CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

AGENDA MEETING NOTICE

Board of Directors Meeting

DATE: **Wednesday, February 5, 2025**
TIME: **8:30 a.m.**
LOCATION: **Staples Street Center – 2ND *Floor Boardroom, 602 North Staples St., Corpus Christi, TX***

BOARD OF DIRECTORS OFFICERS
Arthur Granado, Chair
Anna Jimenez, Vice Chair
Lynn Allison, Board Secretary/ Legislative Chair

BOARD OF DIRECTORS MEMBERS
Beatriz Charo, Administration & Finance Chair
Armando Gonzalez, Rural & Small Cities Chair
Aaron Muñoz, Operations & Capital Projects Chair
David Berlanga Gabi Canales Jeremy Coleman
Eloy Salazar Amanda Torres

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	**Pledge of Allegiance**	A. Granado/ U.S. Veteran, TBD	1 min.	-----
2.	**Safety Briefing**	M. Rendón	3 min.	-----
3.	**Roll Call and Establish Quorum**	M. Montiel	1 min.	-----
4.	**Confirm** Posting of Meeting's Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551	A. Granado	1 min.	-----
5.	**Public Notice on Executive Session**	A. Granado	1 min.	-----
	Public Notice is given that the Board may elect to go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code. In the event the Board elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the presiding officer			
6.	**Receipt of Conflict of Interest Affidavits**	A. Granado	1 min.	-----
7.	**Opportunity for Public Comment** **3 min. limit – no discussion**	A. Granado	3 min.	-----
	Public Comment may be provided in writing, limited to 1,000 characters, by using the Public Comment Form online at www.ccrta.org/news-opportunities/agenda or by regular mail or hand-delivery to the CCRTA at 602 N. Staples St., Corpus Christi, TX 78401, and MUST be submitted no later than 5 minutes after the start of a meeting in order to be provided for consideration and review at the meeting. All Public Comments submitted shall be placed into the record of the meeting.			
8.	**Awards and Recognition** – a) New Hires b) Retiree c) Security Officer of the Year d) Safety Guard of the Year	D. Majchszak	7 min.	-----
9.	**Discussion** (In CLOSED SESSION) and Possible Action Thereafter in Open Session Concerning: **a)** CEO Evaluation and Employment Agreement	A. Granado	30 min.	-----
10.	**Discussion and Possible Action** to Approve Board Minutes of the January 8, 2025 Board of Directors Meeting	A. Granado	3 min.	**Pages** 1-4

11.	**Discussion and Possible Action** to Approve to Move the March 5th, 2025 Board of Directors Meeting to March 12, 2025	D. Majchszak	3 min.	-----
12.	**Discussion and Possible Action** to Recommend the Board of Directors Adopt a Resolution Authorizing the Filing of Grant Applications with the Federal Transit Administration (FTA) Under 49 U.S.C. Chapter 53 Title 23	C. Perez	3 min.	**Pages** 5-6 Attachments *PPT*
13.	**Discussion and Possible Action** to Recommend the Board of Directors Adopt Updated Disadvantaged Business Enterprise (DBE) Program Plan	R. Patrick	3 min.	**Pages** 7-92 Attachments *PPT*
14.	**Discussion and Possible Action** to Confirm Three (3) Appointments Recommended by the Chief Executive Officer (CEO) and Appointed by the Board Chair to RTA's Committee on Accessible Transportation (RCAT) for a Two-Year Term	S. Montez	3 min.	**Pages** 93 *PPT*
15.	**Update** on RCAT Committee Activities	S. Montez	3 min.	*PPT*
16.	**Committee Chair Reports** a) Administration & Finance b) Operations & Capital Projects c) Rural and Small Cities d) Legislative	 B. Charo A. Muñoz A. Gonzalez L. Allison	 3 min. 3 min. 3 min. 3 min.	-----
17.	**Presentations:** **a)** 2023 2023 Audit and NTD AUP Review **b)** December 2024 Financial Report **c)** February 2025 Procurement Update **d)** December 2024 Operations Report **e)** 2024 EOY Safety & Security Report	R. Saldaña Kristine Sparks, Carr, Riggs & Ingram R. Saldaña R. Saldaña G. Robinson M. Rendón	25 min.	 **Pages** 94-175 *PPT* **Pages** 176-189 *PPT* *PPT* **Pages** 190-202 *PPT* *PPT*
18.	**CEO Report**	D. Majchszak	5 min.	*PPT*
19.	**Reports from Board Chair and Board Members**	A. Granado	5 min.	-----
20.	**Adjournment**	A. Granado	1 min.	-----

Total Estimated Time: 2 hr 4 mins

On **Friday, January 31, 2025** this Notice was posted by **Marisa Montiel** at the CCRTA Staples Street Center, 602 N. Staples Street, Corpus Christi, Texas; and sent to the Nueces County and the San Patricio County Clerks for posting at their locations.

PUBLIC NOTICE is given that the Board may elect to go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code. In the event the Board elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the presiding officer.

In compliance with the Americans with Disabilities Act, individuals with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact the Assistant Secretary to the Board at (361) 903-3474 at least 48 hours in advance so that appropriate arrangements can be made. Información en Español: Si usted desea esta información en Español o en otro idioma, por favor llame al telèfono(361) 289-2712.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY BOARD OF DIRECTORS' MEETING MINUTES WEDNESDAY, January 8, 2025

Summary of Actions

1. **Pledge of Allegiance**
2. **Heard Safety Briefing**
3. **Roll Call and Established Quorum**
4. **Confirmed Posting of Meetings Public Notice**
5. **Gave Public Notice on Executive Session**
6. **Receipt of Conflict of Interest Affidavits**
7. **Provided Opportunity for Public Comment**
8. **Presented Awards and Recognition**
    a) **New Hires**
9. **Approved Board Minutes of December 4, 2024 Board of Director Meeting**
10. **Heard Committee Chair Reports**
    a) **Administration and Finance**
    b) **Operations and Capital Projects**
    c) **Rural and Small Cities**
    d) **Legislative**
11. **Heard Presentations –**
    a) **November 2024 Financial Report**
    b) **January 2025 Procurement Update**
    c) **November 2024 Operations Report**
12. **Heard CEO Report**
13. **Heard Reports from Board Chair and Board Members**
14. **Adjournment**

The Corpus Christi Regional Transportation Authority Board of Directors met at 8:30 a.m. in the Corpus Christi Regional Transportation Authority Staples Street Center facility located at 602 N. Staples Street, 2nd Floor Board Room, Corpus Christi, Texas.

Pledge of Allegiance

Chair Arthur Granado called the meeting to order at 8:31 a.m. He welcomed and gave an introduction for U.S. Veteran, Manuel Becerra Jr., to lead the Pledge of Allegiance.

Safety Briefing

Mr. Miguel Rendón, Deputy CEO, presented the safety briefing to the Board and audience. He provided exit instructions in the event of an emergency. Ms. Montiel would account for all Board Members, and he would be the last out to ensure everyone exits safely.

Roll Call & Establish Quorum

Ms. Montiel called roll and it was noted there was a quorum present at this time.

Board Members Present

Lynn Allison, David Berlanga, Beatriz Charo, Jeremy Coleman, Armando Gonzalez, Arthur Granado, Anna Jimenez, Aaron Muñoz (virtual), Eloy Salazar, and Amanda Torres (virtual).

Board Members Absent

Gabi Canales.

Staff Present

David Chapa, John Esparza, Derrick Majchszak, Sharon Montez, Marisa Montiel, Rita Patrick, Miguel Rendón, Gordon Robinson and Robert Saldaña. JoAnna Serna, Gilbert Casas and Cynthia Ramos.

Public Present

None.

Confirm Posting of Meeting's Public Notice in Accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551

Ms. Montiel confirmed proper posting of the meeting.

Public Notice on Executive Session

Chair Granado gave notice on Executive Session to the public.

Receipt of Conflict of Interest Affidavits

None

Opportunity for Public Comment

None

Awards and Recognitions

a. CCRTA New Hires - Mr. Derrick Majchszak, CEO, introduced CCRTA new hires to the Board: Gilber Casas, Security Administrator and Cynthia Ramon, Custodian I. Photos were taken.

Discussion and Possible Action to Approve the December 4, 2024 Board of Directors Meeting Minutes

DIRECTOR BEATRIZ CHARO MADE A MOTION TO APPROVE THE DECEMBER 4, 2024 BOARD OF DIRECTORS MEETING MINUTES. VICE-CHAIR ANNA JIMENEZ SECONDED THE MOTION. *ALLISON, BERLANGA, CHARO, COLEMAN, GONZALEZ, GRANADO, JIMENEZ, MUÑOZ, SALAZAR AND TORRES VOTING IN FAVOR. ABSENT CANALES.*

Committee Chair Reports

a) **Administration & Finance** – No report.
b) **Operations & Capital Projects** – No report.
c) **Rural & Small Cities** – No Report.
d) **Legislative** – Secretary Allison noted a call is scheduled with consultants directly following the Board Meeting to schedule Transportation Committee meet and greet.

Presentations

a) **November 2024 Financial Report**

Mr. Robert Saldaña, presented the November financials and noted the item aligns with the Board Priority of Public Image & Transparency. He presented the highlights for the month stating Passenger Service was 97.04% of baseline, Bus Advertising 105.65% of baseline, and Investment Income was 124.66% of baseline. He displayed the November 2024 Income Statement Snapshot. Total revenues came in at $4,635,921 and total expenses were $5,438,320. He displayed the revenue categories. The operating vs. non-operating revenue was displayed and discussed. The total operating and non-operating revenues and capital funding were $4,635,921 for the month. Next, he discussed and displayed a pie chart of where the money went. Mr. Saldaña showed the expenses by object for November. He presented YTD the highlights stating Passenger Service was 102.76% of baseline, Bus Advertising was 100.80% of baseline, and Investment Income was 131.44% of baseline. The YTD total operating and non-operating revenues and capital funding came in at $53,495,078. Mr. Saldaña discussed the fare recovery ratio. The November month-end FRC is 2.58%. Lastly, he displayed the sales tax update for October in which $3,604,557 was received. Year to Date taxes received were reported at $34,598,166. At this time, Mr. Saldaña answered questions and took any feedback from the board.

b) **January 2025 Procurement Update**

Mr. Saldaña presented the update noting the Board Priority of Public Image & Transparency. The three-month future procurements were displayed Purchase and installation of six (6) CNG Fuel Dispenser Units, for a seven-month contract at $400,000 and Bus Parts Supply, for a three-year contract at $1,268,915. These procurements total $1,668,915. Next, the three-month outlook under the CEO signature authority was displayed and discussed next. All these items are $50,000 or less. The items totaled $100,244. Chair Granado requested a note with an approximate date be added to the presentation, and to just not put the procurement out before that listed date.

c) **November 2024 Operations Update**

Mr. Gordon Robinson, Managing Director of Operations, noted the board priority for this item is Public Image and Transparency. He provided the highlights for the month of November 2024 vs. November 2023. The Passenger Trips were up 12.5%, the Revenue Service Hours were up 5.9% and the Revenue Service Miles were up 3.6%. He displayed the RTA System Monthly Ridership Trends and the System-Wide Monthly Ridership by Mode. He noted year-to-date, the system overall was up 12.6%.

He displayed the Top Ten Route Total Ridership and Bottom Ten Route Ridership numbers for November 2024. He displayed the Top Ten and Bottom Ten Routes – Passenger Per Revenue Hour (Weekday) for November 2024. Mr. Robinson displayed a pie chart of student ridership for November 2024. Total student ridership came in at 51,787. Next, he discussed the fixed route bus on-time performance and reported no issues. He presented the list of current and upcoming projects impacting fixed route services. The B-Line service passengers per hour came in at 2.50 for the month of November. He discussed the Fixed route customer assistance and B-Line customer assistance forms. The miles between road calls and the large bus fleet exceeded the standards. A discussion was held on B-Line late arrivals and ways to increase Del Mar College student ridership.

CEO Report

Mr. Majchszak presented the report and went over the operation and project updates. Fare-Free holiday services were discussed along with free rides to/from voting centers for the runoff election. Mr. Majchszak announced the Port of Corpus Christi will hold their first Port Commissioners Meeting at the Staples Street Center Boardroom on January 21st. Production of six new Arboc buses began production on Dec. 2nd. Meetings and events were discussed for the month of November. He and the Deputy CEO attended the APTA Safety and Risk Management Seminar in Atlanta, GA. Mr. Majchszak participated in Texas A&M Transportation Institute (TTI), TxDOT, CCRTA, and City of Corpus Christi project meeting regarding the USDOT SMART Grant Stage 2 application. Employee of the Year recipients were announced to the board including Bus Operator (CCRTA): David Pacheco, Administration: John Esparza, Operations: Shannon Dial, CEO Excellence: Amanda De La Cerda, Operator & Trainer (MV Transportation): Alberta Macias and Road Supervisor (MV Transportation): Vanessa Esparza. The CCPD Fraud Training organized by the Safety and Security Department was discussed. Community support events and participation were displayed. The upcoming events calendar was displayed.

Reports from Board Chair and Board Members

Chair Granado and Board Members gave closing comments. Several Board Members said Happy New Year and were happy to see the holiday services offered by CCRTA. Mr. John Bell, Legal Counsel, announced he would be sending correspondence relating to the CEO Evaluation process and this will take place in closed session during the February 2025 Board Meeting.

Adjournment

There being no further review of items, the meeting was adjourned at 9:30 a.m.

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Lynn Allison, Board Secretary

Submitted by: Marisa Montiel

Board of Directors Meeting Memo February 5, 2025

Subject: Adoption of the Resolution Authorizing the Filing of Grant Applications with the Federal Transit Administration (FTA) Under 49 U.S.C. Chapter 53 Title 23

Background
The Corpus Christi Regional Transportation Authority (CCRTA) is seeking to file applications with the Federal Transit Administration (FTA) for federal transportation assistance. This assistance will enable the CCRTA to undertake various transportation projects that will benefit both the CCRTA and the community.

Identified Need
Federal funding is essential to support the CCRTA's efforts in providing efficient and reliable transportation services to the Corpus Christi region. The FTA grants will enable the CCRTA to pursue critical projects that align with its mission and goals.

Disadvantaged Business Enterprise
There are no DBE goals associated with this Resolution.

Financial Impact
The FTA grants will provide a financial boost to the CCRTA, enabling it to leverage federal funds for local transportation improvements like Capital Improvement Projects and Preventive Maintenance. By utilizing FTA grants, the CCRTA leverages the local sales tax revenue to fund assets and support a state of good repair. CCRTA will be responsible for providing the local share of the project cost, as required by the grant or cooperative agreement.

Board Priority
This item aligns with the Board Priority – Public Image & Transparency

Recommendation
Staff requests the Board of Directors to authorize the Chief Executive Officer (CEO) or his designee to adopt the Resolution authorizing the CCRTA to file grant applications with the Federal Transit Administration (FTA) under 49 U.S.C. Chapter 53 Title 23.

Respectfully Submitted,

Submitted by: Christina Perez
Director of Procurement

Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: ______________________
Miguel Rendón
Deputy Chief Executive Officer

Resolution

Resolution authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for federal transportation assistance authorized by 49 U.S.C. Chapter 53; title 23, United States Code, or other federal statutes administered by the Federal Transit Administration.

WHEREAS, the Federal Transit Administrator has delegated authority to award federal financial assistance for a transportation project;

WHEREAS, the grant or cooperative agreement for federal financial assistance will impose certain obligations upon the applicant, and may require the applicant to provide the local share of the project cost;

WHEREAS, the applicant has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY:

Section 1. That the Chief Executive Officer or their designee is authorized to execute and file an application for federal assistance on behalf of the Corpus Christi Regional Transportation Authority with the Federal Transit Administration for federal assistance authorized by 49 U.S.C. Chapter 53, title 23, United States Code, or other federal statutes authorizing a project administered by the Federal Transit Administration. The Corpus Christi Regional Transportation Authority is the designated recipient as defined by 49 U.S.C. 5307(a)(2).

Section 2. That the Chief Executive Officer or their designee is authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transportation Administration requires before awarding a federal assistance grant or cooperative agreement.

Section 3. That the Chief Executive Officer or their designee is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of the Corpus Christi Regional Transportation Authority.

DULY PASSED AND ADOPTED this ____ day of February 2025

ATTEST:

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

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Lynn Allison
Board Secretary

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Arthur Granado
Chairman of the Board

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo February 5, 2025

Subject: Adopt Updated Disadvantaged Business Enterprise (DBE) Program Plan

Background

The Corpus Christi Regional Transportation Authority (CCRTA) has implemented a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations set forth by the U.S. Department of Transportation (USDOT) under 49 Code of Federal Regulations (CFR) Part 26. The CCRTA is required to adhere to Part 26, which mandates that an updated DBE Program Plan be submitted whenever there are significant changes to the program as a condition of receiving continued funding under USDOT.

On April 9, 2024, the USDOT published a DBE Final Rule in the Federal Register to modernize and streamline the DBE program regulations. Through this rule change, the USDOT has addressed many of the challenges DBEs have faced. Changes to the DBE program include:

- Expanding reporting requirements to DOT
- Streamlining the DBE certification and eligibility process
- Adjusting the personal net worth cap for inflation for small business owners, including excluding retirement assets from the calculation
- Formalizing guidance establishing successful COVID-19 flexibilities, such as virtual on-site visits, to conserve certification and firm resources
- Expediting interstate reciprocity

CCRTA's DBE Policy Statement and Program was last adopted by the Board of Directors on December 6, 2023.

Identified Need

As part of the USDOT DBE Final Rule which took effect on May 9, 2024, a new tiered system was developed for FTA grant recipients. This update results in data collection from FTA grant recipients and provides clarity around prohibited discriminatory practices, which will help FTA ensure contractors bidding for or working on transit projects do not experience discrimination in the award and administration of FTA-funded contracts.

While the tiers have been implemented, they will not be enforced until FY 2025, allowing recipients time to transition and meet the newly established requirements.

- **Tier I Recipients**: FTA grant recipients who will award more than $670,000 in federal transit funds annually excluding transit vehicle purchases in third-party contracts are subject to all provisions. Tier I recipients must upload their updated DBE program into TrAMS by March 1, 2025, for FTA review.

- **Tier II Recipients**: FTA grant recipients who will award $670,000 or less in federal transit funds annually excluding transit vehicle purchases are subject to a subset of provisions, including reporting requirements and the small business element. Tier II recipients do not submit documentation of these provisions for FTA for approval. However, FTA will verify compliance with these requirements during Triennial and State Management Reviews.

The CCRTA falls under Tier 1 Recipients and as such, its DBE Program needs updating to reflect the DBE Final Rule of May 9, 2024.

Staff incorporated the DBE Final Rule in the CCRTA's DBE Program Plan (Attachment A) to be submitted to the Federal Transit Administration by March 1, 2025.

Disadvantaged Business Enterprise (DBE)
Not applicable.

Financial Impact
None

Board Priority
This project aligns with Board Priority – Public Image & Transparency.

Recommendation
Staff requests the Board of Directors adopt the updated Disadvantaged Business Enterprise (DBE) Program Plan.

Respectfully Submitted,

Submitted by:	Laura Yaunk DBE Liaison Officer
Reviewed by:	Rita Patrick Managing Director of Public Relations
Final Approval by:	____________________ Miguel Rendón Deputy Chief Executive Officer

CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

49 CFR PART 26

Policy Statement and Program Manual

March 2025

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Table of Contents

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Disadvantaged Business Enterprise (DBE) Program

POLICY STATEMENT

I. Objectives/Policy Statement (49 CFR §26.1, §26.23)

The Corpus Christi Regional Transportation Authority (CCRTA) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. CCRTA has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, it has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the CCRTA to ensure that DBEs, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also CCRTA's policy:

1. To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT-assisted contracts;
6. To promote the use of DBEs in all types of federally assisted contracts and procurement activities conducted by recipients;
7. To assist the development of firms that can compete successfully in the marketplace outside the DBE program; and
8. To provide appropriate flexibility to recipients of Federal financial assistance in establishing and providing opportunities for DBEs.

The CCRTA Board of Directors delegates the responsibility for carrying out the organization's commitment to the DBE program to the Chief Executive Officer (CEO). The CEO works closely with the DBE Liaison Officer to facilitate the daily implementation of this program. The implementation of the DBE program is given the same priority as compliance with all other legal obligations that CCRTA has under its financial assistance agreements with the Department of Transportation.

CCRTA will disseminate this policy statement to its Board of Directors, the Executive Management Team, all components of its organization, and all DBE and non-DBE business communities that perform work for CCRTA on DOT-assisted contracts. CCRTA's Policy Statement will be published on the Authority's website at https://www.ccrta.org/news-opportunities/dbe-program/ and will be distributed electronically or in paper format upon request.

____________________________ __________________________

Derrick Majchszak
Chief Executive Officer

Date

SUBPART A – GENERAL REQUIREMENTS

Section 26.1 Objectives

The objectives are found in the policy statement on the first page of this program.

Section 26.3 Applicability

The Corpus Christi Regional Transportation Authority (hereafter referred to by its operating name of "CCRTA"), is a direct recipient of federal transit funds authorized by Titles I, III, V, and VI of ISTEA, Pub. L. 102-240 or by Federal transit laws in Title 49, U.S. Code, or Titles I, II, and V of the TEA-21, Pub. L. 105-178. Titles I, III, and V of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59, 119 Stat. 1144; Divisions A and B of the Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law 112-141, 126 Stat. 405; Titles I, II, III, and VI of the Fixing America's Surface Transportation Act (FAST Act) Public Law 114-94; and Divisions A and C of the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (IIJA) (Pub. L. 117-58), Public Law 117-58.

Section 26.5 Definitions

CCRTA will adopt the definitions contained in Section 26.5 for this program.

Any terms used in this Program that are defined in 49 CFR Part 26 or elsewhere in the Regulations shall have the meaning outlined in the Regulations.

Section 26.7 Non-discrimination Requirements

CCRTA will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, CCRTA will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

Through such efforts, the CCRTA will ensure that its contracting and procurement-related processes promote equity in access, consideration, and opportunity for DBEs in response to the requirements set forth under Title 49 CFR, Part 26: *"Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs."*

Section 26.11 Record Keeping Requirements

CCRTA maintains a recordkeeping system that identifies U.S. DOT-assisted contract awards and tracks prime contractors' progress in achieving DBE goal commitments throughout the performance of the contract. CCRTA verifies payments made to DBEs and keeps a record of actual DBE attainments. Any areas identified as non-compliance are subject to administrative sanctions against the contractor as outlined in this program.

CCRTA's records document all necessary information for U.S. DOT-assisted contracts to comply with U.S. DOT regulations. These records will include, but are not limited to, the following information:

a) Contract title and number
b) Original contract value, current contract value, contract value change
c) Award date/approval date and end date
d) Prime contractor information – name, contact person, business address and phone
e) Contract funding source (i.e. FTA/Local)
f) Contract type
g) DBE contract goal
h) DBE commitment (percentage and dollar amount allocated to DBEs)
i) DBE status, gender, ethnicity, and dollar amount of participation for each listed DBE
j) Type of work performed by each listed DBE
k) On-site interview forms
l) Tally of DBE utilization throughout the life of the contract, including final DBE utilization reported at contract close-out

<u>Uniform Reports of DBE Awards/Commitments and Payments: §26.11(a)</u>

CCRTA will submit a semi-annual Uniform Report of DBE Awards or Commitments and Payments for Federal Transit Administration (FTA) review and approval. In conformance with FTA's direction, CCRTA will submit reports through FTA's Transit Award Management System (TrAMS) by June 1 and December 1 of each federal fiscal year.

The report will include the dollar value of DBE participation for U.S. DOT-assisted contracts and subcontracts that have been awarded and closed, demonstrating CCRTA's progress towards achieving the FTA-approved overall/triennial DBE goal. All dollar amounts reported will reflect the federal share of such contracts. The report will identify the dollar amount awarded to certified DBEs through the use of race-conscious and race-neutral methods; and will include the DBE participation and payments on ongoing contracts.

Pursuant to DBE Program regulations effective May 9, 2024, CCRTA will also include in the semi-annual report the names of DBEs, North American Industry Classification System (NAICS) codes performed in a contract, federally assisted contract number(s), and the dollar value of the contract.

CCRTA will adhere to the following reporting period based on the Federal Fiscal Year:

- Reporting period: October 1st through March 31st report due June 1st
- Reporting period: April 1st through September 30th report due December 1st

Bidders List: §26.11(c)

Under 49 CFR §26.11, CCRTA is required to create and maintain a comprehensive Bidders List. CCRTA will obtain bidders' list information about all DBE and non-DBEs who bid or quote as prime contractors and subcontractors on each DOT-assisted contract.

CCRTA will report the bidders' list information and enter it into a system designated by the U.S. Department of Transportation, as required by the DBE Final Rule effective May 9, 2024.

The Bidders List shall, at a minimum, include the following information for each firm:

1. Business Name
2. Business address and phone number
3. Email address
4. Contact name and title
5. Number of years in business
6. Firm's status as a DBE or non-DBE
7. Race and Gender for the firm's majority owner
8. NAICS codes applicable to each scope of work the firm sought to perform in its bid
9. Annual gross receipts of the firm

CCRTA will use this information to assist in establishing its market area and as a resource in CCRTA's DBE goal-setting process.

Section 26.13 Federal Financial Assistance Agreement

As a recipient of funds from U.S. DOT, CCRTA has signed a financial assistance agreement with U.S. DOT containing the following assurance, applicable to all U.S. DOT-assisted contracts and their administration:

> *CCRTA shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. CCRTA shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. CCRTA's DBE program, as required by 49 CFR Part 26 and as approved by U.S. DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and the failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to CCRTA of its failure to carry out its approved program, the Department may impose sanctions provided for under Part 26 and may, in appropriate cases, refer the matter for*

enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S. C. 3801 et. seq.).

Pursuant to the requirements of 49 CFR §26.13, the following language shall be included in all contracts awarded by CCRTA and required to be included in all subcontracts signed by any CCRTA contractor:

The contractor, sub-recipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

If CCRTA enters into a DOT-assisted financial assistance agreement with any sub-recipient in the future, the above assurance will be required for the sub-recipient and included in the agreement.

SUBPART B – ADMINISTRATIVE REQUIREMENTS

Section 26.21 DBE Program Requirements

CCRTA is a regional provider of mass transportation services, primarily within 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 areas. San Patricio County coverage includes the cities of Gregory and Old San Patricio. The total area is 838 square miles and has an approximate population of 317,773. An 11-member Board of Directors governs CCRTA. The City of Corpus Christi, Nueces County, and the Committee of Small City Mayors appoint members to the Board.
As a recipient of DOT grant funds and under 49 CFR §26.21, CCRTA shall continue to implement the DBE Program, in its entirety, unless and until all funds from DOT financial assistance have been expended.

CCRTA will regularly review directives issued by the U.S. DOT and update its DBE Program as necessary to fully comply with the intent of the U.S. DOT's DBE Program. The Part 26 regulations were published by DOT on February 2, 1999, effective March 4, 1999, which supersede the previous DBE regulations in Part 23 and have since been revised with the most current revision occurring and becoming effective May 9, 2024. One of the grant requirements is that transit recipients adopt a new disadvantaged business enterprise program. Adoption of this CCRTA Disadvantaged Business Enterprise Program by the CCRTA Board of Directors enables compliance with current DBE regulation requirements.

Section 26.21(b)(2) DBE Program Updates

CCRTA will submit its DBE program to FTA for approval through TrAMS when there are significant changes to the program.

Section 26.23 Policy Statement

The Policy Statement is elaborated on the first page of this program.

Section 26.25 DBE Liaison Officer

CCRTA has designated the following individual as its DBE Liaison Officer (DBELO):

Laura Yaunk, 602 N. Staples Street, Corpus Christi, TX 78401
(361) 903-3521; lyaunk@ccrta.org

In that capacity, DBELO is responsible for implementing all aspects of the DBE program and ensuring that CCRTA complies with all provisions of 49 CFR Part 26. The DBELO has direct, independent access to the Chief Executive Officer of CCRTA concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found in Attachment 1 to this program.

The DBELO is responsible for developing, administering, implementing, and monitoring the DBE program, in coordination with other appropriate officials. The duties and responsibilities of the DBELO include the following:

1. Develop, monitor implementation of, and provide continuing evaluation of CCRTA's Disadvantaged Business Enterprise Program.
2. Submit updates to the U.S. DOT, regarding any significant changes to the Authority's DBE Program.
3. Review and submit CCRTA's triennial overall DBE goals to the FTA.
4. Conduct an annual review of CCRTA's overall DBE goal; adjust and/or recalculate the goal as necessary and submit it to the FTA.
5. Review triennial/overall DBE goal commitments at the end of each federal fiscal year (FFY); analyze any goal shortfall and prepare a written analysis of why the overall goal was not achieved, as well as a written plan for corrective actions that CCRTA will take, to remedy the goal shortfall.
6. Certify, decertify, or deny certification according to criteria set by U.S. DOT 49 CFR Part 26.

7. Maintain and continually update a directory of disadvantaged businesses eligible to participate in CCRTA's DBE program including information on principal business activities and contact persons.
8. Assist in securing management and technical assistance resources for disadvantaged businesses as requested.
9. Conduct and coordinate outreach efforts to DBEs and small businesses to provide information regarding contracting opportunities with CCRTA; utilize the assistance of small business development centers, minority and women business associations, vendor fairs, workshops to assist with outreach efforts.
10. Publicize CCRTA business opportunities to disadvantaged businesses in a timely manner and refer such businesses to assistance resources for aid in bidding on CCRTA contracts and subcontracts.
11. Identify contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract-specific goals) and monitor results.
12. Attend pre-proposal, pre-bid, and pre-award meetings to explain DBE requirements.
13. Review third-party contracts and purchase requisitions and determine contractors' and subcontractors' compliance with all applicable requirements for DBE participation.
14. Participate in training sessions, workshops, seminars, etc. to inform potential bidders/proposers of the DBE Program and business opportunities with CCRTA.
15. Serve as a liaison with agencies supporting economic development in the minority community.
16. Maintain accurate and up-to-date records demonstrating CCRTA efforts and progress.
17. Report at a minimum of once a year to the CCRTA Board of Directors and the Chief Executive Officer on progress being made in the implementation of the DBE Program and to recommend program modifications that were deemed appropriate.
18. Gather and report statistical data and other information, as required by U.S. DOT and other funding agencies.
19. Maintain open lines of communication with disadvantaged business communities.
20. Act as the CCRTA Liaison to the Uniform Certification Program ("UCP") Partners in Texas.

Section 26.27 DBE Financial Institutions

CCRTA will investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, make reasonable efforts to use such institutions, and encourage prime contractors on DOT-assisted contracts to make use of these institutions. CCRTA shall maintain listings of financial institutions and insurance firms owned and controlled by socially and economically disadvantaged individuals who qualify as such.

Information on the availability of such institutions may be obtained from the DBE Liaison Officer.

Section 26.29 Prompt Payment Mechanisms

CCRTA will include the following clause(s) in each DOT-assisted contract:

> *The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than thirty (30) days from the receipt of each payment the prime contract receives from the Corpus Christi Regional Transportation Authority (CCRTA). Any delay or postponement of payment from the above-referenced time frame may occur only for good cause following written approval of the Corpus Christi Regional Transportation Authority. This clause applies to both DBE and non-DBE subcontracts.*
>
> *The prime contractor agrees to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above-referenced time frame may occur only for good cause following written approval of the Corpus Christi Regional Transportation Authority (CCRTA). This clause applies to both DBE and non-DBE subcontracts.*

The clause to be used will be determined by what is being procured by CCRTA.

DBELO will monitor payments made to subcontractors via its compliance forms monthly to ensure the timeliness and accuracy of payments. Sanctions of non-compliance may apply to untimely payments to subcontractors.

Non-Compliance and Sanctions

Determination of Non-compliance

It shall be the responsibility of CCRTA's DBE Liaison Officer (DBELO) to monitor the Compliance Plan, as well as the fulfillment of any special conditions, work order goals, or other obligations by contract awardees.

1. The DBELO shall determine whether a contractor has complied with the obligations under its compliance plan and other related requirements. The contractor has the burden of proving compliance with all obligations and requirements.

2. If the contractor fails to fulfill the requirements of the compliance plan or other compliance-related contractual obligation, CCRTA will notify the contractor of the deficiencies. Following notification, the contractor shall have sixty (60) days to cure

the deficiencies. If the deficiencies are not cured, CCRTA shall make a determination of non-compliance and recommend the imposition of sanctions.

Sanctions for Non-Compliance

1. Sanctions for non-compliance may include but are not limited to the following:

   a. Withholding payments under the contract;
   b. Recommendation not to exercise contract renewal option, if any;
   c. Termination of the contract; and
   d. Debarment from future business with CCRTA.

Section 26.31 Directory

CCRTA is a certifying partner in the Texas Unified Certification Program (TUCP) which includes the following:

- City of Austin
- City of Houston
- North Central Texas Regional Certification Agency (NCTRCA)
- South Central Texas Regional Certification Agency (SCTRCA)
- Texas Department of Transportation (TxDOT)

The TUCP Certifying Partners will maintain an online system of unified DBE Directory containing pertinent information on all firms certified by the TUCP (including those from other states certified under the provisions of this part).

The DBE Directory is made available to the public electronically (on the internet) as well as in print. The electronic version is downloadable into a searchable and sortable Excel spreadsheet which allows or permits the public including bidders and proposers to search and/or filter for DBEs by:

1. Physical location
2. North American Industry Classification System (NAICS) codes
3. Work descriptions
4. Location or Work District/Region

The DBE Directory can be found online at https://www.ccrta.org/news-opportunities/dbe-program/and https://txdot.txdotcms.com/ The directory contains the following information for each certified DBE, as applicable:

1. Business name
2. Owner
3. Address
4. Business phone
5. Fax number
6. Email address

7. Website
8. County
9. Certifying agency
10. Certification type
11. Certified business description
12. NAICS codes
13. Work District/Region

Section 26.33 Overconcentration

CCRTA has not identified that overconcentration exists in the types of work that DBEs perform. If at any time CCRTA observes an over-concentration of DBE firms in a certain type of work as to unduly burden the opportunity of non-DBE firms to participate in the type of work that is being over-burdened, CCRTA will devise appropriate measures, at that time, to address the overconcentration.

Section 26.35 Business Development Programs

CCRTA has not established a business development and mentor-protégé program at this time. The DBELO will continually evaluate the need and assess whether CCRTA should establish a Business Development Program and/or Mentor-Protégé Program. If CCRTA establishes either program, the program will be guided by the applicable Appendix C and D of 49 CFR Part 26 and approved by the Federal Transit Administration (FTA) before being implemented.

Section 26.37 Monitoring and Enforcement Mechanisms

CCRTA has implemented appropriate monitoring and enforcement mechanisms to ensure compliance to ensure prime and subcontractor compliance with DBE Program requirements as stated in 49 CFR Part 26:

1. CCRTA will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 26.109.

2. CCRTA will consider similar action under our own legal authorities, including responsive determinations in future contracts. 49 CFR §26.87(j) lists the regulation, provisions, and contract remedies available to us in the event of non-compliance with the DBE regulation by a participant in our procurement activities.

