CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

AGENDA MEETING NOTICE

Board of Directors Meeting

DATE: **Wednesday, December 2, 2026**
TIME: **8:30 a.m.**
LOCATION: **Staples Street Center – *2ND Floor Pat Eisenhauer Boardroom,***
602 North Staples St., Corpus Christi, TX

BOARD OF DIRECTORS OFFICERS
Arthur Granado, Chair
Lynn Allison, Vice-Chair/Legislative Chair
Susie Luna Saldaña, Secretary

BOARD OF DIRECTORS MEMBERS
Beatriz Charo, Rural & Small Cities Chair
Aaron Munoz, Administration & Finance Chair
Eloy Salazar, Operations & Capital Projects Chair
David Berlanga Gabi Canales Beth Owens
Jahvid Motaghi Susie Sullivan

	TOPIC	SPEAKER	EST.TIME	REFERENCE
1.	**Pledge of Allegiance**	A. Granado/ U.S. Veteran, Diane Brady	1 min.	-----
2.	**Safety Briefing**	G. Casas	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 https://www.ccrta.org/meetings/public-comment 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) Government Finance Officers Association Award	D. Majchszak	7 min.	-----
9.	**Discussion and Possible Action** to Approve the November 4, 2026, Board of Directors Meeting Minutes	A. Granado	3 min.	**Pages** 1-6
10.	CONSENT ITEMS: The following items are routine or administrative in nature and have been discussed previously by the Board or Committees. The Board has been furnished with support documentation on these items. **a)** Award a Contract to Terracon Consultants, Inc., for Geotechnical and Construction Materials Testing Services for		5 min.	**Page** 7-9 *PPT*

	the New Bear Lane Maintenance Facility, not to Exceed $153,245 **b)** Award a Contract to Dailey-Wells Communications for the Purchase of Thirty-Two (32) Mobile Two-Way Radios and Related Equipment in an Amount not to Exceed $138,220.80			
11.	**Discussion and Possible Action** to Authorize the Chief Executive Officer (CEO) or Designee to Execute Payment of $1,213,561 to Texas Municipal League Inter-Governmental Risk Pool (TML-IRP) for the following lines of insurance coverage for FY2027: Auto Liability, Auto Physical Damage, Real and Personal Property, General Liability, Errors & Omissions Public Employee Dishonesty, Law Enforcement Liability and Workers' Compensation	M. Rendón	7 min.	**Pages** 10-11 *PPT*
12.	**Discussion and Possible Action** to Authorize the Chief Executive Officer (CEO) or Designee to Award a Three (3) Year Agreement to Uber Technologies, Inc. in an amount not to Exceed $1,944,539.96 for Transportation Network Company Services	G. Robinson	5 min.	**Pages** 12-14 *PPT*
13.	**Discussion and Possible Action** to Authorize the Chief Executive Officer (CEO) or Designee to Authorize a Contract Modification with Spare Labs Inc. for Open Fleets Platform Fees in an Amount not to Exceed $267,316.00	G. Robinson	5 min.	**Pages** 15-16 *PPT*
14.	**Discussion and Possible Action** to Amend the Capital Asset Policy to Reflect New GASB Standards and Increase Capitalization Threshold from $5,000 to $10,000	S. Roddel	5 min.	**Pages** 17-43 Attachment *PPT*
15.	**Update** on RCAT	S. Montez	3 min.	*PPT*
16.	**Update** on New Maintenance Facility	S. Montez	20 min.	**Pages** 44-45 *PPT*
17.	Presentations: **a)** Annual Comprehensive Financial Report 2025 and Audit Presentation **b)** October 2026 Financial Report **c)** December 2026 Procurement Update **d)** October 2026 Operations Report	 S. Roddel/ A. Miller, Adamson & Co. S. Roddel S. Clay F. Worthen	25 min.	 **Pages** 46-152 *PPT* **Pages** 183-198 *PPT* **Pages** 199-200 *PPT* **Pages** 201-209 *PPT*
18.	**CEO Report**	D. Majchszak	5 min.	*PPT*
19.	**Board Chair Comments and Board Member Comments**	A. Granado	5 min.	-----
20.	**Adjournment**	A. Granado	1 min.	-----

Total Estimated Time: 1 hr 47 mins

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

AGENDA MEETING NOTICE

On **Tuesday, November 24, 2026** 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.

Mission Statement

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

Vision Statement

Provide an integrated system of innovative accessible and efficient public transportation services that increase access to opportunities and contribute to a healthy environment for the people in our service area.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS' MEETING MINUTES
WEDNESDAY, November 4, 2026

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 the October 14, 2026 Board of Directors Meeting Minutes
10. Approved Consent Items
    a) Approve the Fiscal Year 2027 Board & Committee Meetings Calendar
    b) Approve the Fiscal Year 2027 Holidays and Service Levels
    c) Award a Three (3) Year Contract to Remix Technologies, LLC for the Remix Transit Planning Platform and Associated
    d) Award a Two (2) Year Contract to Safety-Kleen Systems, Inc. for Lubricants and Fluid Supply in an amount not to exceed $352,208.54
    e) Award a Two (2) Year Contract to Cummins Southern Plains, LLC for Rebuilt Transmission Supply in an Amount not to Exceed $143,700.17
11. Held Public Hearing #2- Regarding Adoption of the FY2027 Operating and Capital Budget
12. Adopted the FY2027 Operating and Capital Budget
13. Heard Update on New Maintenance Facility
14. Heard Presentations –
    a) September 2026 Financial Report
    b) November 2026 Procurement Update
    c) September 2026 Operations Report
15. Heard CEO Report
16. Heard Board Chair Comments and Board Member Comments
17. 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

Board Chair Arthur Granado called the meeting to order at 8:30 a.m. He welcomed and gave an introduction for U.S. Veteran, Mr. Robert Tepera, to lead the Pledge of Allegiance.

Safety Briefing

Mr. John Esparza, Safety Administrator, 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 noted a quorum was present at this time.

Board Members Present

Lynn Allison, David Berlanga, Beatriz Charo, Arthur Granado, Jahvid Motaghi, Aaron Muñoz, Beth Owens (virtual), Eloy Salazar, Susie Luna Saldaña, and Susie Sullivan.

Board Members Absent

Gabi Canales.

Staff Present

David Chapa, Angelina Gaitan, John Esparza, Derrick Majchszak, Sharon Montez, Marisa Montiel, Rita Patrick, Miguel Rendón, Gordon Robinson, and Robert Saldaña. Fred Worthen, Natalie Grady, Jacqueline Vasquez, Ernesto Munguia, Syed Shah, Ashley Martinez, Aaron Gutierrez, Valerie Villarreal, and Robert Solomon.

Public Present

Madalyn Trocchio, Benjamin Schmit, and John Hendrickson, Hendrickson. Carrie Meyer, Juan Borrega, and Braian Morales. Benjamin Schmit

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

Ms. Montiel confirmed 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

a. Carrie Meyer – Discussed concerns regarding the proposed Beach Avenue bus stops. Ms. Meyer stated she is the Secretary of the North Beach Community Association and lives on North Beach. She presented a PowerPoint and provided examples of problems caused by the covered bus stops on North Beach. She added that the City has started a project to rebuild Beach Avenue and therefore the covered bus stops have been removed due to construction. She said that since the stops have been removed, there

have been no issues with loitering. Ms. Meyer requested the two covered bus stops be moved to Timon and Surfside and be replaced with the semi-seat style amenity versus covered, adding that style would be a better fit for the North Beach community. She requested the CCRTA Board or staff meet with the City of Corpus Christi Engineering Services Department and members of their organization to help put a good plan together for the stops.

Ms. Montiel noted there were no public comments submitted online. Director Berlanga said the stop's ridership needs to be explored and investigated whether they are necessary or not. Mr. Majchszak, CEO, stated the stops have been removed due to the construction and will remain that way at least nine months or so through completion. He added there will be changes to the amenities once everything is done and the area is re-evaluated.

Awards and Recognitions

a. Mr. Derrick Majchszak, introduced the new hires for the month. Vehicle Maintenance – Jacqueline Vasquez. Transportation – Ernesto Mungia, Valerie Villarreal, Aaron Gutierrez, Robert Solomon, and Syed Shah. Finance – Ashley Martinez. Photos were taken.

Discussion and Possible Action to Approve the October 14, 2026 Board of Directors Meeting Minutes

SECRETARY SUSIE SALDANA MADE A MOTION TO APPROVE THE OCTOBER 14, 2026 BOARD OF DIRECTORS MEETING MINUTES. DIRECTOR JAHVID MOTAGHI SECONDED THE MOTION. *ALLISON, BERLANGA, CHARO, MOTAGHI, MUNOZ, OWENS, SALAZAR, SALDAÑA, AND SULLIVAN VOTING IN FAVOR. OPPOSED NONE. ABSENT CANALES. MOTION PASSED.*

Consent Items

a. Approve the Fiscal Year 2027 Board & Committee Meetings Calendar
b. Approve the Fiscal Year 2027 Holidays and Service Levels
c. Award a Three (3) Year Contract to Remix Technologies, LLC for the Remix Transit Planning Platform and Associated
d. Award a Two (2) Year Contract to Safety-Kleen Systems, Inc. for Lubricants and Fluid Supply in an amount not to exceed $352,208.54
e. Award a Two (2) Year Contract to Cummins Southern Plains, LLC for Rebuilt Transmission Supply in an Amount not to Exceed $143,700.17

DIRECTOR AARON MUNOZ MADE A MOTION TO APPROVE CONSENT ITEMS A-E. DIRECTOR JAHVID MOTAGHI SECONDED THE MOTION. *ALLISON, BERLANGA, CHARO, MOTAGHI, MUNOZ, OWENS, SALAZAR, SALDAÑA, AND SULLIVAN VOTING IN FAVOR. OPPOSED NONE. ABSENT CANALES. MOTION PASSED.*

Public Hearing #2- Regarding Adoption of the FY2027 Operating and Capital Budget

Mr. Robert Saldaña, Managing Director of Administration, held Public Hearing #2 regarding the Adoption of the FY2027 Operating and Capital Budget. Mr. Saldaña gave an overview of the prior three budget workshops and Public Hearing #1. He discussed the FY2027 Service Plan and how many full-time employees are anticipated in 2027 (239.38). The proposed FY27 operating revenues are $56,297,413. The proposed FY27 operating expenses are $54,359,833. He displayed the five-year CIP. For 2027 there are 17 projects with total project costs of $1,912,881. For 2028, there are 17 projects with project costs totaling $3,093,777. For 2029, there are 13 projects with project costs totaling $3,227,209. In 2030, there are 12 projects with project costs totaling $2,223,649. Lastly, in 2031 there are eight expected projects with projected costs of $885,482. He displayed each year's project lists and costs. The proposed FY2027 Operating and Capital Budget was $66,729,833. At this time, he answered any questions from the board.

Director Berlanga asked about the bus and cutaway purchases through 2031 and how that is determined. Mr. Saldaña replied they are projections based are several factors such as miles or the age of the buses and service levels. In addition, it will depend on sales tax and how it performs over the next few years along with formula funds received. Vice Chair Allison pointed out there is an increase of 0.4% from 2026 to 2027, which in her opinion is a very small increase and impressive. Director Berlanga asked if the agency has adopted a zero-based budget or continue to go with what has been done in the past. Mr. Majchszak stated it starts as zero-based budget and the departments justify line item increases or requests from there. Mr. Majchszak continued he meets several times with Mr. Saldaña and his budget team to go through each line item and make cuts or adjustments from there.

Discussion and Possible Action to Adopt the FY2027 Operating and Capital Budget

DIRECTOR BEATRIZ CHARO MADE A MOTION TO ADOPT THE FY2026 OPERATING AND CAPITAL BUDGET. VICE CHAIR LYNN ALLISON SECONDED THE MOTION. *ALLISON, BERLANGA, CHARO, MOTAGHI, MUNOZ, OWENS, SALAZAR, SALDAÑA, AND SULLIVAN VOTING IN FAVOR. OPPOSED NONE. ABSENT CANALES. MOTION PASSED.*

Update on New Maintenance Facility

Ms. Sharon Montez, Managing Director of Customer Services and Capital Programs, presented the update and introduced Mr. Frank Benavidez with Ardurra who would be co-presenting the item and in the audience were representatives from Fulton Construction and Turner/Ramirez for additional support. Mr. Benavidez discussed construction progress through weeks four through six, including the bus wash demolition utility work, building pad clearing, pavement clearing, pavement demolition and site preparation. He discussed how ongoing team coordination is supporting field progress

and how they are reviewing equipment and material selections for the bus wash, HVAC system, and material selections. Next, Mr. Benavidez discussed the formal change authorization process. An aerial comparison of early construction progress was displayed. The estimated completion remains around August 14, 2028. Mr. Benavidez answered any questions from the board at this time. Director Salazar asked if there is any incentive to finish the project early in the contract. Mr. Benavidez replied no, however, there is a penalty for late completion at $500/day he believed. Director Salazar asked Mr. Benavidez for a copy of the plans and specifications. Next, the HVAC system was discussed including air-cooled and water-cooled systems. Director Motaghi asked that future maintenance; replacement part costs and availability be taken into consideration.

Presentations

a) September 2026 Financial Update

Mr. Robert Saldaña, Managing Director of Administration, presented the September financials and noted the item aligns with the Board Priority of Public Image & Transparency. Highlights included passenger service was 108.16% of budget baseline, investment income was 90.35% of budget baseline, and there was a positive budget variance for four out of eight expense categories. He displayed the September 2026 Income Statement Snapshot. Total revenues for September amounted to $3,924,643. He displayed the revenue categories. The total departmental operating expenses were reported at $4,270,324. Next, he discussed and displayed a pie chart of where the money went. Mr. Saldaña showed the expenses by object for September. Year-to-date highlights included passenger service was 105.60% of budget baseline, total operating revenue 94.78% of baseline, and there was a positive variance for six out of eight expense categories. The September-end Fare Recovery Ratio was reported at 3.00%. Next, he displayed the sales tax update for August, in which $3,727,641 was received. He displayed a charts of the 2026 Health Insurance Claims, Stop Loss Reimbursements and Other Credits. Director Motaghi asked for an update on the ability to offer tap to pay services. Mr. Saldaña and Mr. Majchszak explained it is included in the CIP for 2027.

b) November 2026 Procurement Update

Mr. Robert Saldaña presented the update, noting the Board Priority of Public Image & Transparency. He discussed the current procurement issued which is Transportation Uniform Supply, for a three-year term, with an estimated cost of $118,974. Next, the three-month outlook under the CEO's signature authority was displayed and discussed. All these items are $75,000 or less. The items totaled $1,774,984.

c) September 2026 Operations Report

Mr. Fred Worthen, Director of Planning, presented the report. He provided the highlights for the month of September 2026 vs. September 2025. The Passenger Trips were up 2.0%, the Revenue Service Hours were down -14.5%, and a decrease of -5.0% in Revenue Service Miles. He displayed the RTA System Monthly Ridership Trends and the System-Wide Monthly Ridership by Mode. He noted that year-to-date, the system overall was up 4.9%. He displayed the Top Ten Route Total

Ridership and Bottom Ten Route Ridership numbers for September 2026. Mr. Worthen reported the Passenger Per Revenue Hour (Weekday) for September 2026. He displayed a pie chart of student ridership for September 2026. Total student ridership came in at 49,444 or 15% of total ridership. He September the list of current and upcoming projects impacting fixed route services. Next, he discussed the fixed route bus on-time performance and reported no issues. The B-Line service passengers per hour met the standard at 2.61 for September but did not meet the on-time performance. Next, he presented the Fixed route customer assistance and B-Line customer assistance forms. The miles between road calls and the large bus fleet exceeded the standards. The 2026 3rd Quarter Cost per Passenger by Service Mode chart and GoPass New Users Count and App Ridership charts were displayed. Mr. Majchszak noted that representatives from Hendricks were in the audience and Benjamin Schmidt will be returning to the CCRTA with HTG.

CEO Report

Mr. Majchszak presented the CEO report and went over the operation and project updates, including updates on the New CCRTA Maintenance Facility and the Hendrickson Transportation Group transition. He announced the agency provided free rides to/from voting centers for First Day Early Voting and Election Day. He discussed the monthly meetings and events. Mr. Majchszak noted Vice Chair Allison and himself met with Chairman Todd Hunter and staff from the offices of the Governor and Lt. Governor to discuss efforts to combat human trafficking. He discussed the Safety and Security Department Active Shooter training coordinated with CCPD for staff and tenants. The monthly community events that CCRTA participated in were announced. The upcoming calendar of events was displayed. He thanked Hendrickson for contributing to the Employee Thanksgiving Luncheon and Holiday Party.

Reports from Board Chair and Board Members

Chair Granado discussed the Jazz Fest Shuttles saying they were utilized well and Director Salazar agreed. Director Motaghi said he was happy to see outreach to the younger generation and they are the future. Board Members welcomed Mr. Ben Schmidt back. Director Muñoz and Secretary Saldaña thanked the RTA and noted the significance of voting and how the free rides help. Director Berlanga and Director Salazar discussed the Conflict of Interest Memo and Affidavits, requesting additional information and clarification be provided at a later Board Meeting.

Adjournment

There being no further review of items, the meeting was adjourned at 9:54 a.m.

Submitted by: Marisa Montiel

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Board Secretary
Susie Luna Saldaña

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: Award a Contract to Terracon Consultants, Inc., for Geotechnical and Construction Materials Testing Services for the new Bear Lane Maintenance Facility, not to Exceed $153,245

Background

In November 2025 CCRTA was notified that it was awarded a Federal Transit Administration (FTA) competitive Low No Emission Grant, in the amount of $46,280,000 in federal funds and with a local match of $11,570,000 for a total project cost of $57,850.000, for the construction of a new Bear Lane Maintenance Facility.

The construction start date was Monday, September 21, 2026.

Identified Need

The contractor requires geotechnical testing services, for the civil and structural components of the project, to ensure the construction process is meeting the technical specifications. Turner Ramirez's team will review the geotechnical reports for compliance.

Analysis

A Request for Qualifications was issued on October 7th, and the proposals were due October 21st. The Request for Qualifications was sent to three (3) companies in the engineering pool that indicated they were qualified to complete the work. Two (2) proposals were received.

The evaluation criteria are listed below:

- Experience on Similar Projects (30)
- Technical Approach and Methodology (25)
- Qualified Personnel for the Project (20)
- Safety Procedures on Construction Sites (15)
- Sample Test Reports (10)

The table below includes the name of the firms and the technical scores:

Firms	Experience With Similar Projects -30 pts	Technical Approach and Methodology - 25 pts	Qualified Personnel for the Project - 20 pts	Safety Procedures on Construction Sites - 15 pts	Sample Test Reports - 10 pts	Total Points
Terracon Consultants, Inc.	27.2	22.4	18	13.6	9.4	90.6
UES Prof. Solutions 45, LLC.	24.6	22.6	17.8	12.6	7.2	84.8

After evaluating each of the two firms, Terracon Consultants, Inc. scored the highest technical score overall. Terracon is an engineering firm and has been in business for over 61 years and they have over 8,000 employees and 200 locations nationwide. Additionally, they have an office in Corpus Christi.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

The companies/similar projects that Terracon provided geotechnical engineering services are listed below:

- Turner Ramirez – provided services for the CCRTA Bear Lane Maintenance project, as part of the design phase. The scope of services included drilling, laboratory testing, engineering analysis, and preparation of the report.
- Port of Corpus Christi Authority – provided subsurface exploration and geotechnical engineering services for the BMT Maintenance Facility that was constructed at the Port.
- City of Corpus Christi Water Department, Maintenance Building – testing services for the City's 40,000 sq. ft. maintenance building that would be utilized for warehouse space, office space, parking area, and a wash basin.
- Del Mar College – provided testing services for the parking lots at Windward and Heritage campuses.

The CCRTA received one reference response out of the four and it was very satisfactory.

Financial Impact
The total negotiated price received from Terracon Consultants, Inc, for Geotechnical and Construction Materials Services for the new Bear Lane Maintenance Facility is $153,245. The funding is provided by the Bear Lane Maintenance grant. The grant funding is broken down into 80% federal funding totaling $122,596 with a local match of $30,649.

Board Priority
This project aligns with the Board Priority – Facilities and Safety.

Recommendation
Staff requests that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to Award a Contract to Terracon Consultants, Inc., for Geotechnical and Construction Materials Testing Services for the new Bear Lane Maintenance Facility, not to Exceed $153,245.

Respectfully Submitted,

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

Final Approval by:

Derrick Majchszak
Chief Executive Officer

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: Award a Contract to Dailey-Wells Communications for the Purchase of Thirty-Two (32) Mobile Two-Way Radios and Related Equipment in an Amount not to Exceed $138,220.80.

Background
The Corpus Christi Regional Transportation Authority (CCRTA) participates in and is a partial owner of the City of Corpus Christi Radio Communications System. The Authority operates 32 mobile radios in its bus fleet that are more than 13 years old, have reached end-of-life status, and are no longer supported by the manufacturer. Replacement of these radios is necessary to maintain reliable communications and support safe transit operations. Dailey-Wells Communications serves as the designated maintenance provider and the authorized L3Harris Network Solutions Provider for the radio system.

Identified Need
Replacement of the 32 mobile radios is necessary to maintain reliable communications, ensure continued compatibility with the regional public safety radio network, and support ongoing operational and safety requirements. The new P25-compliant radios will provide stability with regional agencies and replace obsolete equipment that has exceeded its useful life.

Financial Impact
The CCRTA will procure these services through the Texas Department of Information Resources (DIR) cooperative purchasing program, which provides competitive pricing through pooled government purchasing. Funding for the replacement of 32 mobile radios and associated equipment is included in the MIS FY2026 Capital Budget and will be funded through Section 5339 Formula Funds. The total estimated project cost is $138,220.80.

Board Priority
The Board Priority is Innovation.

Recommendation
Staff requests that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award a contract to Dailey-Wells Communications for the purchase of thirty-two (32) mobile two-way radios and related equipment in an amount not to exceed $138,220.80.

Respectfully Submitted,

Submitted by: David Chapa, Director of MIS and Capital Projects
Reviewed by: Sharon Montez, Managing Director of Capital Projects and Customer Services
Final Approval by: Derrick Majchszak
Chief Executive Officer

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: Action to Execute Payment of $1,213,561 to Texas Municipal League Inter-Governmental Risk Pool (TMLIRP) for the following lines of Insurance Coverage for FY2027: Auto Liability, Auto Physical Damage, Real and Personal Property, General Liability, Errors & Omissions, Public Employee Dishonesty, Law Enforcement Liability and Workers' Compensation.

Background

The Corpus Christi RTA is insured through The Texas Municipal League Intergovernmental Risk Pool (TML-IRP). The Authority has been a member of the Liability Property Fund since 1990 and joined the Worker's Compensation Fund in 2009. Participation in the funds was initiated by entering into Interlocal Agreements with the participating pool member local governments.

Identified Need

The assets and personnel of the Corpus Christi RTA need to be adequately protected through insurance coverage.

Analysis

Total contribution costs for FY2027 have increased by 24% or $232,644 over 2026.

Of the eight lines of coverage, two coverages, Automobile Liability/Medical Payments and Auto Physical Damage, had significant contribution increases. Four coverages, Law Enforcement Liability, Real & Personal Property, General Liability and Errors & Omissions had moderate to low increases while Workers' Compensation experienced a low decrease. Public Employee Dishonesty remained the same.

Financial Impact

A finalized cost schedule table which compares fund contributions is presented below:

Types of Coverage	Limit	Deductible	2025	2026	2027	Inc. / Dec
			Contribution	Contribution	Contribution	2026 & 2027
General Liability	$9,000,000	$0	$ 6,458.00	$ 4,583.00	$ 5,056.00	$ 473.00
Errors & Omissions Liability	$2,000,000	$10,000	$ 16,192.00	$ 15,383.00	$ 16,203.00	$ 820.00
Automobile Liability / Medical Payment	$500,000	$0	$ 310,985.00	$418,157.00	$ 585,202.00	$ 167,045.00
Automobile Catastrophe / Auto Physical Damage	$10,000,000	$10,000	$ 100,077.00	$192,186.00	$ 255,720.00	$ 63,534.00
Sub Total:			$ 433,712.00	$630,309.00	$ 862,181.00	$ 231,872.00
Law Enforcement Liability	$5,000,000	$1,000	$ 2,058.00	$ 2,095.00	$ 2,278.00	$ 183.00
Real & Personal Property (Includes Flood and Earthquake with a $25,000 deductible	$62,762,689	$10,000	$ 93,556.00	$103,147.00	$ 109,228.00	$ 6,081.00
Loss of Income, Extra Expense, Rents	$1,000,000	$10,000				
Boiler & Machinery	$100,000	$10,000				
Public Employee Dishonesty	$500,000	$2,500	$ 837.00	$ 837.00	$ 837.00	$ -
Sub Total:			$ 96,451.00	$106,079.00	$ 112,343.00	$ 6,264.00
TOTAL: LIABILITY, PROPERTY & CRIME			$ 530,163.00	$736,388.00	$ 974,524.00	$ 238,136.00
Worker's Compensation	Statutory		$ 236,413.00	$244,529.00	$ 239,037.00	$ (5,492.00)
Grand Total			$ 766,576.00	$980,917.00	$ 1,213,561.00	$ 232,644.00

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board Priority
This item aligns with the Board Priority – Safety and Security and Transparency.

Recommendation
Staff request that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to execute payment of $1,213,561 to Texas Municipal League Inter-Governmental Risk Pool (TML-IRP) for the following lines of insurance coverage for FY2027: Auto Liability, Auto Physical Damage, Real and Personal Property, General Liability, Errors & Omissions Public Employee Dishonesty, Law Enforcement Liability and Workers' Compensation.

Reviewed by: Miguel Rendón, Deputy CEO

Approval:
Derrick Majchszak
Chief Executive Officer

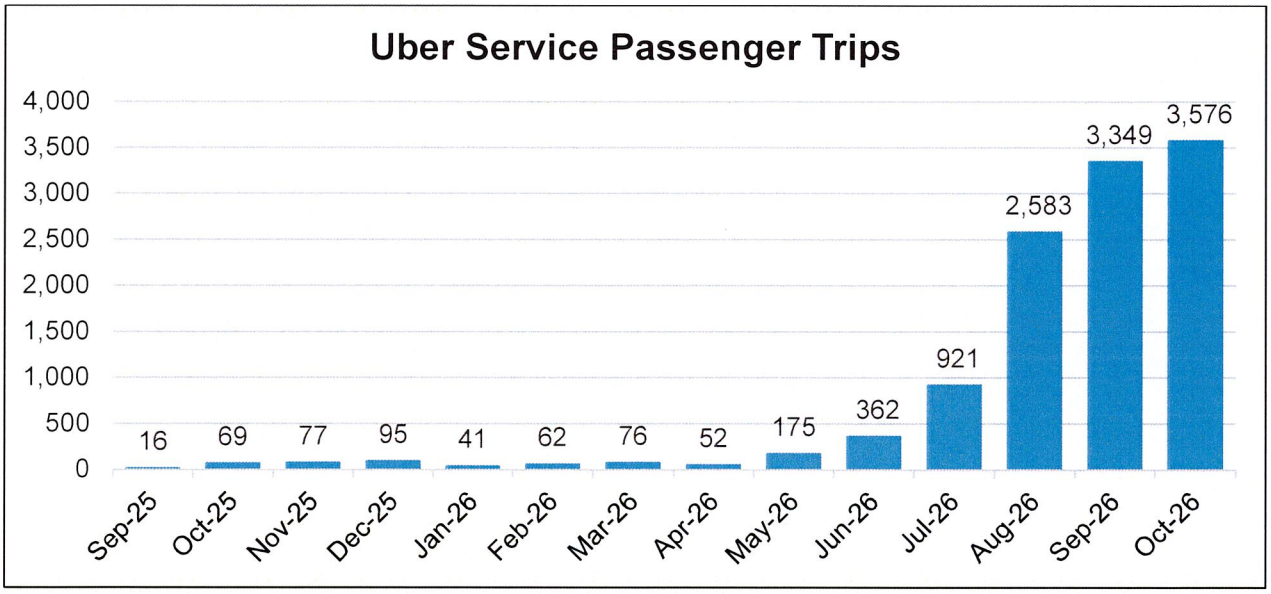
CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

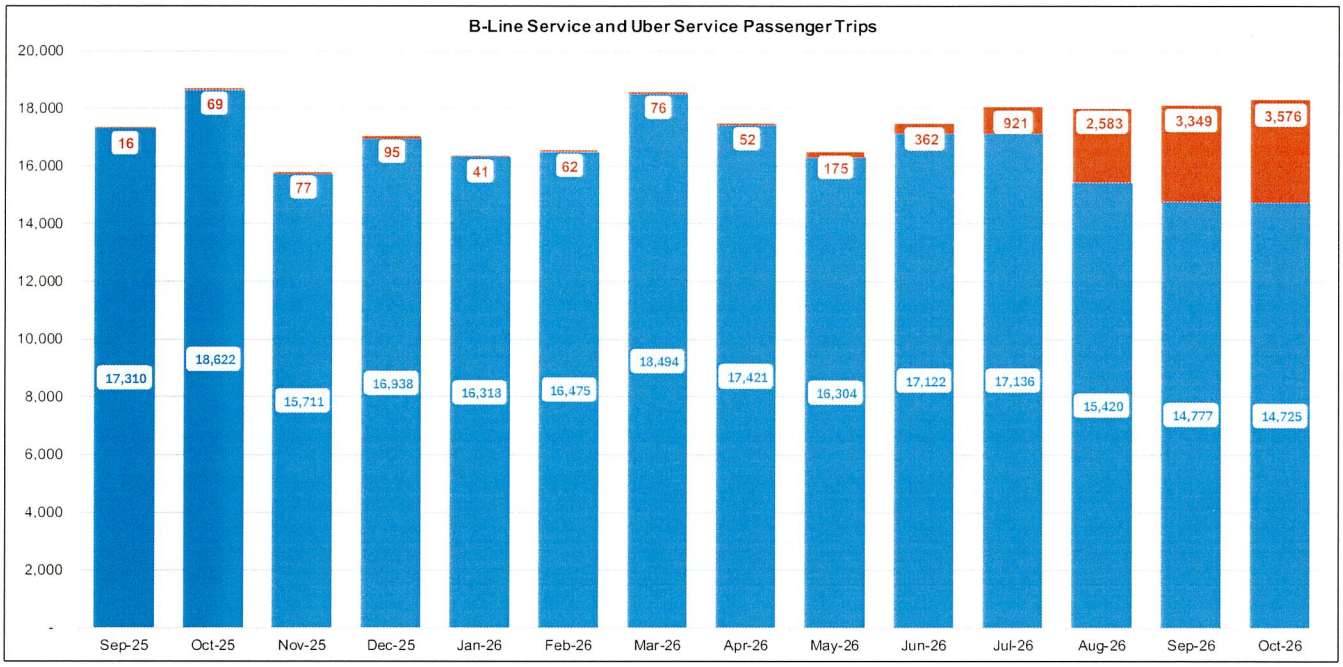
Subject: Award a Three (3) Year Agreement to Uber Technologies, Inc. in an amount not to exceed $1,944,539.96 for Transportation Network Company Services

Background

Since September 2025, the Corpus Christi Regional Transportation Authority (CCRTA) and MV Transportation has subcontracted B-Line paratransit service to Uber Technologies, Inc. (Uber) during high ridership overflow periods. From the start, Uber has remained an opt-in service with many B-Line service riders preferring the single passenger trip. MV Transportation has an agreement with Uber whereas CCRTA does not have an agreement with Uber. CCRTA reimburses MV Transportation for Uber trips dispatched through Spare software on a monthly basis. The use of Uber services has resulted in increased on-time performance and improved customer service for B-Line service passengers. The chart below contains Uber service ridership results between September 2026 and October 2026. Within this period, the average Uber service cost per passenger is $20.90 and Uber service on-time performance is 98.9%.



The chart below contains B-Line service and Uber service ridership results between September 2026 and October 2026. The average B-Line service dedicated fleet cost per passenger, through the third quarter of fiscal year 2026, is $42.52 and B-Line service on-time performance is 93.5%. The cost per passenger figure includes administration costs, direct service costs, and maintenance costs.



Identified Need

In order to maintain the operation of Uber service during B-Line service high ridership overflow periods beyond MV's contractual end date of December 31, 2026, CCRTA will need to execute an agreement directly with Uber. As Uber is on the 791 Purchasing Cooperative, the CCRTA should utilize this purchasing cooperative to have an agreement in place prior to January 1, 2027.

The term of the Uber agreement is three years effective January 1, 2027 through December 31, 2029. CCRTA and the Hendrickson Transportation Group will utilize Spare software to dispatch Uber service trips.

Financial Impact

The CCRTA will procure the Uber services agreement through the 791 Purchasing Cooperative, which leverages pooled purchasing power from participating local government agencies to secure favorable pricing on services, products, and equipment. The estimated cost for a three-year agreement with Uber Technologies, Inc. is $1,944,539.96.

Uber Service Estimated Ridership and Costs

	Year			Total
	2027	2028	2029	2027-2029
Estimated Number of Passenger Trips	42,953	44,296	46,409	133,658
Estimated Costs	$620,949.70	$656,699.49	$666,890.77	$1,944,539.96

Total expenditures will be determined based on actual usage. Funding for the Uber agreement has been identified in the Purchased Transportation Operating Budget. Year 2027 is budgeted in the approved fiscal year 2027 Operating budget. Costs for years 2028 and 2029 will be budgeted in each respective year.

Board Priority
The Board Priority is Ridership.

Recommendation
Staff requests that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to award a three (3) year agreement to Uber Technologies, Inc. in an amount not to exceed $1,944,539.96 for Transportation Network Company services.

Respectfully Submitted,

Submitted by: Gordon Robinson
Managing Director of Operations

Final Approval by: Derrick Majchszak
Chief Executive Officer

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: Authorize a Contract Modification with Spare Labs Inc. for Open Fleets Platform Fees in an amount not to exceed $267,316.00

Background

On September 2, 2026, the Corpus Christi Regional Transportation Authority (CCRTA) Board of Directors approved a contract with Spare Labs Inc. (Spare) for Paratransit and Software Services. The purchased software includes a secure and integrated suite of tools but excludes processing fees for the Spare Open Fleets Platform. At the time of approval, fees associated with the Spare Open Fleets Platform were omitted from the contract due to on-going negotiations with Spare as monthly Uber ridership levels increased 288% from 921 trips in July 2026 to 3,576 trips in October 2026. Because Uber ridership grew rapidly, it was challenging for CCRTA and Spare to define a minimum monthly trip allotment figure. The trip allotment figure is used to develop the Spare Open Fleets Platform per trip fee.

The Spare Open Fleets Platform is an integration and brokering solution that enables transit agencies to seamlessly dispatch trips to third-party transportation network providers directly through the platform. The Spare Open Fleets Platform allows agencies to supplement their dedicated fleets with on-demand providers, including Uber and other Transportation Network Company (TNC) companies, without replacing existing TNC subsidy agreements. Spare acts as the integration and brokering layer, and third-party providers invoice the agency directly for trips brokered through the platform.

Identified Need

Effective January 1, 2027, the CCRTA and Hendrickson Transportation Group (HTG) will utilize the Spare Open Fleets Platform to dispatch Uber trips. A contract modification to the Spare contract is required to include the following changes.

- Define quantity of Spare Open Fleets trips estimated at 133,658 over a 3-year period

This contract modification does not involve any new software licensing or subscription costs under the existing Spare contract previously approved by the Board of Directors. Instead, it defines the quantity of Spare Open Fleets trips when using Spare's trip-brokering service to coordinate individual passenger trips with outside transportation providers.

Financial Impact

The estimated cost in the current three-year contract with Spare Labs Inc. is $1,112,542.50. The estimated cost to include Spare's Open Fleets Platform to dispatch Uber trips over the 3-year contract term is $267,316.00. The estimated revised contract total is $1,379,858.50; however, expenditures will be determined by actual usage.

Spare Open Fleets Platform Fees

	Year			Total
	2027	2028	2029	2027-2029
Estimated Number of Passenger Trips	42,953	44,296	46,409	133,658
Open Fleets Platform Fee	$2.00	$2.00	$2.00	$2.00
Estimated Costs	$85,906.00	$88,592.00	$92,818.00	$267,316.00

Funding for the Spare Open Fleets Platform fees have been identified in the approved Fiscal Year 2027 Purchased Transportation Operating Budget. Funds within Fiscal Years 2028 and 2029 will be budgeted within each respective year.

Board Priority
The Board Priority is Innovation.

Recommendation

Staff requests that the Board of Directors authorize the Chief Executive Officer (CEO) or designee to authorize a contract modification with Spare Labs Inc. for Open Fleets Platform fees in an amount not to exceed $267,316.00.

Respectfully Submitted,

Submitted by: Gordon Robinson
Managing Director of Operations

Final Approval by: Derrick Majchszak
Chief Executive Officer

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: Recommend Approval of Proposed Revisions to the Capital Asset Policy

Background

The Capital Asset Policy is designated as a Board Policy, which requires formal review and approval by the Board of Directors for any substantive revisions. Governance best practices as well as Section 23 of the policy itself require the policy to be reviewed at least every five (5) years, or more frequently when significant changes occur in accounting standards, federal regulations, or Authority operations. The Policy was last revised on December 7, 2016. Staff has conducted a comprehensive review and prepared proposed updates to align the Authority's capital asset management practices with current Governmental Accounting Standards Board (GASB) pronouncements, Federal Transit Administration (FTA) requirements, and strengthened internal controls, with a proposed effective date of January 1, 2027 which applies to depreciable assets acquired on or after January 1, 2027.

Identify Need:

The current policy establishes the single-asset capitalization threshold at $5,000. For a transit agency of this size, a $10,000 threshold is more appropriate and aligns with industry best practices and the recent update to FTA Circular 5010.1F. In addition, new GASB standards have introduced updated accounting requirements for leases (GASB Statement No. 87), subscription-based information technology arrangements, or SBITAs (GASB Statement No. 96), and other capital asset transactions.

Financial Impact:

Raising the capitalization threshold from $5,000 to $10,000 changes the timing of expense recognition for qualifying single-asset purchases and SBITAs between $5,000 and $9,999. Under the previous policy, tangible assets, and multi-year software subscriptions in this range were capitalized as right-to-use or capital assets and expensed gradually over their useful lives or subscription terms through depreciation or amortization. Under the revised threshold, individual assets and qualifying SBITAs below $10,000 will be expensed as incurred, unless they qualify as part of a financially significant aggregate group.

For clarification, the $10,000 threshold for SBITAs applies to the total present value of the subscription, not just one year's payment.

While this results in a higher upfront operating expense recognition rather than multi-year depreciation or amortization, total cash outflow and total cost over the life of the asset or subscription remain unchanged. All capital projects listed in the five (5) year Capital Improvement Program (CIP) have an estimated acquisition cost exceeding the $10,000 threshold. This change is prospective and does not affect any capital assets, leases, or SBITAs recorded prior to January 1, 2027.

The new provisions of the policy pertaining to new GASB pronouncements are required for accounting compliance and formalize practices already implemented by staff to

achieve clean financial audits and earn the GFOA Certificate of Achievement for Excellence in Financial Reporting.

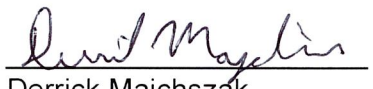
Recommendation

Staff requests the Board of Directors Amend the Capital Asset Policy to Reflect New GASB Standards and Increase Capitalization Threshold from $5,000 to $10,000.

