RTA Employees Defined Benefit Plan and Trust

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Corpus Christi Regional Transportation Authority
Employees Defined Benefit Plan and Trust
Corpus Christi, Texas

Opinion

We have audited the accompanying financial statements of the RTA Employees Defined Benefit Plan and Trust (the Plan), which comprise the statements of fiduciary net position as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively compromise the Plan'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 financial position of the Plan as of December 31, 2023 and 2022, and the respective changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 opinion. 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 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, 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 Plan'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 Plan'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 and required supplementary information, as listed in the table of contents, 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.

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

Corpus Christi, Texas
August 16, 2024

The Management's Discussion and Analysis ("MDA") on the financial performance of RTA Employees Defined Benefit Plan and Trust (the "Plan") provides an overview of the Plan's financial activities for the fiscal year ended December 31, 2023. Please read this section in conjunction with the financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

The following highlights are explained in greater detail later in this discussion.

Financial Highlights for the Year Ended December 31, 2023

- The fiduciary net position held in trust for the Plan increased by $5,080,184 during the 2023 fiscal year and totaled $47,617,627 as of December 31, 2023.
- Retirement benefits paid during 2023 increased $166,539 to total $2,581,633.
- Total Contributions to the Plan increased $570,464 during 2023 to total $1,952,572.
- Net appreciation in the fair market value of investments totaled $5,472,576 representing an increase in the fair market value of investments during 2023 while in the prior year a depreciation in the fair market value of investments of $7,739,812 was experienced which represented a decrease in the fair market value of investments.
- Administrative expenses increased $3,085 to total $128,262.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Plan's basic financial statements include the following:

1. Statements of fiduciary net position,
2. Statements of changes in fiduciary net position, and
3. Notes to the financial statements.

The statement of fiduciary net position reports the Plan's assets, liabilities, and resultant net position restricted for pension benefits. It discloses the financial position of the Plan as of December 31, 2023.

The statement of changes in fiduciary net position reports the results of the Plan's operations during the year disclosing the additions to and deductions from the net position. It supports the change that has occurred to the prior year's net position value on the statements of fiduciary net position.

The notes to the financial statements provide additional information and insight that are essential to gaining a full understanding of the data provided in the statements of fiduciary net position and statements of changes in the fiduciary net position. The notes to the financial statements are followed by required supplementary information that further explains and supports the information within the financial statements.

For 2024, the recommended employer contribution is 17.13% of total annual payroll, 1.64% more than the 2023 recommended contribution of 15.49%.

FINANCIAL ANALYSIS

The fiduciary net position held in trust for the Plan increased by $5,080,184 during the 2023 fiscal year and totaled $47,617,627 as of December 31, 2023. The increase is attributed primarily to the $5,472,576 of net appreciation in the fair value of plan investments in 2023. The remaining change in net position is due to benefit payments of $2,581,633 and administrative expenses of $128,262 that were partially offset by employer contributions of $1,952,572 and interest and dividend income of $348,651.

Condensed Financial Information

	December			Change	
	2023	2022	2021	2023-2022	2022-2021
Assets					
Investments at fair value	$ 47,614,958	$ 42,543,130	$ 51,096,163	$ 5,071,828	$ (8,553,033)
Accrued interest receivable	19,538	9,844	-	9,694	9,844
Total Plan Assets	47,634,496	42,552,974	51,096,163	5,081,522	(8,543,189)
Liabilities	16,869	15,531	-	1,338	15,531
Net position restricted for pension benefits	$ 47,617,627	$ 42,537,443	$ 51,096,163	$ 5,080,184	$ (8,558,720)

	Year Ended December			Change	
	2023	2022	2021	2023-2022	2022-2021
Additions					
Total investment income	$ 5,837,507	$ 339,255	$ 5,597,624	$ 5,498,252	$ (5,258,369)
Employer contributions	1,952,572	1,382,108	1,382,108	570,464	-
Total additions	7,790,079	1,721,363	6,979,732	6,068,716	(5,258,369)
Deductions					
Net investment loss	-	7,739,812	-	(7,739,812)	7,739,812
Benefits paid to participants	2,581,633	2,415,094	2,292,357	166,539	122,737
Administrative expenses	128,262	125,177	145,369	3,085	(20,192)
Total deductions	2,709,895	10,280,083	2,437,726	(7,570,188)	7,842,357
Net increase (decrease) in fiduciary net position	$ 5,080,184	$ (8,558,720)	$ 4,542,006	$ 13,638,904	$ (13,100,726)