3. CCRTA will also provide a monitoring and enforcement mechanism to verify that work committed, or in the case of race-neutral participation, the work subcontracted to all DBEs at contract award or subsequently is performed by the DBEs to which the work was committed or subcontracted to, and such work is counted according to the requirements of §26.55. This will be accomplished through the following but not limited to:

    a. Collecting a copy of a signed subcontractor agreement between the prime contractor/consultant and the DBE.
    b. Verifying payments made to the DBEs through the prime contractor's submission of the monthly DBE Payment Report form every 1st day of the month.
    c. Tracking DBE participation throughout the life of the contract.
    d. Conducting site visits, field observations, and construction worker interviews on applicable contracts.
    e. Recording and reporting final DBE participation at contract close-out; and
    f. Measuring achieved DBE participation in comparison to committed participation.

4. CCRTA will keep running tally mechanisms:

    a. <u>Monitoring the DBE overall goal</u>
    To achieve the overall goal, awarded and approved DOT-assisted contracts are reported monthly in the contract compliance module utilizing the B2GNow online system. This assists DBELO in determining whether the implementation of contract goals is projected to be sufficient to meet CCRTA's annual goal.

    b. <u>Monitoring the DBE commitment</u>
    With respect to each DBE commitment, DBELO conducts a monthly audit of DOT-assisted contracts by reporting payments made by the CCRTA to prime contractors, as well as payments made by these prime contractors to the DBE subcontractors to ensure that work committed to DBEs at contract award is actually performed by DBEs. Payments are reported in the B2GNow contract compliance module. This assists DBELO in monitoring and tracking the DBE commitment for each DOT-assisted contract and whether any projected shortfall exists that may require the prime contractor's good faith efforts to meet the contract goal pursuant to §26.53(g).

Section 26.39 Fostering Small Business Participation

Pursuant to the requirements of 49 CFR §26.39, CCRTA has established and incorporated a Small Business Enterprise (SBE) Program, a non-discriminatory element to its DBE Program. The purpose of the program is to facilitate competition on DOT-assisted projects by small business concerns (both DBEs and non-DBE small businesses) and to increase opportunities for small businesses to perform work for CCRTA. A revised Small Business Enterprise (SBE) Program effective October 2023 can be found in Attachment 2 to this program.

SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING

Section 26.43 Set-asides or Quotas

CCRTA does not use quotas in any way in the administration of its DBE program.

Section 26.45 Overall Goals

A description of the methodology used to calculate the overall goal, and the goal calculations can be found in Attachment 3 to this program. This section of the program will be updated on a triennial basis.

Under 49 CFR § 26.45(f)(1)(i), CCRTA will submit its overall goal to the Federal Transit Authority (FTA) on August 1st at three-year intervals. Before establishing the overall triennial goal, CCRTA will consult with local stakeholders, including minority, women, and general contractor groups, community organizations, and other officials or organizations through a publicized public meeting to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and CCRTA's efforts to establish a level playing field for the participation of DBEs.

Following this consultation, CCRTA will publish a notice of the proposed overall goals, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at CCRTA's Staples Street Center at 602 N. Staples Street, Corpus Christi, TX 78401 for 30 days following the date of the notice, and informing the public that CCRTA and FTA will accept comments on the goals for 30 days from the date of the notice. The notice will include an address to which comments may be sent, an email address as to where the comments can be sent electronically and where the proposal may be reviewed on-site as well as on CCRTA's website. CCRTA will publish its final DBE triennial goal on its website.

CCRTA will begin using the triennial goal on October 1st of each year unless the agency has received other instructions from the FTA.

Section 26.47 Shortfall Analysis and Corrective Action Plan

If at the end of each federal fiscal year, awards/commitments are less than the applicable overall goal, CCRTA will analyze the reasons for the shortfall and establish specific steps that may enable the agency to meet its overall goal in the next year.

The shortfall analysis and corrective action plan report is to be kept on file for three years and will be made available to the Federal Transit Administration (FTA) upon request.

Section 26.49 Transit Vehicle Manufacturers Goals

CCRTA requires, per 49 CFR §26.49(a) that each transit vehicle manufacturer (TVM), as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, certify that it has complied with the requirements of this section. Only those TVMs listed on FTA's list of eligible TVMs, or that have submitted a goal methodology to the FTA that has been approved or has not been disapproved, at the time of solicitation are eligible to bid. The DBE Liaison Officer will verify, at the time of the bid, the status of the TVM through the FTA's website.

CCRTA will report to FTA by electronically submitting within 30 days of making an award, the name of the successful bidder, and the total dollar value of the contract in the manner prescribed in the grant agreement to FTA.

Alternatively, and per 49 CFR §26.49(f), CCRTA may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program.

Section 26.51(a-c) Breakout of Estimated Race-Neutral and Race-Conscious Participation

CCRTA will meet the maximum feasible portion of its overall goal by using race-neutral means by facilitating DBE participation.

Section 26.51(d-g) Contract Goals

CCRTA will use contract goals to meet any portion of the overall goal CCRTA does not project to be able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of our overall goal that is not projected to be met through the use of race-neutral means.

CCRTA will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. CCRTA need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

CCRTA will express contract goals as a percentage of the total amount of a DOT-assisted contract.

Section 26.53 Good Faith Efforts Procedures

<u>Demonstration of Good Faith Efforts §26.53(a) & (c)</u>

The obligation of the bidder/offeror is to make good-faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts. Examples of good faith efforts are found in Appendix A to Part 26.

The DBE Liaison Officer (DBELO) is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive.

To be responsive, a bidder must make good faith efforts to meet CCRTA's DBE goal in either of two ways. The bidder must either:

1) Document on how it will meet the full goal by completing and signing DBE Participation Schedules A and B or C (if a joint venture) forms; or

2) Document its attempt to meet the goal through detailed, corroborating evidence, i.e., demonstrate that it took *all necessary and reasonable steps* which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if the bidder was not fully successful.

CCRTA's DBELO will make a fair and reasonable judgment whether a bidder who did not meet the goal made adequate good faith efforts. The DBELO will consider the quality, quantity, and intensity of the different kinds of efforts that the bidder/proposer made. The efforts employed by the bidder should be those that one would reasonably expect a bidder to take if the bidder were actively and aggressively trying to obtain DBE participation sufficient to meet the DBE contract goal. Mere *pro forma* efforts are not good faith efforts to meet the DBE contract requirements.

The following is a list of types of action that DBELO will consider as part of the evaluation of the bidder's good faith efforts to obtain DBE participation. It is not intended to be a mandatory check list or to be exclusive or exhaustive. Other factors or types of effort may be relevant in appropriate cases:

A. Soliciting through all reasonable and available means (e.g., attendance at pre-bid meetings, if applicable, advertising, and/or written notices) the interest of all certified DBEs who can perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested in taking appropriate steps to follow up on initial solicitations.

B. Selecting portions of the work to be performed by DBEs to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the bidder might otherwise prefer to perform these work items with its own forces.

C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.

D. Negotiating in Good Faith with interested DBEs

1. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, to facilitate DBE participation. Evidence of such negotiation includes:

    - the names, addresses, and telephone numbers of DBEs that were considered;
    - a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and
    - evidence as to why additional agreements could not be reached for DBEs to perform the work.

2. A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take into consideration a firm's price and capabilities, as well as contract goals. The fact that there may be some additional costs involved in finding and using DBEs, however, is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a bidder to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good-faith efforts. Bidders are not, however, required to accept high quotes from DBEs if the price difference is excessive or unreasonable.

E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The bidder's standing within the industry, membership in specific groups, organizations, or associations and political or social affiliations (for example, union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the bidder's efforts to meet the project goal.

F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by CCRTA or the bidder.

G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and federal minority/women business assistance offices, and other organizations as allowed on a case-by-case basis to assist in the recruitment and placement of DBEs.

DBELO will also consider the performance of other bidders in meeting the contract goal. For example, when the apparent successful bidder fails to commit to the contract goal, but others commit to the goal, it will raise the question of whether, with additional reasonable efforts, the apparent successful bidder could have committed to the goal. If the apparent successful bidder fails to commit to the goal but meets or exceeds the average DBE participation obtained by other bidders, the DBELO may view this, in conjunction with other factors, as evidence that the apparent successful bidder made good faith efforts.

DBELO is responsible for determining whether a bidder has properly committed to meeting the DBE goal and whether a bidder who has not committed to meeting the goal has documented good faith efforts in order to be responsive. DBELO must be satisfied that all information is complete and accurate and adequately documents the bidder's good faith efforts before CCRTA commits to the performance of the contract by the successful bidder.

CCRTA will ensure that all information is complete and accurate and adequately documents the bidder/offer's good faith efforts before committing to the performance of the contract by the bidder/offeror.

Information to be submitted (§26.53(b)(3)(i)(A)

CCRTA treats the bidder/offer's compliance with good faith efforts' requirements as a matter of responsiveness.

In those instances where a contract-specific DBE goal is included in the solicitation, CCRTA will follow the procedure outlined in 49 CFR §26.53 (b)(3)(i)(A) – "*under sealed bid procedures, as a matter of responsiveness, or with initial proposals, under contract negotiation procedures*."

Each solicitation for which a contract goal has been established will require bidders/offerors to submit the following information along with their bids:

1) The names and addresses of DBE firms that will participate in the contract;
2) A description of the work that each DBE will perform. To count toward meeting a goal, each DBE firm must be certified in a NAICS code applicable to the kind of work the firm would perform on the contract;

3) The dollar amount of the participation of each DBE firm participating;
4) Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet a contract goal (Attachment 5 -DBE Participation Schedule A attached hereto);
5) Written confirmation from the DBE that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment (Attachment 5 – DBE Participation Schedule B attached hereto); and
6) If the contract goal is not met, evidence of good faith efforts. DBELO examines the documentary evidence provided by the bidder and determines whether the efforts made are consistent with examples of good faith efforts as found in Appendix A of 49 CFR Part 26.

Administrative Reconsideration (§26.53(d))

In accordance with 49 CFR §26.53(d), if CCRTA determines that a bidder is not responsive because it has not committed to meeting the contract goal or has not documented sufficient good faith efforts, it will notify the bidder in writing, and the bidder will have five (5) business days after receipt of this notification to request administrative reconsideration. The bidder must make this request in writing to the following CCRTA Reconsideration Official:

Chief Executive Officer (CEO)
Corpus Christi Regional Transportation Authority
602 N. Staples St. Corpus Christi, TX 78401

The Reconsideration Official will not have played any role in the original determination that the bidder did not document sufficient good faith efforts.

As part of this Reconsideration, the bidder shall have the opportunity to provide written documentation or argument concerning the issue of whether it is committed to meeting the contract goal or made adequate good faith efforts to do so. The bidder can also request in writing to meet in person with CCRTA's Reconsideration Official to discuss these issues; this request for a meeting must be submitted within five (5) business days after receipt of notification of non-compliance. CCRTA will send the bidder a written decision within 10 business days after its reconsideration request was received by CCRTA, explaining CCRTA's basis for the finding that the bidder did or did not meet the goal or did or did not make adequate good faith efforts to do so. The result of this reconsideration process is not administratively appealable to the United States Department of Transportation and CCRTA's decision shall be final.

Good Faith Efforts when a DBE is terminated/replaced on a contract (26.53(f))

The DBE Office monitors contracts to ensure compliance with federal DBE regulations, and CCRTA's Federal DBE Program. As stated in the DBE compliance requirements section of

CCRTA's general contract conditions: "Failure to abide by the DBE participation requirements shall be viewed as a breach of contract and subject to such sanctions and penalties as are allowed by law." CCRTA may exercise its right to terminate the contract for breach of the DBE requirements. In the event of such a breach, CCRTA may first invoke its administrative remedies under the contract and allow the contractor a reasonable opportunity to cure the breach prior to termination.

The contractor's use of DBEs is monitored to ensure that pre-award commitments are kept. A Contractor may not terminate a listed and approved DBE subcontractor or an approved substitute DBE firm without the prior written approval of CCRTA's DBE Liaison Officer. This includes but is not limited to, instances in which a contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or another DBE firm. The Contractor will have to show good cause to terminate the listed and approved DBE firm.

Good Cause includes the following circumstances:

1. The listed DBE subcontractor fails or refuses to execute a written contract;
2. The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the contractor;
3. The listed DBE subcontractor fails or refuses to meet the contractor's reasonable, nondiscriminatory bond requirements;
4. The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness;
5. The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings pursuant to 2 CFR Parts 180, 215, and 1200 or applicable state law;
6. DBELO has determined that the listed DBE subcontractor is not a responsible contractor;
7. The listed DBE subcontractor voluntarily withdraws from the project and provides you with written notice of its withdrawal;
8. The listed DBE is ineligible to receive DBE credit for the type of work required;
9. A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract;
10. Another documented good cause is that the DBELO compels the termination of the DBE subcontractor. Provided, that good cause does not exist if:

- The contractor seeks to terminate the DBE it relied upon to obtain the contract so that the contractor can self-perform the work for which the DBE contractor was engaged; or

- So that the contractor can substitute another DBE or non-DBE contractor after the contract award.

The DBE Office monitors whether identified DBE businesses are performing the work as identified by the Contractor through both field inspection and documentation, which includes verification of payment from the Contractor to the DBE subcontractor via the DBE Contract Compliance forms and other proof of performance. The DBE Office shall monitor the Contractor's efforts to assist DBE subcontractors as may be needed during the performance of the contract. The Contractor shall inform the DBE Office whenever regularly scheduled progress payments are not made to DBE subcontractors.

Sanctions for Non-Compliance may include but are not limited to the following:

i. Withholding payments under the contract;
ii. Recommendation not to exercise contract renewal option, if any;
iii. Termination of the contract; and/or
iv. Debarment of future business with CCRTA.

Section 26.55 Counting DBE Participation

CCRTA will count DBE participation toward overall and contract goals as provided in 49 CFR §26.55. CCRTA monitors its projects to ensure that DBEs are performing a commercially useful function (CUF). The results of the CUF evaluation are reported using a DBE Commercially Useful Function (CUF) Evaluation/Review Form can be found in Attachment 6 to this program.

SUBPART D – CERTIFICATION STANDARDS

Section 26.61-26.71 Certification Process

CCRTA will use the certification standards of Subpart D of Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. CCRTA will make certification decisions based on the facts as a whole.

For more information about the certification process or to apply for certification, firms should contact:

Corpus Christi Regional Transportation Authority - DBE Liaison Officer
602 N. Staples St.
Corpus Christi, TX 78401

CCRTA's certification application forms and documentation requirements are found online at https://www.ccrta.org/news-opportunities/dbe-program/ and in Attachment 4 to this program.

SUBPART E – CERTIFICATION PROCEDURES

Section 26.81 Unified Certification Program

CCRTA is a member of the Texas Unified Certification Program (TUCP) administered by all members of the TUCP. The TUCP will meet all the requirements of this section. The following is a description of the TUCP:

> Pursuant to the requirements of the federal regulations, 49 CFR Part 26, all recipients of federal aid must implement a "one-stop" certification process for Disadvantaged Business Enterprises (DBE) and Airport Concessions Disadvantaged Business Enterprises (ACDBE). As a result of this requirement, the following six entities have established the Texas Unified Certification Program (TUCP). The six certifying United States Department of Transportation (US DOT) direct recipients (Participants) are:
>
> - City of Austin
> - City of Houston
> - Corpus Christi Regional Transportation Authority (CCRTA)
> - North Central Texas Regional Certification Agency (NCTRCA)
> - South Central Texas Regional Certification Agency (SCTRCA)
> - Texas Department of Transportation (TxDOT)

The TUCP is based on the concept of reciprocity among the Participants. Pursuant to 49 CFR §26.81(b)(2), "one-stop shopping" will be provided to applicants for DBE certification, such that an applicant need only to apply once for DBE certification that will be honored by all recipients in the state of Texas.

Section 26.83 Procedures for Certification Decisions

Re-certifications §26.83(a) & (h)(1)(2)

CCRTA must ensure that only firms certified as eligible DBEs participate as DBEs in its program.

For firms that CCRTA has certified under Part 26, those firms will remain certified unless and/or until CCRTA removes its certification, in whole or in part (*i.e.,* NAICS code removal), through the procedures of 49 CFR §26.87.

CCRTA may not require a DBE to reapply for certification, renew its certification, undergo a recertification, or impose any functionally equivalent requirement. It may, however, conduct a certification review at any reasonable time and/or at regular intervals of at least two years. The certification review may, at CCRTA's discretion, include a new on-site review (OSR). CCRTA may also make an announced visit to DBE's offices and/or job site. CCRTA may also rely on another certifier's report of its OSR of the DBE.

Declaration of Eligibility (DOE) (§26.83(j))

CCRTA requires all DBEs to provide every year on the anniversary of its original certification, a new Declaration of Eligibility (DOE) along with specified documentation in §26.65(a), including gross receipts for its most recently completed fiscal year, calculated on a cash basis regardless of the DBEs overall accounting method. The sufficiency of documentation (and its probative value) may vary by business type, size, history, resources, and overall circumstances. However, the following documents may generally be considered "safe harbors," provided that they include all reportable receipts, properly calculated, for the full reporting period: audited financial statements, a CPA's signed attestation of correctness and completeness, or all income-related portions of one or more (when there are affiliates) signed Federal income tax returns are file. Non-compliance, whether full or partial, is a §26.109 (c) failure to cooperate.

CCRTA will automatically notify all currently certified DBE firms of these obligations online through the B2GNow certification module 30 days before the DBEs' anniversary date of certification. This notification will inform DBEs to submit the completed and signed DOE, wherein owners must swear or affirm that they meet all regulatory requirements of Part 26, including personal net worth.

Likewise, if a firm's owner knows or should know that he or she, or the firm, fails to meet Part 26 eligibility requirements (e.g., personal net worth), the obligation to submit a notice of change applies. The DBE must notify CCRTA of a material change in its circumstances that affects its continued eligibility within 30 days of its occurrence, explain the change fully, and include a duly executed DOE with the notice. The DBE's non-compliance is a §26.109 (c) failure to cooperate.

Section 26.86 Denials of Initial Requests for Certification

If CCRTA denies a firm's application, it may not reapply until twelve (12) months have passed since CCRTA's action.

Section 26.87 Removal of a DBE's Eligibility

In the event CCRTA proposes to remove a DBE's certification, CCRTA will follow procedures consistent with 49 CFR §26.87. Attachment 7 to this program sets forth these procedures in detail. To ensure the separation of functions in a decertification, CCRTA has determined that their Chief Executive Officer (CEO) will serve as the decision-maker in decertification proceedings. CCRTA has established an administrative "firewall" to ensure that the CEO will not participate in any way in the decertification proceeding against the firm (including in the decision to initiate such a proceeding).

Section 26.89 Certification Appeals

Applicant and decertified firms may appeal CCRTA's decision in a certification matter directly to USDOT in accordance with 49 CFR §26.89(a).

Appellants must email the Department at DBEAppeals@dot.gov to submit their appeals within 45 days from the date of CCRTA's final decision regarding certification denial or removal. The appeal must include a copy of CCRTA's denial or decertification letter, including a narrative that explains fully and specific statement as to why the decision is erroneous, what outcome-determinative facts CCRTA has failed to consider, or what provisions of the DBE regulations CCRTA did not properly apply. If appellants do not have access to email, they may send a letter to:

U.S. Department of Transportation
Departmental Office of Civil Rights
Disadvantaged Business Enterprise Program Division
1200 New Jersey Ave, S.E.
Washington, DC 20590

CCRTA's decision remains in effect until USDOT resolves the appeal or CCRTA reverses itself.

When USDOT receives an appeal from the applicant and decertified firms, CCRTA will provide a complete administrative record, including video, audio recordings, or transcripts of any hearing, within 20 days of a USDOT request.

SUBPART F – COMPLIANCE AND ENFORCEMENT

Section 26.109 Information, Confidentiality, Cooperation

CCRTA will safeguard from disclosing to third parties, information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

Notwithstanding any provision of Federal or state law, CCRTA will not release any information that may reasonably be construed as confidential business information to any third party without the written consent of the firm that submitted the information. This includes applications for DBE certification and supporting information. However, CCRTA will transmit this information to DOT in any certification appeal proceeding under §26.89 or to any other state to which the individual's firm has applied for certification under §26.85.

CCRTA is required to cooperate fully and promptly with DOT and recipient compliance reviews, certification reviews, investigations, and other requests for information.

ATTACHMENTS

Attachment 1	Organizational Chart
Attachment 2	Small Business Enterprise (SBE) Program
Attachment 3	Overall Goal Calculation (FFY2023-2025)
Attachment 4	Uniform Certification Application
Attachment 5	DBE Participation Schedule A and Schedule B
Attachment 6	Monitoring Forms
Attachment 7	Procedures for Removal of DBE's Eligibility

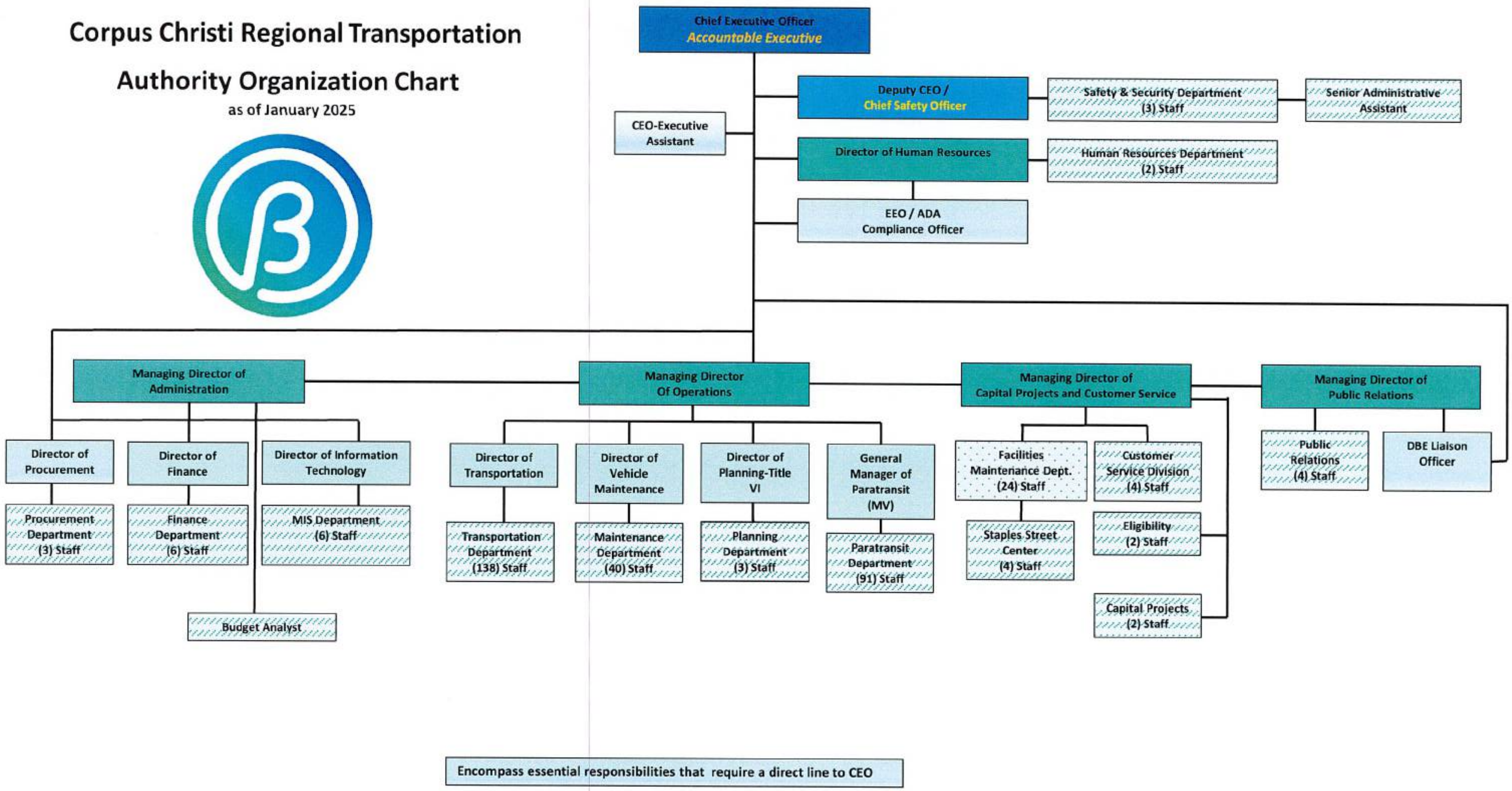
CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 1: Organizational Chart

Corpus Christi Regional Transportation Authority Organization Chart

as of January 2025



CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 2: Small Business Enterprise (SBE) Program

Small Business Enterprise (SBE) Program

Introduction

As specified in 49 CFR Part 26.39, CCRTA has created a program to foster small business element as part of the Disadvantaged Business Enterprise (DBE) Program Plan. In accordance with 49 CFR Part 26.51, the program is designed to ensure that the maximum feasible portion of the overall DBE goal is met by using race-neutral DBE participation. The SBE Program is a race-neutral small business program which restricts competition on certain contracts to only small businesses either as a prime contractor or subcontractor, regardless of the gender and ethnicity of the owners. The program will facilitate competition and small business participation on federally-funded Corpus Christi Regional Transportation Authority (CCRTA) contracts.

Certified DBE firms that are also certified as SBE will be counted toward race-neutral participation in the program and will contribute to attainment of the overall DBE goal. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on prime contract that does not carry a DBE contract goal.

Program Objectives

1. To provide opportunities for small business to participate in all phases of CCRTA contracting activities;
2. To ensure non-discriminatory practices in the utilization of small businesses in CRRTA contracts;
3. To encourage all small businesses to seek work as either as a prime or a subcontractor when qualified and when work is available;
4. To create formal processes and procedures that adequately and effectively assists in small business participation; and
5. To certify firms that meets the Small Business Enterprise (SBE) definition set forth below.

Definition of a Small Business

In determining whether a firm is eligible to compete as a small business, CCRTA will adopt the definitions contained in 13 CFR 121.103 and 121.104 for this policy and definition of small business concerns set out in 49 CFR 26.5.

Small Business Enterprise (SBE)

A small business is defined as any business whose annual gross receipts, including the annual gross receipts of all of the firm's affiliates, for the five previous years may not have exceeded the United States Small Business Administration's size standard for the North American Industry Classification System (NAICS) Code, as provided by 13 CFR 121.201 and not to exceed the business size set out in 49 CFR part 26.65(b); and must be owned by one or more persons who are U.S. citizen or lawfully-admitted permanent residents.

Implementation

CCRTA is committed to conduct the SBE program to foster small business (DBEs and non-DBE small businesses) participation in compliance with 49 CFR Part 26.39 through race-neutral measures. The SBE program is a supplement to the federal Disadvantaged Business Enterprise (DBE) program.

CCRTA incorporates the following non-discriminatory elements to its DBE Program, in order to facilitate competition on federally-funded projects by small business concerns (both DBEs and non-DBE small businesses):

1) The SBE program applies to contracts for which CCRTA has not set a DBE goal. However, if a certified DBE has been awarded a contract either as a prime contractor or subcontractor (when there is no contract goal), its participation shall be counted towards CCRTA's DBE overall goals.

2) When no DBE goal is established for a contract, provide procurement with a list of vendors found in the Texas Unified Certification Program (TUCP) DBE Directory and CCRTA's SBE Directory, and SBEs certified by TUCP Partners that may have the capability to bid the contract as a prime contractor or subcontractor. These vendors are notified of the contract opportunity.

3) Unbundle contracts, when possible, so an SBE can become a prime contractor on separate smaller contracts. This also includes the removal of unnecessary and unjustified bundling of contract requirements. Project Managers, Director of Procurement, Managing Director of Public Affairs, and the DBELO may conduct contract reviews on FTA-assisted contracts to determine whether portions of the project could be unbundled or bid separately.

4) Encourage CCRTA vendors to apply for SBE certification with CCRTA. CCRTA implemented a simplified certification process for SBEs. A qualified SBE, as defined by the United States Small Business Administration (SBA) must meet the required average gross receipts (under Title 13 CFR Part 121.104) or average number of employees (under Title 13 CFR Part 121.106) to qualify as a small business concern.

5) Exploring best practices to share the letting information with SBEs and encouraging small businesses which are also owned and controlled by socially and economically disadvantaged individuals to seek DBE certification.

While the SBE component of the DBE program does not require utilization goals on projects, CCRTA encourages contractors to utilize small businesses that are registered as SBEs on their contracts. The contractor will use the TUCP DBE Directory, CCRTA's SBE Directory, and

SBEs certified by TUCP Partners to search for certified DBEs and SBEs that can be used on the contract. However, SBEs that are not DBEs will not be counted toward DBE participation.

Small Business Enterprise (SBE) Certification Registration Procedures

To be eligible for certification as an SBE:

a) A firm's annual gross receipts, including the annual gross receipts of all the firm's affiliates, for the five preceding completed fiscal years may not have exceeded the United States Small Business Administration (SBA) size standard for the North American Industry Classification System (NAICS) Code, as provided by 13 C.F.R. §121.201 and definition of small business concerns set out in 49 CFR Part 26.5.
b) At least 51% of the firm's assets and interest and classes of stock, if applicable, must be owned by one or more persons who are U.S. citizens or lawfully admitted permanent residents.

CCRTA's certified DBEs will be automatically certified as an SBE. Businesses interested in pursuing SBE certification shall apply online via the CCRTA's Business Opportunity and DBE Program web portal at: https://ccrta.gob2g.com.

Certification Application Review and Evaluation

CCRTA will review and evaluate applications for SBE certification. At CCRTA's discretion or if circumstances warrant, an onsite inspection may be conducted to verify eligibility.

A. When an applicant is approved by CCRTA as an SBE, the business will be notified in writing of such certification. The certification shall be effective as of the date of the approval and shall remain valid unless revoked or withdrawn voluntarily by the certified SBE owner.
B. SBE certification is valid for three years from the initial date of certification. To be recertified as an SBE, SBE firm must submit a renewal application and documentation requirements.
C. CCRTA may deny an application if:
   (1) the application is not completed satisfactorily;
   (2) the applicant is not eligible to be certified as an SBE;
   (3) the applicant knowingly supplies false or inaccurate information; and
   (4) the applicant does not comply with the documentation requirements.
D. When an applicant is denied certification as an SBE, the business shall be notified in writing of the reasons for that decision. The burden of proof of eligibility shall be upon the applicant in any such proceeding.
E. A firm may not reapply for SBE certification within 12 months after the date of the denial notice.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 3: Overall Goal Calculation (FFY 2023-2025)

I. SUMMARY

Corpus Christi Regional Transportation Authority (CCRTA) submits the following Disadvantaged Business Enterprise (DBE) overall goal and methodology for Federal Fiscal Years (FFY) 2023-2025 to Federal Transit Administration (FTA) for review in accordance with 49 Code of Federal Regulations (CFR) Part 26.45. CCRTA's triennial overall goal of 14% for FFY 2023-2025 includes a race-conscious projection of 11.58% and race-neutral projection of 2.42%. CCRTA shall make good faith efforts to meet the overall DBE goal each year during the triennial period. The overall goal was derived in the following manner:

- A base goal of 22.29% was calculated;
- An adjustment to the base goal was made taking into consideration the median past participation of 5.96%, thus reducing the base goal to 14.13% rounded to 14%;
- The maximum portion of the adjusted goal is 11.58% which is race-conscious and the race-neutral portion of the adjusted goal is 2.42%.

II. BACKGROUND

As a recipient of Federal Transit Administration (FTA) funding, CCRTA is required to establish and submit a triennial DBE overall goal for its FTA-assisted projects pursuant to the U.S. Department of Transportation (USDOT) rules and regulations provided in Title 49 Code of Federal Regulations (CFR) Part 26 (DBE Regulations). DBE regulations required USDOT recipients to set an overall goal based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on federally-assisted contracts. The goal must reflect CCRTA's determination on the level of DBE participation expected absent the effects of discrimination.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2023-2025

Table 1 represents CCRTA's FTA-assisted projects that are anticipated to be awarded during the triennial period and which are considered in preparing this goal methodology. The projects have viable subcontracting possibilities and corresponding availability of DBEs, a required criterion for overall goal consideration.

Table 1

Project Name	Estimated FTA Funding for FFY 2023-2025
Bus Stop Shelter Amenities	$1,098,085.00
Bus Stop Improvements	$1,200,000.00
Concrete Bus Pads	$840,000.00
Bus Wash Replacement	$200,000.00
Bus Lift Replacements	$680,000.00
Fork Lift Replacement	$43,008.00
Mobile Radio Replacement	$195,200.00
Support Vehicle Purchases	$506,726.00
Total	**$4,763,019.00**

Categories of Work

CCRTA reviewed each project anticipated to be awarded in the triennial period and determined the applicable categories of work applicable for each project using North American Industry Classification System (NAICS) codes. The corresponding dollar values for each NAICS code for each project are summarized below for purposes of weighting the categories of work based on the staff estimates. Table 2 provides a summary of the categories of project with estimated dollars for each.

Table 2

NAICS Code	Bus Stop Shelter Amenities	Bus Stop Improv	Concrete Bus Pads	Bus Wash Replc	Bus Lifts Replc	Fork Lift Replc	Mobile Radio Replc	Support Vehicle Purchases	Est. FTA $ Share NAICS	Est. FTA % Share NAICS
236220	$957,296	$400,000							$1,357,296	28.50%
237310		$200,000	$465,000						$665,000	13.96%
238110	$120,789	$450,000	$375,000						$945,789	19.86%
238910	$20,000	$50,000							$70,000	1.47%
334220							$195,200		$195,200	4.10%
423120					$680,000	$43,008			$723,008	15.18%
441110								$506,726	$506,726	10.64%
541330		$100,000							$100,000	2.10%
811192				$200,000					$200,000	4.20%
	$1,098,085	$1,200,000	$840,000	$200,000	$680,000	$43,008	$195,200	$506,726	$4,763,019	100.00%

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure

The calculations to determine the base figure are made in order to measure the relative availability of DBE firms or firms that could be certified as DBE firms to perform the types of prime and subcontract work that CCRTA contracts. The methodology used determines the percentage of DBE firms that are ready, willing, and able to respond to solicitations for the types of work that CCRTA will be performing during the 2023-2025 federal fiscal years.

CCRTA followed one of the prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26.45 regulations. This was accomplished by accessing the *Texas Unified Certification Program (TUCP) Directory of Certified DBE firms* and the *2020 U.S. Census Bureau County Business Patterns (CBP) database.*

Local Market Area:

Comparisons were made within CCRTA's local market area which consists of Nueces, San Patricio, and Aransas counties and by specified industries and type of businesses. This is where the substantial majority of CCRTA's contracting dollars are expended and/or the substantial majority of contractors' and subcontractors' bids or quotes are received.