Respectfully Submitted,

Submitted by: Marie Sandra Roddel
Director of Finance

Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: 
Derrick Majchszak
Chief Executive Officer

Corpus Christi Regional Transportation Authority

CAPITAL ASSET POLICY

Effective Date: January 1, 2027

Previous Policy Revision Date: December 7, 2016

Submission to the Administration & Finance Committee: November 18, 2026

Final Review: December 2, 2026, Board of Directors Meeting

Board Approval Date: Pending

Summary of Proposed Revisions

This summary describes the revisions developed for this draft following the December 7, 2016 policy revision. It is intended for Board consideration and may also be used in the Board agenda materials. It summarizes this draft's changes rather than a complete comparison with the 2016 policy. Board approval remains pending; the proposed effective date is January 1, 2027.

- **Capitalization and accounting:** Establishes a $10,000 single-asset threshold; clarifies integrated systems, significant aggregate acquisitions, and group records; and connects valuation, depreciation, and amortization to the applicable GASB standards (Statements No. 34,42,51,87, and 96).
- **Roles and Responsibilities:** Assigns accounting-treatment responsibility to the Director of Finance and clarifies Finance's coordination with Procurement, IT, and asset-custodial departments. Requires appropriate methods and documented approvals under the Procurement Policy.
- **Acquisition and project accounting:** Describes initial posting to current year acquisition costs and year-end reclassification to asset accounts or construction in progress based on project status.
- **Leases and software (GASB 87,51, & 96):** Expands guidance on lease modifications, remeasurements, terminations, and software subscription/cloud arrangements complete with decision tables, a Contract Review Checklist (Section 14.7), and a Year-end Reconciliation Checklist (Section 14.8).
- **Inventory, TAM and & IT Safeguards:** Designates Finance's fixed-asset model as the official baseline record, requires pre-count reconciliations with Transit Asset Management (TAM) software, mandates an Asset Transfer Form prior to any relocation, and requires documented IT data sanitation prior to equipment disposal.
- **Impairment, Federal Interest, & Controls:** Expands rules on asset impairment and insurance recoveries, reinforces FTA Circular 5010.1F disposition and continuing federal-interest compliance, adds resiliency planning, and enforces strict records retention and separation of duties.

Table of Contents

1. PURPOSE 4
2. AUTHORITY 4
   2.1 Application of GASB Standards 4
3. POLICY STATEMENT 4
4. DEFINITIONS 4
   4.1 Single Assets and Integrated Systems 5
   4.2 Aggregate Acquisitions Below the Individual Threshold 5
   4.3 Group Records and Below-Threshold Controls 5
5. ROLES AND RESPONSIBILITIES 5
6. ACQUISITION OF CAPITAL ASSETS 6
   6.1 Leased Equipment and Other Leases—GASB 87 7
      6.1.1 Lease Modifications 8
      6.1.2 Remeasurement of Existing Leases 8
      6.1.3 Partial and Full Lease Terminations 9
      6.1.4 Documentation, Review, and Reporting 10
7. VALUATION OF CAPITAL ASSETS 11
8. CONSTRUCTION IN PROGRESS 11
9. DEPRECIATION 11
10. TRANSIT ASSET MANAGEMENT 11
11. ASSET INVENTORY AND CONTROL 12
12. PHYSICAL INVENTORY 12
13. INFORMATION TECHNOLOGY ASSETS 13
14. IT SOFTWARE ACQUISITIONS 13
   14.1 Classification and Review 13
   14.2 Purchased and Perpetually Licensed Software 13
   14.3 Internally Generated Software and Enhancements 13
   14.4 Software Subscriptions and Cloud Arrangements 14
   14.5 Subscription Implementation Costs 16
   14.6 Amortization and Software Records 16
   14.7 Contract Review Checklist 16
   14.8 Year-End Reconciliation Checklist 17

15. CYBERSECURITY AND DATA PROTECTION 18
16. IMPAIRMENT OF ASSETS 18
16.1 Indicators and Assessment 18
16.2 Measurement and Accounting 18
16.3 Temporary Impairment and Idle Assets 19
16.4 Leased Assets and Software 19
16.5 Insurance Recoveries 19
16.6 Documentation, Review, and Federal Interest 19
17. TRANSFER OF ASSETS 20
18. DISPOSAL OF ASSETS 20
18.1 Review and Authorization 20
18.2 Disposal Method and Safeguards 20
18.3 Accounting and Disposal Records 21
18.4 Federally Assisted Disposals 21
19. FEDERALLY FUNDED ASSETS 22
19.1 Funding Identification and Property Records 22
19.2 Authorized Use and Continuing Federal Interest 22
19.3 Inventory, Safeguarding, and Maintenance 23
19.4 Disposition, Proceeds, and Closeout 23
20. RISK MANAGEMENT AND RESILIENCY 23
21. RECORDS RETENTION 24
22. INTERNAL CONTROL AND COMPLIANCE 24
22.1 Authorization and Documentation 24
22.2 Separation of Duties 24
22.3 Responsibilities and Monitoring 24
22.4 Corrective Action and Information Safeguards 25
23. POLICY REVIEW 25

1. PURPOSE

The purpose of this policy is to establish standards for acquisition, capitalization, inventory management, safeguarding, depreciation, transfer, impairment, and disposal of capital assets.

2. AUTHORITY

This policy shall be administered in accordance with generally accepted accounting principles (GAAP), applicable Governmental Accounting Standards Board (GASB) standards and implementation guidance, 2 CFR Part 200, applicable FTA requirements, and Texas law. Relevant GASB standards include Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments; Statement No. 87, Leases; Statement No. 96, Subscription-Based Information Technology Arrangements; Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, where applicable. These standards shall be applied as amended or superseded.

2.1 Application of GASB Standards

GASB Statement No. 34 provides the financial-reporting framework for capital assets, including applicable capital-asset reporting and depreciation requirements. GASB Statement No. 87 governs qualifying equipment and other nonfinancial-asset leases. GASB Statement No. 96 governs qualifying software subscription arrangements, including software combined with tangible IT assets when within its scope. Purchased, perpetually licensed, and internally generated software shall be evaluated under GASB Statement No. 51 where applicable. Finance shall apply the specific recognition, measurement, and disclosure requirements of the governing standard and determine the appropriate accounting treatment for each financial transaction.

3. POLICY STATEMENT

The Authority shall maintain complete and accurate records of all capital assets in accordance with all applicable accounting standards, regulatory requirements, award conditions, and guidance identified in Section 2.

4. DEFINITIONS

Capital assets include tangible and identifiable intangible property with useful lives greater than one year. The capitalization threshold for a single asset is $10,000 unless revised by the Board. Application of the threshold shall consider the appropriate unit of account and the significance of assets in the aggregate, as described below. Software and subscription arrangements are also subject to Section 14.

4.1 Single Assets and Integrated Systems

A single asset is an independently functioning item. Capitalize a qualifying single asset when its total acquisition cost, including directly attributable ancillary costs necessary to place it into service, meets or exceeds $10,000. Components that function together as one integrated asset shall be evaluated using the total qualifying cost of the system, rather than the cost of each component. Finance shall document the unit of account. Unrelated items shall not be combined solely because they appear on one invoice, and purchases shall not be divided to avoid capitalization.

4.2 Aggregate Acquisitions Below the Individual Threshold

Assets with individual acquisition costs below the $10,000 single-asset threshold shall be capitalized as a group when their aggregate value is significant to the Authority's financial statements. Assets may be grouped only when they are related, such as items of a similar type, function, or useful life, or items acquired for a common project, replacement program, or purchasing objective. Unrelated assets shall not be grouped solely because they were purchased together or because their combined cost is significant. Examples include coordinated acquisitions of computers, furniture, or similar equipment with useful lives greater than one year. A combined cost above $10,000 does not, by itself, establish that a group of otherwise independent assets is significant. Because of the complexity of this requirement, the Director of Finance will make the determination for aggregate acquisitions.

Finance shall evaluate related acquisitions made as part of a common project, replacement program, or coordinated purchasing objective, including those made through separate invoices or purchase orders. Finance shall also review similar asset acquisitions throughout the fiscal year to identify significant aggregate amounts. The Director of Finance shall approve and document a consistently applied significance methodology, the grouping rationale, qualifying costs, useful lives, and each capitalization decision. This policy does not establish a separate dollar threshold for aggregate acquisitions.

4.3 Group Records and Below-Threshold Controls

Capitalized groups shall be supported by records identifying their constituent items, quantities, locations or custodians, acquisition costs, in-service dates, and useful lives. Records shall support depreciation and the removal of retired, transferred, lost, or disposed items. Assets expensed because they do not qualify for capitalization remain subject to applicable inventory, safeguarding, cybersecurity, and grant requirements.

5. ROLES AND RESPONSIBILITIES

The Board, CEO, Director of Finance, Finance Department, Procurement Department, IT Department, and Department Directors share responsibility for asset stewardship.

- **Board of Directors**: Reviews and adopts the Capital Asset Policy, approves capitalization thresholds, and authorizes capital budgets, major asset acquisitions, and disposals in accordance with delegated authority and Texas law.
- **Managing Director of Administration**: Oversees organizational compliance including STIP and TIP requirements.
- **Director of Finance**: Assigns unique assets identification tags and maintains tag numbers in the fixed asset module. Determines, documents, and applies the appropriate accounting treatment for asset transactions under applicable GASB standards and federal requirements, obtaining qualified technical advice when necessary. Approves aggregate capitalization methodologies, reviews significant lease or impairment adjustments, and oversees policy compliance. This responsibility does not replace required Board, Federal Transit Administration (FTA), or other approvals.
- **Finance Department**: Leads capital asset accounting, fixed-asset recordkeeping, tagging of capital assets, depreciation and amortization schedules, grant-funding verification, and year-end inventory reconciliations in coordination with Procurement, IT, Grants personnel, and custodial departments.
- **Procurement Department**: Ensures capital assets are acquired using the appropriate procurement method and documented approvals required by the Authority's Procurement Policy, and coordinates purchase records with Finance.
- **Information Technology (IT) Department**: Maintains technology hardware and software inventories, assists Finance in evaluating software and cloud subscriptions, and executes technical cybersecurity and data-sanitization controls prior to IT asset disposal or release under Sections 13–15.
- **Grants Personnel:** Verifies and coordinates project inclusion in the Corpus Christi Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP) and the Texas Department of Transportation (TxDOT) Statewide Transportation Improvement Program (STIP).
- **Custodial Departments:** Confirm TIP and STIP programming status with Grants and Finance prior to requesting Board project approval or initiating federally funded capital acquisitions. Maintain physical custody and proper use of assigned assets, submit timely Asset Transfer Forms prior to location changes, and provide accurate supporting records for acquisitions, physical inventories, impairments, and disposals.

6. ACQUISITION OF CAPITAL ASSETS

Capital assets may be acquired by purchase, construction, grants, donation, lease, or transfer. Capital assets shall be acquired only through the appropriate procurement method prescribed by the Authority's Procurement Policy. Documentation identifying the procurement method used and evidencing the approvals required by the Procurement Policy shall be retained in accordance with Section 21.

Before initiating procurement or committing funds for capital projects intended to use federal or state assistance, the sponsoring department, Managing Director of Administration, and Grants personnel shall verify that the project is properly programmed in the Corpus Christi MPO Transportation Improvement Program (TIP) and the TxDOT Statewide Transportation Improvement Program (STIP) with an active funding authorization. Board approval of a project or budget does not substitute for TIP/STIP inclusion or federal grant obligation.

Finance shall coordinate acquisition accounting and asset record setup with Procurement, IT for technology acquisitions, and the acquiring or custodial department, while preserving the procurement and approval responsibilities established by the Procurement Policy.

6.1 Leased Equipment and Other Leases—GASB 87

Finance shall evaluate equipment, vehicle, building, and other nonfinancial-asset contracts to determine whether they convey control of the right to use another entity's asset for a period of time in an exchange or exchange-like transaction. Qualifying leases shall be accounted for under GASB Statement No. 87, subject to its exclusions and exceptions. The $10,000 purchase capitalization threshold or an individual rental payment shall not, alone, determine lease recognition; any materiality assessment shall be documented.

At commencement, qualifying leases are recognized with a lease liability and an intangible right-to-use (ROU) lease asset. The liability is measured as the present value of payments required by GASB Statement No. 87, reflecting applicable lease incentives. The ROU lease asset is measured using the initial liability, applicable payments at or before commencement, and qualifying direct costs. Documentation retained includes the lease term, extension and termination options, discount rate, payment schedule, and relevant contract components. Lease liabilities are reduced as principal payments are made, with interest recognized accordingly. Lease assets are amortized over the shorter of the lease term or the underlying asset's useful life, unless otherwise required by specific GASB guidance.

Short-term leases have a maximum possible contractual term of 12 months or less, including extension options regardless of the likelihood of exercise. Short-term lease payments are recognized as expenditures or expenses in accordance with the applicable basis of accounting. Finance shall separately evaluate contracts transferring ownership for financed-purchase treatment under GASB Statement No. 87 rather than automatically recording them as right-to-use leases.

Finance shall maintain a lease register and supporting contracts, valuation and amortization schedules, modification and termination records, and required financial-statement disclosures. Departments shall notify Finance of new leases and changes to existing arrangements. See Sections 14.7 and 14.8 for cross-reference.

6.1.1 Lease Modifications

Finance shall evaluate amendments that change the contract price, lease term, or underlying assets during the reporting period in which the amendment occurs. An amendment that decreases the Authority's right to use the underlying asset shall be treated as a partial or full termination under Section 6.1.3. Exercising an option already contained in the original contract is not itself a contract amendment and shall be evaluated under the remeasurement provisions in Section 6.1.2.

Lease modifications are accounted for as separate leases only when the amendment adds one or more underlying assets not included in the original contract and the resulting increase in lease payments is reasonable under the amended contract's terms. When both conditions are not met, the existing lease liability is remeasured as of the modification date—not retrospectively from the original commencement date—and the lease asset is adjusted by the difference between the remeasured liability and the liability immediately prior to the modification.

6.1.2 Remeasurement of Existing Leases

Finance shall remeasure the lease liability when a qualifying change is expected to significantly affect its amount. Qualifying changes include a change in the lease term; a change in whether payment of a residual value guarantee is reasonably certain; a change in whether exercise of a purchase option is reasonably certain; a change in estimated payments already included in the liability, other than changes solely in an index or rate; a change in the interest rate charged by the lessor when that rate was used to measure the liability; or resolution of a contingency that causes previously variable payments to become fixed for the remaining lease term.

The Authority reassesses the lease term when either party exercises—or elects not to exercise—an existing option contrary to the prior reasonably-certain assessment, or when a contractually specified event mandates an extension or termination. Finance documents the triggering event and resulting assessment, as routine annual reviews alone do not automatically alter the recognized lease term.

When remeasurement is required, the lease liability is recalculated using the revised remaining payments as of the applicable change date, and the lease asset is adjusted accordingly under applicable GASB guidance. The discount rate is updated when required by specific triggers—such as qualifying lease term changes, changes in the lessor's interest rate, or resolved contingencies affecting includable payments—rather than automatically substituting a new annual borrowing rate. Remeasurement is not triggered solely by changes in an index or rate used for variable payments or changes in the Authority's incremental borrowing rate.

6.1.3 Partial and Full Lease Terminations

An amendment that shortens the contractual period of use or removes underlying assets shall be evaluated as a partial or full lease termination. Upon lease termination, the Authority reduces the carrying values of the lease liability and lease asset attributable to the terminated rights and recognizes any difference as a gain or loss. For partial terminations, the balances associated with the remaining rights are retained, and the related payment and amortization schedules are updated accordingly. Finance documents the basis used to allocate carrying amounts to the terminated portion.

When a lease terminates because the Authority purchases the underlying asset from the lessor, the right-to-use lease asset is reclassified to the appropriate owned-asset category rather than written off. Settlement of the lease liability and the asset acquisition are accounted for in accordance with applicable GASB guidance.

Lease Change Decision Table—Sections 6.1.1–6.1.3

Decision / Condition	*Accounting Treatment / Policy Reference*
Separate lease *Amendment adds assets not in the original contract, and the additional payments do not appear unreasonable.*	Account for the additional rights as a separate lease. Both conditions must be met. See Section 6.1.1.
Modification of the existing lease *Amendment does not decrease rights of use and does not qualify as a separate lease.*	Remeasure the existing liability from the modification date, not the original commencement date. Adjust the lease asset by the change in the liability. See Section 6.1.1.
Remeasurement event *A qualifying change is expected to significantly affect the liability.*	Evaluate changes in term, residual value guarantees, purchase-option certainty, estimated includable payments, the lessor's interest rate, or resolved payment contingencies. Use revised remaining payments; adjust the asset and update the discount rate when required for the trigger. Existing option exercises follow these provisions rather than automatically being contract modifications. See Section 6.1.2.
No standalone remeasurement *Only a variable-payment index/rate or the Authority's incremental borrowing rate changes.*	Do not remeasure solely for these changes. Routine annual review does not automatically change the recognized lease term. See Section 6.1.2.
Partial termination *Amendment reduces the period of use or removes some underlying assets; rights remain.*	Reduce asset and liability carrying values for terminated rights and recognize the difference as a gain or loss. Document allocation to the terminated portion; retain remaining balances and update schedules. See Section 6.1.3.
Full termination *Amendment ends all remaining rights of use, other than termination through purchase.*	Remove carrying values attributable to the terminated lease rights and liability; recognize the difference as a gain or loss. See Section 6.1.3.
Termination through purchase *The Authority purchases the underlying asset from the lessor.*	Reclassify the right-to-use asset to the appropriate owned-asset category and account for liability settlement and purchase under applicable guidance. Do not automatically write off the asset. See Section 6.1.3.

6.1.4 Documentation, Review, and Reporting

Departments shall promptly provide Finance with executed amendments, option-exercise notices, termination agreements, revised payment terms, and evidence of equipment returns or purchases. Finance shall retain an accounting memorandum identifying the change date, whether the transaction is a separate lease, modification, remeasurement, or termination, and the applicable accounting basis. Supporting records shall include pre-

change carrying amounts, revised cash flows, discount-rate and term assessments, asset and liability adjustments, any termination gain or loss, and updated schedules and disclosures. The Director of Finance shall review significant or complex lease changes before the accounting entries are finalized.

7. VALUATION OF CAPITAL ASSETS

Capital assets shall be valued and reported in accordance with applicable GASB Statement No. 34 requirements and the other governing standards identified in Section 2. Historical cost shall include qualifying ancillary costs. Finance shall apply the capitalization threshold and related criteria in Section 4, including the $10,000 single-asset threshold, integrated-system treatment, and significant aggregate acquisitions. Net carrying amounts shall reflect applicable accumulated depreciation or amortization under Sections 9, 6.1, and 14, and impairment adjustments under Section 16. Lease and software asset measurement shall follow the applicable GASB standards rather than automatically using purchase-cost treatment.

8. CONSTRUCTION IN PROGRESS

All acquisition costs shall initially be posted to the general ledger account named "Current Year Acquisitions". At year-end, Finance shall identify fully completed projects and perform the related project closeout review. Costs of completed projects and other completed acquisitions shall be transferred to the respective asset classification accounts. Costs associated with projects still in progress shall be transferred to the "Construction in Progress" general ledger account and remain there until the projects are completed and assets are placed into service. Classification and capitalization shall follow the applicable criteria in Sections 4, 6.1, 7, and 14.

9. DEPRECIATION

The Authority depreciates tangible capital assets—including qualifying capitalized groups—using the straight-line method over their estimated useful lives in accordance with applicable GASB Statement No. 34 requirements. Land is not depreciated. Right-to-use lease assets are amortized under GASB Statement No. 87 and Section 6.1. Software and subscription assets are amortized under the applicable standard as provided in Section 14.

10. TRANSIT ASSET MANAGEMENT

Responsible departments shall maintain compliance with applicable FTA Transit Asset Management (TAM) requirements for the assets under their responsibility, using the Authority's official tracking software to maintain the required TAM records. At year-end, before the inventory count, responsible departments shall compare TAM records in the official tracking software with the Finance Department's official asset listing and supplemental records under Section 12, in coordination with Finance.

11. ASSET INVENTORY AND CONTROL

Finance shall maintain comprehensive asset inventory and control records in the fixed asset modules of its accounting system. Upon acquisition setup, Finance shall assign a unique asset identification tag number to each qualifying capital asset—and to controlled non-capitalized assets as applicable—and record the tag number in the fixed asset module. Custodial departments—or IT for technology hardware—shall affix physical tags promptly upon receipt before placing the asset into service. For assets where physical tagging is impractical (such as land, infrastructure, or intangible assets), Finance shall record alternative unique identifiers such as serial numbers, or Vehicle Identification Numbers (VINs), in the asset register. Custodial departments shall notify Finance immediately if an asset tag becomes damaged, illegible, or detached so a replacement tag can be issued along with disposal of assets for tag retirement and transfer of assets for location changes.

12. PHYSICAL INVENTORY

Finance shall provide the official asset listing from the fixed asset modules of its accounting system under Section 11, using a documented inventory cutoff date, as the baseline for year-end inventory verification and physical counts. Finance shall supplement the listing with grant-property and other controlled-asset records when needed to cover the required inventory scope. Departments shall verify listed assets and identify assets found but not listed, missing assets, and location or condition discrepancies. Finance shall investigate and reconcile differences and update its asset schedules and related records from supported results; departmental lists shall not replace the official Finance baseline. The TAM and Finance records comparison required by Section 10 shall be completed before the year-end inventory count.

Physical inventories of grant-funded assets subject to Federal Transit Administration (FTA) inventory requirements are conducted and reconciled at least biennially. CCRTA may conduct more frequent inventory counts of capital assets as needed and shall follow any more frequent counts required by other applicable guidance or award conditions. Finance shall oversee an annual year-end inventory review and reconciliation, working closely with asset-custodial departments, IT for technology assets, and Procurement for supporting acquisition records. Year-end inventory counts may be performed by in-house personnel, outsourced service providers, or a combination of both. Use of an outsourced provider does not relieve Finance, responsible departments, or the Director of Finance of their responsibilities under this section. Departments shall verify asset identification, location, custody, use, and condition and provide supporting records, including properly executed Asset Transfer Forms under Section 17. Finance shall reconcile the results to its asset schedules and inventory records, investigate discrepancies with the departments, and document corrections and unresolved items. The Director of Finance shall oversee completion and compliance with applicable requirements. Coordinate lease and software reconciliations with Section 14.8.

13. INFORMATION TECHNOLOGY ASSETS

Appropriate technology asset controls are applied to all hardware and IT equipment to ensure proper tracking, security, and accountability. Outright hardware acquisitions and capitalized hardware groups remain subject to Section 4 and applicable GASB Statement No. 34 reporting requirements. Leased equipment shall be evaluated under Section 6.1 and GASB Statement No. 87. Software acquisitions, subscriptions, and combined software-and-equipment arrangements shall be classified under Section 14.

14. IT SOFTWARE ACQUISITIONS

14.1 Classification and Review

Before acquiring, renewing, or materially modifying software, the requesting department and IT shall provide Finance with the contract, licensing terms, expected period of use, implementation scope, and itemized costs. Finance shall determine whether the arrangement is purchased or perpetually licensed software subject to GASB Statement No. 51, a subscription-based information technology arrangement (SBITA) subject to GASB Statement No. 96, or a service or other arrangement requiring different accounting. Contract substance, rather than the vendor's description or billing frequency, shall govern classification.

For contracts combining software and equipment, Finance shall apply the GASB scope provisions. An arrangement that meets the GASB Statement No. 87 lease definition and has a software component insignificant compared with the underlying tangible capital asset shall be evaluated under GASB Statement No. 87. Software-only subscriptions and software-and-equipment arrangements within the SBITA scope shall be evaluated under GASB Statement No. 96. Perpetual software licenses are excluded from GASB Statement No. 96 and remain subject to GASB Statement No. 51 where applicable; IT-support-only service contracts are not SBITAs.

14.2 Purchased and Perpetually Licensed Software

Purchased or perpetually licensed software shall be capitalized as an intangible asset when it is identifiable, has a useful life greater than one year, and meets the applicable capitalization criteria in Section 4. Finance shall determine the qualifying acquisition and implementation costs necessary to make the software operational. Related licenses or modules shall be assessed using the appropriate unit of account and aggregate-significance provisions; recurring support and service charges shall not automatically be included in the software asset.

14.3 Internally Generated Software and Enhancements

Internally developed software, including qualifying development or modification performed by contractors, shall be evaluated under GASB Statement No. 51. Development outlays shall not be capitalized until the applicable recognition conditions have been satisfied and documented by Finance. Outlays incurred before those conditions are met shall be

expensed. Project records shall distinguish qualifying development costs from preliminary evaluation, training, maintenance, and other noncapitalizable costs. Subsequent enhancements shall be capitalized only when they meet the applicable GASB recognition criteria; routine maintenance and support shall be expensed.

14.4 Software Subscriptions and Cloud Arrangements

Finance shall evaluate software subscriptions and cloud contracts under GASB Statement No. 96. Qualifying arrangements that convey control of the right to use a vendor's IT software for a specified period in an exchange or exchange-like transaction are recognized upon commencement—when the software is placed into service—by recording a right-to-use subscription asset and corresponding subscription liability, subject to applicable GASB exceptions and documented materiality thresholds. Neither annual billing nor the $10,000 single-asset threshold alone determines treatment.

Subscription liabilities are measured at the present value of subscription payments required under GASB Statement No. 96. The corresponding subscription asset is measured as the initial liability plus applicable pre-commencement payments and capitalizable implementation costs, less applicable vendor incentives. For each qualifying arrangement, Finance documents the subscription term, renewal and termination options, discount rate, payment schedule, and allocation between subscription and non-subscription components.

Arrangements qualify for the short-term exception only when the maximum possible contractual term at commencement is 12 months or less—including extension options regardless of exercise probability but excluding qualifying cancellable periods. Annual billing cycles alone do not establish short-term eligibility. Payments for qualifying short-term subscriptions are recognized as expenditures or expenses under the applicable basis of accounting.

Departmental reassignment. Changing the paying or using department does not exempt a subscription from GASB 96 or restart its term. Determinations of contract terms and accounting applicability are based on the Authority's legally enforceable rights and obligations rather than departmental budgets or annual purchase orders.

Renewal and cancellation rights. One-party extension options are included in the maximum possible contractual term regardless of the probability of exercise. Renewal periods during which both parties may independently terminate without the other's permission are excluded. These bilateral termination rights are distinguished from clauses permitting termination solely for breach or specified events, and Finance documents the resulting enforceable term for each agreement. Choosing not to renew does not retroactively establish short-term eligibility.

Separate annual contracts. Genuinely separate contracts of 12 months or less with no extension rights may qualify as short-term. A history or expectation of new annual contracts alone does not create an enforceable multiyear obligation; actual contract and renewal rights govern.

Subscription Decision Table—Section 14.4

Decision / Condition	*Accounting Treatment / Policy Reference*
Qualifying subscription *Contract conveys control of the right to use vendor IT software for a period in an exchange or exchange-like transaction.*	Apply GASB 96. At commencement, when placed into service, recognize a subscription asset and liability, subject to applicable exceptions and documented materiality. Measure amounts and document terms as required by Section 14.4.
Annual billing or purchase threshold *Payments are billed annually or compared with the $10,000 single-asset threshold.*	Neither factor alone determines recognition or eligibility for the short-term exception. Evaluate the contract's enforceable rights and obligations. See Section 14.4.
Short-term exception *Maximum possible term at commencement is 12 months or less after applying the renewal and cancellation rules.*	Recognize payments as expenditures or expenses under the applicable accounting basis. Include extension options regardless of exercise probability; exclude qualifying cancellable periods. See Section 14.4.
One-party extension option *Only one party holds an option to extend.*	Include the option period in the maximum possible term regardless of exercise probability. If that term exceeds 12 months, the short-term exception does not apply. See Section 14.4.
Mutually cancellable renewal period *Both parties independently may terminate without the other's permission.*	Exclude the qualifying cancellable renewal period from the maximum possible term. Document the rights and enforceable term; reassess short-term eligibility using the remaining term. See Section 14.4.
Conditional cancellation or nonrenewal *Termination is permitted only for breach or specified events, or a party chooses not to renew.*	Distinguish conditional termination from qualifying cancellable periods. A decision not to renew does not retroactively establish short-term eligibility at commencement. See Section 14.4.
Departmental reassignment *The paying or using department changes.*	No exemption or restart of the contract term arises solely from reassignment. Evaluate Authority-wide enforceable rights and obligations, not departmental budgets or annual purchase orders. See Section 14.4.
Genuinely separate annual contracts *Each contract is 12 months or less with no extension rights.*	May qualify as short-term. A history or expectation of new annual contracts alone does not create an enforceable multiyear obligation; actual contract and renewal rights govern. See Section 14.4.

14.5 Subscription Implementation Costs

Preliminary project-stage costs, including evaluation of alternatives and vendor selection, shall be expensed. Qualifying initial implementation-stage costs necessary to place the subscription asset into service shall be capitalized. Operation and additional implementation-stage costs shall be expensed unless they satisfy the specific GASB capitalization criteria. Training costs shall be expensed regardless of the project stage. Finance shall classify costs by the nature of the activity and require supporting invoices and project records.

14.6 Amortization and Software Records

Capitalized purchased and internally generated software with finite useful lives shall be amortized over its estimated useful life, considering applicable contractual or legal limitations. Subscription assets shall be amortized over the subscription term. Finance shall document commencement of amortization when the software is placed into service and account for contract modifications, impairment, and retirement under applicable GASB guidance.

IT shall maintain a software and subscription inventory identifying the vendor, license or contract, authorized users or license quantities, responsible department, term, renewal dates, and restrictions on use. Finance shall maintain supporting capitalization decisions, qualifying costs, in-service dates, amortization schedules, subscription liabilities, and required disclosures. IT and Finance shall reconcile their records and coordinate deactivation, termination, and data protection at retirement.

14.7 Contract Review Checklist

Finance, IT, and requesting departments shall use this checklist, as applicable, for new, renewed, amended, or terminated leases and software contracts. Sections 6.1, 14.1, and 14.4 govern.

- **Contract package:** Collect contracts, license terms, expected use, implementation scope, and itemized costs; for changes, include executed amendments, option notices, termination agreements, revised payments, and return or purchase evidence.
- **Classification:** Identify GASB 87 leases, GASB 96 subscriptions, GASB 51 purchased/perpetual software, or services/other arrangements. Apply Section 14.1 to combined software/equipment; contract substance governs.
- **Rights and term:** Document use rights, commencement/in-service date, contractual term, extensions, and termination provisions. Distinguish one-party extensions, mutually cancellable renewals, and breach/event-only termination.
- **Short-term test:** Assess maximum possible term at commencement under the applicable standard. For subscriptions, include extensions regardless of probability; exclude qualifying cancellable periods. Annual billing or nonrenewal alone does not establish eligibility.

- **Recognition:** Document treatment, exceptions, and materiality. Neither the $10,000 purchase threshold nor annual payment alone determines lease/subscription accounting.
- **Annual contracts/reassignment:** Authority-wide enforceable rights govern, not budgets or purchase orders. Reassignment does not restart the term. Separate annual contracts may be short-term; renewal history or expectations alone do not create a multiyear obligation.
- **Measurement:** Document discount rate, payments, required present values, prepayments, incentives, qualifying implementation/direct costs, and component allocations under the governing standard.
- **Lease changes:** Classify separate leases, modifications, remeasurement, or partial/full termination under Sections 6.1.1–6.1.3. Record change date, prior balances, revised cash flows, term/rate assessments, asset/liability adjustments, and termination gain/loss.
- **Records/reporting:** Retain the accounting memorandum, calculations, and accounting basis; update payment/amortization schedules, contract records, and required disclosures.
- **Review:** Obtain Director of Finance review of significant or complex lease changes before finalizing entries; retain support for Finance's classification and accounting decisions.

14.8 Year-End Reconciliation Checklist

Finance, IT, and responsible departments shall reconcile lease and software records at year-end using Sections 6.1 and 14.6 and the contract reviews in Section 14.7.

- **Inventory completeness:** Compare lease registers, IT software/subscription inventories, contracts, and Finance records; identify omitted, duplicate, expired, or terminated arrangements.
- **Contract changes:** Confirm new contracts, renewals, amendments, option exercises, terminations, purchases, and departmental reassignments are reflected in the registers and accounting records.
- **Asset balances:** Reconcile capitalized software and right-to-use asset costs and accumulated amortization to supporting schedules and the general ledger; verify in-service dates, terms, and documented useful lives.
- **Liability balances and payments:** Reconcile lease and subscription liabilities to payment schedules and the general ledger; verify payments, principal reductions, interest, and supported remeasurement adjustments.
- **Amortization and retirements:** Reconcile annual amortization to the schedules and ledger; confirm impairment, retirement, termination gains/losses, and reclassification of purchased leased assets are supported and recorded under the applicable provisions.
- **Future payments and disclosures:** Agree remaining payment schedules and required disclosures to the reconciled registers, contracts, and asset/liability balances.

- **Differences and supporting records:** Investigate discrepancies, document corrections and unresolved items, and retain the reconciliation, accounting memoranda, contracts, and calculations. Obtain required Director of Finance review of significant or complex lease changes under Section 6.1.4.

15. CYBERSECURITY AND DATA PROTECTION

The IT Department shall have primary responsibility for technical cybersecurity and data-protection controls for the Authority's IT assets. Before disposal or release of IT equipment under Section 18, IT shall perform or oversee data sanitization, remove Authority access and credentials, and document completion. Responsible departments shall coordinate with IT before releasing equipment. Finance shall retain the related asset and disposal records under Sections 18 and 21. These responsibilities shall be coordinated with software retirement under Section 14 and information safeguards under Section 22.4.

16. IMPAIRMENT OF ASSETS

Apply GASB Statement No. 42, as amended, and related requirements for intangible, lease, and subscription assets. Impairment is a significant, unexpected decline in service utility—the ability to provide services—not ordinary depreciation or merely lower resale value.

16.1 Indicators and Assessment

Departments shall promptly report physical damage, regulatory or environmental restrictions, technological obsolescence, changes in manner or duration of use, and construction stoppage to Finance. Finance shall assess whether lost service utility is large in magnitude and outside the normal lifecycle. Reduced utilization or surplus capacity alone does not establish impairment.

16.2 Measurement and Accounting

For impaired capital assets that remain in use, the impairment loss is measured using the method that best reflects the decline in service utility: the restoration cost approach for physical damage; the service units approach for regulatory, legal, or environmental restrictions or technological obsolescence; and either the service units or deflated depreciated replacement cost approach for changes in the manner or duration of use. Repair expenditures alone do not automatically establish the amount of an impairment loss.

For impaired assets that are no longer in use, the asset is reported at the lower of its carrying value or fair value. Supported impairment adjustments are recorded in the applicable reporting period, reconciled across the capital asset register, supporting schedules, and general ledger, and fully documented as to measurement, financial statement presentation, and required disclosures.

16.3 Temporary Impairment and Idle Assets

Capital assets experiencing demonstrably temporary impairment are not written down, and Finance retains factual documentation supporting the temporary nature of the condition. Once an impairment loss is recognized, it is not reversed in subsequent periods merely because service utility or surrounding circumstances improve. At year-end, the Authority discloses the description and carrying amount of any impaired capital assets that remain idle, regardless of whether the impairment is permanent or temporary.

16.4 Leased Assets and Software

Impairment evaluations are governed by GASB Statements No. 42 and No. 87 for right-to-use lease assets, and by applicable provisions of GASB Statements No. 51 and No. 96 for intangible software and subscription-based IT assets. Impairment is distinguished from a lease or subscription modification or termination, as asset impairment alone does not eliminate the related lease or subscription liability. Any contractual payment changes are evaluated separately in coordination with Sections 6.1 and 14, and all required lease-loss components and liability adjustments are disclosed in the financial statements.

16.5 Insurance Recoveries

Insurance recoveries related to capital asset impairments are recognized only when applicable GASB recognition criteria are met, and unsubstantiated expected payments are not offset against impairment losses. In accrual-basis financial statements, recoveries realized or realizable in the same fiscal year as the impairment loss are netted with the loss as required by GASB, whereas recoveries recognized in subsequent years are reported separately under applicable accounting rules. Restoration or replacement expenditures are accounted for separately as either repairs or capital additions under the relevant basis of accounting, and insurance recoveries are disclosed in the financial statements when not otherwise apparent.

16.6 Documentation, Review, and Federal Interest

For all evaluated impairments, Finance retains complete supporting documentation—including the event description and date, asset identification and carrying amount, service-utility assessment, temporary or permanent determination, measurement method and supporting evidence, journal entries, insurance details, and financial statement disclosures. All significant impairment conclusions and measurements require review and approval by the Director of Finance, and material impairment losses are disclosed by description, amount, and financial statement classification when not otherwise apparent. For federally assisted assets, incident reporting, insurance claims, continued use, and asset disposition are coordinated in strict compliance with applicable federal funding requirements. An impairment write-down neither authorizes disposal nor ends FTA's federal interest; Sections 18 and 19 still apply.

17. TRANSFER OF ASSETS

Assets shall not be transferred from one location to another without proper execution of the official Asset Transfer Form before the transfer. This requirement applies to moves within a department as well as interdepartmental transfers. The properly executed form shall be submitted to Finance so that Finance can update the asset's location in its asset schedules and related inventory records.

18. DISPOSAL OF ASSETS

Disposal of assets shall comply with applicable FTA guidelines, including FTA Circular 5010.1F, Award Management Requirements, as amended or superseded, and the governing award conditions. For assets acquired or improved with FTA assistance, Finance shall verify and satisfy the applicable federal disposition requirements before disposal. Internal approval does not replace required FTA or pass-through approval. Disposal includes sale, trade-in, authorized transfer or donation, recycling, destruction, and retirement, and is also subject to the Authority's delegated authority, Texas law, and ownership or contractual restrictions. See Section 19 for federally funded assets.

18.1 Review and Authorization

The custodial department shall submit the asset identification, location, condition, reason for disposal, proposed method, and supporting valuation or salvage information to Finance. Finance shall coordinate the disposal review with Procurement, IT for technology assets, and the custodial department, and shall verify ownership, acquisition and funding records, outstanding restrictions, remaining service requirements, and the required approval level. Obtain Board approval where required by law or the Authority's delegated authority. No department may independently sell, donate, abandon, or discard Authority property.

18.2 Disposal Method and Safeguards

Asset dispositions are executed using a lawful, documented method appropriate to the asset's condition, value, and applicable restrictions. When a sale is authorized, competitive procedures are utilized where required to achieve the highest practicable financial return. Declaring an asset surplus does not automatically authorize a transfer or donation; any permitted transfer or donation requires formal documentation of both the underlying rationale and the recipient. To maintain internal controls, responsibilities for authorization, asset custody, sale administration, and receipt of proceeds are segregated wherever practicable, and any conflicts of interest along with their resolutions are formally documented. Prior to releasing IT equipment or software rights, departments coordinate with Information Technology (IT) to sanitize protected data, revoke Authority access and credentials, and verify license transfer or termination restrictions in accordance with Sections 14 and 15. Formal documentation is maintained for all equipment handovers, recycling, or destruction, including compliance with applicable environmental handling requirements. Physical disposal of owned IT assets is accounted for separately and does not

substitute for the contract-termination accounting required for leases or subscription-based IT arrangements.

18.3 Accounting and Disposal Records

Finance shall remove disposed assets and related accumulated depreciation or amortization from the records, recognize the applicable gain or loss, and record proceeds, costs, and any amount owed to a funding agency. When items within a capitalized group are disposed of, the cost attributable to the disposed items is identified and removed from the records using a documented allocation basis. Following any disposal, Finance reconciles the general ledger, capital asset register, and custodial records to ensure accuracy and completeness.