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to Corpus Christi Regional Transportation Authority, Finance Department, 602 N. Staples St., Corpus Christi, Texas 78401, (361) 883-2287. In addition, this Employee Defined Benefit Plan and Trust Financial Report for 2023 will be posted on the Authority's website: www.ccrta.org under the category "Financial Transparency" – Pension Information.

FINANCIAL STATEMENTS

December 31,		**2023**		2022
Assets				
Investments at fair value				
Money market fund	**$**	**677,675**	$	855,918
Mutual funds		**9,753,290**		8,497,997
Pooled, common, and collective funds		**37,183,993**		33,189,215
Total investments at fair value		**47,614,958**		42,543,130
Receivables				
Accrued interest		**19,538**		9,844
Total assets		**47,634,496**		42,552,974
Liabilities				
Due to broker for securities purchased		**16,869**		15,531
Fiduciary net position				
Net position - restricted for pension benefits		**47,617,627**		42,537,443
Total liabilities and net position - restricted for pension benefits	**$**	**47,634,496**	$	42,552,974

RTA Employees Defined Benefit Plan and Trust
Statements of Changes in Fiduciary Net Position

For the years ended December 31,	**2023**	2022
Additions		
Investment income		
Net appreciation in value of investments	**$ 5,472,576**	$ -
Interest	**41,058**	9,815
Dividends	**307,593**	312,379
Mutual/common trust fund earnings	**16,280**	17,061
Total investment income	**5,837,507**	339,255
Contributions		
Employer	**1,952,572**	1,382,108
Total additions	**7,790,079**	1,721,363
Deductions		
Net depreciation in value of investments	**-**	7,739,812
Benefits paid to participants	**2,581,633**	2,415,094
Administrative expenses	**128,262**	125,177
Total deductions	**2,709,895**	10,280,083
Net increase (decrease)	**5,080,184**	(8,558,720)
Fiduciary net position		
Beginning of year	**42,537,443**	51,096,163
End of year	**$ 47,617,627**	$ 42,537,443

The accompanying notes are an integral part of these financial statements.

Note 1: DESCRIPTION OF THE PLAN

The following description of the RTA Employees Defined Benefit Plan and Trust (the Plan) provides only general information. Refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a single-employer defined benefit pension plan administered by the Corpus Christi Regional Transportation Authority (the Authority) and established upon the applicable sections of the Internal Revenue Code. The Authority Board may periodically amend the 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, and January 2015.

Plan assets are held and managed by Principal Financial Group, the trustee or custodian and the qualified institution for the Plan, which invests contributions and Plan earnings, makes investment transactions as directed by the Authority Board and provides certain recordkeeping services. The Trustee carries out an investment policy established by the Authority Board consistent with purposes of the Plan and all applicable laws. The Plan has engaged third parties to provide actuarial services, consulting services, investment services and to assist with certain administrative functions of the Plan.

Eligibility Requirements

All employees shall be eligible to participate in the Plan on the date of the commencement of a full-time employment or re-employment. For purposes of this section, a full-time employee shall be defined as an employee who receives compensation from the employer on the basis on an average of at least 40 hours of employment per week. Once an employee has become a participant, he will continue to be a participant as long as he continues to be an employee without a break in service and thereafter as long as he or his beneficiary retains any right to benefits under the Plan.

Funding Policy

The employer shall establish a funding policy and method consistent with the Plan objectives in order that the long-range and short-range financial needs of the Plan may be determined and communicated to the Board.

Contributions

The Authority shall contribute to the fund from time-to-time amounts based upon the recommendations of the Plan's actuary, in order to fund the costs of the Plan on an acceptable basis. All employer contributions when made to fund and all property and funds of the fund, including income from investments and from all other sources, shall be retained for the exclusive benefit of participants and their beneficiaries, and shall be used to pay retirement income provided hereunder or to pay expenses of administration of the Plan and the fund.

