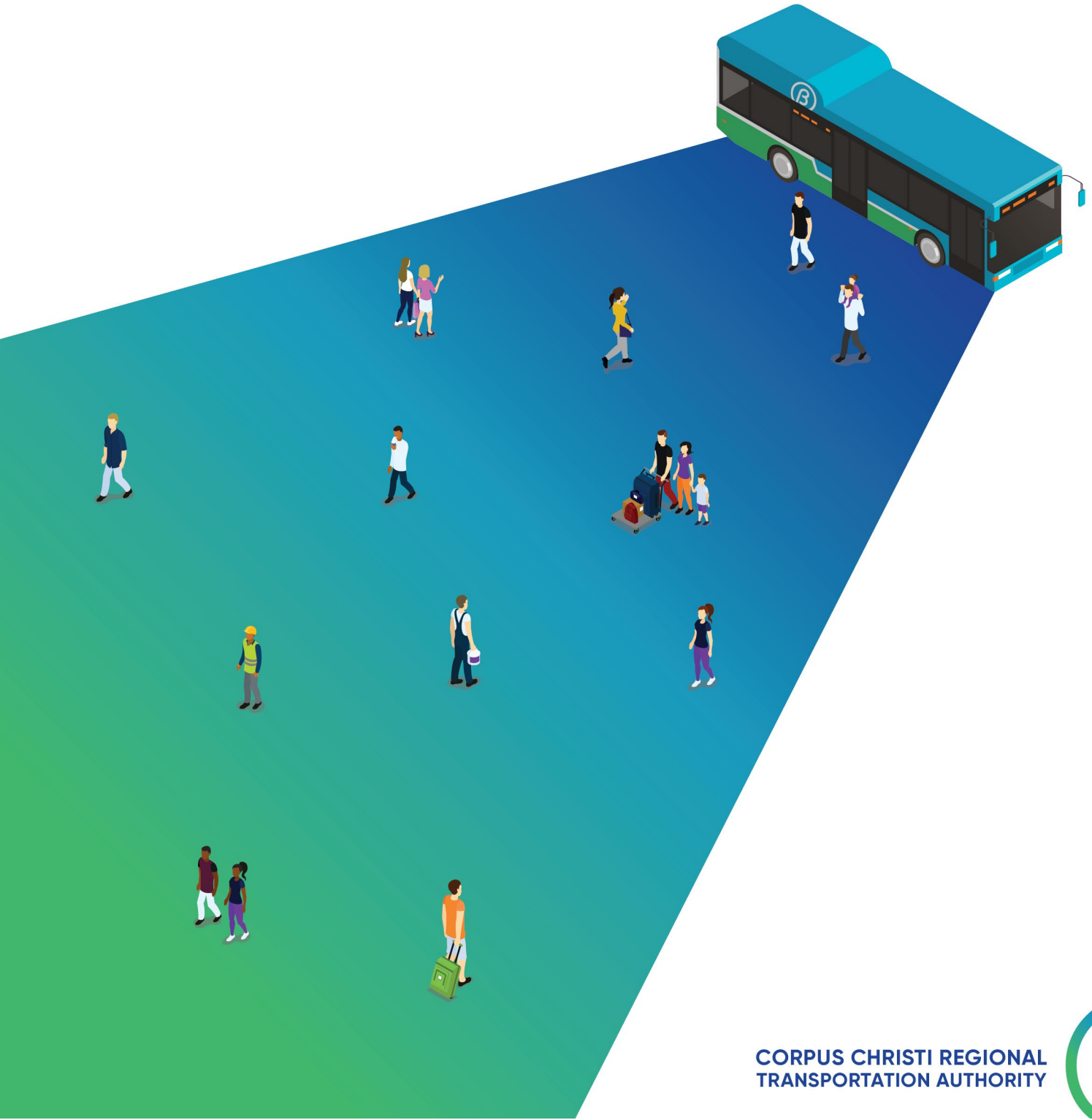
Annual Comprehensive Financial Report

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

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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.

