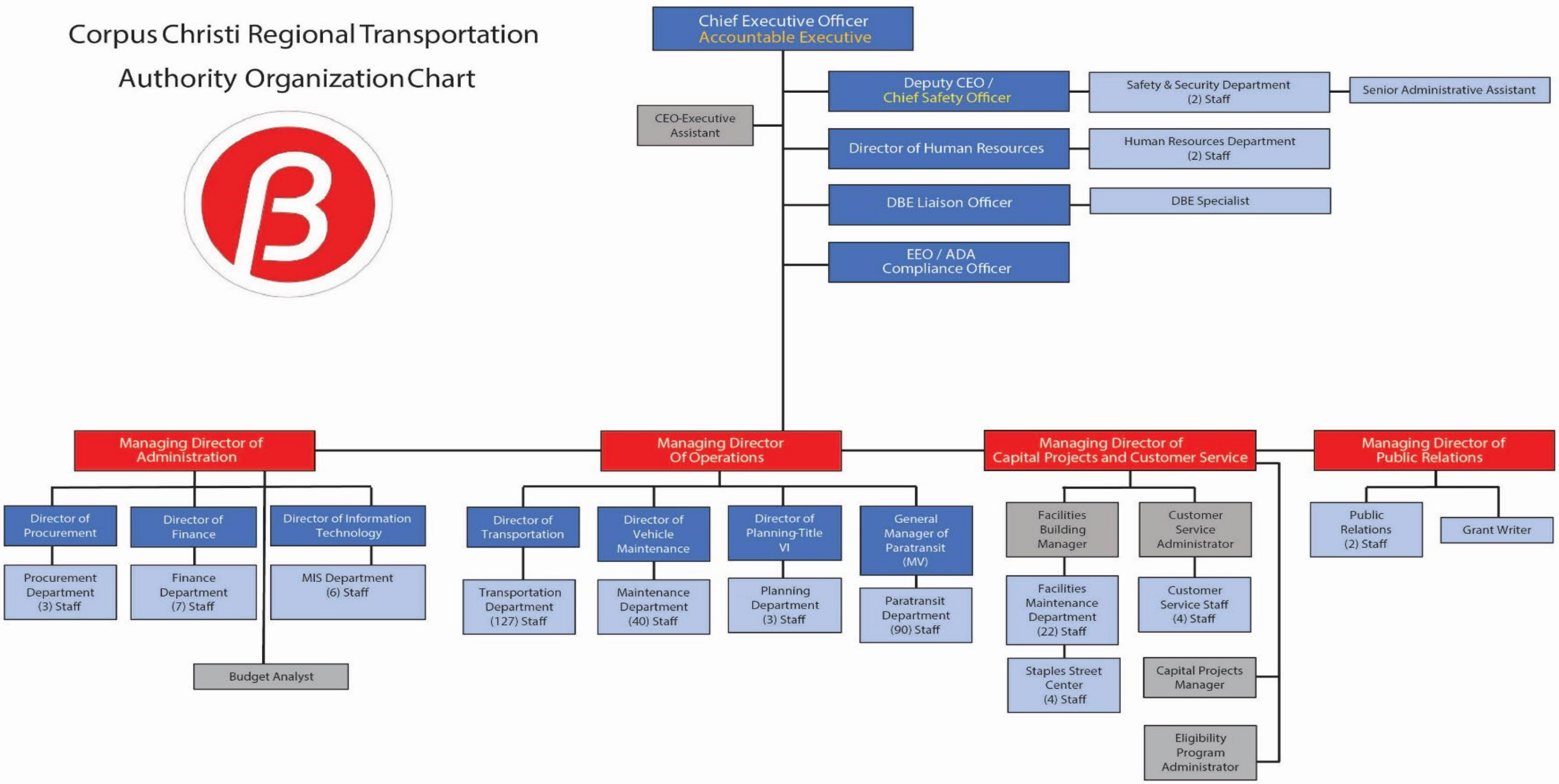
*Designated to represent Transportation Disadvantaged.

ADMINISTRATION

Chief Executive Officer	Derrick Majchszak
Deputy Chief Executive Officer	Miguel Rendon
Managing Director of Administration	Robert M. Saldaña
Managing Director of Capital Programs	Sharon Montez
Managing Director of Operations	Gordon Robison
Managing Director of Public Relations	Rita Patrick

Director of Finance	Marie S. Roddel
Director of Human Resources	Angelina Gaitan
Director of Information Technology	David Chapa
Director of Planning	Liann Alfaro
Director of Procurement	Christina Perez
Director of Transportation	Michael Ledesma
Director of Vehicle Maintenance	Bryan Garner

Corpus Christi Regional Transportation Authority Organization Chart



2023
Financial Section

Annual Comprehensive Financial Report

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
500 North Shoreline Boulevard
Suite 701
Corpus Christi, TX 78401

361.882.3132
361.882.3199 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Corpus Christi Regional Transportation Authority
Corpus Christi, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business type activities and the aggregate remaining fund information of the Corpus Christi Regional Transportation Authority (the "Authority") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority, as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 2 to the financial statements, beginning capital assets (subscription-based assets) and obligations (subscription-based liabilities), as of January 1, 2022, of the Authority were restated for the implementation of Governmental Accounting Board Statement Number 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-22, GASB required supplementary schedules on pages 65-68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information and schedule of expenditures of federal financial awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information and schedule of expenditures of federal financial awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's 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.

Carr, Riggs & Ingram, L.L.C.

Corpus Christi, Texas
January 15, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

INTRODUCTION

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to the accompanying basic financial statements in the form of Management's Discussion and Analysis (MD&A). 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

- *Net Position* was $110,764,244 on December 31, 2023, an increase of 6.43% or $6,691,088 from $104,073,156 as of December 31, 2022 (Table 1).

- *Net Capital Assets* of $77,261,650 on December 31, 2023, increased by 11.69% or $8,086,435 from $69,175,215 as of December 31, 2022 (Table 1).

- *Total Liabilities* on December 31, 2023, of $41,642,972 decreased by 2.69% or $1,152,395 from $42,795,367 as of December 31, 2022 (Table 1).

- *Total Revenues* for 2023 of $46,430,899 decreased by $6,163,905 or 11.72% in comparison to the 2022 revenue of $52,594,804.

- *Passenger Service Revenue* for 2023 of $1,083,894 was up 9.34% or $92,565, from $991,329 in 2022 (Table 3).

- *Other Operating Revenues* for 2023 of $449,026 were down 5.38%, or $25,517, from $474,543 in 2022 (Table 3).

- *Sales Tax Revenue* for 2023 of $40,792,893 increased by 6.00% or $2,310,726 from $38,482,167 in 2022 (Table 3).

- *Federal and Other Grant assistance* for 2023 of $1,261,558 decreased by 89.07% or $10,279,163 from $11,540,721 in 2022 (Table 3).

- *Total expenses* (including depreciation) increased by 3.72% or $1,889,952 from $50,834,095 in 2022 to $52,724,047 in 2023.

- *Operating Expenses* (excluding depreciation) increased by 3.91% or $1,550,695 from $39,655,571 in 2022 to $41,206,266 in 2023.

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 like the way private sector businesses present their financial information. Revenues are recognized in the financial statements when both earned and measurable, not when 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 the Authority's assets, deferred outflows, liabilities, and deferred inflows; 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 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 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 7 in the notes to the financial statements.

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 23.

FINANCIAL ANALYSIS

Statement of Net Position:

Net Position: Total net position may serve, over time, as a useful indicator of an entity's financial 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 investment in capital assets, (2) the restricted by bond covenants and other restrictions, and (3) the unrestricted and available for operations.

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.

As of December 31, 2023, the Authority's *total net position* was $110,764,244. Of the total net position, $58,638,363 or 52.94% represents net investment in capital assets. A significant portion of the Authority's total net position in all years reported is represented by capital assets used to provide public transportation services. The remaining net position consisted of $575,308 in restricted funds and $51,550,573 was unrestricted (Table 1).

As of December 31, 2022, the Authority's *total net position* was $104,073,156. Of the total net position, $52,662,681 or 50.60% represents net investment in capital assets. The remaining net position consisted of $575,308 in restricted funds and $50,835,167 was unrestricted (Table 1).

Total net position increased by $6,691,088 in 2023 from 2022, as net investment in capital assets rose by $5,975,682, coupled with an increase of $715,406 in Unrestricted Net Position (Table 1).

The increase in *total net position* is due to the combined increase of $5,837,133 in *Total Assets and Deferred Outflows,* as well as a decrease of $853,955 in *Total Liabilities and Deferred Inflows*.

Current Assets grew from $61,785,983 in 2022 to $67,198,059, an increase of $5,412,076 that was mostly attributable to growth in the short-term investment portfolio of the Authority and higher receivables from federal grants, offset by a decrease in Cash & Cash Equivalents.

Similarly*, Non-current Assets,* including *Capital Assets,* grew from $77,182,988 in 2022 to $78,992,123, an increase of $1,809,135. This increase is attributable to growth in the value of capital assets, offset by a decrease in the value of the long-term investment portfolio.

Deferred Outflows of Resources declined by $1,384,078, dropping from $12,474,864 in 2022 to $11,090,786. This decrease is mostly attributable to the positive performance of the RTA Employee Defined Benefit Plan in 2023 and a change in the actuarial assumptions of the Plan.

Meanwhile, *Current Liabilities* declined from $12,770,874 in 2022 to $11,776,427 in 2023, a decrease of $994,447 that was attributable to growth in Accounts Payable offset by reductions in Regional Entities Payable and Other Accrued Liabilities.

Likewise, *Long-Term Liabilities* dropped from $30,024,493 in 2022 to $29,866,545, a decrease of $157,948 due to various nominal changes in noncurrent liabilities.

Deferred Inflows of Resources increased by $298,440, from $4,575,312 in 2022 to $4,873,752 in 2023. The increase is mostly attributable to higher inflows related to pensions because of the positive performance of the RTA Defined Benefit Plan in 2023.

Table 1
Condensed Summary of Net Position

	At December 31			At December 31		
	2023	2022 (Restated)	Change	2022 (Restated)	2021	Change
Current Assets	$ 67,198,059	$ 61,785,983	$ 5,412,076	$ 61,785,983	$ 57,492,053	$ 4,293,930
Noncurrent Assets	1,730,473	8,007,773	(6,277,300)	8,007,773	3,646,693	4,361,080
Capital Assets	77,261,650	69,175,215	8,086,435	69,175,215	70,733,716	(1,558,501)
Total Assets	146,190,182	138,968,971	7,221,211	138,968,971	131,872,462	7,096,509
Deferred Outflows of Resources	11,090,786	12,474,864	(1,384,078)	12,474,864	4,508,711	7,966,153
Total Assets and Deferred Outflows	157,280,968	151,443,835	5,837,133	151,443,835	136,381,173	15,062,662
Current Liabilities	11,776,427	12,770,874	(994,447)	12,770,874	7,552,927	5,217,947
Long-Term Liabilities	29,866,545	30,024,493	(157,948)	30,024,493	20,417,517	9,606,976
Total Liabilities	41,642,972	42,795,367	(1,152,395)	42,795,367	27,970,444	14,824,923
Deferred Inflows of Resources	4,873,752	4,575,312	298,440	4,575,312	6,724,059	(2,148,747)
Total Liabilities and Deferred Inflows	46,516,724	47,370,679	(853,955)	47,370,679	34,694,503	12,676,176
Investment in Capital Assets	58,638,363	52,662,681	5,975,682	52,662,681	55,274,436	(2,611,755)
Restricted for Pension Assets	-	-	-	-	941,538	(941,538)
Restricted for Debt Service or FTA Interest	575,308	575,308	-	575,308	779,623	(204,315)
Unrestricted	51,550,573	50,835,167	715,406	50,835,167	44,691,073	6,144,094
Total Net Position	$ 110,764,244	$ 104,073,156	$ 6,691,088	$ 104,073,156	$ 101,686,670	$ 2,386,486

Current Assets: At the end of 2023, the Authority's current assets increased by $5,412,076 from the end of 2022. Significant increases in short-term investments and receivables from federal grants were offset by a decrease in cash and cash equivalents.

Total receivables for 2023 grew by $3,655,893 from 2022, with federal grants representing $3,259,668 of the growth. The growth is due to the high number of grant-funded invoices paid in 2023 and drawn down upon in 2024. Meanwhile, a decrease of $4,169,648 in cash and cash equivalents was offset by an increase of $6,262,189 in short-term investments, representing a change in the composition of the investment portfolio as the Authority sought to extend maturities in the current rate environment.

At the end of 2022, the Authority's current assets had increased by $4,293,930 from the end of 2021. Most of the increase came from the combined change in Cash and Cash Equivalents and Short-Term Investments, which grew by $3,839,991, largely due to the increase in federal operating grant revenue.

Receivables were mostly flat in 2022, increasing from an aggregate of $7,575,295 in 2021 to $7,613,600 in 2022, mostly attributable to higher Sales and Use Taxes. Parts inventories grew from $979,912 in 2021 to $1,204,171 of 2022, a growth of $224,259. Meanwhile, Prepaid Expenses grew from $410,275 in 2021 to $601,650 in 2022, a growth of $191,375.

Additional details about the Authority's current assets are presented in Note 2 of the notes to the financial statements.

Restricted Assets: At the end of 2023 and 2022, the Authority held assets restricted in accordance with an agreement with the Federal Transit Administration (FTA) totaling $575,308. The balance represents the remaining federal interest in assets that have been sold or disposed of by the Authority and will be used to reduce future federal project costs.

Additional details about the Authority's restricted assets are presented in Note 2 of the notes to the financial statements.

Capital Assets: As of December 31, 2023, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $77,261,650, an increase of $8,086,435 from December 31, 2022. During the year capital assets totaling $15,229,918 were acquired. The acquisition costs of these assets were offset by the depreciation expense recorded for the year totaling $7,127,509, and there were net disposals of $15,974 resulting in an increase of investment in capital assets of $8,086,435. The 2023 capital additions primarily occurred in two asset categories, Transit Stations & Bus Stops and Vehicles, Furniture, & Equipment. Some of the significant capital assets acquired include:

- Replacement of the roof at the Bear Lane Operations facility
- 150 passenger shelters and amenities
- Two Super stops for the Del Mar College Oso Creek campus
- 13 Arboc paratransit buses
- Various units of vehicle and facility maintenance equipment
- Various units of information technology hardware
- Projects in-progress related to the reconstruction of the Port Ayers Transfer Station and additional passenger shelters and amenities

As of December 31, 2022, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $69,175,215, a decrease of $1,558,501 from December 31, 2021. During the year capital assets totaling $5,473,224 were acquired. The acquisition costs of these assets were offset by the depreciation expense recorded for the year totaling $7,031,983 resulting in a decrease of investment in capital assets of $1,558,501. The 2022 capital additions primarily occurred in two asset categories, Transit Stations & Bus Stops and Vehicles, Furniture, & Equipment. Some of the significant capital assets acquired include:

- 203 Passenger shelters and amenities
- 7 CNG engines for Gillig buses
- Creation of an employee gym at the Staples Street Center
- Equipment to furnish the employee gym
- Various units of vehicle and facility maintenance equipment
- Various units of information technology hardware
- Projects in progress related to bus stops at the Del Mar Oso Creek Campus and the reconstruction of the Port Ayers Transfer Station

Additional details about the Authority's capital asset activities are presented in Note 3 of the notes to the financial statements.

Table 2
Capital Assets

		Federal and Other Funding		Local Funding		Total
At December 31, 2023:						
Capital Assets at Cost	$	93,732,597	$	73,081,647	$	166,814,244
Less: Accumulated Depreciation		61,183,695		28,368,899		89,552,594
Capital Assets, net	$	32,548,902	$	44,712,748	$	77,261,650
At December 31, 2022:						
Capital Assets at Cost	$	84,702,698	$	71,789,181	$	156,491,879
Less: Accumulated Depreciation		60,216,110		27,100,554		87,316,664
Capital Assets, net	$	24,486,588	$	44,688,627	$	69,175,215

Liabilities: The Authority's total liabilities as of December 31, 2023, were $41,642,972, a decrease of $1,152,395 from the $42,795,367 in 2022. From the 2023 combined obligations of $41,642,672, the current portion stood at $11,776,427, while the long-term portion was at $29,866,545. Both categories combined to represent a decrease of 2.69% over 2022.

Current liabilities ended the year at $11,776,427, a decrease of $994,447 compared to $12,770,874 in 2022 and is primarily due to lower balances for vendor payables and other accrued liabilities. The long-term liabilities ended the year at $29,866,545, a decrease of $157,948 over the 2022 balance of $30,024,493. The decrease is largely due to the retirement of long-term debt offset by the implementation of the subscription liability in accordance with GASB 96.

The Authority's total liabilities as of December 31, 2022, were $42,795,367, an increase of $14,824,923 from the $27,970,444 in 2021. From the 2022 combined obligations of $42,795,367, the current portion stood at $12,770,874, while the long-term portion was at $30,024,493. Both categories came in significantly higher than 2021.

Current liabilities ended the year at $12,770,874, an increase of $5,217,947 compared to $7,552,927 in 2021 and is primarily due to the increased liability related to the Street Improvements Program, along with higher balances for vendor payables and other accrued liabilities. The long-term liabilities ended the year at $30,024,493, an increase of $9,606,976 over the 2021 balance of $20,417,517. The increase is largely due to the negative performance of the RTA Employee Defined Benefit Plan which resulted in a higher net pension liability.

Additional details about the Authority's long-term liability are presented in Note 4 of the notes to the financial statements.