In accordance with the formula below, the Base Figure is derived by dividing the number of ready, willing, and able DBE firms identified for each NAICS work category by the number of all firms identified for each corresponding work category (relative availability), then weighting the relative availability for each work category by the corresponding work category weight from Table 2 (weighted ratio) and then adding the weighted ratio figures together.

$$\text{Base Figure} = \frac{\text{Number of Ready,Willing,and Able DBEs}}{\text{Number of All Ready,Willing, and Able Firms}} \text{ x Weight x 100}$$

⟹ For the numerator: Texas UCP DBE Database of Certified Firms
⟹ For the denominator: 2020 U.S. Census Bureau's County Business Pattern (CBP) Database

CCRTA made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

The result of the Base Figure calculation is **22.29%**, as shown in Table 3 as follows:

Table 3

NAICS CODE	NAICS TITLE	NAICS %	DBEs	ALL FIRMS	RELATIVE AVAILABILITY (DBE ÷ All Firms)	WEIGHTED RATIO (Relative Availability % x NAICS %)
236220	Bus shelter construction	28.50%	9	43	20.93%	5.97%
237310	Concrete paving	13.96%	6	10	60.00%	8.38%
238110	Concrete pouring	19.86%	9	24	37.50%	7.45%
238910	Site preparation contractors	1.47%	7	27	25.93%	0.38%
334220	Mobile communication equipment	4.10%	0	4	0.00%	0.00%
423120	Shop equipment	15.18%	0	12	0.00%	0.00%
441110	Auto/light utility truck dealers	10.64%	0	25	0.00%	0.00%
541330	Engineering services	2.10%	5	100	5.00%	0.11%
811192	Truck and bus washes	4.20%	0	21	0.00%	0.00%
					Base Figure	**22.29%**

Step 2: Adjusting the Base Figure

Upon establishing the base figure, CCRTA reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45: Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included past DBE goal attainments and other evidence as follows:

A. Past DBE Goal Attainments

As historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform, CCRTA considered DBEs' past participation as a relevant factor and proceeded to calculate past DBE participation attainments for the last three federal fiscal years, for which DBE attainment data is available. The projects anticipated to be awarded during the triennial period are slightly similar to those awarded in the recent past. Every semi-annual reporting period, CCRTA awards FTA-assisted contracts that consist of varying dollar amounts, varying term periods, use of varying procurement selection methods and depending on the contract, a varying number of DBE firms ready, willing, and able to perform those type of services. These multiple factors have resulted in a range of DBE attainment rates in the given semi-annual reporting period.

Table 4 shows the demonstrated capacity of DBEs (measured by actual historical DBE participation attainment) on FTA-assisted contracts awarded by CCRTA in the last three federal fiscal years.

Table 4

FFY	Total Dollars	Total $ to DBEs	Race-Conscious (RC) DBEs $	Race-Neutral (RN) DBEs $	RC %	RN%	Total RC+RN%*	FFY DBE Goal Attainment %
2019 - Oct-Mar	$586,533.00	$0.00	$0.00	$0.00	0.00%	0.00%	0.00%	
Apr-Sep	$768,247.00	$80,765.00	$40,015.00	$40,750.00	5.21%	5.30%	10.51%	**5.96%**
2020 - Oct- Mar	$247,552.00	$40,000.00	$0.00	$40,000.00	0.00%	16.16%	16.16%	
Apr-Sep	$1,407,719.00	$0.00	$0.00	$0.00	0.00%	0.00%	0.00%	**2.42%**
2021 - Oct-Mar	$1,183,193.00	$58,128.00	$58,109.00	$19.00	4.91%	0.002%	4.91%	
Apr-Sep	$687,845.00	$91,373.00	$71,618.00	$19,755.00	10.41%	2.87%	13.28%	**8.00%**
Median DBE Attainment within the last three FFY								5.96%

**The percentage of DBE goal attainment on the FTA share from CCRTA's Semi-Annual Uniform reports that were submitted to FTA.*

The median DBE attainment for the past three years, as shown in Table 4, is lower than the base figure derived from Step 1; therefore, an adjustment to the base figure based on CCRTA's past DBE goal attainments has been made. The adjustment is calculated by averaging the base figure with the median DBE past attainment, as shown below:

$$\text{Adjusted Base Figure} = \frac{\text{Base Figure } (22.29\%) + \text{Median Past Attainment } (5.96\%)}{2}$$

The formula resulted in an adjustment (decrease) to the base figure from 22.29% to 14.13% rounded to **14%**.

B. Disparity Studies

CCRTA has not conducted any disparity studies in the past three federal fiscal years. Therefore, no disparity studies were considered.

C. Other Related Evidence

In accordance with DOT DBE regulations, if available, CCRTA must consider evidence from related fields that affect the opportunity for DBEs to form, grow, and compete which include but not limited to: statistical data that show disparities in the ability of DBEs getting financing, bonding and insurance required to participate in CCRTA's DBE Program; and data on employment, self-employment, education, training, and union apprenticeship programs to the extent related to the opportunities for DBEs to perform in CCRTA's DBE Program. No such evidence of the kind described in the regulations at 49 CFR Part 26.45(d)(2) was available to consider in determining whether an adjustment to base figure is warranted.

V. PROPOSED OVERALL DBE GOAL

The final proposed overall DBE goal for federal fiscal years (FFY) 2023-2025 for Corpus Christi Regional Transportation Authority's (CCRTA) FTA-assisted contracts is 14%.

BREAKOUT OF ESTIMATED RACE-NEUTRAL/RACE-CONSCIOUS PARTICIPATION

The federal regulations require CCRTA to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. Race-neutral participation includes:

- DBEs who win prime contracts through customary competitive procurement procedures;
- DBEs who are awarded subcontracts on prime contracts that do not carry a DBE goal; and
- DBEs who are awarded subcontracts in excess of the stated DBE contract goal.

To calculate the race-neutral and race conscious split of the overall goal, CCRTA examined the race-neutral attainment for the past three years to determine the maximum feasible race-neutral participation. The median was used instead of the average to exclude outliers – that is, abnormally high or low numbers. Table 5 shows that CCRTA achieved a median of 2.42% of the goal over the past three years through race neutral means. CCRTA intends to meet the maximum feasible portion of the overall goal by using a combination of race-neutral and race conscious DBE participation.

Table 5

FFY	Total Dollars	Total $ to DBEs	DBE Goal Attainment%	Race-Conscious DBEs $	Race-Neutral DBEs $	Race-Conscious %	Race-Neutral %
2019	1,354,780.00	80,765.00	5.96%	40,015.00	40,750.00	2.95%	3.01%
2020	1,655,271.00	40,000.00	2.42%	0.00	40,000.00	0.00%	2.42%
2021	1,871,038.00	149,501.00	7.99%	129,727.00	19,774.00	6.93%	1.06%
					Median Race-Neutral Attainment		2.42%

CCRTA anticipates meeting the overall goal of 14% DBE participation for FFY 2023-2025 with 2.42% race-neutral participation and 11.58% race-conscious participation calculation as follows:

Overall DBE goal for FFY 2023-2025	-	14.00%
Race-neutral DBE goal (median FFY 2019-2021)	-	- 2.42%
Race-conscious DBE goal	-	11.58%

Pursuant to the final rule requiring submission of a goal-setting methodology on a three-year cycle, CCRTA is also required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e. significant change in the legal standards governing the DBE program, new contracting opportunities presented by the availability of new or different grant opportunities, etc.) to ensure the goal and program as a whole are narrowly-tailored throughout the goal period.

CCRTA will monitor and adjust as needed the estimated breakout of race-neutral and race-conscious participation to reflect actual DBE participation. On a quarterly basis, CCRTA will:

- Separately track and report race-neutral and race-conscious participation
- Maintain data on DBE achievements in those contracts with or without contract goals.

VI. RACE-NEUTRAL IMPLEMENTATION METHODS

To assist in increasing race-neutral participation on its contracts, CCRTA will continue to actively seek procurement participation from DBE certified firms which includes the following but are not limited to:

- Participating in conference, seminars and community outreach activities for the purpose of informing potential contractors of CCRTA's contracting procedures and available business opportunities;
- Hosting DBE Certification and How to Do Business with CCRTA outreach events in the local market area;
- Providing and arranging for pre-bid and pre-proposal meetings to allow for networking opportunities for primes and subcontractors;
- Ensuring participants at pre-bid meetings are informed of CCRTA's DBE Program and requirements;
- Advising its contracting community of the benefits of becoming DBE certified, the eligibility requirements to become certified as a DBE, and the online directory of certified DBEs found at CCRTA's website: www.ccrta.org & the Texas UCP website: https://txdot.txdotcms.com/;
- Ensuring that Invitation for Bids (IFBs), Requests for Proposals (RFPs), and all corresponding contracting requirements foster participation by DBEs and other small businesses.
- Encouraging prime contractors to subcontract portions of the work to DBEs.

VII. PUBLIC PARTICIPATION & FEEDBACK

A Public Notice was issued on the CCRTA website, publishing the Proposed DBE Overall Goal Setting & Methodology for FFY 2023-2025. The Public Notice informed the public that the proposed goal and methodology were available for review at the CCRTA's Staples Street Center during the normal business hours for 30 days following the date of the public notice; and that CCRTA would also be accepting written comments regarding the proposed goal for 45 days from the date of the publication of the notice.

In accordance with 49 CFR Part 26.45 (g)(1)(i), minority, women, local business associations, and community organizations within the market area were contacted and provided an opportunity to review the triennial goal analysis and provide input. CCRTA reached out to various local minority, women, community business organizations, and stakeholders) by email (Attachment 3: Email to various local minority, women, community business organizations, and stakeholders) with a request that they disseminate CCRTA's Proposed DBE Overall Goal for FFY 2023-2025 to afford their members and clients to participate and solicit comments. Emails were sent to the following:

- United Corpus Christi Chamber of Commerce
- Robstown Area Development Commission
- Coastal Bend – Procurement Technical Assistance Center & Small Business Development Center
- Corpus Christi International Airport
- Corpus Christi Black Chamber of Commerce
- National Association for the Advancement of Colored People (NAACP) Corpus Christi Branch
- Hispanic Women's Network of Texas
- Westside Business Association
- U.S. Small Business Administration (SBA) Corpus Christi Branch

A public meeting notice (in-person and virtual) was posted to CCRTA's website. The public meeting notice was also sent to the City of Corpus Christi, Nueces County Office, San Patricio County Office for posting including neighboring small cities in the Coastal Bend. Invites to the public meeting was also sent to the above-mentioned organizations via email for public comment with presentation describing how the goal was developed and inviting questions and comments.

CCRTA held a hybrid public meeting with a presentation describing how the goal was developed and inviting questions and comments. The public meeting was held on July 20, 2022 at the CCRTA Staples Street Center, 602 N. Staples St. Corpus Christi, TX 78401 at 1:30 p.m. Representatives from Coastal Bend -Procurement Technical Assistance Center & Small Business Development Center, Corpus Christi International Airport, a local small business, and a DBE certified firm attended the public meeting. The attendees did not provide any specific comment or feedback on the methodology.

<u>Feedback from Public Participation Process</u>

CCRTA has not received any comment/feedback related to the FFY 2023-2025 overall DBE goal setting and methodology and proposed DBE goal.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 4: Uniform Certification Application and PNW

UNIFORM CERTIFICATION APPLICATION
DISADVANTAGED BUSINESS ENTERPRISE (DBE)/AIRPORT CONCESSIONS
DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAMS 49 CFR Parts 23 and 26

1. Should I apply?

You may be eligible to participate in the DBE/ACDBE programs if:

(1) The firm is a for-profit business that performs or seeks to perform transportation-related work (or an airport concession activity) for a recipient of Federal Aviation Administration, Federal Highway Administration, or Federal Transit Administration funds.

- The firm is at least 51% owned and controlled by a socially and economically disadvantaged individual(s) who is a U.S. citizen(s) or lawfully admitted permanent U.S. resident(s).
    - Refer to § 26.5 of 49 CFR Part 26 for the definition of "socially and economically disadvantaged individual."
    - Refer to https://www.transportation.gov/DBEPNW for "personal net worth cap."
    - Refer to § 26.69 and 26.70 of 49 CFR Part 26 to determine whether you meet the ownership and control requirements.
- The firm meets the Small Business Administration's (SBA) and the DBE/ACDBE program's size standards at https://www.transportation.gov/DBEsizestandards

It is the applicant firm's responsibility to provide sufficient evidence to demonstrate that, more likely than not, it meets all eligibility requirements.

2. How do I apply?

Firms applying for DBE/ACDBE certification in their home state, i.e., the state in which the firm maintains its principal place of business, must submit to a certifying agency in their home state a completed Uniform Certification Application and all required documents (see attached checklist) and participate in an on-site interview. Failure to timely submit documents may result in delayed processing or denial of your application.

Firms already certified as a DBE/ACDBE in their home state do not have to complete this form. Section 26.85 of 49 CFR Part 26 explains the process for obtaining certification in additional states, i.e., interstate certification.

3. Where can I send my application?

Transportation agencies in each state perform DBE and ACDBE certification functions. DOT's website has a table of certifying agency contacts at https://www.transportation.gov/DBEPOC

Click on the link to access contact information for your state/territory and obtain details on how to submit your application.

4. What happens after I apply?

A transportation agency in your state that performs certification functions will contact you.

5. Where can I find more information?

Visit the USDOT website at https://www.transportation.gov/DBE for links to the DBE/ACDBE program rules and regulations (including those for interstate certification), answers to frequently asked questions, points of contact, and more.

SBA Small Business Size Standards matched to the North American Industry Classification System (NAICS): http://www.census.gov/eos/www/naics/ and http://www.sba.gov/content/table-small-business-size-standards.

Under 49 CFR § 26.107, if, at any time, the Department or a recipient has reason to believe that any person or firm has willfully and knowingly provided incorrect information or made false statements, the Department may initiate suspension or debarment proceedings against the person or firm under 2 CFR Parts 180 and 1200, No procurement Suspension and Department, take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, and/or refer the matter to the Department of Justice for criminal prosecution under 18 USC 1001, which prohibits false statements in federal programs

OMB APPROVAL NO: 2105-0586
EXPIRATION DATE: (05/31/2027)

INSTRUCTIONS

NOTE: All participating firms must be for-profit enterprises with current business operations. If your firm is not for profit, or is not conducting business, then you do NOT qualify for the DBE/ACDBE program and should not complete this application. If you require additional space for any question in this application, please attach additional sheets or copies as needed, taking care to indicate on each attached sheet/copy the section and number of this application to which it refers.

Section 1: CERTIFICATION INFORMATION

A. Basic Contact Information

(1) Enter the name and title of the person completing this application who will serve as your firm's contact for this application.
(2) Enter the legal name of your firm, as indicated in your firm's Articles of Incorporation (if any) or similar document.
(3) Enter the primary phone number of your firm.
(4) Enter a secondary phone number, if any.
(5) Enter your firm's fax number, if any.
(6) Enter the contact person's email address.
(7) Enter your firm's website address, if any.
(8) Enter the street address of the firm where its offices are physically located (not a P.O. Box).
(9) Enter the mailing address of your firm, if it is different from your firm's street address.

B. Prior/Other Certifications and Applications

Indicate whether your firm or any firms owned by the persons listed has ever been denied certification as a DBE/ACDBE, 8(a), or Small Disadvantaged Business (SDB) firm, or state and local MBE/WBE firm. Indicate if the firm has ever been decertified from one of these programs. Indicate if the application was withdrawn or whether the firm was debarred, suspended, or otherwise had its bidding privileges denied or restricted by any state or local agency, or Federal entity. If your answer is yes, identify the name of the agency, and explain fully the nature of the action in the space provided. Indicate if you have ever appealed this decision to the Department and if so, attach a copy of USDOT's final agency decision(s).

Section 2: GENERAL INFORMATION

A. Business profile:

(1) Give a concise description of the firm's primary activities, the product(s) or services the company provides, or type of construction. If your company offers more than one product/service, list primary product or service first (attach additional sheets if necessary). This description may be used in states' online directories of certified firms.
(2) If you know the appropriate North American Industry Classification System (NAICS) code for the type(s) of work you identified in your business profile, enter the codes in the space provided.
(3) State the date on which your firm was established as stated in your firm's Articles of Incorporation (if any) or similar document.
(4) State the date each person became a firm owner. Check the appropriate box describing the manner in which you and each other owner acquired ownership of your firm. If you checked "Other," explain in the space provided.
(5) Check the appropriate box that indicates whether your firm is "for profit." **If you checked "No," then you do NOT qualify for the DBE/ACDBE program** and should not complete this application. All participating firms must be for-profit enterprises. Provide the Federal Tax ID number as stated on your firm's Federal tax return.
(6) Check the appropriate box that describes the type of legal business structure of your firm, as indicated in your firm's Articles of Incorporation or similar document. If you checked "Other," briefly explain in the space provided.
(7) Indicate in the spaces provided how many employees your firm has, specifying the number of employees who work on a full-time, part-time, and seasonal basis. Attach a list of employees, their job titles, and dates of employment to your application.
(8) Specify the firm's gross receipts for each of the **past five years**, as stated in your firm's filed federal tax returns. You must submit all portions of federal tax returns related to gross receipts and signature pages, as filed. If there is no federal tax return yet filed for the most recent taxable year, you may provide an income statement signed by a CPA who attests to its accuracy and completeness. If there are any affiliates or subsidiaries of the applicant firm or owners, you must provide documentation these firms' gross receipts also as described above. Affiliation is defined in 49 C.F.R. §26.5 and 13 C.F.R. Part 121.

B. Relationships and Dealings with Other Businesses

(1) Check the appropriate box that indicates whether your firm is co-located at any of its business locations, or whether your firm shares a telephone number(s), a post office box, any office space, a yard, warehouse, other facilities, any equipment, financing, or any office staff and/or employees with any other business, organization or entity of any kind. If you answered "Yes," then specify the name of the other firm(s) and fully explain the nature of your relationship with these

other businesses by identifying the business or person with whom you have any formal, informal, written, or oral agreement. Provide an explanation of any items shared with other firms in the space provided.

(2) Check the appropriate box indicating whether any other firm currently has or had an ownership interest in your firm at present or at any time in the past. If you checked yes, please explain.

(3) Check the appropriate box that indicates whether at present or at any time in the past your firm:
  - (a) ever existed under different ownership, a different type of ownership, or a different name;
  - (b) existed as a subsidiary of any other firm;
  - (c) existed as a partnership in which one or more of the partners are/were other firms;
  - (d) owned any percentage of any other firm; and
  - (e) had any subsidiaries of its own.
  - (f) served as a subcontractor with another firm constituting more than 25% of your firm's receipts.

If you answered "Yes" to any of the questions in (3)(a-f), you may be asked to explain the arrangement in detail.

Section 3: MAJORITY OWNER INFORMATION

Identify all individuals or holding companies with any ownership interest in your firm, providing the information requested below (if your firm has more than one owner, provide completed copies of this section for each owner):

A. Identify the majority owner of the firm holding 51% or more ownership interest:

(1) Enter the full name of the owner.
(2) Enter the owner's title or position.
(3) Give the owner's phone number.
(4) Enter the owner's home (street) address.
(5) Indicate the owner's gender.
(6) Identify the owner's ethnic group membership. If you checked "Other," specify this owner's ethnic group/identity not otherwise listed.
(7) Check the appropriate box to indicate whether this owner is a U.S. citizen or a lawfully admitted permanent resident. If this owner is neither a U.S. citizen nor a lawfully admitted permanent resident of the U.S., then the firm may not rely on this owner's social and economic disadvantaged status for DBE certification eligibility.
(8) Enter the number of years this owner has been an owner of your firm.
(9) Indicate the percentage of the total ownership this person holds and the date acquired, including (if appropriate), the class of stock owned.
(10) Indicate the dollar value of this owner's initial investment to acquire an ownership interest in your firm, broken down by cash, real estate, equipment, gift and/or other investment. Describe how the owner acquired the business and attach documentation substantiating this investment.
(11) List additional investments.

B. Additional Owner Information

(1) Describe the familial relationship of this owner to each other owner of your firm and employees.
(2) Indicate whether this owner performs a management or supervisory function for any other business. If you checked "Yes," state the name of the other business and this owner's function/title held in that business.
(3) (a) Check the appropriate box that indicates whether this owner owns or works for any other firm(s) that has any relationship with your firm. If you checked "Yes," identify the name of the other business, the nature of the business relationship, and the owner's function at the firm.
(b) If the owner works for any other firm, non-profit organization, or is engaged in any other activity more than 10 hours per week, please explain this activity.
(4) (a) Provide the personal net worth of the owner claiming social and economic disadvantage in the space provided. Complete and attach the accompanying "Personal Net Worth Statement for DBE/ACDBE Program Eligibility" with your application. Complete this section and accompanying statement only for each owner claiming to be socially and economically disadvantaged.
(b) Check the appropriate box that indicates whether any trust has been created for the benefit of the disadvantaged owner(s). If you answered "Yes," you may be asked to provide a copy of the trust instrument.
(5) Check the appropriate to indicate whether any of your immediate family members, managers, or employees, own, manage, or are associated with another company. Immediate family member is defined in 49 C.F.R. §26.5. If you answered "Yes," provide the name of each person, your relationship to that person, , the name of the company, the type of business, and whether that person owns or manages the company.

Section 4: CONTROL

A. Identify the firm's Officers and Board of Directors

(1) In the space provided, state the name, title, date of appointment, group membership, and gender of each officer.
(2) In the space provided, state the name, title, date of appointment, group membership , and gender of each individual serving on your firm's Board of Directors.
(3) Check the appropriate box to indicate whether any of your firm's officers and/or directors listed above performs a management or supervisory function for any other business. If you answered "Yes," identify each such individual by name and , provide the name of the other business in which that individual is involved, and describe the

nature of that individual's role in the other business.

(4) Check the appropriate box that indicates whether any of your firm's officers and/or directors listed above own or work for any other firm(s) that has a relationship with your firm. (e.g., ownership interest, shared office space, financial investments, equipment leases, personnel sharing, etc.) If you answered "Yes," identify the name of the firm, the individual's name, and the nature of the individual's relationship with that other firm.

B. Duties of Owners, Officers, Directors, Managers and Key Personnel

Specify the roles of the majority and minority owners, directors, officers, and managers, and key personnel who are responsible for the functions listed for the firm. Submit résumés for each owner and non-owner identified below. State the name of the individual, title, race and gender and percentage ownership if any. Circle the frequency of each person's involvement as follows: "always, frequently, seldom, or never" in each area.

Indicate whether any of the persons listed in this section perform a management or supervisory function for any other business. Identify the person, business, and their title/function. Identify if any of the persons listed above own or work for any other firm(s) that has a relationship with this firm (e.g., ownership interest, shared office space, financial investment, equipment, leases, personnel sharing, etc.) If you answered "Yes," describe the nature of his/her business relationship with that other firm.

C. Inventory: Indicate firm inventory in these categories:

(1) Equipment and Vehicles
State the make and model, and current dollar value of each piece of equipment and motor vehicle held and/or used by your firm. Indicate whether each piece is either owned or leased by your firm or owner, whether it is used as collateral, and where this item is stored.

(2) Office Space
State the street address of each office space held and/or used by your firm. Indicate whether your firm or owner owns or leases the office space and the current dollar value of that property or its lease.

(3) Storage Space
State the street address of each storage space held and/or used by your firm. Indicate whether your firm or owner owns or leases the storage space and the current dollar value of that property or its lease. Provide a signed lease agreement for each property.

D. Does your firm rely on any other firm for management functions or employee payroll?

Check the appropriate box that indicates whether your firm relies on any other firm for management functions or for employee payroll. If you answered "Yes," you may be asked to explain the nature of that reliance and the extent to which the other firm carries out such functions.

E. Financial / Banking Information

State the name, city and state of your firm's bank. Identify the individuals authorized to sign checks on this account. Provide bank documentation that shows all individuals who are authorized to sign checks on the firm's behalf.

Bonding Information. State your firm's bonding limits both aggregate and project limits.

F. Sources, amounts, and purposes of money loaned to your firm, including the names of persons or firms guaranteeing the loan.

State the name and address of each source, the name of person securing the loan, original dollar amount and the current balance of each loan, and the purpose for which each loan was made to your firm. Provide copies of signed loan agreements and security agreements

G. Contributions or transfers of assets to/from your firm and to/from any of its owners or another individual over the past two years:

Indicate in the spaces provided, the type of contribution or asset that was transferred, its current dollar value, the person or firm from whom it was transferred, the person or firm to whom it was transferred, the relationship between the two persons and/or firms, and the date of the transfer.

H. Current licenses/permits held by any owner or employee of your firm.

List the name of each person in your firm who holds a professional license or permit, the type of permit or license, the expiration date of the permit or license, and identify the state that issued the license or permit. Attach copies of licenses, license renewal forms, permits, and haul authority forms.

I. Largest contracts completed by your firm in the past three years, if any.

List the name of each owner or contractor for each contract, the name and location of the projects under each contract, the type of work performed on each contract, and the dollar value of each contract.

J. Largest active jobs on which your firm is currently working.
For each active job listed, state the name of the prime contractor and the project number, the location, the type of work performed, the project start date, the

anticipated completion date, and the dollar value of the contract.

Section 5: AIRPORT CONCESSION (ACDBE) APPLICANTS

Complete the entries in this section if you are applying for ACDBE certification. Indicate in Section A if you operate a concession at the airport, and/or supply a good or service to an airport concessionaire. Indicate in Section B whether the applicant firm owns or operates any off-airport locations, providing the type of business, lease information, address/location, and annual gross receipts generated. Provide similar information in section C for any airport concession locations the firm currently owns or operates. If the applicant firm has any affiliates, provide the requested information in Section D. Indicate whether the ACDBE firm is participating in any joint ventures, and if so, include the original and any amended joint venture agreements.

DECLARATION & SIGNATURE

The Declaration of Eligibility must accompany your application. Carefully read the attached declaration in its entirety. Fill in the required information for each blank space, and sign and date the declaration.

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IF YOU ARE ALREADY CERTIFIED AS A DBE/ACDBE, YOU DO NOT HAVE TO COMPLETE THIS APPLICATION FOR OTHER STATES. REFER TO § 26.85 OF 49 CFR PART 26 FOR DETAILS ABOUT THE INTERSTATE CERTIFICATION PROCESS.

Section 1: CERTIFICATION INFORMATION

A. Basic Contact Information:

My firm is applying for certification as _______ DBE ___ ACDBE

(1) Contact person's name and title:

____

(2) Legal name of firm:

____

(3) Phone #: ___________ (4) Other Phone #: ______________ (5)Fax#: ______________

(6) E-mail: ___________________________ (7) Firm Websites: ___________________________

(8) Street address of firm (No P.O. Box):	City:	County/Parish:	State:	Zip:
____________________	__________	__________	______	______
(9) Mailing address of firm (No P.O. Box):	City:	County/Parish:	State:	Zip:
____________________	__________	__________	______	______

B. Prior/Other Certifications and Applications

(10) Indicate whether the firm or any persons listed in this application have ever been:

(a) Denied certification or decertified as a DBE, ACDBE, 8(a), SDB, MBE/WBE firm? __ Yes __No

(b) Withdrawn an application for these programs, or debarred or suspended or otherwise had bidding privileges

denied or restricted by any state or local agency, or federal entity? __ Yes __ No If yes, explain the nature of the action. (If you appealed the decision to DOT or another agency, attach a copy of the decision.)

____
____
____
____
____

Section 2: GENERAL INFORMATION

A. Business Profile: (1) Give a concise description of the firm's primary activities and the product(s) or service(s) it provides. If your company offers more than one product/service, list the primary product or service first. Please use additional sheets if necessary. This description may be used in states' online databases and directories of certified firms. ____

____
____
____
____
____
____
____
____
____

(2) NAICS Codes for this line of work include: ______ ______ ______ ______ ______ ______ ______ ______

(3) This firm was established on: ____________________

(4) Is the firm "for profit"? __ Yes Federal Tax ID# ______________________ __ *NO STOP!* **If the firm is NOT for-profit, then the firm does NOT qualify for this program and should not fill out this application.**

(5) Type of Legal Business Structure: (check all that apply):

___ Sole Proprietorship
___ Limited Liability Partnership
___ Partnership
___ Corporation
___ Limited Liability Company
___ Other (describe): ______________________________

(6) Number of employees: Full-time _______Part-time ______Seasonal ______Total _________
(Provide a list of employees, their job titles, and dates of employment, to your application).

(7) Specify the firm's gross receipts for the last 5 years. (Submit complete copies of the firm's federal tax returns for each year. You may provide gross receipt information for the past 5 years. If there are affiliates or subsidiaries of the applicant firm or owners, you must submit complete copies of these firms' Federal tax returns).

Year _______ Gross Receipts of Applicant Firm $ ____________ Gross Receipts of Affiliate Firms $__________
Year _______ Gross Receipts of Applicant Firm $____________Gross Receipts of Affiliate Firms $_________
Year _______ Gross Receipts of Applicant Firm $ ____________ Gross Receipts of Affiliate Firms $__________
Year _______ Gross Receipts of Applicant Firm $ ____________ Gross Receipts of Affiliate Firms $__________
Year _______ Gross Receipts of Applicant Firm $____________Gross Receipts of Affiliate Firms $_________

B. Relationships and Dealings with Other Businesses

(1) Is your firm co-located at any of its business locations, or does it share a telephone number, P.O. Box, office or storage space, yard, warehouse, facilities, equipment, inventory, financing, office staff, and/or employees with any other business, organization, or entity? ☐ Yes ☐ No

If yes, explain the nature of your relationship with these other businesses by identifying the business or person with whom you have any formal, informal, written, or oral agreement. Provide details about the shared items.

(2) Has any other firm had an ownership interest in your firm at present or at any time in the past?

☐ Yes ☐ No If yes, explain: ______________________________

(3) At present, or at any time in the past, has your firm:

(a) Ever existed under different ownership, a different type of ownership, or a different name? ☐ Yes ☐ No

(b) Existed as a subsidiary of any other firm? ☐ Yes ☐ No

(c) Existed as a partnership in which one or more of the partners are/were other firms? ☐ Yes ☐ No

(d) Owned any percentage of any other firm? ☐ Yes ☐ No

(e) Had any subsidiaries? ☐ Yes ☐ No

(f) Served as a subcontractor with another firm constituting more than 25% of your firm's receipts? ☐ Yes ☐ No

(If you answered "Yes" to any of the questions in (2) and/or (3)(a)-(f), you may be asked to provide further details and explain whether the arrangement continues).

Section 3: MAJORITY OWNER INFORMATION

A. Identify the owner of the firm ***holding 51% or more*** ownership interest in the firm.

(1) Full Name: ______________________
(2) Title: ______________________

(3) Home Phone #: ____________________
(4) Home Address (Street and Number) __________________ City __________ State _________ Zip ___________
(5) Gender: __ Male __ Female ___Other: _________
(6) Group membership (Check all that apply):

__ Black American
__ Hispanic American
__ Asian-Pacific American
__ Native American
__ Subcontinent Asian American
__ Other: ____________________

(7) Residency Status:
__ U.S. Citizen
__ Lawfully Admitted Permanent Resident

(8) Number of years as owner: __________________
(9) Percentage owned: ________________________
(a) Class of stock owned (if applicable):____________
(b) Date acquired ____________________________

(10) Initial investment to acquire ownership in firm:

Type	Dollar Value
Cash	$ ____________
Real Estate	$ ____________
Equipment	$ ____________
Other	$ ____________

Describe how the majority owner acquired ownership of the firm:
___ Started business myself
___ Received it as a gift from ____________
___ Bought it from: __________________
___ Inherited it from: __________________
___ Other: ________________________

(Attach documentation substantiating your investment and method of acquisition)

B. Additional Owner Information
(1) Describe familial relationship to other owners and employees: ____

(2) Does this owner perform a management or supervisory function for any other business? __ Yes __ No
If yes, identify: Name of Business: ______________________Function/Title: __________________________

(3)(a) Does this owner own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.) __ Yes __ No
If yes, identify the name of the business, and the nature of the relationship, and the owner's function at the firm: _____

(b) Does this owner work for any other firm, non-profit organization, or engage in any other activity more than 10 hours per week? __ Yes __ No If yes, identify this activity: ______________________________

(4)(a) What is the Personal Net Worth (PNW) of this disadvantaged owner?_____________________________

(b)Has any trust been created for the benefit of this disadvantaged owner(s)? __ Yes __ No

(If Yes, you may be asked to provide a copy of the trust instrument).

(5) Do any of your immediate family members, owners, directors, officers, managers, or employees own, manage, or have any association with another company? __ Yes __ No If yes, provide their name, relationship, company, type of business, and indicate whether they own or manage the company: (Please attach extra sheets, if needed): ______

Section 3: ADDITIONAL OWNER INFORMATION

A. Identify all individuals, firms, or companies that hold **LESS THAN 51%** ownership interest in the firm (Attach separate sheets for each additional owner)

(1) Full Name: ______________________
(2) Title: ______________________
(3) Home Phone #: ______________________
(4) Home Address (Street and Number) ________________ City __________ State _________ Zip __________
(5) Gender: __ Male __ Female ___Other: _________
(6) Group membership (Check all that apply):

__ Black American
__ Hispanic American
__ Asian-Pacific American
__ Native American
__ Subcontinent Asian American
__ Other: ________________

(7) Residency Status:
__ U.S. Citizen
__ Lawfully Admitted Permanent Resident

(8) Number of years as owner: ______________
(9) Percentage owned: ______________
(a) Class of stock owned (if applicable):__________
(b) Date acquired ______________________

(10) Initial investment to acquire ownership in firm:

Type	Dollar Value
Cash	$ ____________
Real Estate	$ ____________
Equipment	$ ____________
Other	$ ____________

Describe how the owner acquired ownership:
___ Started business myself
___ Received it as a gift from ___________
___ Bought it from: ______________
___ Inherited it from: ______________
___ Other: ______________

(Attach documentation substantiating your investment and method of acquisition)

B. Additional Owner Information
(1) Describe familial relationship to other owners and employees: ______________________________

(2) Does this owner perform a management or supervisory function for any other business? __ Yes __ No
If yes, identify: Name of Business: ____________________Function/Title: ______________________

(3)(a) Does this owner own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.) __ Yes __ No
If yes, identify the name of the business, and the nature of the relationship, and the owner's function at the firm: _____

(b) Does this owner work for any other firm, non-profit organization, or engage in any other activity more than 10 hours per week? __ Yes __ No If yes, identify this activity: ______________________

(4)(a) What is the Personal Net Worth (PNW) of this disadvantaged owner?______________________

(b)Has any trust been created for the benefit of this disadvantaged owner(s)? __ Yes __ No

(If Yes, you may be asked to provide a copy of the trust instrument).

(5) Do any of your immediate family members, owners, directors, officers, managers, or employees own, manage, or have any association with another company? __ Yes __ No If yes, provide their name, relationship, company, type of business, and indicate whether they own or manage the company: (Please attach extra sheets, if needed): ______

Section 4: CONTROL

A. Identify your firm's Officers and Board of Directors (If additional space is required, attach a separate sheet):

	Name	Title	Date Appointed	Ethnicity	Gender
(1) Officers of the Company	(a)				
	(b)				
	(c)				
	(d)				
(2) Board of Directors	(a)				
	(b)				
	(c)				
	(d)				

(3) Do any of the persons listed above perform a management or supervisory function for any other business?

__ Yes __ No If yes, identify for each:

Person:______ Title:______

Business:______ Function:______

Person:______ Title:______

Business:______ Function:______

(4) Do any of the persons listed in Section A above own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.)

__ Yes __ No If Yes, identify for each:

(4) Do any of the persons listed in section A above own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.)