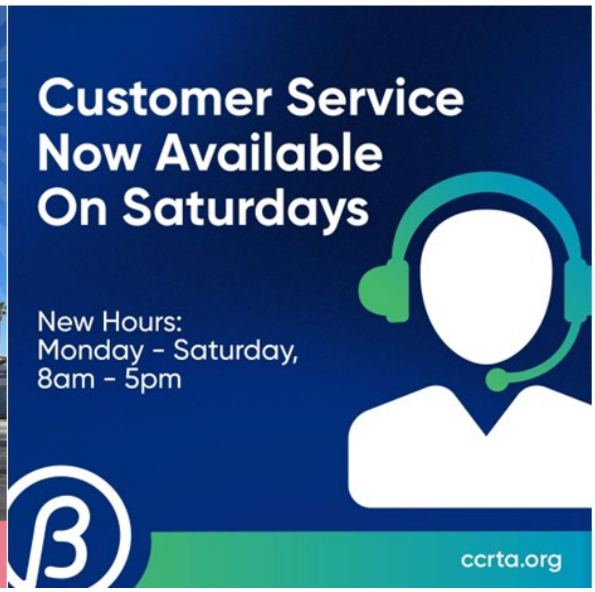
Over the years, the services have transformed from a single fixed-route platform servicing only the urban areas of the City of Corpus Christi, to providing enjoyable and reliable options for connecting the rural and suburban neighborhoods within the city and the surrounding areas. Paratransit services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

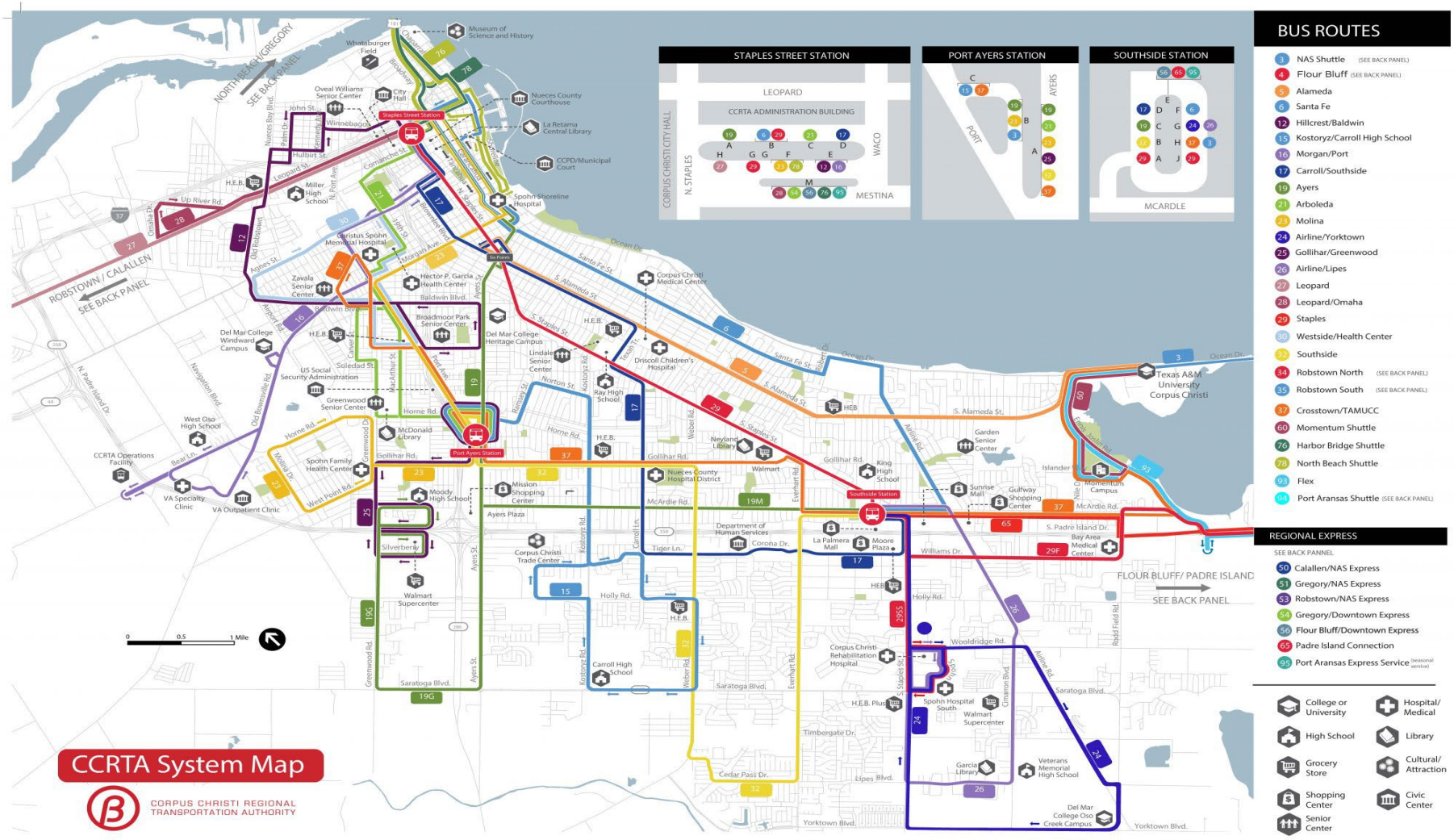
With a fleet of 111 buses, the Authority provides a variety of services to meet different transportation needs using 76 buses for fixed-route services and 35 buses for paratransit services. The conventional fixed-route services are operated by the Authority and a third-party contractor, while paratransit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