During the years ended December 31, 2023 and 2022, the Authority made contributions of $1,952,572 and $1,382,108, respectively.

No contributions shall be required of or permitted by any participants under this plan.

Note 1: DESCRIPTION OF THE PLAN (CONTINUED)

Participant Accounts

Each employee will automatically become a participant upon meeting eligibility requirements. Once an employee has become a participant, the employee will continue to be a participant throughout their employment, without a break in service, and thereafter as long as the employee or the employee beneficiary retains any right to benefits under the Plan.

Vesting

Vesting begins at three years of service with full vesting at seven years. Employees who retire on or after age 62 are entitled to an annual retirement benefit equal to 2% of their final average compensation multiplied by their number of years of service for the Authority. Reduced retirement benefits are available at age 55 with ten years of service. In January 2015, the Plan was amended to allow those eligible for early retirement during a specific window without incurring the normal reduction in benefits. The Plan is not indexed for inflation. As of December 31, 2023 and 2022, there were 662 and 639 participants in the Plan, respectively, as follows:

	2023	2022
Active employees	**232**	218
Deferred vested	**189**	195
Retired and beneficiary	**241**	226
Total participants	**662**	639

Benefits

Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administration costs are paid by the Plan.

Pension Benefits

Plan participants are eligible for their pension benefit after terminating employment with vested rights. Participants are eligible for normal retirement on his normal retirement date (first day of the calendar month immediately following the date he attains age 62). A participant who has both attained his 55th birthday and has completed at least ten (10) years of service may retire at any time by giving at least 120 days prior written notice to the employer, but at a benefit reduced by 5% for each year preceding his normal retirement date. Participants should refer to the Plan Document for a more complete description of the Plan reduction factors. Normal retirement benefits shall be an amount equal to 2% of his final average compensation multiplied by his years of service (converted to a monthly retirement benefit by dividing by twelve).

Death and Disability Benefits

If the employment of a participant is terminated by reason of his death prior to the completion of three (3) years of service, no death benefits shall be payable under the Plan. If the employment of a participant is terminated by reason of his death, while in the employment of the Authority after the completion of three (3) years of service or after having terminated with at least three (3) years of service, then a death benefit shall be payable to the participant's surviving spouse equal to the "Pre-retirement Survivor Annuity".

Note 1: DESCRIPTION OF THE PLAN (CONTINUED)

Death and Disability Benefits (Continued)

The “Pre-retirement Survivor’s Annuity” means a survivor annuity for the life of the deceased participant’s spouse which provides payments to the surviving spouse that are equal to the amounts that would have been paid to the surviving spouse (details provided in Plan Document). If the participant does not have a surviving spouse, no death benefits shall be payable.

Employees determined to be disabled under terms of the Authority’s long-term disability program as of June 1, 1999 shall be entitled to benefits under this Plan to the extent the Plan provisions in place on June 1, 1999 provided for such benefits.

Plan Termination

The Authority has the right under the Plan to discontinue its contributions at any time and to terminate the Plan.

Tax Qualifications

The Plan is a tax qualified plan under IRS Code Section 401(a).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). 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.

Use of Estimates

The preparation U.S GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The assets of the Plan are invested in various fixed income, equity and short-term money market funds managed by a trustee. The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Plan. Investments are reported at their fair market value as determined by the trustee. Investments in mutual funds are valued based on most recent quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis as earned. Dividends are recorded on the ex-dividend date. Fair value changes are recorded as investment income or loss.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

Net appreciation (depreciation) in the fair value of investments includes realized gains or losses and unrealized appreciation or depreciation on investments bought and sold as well as held during the year. Gains and losses on the sale of investments in registered investment company funds are computed using the weighted average cost method.

The Plan's investments are stated at market value, unless otherwise indicated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for further information and related disclosures regarding the Plan's investments.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

The employer may pay all expenses incurred in the administration of the Plan, including expenses and fees of the Trustee, but it shall not be obligated to do so; except that any such expenses and fees not paid by the employer shall be paid from the Plan. All expenses not paid by the employer and all other proper charges and disbursements of the Trustee, including taxes of any kind which may be levied or assessed under existing or future laws upon or in respect to the Fund or the Trust created hereby, shall be paid by the Trustee out of, and shall constitute a first charge upon, the Fund. In addition, certain investment related expenses are included in the net appreciation of fair value of investments presented in the accompanying Statements of Changes in Fiduciary Net Position.

