CORPUS CHRISTI REGIONAL
TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Years Ended December 31, 2022 and 2021

FLEET forward 2022
Enhancing the Rider Experience Together

adelante 2022
Mejorando la experiencia del pasajero juntos

Corpus Christi
Regional Transportation Authority
Corpus Christi, Texas

Annual Comprehensive Financial Report
For the Fiscal Years Ended December 31, 2022 and 2021

<u>Mission Statement</u>

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 our community.

Prepared by the Finance Department

FLEET forward 2022

Enhancing the Rider Experience Together

2022
Introductory Section

Annual Comprehensive Financial Report

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT

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SINGLE AUDIT SECTION

September 19, 2023

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

We are pleased to submit to you the Corpus Christi Regional Transportation Authority's Annual Comprehensive Financial Report (***ACFR***) for the fiscal year ended December 31, 2022. The ACFR is prepared annually in compliance with the Texas statute and Federal Single Audit Act requirements to have an annual audit of our basic financial statements performed by an independent certified public accountant or firm of independent certified public accountants. In accordance with Texas and Federal Statutes including Section 451.451, Subchapter J, of the Texas Transportation Code, this report is being published and submitted to fulfill these requirements.

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

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

This report is presented in four parts:

1. **The Introductory Section** includes this letter of transmittal, the 2021 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 Auditors' Report, Management's Discussion and Analysis (MD&A), and the basic financial statements with accompanying notes.
3. **The Statistical Section** provides unaudited financial, economic and other miscellaneous information that is useful for indicating trends for comparative fiscal periods.
4. The Single Audit Section contains the independent auditors' report on internal control of financial reporting and on compliance, along with the independent

auditors' report on compliance for each major federal program and on internal control over compliance required by the uniform guidance.

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

The independent certified public accounting firm of Carr, Riggs & Ingram, LLC has rendered an unmodified opinion on CCRTA's financial statements for the year ended December 31, 2022. The independent auditors' 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 also part of San Patricio County. Nueces County includes the cities of Agua Dulce, Bishop, Corpus Christi, Driscoll, Port Aransas, Robstown, and unincorporated area. San Patricio includes the cities of Gregory and San Patricio. Across a service area of 846 square miles with an estimated population of 422,778 of which 317,773 or 75.16% is from the Corpus Christi area, the transit system provides various modes of transportation to accommodate the particular needs of the public.

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

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

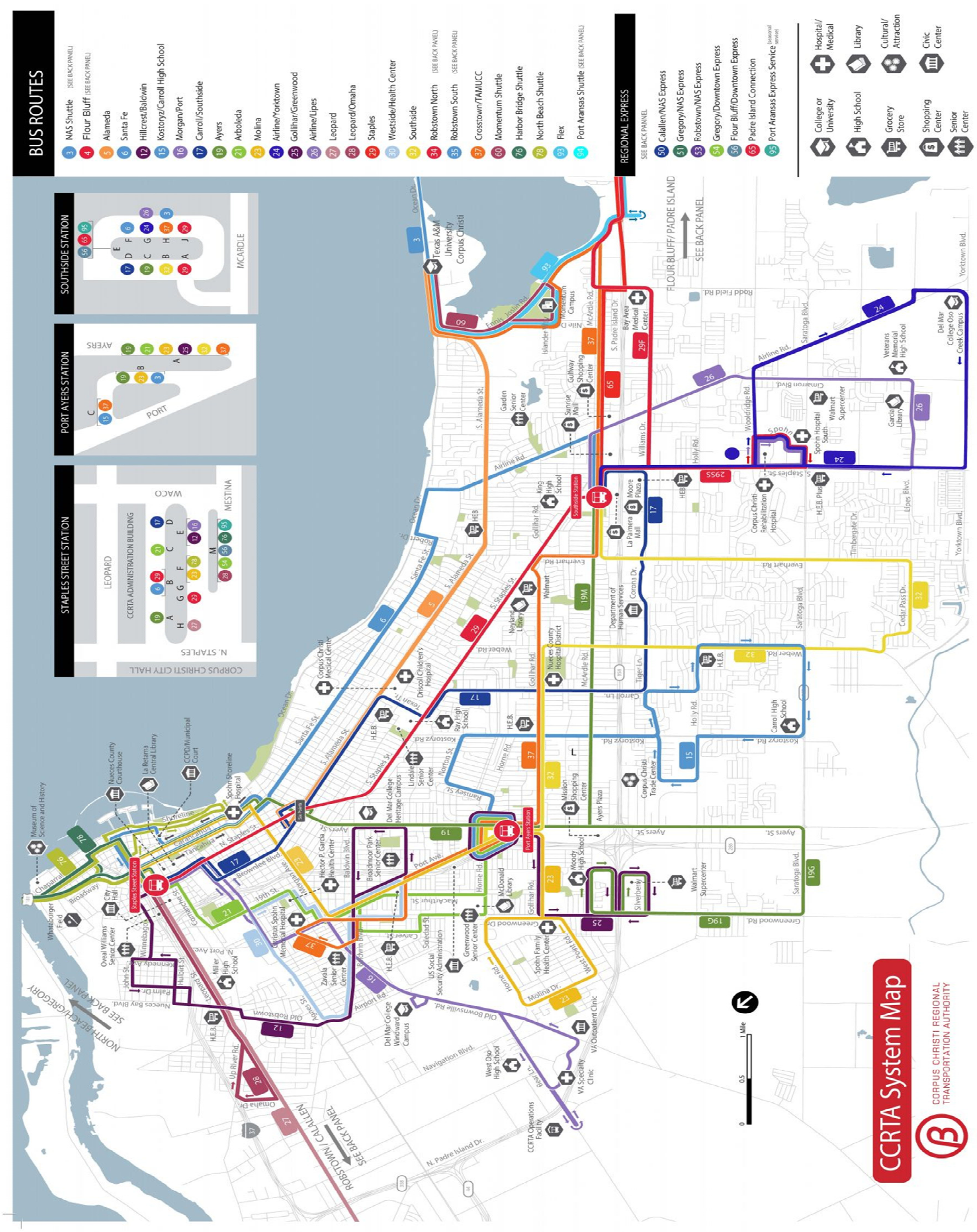
The Authority has become a lifeline to our riders during normal conditions as well as in times of catastrophic events, the most recent being the unprecedented Coronavirus pandemic that first impacted the area in 2020 and continued its presence throughout 2021. The pandemic affected all sectors of the economy, but the Authority successfully overcame these challenges and continues to be the connecting force that links the community closer

together, keeping its promise to connect residents to their destinations. In 2022, ridership increased by 431,847 or 18.13% from 2021 by ending the year with 2,814,240 from the previous year of 2,382,393. Although 2022 ridership represents 54% of the 5,249,776 pre-Covid levels, the Authority remains optimistic as the increase offers hope for additional growth in 2023.

With a fleet of 128 buses, the Authority provides a variety of services to meet different transportation needs through the use of 94 buses for fixed-route services and 34 buses for paratransit services. The conventional fixed-route services are operated by the Authority and a third-party contractor, while paratransit services, which are more flexible and do not conform to a fixed schedule or route, are exclusively contracted out. Paratransit services provide on-demand curb-to curb response service which allowed passengers to book their trip during service operating hours along with Flexi-B routes which is a ride-sharing program that picks up and drops off passengers at any bus stop along the route. A vanpool program is also another mode of transportation services that currently operates 22 vehicles.

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

Corpus Christi Regional Transit Authority System Service Area Map



LOCAL ECONOMY

The dynamic economy of Corpus Christi spans from aerospace and aviation, chemical and petroleum manufacturing, to energy-related industries. The resilience of the local economy is shown in the sales tax revenue growth during the pandemic. Sales tax revenue has continued to show growth trends as receipts in 2022 increased by $1,332,671 or 3.6% from the $37,149,496 receipts recognized in 2021. In addition, the favorable business climate of the area has promoted an ongoing influx of out-of-state businesses and skilled workers. This influx is further bolstered by the talent pool provided by Del Mar College and Texas A&M University-Corpus Christi.

Corpus Christi is the 8th largest city in Texas and has a total area of 460.2 square miles of which 124.3 are land and 327.9 are covered with water. Corpus Christi serves as the county seat for Nueces County with a population of 362,830 making it the 16th most populous county in the state. It is home to the Naval Air Station Corpus Christi and the Port of Corpus Christi.

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

The diversification of public and private industries in the region helps to stabilize economic fluctuations. Corpus Christi's major employment segments include healthcare, educational services, accommodation and food services, construction, government, professional, scientific, technical services and tourism. Major employers include CCISD, Bay, Ltd, CITGO, City of Corpus Christi, Del Mar College, Texas A&M University Corpus Christi, Flint Hills Resources, H-E-B, Kiewit Offshore Services and Valero Refining. Although tourism was adversely affected by the pandemic, it is recovering. According to the Visit Corpus Christi economic impact report, Corpus Christi tourism contributed more than $1.5 billion into the local economy in comparison to the $1.35 billion accounted by tourism in 2021. The U.S. Bureau of Labor Statistics data shows the Corpus Christi area's leisure and hospitality sector grew by 6.3% in 2022.

The Corpus Christi area's unemployment rate remains at 4.8% which is its lowest since the COVID-19 pandemic began in 2020. According to Jim Lee, Texas A&M University-Corpus Christi Regents Professor of Economics and director for the South Texas Economic Development Center in the College of Business, economists typically consider a 5% unemployment rate to be full employment. The respective rates for the state and national were 3.9% and 3.8%.

2022 POST- COVID-19

The pandemic had an unprecedented effect on public transportation agency budgets and CCRTA was no exception. In addressing the post-pandemic challenges, CCRTA focused on enhancing the transit ridership experience. While ***Safety*** remained a priority, the momentum led to the adoption of a corporate mantra to help focus on improving the ***Bus Experience***. The motto became known as ***"Adelante" – Fleet Forward to Enhance the Rider Experience.*** This unified approach resulted in the following accomplishments:

Capital Investments:

- Installed 203 out of 297 solar-lit bus shelters as part of an $8,818,230 three-year plan funded by three (3) different grants, of which the majority of funding coming from a 2022 American Rescue Plan (ARP) grant. Grant revenues were not recognized in 2022 as the ARP grant amendment was not approved until April 19, 2023.
- Laid the groundwork for future service expansion to the south side area with the ongoing construction of "Super Stops" near the new Del Mar College and CCPD Police Training Academy Campuses with total project cost of $3,094,098 funded by a federal competitive grant at 75%.
- Finalized design of the reconstruction of the Port Ayers Transfer Station that was built in 1995 and is the second highest ridership stop in the CCRTA system. The total project cost of $5,811,845 is being funded by the same federal competitive grant at 75%.
- Replaced the automatic vehicle location systems to provide improved communications between, buses, customers, and dispatch. Installed 75 units with a total cost of $97,050 funded by an 80/20 split federal grant.
- In summary completed 20 CIP projects totaling $4,236,226 including installation of security cameras, digital document management system, along with the acquisition of equipment for maintenance and facilities departments and the construction of a fitness center.