Comprehensive documentation is retained for all asset dispositions, including formal approval, asset identification, funding source and restriction reviews, valuation records, sale or transfer agreements, gross proceeds and selling costs, disposal date, recipient details, and evidence of data sanitization or physical destruction. For IT equipment, disposal files must include documented confirmation from Information Technology (IT) that data sanitization was completed in accordance with Section 15. Missing, stolen, or damaged assets require a documented investigation and applicable reporting rather than an unsupported disposal entry. All disposal and investigation records are retained in accordance with Section 21 and applicable grant or award requirements.

18.4 Federally Assisted Disposals

Prior to disposing of Federal Transit Administration (FTA)-assisted assets, Finance determines all applicable FTA disposition guidelines, statutory and regulatory requirements, award conditions, required instructions or consent, valuation bases, federal share calculations, and reporting obligations. Required FTA or pass-through entity approvals are obtained before proceeding, and compliance is formally documented. For assets funded by other federal sources, the Authority applies the corresponding funding agency's requirements. Property classifications—including equipment, real property, and intangible property—are distinctly evaluated, as the Authority's $10,000 capitalization threshold neither authorizes disposal nor eliminates federal obligations. Assets without an FTA interest remain subject to applicable law and internal Authority approval requirements.

For FTA-funded rolling stock and equipment, meeting minimum useful life standards or reaching full depreciation does not automatically extinguish the federal interest. Asset sales are distinguished from insurance recoveries and transfers to eligible entities, as each transaction type may require distinct regulatory treatment. Finance confirms all applicable FTA disposition provisions and any required federal repayment obligations prior to distributing disposal proceeds.

19. FEDERALLY FUNDED ASSETS

Assets acquired or improved wholly or partly with federal assistance shall be managed to protect the federal interest throughout their lifecycle. Projects funded wholly or in part with federal transit assistance shall be programmed in the Corpus Christi Metropolitan Planning Organization (MPO) TIP and the Texas Department of Transportation (TxDOT) STIP prior to grant obligation and capital acquisition, in accordance with FTA Circular 5010.1F and federal planning regulations. Board approval of a project or budget does not authorize federal fund drawdown until TIP/STIP inclusion and federal award execution are verified. Finance shall identify the governing award, applicable version of federal regulations, agency or pass-through conditions, and program-specific requirements. For Federal Transit Administration (FTA) awards, the Authority applies the specific governing award terms and applicable FTA guidance in effect for each grant; updated regulatory or monetary thresholds are not automatically applied retroactively to older awards.

19.1 Funding Identification and Property Records

Property records are maintained for all federally assisted assets to identify the property description; asset tag number and serial or other identification number; funding source and Federal Award Identification Number (FAIN); title holder; acquisition date and cost; federal participation percentage; location, use, and condition; and, where applicable, disposition date and sale price. Each asset is linked to its respective grant and supporting acquisition records, including any replacement equipment. Accounting capitalization rules under Section 4 are distinctly separated from federal property classifications and grant-control requirements.

19.2 Authorized Use and Continuing Federal Interest

Federally assisted equipment is utilized for the authorized project or program for as long as needed, including after federal funding for the program concludes. While required for its authorized purpose, any secondary use must not interfere with primary operations and must adhere to applicable federal priorities. Once equipment is no longer needed for its original purpose, continued use is evaluated first under other awards from the original funding agency and subsequently under awards from other federal agencies, as required. Prior consent from the funding agency is obtained before encumbering property, transferring title or possession, or altering its authorized use.

Federally assisted real property is maintained for its originally authorized purpose while needed, and formal disposition instructions are obtained from the federal agency or pass-through entity once the property is no longer required. For federally funded intangible property—including qualifying software—the Authority applies the authorized-use, encumbrance, and disposition provisions of 2 CFR 200.315 as applicable, recognizing that financial capitalization under GASB standards does not replace federal grant compliance obligations.

19.3 Inventory, Safeguarding, and Maintenance

Physical inventories of federally assisted equipment are conducted and reconciled at least once every two years, consistent with Section 12 and applicable award requirements. The Authority maintains internal controls to prevent loss, damage, and theft, thoroughly investigates and documents any incidents, and submits all required reports. Equipment is kept in good operating condition through documented preventive and corrective maintenance programs, and the Authority maintains at least the minimum insurance coverage mandated by applicable federal property standards and award terms—including coverage equivalent to comparable Authority-owned property where required.

19.4 Disposition, Proceeds, and Closeout

Prior to disposing of federally assisted property, departments follow Section 18 and obtain all required instructions or approvals from the federal agency or pass-through entity. Finance documents the property category, applicable award rules, current valuation, original federal participation percentage, authorized disposition method, and any required federal compensation or repayment. Real property, equipment, supplies, intangible property, and federally owned property are each evaluated under their respective regulatory requirements rather than applying a uniform equipment disposition threshold across all categories.

Because Federal Transit Administration (FTA)-specific statutory and award provisions may differ from general equipment rules under 2 CFR 200.313, Finance confirms the governing method for allocating sale proceeds, handling insurance recoveries, or transferring the federal interest prior to disposition. Grant closeout, departmental reassignment, or completion of an asset's minimum useful life does not independently terminate federal property restrictions. Evidence of authorized release or satisfaction of the federal interest required reports, repayments, and the complete property history are retained in accordance with Section 21 and applicable award retention requirements in accordance with its specific governing provisions, with applicable statutes and regulations taking precedence over any inconsistent explanatory guidance.

20. RISK MANAGEMENT AND RESILIENCY

The Authority shall consider asset risks, including extreme weather and natural hazards, when planning, acquiring, maintaining, and replacing capital assets. Responsible departments shall identify vulnerabilities and critical assets, evaluate protective measures and sustainable lifecycle options, and coordinate service-continuity and recovery planning to reduce disruption and restore essential operations. Finance shall support evaluation of financial exposure and funding requirements. Coordinate these activities with transit asset management under Section 10, impairment accounting under Section 16, and federal-interest requirements under Sections 18 and 19; detailed emergency procedures shall be maintained in the applicable operational plans.

Supporting guidance: FTA Transit Resilience Guidebook (accessed November 11, 2026), which provides recommendations for identifying vulnerabilities and integrating resilience into asset management, operations, and maintenance.

21. RECORDS RETENTION

The Authority shall retain capital asset records in accordance with applicable FTA, Internal Revenue Service (IRS), and State records-retention requirements, together with applicable award conditions. When multiple requirements apply to the same records, the Authority shall follow the most stringent requirements, including the longest applicable retention period. The Director of Finance shall identify and document the applicable requirements and oversee compliance.

22. INTERNAL CONTROL AND COMPLIANCE

The Authority shall establish, document, and maintain effective internal controls to safeguard capital assets, ensure authorized transactions and reliable records, and support compliance with applicable requirements under Section 2. For federal awards, controls shall provide reasonable assurance of compliance under 2 CFR 200.303 and should align with the GAO Standards for Internal Control in the Federal Government (Green Book) or COSO Internal Control–Integrated Framework.

22.1 Authorization and Documentation

Documented evidence of required approvals is maintained for all capital asset acquisitions, transfers, disposals, and accounting adjustments. Prior to relocating assets, departments complete and submit the official Asset Transfer Form in accordance with Section 17, and all applicable disposal and funding-agency approvals are secured under Sections 18 and 19. All supporting authorization and transaction records are retained in compliance with Section 21.

22.2 Separation of Duties

Responsibilities for transaction approval, physical asset custody, accounting entries, and account reconciliation are segregated among different personnel wherever practicable. When staffing limitations prevent full segregation of duties, compensating controls—including documented independent review by an individual not responsible for the activity being reviewed—are established and maintained.

22.3 Responsibilities and Monitoring

The Director of Finance shall oversee asset-related internal controls and accounting compliance consistent with Section 5. Departments remain responsible for asset custody, accurate and timely information, and following established procedures. Finance shall work closely with Procurement, IT, and asset-custodial departments to coordinate asset-related compliance monitoring, including review of inventory results, transfer forms, disposal approvals, and reconciliations under Sections 12, 14.8, 17, and 18.

22.4 Corrective Action and Information Safeguards

Discrepancies and instances of identified noncompliance are promptly investigated, with corrective actions and responsible parties formally documented and monitored through resolution. Access to asset records is restricted to authorized personnel, and reasonable cybersecurity and administrative measures are maintained to safeguard sensitive information in accordance with Section 15 and applicable regulatory requirements. Verifiable evidence of internal control performance, independent reviews, and corrective actions is retained in the permanent file. Supporting requirement: 2 CFR 200.303—Internal Controls (accessed November 11, 2026). Each federal award is administered in strict accordance with the specific regulatory provisions governing that award.

23. POLICY REVIEW

The Director of Finance shall review this policy at least every five (5) years, or more frequently as required by changes in GASB standards, federal regulations, or Authority operations, and submit recommended revisions to management for Board of Directors approval consideration.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors' Meeting Memo December 2, 2026

Subject: November Update - Bear Lane Maintenance Facility

Monthly Update

Construction Progress Since the November Board Meeting

At the November 4 Board meeting, CCRTA reported that demolition, site clearing, and early earthwork were advancing. Since then, Fulton advanced building-pad earthwork, excavation, hauling, and utility installation before repeated rainfall saturated the site. Crews shifted to pumping and dewatering during the week of November 9 and resumed fill placement and compaction on the south side on November 16-17 as conditions allowed.

Ongoing Team Coordination

The project team continues weekly Tuesday pre-meetings and Wednesday Owner-Architect-Contractor (OAC) meetings to maintain alignment on design responses, procurement timing, field readiness, and upcoming decisions.

- **Submittals.** The log includes 55 unique items and 56 review entries, with 53 responses posted. Design-team turnaround now averages 10.3 calendar days, improved from 13.4 calendar days reported at the November Board meeting and better than the cited U.S. average of 14-25+ days.
- **RFIs.** The team posted project replies for 10 of 13 RFIs. For the nine RFIs with explicit design-team replies, turnaround averaged 6.8 calendar days, better than the typical response range of 7 to 14 days.
- **Value engineering.** Current estimates show at least $500,000 in potential savings from the opportunities under evaluation. Actual savings remain pending completion of technical review.

Improvement Opportunities Under Evaluation

The team continues to evaluate opportunities that may improve operations or project value. For the bus wash, the City requested an oil-water separator and a cost proposal review is pending. For the HVAC system, the team is preparing design details for an air-cooled alternative. Proposed substitutions for roof insulation, ceilings, and selected doors and frames are also being evaluated against project requirements. Implementation of these items are expected to result in a lower net construction cost.

Near-Term Schedule

Building-pad work remains in progress, with the current target extending through November 27. Pre-Engineered Metal Building fabrication completion on May 28, 2027, remains the schedule driver. Dry-in is targeted for September 24, 2027, and construction completion remains targeted for August 14, 2028. The team continues to monitor recovery from rain impacts through regular schedule coordination.

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Project Schedule and Completion Targets

Key Milestone Dates for New Bear Lane Maintenance Facility		
Milestone	**Status**	**Date or Target**
Construction agreement executed	Complete	Sep. 15, 2026
Construction kickoff meeting	Complete	Sep. 16, 2026
Notice to Proceed and field construction start	Complete	Sep. 21, 2026
Initial site startup, clearing, and perimeter fencing	Complete	Sep. 21-25, 2026
Temporary water tie-in	Complete	Oct. 13-16, 2026
Bus wash structure removal	Complete	Oct. 15-16, 2026
Building pad	In Progress	Oct. 19-Nov. 27, 2026
Pre-Engineered Metal Building fabrication completion	Target	May 28, 2027
Dry-In Roof / Waterproofing	Target	Sep. 24, 2027
Construction completion	Target	Aug. 14, 2028

Respectfully Submitted,

Submitted & Reviewed by: Frank Benavidez
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Managing Director of Capital Programs and Customer Services

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November 16, 2026

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

We have audited the financial statements of the Corpus Christi Regional Transportation Authority (the Authority) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 10, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 to the financial statements the Authority changed accounting policies related to *Certain Risk Disclosures* by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 102, in 2025. The adoption of these GASB statements did not affect the Authority's beginning net position. The application of other existing policies was not changed during the year ended December 31, 2025. 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.

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 most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of the net pension liability and OPEB is determined through actuarial calculations, for which participant census data is a critical component. We evaluated the key factors used to develop the net pension liability and OPEB in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosure of Defined Benefit Pension Plan in Note 7 to the financial statements provides information required related to the GASB Statement No. 68 standard. The disclosure of the Postemployment Benefits Other Than Pension in Note 8 to the financial statements provides information required related to the GASB Statement No. 75 standard.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

The completion of the audit was delayed due to the extended timeline for the Authority's preparation of the Annual Comprehensive Financial Report (ACFR).

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatement detected as a result of audit procedures was corrected by management: An adjustment to the carrying amounts of right-of-use lease assets, related accumulated amortization, and lease liabilities associated with lease arrangements accounted for under GASB Statement No. 87, *Leases*.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 16, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedule of changes to net pension liability and related ratios, schedule of contributions (to the pension), schedule of changes in the total OPEB liability and related ratios, and the schedule of contributions (to the OPEB), which are required supplementary information (RSI) that supplements the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal financial awards, schedule of revenues and expenses – actual and budget by function, combined statements of fiduciary net position, combined statements of changes in fiduciary net position, schedule of long-term debt amortization, and schedule of pension plan investment expenses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, 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.

We were not engaged to report on the introductory and statistical sections, 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.

Restriction on Use

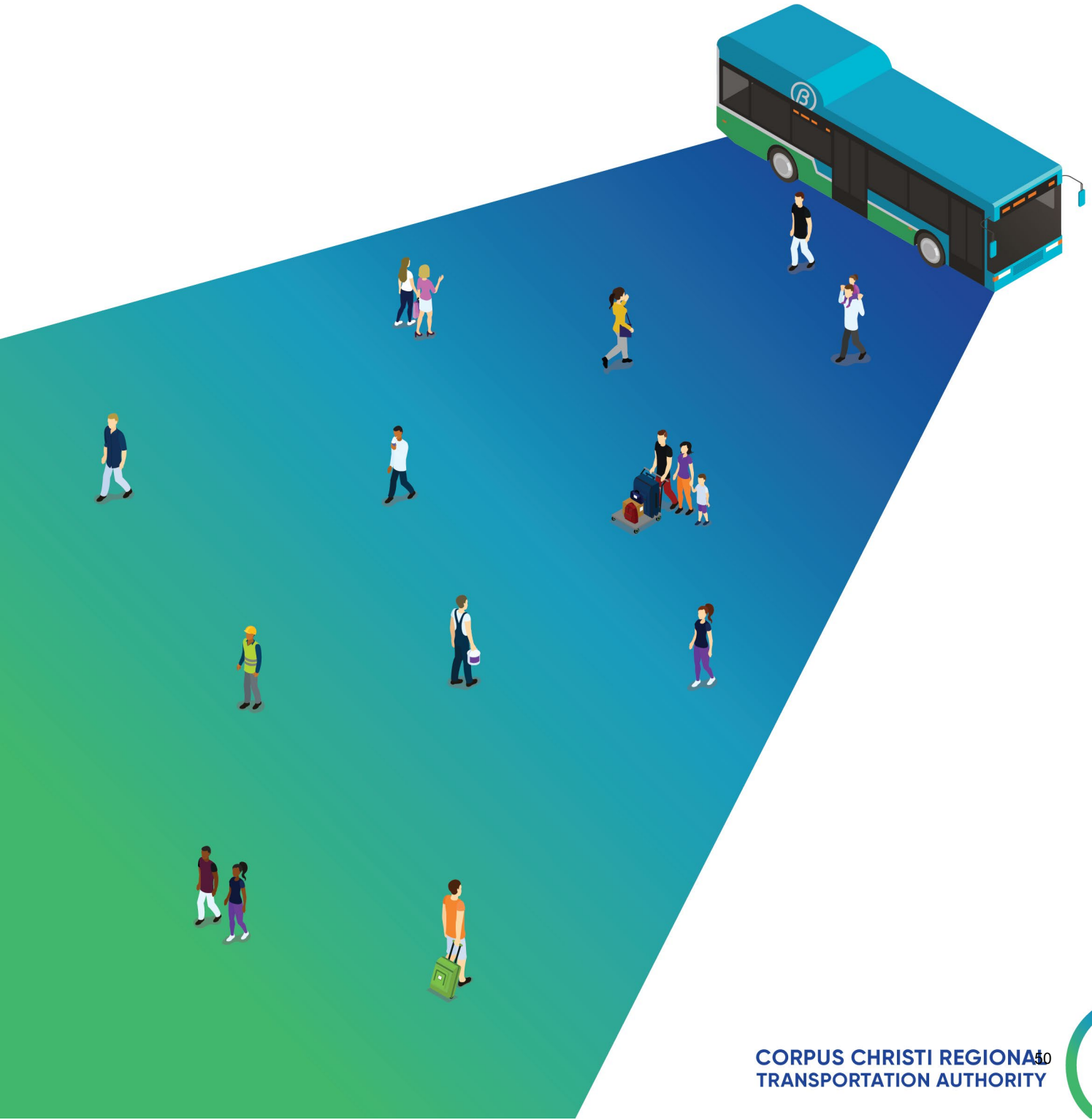
This information is intended solely for the use of the Board of Directors and management of Corpus Christi Regional Transportation Authority and is not intended to be and should not be used by anyone other than these specified parties.

Adamson & Company, LLC

Annual Comprehensive Financial Report

For the Fiscal Years Ended December 31, 2025 and 2024

Corpus Christi, Texas



CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Corpus Christi Regional Transportation Authority

Corpus Christi, Texas

Annual Comprehensive Financial Report

For the Fiscal Years Ended December 31, 2025 and 2024



Mission

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

Vision

Provide an integrated system of innovative, accessible and efficient public transportation services that increase access to opportunities and contribute to a healthy environment for the people in our service area.

Prepared by the Finance Department



CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

2025
Introductory Section

Annual Comprehensive Financial Report

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	i
Letter of Transmittal	iii
GFOA Certificate of Achievement	xviii
Board of Directors and Administration	xix
Organizational Chart	xx
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	6
Basic Financial Statements:	
Statements of Net Position	23
Statements of Revenues, Expenses, and Changes in Net Position	25
Statements of Cash Flows	26
Statements of Fiduciary Net Position	28
Statements of Changes in Fiduciary Net Position	28
Notes to the Financial Statements	29
Required Supplementary Information:	
Schedule of Changes to Net Pension (Asset) Liability and Related Ratios	65
Schedule of Contributions	66
Schedule of Changes in the Total OPEB Liability and Related Ratios	67
Schedule of Contributions	68
Supplementary Information:	
Schedule of Revenues and Expenses - Actual and Budget by Function	71
Combined Statements of Fiduciary Net Position	72
Combined Statements of Changes in Fiduciary Net Position	73

Schedule of Long-Term Debt Amortization…… 74
Schedule of Pension Plan Investment Expenses……. 75

STATISTICAL SECTION

Statistical Section Narrative ……. 79
Table 1 Net Position by Component.....……..……... 80
Table 2 Changes in Net Position…….……. 81
Table 3 Revenues by Source .....…….…… 82
Table 4 Revenues and Operating Assistance - Comparison to Industry Trend Data.... 83
Table 5 Passenger Fee Capacity ……... 84
Table 6 Miscellaneous Revenue Information ……... 85
Table 7 Ratio of Outstanding Debt…….……...……..… 86
Table 8 Revenue Bond Coverage……. 87
Table 9 Demographic Statistics ….....……… 88
Table 10 Top Ten Employers by Size of Employer.....……. 89
Table 11 Full-Time Equivalent Positions.....……. 90
Table 12 Operating Statistics and Assets Utilized……. 91
Table 13 Miscellaneous Statistics ……... 93

SINGLE AUDIT SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards 95
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance ……...……. 97
Schedule of Findings and Questioned Costs …….……...…… 101
Schedule of Expenditures of Federal Financial Awards.....103
Notes to Schedule of Expenditures of Federal Financial Awards.....104

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

November 16, 2026

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 (the Authority) Annual Comprehensive Financial Report (***ACFR***) for the fiscal year ended December 31, 2025. 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 the Authority'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 2024 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), the basic financial statements with accompanying notes, and the required supplementary information (RSI), and supplementary information.

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 Adamson & Company LLC has rendered an unmodified opinion on the Authority's financial statements for the year ended December 31, 2025. 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 areas. San Patricio includes the cities of Gregory and San Patricio. Across a service area of 846 square miles with an estimated population of 355,153 of which 317,241 or 89.33% 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.

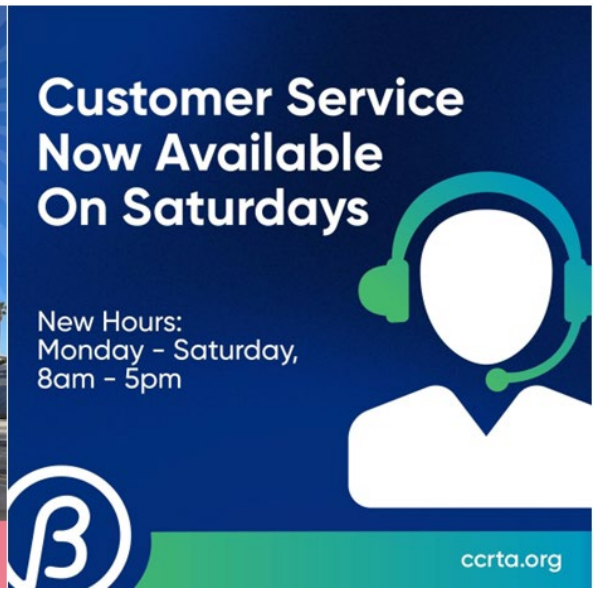
Over the years, the services have transformed from a single fixed-route platform servicing only the urban areas of the City of Corpus Christi, to providing enjoyable and reliable options for connecting the rural and suburban neighborhoods within the city and the surrounding areas. Paratransit services now supplement fixed routes and include demand-response curb-to-curb service to qualified individuals. In addition, the Authority assists riders 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 provides reliable service to its riders on a daily basis and serves as a lifeline to the community during catastrophic events. In 2025, ridership increased by 126,528 trips or 3.41% from 2024 by ending the year with 3,836,725 passenger trips compared to 3,710,197. The Authority continues to align its service plan to meet the changing needs of riders in the community, including incorporating additional demand response services fulfilled in partnership with Uber.

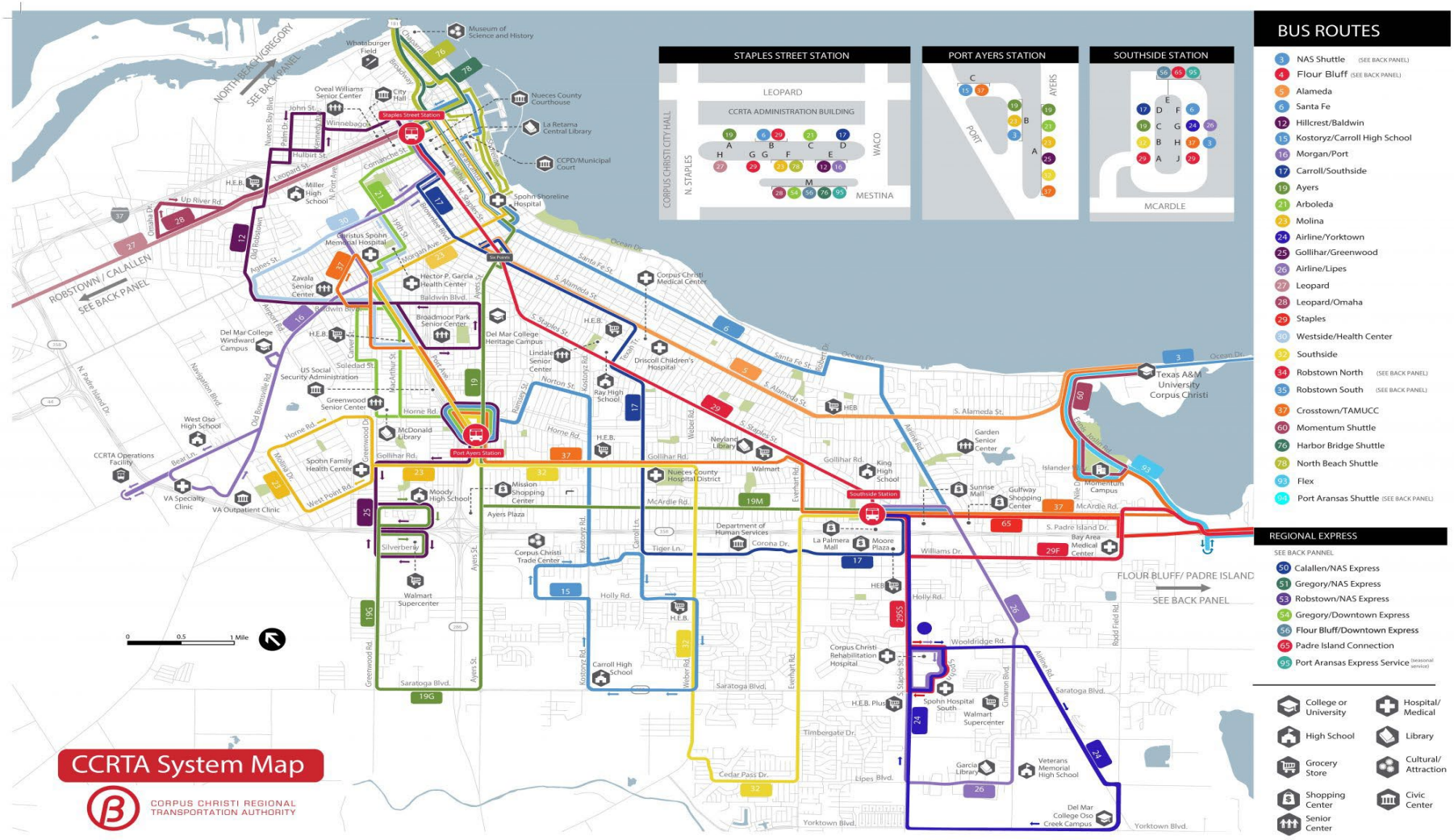
With a fleet of 111 buses, the Authority provides a variety of services to meet different transportation needs using 76 buses for fixed-route services and 35 buses for paratransit services. The conventional fixed-route services are operated by the Authority and a third-party contractor, while paratransit 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 37 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 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 Maps



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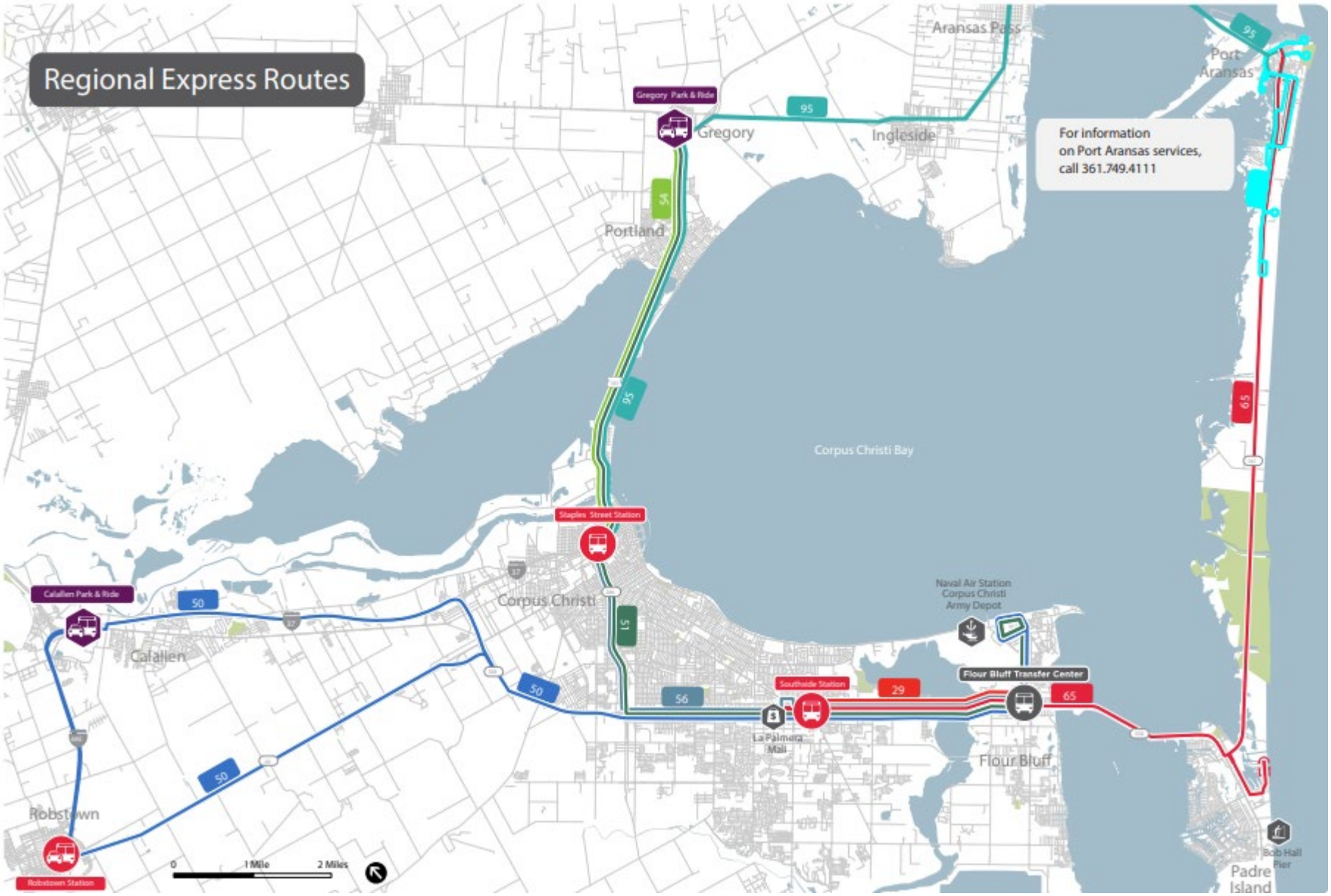

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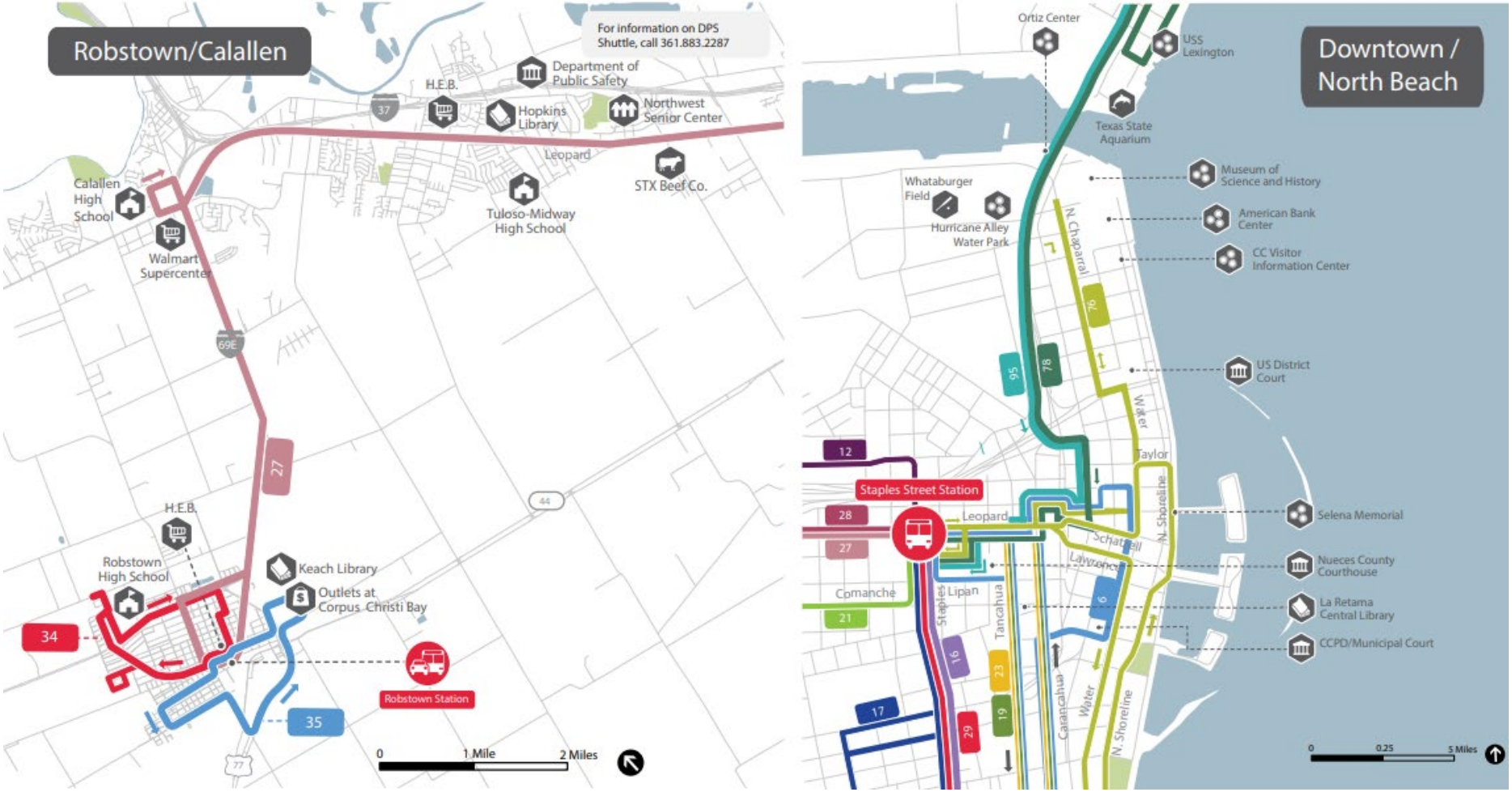

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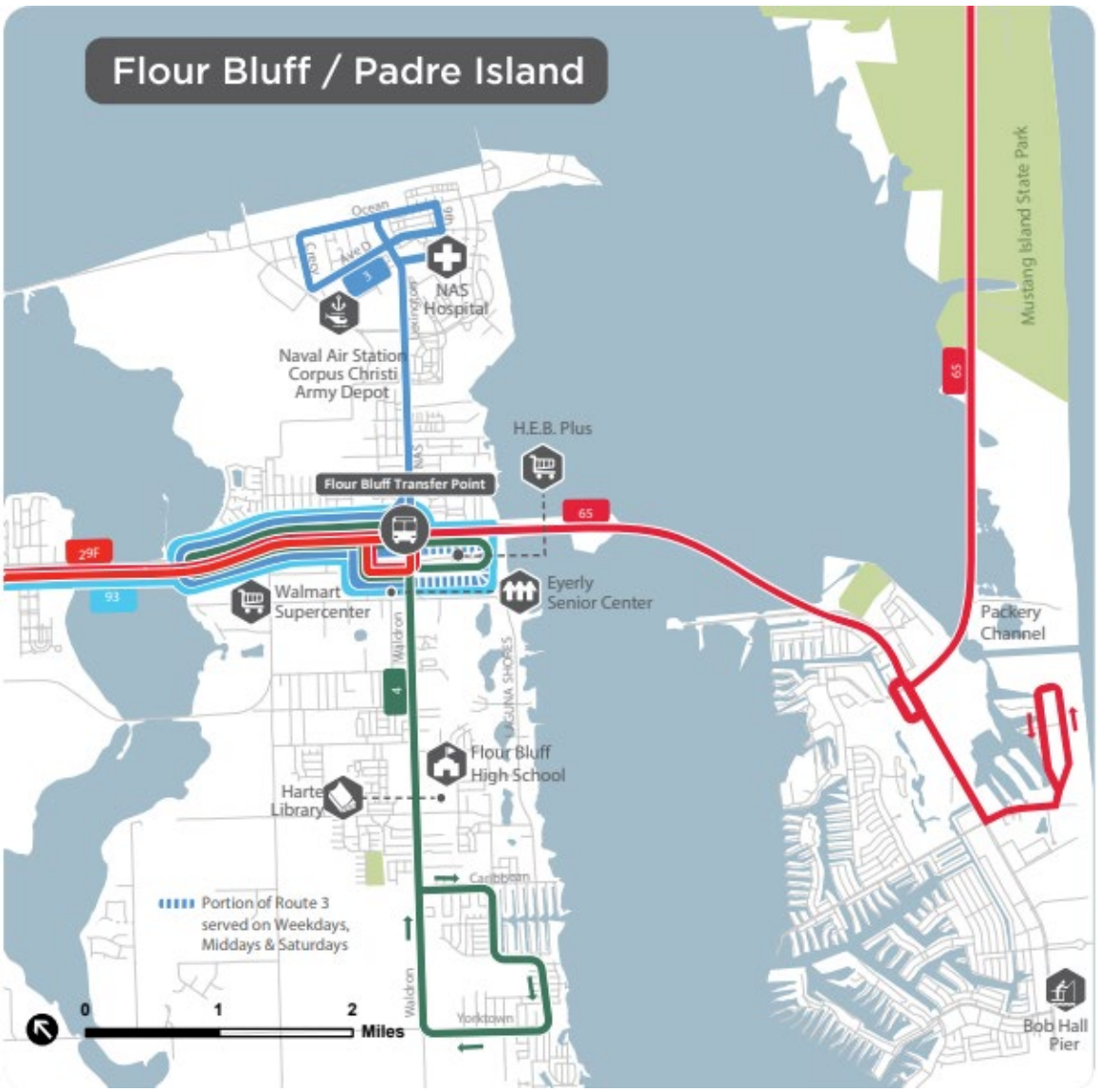


LOCAL ECONOMY

Corpus Christi, Texas, locally celebrated as the "Sparkling City by the Sea," features a dynamic economy driven by industrial strength, global trade, and coastal hospitality. 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 352,829 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, with approximately 5,000 employees, is the third-largest employer, supporting pilot training and operations since 1941. 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 3,100 civilian employees and contractors. The combined direct economic impact is approximately $6 billion. 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.

Beyond the heavy industry lining the ship channel, Corpus Christi serves as a critical regional lifeline for healthcare, education, and services. The healthcare and social assistance sector represents the city's largest internal employment driver. Four major hospital campuses, including the highly ranked Driscoll Children's Hospital, form a medical hub providing essential care to residents across South Texas and parts of Latin America. Paired with educational systems and local business retail networks—led by employers like H-E-B—these white-collar and consumer industries establish a steady financial foundation for the domestic labor force.

At the same time, the city's natural geographic gifts fuel a booming tourism and hospitality industry. Attracting over 10 million visitors annually to the Texas State Aquarium, the USS Lexington, and the windswept shores of the Laguna Madre, tourism injects more than $1.5 billion into the local economy every year. This thriving hospitality trade accounts for roughly a quarter of the city's sales tax collections and provides a diverse range of jobs for thousands of coastal bend residents.

The Corpus Christi area's unemployment rate as of December 2025 stood at 4.3%, up slightly from 3.9% at December 2024. According to the South Texas Economic Development Center in the College of Business, economists typically consider a 5.0% unemployment rate to be full employment. The respective rates for the state and national were 3.9% and 4.4%.