__ Yes __ No If Yes, identify for each:

Firm Name:______ Person:______

Nature of Business Relationship:______

B. Duties of Owners, Officers, Directors, Managers, and Key Personnel

1. Complete for all owners who are responsible for the following functions: (*Attach separate sheets as needed*)

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A= Always F = Frequently	S = Seldom N = Never	Majority Owner (51% or more) Name: Title: Percent Owned:				Minority Owner (49% or less) Name: Title: Percent Owned:			
Sets policy for company direction/scope of operations		A	F	S	N	A	F	S	N
Bidding and estimating		A	F	S	N	A	F	S	N
Major purchasing decisions		A	F	S	N	A	F	S	N
Marketing and sales		A	F	S	N	A	F	S	N
Supervises field operations		A	F	S	N	A	F	S	N
Attend bid opening and lettings		A	F	S	N	A	F	S	N
Perform office management (billing, accounts receivable/payable, etc.)		A	F	S	N	A	F	S	N
Hires and fires management staff		A	F	S	N	A	F	S	N
Hire and fire field staff or crew		A	F	S	N	A	F	S	N
Designates profits spending or investment		A	F	S	N	A	F	S	N
Obligates business by contract/credit		A	F	S	N	A	F	S	N
Purchase equipment		A	F	S	N	A	F	S	N
Signs business checks		A	F	S	N	A	F	S	N

Do any of the persons listed in B1 or B2 perform a management or supervisory function for any other business? If Yes, identify the person, the business, and their title/function:

Do any of the persons listed above own or work for any other firm(s) that has a relationship with this firm? (e.g., ownership interest, shared office space, financial investments, equipment, leases, personnel sharing, etc.) If Yes, describe the nature of the business relationship: ______________________________

C. Inventory: Indicate your firm's inventory in the following categories (Please attach additional sheets if needed):

1. Equipment and Vehicles

Make and Model	Current value	Owned or leased by firm or owner?	Used as collateral?	Where is item stored?

2. Office Space

Address (Street and Number)____________________ City__________________ State__________ Zip____________
Owned or Leased by Firm or Owner? ☐Yes ☐No (if yes, provide details): ______________________________

Current Value of Property or Lease: ______________________________

3. Storage Space (Provide signed lease agreements for the properties listed)

Address (Street and Number)____________________ City__________________ State__________ Zip____________
Owned or Leased by Firm or Owner? ______Yes ____ No (if yes, provide details): ______________________________

Current Value of Property or Lease:______________________________

D. Does your firm rely on any other firm for management functions or employee payroll? _Yes _No

E. Financial/Banking Information (Provide bank authorization and signature cards)
Name of bank: ______________________ City and State: ______________________
The following individuals are authorized to sign checks on this account: ______________________

Name of bank: ______________________ City and State: ______________________
The following individuals are authorized to sign checks on this account: ______________________

Name of bank: ______________________ City and State: ______________________
The following individuals are authorized to sign checks on this account: ______________________

Bonding Information: If you have bonding capacity, identify the firm's bonding aggregate and project limits:
Aggregate limit ______________ Project limit ______________

F. Identify all sources, amounts, and purposes of money loaned to your firm including from financial institutions. Identify whether he owner or any other person or firm loaned money to the applicant DBE/ACDBE. Include the names of any persons or firms guaranteeing the loan, if other than the listed owner. (Provide copies of signed loan agreements and security agreements).

Name of Source	Address of Source	Name of Person Guaranteeing the Loan	Original Amount	Current Balance	Purpose of Loan

G. List all contributions or transfers of assets to/from your firm and to/from any of its owners or another individual over the past two years (Attach additional sheets if needed):

Contribution/Asset	Dollar Value	From Whom Transferred	To Whom Transferred	Relationship	Date of Transfer

H. List current licenses/permits held by any owner and/or employee of your firm (e.g., contractor, engineer, architect, etc.)(Attach additional sheets if needed):

Name of License/Permit Holder	Type of License/Permit	Expiration Date	State

I. List the three largest contracts completed by your firm in the past three years, if any:

Name of Owner/Contractor	Name/Location of Project	Type of Work Performed	Dollar Value of Contract

J. List the three largest active jobs on which your firm is currently working:

Name of Prime Contractor and Project Number	Location of Project	Type of Work	Project Start Date	Anticipated Completion Date	Dollar Value of Contract

Additional Information:

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SECTION 5 - AIRPORT CONCESSION
(ACDBE APPLICANTS ONLY)

A. I am applying for ACDBE certification to: (check all that apply)
_______ Operate a concession at an airport ______ Supply a good or service to an airport concessionaire

B. Does the applicant firm own/operate any off-airport locations? _ Yes ___ No (if yes, identify the following):

Type of Business (e.g., F&B, News & Gift, Retail, Duty Free, Advertising, etc.)	**Lease Term** (years)	**Lease Start Date**	**Address / Location**	**Annual Gross Receipts Generated**

C. Does the applicant firm currently own/operate any airport concession locations? _ Yes _ No (If yes, supply the following information):

Airport Name	**Concession Type** (e.g., F&B, News & Gift, Retail, Duty Free, Advertising, etc.)	**Number of Leases**	**Number of Locations**	**Annual Gross Receipts Generated**	**Lease Type** *(e.g., Direct Lease, Subcontract Management Agreement, etc. enter all that apply to the leases listed)*

D. Does the applicant firm have any affiliates? ___Yes ___No *If Yes, provide the following information concerning any locations owned/operated by affiliate firms.*

Airport Name	**Concession Type** (e.g., F&B, News & Gift, Retail, Duty Free, Advertising, etc.)	**Number of Leases**	**Number of Locations**	**Annual Gross Receipts Generated**	**Lease Type** *(e.g., Direct Lease, Subcontract Management Agreement, etc. enter all that apply to the leases listed)*

E. Is the ACDBE applicant firm a participant in any joint ventures? ___ Yes ___ No *If Yes, attach all original and any amended Joint Venture Agreements and any amendments to the agreements.*

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DECLARATION OF ELIGIBILITY

This form must be signed by ***EACH OWNER*** upon whose disadvantaged status the firm relies for certification.

A FALSE STATEMENT OR MATERIAL OMISSION MADE IN CONNECTION WITH THIS SUBMISSION IS SUFFICIENT CAUSE FOR DENIAL OF CERTIFICATION, DECERTIFICATION, OR SUSPENSION OR DEBARMENT PROCEEDINGS, AND MAY SUBJECT THE PERSON OR ENTITY MAKING THE FALSE STATEMENT TO ANY AND ALL CIVIL AND CRIMINAL PENALTIES AVAILABLE UNDER FEDERAL AND STATE LAW.

I ______________________(full name printed), declare under penalty of perjury that I am __________(title) of the firm ___________________________, all of the foregoing information and statements submitted for eligibility are true, correct, and complete to the best of my knowledge. The responses include all material information necessary to fully and accurately identify and explain the operations, capabilities and pertinent history of the named firm as well as the ownership, control, and affiliations thereof.

I recognize that the information submitted in this material is for the purpose of inducing certification by a government agency. I understand that a government agency may, by means it deems appropriate, determine the accuracy and truth of the statements in the material, and I authorize such agency to contact any entity named in certification material, and the named firm's bonding companies, banking institutions, credit agencies, contractors, clients, and other certifying agencies for the purpose of verifying the information supplied and determining the named firm's eligibility.

I agree to submit to government audit, examination and review of books, records, documents and files, in whatever form they exist, of the named firm and its affiliates inspection of its places(s) of business and equipment, and to permit interviews of its principals, agents, and employees. I understand that refusal to permit such inquiries shall be grounds for denial or decertification.

If awarded a contract, subcontract, concession lease or sublease, as detailed in § 26.55, I agree to promptly and directly provide the prime contractor, if any, and the Department, recipient agency, or federal funding agency, on an ongoing basis, current, complete and accurate information regarding my firm's (1) commercially useful function (CUF) performed on the project or concession lease; (2) payments; and (3) proposed changes, if any, to the foregoing arrangements.

I agree to notify the certifying agency of a material change in circumstances that affects my firm's eligibility within 30 days of its occurrence, explain the change fully, and include a duly executed Declaration of Eligibility (this form) with the notice.

I acknowledge and agree that any misrepresentations in certification materials or in records pertaining to a contract or subcontract will be grounds for terminating any contract or subcontract which may be awarded; denial or decertification; suspension and debarment; and for initiating action under federal and/or state law.

I declare that I am a socially and economically disadvantaged individual who is an owner of the above-referenced firm seeking certification as a Disadvantaged Business Enterprise or Airport Concession Disadvantaged Business Enterprise. In support of my application, I declare that I am a member of one or more of the following groups, and that I have held myself out as a member of the group(s): (Check all that apply):

__ Women __ Black American __ Hispanic American

__ Native American __ Asian-Pacific American

__ Subcontinent Asian American

__ Other pursuant to 49 CFR § 26.67(d)

I declare that I am socially disadvantaged because I have been subjected to racial or ethnic prejudice or cultural bias, or have suffered the effects of discrimination, because of my identity as a member of one or more of the groups identified above, without regard to my individual qualities.

I further declare that my personal net worth does not exceed the DBE program's limit posted on https://www.transportation.gov/DBEPNW, and that I am economically disadvantaged because My ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially and economically disadvantaged.

PURSUANT TO 28 USC § 1746:

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT THE FOREGOING IS TRUE AND CORRECT. EXECUTED ON ________

SIGNATURE __________________________
(OWNER)

SUPPORTING DOCUMENTS CHECKLIST

Required Documents for All Applicants

__ Résumés (that include places of employment with corresponding dates), for all owners, officers, and key personnel of the applicant firm.

__ Personal Net Worth Statement for each socially and economically disadvantaged owners who the applicant firm relies upon to satisfy the Regulation's 51% ownership requirement.

__ Personal Federal tax returns for the past 3 years, if applicable, for each disadvantaged owner.

__ Federal tax returns (and requests for extensions) filed by the firm and its affiliates with related schedules, for the past 5 years, or the number of years in business, if fewer.

__ Documented proof of contributions used to acquire ownership for each owner (e.g., both sides of cancelled checks).

__ Signed loan and security agreements, and bonding forms.

__ List of equipment and/or vehicles owned and leased including VIN numbers, copy of titles, proof of ownership, insurance cards for each vehicle.

__ Title(s), registration certificate(s), and U.S. DOT numbers for each truck owned or operated by your firm.

__ Licenses, license renewal forms, permits, and haul authority forms.

__ Descriptions of all real estate (including office/storage space, etc.) owned/leased by your firm and documented proof of ownership/signed leases.

__ Documented proof of any transfers of assets to/from your firm and/or to/from any of its owners over the past 2 years.

__ DBE/ACDBE and SBA 8(a), SDB, MBE/WBE certifications, denials, and/or decertification's, if applicable; and any U.S. DOT decisions on these actions.

__ Bank authorization and signatory cards.

__ Schedule of salaries (or other remuneration) paid to all officers, managers, owners, and/or directors of the firm.

__ List of all employees, job titles, and dates of employment.

__ Proof of warehouse/storage facility ownership or lease arrangements.

Partnership or Joint Venture

__ Original and any amended Partnership or Joint Venture Agreements.

Corporation or LLC

__ Official Certificate of Formation and current Operating/Shareholder Agreement, if any.

__ Official Articles of Incorporation (signed by the state official).

__ Both sides of all corporate stock certificates and your firm's stock transfer ledger.

__ Minutes of stockholder, member, partner, and board of director's meetings, if any.

__ Company by-laws and any amendments.

__ Evidence of signature authority on the firm's bank accounts.

Failure to provide any of these required documents that are applicable to your firm's application may result in denial of your application.

Optional Documents to Be Provided on Request

The certifying agency to which you are applying may require the submission of the following documents. If requested to provide any of these documents, you must supply them with your application or at the on-site visit. Failure to do so may result in denial of your application.

__ Proof of citizenship or lawful permanent residence

__ Insurance agreements for each truck owned or operated by your firm.

__ Audited financial statements (if available)

__ Trust agreements held by any owner claiming disadvantaged status.

Suppliers

__ List of product lines carried and list of distribution equipment owned and/or leased.

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INSTRUCTIONS

An individual's personal net worth according to 49 C.F.R. Parts 23 and 26 includes assets and liabilities that she or he owns or is deemed to own without regard to community property or equitable distribution laws.

If the personal net worth of the majority owner(s) of the firm exceeds the PNW cap posted online at https:/www.Transportation.gov/DBEPNW, as defined by 49 C.F.R. Parts 23 and 26, the firm is not eligible for DBE or ACDBE certification.

Provide all Worksheets. Provide documents to support each entry. If you have any questions about completing this form, contact the certifying agency.

Assets

Report assets at their current fair market values as of the date of your PNW form. In cases of joint ownership, report only the value of your ownership unless Worksheet directs otherwise. Do not report the value of the applicant firm.

Cash and Cash Equivalents: Enter total from Worksheet 1.

Investment Accounts and Individual Securities: Enter total from Worksheet 2.

Real Estate: Enter total from Worksheet 3.

Personal Property and Other Assets: Enter total from Worksheet 4.

Ownership in Other Businesses: Enter total from Worksheet 5.

Life Insurance: Enter total from Worksheet 6.

Amounts Owed to You: Enter total from Worksheet 7.

Assets Held in Trust: Enter total from Worksheet 8.

Transfers Within Preceding Two Years: If you transferred assets worth at least $20,000 in aggregate to related parties within the last two years, enter total from Worksheet 9. *Exclude transfers to applicant or DBE.*

Relatives include your spouse or domestic partner, children (whether biological, adopted, or stepchildren), siblings (including stepsiblings and those of the spouse or domestic partner), and parents (including stepparents and those of the spouse or domestic partner). Related entities include for-profit privately held companies of which any relative is an owner, officer, director, or equivalent; and family or other trusts of which you or any relative is grantor, trustee, or beneficiary, except when the transfer is irrevocable. See 49 C.F.R. 26.68(c)(7)-(9).

Liabilities

Report current balances. Report only your own, direct liabilities. *Do not report* guarantees or other contingent liabilities. *Do not report* business debt, debt secured by retirement assets, or any amount you owe, directly or indirectly, to the applicant or DBE.

Mortgages: Enter total from Worksheet 10.

Loans on Life Insurance: Enter total from Worksheet 11.

Other Liabilities: Enter total from Worksheet 12.

Other Information

Retirement Assets. Complete Worksheet 13 but *do not* enter value on PNW Statement.

Primary Residence. Complete Worksheet 14 but *do not* enter value on PNW Statement.

Declaration

You must sign and date the statement.

U.S. Department of Transportation

OMB APPROVAL NO: 2105-0586
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Personal Net Worth Statement

As of ______________

This form is used by all participants in the U.S. Department of Transportation's Disadvantaged Business Enterprise (DBE) and Airport Concession DBE (ACDBE) Programs. Each individual owner of a firm applying to participate as a DBE or ACDBE, whose ownership and control are relied upon for DBE certification must complete this form. Each person signing this form authorizes the certifying agency to make inquiries as necessary to verify the accuracy of the statements made. The agency you apply to will use the information provided to determine whether an owner is economically disadvantaged as defined in the DBE program regulations 49 C.F.R. Parts 23 and 26. Return form to appropriate certifying agency, not U.S. DOT.

Name			
Residence (As reported to the IRS) Address, City, State, and Zip Code			
Company's Legal Name		**Phone:**	
Marital Status: ☐ Single ☐ Married/Domestic Partnership		**Business Phone:**	
Assets	(Omit Cents)	**Liabilities**	(Omit Cents)
1. Cash and Cash Equivalents (checking and savings accounts, CDs etc.) (Complete Worksheet 1)		10. Mortgages on Real Estate Other Than Primary Residence (Complete Worksheet 10)	
2. Investment Accounts and Individual Securities (Complete Worksheet 2)		11. Loans on Life Insurance (Complete Worksheet 11)	
3. Value of Your Ownership Interest in Real Estate, Excluding Primary Residence (Complete Worksheet 3)		12. Other Liabilities (Complete Worksheet 12)	
4. Personal Property and Other Assets (Complete Worksheet 4)			
5. Ownership in Other Businesses (Complete Worksheet 5)			
6. Life Insurance (Cash Surrender Value) (Complete Worksheet 6)			
7. Amounts Owed to You (Complete Worksheet 7)			
8. Assets Held in Trust (Complete Worksheet 8)			
9. Assets Transferred to Related Parties Within the Past Two Years (Complete Worksheet 9)			
Total Assets:		Total Liabilities:	

Personal Net Worth:

Worksheets

Worksheet 1—List Cash and Cash Equivalents (checking or savings accounts CDs etc.) (Attach additional sheets as necessary)

Cash/Account	Balance

Total ______________

Worksheet 2—Investment Accounts and Individual Securities (e.g., Brokerage and Custodial accounts, stocks, bonds) (Full Value) (Attach additional sheets as necessary)

Account or Security Name and Number	Value

Total ______________

Worksheet 3—Real Estate Other than Primary Residence (Attach additional sheets as necessary)

	Property 1	Property 2	Property 3
Type of Property			
Address			
Date Acquired			
Purchase Price			
Present Market Value			
Source of Market Valuation			

Total ______________

Worksheet 4—Personal Property and Other Assets (Attach additional sheets as necessary)

Type of Property or Asset	Is this asset insured?	Value
Vehicles (e.g., cars, trucks, recreational vehicles, motorcycles, boats, etc.) and titled in your name or of which you are the primary operator. (Itemize)		
Household Property (total value)		
Artwork (total value)		
Jewelry (total value)		
Other collectables (total value)		
Amounts owed to you (e.g., loans to others, including companies) (Itemize)		
Assets subject to the two-year transfer rule (see 49 CFR 26.68 (c)(7)-(9)		
Other (e.g., livestock, farm equipment, greenhouse)		

Total ________________

Worksheet 5—Ownership in Other Business Investments (excluding applicant firm) Sole Proprietorships, General Partners, Joint Ventures, Limited Liability Companies, Closely-held and Public Traded Corporations. (Attach additional sheets as necessary)

	Business 1	**Business 2**	**Business 3**	**Business 4**
Business name				
Address				
Value				

Total ________________

Worksheet 6— Life Insurance (do not list term life insurance) (Attach additional sheets as necessary)

Policy	**Insurance Company**	**Cash Surrender Amount**

Total ________________

Worksheet 7—Amounts Owed to You (loans to other individuals and entities including applicant firm) (Attach additional sheets as necessary)

Debtor	Description	Balance

Total ________________

Worksheet 8—Assets Held in Trust (Attach additional sheets as necessary)

Trust Name	Description/Additional Information	Value

Total ________________

Worksheet 9— Assets Transferred to Related Parties Within the Past Two Years (Attach additional sheets as necessary)

Asset	Description	Value

Total ________________

Worksheet 10—Mortgages on Real Estate Other Than Primary Residence (Itemize by loan, attaching additional sheets if necessary)

	Property 1	Property 2	Property 3
Type of Property			
Address			
Name of all Mortgage Holders			
Loan Balance			

Total ________________

Worksheet 11— Loan on Life Insurance (do not list term life insurance) (Attach additional sheets as necessary)

Policy	Insurance Company	Loan Amount

Total ________________

Worksheet 12—Other Liabilities (Attach additional sheets as necessary)

Type of Debt	Creditor	Amount of Liability (Balance)
Loans on Motor Vehicles (itemize)		
Loans Secured by Property Other Than Real Estate or Vehicles		
Loans Secured by Property Other Than Real Estate or Vehicles		
Unpaid Taxes (fixed in amount and currently due)		
Any Other Amount, Not Reported Above, That You Currently Owe (itemize and describe)		

Total ___________________

Worksheet 13—Retirement Accounts (Attach additional sheets as necessary)

Account Name	Value

*Total*________________

Worksheet 14--Primary Residence

Address	
Date Acquired	
Purchase Price	
Market Value	
Source of Market Valuation	

Declaration

I declare under penalty of perjury that the information provided in this personal net worth statement and supporting documents is complete, true and correct. I declare that no assets have been transferred to any beneficiary for less than fair market value in the last two years. I recognize that the information submitted in this application is for the purpose of inducing certification approval by a government agency. I understand that a government agency may, by means it deems appropriate, determine the accuracy and truth of the statements in the application and this personal net worth statement, and I authorize such agency to contact any entity named in the application or this personal financial statement, including the names banking institutions, credit agencies, contractors, clients, and other certifying agencies for the purpose of verifying the information supplied and determining the named firm's eligibility. I acknowledge and agree that any misrepresentations in this application or in records pertaining to a contract or subcontract will be grounds for terminating any contract or subcontract which may be awarded; denial or revocation of certification; suspension and debarment; and for initiating action under federal and/or state law concerning false statement, fraud or other applicable offenses.

__________________________________ ____________

Signature (DBE/ACDBE Owner) Date

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 5: DBE Participation Schedule A and Schedule B (including Schedule C in case of Joint Venture)

ATTACHMENT

DBE PARTICIPATION FORMS
SCHEDULES A – C

INSTRUCTIONS:

1. Do not submit the instruction page.
2. Identify DBE subcontractors and/or any lower-tier DBE or non-DBE firms
3. Submit completed DBE participation forms:
   a) Schedule A: Contractor- Summary of DBE Participation as Subcontractor, Supplier, and/or Consultant – *to be signed by the Contractor*
   b) Schedule B: Confirmation of Proposed DBE Participation (for each DBE firm identified on this form) – *to be signed by the DBE owner/representative*
   c) Schedule C: If proposing to perform as a DBE/non-DBE Joint Venture

NOTES:

- Responsible Bidders that indicate they have met the DBE goal must submit completed and signed forms with their bid proposal.
- Services provided by the DBE firm – must coincide with the NAICS Code the DBE is certified in.
- To search for DBE-certified firms - Texas Unified Certification Program (TUCP) DBE Directory link: https://txdot.txdotcms.com/
- For net DBE Credit:

If the materials or supplies are obtained from a DBE manufacturer, count 100% of the cost of the materials or supplies toward the DBE goal.

A manufacturer is a firm that owns (or leases) and operates a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications. Manufacturing includes blending or modifying raw materials or assembling components to create the product to meet contract specifications. When a DBE makes minor modifications to the materials, supplies, articles, or equipment, the DBE is not a manufacturer. Minor modifications are additional changes to a manufactured product that are small in scope and add minimal value to the final product.

If the materials or supplies are purchased from a DBE regular dealer, count 60% of the cost of materials or supplies toward the DBE goal.

To be a regular dealer, the firm must be an established business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A DBE supplier performs a CUF as a regular dealer and receives credit for 60 percent of the cost of materials or supplies (including transportation cost) when all, or at least 51 percent of, the items under a purchase order or subcontract are provided from the DBE's inventory, and when necessary, any minor quantities delivered from and by other sources are of the general character as those provided from the DBE's inventory.

SCHEDULE A

CONTRACTOR - SUMMARY OF DBE PARTICIPATION AS SUBCONTRACTOR, SUPPLIER, AND/OR CONSULTANT

(Must be completed, signed by the Contractor, and submitted with the bid proposal)

Commitments listed on this form shall be subject to the award and receipt of a signed contract from the Corpus Christi Regional Transportation Authority (CCRTA) for the subject project. Certified DBEs MUST be listed in the Texas Unified Certification Program (TUCP) Directory at the time of submittal.

Contractor		IFB/RFP Number	
Contact Person		Project Name	
Phone Number		Total Bid Amount	
Email		DBE Contract Goal	0.00%
		DBE Commitment Amount	

DBE Commitments

DBE Firm Name	Work to be Performed	NAICS Code	Agreed Subcontract Price
		Total Subcontract Amount	$ 0.00
		Total Bid Amount	
		Total DBE Percentage	0.00%

Note: Prices represented on this page should accurately reflect the agreement between the Contractor and DBE Subcontractor.

The Contractor is responsible for ensuring that the selected DBEs are certified for the work to be performed and that their eligible participation has been properly counted.

*If the materials or supplies are obtained from a DBE manufacturer count 100% of the cost of the materials or supplies.
If the materials or supplies are purchased from a DBE regular dealer, count 60% of the cost of the materials or supplies (including transportation costs). For the complete definition of DBE manufacturer and DBE regular dealer, please refer to the attached Special Provisions concerning the Disadvantaged Business Enterprise – under DBE Calculations.

Prime Contractor Signature

Affidavit of Contractor: Failure to submit this form without a signature will result in the bid being rejected in its entirety.

The Contractor will enter into written agreements with all listed DBE firms for work as indicated by this Schedule A and accompanying Schedules and will enter into such agreements within 30 calendar days after receipt of the contract executed by CCRTA. In the event, the Prime Contractor cannot meet said 30-day schedule it must provide a written explanation for the delay and an estimated date by which the written agreements will be completed.

The Contractor understands that if it knowingly provides incorrect information or false statements or fails to comply with the contract DBE requirements, CCRTA has an obligation (49 CFR 29.17(B)) to inform the U.S. Department of Transportation which may then initiate actions that would prohibit the Contractor from participation in future government contracts and may result in a conviction for a third-degree felony, including a penalty of one and a half times the value of the contract. Any substitutions of the above-named subcontractors require prior written approval from CCRTA. By signing this form, all parties agree to comply with the DBE Special Provisions and 49 CFR Part 26.

I do solemnly declare and affirm under penalty of perjury that the contents of the foregoing document are true and correct, and no material facts have been omitted, and that I am authorized on behalf of the Contractor to make this Affidavit.

Name of Contractor's Affiant	**Title**	**Signature**	**Date**

SCHEDULE B

CONFIRMATION OF PROPOSED DBE PARTICIPATION

(Must be completed, and signed by the DBE Subcontractor, Supplier, and/or Consultant)

The DBE status of the undersigned is confirmed by the attached Letter of Certification from the TUCP or an electronic image of the TUCP Directory that shows the DBE certification. If proposing to perform as a DBE/non-DBE Joint Venture, the Letter of Certification from the DBE venturer is attached along with a completed Schedule B and Joint Venture Agreement.

Name of DBE Firm		IFB/RFP Number	
Address of DBE Firm		Project Name	
Name of DBE Owner		Name of Contractor	
Phone Number		DBE Contract Amount	
Email			

Description/Scope of Work

Description of Work in Detail (Quantity if applicable)	NAICS Codes	Dollar Amount of Subcontracted Work
	Total Subcontract Amount	$ 0.00

Multi-Phase Project(s). For those projects that are multi-phase, please indicate the phase in which the DBE will be performing work:

Affidavit of DBE Subcontractor

Subcontracting Levels: If any dollar amount of the DBE's scope of work will be sublet, a brief explanation and description of the work to be sublet must be listed below:

Note: If the DBE will not be subcontracting any of the work described above this Schedule, a Zero (0) must be indicated in each blank below:

% _____ of the dollar amount of the DBE's subcontract will be sublet to DBE Subcontractor(s)

% _____ of the dollar amount of the DBE's subcontract will be sublet to Non-DBE Subcontractor(s)

Name of DBE or non-DBE subcontractor(s) to be sublet:

Notice: Any misrepresentation regarding the status of a person or an entity to qualify for DBE status may result in conviction of a third-degree felony, and a penalty of one and a half times the value of the contract. Material misrepresentation on any matter will also be grounds for terminating any contract that may be awarded and for initiating action under federal or state laws concerning false statements. Any willful falsification of fraudulent statements also may result in debarment from participation in any future federally assisted contracts. By signing this form, all parties agree to comply with the DBE Special Provisions and 49 CFR Part 26.

The undersigned will enter into a written agreement for the above work with the Contractor conditioned upon the execution of a contract with CCRTA and will do so within 30 calendar days of receipt of a signed contract from CCRTA.

Printed Name of DBE Owner	**Title**	**Signature**	**Date**

Under 49 CFR Part 26.13(b), each subcontract the Contractor signs with a Subcontractor must include the following assurance: ***The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as CCRTA deems appropriate.***

SCHEDULE C
AFFIDAVIT OF DBE/NON-DBE JOINT VENTURE

Schedule C need not be submitted if all joint ventures are DBEs. In such a case, however, the written joint venture agreement and a copy of the current TUCP Letter of Certification from the TUCP or an electronic image of the TUCP Directory that shows DBE certification for each DBE must be submitted.

All information requested on Schedule C must be answered in the spaces provided by Joint Venturers at any tier. Additional sheets may be attached.

I. JOINT VENTURE	
Name of Joint Venture	
Address of Joint Venture	
Phone Number of Joint Venture	
II. IDENTIFY EACH NON-DBE VENTURE	
Name of Firm	
Business Address	
Phone Number	
Non-DBE Contact Person	
III. IDENTIFY EACH DBE VENTURE	
Name of Firm	
Business Address	
Phone Number	
DBE Contact Person	

IV. DESCRIBE THE ROLE(S) OF THE DBE VENTURE(S) IN THE JOINT VENTURE:
V. ATTACH A COPY OF THE JOINT VENTURE AGREEMENT. To demonstrate the DBE venturer's share in the ownership, control management responsibilities, risks, and profits of the joint venture, the proposed joint venture agreement must include specific details related to (1) the contributions of capital and equipment; (2) work items to be performed by the DBE's own forces; (3) work items to be performed under the supervision of the DBE venture; and (4) the commitment of management, supervisory and operative personnel employed by the DBE to be dedicated to the performance of the project.
VI. ATTACH A COPY of the Current TUCP Letter of Certification for each DBE Joint Venture OR an electronic image of the TUCP Directory showing DBE certification for each DBE.

VII. OWNERSHIP OF THE JOINT VENTURE:	
A. What is the percentage of DBE ownership in the joint venture?	
1) DBE ownership percentage:	
2) Non-DBE ownership percentage:	
B. Specify DBE/non-DBE percentages for each of the following (Provide Narrative Descriptions & Other Detail as applicable)	
1) Sharing of Profit and Loss	
2) Capital Contributions: a) Dollar amount of Initial contribution	
b) Dollar amount of anticipated on-going contributions	
3) Contributions of equipment (specify types, quality, and quantities of equipment to be provided by each venture)	

4) Other applicable ownership interest, including ownership options or other agreements, which restrict or limit ownership and/or control
C. Provide copies of ALL written agreements between venturers concerning this project.
D. Identify each current CCRTA contract and either of the joint venture partners participating in the Joint Venture:

VIII. CONTROL OF AND PARTICIPATION IN THE JOINT VENTURE: Identify by name and firm those individuals who are or will be responsible for and have the authority to engage in the following management functions and policy decisions. Indicate any limitations to their authority such as dollar limits and co-signatory requirements.	
A. Joint venture check signing	
B. Authority to enter contracts on behalf of the Joint Venture	
C. Signing, Co-signing, and/or collateralizing loans	
D. Acquisition of Lines of Credit	

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 6: Monitoring Forms

a) Commercially Useful Function (CUF) Review Form
b) DBE Payment Report Form
c) DBE Termination/Substitution Request Form

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

COMMERCIALLY USEFUL FUNCTION (CUF) EVALUATION/REVIEW FORM

A CUF review is required on each DBE firm working on any federally-funded project, regardless of whether there is a DBE goal. A minimum of one CUF review must be performed for each DBE on each project with or without a DBE goal. This review must be conducted while the DBE is actually working on the project. Federal regulations 49 CFR 26.55 states that *"A DBE performs a commercially useful function when it is responsible for execution of the work on the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved... A DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation..."*
This form is for the purpose of monitoring and reviewing DBEs compliance with the CUF requirements for obtaining DBE credit on projects.

PROJECT AND PAYMENT DATA:

CONTRACT NO.: ____________________ PROJECT NAME: ____

PRIME CONTRACTOR: ____

DBE GOAL %: __________ DBE SUBCONTRACT $: ____________ DBE COMMITMENT $: ________________

% OF DBE WORK COMPLETED: __________ DBE START DATE: ____________ DBE END DATE*: ______________

DBE FIRM: ____________________________ DBE COMPANY OWNER: ______________________________

DBE REPRESENTATIVE NAME/TITLE: ____

BRIEF DESCRIPTION OF THE DBE'S SCOPE OF WORK FROM THE APPROVED SUBCONTRACT:

(*EXPECTED DATE)

MANAGEMENT:	**YES**	**NO**	**N/A**
1. Has the DBE owner been present on the jobsite?	___	___	___
2. Does the DBE firm employ a supervisor or foreman who is onsite directing all work activities without assistance from any other non-DBE contractor?	___	___	___
3. Who schedules work activities, material delivers and other requirements for the DBE's work? Provide name(s) and title(s) below:			

Name	Title

	YES	**NO**	**N/A**
4. Is the person who signs the DBE's certified payroll an employee of the DBE and not the Prime or upper-tier subcontractor?	___	___	___

WORKFORCE:	**YES**	**NO**	**N/A**
5. Does the DBE firm have employees on the job?	___	___	___
6. Do they appear on the DBE firm's certified payroll?	___	___	___
7. Do they appear on any other contractor's payroll?	___	___	___
8. Based on employee interview, is the DBE the only contractor providing pay and other compensation?	___	___	___

PERFORMANCE:	**YES**	**NO**	**N/A**
9. Has any other contractor performed any of the DBE's work? If yes, explain below.	___	___	___

10. Is the DBE performing at least 30% of the work? ___ ___ ___

EQUIPMENT:	YES	NO	N/A
11. Does the Prime's name appear on any equipment used by the DBE firm?	___	___	___
12. Is the equipment being operated by DBE employees and under the direct supervision of the DBE?	___	___	___

MATERIALS: *(furnish and install work only)*	YES	NO	N/A
13. Is the DBE contracted to furnish and install a contract item?	___	___	___
14. Were material shipping documents addressed to the DBE?	___	___	___
15. Was the DBE onsite to receive delivery of its materials?	___	___	___
16. According to the material invoice, were materials billed to the DBE?	___	___	___

TRUCKING/HAULING:	YES	NO	N/A
17. Does a review of the haul/load tickets indicate that hauling is being done by the DBE?	___	___	___
18. Do the trucks on the work site belong to the DBE?	___	___	___
19. If leased, does the drive have the lease agreement in their truck and does it Identify the DBE?	___	___	___

COMMENTS/EXPLANATION:

COMMERCIALLY USEFUL FUNCTION (CUF) DETERMINATION:

Based on the above information, is the DBE performing a CUF? YES NO

REVIEWER'S PRINTED NAME: ______________________ TITLE: ______________________

REVIEWER SIGNATURE: ______________________ DATE OF REVIEW: ______________________

CUF Review – DBE Employee Interview Date of Interview: ______________

Contract #/Project Name: ____

Project Site Address or Location: ____

____

Employee
1. Name: ______________________________ 2. Job Title: ______________________________ 3. How long have you worked for the firm? ______________________________ 4. Who pays your salary? ______________________________ 5. Who is your immediate Boss? ______________________________ 6. To the best of your knowledge who is in charge of the firm? ______________________________
Employee
1. Name: ______________________________ 2. Job Title: ______________________________ 3. How long have you worked for the firm? ______________________________ 4. Who pays your salary? ______________________________ 5. Who is your immediate Boss? ______________________________ 6. To the best of your knowledge who is in charge of the firm? ______________________________

Disadvantaged Business Enterprise (DBE) Payment Report Form

(DBE Monthly Progress Report)

Report No.:		Reporting Period:	From:	To:

INSTRUCTIONS: **All prime contractors and consultants are required to complete and submit this monthly report to the DBE Liaison Officer with a copy of their invoice. Use additional sheets if reporting more than two subcontractors.**

SUBMIT with this form copies of the Subcontractor's invoice & corresponding proof of payment.

NOTE: Failure to comply with CCRTA's Disadvantaged Business Enterprise (DBEs) provisions may result in contract termination or the suspension or debarment of the contractor from doing business with CCRTA in the future following the procedures outlined in CCRTA's Procurement Regulations. To complete this report, see detailed instructions on the proceeding page.