Service Outlook:

- Developing a transportation system for the future and worked with Nelson/Nygaard Consulting Associates on our long-range transit plan.
- Launched GoPass Mobile App offering riders the option to plan and pay for their trips all in one app.
- Provided 2.8 million passenger trips through 34 fixed routes.
- Partnered with military and local stakeholders to provide access to training, free medical services, emergency shelters, and special events throughout the year.

Public Relations:

- CCRTA hosted more than 25 press conferences, special events, and ribbon cuttings and took part in more than 50 outreach events with community partners.
- Received:
    - Two national APTA AdWheel Awards
    - Five regional spotlight awards from SWTA
    - Two first-place trophies from the local Buc Days Parade

- 2021 GFOA Certificate of Achievement for Excellence in Financial Reporting and 2022 GFOA Distinguished Budget Presentation Award

Governance – Officials

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

The Board makes decisions, designates management, significantly influences operations and maintains primary fiscal accountability. The Board establishes policy and sets direction for the Authority. The Chair is appointed by the sitting Board members. A listing of Authority Board members is included on page xv.

Governance - Executives

A Chief Executive Officer (CEO) is responsible for the daily operations of the Authority. The CEO supervises three major divisions including Administration, Capital Programs, and Operations. These broad divisions are organized into numerous departments for operational efficiency. The Authority staffed their operations in 2022 with 224 salaried and hourly positions and with approximately 90 staff members employed by various contractors. An organizational chart is shown on page xvii.

Budget

Texas Transportation Code Section 451.102 requires that transit authorities adopt an Annual Operating Budget and Capital Improvement Plan before the start of a new fiscal year. The board adopted budget serves as a policy document, an operations guide, a financial plan and a communication device. The Authority may not spend more than the board approved budgets and must approve increases to the budget with board approved amendments. Monthly budget reports identify variances 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 after the original budget has been established without changing the total operating budget. If these reallocations are significant, board approval is obtained. Control of the budget is maintained at the department level with overview responsibility exercised by the Managing Director of Administration and the Director of Finance but the ultimate responsibility rests on the CEO.

Long-Term Financial Planning

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

Relevant Financial Policies

Basis of Accounting

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

Cash and Investments

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

Risk Management

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

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

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

Key Budget Objectives

The 2022 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 based on the first year of needs in the five-year Capital Improvement Program (CIP) Plan and supported by cost sharing grant programs. The five-year plan is revised annually to reflect progress changes and priorities aimed to help ensure that the limited federal transit dollars available are directed to projects that are essential. Both budgets were guided by the continuation of initiates from previous years that included the ongoing efforts of our:

- Covid-19 workplace safety plan;
- Increase ridership strategic plan and;
- Improving capital priorities process

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 in order 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 is used fund the operations.

Since sales tax revenue is the primary source for funding transit operations, accurate forecasting is important for avoiding both underfunding and excessive funding. Typically, sales tax revenue accounts for 65 to 75 percent of CCRTA's total income however, based on the economic trends and indicators available at the time, the sales tax revenue budget was set at $37,509,003 or 2% over 2021 actuals, representing 80% of the $46,932,190 total revenues projected for 2022. Other revenue sources included $7,102,211 from federal operating grants consisting of $5,605,366 from the American Rescue Plan that was awarded in 2021 and $800,000 in preventive maintenance while $696,845 was earmarked for pass through reimbursements to sub-recipients. The balance of $2,320,976 would be provided from passenger fares and other revenue sources. With total transit operation costs at $45,377,885 and revenues at $46,932,190, the operating budget rendered a surplus of $1,554,305 which would be used to fund the local match for the capital purchases from the CIP budget.

In early 2021, plans were developed to fund $9,868,262 in capital projects for year 2022 supported by $8,313,957 in federal grants and $1,584,305 in local matches. Priorities included funding the 2nd year of the 3-year shelter improvement program with an original project cost of $8,180,230 along with new support and revenue vehicles, and integration of artificial intelligence. Such enhancements were aimed to improve mobility for economic opportunity, provide diverse, high-quality transit options, and improve the customer experience.

Del Mar College - Yorktown Bus Stop Construction

Installations of new bus stops and shelter amenities as part of the 3-year shelter improvement program costing $8,180,230

Accountability, Transparency and Responsibility

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

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

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Corpus Christi Regional Transportation Authority for its annual comprehensive financial report (ACFR) for the year ended December 31, 2021. This marks the eighteenth consecutive year that CCRTA has received this award and its twenty-fifth lifetime award since 1986.

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

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

Acknowledgements

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

Sincerely,

Derrick Majchszak
Chief Executive Officer

Miguel Rendon
Deputy CEO

Robert Saldaña
Managing Director of Administration

Marie Roddel
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Corpus Christi Regional Transportation Authority
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

BOARD OF DIRECTORS AND ADMINISTRATION

BOARD OF DIRECTORS

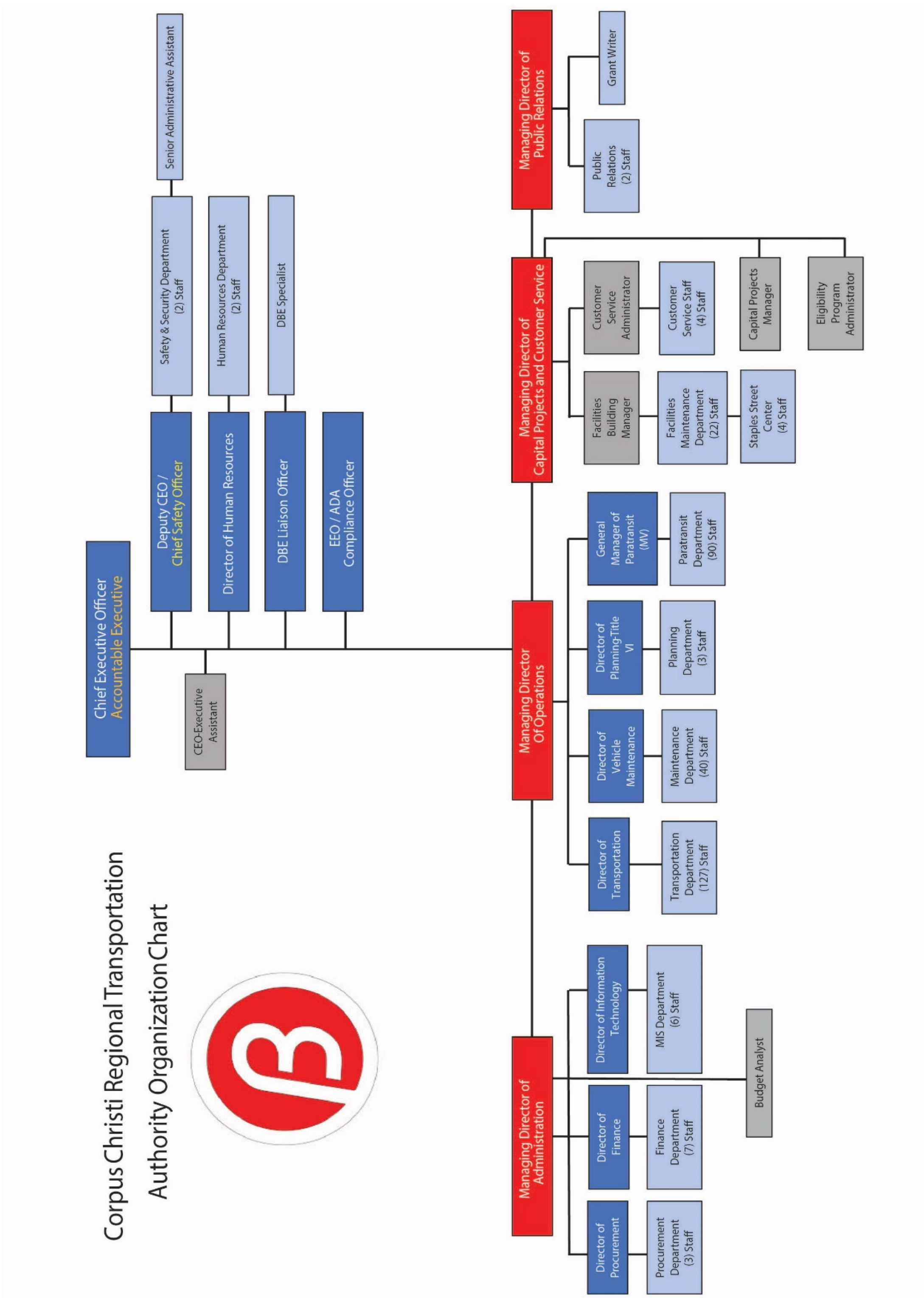
MEMBER	APPOINTED BY	TERM
Dan S. Leyendecker **Board Chair**	CCRTA Board	October 4, 2017 - January 3, 2024
Arthur Granado	City of Corpus Christi	August 2, 2023 – June 30, 2024
Eloy H. Salazar	City of Corpus Christi	July 1, 2020 – June 30, 2024
Gabi Canales	City of Corpus Christi*	May 5, 2021 – June 30,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

*Designated to represent Transportation Disadvantage

ADMINISTRATION

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

Director of Finance	Marie S. Roddel
Director of Human Resources	Angelina Gaitan
Director of Information Technology	David Chapa
Director of Planning	Gordon Robinson
Director of Procurement & Grants	Christina Perez
Director of Transportation	Michael Ledesma
Director of Vehicle Maintenance	Bryan Garner
Comptroller	Daniel Benavidez