Corpus Christi Regional Transportation Authority System Service Area Maps



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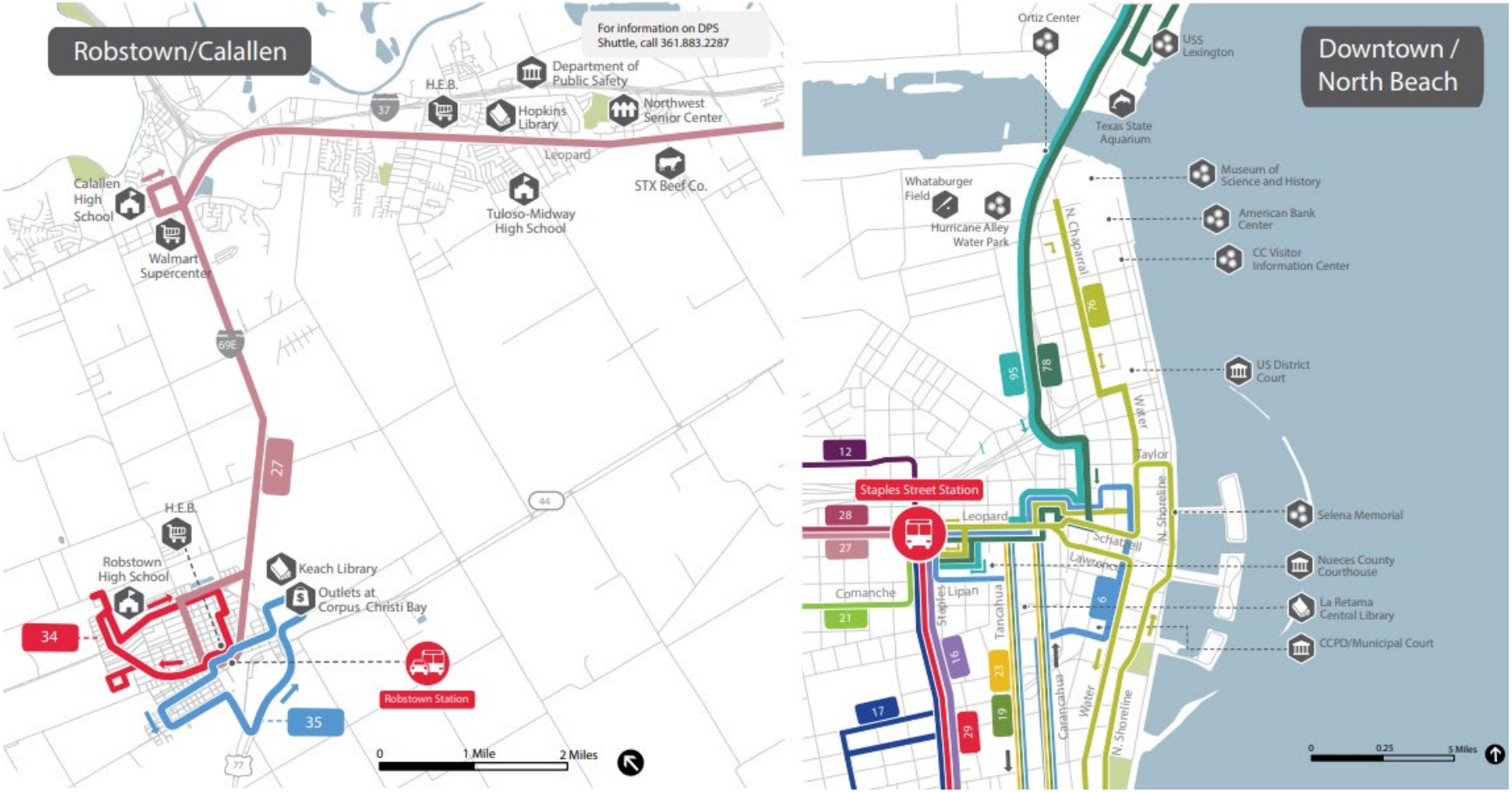
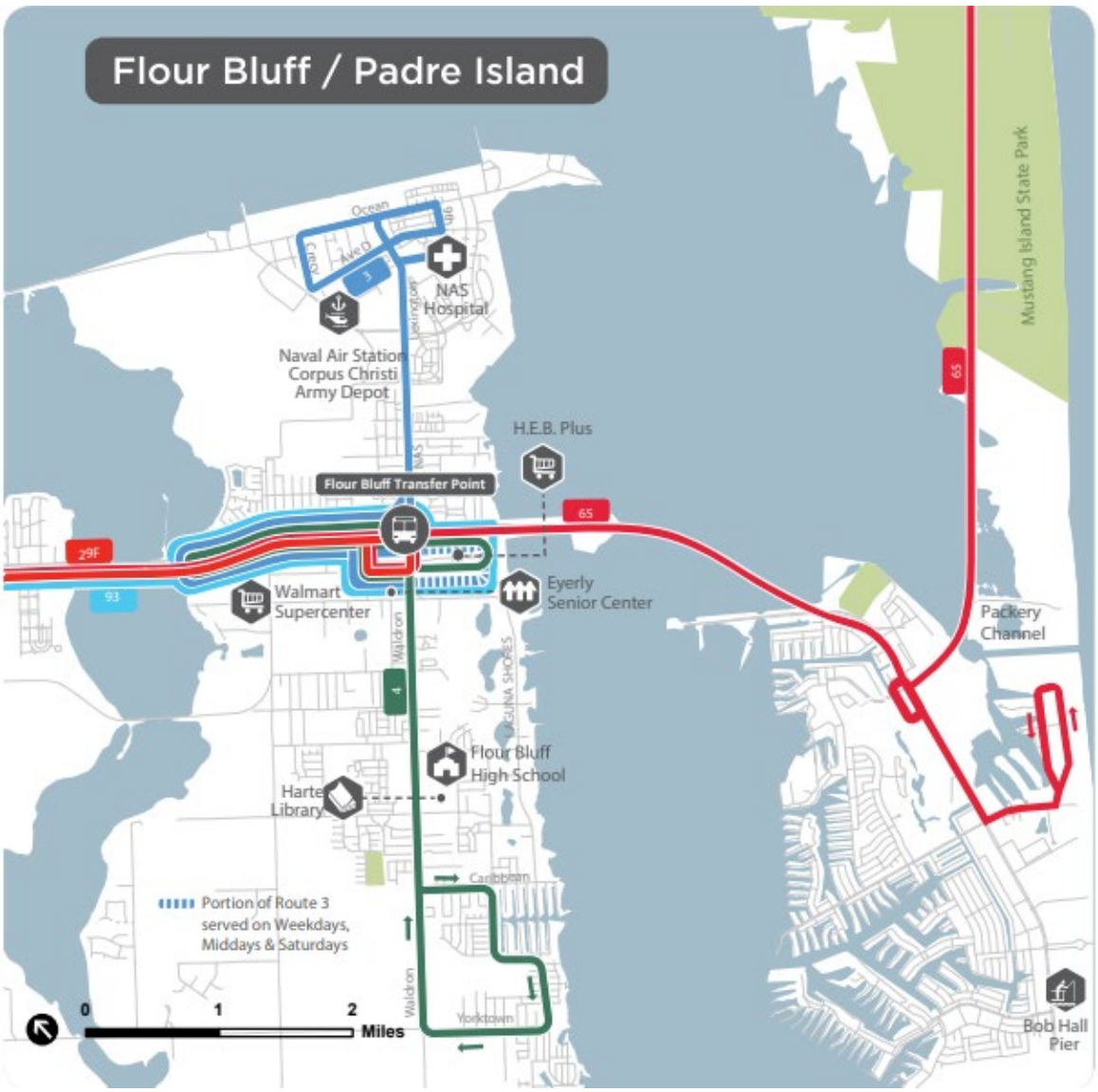