Contract Number			
Contractor's Business Name			
Business Address		**Business Phone No.**	
Date of Contract Award			
Estimated Date of Completion			
Original Contract Amount			
Committed DBE Participation for this Contract	$	%	
Current Amended Contract Amount (including Modifications)		**Date of Modification**	
Total Amount Received to Date		**Total Amount Owed**	
Amount of This Invoice		**Invoice Number**	
Actual (DBE) Participation (%) to Date:			
Calculation of DBE% to date: Dollar Amount Paid to DBE divided by Dollar Amount Received by Contractor from CCRTA)			

SUBCONTRACTOR NAME:								
Is the Subcontractor DBE Certified?	**Yes**	**Certificate#**	**No**	☐	**Yes**	**Certificate #**	**No**	☐
Subcontract Value in $$								
Dollar Amount & Date of Last Payment								
Check Number & Date								
Total Amount Paid to Date in $$								
Percentage (%) Paid to Date								
Amount of this Invoice Allocated to Pay the Subcontractor								
Subcontractor's Invoice No./Amount								

CERTIFICATION BY PRIME CONTRACTOR:

I hereby certify that ________________________________ (Contractor) has made timely payments from proceeds of prior payments, and will make payments within ____ days of receipt of funds from CCRTA for progress and/or final payment to our subcontractors and suppliers following the contractual arrangements with them. Note: ***Prompt payment to subcontractors must comply with the subcontracting agreement signed by the Prime Contractor and Subcontractor.***

COMPANY OFFICIAL'S SIGNATURE	**DATE**
NAME & TITLE OF INDIVIDUAL COMPLETING REPORT:	

INSTRUCTIONS FOR CONTRACTORS
"HOW TO FILL OUT DBE PAYMENT REPORT FORM"

The DBE Payment Report must be completed and signed by the Contractor. Please email the completed form monthly to the DBELO at lyaunk@ccrta.org with a copy of the following:

1) Subcontractor's invoice and 2) Proof of payments made to the Subcontractor

Report Number – Fill in the report number you are sending in sequence. For example: if this is the second invoice you are submitting, you are sending in Report Number 2.

Reporting Period – This is to be filled in to state your reporting period. Example: From: October 1, 2023, To: October 31, 2023.

Contract Number – Fill in the contract number assigned to your project by CCRTA; make sure that your invoice corresponds to Contract No.

Contractor's Business Name, Address, and Phone Number – Fill in your company's name, address, and phone number

Date of Contract Award – Fill in the date the contract was executed by both you and CCRTA.

Estimated Date of Completion – Fill in the completion date as written in the contract.

Original Contract Amount – Fill in the dollar amount of the original contract agreed upon by you and CCRTA.

Committed Disadvantaged Business Participation – Fill in the percentage of DBE participation you committed to obtain on the contract.

Current Amended Contract Amount – Fill in the dollar amount of the original contract plus/minus the dollar amount agreed upon at a later date as a result of contract modifications or Change Order. Include the date of modification.

Date of Modification (including Change Order) – Indicate the date of modification and/or Change Orders executed during the contract term.

Total Amount Received to Date – Fill in the dollar amount you have received from CCRTA to date

Total Amount Owed – Fill in the dollar amount of the contract minus the amount paid to you by CCRTA.

Amount of this Invoice – Indicate the amount of invoice associated with this report.

Invoice Number – Indicate the corresponding invoice number.

Actual DBE Participation % to Date – Percentage of DBE Participation is calculated by the dollar amount paid to date to the DBE divided by the dollar amount you received from CCRTA *100

Subcontractor Name – Name all DBE and non-DBE subcontractors used in this contract. Use additional sheets as necessary.

DBE Certified – Select yes if the subcontractor is a certified DBE and indicate Certificate Number; if not DBE certified, select no.

Subcontractor Value (Dollars) – State the committed dollar value to the DBE and non-DBE subcontractor for the duration of the contract

Dollar Amount and Date of Last Payment – State the amount and date of the last payment made to each DBE and non-DBE subcontractor.

Check Number & Date (most recent payment made) – Indicate the check number and date of payment made most recent to each DBE and non-DBE subcontractor.

Total Amount Paid to Date in Dollars – State the total amount paid to each DBE and non-DBE subcontractor.

Percentage (%) Paid to Date – Percentage of payment made to the subcontractors (paid-to-date amount divided by the total subcontracting amount).

Amount of This Invoice Allocated to the Subcontractor – Fill in how much of your invoice will be paid to each DBE and non-DBE subcontractor.

Subcontractor's Invoice No./Amount – Indicate the subcontractor invoice number/amount that will be paid from your invoice

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DISADVANTAGED BUSINESS ENTERPRISE (DBE) TERMINATION/SUBSTITUTION REQUEST FORM

CONTRACT NO.: ____________________ PROJECT NAME: ______________________________________

PRIME CONTRACTOR: ____

REQUESTOR: ______________________________ EMAIL: _________________________ PHONE: __________

TYPE OF REQUEST: ☐ TERMINATION ☐ SUBSTITUTION

1) Date determined the DBE is unwilling, unable or ineligible to perform: __________________________
2) Date of Written Notice to DBE: ____________________ Attach notice with this request, along with the DBE response.
3) Original DBE commitment amount: $ ____________________
4) Amount of work completed to date: $ ____________________
5) Remaining DBE amount: $ ____________________

For DBE Substitution only, answer questions 6 thru 8:

6) Proposed DBE Name(s): ____
7) Proposed DBE dollar amount to be substituted: $______________________________
8) Projected date for substitute DBE to commence work: __________________________

Good Faith Effort Documentation to be submitted with this request or within 7 calendar days from approval of this request:

a) DBE Certified firm approval letter and/or
b) Other documentation to substantiate efforts made to replace the same amount of DBE work

___________________________________ ___________________________

Prime Contractor Signature Date

___________________________________ ___________________________

Original DBE Subcontractor Signature Date

___________________________________ ___________________________

CCRTA Project Signature Date

For CCRTA use only

Request is: ☐ Approved ☐ Not Approved

DBE Office Representative: ____________________________ Signature: ____________________________

Date: ____________________

Corpus Christi Regional Transportation Authority

DBE FINAL REPORT

The DBE final report form should be completed by the prime contractor and submitted to the CCRTA- DBE Office upon completion of the project. **The report should reflect all DBE activity/activities on the project. Further, the prime certifies that the work reported herein was executed by the DBE, that the DBE performed, managed, and supervised the work, and that this represents all payment to the DBE subcontractor of the contract/project mentioned below.**
If the DBE goal requirements were not met, documentation supporting good faith efforts must be submitted.

PROJECT AND DBE GOAL INFORMATION:

CONTRACT NO.: ______________________ PROJECT NAME: ____________________________________

PRIME CONTRACTOR: ____

CONTRACT AMOUNT: ____________________ DBE COMMITMENT $: ______________________(Initial)

PRIME: REVISED CONTRACT AMOUNT (IN CASE OF CHANGE ORDER) $: __________________________

DBE Subcontractor Initial Amount: $_____________________ DBE Goal %: ______________________

NAME OF DBE SUBCONTRACTOR	BREAKDOWN OF PAYMENT TO DBE

Total $ ____

Was there a project under-run caused by a change order that impacted DBE goal attainment?

Yes No DBE Total Change Order Amount: $ ______________________

This is to certify that ______% of the work was completed by Disadvantaged Business Enterprise as stated above.

By: ____________________________________ ____________________________________

Name of Prime Contractor Signature

I/we declare under penalty of perjury under the laws of the United States that the information provided in this form is true and correct. Providing false information on this government record is a violation of Texas Penal Code 37.10 and could result in criminal penalties.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

DBE Program Plan Attachments

Attachment 7: Procedures for Removal of DBE's Eligibility

Removal of DBE/ACDBE Eligibility (Decertification)

All Members of the TUCP, including the Corpus Christi Regional Transportation Authority (CCRTA) follow the Texas Unified Certification Program (TUCP) Standard Operating Procedures, which includes the process of removing a DBE/ACDBE Eligibility (Decertification).

1. INITIAL DENIAL OF DBE/ACDBE CERTIFICATION

a. A firm will be notified in writing by the Certifying Partner that it has been denied DBE/ACDBE certification by the TUCP by providing a Notice of Decision (NOD).

b. The firm will be provided with a written explanation of the reasons for denial, specifically referencing the evidence in the record that supports each reason for the denial.

c. All documents and information used to render a determination of denial will be made available for inspection by the applicant, upon written request to the Certifying Partner.

d. A firm that is denied DBE/ACDBE certification may not apply for certification with the TUCP for one year (12 months). The period begins to run the day after the date of the NOD is emailed to the applicant owner.

e. A firm denied DBE/ACDBE certification may appeal the denial of DBE/ACDBE certification to the USDOT in accordance with §26.89 of the regulation.

2. REMOVAL OF DBE/ACDBE ELIGIBILITY (DECERTIFICATION)

a. The TUCP members agree to follow the eligibility removal procedures outlined in 49 CFR §26.87 including:

   i. Ineligibility complaints: Any person, including another TUCP member, may file a complaint with specificity about why the firm should be decertified as a DBE. TUCP need not act on a general allegation or an anonymous complaint. TUCP must keep complainants' identities confidential as provided in §26.109(b).

   ii. Recipient-initiated proceedings: If a direct recipient of federal funds determines that there is reasonable cause to believe that a currently certified firm is ineligible based on notification by that DBE/ACDBE firm of a change in its circumstances or any other information that becomes available, they must provide written notice to the firm that it proposes to find them ineligible for the DBE/ACDBE program setting forth the reasons for the proposed determination. The statement of reasons for the finding of reasonable cause must specifically reference the evidence in the record on which each reason is based.

   iii. DOT directive to initiate proceeding: If a concerned operating administration (OA) (FHWA, FTA, FAA) determines that information in your certification records, or other information available to the concerned operating administration, provides reasonable cause to believe that a firm you certified does not meet the eligibility criteria of this part, the concerned operating administration may direct you to initiate a proceeding to remove the firm's DBE/ACDBE certification. The OA must provide the TUCP and the DBE with written notice describing the reasons for the directive, including any relevant documentation or other information. TUCP must immediately commence proceeding to decertify as provided in §26.87(e).

iv. When a firm is notified that there is a reasonable cause to remove its eligibility, it will be provided the opportunity for an informal hearing, at which the firm may respond to the reasons for the proposal to remove its eligibility in person and provide information and arguments concerning why it should remain certified.

v. A DBE/ACDBE firm whose eligibility has been removed (decertified) for any of the following reasons will be afforded an Appeal Process as stated in Section M:

1. The business has changed to the extent that it is no longer owned or controlled by socially and economically disadvantaged individuals.
2. The DBE/ACDBE firm is no longer an ongoing business entity.
3. The socially and economically disadvantaged owners falsified a sworn statement. This action may also result in more punitive action such as debarment.
4. The DBE/ACDBE fails to notify the TUCP Certifying Partner, within 30 days of changes in ownership, control, independence, or status as an ongoing concern.
5. A determination by the TUCP Certifying Partner that the firm no longer meets certification eligibility standards.
6. The DBE/ACDBE exhibits a pattern of conduct indicating its involvement in attempts to evade or subvert the intent or requirement of the regulations. This action may also result in more punitive action such as debarment.

vi. Decertified firms shall be removed from the TUCP directory.

vii. A firm decertified for cause may not apply again for DBE/ACDBE certification with the TUCP for one year (12 months). A firm that is decertified for not submitting the Declaration of Eligibility (DOE) (failure to cooperate clause) may reapply for DBE/ACDBE certification after a six (6) month waiting period from the date of the Notice of Decision (NOD).

3. APPEAL PROCESS

a. Initial Denials

i. A firm denied DBE/ACDBE certification may appeal the denial of DBE/ACDBE certification to the United States Department of Transportation (USDOT) in accordance with §26.89 of the regulation.

Such an appeal must be filed within forty-five (45) days of the date of the determination letter.

ii. Pending a determination by USDOT, the decision rendered by the Certifying Partner remains in effect for the TUCP. Upon notification by USDOT, the TUCP Certifying Partner will provide a copy of the complete administrative record for review including video, audio recordings, or transcripts of any hearing within twenty (20) days.

iii. All appeal decisions rendered by USDOT are administratively final and are not subject to petitions for reconsideration.

iv. A firm that is denied DBE/ACDBE certification may not again apply for certification with the TUCP for one year (12 months) from the date of the Notice of Decision (NOD).

b. Removal of Certification

i. Any firm that was certified under 49 CFR Part 23 and Part 26 and has had their certification proposed to be removed may file a written rebuttal or appear in person at an informal hearing.

ii. All requests for an informal hearing must be filed with the TUCP Certifying Partner responsible for the removal of DBE/ACDBE certification. The firm will have the opportunity to present information in person or in writing to the certifying TUCP Partner and all aspects of the hearing shall be coordinated by the TUCP Certifying Partner.

iii. The TUCP Certifying Partner must maintain a complete record of the hearing, by a means acceptable under State law for the retention of a verbatim record of an Administrative Hearing.

iv. **Separations of Functions**: The TUCP Certifying Partner must ensure that the decision in a proceeding to remove a firm's eligibility (decertification) is made by office and personnel that did not take part in actions leading to or seeking to implement the proposal to remove the firm's eligibility and are not subject, with respect to the matter, to direction from the office or personnel who did take part in these actions.

v. Any firm may appeal directly to the United States Department of Transportation (USDOT). Such an appeal must be filed within 45 days of the date of the Notice of Decision (NOD) from the Certifying Partner.

vi. Pending a determination by the USDOT, the decision rendered by the TUCP Certifying Partner remains in effect for the TUCP.

vii. Upon notification by USDOT, the TUCP Certifying Partner will forward a copy of the complete administrative record for review. USDOT will make a determination based solely on the administrative record.

viii. USDOT will provide written notice of its decision to the TUCP and the appellant.

ix. USDOT decides only the issue(s) presented on appeal. It does not conduct a *de novo* review of the matter, assess all eligibility requirements, or hold hearings. It considers the administrative record any additional information that it considers relevant.

x. All decisions described in §26.89(f) are administratively final unless USDOT says otherwise.

CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo February 5, 2025

Subject: Confirm Three (3) Appointments Recommended by the Chief Executive Officer (CEO) and Appointed by the Board Chair to RTA's Committee on Accessible Transportation (RCAT) for a Two-Year Term

Background

The by-laws for RTA's Committee on Accessible Transportation (RCAT) describe the terms for how vacant seats on the Committee are handled. Interested applicants must submit a letter of interest to CEO. Those applicants are then presented to RCAT and the RCAT Chairman forwards the recommendation of appointments to the CEO. The RCAT Chair/Committee approved of the appointments. The Board of Directors must then confirm the appointments.

Each member is originally appointed to a two (2) year term except for the chairperson who serves at the pleasure of the RTA Board. Members may be appointed for up to four (4) consecutive two (2) year terms. A committee member who has reached the term limit of eight consecutive years of service may apply for membership after a one-year absence.

At this time, three RCAT Committee members have agreed to be appointed to the RCAT Committee for a two-year term. They are as follows:

- Christina Ommani Edwardson (Area Agency on Aging)
- Terry Klinger (Retired CCRTA Travel Trainer/Customer Advocate)
- Neva Eileen Schubert (TAMU-CC – interprets for the hard of hearing students at university)

In order to continue the selection process, CCRTA's Board of Directors must take action to confirm these reappointments.

Recommendation

The CEO requests the Board of Directors to Confirm the Appointments of Christina Ommani Edwardson, Neva Eileen Schubert and Terry Klinger to fill the RCAT vacancies.

Respectfully Submitted,

Reviewed by: Sharon Montez
Managing Director of Capital Programs and Customer Services

Final Approval by:
Miguel Rendón
Deputy Chief Executive Officer

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

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SINGLE AUDIT SECTION

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.

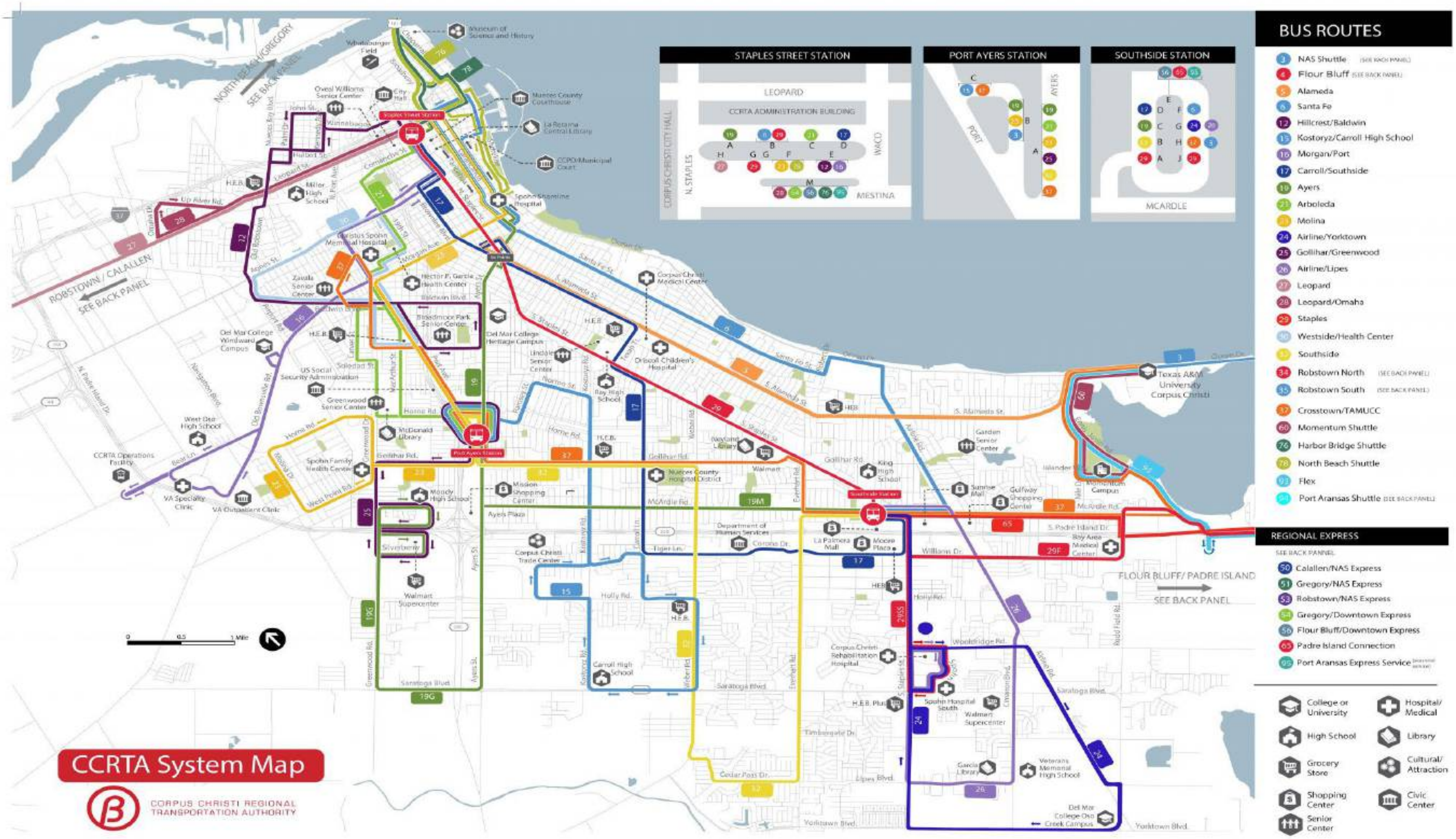
Over the years, the services have transformed from a single fixed-route platform servicing only the urban areas of the City of Corpus Christi, to providing enjoyable and reliable options for connecting the rural suburban neighborhoods within the City and the surrounding areas. Paratransit services now 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

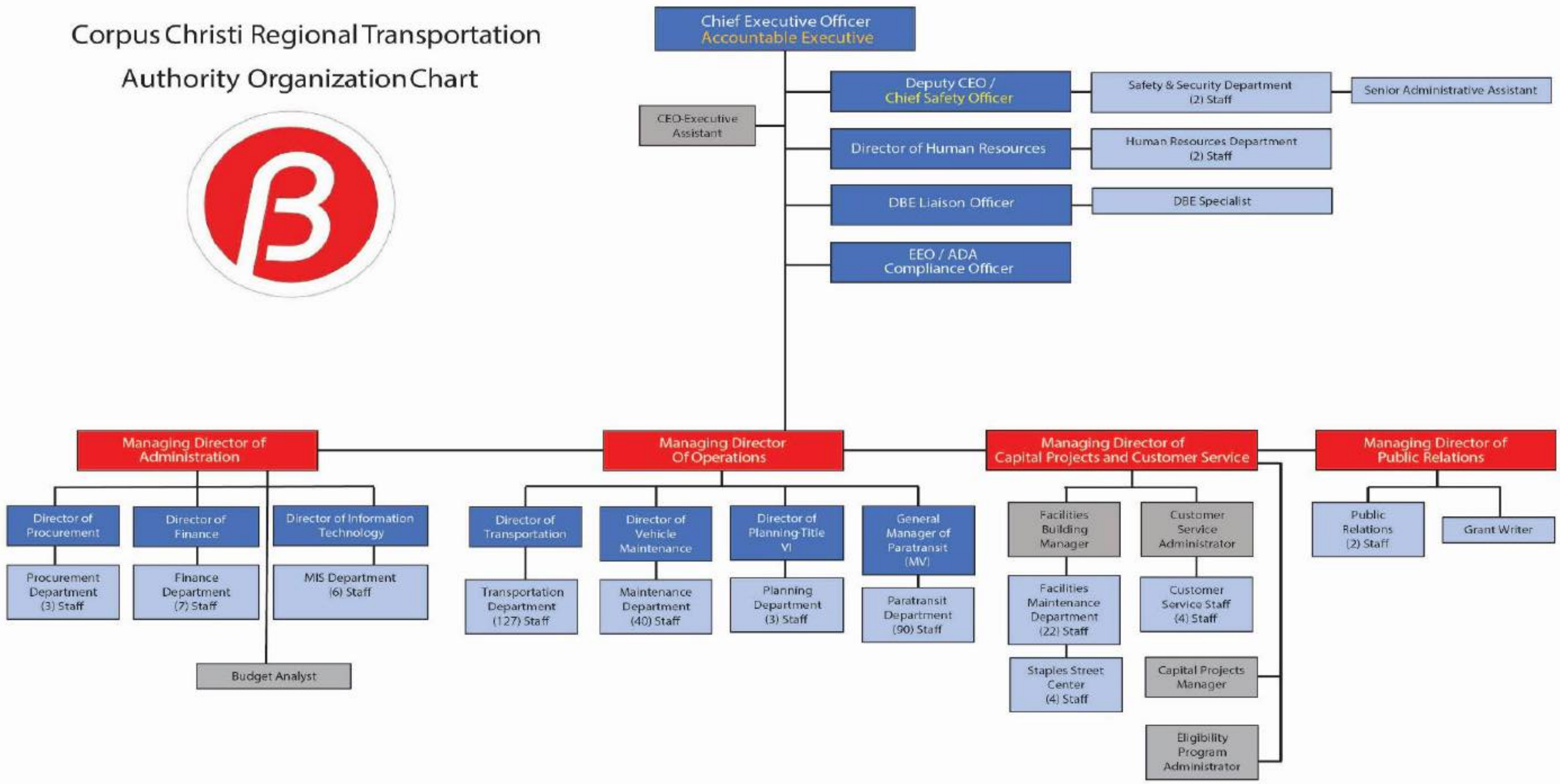
MEMBER	APPOINTMENT	TERM EXPIRATION	BEGAN SERVICE
Dan S. Leyendecker **(Board Chair)**	RTA Board	January 3, 2024	October 4, 2017
Arthur Granado	City of Corpus Christi	June 30, 2024	August 2, 2023
Eloy H. Salazar	City of Corpus Christi	June 30, 2024	July 1, 2020
Gabi Canales	City of Corpus Christi*	June 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

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Suite 701
Corpus Christi, TX 78401

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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 2023	At December 31 2022 (Restated)	Change	At December 31 2022 (Restated)	At December 31 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

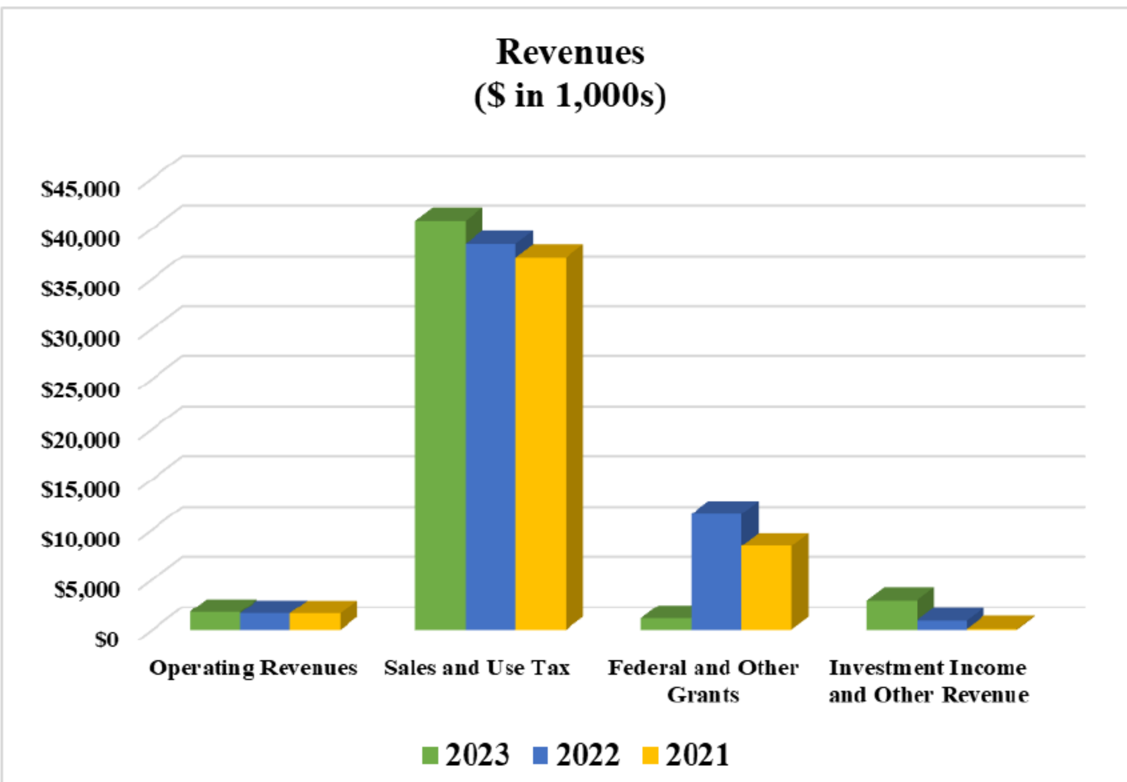
	At December 31			At December 31		
	2023	2022 (Restated)	Change	2022 (Restated)	2021	Change
Revenues						
Passenger Service	$ 1,083,894	$ 991,329	$ 92,565	$ 991,329	$ 986,544	$ 4,785
Bus Advertising	227,549	176,907	50,642	176,907	160,820	16,087
Other Operating Revenues	449,026	474,543	(25,517)	474,543	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.

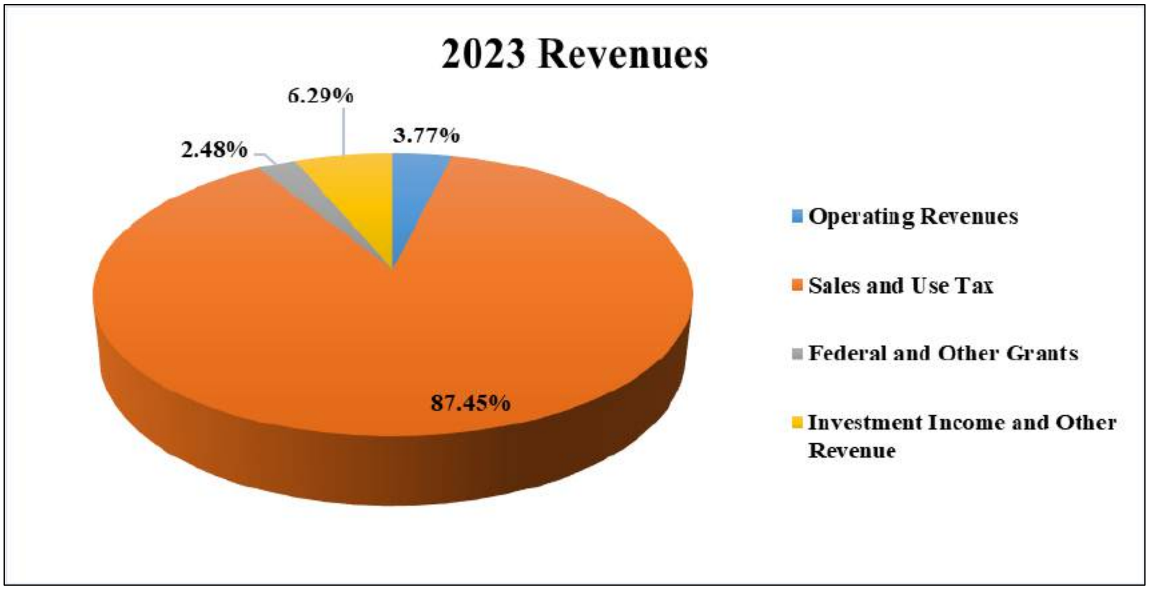
In 2022, the income from federal grant assistance increased by $3,181,843 from 2021. The increase was due to the grant allocation from the American Recovery Plan Act of $10,064,385 which was an increase of 46.77% from the grant allocation of $6,857,205 received from the CRRSAA Act in 2021.

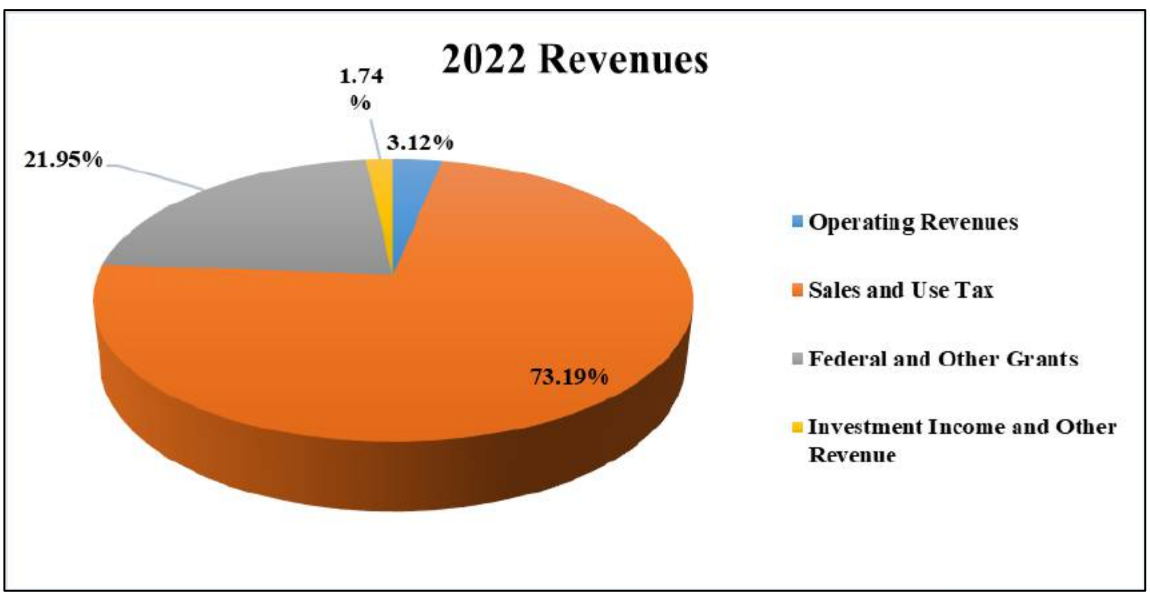
Additional details about the Authority's federal grant programs are presented in the Schedule of Expenditure of Federal Awards and their accompanying notes.

♦ 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.

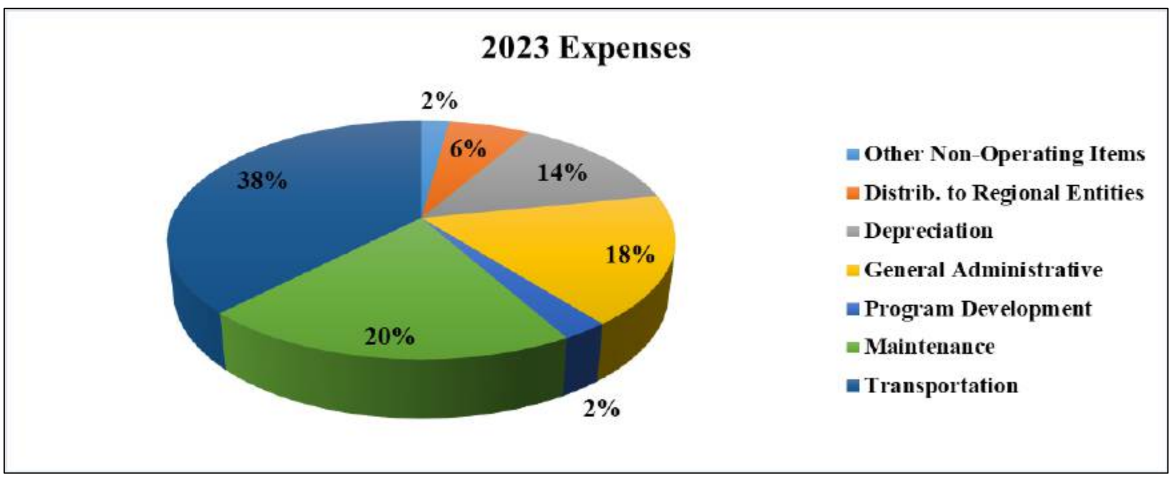
The largest component of the Authority’s total expenses is operating expenses. These expenses, excluding depreciation expense, account for 78.21% and 78.01% of total expenses in 2023 and 2022, respectively.

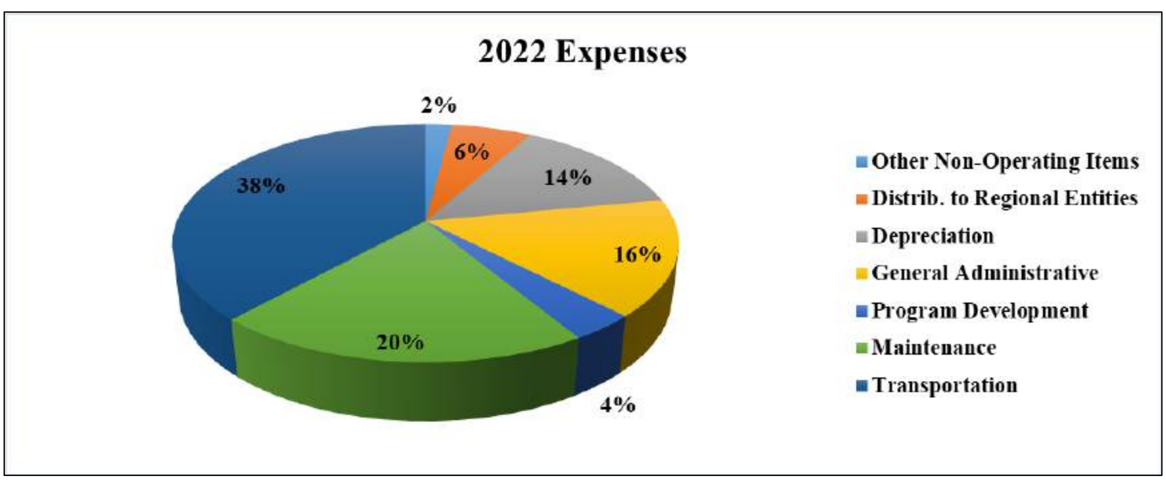
Operating Expenses: 2023 operating expenses (including depreciation) of $48,333,775 increased by 3.53% or $1,646,221 from $46,687,554 in 2022. Departments experiencing significant expenditure growth include Customer Programs ($98,770 or 17.22%), MIS ($239,384 or 16.74%), Administrative & General ($778,227 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.