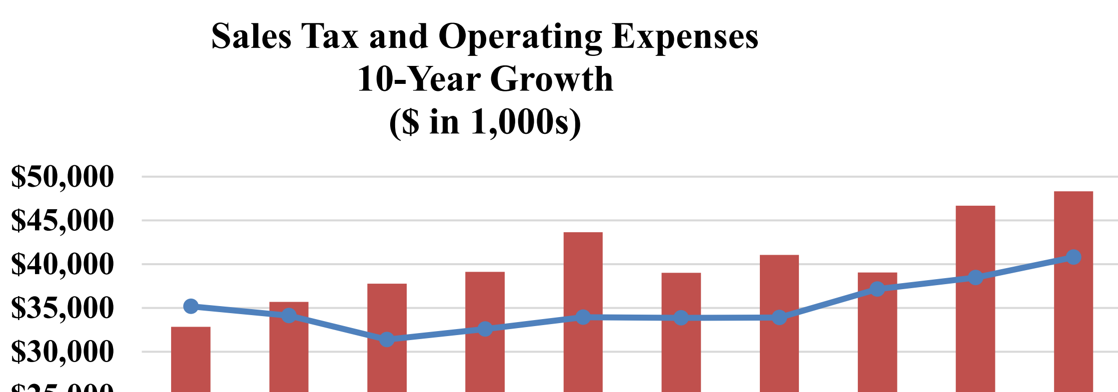
Statement of Revenues, Expenses, and Changes in Net Position:

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.

As shown on the Statement of Revenues, Expenses, and Changes in Net Position, the Authority's net position increased by $6,691,088 at the close of December 31, 2023. Of this amount, $6,293,148 resulted from a net operating loss, which was offset by capital grant revenue of $12,984,236.

The decrease from operations stems from revenues of $46,430,899 versus expenses of $52,724,047, representing the operating loss of $6,293,148. Gains in sales tax revenue and investment income were outpaced by the decline in federal operating grant revenue, as there was no funding available for operations in 2023 like there was in 2020, 2021, and 2022 thanks to Covid-era operating relief such as CARES, CRRSAA, and ARP. Revenues declined by 11.72% from 2022 to 2023, while expenses increased by 3.72%.

The following chart illustrates the relative growth in sales taxes with respect to operating expenses for the ten-year period of 2014 through 2023.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Expenses	$32,827	$35,706	$37,781	$39,109	$43,670	$39,015	$41,051	$39,059	$46,688	$48,334
Sales Tax	$35,188	$34,128	$31,387	$32,570	$33,935	$33,878	$33,912	$37,149	$38,482	$40,793

Other revenues remained mostly flat in 2023 in comparison to 2022. Passenger service experienced the highest year-over-year growth since the pandemic, posting an increase of 9.34% from 2022 to 2023. Bus advertising saw a growth of 28.63% in 2023, with $227,549 compared to $176,907 in 2022. Other operating revenues declined by $25,517 or 5.38%, with 2023 ending at $449,026 compared to $474,543 in 2022.

In 2022, the Statement of Revenues, Expenses, and Changes in Net Position reflected an increase of $2,386,486 to the Authority's net position as of December 31. The increase is mostly due to the increase of $3,181,843 in federal operating grants, $1,332,671 in sales tax revenue, and $804,537 in investment income, offset by growth in operating expenses, net of lease revenue, totaling $7,053,517.

Sales Tax Revenue grew by 3.59% in 2022, spurred by regional economic activity and additional federal stimulus funds. The $38,482,167 generated in 2022 was the highest on record for the Authority prior to being eclipsed by 2023.

Operating revenues including Passenger Service and Other Operating Revenues remained flat in 2022, with growth of 0.49% and - 0.82%, respectively, while Bus Advertising experienced strong growth of 10.00% from 2021 to 2022.

Table 3
Condensed Summary of Revenue, Expenses, and Changes in Net Position

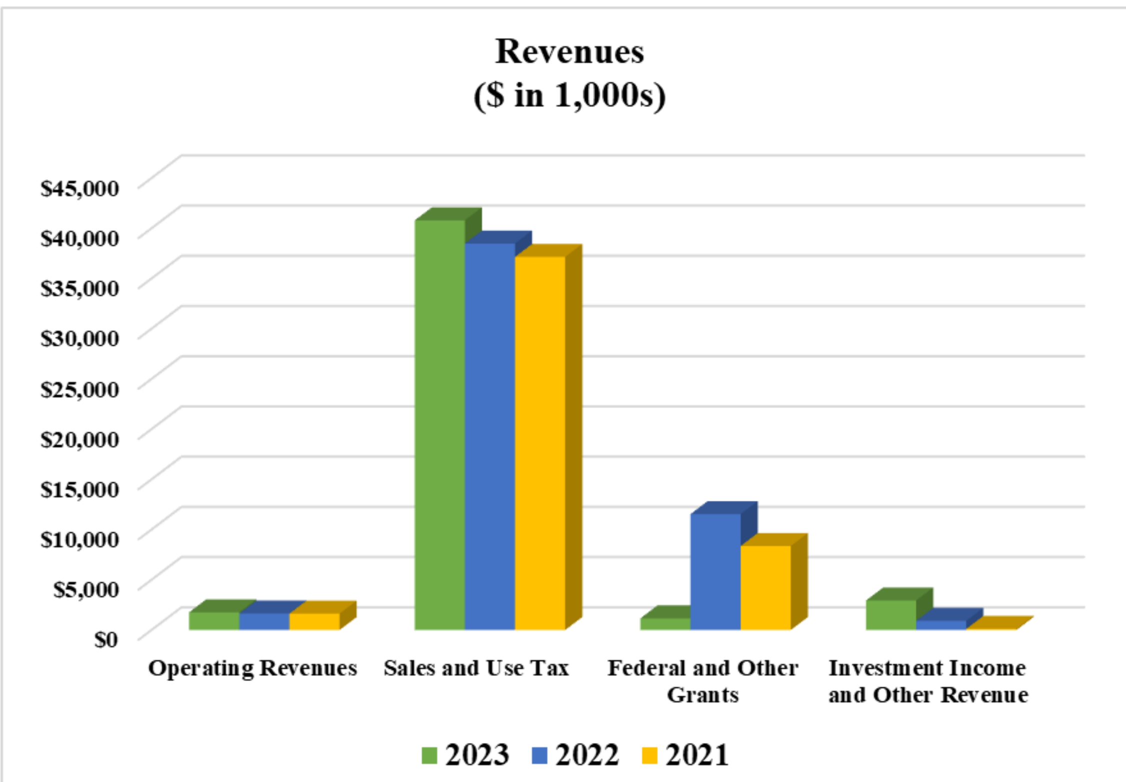
	At December 31 2023	At December 31 2022 (Restated)	Change	At December 31 2022 (Restated)	At December 31 2021	Change
Revenues						
Passenger Service	$ 1,083,894	$ 991,329	$ 92,565	$ 991,329	$ 986,544	$ 4,785
Bus Advertising	227,549	176,907	50,642	176,907	160,820	16,087
Other Operating Revenues	449,026	474,543	(25,517)	474,543	478,487	(3,944)
Non-Operating Revenues						
Sales and Use Tax	40,792,893	38,482,167	2,310,726	38,482,167	37,149,496	1,332,671
Federal and Other Grants	1,261,558	11,540,721	(10,279,163)	11,540,721	8,358,878	3,181,843
Investment Income	2,859,182	839,842	2,019,340	839,842	35,305	804,537
Lease-Related Interest Income	76,182	72,509	3,673	72,509	69,632	2,877
Gain (Loss) on Asset Disposal	(319,385)	16,786	(336,171)	16,786	-	16,786
Total Revenues	46,430,899	52,594,804	(6,163,905)	52,594,804	47,239,162	5,355,642
Expenses						
Operating Expenses (net of lease revenue)	41,206,266	39,655,571	1,550,695	39,655,571	32,602,054	7,053,517
Depreciation	7,127,509	7,031,983	95,526	7,031,983	6,456,486	575,497
Distribution - Regional Entities	3,272,161	3,129,527	142,634	3,129,527	3,083,652	45,875
Subrecipients	387,767	302,809	84,958	302,809	75,870	226,939
Interest and Fiscal Charges	730,344	714,205	16,139	714,205	731,783	(17,578)
Total Expenses	52,724,047	50,834,095	1,889,952	50,834,095	42,949,845	7,884,250
Net Income Before Capital Grants and Donations	(6,293,148)	1,760,709	(8,053,857)	1,760,709	4,289,317	(2,528,608)
Capital Grants and Donations	12,984,236	625,777	12,358,459	625,777	8,289,417	(7,663,640)
Change in Net Position	6,691,088	2,386,486	4,304,602	2,386,486	12,578,734	(10,192,248)
Net Position, Beginning of Year	104,073,156	101,686,670	2,386,486	101,686,670	89,107,936	12,578,734
Net Position, End of Year	$ 110,764,244	$ 104,073,156	$ 6,691,088	$ 104,073,156	$ 101,686,670	$ 2,386,486

The discussion on the following pages provides details of the more significant aspects of the Authority's operating activities that changed net position. Additionally, the ten-year history of the Authority's changes in net position is included in Table 2 of the Statistical Section.

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 2023, the Authority's total revenues decreased by $6,163,905, going from $52,594,804 in 2022 to $46,430,899 in 2023. The decrease stems from receiving $10,279,163 less in federal funding for operational expenses, with strong performance in sales tax revenue and investment income serving to offset a portion of this decline. Passenger Service and Bus Advertising grew by 9.34% and 28.63% respectively but have a proportionately lesser impact that the larger funding sources like sales taxes.

In 2022, the Authority's total revenues increased by $5,355,642, going from $47,239,162 in 2021 to $52,594,804 in 2022. The increase stems from receiving $3,181,843 more in federal funding for operational expenses. Strong performance in sales tax revenue and the investment income contributed to the remaining of the increase in 2022. Other revenue categories such as Passenger Service and Bus Advertising remained mostly flat from 2021 to 2022.



◆ Operating Revenues include user charges for transportation services, bus bench advertising, onboard advertising, and other ancillary operating revenues.

For 2023, revenues from operations totaled $1,760,469 which represented 3.79% of total revenues, showed an increase of $117,690 from the $1,642,779 in 2022. Passenger fares increased by $92,565 or

9.34% while revenue from bus advertising increased by $50,642 or 28.63% from 2022. Meanwhile, other operating revenues declined by $25,517 or 5.38%.

For 2022, revenues from operations totaled $1,642,779 which represented 3.12% of total revenues, showed an increase of $16,928 from the $1,625,851 in 2021. Passenger fares increased by $4,785 or 0.49% while revenue from bus advertising increased by $16,087 or 10.00% from 2021. Meanwhile, other operating revenues decreased by $3,944 or 0.82%.

◆ 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 2023, sales and use tax revenue totaled $40,792,893, which represented 87.86% of total revenues, increased by 6.00% or $2,310,726 from 2022. The increase exceeded budget expectations by $476,162 or 1.18% of the approved budget.

For 2022, sales and use tax revenue totaled $38,482,167, which represented 73.17% of total revenues, increased by 3.59% or $1,332,671 from 2021. The increase exceeded budget expectations by $973,164 or 2.59% of the approved budget.

◆ Operating Grant Assistance represents reimbursements to the Authority for preventative maintenance activities, the cost of certain work-related routes and regional mobility coordination, in addition to the CARES Act funding approved by Congress as part of the federal response to Covid-19. 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 2023, the income from federal grant assistance decreased by $10,279,163 from 2022. With all eligible federal operating relief funds exhausted as of 2022, the only operating grants utilized were $873,791 for preventive maintenance and $387,767 for subrecipient grants.

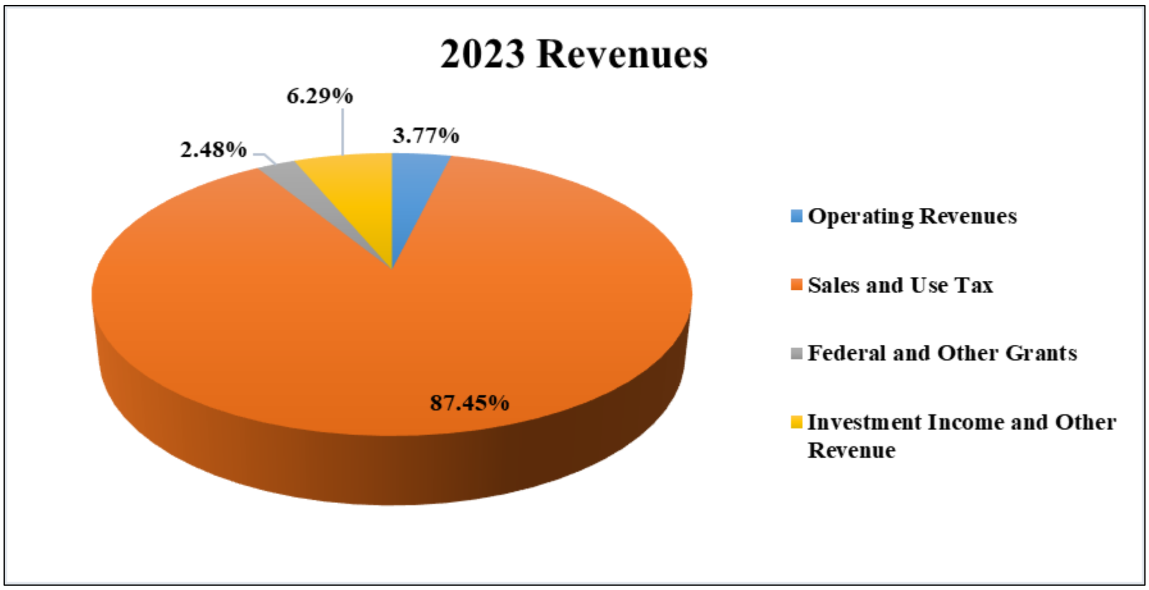
In 2022, the income from federal grant assistance increased by $3,181,843 from 2021. The increase was due to the grant allocation from the American Recovery Plan Act of $10,064,385 which was an increase of 46.77% from the grant allocation of $6,857,205 received from the CRRSAA Act in 2021.

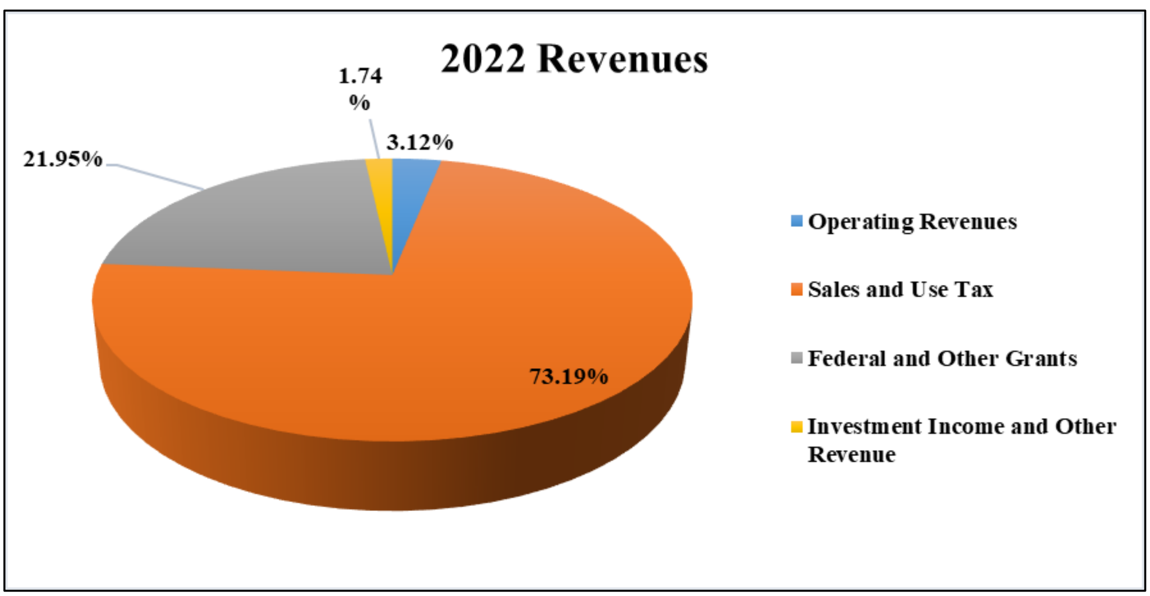
Additional details about the Authority's federal grant programs are presented in the Schedule of Expenditure of Federal Awards and their accompanying notes.

♦ Investment Income is income earned from the Authority's investing activities. For 2023, income generated from the portfolio increased by $2,019,340 or 240.44% from 2022. The Federal Reserve continued to combat inflation in the wake of the pandemic, with the Federal Reserve setting a target range of 5.25 to 5.50 for the overnight rate. As a result, the Authority's holdings in TexPool prime continued to experience strong returns in conjunction with longer-term holdings in commercial paper and federal agency notes.

For 2022, income generated from the portfolio increased by $804,537 or 2,278.79% from 2021. To combat soaring inflation, the Federal Reserve increased the federal funds rate seven times, ending the year with a fed rate in the range of 4.25% to 4.50%. The Authority's holdings in TexPool prime experienced strong returns, while longer term holdings were also acquired to extend maturities and hedge against interest rate risk.

The Fed continues to take steps to mitigate the impact of inflation, with possible cuts to the Federal Funds Rate as of the publication date of this report. The Authority works with its investment advisor to seek out opportunities to generate acceptable returns on custodial funds, while maintaining liquidity for the numerous capital projects on the horizon and limiting exposure to interest rate risk by extending maturities.





Expenses: The Authority's expenses consist of two types of cost categories; operating expenses and non-operating expenses. Operating expenses are identified as the total cost of providing public transit services including depreciation of capital assets. Included are the costs incurred from directly operated services and those costs incurred from contracted services of a private transportation provider. In the transit industry the contracted service is commonly known as "Purchased Transportation". Operating expenses also include all the indirect cost of planning and program development along with general administrative expenses.

Non-operating expenses involve costs that are not directly associated with core operations but are incurred in the normal course of providing services. Included are distributions to regional entities for the Authority's Street improvement program, fiscal and interest charges, and payments for grant sub recipient programs.

In 2023, total expenses were $52,724,047, an increase of $1,889,952 or 3.72% over total expenses of $50,834,095 in 2022. Increases occurred in all expense categories with significant increases coming from operating expenses and depreciation.

In 2022, total expenses were $50,834,095, an increase of $7,884,250 or 18.36% over total expenses of $42,949,845 in 2021. Increases occurred in all expense categories with significant increases coming from operating expenses and depreciation.