Risk and Uncertainties

The Plan invests in various types of investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the Plan's financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 16, 2024, and determined there were no events that occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: CHANGES OF ASSUMPTIONS

During the year ended December 31, 2023, the assumed interest (or discount) rate was decreased from 7.00% to 6.75% per annum. During the year ended December 31, 2022, the assumed interest (or discount) rate was decreased from 7.10% to 7.00% per annum. During the years ended December 31, 2023 and 2022, there were no changes in the mortality basis or mortality rates.

Note 4: INVESTMENTS

Investments at December 31, 2023 and 2022 consist of the following mutual funds, which are stated at fair value:

		2023		2022
Money market fund:				
Principal Blackrock Short Term Investment Fund A S1	**$**	**677,675**	$	855,918
Total money market fund		**677,675**		855,918
Mutual funds:				
Fixed Income:				
Metropolitan West Total Return Bond Fund Class I	**$**	**4,510,985**	$	3,994,751
Total fixed income		**4,510,985**		3,994,751
International equity:				
Acadian Emerging Markets Portfolio Class I		**717,108**		657,584
Europacific Growth Fund Class R6		**1,411,399**		1,085,764
Invesco Oppenheimer Developing Markets Fund Class R6		**718,298**		645,768
Total international equity		**2,846,805**		2,389,116
Commodity:				
Alps/Corecommodity Management Complete Commodities Strategy Fund Class I		**1,187,237**		1,037,824
Total commodity		**1,187,237**		1,037,824
Real Estate:				
Fidelity Real Estate Index Fund Class INS		**1,208,263**		1,076,306
Total real estate		**1,208,263**		1,076,306
Total mutual funds	**$**	**9,753,290**	$	8,497,997

(Continued)

Note 4: INVESTMENTS (CONTINUED)

		2023		2022
Collective investment funds:				
Domestic equity:				
Principal Multi-Manager Small Cap CI CIT N	**$**	**2,518,727**	$	2,139,461
Principal Blackrock International Equity Index CIT N		**2,892,832**		2,152,544
Principal Blackrock S&P Midcap Index CIT N		**4,771,147**		4,304,076
Principal Blackrock S&P 500 Index CIT N		**6,185,592**		5,536,584
Principal MFS Value CIT N		**1,419,929**		1,730,447
Principal T Rowe Price Institutional Equity Income Managed CIT N		**1,460,559**		1,726,927
Principal T Rowe Price Institutional Large-Cap Growth Managed C CIT N		**1,458,328**		1,260,908
Principal Alliance Bernstein Large Cap Growth CIT N		**1,457,206**		1,255,606
Total domestic equity		**22,164,320**		20,106,553
Fixed income:				
Allspring Core Bond CIT N		**4,498,018**		3,997,097
Principal Dodge & Cox Intermediate Bond CIT N		**4,519,679**		4,005,449
Principal Federated Total Return Bond CIT N		**4,536,240**		4,002,663
Total fixed income		**13,553,937**		12,005,209
International equity:				
Principal Causeway International Value CIT N		**1,465,736**		1,077,453
Total collective investment funds		**37,183,993**		33,189,215
Total investments	**$**	**47,614,958**	$	42,543,130

Fair Value Measurements

GASB 72, Fair Value Measurements and Application, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Note 4: INVESTMENTS (CONTINUED)

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2023 and 2022.

Money Market Fund: Value is stated at cost, which approximates fair value.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan Administrator believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4: INVESTMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2023:

Description	**Quoted Prices in Active Markets for Identical Assets Level 1**	**Significant Other Observable Inputs Level 2**	**Total**
December 31, 2023			
Mutual funds	**$ 9,753,290**	**$ -**	**$ 9,753,290**
Pooled, common, and collective funds	**-**	**37,183,993**	**37,183,993**
Total investments at fair value	**$ 9,753,290**	**$ 37,183,993**	**$ 46,937,283**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022:

Description	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Total
December 31, 2022			
Mutual funds	$ 8,497,997	$ -	$ 8,497,997
Pooled, common, and collective funds	-	33,189,215	33,189,215
Total investments at fair value	$ 8,497,997	$ 33,189,215	$ 41,687,212

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As market interest rated rise, the fair value of an investment held decreases. The Plan's current Investment Policy does not specifically address interest rate risk. The Plan does, however, monitor exposure using the "Segmented Time Distribution" method.