Corpus Christi Regional Transportation Authority Organization Chart
Chief Executive Officer
Accountable Executive
CEO-Executive Assistant
Deputy CEO / Chief Safety Officer
Director of Human Resources
DBE Liaison Officer
EEO / ADA Compliance Officer
Safety & Security Department (2) Staff
Human Resources Department (2) Staff
DBE Specialist
Senior Administrative Assistant
Managing Director of Administration
Director of Procurement
Procurement Department (3) Staff
Director of Finance
Finance Department (7) Staff
Director of Information Technology
MIS Department (6) Staff
Budget Analyst
Managing Director Of Operations
Director of Transportation
Transportation Department (127) Staff
Director of Vehicle Maintenance
Maintenance Department (40) Staff
Director of Planning-Title VI
Planning Department (3) Staff
General Manager of Paratransit (MV)
Paratransit Department (90) Staff
Managing Director of Capital Projects and Customer Service
Facilities Building Manager
Facilities Maintenance Department (22) Staff
Staples Street Center (4) Staff
Customer Service Administrator
Customer Service Staff (4) Staff
Capital Projects Manager
Eligibility Program Administrator
Managing Director of Public Relations
Public Relations (2) Staff
Grant Writer

2022
Financial Section

Annual Comprehensive Financial Report

INDEPENDENT AUDITORS' REPORT

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
500 North Shoreline Boulevard
Suite 701
Corpus Christi, TX 78401

361.882.3132
361.882.3199 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business type activities and the aggregate remaining fund information of the Corpus Christi Regional Transportation Authority (the "Authority") as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the Authority adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-23, GASB required supplementary schedules on pages 67-73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information and schedule of expenditures of federal financial awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal financial awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Corpus Christi, Texas
September 19, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 $104,101,506 at December 31, 2022, an increase of 2.37% or $2,414,836 from $101,686,670 as of December 31, 2021 (Table 1).

- *Capital Assets* of $68,648,277 at December 31, 2022 decreased by 2.95% or $2,085,439 from $70,733,716 as of December 31, 2021 (Table 1).

- *Total Liabilities* at December 31, 2022 of $42,516,932 increased by 52.01% or $14,546,488 from $27,970,444 as of December 31, 2021 (Table 1).

- *Total Revenues* for 2022 of $52,594,804 increased by $5,355,642 or 11.34% in comparison to the 2021 revenue of $47,239,162. All revenue streams in 2022 grew in comparison to 2021. The significant revenue sources for discussion include Passenger Service Revenue, Other Operating Revenues, and Non-Operating Revenues (Table 3).

- *Passenger Service Revenue* for 2022 of $991,329 was up 0.49% or $4,785, from $986,544 in 2021 (Table 3).

- *Other Operating Revenues* for 2022 of $491,329 was up by 2.68%, or $12,842, from $478,487 in 2021 (Table 3).

- *Sales Tax Revenue* for 2022 of $38,482,167 increased by 3.59% or $1,332,671 from $37,149,496 in 2021 (Table 3).

- *Federal and Other Grant assistance* for 2022 of $11,540,721 increased by 38.07% or $3,181,843 from $8,358,878 in 2021 (Table 3).

- *Total expenses* (including depreciation) increased by 18.29% or $7,855,900 from $42,949,845 in 2021 to $50,805,745.

- *Operating Expenses* (excluding depreciation) increased by 21.69% or $7,072,639 from $32,602,054 in 2021 to $39,674,693 in 2022.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion serves to introduce the Authority's basic financial statements. These statements have two components: (1) government-wide financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The Authority is structured as a stand-alone proprietary fund and presents its financial information using the accrual basis of accounting similar to the way private sector businesses present their financial information. Revenues are recognized in the financial statements when both earned and measurable, not when actually 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 of 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 bond 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 of 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 6 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 25.

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.

At the close of December 31, 2022, the Authority's *total net position* was $104,101,506. Of the total net position, $53,895,426 or 51.77% represents net investment in capital assets. A significant portion of the Authority's total net position in all years reported is represented by capital assets used to provide public transportation services. The remaining net position consisted of $575,308 in restricted funds and $49,630,772 was unrestricted (Table 1).

The Authority's net position at December 31, 2021 totaled $101,686,670. Of this amount, $55,235,286, or 51.77%, represented the Authority's net investment in capital assets. The remaining $46,451,384 includes $941,538 restricted for pension assets, $779,623 in restricted assets in the FTA interest of previous disposed assets, and $44,691,073 which is available for spending.

Total net position increased by $2,414,836 in 2022 from 2021, going from $101,686,670 to $104,101,506. The increase occurred in Unrestricted Net Position, while the Investment in Capital Assets and Restricted Funds both fell (Table 1).

The increase in *total net position* is due to the combined increase of $14,812,577 in *Total Assets and Deferred Outflows* offset by the $12,397,741 increase in *Total Liabilities and Deferred Inflows*.

Current Assets grew from $57,492,203 in 2021 to $62,062,836, an increase of $4,570,783 that was mostly attributable to growth in the Cash and Short-Term Investment portfolio of the Authority.

Similarly*, Non-current Assets,* including *Capital Assets,* grew from $74,380,409 in 2021 to $76,656,050, an increase of $2,275,641. This increase is attributable to growth in the Long-Term Investment portfolio of the Authority, offset by decreases in the Net Pension Asset and the net value of Capital Assets.

Deferred Outflows of Resources grew significantly, rising from $4,508,711 in 2021 to $12,474,864, an increase of $7,966,153. This increase is mostly attributable to the negative performance of the RTA Employee Defined Benefit Plan in 2022.

Meanwhile, *Current Liabilities* grew from $7,552,927 in 2021 to $12,424,519 in 2022, an increase of $4,871,592 that was attributable to growth in vendor payables and other accrued liabilities.

Likewise, *Long-Term Liabilities* grew from $20,417,517 in 2021 to $30,092,413, an increase of $9,674,896. This increase is attributable to the negative performance of the RTA Employee Defined Benefit Plan in 2022.

Deferred Inflows of Resources declined by $2,148,747, from $6,724,059 in 2021 to $4,575,312 in 2022. The decrease is mostly attributable to lower inflows related to pensions as a result of the negative performance of the RTA Defined Benefit Plan in 2022.

Table 1
Condensed Summary of Net Position

	At December 31			At December 31		
	2022	2021 (Restated)	Change	2021 (Restated)	2020 (Restated)	Change
Current Assets	$ 62,062,836	$ 57,492,053	$ 4,570,783	$ 57,492,053	$ 53,413,973	$ 4,078,080
Noncurrent Assets	8,007,773	3,646,693	4,361,080	3,646,693	2,825,685	821,008
Capital Assets	68,648,277	70,733,716	(2,085,439)	70,733,716	66,167,795	4,565,921
Total Assets	138,718,886	131,872,462	6,846,424	131,872,462	122,407,453	9,465,009
Deferred Outflows of Resources	12,474,864	4,508,711	7,966,153	4,508,711	5,592,488	(1,083,777)
Total Assets and Deferred Outflows	151,193,750	136,381,173	14,812,577	136,381,173	127,999,941	8,381,232
Current Liabilities	12,424,519	7,552,927	4,871,592	7,552,927	9,981,805	(2,428,878)
Long-Term Liabilities	30,092,413	20,417,517	9,674,896	20,417,517	21,851,685	(1,434,168)
Total Liabilities	42,516,932	27,970,444	14,546,488	27,970,444	31,833,490	(3,863,046)
Deferred Inflows of Resources	4,575,312	6,724,059	(2,148,747)	6,724,059	7,058,515	(334,456)
Total Liabilities and Deferred Inflows	47,092,244	34,694,503	12,397,741	34,694,503	38,892,005	(4,197,502)
Investment in Capital Assets	53,895,426	55,274,436	(1,379,010)	55,274,436	49,934,572	5,339,864
Restricted for Pension Assets	-	941,538	(941,538)	941,538	-	941,538
Restricted for Debt Service or FTA Interest	575,308	779,623	(204,315)	779,623	473,544	306,079
Unrestricted	49,630,772	44,691,073	4,939,699	44,691,073	38,699,820	5,991,253
Total Net Position	$ 104,101,506	$ 101,686,670	$ 2,414,836	$ 101,686,670	$ 89,107,936	$ 12,578,734

Current Assets: At the end of 2022, the Authority's current assets had increased by $4,531,633 from the end of 2021. The majority of the increase came from the combined change in Cash and Cash Equivalents and Short-Term Investments, which grew by $3,839,991, largely due to the increase federal operating grant revenue.

Receivables were mostly flat in 2022, increasing from an aggregate of $7,575,295 in 2021 to $7,613,600 in 2022, mostly attributable to higher Sales and Use Taxes. Parts inventories grew from $979,912 in 2021 to $1,204,171 in 2022, a growth of $224,259. Meanwhile, Prepaid Expenses more than doubled, going from $410,275 in 2021, to $878,503 in 2022, an increase of $468,228.

At the end of 2021, the Authority's current assets had increased by $4,117,230 from the end of 2020. The majority of the increase came from the increase in Sales and Use Taxes.

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 2022, the Authority held assets restricted in accordance with agreement with the Federal Transit Administration (FTA) totaling $575,308. Funds totaling $204,315 previously held in interest of the FTA were used in the completion a federal capital project in 2022, resulting in the decrease. In 2021, the restricted funds represent FTA's additional interest of $779,623 from disposal of assets associated with three projects. At the end of 2020, the Authority held $473,554 which represented the FTA's interest of one project associated with the excess land at the Authority's Southside transit station that was sold in November 2020.