2025 AT A GLANCE

The Authority celebrated its 40th anniversary in 2025 with a milestone unlike any other in CCRTA's history: a $46.8 million federal grant, the largest CCRTA has ever received. This investment will replace the 50-year-old maintenance facility. Built before modern windstorm standards existed, the current facility does not meet hurricane-resilience codes that are essential to CCRTA's emergency-response role and regional evacuation responsibilities. The new facility will provide a safe, resilient, and modern environment that enhances CCRTA's ability to serve the community every day, including during times of crisis. This achievement resulted from months of preparation, collaboration, and determination by staff and the Board of Directors, whose leadership and unwavering commitment to riders and the region were essential to securing the largest federal grant in CCRTA's history. The investment includes $1.5 million for design and an additional $45.3 million grant for construction, representing a significant commitment to the people who need public transportation the most.

A financially strong transit system is essential for delivering safe and reliable service. In 2025 CCRTA took important steps to ensure long-term stability by approving its first fare adjustment in more than 20 years and only the second in its 40-year history, while remaining focused on protecting its most vulnerable riders. Seniors 65 and older now ride free and all K-12 ride continue to also ride free. Through our partnership with Del Mar College and Texas A&M Corpus Christi college students are offered free rides, reinforcing CCRTA's belief that transportation should never stand in the way of opportunity.

To help ease the impact to the 25-cent increase CCRTA introduced monthly fare capping through the "Go Pass" Mobile App. Riders who purchase daily or weekly passes never pay more than the $35 cost of a monthly pass. Once they reach that amount the rest of the month is covered automatically. In addition, three two-hour transfers on the app help riders save money while making travel more convenient.

Capital Investments:

- Completion of the reconstruction of the Port Ayers Transfer Station funded by federal competitive 5339B grant
- Purchased and placed into service eight (8) fixed route CNG buses funded by pending federal 5307 formula grant
- Purchased and placed into service six (6) fixed route CNG buses funded by federal competitive 5339C grant with one additional unit scheduled for service in mid-2026
- Completed bus stop amenities project funded by federal American Recovery Plan (ARP) grant
- In summary, 19 CIP projects completed totaling $24,019,553, including 14 fixed route CNG buses, improvements to buildings and facilities, various pieces of maintenance equipment, and IT equipment.

Service Outlook:

- Provided more than 3.8 million passenger trips supported by more than 327,000 revenue hours and 5.7 million revenue miles on a system that maintained a 91% on time performance.

- Supported 73 special movement operations providing more than 23,000 additional rides that helped community events and emergency response efforts run smoothly and safely.
- Technology and service improvements expanded mobility riders.
- Go Pass continues to grow as a key tool for convenience and access with more than 14,000 riders now using the platform
- Investments in automatic passenger counters, APCs, strengthen data accuracy and service planning while operational adjustments ensured continued service during major regional projects.

Safety & Security:

- Hosted a Human Trafficking Summit that brought together more than 120 attendees from local, state, and federal law enforcement agencies, as well as nonprofit organizations.
- Conducted active shooter training for all Authority staff and tenants.
- Conducted human trafficking awareness surveys on transit platforms while educating riders on warning signs and providing guidance on how to safely report suspicious activity.

Public Relations:

- 75+ Community Outreach events (City, County, Rural, TAMUCC, Del Mar College, Schools, and Other Community Stakeholders)
- $8.32 million in media value (advertising value equivalency) in 2024 through broadcasts, news stories, articles, and social media
- 25 Press Releases
- Received:
    - SWTA Spotlight Awards
        - Hit the Spot, Print – American GI Forum Bus Wraps
        - Hit the Spot, Social Media – Downtown Dasher
    - Hit the Spot, Event – Port Ayers Transfer Station Grand Opening
    - TTA 2025 Awards
        - Outstanding Transportation General Manager – Derrick Majchszak, CCRTA Chief Executive Officer
    - Buc Days 2025
        - Buc Days Night Parade – 1st Place, Miscellaneous Category
        - Buc Days Children's Parade – 1st Place, Miscellaneous Category

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 xviii.

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 2025 with 229 salaried and hourly positions and with approximately 95 staff members employed by various contractors. An organizational chart is shown on page xix.

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 in 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

The Authority has a five-year 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 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, the Authority 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

The Authority'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

The Authority 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 the Authority as an additional insured party. 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, the Authority maintains stop-loss insurance policies to cap claims for one individual per year at $65,000. The Authority is reimbursed for expenses from claims over the cap.

Key Budget Objectives

The 2025 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 at helping 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:



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 the Authority's total income. However, based on the economic trends and indicators available at the time, the sales tax revenue budget was set at $43,222,564 or 3.80% over 2024 actuals, representing 82.21% of the $52,573,020 total revenues projected for 2025. Other revenue sources included $4,473,575 from federal operating grants consisting of $4,399,319 in preventive maintenance and $74,256 earmarked for pass through reimbursements to sub-recipients. The balance of $3,952,957 would be provided by passenger fares and other revenue sources including a transfer from reserves. Total transit operation costs of $51,022,267 and revenues of $52,573,020, with the difference transferred to the capital budget, represented a balanced budget in accordance with state law.

The 2025 Capital Improvement Program (CIP) budget featured 14 projects including fleet replacements, improvements to bus shelters and facilities, maintenance equipment, and upgrades to IT and security infrastructure. The budget amount of $7,960,797 included

federally funded projects totaling $6,410,043, with the remaining amount of $1,550,754 paid for by local funds.



Accountability, Transparency and Responsibility

The Authority 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 the Authority makes available to the public and exemplifies outstanding financial management.

The Authority is proud to have received the following commendations in recognition of the dedication and commitment of its 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, 2024. This marks the twenty-first consecutive year that the Authority has received this award and its twenty-eighth 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 finally special appreciation is extended 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, 2024

Christopher P. Morrill

Executive Director/CEO

BOARD OF DIRECTORS AND ADMINISTRATION

BOARD OF DIRECTORS

Terms of Office and Board Service

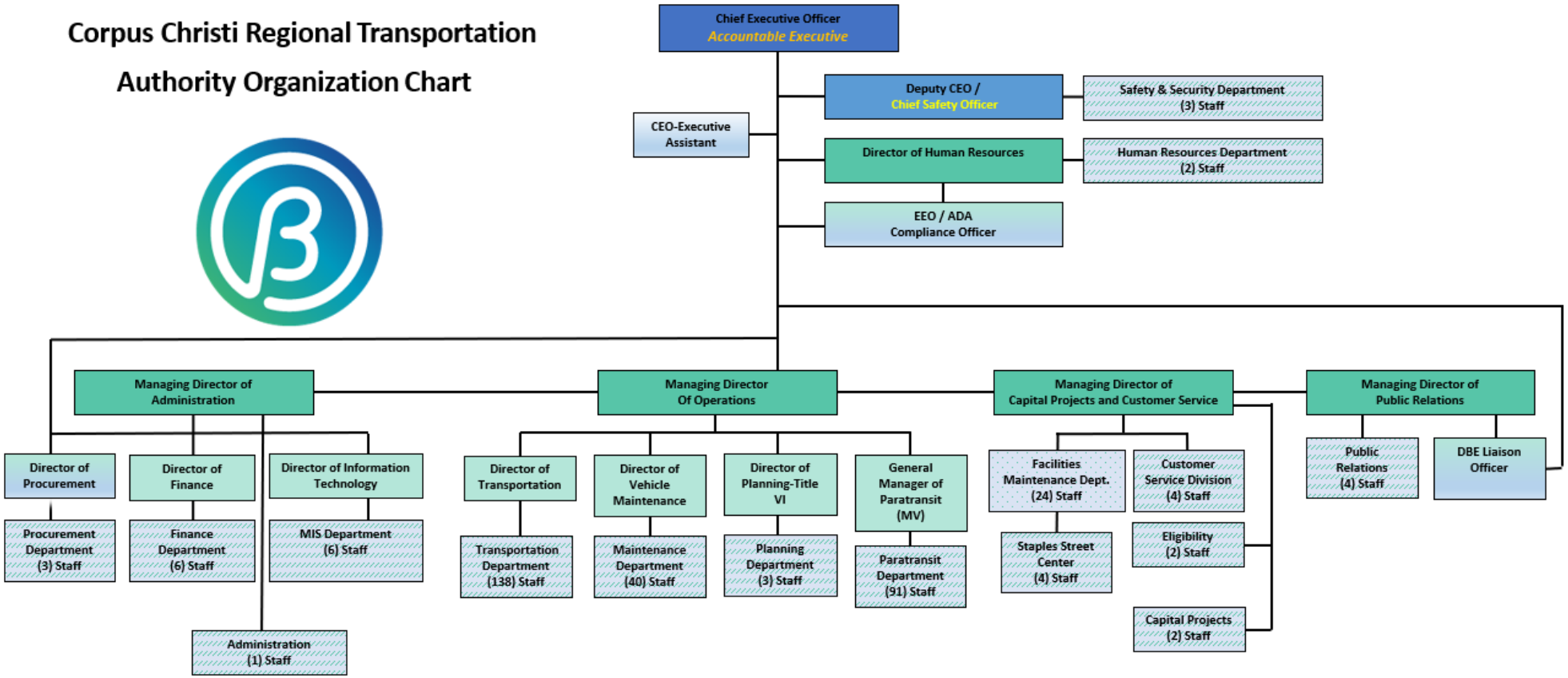
MEMBER	APPOINTMENT	TERM EXPIRATION	BEGAN SERVICE
Arthur Granado	RTA Board	September 30, 2027	August 2, 2023
Eloy H. Salazar	City of Corpus Christi	June 30, 2026	July 1, 2020
Gabi Canales	City of Corpus Christi*	June 30, 2026	May 5, 2021
Jeremy Coleman	City of Corpus Christi	June 30, 2026	July 6, 2022
David Berlanga	City of Corpus Christi	June 30, 2026	July 10, 2024
Amanda Torres	City of Corpus Christi	June 30, 2026	July 10, 2024
Lynn B. Allison	Nueces County	September 30, 2027	October 2, 2019
Aaron Munoz	Nueces County	September 30, 2027	April 6, 2022
Jahvid Motaghi	Nueces County	September 30, 2027	October 6, 2021
Beatriz Charo	Committee of Mayors	September 30, 2027	October 6, 2021
Beth Owens	Committee of Mayers	September 30, 2027	October 1, 2025

*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 & Capital Projects	David Chapa
Director of Planning	Fred Worthen
Director of Procurement	Christina Perez
Director of Transportation	Michael Ledesma
Director of Vehicle Maintenance	Mario Vega

Corpus Christi Regional Transportation Authority Organization Chart



Encompass essential responsibilities that require a direct line to CEO

Any CCRTA position can have a direct line to the Chief Executive Officer at their discretion.

2025
Financial Section

Annual Comprehensive Financial Report

Adamson & COMPANY, LLC
CPAs & ADVISORS

Craig A. Adamson, CPA CFF-Partner
Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-Partner
Caitlin J. Chupe, CPA MAcc-Partner
Adam R. Miller, CPA MBA-Partner
Jeremy C. Moore, CPA MAcc-Partner
Priyanka B. Desai, CPA MAcc-Partner

INDEPENDENT AUDITOR'S REPORT

November 16, 2026

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 year ended December 31, 2025 and 2024, 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, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 and the other required supplementary information on pages 6 through 21 and 65 through 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 supplemental 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 the purpose 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 statement 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 auditor's 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 November 16, 2026, 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 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.

Adamson & Company, LLC



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 $106,987,005 on December 31, 2025, an increase of $3,474,735 or 3.36% from $103,512,270 as of December 31, 2024 (Table 1).

- *Net Capital Assets* of $89,395,600 on December 31, 2025, increased by $10,882,225 or 13.86% from $78,513,375 as of December 31, 2024 (Table 1).

- *Total Liabilities* on December 31, 2025, of $32,340,582 decreased by $5,572,941 or 14.70% from $37,913,523 as of December 31, 2024 (Table 1).

- *Total Revenues* for 2025 of $51,150,130 increased by $5,049,546 or 10.95% in comparison to the 2024 revenue of $46,100,584.

- *Passenger Service Revenue* for 2025 of $1,086,528 was down $45,478 or 4.02% from $1,132,006 in 2024 (Table 3).

- *Other Operating Revenues* for 2025 of $107,556 were down $301,009 or 73.67% from $408,565 in 2024 (Table 3).

- *Sales Tax Revenue* for 2025 of $43,879,294 increased by $2,238,860 or 5.38% from $41,640,434 in 2024 (Table 3).

- *Federal and Other Grant assistance* for 2025 of $4,046,173 increased by $4,006,924 or 10,209% from $39,249 in 2024 (Table 3).

- *Total expenses* (including depreciation) increased by $193,271 or 0.33% from $59,158,668 in 2024 to $59,351,939 in 2025.

- *Operating Expenses* (excluding depreciation) decreased by $456,860 or 0.98% from $46,725,818 in 2024 to $46,268,958 in 2025.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion serves to introduce the Authority's basic financial statements. These statements have three components: (1) proprietary fund financial statements, (2) fiduciary fund financial statements and (3) 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. Revenuesare 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, 2025, the Authority's *total net position* was $106,987,005. Of the total net position, $75,251,008 or 70.34% represents the 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 $31,160,689 was unrestricted (Table 1).

As of December 31, 2024, the Authority's *total net position* was $103,512,270. Of the total net position, $64,186,996 or 62.01% represents the net investment in capital assets. The remaining net position consisted of $575,308 in restricted funds and $38,749,966 was unrestricted (Table 1).

Total net position increased by $3,474,735 from 2024 to 2025, as net investment in capital assets rose by $11,064,012, coupled with a decrease of $7,589,277 in Unrestricted Net Position (Table 1).

The increase in *total net position* is due to net effect of the decrease of $381,997 in *Total Assets and Deferred Outflows,* combined with a decrease of $3,856,732 in *Total Liabilities and Deferred Inflows*.

Current Assets declined from $49,409,953 in 2024 to $44,948,841 in 2025, a decrease of $4,461,112 that was mostly attributable to a decrease in the short-term investment portfolio of the Authority, partially offset by increases in receivables and Cash & Cash Equivalents.

Meanwhile*, Non-current Assets,* including *Capital Assets,* grew from $88,022,369 in 2024 to $93,527,766 in 2025, an increase of $5,505,397. This increase is attributable to growth in the value of capital assets offset by a decline in value of the long-term investment portfolio.

Deferred Outflows of Resources declined by $1,426,282, dropping from $5,530,023 in 2024 to $4,103,741 in 2025. This decrease is mostly attributable to the positive performance of the RTA Employee Defined Benefit Plan in 2025 partially offset by an increase in deferred outflows related to Other Post-Employment Benefits (OPEB).

Meanwhile, *Current Liabilities* declined from $8,929,263 in 2024 to $6,333,584 in 2025, a decrease of $2,595,679 attributable to a decrease in the liability for distributions due to regional entities as part of the Street Improvements Plan partially offset by an increase in Accounts Payable.

Long-Term Liabilities decreased from $28,984,260 in 2024 to $26,006,998 in 2025, a decrease of $2,977,262 due to a reduction in Net Pension liability along with various nominal changes in noncurrent liabilities.

Deferred Inflows of Resources increased by $1,716,209, from $1,536,552 in 2024 to $3,252,761 in 2025. The increase is mostly attributable to higher inflows related to pensions because of the positive performance of the RTA Defined Benefit Plan in 2025.

Table 1
Condensed Summary of Net Position

	At December 31			At December 31		
	2025	2024		2024	2023	
			Change		(Restated)	Change
Current Assets	$ 45,339,243	$ 49,837,750	$ (4,498,507)	$ 49,837,750	$ 67,232,373	$ (17,394,623)
Noncurrent Assets	3,741,764	9,081,197	(5,339,433)	9,081,197	1,730,473	7,350,724
Capital Assets	89,395,600	78,513,375	10,882,225	78,513,375	76,606,304	1,907,071
Total Assets	138,476,607	137,432,322	1,044,285	137,432,322	145,569,150	(8,136,828)
Deferred Outflows of Resources	4,103,741	5,530,023	(1,426,282)	5,530,023	7,461,826	(1,931,803)
Total Assets and Deferred Outflows	142,580,348	142,962,345	(381,997)	142,962,345	153,030,976	(10,068,631)
Current Liabilities	6,333,584	8,929,263	(2,595,679)	8,929,263	11,685,335	(2,756,072)
Long-Term Liabilities	26,006,998	28,984,260	(2,977,262)	28,984,260	29,172,633	(188,373)
Total Liabilities	32,340,582	37,913,523	(5,572,941)	37,913,523	40,857,968	(2,944,445)
Deferred Inflows of Resources	3,252,761	1,536,552	1,716,209	1,536,552	1,244,792	291,760
Total Liabilities and Deferred Inflows	35,593,343	39,450,075	(3,856,732)	39,450,075	42,102,760	(2,652,685)
Investment in Capital Assets	75,251,008	64,186,996	11,064,012	64,186,996	58,741,350	5,445,646
Restricted for Debt Service or FTA Interest	575,308	575,308	-	575,308	575,308	-
Unrestricted	31,160,689	38,749,966	(7,589,277)	38,749,966	51,611,558	(12,861,592)
Total Net Position	$ 106,987,005	$ 103,512,270	$ 3,474,735	$ 103,512,270	$ 110,928,216	$ (7,415,946)

Current Assets: At the end of 2025, the Authority's current assets decreased by $4,461,112 from the end of 2024. Significant decreases in short-term investments were partially offset by increases in receivables and in cash and cash equivalents.

Total receivables for 2025 grew by $963,785 from 2024, with sales tax representing $1,373,081 of the increase. Meanwhile, an increase of $446,813 in cash and cash equivalents was offset by a decrease of $5,958,878 in short-term investments. The reduction in short-term investments is due to the use of local funds to purchase fixed route buses that will be reimbursed as part of a federal grant in 2026.

At the end of 2024, the Authority's current assets decreased by $17,822,420 from the end of 2023. Significant decreases in short-term investments and receivables from federal grants were offset by an increase in cash and cash equivalents.

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 2025 and 2024, 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, 2025, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $89,395,600, an increase of $10,882,225 from December 31, 2024. During the year capital assets totaling $19,716,866 were acquired. The acquisition costs of these assets were offset by the depreciation expense recorded for the year totaling $8,767,515, along with net retirements of $67,126, resulting in an increase of investment in capital assets of $10,882,225. The 2025 capital additions primarily occurred in two asset categories, Transit Stations & Bus Stops and Vehicles, Furniture, & Equipment. Some of the significant capital assets acquired include:

- Completion of the Port Ayers Transfer Station reconstruction
- 14 Gillig fixed route buses
- 6 Arboc paratransit buses
- Various units of vehicle and facility maintenance equipment
- Various units of information technology hardware
- Projects in-progress related to the construction of the new maintenance facility at the Bear Lane Operations Center

As of December 31, 2024, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $78,513,375, an increase of $1,907,071 from December 31, 2023. During the year capital assets totaling $10,090,303 were acquired. The acquisition costs of these assets were offset by the depreciation expense recorded for the year totaling $8,183,232 resulting in an increase of investment in capital assets of $1,907,071. The 2024 capital additions primarily occurred in two asset categories, Transit Stations & Bus Stops and Vehicles, Furniture, & Equipment. Some of the significant capital assets acquired include:

- 350 passenger shelters and amenities
- 7 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

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, 2025:			
Capital Assets at Cost	$ 114,844,916	$ 76,859,024	$ 191,703,940
Less: Accumulated Depreciation	69,490,888	32,817,452	102,308,340
Capital Assets, net	$ 45,354,028	$ 44,041,572	$ 89,395,600
At December 31, 2024:			
Capital Assets at Cost	$ 100,012,711	$ 72,764,834	$ 172,777,545
Less: Accumulated Depreciation	63,760,615	30,503,555	94,264,170
Capital Assets, net	$ 36,252,096	$ 42,261,279	$ 78,513,375

Liabilities: As of December 31, 2025, the Authority's total liabilities were $32,340,582, representing a 14.70% decrease ($5,572,941) from the $37,913,523 reported on December 31, 2024. Of the 2025 combined obligations, the current portion stood at $6,333,584, while the long-term portion totaled $26,006,998.

The $2,595,679 decrease in current liabilities (compared to $8,929,263 in 2024) was primarily driven by lower Distributions due to Regional Entities Payable under the Street Improvements Program. Concurrently, long-term liabilities decreased by $2,977,262 (compared to $28,984,260 in 2024), attributable primarily to a reduction in net pension liability.

For the prior fiscal period, total liabilities as of December 31, 2024, were $37,913,523, reflecting a 7.21% decrease ($2,944,445) from the $40,857,968 reported on December 31, 2023. Within those 2024 combined obligations, current liabilities were $8,929,263 and long-term liabilities were $28,984,260.

The $2,756,072 reduction in 2024 current liabilities (compared to $11,685,335 in 2023) resulted primarily from lower balances in vendor payables and other accrued liabilities. Long-term liabilities for the same period experienced a minor net decrease of $188,373 (compared to $29,172,633 in 2023), as the retirement of long-term debt was substantially offset by an increase in net pension liability.

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

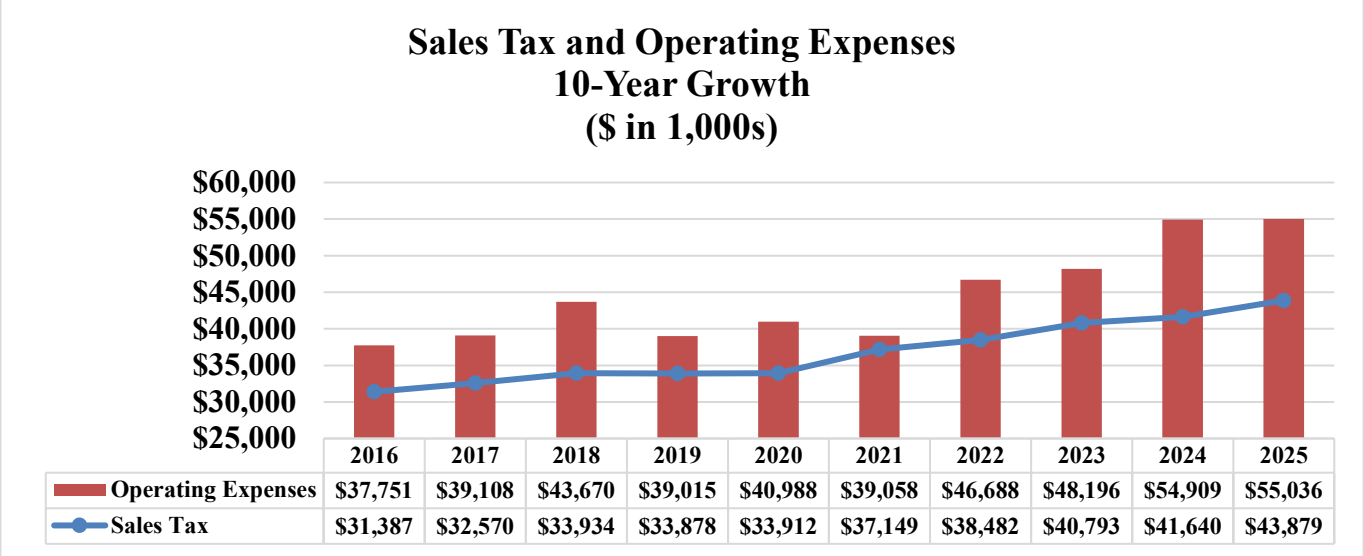
Statement of Revenues, Expenses, and Changes in Net Position:

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 presented in the Statement of Revenues, Expenses, and Changes in Net Position, the Authority's net position increased by $3,474,735 at the close of December 31, 2025. Of this amount, $8,201,809 resulted from a net loss, which was offset by capital grant revenue of $11,676,544.

For the fiscal year ended December 31, 2025, the Authority recorded a net loss of $8,201,809, resulting from total revenues of $51,150,130 against total expenses of $59,351,939. Total revenues reflected a 10.95% increase from fiscal year 2024, driven primarily by strong performance in key funding streams. Notably, sales and use tax revenue grew by $2,238,860 (5.38%), while revenue from federal and other grants experienced significant growth, increasing by $4,006,924 from a nominal prior-year base. Concurrently, total expenses remained well-controlled, increasing by 0.33% compared to the prior fiscal year.

The following chart illustrates the relative trajectory of sales and use tax revenues in relation to operating expenses over a ten-year comparative period from 2016 through 2025.



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Expenses	$37,751	$39,108	$43,670	$39,015	$40,988	$39,058	$46,688	$48,196	$54,909	$55,036
Sales Tax	$31,387	$32,570	$33,934	$33,878	$33,912	$37,149	$38,482	$40,793	$41,640	$43,879

Other revenue categories remained largely stable in fiscal year 2025 compared to the prior year, with minor fluctuations across specific line items. Passenger service revenue contracted by $45,478 (4.02%), while bus advertising revenue experienced a modest increase of $2,649 (1.21%), totaling $221,605 in 2025 against $218,956 in 2024.

Other operating revenues declined by $301,009 (73.67%) to $107,556 in 2025, compared to $408,565 in 2024. This decrease was primarily attributable to the expiration of the Federal Alternative Fuels Tax Credit, which was utilized during a portion of 2024 before expiring later that year, resulting in no corresponding credit revenue in 2025.

Concurrently, investment income decreased by $847,977 (32.61%) to $1,752,357 in 2025, down from $2,600,334 in 2024. This variance resulted primarily from a declining interest rate environment driven by Federal Reserve monetary policy adjustments aimed at tempering macroeconomic inflation.

For the fiscal year ended December 31, 2024, the Statement of Revenues, Expenses, and Changes in Net Position reflected a $7,415,946 contraction in the Authority's net position. This reduction was primarily driven by a $7,342,098 decrease in federal capital grants alongside a $1,222,309 decline in federal and other operating grants. These revenue contractions were further compounded by rising operational outlays, as operating expenses, net of lease revenue, expanded by $5,471,511 over the prior fiscal period.

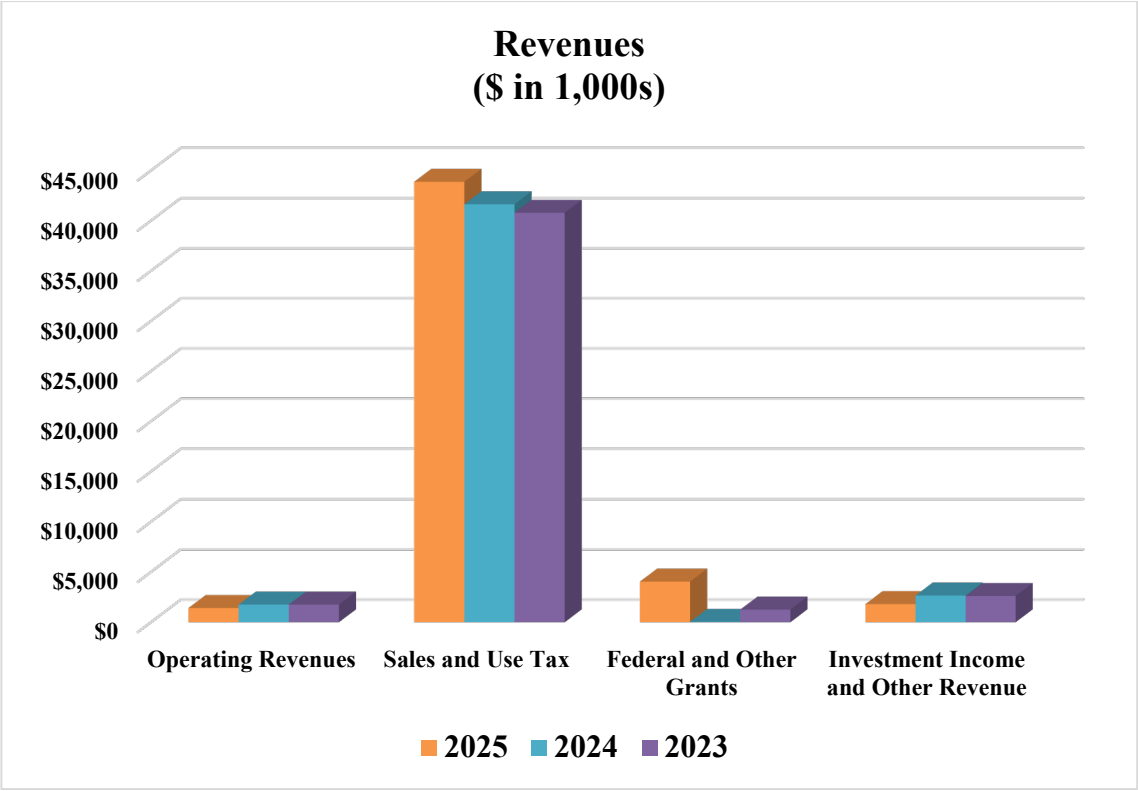
Table 3
Condensed Summary of Revenue, Expenses, and Changes in Net Position

	At December 31			At December 31		
	2025	2024	Change	2024	2023 (Restated)	Change
Revenues						
Passenger Service	$ 1,086,528	$ 1,132,006	$ (45,478)	$ 1,132,006	$ 1,083,894	$ 48,112
Bus Advertising	221,605	218,956	2,649	218,956	227,549	(8,593)
Other Operating Revenues	107,556	408,565	(301,009)	408,565	449,026	(40,461)
Non-Operating Revenues						
Sales and Use Tax	43,879,294	41,640,434	2,238,860	41,640,434	40,792,893	847,541
Federal and Other Grants	4,046,173	39,249	4,006,924	39,249	1,261,558	(1,222,309)
Investment Income	1,752,357	2,600,334	(847,977)	2,600,334	2,859,182	(258,848)
Lease-Related Interest Income	54,056	60,525	(6,469)	60,525	76,182	(15,657)
Gain (Loss) on Asset Disposal	2,561	515	2,046	515	(319,385)	319,900
Total Revenues	51,150,130	46,100,584	5,049,546	46,100,584	46,430,899	(330,315)
Expenses						
Operating Expenses (net of lease revenue)	46,268,958	46,725,818	(456,860)	46,725,818	41,254,307	5,471,511
Depreciation	8,767,515	8,183,232	584,283	8,183,232	6,942,167	1,241,065
Distribution - Regional Entities	3,625,032	3,447,523	177,509	3,447,523	3,272,161	175,362
Subrecipients	29,835	39,249	(9,414)	39,249	387,767	(348,518)
Interest and Fiscal Charges	660,599	762,846	(102,247)	762,846	703,673	59,173
Total Expenses	59,351,939	59,158,668	193,271	59,158,668	52,560,075	6,598,593
Net Income Before Capital Grants and Donations	(8,201,809)	(13,058,084)	4,856,275	(13,058,084)	(6,129,176)	(6,928,908)
Capital Grants and Donations	11,676,544	5,642,138	6,034,406	5,642,138	12,984,236	(7,342,098)
Change in Net Position	3,474,735	(7,415,946)	10,890,681	(7,415,946)	6,855,060	(14,271,006)
Net Position, Beginning of Year	103,512,270	110,928,216	(7,415,946)	110,928,216	104,073,156	6,855,060
Net Position, End of Year	$ 106,987,005	$ 103,512,270	$ 3,474,735	$ 103,512,270	$ 110,928,216	$ (7,415,946)

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.



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

For the fiscal year ended December 31, 2025, revenues from operations totaled $1,415,689, representing 2.77% of total revenues. This reflects a $343,838 contraction from the $1,759,527 recorded in fiscal year 2024. The year-over-year decline was primarily driven by a $301,009 (73.67%) reduction in other operating revenues and a $45,478 (4.02%) decrease in passenger fares, which were only marginally offset by a $2,649 (1.21%) increase in bus advertising revenue.

In comparison, operating revenues for the fiscal year ended December 31, 2024, totaled $1,759,527, accounting for 3.82% of total revenues. This represented a minor net decrease of $942 from the $1,760,469 reported in fiscal year 2023. During 2024, a $48,112 (4.44%) expansion in passenger fares was entirely offset by a $40,461 (9.01%) decline in other operating revenues and a $8,593 (3.78%) reduction in bus advertising receipts.

◆ 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 the fiscal year ended December 31, 2025, sales and use tax revenue totaled $43,879,294, representing the Authority's largest funding source at 85.79% of total revenues. This reflects an increase of 5.38% ($2,238,860) over the $41,640,434 recorded in fiscal year 2024.
In comparison, sales and use tax revenue for the fiscal year ended December 31, 2024, totaled $41,640,434, accounting for 90.33% of total revenues. This baseline established a 2.08% ($847,541) expansion over the $40,792,893 recorded in fiscal year 2023.

◆ Operating Grant Assistance represents reimbursements to the Authority for preventative maintenance activities, the cost of certain work-related routes and regional mobility coordination. The Authority has the option of utilizing its annual "Formula" grants provided by the Federal Transit Administration (FTA) for operating assistance or to fund capital asset acquisitions.

For the fiscal year ended December 31, 2025, revenue from federal grant assistance increased by $4,006,924 compared to fiscal year 2024. This growth was primarily driven by the availability of new federal funding allocations designated for preventive maintenance. These funds were systematically deployed to offset operational expenditures related to the upkeep and maintenance of the Authority's passenger vehicles and facilities.

In contrast, federal grant assistance for the fiscal year ended December 31, 2024, decreased by $1,222,309 from 2023 levels. Following the complete exhaustion of eligible federal operating relief funds at the end of fiscal year 2022, operating grant utilization in 2024 was restricted to $39,249 allocated strictly for subrecipient grant programs.

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

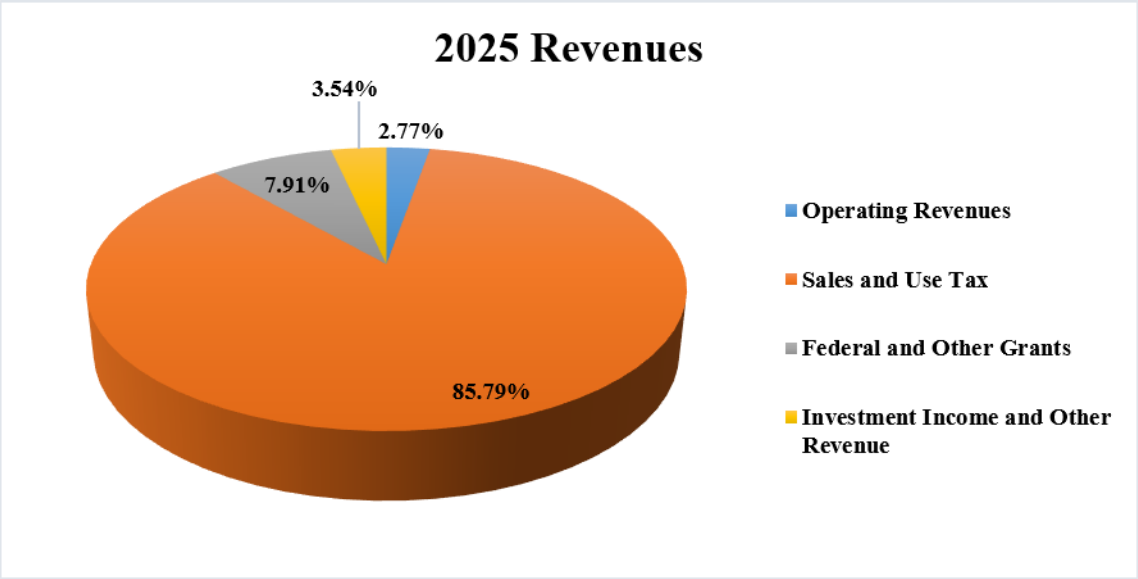
♦ Investment Income is income earned from the Authority's investing activities.

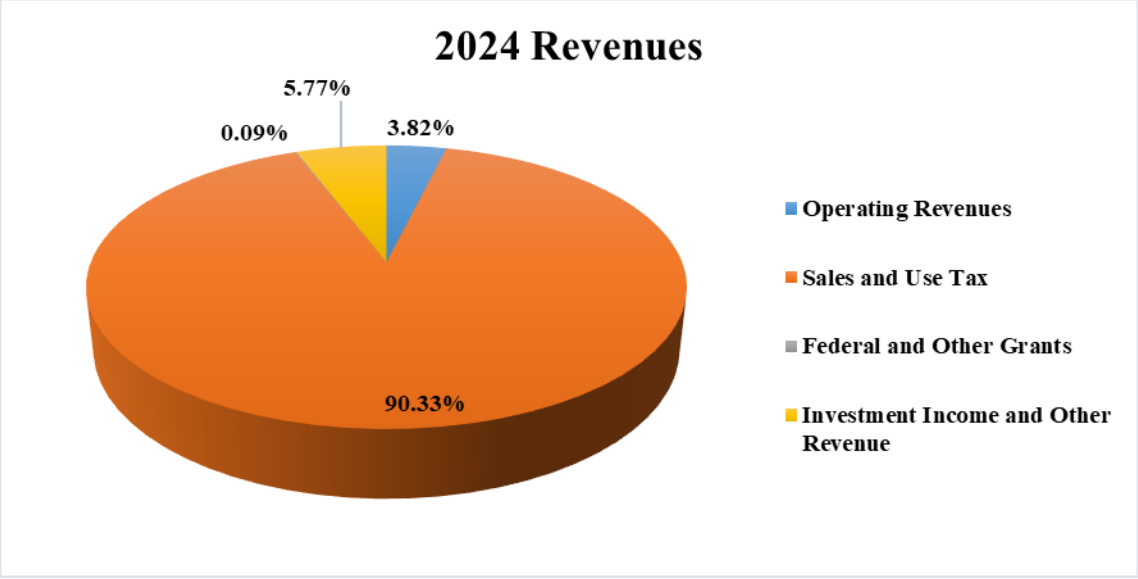
For the fiscal year ended December 31, 2025, income generated from the investment portfolio decreased by $847,977 (32.61%) compared to fiscal year 2024. This contraction was heavily influenced by systemic monetary easing, as the Federal Reserve instituted successive cuts to the federal funds rate throughout the latter half of the year. The central bank enacted an initial 25-basis-point reduction in September 2025, followed by subsequent 25-basis-point cuts in October and December.

Consequently, the target range for the federal funds rate concluded 2025 at 3.50% to 3.75%, representing a cumulative 75-basis-point contraction from the close of fiscal year 2024. The compressed yield environment, compounded by a lower average valuation of the Authority's core holding portfolio, drove the overall decline in annualized investment income.

For the prior period ended December 31, 2024, portfolio investment income dropped by $258,848 (9.05%) against fiscal year 2023. This variance similarly tracked the onset of the Federal Reserve's rate-cutting cycle, which commenced with a 50-basis-point reduction in September 2024, followed by additional 25-basis-point cuts in November and December.

By December 31, 2024, the federal funds rate range had fallen to 4.25% to 4.50%, a 100-basis-point decrease from the year-end 2023 baseline. The combined impact of this lower benchmark yield curve and reduced asset balances under management directly caused the contraction in interest revenues





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.

For the fiscal year ended December 31, 2025, the Authority's total expenses were $59,351,939, representing a marginal increase of 0.33% ($193,271) over the $59,158,668 reported in fiscal year 2024. This minor net variance reflects structural cost trade-offs across core functions. Operational cost-containment measures led to a reduction in departmental operating expenses and lower localized debt servicing outlays (interest expense); however, these savings were systematically offset by escalated expenditures for annualized depreciation and heightened funding distributions to regional entities.

In contrast, total expenses for the prior fiscal year ended December 31, 2024, experienced an expansion of 12.55% ($6,598,593), climbing to $59,158,668 from a fiscal year 2023 baseline of $52,560,075. This sharp upward trend was broad-based, with cost increases penetrating all primary expense categories. The most substantial operational outlays were concentrated within direct operating expenses and long-term capital depreciation cycles.

The largest component of the Authority's total expenses is operating expenses. These expenses, excluding depreciation expense, account for 77.96% and 78.98% of total expenses in 2025 and 2024, respectively.