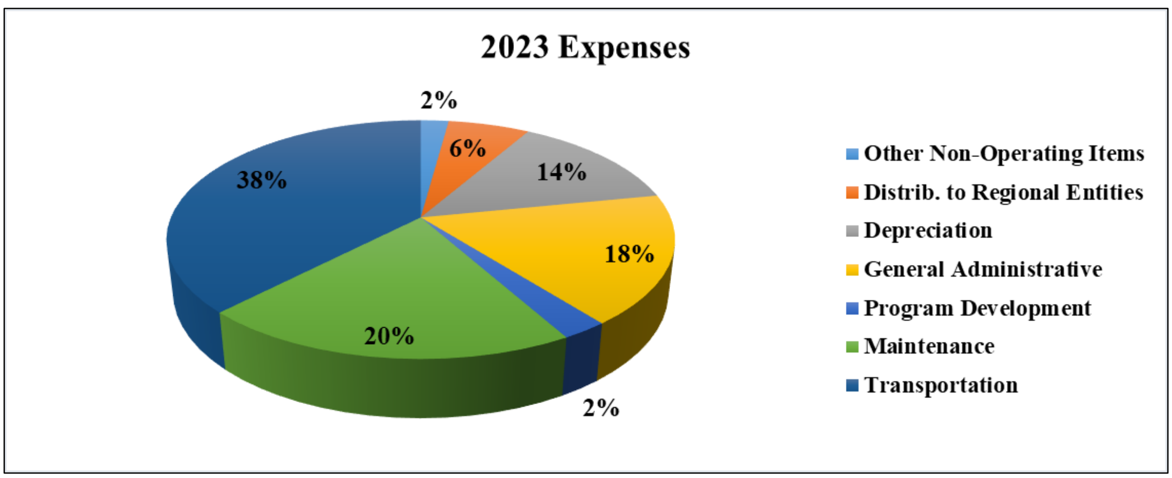
The largest component of the Authority's total expenses is operating expenses. These expenses, excluding depreciation expense, account for 78.21% and 78.01% of total expenses in 2023 and 2022, respectively.

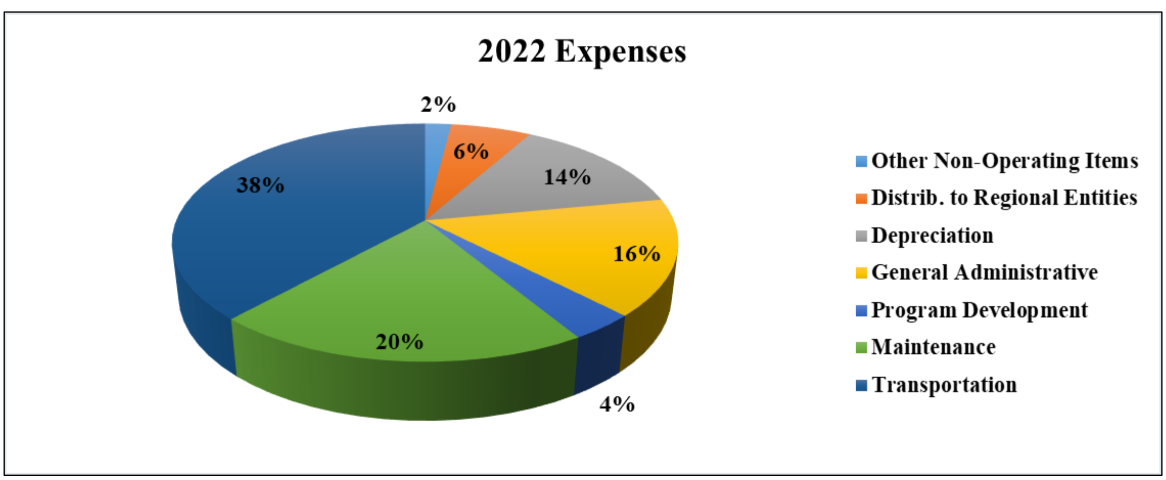
Operating Expenses: 2023 operating expenses (including depreciation) of $48,333,775 increased by 3.53% or $1,646,221 from $46,687,554 in 2022. Departments experiencing significant expenditure growth include Customer Programs ($98,770 or 17.22%), MIS ($239,384 or 16.74%), Administrative & General ($778,227 or 13.27%), and Marketing & Communications ($206,949 or 28.82%). Meanwhile, the Service Development department experienced a significant decline in expenditures ($594,916 or 47.81%).

PORT ARANSAS EXPRESS

Total Operating Expenses (Including Depreciation)

Department	**2023**	**2022 (as restated)**	**Variance**
Transportation	$ 11,262,945	$ 11,033,440	$ 229,505
Customer Programs	672,429	573,659	98,770
Purchased Transportation	8,617,764	8,421,578	196,186
Service Development	649,394	1,244,310	(594,916)
MIS	1,669,404	1,430,019	239,385
Vehicle Maintenance	6,447,426	6,355,542	91,884
Facilities Maintenance	4,005,548	3,691,884	313,664
Materials Management	312,660	321,619	(8,959)
Administrative & General	6,643,632	5,865,405	778,227
Marketing & Communications	925,064	718,115	206,949
Depreciation	7,127,509	7,031,983	95,526
Total Operating Expenses	**$ 48,333,775**	**$ 46,687,554**	**$ 1,646,221**





Depreciation: Depreciation expense was $95,526 (1.36%) higher in 2023 than 2022 and was in line with expectations.

Depreciation expense was $575,497 (8.18%) higher in 2022 than 2021 and was in line with projections as multiple newer buses completed the first full year of their useful lives and incurred the appropriate level of depreciation.

Additional details about the Authority's accumulated depreciation on capital assets are presented in Note 3 of the notes to the financial statements.

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 by a formula used to calculate the allocations for each of the member cities based on the sales tax receipts for a specific period. The funding is then allocated, in arrears, to each participating government.

In 2023, these costs increased by $142,634 or 4.56%, going from $3,129,527 to $3,272,161 and is due to sales tax revenues growth from 2021 to 2022.

In 2022, these costs increased by $45,875 or 1.49%, going from $3,083,652 to $3,129,527 and is due to sales tax revenues that were mostly flat from 2020 to 2021.

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 2023, the net value of the plans' assets increased by $7,439,973 or 13.47%, going from $55,224,710 to $62,644,682. The increase is due primarily to strong performance of the plan assets that led to appreciation in the value of the plan portfolios.

During 2022, the net value of the plans' assets decreased by $10,747,640 or 16.29%, going from $65,972,350 to $55,224,710. The decrease is due primarily to volatility in markets that led to depreciation in the value of the plan portfolios.

Additional details about the Authority's fiduciary funds activities are presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The outlook for the local and regional economies remains strong as travel and tourism continue to be the main focus of localities. The objective is to boost sales tax revenues and increase job growth by capitalizing on the natural assets of the areas, which includes rebuilding water and beach front businesses.

Going into 2024, CCRTA plans to focus on recovering ridership over the next five years, increasing service miles by 9% and passenger trips by 5% . Safety and security continue to be fundamental issues impacting quality of service, ridership retention, and retention and recruitment of front-line operating personnel. The 2024 operating budget is estimating an 11.5% increase in revenue or $5,128,905 from $ 44,548,227 in 2023 to $ 49,616,156. The 2024 Revenue projections are being estimated to sustain a balanced operating budget of $49,616,156 with major funding coming from investment income, sales tax revenue, and commissions from bus advertising activities. The Capital Budget is aiming at supporting 38 new projects with a total project cost of $17,934,229 that is being funded by $11,971,407 in federal grants. Ongoing initiatives include incentives to attract and retain employees with sign-on bonuses, employee retention bonuses, cola and merit increases along with a generous tuition reimbursement program.

In the area of operations, objectives include improving service span on routes by operating additional early morning and late evening trips as well as modifying routes to improve frequency, transfer connections and to serve more destinations. A significant capital project milestone is scheduled to be reached in July 2024 with the completion of a new transfer station, replacing the original Port Ayers transfer station that was built in 1994 which is being funded by a $7.23 million competitive federal grant 5339(b) that CCRTA won from the Federal Transit Administration in 2019. The grant was aimed at supporting bus and bus facility improvements. The Port Ayers Transfer Station is the second highest ridership stop averaging 1,492 weekday boardings.

The Authority is continuing to carefully assess factors in the local economy and ways to optimize transit routes for efficiency by strategically planning the best possible path for transportation while ensuring reliable services and transportation access to its service area. A fare change analysis continues to be a priority for the Authority aimed at showing the impact of fare changes on our bus ridership. The topic of fee restructuring is expected to be revisited in 2024. However, the approval process is highly regulated and involves a lengthy implementation process that it is unlikely that any changes to the current fee structure will occur in 2024.

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: Marketing Dept., Corpus Christi Regional Transportation Authority, 602 N Staples St, Corpus Christi, Texas 78401-2802, (361) 289-2712. The Annual Comprehensive Financial Report will also be posted on the Authority's website: www.ccrta.org

BASIC FINANCIAL STATEMENTS

Corpus Christi Regional Transportation Authority **Exhibit 1**

Statements of Net Position

	December 31,	
	2023	**2022 (Restated)**
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and Cash Equivalents (Note 2)	$ 21,367,243	$ 25,536,891
Short Term Investments (Note 2)	33,091,860	26,829,671
Receivables:		
Sales and Use Taxes	7,145,170	6,892,274
Federal Government	3,345,385	85,717
Other	778,938	635,609
Inventories	888,857	1,204,171
Prepaid Expenses	580,606	601,650
Total Current Assets	67,198,059	61,785,983
Non-Current Assets:		
Restricted Cash and Cash Equivalents (Note 2)	575,308	575,308
Long Term Investments (Note 2)	-	5,951,169
Lease Receivable (Note 5)	1,155,165	1,481,296
Capital Assets (Note 3):		
Land	4,882,879	4,882,879
Buildings	52,999,075	52,705,304
Transit Stations, Stops and Pads	31,754,022	28,574,474
Other Improvements	5,525,123	5,525,123
Vehicles, Furniture and Equipment	64,716,484	62,634,935
Right-To-Use Leased Equipment	499,627	499,627
Right-To-Use Software Subscriptions	1,852,015	638,051
Construction in Progress	4,585,019	1,031,486
Total Capital Assets	166,814,244	156,491,879
Less: Accumulated Depreciation	(89,552,594)	(87,316,664)
Net Capital Assets	77,261,650	69,175,215
Total Non-Current Assets	78,992,123	77,182,988
Total Assets	**146,190,182**	**138,968,971**
Deferred Outflows of Resources		
Deferred outflow related to pensions (Note 7)	8,229,665	9,475,513
Deferred outflow related to OPEB (Note 8)	107,544	62,202
Deferred outflow on extinguishment of debt	2,753,577	2,937,149
Total Deferred Outflows of Resources	11,090,786	12,474,864
Total Assets and Deferred Outflows of Resources	$ **157,280,968**	$ **151,443,835**

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 1**

Statements of Net Position, Continued

	December 31,	
	2023	**2022 (Restated)**
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities:		
Accounts Payable	$ 4,012,374	$ 1,979,739
Current Portion of Long-Term Liabilities (Note 4):		
Long-Term Debt	930,000	905,000
Compensated Absences	328,918	335,005
Leases Payable	93,237	97,896
Sales Tax Audit Funds Due	164,258	328,488
Subscription Based Information Technology Arrangement	320,894	248,197
Distributions to Regional Entities Payable	4,880,150	7,523,214
Other Accrued Liabilities	1,046,596	1,353,335
Total Current Liabilities	11,776,427	12,770,874
Long-Term Liabilities, Net of Current Portion (Note 4):		
Long-Term Debt	15,855,000	16,785,000
Compensated Absences	1,034,088	942,102
Leases Payable (Note 5)	147,605	240,842
Sales Tax Audit Funds Due	-	164,258
Subscription Based Information Technology Arrangement (Note 6)	620,319	29,976
Net Pension Liability (Note 7)	11,426,175	11,027,475
Net OPEB Obligation (Note 8)	783,358	834,840
Total Long-Term Liabilities	29,866,545	30,024,493
Total Liabilities	**41,642,972**	**42,795,367**
Deferred Inflows of Resources		
Deferred inflow related to leases (Note 5)	1,155,165	1,481,296
Deferred inflow related to pensions (Note 7)	3,628,960	3,087,164
Deferred inflow related to OPEB (Note 8)	89,627	6,852
Total Deferred Inflows	4,873,752	4,575,312
Total Liabilities and Deferred Inflows of Resources	**46,516,724**	**47,370,679**
Net Position:		
Restricted for Net Investment in Capital Assets	58,638,363	52,662,681
Restricted for FTA Interest	575,308	575,308
Unrestricted	51,550,573	50,835,167
Total Net Position	$ **110,764,244**	$ **104,073,156**

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 2**

Statements of Revenues, Expenses, and Changes in Net Position

		Year Ended December 31,	
		2023	**2022 (Restated)**
Operating Revenues:			
Passenger Service	$	1,083,894	$ 991,329
Bus Advertising		227,549	176,907
Other Operating Revenues		449,026	474,543
Total Operating Revenues		1,760,469	1,642,779
Operating Expenses:			
Transportation		11,262,945	11,033,440
Customer Programs		672,429	573,659
Purchased Transportation		8,617,764	8,421,578
Service Development		649,394	1,244,310
MIS		1,669,404	1,430,019
Vehicle Maintenance		6,447,426	6,355,542
Facilities Maintenance			
(net of lease revenue of $432,134 and $445,436 in 2023 and 2022)		4,005,548	3,691,884
Materials Management		312,660	321,619
Administrative and General		6,643,632	5,865,405
Marketing & Communications		925,064	718,115
Depreciation		7,127,509	7,031,983
Total Operating Expenses		48,333,775	46,687,554
Operating Loss		**(46,573,306)**	**(45,044,775)**
Non-Operating Revenues (Expenses):			
Sales and Use Tax Revenue		40,792,893	38,482,167
Federal and Other Grant Assistance		1,261,558	11,540,721
Investment Income		2,859,182	839,842
Lease-Related Interest Income		76,182	72,509
Gain (Loss) on Asset Disposal		(319,385)	16,786
Subrecipient Programs		(387,767)	(302,809)
Interest Expense and Fiscal Charges		(730,344)	(714,205)
Distributions to Regional Entities		(3,272,161)	(3,129,527)
Net Non-Operating Revenues (Expenses)		40,280,158	46,805,484
Net Income (Loss) Before Capital Grants & Donations		(6,293,148)	1,760,709
Capital Grants & Donations		12,984,236	625,777
Change in Net Position		6,691,088	2,386,486
Net Position, Beginning of Year, As Restated (Note 1)		104,073,156	101,686,670
Net Position, End of Year, As Restated	$	**110,764,244**	**$ 104,073,156**

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 3**

Statements of Cash Flows

		Year Ended December 31,	
		2023	**2022 (Restated)**
Cash Flows From Operating Activities:			
Cash Received from Customers	$	1,081,482	$ 1,066,492
Cash Received from Bus Advertising and Other Ancillary		1,434,361	1,275,972
Cash Payments to Suppliers for Goods and Services		(16,741,301)	(17,757,231)
Cash Payments to Employees for Services		(14,764,013)	(14,290,885)
Cash Payments for Employee Benefits		(6,277,331)	(5,122,753)
Net Cash Used for Operating Activities		(35,266,802)	(34,828,405)
Cash Flows from Non-Capital Financing Activities:			
Sales and Use Taxes Received		40,539,997	38,113,234
Grants and Other Reimbursements		1,261,558	11,509,646
Distributions to Subrecipient Programs		(387,767)	(302,809)
Distributions to Regional Entities		(5,915,226)	(77,472)
Net Cash Provided by Non-Capital Financing Activities		35,498,562	49,242,599
Cash Flows from Capital and Related Financing Activities:			
Federal and Other Grant Assistance		9,765,616	625,777
Retirement of Long-Term Debt		(905,000)	(890,000)
Interest and Fiscal Charges		(521,297)	(520,683)
Purchase and Construction of Capital Assets		(15,229,918)	(4,899,072)
Proceeds from the Sale of Capital Assets		-	16,786
Net Cash Used for Capital and Related Financing Activities		(6,890,599)	(5,667,192)
Cash Flows from Investing Activities:			
Investment Income		2,800,212	839,842
Purchases of Investments		(39,000,000)	(50,075,000)
Maturities and Redemptions of Investments		38,575,000	17,000,000
Premiums/Discounts on Investments		113,979	294,160
Net Cash Provided by (Used for) Investing Activities		2,489,191	(31,940,998)
Net Increase/(Decrease) in Cash and Cash Equivalents		(4,169,648)	(23,193,995)
Cash and Cash Equivalents (Including Restricted Accounts), January 1		26,112,199	49,306,194
Cash and Cash Equivalents (Including Restricted Accounts), December 31	$	21,942,551	$ 26,112,199

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 3**

Statements of Cash Flows (continuation)

Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		**Year Ended December 31,**		
		2023		**2022 (Restated)**
Operating Loss	$	(46,573,306)	$	(45,044,775)
Adjustments to Reconcile Operating Loss to Net Cash				
Provided (Used) by Operating Activities:				
Depreciation		7,127,509		6,984,511
Disposal of Inventory		(319,385)		-
Changes in Assets, Deferred Inflows & Outflows of Resources, and Liabilities:				
Inventories		315,314		(224,258)
Lease Receivable		326,131		444,236
Net Pension Asset		-		941,538
Other Receivables		(143,329)		33,215
Prepaid Expenses		9,522		(556,201)
Accounts Payable and Accrued Liabilities		1,493,536		1,701,395
Compensated Absences		85,898		(4,323)
Leases Payable		(97,896)		(92,669)
Net OPEB Obligation		(51,482)		(18,250)
Net Pension Liability		398,700		11,027,475
Subscription Software Liability		663,039		278,173
Deferred Outflows of Resources		1,200,506		(8,149,725)
Deferred Inflows of Resources		298,440		(2,148,747)
Net Cash Used for Operating Activities	$	(35,266,802)	$	(34,828,405)
Non-Cash Investing, Capital and Financing Activities:				
Change in:				
Accrued Interest Payable	$	(30,141)	$	1,571
Deferred Outflows of Extinguishment of Debt		(183,572)		(183,572)
Distribution to Regional Entities Payable		(2,643,065)		3,052,054
Long Term Investments		(5,951,169)		5,951,169
Other Prepaid Expenses (Non-Operating)		(11,522)		(11,522)
Receivable from Federal Government Capital		3,284,525		(15,245)
Receivable from Federal Government Operating		(24,857)		46,052
Sales and Use Tax Receivable		252,896		40,445
Sales Tax - Audit Funds Due		(328,488)		(328,488)
Short Term Investments		6,262,190		26,829,671

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 4**

Fiduciary Funds - Statements of Net Position

	Year Ended December 31, 2023	Year Ended December 31, 2022
ASSETS		
Investments (Note 2)		
Money Market Funds	$ 1,631,682	$ 1,780,602
Mutual Funds	10,135,988	8,889,643
Collective Investment Funds	50,874,343	44,560,152
Total Investments, at Fair Value	62,642,013	55,230,397
Receivables		
Accrued Interest Receivable	19,538	9,844
TOTAL ASSETS	62,661,551	55,240,241
LIABILITIES		
Due to Broker for Securities Purchased	16,869	15,531
TOTAL LIABILITIES	16,869	15,531
FIDUCIARY NET POSITION		
Held in Trust for Pension Benefits	$ **62,644,682**	$ **55,224,710**

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 5**

Fiduciary Funds - Statements of Changes in Net Position

	Year Ended December 31, 2023	Year Ended December 31, 2022
Additions:		
Investment Income / (Loss)	$ 7,932,772	$ (9,468,513)
Employee Contributions	1,308,921	1,239,794
Employer Contributions	1,952,572	1,382,108
Total Additions	11,194,265	(6,846,611)
Deductions:		
Benefits Paid	3,642,722	3,772,752
Administrative Expenses	131,571	128,277
Total Deductions	3,774,293	3,901,029
Increase (Decrease) in Net Position	7,419,972	(10,747,640)
Net Position, January 1	55,224,710	65,972,350
Net Position, December 31	$ **62,644,682**	$ **55,224,710**

See Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

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 like a private business enterprise, where the intent is that costs of providing services to the 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 net of SSC leases, 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 taxable sales occur. Grants are recognized on a reimbursement basis when all grant requirements have been satisfied.