Port Ayers TRANSFER STATION

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	December 31, 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	**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	**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) <u>Leases</u>

<u>Right-To-Use Leases</u>

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**

Commitments and Impairments:

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

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

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)

Year	Pledged Revenues (1)	Debt Service Requirements 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.

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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

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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
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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**


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Corpus Christi Regional Transportation Authority

NTD REPORT

December 31, 2023

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

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the Federal Funding Allocation Statistics Form of Corpus Christi Regional Transportation Authority (the "Authority") for the year ended December 31, 2023. The Authority's management is responsible for the data contained in the Federal Funding Allocation Statistics Form and the system in place to record the data in accordance with the National Transit Database (NTD).

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Federal Funding Allocation Statistics Form of the Authority. Additionally, the Federal Transit Administration (FTA) have agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

A. The procedures to be applied to each applicable mode and type of service (TOS) (directly operated, purchased transportation, transportation network, and Taxi) are: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630 and as presented in the 2023 *NTD Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Results: No exceptions were found as a result of applying the above procedure.

B. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:

- The extent to which the transit agency followed the procedures on a continuous basis; and
- Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 and as presented in the 2023 *NTD Policy Manual.*

Results: No exceptions were found as a result of applying the above procedure.

C. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

Results: No exceptions were found as a result of applying the above procedure.

D. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.

Results: No exceptions were found as a result of applying the above procedure.

E. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.

Results: No exceptions were found as a result of applying the above procedure.

F. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

Results: No exceptions were found as a result of applying the above procedure.

G. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

Results: No exceptions were found as a result of applying the above procedure.

H. Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 2023 *NTD Policy Manual*.

Results: No exceptions were found as a result of applying the above procedure.

I. Discuss with transit agency staff (the accountant may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:

- The public transit agency serves an UZA with a population less than 500,000 according to the most recent census.

- The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).

- Service purchased from a seller is included in the transit agency's NTD report.

- For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2023) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.

- Determine how the transit agency estimated annual PMT for the current report year.

Results: No exceptions were found as a result of applying the above procedure.

J. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

Results: No exceptions were found as a result of applying the above procedure.

K. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulation periods that were tested. Test the arithmetical accuracy of the summary.

Results: No exceptions were found as a result of applying the above procedure.

L. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

Results: No exceptions were found as a result of applying the above procedure.

M. For actual VRM data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.

- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.

- If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Results: No exceptions were found as a result of applying the above procedure.

N. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Results: Not applicable to the Authority.

O. If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:

- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR); or

- Bus (Motorbus (MB), Commuter Bus (CB), or Bus Rapid Transit (RB)) service operating over exclusive or controlled access rights-of-way (ROW); and
    - Access is restricted;
    - Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and
    - Restricted access is enforced for freeways; priority lanes used by other HOV (i.e., vanpools (VP), carpools) must demonstrate safe operation.

Results: Not applicable to the Authority.

P. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Results: Not applicable to the Authority.

Q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:

- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.

- If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Results: Per inquiry with Data Technician, no temporary interruptions in transit service occurred during the report year due to maintenance or rehabilitation improvements.

R. Measure FG/HIB DRM from maps or by retracing route.

Results: Not applicable to the Authority.

S. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

Results: Not applicable to the Authority.

T. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2023 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2023 report year, the Agency Revenue Service Date must occur within the transit agency's 2023 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the seven-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.

Results: Not applicable to the Authority.

U. Compare Operating Expenses with audited financial data after reconciling items are removed.

Results: No exceptions were found as a result of applying the above procedure.

V. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. The purchased transportation fare revenues should equal the amount reported on the Contractual Relationship form.

Results: No exceptions were found as a result of applying the above procedure.

W. If the transit agency's report contains data for purchased transportation services and the procedures in this accountant's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this accountant's review, and the transit agency also does not have a separate Independent Accountant's Statement for the purchased transportation data.

Results: No exceptions were found as a result of applying the above procedure.

X. If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

Results: No exceptions were found as a result of applying the above procedure.

Y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

Results: Not applicable to the Authority.

Z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Results: No exceptions were found as a result of applying the above procedure.

AA. The accountant should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The accountant may perform additional procedures, which are agreed to by the accountant and the transit agency, if desired. The accountant should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the accountant but not by FTA.

Results: No exceptions were found as a result of applying the above procedure.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Federal Funding Allocation Statistics Form. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and FTA and is not intended to be and should not be used by anyone other than those specified parties.

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

Corpus Christi, TX
January 15, 2025

Corpus Christi Regional Transportation Authority

REQUIRED COMMUNICATIONS

December 31, 2023

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

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January 15, 2025

To the Board of Directors and Management of
Corpus Christi Regional Transportation Authority
602 N. Staples St.
Corpus Christi, TX 78401

We are pleased to present the results of our audit of the 2023 financial statements of Corpus Christi Regional Transportation Authority ("the Authority").

This report to the Board of Directors and management summarizes our audit, the report issued and various analyses and observations related to the Authority's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the Authority's 2023 financial statements. We considered the Authority's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the Board of Directors and CEO, expect. We received the full support and assistance of the Authority's personnel.

At Carr, Riggs & Ingram, L.L.C. (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Directors and management, management and others within the Authority and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me, Kristine M. Sparks, CPA, at 361-882-3132 or kmsparks@criadv.com.

Very truly yours,

Kristine M. Sparks

Kristine M. Sparks, CPA
Partner

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Authority. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board and management, 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, in order to express an opinion on the Authority's financial statements for the year ending December 31, 2023.

- 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*; and Uniform Guidance 2 CFR Part 200 in order to express an opinion on compliance with requirements applicable to each major federal program.

- Report on internal control over compliance with the types of compliance requirements described in Uniform Guidance 2 CFR Part 200 and the OMB Compliance Supplement;

- Communicate directly with the Board of Directors and management regarding the results of our procedures;

- Address with the Board of Directors and management any accounting and financial reporting issues;

- Anticipate and respond to concerns of the Board of Directors and management; and

- Address other audit-related projects as they arise and upon request.

We have audited the financial statements of Corpus Christi Regional Transportation Authority ("the Authority") for the year ended December 31, 2023, and have issued our report thereon dated January 15, 2025. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards, *Government Auditing Standards,* and the Uniform Guidance.	As stated in our engagement letter dated January 5, 2024, as amended on December 9, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, Sandy Roddel, Director of Finance, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates	Please see the following section titled "Accounting Policies, Judgments and Sensitive

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.	Estimates & CRI Comments on Quality."
Potential effect on the financial statements of any significant risks and exposures *Major risks and exposures facing the Authority and how they are disclosed.*	No such risks or exposures were noted.
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles • *The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.* • *The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the Authority's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.* • *Critical accounting policies and practices applied by the Authority in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;* • *Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.*	The significant accounting policies used by the Authority are described in Note 1 to the financial statements. New accounting policies were adopted during the fiscal year as a result of the following recently issued accounting pronouncements: • Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94) • Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96) The adoption of GASB Statement No. 96 resulted in the recognition of the right-to-use subscription asset and accumulated depreciation and the related subscription liability. The cumulative results of the retroactive implementation resulted in a decrease to net position of $28,350. The adoption of GASB Statement No. 94 did not have a material impact on the financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was: The disclosure related to the Defined Benefit Plan in Note 7 to the financial statements. The financial statement disclosures are neutral, consistent, and clear.

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Significant difficulties encountered in the audit *Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.*	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with management *Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing matter, that could be significant to the financial statements or the auditor's report. This does not include those that came about based on incomplete facts or preliminary information.*	We are pleased to report that no such disagreements arose during the course of our audit.
Other findings or issues *Matters significant to oversight of the financial reporting practices by those charged with governance.*	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management *Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.*	None noted.
Corrected and uncorrected misstatements *All significant audit adjustments arising from the audit, whether or not recorded by the Authority, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board of Directors and CEO about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.*	See "Summary of Audit Adjustments" section.
Major issues discussed with management prior to retention *Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.*	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants *When management has consulted with other accountants about significant accounting or auditing matters.*	To our knowledge, there were no such consultations with other accountants.

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Written representations *A description of the written representations the auditor requested (or a copy of the representation letter).*	See "Management Representation Letter" section.
Internal control deficiencies *Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.*	See "Internal Control Findings" section.
Fraud and illegal acts *Fraud involving senior management, the Authority or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.*	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
Other information in documents containing audited financial statements *The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.*	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Significant unusual accounting transactions *Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.*	No significant unusual accounting transactions were noted during the year.
Required Supplementary Information *The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
	assurance on the RSI.
Supplementary Information in relation to the financial statements as a whole *The auditor's responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.
Other information accompanying the financial statements. *The auditor's responsibility for other information accompanying the financial statements.*	We were not engaged to report on the other information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We are required to communicate our judgments about the quality, not just the acceptability, of the Authority's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Investments	The Authority follows the provisions of Section I50: *Investments*, of the GASB Codification when reporting investments.	X	The Authority relies on investment valuation information from the bank or investment manager based upon financial market information to determine current or fair value.	The Authority's policies are in accordance with all applicable accounting guidelines and GASB.
Depreciation of property and equipment	The Authority depreciates property and equipment using the straight-line method.	X	The Authority depreciates property and equipment over their estimated useful lives which are based on the experience with similar assets and guidance provided by Section 1400: *Reporting on Capital Assets*, of the GASB Codification.	The Authority's recognition methods and disclosures appear appropriate.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other post-employment benefit obligation	The Authority records a liability for its post-employment benefits obligation other than pensions.	X	The OPEB liability is projected using methods and assumptions as provided in the most recent actuarial valuation, in accordance with the provisions of GASB Statement No. 75. Health care cost trend rates were based on market assessments.	We evaluated the assumptions used by the actuary in determining the total OPEB liability and found them to be in accordance with the provisions of GASB 75 and reasonable in relation to the financial statements taken as a whole.
Defined benefit pension plan	The Authority participates in the RTA Employees Defined Benefit Plan and Trust Retirement System (DB Plan), an agent Single-employer plan administered by the Principal Financial Group. Principal Financial Group utilizes an independent actuary to provide an actuarial valuation report. This report provides estimates of the total pension liability, fiduciary net position, related deferred outflows/inflows and actuarially required contributions in accordance with the provisions of GASB 68.	X	Key assumptions utilized by the actuary in making the estimates in accordance with GASB 68. The total pension liability was determined by an actuarial valuation as of January 1, 2023 with a measurement date of December 31, 2023.	We evaluated the assumptions used by the actuary in estimating the Authority's total pension liability, the fiduciary net position, and the related deferred outflows/inflows and found them to be in accordance with the provisions of GASB 68 and reasonable in relation to the financial statements taken as a whole.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Compensated absences	Liabilities for compensated absences attributable to services already rendered are accrued as employees earn the rights to those benefits. The Authority follows the provisions of Section C60: *Compensated Absences*, of the GASB Codification when reporting these liabilities.	X	The Authority estimates the accrued liabilities for compensated absences using leave balances accrued at the end of the fiscal year multiplied by the pay rate in effect for each employee as of the end of the fiscal year.	The Authority's policies appear to be in accordance with all applicable accounting guidelines and GASB.
Amortization of right-to-use assets, determination of discount rate for lease liability and fair value of underlying asset	The Authority amortizes right-to-use assets using the straight line method and has utilized the incremental borrowing rate to determine the lease liability and the fair value of the underlying assets.	X	The Authority amortizes right-to-use assets over the shorter period of the lease term or the useful life of the asset which is based on the experience with similar assets and guidance provided by GASB Statement No. 87, *Leases*. Similarly, using past experience with similar assets and the guidance provided by GASB Statement No. 87, *Leases*, the District has utilized the incremental borrowing rate to determine the measurement of the lease liability, interest payments and fair value of the underlying asset.	We evaluated the key factors and assumptions used to develop the estimated useful lives, discount rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Amortization of right - to - use SBITA assets, determination of discount rate for the SBITA liabilities and fair value of underlying assets.	The Authority amortizes right - to - use SBITA assets using the straight-line method and has utilized the incremental borrowing rate to determine the SBITA liability and the fair value of the underlying assets.	X	The Authority amortizes right-to-use lease and SBITA assets over the shorter period of the subscription term or the useful life of the assets which is based on the experience with similar assets and guidance provided by GASB 96, *Subscription-Based Information Technology Arrangements*. Similarly, using past experience with similar assets and the guidance provided by GASB Statement No. 96, Subscription-Based Information Technology Arrangements, the Authority has utilized the incremental borrowing rate to determine the measurement of the SBITA liability, interest payments and fair value of the underlying asset.	We evaluated the key factors and assumptions used to develop the estimated useful lives, incremental borrowing rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.

During the course of our audit, we accumulate differences between amounts recorded by the Authority and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Authority or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

The below schedule summarizes uncorrected misstatements of the financial statements. Management has determined that its affect is immaterial, both individually and in the aggregate, to the Company's financial statements taken as a whole.

Adjusting Journal Entries:

Adjusting Journal Entries JE # 1				
PBC - To adjust MyAvail year end prepaid balance due to change in service period subsequent to year end.				
	00-10324010	10324010 PREPAID EXPENSES	13,420.00	
	07-50346010	50346010 CONTRACTED MAINTENANCE		13,420.00
Total			**13,420.00**	**13,420.00**

Adjusting Journal Entries JE # 2				
PBC - To adjust inventory to actual.				
	00-10301010	10301010 PARTS INVENTORY	83,708.00	
	00-10301010	10301010 PARTS INVENTORY	47,568.00	
	00-10302221	10302221 COVID-19 EMERGENCY PURCHASES	1,080.00	
	00-10301110	10301110 WORK IN PROGESS-INVENTORY		1,080.00
	11-50490110	50490110 REPAIR PARTS		83,708.00
	11-50490110	50490110 REPAIR PARTS		47,568.00
Total			**132,356.00**	**132,356.00**

Adjusting Journal Entries JE # 3				
To record below trivial variance to roll equity without exception.				
	01-50909910	50909910 OTHER MISCELLANEOUS EXP.	385.00	
	01-99999000	99999000 INCOME SUMMARY		385.00
Total			**385.00**	**385.00**

Reclassifying Journal Entries:

Reclassifying Journal Entries JE # 201				
PBC - To adjust current and non-current lease liabiity.				
	00-20104060	20104060 LEASE LIABILITY - CURRENT	147,605.00	
	00-20104065	20104065 LEASE LIABILITY - NON CURRENT		147,605.00
Total			**147,605.00**	**147,605.00**

Proposed (Uncorrected) Journal Entries:

Proposed Journal Entries JE # 101				
To record estimated health insurance.				
	01-50610010	50610010 HEALTH CARE SELF INSURANCE	66,380.00	
	00-23115010	23115010 ESTIMATED HEALTH INS		66,380.00
Total			**66,380.00**	**66,380.00**

Proposed Journal Entries JE # 102				
To record differences in SBITA balances as calculated by CRI.				
	00-12201010	12201010 SUBSCRIPTION ASSET AMORTIZATION	210,143.00	
	00-20102030	20102030 ACCRUED INTEREST - NONDEBT	2,225.00	
	00-20104050	20104050 SOFTWARE SUBSCRIPTIONS PAYABLE (SBITAS)	90,606.00	
	50-50326010	50326010 COMPUTER CONSULTING SERV	76,881.00	
	00-12000010	12000010 SUBSCRIPTION ASSET		113,606.00
	00-20101010	20101010 ACCOUNTS PAYABLE		53,881.00
	00-30510010	30510010 RETAINED EARNINGS		17,391.00
	90-51102030	51102030 INTEREST EXPENSE - SBITA RELATED		2,225.00
	90-60230140	60230140 DEPREC. EXP., RIGHT-TO-USE SOFTWARE		192,752.00
Total			**379,855.00**	**379,855.00**

Proposed Journal Entries JE # 103				
To correct lessor accounting for GASB 87				
	00-13366110	13366110 DEFERRED INFLOWS RELATED TO LEASES	166,915.00	
	00-10205030	10205030 LEASES RECEIVABLE		61,222.00
	00-40790010	40790010 LEASING INCOME - SSC		105,693.00
Total			**166,915.00**	**166,915.00**

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of adjustments when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Authority's operating environment that has been identified as playing a significant role in the Authority's operations or viability.

- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

602 N. Staples, Corpus Christi, Texas 78401 | p. 361-289-2712 | f. 361-903-3578 | www.ccrta.org

January 15, 2025

Carr, Riggs & Ingram, LLC
500 N. Shoreline Blvd, Suite 701
Corpus Christi, TX 78401

This representation letter is provided in connection with your audits of the financial statements of Corpus Christi Regional Transportation Authority (the "Authority"), which comprise the respective financial position of the business-type activities and the aggregate remaining fund information as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 5, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

11) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.

12) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

13) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

14) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of Authority Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

15) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

16) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

17) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves—

    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

18) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.

19) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

20) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

21) We have disclosed to you the names of the Authority's related parties and all the related party relationships and transactions, including side agreements.

22) In regard to the review of the financial statements and related disclosures prepared by the accounting staff, preparation of the data collection form and data input of DCF into the Federal Audit Clearinghouse, and all other non-attest services performed by you, we have:

    a) Assumed all management responsibilities.

    b) Designated Sandy Roddel, who has suitable skill, knowledge, or experience to oversee the services.

    c) Evaluated the adequacy and results of the services performed.

    d) Accepted responsibility for the results of the services.

    e) Ensured that the data and records are complete, and we have sufficient information to oversee the services.

Government-specific

23) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

24) We have a process to track the status of audit findings and recommendations.

25) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

26) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

27) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

28) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

29) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

30) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.

31) We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASBS No. 91.

32) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.

33) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

34) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

35) As part of your audit, you assisted with review of the Annual Comprehensive Financial Report and financial statements prepared by accounting staff, preparation of the Data Collection Form and data input of the Data Collection Form into the Federal Audit Clearing House. We acknowledge our responsibility as it relates to those nonaudit services and any other nonaudit services you provide, including that we assume all

management responsibilities; oversee the services by designating an individual, Sandy Roddel, Director of Finance, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the review of the Annual Comprehensive Financial Report and financial statements, preparation of the Data Collection Form, data input of the Data Collection Form into the Federal Audit Clearing House, and any other nonaudit services performed by you.

36) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

37) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

38) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

39) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.

40) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.

41) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

42) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

43) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.

44) Provisions for uncollectible receivables have been properly identified and recorded.

45) Expenses have been appropriately classified in or allocated to operating expenses and non-operating expenses in the statement of revenues, expenses, and changes in net position have been made on a reasonable basis.

46) Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position within operating revenues, non-operating revenues, capital grants, and donations.

47) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

48) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

49) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

50) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

51) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

52) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not

changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

53) With respect to the supplementary information:

a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

54) With respect to the letter of transmittal and statistical section:

a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.

b) With regard to the other information that will be included in the annual report that has not been obtained by you prior to the auditor's report date, we intend to prepare and issue the other information, as well as communicate the expected timing of issuance, and provide you with the final version of the document(s) when available and prior to the issuance of the annual report.

55) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records

w) We have charged costs to federal awards in accordance with applicable cost principles.

x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organization relating to noncompliance at the service organizations.

Signature: David Magdaleno
Title: CEO

Signature: Marie Sandre
Title: DIRECTOR OF FINANCE

Uncorrected misstatements for 2023:

Proposed Journal Entries JE # 101			
To record estimated health insurance.			
01-50610010	50610010 HEALTH CARE SELF INSURANCE	66,380.00	
00-23115010	23115010 ESTIMATED HEALTH INS		66,380.00
Total		**66,380.00**	**66,380.00**

Proposed Journal Entries JE # 102			
To record differences in SBITA balances as calculated by CRI.			
00-12201010	12201010 SUBSCRIPTION ASSET AMORTIZATION	210,143.00	
00-20102030	20102030 ACCRUED INTEREST - NONDEBT	2,225.00	
00-20104050	20104050 SOFTWARE SUBSCRIPTIONS PAYABLE (SBITAS)	90,606.00	
50-50326010	50326010 COMPUTER CONSULTING SERV	76,881.00	
00-12000010	12000010 SUBSCRIPTION ASSET		113,606.00
00-20101010	20101010 ACCOUNTS PAYABLE		53,881.00
00-30510010	30510010 RETAINED EARNINGS		17,391.00
90-51102030	51102030 INTEREST EXPENSE - SBITA RELATED		2,225.00
90-60230140	60230140 DEPREC. EXP., RIGHT-TO-USE SOFTWARE		192,752.00
Total		**379,855.00**	**379,855.00**

Proposed Journal Entries JE # 103			
To correct lessor accounting for GASB 87.			
00-13366110	13366110 DEFERRED INFLOWS RELATED TO LEASES	166,915.00	
00-10205030	10205030 LEASES RECEIVABLE		61,222.00
00-40790010	40790010 LEASING INCOME - SSC		105,693.00
Total		**166,915.00**	**166,915.00**

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

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To the Board of Directors and Management of
Corpus Christi Regional Transportation Authority
602 N. Staples St.
Corpus Christi, TX 78401

In planning and performing our audit of the financial statements of Corpus Christi Regional Transportation Authority (the "Authority") as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Corpus Christi Regional Transportation Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. The chart that accompanies this letter summarizes our comment and suggestions regarding those matters. This letter does not affect our report dated January 15, 2025, on the financial statements of the Authority.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Corpus Christi, Texas
January 15, 2025

The following legend should be used in conjunction with reviewing the "Rating" of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-001	SD	Single Audit – Internal Controls Over Compliance	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.	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.	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. The Procurement department will conduct mandatory training for all

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-001 (Continued)					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. 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. The Procurement department will establish a periodic monitoring process to ensure that staff consistently

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2023-001 (Continued)					follows existing policies and procedures regarding vendor checks.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo February 5, 2025

Subject: December 2024 Financial Report

Overview: The **December Operating Budget** ended the month with revenues coming in greater than expenses by **$533,017,** as total **Operating Revenues** came in at **$4,858,044** and **Operating Expenses** at **$4,325,027.** In comparison to the budget, **Operating Revenues** of **$4,858,044** came in lower than the **$4,940,925** budget by **$82,881** and departmental spending of **$4,325,027** came in greater than the **$4,016,952** budget by **$308,074**.

Passenger fares of **$90,671** reached **98.43%,** lease revenue from tenants of $39,989 reached **91.26%,** and investment income of $187,253 exceeded budget expectations by **$18,503**, representing 110.96% of expectation.

The year-to-date Operating Budget produced a deficit of $2,170,496 as total revenues of **$47,021,431** reached **94.65% of baseline** while expenses of **$49,191,927** finished at **99.14%.** The $1mm preventive maintenance federal grant that was budgeted for 2024 was awarded January 28, 2025 with a performance start date of October 1, 2024. Pending the Notice of the Award, finance is moving forward in identifying the allowable expenses that were incurred from October 1, 2024 through the end of the year for the potential revenue recognition of the 80% FTA share of $800,000 which will improve the net position for 2024.

The CIP budget for the month resulted in expenditures exceeding revenues by **$5,082.** Grant revenues of $19,160 were recognized from the final installation charges of shelters, completing the base year shelter program and funded 100% by an ARP Grant that was awarded June 14, 2022. Expenditures of $516,062 include the $19,160 costs for the shelters and the depreciation expense of $496,902 which resulted in expenses exceeding revenues by $496,902. The transfer in from fund balance of $491,820 provided the month end with expenditures exceeding revenues by $5,082.

Year-to-date CIP total funding totaled **$11,390,988** while total expenditures finished at **$11,451,966** resulting in **expenditures** exceeding funding sources by **$60,978**. Funding sources include the budgeted transfer-in from fund balance of **$5,901,845.**

For the month, the overall performance resulted in an initial increase of **$527,935** to the fund balance with an increase of **$533,017** attributable to the operating budget, and a decrease of **$5,082** related to the CIP budget.

The overall performance for the **year-to-date** results in an initial decrease of **$2,723,294** to the fund balance, with a decrease of **$2,170,496** attributable to the operating budget, and a decrease of **$60,978** related to the CIP budget.

SUMMARY: Results from all Activities Compared to Budget

Total Revenues and funding sources for the month of **December** closed at **$5,369,024**, of which **$4,858,044** is attributable to the **Operating Budget (Table 4 and PPT Slides 3 and 4)** and **$510,980** to the capital budget. The **$510,980** from the capital budget consists of **$19,160** from grant revenues while **$491,820** comes from the unrestricted portion of the fund balance that was budgeted as a transfer in. The performance of the revenue categories from the Operating Budget is discussed as follows.

Operating Revenues, which include only resources generated from transit operations, **totaled $486,033** or 0.51% more than forecasted **(Table 4.1) & (PPT Slide 5). Fare Revenues** ended the month at $90,671, or 98.43% of the baseline expectation and includes **$10,150** from **Go-Pass Mobile App Pass Sales**.

Meanwhile, commissions from both **Bus and Bench Advertising** ended the month at **$21,683,** of which **$3,808** came from **Bus Bench Advertising commissions** while **$17,875** came from **On-Board Bus Advertising commissions**. The combined revenue was 122.02**%** of baseline.

Note that the commissions earned from Bench Advertising total **$5,712** of which **$3,808** is recognized as revenue and **$1,904** represents the City's one-third share of the bench advertising commission for the use of the City property.

Other Operating Revenues totaled $373,679, or 100% of baseline. Of the total, $3,140 represents the proceeds from the recycling of decommissioned vehicles. The remaining amount is attributable to fuel tax credit for CNG (federal), as well as unleaded and diesel (state). The anticipated refund for CNG is $360,307 ($0.50 per gallon equivalent), $427 for diesel ($0.005 per gallon), and $3,006 for unleaded ($0.01 per gallon). The quantity of fuel consumed by revenue vehicles multiplied by the reimbursement rate for each type of fuel serves as the basis for the anticipated refunds.

Non-Operating Revenues, which includes sales tax, investment income, lease income from tenants, and federal assistance grants totaled **$4,372,011** reaching **98.09%** of the **$4,457,353** budget expectation, generating **$85,341** less than forecasted **(Table 4.1).**

Federal operating grants recorded no revenue for December and ended the year short of expectations due to the FTA's delay in awarding grants. One grant for $1 million for preventive maintenance was awarded January 28, 2025, and so the revenue will be reflected in the FY25 operating budget.

Meanwhile, the performance of the investment portfolio exceeded the baseline expectation by $18,503, or 10.96%. Staples Street Center leases reached 91.26% of baseline as a result of the vacancy left by Nueces County.

For clarification, please keep in mind that all revenues reported are **actual** revenues received or earned except for the sales tax revenue. The Sales Tax Revenue has been **estimated** since the amount will not be determined until payment is received on **February 14, 2025**. Out of the seven (7) sources included in this revenue category, 85.32% of total revenue came from the sales tax revenue estimate as indicated in the following table:

December 2024 Revenue Composition – Table 1

Line #	Revenue Source	Actual	%
1	Sales Tax Revenue Estimate	$4,144,769	85.32%
2	Passenger Service	90,671	1.87%
3	SSC Lease Income	39,989	0.82%
4	Bus Advertising	21,683	0.45%
5	Investment Income	187,253	3.85%
6	Grant Assistance Revenue	0	0.00%
7	Other Revenue	373,679	7.69%
	Total (excluding capital)	**$4,858,043**	**100.00%**

The **Investment Portfolio** closed the month of December 2024 with a market value of **$48,077,828,** a decrease of **$3,910,862**, from the balance at the end of November 2024 of **$51,988,690** resulting from a decrease of $30,643 in operating cash and $1,959,173 in investments, as well as a decrease of $1,890,747 in the governmental pool balances. The decrease in balance is largely due to the **$3,105,665** paid as part of the Street Improvements Program. The composition of the December portfolio market value includes **$18,445,085** in short-term securities consisting of **$10,959,672** in Commercial Paper, **$3,491,523** in Federal Treasury Securities, and **$3,993,890** in Federal Agency Coupon Securities. In addition, **$26,920,737** was held in TexPool Prime and **$2,712,006** in bank accounts at Frost Bank. For the month of **December**, the earned interest income was recorded at **$187,253.**

The Federal Open Markets Committee met January 29, 2024 and announced the federal funds rate would remain in the range of 4.25% and 4.5%. Staff continue to work with the investment advisor to identify opportunities to extend maturities and limit exposure to interest rate risk. The rate for TexPool Prime as of December 31 was 4.6947%.

This investment portfolio does not include any assets from pension plans but only assets from operations.

The **Sales Tax** allocation for December 2024 is ***estimated*** at **$4,144,769** and is in line with the actual allocation received for December 2023. The estimate is necessary since allocations lag two months behind and will not be received until February 14, 2025.

The Sales Tax revenue payment of **$3,348,316** for November 2024 was received January 10, 2025, and was **$451,684**, or **11.89%** less than the **$3,800,000** November reported **estimate**. The November payment included the allocation from internet sales of **$43,292**, a decrease of $2,801 or 6.92% from the prior month. RTA started receiving internet sales tax revenue in December 2019, and to date have received **$1,894,599**. Retailers started collecting sales tax on internet sales on October 1, 2019.

The sales tax revenue over the last five years averages 71.13% of total income. In 2023, Sales Tax Revenue represented 70.27% of total revenues. Sales tax typically represents the largest component of CCRTA's total income, however there are several factors that can cause fluctuations from year to year. Although sales tax revenue is related to economic conditions, other factors such as the amount of revenues from other sources and capital improvement plans do come into play. During this reporting period sales tax represented 91.70% of total operating revenues. **Table 2** illustrates the sales tax revenue trend from the beginning of the year, while **Table 2.1** illustrates the comparison between the sales tax received versus the sales tax budgeted.

Transparency Disclosure

The sales tax revenue reported as 2024 Actual is higher than what is reported by the state comptroller's website for the months of **January through May**. The difference represents the $27,374 that is deducted by the state comptroller each month as repayment of $1,177,082 that occurred in December 2019 because of an audit. The repayment is over 43 months and as of May have completed all installments. This amount is added back to calculate the growth rate when compared to the same period last year. ***Although the repayment has been paid in full as of June 2024***, this transparency disclosure is necessary to explain the difference in the revenue recognition compared to the net sales tax payment received.

Sales Tax Growth – Table 2

Month Revenue was Recognized	2024 Actual	2023 Actual	$ Growth	% Growth
January (actual)	3,006,019	$ 2,883,848	122,171	4.24%
February (actual)	3,560,917	2,939,551	621,366	21.14%
March (actual)	3,728,858	3,876,821	(147,963)	-3.82%
April (actual)	3,388,757	3,196,995	191,762	6.00%
May (actual)	3,458,737	3,371,557	87,180	2.59%
June (actual)	3,743,265	3,744,213	(947)	-0.03%
July (actual)	3,485,208	3,448,803	36,405	1.06%
August (actual)	3,206,991	3,375,472	(168,481)	-4.99%
September (actual)	3,414,856	3,458,597	(43,741)	-1.26%
October (actual)	3,604,557	3,297,119	307,438	9.32%
November (actual)	3,348,316	3,181,250	167,066	5.25%
December (estimate)	4,144,769	4,018,668	126,101	3.14%
	$ 42,091,251	**$ 40,792,893**	**$ 1,298,357**	**3.18%**

Sales Tax – Actual vs Budget – Table 2.1

Month Revenue was Recognized	2024 Actual	2024 Budget	$ Variance	% Variance
January (actual)	3,006,019	$ 3,150,000	(143,981)	-4.57%
February (actual)	3,560,917	3,150,000	410,917	13.04%
March (actual)	3,728,858	3,800,000	(71,142)	-1.87%
April (actual)	3,388,757	3,500,000	(111,243)	-3.18%
May (actual)	3,458,737	3,700,000	(241,263)	-6.52%
June (actual)	3,743,265	3,800,000	(56,735)	-1.49%
July (actual)	3,485,208	3,800,000	(314,792)	-8.28%
August (actual)	3,206,991	3,800,000	(593,009)	-15.61%
September (actual)	3,414,856	3,800,000	(385,144)	-10.14%
October (actual)	3,604,557	3,800,000	(195,443)	-5.14%
November (actual)	3,348,316	3,800,000	(451,684)	-11.89%
December (estimate)	4,144,769	4,144,769	-	0.00%
	$ 42,091,251	**$ 44,244,769**	**$ (2,153,518)**	**-4.87%**

The detail of all revenue and expense categories are presented in the following tables, along with the fare recovery ratio for December 2024:

Revenue – December 2024 – Revenue Composition (Includes Operating and Capital Funding) – Table 3

Revenue Source	December 2024	%	YTD	%
Passenger Service	$ 90,671	1.86%	$ 1,132,006	2.16%
Bus Advertising	21,683	0.44%	218,727	0.42%
Other Revenue	373,679	7.66%	403,085	0.77%
Sales Tax Revenue	4,144,769	84.98%	42,091,251	80.16%
Grants - Operating	-	0.00%	39,249	0.07%
Grants - Capital	19,160	0.39%	5,489,143	10.45%
Investment Income	187,253	3.84%	2,627,147	5.00%
SSC Lease Income	39,989	0.82%	509,966	0.97%
Total Revenue	**$ 4,877,203**	**100.00%**	**$ 52,510,573**	**100.00%**

Revenue – December 2024 Operating Revenue and Capital Funding – Table 4

	2024 Adopted Budget	December 2024 Actual	12/2024 Baseline into Budget	% Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	$ 1,105,459	$ 90,671	$ 92,122	8.20%	98.43%
Bus advertising	213,251	21,683	17,771	10.17%	122.02%
Other operating revenues	362,651	373,679	373,679	103.04%	100.00%
Sales Tax Revenue	44,244,769	4,144,769	4,144,769	9.37%	100.00%
Federal, state and local grant assistance	1,200,152	-	100,013	0.00%	0.00%
Investment Income	2,025,000	187,253	168,750	9.25%	110.96%
Staples Street Center leases	525,850	39,989	43,821	7.60%	91.26%
Total Operating & Non-Operating Revenues	**49,677,132**	**4,858,044**	**4,940,925**	**9.78%**	**98.32%**
Capital Grants & Donations	11,971,407	19,160	19,160	0.16%	100.00%
Transfers-In	5,901,845	491,820	491,820	8.33%	100.00%
Total Operating & Non-Operating Revenues and Capital Funding	**$ 67,550,384**	**$ 5,369,024**	**$ 5,451,905**	**7.95%**	**98.48%**

	2024 Adopted Budget	YTD 2024 Actual	12/2024 YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	$ 1,105,459	$ 1,132,006	$ 1,105,459	102.40%	102.40%
Bus advertising	213,251	218,727	213,251	102.57%	102.57%
Other operating revenues	362,651	403,085	362,651	111.15%	111.15%
Sales Tax Revenue	44,244,769	42,091,251	44,244,769	95.13%	95.13%
Federal, state and local grant assistance	1,200,152	39,249	1,200,152	3.27%	3.27%
Investment Income	2,025,000	2,627,147	2,025,000	129.74%	129.74%
Staples Street Center leases	525,850	509,966	525,850	96.98%	96.98%
Total Operating & Non-Operating Revenues	**49,677,132**	**47,021,431**	**49,677,132**	**94.65%**	**94.65%**
Capital Grants & Donations	11,971,407	5,489,143	5,489,143	45.85%	100.00%
Transfers-In	5,901,845	5,901,845	5,901,845	100.00%	100.00%
Total Operating & Non-Operating Revenues and Capital Funding	**$ 67,550,384**	**$ 58,412,419**	**$ 61,068,120**	**86.47%**	**95.65%**

Note: The Sales Tax Revenue % YTD Actual to Budget calculations takes actual of $40,792,893 divided by the annual budget of $44,244,769 producing a ratio of 95.13% of budget. The $40,792,893 includes 11 months of actual revenues totaling $37,946,482 plus the $4,144,769 estimate for December. The baseline budget includes twelve months of budget estimates as stated in Table 2.1.