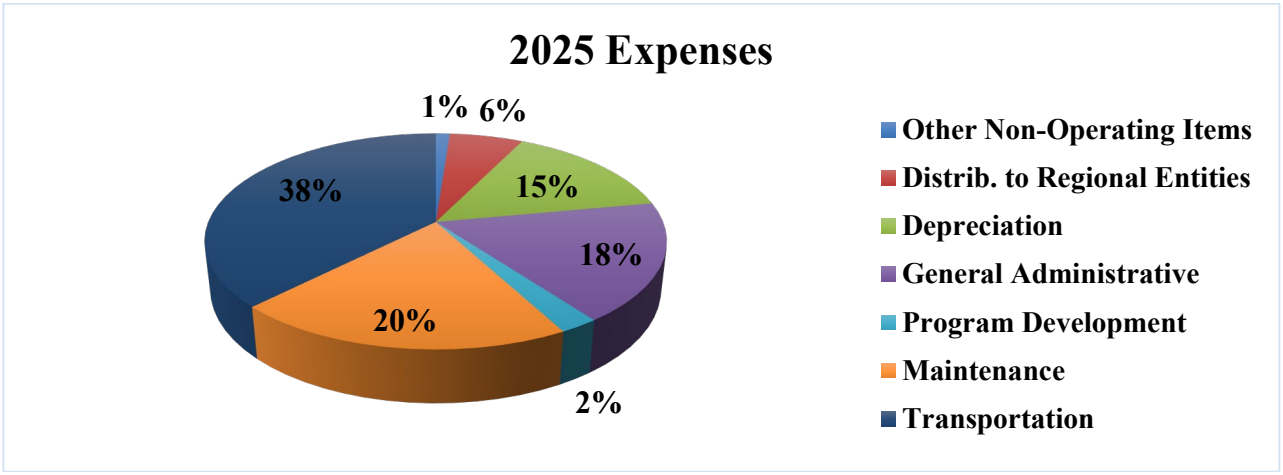
Operating Expenses: For the fiscal year ended December 31, 2025, operating expenses (including depreciation) totaled $55,036,473, representing a marginal increase of 0.23% ($127,423) over the $54,909,050 reported in fiscal year 2024. This localized stabilization was broad-based, with a majority of core operating departments achieving flat or negative expenditure growth during the year. The primary driver of the net upward variance was non-cash depreciation expense, which expanded from $8,183,232 in 2024 to $8,767,515 in 2025.

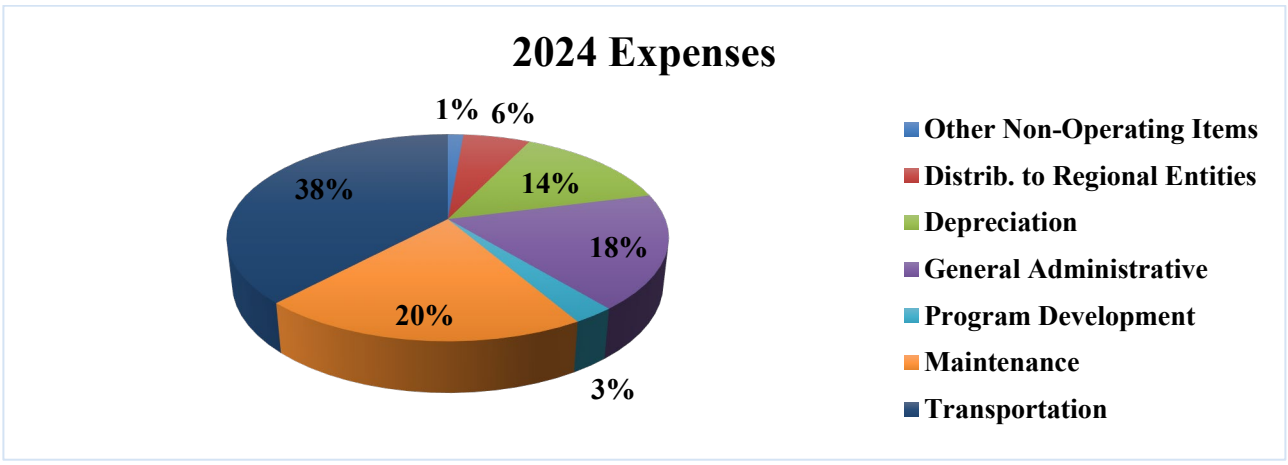
In comparison, operating expenses for the fiscal year ended December 31, 2024, surged by 13.93% ($6,712,576) to $54,909,050, up from a fiscal year 2023 baseline of $48,196,474. This rapid operational expansion was driven by systemic cost increases across nearly all divisions. Significant spending growth occurred within the following primary categories:

- Core Fleet & Logistics: Transportation increased by $2,077,664 (18.45%), Vehicle Maintenance expanded by $769,185 (11.93%), and Purchased Transportation grew by $521,771 (6.05%).
- Facilities & Administration: Administrative & General outlays rose by $845,418 (12.73%), Facilities Maintenance climbed by $501,516 (12.52%), and Management Information Systems (MIS) increased by $196,217 (11.42%).
- Public Outreach & Growth: Marketing & Communications jumped by $305,992 (33.08%), Program & Service Development increased by $133,630 (20.58%), and Customer Programs grew by $89,482 (13.31%).
- Capital Assets: Annualized Depreciation charges increased by $1,241,065 (17.88%).

Total Operating Expenses (Including Depreciation)

Department	2025	2024	Change in $
Transportation	$ 13,137,064	$ 13,340,609	$ (203,545)
Customer Programs	761,304	761,911	(607)
Purchased Transportation	9,160,265	9,139,535	20,730
Service Development	624,328	783,024	(158,696)
MIS	1,928,526	1,913,661	14,865
Vehicle Maintenance	7,364,997	7,216,611	148,386
Facilities Maintenance	4,308,848	4,507,064	(198,216)
Materials Management	340,826	343,296	(2,470)
Administrative & General	7,603,575	7,489,051	114,524
Marketing & Communications	1,039,225	1,231,056	(191,831)
Depreciation	8,767,515	8,183,232	584,283
Total Operating Expenses	**$ 55,036,473**	**$ 54,909,050**	**$ 127,423**





Depreciation: Depreciation expense was $584,283 (7.14%) higher in 2025 than 2024 and was in line with expectations.

Depreciation expense was $1,241,065 (17.88%) higher in 2024 than 2023 and was in line with expectations.

Additional details about the Authority's accumulated depreciation of 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.

For the fiscal year ended December 31, 2025, these expenditures expanded by $177,509 (5.15%), rising to $3,625,032 from the $3,447,523 recorded in fiscal year 2024. This upward trend was directly driven by corresponding growth in underlying sales tax revenues realized during the preceding 2023 to 2024 comparative period.

Similarly, for the fiscal year ended December 31, 2024, these costs increased by $175,362 (5.36%), climbing to $3,447,523 from a fiscal year 2023 baseline of $3,272,161. This variance was attributable to the baseline expansion of municipal sales tax revenues captured between fiscal years 2022 and 2023.

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 the fiscal year ended December 31, 2025, the fiduciary net position of the plans expanded by $8,246,534 (12.29%), rising to $75,321,661 from the $67,075,127 reported at the close of 2024. This capital growth was primarily driven by strong, broad-based performance across underlying plan assets, which resulted in significant net appreciation within the investment portfolios.

Similarly, during the fiscal year ended December 31, 2024, the fiduciary net position of the plans increased by $4,430,445 (7.07%), climbing to $67,075,127 from a fiscal year 2023 baseline of $62,644,682. This positive variance was likewise attributable to robust financial market performance that drove the valuation of holding portfolios upward.

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 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.

The 2026 budget was developed with the following priorities:

- Provide service levels based on ridership demand
- Continue to improve and maintain public image
- Maintain transparency efforts
- Maximize collaboration between private sector and academia

Going into 2026, CCRTA plans to focus on improved service delivery by meeting riders where they are and by offering flexible transportation options. Additional improvements to service delivery will be achieved by recruiting and retaining quality staff. Ongoing initiatives include incentives to attract and retain employees, employee retention bonuses, cost-of-living and merit increases along with a generous tuition reimbursement program. Safety and security continue to be fundamental to issues impacting quality of service, ridership retention, and retention and recruitment of front-line operating personnel.



The 2026 operating budget is estimating a 0.3048% increase from $51,649,097 in 2025. The roughly three-fourth of one percent represents a notable achievement given the inflationary pressures on operating expenses. The 2026 Revenue projections of $52,571,008 are being estimated to sustain a cover operating budget of $52,020,699 and the Capital Budget of $550,309, with major funding coming from investment income, sales tax revenue, and a $5,365,031 from federal preventive maintenance grant funding.

The Capital Budget is aimed at supporting 11 new projects with a total project cost of $764,479 of which $550,309 is being funded by federal grants and $214,170 in local funds.

The Authority is carefully assessing 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. The Authority continues to replace traditional diesel fleets with alternative fuels like Compressed Natural Gas (CNG) and unleaded gasoline to lower emissions, reduce fuel costs, and comply with clean-air mandates. While CNG serves as the primary choice for heavy-duty, fixed-route transit buses, unleaded gasoline is widely leveraged for smaller, flexible-route paratransit vans and support cutaways.

In addition, management is reviewing the CNG federal incentives available from the Renewable Natural Gas (RNG) to leverage extensive federal tax credits to boost up revenues, which also include the 30C Alternative Fuel Infrastructure Tax Credit which offers a tax credit covering 6% to 30% of depreciable costs to install refueling stations. Among the capital projects planned for 2026 is the purchase of 6 fuel dispensers which is expected to qualify for the one-time 30% refund. The RNG credits are expected to generated approximately $450,000 in additional revenues to the operating budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for those with an interest. 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, 2025	December 31, 2024
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and Cash Equivalents (Note 2)	$ 29,108,299	$ 28,661,486
Short Term Investments (Note 2)	5,000,794	10,959,672
Receivables:		
Sales and Use Taxes	8,415,349	7,042,268
Federal Government	363,812	239,980
Leases - Current Portion	390,402	427,797
Other	524,764	1,057,892
Inventories	873,832	785,916
Prepaid Expenses	661,991	662,739
Total Current Assets	45,339,243	49,837,750
Non-Current Assets:		
Restricted Cash and Cash Equivalents (Note 2)	575,308	575,308
Long Term Investments (Note 2)	2,519,473	7,485,413
Leases Receivable - Long Term Portion (Note 5)	646,983	1,020,476
Capital Assets (Note 3):		
Land	5,201,197	5,191,477
Buildings	53,127,477	53,037,195
Transit Stations, Stops and Pads	41,364,416	33,462,556
Other Improvements	5,579,552	5,579,552
Vehicles, Furniture and Equipment	80,227,698	65,441,341
Right-To-Use Leased Equipment	880,148	636,942
Right-To-Use Software Subscriptions	1,801,421	1,594,044
Construction in Progress	3,522,031	7,834,438
Total Capital Assets	191,703,940	172,777,545
Less: Accumulated Depreciation	(102,308,340)	(94,264,170)
Net Capital Assets	89,395,600	78,513,375
Total Non-Current Assets	93,137,364	87,594,572
Total Assets	**138,476,607**	**137,432,322**
Deferred Outflows of Resources		
Deferred outflow related to pensions (Note 7)	1,419,049	2,865,013
Deferred outflow related to OPEB (Note 8)	298,259	95,005
Deferred outflow on extinguishment of debt	2,386,433	2,570,005
Total Deferred Outflows of Resources	4,103,741	5,530,023
Total Assets and Deferred Outflows of Resources	$ **142,580,348**	$ **142,962,345**

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 1**
Statements of Net Position, Continued

	December 31, 2025	December 31, 2024
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities:		
Accounts Payable	$ 1,530,418	$ 936,307
Current Portion of Long-Term Liabilities (Note 4):		
Long-Term Debt	970,000	950,000
Compensated Absences	396,012	374,238
Total OPEB Liability - Current Portion	142,384	115,150
Leases Payable	152,131	110,839
Subscription Based Information Technology Arrangement	57,241	92,800
Distributions to Regional Entities Payable	1,590,302	4,928,041
Other Accrued Liabilities	1,495,096	1,421,888
Total Current Liabilities	6,333,584	8,929,263
Long-Term Liabilities, Net of Current Portion (Note 4):		
Long-Term Debt	13,935,000	14,905,000
Compensated Absences	901,368	871,691
Leases Payable (Note 5)	676,454	168,074
Subscription Based Information Technology Arrangement (Note 6)	113,467	46,803
Net Pension Liability (Note 7)	9,434,015	12,314,109
Total OPEB Obligation (Note 8)	946,694	678,583
Total Long-Term Liabilities	26,006,998	28,984,260
Total Liabilities	**32,340,582**	**37,913,523**
Deferred Inflows of Resources		
Deferred inflow related to leases (Note 5)	1,037,385	1,448,273
Deferred inflow related to OPEB (Note 8)	47,879	88,279
Deferred inflow related to pensions (Note 7)	2,167,497	-
Total Deferred Inflows	3,252,761	1,536,552
Total Liabilities and Deferred Inflows of Resources	**35,593,343**	**39,450,075**
Net Position:		
Net Investment in Capital Assets	75,251,008	64,186,996
Restricted for FTA Interest	575,308	575,308
Unrestricted	31,160,689	38,749,966
Total Net Position	$ **106,987,005**	$ **103,512,270**

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,	
	2025	**2024**
Operating Revenues:		
Passenger Service	$ 1,086,528	$ 1,132,006
Bus Advertising	221,605	218,956
Other Operating Revenues	107,556	408,565
Total Operating Revenues	1,415,689	1,759,527
Operating Expenses:		
Transportation	13,137,064	13,340,609
Customer Programs	761,304	761,911
Purchased Transportation	9,160,265	9,139,535
Service Development	624,328	783,024
MIS	1,928,526	1,913,661
Vehicle Maintenance	7,364,997	7,216,611
Facilities Maintenance (net of lease revenue of $433,377 and $449,161 in 2025 and 2024)	4,308,848	4,507,064
Materials Management	340,826	343,296
Administrative and General	7,603,575	7,489,051
Marketing & Communications	1,039,225	1,231,056
Depreciation	8,767,515	8,183,232
Total Operating Expenses	55,036,473	54,909,050
Operating Loss	**(53,620,784)**	**(53,149,523)**
Non-Operating Revenues (Expenses):		
Sales and Use Tax Revenue	43,879,294	41,640,434
Federal and Other Grant Assistance	4,046,173	39,249
Investment Income	1,752,357	2,600,334
Lease-Related Interest Income	54,056	60,525
Gain on Asset Disposal	2,561	515
Subrecipient Programs	(29,835)	(39,249)
Interest Expense and Fiscal Charges	(660,599)	(762,846)
Distributions to Regional Entities	(3,625,032)	(3,447,523)
Net Non-Operating Revenues (Expenses)	45,418,975	40,091,439
Net Loss Before Capital Grants & Donations	(8,201,809)	(13,058,084)
Capital Grants & Donations	11,676,544	5,642,138
Change in Net Position	3,474,735	(7,415,946)
Net Position, Beginning of Year	103,512,270	110,928,216
Net Position, End of Year	$ **106,987,005**	$ **103,512,270**

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 3**
Statements of Cash Flows

	Year Ended December 31,	
	2025	**2024**
Cash Flows From Operating Activities:		
Cash Received from Customers	$ 1,088,673	$ 1,130,926
Cash Received from Bus Advertising and Other Ancillary	1,727,896	460,095
Cash Payments to Suppliers for Goods and Services	(20,066,879)	(23,374,548)
Cash Payments to Employees for Services	(16,243,633)	(16,367,580)
Cash Payments for Employee Benefits	(9,072,642)	(7,434,094)
Net Cash Used for Operating Activities	(42,566,585)	(45,585,201)
Cash Flows from Non-Capital Financing Activities:		
Sales and Use Taxes Received	42,506,213	41,743,336
Grants and Other Reimbursements	4,057,917	39,249
Distributions to Subrecipient Programs	(29,836)	(39,249)
Distributions to Regional Entities	(6,962,771)	(3,399,632)
Net Cash Provided by Non-Capital Financing Activities	39,571,523	38,343,704
Cash Flows from Capital and Related Financing Activities:		
Federal and Other Grant Assistance	11,540,968	8,706,495
Retirement of Long-Term Debt	(950,000)	(930,000)
Interest and Fiscal Charges	(490,224)	(504,999)
Purchase and Construction of Capital Assets	(11,944,149)	(10,489,047)
Proceeds from the Sale of Capital Assets	2,561	515
Net Cash Used for Capital and Related Financing Activities	(1,840,844)	(3,217,036)
Cash Flows from Investing Activities:		
Investment Income	1,778,093	2,709,093
Purchases of Investments	(1,000,000)	(18,600,000)
Maturities and Redemptions of Investments	4,500,000	33,500,000
Premiums/Discounts on Investments	4,626	143,683
Net Cash Provided by Investing Activities	5,282,719	17,752,776
Net Increase/(Decrease) in Cash and Cash Equivalents	446,813	7,294,243
Cash and Cash Equivalents (Including Restricted Accounts), January 1	29,236,794	21,942,551
Cash and Cash Equivalents (Including Restricted Accounts), December 31	$ 29,683,607	$ 29,236,794

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, 2025**	**2024**
Operating Loss	$ (53,620,784)	$ (53,149,523)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	8,767,515	8,183,232
Changes in Assets, Deferred Inflows & Outflows of Resources, and Liabilities:		
Inventories	(87,915)	102,940
Lease Receivable	410,888	(293,109)
Other Receivables	533,128	(278,953)
Prepaid Expenses	(10,774)	(59,341)
Accounts Payable and Accrued Liabilities	434,957	(2,906,465)
Compensated Absences	51,452	(117,078)
Leases Payable	549,673	38,070
Total OPEB Obligation	295,345	10,375
Net Pension Liability	(2,880,094)	887,934
Subscription Software Liability	31,105	(43,275)
Deferred Outflows of Resources	1,242,710	1,748,231
Deferred Inflows of Resources	1,716,209	291,761
Net Cash Used for Operating Activities	$ (42,566,585)	$ (45,585,201)
Non-Cash Investing, Capital and Financing Activities:		
Change in:		
Accrued Interest Payable	$ 3,917	$ 3,753
Deferred Outflows of Extinguishment of Debt	(183,572)	(183,572)
Distribution to Regional Entities Payable	(3,337,739)	47,891
Long Term Investments	(4,965,940)	7,485,413
Other Prepaid Expenses (Non-Operating)	(11,522)	(11,522)
Receivable from Federal Government Capital	(3,066,544)	(3,066,544)
Receivable from Federal Government Operating	(38,861)	(38,861)
Right-to-use Subscription Software	207,378	582,718
Sales and Use Tax Receivable	1,373,081	(102,902)
Sales Tax - Audit Funds Due	-	(164,258)
Short Term Investments	(5,958,878)	(22,132,189)

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority **Exhibit 4**
Fiduciary Funds - Statements of Net Position

	December 31, 2025	December 31, 2024
ASSETS		
Investments (Note 2)		
Money Market Funds	$ 1,934,968	$ 1,995,338
Mutual Funds	11,920,254	10,322,367
Collective Investment Funds	61,463,306	54,753,147
Total Investments, at Fair Value	75,318,528	67,070,852
Receivables		
Accrued Interest Receivable	52,166	34,663
TOTAL ASSETS	75,370,694	67,105,515
LIABILITIES		
Due to Broker for Securities Purchased	49,033	30,388
TOTAL LIABILITIES	49,033	30,388
FIDUCIARY NET POSITION		
Net Position Restriced for Pension Benefits	$ **75,321,661**	$ **67,075,127**

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, 2025	Year Ended December 31, 2024
Additions:		
Investment Income / (Loss)	$ 8,905,630	$ 6,518,479
Employee Contributions	1,414,102	1,406,024
Employer Contributions	3,016,257	2,317,966
Total Additions	13,335,989	10,242,469
Deductions:		
Benefits Paid	4,918,701	5,638,018
Administrative Expenses	170,754	174,006
Total Deductions	5,089,455	5,812,024
Increase (Decrease) in Net Position	8,246,534	4,430,445
Net Position, January 1	67,075,127	62,644,682
Net Position, December 31	$ **75,321,661**	$ **67,075,127**

See Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1) Summary of Significant Accounting Policies

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

The Corpus Christi Regional Transportation Authority (the 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 Staples Street Center 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 and defined contribution activities for which the Authority is financially accountable. The fiduciary net position of the funds has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. 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. This includes, for purposes of measuring the net pension liability and OPEB liability, deferred outflows of resources and deferred inflows of resources; pension and OPEB expense; and information about assets, liabilities and additions to/deductions from fiduciary net position. Benefit payments are recognized when due and are payable in accordance with benefit terms.

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 valued at their estimated acquisition value on the date received. 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: (1) Net Investment in Capital Assets; Restricted Net Position and (3) Unrestricted Net Position. Unrestricted is available for general operating purposes, while restricted net position may be used only for purposes specified by external parties or applicable laws and regulations.

The Restricted 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 2025 and 2024, the only amount restricted represents the FTA interest in 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.

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/liability, 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 (the 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 the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value. For more information on the 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.

Recent Accounting Pronouncements:

For the year ended December 31, 2025, the Authority implemented the following recent accounting pronouncements:

- GASB Statement No. 102, Certain Risk Disclosures (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the Authority's fiscal year 2025 and there was no impact on the financial statements.

Future Accounting Pronouncements:

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the Authority's fiscal year 2026 financial statements, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the Authority's fiscal year 2026 financial statements, and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* (GASB 105), establishes guidance seeking to improvement the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for reporting periods beginning after June 15, 2026, with earlier application encouraged. GASB 105 will be implemented in the Authority's fiscal year 2027 financial statements, and the impact has not yet been determined.

(2) Cash and Cash Equivalents

As of December 31, 2025, current assets totaling $29,108,299 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, 2024, current assets totaling $28,661,486 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	2025	Weighted Average Maturity (Years)	2024	Weighted Average Maturity (Years)
Cash and Cash Equivalents				
Deposits in Bank (Unrestricted)	$ 1,564,697	0	$ 1,739,399	0
Deposits in Bank (Restricted)	575,308	0	575,308	0
TexPool Local Government Investment Pool - Overnight	27,542,252	0	26,920,737	0
Cash Funds	1,350	0	1,350	0
Total Cash and Cash Equivalents	$ **29,683,607**		$ **29,236,794**	

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, 2025, the Authority's securities to be priced in the portfolio were as follows:

Investments	Fair Value as of December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)
Commercial Paper	$ 995,375	$ -	$ 995,375
U.S. Government Agencies	3,004,990	3,004,990	-
U.S. Government Treasuries	3,519,902	3,519,902	-
Total Investments	**$ 7,520,267**	**$ 6,524,892**	**$ 995,375**

Statement of Net Position	
Short Term Investments	$ 5,000,794
Long Term Investments	2,519,473
	$ 7,520,267

As of December 31, 2025, the Authority classified investments totaling $2,519,473 as long-term. The classification is based on the contractual maturity dates of the underlying investments, which extend beyond one year from the financial statement date. The Authority has both the ability and intent to hold these investments to maturity.

As of December 31, 2024, the Authority's securities to be priced in the portfolio were as follows:

Investments	Fair Value as of December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)
Commercial Paper	$ 10,959,672	$ -	$ 10,959,672
U.S. Government Agencies	3,993,890	3,993,890	-
U.S. Government Treasuries	3,491,523	3,491,523	-
Total Investments	**$ 18,445,085**	**$ 7,485,413**	**$ 10,959,672**

Statement of Net Position	
Short Term Investments	$ 10,959,672
Long Term Investments	7,485,413
	$ 18,445,085

As of December 31, 2024, the Authority classified investments totaling $7,485,413 as long-term. The classification is based on the contractual maturity dates of the underlying investments, which extend beyond one year from the financial statement date. The Authority has both the ability and intent to hold these investments to maturity.

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, 2025:

Investments	Fair Value as of December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)
Mutual Funds	$ 11,652,465	$ 11,652,465	$ -
Collective Investment Trusts	44,991,711	-	44,991,711
Total Investments	**$ 56,644,176**	**$ 11,652,465**	**$ 44,991,711**

Note 7	
Mutual Funds	$ 11,652,465
Collective Investment Trusts	44,991,711
	$ 56,644,176

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, 2024:

Investments	Fair Value as of December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)
Mutual Funds	$ 9,917,000	$ 9,917,000	$ -
Collective Investment Trusts	40,350,013	-	40,350,013
Total Investments	**$ 50,267,013**	**$ 9,917,000**	**$ 40,350,013**

Note 7	
Mutual Funds	$ 9,917,000
Collective Investment Trusts	40,350,013
	$ 50,267,013

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, 2025,
- holdings in the portfolio had maturity dates ranging between 40 and 470 days,
- the dollar weighted average maturity of the portfolio was 0.12 years.

For the Enterprise Fund as of December 31, 2024,
- holdings in the portfolio had maturity dates ranging between 24 and 835 days,
- the dollar weighted average maturity of the portfolio was 0.32 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, 2025, and 2024, the limits on the various types of authorized investments as a percent of the portfolio were:

Investment Type	Allowable	Actual as of 12/31/2025	Actual as of 12/31/2024
US Treasury Obligations	80.00%	9.46%	7.32%
US Agency Instrumentalities	80.00%	8.08%	8.38%
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%	74.02%	56.46%
Money Market Funds / Demand Deposits	100.00%	5.76%	4.86%
Commercial Paper	35.00%	2.68%	22.98%
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, 2025 and 2024, 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, 2025 and 2024, 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, consistent with applicable fiduciary standards and with sound investment practices. Assets are invested to minimize the chance of suffering market value losses. Assets are diversified into different styles with a prudent number of individual issues within each style to mitigate concentration risk.

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

(3) Capital Assets

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

Capital asset activities for the year ended December 31, 2025, are as follows:

	Balance at 12/31/2024	Additions / Transfers	Retirements	Balance at 12/31/2025
Assets Not Being Depreciated:				
Land	$ 5,191,477	$ 9,720	$ -	$ 5,201,197
Construction in Progress	7,834,438	(4,312,407)	-	3,522,031
	13,025,915	(4,302,687)	-	8,723,228
Assets Being Depreciated				
Buildings	53,037,195	90,282	-	53,127,477
Transit Stations, Bus Stops, Street Pads & Other Improvements	33,462,556	7,901,860	-	41,364,416
Improvements other than Buildings	5,579,552	-	-	5,579,552
Vehicles, Furniture and Equipment	65,441,341	15,077,201	(290,844)	80,227,698
Right-to-Use Equipment	636,942	742,833	(499,627)	880,148
Right-to-Use Subscription Asset	1,594,044	207,377	-	1,801,421
	159,751,630	24,019,553	(790,471)	182,980,712
Total Capital Assets	**172,777,545**	**19,716,866**	**(790,471)**	**191,703,940**
Less: Accumulated Depreciation:				
Buildings	20,664,516	1,158,469	-	21,822,985
Transit Stations, Bus Stops, Street Pads & Other Improvements	21,120,718	1,646,463	-	22,767,181
Improvements other than Buildings	4,847,551	223,636	-	5,071,187
Vehicles, Furniture and Equipment	46,653,859	5,237,055	(290,844)	51,600,070
Right-to-Use Equipment	377,262	114,329	(432,501)	59,090
Right-to-Use Subscription Asset	600,264	387,563	-	987,827
Total Accumulated Depreciation	94,264,170	8,767,515	(723,345)	102,308,340
Total Capital Assets, Net	$ **78,513,375**	**$ 10,949,351**	**$ (67,126)**	**$ 89,395,600**

Capital asset activities for the year ended December 31, 2024, are as follows:

	Balance at 12/31/2023 (Restated)	Additions / Transfers	Retirements	Balance at 12/31/2024
Assets Not Being Depreciated:				
Land	$ 4,882,879	$ 308,598	$ -	$ 5,191,477
Construction in Progress	4,585,020	3,249,418	-	7,834,438
	9,467,899	3,558,016	-	13,025,915
Assets Being Depreciated				
Buildings	52,999,075	38,120	-	53,037,195
Transit Stations, Bus Stops, Street Pads & Other Improvements	31,754,022	1,708,534	-	33,462,556
Improvements other than Buildings	5,525,123	54,429	-	5,579,552
Vehicles, Furniture and Equipment	64,716,485	4,011,170	(3,286,314)	65,441,341
Right-to-Use Equipment	499,627	137,315	-	636,942
Right-to-Use Subscription Asset	1,011,325	582,719	-	1,594,044
	156,505,657	6,532,287	(3,286,314)	159,751,630
Total Capital Assets	**165,973,556**	**10,090,303**	**(3,286,314)**	**172,777,545**
Less: Accumulated Depreciation:				
Buildings	19,515,075	1,149,441	-	20,664,516
Transit Stations, Bus Stops, Street Pads & Other Improvements	19,812,463	1,308,255	-	21,120,718
Improvements other than Buildings	4,628,366	219,185	-	4,847,551
Vehicles, Furniture and Equipment	44,852,227	5,087,946	(3,286,314)	46,653,859
Right-to-Use Equipment	278,612	98,650	-	377,262
Right-to-Use Subscription Asset	280,509	319,755	-	600,264
Total Accumulated Depreciation	89,367,252	8,183,232	(3,286,314)	94,264,170
Total Capital Assets, Net	$ **76,606,304**	**$ 1,907,071**	**$ -**	**$ 78,513,375**

(4) Long-Term Liabilities:

Change in Long-Term Liabilities

2025	12/31/2024	Additions	Retirements	12/31/2025	Due within One Year
Refunding Bonds	$ 15,855,000	$ -	950,000	$ 14,905,000	$ 970,000
Net Pension Liability	12,314,109	-	2,880,094	9,434,015	-
Total OPEB Obligation	793,733	295,345	-	1,089,078	142,384
Compensated Absences	1,245,929	51,451	-	1,297,380	396,012
Leases Payable	278,913	757,893	208,220	828,585	152,131
Software Subscriptions Payable	139,603	151,912	120,807	170,708	57,241
Total Long-Term Liabilities	$ 30,627,287	$ 1,256,601	$ 4,159,121	$ 27,724,766	$ 1,717,768

2024	12/31/2023 As Restated	Additions	Retirements	12/31/2024	Due within One Year
Refunding Bonds	$ 16,785,000	$ -	$ 930,000	$ 15,855,000	$ 950,000
Net Pension Liability	11,426,175	887,934		12,314,109	-
Total OPEB Obligation	783,358	10,375	-	793,733	115,150
Compensated Absences	1,363,006	-	117,077	1,245,929	374,238
Sales Tax Audit Funds	164,258	-	164,258	-	-
Leases Payable	240,842	137,316	99,245	278,913	110,839
Software Subscriptions Payable	182,878	124,846	168,121	139,603	92,800
Total Long-Term Liabilities	$ 30,945,517	$ 1,160,471	$ 1,478,701	$ 30,627,287	$ 1,643,027

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 Present Value Savings Ratio is 6.31%, which well exceeded the Board's minimum threshold of 3.00%, indicating a 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.

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

Years Ending December 31,	Principal	Interest	Total Requirements
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	1,045,000	365,187	1,410,187
2030	1,075,000	337,108	1,412,108
2031-2035	5,835,000	1,201,441	7,036,441
2036-2038	3,970,000	261,695	4,231,695
	$ 14,905,000	$ 3,412,743	$ 18,317,743

Compensated Absences:

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

(5) Leases

Right-To-Use Leases

In 2021, 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. In 2025, prior to the end of the lease term, a call for proposals was issued for which a new contract was again awarded to the lessor. As a result, the original lease agreement was terminated and resulted in the disposal of the lease asset and reduction of the corresponding lease liability.

The following table includes the new leased equipment asset and liability amounts recorded along with the term and interest rate of the new lease agreement:

Lease Description	Asset Cost Basis	Accumulated Depreciation 12/31/2025	Lease Term (months)	Interest Rate	Original Lease Liability	Liability Outstanding 12/31/2025	Monthly Principal & Interest Payments
Tires	$ 742,833	$ 24,761	60	5.50%	$ 742,833	$ 722,151	$ 11,851

The minimum lease payment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2026	125,855	18,384	144,239
2027	136,908	19,998	156,906
2028	150,025	21,914	171,939
2029	162,989	23,808	186,797
2030	146,374	21,381	167,755
	$ 722,151	**$ 105,485**	**$ 827,636**

In 2024, 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 12/31/2025	Lease Term (months)	Interest Rate	Original Lease Liability	Liability Outstanding 12/31/2025	Monthly Principal & Interest Payments
Copiers	$ 137,316	$ 34,329	60	5.50%	$ 137,316	$ 106,434	$ 2,623

The future minimum lease payment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2026	26,277	5,198	31,475
2027	27,759	3,716	31,475
2028	29,325	2,150	31,475
2029	23,073	532	23,605
	$ 106,434	**$ 11,596**	**$ 118,030**

Lease Agreements – CCRTA as Lessor

In December 2014, the Authority (Lessor) entered into an office space lease agreement commencing August 1, 2016 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 2-year term, with three 1-year options. In July 2024, instead of exercising the second option, the County requested a two-month lease after which they vacated their space at the Staples Street Center.

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. The Senator’s office opted to renew this lease for an additional term of four years running from January 11, 2025 to January 10, 2029.

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. Endeavors opted to renew this lease for an additional term of five years running from March 1, 2024 to February 28, 2029.

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. The State of Texas opted to renew this lease for an additional period of five years, running from July 1, 2025 through June 30, 2030.

In August 2024, the Authority (Lessor) entered into an office space lease agreement with Cornerstone Caregiving (Lessee) for 1,700 square feet at the Staples Street Center. The lease term was for five years, or 60 months, with one five-year renewal option available upon written notice. Cornerstone Caregiving's occupancy fills the vacancy left by the Nueces River Authority (NRA) in February 2023.

Inflows of resources on December 31, 2025 and 2024 were recorded as lease revenue of $433,377 and $449,161, and interest income of $54,056 and $60,525, 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
2026	$ 390,402	$ 48,695	$ 439,097
2027	230,290	28,724	259,014
2028	222,475	27,750	250,225
2029	137,984	17,211	155,195
2030	56,234	7,014	63,248
Total 12/31/2025	**$ 1,037,385**	**$ 129,394**	**$ 1,166,779**

(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	$ 930,896	$ 595,642
Transportation Services	24 - 60	870,525	392,185
		$ 1,801,421	**$ 987,827**

SBITA Liabilities and Associated Principal and Interest Requirements:

	Interest Rate	Beginning Liability	Term in Months	Ending Balance
Administrative Software	5.5%	$ 100,168	24 – 60	$ 143,484
Transportation Services	5.5%	39,435	24 – 60	27,224
		$ 139,603		**$ 170,708**

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

Year Ended December 31	Principal	Interest	Total
2026	$ 57,241	$ 9,436	$ 66,677
2027	57,870	6,349	64,219
2028	35,627	3,058	38,685
2029	19,970	1,098	21,068
	$ 170,708	**$ 19,941**	**$ 190,649**

Commitments and Impairments:

There were no additional commitments made before the commencement of the SBITA term(s).

(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 401(a) *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). Additional information regarding changes in net pension liability, employer contributions and investment returns is presented on pages 65-66 in the Required Supplementary 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, 2025 and 2024, there were 676 and 677 participants respectively in this plan as follows:

	December 31, 2025	December 31, 2024
Retirees or beneficiaries currently receiving payments	274	268
Inactive employees entitled to but not yet receiving benefits	173	172
Active employees	229	237
Total Participants	**676**	**677**

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 2025 and 2024 respectively, was 20.0% and 15.8%.

Actuarial Assumptions: The actuarial assumptions that determined the total net pension liability as of December 31, 2025, are as follows:

Valuation Date	*December 31, 2025*
Actuarial Cost Method	*Entry-Age Normal Cost Actuarial Method*
Amortization Method	*Level dollar*
Asset Valuation Method	*Fair Value based on quoted market prices*
Actuarial Assumptions:	
Investment rate of return	*6.75%*
Projected Salary Increase	*5.0% for 4 years and then 3.5% thereafter*
Mortality Rate	*Pri-2012 Blue Collar Base Mortality Table, Healthy Lives, Separate for Males and Females, 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, 2024, are as follows:

Valuation Date	*December 31, 2024*
Actuarial Cost Method	*Entry-Age Normal Cost Actuarial Method*
Amortization Method	*Level dollar*
Asset Valuation Method	*Fair Value based on quoted market prices*
Actuarial Assumptions:	
Investment rate of return	*6.75%*
Projected Salary Increase	*5.0% for 4 years and then 3.5% thereafter*
Mortality Rate	*Pri-2012 Blue Collar Base Mortality Table, Healthy Lives, Separate for Males and Females, 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 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.
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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.

Based on 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%.