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 local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants.* The Authority's investment policy focuses on strategies that attain preservation of principal primarily and maximizing earnings secondarily. Policy 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.

Capital Assets: The Authority defines capital assets as items with an initial cost of at least $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 reported at acquisition value rather than fair value. 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	20-50
Transit Stations, Bus Stops, Street Pads & Other Improvements	2-15
Improvements other than buildings	2-5
Vehicles	3-12
Furniture & Equipment	2-12

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

Right to Use Asset: A right to use asset conveys control of the right to use another entity's non-financial asset over the duration of an agreed-upon lease term or other arrangement in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Subscription Asset: A subscription asset derives from subscription-based information technology arrangements (SBITAs) that convey control of the right to use another entity's information technology software, alone or in a combination with tangible capital assets, for a specified period in an exchange or exchange-like transaction.

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 720 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.

Restricted and Unrestricted Funds: In the financial statements, the net position is reported in three categories: Restricted for Net Investment in Capital Assets; Restricted for Debt Service or FTA interest, and Unrestricted. From these three categories the only funds available for spending is the amount reported as Unrestricted.

The Restricted for Net Investment in Capital Assets represents the total costs that the Authority has invested over the years in acquiring capital assets less accumulated depreciation and the outstanding principal balance of the related debt. In the Authority's case, the capital investment is also further decreased by the extinguishment of debt related to the 2019 bond refunding.

The restricted net position represents the amount that has been restricted by parties outside of the Authority such as creditors, grantors, laws, and regulations of other governments. Since the refunding of the bonds, the restriction under the old bond covenant has been removed and replaced with an insurance policy that guarantees the repayment of the principal and all associated interest payments to the bondholders in the event of default. As of 2023, the only amount restricted represents the Federal Transit Administration (FTA) interest on the disposition of an asset that was no longer needed for the original authorized purpose. The reduction in the amount of the FTA's interest will apply to a future project eligible for grant funding.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Authority assumes all unrestricted funds are spent first then until the funds are reconciled at the end of the month at which time reallocations to the three components are recomputed.

When an expenditure is incurred for which assigned funds balances are available, then assigned funds will be spent first and finally unassigned funds.

Deferred Outflows/Inflows: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that point.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension Plans: It is the Authority's policy to fund pension costs annually. For purposes of measuring the net pension asset, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Defined Benefit and Defined Contributions Plan (Plans) and additions to/deductions from the Authority's plans fiduciary net position have been determined on the same basis as they are reported by plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For more information on the Authority's pension plans, see Note 7 of the Notes to the Financial Statements.

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.

Reclassifications: Certain reclassifications were made to prior year balances to confirm with current year presentation. The reclassifications have no impact on overall net position.

Prior Year Restatement: The Authority implemented GASB 96 *Subscription Based Information Technology Arrangements* that requires recognition of certain subscription assets and liabilities for software subscriptions that were previously classified as operating expenses and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This represents a change in generally accepted accounting principle that is applied retroactively, accordingly the Authority was required to restate beginning net positions in the initial adoption period.

The implementation involved the addition of the Right-to-Use Subscription asset and Accumulated Depreciation, as well as the related Subscription Liability. Meanwhile, balances previously recorded as operating expenses were reclassified and replaced by Depreciation and Interest Expense. The cumulative results of the implementation lead to a decrease in net position of $28,350.

Recent Accounting Pronouncements:

For the year ended December 31, 2023, the Authority implemented the following recent accounting pronouncements:

- GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93), provides guidance for governments that have entered into agreements in which variable payments made or received depend on interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR ceased to exist at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replaying LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The Authority implemented GASB 91 in fiscal year 2023 with no material impact to the financial statements.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 implemented in the Authority's fiscal year 2023 financial statements with no material impact to the financial statements.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosers regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the Authority's 2023 financial statements, resulting in the recognition of $638,051 in subscription assets and $278,173 in subscription liabilities, along with a reduction of $276,853 in prepaid expenses and $63,899 in capital assets, and an increase of $262 in other accrued liabilities, as of December 31, 2022, in order to conform to the new standard, resulting in decrease in net position of $28,350.

Future Accounting Pronouncements:

The following GASB pronouncements will become effective in future reporting periods. Authority management has not determined their impact:

GASB Statement No. 99, *Omnibus 2022* (GASB 99). This statement establishes the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63, which are effective upon issuances. Additionally, requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. Last, requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* (GASB 100). This statement has the objective of enhancing the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions and assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The statement requires that liability for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used by not yet paid in cash or settled through noncash means. This statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements.

The statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which government funds typically have been used to liquidate the liability for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023.

(2) Cash and Cash Equivalents

As of December 31, 2023, current assets totaling $21,367,243 were held in bank deposits or in the TexPool local government investment pool (LGIP). An additional balance of $575,308 in non-current restricted cash associated with the FTA’s interest in the sale of property was held in bank deposits. As of December 31, 2022, current assets totaling $25,536,891 were held in bank deposits or in the TexPool local government investment pool (LGIP). An additional balance of $575,308 in non-current restricted cash associated with the FTA’s interest in the sale of property was held in bank deposits.

The Authority’s cash equivalents managed through LGIPs are recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

Type	2023	Weighted Average Maturity (Years)	2022	Weighted Average Maturity (Years)
Cash and Cash Equivalents				
Deposits in Bank (Unrestricted)	$ 466,448	0	$ 1,848,332	0
Deposits in Bank (Restricted)	575,308	0	575,308	0
TexPool Local Government Investment Pool - Overnight	20,899,445	0	23,686,959	0
Cash Funds	1,350	0	1,600	0
Total Cash and Cash Equivalents	$ **21,942,551**		$ **26,112,199**	

Fair Value Measurements – GASB Statement No. 72, *Fair Value Measurement and Application*, provides the framework for determining a fair value measurement for financial reporting purposes. The Authority categorizes its investments measured at fair value within the hierarchy established by generally accepted accounting principles.

Investments valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Quotes prices for identical assets or liabilities in an active market that an entity can access.

Level 2 input – Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input – Inputs that are unobservable for the asset or liability which are typically based upon the Authority's own assumptions as there is little, if any, related market activity.

Because the investments are restricted by Board policy and state law to active secondary market, the *market approach* is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The *exit* or fair market prices used for these fair market valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date. U.S. Governmental Treasury obligations and U.S. Governmental Agencies are classified in Level 1 on the fair value hierarchy and are valued within a multi-dimensional relational model and prices from an independent market pricing service and reported trades. Commercial paper is categorized in Level 2 and is valued using a matrix pricing technique utilizing an independent pricing service and price/ratings updates.

As of December 31, 2023, the Authority's securities to be priced in the portfolio were as follows:

Investments	**Fair Value as of December 31, 2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Markets for Similar Assets (Level 2)**
Commercial Paper	$ 18,090,850	$ -	$ 18,090,850
U.S. Government Agencies	15,001,010	15,001,010	-
Total Investments	**$ 33,091,860**	**$ 15,001,010**	**$ 18,090,850**

Statement of Net Position	
Short Term Investments	$ 33,091,860
Long Term Investments	-
	$ 33,091,860

As of December 31, 2022, the Authority's securities to be priced in the portfolio were as follows:

Investments	**Fair Value as of December 31, 2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Markets for Similar Assets (Level 2)**
Commercial Paper	$ 12,862,052	$ -	$ 12,862,052
U.S. Government Agencies	16,979,265	16,979,265	
U.S. Government Treasuries	2,939,523	2,939,523	-
Total Investments	**$ 32,780,840**	**$ 19,918,788**	**$ 12,862,052**

Statement of Net Position	
Short Term Investments	$ 26,829,671
Long Term Investments	5,951,169
	$ 32,780,840

The fiduciary fund holding the investment portfolio for the RTA Employee Defined Benefit Plan held the following securities subject to fair value measurement on December 31, 2023:

Investments	**Fair Value as of December 31, 2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Markets for Similar Assets (Level 2)**
Mutual Funds	$ 9,753,290	$ 9,753,290	$ -
Collective Investment Funds	37,183,993	-	37,183,993
Total Investments	**$ 46,937,283**	**$ 9,753,290**	**$ 37,183,993**

Note 7	
Mutual Funds	$ 9,753,290
Collective Investment Funds	37,183,993
	$ 46,937,283

The fiduciary fund holding the investment portfolio for the RTA Employee Defined Benefit Plan held the following securities subject to fair value measurement on December 31, 2022:

Investments	**Fair Value as of December 31, 2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Quoted Prices in Active Markets for Similar Assets (Level 2)**
Mutual Funds	$ 8,497,997	$ 8,497,997	$ -
Collective Investment Funds	33,189,215	-	33,189,215
Total Investments	**$ 41,687,212**	**$ 8,497,997**	**$ 33,189,215**

Note 7	
Mutual Funds	$ 8,497,997
Collective Investment Funds	33,189,215
	$ 41,687,212

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, 2023,
- no holding in the portfolio had a maturity date beyond 174 days,
- the dollar weighted average maturity of the portfolio was 0.26 years.

For the Enterprise Fund as of December 31, 2022,
- no holding in the portfolio had a maturity date beyond 379 days,

- the dollar weighted average maturity of the portfolio was 0.36 years.

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).

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, 2023, and 2022 the limits on the various types of authorized investments as a percent of the portfolio were:

Investment Type	**Allowable**	**Actual as of 12/31/2023**	**Actual as of 12/31/2022**
US Treasury Obligations	80.00%	0.00%	4.99%
US Agency Instrumentalities	80.00%	27.26%	28.83%
State Government Obligations	45.00%	0.00%	0.00%
Local Government Obligations	45.00%	0.00%	0.00%
Certificates of Deposit (Depository)	50.00%	0.00%	0.00%
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%	37.98%	40.22%
Money Market Funds / Demand Deposits	100.00%	1.90%	4.12%
Commercial Paper	35.00%	32.87%	21.84%
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. On December 31, 2023 and 2022, bank funds on deposit in excess of FDIC insurance were collateralized at more than 102%.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority may not recover the value of its investments or collateral securities that are in the possession of 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. On December 31, 2023 and 2022, 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 Principal Financial Services (formerly 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. With the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the category of "Right-to-Use Subscription Asset" has been added to the capital assets schedule for 2023 and in the restated schedule for 2022.

Capital asset activities for the year ended December 31, 2023, are as follows:

	Balance at 12/31/2022 (Restated)	Additions / Transfers	Retirements	Balance at 12/31/2023
Assets Not Being Depreciated:				
Land	$ 4,882,879	$ -	$ -	$ 4,882,879
Construction in Progress	1,031,486	3,553,533	-	4,585,019
	5,914,365	3,553,533	-	9,467,898
Assets Being Depreciated				
Buildings	52,705,304	293,771	-	52,999,075
Transit Stations, Bus Stops, Street Pads & Other Improvements	28,574,474	5,595,289	(2,415,741)	31,754,022
Improvements other than Buildings	5,525,123	-	-	5,525,123
Vehicles, Furniture and Equipment	62,634,935	4,573,361	(2,491,812)	64,716,484
Right-to-Use Leased Equipment	499,627	-	-	499,627
Right-to-Use Subscription Asset	638,051	1,213,964	-	1,852,015
	150,577,514	11,676,385	(4,907,553)	157,346,346
Total Capital Assets	**156,491,879**	**15,229,918**	**(4,907,553)**	**166,814,244**
Less: Accumulated Depreciation:				
Buildings	18,375,256	1,139,819	-	19,515,075
Transit Stations, Bus Stops, Street Pads & Other Improvements	21,241,881	986,323	(2,415,741)	19,812,463
Improvements other than Buildings	4,410,173	218,193	-	4,628,366
Vehicles, Furniture and Equipment	43,065,489	4,262,576	(2,475,838)	44,852,227
Right-to-Use Leased Equipment	176,651	101,961	-	278,612
Right-to-Use Subscription Asset	47,214	418,637	-	465,851
Total Accumulated Depreciation	87,316,664	7,127,509	(4,891,579)	89,552,594
Total Capital Assets, Net	**$ 69,175,215**	**$ 8,102,409**	**$ (15,974)**	**$ 77,261,650**

Capital asset activities for the year ended December 31, 2022, are as follows:

	Balance at 12/31/2021	Additions / Transfers	Retirements	Balance at 12/31/2022 (Restated)
Assets Not Being Depreciated:				
Land	$ 4,882,879	$ -	$ -	$ 4,882,879
Construction in Progress	356,089	675,397	-	1,031,486
	5,238,968	675,397	-	5,914,365
Assets Being Depreciated				
Buildings	52,689,967	15,337	-	52,705,304
Transit Stations, Bus Stops, Street Pads & Other Improvements	25,112,677	3,461,797	-	28,574,474
Improvements other than Buildings	5,525,123	-	-	5,525,123
Vehicles, Furniture and Equipment	67,309,537	682,642	(5,357,244)	62,634,935
Right-to-Use Leased Equipment	499,627	-	-	499,627
Right-to-Use Subscription Asset	-	638,051	-	638,051
	151,136,931	4,797,827	(5,357,244)	150,577,514
Total Capital Assets	**156,375,899**	**5,473,224**	**(5,357,244)**	**156,491,879**
Less: Accumulated Depreciation:				
Buildings	17,083,870	1,291,386	-	18,375,256
Transit Stations, Bus Stops, Street Pads & Other Improvements	20,731,975	509,906	-	21,241,881
Improvements other than Buildings	4,189,593	220,580	-	4,410,173
Vehicles, Furniture and Equipment	43,562,055	4,860,678	(5,357,244)	43,065,489
Right-to-Use Leased Equipment	74,690	101,961	-	176,651
Right-to-Use Subscription Asset	-	47,214	-	47,214
Total Accumulated Depreciation	85,642,183	7,031,725	(5,357,244)	87,316,664
Total Capital Assets, Net	$ **70,733,716**	**$ (1,558,501)**	**$ -**	**$ 69,175,215**

(4) Long-Term Liabilities:

Change in Long-Term Liabilities

2023	12/31/2022 As Restated	Additions	Retirements	12/31/2023	Due within One Year
Refunding Bonds	$ 17,690,000	$ -	$ 905,000	$ 16,785,000	$ 930,000
Net Pension Liability	11,027,475	11,426,175	11,027,475	11,426,175	-
Net OPEB Obligations	834,840	-	51,482	783,358	-
Compensated Absences	1,277,107	1,363,006	1,277,107	1,363,006	328,918
Sales Tax Audit Funds	492,746	-	328,488	164,258	164,258
Leases Payable	338,738	-	97,896	240,842	93,237
Software Subscriptions Payable	278,173	911,236	248,197	941,213	320,894
Total Long-Term Liabilities	$ 31,939,079	$ 13,700,417	$ 13,935,645	$ 31,703,852	$ 1,837,307

2022	12/31/2021	Additions	Retirements	12/31/2022 As Restated	Due within One Year
Refunding Bonds	$ 18,580,000	$ -	$ 890,000	$ 17,690,000	$ 905,000
Net Pension Liability	-	11,027,475	-	11,027,475	-
Net OPEB Obligations	853,090	-	18,250	834,840	-
Compensated Absences	1,281,431	1,277,107	1,281,431	1,277,107	335,005
Sales Tax Audit Funds	821,234	-	328,488	492,746	328,488
Leases Payable	431,407	-	92,669	338,738	97,896
Software Subscriptions Payable	-	490,892	212,719	278,173	248,197
Total Long-Term Liabilities	$ 21,967,162	$ 12,795,474	$ 2,823,557	$ 31,939,079	$ 1,914,586

Long-Term Debt:

On October 8, 2019, in a historically low-interest rate environment, the Authority entered the taxable municipal bond market and successfully refinanced two Series 2013 bond issues. The refinancing decreased the original interest rate from 5.53% to 3.01%, generating interest cost savings of $3,778,208 over a 20-year period. The PV Savings Ratio is 6.31%, which well exceeded the Board's minimum threshold of 3.00%, indicating a very healthy and prudent refinancing transaction. The new bond covenants from the Series 2019 bonds allowed the Authority to purchase a reserve fund insurance for $28,183. The one-time insurance policy further allowed the Authority to release an existing cash reserve amount of $1.6 million for the reduction of bond principal.