Corpus Christi Regional Transportation Authority System Service Area Maps



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

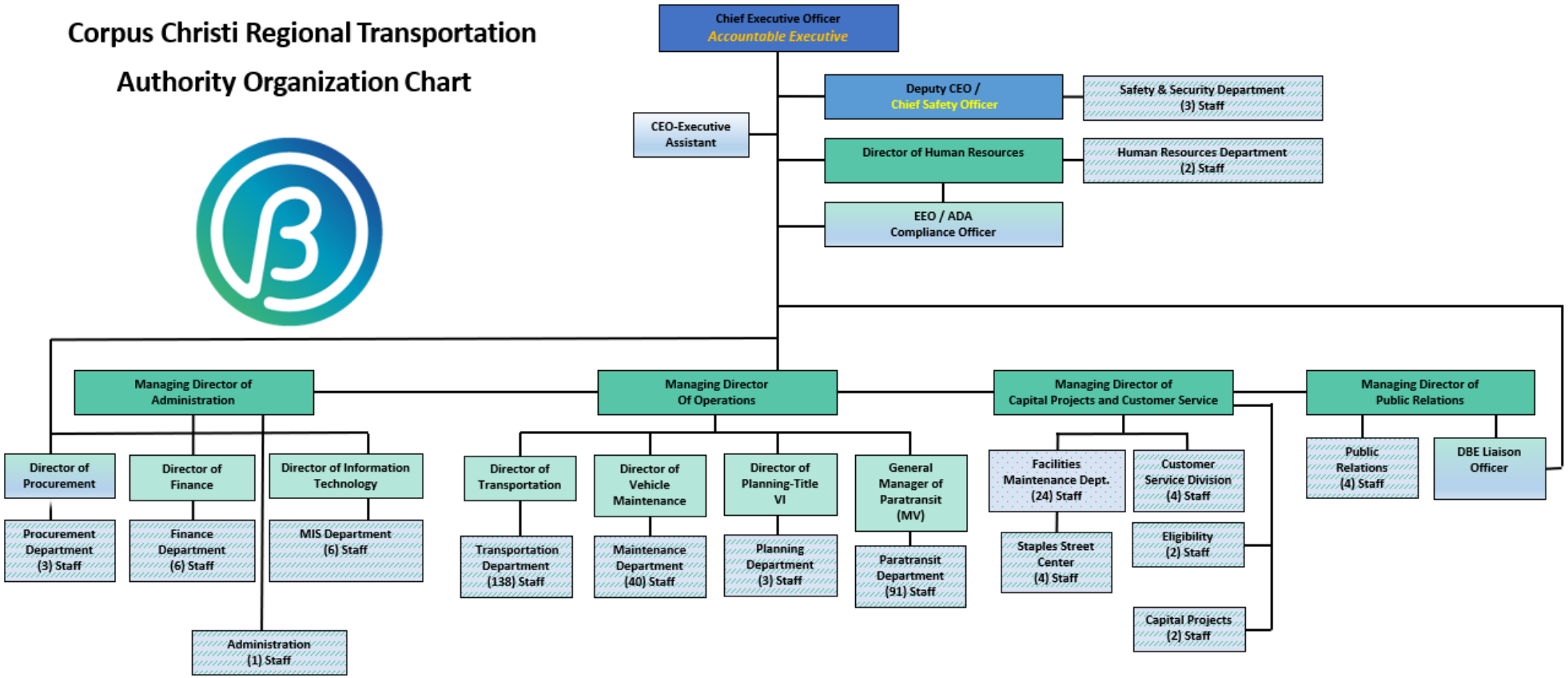
MEMBER	APPOINTMENT	TERM EXPIRATION	BEGAN SERVICE
Arthur Granado	RTA Board	September 30, 2027	August 2, 2023
Eloy H. Salazar	City of Corpus Christi	June 30, 2026	July 1, 2020
Gabi Canales	City of Corpus Christi*	June 30, 2026	May 5, 2021
Jeremy Coleman	City of Corpus Christi	June 30, 2026	July 6, 2022
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.

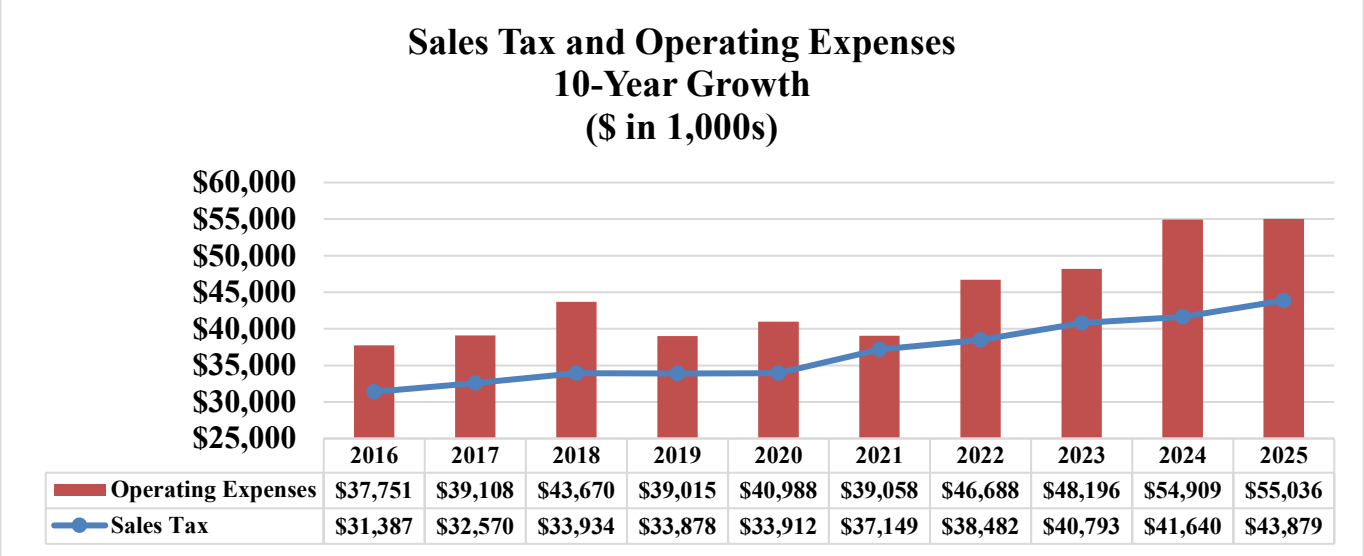
Statement of Revenues, Expenses, and Changes in Net Position:

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.

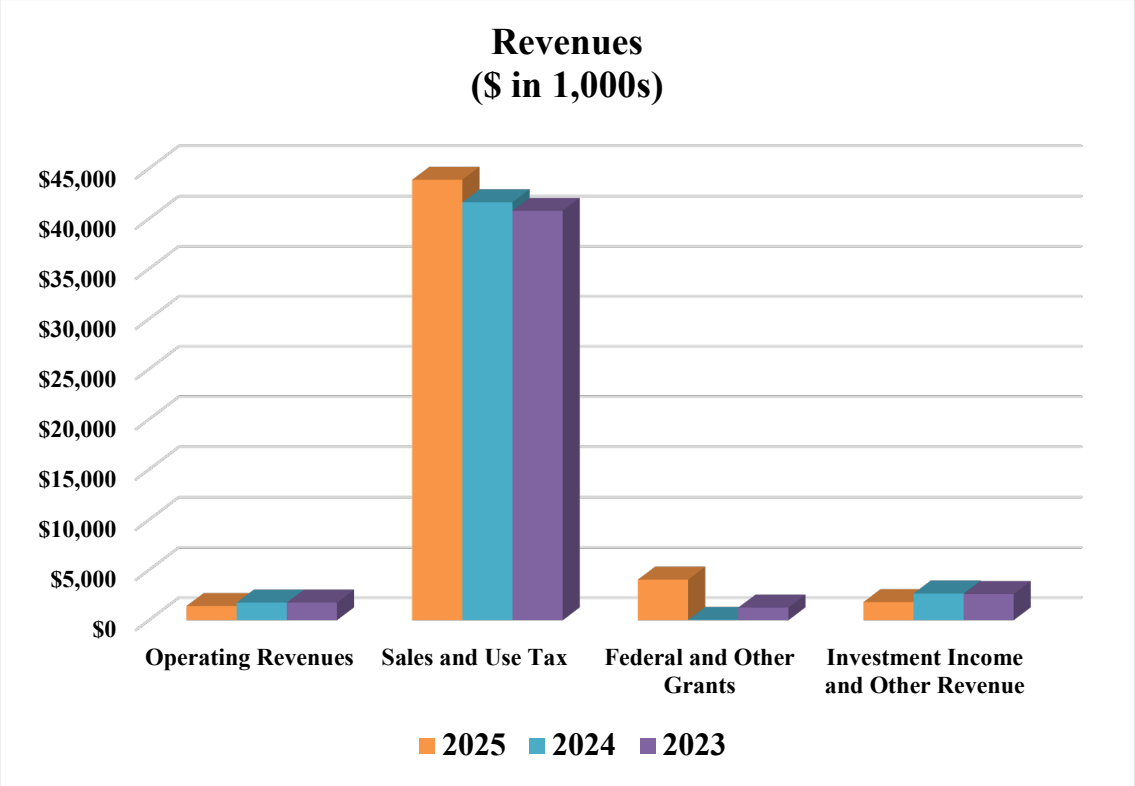
Table 3
Condensed Summary of Revenue, Expenses, and Changes in Net Position

	At December 31			At December 31		
	2025	2024		2024	2023	
			Change		(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.