Revenue – December 2024 from Operations – Table 4.1

	2024 Adopted Budget	December 2024 Actual	12/2024 Baseline into Budget	% Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	$ 1,105,459	$ 90,671	$ 92,122	8.20%	98.43%
Bus advertising	213,251	21,683	17,771	10.17%	122.02%
Other operating revenues	362,651	373,679	373,679	103.04%	100.00%
Total Operating Revenues	**1,681,361**	**486,033**	**483,571**	**28.91%**	**100.51%**
Sales Tax Revenue	44,244,769	4,144,769	4,144,769	9.37%	100.00%
Federal, state and local grant assistance	1,200,152	-	100,013	0.00%	0.00%
Investment Income	2,025,000	187,253	168,750	9.25%	110.96%
Staples Street Center leases	525,850	39,989	43,821	7.60%	91.26%
Total Non-Operating Revenues	**47,995,771**	**4,372,011**	**4,457,353**	**9.11%**	**98.09%**
Total Revenues	**$ 49,677,132**	**$ 4,858,044**	**$ 4,940,925**	**9.78%**	**98.32%**

December 2024 Expenses

The results of all expenditure activities, including capital, are presented below. Overall, the total expenditures of **$4,841,088** came in **$308,074** over the anticipated baseline of **$4,533,014**. Departmental expenses of **$4,021,474** came in **$341,418** over the **$3,680,056** anticipated baseline or 9.28%. Meanwhile, Street Improvement Program expense of **$287,294** is a fixed amount that represents one-two-twelve of the annual amount budgeted for all member cities, resulting in 100% baseline. Debt service expense of **$16,258** the monthly amortization of debt issuance costs resulting from the 2019 bond refunding plus interest related to Subscription Liabilities (SBITAs).

December 2024 Total Expenses & Capital Expenditures – Table 6

	2024 Adopted Budget	December 2024 Actual	12/2024 Baseline into Budget	% Actual to Budget	% Actual to Baseline
Expenditures					
Departmental Operating Expenses	$ 44,160,638	$ 4,021,474	$ 3,680,056	$ 9.11%	109.28%
Debt Service	1,607,841	16,258	16,258	1.01%	100.00%
Street Improvements	3,447,523	287,294	287,294	8.33%	100.00%
Subrecipient Grant Agreements	400,152	-	33,346	0.00%	0.00%
Total Operating & Non-Operating Expenses	**49,616,154**	**4,325,026**	**4,016,952**	**8.72%**	**107.67%**
Grant Eligible Costs	11,971,407	19,160	19,160	0.16%	100.00%
Depreciation Expenses	5,962,823	496,902	496,902	8.33%	100.00%
Total Operating & Non-Operating Expenses and Capital Expenditures	**$ 67,550,384**	**$ 4,841,088**	**$ 4,533,014**	**7.17%**	**106.80%**

Year to Date as of December 2024 Total Expenses & Capital Expenditures – Table 6.1

For the year to date, total expenditures including capital were **$60,643,893,** coming in **$424,227** under the anticipated baseline of **$61,068,120**. Departmental expenses of **$44,094,240** came in **$66,398** under the anticipated baseline of **$44,160,638** or 0.15%. Meanwhile, Street Improvement Program expense is a fixed amount that represents one-twelve of the annual amount budgeted for all member cities, resulting in 100% of baseline and as of December the year-to-date expense represents 100% of the annual budget. Debt service represents principal and interest on the 2019 refunding bonds, and the monthly amortization of debt issuance costs plus current year interest on bonds, along with interest costs for SBITAs.

	2024 Adopted Budget	YTD 2024 Actual	12/2024 YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Expenditures					
Departmental Operating Expenses	$ 44,160,638	$ 44,094,240	$ 44,160,638	$ 99.85%	99.85%
Debt Service	1,607,841	1,610,915	1,607,841	100.19%	100.19%
Street Improvements	3,447,523	3,447,523	3,447,523	100.00%	100.00%
Subrecipient Grant Agreements	400,152	39,249	400,152	9.81%	9.81%
Total Operating & Non-Operating Expenses	**49,616,154**	**49,191,927**	**49,616,154**	**99.14%**	**99.14%**
Grant Eligible Costs	11,971,407	5,489,143	5,489,143	45.85%	100.00%
Depreciation Expenses	5,962,823	5,962,823	5,962,823	100.00%	100.00%
Total Operating & Non-Operating Expenses and Capital Expenditures	**$ 67,550,384**	**$ 60,643,893**	**$ 61,068,120**	**89.78%**	**99.31%**

EXPENSES – REPORTED BY EXPENSE OBJECT CATEGORY

The **Financial Accounting Standards Board (FASB**) requires expenses to be reported by object category which include expenses that can be traced back to a specific department and or activity. It excludes depreciation expenses, expenses associated with the Street Improvement Program, debt service expenses, and pass-through activities (Sub-recipients).

Accordingly, for the month of December 2024, total departmental operating expenses realized favorable variances against the baseline expectation from categories including Salaries & Wages, Services, Utilities, Purchased Transportation, and Miscellaneous.

Meanwhile, unfavorable variance was identified with the categories of Benefits, Materials & Supplies, and Insurance.

Benefits reported a negative variance of 84.10%, or $606,653. Primary drivers of the negative variance include health insurance costs of $584,188 and employee retention/recognition incentive pay totaling $162,531. **For the year to date,** the category reports a negative variance of 13.92%, or $1,202,552.

Materials & Supplies reported a negative variance of 10.55%, or $29,560. The negative variance is due to the continued higher costs for maintenance of vehicles and facilities. **The category maintains a negative variance of 11.95% or $401,775 for the year to date.**

Insurance reported a negative variance of 17.54%, or $9,709. The negative variance is due to the increase in windstorm premium for RTA facilities. The new premium represents an increase of 55.8% over the prior term, or $122,649. Monthly amortization of the insurance premium grew from $18,301 in July, to $28,521 in August and subsequent months.

December 2024 Departmental Expense Breakdown – Table 7

	2024 Adopted Budget	December 2024 Actual	12/2024 Baseline into Budget	% Actual to Budget	% Actual to Baseline
Departmental Operating Expenses:					
Object Category					
Salaries & Wages	$ 14,418,479	$ 1,059,159	$ 1,201,542	7.35%	88.15%
Benefits	8,642,048	1,325,824	720,171	15.34%	184.10%
Services	5,714,226	454,223	476,186	7.95%	95.39%
Materials & Supplies	3,362,189	309,742	280,182	9.21%	110.55%
Utilities	798,939	55,132	66,578	6.90%	82.81%
Insurance	664,075	65,049	55,340	9.80%	117.54%
Purchased Transportation	9,449,581	708,000	787,465	7.49%	89.91%
Miscellaneous	1,111,101	44,346	92,592	3.99%	47.89%
Total Departmental Operating Expenses	**$ 44,160,638**	**$ 4,021,474**	**$ 3,680,056**	**9.11%**	**109.28%**

Year to Date as of December 2024 Departmental Operating Expense Breakdown – Table 8

	2024 Adopted Budget	YTD 2024 Actual	12/2024 YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Departmental Operating Expenses:					
Object Category					
Salaries & Wages	$ 14,418,479	$ 13,857,623	$ 14,418,479	96.11%	96.11%
Benefits	8,642,048	9,844,600	8,642,048	113.92%	113.92%
Services	5,714,226	4,962,058	5,714,226	86.84%	86.84%
Materials & Supplies	3,362,189	3,763,964	3,362,189	111.95%	111.95%
Utilities	798,939	866,429	798,939	108.45%	108.45%
Insurance	664,075	719,140	664,075	108.29%	108.29%
Purchased Transportation	9,449,581	9,127,175	9,449,581	96.59%	96.59%
Miscellaneous	1,111,101	953,249	1,111,101	85.79%	85.79%
Total Departmental Operating Expenses	**$ 44,160,638**	**$ 44,094,240**	**$ 44,160,638**	**99.85%**	**99.85%**

2024 Self-Insurance Claims, Medical & Vision and Dental – Table 9

Month	Medical & Vision	Dental	Total
January	$ 85,533	$ 5,426	$ 90,960
February	217,561	11,983	229,544
March	374,863	8,671	383,534
April	360,163	11,187	371,350
May	492,043	10,351	502,394
June	699,035	3,119	702,154
July	566,539	4,239	570,778
August	361,600	18,692	380,292
September	371,034	8,702	379,735
October	335,905	11,658	347,563
November	315,876	15,681	331,557
December	783,404	16,368	799,771
	$ 4,963,555	**$ 126,075**	**$ 5,089,630**

***Note – Stop loss reimbursements of $254,345 were received in December and lowered the recorded expense for health insurance.**

Fare Recovery Ratio – Table 10

Description	12/31/2024	Year to Date
Fare Revenue or Passenger Revenue	$ 90,671	$ 1,132,006
Operating Expenses	4,021,475	44,094,240
Fare Recovery Ratio	2.25%	2.57%
*Excluding Depreciation		

Note: Same period last year (December 2023) the FRR was 2.45%

The passenger fares are pledged revenues secured by the bond covenant associated with the construction of the Staples Street Center Building. The bond contract requires the Authority to establish and maintain rates and charges for facilities and services afforded by the CCRTA transit system to produce gross operating revenues in each fiscal year by anticipating sufficient passenger revenues to pay for maintenance and operating expenses and produce net operating revenues at least 1.10 times the annual debt service requirements. The debt service coverage ratio is a different ratio from the Fare Recovery Ratio. CCRTA has maintained since the inception of the bond covenant a coverage ratio of at least 1.10.

December 2024 – Table 11

For the month of December, total Revenues exceeded Expenditures by $527,935. For the year to date, total Expenditures exceeded Revenue by $2,723,294. A greater detail of the financial results is explained in the accompanied Power Point presentation.

		2024 Adopted Budget	December 2024 Actual	12/2024 Baseline into Budget	% Actual to Budget	% Actual to Baseline
Operating Revenues	$	49,677,132 $	4,858,044 $	4,940,925	9.78%	98.32%
Operating Expenses		49,616,154	4,325,027	4,016,952	8.72%	107.67%
Revenue over Expenses		**60,978**	**533,017**	**923,973**	874.11%	57.69%
Capital Funding		17,873,252	510,980	510,980	2.86%	100.00%
Capital Expenditures		17,934,230	516,062	516,062	2.88%	100.00%
Revenue over Expenses		**(60,978)**	**(5,082)**	**(5,082)**	8.33%	100.02%
Revenue over Expenditures	$	**-** $	**527,935** $	**918,891**		

		2024 Adopted Budget	YTD 2024 Actual	12/2024 YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Operating Revenues	$	49,677,132 $	47,021,431 $	49,677,132	94.65%	94.65%
Operating Expenses		49,616,154	49,191,927	49,616,154	99.14%	99.14%
Revenue over Expenses		**60,978**	**(2,170,496)**	**60,978**	-3559.47%	-3559.47%
Capital Funding		17,873,252	10,899,168	10,899,168	60.98%	100.00%
Capital Expenditures		17,934,230	11,451,966	11,451,966	63.86%	100.00%
Revenue over Expenses		**(60,978)**	**(552,798)**	**(552,798)**	906.55%	100.00%
Revenue over Expenditures	$	**-** $	**(2,723,294)** $	**(491,820)**		

NET POSITION

The Total Net Position at the end of the month was **$109,050,068**, a decrease of **$1,714,173** from December 2023 which closed at **$110,764,241**.

The Total Net Position is made up of three (3) components: Net Investment in Capital Assets, Funds Restricted for the FTA's Interest, and Unrestricted which represents the residual amount of the net position that is available for spending.

Of the Total Net Position of **$109,050,066**, the portion of the fund balance that is not restricted in accordance with GASB Concepts Statement No 4 is **$41,340,084,** but only **$23,257,338** is available for spending due to the **$18,082,746** Board-designated reserves aimed at mitigating the fluctuations in sales tax revenue. As you can see from the fund balance breakdown below, **43.74%** of the unrestricted portion is assigned by the Board to fund reserves that are earmarked to meet certain unexpected demands.

FUND BALANCE AS OF DECEMBER 31, 2024:

FUND BALANCE			
Net Invested in Capital Assets		$	67,134,676
Restricted for FTA Interest			575,308
Unrestricted			41,340,084
TOTAL FUND BALANCE			**109,050,068**
RESERVES			
Designated for Operating Reserve			9,649,553
Designated for Capital Reserve			4,753,840
Designated for Employee Benefits Reserve			1,779,353
Designated for Emergency/Disaster Reserve			1,900,000
Total Designated Reserves	**43.74%**		**18,082,746**
Plus:			
Unrestricted	**56.26%**		23,257,338
TOTAL DESIGNATED AND UNRESTRICTED		**$**	**41,340,084**

Please refer to the following pages for the detailed financial statements.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel
Director of Finance

Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: ____________________
Miguel Rendón
Deputy Chief Executive Officer

Corpus Christi Regional Transportation Authority
Operating and Capital Budget Report
For the month ended December 2024

OPERATING BUDGET		2024 Adopted Budget	December 2024 Actual	12/2024 Baseline into Budget	% Actual to Budget	% Actual to Baseline
		A	B	C = A / 12	B / A	C vs B
Revenues						
Passenger service	$	1,105,459 $	90,671 $	92,122	8.20%	98.43%
Bus advertising		213,251	21,683	17,771	10.17%	122.02%
Other operating revenues		362,651	373,679	373,679	103.04%	100.00%
Sales Tax Revenue		44,244,769	4,144,769	4,144,769	9.37%	100.00%
Federal, state and local grant assistance		1,200,152	-	100,013	0.00%	0.00%
Investment Income		2,025,000	187,253	168,750	9.25%	110.96%
Staples Street Center leases		525,850	39,989	43,821	7.60%	91.26%
Total Revenues		**49,677,132**	**4,858,044**	**4,940,925**	**9.78%**	**98.32%**
Expenses						
Transportation		11,064,303	1,187,913	922,025	10.74%	128.84%
Customer Programs		771,857	66,440	64,321	8.61%	103.29%
Purchased Transportation		9,449,581	708,000	787,465	7.49%	89.91%
Service Development		682,410	53,511	56,868	7.84%	94.10%
MIS		1,957,895	146,263	163,158	7.47%	89.64%
Vehicle Maintenance		6,817,309	612,789	568,109	8.99%	107.86%
Facilities Maintenance		3,393,766	297,990	282,814	8.78%	105.37%
Contracts and Procurements		517,294	41,066	43,108	7.94%	95.26%
CEO's Office		1,114,763	79,639	92,897	7.14%	85.73%
Finance and Accounting		1,018,620	93,141	84,885	9.14%	109.73%
Materials Management		294,160	38,907	24,513	13.23%	158.72%
Human Resources		1,150,530	98,632	95,878	8.57%	102.87%
General Administration		508,836	41,732	42,403	8.20%	98.42%
Capital Project Management		433,141	47,013	36,095	10.85%	130.25%
Marketing & Communications		1,247,108	127,860	103,926	10.25%	123.03%
Safety & Security		2,422,340	280,685	201,862	11.59%	139.05%
Staples Street Center		1,092,185	99,581	91,015	9.12%	109.41%
Port Ayers Cost Center		24,540	313	2,045	1.27%	15.29%
Debt Service		1,607,841	16,258	16,258	1.01%	100.00%
Special Projects		200,000	-	16,667	0.00%	0.00%
Subrecipient Grant Agreements		400,152	-	33,346	0.00%	0.00%
Street Improvements Program for CCRTA Regional Entities		3,447,523	287,294	287,294	8.33%	100.00%
Total Expenses		**49,616,154**	**4,325,027**	**4,016,952**	**8.72%**	**107.67%**
Revenues Over Expenses - Operating Budget		**60,978**	**533,017**	**923,973**		

CIP BUDGET		2024 Adopted Budget	December 2024 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
		A	B	C = A / 12	B / A	
Funding Sources						
Transfer In		$ 5,901,845	491,820	491,820	8.33%	100.00%
Grant Revenue		11,971,407	19,160	19,160	0.16%	0.00%
Total Funding Sources		**17,873,252**	**510,980**	**510,980**	2.86%	100.00%
Capital Expenditures						
Grant Eligible Costs		11,971,407	19,160	19,160	0.16%	0.00%
Depreciation Expenses		5,962,823	496,902	496,902	8.33%	100.00%
Total Expenditures		**17,934,230**	**516,062**	**516,062**	2.88%	100.00%
Funding Sources Over Expenditures		**(60,978)**	**(5,082)**	**(5,082)**	8.33%	100.02%
Revenues Over Expenses - Operating Budget		**60,978**	**533,017**	**923,973**		
Revenues Over Expenses - CIP Budget		**(60,978)**	**(5,082)**	**(5,082)**		
Revenues Over Expenses (including rounding)	**$**	**- $**	**527,935 $**	**918,891**		

Corpus Christi Regional Transportation Authority
Operating and Capital Budget Report
For the month ended December 2024

OPERATING BUDGET	2024 Adopted Budget	YTD 2024 Actual	12/2024 YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
	A	B	C = A	B / A	C vs B
Revenues					
Passenger service	$ 1,105,459	$ 1,132,006	$ 1,105,459	102.40%	102.40%
Bus advertising	213,251	218,727	213,251	102.57%	102.57%
Other operating revenues	362,651	403,085	362,651	111.15%	111.15%
Sales Tax Revenue	44,244,769	42,091,251	44,244,769	95.13%	95.13%
Federal, state and local grant assistance	1,200,152	39,249	1,200,152	3.27%	3.27%
Investment Income	2,025,000	2,627,147	2,025,000	129.74%	129.74%
Staples Street Center leases	525,850	509,966	525,850	96.98%	96.98%
Total Revenues	**49,677,132**	**47,021,431**	**49,677,132**	**94.65%**	**94.65%**
Expenses					
Transportation	11,064,303	11,875,436	11,064,303	107.33%	107.33%
Customer Programs	771,857	714,018	771,857	92.51%	92.51%
Purchased Transportation	9,449,581	9,139,535	9,449,581	96.72%	96.72%
Service Development	682,410	696,163	682,410	102.02%	102.02%
MIS	1,957,895	1,751,315	1,957,895	89.45%	89.45%
Vehicle Maintenance	6,817,309	7,017,594	6,817,309	102.94%	102.94%
Facilities Maintenance	3,393,766	3,439,379	3,393,766	101.34%	101.34%
Contracts and Procurements	517,294	473,069	517,294	91.45%	91.45%
CEO's Office	1,114,763	1,032,054	1,114,763	92.58%	92.58%
Finance and Accounting	1,018,620	897,080	1,018,620	88.07%	88.07%
Materials Management	294,160	304,844	294,160	103.63%	103.63%
Human Resources	1,150,530	919,012	1,150,530	79.88%	79.88%
General Administration	508,836	462,500	508,836	90.89%	90.89%
Capital Project Management	433,141	448,085	433,141	103.45%	103.45%
Marketing & Communications	1,247,108	1,073,006	1,247,108	86.04%	86.04%
Safety & Security	2,422,340	2,631,529	2,422,340	108.64%	108.64%
Staples Street Center	1,092,185	1,189,276	1,092,185	108.89%	108.89%
Port Ayers Cost Center	24,540	4,248	24,540	17.31%	17.31%
Debt Service	1,607,841	1,610,915	1,607,841	100.19%	100.19%
Special Projects	200,000	26,097	200,000	13.05%	13.05%
Subrecipient Grant Agreements	400,152	39,249	400,152	9.81%	9.81%
Street Improvements Program for CCRTA Re	3,447,523	3,447,523	3,447,523	100.00%	100.00%
Total Expenses	**49,616,154**	**49,191,927**	**49,616,154**	**99.14%**	**99.14%**
			-		
Revenues Over Expenses - Operating Budget	**60,978**	**(2,170,496)**	**60,978**		

CIP BUDGET	2024 Adopted Budget	YTD 2024 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
	A	B	C = A	B / A	C vs B
Funding Sources					
Transfer In	$ 5,901,845	5,901,845	5,901,845	100.00%	100.00%
Grant Revenue	11,971,407	5,489,143	5,489,143	45.85%	0.00%
Total Funding Sources	**17,873,252**	**11,390,988**	**11,390,988**	63.73%	100.00%
Capital Expenditures					
Grant Eligible Costs	11,971,407	5,489,143	5,489,143	45.85%	0.00%
Depreciation Expenses	5,962,823	5,962,823	5,962,823	100.00%	100.00%
Total Expenditures	**17,934,230**	**11,451,966**	**11,451,966**	63.86%	100.00%
Funding Sources Over Expenditures	**(60,978)**	**(60,978)**	**(60,978)**	100.00%	100.00%

Revenues Over Expenses - Operating Budget	**60,978**	**(2,170,496)**	**60,978**
Revenues Over Expenses - CIP Budget	**(60,978)**	**(60,978)**	**(60,978)**
Revenues Over Expenses (including round $	-	**$ (2,231,474)**	**$ -**

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
Month ended December 31, 2024, and year ended December 31, 2023

		Unaudited December 31 2024		Unaudited December 31 2023
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$	28,661,486	$	21,367,243
Short Term Investments		13,471,898		33,091,860
Receivables:				
Sales and Use Taxes		7,493,085		7,145,170
Federal Government		19,160		3,345,385
Other		843,868		778,938
Inventories		669,765		888,857
Prepaid Expenses		1,023,418		580,606
Total Current Assets		**52,182,678**		**67,198,059**
Non-Current Assets:				
Restricted Cash and Cash Equivalents		575,308		575,308
Long Term Investments		5,000,000		-
Lease Receivable		1,155,165		1,155,165
Capital Assets:				
Land		4,882,879		4,882,879
Buildings		52,999,075		52,999,075
Transit Stations, Stops and Pads		31,754,022		31,754,022
Other Improvements		5,525,123		5,525,123
Vehicles and Equipment		64,725,335		64,716,485
Right-To-Use Leased Equipment		499,627		499,627
Right-To-Use Software Subscriptions		2,096,691		1,852,014
Construction in Progress		4,585,020		4,585,020
Current Year Additions		10,627,490		-
Total Capital Assets		177,695,262		166,814,244
Less: Accumulated Depreciation		(95,515,416)		(89,552,594)
Net Capital Assets		82,179,845		77,261,650
Total Non-Current Assets		**88,910,318**		**78,992,123**
TOTAL ASSETS		**141,092,996**		**146,190,182**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pensions		8,229,665		8,229,665
Deferred outflow related to OPEB		107,544		107,544
Deferred outflow on extinguishment of debt		2,570,005		2,753,577
Total Deferred Outflows		**10,907,214**		**11,090,786**
TOTAL ASSETS AND DEFERRED OUTFLOWS		**152,000,210**		**157,280,968**
LIABILITIES AND NET POSITION				
Current Liabilities:				
Accounts Payable		1,268,129		3,871,186
Current Portion of Long-Term Liabilities:				
Long-Term Debt		-		930,000
Compensated Absences		328,918		328,918
Sales Tax Audit Funds Due		-		164,258
Software Subscription Liability		216,853		320,894
Lease Liability		93,237		93,237
Distributions to Regional Entities Payable		4,928,041		4,880,150
Other Accrued Liabilities		1,315,376		1,187,786
Total Current Liabilities		**8,150,554**		**11,776,429**
Non-Current Liabilities:				
Long-Term Liabilities, Net of Current Portion:				
Long-Term Debt		15,855,000		15,855,000
Compensated Absences		1,034,088		1,034,088
Sales Tax Audit Funds Due		-		-
Software Subscription Liability		679,611		620,319
Lease Liability		147,605		147,605
Net Pension Liability		11,426,175		11,426,175
Net OPEB Obligation		783,358		783,358
Total Non-Current Liabilities		**29,925,837**		**29,866,545**
TOTAL LIABLILITES		**38,076,390**		**41,642,974**
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions		3,628,960		3,628,960
Deferred inflow related to OPEB		89,627		89,627
Deferred inflow related to leases		1,155,165		1,155,165
Total Deferred Inflows		4,873,752		4,873,752
TOTAL LIABILITIES AND DEFERRED INFLOWS		**42,950,142**		**46,516,726**
Net Position:				
Net Invested in Capital Assets		67,134,676		58,638,363
Restricted for FTA Interest		575,308		575,308
Unrestricted		41,340,084		51,550,570
TOTAL NET POSITION	$	**109,050,068**	$	**110,764,241**

Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
For the month ended December 31, 2024

		12/31/2024
Cash Flows From Operating Activities:		
Cash Received from Customers	$	70,394
Cash Received from Bus Advertising and Other Ancillary		87,267
Cash Payments to Suppliers for Goods and Services		(1,198,419)
Cash Payments to Employees for Services		(1,861,891)
Cash Payments for Employee Benefits		(1,056,370)
Net Cash Used for Operating Activities		**(3,959,018)**
Cash Flows from Non-Capital Financing Activities:		
Sales and Use Taxes Received		3,604,557
Grants and Other Reimbursements		-
Distributions to Subrecipient Programs		-
Distributions to Region Entities		(3,148,640)
Net Cash Provided by Non-Capital Financing Activities		**455,917**
Cash Flows from Capital and Related Financing Activities:		
Federal and Other Grant Assistance		-
Proceeds/Loss from Sale of Capital Assets		-
Proceeds from Bonds		-
Repayment of Long-Term Debt		-
Interest and Fiscal Charges		(400)
Purchase and Construction of Capital Assets		(830,470)
Net Cash Used by Capital and Related Financing Activities		**(830,870)**
Cash Flows from Investing Activities:		
Investment Income		189,002
Purchases of Investments		-
Maturities and Redemptions of Investments		2,000,000
Premiums/Discounts on Investments		-
Net Cash Provided by Investing Activities		**2,189,002**
Net decrease in Cash and Cash Equivalents		**(2,144,969)**
Cash and Cash Equivalents (Including Restricted Accounts), December 1, 2024		**31,381,763**
Cash and Cash Equivalents (Including Restricted Accounts), December 31, 2024	$	**29,236,794**

CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

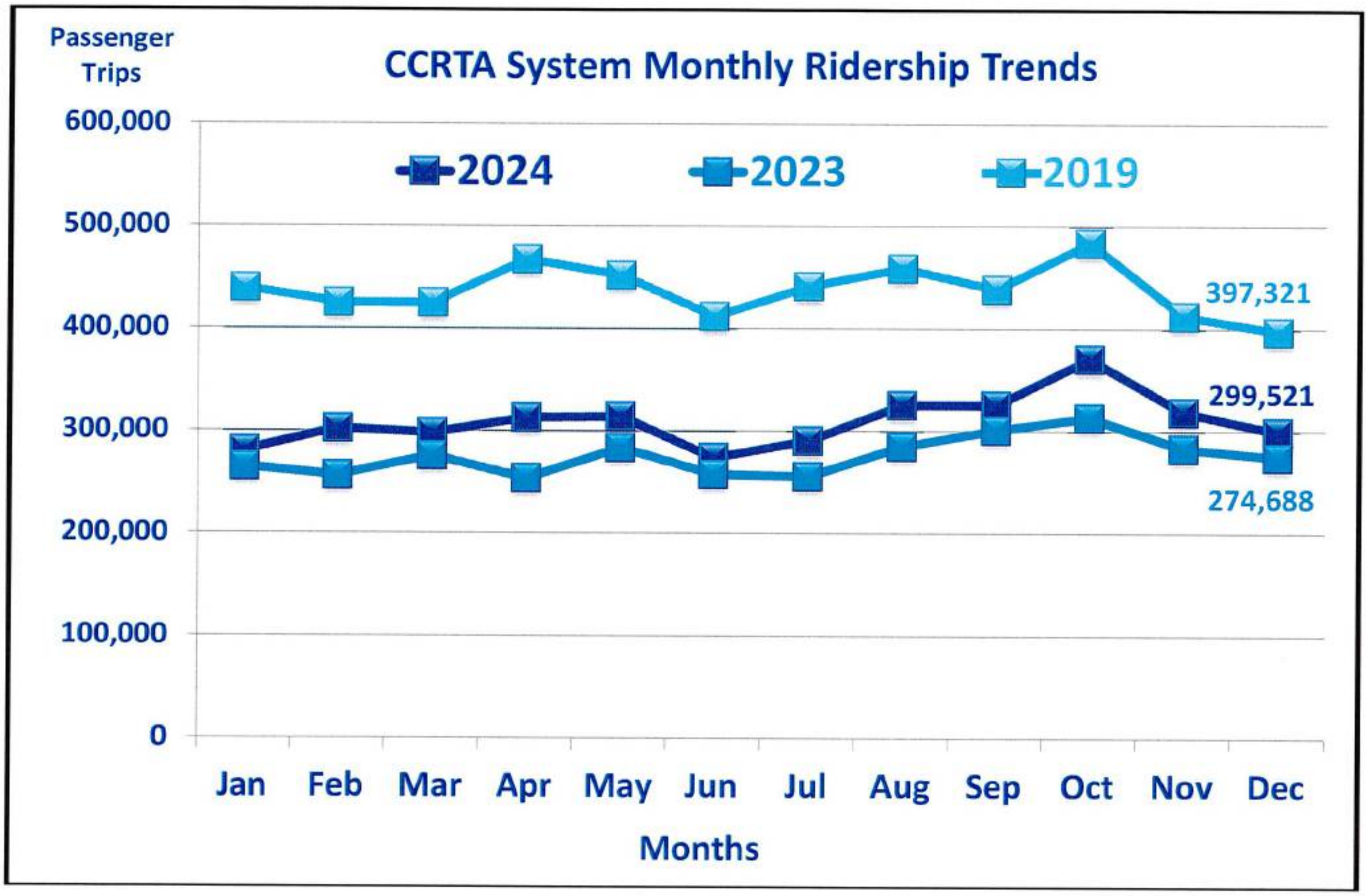
Board of Directors Meeting Memo | February 5, 2025

Subject: December 2024 Operations Report

The system-wide monthly operations performance report is included below for your information and review. This report contains monthly and Year-to-Date (YTD) operating statistics and performance measurement summaries containing ridership, performance metrics by service type, miles between road calls and customer service feedback.

System-wide Ridership and Service Performance Results

December 2024 system-wide passenger trips totaled 299,521 which represents a 9.0% increase, compared to 274,688 passenger trips in December 2023 with 24,833 more trips provided this month. December 2019 had 397,321 passenger trips or 97,800 more trips as compared to December 2024.



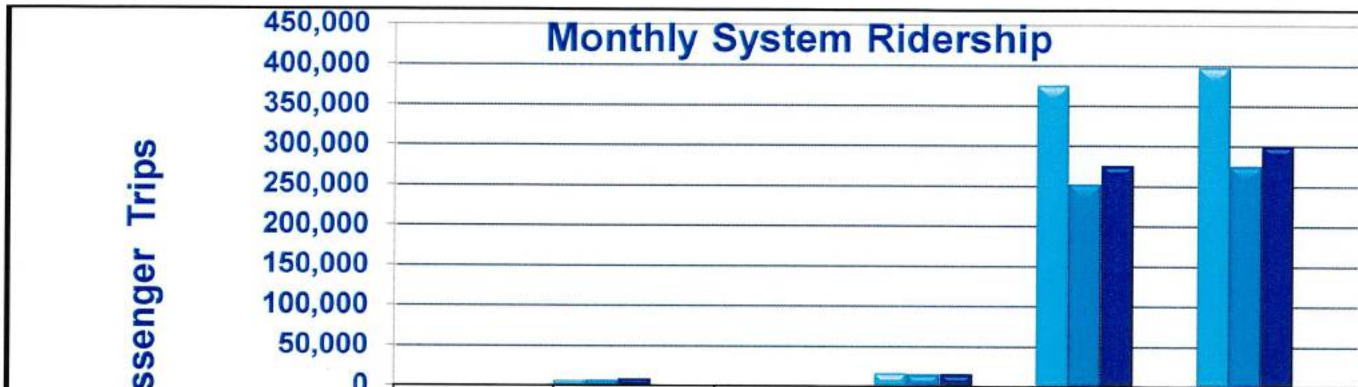
December 2024	December 2023	December 2019
21 Weekdays *	20 Weekdays *	21 Weekdays *
4 Saturdays	5 Saturdays	4 Saturdays
5 Sundays	5 Sundays	5 Sundays
30 Days	30 Days	31 Days

* No service operated on Christmas Day

The average retail price for unleaded gas in Corpus Christi was $2.58 per gallon compared to $2.57 per gallon in December 2023[1] which is about the same for the average cost per gallon. December rainfall was below average at 0.55 inches. In comparison, December 2023 recorded rainfall at 0.46 inches.[2] Historically, December average rainfall is 1.93 inches. The 72.9-degree average high temperature in December 2024 was above the average temperature of 69.6-degrees.