The Authority recognized deferred outflows of $3,487,864 associated with the extinguishment of the original debt, as well as prepaid insurance and a bond discount to be amortized in the amounts of $79,054 and $139,854, respectively. Additional costs of refunding included fees for bond counsel, credit rating services, and advisory fees totaled $248,442. The issuance of these bonds resulting in a gross debt service savings of $3,778,208 and net present value savings of $1,214,593 (6.311% of the principal amount of the refunding bonds).

The 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.

The original debt stemmed from the November 20, 2013, issue with a combined debt totaling $22,025,000. The debt consisted of non-taxable revenue bonds, Series 2013 (AMT) in the amount of $11,525,000 and tax-exempt bonds, Series 2013 in the amount of $10,500,000. As of December 31, 2018, all bond proceeds were expended along with the reconstruction of the existing bus transfer station located adjacent to the new building.

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.

$20,265,000 System Revenue Refunding Bonds
Taxable Series 2019

Years Ending December 31,	Principal	Interest	Total Requirements
2024	$ 930,000	$ 481,948	$ 1,411,948
2025	950,000	461,460	1,411,460
2026	970,000	439,543	1,409,543
2027	990,000	416,195	1,406,195
2028	1,020,000	391,574	1,411,574
2029-2033	5,515,000	1,527,134	7,042,134
2034-2038	6,410,000	638,295	7,048,295
	$ 16,785,000	$ 4,356,149	$ 21,141,149

Compensated Absences:

Authority employees are allowed to carry a maximum of 80 hours of accrued but unused personal leave as of December 31 next year. Unused personal leave of more than 80 hours is forfeited. Sick leave can be carried over indefinitely and up to 720 hours can be paid to an employee retiring from the RTA.

(5) Leases

Right-To-Use Leases

The Authority (Lessee) entered into a Right-To-Use lease agreement, as defined by GASB *Statement No. 87, Leases* (GASB 87), with De Lage Landen Financial Services Inc. (Lessor). The estimated useful life of the Toshiba copy equipment is the same as the lease term. The following table includes the leased equipment asset and liability amounts recorded, along with the term and interest rate of the lease agreement:

Lease Description	Asset Cost Basis	Accumulated Depreciation 12/31/2023	Lease Term (months)	Interest Rate	Original Lease Liability	Liability Outstanding 12/31/2023	Monthly Principal & Interest Payments
Copiers	$ 111,935	$ 97,688	60	5.50%	$ 111,935	$ 15,857	$ 2,307

The future minimum lease payment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2024	15,857	292	16,149
	$ 15,857	**$ 292**	**$ 16,149**

The Authority (Lessee) entered into a Right-To-Use lease agreement, as defined by GASB 87 with Bridgestone Americas Inc. (Lessor). The estimated useful life of the tires is the same as the lease term. The following table includes the leased equipment asset and liability amounts recorded along with the term and interest rate of the lease agreement:

Lease Description	Asset Cost Basis	Accumulated Depreciation 12/31/2023	Lease Term (months)	Interest Rate	Original Lease Liability	Liability Outstanding 12/31/2023	Monthly Principal & Interest Payments
Tires	$ 387,692	$ 185,451	60	5.50%	$ 387,692	$ 224,985	$ 7,200

The future minimum lease payment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2024	77,380	10,469	87,849
2025	85,965	5,995	91,960
2026	61,640	1,278	62,918
	$ 224,985	**$ 17,742**	**$ 242,727**

Lease Agreements – CCRTA as Lessor

In December 2014, the Authority (Lessor) entered into an office space lease agreement with Greyhound Lines Inc. (Lessee) for 1,667 square feet at the Staples Street Center. The lease term was for 10 years, or 120 months, with renewal being upon written notice given by Greyhound Lines, Inc. to the Authority before or after the expiration of the existing term of this lease.

In January 2015, the Authority (Lessor) entered into an office space lease agreement with Corpus Christi Metropolitan Planning Organization (CCMPO) for 2,333 square feet at the Staples Street Center. The initial lease term was for 5 years, or 60 months, and was renewed for an additional 5-year term upon completion in May 2021.

In January 2015, the Authority (Lessor) entered into an office space lease agreement with the County of Nueces (Lessee) for 4,077 square feet at the Staples Street Center. The initial lease term was for 5 years, or 60 months, and was renewed for an additional 5-year term upon completion in July 2021.

In November 2015, the Authority (Lessor) entered into an office space lease agreement with South Texas Substance Abuse Recovery Services (STSARS – Lessee) for 4,000 square feet at the Staples Street Center. The lease term was for 10 years, or 120 months, with renewal being upon written notice given by STSARS to the Authority before or after the expiration of the existing term of this lease.

In November 2016, the Authority (Lessor) entered into an office space lease agreement with the Texas Senate (Lessee) for 1,710 square feet at the Staples Street Center to be occupied by the Office of Senator Juan “Chuy” Hinojosa. The initial lease term was for 4 years and one month, or 49 months, and was renewed for an additional 2-year term upon completion in January 2023.

In November 2016, the Authority (Lessor) entered into an office space lease agreement with United Corpus Christi Chamber of Commerce (UCCCC – Lessee) for 2,733 square feet at the Staples Street Center. The initial lease term was for 10 years, or 120 months, with renewal being upon written notice given by UCCCC to the Authority on or after the expiration of the existing term of this lease.

In November 2016, the Authority (Lessor) entered into an office space lease agreement with Endeavors, Inc., formerly Family Endeavors, Inc. (Lessee) for 2,796 square feet at the Staples Street Center. The lease term was for 7 years, or 84 months, with renewal being upon written notice given by Endeavors, Inc. to the Authority on or after the expiration of the existing term of this lease.

In November 2016, the Authority (Lessor) entered into an office space lease agreement with Nueces River Authority (NRA – Lessee) for 1,700 square feet at the Staples Street Center. The lease term was for 10 years, or 120 months, with renewal being upon written notice given by NRA to the Authority on or after the expiration of the existing term of this lease. The lease with NRA was ended in February 2023 as the agency moved out of the Staples Street Center. As a result, the remaining balance of the lease was modified in accordance with GASB 87. Terms were reached with a new tenant in July 2024, with move-in scheduled for August 2024. The terms of this lease will be shared in the footnotes to the 2024 Annual Comprehensive Financial Report.

In August 2016, the Authority (Lessor) entered into an office space lease agreement with the State of Texas (Lessee) for 3,141 square feet at the Staples Street Center to be occupied by the Texas Department of Motor Vehicles. The lease term was for 10 years, or 120 months, with renewal being upon written notice given by the State of Texas to the Authority on or after the expiration of the existing term of this lease.

In January 2017, the Authority (Lessor) entered into an office space lease agreement with the State of Texas (Lessee) for 7,125 square feet at the Staples Street Center to be occupied by the Texas General Land Office. The lease term was for 7 years and four months, or 88 months, with renewal being upon written notice given by the State of Texas to the Authority on or after the expiration of the existing term of this lease.

Inflows of resources on December 31, 2023 and 2022 were recorded as lease revenue of $432,134 and $444,236, and interest income of $76,182 and $72,509, respectively.

The schedule of future payments for the lease receivable for the various Staples Street Center tenants for the next six years are summarized below:

Year Ending December 31	Principal	Interest	Total
2024	$ 437,542	$ 77,350	$ 514,891
2025	362,698	64,119	426,817
2026	243,968	43,129	287,097
2027	55,950	9,891	65,841
2028 - 2029	55,008	9,724	64,732
Total 12/31/2023	**$ 1,155,166**	**$ 204,213**	**$ 1,359,379**

(6) Subscription-Based Information Technology Arrangements (SBITAs)

The Authority has several existing arrangements and some new arrangements subject to the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). These arrangements can be described in groups – those related to the operation of daily transportation services, and those used for administrative purposes. The Authority makes monthly, quarterly, or annual payments and the agreements are for varying terms. The SBITA liability is the present value of these payments using the Authority's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

Total Amount of Subscription Assets and Accumulated Amortization:

	Term in Months	Total Asset Amounts	Total Accumulated Depreciation
Administrative Software	24 - 60	$ 708,146	$ 205,949
Transportation Services	24 - 60	1,143,869	259,902
		$ 1,852,015	**$ 465,851**

SBITA Liabilities and Associated Principal and Interest Requirements:

	Interest Rate	Beginning Liability	Term in Months	Ending Balance
Administrative Software	5.5%	$ 243,173	24 – 60	$ 109,574
Transportation Services	5.5%	35,000	24 – 60	831,639
		$ 278,173		**$ 941,213**

The future principal and interest SBITA arrangement payments as of fiscal year-end are as follows:

	Principal	Interest	Total
Year Ended December 31			
2024	$ 286,995	$ 38,812	$ 327,557
2025	216,070	24,908	239,228
2026	140,891	15,476	156,367
2027	146,049	10,317	156,366
2028	151,208	5,158	156,366
	$ 941,213	**$ 94,671**	**$ 1,035,884**

<u>Commitments and Impairments:</u>

There were no additional commitments made before the commencement of the SBITA term(s). There were also no impairments or modifications to be reported during the reporting period.

(7) Retirement Plans

The Authority does participate in a retirement system in lieu of Social Security. Two retirement plans are sponsored by the Authority to assist employees in achieving retirement security: A *Defined Benefit Plan (DB Plan)* and a 403(b) *Defined Contribution Plan (DC Plan)*. Both plans are currently administered under a trust agreement with The Principal Financial Group, formerly Wells Fargo Institute Retirement & Trust Business.

The DB Plan is considered a pension because it offers guaranteed benefits at retirement to retirees and surviving spouses. As a public retirement plan, it is subject to various reporting requirement provisions of the Texas Government Code. Compliance oversight rests with The Texas Pension Review Board (PRB). The required disclosures related to certain pension investment expenses are shown on Page 80 of the required Supplemental Information section of this report.

Since the DC Plan payouts are not guaranteed it is not subject to the provisions of the Texas Government Code.

Defined Benefit Plan

Plan Description: The *RTA Employees Defined Benefit Plan and Trust* (DB Plan) is a single-employer formula-based defined benefit pension plan established by the applicable sections of the Internal Revenue Code. A disability feature is also included with the monthly benefits. Unlike Social Security, employees do not contribute to this Plan because it is totally funded by the Authority. Annual contributions are required each year in an amount equal to actuarially fund expected future obligations.

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, December 2012, December 2014 and July 2016.

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 Principal Financial Services (Trustee). The trustee carries out an investment policy established by the Authority Board consistent with the purposes of the plan and all applicable laws. Administration costs are paid by the plan. The current vesting schedule is presented below for all full-time employees:

Years of Service	Vested Percentage
Less than 3 years	0%
3 Years	20%
4 Years	40%
5 Years	60%
6 Years	80%
7 or More Years	100%

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 2014, the plan was amended to allow those eligible for early retirement during a specified window without incurring the normal reduction in benefits. In June 2016, the plan was amended to allow for periodic cost of living adjustments for participants receiving monthly benefits in amounts solely within the discretion of the Board. The plan is not indexed for inflation.

As of December 31, 2023 and 2022, there were 662 and 639 participants respectively in this plan as follows:

	December 31, 2023	December 31, 2022
Retirees or beneficiaries currently receiving payments	241	226
Inactive employees entitled to but not yet receiving benefits	189	195
Active employees	232	218
Total Participants	**662**	**639**

Contributions: The Authority funds 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). The actuarially determined rate for contributions as a percent of covered payroll for 2023 and 2022 respectively, was 14.4% and 11.0%.

Actuarial Assumptions: The actuarial assumptions that determined the total net pension liability as of December 31, 2023, are as follows:

Valuation Date	*December 31, 2023*
Actuarial Cost Method	*Entry-Age Normal Cost Actuarial Method*
Amortization Method	*Level dollar*
Asset Valuation Method	*Fair Value Market Value based on quoted market prices*
Actuarial Assumptions:	
Investment rate of return	*6.75%*
Projected Salary Increase	*3.5%*
Mortality Rate	*RP-2014 Blue Collar Generational Mortality Table adjusted to 2006 and projected using scale MP-2021*
Normal Retirement	*First of month after attaining age 62*

Prior Year Actuarial Assumptions: The actuarial assumptions that determined the total net pension liability as of December 31, 2022, are as follows:

Valuation Date	*December 31, 2022*
Actuarial Cost Method	*Entry-Age Normal Cost Actuarial Method*
Amortization Method	*Level dollar*
Asset Valuation Method	*Fair Value Market Value based on quoted market prices*
Actuarial Assumptions:	
Investment rate of return	*7.0%*
Projected Salary Increase	*3.5%*
Mortality Rate	*RP-2014 Blue Collar Generational Mortality Table adjusted to 2006 and projected using scale MP-2021*
Normal Retirement	*First of month after attaining age 62*

Discount Rate: The discount rate used to determine the total pension liability was 6.75%. Pursuant to Paragraph 43 of GASB No. 67, an alternative analysis is performed to compare the plan's net fiduciary position to projected benefit payments.

a. The Normal Cost represents the annual cost of benefit payments arising from future service increases for active employees.
b. The Unfunded Actuarial Accrued Liability represents the accumulated deficiency of the total cost of benefit payments which have already been earned over the current assets held by the plan's trust.
c. RTA's contribution policy is to make an annual payment equal to the Normal Cost plus the amortization payment of the Unfunded Actuarial Accrued Liability. The UAAL coming as a result of the plan amendment is recognized immediately.
d. A review of actual contributions over the past five years shows the RTA has made sufficient contributions to meet its funding policy.

On the basis of the above, the projected cash flows will be sufficient to provide the benefit payments to the plan participants. Thus, the Discount Rate is equal to the long-term expected rate of return of 6.75%.

Prior Year Discount Rate: The discount rate used to determine the total pension liability was 7.0%. Pursuant to Paragraph 43 of GASB No. 67, an alternative analysis is performed to compare the plan's net fiduciary position to projected benefit payments.

a. The Normal Cost represents the annual cost of benefit payments arising from future service increases for active employees.
b. The Unfunded Actuarial Accrued Liability represents the accumulated deficiency of the total cost of benefit payments which have already been earned over the current assets held by the plan's trust.
c. RTA's contribution policy is to make an annual payment equal to the Normal Cost plus the amortization payment of the Unfunded Actuarial Accrued Liability. The UAAL coming as a result of the plan amendment is recognized immediately.
d. A review of actual contributions over the past five years shows the RTA has made sufficient contributions to meet its funding policy.

On the basis of the above, the projected cash flows will be sufficient to provide the benefit payments to the plan participants. Thus, the Discount Rate is equal to the long-term expected rate of return of 7.0%.

Discount Rate Sensitivity Analysis: The following presents the net pension liability (asset), calculated using a discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	**Current Discount Rate**	**1% Increase**
December 31, 2023	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability	$18,445,638	$11,426,175	$5,560,278

Prior Year Discount Rate Sensitivity Analysis: The following presents the net pension liability (asset), calculated using a discount rate of 7.0%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease	**Current Discount Rate**	**1% Increase**
December 31, 2022	(6.00%)	(7.00%)	(8.00%)
Net Pension Liability	$17,259,921	$11,027,475	$5,806,448

Net Pension Liability (Asset): The net change in pension liability for the measurement date of December 31, 2023, based on the actuarial date of December 31, 2023, is reflected below:

	Increase/Decrease		
Change in Net Pension Liability (Asset)	**Total Pension Liability**	**Fiduciary Net Position**	**Net Pension Liability (Asset)**
Balances as of December 31, 2022	$ 53,564,918	$ 42,537,443	$ 11,027,475
Changes for the Year:			
Service Cost	1,108,344	-	1,108,344
Interest on total pension liability	3,738,299	-	3,738,299
Benefit changes	-	-	-
Differences between expected and actual experience	1,649,414	-	1,649,414
Changes of assumptions	1,564,460	-	1,564,460
Benefit payments	(2,581,633)	(2,581,633)	-
Contributions – Employer	-	1,952,572	(1,952,572)
Net investment income	-	5,837,507	(5,837,507)
Administrative expenses	-	(128,262)	(128,262)
Net Changes	5,478,884	5,080,184	398,700
Balances as of December 31, 2023	$ 59,043,802	$ 47,617,627	$ 11,426,175

The net change in pension liability for the measurement date of December 31, 2022, based on the actuarial date of December 31, 2022, is reflected below:

	Increase/Decrease		
Change in Net Pension Liability (Asset)	**Total Pension Liability**	**Fiduciary Net Position**	**Net Pension Liability (Asset)**
Balances as of December 31, 2021	$ 50,154,625	$ 51,096,163	$ (941,538)
Changes for the Year:			
Service Cost	988,099	-	988,099
Interest on total pension liability	3,546,868	-	3,546,868
Benefit changes	-	-	-
Differences between expected and actual experience	726,557	-	726,557
Changes of assumptions	563,863	-	563,863
Benefit payments	(2,415,094)	(2,415,094)	-
Contributions – Employer	-	1,382,108	(1,382,108)
Net investment income	-	(7,400,557)	(7,400,557)
Administrative expenses	-	(125,177)	(125,177)
Net Changes	3,410,293	(8,558,720)	11,969,013
Balances as of December 31, 2022	$ 53,564,918	$ 42,537,443	$ 11,027,475

For the year ended December 31, 2023, the Authority recognized pension expenses:

Service cost	$ 1,108,344
Interest on total pension liability	3,738,299
Expected investment return	(3,021,059)
Recognition for Current Year	
Economic/demographic gains or losses	824,707
Investment gains or losses	(563,289)
Assumption changes or inputs	782,230
Recognition of Deferred Inflows/Outflows of Resources	
Economic/demographic gains or losses	363,278
Investment gains or losses	496,213
Assumption changes or inputs	281,931
Plan administrative expenses	128,262
Pension Expense	$ 4,138,916

For the year ended December 31, 2022, the Authority recognized pension expenses:

Service cost	$ 988,099
Interest on total pension liability	3,546,868
Expected investment return	(3,637,324)
Recognition for Current Year	
Economic/demographic gains or losses	363,279
Investment gains or losses	(446,489)
Assumption changes or inputs	281,932
Recognition of Deferred Inflows/Outflows of Resources	
Economic/demographic gains or losses	81,479
Investment gains or losses	1,905,789
Assumption changes or inputs	300,657
Plan administrative expenses	125,177
Pension Expense	$ 3,509,467

For the year ended December 31, 2023, the Authority recorded deferred outflows of resources related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ 824,707	$ -
Net difference between projected and actual earnings on pension plan investments	6,622,728	3,628,960
Changes of assumptions	782,230	-
Deferred Outflows and Inflows of Resources	**$ 8,229,665**	**$ 3,628,960**

Amounts currently reported as deferred outflows of resources related to pensions, including contributions made after the measurement date, will be recognized in pension expenses as follows:

Year Ended December 31,	
2024	$ 2,321,913
2025	1,197,797
2026	1,644,287
2027	(563,292)
2028	-
Thereafter	-

For the year ended December 31, 2022, the Authority recorded deferred outflows of resources related to the pension as follows:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Experience losses	$ 363,278	$ -
Net difference between projected and actual earnings on pension plan investments	8,830,304	-
Changes of assumptions	281,931	3,087,164
Deferred Outflows and Inflows of Resources	**$ 9,475,513**	**$ 3,087,164**

Financial Statements: The DB Plan issues a separate stand-alone financial report which can be viewed on the CCRTA website at www.ccrta.org/financial-transparency.