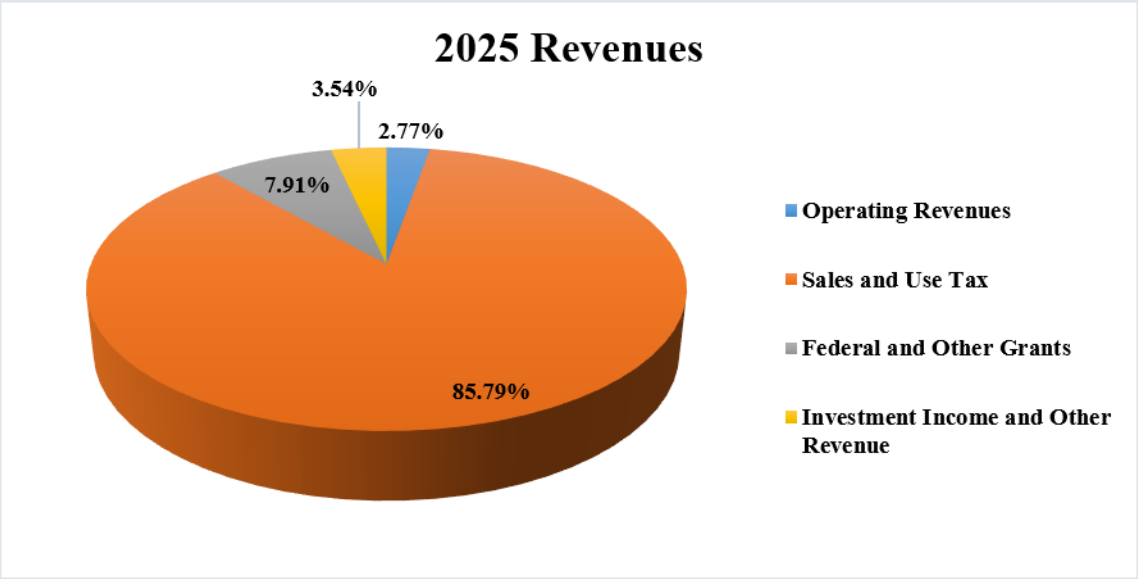
♦ Investment Income is income earned from the Authority's investing activities.

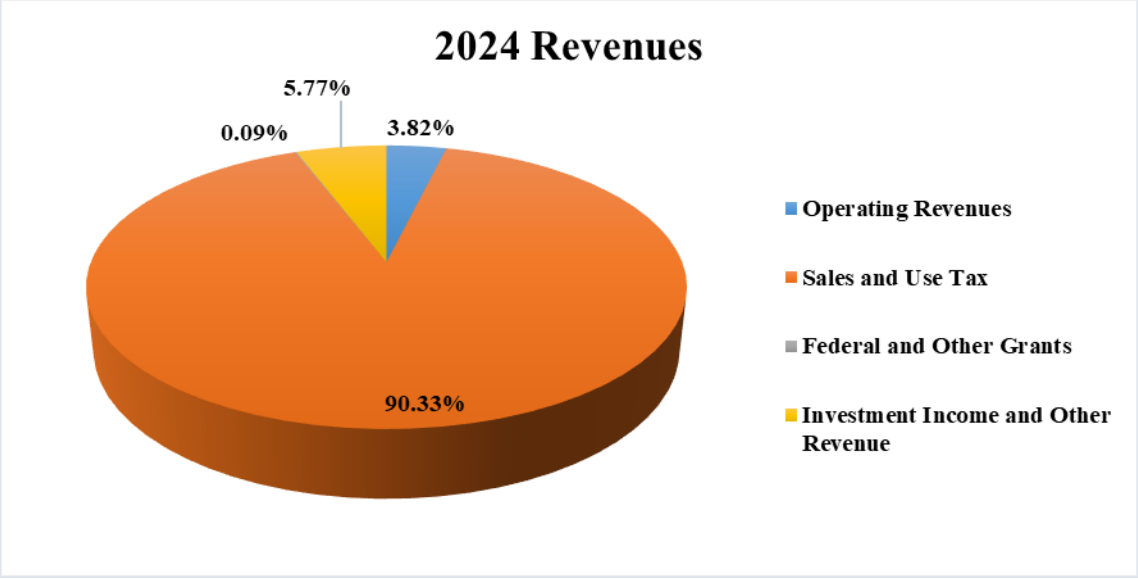
For the fiscal year ended December 31, 2025, income generated from the investment portfolio decreased by $847,977 (32.61%) compared to fiscal year 2024. This contraction was heavily influenced by systemic monetary easing, as the Federal Reserve instituted successive cuts to the federal funds rate throughout 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.