Discount Rate Sensitivity Analysis: The following presents the net pension liability, calculated using a discount rate of 6.75%, as well as what the net pension liability 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, 2025	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability	$17,690,164	$9,434,015	$2,558,891

Prior Year Discount Rate Sensitivity Analysis: The following presents the net pension liability, calculated using a discount rate of 6.75%, as well as what the net pension liability 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, 2024	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability	$20,186,130	$12,314,109	$5,757,148

Net Pension Liability: The net change in pension liability for the measurement date of December 31, 2025, based on the actuarial date of December 31, 2025, is reflected below:

	Increase/Decrease		
Change in Net Pension Liability	**Total Pension Liability**	**Fiduciary Net Position**	**Net Pension Liability**
Balances as of December 31, 2024	$ 63,781,983	$ 51,467,874	$ 12,314,109
Changes for the Year:			
Service Cost	1,434,091	-	1,434,091
Interest on total pension liability	4,296,653	-	4,296,653
Experience (gains)/losses	873,917	-	873,917
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Benefit payments	(3,175,777)	(3,175,777)	-
Contributions – Employer	-	3,016,257	(3,016,257)
Net investment income	-	6,609,444	(6,609,444)
Administrative expenses	-	(140,946)	140,946
Net Changes	3,428,884	6,308,978	(2,880,094)
Balances as of December 31, 2025	$ 67,210,867	$ 57,776,852	$ 9,434,015

The net change in pension liability for the measurement date of December 31, 2024, based on the actuarial date of December 31, 2024, is reflected below:

	Increase/Decrease		
Change in Net Pension Liability	**Total Pension Liability**	**Fiduciary Net Position**	**Net Pension Liability**
Balances as of December 31, 2023	$ 59,043,802	$ 47,617,627	$ 11,426,175
Changes for the Year:			
Service Cost	1,206,258	-	1,206,258
Interest on total pension liability	3,969,060	-	3,969,060
Benefit changes	-	-	-
Differences between expected and actual experience	972,510	-	972,510
Changes of assumptions	1,536,802	-	1,536,802
Benefit payments	(2,946,449)	(2,946,449)	-
Contributions – Employer	-	2,317,966	(2,317,966)
Net investment income	-	4,626,254	(4,626,254)
Administrative expenses	-	(147,524)	147,524
Net Changes	4,738,181	3,850,247	887,934
Balances as of December 31, 2024	$ 63,781,983	$ 51,467,874	$ 12,314,109

For the year ended December 31, 2025, the Authority recognized pension expenses:

Service cost	$ 1,434,091
Interest on total pension liability	4,296,653
Expected investment return	(3,567,567)
Recognition for Current Year	
Economic/demographic gains or losses	291,306
Investment gains or losses	(608,375)
Assumption changes or inputs	-
Recognition of Deferred Inflows/Outflows of Resources	
Economic/demographic gains or losses	324,170
Investment gains or losses	926,133
Assumption changes or inputs	512,267
Plan administrative expenses	140,946
Pension Expense	$ 3,749,624

For the year ended December 31, 2024, the Authority recognized pension expenses:

Service cost	$ 1,206,258
Interest on total pension liability	3,969,060
Expected investment return	(3,267,936)
Recognition for Current Year	
Economic/demographic gains or losses	324,170
Investment gains or losses	(271,664)
Assumption changes or inputs	512,267
Recognition of Deferred Inflows/Outflows of Resources	
Economic/demographic gains or losses	824,707
Investment gains or losses	714,976
Assumption changes or inputs	782,230
Plan administrative expenses	147,524
Pension Expense	$ 4,941,592

For the year ended December 31, 2025, the Authority recorded deferred outflows of resources and deferred inflows related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ 906,781	$ -
Net difference between projected and actual earnings on pension plan investments	-	2,167,497
Changes of assumptions	512,268	-
Deferred Outflows and Inflows of Resources	**$ 1,419,049**	**$ 2,167,497**

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,	
2026	$ 1,891,992
2027	(1,152,026)
2028	(880,037)
2029	(608,377)
Thereafter	-

For the year ended December 31, 2024, the Authority recorded deferred outflows of resources and deferred inflows related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ 648,340	$ -
Net difference between projected and actual earnings on pension plan investments	1,192,138	-
Changes of assumptions	1,024,535	-
Deferred Outflows and Inflows of Resources	**$ 2,865,013**	**$ -**

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 is 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 $15,044,002 in 2025 and $14,667,300 in 2024. Employee contributions were $1,414,102 in 2025 and $1,406,024 in 2024. 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, 2025 and 2024

	2025	2024
ASSETS		
Investments (Note 2)		
Money Market Funds	$ 805,425	$ 798,752
Mutual Funds	267,789	405,367
Collective Investment Funds	16,471,595	14,403,134
Total Investments, at Fair Value	17,544,809	15,607,253
TOTAL ASSETS	17,544,809	15,607,253
TOTAL LIABILITIES	-	-
FIDUCIARY NET POSITION		
Net Position Restricted for Pension Benefits	$ **17,544,809**	$ **15,607,253**

RTA Employee Defined Contribution Plan
Fiduciary Funds - Statements of Changes in Net Position
Years ended December 31, 2025 and 2024

	2025	2024
Additions:		
Investment Income / (Loss)	$ 2,296,186	$ 1,892,225
Employee Contributions	1,414,102	1,406,024
Total Additions	3,710,288	3,298,249
Deductions:		
Benefits Paid	1,742,924	2,691,569
Administrative Expenses	29,808	26,482
Total Deductions	1,772,732	2,718,051
Increase (Decrease) in Net Position	1,937,556	580,198
Net Position, January 1	15,607,253	15,027,055
Net Position, December 31	$ **17,544,809**	$ **15,607,253**

(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 2025, $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 2024. 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, 2025 and 2024, the following employees were covered by the benefit terms:

	December 31, 2025	December 31, 2024
Active employees (with medical coverage)	223	222
Active employees (without medical coverage)	-	-
Retirees (with medical coverage)	6	5
Spouses of Retirees (with medical coverage)	2	1
Total	231	228

Current Year Total OPEB Liability

The Authority's Total OPEB liability of $1,089,078 was measured as of December 31, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The Total OPEB liability in the December 31, 2025, 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	5.0% for 2025 – 2029, and 3.5% thereafter
Discount rate	4.28% per annum
Healthcare cost trend rates	
Medical:	7.50% graded down to 6.60% over 3 years and following the 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, 2025, compared to the 2024 rate of 4.0%. The assumed medical trend rate changed to 7.50% in 2025 grading down to 6.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

Prior Year Total OPEB Liability

The Authority's Total OPEB liability of $793,733 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Prior Year Actuarial Assumption: The Total OPEB liability in the December 31, 2024 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	4.00% per annum
Healthcare cost trend rates	
Medical:	7.00% graded uniformly to 5.60% over 3 years and following the 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, 2024, compared to the 2023 rate of 4.31%. The assumed medical trend rate changed to 7.00% in 2024 grading uniformly to 5.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

All actuarial assumptions are made 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 2025, the Authority recognized changes in Total OPEB liability as follows:

	Total OPEB Liability
Balance at 12/31/2024	$ 793,733
Changes for the year	
Service Cost	66,037
Interest	28,755
Experience losses (gains)	159,309
Changes of assumptions	182,141
Benefits paid	(140,897)
Net changes	295,345
Balance at 12/31/2025	$ 1,089,078

For the plan year 2024, the Authority recognized change in Total OPEB liability as follows:

	Total OPEB Liability
Balance at 12/31/2023	$ 783,358
Changes for the year	
Service Cost	57,177
Interest	32,745
Experience losses (gains)	(39,052)
Changes of assumptions	40,295
Benefits paid	(80,790)
Net changes	10,375
Balance at 12/31/2024	$ 793,733

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 2025, 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 (3.28%) or 1-percentage point higher (5.28%) than the current discount rate (4.28%):

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability	$1,163,274	$1,089,078	$1,020,133

For the plan year 2024, the sensitivity analysis related to changes in the discount rate is as follows:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	$846,740	$793,733	$744,433

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 2024, 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 (6.50%) or 1-percentage point higher (8.50%) than the current discount rate (7.50%):

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Total OPEB Liability	$989,514	$1,089,078	$1,204,688

For the plan year 2024, the sensitivity analysis related to changes in the discount rate is as follows:

	1% Decrease (6.00%)	Previous Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	$721,328	$793,733	$877,992

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

For the year ended December 31, 2025, the Authority recognized OPEB expense of $97,796.

For the year ended December 31, 2025, the Authority recorded deferred outflows of resources related to the OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ 141,506	$ 19,526
Changes of assumptions	156,753	28,353
Deferred Outflows and Inflows of Resources	**$ 298,259**	**$ 47,879**

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,:

2026	$ 79,344
2027	85,672
2028	85,364
2029	-
2030	-
Thereafter	-

For the year ended December 31, 2024, the Authority recognized OPEB expense of $102,356.

For the year ended December 31, 2024, the Authority recorded deferred outflows of resources related to the OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ 44,050	$ 31,573
Changes of assumptions	50,955	56,706
Deferred Outflows and Inflows of Resources	**$ 95,005**	**$ 88,279**

(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, 90 Degree Benefits. The coverage in force during 2025 and 2024 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.

The Authority maintains stop-loss insurance coverage for its self-insured health plan. Under this arrangement, the stop-loss policy limits the Authority's exposure to individual claims that exceed a specific threshold, with amounts above that threshold reimbursed to the Authority by the insurance carrier in accordance with the terms of the policy.

Changes in liabilities for self-funded health insurance liabilities for the years ended December 31, 2022, 2023, 2024, and 2025 are as follows:

	Health & Dental Benefits
Balance at 12/31/2022	710,928
Incurred Claims	3,410,732
Claims Paid	(3,855,189)
Balance at 12/31/2023	266,471
Incurred Claims	4,591,841
Claims Paid	(4,151,213)
Balance at 12/31/2024	707,099
Incurred Claims	5,815,453
Claims Paid	(5,931,315)
Balance at 12/31/2025	$591,237

(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, 2025, the Authority has commitments totaling $1,206,032 in ADA Bus Stop improvements.

As of December 31, 2024, the Authority has commitments totaling $1,327,077 in ADA Bus Stop improvements.

(11) Concentrations

The Authority’s primary source of operational funding is derived from a one-half percent (0.50%) sales and use tax levied upon eligible transactions within its designated service area. These funds are collected and remitted monthly by the Texas State Comptroller’s Office. For the fiscal years ended December 31, 2025, and 2024, recognized allocations from this tax mechanism totaled $43,879,294 and $41,640,434, respectively. The Authority's long-term operational viability remains dependent upon local economic conditions within the service area; any material regulatory or economic disruption affecting the collection or statutory authorization of these revenues could significantly impact the Authority's financial position and results of operations.

Grant assistance is received primarily from the Federal Transit Administration (FTA) to support capital deployment and special programmatic initiatives. During the fiscal year ended December 31, 2025, the Authority recognized $11,676,544 in federal capital assistance and $4,046,173 for other designated project allocations. For the comparative fiscal year ended December 31, 2024, recognized federal assistance totaled $5,642,138 for capital assets and $39,249 for other localized programs.

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 2025 to provide paratransit services for the elderly and persons with disability and certain fixed route services. Expenses under the contract amounted to $8,132,949 in 2025 and $8,066,521 in 2024. 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 financial statement date of December 31, 2025, 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 November 16, 2026, 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, 2025.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service Cost	$ 941,470	$ 980,740	$ 1,066,449	$ 879,904	$ 926,286	$ 990,244	$ 988,099	$ 1,108,344	$ 1,206,258	$ 1,434,091
Interest on Total Pension Liability	2,521,413	2,620,680	2,780,193	2,987,293	3,257,661	3,404,718	3,546,868	3,738,299	3,969,060	4,296,653
Effect of Plan Changes	-	-	313,503	-	-	-	-	-	-	-
Difference between expected and actual experience	(465,534)	335,013	(241,238)	1,943,344	336,157	162,958	726,557	1,649,414	972,510	873,917
Change of assumptions	-	-	1,189,575	373,385	361,060	601,314	563,863	1,564,460	1,536,802	-
Benefit Payments	(1,561,905)	(1,833,510)	(1,808,898)	(1,927,249)	(2,218,914)	(2,292,357)	(2,415,094)	(2,581,633)	(2,946,449)	(3,175,777)
Net Change in Total Pension Liability	1,435,444	2,102,923	3,299,584	4,256,677	2,662,250	2,866,877	3,410,293	5,478,884	4,738,181	3,428,884
Total Pension Liability, Beginning	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	63,781,983
Total Pension Liability, Ending	$34,966,314	$37,069,237	$40,368,821	$44,625,498	$47,287,748	$50,154,625	$53,564,918	$59,043,802	$63,781,983	$67,210,867
Fiduciary Net Position										
Employer Contributions	$ 1,503,736	$ 1,383,969	$ 1,425,533	$ 3,691,087	$ 1,227,724	$ 1,382,108	$ 1,382,108	$ 1,952,572	$ 2,317,966	$ 3,016,257
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income, net	2,523,595	4,409,016	(2,046,180)	6,617,918	5,498,173	5,597,624	(7,400,557)	5,837,507	4,626,254	6,609,444
Benefit Payments/Contribution Refunds	(1,561,905)	(1,833,510)	(1,808,898)	(1,927,249)	(2,218,914)	(2,292,357)	(2,415,094)	(2,581,633)	(2,946,449)	(3,175,777)
Administrative Expenses	(92,810)	(102,228)	(110,600)	(111,886)	(122,875)	(145,369)	(125,177)	(128,262)	(147,524)	(140,946)
Net Change in Fiduciary Net Position	$ 2,372,616	$ 3,857,247	$(2,540,145)	$ 8,269,870	$ 4,384,108	$ 4,542,006	$(8,558,720)	$ 5,080,184	$ 3,850,247	$ 6,308,978
Fiduciary Net Position, Beginning	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	51,467,874
Fiduciary Net Position, Ending	$32,583,077	$36,440,324	$33,900,179	$42,170,049	$46,554,157	$51,096,163	$42,537,443	$47,617,627	$51,467,874	$57,776,852
Net Pension Liability (Asset)	$2,383,237	$628,913	$6,468,642	$2,455,449	$733,591	$ (941,538)	$11,027,475	$11,426,175	$12,314,109	$9,434,015
Fiduciary Net Position as a Percentage of Total Pension Liability	93.2%	98.3%	84.0%	94.5%	98.4%	101.9%	79.4%	80.6%	80.7%	86.0%
Annual Covered Payroll	$ 9,178,411	$ 9,773,977	$10,677,430	$10,668,048	$10,975,562	$11,696,475	$12,603,883	$13,534,620	$14,667,300	$15,044,002
Net Pension Liability (Asset) as a Percentage of Covered Payroll	26.0%	6.4%	60.6%	23.0%	6.7%	-8.0%	87.5%	84.4%	84.0%	62.7%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$1,468,804	$1,399,307	$ 1,191,087	$ 1,227,724	$ 1,306,947	$ 1,382,108	$ 1,330,108	$ 1,952,572	$ 2,317,966	$ 3,016,257
Contributions in relation to the actuarially determined contribution	1,503,736	1,383,969	1,425,533	3,691,087	1,227,724	1,382,108	1,382,108	1,952,572	2,317,966	3,016,257
Contribution deficiency (excess)	$ (34,932)	$ 15,338	$ (234,446)	$(2,463,363)	$ 79,223	$ -	$ (52,000)	$ -	$ -	$ -
Annual Covered Payroll	$9,178,411	$9,773,977	$10,677,430	$10,668,048	$10,975,562	$11,696,475	$12,603,883	$13,534,620	$14,667,300	$15,044,002
Contributions as a percentage of Annual Covered Payroll	16.4%	14.2%	13.4%	34.6%	11.2%	11.8%	11.0%	14.4%	15.8%	20.0%
Annual money-weighted rate of return, net of investment expense	8.01%	13.12%	- 5.40%	18.98%	13.07%	12.02%	- 14.51%	13.57%	9.59%	12.72%

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 9 years from January 1, 2025, Remaining Amortization Period - 8 Years

Asset Valuation Method – Fair Value

Inflation Rate – 2.25% Annually

Salary Increases – 5.00% Annually for the first 4 years and then 3.50% per year thereafter

Investment Rate of Return – 6.75% Annually

Retirement Age - All participants were assumed to retire at age 62

Mortality Rates – Pri-2012 Blue Collar Base Mortality, Healthy Lives, Separate for Males and Females, and projected using scale MP-2021

There were no changes made to the actuarial assumptions and methods effective December 31, 2025.

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

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service Cost	$ 36,236	$ 38,048	$ 39,950	$ 43,344	$ 44,891	$ 58,694	$ 57,177	$ 66,037
Interest	38,682	34,073	31,661	23,079	14,410	17,555	32,745	28,755
Difference between expected and actual experience	-	-	(78,803)	72,887	(9,136)	(54,717)	(39,052)	159,309
Changes of Assumptions	-	-	26,826	12,648	82,936	40,295	40,295	182,141
Benefit Payments	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)	(113,309)	(80,790)	(140,897)
Net Change in Total OPEB Liability	(114,249)	(131,233)	(120,642)	3,598	(18,250)	(51,482)	10,375	295,345
Total OPEB Liability, Beginning	1,215,616	1,101,367	970,134	849,492	853,090	834,840	783,358	793,733
Total OPEB Liability, Ending ***(a)***	$ 1,101,367	$ 970,134	$ 849,492	$ 853,090	$ 834,840	$ 783,358	$ 793,733	$1,089,078
Plan Fiduciary Net Position**								
Employer Contributions	$ 189,167	$ 203,354	$ 140,276	$ 148,360	$ 151,351	$ 113,309	$ 80,790	$ 140,897
Benefit Payments/Contribution Refunds	(189,167	(203,354)	(140,276)	(148,360)	(151,351)	(113,309)	(80,790)	(140,897)
Net Change in Plan Fiduciary Net Position	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
--								
Plan Fiduciary Net Position, Beginning	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position, Ending ***(b)***	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability ***(a)*** – ***(b)***	$ 1,101,367	$ 970,134	$ 849,492	$ 853,090	$ 834,840	$ 783,358	$ 793,733	$1,089,078
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	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	$13,918,133	$14,101,507
Total OPEB Liability as a Percentage of Annual Covered-Employee Payroll	9.4%	8.0%	6.4%	6.4%	7.1%	6.2%	5.7%	7.7%

*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 years.

**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 Eight Fiscal Years*

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 202,742	$ 206,160	$ 207,944	$ 211,800	$ 224,227	$ 224,902	$ 232,190	$ 242,176
Contributions in relation to the actuarially determined contribution	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)	(113,309)	(80,790)	(140,897)
Contribution deficiency (excess)	$ 13,575	$ 2,806	$ 67,668	$ 63,440	$ 72,876	$ 111,593	$ 151,400	$ 101,279
Annual covered-employee payroll	$11,667,509	$12,134,143	$13,257,370	$13,269,291	$11,697,254	$12,604,717	$13,918,133	$14,101,507
Contributions as a percentage of annual covered-employee payroll	1.6%	1.7%	1.1%	1.1%	1.3%	0.9%	0.6%	1.0%

Notes to the Schedule

Valuation Date:
Actuarial determined contribution rates calculated as of January 1, 2025.

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	Not applicable
Healthcare Cost Trend Rates	Medical: 7.50% graded uniformly to 6.60% over 3 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	5.0% for 2025 – 2029, and 3.5% thereafter
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	Pri-2012 Blue Collar 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 years.

SUPPLEMENTARY INFORMATION



Corpus Christi Regional Transportation Authority
Schedule of Revenues and Expenses - Actual and Budget by Function
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Final Budget versus Actual
Operating Revenues				
Passenger Service	$ 1,163,193	$ 1,163,193	$ 1,086,528	$ (76,665)
Bus Advertising	212,296	212,296	221,605	9,309
Other Operating Revenues	7,095	7,095	107,556	100,461
Total Operating Revenues	1,382,584	1,382,584	1,415,689	33,105
Operating Expenses				
Transportation	11,758,978	12,218,744	13,137,064	(918,320)
Customer Programs	731,351	759,699	761,304	(1,605)
Purchased Transportation	9,491,286	9,491,286	9,160,265	331,021
Program & Service Development	659,974	688,980	624,328	64,652
MIS	2,088,273	2,124,423	1,928,526	195,897
Vehicle Maintenance	7,099,062	7,261,063	7,364,997	(103,934)
Facilities Maintenance (net)*	4,045,407	4,133,832	4,308,848	(175,016)
Materials Maintenance	295,966	307,536	340,826	(33,290)
Administrative & General	7,893,857	8,064,558	7,603,575	460,983
Marketing & Communications	1,114,826	1,150,839	1,039,225	111,614
Depreciation	1,550,753	1,550,753	8,767,515	(7,216,762)
Total Operating Expenses	46,729,733	47,751,713	55,036,473	(7,284,760)
Operating Loss	**(45,347,149)**	**(46,369,129)**	**(53,620,784)**	**(7,251,655)**
Non-Operating Revenues (Expenses)				
Sales and Use Tax Revenue	43,222,564	43,222,564	43,879,294	656,730
Federal and Other Grant Assistance	4,473,575	4,473,575	4,046,173	(427,402)
Investment Income	2,033,727	2,033,727	1,752,357	(281,370)
Lease-Related Interest Income	-	-	54,056	54,056
Gain (Loss) on Asset Disposal	-	-	2,561	2,561
Subrecipient Programs	(74,256)	(74,256)	(29,835)	44,421
Interest Expense and Fiscal Charges	(1,607,353)	(1,607,353)	(660,599)	946,754
Distributions to Regional Entities	(3,625,032)	(3,625,032)	(3,625,032)	-
Net Income/(Loss) Before Capital Grant Contributions	**$ (923,924)**	**$ (1,945,904)**	**$ (8,201,809)**	**$ (6,255,905)**

* **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, 2025, with Comparative Total for December 31, 2024

	2025			2024
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	
ASSETS				
Investments (Note 2)				
Money Market Funds	$ 1,129,543	$ 805,425	$ 1,934,968	$ 1,995,338
Mutual Funds	11,652,465	267,789	11,920,254	10,322,367
Collective Investments Funds	44,991,711	16,471,595	61,463,306	54,753,147
	57,773,719	17,544,809	75,318,528	67,070,852
Receivables				
Accrued Interest Receivable	52,166	-	52,166	34,663
TOTAL ASSETS	57,825,885	17,544,809	75,370,694	67,105,515
LIABILITIES				
Due to Broker for Securities Purchased	49,033	-	49,033	30,388
TOTAL LIABILITIES	49,033	-	49,033	30,388
NET POSITION				
Restricted for Pension Benefits	$ 57,776,852	$ 17,544,809	$ 75,321,661	$ 67,075,127

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority
Fiduciary Funds – Combined Statements of Changes in Net Position
Year Ended December 31, 2025, with Comparative Total for December 31, 2024

	2025			2024
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	
Additions:				
Investment Income (Loss)	$ 6,609,444	$ 2,296,186	$ 8,905,630	$ 6,518,479
Employee Contributions	-	1,414,102	1,414,102	1,406,024
Employer Contributions	3,016,257	-	3,016,257	2,317,966
Total Additions	9,625,701	3,710,288	13,335,989	10,242,469
Deductions				
Benefits Paid	3,175,777	1,742,924	4,918,701	5,638,018
Administrative Expenses	140,946	29,808	170,754	174,006
Total Deductions	3,316,723	1,772,732	5,089,455	5,812,024
Increase (Decrease) in Net Position	6,308,978	1,937,556	8,246,534	4,430,445
Net Position, January 1	51,467,874	15,607,253	67,075,127	62,644,682
Net Position, December 31	$ 57,776,852	$ 17,544,809	$ 75,321,661	$ 67,075,127

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority
Schedule of Long-Term Debt Amortization
Year Ended December 31, 2025

$20,265,000 System Revenue Refunding Bonds Taxable Series 2019			
Years Ending December 31,	**Principal**	**Interest**	**Total Requirements**
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	1,045,000	365,187	1,410,187
2030	1,075,000	337,108	1,412,108
2031-2035	5,835,000	1,201,441	7,036,441
2036-2038	3,970,000	261,695	4,231,695
	$ 14,905,000	$ 3,412,743	$ 18,317,743

Corpus Christi Regional Transportation Authority
Schedule of Pension Plan Investment Expenses
Year Ended December 31, 2025

Direct and Indirect Fees and Commissions

Description	Cash	Public Equity	Fixed Income	Real Assets	Alternative/ Other	Total
Management Fees Paid from Trust	$ 2,530	$ 76,104	$ 53,818	$ 8,494	$ -	$ 140,946
Management Fees Netted from Trust	895	79,998	51,804	28,451	-	161,148
Total Investment Management Fees (Netted from Returns + Managed Fees Paid from Trust	3,425	156,102	105,622	36,945	-	302,094
Brokerage Fees/Commission	-	-	-	-	-	-
Profit Share/Carried Interest	-	-	-	-	-	-
Total Direct & Indirect Fees and Commission/Management Fees + Brokerage Fees/Commissions + Profit Share	$ 3,425	$ 156,102	$ 105,622	$ 36,945	-	$ 302,094

Total Investment Expenses Summary

Total Direct and Indirect Fees & Commissions		**$ 302,094**
Investment Services		
Custodial	$ -	
Research	-	
Investment Consulting	-	
Legal	-	
Total Investment Services	**-**	
Total Investment Expenses*		**$ 302,094**

*Total Direct and Indirect Fees and Commissions + Investment Services

List of Investment Manager Names*			
1	MFS Investment Management	10	Causeway Capital Mgmt. LLC
2	T. Rowe Price Group	11	Allspring
3	BlackRock, Inc.	12	Acadian Asset Mgmt.
4	Alliance Bernstein	13	Dodge & Cox
5	JP Morgan Asset Mgmt.	14	Federated Hermes, Inc.
6	Invesco Ltd	15	TCW Metropolitan West Funds
7	Goldman Sachs Asset Mgmt.	16	Core Commodity Mgmt.
8	Cap Group / American Funds	17	Principal Asset Mgmt
9	Cap Group / American Funds	18	Franklin Templeton

* 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



2025
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**

Financial Trends.....80

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

Revenue Capacity 83

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

Debt Capacity.....86

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

Demographic & Economic Data 88

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

Operating Information 90

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

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

Corpus Christi Regional Transportation Authority
Statistical Supplement 1
Net Position by Component
Fiscal Years 2016 to 2025
(unaudited)

For the Fiscal Year Ended December 31,

(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net investment in capital assets	$ 59,298	$ 66,265	$ 59,126	$ 55,072	$ 49,934	$ 55,274	$ 52,663	$ 58,741	$ 64,187	$ 75,251
Restricted	1,611	1,611	1,611	-	474	1,721	575	575	575	575
Unrestricted	25,612	27,299	27,703	26,040	38,700	44,691	50,835	51,612	38,750	31,161
Total	**$ 86,521**	**$ 95,175**	**$ 84,440**	**$ 81,112**	**$ 89,108**	**$ 101,686**	**$ 104,073**	**$ 110,928**	**$ 103,512**	**$ 106,987**

Corpus Christi Regional Transportation Authority
Statistical Supplement 2
Changes in Net Position
Fiscal Years 2016 to 2025
(unaudited)

For the Fiscal Year Ended December 31,

(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenues										
Passenger Service	$ 1,735	$ 1,697	$ 1,689	$ 1,858	$ 1,141	$ 987	$ 991	$ 1,084	$ 1,132	$ 1,087
Other Operating	665	805	757	1,360	851	639	652	676	627	329
Total Operating Revenues	2,400	2,502	2,446	3,218	1,992	1,626	1,643	1,760	1,759	1,416
Operating Expenses										
Transportation	12,426	12,679	13,376	14,015	16,286	16,001	19,455	19,881	22,480	22,297
Vehicle/Facilities Maintenance (net of SSC leases)	6,722	7,062	6,652	6,737	8,289	8,844	10,369	10,765	12,067	12,014
Program Development	1,605	1,347	1,153	1,226	1,548	1,599	2,536	2,247	2,776	3,314
Administrative & General	9,456	9,748	13,557	9,050	7,400	6,158	7,296	8,361	9,403	8,643
Depreciation	7,542	8,272	8,932	7,987	7,465	6,456	7,032	6,942	8,183	8,768
Total Operating Expenses	37,751	39,108	43,670	39,015	40,988	39,058	46,688	48,196	54,909	55,036
Operating Loss	**(35,351)**	**(36,606)**	**(41,224)**	**(35,797)**	**(38,996)**	**(37,432)**	**(45,045)**	**(46,436)**	**(53,150)**	**(53,620)**
Non-Operating Revenues Or (Expenses):										
Sales and Use Tax	31,387	32,570	33,934	33,878	33,912	37,149	38,482	40,793	41,640	43,879
Grant Assistance	1,185	4,619	58	954	15,985	8,359	11,541	1,262	39	4,046
Investment Income	69	85	409	552	181	35	840	2,859	2,600	1,752
Lease-Related Interest	-	-	-	-	-	-	72	76	61	54
Other Non-Operating Items	(677)	(1,416)	(1,075)	(645)	(1,411)	(808)	(1,000)	(1,411)	(801)	(688)
Distributions to Region Entities	(3,170)	(3,003)	(2,807)	(3,013)	(3,369)	(3,084)	(3,129)	(3,272)	(3,447)	(3,625)
Net Gain (Loss) before Capital Contributions	(6,557)	(3,751)	(10,705)	(4,071)	6,302	4,219	1,761	(6,129)	(13,058)	(8,202)
Capital Contributions	1,289	12,404	1,185	948	1,695	8,289	625	12,984	5,642	11,677
Change in Accounting Principle	-	-	(1,215)	-	-	-	-	-	-	-
Total Change in Net Position	**$ (5,268)**	**$ 8,653**	**$ (10,735)**	**$ (3,123)**	**$ 7,997**	**$ 12,508**	**$ 2,386**	**$ 6,855**	**$ (7,416)**	**$ 3,475**

Corpus Christi Regional Transportation Authority
Statistical Supplement 3
Revenues by Source
Fiscal Years 2016 to 2025
(unaudited)

Year	Operating Revenues (1)	Sales And Use Tax	Federal Operating Grants and Reimbursements	Investment Income	Other (2)	Total
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	1,624,346	37,149,496	8,358,878	35,305	69,632	47,237,657
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
2024	1,759,527	41,640,434	39,249	2,600,334	61,040	46,100,584
2025	1,415,689	43,879,294	4,046,173	1,752,357	56,617	51,150,130

(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 2016 to 2025
(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]		
2016	6.2%	87.4%	6.4%	36.3%	6.9%	56.8%
2017	7.1%	89.5%	3.4%	36.3%	6.9%	56.8%
2018	5.9%	82.4%	11.7%	36.0%	6.1%	57.8%
2019	7.7%	92.1%	0.2%	34.0%	8.2%	57.8%
2020	9.8%	87.7%	2.5%	20.7%	6.1%	73.1%
2021	4.3%	65.0%	30.7%	15.5%	6.6%	77.9%
2022	4.3%	73.6%	22.1%	19.0%	6.9%	74.1%
2023	9.4%	87.9%	2.7%	22.5%	8.3%	69.3%
2024	9.6%	90.3%	0.1%	23.4%	8.1%	68.4%
2025	6.3%	85.8%	7.9%	*	*	*

(1) Source: The American Public Transportation Association, 2026 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 2016 to 2025
(unaudited)

Year	Total Unlinked Trips	Passenger Revenues
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
2024	3,710,197	1,132,006
2025	3,836,725	1,086,528

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.

2016	……	5.75%
2017	……	5.50%
2018	……	4.86%
2019	……	5.99%
2020	……	3.40%
2021	……	3.03%
2022	……	2.50%
2023	……	2.63%
2024	……	2.42%
2025	……	2.35%

Corpus Christi Regional Transportation Authority
Statistical Supplement 7
Ratio of Outstanding Debt
Fiscal Years 2016 to 2025
(unaudited)

Year	Revenue Bonds	Refunding Bonds	Leases Payable	SBITA* Payable	Total Debt	Per Capita Income**	Percent of Personal Income
2016	$20,375,000	$ -	$ -	$ -	$20,375,000	$ 40,823	0.20%
2017	19,820,000	-	-	-	19,820,000	42,867	0.22%
2018	19,245,000	-	-	-	19,245,000	43,957	0.23%
2019	-	20,265,000	-	-	20,265,000	46,626	0.23%
2020	-	19,450,000	89,855	-	19,539,855	48,183	0.25%
2021	-	18,580,000	431,407	-	19,011,407	53,227	0.28%
2022	-	17,690,000	338,738	278,173	18,306,911	53,841	0.29%
2023	-	16,785,000	240,842	182,878	17,208,720	55,447	0.32%
2024	-	15,855,000	278,913	139,603	16,273,516	57,515	0.35%
2025	-	14,905,000	828,585	170,708	15,904,293	***	***

*SBITA – Subscription Based Information Technology Arrangements

**Source: Bureau of Economic Analysis
CAINC1 Personal Income Summary: Personal Income, Population, Per Capital Personal Income
County = Nueces and San Patricio
https://apps.bea.gov/itable/index.cfm

***Not yet available

Corpus Christi Regional Transportation Authority
Statistical Supplement 8
Revenues Bond Coverage
Fiscal Years 2016 to 2025
(unaudited)

Year	Pledged Revenues (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
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	1.17
2023	1,760,469	905,000	500,980	1,405,980	1.25
2024	1,759,527	930,000	481,948	1,411,948	1.25
2025	1,415,689	950,000	461,460	1,411,460	1.00

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

Corpus Christi Regional Transportation Authority
Statistical Supplement 9
Demographic Statistics
Fiscal Years 2016 to 2025
(unaudited)

Year	Population (1)	Personal Income (in thousands) (1)	Mean Per Capita Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2016	423,932	$17,306,234	$40,823	61,485	6.20%
2017	422,580	18,114,539	42,867	61,350	5.50%
2018	421,960	18548,158	43,957	61,075	4.60%
2019	421,387	19,647,510	46,626	60,516	4.20%
2020	422,448	20,355,005	48,183	60,143	8.40%
2021	423,328	22,532,544	53,227	57,333	5.40%
2022	421,896	22,715,399	53,841	55,736	4.40%
2023	423,415	23,477,161	55,447	56,270	3.90%
2024	424,592	24,420,254	57,515	55,814	3.90%
2025	Not Available	Not Available	Not Available	54,030	4.30%

(1) County = Nueces & San Patricio
Source: US Dept. of Commerce Bureau of Economic Analysis
https://apps.bea.gov/itable/

(2) Nueces County - Source: Nueces County/Texas Education Agency/PEIMS
2025 Nueces County Annual Comprehensive Financial Report

(3) Source: Texas Labor Market Information/Nueces County
Not seasonally adjusted
Local Area Unemployment Statistics

Corpus Christi Regional Transportation Authority
Statistical Supplement 10
Top Ten Employers by Size of Employment
Fiscal Years 2016 to 2025
(unaudited)

	2025			2016		
Business	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Christus Spohn Health Services	7,866	1	4.01%	5,144	3	3.23%
Naval Air Station Corpus Christi	5,952	2	3.03%	2,827	6	1.77%
Corpus Christi Independent School District	5,795	3	2.95%	5,178	2	3.25%
City of Corpus Christi	3,062	4	1.56%	3,171	5	1.99%
Driscoll Children's Hospital	2,609	5	1.33%	1,800	9	1.13%
Texas A&M University – Corpus Christi	2,363	6	1.20%	-		-
American Electric Power – Texas	2,133	7	1.09%	-		-
Nueces County	2,031	8	1.04%	-		-
Corpus Christi Army Depot	1,700	9	0.87%	6,500	1	4.08%
Bay Ltd.	1,700	10	0.87%	2,100	8	1.32%
H.E.B. Stores & Bakery	-		-	5,000	4	3.14%
Kiewit Offshore Services	-		-	2,200	7	1.38%
Corpus Christi Medical Center	-		-	1,300	10	0.82%
Total	35,211		17.95%	35,220		22.11%
Total Employed in the Service Area [1]	196,143			159,297		

Source: Corpus Christi Regional Economic Development Corp.

(1) Texas Labor Market Information (LMI) Report, December 2025

Corpus Christi Regional Transportation Authority
Statistical Supplement 11
Full-Time Equivalent Positions
Fiscal Years 2016 to 2025
(unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Transportation										
Transportation – Directly Operated	154.50	145.00	132.50	125.25	118.50	114.50	120.00	121.00	135.00	120.00
Purchased Transportation*	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	156.50	145.00	132.50	125.25	118.50	114.50	120.00	121.00	135.00	120.00
Maintenance										
Vehicle Maintenance	36.00	37.00	33.00	32.00	36.00	35.00	35.00	35.00	35.00	31.00
Facilities Maintenance	12.50	14.50	14.50	16.00	20.00	17.00	19.00	21.00	21.00	23.00
Materials Management	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	52.50	54.50	50.50	51.00	59.00	55.00	57.00	59.00	59.00	57.00
Program Development										
Customer Programs	5.50	6.00	6.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Service Development	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	3.00	4.00
Program Management	3.00	3.00	1.00	1.00	2.00	2.00	2.00	3.00	3.00	3.00
Marketing & Communications	2.50	3.00	3.00	3.00	3.00	2.00	3.00	4.00	5.00	6.00
	15.00	16.00	14.50	13.00	15.00	14.00	15.00	17.00	17.00	19.00
General Administrative										
MIS	6.00	6.00	6.00	6.00	5.00	5.00	7.00	7.00	6.00	7.00
Contracts & Grants	1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
CEO's Office	2.00	1.00	1.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Finance & Accounting	6.55	5.50	6.00	6.00	6.00	6.00	5.00	6.00	6.00	6.00
Human Resources	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Administration	5.00	6.00	6.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Safety & Security	2.50	2.50	2.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Staples Street Center	3.50	4.00	4.00	3.00	4.00	4.00	4.00	4.00	3.00	4.00
	29.55	31.00	31.00	30.00	30.00	31.00	32.00	32.00	30.00	33.00
Totals	253.55	246.50	228.50	219.25	222.50	214.50	224.00	229.00	241.00	229.00

*The Authority has about 95 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 2016 to 2025
(unaudited)

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
System Ridership											
Motor Bus	a	5,252,466	5,168,421	5,153,005	4,975,242	2,810,165	2,181,460	2,563,876	3,024,117	3,412,177	3,528,025
Demand Response	b	204,459	195,101	197,978	211,103	129,088	136,086	161,260	180,961	194,493	199,138
Ferry Boat	b	-	-	-	-	-	-	-	-	-	-
VanPool	c/e	-	9,802	16,002	63,521	45,341	64,847	89,104	97,970	103,527	109,562
System Hours											
Motor Bus	a	269,711	267,036	275,532	272,402	209,207	197,310	202,353	205,839	224,878	225,636
Demand Response	b	81,258	77,501	78,319	81,658	76,954	61,862	67,657	73,171	79,384	80,933
Ferry Boat	b	-	-	-	-	-	-	-	-	-	-
VanPool	c/e	9,027	3,457	1,935	8,856	8,680	15,037	17,325	18,679	20,921	21,269
System Miles											
Motor Bus	a	3,546,503	3,864,934	3,721,249	4,223,566	2,905,938	2,772,308	2,864,529	3,255,738	3,082,474	3,096,802
Demand Response	b	1,401,147	1,332,822	1,350,787	1,572,140	1,060,115	952,949	1,091,848	1,386,203	1,327,397	1,380,032
Ferry Boat	b	-	-	-	-	-	-	-	-	-	-
VanPool	c/e	184,532	75,406	82,942	401,872	487,589	889,049	1,006,399	1,091,955	1,210,759	1,224,857
Vehicles in Service											
Motor Bus	a	67	92	88	89	89	100	87	88	88	76
Demand Response	b	28	41	36	36	36	54	34	34	35	35
Ferry Boat	b	-	-	-	-	-	-	-	-	-	-
VanPool	c/e	6	5	10	24	22	22	34	34	40	40
Use of Capital Funds	d										
Vehicles		$ 139,358	$ 8,119,989	$ 244,460	$ 658,196	$ 651,166	$ 9,097,765	$ 274,050	$ 3,140,623	$ 2,407,379	$15,624,867
Communications & IT		906,221	477,613	59,904	269,015	406,426	149,349	340,339	532,352	1,203,970	280,092
Facilities & Station		8,680,069	5,718,703	118,531	292,985	1,142,874	1,348,451	909,248	5,934,678	750,313	2,069,710
Other		276,415	827,638	795,066	245,905	-	-	3,451,887	5,389,029	5,302,073	791,987
Operating Expenses by Mode	d										
Motor Bus	a	$24,357,254	$25,939,360	$25,928,435	$26,196,995	$25,799,965	$27,558,408	$33,464,780	$35,242,276	$36,727,073	$36,545,069
Demand Response	b	5,353,867	4,954,285	4,934,149	5,138,058	5,480,345	5,261,121	6,431,421	6,737,303	7,624,176	7,836,042
Ferry Boat	b	-	-	-	-	-	-	-	-	-	-
VanPool	c/e	163,054	102,522	92,839	238,653	220,016	318,483	433,951	458,541	550,299	526,748

Source: National Transit Database

Corpus Christi Regional Transportation Authority
Statistical Supplement 12
Operating Statistics & Assets Utilized (continued)
Fiscal Years 2016 to 2025
(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[2]	355,153
Type of Tax Support	Sales and Use Tax
Sales Tax Rate	0.50%
Base Fare	$0.75
Number of Routes [3]	33
Number of Transfer Stations [3]	4
Number of Bus Stops [3]	1,375

[1] Source: 2025 NTD Report
[2] Source: U.S. Census Bureau QuickFacts
[3] Historical trend information is not available. See Table 12 for utilization and level of capital investment trends.

2025
Single Audit Section
Annual Comprehensive Financial Report

Adamson & COMPANY, LLC
CPAs & ADVISORS

Craig A. Adamson, CPA CFF-Partner
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Priyanka B. Desai, CPA MAcc-Partner

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*

November 16, 2026

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Corpus Christi Regional Transportation Authority (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 16, 2026.

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 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 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.