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 $13,534,620 in 2023 and $12,603,883 in 2022. Employee contributions were $1,308,921 in 2023 and $1,239,794 in 2022. 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, and so they are presented here.

RTA Employee Defined Contribution Plan
Fiduciary Funds - Statement of Net Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Investments (Note 2)		
Money Market Funds	$ 954,007	$ 924,684
Mutual Funds	382,698	391,646
Collective Investment Funds	13,690,350	11,370,937
Total Investments, at Fair Value	15,027,055	12,687,267
TOTAL ASSETS	15,027,055	12,687,267
TOTAL LIABILITIES	-	-
FIDUCIARY NET POSITION		
Held in Trust for Pension Benefits	$ **15,027,055**	$ **12,687,267**

RTA Employee Defined Contribution Plan
Fiduciary Funds - Statements of Changes in Net Position
Years ended December 31, 2023 and 2022

	2023	2022
Additions:		
Investment Income / (Loss)	$ 2,095,266	$ (2,067,956)
Employee Contributions	1,308,921	1,239,794
Total Additions	3,404,187	(828,162)
Deductions:		
Benefits Paid	1,061,090	1,357,658
Administrative Expenses	3,309	3,00
Total Deductions	1,064,399	1,360,758
Increase (Decrease) in Net Position	2,339,788	(2,188,920)
Net Position, January 1	12,687,267	14,876,187
Net Position, December 31	$ **15,027,055**	$ **12,687,267**

(8) Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

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 Authority indirectly subsidizes the medical insurance premiums paid by retirees, since premiums are calculated with active workers and retirees pooled together. The plan is not accounted for as a fiduciary fund as an irrevocable trust has not been established to fund the plan but rather is funded on a pay-as-you-go basis. 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. 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 2023, $763.63 was the required monthly contribution for retiree family coverage and $293.55 for retiree single coverage. The stated subsidy did not change from 2022. The Authority's contributions are on a pay-as-you-go basis. No assets have been segregated and restricted to provide for post-retirement benefits. Retirees must pay the full COBRA rate for dental coverage, so it is not valued in this report.

Benefits Provided: The Authority provides medical, dental, and vision benefits for participating retirees and their dependents. The benefits terms require non-Medicare- eligible retirees pay the monthly "blended" rate in accordance with the *Funding Policy*.

Participants Covered by Benefit Terms: On December 31, 2023 and 2022, the following employees were covered by the benefit terms:

	December 31, 2023	December 31, 2022
Active employees (with medical coverage)	204	197
Active employees (without medical coverage)	-	15
Retirees (with medical coverage)	6	7
Spouses of Retirees (with medical coverage)	1	2
Total	211	221

Current Year Total OPEB Liability

The Authority's Total OPEB liability of $783,358 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The Total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Plan participation	25% of future eligible retirees are assumed to elect the medical and vision benefit at retirement.
Marital status	Actual spouse participation and dates of birth were used for retirees. For actives, it was assumed that 30% will cover a spouse, and males were assumed to be 2 years older than female spouses.
Salary increases	3.50% per annum
Discount rate	4.31% S&P Municipal Bond 20 yr.
Healthcare cost trend rates	
Medical:	6.25% graded uniformly to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075
Vision:	5.0% per annum
Administrative expenses:	2.5% per annum
Retirees' share of benefit-related costs	
Single Coverage:	$293.55
Family Coverage:	$763.63

Changes in Plan Provisions, Actuarial Assumptions, and Actuarial Methods

The discount rate was based on the S&P Municipal Bond 20 Year high Grade Rate Index as of December 31, 2023, compared to the 2022 rate of 2.25%. The assumed medical trend rate changed to 6.25% in 2023 grading uniformly to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.

Prior Year Total OPEB Liability

The Authority's Total OPEB liability of $834,840 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

Prior Year Actuarial Assumption: The Total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Plan participation	25% of future eligible retirees are assumed to elect the medical and vision benefit at retirement.
Marital status	Actual spouse participation and dates of birth were used for retirees. For actives, it was assumed that 30% will cover a spouse, and males were assumed to be 2 years older than female spouses.

Salary increases	3.50% per annum
Discount rate	2.25% S&P Municipal Bond
Healthcare cost trend rates	
Medical:	*6.00% graded uniformly to 5.50% over 2 years and following the 2020 Getzen model thereafter to an ultimate rate of 4.04% in the year 2075*
Vision:	*5.0% per annum*
Administrative expenses:	*2.5% per annum*
Retirees' share of benefit-related costs	
Single Coverage:	*$293.55*
Family Coverage:	*$763.63*

Changes in Plan Provisions, Actuarial Assumptions, and Actuarial Methods

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2023. The mortality table was updated to 2010 Pub. G Headcount weighted mortality tables projected using scale MP-2021. The assumed medical trend rate change to 6.00% in 2022 grading uniformly to 5.50% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075. Termination rates were updated to the SOA 20203 Small Plan Service Table.

All actuarial assumptions are set by the Authority, who is the plan sponsor. Statement No. 75 mandates the use of the Entry Age Normal actuarial funding method for the purposes of the reporting statements. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with results reported by the actuarial valuation report, the actuarial assumptions reasonably reflect the expected future experience of the plan.

Changes in the Total OPEB Liability

For the plan year 2023, the Authority recognized changes in Total OPEB liability as follows:

	Total OPEB Liability
Balance 12/31/2022	$ 834,840
Changes for the year	
Service Cost	69,342
Interest	17,795
Experience losses (gains)	88,102
Changes of assumptions	(113,412)
Benefits paid	(113,309)
Net changes	(51,482)
Balance 12/31/2023	$ 783,358

For the plan year 2022, the Authority recognized change in Total OPEB liability as follows:

	Total OPEB Liability
Balance at 12/31/2021	$ 853,090
Changes for the year	
Service Cost	44,891
Interest	14,410
Experience losses (gains)	(9,136)
Changes of assumptions	82,936
Benefits paid	(151,351)
Net changes	(18,250)
Balance 12/31/2022	$ 834,840

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the Total OPEB liability of the Authority for plan year 2023, as well as what the Authority's Total OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (3.31%) or 1-percentage point higher (5.31%) than the current discount rate (4.31%):

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	$831,832	$783,358	$738,252

For the plan year 2022, the sensitivity analysis related to changes in the discount rate is as follows:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	$889,411	$834,840	$783,197

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates. The following presents the Total OPEB liability of the Authority for plan year 2023, as well as what the Authority's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.25%) or 1-percentage point higher (7.25%) than the current discount rate (6.25%):

	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Total OPEB Liability	$717,290	$783,358	$860,016

For the plan year 2022, the sensitivity analysis related to changes in the discount rate is as follows:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	$753,044	$834,840	$930,836

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Authority recognized OPEB expense of $99,260.

For the year ended December 31, 2023, the Authority recorded deferred outflows of resources related to the pension as follows:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Experience losses	$ 66,076	$ 4,568
Changes of assumptions	41,468	85,059
Deferred Outflows and Inflows of Resources	**$ 107,544**	**$ 89,627**

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees (no future service is assumed for inactive employees for this calculation.

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending December 31:

2024	$ 12,123
2025	12,123
2026	(6,329)
2027	-
2028	-
Thereafter	-

For the year ended December 31, 2022, the Authority recognized OPEB expense of $120,518.

For the year ended December 31, 2022, the Authority recorded deferred outflows of resources related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ -	$ 6,852
Changes of assumptions	62,202	-
Deferred Outflows and Inflows of Resources	**$ 62,202**	**$ 6,852**

(9) 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, the Authority's general and automobile liability is 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 2023 and 2022 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 health insurance liabilities for the years ended December 31, 2020, 2021, 2022, and 2023 are as follows:

	Health & Dental Benefits
Balance at 12/31/2020	$ 356,049
Incurred Claims	2,983,873
Claims Paid	(3,165,910)
Balance at 12/31/2021	174,012
Incurred Claims	3,625,417
Claims Paid	(3,088,501)
Balance at 12/31/2022	710,928
Incurred Claims	3,410,732
Claims Paid	(3,855,189)
Balance at 12/31/2023	$ 266,471

(10) 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, 2023, the Authority has commitments totaling $2,641,017 in ADA Bus Stop improvements.

As of December 31, 2022, the Authority had commitments totaling $6,244,267 in ADA Bus Stop improvements.

(11) Concentrations

During 2023, the Authority received $40,792,893 from the Texas State Comptroller's Office for revenue generated by the ½ cent sales and use tax levied upon purchases in the service area.

During 2022, the Authority received $38,482,167 from the Texas State Comptroller's Office for revenue generated by the ½ cent sales and use tax levied upon purchases in the service area.

Changes in the Authority's ability to levy and collect these sales tax funds could ultimately affect the operating results of the Authority.

During 2023, the Authority received $12,984,236 for capital assistance and $1,261,558 for other projects from the Federal Transportation Administration.

During 2022, the Authority received $625,777 for capital assistance and $11,540,721 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 another federal grant funding received.

(12) Purchased Transportation Services

The Authority had a contract with MV Transportation, Inc. through 2023 to provide paratransit services for elderly and persons with disability and certain fixed route services. Expenses under the contract amounted to $7,793,201 in 2023 and $7,536,686 in 2022. All passenger fares related to these transit services are recorded by the Authority as operating revenue.

(13) Significant Effects of Subsequent Events

Management has evaluated the events or transactions that occurred subsequent to the balance sheet date of December 31, 2023, but prior to the issuance of the date of the most recent statement of net position, to determine if they had a material effect that would require an adjustment or disclosure to the financial statements. As of January 15, 2025, which is the date the financial statements were available, there are no events or transactions that require adjustments or restatements of the Statement of Net Position date of December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

Corpus Christi Regional Transportation Authority
Defined Benefits Pension Plan
Schedule of Changes to Net Pension (Asset) Liability & Related Ratios
Last 10 Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service Cost	$ 695,517	$ 876,806	$ 941,470	$ 980,740	$ 1,066,449	$ 879,904	$ 926,286	$ 990,244	$ 988,099	$ 1,108,344
Interest on Total Pension Liability	2,254,995	2,396,547	2,521,413	2,620,680	2,780,193	2,987,293	3,257,661	3,404,718	3,546,868	3,738,299
Effect of Plan Changes	391,915	115,478	-	-	313,503	-	-	-	-	-
Difference between expected and actual experience	784,295	(260,046)	(465,534)	335,013	(241,238)	1,943,344	336,157	162,958	726,557	1,649,414
Change of assumptions	-	-	-	-	1,189,575	373,385	361,060	601,314	563,863	1,564,460
Benefit Payments	(1,248,266)	(1,493,324)	(1,561,905)	(1,833,510)	(1,808,898)	(1,927,249)	(2,218,914)	(2,292,357)	(2,415,094)	(2,581,633)
Net Change in Total Pension Liability	2,878,456	1,635,461	1,435,444	2,102,923	3,299,584	4,256,677	2,662,250	2,866,877	3,410,293	5,478,884
Total Pension Liability, Beginning	29,016,953	31,895,409	33,530,870	34,966,314	37,069,237	40,368,821	44,625,498	47,287,748	50,154,625	53,564,918
Total Pension Liability, Ending	$31,895,409	$33,530,870	$34,966,314	$37,069,237	$40,368,821	$44,625,498	$47,287,748	$50,154,625	$53,564,918	$59,043,802
Fiduciary Net Position										
Employer Contributions	$ 1,178,498	$ 985,175	$ 1,503,736	$ 1,383,969	$ 1,425,533	$ 3,691,087	$ 1,227,724	$ 1,382,108	$ 1,382,108	$ 1,952,572
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income, net	1,706,547	(348,950)	2,523,595	4,409,016	(2,046,180)	6,617,918	5,498,173	5,597,624	(7,400,557)	5,837,507
Benefit Payments/Contribution Refunds	(1,248,266)	(1,493,324)	(1,561,905)	(1,833,510)	(1,808,898)	(1,927,249)	(2,218,914)	(2,292,357)	(2,415,094)	(2,581,633)
Administrative Expenses	(91,465)	(94,874)	(92,810)	(102,228)	(110,600)	(111,886)	(122,875)	(145,369)	(125,177)	(128,262)
Net Change in Fiduciary Net Position	$ 1,545,314	$ (951,973)	$ 2,372,616	$ 3,857,247	$(2,540,145)	$ 8,269,870	$ 4,384,108	$ 4,542,006	$(8,558,720)	$ 5,080,184
Fiduciary Net Position, Beginning	29,617,120	31,162,434	30,210,461	32,583,077	36,440,324	33,900,179	42,170,049	46,554,157	51,096,163	42,537,443
Fiduciary Net Position, Ending	$31,162,434	$30,210,461	$32,583,077	$36,440,324	$33,900,179	$42,170,049	$46,554,157	$51,096,163	$42,537,443	$47,617,627
Net Pension Liability (Asset)	$ 732,975	$ 3,320,409	$2,383,237	$628,913	$6,468,642	$2,455,449	$733,591	$ (941,538)	$11,027,475	$11,426,175
Fiduciary Net Position as a Percentage of Total Pension Liability	97.7%	90.1%	93.2%	98.3%	84.0%	94.5%	98.4%	101.9%	79.4%	0.6%
Annual Covered Payroll	$ 7,274,172	$ 8,818,232	$ 9,178,411	$ 9,773,977	$10,677,430	$10,668,048	$10,975,562	$11,696,475	$12,603,883	$13,534,620
Net Pension Liability (Asset) as a Percentage of Covered Payroll	10.1%	37.7%	26.0%	6.4%	60.6%	23.0%	6.7%	-8.0%	87.5%	84.4%

Corpus Christi Regional Transportation Authority
Defined Benefits Pension Plan
Schedule of Contributions
Last 10 Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 695,517	$ 983,696	$1,468,804	$1,399,307	$ 1,191,087	$ 1,227,724	$ 1,306,947	$ 1,382,108	$ 1,330,108	$ 1,952,572
Contributions in relation to the actuarially determined contribution	1,178,498	985,175	1,503,736	1,383,969	1,425,533	3,691,087	1,227,724	1,382,108	1,382,108	1,952,572
Contribution deficiency (excess)	$(482,981)	$ (1,479)	$ (34,932)	$ 15,338	$(234,446)	$(2,463,363)	$ 79,223	$ -	$ (52,000)	$ -
Annual Covered Payroll	$7,274,172	$8,818,232	$9,178,411	$9,773,977	$10,677,430	$10,668,048	$10,975,562	$11,696,475	$12,603,883	$13,534,620
Contributions as a percentage of Annual Covered Payroll	16.2%	11.2%	16.4%	14.2%	13.4%	34.6%	11.2%	11.8%	11.0%	14.4%

Notes to Schedule

Valuation Date - Actuarially determined contribution rates are calculated as of January 1 for the respective year of contributions

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method - Entry Age Normal

Amortization Method - Closed-Level dollar amount over 15 years from January 1, 2009, Remaining Amortization Period - 5 Years

Asset Valuation Method – Fair Value

Inflation Rate -- NA

Salary Increases - 3.50% Annually Investment Rate of Return – 6.75% Annually

Retirement Age - All participants were assumed to retire at age 62 Mortality Rates – RP-2014 using MP-2021

The following changes were made to the actuarial assumptions and methods effective December 31, 2023:

- The rate of investment return and discount rate was changed from 7.0% to 6.75%
    - Rationale: To better reflect the Plan’s expected long-term rate of return

Corpus Christi Regional Transportation Authority
Schedule of Changes in Total OPEB Liability & Related Ratios
Last Six Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service Cost	$ 36,236	$ 38,048	$ 39,950	$ 43,344	$ 44,891	$ 69,342
Interest	38,682	34,073	31,661	23,079	14,410	17,795
Difference between expected and actual experience	-	-	(78,803)	72,887	(9,136)	88,102
Changes of Assumptions	-	-	26,826	12,648	82,936	(113,412)
Benefit Payments	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)	(113,309)
Net Change in Total OPEB Liability	(114,249)	(131,233)	(120,642)	3,598	(18,250)	(51,482)
Total OPEB Liability, Beginning	1,215,616	1,101,367	970,134	849,492	853,090	834,840
Total OPEB Liability, Ending ***(a)***	$ 1,101,367	$ 970,134	$ 849,492	$ 853,090	$ 834,840	$ 783,358
Plan Fiduciary Net Position**						
Employer Contributions	$ 189,167	$ 203,354	$ 140,276	$ 148,360	$ 151,351	$ 113,309
Benefit Payments/Contribution Refunds	(189,167	(203,354)	(140,276)	(148,360)	(151,351)	(113,309)
Net Change in Plan Fiduciary Net Position	$ -	$ -	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position, Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position, Ending ***(b)***	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB Liability ***(a) – (b)***	$ 1,101,367	$ 970,134	$ 849,492	$ 853,090	$ 834,840	$ 783,358
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Covered-Employee Payroll	$11,667,509	$12,134,143	$13,257,370	$13,269,291	$11,697,254	$12,604,717
Total OPEB Liability as a Percentage of Annual Covered-Employee Payroll	9.4%	8.0%	6.4%	6.4%	7.1%	6.2%

*This schedule is required to present information for ten years; however, prior years' information is not available. Therefore, we have shown only the years in which GASB 75 was implemented, as well as the subsequent year.