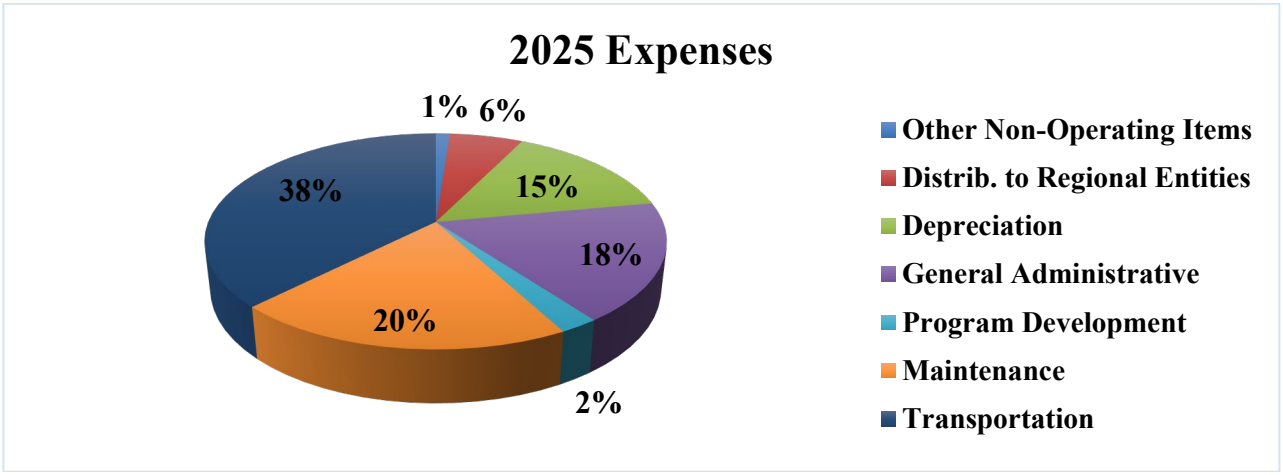
Operating Expenses: For the fiscal year ended December 31, 2025, operating expenses (including depreciation) totaled $55,036,473, representing a marginal increase of 0.23% ($127,423) over the $54,909,050 reported in fiscal year 2024. This localized stabilization was broad-based, with a majority of core 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.

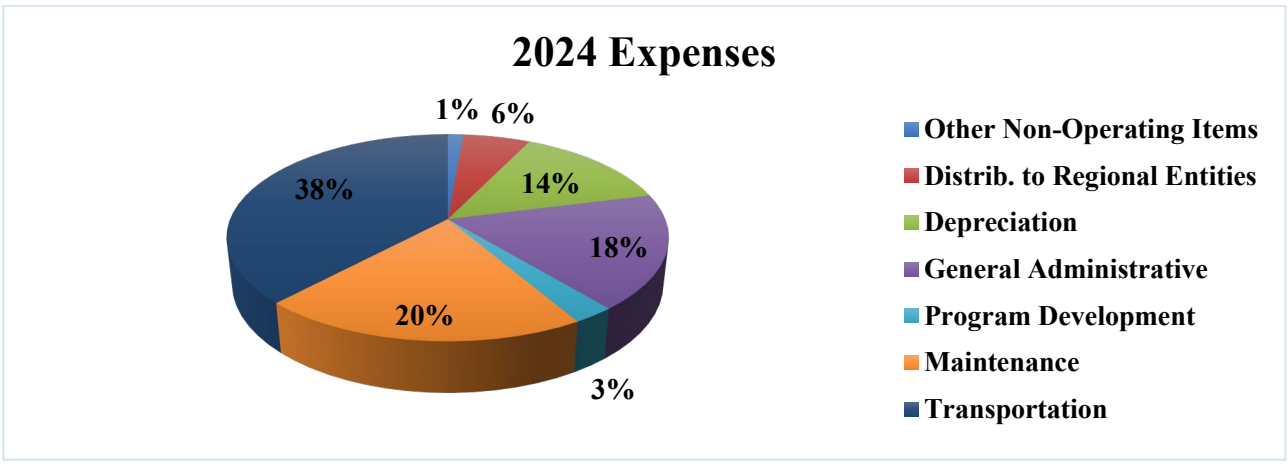
In comparison, operating expenses for the fiscal year ended December 31, 2024, surged by 13.93% ($6,712,576) to $54,909,050, up from a fiscal year 2023 baseline of $48,196,474. This rapid operational expansion was driven by systemic cost increases across nearly all divisions. Significant spending growth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

	Principal	Interest	Total
Year Ended December 31			
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.
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.

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

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Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-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

Adamson & COMPANY, LLC
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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.




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