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, 2022, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $68,648,277, a decrease of $2,085,439 from December 31, 2021. During the year capital assets totaling $4,899,072 were acquired. The acquisition costs of these assets were offset by the depreciation expense recorded for the year totaling $6,984,511 resulting in a decrease of investment in capital assets of $2,085,439. The 2022 capital additions primarily occurred in two asset categories, Transit Stations & Bus Stops and Vehicles, Furniture, & Equipment. Some of the significant capital assets acquired include:

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

As of December 31, 2021, the Authority's overall investment in capital assets (net of accumulated depreciation) totaled $70,733,716, an increase of $4,565,921 from December 31, 2020. During the year capital assets totaling $11,022,407 were acquired. The acquisition costs of these assets were offset by the depreciation expense recorded for the year totaling $6,456,486 decreasing the investment in capital assets to $4,565,921. The 2021 capital additions primarily occurred in two asset categories, Transit Stations & Bus Stops and Vehicles, Furniture, & Equipment. Some of the significant capital assets acquired include:

- ♦ 29 Arboc Buses 25'
- ♦ 5 Support Vehicles and 2 Golf Carts for Safety & Security
- ♦ 10 Diesel and 5 CNG engine overhauls for fixed-route buses
- ♦ 63 Driver Safety Shield Barriers Installations to buses

- 126 Social Distance Seat Band Installations to buses
- 17 DVR's for buses including DVR Server & Storage Array
- 1 CNG Defueling Station
- 52 UV Light Disinfection System installations
- 2 AC Units for Maintenance Shop
- 35 Portable Handheld Radios
- Technology upgrades to servers and data center UPS Battery Replacements
- Parts Inventory Storage Cabinets & Shelving
- Parking Lot resurfacing at Bear Lane Operations Building

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, 2022:			
Capital Assets at Cost	$ 85,395,593	$ 70,522,134	$ 155,917,727
Less: Accumulated Depreciation	60,168,896	27,100,554	87,269,450
Capital Assets, net	$ 25,226,697	$ 43,421,580	$ 68,648,277
At December 31, 2021:			
Capital Assets at Cost	$ 85,490,704	$ 70,885,195	$ 156,375,899
Less: Accumulated Depreciation	59,991,147	25,651,036	85,642,183
Capital Assets, net	$ 25,499,557	$ 45,234,159	$ 70,733,716

Liabilities: The Authority's total liabilities as of December 31, 2022 were $42,516,932, an increase of $14,546,488 from the $27,970,444 in 2021. From the 2022 combined obligations of $42,516,932, the current portion stood at $12,424,519, while the long-term portion was at $30,092,413. Both categories came in significantly higher than 2021.

Current liabilities ended the year at $12,424,519, an increase of $4,871,592 compared to $7,552,927 in 2021 and is primarily due to the increased liability related to the Street Improvements Program, along with higher balances for vendor payables and other accrued liabilities. The long-term liabilities ended the year at $30,092,413, an increase of $9,674,897 over the 2021 balance of $20,417,517. The increase is largely due to the negative performance of the RTA Employee Defined Benefit Plan which resulted in a higher net pension liability.

The Authority's total liabilities as of December 31, 2021 were $27,970,444, a decrease of $3,863,046 from the balance of $31,833,490 in 2020. Of the 2021 balance for total liabilities,

$7,552,927 is current and customary to the Authority's business operations, and $20,417,517 are long-term liabilities. Current liabilities decreased by $2,428,878, primarily due to distributions totaling $2,423,435 that were paid in 2021 to the City of Corpus Christi for street repairs under the 2021 Street Improvement Plan. The long-term liabilities decreased by $1,434,168 from $21,851,685 in 2020, which resulted primarily from three liability accounts; long-term debt, sales tax audit funds due, and net pension liability.

For the pension plan, a net pension asset balance of $941,538 as of December 31, 2021 swung to a net pension liability of $11,027,475 as of December 31, 2022. The significant decline in the value of the pension plan portfolio is in line with the greater market, as market volatility led to one of the worst years since the Great Depression, with the S&P 500 finishing down 19.4%, the seventh worst year on record for the index. The Authority is cautiously optimistic for improvement in this area for the 2023 report year as the markets have rebounded, however the threat of inflation and subsequent recession continue to be a concern.

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

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

Change in Net Position: While the Statement of Net Position focuses on financial position at a point in time, the Statement of Revenues, Expenses, and Changes in Net Position provides further details as to what specific activities took place during the year that led to the changes shown on the Statement of Net Position. The Authority's activities are presented in Table 3.

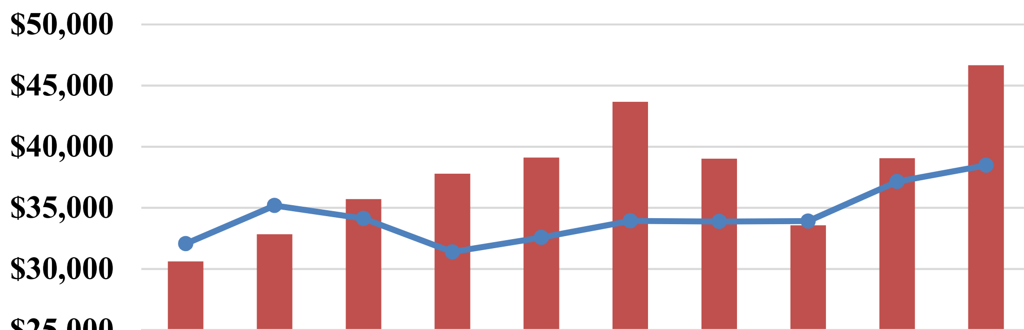
As shown on the Statement of Revenues, Expenses, and Changes in Net Position, the Authority's net position increased by $2,414,836 at the close of December 31, 2022. Of this increase, $1,789,059 came from operations, and $625,777 from grant revenue for capital purchases.

The increase from operations is primarily due to the $11,540,721 of federal funds received to support operating expenses. From the total federal funding received, $10,064,385 came from the American Recovery Plan Act. In addition, $1,173,527 came from urbanized area formula grants for preventive maintenance costs of the bus fleet. The remaining $302,809 represents pass through reimbursements to sub-recipients.

In addition to the growth in federal grant revenue, sales tax collections increased by $1,332,671 or 3.59%, going from $37,149,496 in 2021 to $38,482,167 in 2022, and indicating the continued resiliency of the regional economy in the aftermath of the Covid-19 pandemic. The average sales tax growth over the last ten years is reported at 1.97%. Growth is reported each year with the exception of 2015, 2016 and 2019. In 2015 and 2016, the country experienced a mini recession but in 2017 sales tax receipts recovered $1,183,157 or 3.77% from 2016. The growth in 2019 was -0.17% but up by 0.10% the next year.

The following chart illustrates the relative growth in sales taxes with respect to operating expenses for the ten-year period of 2013 through 2022.

Sales Tax and Operating Expenses
10-Year Growth
($ in 1,000s)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Expenses	$30,613	$32,827	$35,706	$37,781	$39,109	$43,670	$39,015	$33,561	$39,059	$46,659
Sales Tax	$32,064	$35,188	$34,128	$31,387	$32,570	$33,935	$33,878	$33,912	$37,149	$38,482

Other revenues remained mostly flat in 2022 in comparison to 2021. Passenger service continues its slow growth in the aftermath of the pandemic, posting an increase of 0.49% from 2021 to 2022. Bus advertising saw a growth of 10% in 2022, with $176,907 compared to $160,820 in 2021. Other operating revenues grew $12,842 or 2.68%, with 2022 ending at $491,329 compared to $478,487 in 2021.

In 2021, the Statement of Revenues, Expenses, and Changes in Net Position reflected an increase of $12,578,734 to the Authority's net position as of December 31. The increase is mostly due to the increase of $3,237,007 in sales tax revenue, coupled with $8,289,417 in federal capital grant funding.

Sales Tax Revenue growth soared by 9.55% in 2021, spurred by regional economic activity and additional federal stimulus funds. The $37,149,496 generated in 2021 was the highest on record for the Authority prior to being eclipsed by 2022.

Operating revenues including Passenger Service and Other Operating Revenues both declined from 2020 to 2021, with decreases of 13.51% and 33.80%, while Bus Advertising experienced strong growth of 24.79% from 2020 to 2021. The decline for passenger service was attributable to the continued change in ridership trends in response to the pandemic, while the increase in bus advertising indicated business spending on marketing returning to pre-pandemic levels. The change in other operating revenues was the result of lower federal fuel credits due to the decline in service levels.

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

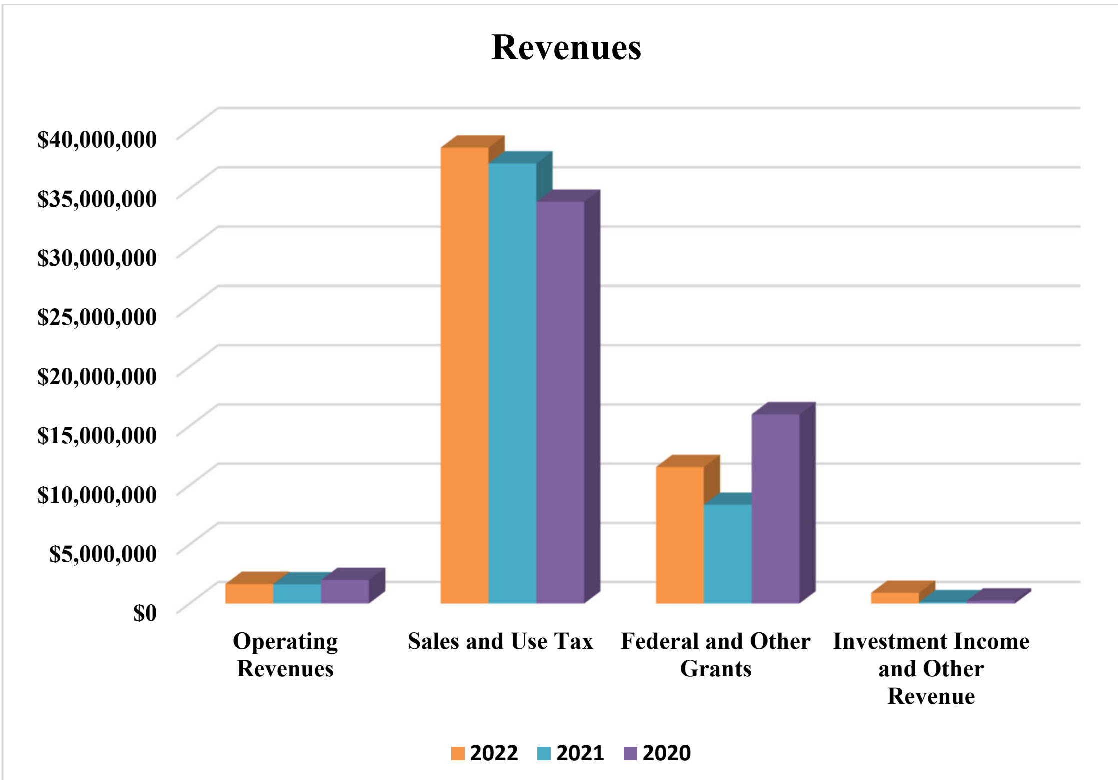
	At December 31			At December 31		
	2022	2021	Change	2021	2020	Change
Revenues						
Passenger Service	$ 991,329	$ 986,544	$ 4,785	$ 986,544	$ 1,140,636	$ (154,092)
Bus Advertising	176,907	160,820	16,087	160,820	128,874	31,946
Other Operating Revenues	491,329	478,487	12,842	478,487	722,798	(244,311)
Non-Operating Revenues						
Sales and Use Tax	38,482,167	37,149,496	1,332,671	37,149,496	33,912,489	3,237,007
Federal and Other Grants	11,540,721	8,358,878	3,181,843	8,358,878	15,985,553	(7,626,675)
Investment Income	839,842	35,305	804,537	35,305	181,431	(146,126)
Lease-Related Interest Income	72,509	69,632	2,877	69,632	68,263	1,369
Total Revenues	52,594,804	47,239,162	5,355,642	47,239,162	52,140,044	(4,900,882)
Expenses						
Operating Expenses						
(net of lease revenue)	39,674,693	32,602,054	7,072,639	32,602,054	33,561,067	(959,013)
Depreciation	6,984,511	6,456,486	528,025	6,456,486	7,489,474	(1,032,988)
Distribution - Regional Entities	3,129,527	3,083,652	45,875	3,083,652	3,369,273	(285,621)
Subrecipients	302,809	75,870	226,939	75,870	626,191	(550,321)
Interest and Fiscal Charges	714,205	731,783	(17,578)	731,783	791,013	(59,230)
Total Expenses	50,805,745	42,949,845	7,855,900	42,949,845	45,837,018	(2,887,173)
Net Income Before						
Capital Grants and Donations	1,789,059	4,289,317	(2,500,258)	4,289,317	6,303,026	(2,013,709)
Capital Grants and Donations	625,777	8,289,417	(7,663,640)	8,289,417	1,695,465	6,593,952
Change in Net Position	2,414,836	12,578,734	(10,163,898)	12,578,734	7,998,491	4,580,243
Net Position, Beginning of Year,	101,686,670	89,107,936	12,578,734	89,107,936	81,111,787	7,996,149
Adjustment to Net Position	-	-	-	-	(2,342)	2,342
Net Position, End of Year	$ 104,101,506	$ 101,686,670	$ 2,414,836	$ 101,686,670	$ 89,107,936	$ 12,578,734