Adamson & Company, LLC

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

November 16, 2026

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Corpus Christi Regional Transportation Authority's compliance with the types of compliance requirements identified as subject to the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each 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 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 each 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 each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government 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

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Adamson & Company, LLC



CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Section I:
Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
• Noncompliance material to the financial statements noted?	No

Federal Awards:

Type of auditor's report on compliance for major federal programs:	Unmodified
Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Any audit findings required to be reported in accordance with the Uniform Guidance?	No

The programs tested as major programs include:

U.S. Department of Transportation:

Federal Transit Cluster:
20.507 Federal Transit – Formula Funds (Urbanized Area Formula Program)
20.526 Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as low-risk auditee:	No

Section II:
Financial Statement Findings

No findings were reported.

Section III:
Federal Award Findings and Questioned Costs

No findings or questioned costs were reported.

Section IV:
Summary Schedule of Prior Audit Findings Financial Statement Findings

2024-001 – Pension Census Data

Prior-Year Classification: Significant Deficiency in Internal Control Over Financial Reporting

Current Status: The Authority implemented corrective actions to address the previously reported deficiency in internal control over financial reporting. Procedures were established to ensure that pension census information is reconciled to underlying payroll records and that corrections identified through the reconciliation process are incorporated into the final census data provided to the actuary. The finding is considered resolved.

Federal Award Findings

2024-002 – Internal Controls Over Compliance – Federal Transit Administration Programs *Prior-Year*

Classification: Significant Deficiency in Internal Control Over Compliance *Original Finding:* 2023-001

Current Status: The Authority implemented corrective actions to address the previously reported deficiency. Procurement procedures were revised to require verification and documentation of suspension and debarment status for all applicable vendors, including those selected through cooperative purchasing agreements. The finding is considered resolved.

Corpus Christi Regional Transportation Authority
Schedule of Expenditures of Federal Financial Awards
Year Ended December 31, 2025

Grantor	Assistance Listing Number	Grant Number	Passed through to Subrecipients	Expenditures, Indirect Costs, and Refunds
Department of Transportation				
Federal Transit Administration (FTA):				
Federal Transit Cluster				
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX18-0074	-	57,154
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX21-0066	-	3,594,049
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX25-0007	-	800,000
Federal Transit – Formula Funds (Urbanized Area Formula Program)	20.507	TX25-0108	-	4,422,203
Covid-19 Federal Transit – Formula Grants (Urbanized Area Formula Program)	20.507	TX22-0032	-	1,093,530
			-	9,966,936
Bus and Bus Facilities & Discretionary Programs (Bus Program)	20.526	TX18-0074	-	106,192
Bus and Bus Facilities & Discretionary Programs (Bus Program)	20.526	TX21-0066	-	7,948
Bus and Bus Facilities & Discretionary Programs (Bus Program)	20.526	TX25-0085	-	5,592,225
			-	5,706,365
Total Federal Transit Cluster			-	15,673,301
Transit Service Program Cluster				
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX17-0083	-	7,837
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX23-0119	2,172	2,172
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX24-0123	27,663	27,663
Total Federal Transit Services Program Cluster			29,835	37,672
Public Transportation Emergency Relief Program				
FY17 Hurricane Harvey Relief	20.527	TX25-0019	-	11,744
Total Department of Transportation			**$ 29,835**	**$ 15,722,717**

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, 2025

(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	$	4,046,173
Less: State & Local Grants		-
Capital Grants & Donations		11,676,544
Total Federal Grants	$	15,722,717

(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 de minimus indirect cost rate allowed under the Uniform Guidance.

(6) Non-cash Assistance

The Authority has not received any non-cash assistance for the fiscal year ended December 31, 2025.

(7) Loan and Loan Guarantees

The Authority has not received any loan or loan guarantees for the fiscal year ended December 31, 2025.

(8) Federally Funded Insurance

The Authority has not received any federally funded insurance for the fiscal year ended December 31, 2025.

(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, 2025, the Authority expended $29,835 to subrecipients.

(11) Federal Pass-Through Funds

The Authority was not the subrecipient of any federal funds for the year ended December 31, 2025.




CCRTA
CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY
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CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: October 2026 Financial Report

Overview: The **October Operating Budget** ended the month with revenue exceeding expenses by **$149,007**. **Operating Revenue** totaled **$5,028,521**, while **Operating Expenses** totaled **$4,879,514**. **Operating Revenue** came in less than budget by **$236,941**, while **Operating Expenses** exceeded budget by $270,128.

Four revenue sources fell short of budget expectations:

- **Bus Advertising Revenue**: Totaled **$13,851**, reaching 70.43% of budget, or **$5,816** below budget.
- **Federal Operating Grant Revenue**: Totaled $211,972, reaching 47.41% of budget, or $235,114 below budget. Reported revenue reflects subrecipient grants and is fully offset by corresponding pass-through expenses.
- **Tenant Lease Revenue:** Totaled **$41,368**, reaching **90.85%** of budget, or **$4,167** below budget, due to a building vacancy.
- **Investment Income:** Totaled **$112,658**, finishing **5.57%**, or **$6,639** below budget. This variance is primarily timing-related and is expected to improve as short-term yields from new investments are realized and incoming grant reimbursements increase investable cash balances.

Year-to-Date (YTD) Operating Performance:

Through October 2026, the Operating Budget expenses exceeded recognized revenues by $1,024,872, primarily reflecting the timing of federal grant reimbursement. YTD Operating Budget revenues of **$43,114,340** reached **96.04% of baseline**, while YTD operating expenses of **$44,139,212** finished at **101.03%** of baseline. Once awarded, the pending FTA preventive maintenance grant is expected to offset this budget shortfall.

Capital Improvement Program (CIP) Performance:

October CIP: Expenditures of **$149,504** exceeded funding sources of **$130,499**, resulting in a net CIP expenditure of **$19,005**. Capital grant revenue of **$130,499** supported the new Maintenance Facility, IT equipment for the incoming contracted bus service provider (Hendrickson), and vehicle maintenance technical training equipment. Total CIP expenses of **$149,504** comprised the federal project share plus **$19,005** in depreciation expense.

YTD CIP: Expenditures of **$3,474,419** exceeded funding sources of **$3,289,082**, resulting in a net CIP expenditure of **$185,337**.

Net Fund Balance Impact:

October overall: Total fund balance increased by **$130,002**, reflecting the **$149,007** operating surplus less the **$19,005** CIP reduction.

YTD Overall: Total fund balance decreased by **$1,210,209** reflecting the **$1,024,872** YTD operating variance combined with the **$185,337** CIP reduction.

SUMMARY: Results from all Activities Compared to Budget

Total Revenues and funding sources for **October** closed at **$5,159,020**, comprising $5,028,521 in the **Operating Budget** and **$130,499** in the **CIP Budget (Table 4; PPT Slides 3 and 4)**. Operating Budget revenue performance is detailed below:

Operating Revenues (Transit Operations)

Revenues generated directly from transit operations totaled **$147,420,** exceeding the baseline forecast by 6.49% (Table 4.1; PPT Slide 5)

- **Fare Revenues:** Totaled **$133,339**, exceeding baseline expectations by 12.48%. Go-Pass Mobile App Pass sales accounted for $26,369 (19.78%) of total fare revenue.

- **Advertising Commissions (Combined bus and bench advertising)**: Totaled $13,851 (70.43%) of baseline, consisting of $10,412 from on-board bus advertising and $3,439 from bus bench advertising.

- **Other Operating Revenues:** Totaled **$230** from nominal administrative fees.

Non-Operating Revenues

Non-operating revenues-comprising the sales tax estimate, investment income, tenant lease income, and federal assistance grants-totaled **$4,881,101,** reaching **95.20%** of the **$5,127,022** budget (**$245,921** below forecast) **(Table 4.1).**

- **Sales Tax Estimate**: Estimated at $4,515,103 for October.

- **Investment Income:** Totaled **$112,658**, or **$6,639** (**5.57%)** below baseline due to investment timing; performance is projected to strengthen as new short-term yields mature and grant cash arrives.

- **Federal Operating Grant**: Totaled **$211,972**, or **47.41%** of budget ($235,114 below baseline), representing pass-through subrecipient grants offset by matching expenses.

- **Staples Street Center (SSC) Leases:** Totaled **$41,368** (90.85% of baseline) reflecting the vacancy left by Nueces County.

All reported October figures represent actual revenues earned or received except for sales tax revenue, which is estimated pending receipt of the state allocation on December 11, 2026. Across all seven Operating Budget revenue sources, the sales tax estimate accounted for 89.79% of total October operating funding.

Table 1: October 2026 Revenue Composition

Line #	Revenue Source	Actual	%
1	Sales Tax Revenue Estimate	$4,515,103	89.79%
2	Passenger Service	133,339	2.65%
3	SSC Lease Income	41,368	0.82%
4	Bus Advertising	13,851	0.28%
5	Investment Income	112,658	2.24%
6	Grant Assistance Revenue	211,972	4.22%
7	Other Revenue	230	0.00%
	Total (excluding capital)	**$5,028,521**	**100.00%**

The CCRTA **Investment Portfolio** closed October 2026 with a market value of **$33,518,979,** representing an increase of **$744,403** over the September 2026 balance of **$32,774,573.** The portfolio excludes pension assets and consists solely of operational funds allocated as follows:

- **Securities ($16,340,077):** Federal Agency Coupon Securities (**$11,843,615),** Federal Agency Treasury Securities **($2,500,538)**, and Municipal Bonds (**$1,995,924)**.

- **Liquid & Pool Accounts**: TexPool Prime **($14,990,548)** and Frost Bank checking accounts **($2,188,351).**

Interest income earned on the portfolio during October totaled **$112,658.**

Sales Tax Performance

Because state sales tax allocations lag by two months, October 2026 sales tax revenue is estimated at **$4,515,103,** aligned with the actual collection received for October 2025, ahead of the scheduled December 11, 2026 allocation payment.

The actual sales tax payment for September 2026, received on November 16, 2026, totaled **$4,134,953**—exceeding September 2025 collections **($3,421,499)** by **$713,454 (20.85%)** and surpassing the September estimate **($3,606,655**) by **$528,298 (14.65%).** The September payment included **$73,030** from internet sales tax, up **$25,384 (53.28%)** from the prior month. Since internet sales tax collections began in December 2019 (following the October 1, 2019 mandate), CCRTA has received **$2,975,050** from this source.

Over the past five years, sales tax has averaged **71.66%** of CCRTA's total income, including **70.43%** in 2025. While sales tax remains the Authority's primary revenue driver, its share fluctuates depending on economic conditions and the timing of major capital and operating grants. For October 2026, sales tax represented **89.79%** of total operating revenues. Historical trends and budget comparisons are detailed in **Table 2** and **Table 2.1.**

Table 2 - Sales Tax Growth

Month Revenue was Recognized	2026 Actual	2025 Actual	$ Growth	% Growth
January (actual)	$ 3,342,867	$ 3,054,316	$ 288,551	9.45%
February (actual)	3,600,494	2,996,327	604,167	20.16%
March (actual)	4,437,070	3,830,459	606,611	15.84%
April (actual)	3,375,463	3,494,545	(119,082)	-3.41%
May (actual)	3,397,079	3,434,929	(37,850)	-1.10%
June (actual)	4,121,564	3,942,521	179,043	4.54%
July (actual)	4,300,178	3,630,992	669,186	18.43%
August (actual)	3,727,641	3,375,047	352,594	10.45%
September (actual)	4,134,953	3,421,499	713,454	20.85%
October (estimate)	4,515,103	4,283,310	231,794	5.41%
	$ 38,952,413	**$ 35,463,945**	**$ 3,488,468**	**9.84%**

Table 2.1 - Sales Tax – Actual vs Budget

Month Revenue was Recognized	2026 Actual	2026 Budget	$ Variance	% Variance
January (actual)	$ 3,342,867	$ 3,219,603	$ 123,264	3.83%
February (actual)	3,600,494	3,158,474	442,020	13.99%
March (actual)	4,437,070	4,037,747	399,323	9.89%
April (actual)	3,375,463	3,683,654	(308,191)	-8.37%
May (actual)	3,397,079	3,620,812	(223,733)	-6.18%
June (actual)	4,121,564	4,155,872	(34,308)	-0.83%
July (actual)	4,300,178	3,827,486	472,692	12.35%
August (atual)	3,727,641	3,557,689	169,952	4.78%
September (actual)	4,134,953	3,606,655	528,298	14.65%
October (estimate)	4,515,103	4,515,103	(0)	0.00%
	$ 38,952,413	**$ 37,383,096**	**$ 1,569,317**	**4.20%**

The detail of all revenue and expense categories is presented in the following tables, along with the fare recovery ratio for October 2026:

Table 3 - Revenue – October 2026 – Revenue Composition (Includes Operating and Capital Funding)

Revenue Source	October 2026	%	YTD	%
Passenger Service	$ 133,339	2.58%	$ 1,259,920	2.72%
Bus Advertising	13,851	0.27%	151,918	0.33%
Other Revenue	230	0.00%	199,286	0.43%
Sales Tax Revenue	4,515,103	87.52%	38,952,414	83.94%
Grants - Operating	211,972	4.11%	1,057,580	2.28%
Grants - Capital	130,499	2.53%	3,289,082	7.09%
Investment Income	112,658	2.18%	1,079,819	2.33%
SSC Lease Income	41,368	0.80%	413,403	0.89%
Total Revenue	**$ 5,159,020**	**100.00%**	**$ 46,403,422**	**100.00%**

Table 4 - Revenue – October 2026 Operating Revenue and Capital Funding

	10/2026				
	2026 Amended Budget	October 2026 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	$ 1,422,516	$ 133,339	$ 118,543	9.37%	112.48%
Bus advertising	236,000	13,851	19,667	5.87%	70.43%
Other operating revenues	7,555	230	230	3.05%	100.00%
Sales Tax Revenue	45,339,206	4,515,103	4,515,103	9.96%	100.00%
Federal, state and local grant assistance	5,365,031	211,972	447,086	3.95%	47.41%
Investment Income	1,431,566	112,658	119,297	7.87%	94.43%
Staples Street Center leases	546,426	41,368	45,536	7.57%	90.85%
Total Operating & Non-Operating Revenues	**54,348,300**	**5,028,521**	**5,265,462**	**9.25%**	**95.50%**
Capital Grants & Donations	49,077,705	130,499	130,499	0.27%	100.00%
Total Operating & Non-Operating Revenues and Capital Funding	**$ 103,426,005**	**$ 5,159,020**	**$ 5,395,961**	**4.99%**	**95.61%**

	10/2026				
	2026 Amended Budget	YTD 2026 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	$ 1,422,516	$ 1,259,920	$ 1,185,430	88.57%	106.28%
Bus advertising	236,000	151,918	196,667	64.37%	77.25%
Other operating revenues	7,555	199,286	6,296	2637.81%	3165.37%
Sales Tax Revenue	45,339,206	38,952,414	37,383,096	85.91%	104.20%
Federal, state and local grant assistance	5,365,031	1,057,580	4,470,859	19.71%	23.65%
Investment Income	1,431,566	1,079,819	1,192,972	75.43%	90.52%
Staples Street Center leases	546,426	413,403	455,355	75.66%	90.79%
Total Operating & Non-Operating Revenues	**54,348,300**	**43,114,339**	**44,890,675**	**79.33%**	**96.04%**
Capital Grants & Donations	49,077,705	3,289,082	3,289,082	6.70%	100.00%
Total Operating & Non-Operating Revenues and Capital Funding	**$ 103,426,005**	**$ 46,403,421**	**$ 48,179,757**	**44.87%**	**96.31%**

Table 4.1 - Revenue – October 2026 from Operations

	10/2026				
	2026 Amended Budget	October 2026 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Revenues					
Passenger service	$ 1,422,516	$ 133,339	$ 118,543	9.37%	112.48%
Bus advertising	236,000	13,851	19,667	5.87%	70.43%
Other operating revenues	7,555	230	230	3.05%	100.00%
Total Operating Revenues	**1,666,071**	**147,420**	**138,440**	**8.85%**	**106.49%**
Sales Tax Revenue	45,339,206	4,515,103	4,515,103	9.96%	100.00%
Federal, state and local grant assistance	5,365,031	211,972	447,086	3.95%	47.41%
Investment Income	1,431,566	112,658	119,297	7.87%	94.43%
Staples Street Center leases	546,426	41,368	45,536	7.57%	90.85%
Total Non-Operating Revenues	**52,682,229**	**4,881,101**	**5,127,022**	**9.27%**	**95.20%**
Total Revenues	$ **54,348,300**	$ **5,028,521**	$ **5,265,462**	**9.25%**	**95.50%**

October 2026 Expenses

Total Expenditures (Operating and Capital)

- **October Performance**: Total expenditures including capital closed at **$5,029,018,** exceeding the anticipated baseline of **$4,757,732** by **$271,286 (5.70%).** Departmental operating expenses totaled **$4,349,199,** finishing **$64,345 (1.50%)** above the **$4,284,854** baseline.

- **YTD Performance**: Total expenditures including capital reached **$47,613,631**, coming in **$458,618 (0.97%)** above the **$47,155,013** baseline. Departmental operating expenses totaled **$40,550,908**, exceeding the **$40,259,701** baseline by **$291,207 (0.72%)**.

Key non-departmental expenditure items include:

- **Street Improvement Program:** Monthly expense of **$302,086** represents a fixed one-twelfth of the annual member-city allocation (**100%** of baseline), bringing YTD execution to **83.33%** of the annual budget through October.

- **Debt Service**: Monthly expense of **$16,258** reflects the monthly amortization of debt issuance costs from the Series 2019 Refunding Bonds; YTD debt service also includes the semiannual interest payment.

- **Subrecipient Expenses:** Both monthly and YTD figures show significant variances against baseline due to catch-up billing dating back to January 2026; these costs are **100% grant funded.**

Table 6 - October 2026 Total Expenses & Capital Expenditures

	10/2026				
	2026 Amended Budget	October 2026 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Expenditures					
Departmental Operating Expenses	$ 48,829,410	$ 4,349,199	$ 4,284,854	8.91%	101.50%
Debt Service	1,605,436	16,258	16,258	1.01%	100.00%
Street Improvements	3,625,032	302,086	302,086	8.33%	100.00%
Subrecipient Grant Agreements	74,256	211,972	6,188	285.46%	3425.53%
Total Operating & Non-Operating Expenses	**54,134,134**	**4,879,514**	**4,609,386**	**9.01%**	**105.86%**
Grant Eligible Costs	49,077,705	130,499	130,499	0.27%	100.00%
Depreciation Expenses	214,166	19,005	17,847	8.87%	106.49%
Total Operating & Non-Operating Expenses and Capital Expenditures	$ **103,426,005**	$ **5,029,018**	$ **4,757,732**	**4.86%**	**105.70%**

Table 6.1 Year to Date as of October 2026 Total Expenses & Capital Expenditures

	10/2026				
	2026 Amended Budget	YTD 2026 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Expenditures					
Departmental Operating Expenses	$ 48,829,410	$ 40,550,908	$ 40,259,701	83.05%	100.72%
Debt Service	1,605,436	345,018	345,018	21.49%	100.00%
Street Improvements	3,625,032	3,020,860	3,020,860	83.33%	100.00%
Subrecipient Grant Agreements	74,256	222,425	61,880	299.54%	359.45%
Total Operating & Non-Operating Expenses	**54,134,134**	**44,139,212**	**43,687,459**	**81.54%**	**101.03%**
Grant Eligible Costs	49,077,705	3,289,082	3,289,082	6.70%	100.00%
Depreciation Expenses	214,166	185,337	178,472	86.54%	103.85%
Total Operating & Non-Operating Expenses and Capital Expenditures	$ **103,426,005**	$ **47,613,631**	$ **47,155,013**	**46.04%**	**100.97%**

Departmental Expenses by Object Category

GASB accounting standards require departmental operating expenses to be reported by object category for costs directly traceable to a specific department or activity, excluding depreciation, Street Improvement Program allocations, debt service, and pass-through subrecipient expenses.

In October 2026, favorable variances were achieved in **Services, Materials & Supplies,** and **Miscellaneous**. Unfavorable variances occurred in five categories listed below:

Salaries & Wages: $71,431 (5.93%) over baseline.

***Benefits:* $50,654 (4.15%)** over baseline due to continued elevated healthcare claims.

Utilities: $17,991 (21.92%) over baseline due to billing timing differences for telecommunications and energy services.

Insurance: $15,278 (19.81%) over baseline due to rate adjustments released by the carrier after budget adoption, alongside a $10,000 standard deductible payment.

Purchased Transportation: **$31,135 (3.78%)** over baseline, primarily driven by a contractually scheduled $20,000 transition payment to Hendrickson Transportation Group.

Table 7 - October 2026 Departmental Expenses

	10/2026				
	2026 Amended Budget	October 2026 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Departmental Operating Expenses:					
Object Category					
Salaries & Wages	$ 14,457,881	$ 1,276,253	$ 1,204,822	8.83%	105.93%
Benefits	12,066,260	1,271,913	1,221,259	10.54%	104.15%
Services	5,479,505	375,016	456,625	6.84%	82.13%
Materials & Supplies	3,960,559	302,850	330,047	7.65%	91.76%
Utilities	985,074	100,081	82,090	10.16%	121.92%
Insurance	925,368	92,392	77,114	9.98%	119.81%
Purchased Transportation	9,883,987	854,800	823,666	8.65%	103.78%
Miscellaneous	1,070,776	75,894	89,231	7.09%	85.05%
Total Departmental Operating Expenses	**$ 48,829,410**	**$ 4,349,199**	**$ 4,284,854**	**8.91%**	**101.50%**

Table 8 - Year to Date as of October 2026 Departmental Operating Expenses

	10/2026				
	2026 Amended Budget	YTD 2026 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
Departmental Operating Expenses:					
Object Category					
Salaries & Wages	$ 14,457,881	$ 12,053,856	$ 12,048,234	83.37%	100.05%
Benefits	12,066,260	11,421,871	9,623,743	94.66%	118.68%
Services	5,479,505	3,683,244	4,566,254	67.22%	80.66%
Materials & Supplies	3,960,559	3,014,780	3,300,466	76.12%	91.34%
Utilities	985,074	783,958	820,895	79.58%	95.50%
Insurance	925,368	827,540	771,140	89.43%	107.31%
Purchased Transportation	9,883,987	8,236,656	8,236,656	83.33%	100.00%
Miscellaneous	1,070,776	529,003	892,313	49.40%	59.28%
Total Departmental Operating Expenses	**$ 48,829,410**	**$ 40,550,908**	**$ 40,259,701**	**83.05%**	**100.72%**

Table 9 - 2026 Self-Insurance Claims (Medical & Vision and Dental Reported at Gross)

Month	Medical & Vision	Dental	Total
January	$ 311,239	$ 9,637	$ 320,876
February	474,444	18,687	493,131
March	456,451	12,322	468,773
April	644,120	14,275	658,395
May	375,262	8,322	383,584
June	541,621	7,054	548,676
July	512,034	14,081	526,116
August	950,232	13,186	963,418
September	563,032	15,577	578,609
October	316,689	7,920	324,609
	$ 5,145,125	**$ 121,060**	**$ 5,266,185**

Note on Self-Insurance Stop-Loss Reimbursements: CCRTA received $21,143 in stop-loss reimbursements and credits during October, bringing YTD reimbursements received to $1,227,513. As of October 31,2026, $0 in stop-loss reimbursements remained outstanding.

Fare Recovery Ratio & Bond Covenant Compliance

Table 10 - Fare Recovery Ratio

Description	10/31/2026	Year to Date
Fare Revenue or Passenger Revenue	$ 133,339	$ 1,259,920
Operating Expenses	4,349,199	40,550,909
Fare Recovery Ratio	3.07%	3.11%
*Excluding Depreciation		

Note: Same period last year (October 2025) the Fare Recovery Ratio was 2.40%

The passenger fares are pledged revenues securing the bond covenant for the construction of the Staples Street Center Building. Under the bond contract, CCRTA must maintain rates and charges sufficient to pay maintenance and operating expenses and generate net operating revenues of at least 1.10x annual debt service requirement. The Debt Service Coverage Ratio is distinct from the Fare Recovery Ratio, and CCRTA has maintained compliance above the 1.10x threshold since bond inception.

Table 11 - October 2026 Summary

For the month of October, total Revenue exceeded Expenditures by **$130,002**. Additional financial details are provided in the accompanying slide presentation.

	10/2026				
	2026 Amended Budget	October 2026 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
Operating Revenues	$ 54,348,300	$ 5,028,521	$ 5,265,462	9.25%	95.50%
Operating Expenses	54,134,134	4,879,514	4,609,386	9.01%	105.86%
Revenue over Expenses	**214,166**	**149,007**	**656,076**	69.58%	22.71%
Capital Funding	49,077,705	130,499	130,499	0.27%	100.00%
Capital Expenditures	49,291,871	149,504	148,346	0.30%	100.78%
Revenue over Expenses	**(214,166)**	**(19,005)**	**(17,847)**	8.87%	106.49%
Revenue over Expenditures	**$ 0**	**$ 130,002**	**$ 638,229**		

Net Position and Fund Balance

As of October 31, 2026, CCRTA's Total Net Position stood at **$109,065,877**, reflecting an increase of **$2,078,872** over the December 31, 2025, closing balance of **$106,987,005**. Total Net Position comprises three components: Net Investment in Capital Assets, Funds Restricted for FTA Interest, and Unrestricted Net Position.

Under GASB Concepts Statement No. 4, the unrestricted portion of fund balance is **$28,016,683.** However, the Board has designated $28,802,752 (102.81% of unrestricted funds) to dedicated reserves aimed at mitigating sales tax volatility and funding capital priorities. Consequently, the unassigned, spendable portion of fund balance reflects a temporary unassigned balance of ($786,069) as of October 31,2026, which is currently backed by the $9,605,945 Operating Reserve.

This unassigned balance is projected to improve by approximately $8.51 million upon receipt of pending federal grant reimbursements, comprised of:

- $5,142,970 for seven Gillig buses purchased last year
- $3,300,000 for preventive maintenance
- $ 70,637 in additional eligible grant funding

FUND BALANCE AS OF OCTOBER 31, 2026:

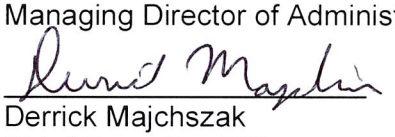
FUND BALANCE		
Net Invested in Capital Assets		$ 80,473,886
Restricted for FTA Interest		575,308
Unrestricted		28,016,683
TOTAL FUND BALANCE		**109,065,877**
RESERVES		
Designated for Operating Reserve		9,605,945
Designated for Capital Reserve		3,593,506
Designated for Employee Benefits Reserve		2,601,406
Designated for Emergency/Disaster Reserve		1,900,000
Designated for New Bear Lane Maint. Bldg.		11,101,895
Total Designated Reserves	**102.81%**	**28,802,752**
Plus:		
Unrestricted	**- 2.81%**	(786,069)
TOTAL DESIGNATED AND UNRESTRICTED		**$ 28,016,683**

Note: 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: 
Derrick Majchszak
Chief Executive Officer

Corpus Christi Regional Transportation Authority
Operating and Capital Budget Report
For the month ended October 2026

OPERATING BUDGET	2026 Amended Budget	October 2026 Actual	10/2026 Baseline into Budget	% Actual to Budget	% Actual to Baseline
	A	B	C = A / 12	B / A	C vs B
Revenues					
Passenger service	$ 1,422,516	$ 133,339	$ 118,543	9.37%	112.48%
Bus advertising	236,000	13,851	19,667	5.87%	70.43%
Other operating revenues	7,555	230	230	3.05%	100.00%
Sales Tax Revenue	45,339,206	4,515,103	4,515,103	9.96%	100.00%
Federal, state and local grant assistance	5,365,031	211,972	447,086	3.95%	47.41%
Investment Income	1,431,566	112,658	119,297	7.87%	94.43%
Staples Street Center leases	546,426	41,368	45,536	7.57%	90.85%
Total Revenues	**54,348,300**	**5,028,521**	**5,265,462**	**9.25%**	**95.50%**
Expenses					
Transportation	12,876,273	1,296,198	1,181,350	10.07%	109.72%
Customer Programs	803,158	66,932	72,438	8.33%	92.40%
Purchased Transportation	9,883,987	854,800	823,666	8.65%	103.78%
Service Development	706,893	59,595	62,580	8.43%	95.23%
MIS	2,221,225	176,996	191,528	7.97%	92.41%
Vehicle Maintenance	7,887,069	663,595	688,469	8.41%	96.39%
Facilities Maintenance	3,768,888	318,662	337,025	8.46%	94.55%
Contracts and Procurements	570,041	49,591	51,176	8.70%	96.90%
CEO's Office	1,039,888	86,200	88,493	8.29%	97.41%
Finance and Accounting	1,012,782	73,348	86,235	7.24%	85.06%
Materials Management	433,912	42,831	42,586	9.87%	100.58%
Human Resources	989,435	82,362	85,207	8.32%	96.66%
General Administration	545,776	43,087	49,153	7.89%	87.66%
Capital Project Management	473,115	36,862	42,180	7.79%	87.39%
Marketing & Communications	1,210,189	98,856	107,275	8.17%	92.15%
Safety & Security	2,993,378	273,944	254,038	9.15%	107.84%
Staples Street Center	1,313,400	125,339	113,122	9.54%	110.80%
Debt Service	1,605,436	16,258	16,258	1.01%	100.00%
Special Projects	100,000	-	8,333	0.00%	0.00%
Subrecipient Grant Agreements	74,256	211,972	6,188	285.46%	3425.53%
Street Improvements Program for CCRTA Regional Entities	3,625,032	302,086	302,086	8.33%	100.00%
Total Expenses	**54,134,134**	**4,879,514**	**4,609,386**	**9.01%**	**105.86%**
Revenues Over Expenses - Operating Budget	**214,166**	**149,007**	**656,076**		

CIP BUDGET	2026 Amended Budget	October 2026 Actual	Baseline into Budget	% Actual to Budget	% Actual to Baseline
	A	B	C = A / 12	B / A	
Funding Sources					
Grant Revenue	49,077,705	130,499	130,499	0.27%	0.00%
Total Funding Sources	**49,077,705**	**130,499**	**130,499**	0.27%	100.00%
Capital Expenditures					
Grant Eligible Costs	49,077,705	130,499	130,499	0.27%	0.00%
Depreciation Expenses	214,166	19,005	17,847	8.87%	106.49%
Total Expenditures	**49,291,871**	**149,504**	**148,346**	0.30%	100.78%
Funding Sources Over Expenditures	**(214,166)**	**(19,005)**	**(17,847)**	8.87%	106.49%
Revenues Over Expenses - Operating Budget	**214,166**	**149,007**	**656,076**		
Revenues Over Expenses - CIP Budget	**(214,166)**	**(19,005)**	**(17,847)**		
Revenues Over Expenses (including rounding)	**$ 0**	**$ 130,002**	**$ 638,229**		

Corpus Christi Regional Transportation Authority
Operating and Capital Budget Report
For the month ended October 2026

OPERATING BUDGET	2026 Amended Budget	YTD 2026 Actual	10/2026 YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
	A	B	C = A / 12 * 10	B / A	C vs B
Revenues					
Passenger service	$ 1,422,516	$ 1,259,920	$ 1,185,430	88.57%	106.28%
Bus advertising	236,000	151,918	196,667	64.37%	77.25%
Other operating revenues	7,555	199,286	6,296	2637.81%	3165.37%
Sales Tax Revenue	45,339,206	38,952,414	37,383,096	85.91%	104.20%
Federal, state and local grant assistance	5,365,031	1,057,580	4,470,859	19.71%	23.65%
Investment Income	1,431,566	1,079,819	1,192,972	75.43%	90.52%
Staples Street Center leases	546,426	413,403	455,355	75.66%	90.79%
Total Revenues	**54,348,300**	**43,114,340**	**44,890,675**	**79.33%**	**96.04%**
Expenses					
Transportation	12,876,273	11,917,705	10,513,573	92.56%	113.36%
Customer Programs	803,158	697,504	658,282	86.85%	105.96%
Purchased Transportation	9,883,987	8,236,833	8,236,656	83.34%	100.00%
Service Development	706,893	539,749	581,734	76.36%	92.78%
MIS	2,221,225	1,667,799	1,838,169	75.08%	90.73%
Vehicle Maintenance	7,887,069	6,274,141	6,510,131	79.55%	96.38%
Facilities Maintenance	3,768,888	2,926,436	3,094,839	77.65%	94.56%
Contracts and Procurements	570,041	464,907	467,690	81.56%	99.41%
CEO's Office	1,039,888	756,738	862,901	72.77%	87.70%
Finance and Accounting	1,012,782	785,051	840,312	77.51%	93.42%
Materials Management	433,912	369,044	348,741	85.05%	105.82%
Human Resources	989,435	800,515	819,021	80.91%	97.74%
General Administration	545,776	396,622	447,469	72.67%	88.64%
Capital Project Management	473,115	335,092	388,755	70.83%	86.20%
Marketing & Communications	1,210,189	894,499	995,638	73.91%	89.84%
Safety & Security	2,993,378	2,444,190	2,485,301	81.65%	98.35%
Staples Street Center	1,313,400	1,040,210	1,087,156	79.20%	95.68%
Debt Service	1,605,436	345,018	345,018	21.49%	100.00%
Special Projects	100,000	3,874	83,333	3.87%	4.65%
Subrecipient Grant Agreements	74,256	222,425	61,880	299.54%	359.45%
Street Improvements Program for CCRTA Regional Entities	3,625,032	3,020,860	3,020,860	83.33%	100.00%
Total Expenses	**54,134,134**	**44,139,212**	**43,687,459**	**81.54%**	**101.03%**
Revenues Over Expenses - Operating Budget	**214,166**	**(1,024,872)**	**1,203,216**		

CIP BUDGET	2026 Amended Budget	YTD 2026 Actual	YTD Baseline into Budget	% YTD Actual to Budget	% Actual to Baseline
	A	B	C = A / 12 * 10	B / A	C vs B
Funding Sources					
Grant Revenue	49,077,705	3,289,082	3,289,082	6.70%	0.00%
Total Funding Sources	**49,077,705**	**3,289,082**	**3,289,082**	6.70%	100.00%
Capital Expenditures					
Grant Eligible Costs	49,077,705	3,289,082	3,289,082	6.70%	0.00%
Depreciation Expenses	214,166	185,337	178,472	86.54%	103.85%
Total Expenditures	**49,291,871**	**3,474,419**	**3,467,554**	7.05%	100.20%
Funding Sources Over Expenditures	**(214,166)**	**(185,337)**	**(178,472)**	86.54%	103.85%
Revenues Over Expenses - Operating Budget	**214,166**	**(1,024,872)**	**1,203,216**		
Revenues Over Expenses - CIP Budget	**(214,166)**	**(185,337)**	**(178,472)**		
Revenues Over Expenses (including rounding)	**$ 0**	**$ (1,210,209)**	**$ 1,024,744**		

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
Month ended October 31, 2026, and year ended December 31, 2025

	Unaudited October 31 2026	Unaudited December 31 2025
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 13,363,584	$ 29,108,299
Short Term Investments	12,754,065	5,000,794
Receivables:		
Sales and Use Taxes	8,650,057	8,415,349
Federal Government	385,942	363,812
Other	361,761	524,764
Inventories	881,136	873,832
Prepaid Expenses	2,042,924	661,991
Total Current Assets	**38,439,469**	**44,948,841**
Non-Current Assets:		
Restricted Cash and Cash Equivalents	575,308	575,308
Long Term Investments	7,000,000	2,519,473
Lease Receivable	1,037,385	1,037,385
Capital Assets:		
Land	5,201,197	5,201,197
Buildings	53,127,477	53,127,477
Transit Stations, Stops and Pads	41,364,416	41,364,416
Other Improvements	5,579,552	5,579,552
Vehicles and Equipment	80,227,698	80,227,698
Right-To-Use Leased Equipment	880,148	880,148
Right-To-Use Software Subscriptions	1,971,774	1,801,421
Construction in Progress	3,520,817	3,522,031
Current Year Additions	4,891,012	-
Total Capital Assets	196,764,090	191,703,940
Less: Accumulated Depreciation	(102,486,812)	(102,308,340)
Net Capital Assets	94,277,277	89,395,600
Total Non-Current Assets	**102,889,970**	**93,527,766**
TOTAL ASSETS	**141,329,440**	**138,476,607**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions	3,626,625	3,626,625
Deferred outflow related to OPEB	298,259	298,259
Deferred outflow on extinguishment of debt	2,233,457	2,386,433
Total Deferred Outflows	**6,158,341**	**6,311,317**
TOTAL ASSETS AND DEFERRED OUTFLOWS	**147,487,781**	**144,787,924**

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statement of Net Position
Month ended October 31, 2026, and year ended December 31, 2025 (continued)

	Unaudited October 31 2026	Unaudited December 31 2025
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts Payable	2,614,225	1,530,418
Current Portion of Long-Term Liabilities:		
Long-Term Debt	970,000	970,000
Compensated Absences	396,012	396,012
Net OPEB Liabiliity - Current Portion	142,384	142,384
Software Subscription Liability	77,724	57,241
Lease Liability	131,662	152,131
Distributions to Regional Entities Payable	1,316,677	1,590,302
Other Accrued Liabilities	1,262,900	1,495,096
Total Current Liabilities	**6,911,585**	**6,333,584**
Non-Current Liabilities:		
Long-Term Liabilities, Net of Current Portion:		
Long-Term Debt	13,935,000	13,935,000
Compensated Absences	901,368	901,368
Software Subscription Liability	135,983	113,467
Lease Liability	696,923	676,454
Net Pension Liability	9,434,015	9,434,015
Net OPEB Obligation	946,694	946,694
Total Non-Current Liabilities	**26,049,983**	**26,006,998**
TOTAL LIABLILITES	**32,961,567**	**32,340,582**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	4,375,073	4,375,073
Deferred inflow related to OPEB	47,879	47,879
Deferred inflow related to leases	1,037,385	1,037,385
Total Deferred Inflows	5,460,337	5,460,337
TOTAL LIABILITIES AND DEFERRED INFLOWS	**38,421,904**	**37,800,919**
Net Position:		
Net Invested in Capital Assets	80,473,886	75,251,008
Restricted for FTA Interest	575,308	575,308
Unrestricted	28,016,683	31,160,689
TOTAL NET POSITION	**$ 109,065,877**	**$ 106,987,005**

Corpus Christi Regional Transportation Authority
Statement of Cash Flows (Unaudited)
For the month ended October 31, 2026

		10/31/2026
Cash Flows From Operating Activities:		
Cash Received from Customers	$	114,437
Cash Received from Bus Advertising and Other Ancillary		53,370
Cash Payments to Suppliers for Goods and Services		(1,956,186)
Cash Payments to Employees for Services		(1,132,905)
Cash Payments for Employee Benefits		(268,188)
Net Cash Used for Operating Activities		**(3,189,472)**
Cash Flows from Non-Capital Financing Activities:		
Sales and Use Taxes Received		3,727,641
Grants and Other Reimbursements		-
Distributions to Subrecipient Programs		-
Distributions to Region Entities		-
Net Cash Provided by Non-Capital Financing Activities		**3,727,641**
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		-
Purchase and Construction of Capital Assets		-
Net Cash Provided by Capital and Related Financing Activities		**-**
Cash Flows from Investing Activities:		
Investment Income		144,229
Purchases of Investments		(1,000,000)
Maturities and Redemptions of Investments		1,000,000
Premiums/Discounts on Investments		-
Net Cash Provided by Investing Activities		**144,229**
Net Increase in Cash and Cash Equivalents		**682,398**
Cash and Cash Equivalents (Including Restricted Accounts), October 1, 2026		**13,256,494**
Cash and Cash Equivalents (Including Restricted Accounts), October 31, 2026	$	**13,938,892**

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

Subject: December 2026 Procurement Update

Overview:
The purpose of this memorandum is to provide the Board of Directors with a monthly update on procurement activities at the Corpus Christi Regional Transportation Authority (CCRTA). This report includes an overview of current procurements issued, anticipated formal procurements over the next three months, and upcoming agreements falling under the CEO's signature authority.