The following is a list of fixed income investments and related maturity schedule (in years) as of December 31, 2023 and 2022. The Maturity schedule is based on the average maturity of the fund as noted by the fund manager.

Note 4: INVESTMENTS (CONTINUED)

Investment Type	Fair Value	Less than 1 year	1-5 years	5-10 years	10 + years
December 31, 2023					
Collective Investment Funds:					
Fixed Income					
Allspring Core Bond CIT N	**$ 4,498,018**	**$ 15,991**	**$ 988,619**	**$ 689,366**	**$ 2,804,042**
Principal Dodge & Cox Intermediate Bond Fund CIT N	**4,519,679**	**104,449**	**629,953**	**455,855**	**3,329,422**
Principal Federated Total Return Bond Fund CIT N	**4,536,240**	**1,327,222**	**783,318**	**724,438**	**1,701,262**
Total	**$13,553,937**	**$ 1,447,662**	**$ 2,401,890**	**$ 1,869,659**	**$ 7,834,726**
December 31, 2022					
Collective Investment Funds:					
Fixed Income					
Allspring Core Bond CIT N	$ 3,997,097	$ 17,987	$ 999,275	$ 636,738	$ 2,343,097
Principal Dodge & Cox Intermediate Bond Fund CIT N	4,005,449	34,447	547,945	539,133	2,883,924
Principal Federated Total Return Bond Fund CIT N	4,002,663	469,913	913,808	1,025,082	1,593,860
Total	$12,005,209	$ 522,347	$ 2,461,028	$ 2,200,953	$ 6,820,881

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan's investment policy addresses general provisions relating to common stocks where limits are established on percentage of investing in a particular stock. The policy also stresses high quality and reasonable diversification of fixed income investments with portfolio holdings concentrated in securities rated A or better, limiting 10% of holdings invested in issues rated below BBB, only with management approval.

Custodial Credit Risk

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by counterparty, or counterparty's trust department or agent but not in the government's name. This is the risk that in the event of bank or investment failure, the Plan's deposits or investments may not be returned. The Plan's investment policy does not specifically address custodial credit risk; however, all of Defined Benefits' deposits and investments are in the name of the Plan and Trust. As of December 31, 2023 and 2022, the Plan's deposits or investments exposed to custodial credit risk are minimal.

Concentration of Credit Risk

This is the risk of investing predominately in any one type of investment or entity. The Plan recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio.

Note 4: INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The Plan's adopted investment policy established 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. Per the policy, no equity holding may exceed 5% of the outstanding voting shares of the issuing corporation. Likewise, regarding fixed income investments, not more than 5% of the market value of the total portfolio may be invested in the debt securities of any one company. As of December 31, 2023 and 2022, there were no exceptions to these policy limits.

The following is the Plan's adopted asset allocation ranges as of December 31, 2023:

	Target %	Maximum %	Minimum %	Benchmark
Cash	1%	3%	0%	Treasury Bill Equivalent
Equities	61%	70%	50%	S & P 500
Fixed Income	38%	50%	27%	Barclays Capital Aggregate

Rate of Return

The portfolio is expected to produce a compounded annual absolute return over a market cycle of at least 6.75%. For the year ended December 31, 2023 and 2022, the annual dollar-weighted rate of return (loss) on the Plan's investments, net of pension plan investment expense, was 13.57 and (14.50) percent, respectively. The dollar-weighted rate of return demonstrates that the present value of future cash flows plus the final market value of investments equal the current market price of investment.