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

Revenues: The Authority's revenues are from sources customary to the public mass transportation industry. Total revenues are made up primarily of sales and use taxes with the smaller share of overall revenues generated from user charges and other ancillary revenues, grants used for operating assistance, earnings from investing activities, and occasional gains from disposing of property owned by the Authority.

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

In 2021, the Authority's total revenues decreased by $4,900,882, going from $52,140,044 in 2020 to $47,239,162 in 2021. The decrease stems from receiving $7,626,675 less in federal funding for operational expenses. However, the strong tax revenue increase of $3,237,007 helped minimize the financial impact from the loss in revenue from the prior year which include passenger fares, investment income, and various revenue sources included in the Other Operating Revenue category. These contributing factors to the decreases in these revenue streams come from disruptions from social distancing that affect ridership and other revenue streams along with market volatility.



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

For 2022, revenues from operations totaled $1,659,565 which represented 3.16% of total revenues, showed an increase of $33,714 from the $1,625,851 in 2021. Passenger fares increased by $4,785 or 0.49% while revenue from bus advertising increased by $16,087 or 10.00% from 2021. Meanwhile, other operating revenues grew by $12,842 or 2.68%.

For 2021, revenues from operations totaled $1,625,851, which represented 3.45% of total revenues, showed a decrease of $366,457 from the $1,992,308 in 2020. Passenger fares decreased by $154,092 or 13.51% while revenue from bus advertising increased by $31,946 or 24.79% from 2020. Other operating revenues fell by $244,311 or 33.80% which was primarily due to the challenges associated with auction of assets and the decrease in federal alternative fuels tax credit that resulted from a decrease in CNG fuel.

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

For 2021, sales tax of $37,149,496, which represented 78.64% of total revenues, increased by 9.55% or $3,237,007 from 2020. The increase exceeded budget expectations by $1,693,383 by 4.82% of the original budget or 4.78% from the amended budget.

♦ Operating Grant Assistance represents reimbursements to the Authority for preventative maintenance activities, the cost of certain work-related routes and regional mobility coordination, in addition to the CARES Act funding approved by Congress as part of the federal response to Covid-19. The Authority has the option of utilizing its annual "Formula" grants provided by the Federal Transit Administration (FTA) for operating assistance or to fund capital asset acquisitions.

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

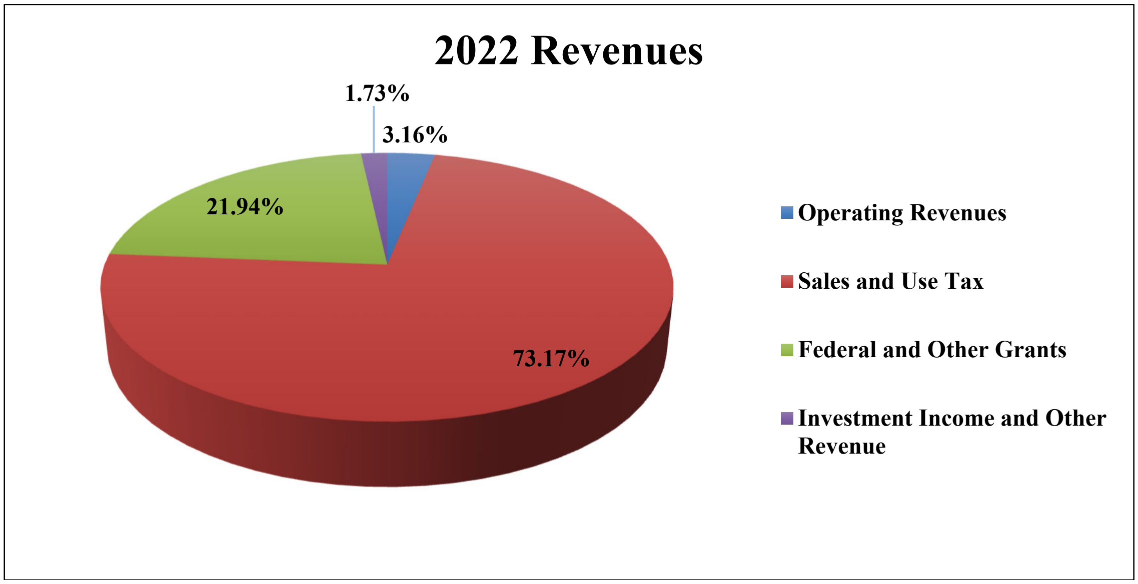
In 2021, the income from federal grant assistance dropped by $7,626,675 from 2020. The decrease was due to the grant allocation from the CRRSAA Act of $6,857,205 which is a decrease of 45.62% from the grant allocation of $15,030,980 received from the CARES Act in 2020.

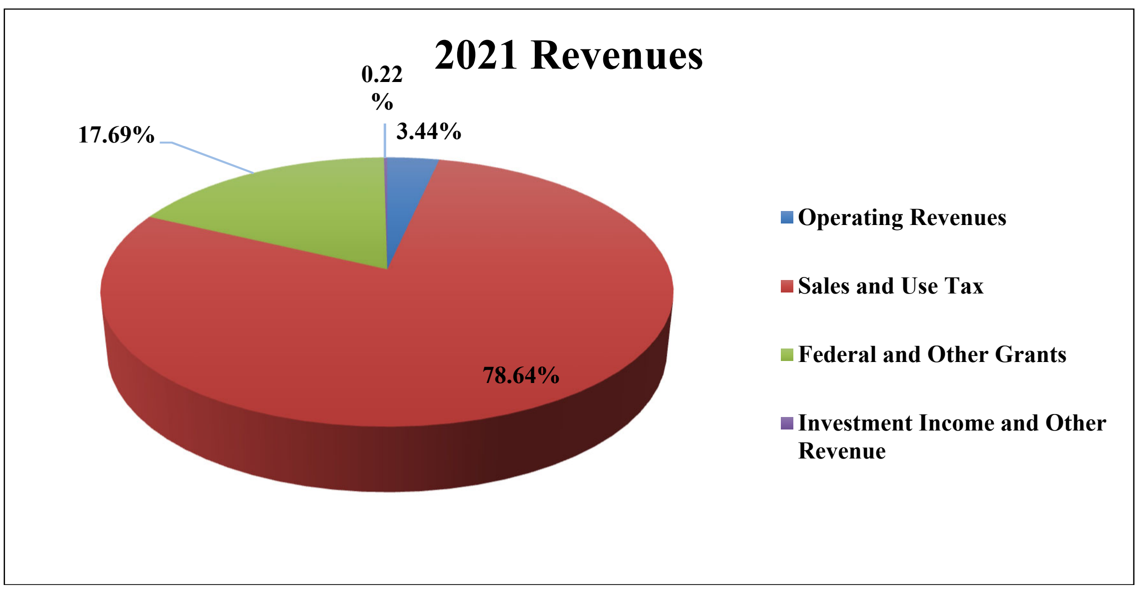
Additional details about the Authority's federal grant programs are presented in the Schedule of Expenditure of Federal Awards and their accompanying notes.

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

For 2021, income generated from the portfolio decreased by $146,126 or 80.54% from 2020. All investments holding were held in TexPool Prime and had a return that started the year 2021 at 0.1320% and gradually dropping to 0.0930% at the end of year. The resurgence of pandemic cases in 2021 continued to hinder any improvement in economic activity to allow pooled investments to perform. Since then the investing activities of the Authority have diversified to higher yield investments.

The Authority works with its investment advisor to seek out opportunities to generate acceptable returns on custodial funds, while maintaining liquidity for the numerous capital projects on the horizon. The Fed continues to take steps to mitigate the impact of inflation, with overnight rates reaching 5.33% as of July 31, 2023.





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

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

In 2022, total expenses were $50,805,745, an increase of $7,855,900 or 18.29% over total expenses of $42,949,845 in 2021. Increases occurred in all expense categories with significant increases coming from operating expenses and depreciation.

In 2021, total expenses were $42,949,845, a decrease of $2,887,173 or 6.30% less than total expenses of $45,837,018 in 2020. Decreases occurred in all expense categories with significant increases coming from operating expenses, depreciation, and sub recipient programs.