1. GasBuddy.com historical data at http://www.gasbuddy.com
2. https://etweather.tamu.edu/rainhistory

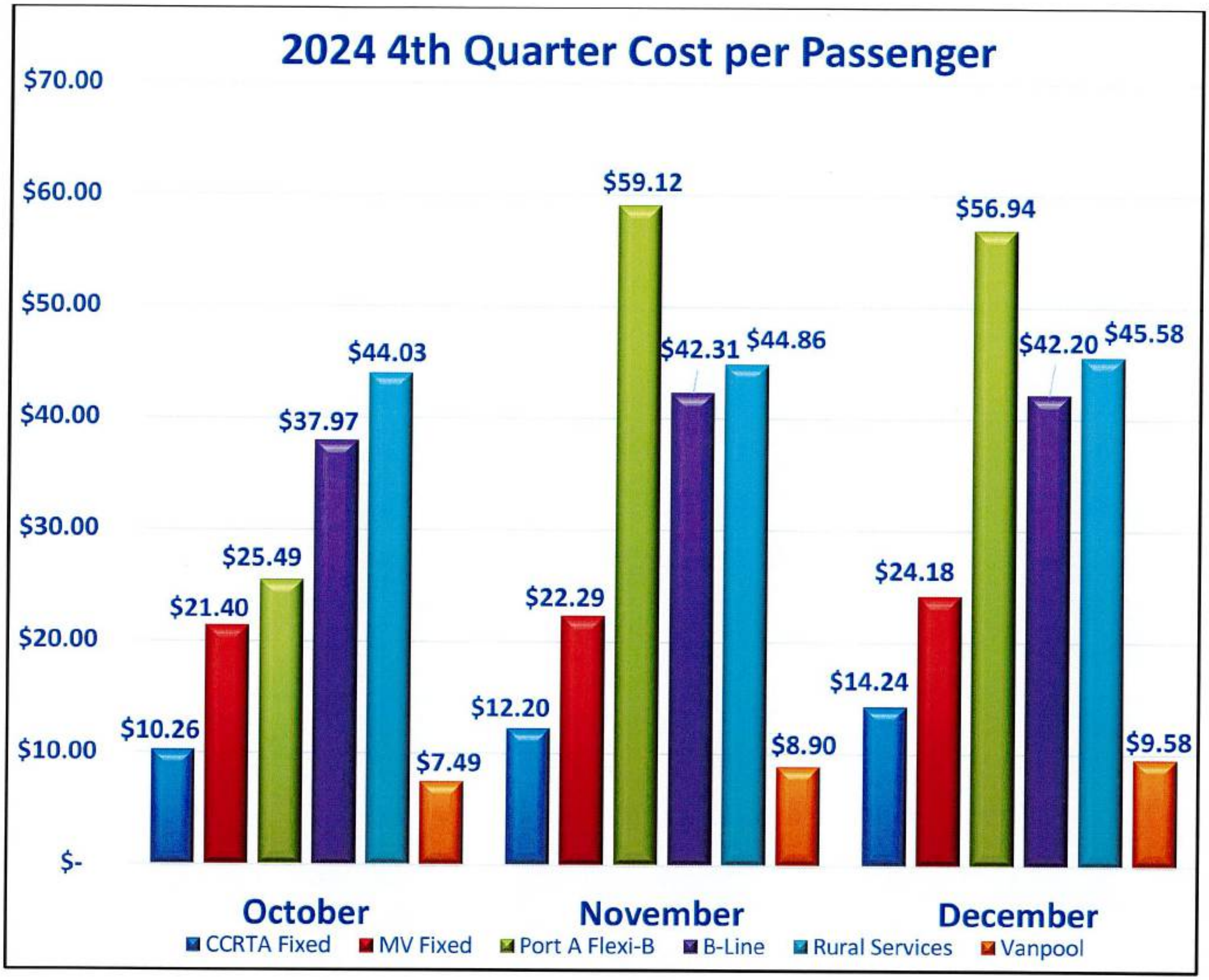
The chart below shows monthly ridership results for all services. CCRTA recorded 24,833 more passenger trips in December 2024 resulting in a 9.0% increase compared to December 2023 but recorded 97,800 fewer passenger trips in December 2024 resulting in a 24.6% decrease compared to December 2019.



	Rural Services	Vanpool	Flexi-B (Contract Demand)	B-Line	Fixed-Route Bus	System Overall
Dec. 2019	94	6,405	127	15,931	374,764	397,321
Dec. 2023	12	7,181	294	15,160	252,041	274,688
Dec. 2024	99	8,709	350	15,493	274,870	299,521
% Change 2023 vs 2024	725.0%	21.3%	19.0%	2.2%	9.1%	9.0%
% Change 2019 vs 2024	5.3%	36.0%	175.6%	-2.7%	-26.7%	-24.6%

The chart below shows YTD ridership results for all services. 407,624 more trips compared to 2023, however there were 1,538,877 fewer trips compared to 2019.

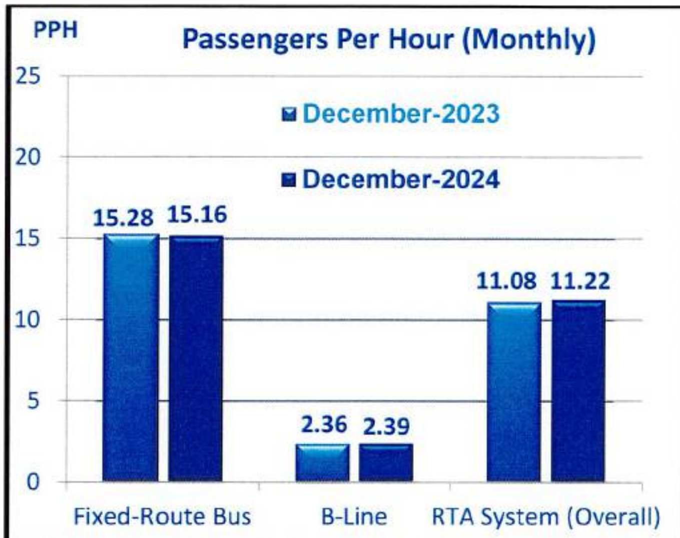
	Rural Services	Vanpool	Flexi-B (Contrac t Demand)	B-Line	Fixed-Route Bus	System Overall
YTD 2019	1,062	62,327	1,990	209,023	4,975,573	5,249,975
YTD 2023	426	97,970	3,292	180,961	3,020,825	3,303,474
YTD 2024	901	103,527	4,529	194,493	3,407,648	3,711,098
% Change YTD 2023 vs 2024	111.5%	5.7%	37.6%	7.5%	12.8%	12.3%
% Change YTD 2019 vs 2024	-15.2%	66.1%	127.6%	-7.0%	-31.5%	-29.3%

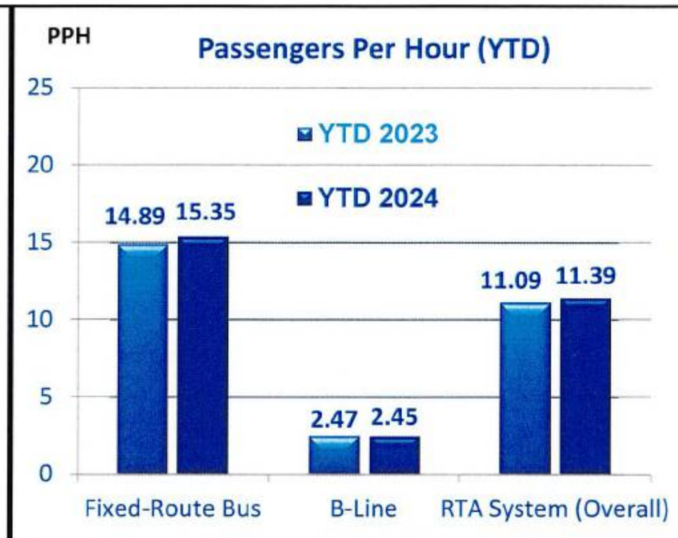


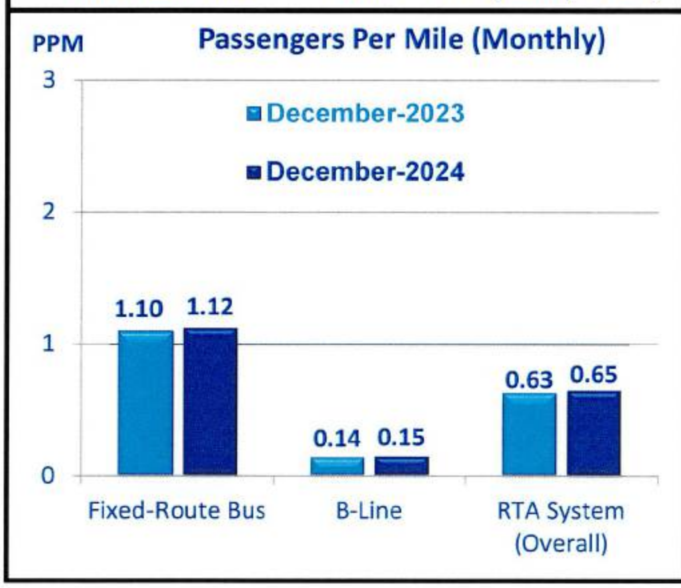
The following tables include Cost per Passenger totals by service mode for the fourth quarter of 2024. In addition, year-to-date (YTD) averages by service mode are included.

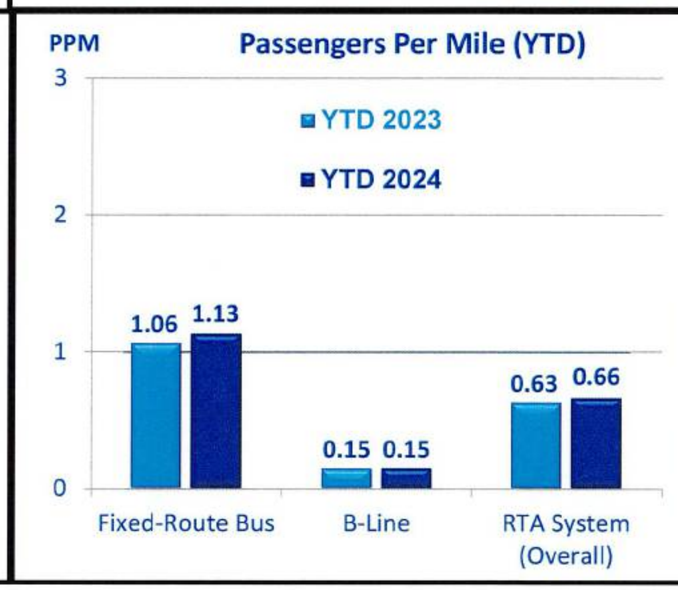
Month	CCRTA Fixed	MV Fixed	Port A Flexi-B	B-Line	Rural Services	Vanpool
October	$ 10.26	$ 21.4	$ 25.49	$ 37.97	$ 44.03	$ 7.49
November	$ 12.20	$ 22.29	$ 59.12	$ 42.31	$ 44.86	$ 8.90
December	$ 14.24	$ 24.18	$ 56.94	$ 42.20	$ 45.58	$ 9.58
Fourth Qtr. Average	$ 12.23	$ 22.62	$ 47.18	$ 40.83	$ 44.82	$ 8.66
YTD Average	$ 12.64	$ 20.65	$ 39.88	$ 41.03	$ 44.98	$ 8.80

The following four charts are system-wide productivity for the month of December 2024 vs. December 2023 and YTD figures.



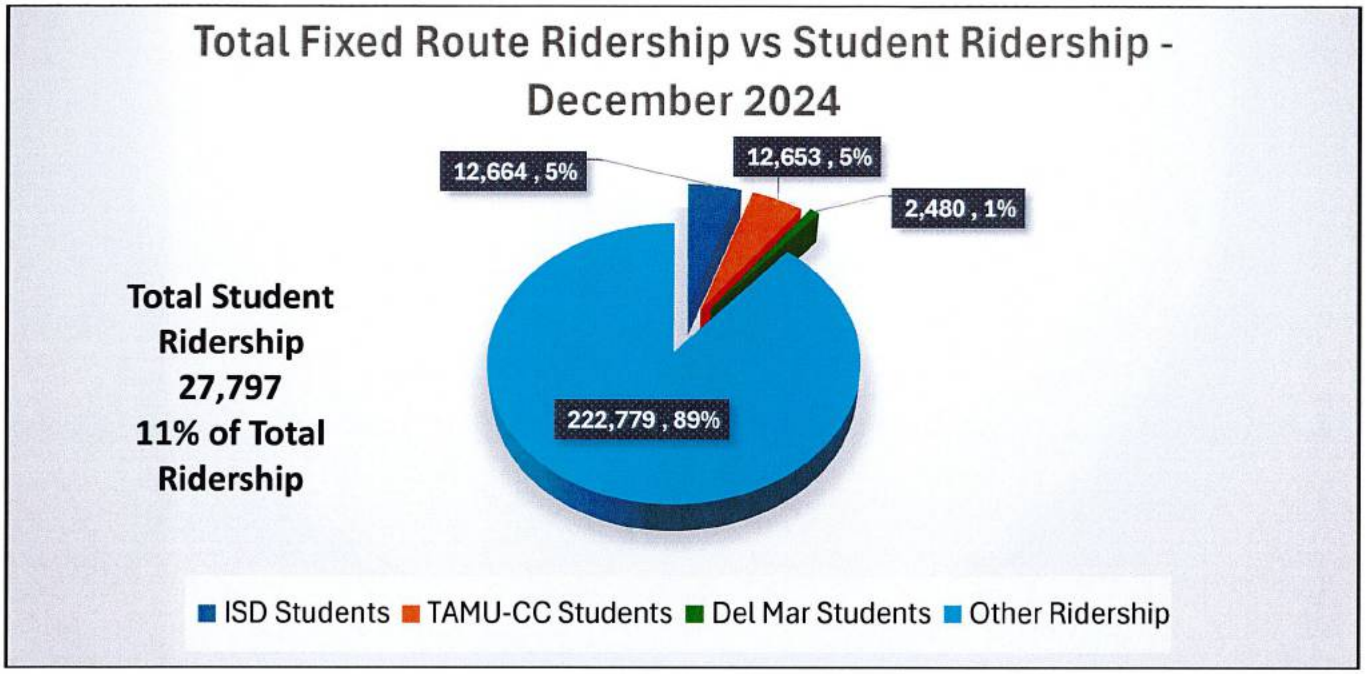




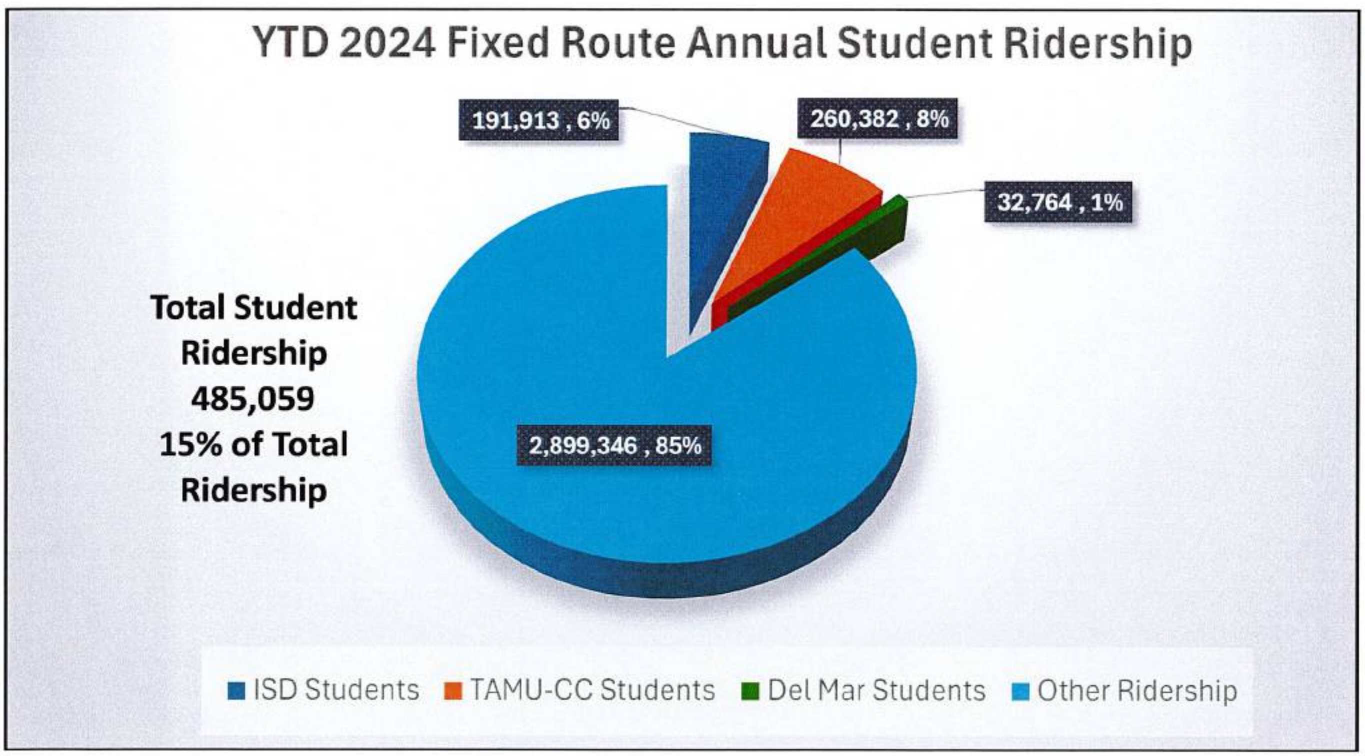


Student Ridership

The following chart illustrates total fixed route ridership vs student ridership for the month of December 2024.



The following chart illustrates a total fixed route ridership vs student ridership for all of 2024.



Bus Routes and Bus Stops Impacted by City of Corpus Christi and TxDOT Construction Projects

On Detour

- **IH-37 @ Harbor Bridge Reconstruction**: Began May 31, 2024.
  - Route 27 (Express, no stops impacted)
- **Carroll @ Gollihar (outbound only)**: Began July 2024.
  - Route 17 (**2** stops impacted with traffic control plan (TCP) placement)
- **Comanche St. (Carancahua-Alameda)**: Began early 2024.
  - Route 21 (**2** stops impacted)
- **McArdle Rd. (Carroll-Kostoryz)**: Project began Oct 30, 2023.
  - Route 19 (**8** stops closed)
- **Everhart Rd. (SPID-S. Staples)**: Project began September 2023.
  - Route 32 (not detoured), Route 37 (detoured) (**4** stops on Everhart now impacted, **2** closed on Alameda & **2** closed on S. Staples west of Everhart Rd.)
- **Bear Ln. (Utility Replacement)**: Road repair began June 2024.
  - Route 16 (Coastal Bend Food Bank - **1** stop currently not serviceable)
- **Brownlee Blvd. (Morgan-Staples)**: Began October 2024.
  - Routes 17, 19 & 83 (**2** stops impacted 7 more in future as project progresses)

No Detour

- **Gollihar Rd. (Crosstown-Greenwood):** Began April 24, 2023.
  - Routes 23 & 25 (**6** stops remain closed for this two-phase project) **4** stops recently re-opened for service.
- **Alameda St. (Louisiana-Texan Trail):** Work on project began Fall 2023.
  - Routes 5 & 17 (**12** of 19 total stops are currently impacted)

Detours Expected

- **Upper/Mid./Lower Broadway: Project in design. (60%)**
  - Routes 6, 76, 78 (no stops impacted)
- **Carroll Ln. (SH-358 to Holly)** Project in design. (60%)
  - Route 15 & 17 (**4** stops may be impacted)
- **Alameda St. (Everhart-Airline):** Project in design. (90%)
  - Route 5 (**13** stops may be impacted)
- **Alameda St. (Texan Trail-Doddridge):** Project in design. (90%)
  - Route 5 (**11** stops may be impacted)
- **Park Road 22 (Compass Dr.):** Project in design. (30%)
  - Route 65 (**1** stop may be impacted)

For December 2024, there were 7 impacted fixed routes out of 32 fixed route services in operation. This equates to approximately 22% of CCRTA services. Impacted bus route services include:
16, 17, 19, 21, 27(Express), **37 & 83**

The total number of bus stops that were impacted or closed was **41**.
For future Bond projects, the number of additional bus stops which may be impacted or closed is **29**.

The following table shows on-time performance of fixed route services.

Schedule Adherence	Standard	Sep-24	Oct-24	Nov-24	Dec-24	4-Month Average
Early Departure	<1%	0.0%	0.0%	0.0%	0.0%	0.0%
Departures within 0-5 minutes	>85%	86.8%	86.0%	90.9%	91.7%	88.9%
Monthly Wheelchair Boardings	No standard	4,615	6,396	7,122	7,369	6,376
Monthly Bicycle Boardings	No standard	6,990	8,064	7,533	6,841	7,357

Purchased Transportation Department Report: B-Line Service Contract Standards & Ridership Statistics

In December 2024, B-Line service performance metrics are listed below.

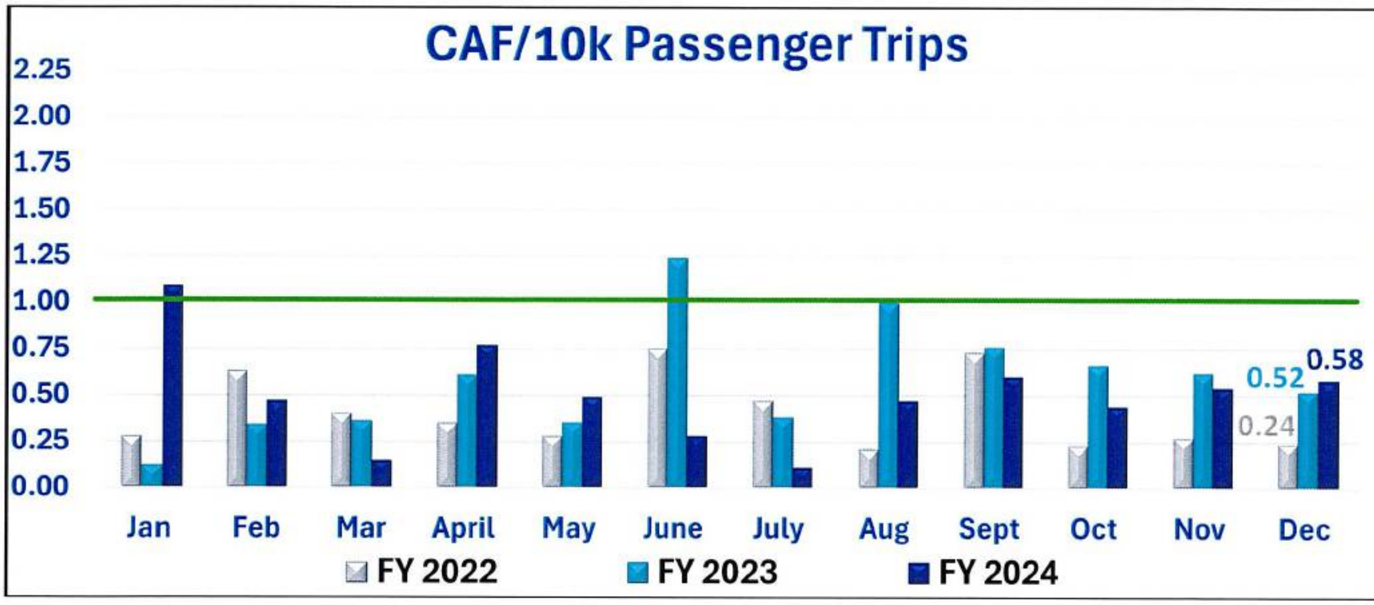
- Productivity: **2.39** Passengers per Hour (PPH) did not meet the contract standard of 2.50 PPH.
- On-time Performance: **91.1%** did not meet the contract standard of 95.0%.
- Denials: 0 denials or **0.0%** did meet the contract standard of 0.0%.
- Miles between Road Calls (MBRC): **21,682** did meet the contract standard of 12,250 miles.
- Ridership Statistics: **9,318** ambulatory boardings; **4,943** wheelchair boardings

Metric	Sep-24	Oct-24	Nov-24	Dec-24	(4) Month-Ave.
Passengers per Hour	2.60	2.46	2.37	2.39	2.46
On-time Performance	83.9%	88.2%	90.6%	91.1%	88.5%
Denials	0.00%	0.00%	0.00%	0.00%	0.0%
Miles Between Road Calls	18,180	32,876	24,780	21,682	24,380
Monthly Wheelchair Boardings	4,691	5,237	4,805	4,943	4,919

Customer Programs Monthly Customer Assistance Form (CAF) Report

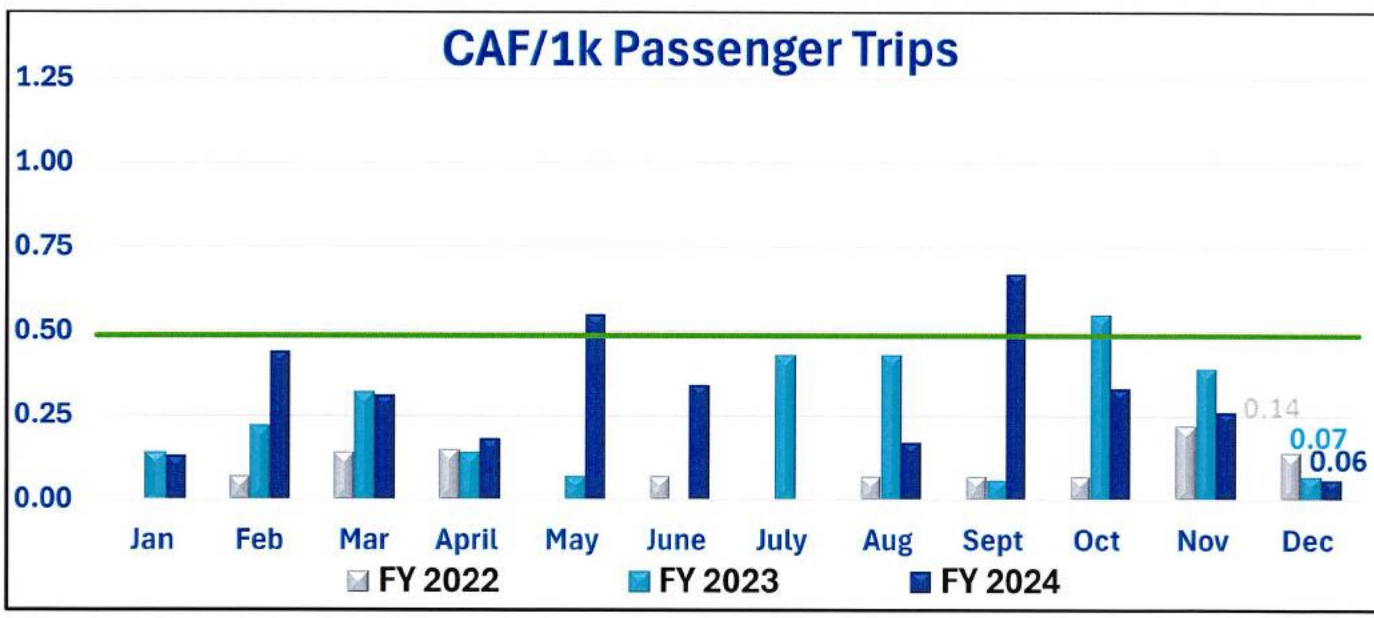
For the month of December 2024, Customer Service received and processed 60 Customer Assistance Forms (CAF's). A total of 54 or 90% were for CCRTA and Contract Fixed Route Services, of which **16** or 29% were verified as valid. This equates to approximately **0.58** CAFs **per 10,000** passenger trips. There were four commendations received for Fixed Route services.

Number of CAFs/10k for Fixed Route Services



For the month of December 2024, Customer Service received and processed 60 Customer Assistance Forms (CAF's). A total of 6 or 10% were for B-Line Services, of which **1** or 2% were verified as valid. This equates to approximately **0.06** CAFs **per 1,000** passenger trips. B-Line Services received two commendations.

Number of CAFs/1k for B-Line Services



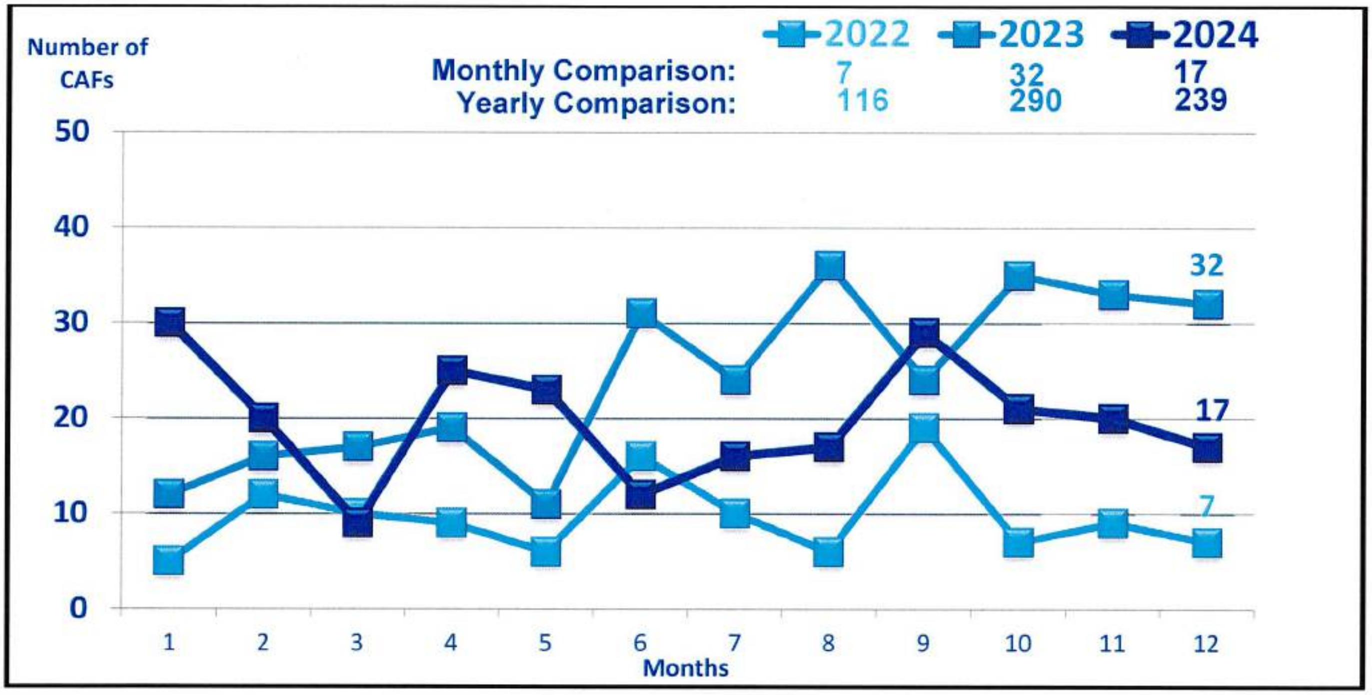
Route Summary Report:

Route	# of CAFs	Route	# of CAFs
#3 NAS Shuttle		#50 Calallen/NAS Ex (P&R)	
#4 Flour Bluff		#51 Gregory/NAS Ex (P&R)	
#5 Alameda	2	#54 Gregory/Downtown Express	
#5x Alameda Express		#60 Momentum Shuttle	
#6 Santa Fe/Malls	2	#65 Padre Island Connection	3
#12 Hillcrest/Baldwin		#76 Downtown Shuttle	
#15 Kostoryz/Carroll HS		#78 North Beach	1
#16 Morgan/Port		#83 Advanced Industries	
#17 Carroll/Southside	1	#90 Flexi-B Port Aransas	
#19 Ayers	1	#93 Flex	
#21 Arboleda		#94 Port Aransas Shuttle	
#23 Molina	2	#95 Port Aransas Express	
#24 Airline/Yorktown		B-Line (Paratransit) Services	4
#25 Gollihar/Greenwood	1	Transportation	3
#26 Airline/Lipes		Service Development	
#27 Leopard	3	Facilities Maintenance/Bus Stops	8
#28 Leopard/Navigation		IT	7
#29 Staples	7	Safety & Security	2
#32 Southside	1	Vehicle Maintenance	
#34 Robstown North	2	Commendations	6
#35 Robstown South			
#37 Crosstown/TAMU-CC	4		
		Total CAFs	60

Processed CAF Breakdown by Service Type:

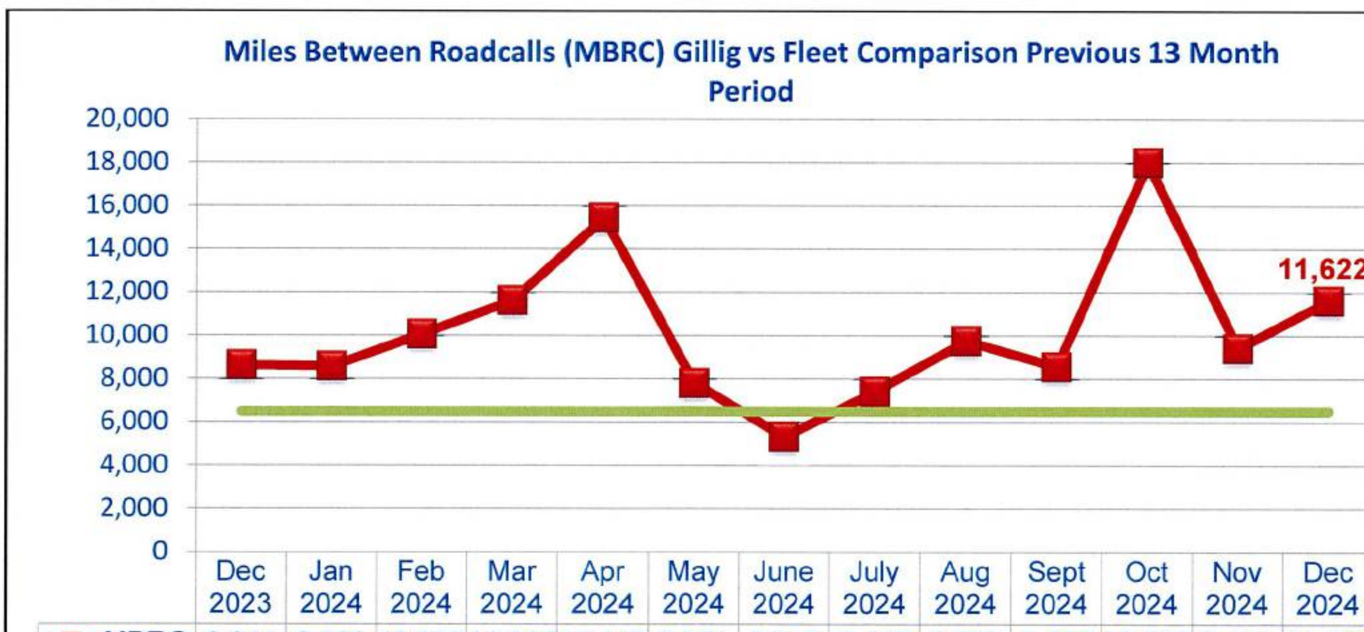
CAF Category	RTA Fixed Route	B-Line ADA Paratransit	Purchased Transportation	Totals
ADA				
Service Stop Issues	1			1
Driving Issues	12		2	14
Customer Services				
Late/Early – No Show	2		2	4
Alleges Injury	4			4
Fare/Transfer Dispute				
Heating/Cooling				
Dispute Drop-off/Pickup				
Rude	2	1		3
Left Behind/Passed Up	5	1		6
Inappropriate Behavior	3	1		4
Policy		1		1
Incident at Stop				
Incident on Bus				
Incident at Station	1			1
Securement/Tie-Down Issue				
Denial of Service			1	1
Safety & Security	1			1
Facility Maintenance	6			6
Service Development	1			1
Transportation (other)				
Overcrowded Vehicle				
IT/Electronics	7			7
Vehicle Maintenance				
Commendations	4	2		6
Total CAFs				60

Customer Programs Validated (CAF's) Count



Vehicle Maintenance Department: Miles Between Road Calls Report

In December 2024, 11,622 miles between road calls (MBRC) were recorded as compared to 8,644 MBRC in December 2023. A standard of 6,500 miles between road calls is used based on the fleet size, age and condition of CCRTA vehicles. The thirteen-month average is 10,172.



	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024
MBRC	8,644	8,582	10,062	11,617	15,447	7,801	5,317	7,417	9,760	8,557	18,005	9,411	11,622
Goal	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500

Board Priority

The Board Priorities are Public Image and Ridership.

Respectfully Submitted,

Submitted by:	Liann Alfaro Director of Planning
Reviewed by:	Gordon Robinson Managing Director of Operations
Final Approval by:	MR Miguel Rendón Deputy Chief Executive Officer