Board Priority
This item aligns with the Board Priority – **Public Image and Transparency**

Current Procurements Issued

The following solicitation is currently active:

- **Description:** Transportation Uniform Supply
  - **Term:** Three-Year Term
  - **Issuance Date:** October 20, 2026
  - **Due Date:** December 30, 2026
  - **Estimated Cost:** $118,974
  - **Committee Review:** January 20, 2027

Three-Month Future Procurement Outlook

Currently, no new formal solicitations are scheduled for issuance during the next three months. This outlook is based on procurement requirements currently identified by CCRTA departments and is subject to change as additional needs are identified.

CEO's Signature Authority – Three-Month Outlook

The following table outlines future agreements scheduled to commence within the next three months:

Description of Future Agreement	Agreement Start Date	Current Agreement Amount
Memorandum of Agreement – Paisano Transit for Public Transportation Services	1/01/27	$32,210 (One-Year Term)

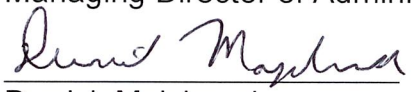
Description of Future Agreement	Agreement Start Date	Current Agreement Amount
Coastal Bend Air Quality Partnership Financial Support Agreement	1/01/27	$15,000 (Three-Year Term)
B2Gnow System Annual Service Fee	1/01/27	$19,845 (One-Year Term)
Texas Municipal League Intergovernmental Risk Pool (TMLIR)	1/01/27	$980,917 (One-Year Term)
Peace Officers Law Enforcement Services	1/21/27	$628,800 (Estimated Annual Aggregate; Individual Agreements Less Than $50,000 Each)
Investment Advisory Services	1/01/27	$31,200 (One-Year Term)
Media Production, Editing, and Coordination Services	2/05/27	$48,000 (One-Year Term)
Employee Training Leadership Development Services	3/23/27	$26,900 (One-Year Term)
ESTIMATED TOTAL		**$1,782,872**

Recommendation
This report is presented for informational purposes only. No Board action is requested.

Respectfully Submitted,

Submitted by: Sherrié Clay
Interim Director of Procurement

Reviewed by: Robert M. Saldaña
Managing Director of Administration

Final Approval by: 
Derrick Majchszak
Chief Executive Officer

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Board of Directors Meeting Memo December 2, 2026

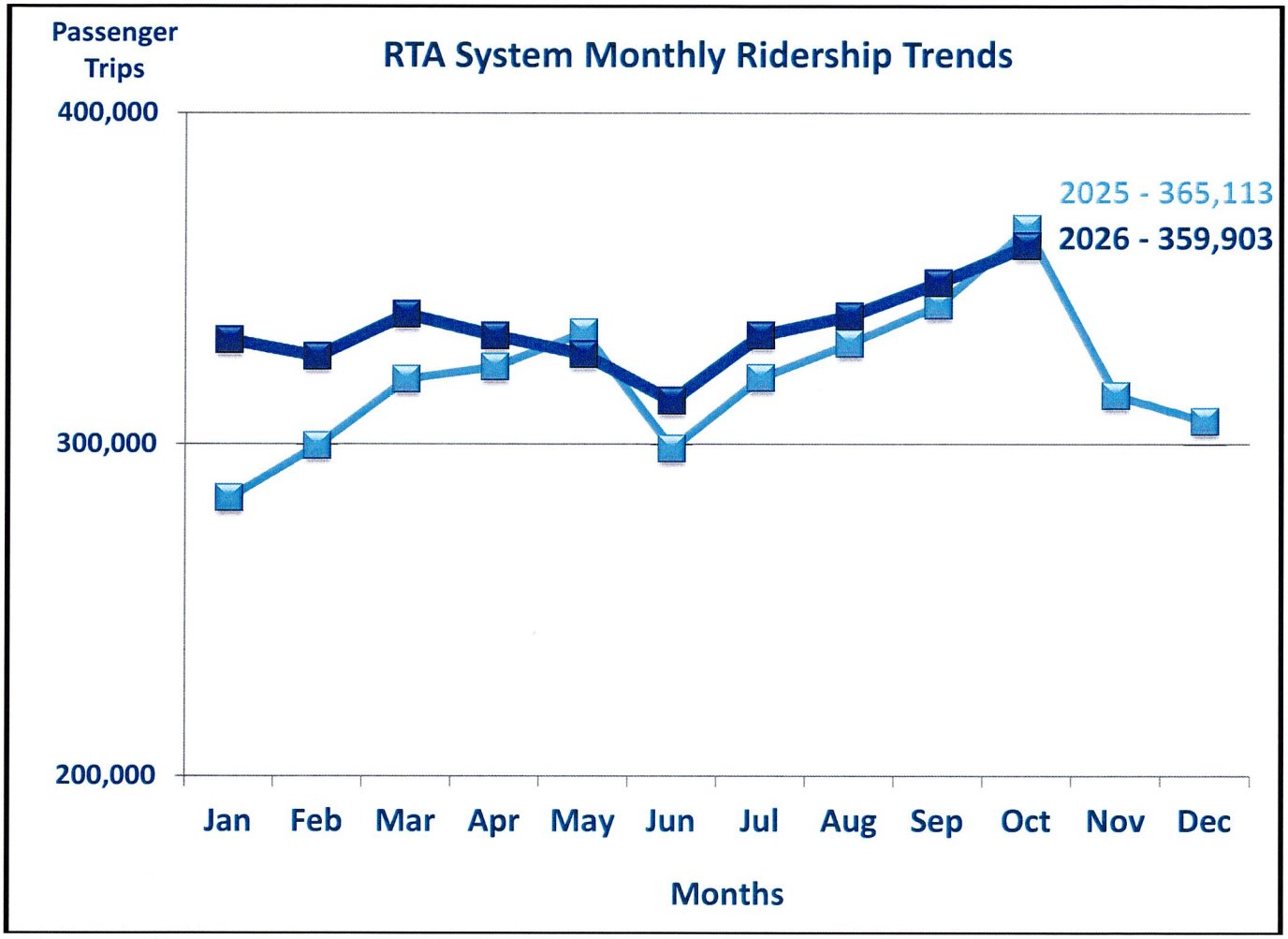
Subject: October 2026 Operations Report

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

October 2026 system-wide passenger trips totaled 359,903 which represents a 1.4% decrease, compared to 365,113 passenger trips in October 2025 with 5,210 fewer trips provided this month.

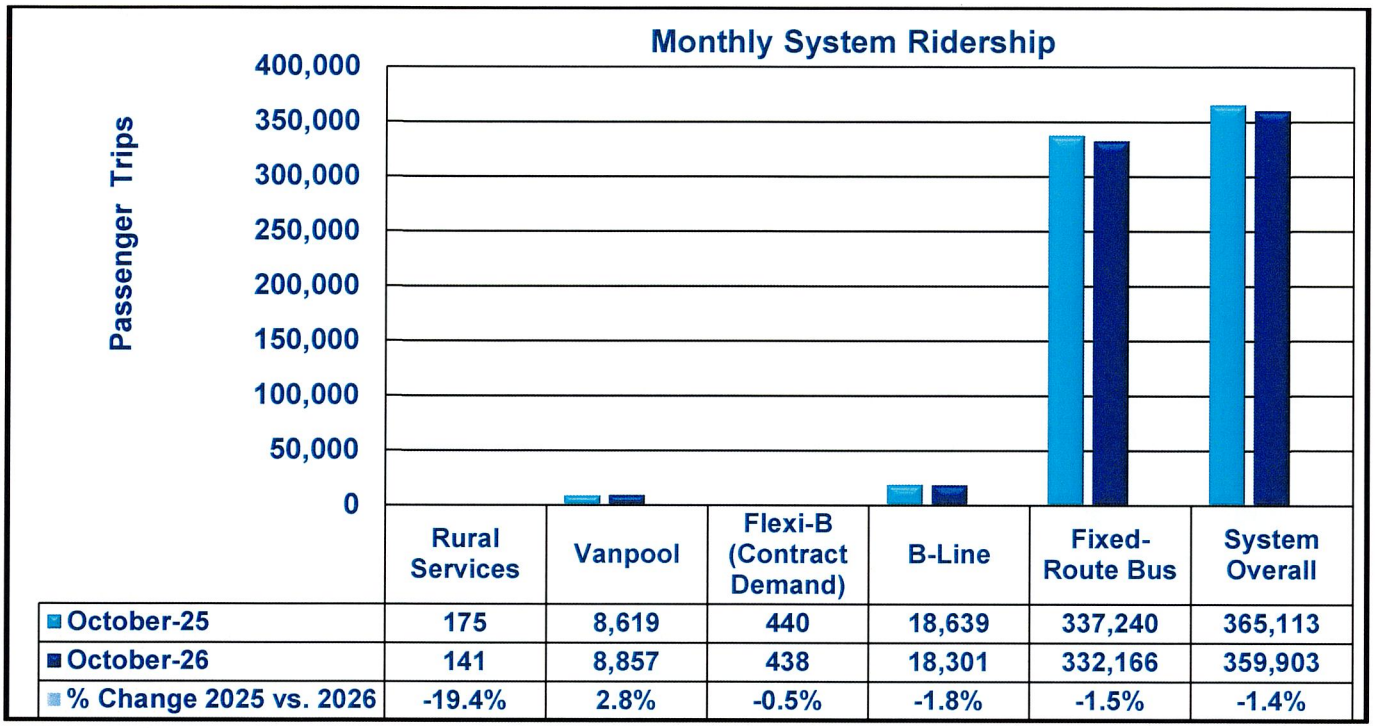


October 2026	October 2025	Variance
22 Weekdays	23 Weekdays	-1
5 Saturdays	4 Saturdays	+1
4 Sundays	4 Sundays	-
31 Days	31 Days	-

The average retail price for unleaded gas in Corpus Christi was $3.86 per gallon compared to $2.68 per gallon in October 2025[1]. October 2026 received 3.61 inches of rain and was a bit above the normal average of 3.13 inches. There were 10 days of measurable rain. October this year was also slightly warmer than the average October temperature of 84.9 at 87.3 degrees.

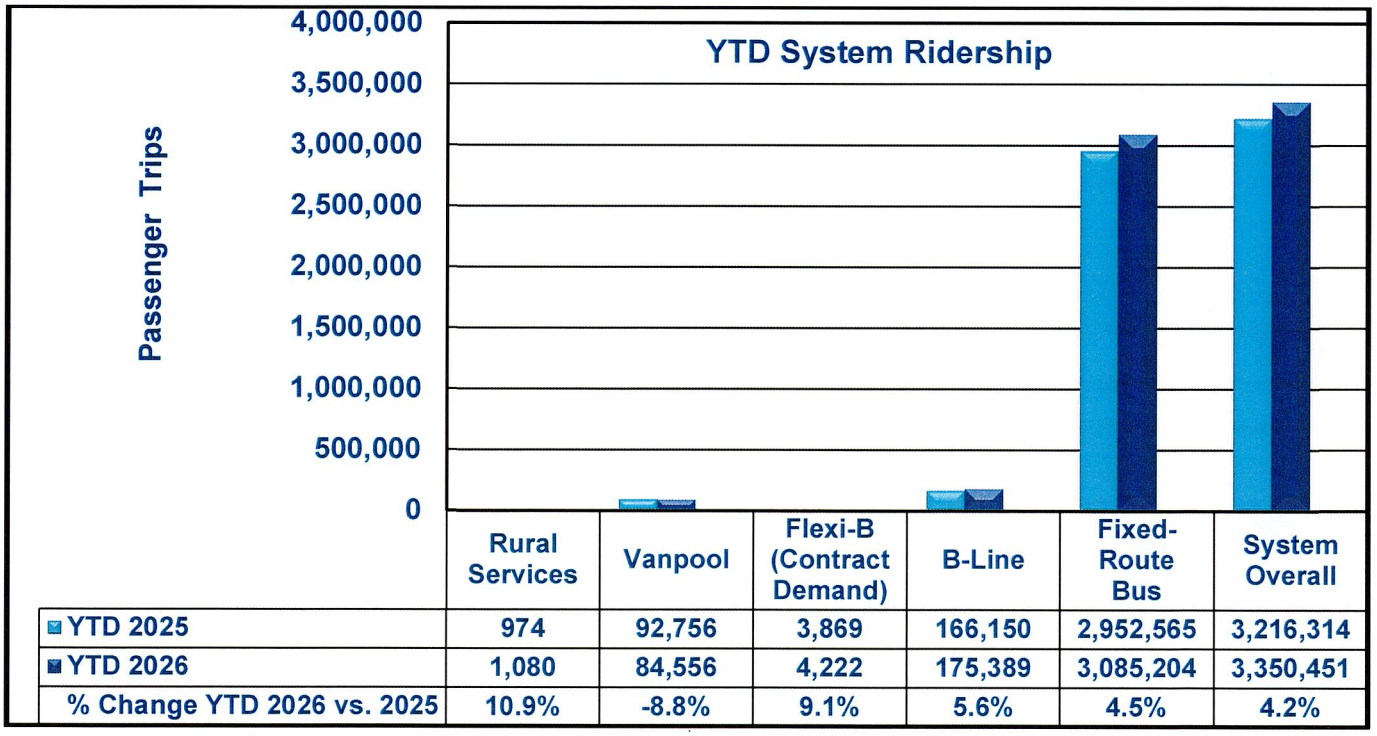
1. GasBuddy.com historical data at http://www.gasbuddy.com
2. Weather.gov at http://www.weather.gov

Ridership was slightly down in all categories except for Vanpool which was up by 238 passengers. 2026 ridership has been up consistently each month except for May with a slight drop and October which was down by 5,210 passengers. This drop in ridership was more than likely due to the higher-than-average amount of rain received this October.



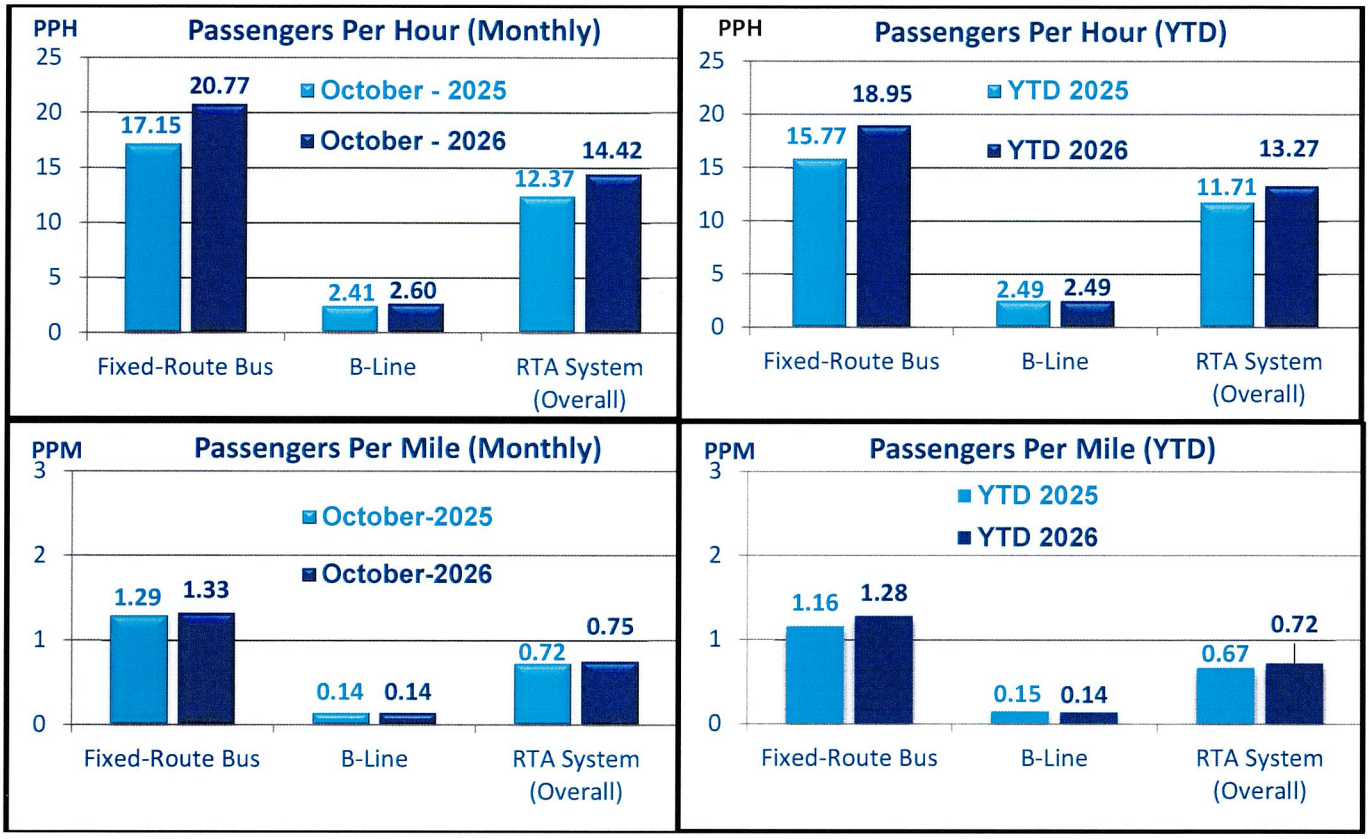
	Rural Services	Vanpool	Flexi-B (Contract Demand)	B-Line	Fixed-Route Bus	System Overall
October-25	175	8,619	440	18,639	337,240	365,113
October-26	141	8,857	438	18,301	332,166	359,903
% Change 2025 vs. 2026	-19.4%	2.8%	-0.5%	-1.8%	-1.5%	-1.4%

The chart below shows YTD ridership results for all services. Even with the slight decline in October, yearly ridership for 2026 remains up in all categories except for vanpool when compared to 2025.



	Rural Services	Vanpool	Flexi-B (Contract Demand)	B-Line	Fixed-Route Bus	System Overall
YTD 2025	974	92,756	3,869	166,150	2,952,565	3,216,314
YTD 2026	1,080	84,556	4,222	175,389	3,085,204	3,350,451
% Change YTD 2026 vs. 2025	10.9%	-8.8%	9.1%	5.6%	4.5%	4.2%

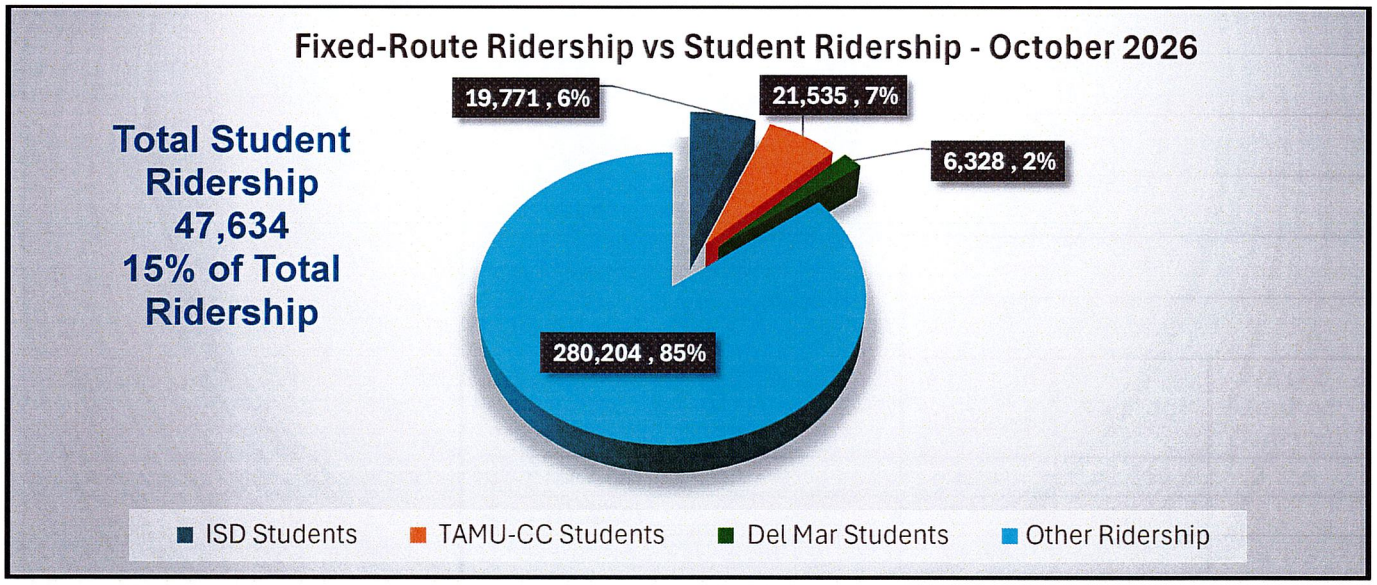
The following four charts contain system-wide productivity metrics for the month of October 2026 vs. October 2025 and YTD figures.



Student Ridership

The following chart illustrates total fixed route ridership vs student ridership for October 2026.

Bus Routes and Bus Stops Impacted by City of Corpus Christi and TxDOT Construction Projects



Current Projects

- **S. Alameda (Everhart to Airline)**: Project began November 4, 2026.
  - Route 5 (**12** stops temporarily closed for 18 months of construction).
- **Carroll Ln. (SH-358 to Holly)**: Project began July 27, 2026.
  - Routes 15 & 17 Detours are now in place with ten stops temporarily closed.
- **West Surfside (Breakwater to Elm)**: Project to begin mid-November 2026.
  - Route 78 (a select number of stops may be temporarily impacted).
- **Washington Coles Neighborhood Parks**: Construction projects began in early-2025 impacting multiple stops.
  - Route 12 (3 stops impacted).
- **IDIQ (Utility work on McArdle by STS)**: Construction continues with OTP impacts to multiple routes using STS. No time estimate for completion provided.
  - Routes: **6, 17, 24, 26, 29, 37 & 65**. (Heavy traffic impacts)

The following table shows on-time performance of fixed route services.

Schedule Adherence	Standard	Jul-26	Aug-26	Sep-26	Oct-26	4-Month Average
Early Departure	<1%	0.0%	0.0%	0.3%	0.3%	0.1%
Departures within 0-5 minutes	>85%	95.3%	89.7%	92.5%	91.2%	92.2%
Monthly Wheelchair Boardings	No standard	4,924	4,291	5,292	4,700	4,802
Monthly Bicycle Boardings	No standard	7,948	7,794	7,570	7,840	7,788

Purchased Transportation Department Report: B-Line Service Contract Standards & Ridership Statistics

Metric	Standard	Jul-26	Aug-26	Sep-26	Oct-26	(4) Month-Ave.
Passengers per Hour	2.50	2.58	2.64	2.66	2.60	2.62
On-time Performance	95.0%	93.2%	92.1%	93.9%	95.0%	93.5%
Denials	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%
Miles Between Road Calls	12,250	40,770	23,790	25,602	25,883	29,011
Monthly Wheelchair Boardings	No standard	3,648	3,685	3,906	3,701	3,735

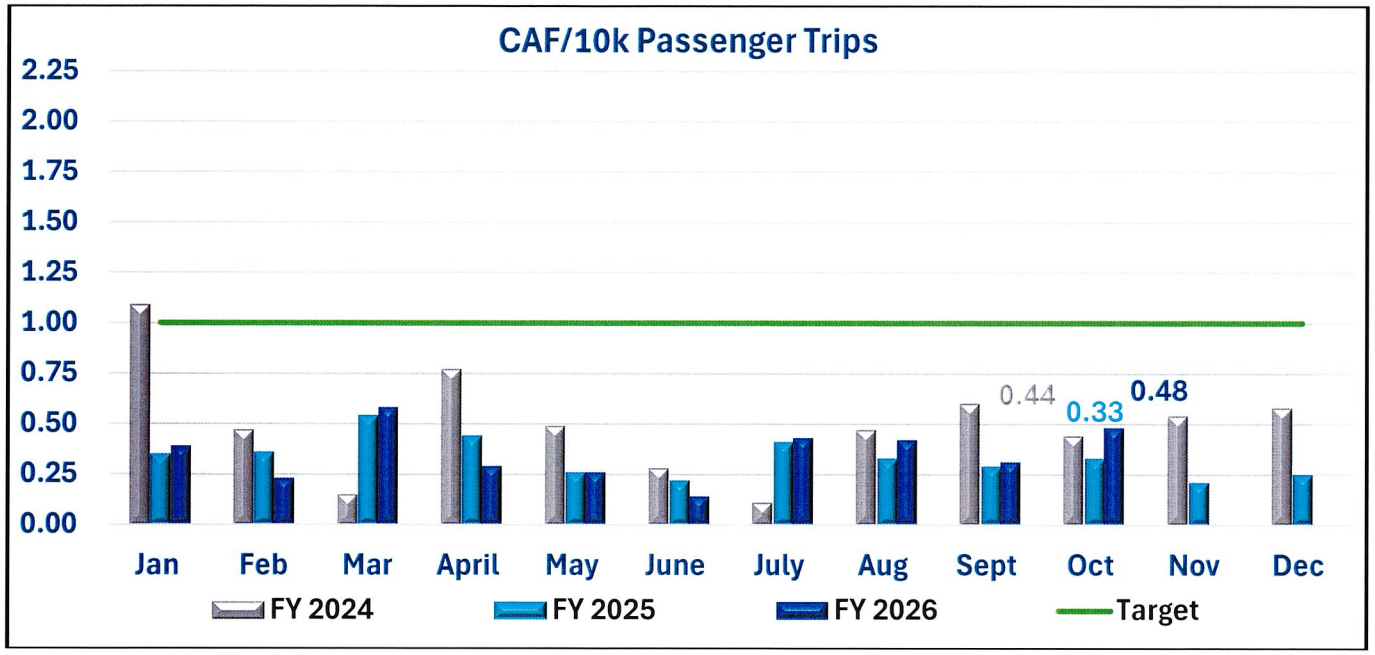
In October 2026, B-Line service performance metrics are listed below.

- Productivity: **2.60** Passengers per hour did meet the 2.50 PPH contract standard.
- On-time Performance: **95.0%** did meet the contract standard of 95.0%.
- Denials: 0 denials or **0.0%** met the contract standard of 0.0%.
- Miles between Road Calls (MBRC): **25,883** met the contract standard of 12,250 miles.
- Ridership Statistics: **12,845** ambulatory boardings; **3,701** wheelchair boardings

Customer Programs Monthly Customer Assistance Form (CAF) Report

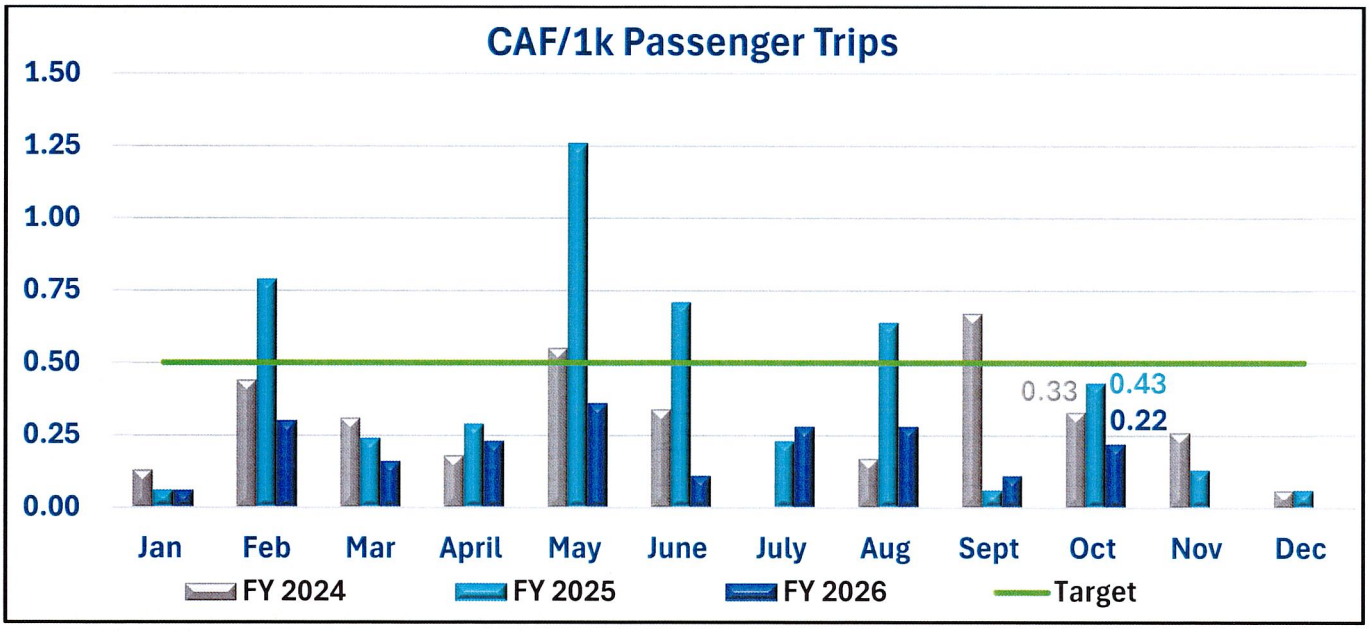
For the month of October 2026, CCRTA received and processed **67** Customer Assistance Forms (CAF's). A total of **59** or 88% were for Fixed Route Services, of which **16** or 27% were verified. This equates to approximately **0.48** CAFs per 10,000 passenger trips. Fixed Route Services received no commendations this month.

Number of CAFs/10k for Fixed Route Services

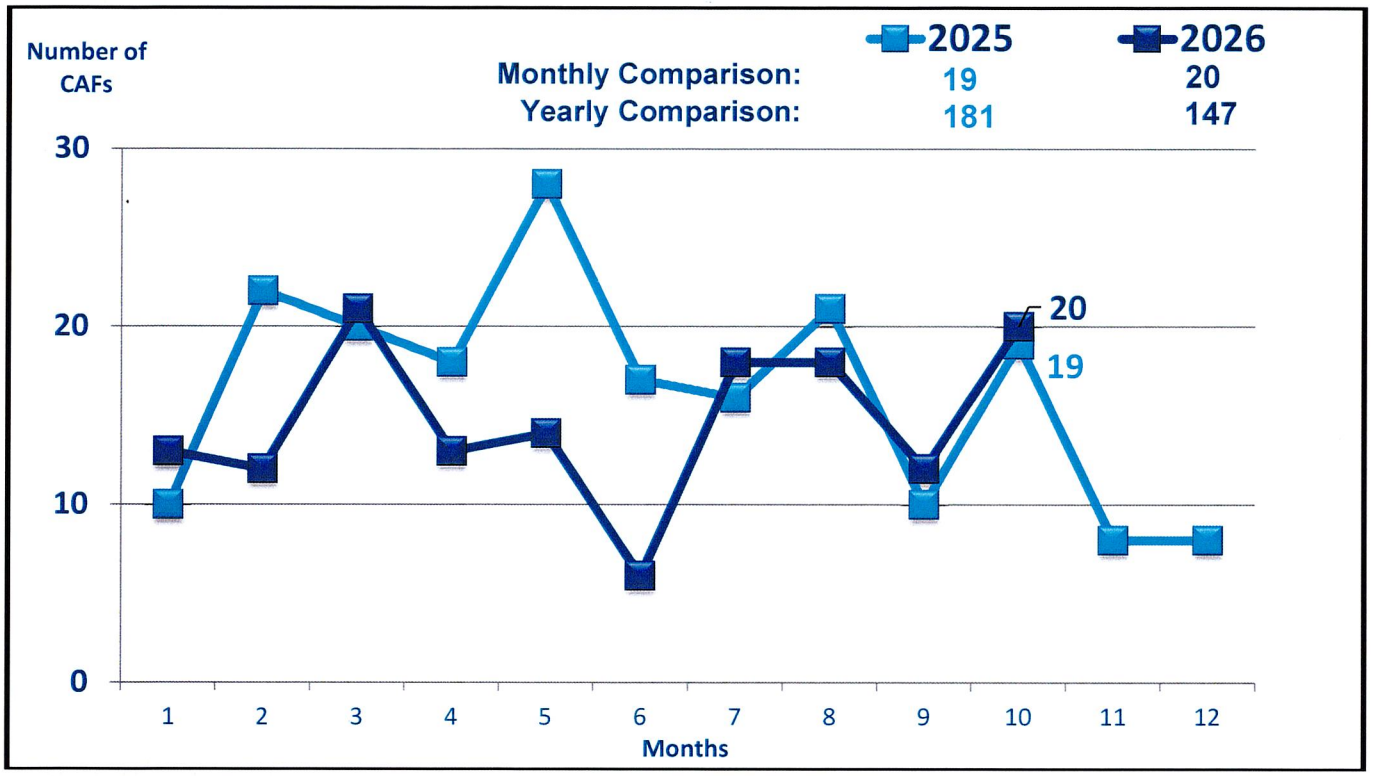


For the month of October 2026, CCRTA received and processed **67** Customer Assistance Forms (CAF's). A total of **8** or 12% were for B-Line Services, of which four or 50% were verified. This equates to approximately **0.22** CAFs per 1,000 passenger trips. B-Line Services received two commendations this month.

Number of CAFs/1k for B-Line Services



Customer Programs Verified (CAF's) Count



Route Summary Report:

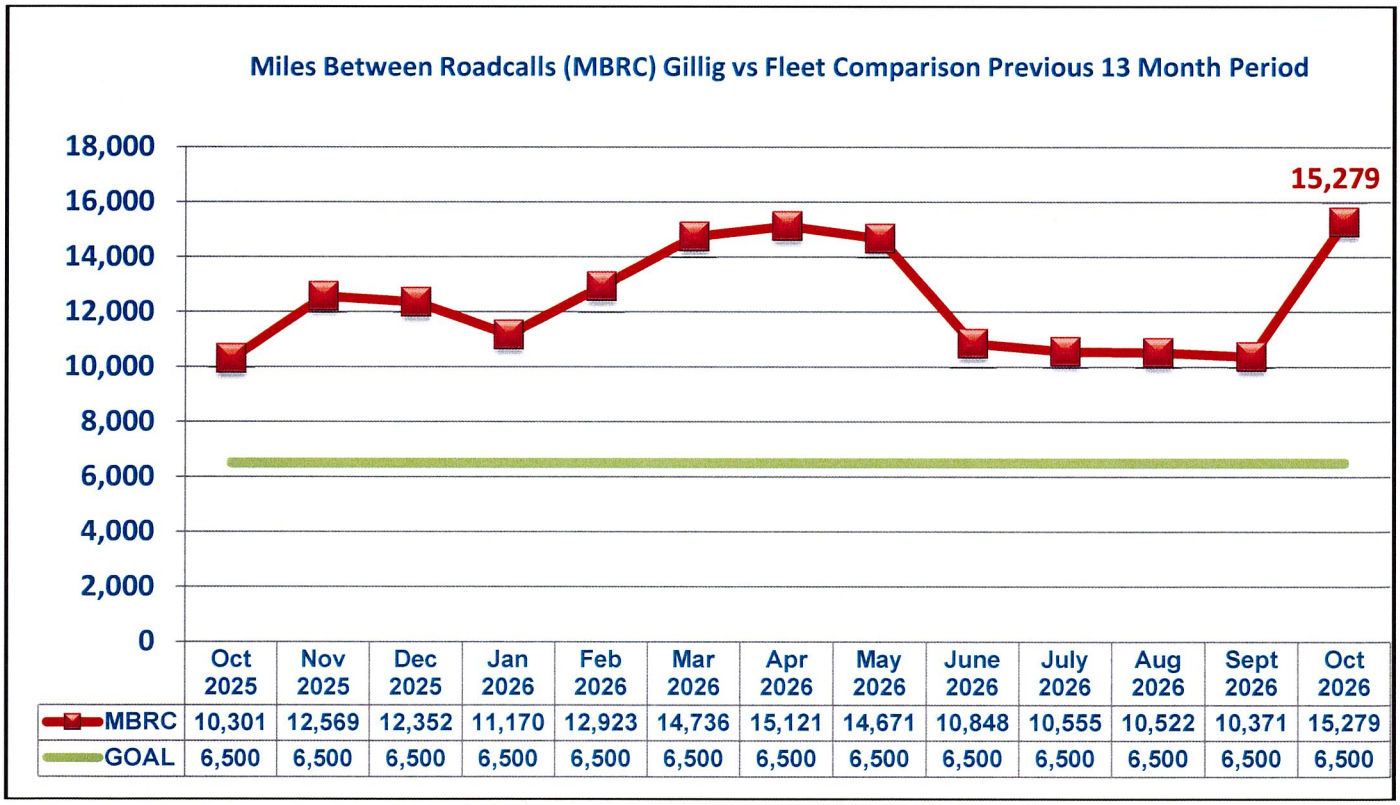
Route	# of CAFs	Route	# of CAFs
#3 NAS Shuttle		#50 Calallen/Robstown NAS Ex (P&R)	1
#4 Flour Bluff	1	#51 Gregory/NAS Ex (P&R)	
#5 Alameda		#54 Gregory/Downtown Express	
#6 Santa Fe/Malls		#60 Momentum Shuttle	
#12 Hillcrest/Baldwin	3	#65 Padre Island Connection (Flex)	2
#15 Kostoryz/Carroll HS		#76 Downtown Shuttle	
#16 Morgan/Port		#78 North Beach Shuttle	
#17 Carroll/Southside	1	#83 Advanced Industries	
#19 Ayers	3	#90 Flexi-B Port Aransas	
#21 Arboleda	1	#93 Flex	
#23 Molina	5	#94 Port Aransas Shuttle	
#24 Airline/Yorktown	1	#95 Port Aransas Express	
#25 Gollihar/Greenwood		B-Line (Paratransit) Services	6
#26 Airline/Lipes		Transportation	
#27 Leopard	2	Service Development	3
#28 Leopard /Navigation		Facilities/Bus Stop Needs Attention	18
#29 Staples	4	IT/Electronics	
#32 Southside		Safety & Security	9
#34 Robstown North Circulator	1	Vehicle Maintenance	
#35 Robstown South Circulator	2	COMMENDATIONS	2
#37 Crosstown/TAMUCC	2	**TOTAL CAF's**	**67**

Processed CAF Breakdown by Service Type:

CAF Category	RTA Fixed Route	B-Line Paratransit	Purchased Transportation	Totals
Customer Service	1			1
Driving Concerns or Issues	1	1	1	3
Alleges Injury	3		1	4
Late/Early – No Show	5		2	7
Service Stop Issues	1			1
Inappropriate Behavior		1		1
Incident on bus	1		1	2
Reckless Driving		1		1
Denial of Service	1			1
Left Behind/Passed Up	7		3	10
Rude	1	3		4
Service Development	3			3
Safety and Security	9			9
Facility Maintenance	18			18
Commendations		2		2
TOTAL CAFs	**51**	**8**	**8**	**67**

Vehicle Maintenance Department: Miles Between Road Calls Report

In October 2026 there were 15,279 miles between road calls (MBRC) recorded as compared to 10,301 MBRC in October 2025. 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 12,417.



	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	June 2026	July 2026	Aug 2026	Sept 2026	Oct 2026
MBRC	10,301	12,569	12,352	11,170	12,923	14,736	15,121	14,671	10,848	10,555	10,522	10,371	15,279
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 Priority is Ridership.

Respectfully Submitted,

Reviewed by: Gordon Robinson
Managing Director of Operations

Submitted by: Fred Worthen
Director of Planning

Final Approval by: Derrick Majchszak
Chief Executive Officer