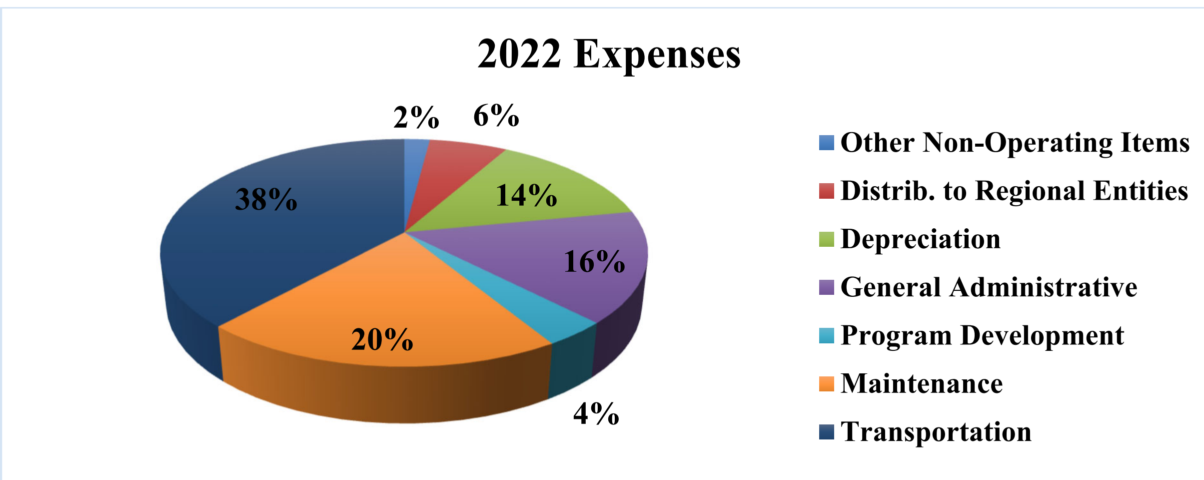
The largest component of the Authority's total expenses is operating expenses. These expenses, excluding depreciation expense, account for 78.09% and 75.91% of total expenses in 2022 and 2021, respectively.

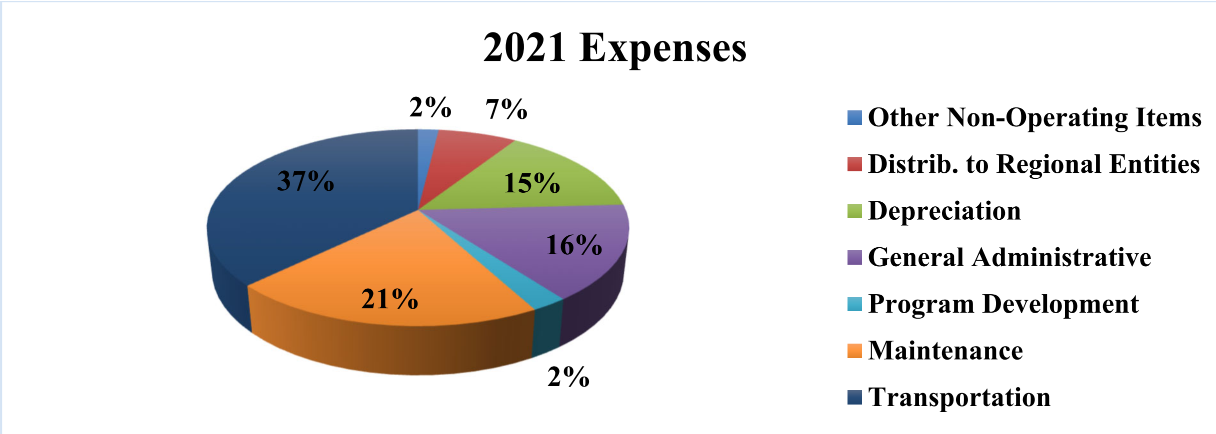
Operating Expenses: 2022 operating expenses (including depreciation) of $46,659,204 increased by 19.46% or $7,600,664 from $39,058,540 in 2021. The significant increases came from Operations (Transportation - $1,924,600; Purchased Transportation - $1,529,124; Vehicle Maintenance - $1,031,954) as a result of service levels beginning to normalize in the aftermath of the pandemic. Service Development expenses increased by $710,318 due to consulting fees related to the long-term service plan. Administrative departments and depreciation also increased by $1,090,865 and $528,025 respectively.

All departmental expenses increased related to their proportionate share of the cost of employee benefits, namely the Authority's self-funded health insurance plan, and the RTA Employee Defined Benefit Plan. The health insurance plan continued in 2022 to pay a high dollar volume of claims for plan participants. Multiple wellness initiatives were implemented in 2022, including the construction of an employee gym at the Staples Street Center to encourage healthier lifestyles for employees.

Total Operating Expenses (Including Depreciation)

Department	2022	2021	Variance
Transportation	$ 11,033,438	$ 9,108,838	$ 1,924,600
Customer Programs	573,659	480,178	93,481
Purchased Transportation	8,421,578	6,892,454	1,529,124
Service Development	1,244,310	533,992	710,318
MIS	1,449,143	1,384,046	65,097
Vehicle Maintenance	6,355,542	5,323,588	1,031,954
Facilities Maintenance	3,691,884	3,302,246	389,638
Materials Management	321,619	217,809	103,810
Administrative and General	5,865,405	4,774,540	1,090,865
Marketing & Communications	718,115	584,362	133,753
Depreciation	6,984,511	6,456,486	528,025
Total Operating Expenses	**$ 46,659,204**	**$ 39,058,539**	**$ 7,600,665**





Depreciation: Depreciation expense was $528,025 (8.18%) higher in 2022 than 2021 and was in line with projections as multiple newer buses completed the first full year of their useful lives and incurred the appropriate level of depreciation.

Depreciation expense was $1,032,988 (13.79%) lower in 2021 than 2020 due to multiple assets including buses that were fully-depreciated during or prior to 2021.

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

Distributions to Regional Entities: The Authority, through collaborative efforts with the regional member government entities, maintains a street improvement program for the purpose of constructing, rebuilding and rehabilitating streets within its service region. These projects represent a major investment in enhancing mobility, reducing congestion and improving the overall service area. The streets are not the property of the Authority and, thus, the expenditures are reported as non-operating expenses in the Authority's financial statements. The level of funding is determined by a formula used to calculate the allocations for each of the member cities based on the sales tax receipts for a specific period. The funding is then allocated, in arrears, to each participating government.

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

In 2021, these costs decreased by $285,621 or 8.48%, going from $3,369,273 to $3,083,652 and is due to sales tax revenues that were mostly flat from 2019 to 2020, coupled with the exclusion of the adjustment incurred in 2020.

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

During 2021, the net value of the plans' assets increased by $6,594,572 or 11.11%, going from $59,377,778 to $65,972,350. The increase is due to primarily to investment gains that totaled $7,445,639.

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 continues to boost sales tax revenues while Corpus Christi job growth continues to grow above pre-pandemic levels. The 2023 State of the City event provided much encouragement after showcasing a record-breaking $1.5 billion budget for new developments and improvements.

Going into 2023, CCRTA looks at restructuring to better meet the core needs of the community. Safety and security are fundamental issues impacting quality of service, ridership retention, and retention and recruitment of front-line operating personnel. Challenges include the continued labor shortages, lead time and materials shortages and declined ridership. The 2023 budget however was developed with revenue projections that would sustain a total budget of $56,538,665, funding $45,860,089 for operations and capital projects at a total project cost of $10,678,576. Ongoing initiatives include incentives to attract and retain employees with sign-in bonuses, employee retention bonuses, cola and merit increases along with a generous tuition reimbursement program.

In the area of operations, objectives included reduction of operations costs while improving services across all modes with more frequent and regular service in areas where it is most needed and investing in capital projects that would enhance ridership experience. Among the capital projects is the reconstruction of the Port Ayers Transfer Station which was built in 1995 and is the second highest ridership stop averaging 1,492 weekday boardings.

BEFORE

AFTER

The Authority is continuing to carefully assess factors in the local economy and ways to increase revenues or decrease costs in order to live within the means available. Passenger fares are currently going through a comprehensive evaluation. The firm of Nelson Nygaard was contracted to conduct a Fare Equity Analysis and fare recommendations are still under consideration by management. The topic is being revisited in 2023. The approval process is highly regulated and is estimated to take 90 days. If approved, the implementation date would be scheduled for January 1, 2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in its finances. Questions concerning any of the information in this report or requests for additional information should be addressed to Open Records Request, Attn: Marketing Dept., Corpus Christi Regional Transportation Authority, 602 N Staples St, Corpus Christi, Texas 78401-2802, (361) 289-2712. The Annual Comprehensive Financial Report will also be posted on the Authority's website: www.ccrta.org

BASIC FINANCIAL STATEMENTS

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statements of Net Position
December 31, 2022 and 2021

		2022		2021 (Restated)
Assets and Deferred Outflows of Resources				
Current Assets:				
Cash and Cash Equivalents (Note 2)	$	25,536,891	$	48,526,571
Short Term Investments (Note 2)		26,829,671		-
Receivables:				
Sales and Use Taxes		6,892,274		6,851,829
Federal Government		85,717		54,642
Other		635,609		668,824
Inventories		1,204,171		979,912
Prepaid Expenses		878,503		410,275
Total Current Assets		62,062,836		57,492,053
Non-Current Assets:				
Restricted Cash and Cash Equivalents (Note 2)		575,308		779,623
Long Term Investments (Note 2)		5,951,169		-
Net Pension Asset (Note 6)		-		941,538
Lease Receivable (Note 5)		1,481,296		1,925,532
Capital Assets (Note 3):				
Land		4,882,879		4,882,879
Buildings		52,705,304		52,689,967
Transit Stations, Stops and Pads		28,574,474		25,112,677
Other Improvements		5,525,123		5,525,123
Vehicles, Furniture and Equipment		62,634,935		67,309,537
Right-To-Use Leased Equipment		499,627		499,627
Construction in Progress		1,095,385		356,089
Total Capital Assets		155,917,727		156,375,899
Less: Accumulated Depreciation		(87,269,450)		(85,642,183)
Net Capital Assets		68,648,277		70,733,716
Total Non-Current Assets		76,656,050		74,380,409
Total Assets		**138,718,886**		**131,872,462**
Deferred Outflows of Resources				
Deferred outflow related to pensions (Note 6)		9,475,513		1,345,223
Deferred outflow related to OPEB (Note 7)		62,202		42,767
Deferred outflow on extinguishment of debt		2,937,149		3,120,721
Total Deferred Outflows of Resources		12,474,864		4,508,711
Total Assets and Deferred Outflows of Resources	$	**151,193,750**	$	**136,381,173**