**The Authority does not maintain assets in a trust for the OPEB plan, but rather funds the plan on a pay-as-you-go basis.

Corpus Christi Regional Transportation Authority
Total OPEB Liability
Schedule of Contributions
Last Six Fiscal Years*

	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 202,742	$ 206,160	$ 207,944	$ 211,800	$ 224,227	$ 246,550
Contributions in relation to the actuarially determined contribution	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)	(113,309)
Contribution deficiency (excess)	13,575	2,806	67,668	63,440	72,876	133,241
Annual covered-employee payroll	$11,667,509	$12,134,143	$13,257,370	$13,269,291	$11,697,254	$12,604,717
Contributions as a percentage of annual covered-employee payroll	1.6%	1.7%	1.1%	1.1%	1.3%	0.9%

Notes to the Schedule

Valuation Date:
Actuarial determined contribution rates calculated as of January 1, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level Dollar
Amortization Period	Experience gains or loss are amortized over the average working lifetime of all participants which for the current period is 4 years. Plan amendments are recognized immediately. Investment gains or loss are amortized over a 5-year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Asset Valuation Method	Not applicable
Inflation	2.25%
Healthcare Cost Trend Rates	Medical: 6.00% graded uniformly to 5.50% over 2 years and following the 2020 Getzen model thereafter to an ultimate rate of 4.04% in the years 2075. Vision: 5.00% per annum Administrative: 2.5% per annum
Salary Increases	3.5% per annum
Investment Rate of Return	Not applicable
Retirement Age	Age 62 or age 55 and have ten years of service with the Authority, and be an active employee of the Authority at the time of retirement
Mortality	PubG-2020 Headcount Weighted Mortality Tables projected with Improvement Scale MP-2021.

*This schedule is required to present information for ten years; however, prior years' information is not available. Therefore, we have shown only the years in which GASB 75 was implemented, as well as the subsequent year.

SUPPLEMENTARY INFORMATION

Corpus Christi Regional Transportation Authority
Schedule of Revenues and Expenses - Actual and Budget by Function
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Final Budget versus Actual
Operating Revenues				
Passenger Service	$ 1,108,110	$ 1,108,110	$ 1,083,894	$ (24,216)
Bus Advertising	145,371	145,371	227,549	82,178
Other Operating Revenues	312,337	312,337	449,026	136,689
Total Operating Revenues	1,565,818	1,565,818	1,760,469	194,651
Operating Expenses				
Transportation	9,677,928	9,932,992	11,262,945	(1,329,953)
Customer Programs	583,377	595,697	672,429	(76,732)
Purchased Transportation	8,765,945	8,765,945	8,617,764	148,181
Program & Service Development	787,213	801,372	649,394	151,978
MIS	1,658,217	1,674,391	1,669,404	4,987
Vehicle Maintenance	6,467,275	6,547,805	6,447,426	100,379
Facilities Maintenance (net)*	3,714,872	3,752,399	4,005,548	(253,149)
Materials Maintenance	272,912	278,468	312,660	(34,192)
Administrative & General	7,034,982	6,908,476	6,643,632	264,844
Marketing & Communications	824,912	1,053,519	925,064	128,455
Depreciation	1,814,260	1,814,260	7,127,509	(5,313,249)
Total Operating Expenses	41,601,893	42,125,324	48,333,775	(6,208,451)
Operating Loss	**(40,036,075)**	**(40,559,506)**	**(46,573,306)**	**(6,013,800)**
Non-Operating Revenues (Expenses)				
Sales and Use Tax Revenue	39,793,301	40,316,731	40,792,893	476,162
Federal and Other Grant Assistance	1,565,828	1,565,828	1,261,558	(304.270)
Investment Income	574,000	574,000	2,859,182	2,285,182
Lease-Related Interest Income	-	-	76,182	76,182
Gain (Loss) on Asset Disposal	-	-	(319,385)	(319,385)
Subrecipient Programs	(765,828)	(765,828)	(387,767)	378,061
Interest Expense and Fiscal Charges	(1,597,313)	(1,597,313)	(730,344)	866,969
Distributions to Regional Entities	(3,183,464)	(3,183,464)	(3,272,161)	(88,697)
Net Income/(Loss) Before Capital Grant Contributions	**$ (3,649,551)**	**$ (3,649,552)**	**$ (6,293,148)**	**$ (2,643,596)**

* **Note:** The budget amounts have been reclassified to agree with the actual reported amounts. The main changes are the Staples Street Center net of related lease income is included in facilities maintenance.

Corpus Christi Regional Transportation Authority
Fiduciary Funds – Combined Statements of Net Position
December 31, 2023, with Comparative Total for December 31, 2022

	2023			2022
	Defined Benefit Pension Plan	**Defined Contribution Pension Plan**	**Total**	
ASSETS				
Investments (Note 2)				
Money Market Funds	$ 677,675	$ 954,007	$ 1,631,682	$ 1,780,602
Mutual Funds	9,753,290	382,698	10,135,989	8,889,643
Collective Investments Funds	37,183,993	13,690,350	50,874,342	44,560,152
	47,614,958	15,027,055	62,642,013	55,230,397
Receivables				
Accrued Interest Receivable	19,538	-	19,538	9,844
TOTAL ASSETS	47,634,496	15,027,055	62,661,551	55,240,241
LIABILITIES				
Due to Broker for Securities Purchased	16,869	-	16,869	15,531
TOTAL LIABILITIES	16,869	-	16,869	15,531
NET POSITION				
Restricted for Pension Benefits	$ 47,617,627	$ 15,027,055	$ 62,644,682	$ 55,224,710

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority
Fiduciary Funds – Combined Statements of Changes in Net Position
Year Ended December 31, 2023, with Comparative Total for December 31, 2022

	2023			2022
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	
Additions:				
Investment Income (Loss)	$ 5,837,506	$ 2,095,266	$ 7,932,772	$ (9,468,513)
Employee Contributions	-	1,308,921	1,308,921	1,239,794
Employer Contributions	1,952,572	-	1,952,572	1,382,108
Total Additions	7,790,078	3,404,187	11,194,265	(6,846,611)
Deductions				
Benefits Paid	2,581,632	1,061,090	3,642,722	3,772,752
Administrative Expenses	128,262	3,309	131,571	128,277
Total Deductions	2,709,894	1,064,399	3,774,293	3,901,029
Increase (Decrease) in Net Position	5,080,184	2,339,788	7,419,972	(10,747,640)
Net Position, January 1	42,537,443	12,687,267	55,224,710	65,972,350
Net Position, December 31	$ 47,617,627	$ 15,027,055	$ 62,644,682	$ 55,224,710

See Notes to the Financial Statements

$20,265,000 System Revenue Refunding Bonds
Taxable Series 2019

Years Ending December 31,	Principal	Interest	Total Requirements
2024	930,000	481,948	1,411,948
2025	950,000	461,460	1,411,460
2026	970,000	439,543	1,409,543
2027	990,000	416,195	1,406,195
2028	1,020,000	391,574	1,411,574
2029-2033	5,515,000	1,527,134	7,042,134
2034-2038	6,410,000	638,295	7,048,295
	$ 16,785,000	$ 4,356,149	$ 21,141,149

Corpus Christi Regional Transportation Authority
Schedule of Pension Plan Investment Expenses
Year Ended December 31, 2023

Direct and Indirect Fees and Commissions

Description	Cash	Public Equity	Fixed Income	Real Assets	Alternative/ Other	Total
Management Fees Paid from Trust	$ 2,179	$ 70,315	$ 49,393	$ 6,376	$ -	$ 128,262
Management Fees Netted from Trust	709	70,146	41,080	11,252	-	123,187
Total Investment Management Fees (Netted from Returns + Managed Fees Paid from Trust	2,888	140,461	90,473	17,628	-	251,449
Brokerage Fees/Commission	-	-	-	-	-	-
Profit Share/Carried Interest	-	-	-	-	-	-
Total Direct & Indirect Fees and Commission/Management Fees + Brokerage Fees/Commissions + Profit Share	$ 2,888	$ 140,461	$ 90,473	$ 17,628	-	$ 251,449

Total Investment Expenses Summary

Total Direct and Indirect Fees & Commissions		**$ 251,449**
Investment Services		
Custodial	$ -	
Research	-	
Investment Consulting	-	
Legal	-	
Total Investment Services	**-**	
Total Investment Expenses*		**$ 251,449**

*Total Direct and Indirect Fees and Commissions + Investment Services

List of Investment Manager Names*			
1	MFS Investment Management	9	Causeway Capital Mgmt. LLC
2	T. Rowe Price Group	10	Acadian Asset Mgmt.
3	BlackRock, Inc.	11	Lazard Asset Mgmt
4	Alliance Bernstein	12	Dodge & Cox
5	JP Morgan Asset Mgmt.	13	Federated Hermes, Inc.
6	Invesco Ltd	14	Metropolitan West Funds
7	Goldman Sachs Asset Mgmt.	15	Core Commodity Mgmt.
8	Cap Group / American Funds	16	Vanguard Group, Inc.

* The tables may be used by systems to report investments categorized as Alternative/Other, as required by 40 TAC, Section 609.111(I), as well as include the names of investment managers engaged by the system per Government Code Section 802.103(a)(4).

List of Alternative/Other Investments*
NA

2023
Statistical Section

Annual Comprehensive Financial Report

ABOUT THE AUTHORITY'S STATISTICAL TABLES

This section of the Authority's Annual Comprehensive 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.

Contents **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Corpus Christi Regional Transportation Authority
Statistical Supplement 1
Net Position by Component
Fiscal Years 2014 to 2023
(unaudited)

For the Fiscal Year Ended December 31,

(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net investment in capital assets	$ 49,217	$ 66,725	$ 59,298	$ 66,265	$ 59,126	$ 55,072	$ 49,934	$ 55,274	$ 52,663	$ 58,638
Restricted	1,611	1,611	1,611	1,611	1,611	-	474	1,721	575	575
Unrestricted	32,586	23,481	25,612	27,299	27,703	26,040	38,700	44,691	50,835	51,551
Total	**$ 83,414**	**$ 91,817**	**$ 86,521**	**$ 95,175**	**$ 84,440**	**$ 81,112**	**$ 89,108**	**$ 101,686**	**$ 104,073**	**$ 110,764**

Corpus Christi Regional Transportation Authority
Statistical Supplement 2
Changes in Net Position
Fiscal Years 2014 to 2023
(unaudited)

For the Fiscal Year Ended December 31,

(in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Passenger Service	$ 1,845	$ 1,853	$ 1,735	$ 1,697	$ 1,689	$ 1,858	$ 1,141	$ 987	$ 991	$ 1,084
Other Operating	335	430	665	805	757	1,360	851	639	652	676
Total Operating Revenues	2,180	2,283	2,400	2,502	2,446	3,218	1,992	1,626	1,643	1,760
Operating Expenses										
Transportation	12,431	12,848	12,426	12,679	13,376	14,015	16,286	16,001	19,455	19,881
Vehicle/Facilities Maintenance (net of SSC leases)	7,545	7,320	6,722	7,062	6,652	6,737	8,289	8,844	10,369	10,766
Program Development	893	1,147	1,605	1,347	1,153	1,226	1,548	1,599	2,536	2,247
Administrative & General	6,684	7,798	9,456	9,748	13,557	9,050	7,400	6,158	7,296	8,313
Depreciation	5,274	6,593	7,542	8,272	8,932	7,987	7,465	6,456	7,032	7,127
Total Operating Expenses	32,827	35,706	37,751	39,108	43,670	39,015	40,988	39,058	46,688	48,334
Operating Loss	**(30,647)**	**(33,423)**	**(35,351)**	**(36,606)**	**(41,224)**	**(35,797)**	**(38,996)**	**(37,432)**	**(45,045)**	**(46,574)**
Non-Operating Revenues Or (Expenses):										
Sales and Use Tax	35,188	34,128	31,387	32,570	33,934	33,878	33,912	37,149	38,482	40,793
Grant Assistance	126	2,512	1,185	4,619	58	954	15,985	8,359	11,541	1,262
Investment Income	110	125	69	85	409	552	181	35	840	2,859
Lease-Related Interest	-	-	-	-	-	-	-	-	72	76
Other Non-Operating Items	(422)	(488)	(677)	(1,416)	(1,075)	(645)	(1,411)	(808)	(1,000)	(1,437)
Distributions to Region Entities	(2,900)	(3,301)	(3,170)	(3,003)	(2,807)	(3,013)	(3,369)	(3,084)	(3,129)	(3,272)
Net Gain (Loss) before Capital Contributions	1,455	(447)	(6,557)	(3,751)	(10,705)	(4,071)	6,302	4,219	1,761	(6,293)
Capital Contributions	4,493	9,763	1,289	12,404	1,185	948	1,695	8,289	625	12,984
Change in Accounting Principle	-	871	-	-	(1,215)	-	-	-	-	-
Total Change in Net Position	**$ 5,948**	**$ 10,187**	**$ (5,268)**	**$ 8,653**	**$ (10,735)**	**$ (3,123)**	**$ 7,997**	**$ 12,508**	**$ 2,386**	**$ 6,691**

Corpus Christi Regional Transportation Authority
Statistical Supplement 3
Revenues by Source
Fiscal Years 2014 to 2023
(unaudited)

Year	Operating Revenues (1)	Sales And Use Tax	Federal Operating Grants and Reimbursements	Investment Income	Other (2)	Total
2014	$ 2,179,796	$ 35,188,390	$ 125,900	$ 110,052	$ 46,519	$ 37,650,657
2015	2,283,647	34,127,803	2,512,070	125,143	-	39,048,663
2016	2,400,444	31,387,198	1,185,650	69,049	32,007	35,074,348
2017	2,502,422	32,570,355	4,618,731	85,535	(269,101)	39,507,942
2018	2,445,905	33,934,640	58,410	409,036	-	36,847,991
2019	3,217,930	33,878,046	954,573	552,566	-	38,603,115
2020	1,992,308	33,912,489	15,985,553	181,431	68,263	52,140,044
2021	2,122,093	37,149,496	8,358,878	35,305	69,632	47,735,404
2022	1,642,779	38,482,167	11,540,721	839,842	89,295	52,594,804
2023	1,760,469	40,792,893	1,261,558	2,859,182	(243,203)	46,430,899

(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, gain on sales of buses and other property, and lease-related interest income.

Corpus Christi Regional Transportation Authority
Statistical Supplement 4
Revenues and Operating Assistance
Comparison to Industry Trend Data
Fiscal Years 2014 to 2023
(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)		
2014	6.2%	93.5%	0.3%	35.9%	6.9%	57.2%
2015	6.2%	87.4%	6.4%	37.4%	6.7%	55.9%
2016	7.1%	89.5%	3.4%	36.3%	6.8%	56.9%
2017	5.9%	82.4%	11.7%	36.3%	6.9%	56.8%
2018	7.7%	92.1%	0.2%	36.0%	6.1%	57.9%
2019	9.8%	87.8%	2.5%	34.0%	8.2%	57.8%
2020	4.3%	65.0%	30.7%	20.7%	6.1%	73.2%
2021	3.7%	78.6%	17.7%	15.5%	6.6%	77.9%
2022	4.9%	73.2%	21.9%	*	*	*
2023	9.4%	87.9%	2.7%	*	*	*

(1) Source: The American Public Transportation Association, 2023 Public Transportation Fact Book, Appendix A: Historical Tables, Table 87, *Operating Funding Sources*.
APTA Fact Book Appendix A

* Not Available

Corpus Christi Regional Transportation Authority
Statistical Supplement 5
Passenger Fee Capacity
Fiscal Years 2014 to 2023
(unaudited)

Year	Total Unlinked Trips	Passenger Revenues
2014	5,927,292	$ 1,844,604
2015	5,764,797	1,853,246
2016	5,456,925	1,735,001
2017	5,373,324	1,696,742
2018	5,366,985	1,688,643
2019	5,249,776	1,857,989
2020	2,984,594	1,140,636
2021	2,382,393	986,544
2022	2,814,240	991,329
2023	3,303,048	1,083,894

Corpus Christi Regional Transportation Authority
Statistical Supplement 6
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.