The Plan's fixed income investments are rated based on the average quality of the fixed income investments as noted below:

	Allspring Core Bond CIT N	Principal Dodge & Cox Intermediate Bond CIT N	Principal Federated Total Return Bond CIT N	Total
December 31, 2023				
AAA	**$ 441,300**	**$ 2,510,882**	**$ 1,500,687**	**$ 4,452,869**
AA	**3,102,144**	**190,260**	**1,447,569**	**4,739,973**
A	**420,157**	**499,826**	**407,389**	**1,327,372**
BBB	**525,421**	**948,586**	**722,399**	**2,196,406**
BB and Below	**5,398**	**281,548**	**263,741**	**550,687**
Other	**3,598**	**88,577**	**194,455**	**286,630**
Total fixed income	**$ 4,498,018**	**$ 4,519,679**	**$ 4,536,240**	**$ 13,553,937**

Note 4: INVESTMENTS (CONTINUED)

	Allspring Core Bond CIT N	Principal Dodge & Cox Intermediate Bond CIT N	Principal Federated Total Return Bond CIT N	Total
December 31, 2022				
AAA	$ 2,998,622	$ 1,947,049	$ 2,694,593	$ 7,640,264
AA	69,949	138,188	59,239	267,376
A	455,269	263,559	283,389	1,002,217
BBB	461,665	1,142,354	523,148	2,127,167
BB and Below	11,592	459,425	276,984	748,001
Other	-	54,874	165,310	220,184
Total fixed income	$ 3,997,097	$4,005,449	$ 4,002,663	$ 12,005,209

Note 5: NET PENSION LIABILITY

The Net Pension Liability is measured as the Total Pension Liability, less the amount of the Plan's Fiduciary Net Position. In actuarial terms, this will be the accrued liability less the market value of assets. The components of the Plan's Net Pension Liability as of December 31, 2023 and 2022 are as follows:

As of December 31,	**2023**	2022
Total pension liability	**$ 59,043,802**	$ 53,564,918
Plan fiduciary net position	**47,617,627**	42,537,443
Net pension liability	**$ 11,426,175**	$ 11,027,475
Plan fiduciary net position as a percentage of the total pension liability	**80.65%**	79.41%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Entry age normal
Inflation	2.25% per annum, compounded annually
Salary increases	3.50% per annum, compounded annually
Mortality	RP-2014 Blue Collar Generational Mortality table adjusted to 2006 and projected using Scale MP-2021

Note 5: NET PENSION LIABILITY (CONTINUED)

Long-Term Expected Rate of Plan Returns

The long-term expected rate of return on Plan investments was determined considering historical performance and using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity - Large Cap	20%	5.55%
Domestic Equity - Mid Cap	10%	6.45%
Domestic Equity - Small Cap	10%	6.95%
International Equity	15%	5.85%
Fixed Income	38%	2.15%
Domestic Real Estate	2.5%	8.45%
Commodities	2.5%	4.75%
Cash	2%	1.35%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. Pursuant to Paragraph 43 of GASB No. 67, an alternative analysis was performed to compare the Plan’s net fiduciary position to projected benefit payments.

1. The normal cost represents the annual cost of providing an additional year of pension benefits for active participants.
2. 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.
3. The Authority’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 amortization payment is calculated as a level dollar amount over a period of 15 years from January 1, 2009.
4. A review of actual contributions over the past five years shows that the Authority 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%.

Note 5: NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	$ 18,445,638	$ 11,426,175	$ 5,560,278

Note 6: PLAN TERMINATION

Although it has not expressed any intention to do so, the Authority expressly reserves the right under the Plan to terminate or partially terminate the Plan and its contributions thereunder at any time subject to the provisions set forth in section 7 of the Plan and by giving written notice of such termination or discontinuation of its contribution to the Trustee. In the event the Plan terminates, or partially terminates, the present value of the benefits shall be determined as of the Plan termination date and the assets of the Trust Fund shall be allocated to the extent they shall be sufficient, after providing for expenses and administration, in the following order:

1. First
    a. To benefits which are being paid as of three years prior to the date of termination of the Plan, with the amount to be allocated to such benefit, based on the provisions of the Plan in effect during the five-year period immediately preceding the date of termination under which such benefit would be least.
    b. To benefits which would have been paid as of three years prior to the date of termination (i) if the Participant had retired prior to the three-year period and (ii) if his benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such three-year period, with the amount to be allocated to each such benefit determined under the provisions of the Plan in effect during the five-year period preceding the date of termination under which the benefit would be the least.
2. Second, to all other vested Accrued Benefits as determined under Section 3.05.
3. Third, to all other Accrued Benefits attributable to non-vested participants.