See Notes to the Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statements of Net Position, Continued
December 31, 2022 and 2021

	2022	2021 (Restated)
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities:		
Accounts Payable	$ 1,979,739	$ 750,211
Current Portion of Long-Term Liabilities (Note 4):		
Long-Term Debt	905,000	890,000
Compensated Absences	335,005	331,157
Sales Tax Audit Funds Due	328,488	328,488
Distributions to Regional Entities Payable	7,523,214	4,471,160
Other Accrued Liabilities	1,353,073	781,911
Total Current Liabilities	12,424,519	7,552,927
Long-Term Liabilities, Net of Current Portion (Note 4):		
Long-Term Debt	16,785,000	17,690,000
Compensated Absences	942,102	950,274
Leases Payable (Note 5)	338,738	431,407
Sales Tax Audit Funds Due	164,258	492,746
Net Pension Liability (Note 6)	11,027,475	-
Net OPEB Obligation (Note 7)	834,840	853,090
Total Long-Term Liabilities	30,092,413	20,417,517
Total Liabilities	**42,516,932**	**27,970,444**
Deferred Inflows of Resources		
Deferred inflow related to leases (Note 5)	1,481,296	1,925,532
Deferred inflow related to pensions (Note 6)	3,087,164	4,798,527
Deferred inflow related to OPEB (Note 7)	6,852	-
Total Deferred Inflows	4,575,312	6,724,059
Total Liabilities and Deferred Inflows of Resources	**47,092,244**	**34,694,503**
Net Position:		
Net Investment in Capital Assets	53,895,426	55,274,436
Restricted for Pension Assets	-	941,538
Restricted for FTA Interest	575,308	779,623
Unrestricted	49,630,772	44,691,073
Total Net Position	$ **104,101,506**	$ **101,686,670**

See Notes to the Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Position
Years ended December 31, 2022 and 2021

	2022	2021 (Restated)
Operating Revenues:		
Passenger Service	$ 991,329	$ 986,544
Bus Advertising	176,907	160,820
Other Operating Revenues	491,329	478,487
Total Operating Revenues	1,659,565	1,625,851
Operating Expenses:		
Transportation	11,033,438	9,108,838
Customer Programs	573,659	480,178
Purchased Transportation	8,421,578	6,892,454
Service Development	1,244,310	533,992
MIS	1,449,143	1,384,046
Vehicle Maintenance	6,355,542	5,323,588
Facilities Maintenance (net of lease revenue of $445,436 and $426,610 in 2022 and 2021)	3,691,884	3,302,246
Materials Management	321,619	217,809
Administrative and General	5,865,405	4,774,540
Marketing & Communications	718,115	584,362
Depreciation	6,984,511	6,456,486
Total Operating Expenses	46,659,204	39,058,540
Operating Loss	**(44,999,639)**	**(37,432,689)**
Non-Operating Revenues (Expenses):		
Sales and Use Tax Revenue	38,482,167	37,149,496
Federal and Other Grant Assistance	11,540,721	8,358,878
Investment Income	839,842	35,305
Lease-Related Interest Income	72,509	69,632
Subrecipient Programs	(302,809)	(75,870)
Interest Expense and Fiscal Charges	(714,205)	(731,783)
Distributions to Regional Entities	(3,129,527)	(3,083,652)
Net Non-Operating Revenues (Expenses)	46,788,698	41,722,006
Net Income (Loss) Before Capital Grants & Donations	1,789,059	4,289,317
Capital Grants & Donations	625,777	8,289,417
Change in Net Position	2,414,836	12,578,734
Net Position, Beginning of Year	101,686,670	89,110,278
Cumulative Effect of Change in Accounting Principal	-	(2,342)
Net Position, Beginning of Year, As Restated (Note 1)	101,686,670	89,107,936
Net Position, End of Year, As Restated	**$ 104,101,506**	**$ 101,686,670**

See Notes to the Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021 (Restated)
Cash Flows From Operating Activities:		
Cash Received from Customers	$ 1,066,492	$ 914,046
Cash Received from Bus Advertising and Other Ancillary	1,275,972	1,135,543
Cash Payments to Suppliers for Goods and Services	(17,757,231)	(15,165,435)
Cash Payments to Employees for Services	(14,290,885)	(12,483,192)
Cash Payments for Employee Benefits	(5,122,753)	(5,872,299)
Net Cash Used for Operating Activities	(34,828,405)	(31,471,337)
Cash Flows from Non-Capital Financing Activities:		
Sales and Use Taxes Received	38,113,234	35,913,894
Grants and Other Reimbursements	11,509,646	8,491,502
Distributions to Subrecipient Programs	(302,809)	(75,870)
Distributions to Regional Entities	(77,472)	(5,507,087)
Net Cash Provided by Non-Capital Financing Activities	49,242,599	38,822,439
Cash Flows from Capital and Related Financing Activities:		
Federal and Other Grant Assistance	625,777	8,289,417
Retirement of Long-Term Debt	(890,000)	(870,000)
Interest and Fiscal Charges	(520,683)	(538,231)
Purchase and Construction of Capital Assets	(4,899,072)	(10,595,565)
Proceeds from the Sale of Capital Assets	16,786	6,445
Net Cash Used for Capital and Related Financing Activities	(5,667,192)	(3,707,934)
Cash Flows from Investing Activities:		
Investment Income	839,842	35,305
Purchases of Investments	(50,075,000)	-
Maturities and Redemptions of Investments	17,000,000	-
Premiums/Discounts on Investments	294,160	-
Net Cash Provided by (Used for) Investing Activities	(31,940,998)	35,305
Net Increase/(Decrease) in Cash and Cash Equivalents	(23,193,995)	3,678,469
Cash and Cash Equivalents (Including Restricted Accounts), January 1	49,306,194	45,627,725
Cash and Cash Equivalents (Including Restricted Accounts), December 31	$ 26,112,199	$ 49,306,194

See Notes to the Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Statements of Cash Flows (continuation)
Years Ended December 31, 2022 and 2021

Reconciliation of Operating Loss to Net Cash Used for Operating Activities:

	2022	2021 (Restated)
Operating Loss	$ (44,999,639)	$ (37,432,689)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	6,984,511	6,456,486
Changes in Assets, Deferred Inflows & Outflows of Resources, and Liabilities:		
Other Receivables	33,215	(119,219)
Inventories	(224,258)	104,439
Prepaid Expenses	(556,201)	32,908
Lease Receivable	444,236	(1,934,315)
Net Pension Asset	941,538	(941,538)
Net OPEB Obligation	(18,250)	3,598
Accounts Payable and Accrued Liabilities	1,934,432	1,624,877
Compensated Absences	(4,323)	157,148
Leases Payable	(92,669)	184,296
Net Pension Liability	11,027,475	(733,591)
Deferred Outflows of Resources	(8,149,725)	(900,206)
Deferred Inflows of Resources	(2,148,747)	2,026,469
Net Cash Used for Operating Activities	$ (34,828,405)	$ (31,471,337)

Non-Cash Investing, Capital and Financing Activities:

	2022	2021 (Restated)
Change in:		
Sales and Use Tax Receivable	$ 40,445	$ 907,114
Receivable from Federal Government Capital	(15,245)	(125,776)
Receivable from Federal Government Operating	46,052	(6,848)
Short Term Investments	26,829,671	-
Long Term Investments	5,951,169	-
Distribution to Regional Entities Payable	3,052,054	(2,423,435)
Sales Tax - Audit Funds Due	(328,488)	(328,488)
Accrued Interest Payable	1,571	1,541
Deferred Outflows of Extinguishment of Debt	(183,572)	(183,571)
Other Prepaid Expenses (Non-Operating)	(11,522)	(11,522)

See Notes to the Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Fiduciary Funds - Statements of Net Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Investments (Note 2)		
Money Market Funds	$ 1,780,602	$ 2,273,587
Mutual Funds	8,889,643	10,828,586
Collective Investments Funds	44,560,152	52,870,177
Total Investments, at Fair Value	55,230,397	65,972,350
Receivables		
Accrued Interest Receivable	9,844	-
TOTAL ASSETS	55,240,241	65,972,350
LIABILITIES		
Due to Broker for Securities Purchased	15,531	-
TOTAL LIABILITIES	15,531	-
FIDUCIARY NET POSITION		
Held in Trust for Pension Benefits	$ **55,224,710**	$ **65,972,350**

See Notes to the Financial Statements

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Fiduciary Funds - Statements of Changes in Net Position
Years ended December 31, 2022 and 2021

	2022	2021
Additions:		
Investment Income / (Loss)	$ (9,468,463)	$ 7,445,639
Employee Contributions	1,239,794	1,085,850
Employer Contributions	1,382,108	1,382,108
Total Additions	(6,846,561)	9,913,597
Deductions:		
Benefits Paid	3,772,752	3,173,640
Administrative Expenses	128,327	145,385
Total Deductions	3,901,079	3,319,025
Increase (Decrease) in Net Position	(10,747,640)	6,594,572
Net Position, January 1	65,972,350	59,377,778
Net Position, December 31	$ **55,224,710**	$ **65,972,350**

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 (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 similar to a private business enterprise, where the intent is that costs of providing services to the general public on a continuing basis are financed or recovered through user charges. The Authority's accounts are used for all Authority assets, liabilities, equities, revenues and expenses and are maintained on the accrual basis of accounting. Revenues from operations, investments and other sources are recorded when earned and expenses, including depreciation and amortization, of providing services to the public are accrued when incurred. Operating revenues include charges for transportation services and related ancillary revenues. Operating expenses include costs of operating the Authority, including fixed route, purchased services, service planning, customer service, vehicle and facilities maintenance net of SSC leases, and administrative functions. All revenues and expenses that do not meet these definitions are classified as non-operating.

Non-operating revenues are non-exchange transactions, in which the Authority receives value without directly giving something of equal value in return, including sales taxes and grants. Sales tax is recognized when the taxable sales occur. Grants are recognized on a reimbursement basis when all grant requirements have been satisfied.

Fiduciary Funds: Fiduciary funds are used to account for pension activities for which the Authority is financially accountable. Since these assets are being held for the benefit of other parties and cannot be used to finance the activities of the Authority, they are separately presented funds.

Cash and Cash Equivalents: The Authority considers all cash on hand, demand deposits and short-term investments with original maturities of less than 90 days to be cash and cash equivalents.