2014	………………	6.70%
2015	………………	6.37%
2016	………………	5.75%
2017	………………	5.50%
2018	………………	4.86%
2019	………………	5.99%
2020	………………	3.40%
2021	………………	3.03%
2022	………………	2.50%
2023	………………	2.63%

Corpus Christi Regional Transportation Authority
Statistical Supplement 7
Ratio of Outstanding Debt
Fiscal Years 2014 to 2023
(unaudited)

Year	Revenue Bonds	Refunding Bonds	Leases Payable	SBITA* Payable	Total Debt	Per Capital Income**	Percent of Personal Income
2014	$21,450,000	$ -	$ -	$ -	$21,450,000	$ 43,959	0.20%
2015	20,915,000	-	-	-	20,915,000	42,963	0.21%
2016	20,375,000	-	-	-	20,375,000	40,762	0.20%
2017	19,820,000	-	-	-	19,820,000	42,766	0.22%
2018	19,245,000	-	-	-	19,245,000	43,618	0.23%
2019	-	20,265,000	-	-	20,265,000	47,023	0.23%
2020	-	19,450,000	89,855	-	19,539,855	48,875	0.25%
2021	-	18,580,000	431,407	-	19,011,407	52,612	0.28%
2022	-	17,690,000	338,738	278,173	18,306,911	54,916	0.30%
2023	-	16,785,000	240,842	941,213	17,967,055	***	***

*SBITA – Subscription Based Information Technology Arrangements
**Source: Bureau of Economic Analysis
CAINC1 Personal Income Summary: Personal Income, Population, Per Capital Personal Income

Metropolitan Statistical Area = Corpus Christi, TX

https://apps.bea.gov/itable/index.cfm

***Not available

Corpus Christi Regional Transportation Authority
Statistical Supplement 8
Revenues Bond Coverage
Fiscal Years 2014 to 2023
(unaudited)

	Pledged	Debt Service Requirements			
Year	Revenues (1)	Principal	Interest	Total	Coverage
2014	2,179,796	575,000	1,033,678	1,608,678	1.36
2015	2,283,647	535,000	1,073,365	1,608,365	1.42
2016	2,400,445	540,000	1,064,246	1,604,246	1.50
2017	2,502,422	555,000	1,048,026	1,603,026	1.56
2018	2,445,905	575,000	1,029,908	1,604,908	1.52
2019	3,217,930	595,000	1,009,770	1,604,770	2.01
2020	1,992,308	815,000	589,915	1,404,915	1.42
2021	2,122,093	870,000	537,631	1,407,631	1.51
2022	1,642,779	890,000	519,483	1,409,483	1.16
2023	1,760,469	905,000	500,890	1,405,980	1.25

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

Corpus Christi Regional Transportation Authority
Statistical Supplement 9
Demographic Statistics
Fiscal Years 2014 to 2023
(unaudited)

Year	Population (1)	Personal Income (in thousands) (1)	Mean Per Capita Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2014	419,964	$18,611,167	$43,959	61,954	5.10%
2015	423,451	18,375,779	42,963	61,563	4.90%
2016	423,993	17,490,070	40,762	61,485	5.60%
2017	422,659	18,327,228	42,766	61,350	5.40%
2018	422,025	18,701,345	43,618	61,075	4.60%
2019	421,457	19,878,240	46,336	60,516	3.90%
2020	421,862	20,676,103	48,060	60,143	8.96%
2021	422,778	22,243,036	52,612	57,333	5.80%
2022	421,628	23,154,024	54,916	55,736	4.70%
2023	Not Available	Not Available	Not Available	56,270	4.30%

(1) Metropolitan Statistical Area = Corpus Christi, TX
Source: US Dept. of Commerce Bureau of Economic Analysis
https://apps.bea.gov/itable/
(2) Nueces County - Source: Nueces County/Texas Education Agency/PEIMS
2023 Nueces County Annual Comprehensive Financial Report
(3) Source: Texas Labor Market Information/Nueces County
Local Area Unemployment Statistics

Corpus Christi Regional Transportation Authority
Statistical Supplement 10
Top Ten Employers by Size of Employment
Fiscal Years 2014 to 2023
(unaudited)

	2023			**2014**		
Business	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Corpus Christi ISD	5,134	1	2.10%	5,178	2	2.13%
Naval Air Station Corpus Christi	5,000	2	2.05%	2,822	6	1.16%
City of Corpus Christi	4,100	3	1.68%	3,171	5	1.30%
H.E.B. Stores & Bakery	3,847	4	1.58%	5,000	4	2.05%
CHRISTUS Spohn Hospital	3,000	5	1.23%	5,144	3	2.11%
Driscoll Children’s Hospital	3,000	6	1.23%	1,800	8	0.74%
Corpus Christi Army Depot	2,900	7	1.19%	5,800	1	2.38%
Kiewit Offshore Services	2,184	8	0.90%	N/A	N/A	N/A
Corpus Christi Medical Center	2,000	9	0.82%	1,300	10	0.53%
Bay Ltd.	1,700	10	0.70%	2,100	7	0.86%
Del Mar College	1,336	11	0.55%	1,542	9	0.63%
Total	34,201		14.03%	33,857		13.91%

Total Employed in the Service Area (1)	243,747	243,432

Source: Corpus Christi Regional Economic Development Corp.
(1) Bureau of Labor Statistics, CAINC4 Personal income and employment by major component, Line 7020

Corpus Christi Regional Transportation Authority
Statistical Supplement 11
Full-Time Equivalent Positions
Fiscal Years 2014 to 2023
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transportation										
Transportation – Directly Operated	160.00	169.00	154.50	145.00	132.50	125.25	118.50	114.50	120.00	121.00
Purchased Transportation	3.00	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	163.00	172.00	156.50	145.00	132.50	125.25	118.50	114.50	120.00	121.00
Maintenance										
Vehicle Maintenance	38.00	41.00	36.00	37.00	33.00	32.00	36.00	35.00	35.00	35.00
Facilities Maintenance	15.00	15.00	12.50	14.50	14.50	16.00	20.00	17.00	19.00	21.00
Materials Management	3.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	56.00	59.00	52.50	54.50	50.50	51.00	59.00	55.00	57.00	59.00
Program Development										
Customer Programs	4.80	4.80	5.50	6.00	6.50	6.00	6.00	6.00	6.00	6.00
Service Development	3.00	3.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Program Management	2.00	2.00	3.00	3.00	1.00	1.00	2.00	2.00	2.00	3.00
Marketing & Communications	3.00	3.00	2.50	3.00	3.00	3.00	3.00	2.00	3.00	4.00
	12.80	12.80	15.00	16.00	14.50	13.00	15.00	14.00	15.00	17.00
General Administrative										
MIS	3.00	3.00	6.00	6.00	6.00	6.00	5.00	5.00	7.00	7.00
Contracts & Grants	5.00	5.00	1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
CEO’s Office	1.00	1.00	2.00	1.00	1.00	3.00	3.00	3.00	3.00	2.00
Finance & Accounting	5.55	5.55	6.55	5.50	6.00	6.00	6.00	6.00	5.00	6.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Administration	5.00	5.00	5.00	6.00	6.00	3.00	3.00	3.00	3.00	2.00
Safety & Security	1.00	2.00	2.50	2.50	2.00	3.00	3.00	3.00	3.00	4.00
Staples Street Center	-	-	3.50	4.00	4.00	3.00	4.00	4.00	4.00	4.00
	23.55	24.55	29.55	31.00	31.00	30.00	30.00	31.00	32.00	32.00
Totals	255.35	268.35	253.55	246.50	228.50	219.25	222.50	214.50	224.00	229.00

*The Authority has about 100 additional contracted staff under various purchased transportation contracts

**Effective 2016, the Authority reported actual FTE positions as of year-end. Prior years reported budgeted positions. This change is in accordance with GASB Statement 44, *Economic Condition Reporting: The Statistical Section-An Amendment of NCGA Statement 1.*

Corpus Christi Regional Transportation Authority
Statistical Supplement 12
Operating Statistics & Assets Utilized
Fiscal Years 2014 to 2023
(unaudited)

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
System Ridership											
Motor Bus	a	5,650,677	5,472,836	5,252,466	5,168,421	5,153,005	4,975,242	2,810,165	2,181,460	2,563,876	3,024,117
Demand Response	b	192,580	198,652	204,459	195,101	197,978	211,103	129,088	136,086	161,260	180,961
Ferry Boat	b	84,035	76,870	-	-	-	-	-	-	-	-
VanPool	c/e	-	16,439	-	9,802	16,002	63,521	45,341	64,847	89,104	97,970
System Hours											
Motor Bus	a	243,732	259,377	269,711	267,036	275,532	272,402	209,207	197,310	202,353	205,839
Demand Response	b	74,236	78,850	81,258	77,501	78,319	81,658	76,954	61,862	67,657	73,171
Ferry Boat	b	750	805	-	-	-	-	-	-	-	-
VanPool	c/e	-	7,686	9,027	3,457	1,935	8,856	8,680	15,037	17,325	18,679
System Miles											
Motor Bus	a	3,053,596	3,414,445	3,546,503	3,864,934	3,721,249	4,223,566	2,905,938	2,772,308	2,864,529	3,255,738
Demand Response	b	1,252,615	1,349,727	1,401,147	1,332,822	1,350,787	1,572,140	1,060,115	952,949	1,091,848	1,386,203
Ferry Boat	b	1,756	1,886	-	-	-	-	-	-	-	-
VanPool	c/e	-	181,220	184,532	75,406	82,942	401,872	487,589	889,049	1,006,399	1,091,955
Vehicles in Service											
Motor Bus	a	75	66	67	92	88	89	89	100	87	88
Demand Response	b	38	28	28	41	36	36	36	54	34	34
Ferry Boat	b	1	1	-	-	-	-	-	-	-	-
VanPool	c/e	3	5	6	5	10	24	22	22	34	34
Use of Capital Funds	d										
Vehicles		$ 651,166	$17,966,141	$ 139,358	$ 8,119,989	$ 244,460	$ 658,196	$ 651,166	$ 9,097,765	$ 274,050	3,140,623
Communications & IT		406,426	196,394	906,221	477,613	59,904	269,015	406,426	149,349	340,339	532,352
Facilities & Station		1,142,874	1,273,498	8,680,069	5,718,703	118,531	292,985	1,142,874	1,348,451	909,248	5,934,678
Other		-	1,159,287	276,415	827,638	795,066	245,905	-	-	3,451,887	5,389,029
Operating Expenses by Mode	d										
Motor Bus	a	$21,324,898	$20,495,063	$24,357,254	$25,939,360	$25,928,435	$26,196,995	$25,799,965	$27,558,408	$33,464,780	35,242,276
Demand Response	b	5,556,262	5,278,853	5,353,867	4,954,285	4,934,149	5,138,058	5,480,345	5,261,121	6,431,421	6,737,303
Ferry Boat	b	626,005	766,082	-	-	-	-	-	-	-	-
VanPool	c/e	-	152,825	163,054	102,522	92,839	238,653	220,016	318,483	433,951	458,541

Source: National Transit Database

Corpus Christi Regional Transportation Authority
Statistical Supplement 12
Operating Statistics & Assets Utilized (continued)
Fiscal Years 2014 to 2023
(unaudited)

Data Element Legend

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 - May not agree with GAAP-basis financial statements due to differences in NTD accounting methodologies

e - Van Pool operations did not meet FTA guidelines from 2012 - 2014 and were not reported on the NTD report, however in 2015 Van Pool operations qualified and are included

Source: National Transit Database

Corpus Christi Regional Transportation Authority
Statistical Supplement 13
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[1]	846
Population in Service Area[1]	338,318
Type of Tax Support	Sales and Use Tax
Sales Tax Rate	0.50%
Base Fare	$0.75
Number of Routes [2]	33
Number of Transfer Stations [2]	4
Number of Bus Stops [2]	1,333

[1] Source: 2023 NTD Report
[2] Historical trend information is not available. See Table 12 for utilization and level of capital investment trends.

2023
Single Audit Section
Annual Comprehensive Financial Report

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
500 North Shoreline Boulevard
Suite 701
Corpus Christi, TX 78401

361.882.3132
361.882.3199 (fax)
CRIadv.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*

To the Board of Directors of the
Corpus Christi Regional Transportation Authority
Corpus Christi, Texas

We have audited, in accordance with the 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 (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 15, 2025.

Report on 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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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 or other matters 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Corpus Christi, Texas
January 15, 2025

CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
500 North Shoreline Boulevard
Suite 701
Corpus Christi, TX 78401

361.882.3132
361.882.3199 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Corpus Christi Regional Transportation Authority
Corpus Christi, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Corpus Christi Regional Transportation Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2023. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, G*overnment Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Corpus Christi, Texas
January 15, 2025

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	No

Federal Awards:

1. Type of auditors' report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	None noted
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs (clusters):	

Assistance Listing Number	Federal Program
	Federal Transit Cluster
20.500	Federal Transit Cluster – Capital Investment Grants (Fixed Guideway Capital Investment Grants)
20.507	Formula Grants (Urbanized Area Formula Program)
20.526	Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

B. FINANCIAL STATEMENT FINDINGS

None noted.

C. FEDERAL AWARD FINDINGS

2023-001 – Internal controls over compliance – Federal Transit Administration Federal Awards

Type of Finding: Significant Deficiency

Assistance Listing Number: 20.500; 20.507

Program Name: Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants); Federal Transit - Formula Funds (Urbanized Area Formula Program)

Pass Through Identifying Number: N/A

Award Year: 2023

Federal Agency: Federal Transportation Administration

FAIN and year: TX04-0114, 2013; TX-18-0074, 2018; TX21-0066, 2021; TX22-0032, 2022; TX-18-0074, 2018; TX21-0038, 2021; TX21-0066, 2021

Criteria: In accordance with 2 CFR.303(a) of the Uniform Guidance, which applies to the Federal Transportation Administration grants, non-Federal entities are required to establish and maintain effective internal controls over federal awards. Specifically, internal controls should be established to ensure the non-federal entity appropriately documents review for suspension and debarment before entering into covered transactions. In addition, 2 CFR 180 Subpart C prohibits participants in Federal awards from entering into covered transactions with suspended or debarred parties.

Condition: The Authority did not frequently review the vendors and did not maintain documentation that the vendors were checked against the sam.gov website for suspension or debarment.

Cause: The Authority did not frequently review the vendors and did not maintain documentation that the vendors were checked against the sam.gov website for suspension or debarment due to oversight by personnel.

Effect: The Authority could potentially enter into transactions with parties that are suspended or debarred.

Questioned Costs: N/A

Recommendation: It is recommended that the client establish controls in order to ensure that vendors are reviewed and documentation is maintained through sam.gov or similar to verify that they are not suspended or debarred.

Views of Responsible Officials: The Procurement department verifies vendors on sam.gov as part of its vendor review process. While there were instances where the Procurement department did not check vendors against the sam.gov website for suspension or debarment, these instances were few and far between.

The Procurement department is committed to maintaining the highest standards of compliance and is confident that these corrective actions will prevent similar issues. See corrective action plan beginning on page 103.

D. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted.

E. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

Corpus Christi Regional Transportation Authority
Schedule of Expenditures of Federal Financial Awards
Year Ended December 31, 2023

Grantor	Assistance Listing Number	Grant Number	Passed through to Subrecipients	Expenditures, Indirect Costs, and Refunds
Department of Transportation				
Federal Transportation Administration (FTA):				
Federal Transit Cluster				
Federal Transit – Capital Investment Grants (Fixed Guideway Capital Investment Grants)	20.500	TX04-0114	$ -	$ 38,542
			-	38,542
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX18-0074	-	16,870
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX19-0052	-	873,791
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX21-0066	-	1,882,552
Covid-19 Federal Transit – Formula Grants (Urbanized Area Formula Program)	20.507	TX22-0032	-	6,251,441
			-	9,063,196
Bus and Bus Facilities & Discretionary Programs (Bus Program)	20.526	TX18-0074	-	190,147
Bus and Bus Facilities & Discretionary Programs (Bus Program)	20.526	TX21-0038	-	4,351,758
Bus and Bus Facilities & Discretionary Programs (Bus Program)	20.526	TX21-0066	-	252,926
			-	4,794,831
Total Federal Transit Cluster				13,858,027
Transit Service Program Cluster				
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX16-0083	31,349	31,349
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX21-0122	52,135	52,135
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX21-0123	252,155	252,155
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX22-0003	52,128	52,128
Total Federal Transit Services Program Cluster			387,767	387,767
Total Department of Transportation			**$ 387,767**	**$ 14,245,794**

See Notes to the Schedule of Expenditures of Federal Awards

Corpus Christi Regional Transportation Authority
Notes to Schedule of Expenditures of Federal Financial Awards Year Ended December 31, 2023

(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 and Other Grant Assistance	$	1,157,295
Less: State & Local Grants		-
Capital Grants & Donations		13,088,499
Total Federal Grants	$	14,245,794

(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.

(5) Indirect Costs

The Authority has not elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

(6) Noncash Assistance

The Authority has not received any noncash assistance for the fiscal year ended December 31, 2023.

(7) Loan and Loan Guarantees

The Authority has not received any loan or loan guarantees for the fiscal year ended December 31, 2023.

(8) Federally Funded Insurance

The Authority has not received any federally funded insurance for the fiscal year ended December 31, 2023.

(9) Contingencies

Grant monies received and disbursed by the Authority are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Authority does not believe that such disallowance, if any, would have a material effect on the financial position of the Authority.

(10) Sub recipients

During the year ended December 31, 2023, the Authority expended $387,767 to subrecipients.

(11) Federal Pass-Through Funds

The Authority was not the subrecipient of any federal funds for the year ended December 31, 2023.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
602 N. Staples St.
Corpus Christi, TX 78401
361-289-2712
ccrta.org

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended December 31, 2023

Finding:

Name of Contact Person: Christina Perez, Director of Procurement

Corrective Action: The Procurement department will implement the following corrective actions to address the identified deficiency:

- Policy Review and Enhancement:
  - The Procurement department will reiterate and emphasize the existing requirement in its procurement policy for mandatory checks on all vendors against the sam.gov website for suspension or debarment before entering into any transactions.
  - The Procurement department will reiterate the procedures for documenting sam.gov checks within its procurement policy, ensuring that staff retains records and can readily retrieve them for audit purposes.

- Training and Communication:
  - The Procurement department will conduct mandatory training for all personnel involved in vendor selection and contract management to reiterate the importance of sam.gov checks and proper documentation as required by its procurement policy.
  - The Procurement department will develop and disseminate communication materials (e.g. memos, checklists) to reiterate the existing policy and procedures.

- Process Improvement:
  - The Procurement department will implement a secondary review process for vendor documentation to ensure that staff performs all the necessary checks and documents them before any contract is finalized.

- Monitoring and Review:
  - The Procurement department will establish a periodic monitoring process to ensure that staff consistently follows existing policies and procedures regarding vendor checks.

Proposed Completion Date: **January 8, 2025**

Anticipated Completion Date: **January 8, 2025**


CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY
ccrta.org
CCRTA