For purposes of 1.b.i above, the lowest benefit in pay status during a three-year period shall be considered the benefit in pay status for such period.

If the assets available for allocation to any class specified above are insufficient to satisfy in full the benefits of all individuals within that class, the assets shall be allocated pro-rata among such individuals on the basis of present value (as of the termination date) of their respective benefits.

Note 7: TAX STATUS

On April 27, 2017 the Internal Revenue Service (IRS) issued a favorable determination letter stating that the Plan was in compliance with Section 1.401-1(b)(3) of the Code of Federal Regulations.

REQUIRED SUPPLEMENTARY INFORMATION

RTA Employees Defined Benefit Plan and Trust
Schedule of Net Pension Liability
Last 10 Years

For the year ended December 31,	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability (Asset)	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability (Asset) as a % of Covered Payroll
2023	$ 59,043,802	$ 47,617,627	$ 11,426,175	80.65%	$ 13,534,620	84.4%
2022	53,564,918	42,537,443	11,027,475	79.41%	12,603,883	87.5%
2021	50,154,625	51,096,163	(941,538)	101.88%	11,696,475	-8.0%
2020	47,287,748	46,554,157	733,591	98.45%	10,975,562	6.7%
2019	44,625,498	42,170,049	2,455,449	94.50%	10,668,048	23.0%
2018	40,368,821	33,900,179	6,468,642	83.98%	10,677,430	60.6%
2017	37,068,737	36,440,324	628,413	98.30%	9,773,977	6.4%
2016	34,965,814	32,583,077	2,382,737	93.19%	9,178,411	26.0%
2015	33,530,370	30,210,461	3,319,909	90.10%	8,818,232	37.6%
2014	31,894,909	31,162,434	732,475	97.70%	7,274,172	10.1%

See Notes to Required Supplementary Information.

RTA Employees Defined Benefit Plan and Trust
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

For the year ended December 31,	**2023**	2022	2021	2020	2019	2018*	2017	2016	2015	2014
Total Pension Liability										
Service cost	**$ 1,108,344**	$ 988,099	$ 990,244	$ 926,286	$ 879,904	$ 1,066,449	$ 980,740	$ 941,470	$ 876,806	$ 695,517
Interest on total pension liability	**3,738,299**	3,546,868	3,404,718	3,257,661	2,987,293	2,780,193	2,620,680	2,521,413	2,396,547	2,254,495
Changes in benefit terms	**-**	-	-	-	-	313,503	-	-	115,478	391,915
Changes between expected and actual experience	**1,649,414**	726,557	162,958	336,157	1,943,344	(241,238)	335,013	(465,534)	(260,046)	784,295
Changes of assumptions	**1,564,460**	563,863	601,314	361,060	373,385	1,189,575	-	-	-	-
Benefit payments, including refunds of employee contributions	**(2,581,633)**	(2,415,094)	(2,292,357)	(2,218,914)	(1,927,249)	(1,808,898)	(1,833,510)	(1,561,905)	(1,493,324)	(1,248,266)
Net change in total pension liability	**5,478,884**	3,410,293	2,866,877	2,662,250	4,256,677	3,299,584	2,102,923	1,435,444	1,635,461	2,877,956
Total pension liability, beginning	**53,564,918**	50,154,625	47,287,748	44,625,498	40,368,821	37,069,237	34,965,814	33,530,370	31,894,909	29,016,953
Total pension liability, ending (a)	**$ 59,043,802**	$ 53,564,918	$ 50,154,625	$ 47,287,748	$ 44,625,498	$ 40,368,821	$ 37,068,737	$ 34,965,814	$ 33,530,370	$ 31,894,909
Plan Fiduciary Net Position										
Contributions - employer	**$ 1,952,572**	$ 1,382,108	$ 1,382,108	$ 1,227,724	$ 3,691,087	$ 1,425,533	$ 1,383,969	$ 1,503,736	$ 985,175	$ 1,178,498
Investment income net of investment expenses	**5,837,507**	(7,400,557)	5,597,624	5,498,173	6,617,918	(2,046,180)	4,409,016	2,523,595	(348,950)	1,706,547
Benefit payments, including refunds of	**(2,581,633)**	(2,415,094)	(2,292,357)	(2,218,914)	(1,927,249)	(1,808,898)	(1,833,510)	(1,561,905)	(1,493,324)	(1,248,266)
Administrative expenses	**(128,262)**	(125,177)	(145,369)	(122,875)	(111,886)	(110,600)	(102,228)	(92,810)	(94,874)	(91,465)
Net change in plan fiduciary net position	**5,080,184**	(8,558,720)	4,542,006	4,384,108	8,269,870	(2,540,145)	3,857,247	2,372,616	(951,973)	1,545,314
Plan fiduciary net position, beginning	**42,537,443**	51,096,163	46,554,157	42,170,049	33,900,179	36,440,324	32,583,077	30,210,461	31,162,434	29,617,120
Plan fiduciary net position, ending (b)	**$ 47,617,627**	$ 42,537,443	$ 51,096,163	$ 46,554,157	$ 42,170,049	$ 33,900,179	$ 36,440,324	$ 32,583,077	$ 30,210,461	$ 31,162,434
Net pension (asset) liability, ending = (a) - (b)	**$ 11,426,175**	$ 11,027,475	$ (941,538)	$ 733,591	$ 2,455,449	$ 6,468,642	$ 628,413	$ 2,382,737	$ 3,319,909	$ 732,475
Plan fiduciary net position as a % of total	**80.65%**	79.41%	101.88%	98.45%	94.50%	83.98%	98.30%	93.19%	90.10%	97.70%
Covered payroll	**$ 13,534,620**	$ 12,603,883	$ 11,696,475	$ 10,975,562	$ 10,668,048	$ 10,677,430	$ 9,773,977	$ 9,178,411	$ 8,818,232	$ 7,274,172
Net pension (asset) liability as a % of covered payroll	**84.42%**	87.49%	-8.05%	6.68%	23.02%	60.58%	6.43%	25.96%	37.65%	10.07%

Note to Schedule:

*Multiple valuations were performed in 2018. The December 31, 2017 valuation was necessary to roll forward the valuation to December 31, 2018, but was not utilized in the financial statements.

See Notes to Required Supplementary Information.

RTA Employees Defined Benefit Plan and Trust
Schedule of Contributions
Last 10 Years

Year Ended December 31	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	**$ 1,952,572**	**$ 1,952,572**	**$ -**	**$ 13,534,620**	**14.4%**
2022	1,330,108	1,382,108	(52,000)	12,603,883	11.0%
2021	1,382,108	1,382,108	-	11,696,475	11.8%
2020	1,306,947	1,227,724	79,223	10,975,562	11.2%
2019	1,227,724	3,691,087	(2,463,363)	10,668,048	34.6%
2018	1,191,087	1,425,533	(234,446)	10,677,430	13.4%
2017	1,399,307	1,383,969	15,338	9,773,977	14.2%
2016	1,468,804	1,503,736	(34,932)	9,178,411	16.4%
2015	983,696	985,175	(1,479)	8,818,232	11.2%
2014	695,517	1,178,498	(482,981)	7,274,172	16.2%

See Notes to Required Supplementary Information.

RTA Employees Defined Benefit Plan and Trust
Schedule of Investment Returns
Last 10 Years

Year Ended December 31	Net Money-Weighted Rate of Return
2023	**13.57%**
2022	-14.51%
2021	12.02%
2020	13.07%
2019	18.98%
2018	-5.40%
2017	13.12%
2016	8.01%
2015	-1.42%
2014	5.07%

See Notes to Required Supplementary Information.

Factors that significantly affect trends in amounts reported

For the periods presented, there were no changes of benefit terms or changes in the size or composition of the population covered by the benefit terms which significantly affect trends in the amounts reported. The primary assumption change was the lowering of the single discount rate from 7.00% to 6.75%. For the years ended December 31, 2023 and 2022 there were no other changes in assumptions.

Method and assumptions used in calculations of actuarially determined contributions

The following actuarially determined methods and assumptions were used to determine contribution rates reported for the year ended December 31, 2023:

Age	Retirement Rates
55-61	20%
62	35%
63-64	15%
65	25%
66-67	20%
68-69	50%
70	100%