Investments: The Authority's investments are stated at fair value, except for money market funds and investments with a remaining maturity of one year or less when purchased and non-participating interest earning investment contracts, which are carried at cost. Fair value fluctuates with interest rates and increasing rates may cause the fair value to decline below cost. The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments. Net change in the fair value of investments is recognized and reported as investment income in the financial statements. The Authority's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants.* The Authority's investment policy focuses on strategies that attain preservation of principal primarily and maximizing earnings secondarily. Policy considers all cash on hand, demand deposits, and short-term investments with original maturities of less than 90 days to be cash and cash equivalents.

Capital Assets: The Authority defines capital assets as items with initial cost of at least $5,000 for all items and an estimated life of at least two years. Capital assets, which include property, facilities, and equipment, are stated at historical cost. Donated assets are reported at acquisition value rather than fair value. Leasehold improvements are amortized over the shorter of the lease term or lives of related improvements. All costs of normal maintenance and repairs are expensed to operations as incurred. Depreciation is computed using the straight- line method over the estimated useful lives of the respective assets. Standard useful life estimates by asset types are as follows:

Asset Type	Years
Buildings	20-50
Transit Stations, Bus Stops, Street Pads & Other Improvements	2-15
Improvements other than buildings	2-5
Vehicles	3-12
Furniture & Equipment	2-12

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

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

The 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 2022, the only amount restricted represents the Federal Transportation Administration (FTA) interest on the disposition of an asset that was no longer needed for the original authorized purpose. The reduction in the amount of the FTA's interest will apply to a future project eligible for grant funding.

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

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

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

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

Pension Plans: It is the Authority's policy to fund pension costs annually. For purposes of measuring the net pension asset, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Defined Benefit and Defined Contributions Plan (Plans) and additions to/deductions from the Authority's plans fiduciary net position have been determined on the same basis as they are reported by plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For more information on the Authority's pension plans, see Note 6 of the Notes to the Financial Statements.

Estimates: Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

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

Prior Year Restatement: The Authority implemented GASB 87 *Leases* that requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This represents a change in generally accepted accounting principle is applied retrospectively, accordingly the Authority was required to restate beginning net positions in the initial adoption period.

The effect of the change was to reduce the beginning net position by the following amounts as of January 1, 2021:

Net Position, beginning of year as originally reported December 31, 2021	$ 89,110,278
Prior period adjustments – implementation of GASB 87:	
Effect on Authority's positions as Lessee	(2,342)
Total Effect	(2,342)
Net Position, beginning of the year as restated January 1, 2021	$ 89,107,936

The implementation involved the addition of Leases Receivable totaling $2,352,142, with a corresponding amount added as a Deferred Inflow Related to Leases, leading to net zero change. Meanwhile, the Right-to-Use Asset and the related Accumulated Depreciation added $87,513 to net position, which was then offset by a Lease Liability of $89,855, leading to the net decrease in net position of $2,342.

In addition to the initial implementation of GASB 87 as of January 1, 2021, the financial statements as of December 31, 2021 have been restated to reflect the continued impact of the new standard.

Net Position, end of year as originally reported December 31, 2021	$ 101,693,143
Implementation of GASB 87:	
Effect on Authority's positions as Lessee (1/1/2021)	(2,342)
Effect on Authority's positions as Lessee (12/31/2021)	(4,131)
Total Effect	(6,473)
Net Position, end of the year as restated December 31, 2021	$ 101,686,670

The implementation involved a reduction in Leases Receivable totaling $426,610, with a corresponding amount added as a Deferred Inflow Related to Leases, leading to net zero change. Meanwhile, the Right-to-Use Asset and the related Accumulated Depreciation added $337,424 to net position, which was then offset by a Lease Liability of $341,552, leading to the net decrease in net position of $4,131.

Recent Accounting Pronouncements:

For the year ended December 31, 2022, the Authority implemented the following recent accounting pronouncements:

- GASB Statement No. 87, Leases – ("GASB 87"), requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

- GASB Statement No. 91 Conduit Debt Obligations – ("GASB 91"). This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements-often characterized as leases that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

- GASB Statement No. 92, Omnibus 2020 – ("GASB 92"), objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

- GASB Statement No. 93, Replacement of Interbank Offered Rates – ("GASB 93"), some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Future Accounting Pronouncements:

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements that limit the applicability of fiduciary activity rules to defined contribution plans, are effective immediately. The requirements related to accounting and financial reporting for section 457 plans are effective for fiscal years beginning after June 15, 2021.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

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

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

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

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

(2) <u>Cash and Cash Equivalents</u>

As of December 31, 2022, current assets totaling $25,536,891 were held in bank deposits or in the TexPool local government investment pool (LGIP). An additional balance of $575,308 in non-current restricted cash associated with the FTA's interest in the sale of property was held in bank deposits. As of December 31, 2021, current assets totaling $48,526,571 were held in bank deposits or in the TexPool local government investment pool (LGIP). An additional balance of $779,623 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		2022	Weighted Average Maturity (Years)		2021	Weighted Average Maturity (Years)
Cash and Cash Equivalents						
Deposits in Bank (Unrestricted)	$	1,848,332	0	$	1,707,196	0
Deposits in Bank (Restricted)		575,308	0		779,623	0
TexPool Local Government Investment Pool - Overnight		23,686,959	0		46,818,025	0
Cash Funds		1,600	0		1,350	0
Total Cash and Cash Equivalents	$	**26,112,199**		$	**49,306,194**	

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 has the ability to 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, 2022, the Authority's securities to be priced in the portfolio were as follows:

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

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

The Authority held no securities subject to fair value measurement as of December 31, 2021.

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

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

Note 6	
Mutual Funds	$ 8,497,997
Collective Investments Funds	33,189,215
	$ 41,687,212

The fiduciary fund holding the investment portfolio for the RTA Employee Defined Benefit Plan held the following securities subject to fair value measurement at December 31, 2021:

Investments	Fair Value as of December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)
Mutual Funds	$ 10,828,586	$ 10,828,586	$ -
Collective Investments Funds	39,362,877	39,362,877	-
Total Investments	**$ 50,191,463**	**$ 50,191,463**	**$ -**

Note 6	
Mutual Funds	$ 10,828,586
Collective Investments Funds	39,362,877
	$ 50,191,463

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, 2022,
- no holding in the portfolio had a maturity date beyond 379 days,
- the dollar weighted average maturity of the portfolio was 0.36 years.

For the Enterprise Fund as of December 31, 2021,
- no holding in the portfolio had a maturity date beyond 1 day,
- the dollar weighted average maturity of the portfolio was 1 day.

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, 2022 and 2021 the limits on the various types of authorized investments as a percent of the portfolio were:

Investment Type	Allowable	Actual as of 12/31/2022	Actual as of 12/31/2021
US Treasury Obligations	80.00%	4.99%	0.00%
US Agency Instrumentalities	80.00%	28.83%	0.00%
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%	40.22%	54.27%
Money Market Funds / Demand Deposits	100.00%	4.12%	7.55%
Commercial Paper	35.00%	21.84%	38.18%
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. At December 31, 2022 and 2021, 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 on 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. At December 31, 2022 and 2021, all Authority's securities were handled in this manner.

Fiduciary Funds: Funds in the Authority's Defined Benefit and Defined Contribution plans are invested through trust plans managed by Principal Financial Services (formerly managed by Wells Fargo). These funds are invested under separate investment policies which allow for investments in money market accounts, mutual funds, stocks and bonds. Through adherence to the plans' investment policies, management attempts to limit or mitigate certain risks. The Authority is responsible for the Plans' assets.

Defined Benefit Plan: The primary investment objective is to earn a rate of return sufficient to match or exceed the long-term growth of the Plan's liabilities through a combination of income and capital appreciation in a manner consistent with the fiduciary standards of ERISA and with sound investment practices. Assets are invested to minimize the chance of suffering market value losses. Assets are diversified into different styles with a prudent number of individual issues within each style to mitigate concentration risk.

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

(3) Capital Assets

The Authority's capital assets represent investments in land, buildings, transit stations, infrastructure improvements, bus stops, street pads, bus turn-ins, motor coaches, trolleys, paratransit vehicles, sedans, vans, cars and trucks, garage equipment, facilities maintenance equipment, office equipment and information technology needed to conduct the Authority's operations. With the implementation of GASB Statement No. 87, *Leases*, the category of "Right-to-Use Leased Equipment" has been added to the capital assets schedule for 2022 and in the restated schedule for 2021.

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

	Balance at 12/31/2021 (Restated)	Additions / Transfers	Retirements	Balance at 12/31/2022
Assets Not Being Depreciated:				
Land	$ 4,882,879	$ -	$ -	$ 4,882,879
Construction in Progress	356,089	739,296	-	1,095,385
	5,238,968	739,296	-	5,978,264
Assets Being Depreciated				
Buildings	52,689,967	15,337	-	52,705,304
Transit Stations, Bus Stops, Street Pads & Other Improvements	25,112,677	3,461,797	-	28,574,474
Improvements other than Buildings	5,525,123	-	-	5,525,123
Vehicles, Furniture and Equipment	67,309,537	682,642	(5,357,244)	62,634,935
Right-to-Use Leased Equipment	499,627	-	-	499,627
	151,136,931	4,159,776	(5,357,244)	149,939,463
Total Capital Assets	**156,375,899**	**4,899,072**	**(5,357,244)**	**155,917,727**
Less: Accumulated Depreciation:				
Buildings	17,083,870	1,291,386	-	18,375,256
Transit Stations, Bus Stops, Street Pads & Other Improvements	20,731,975	509,906	-	21,241,881
Improvements other than Buildings	4,189,593	220,580	-	4,410,173
Vehicles, Furniture and Equipment	43,562,055	4,860,678	(5,357,244)	43,065,489
Right-to-Use Leased Equipment	74,690	101,961	-	176,651
Total Accumulated Depreciation	85,642,183	6,984,511	(5,357,244)	87,269,450
Total Capital Assets, Net	$ **70,733,716**	**$ (2,085,439)**	**$ -**	**$ 68,648,277**

Capital asset activities for the year ended December 31, 2021 are as follows:

	Balance at 12/31/2020	Additions / Transfers	Retirements	Balance at 12/31/2021 (Restarted)
Assets Not Being Depreciated:				
Land	$ 4,877,729	$ 5,150	$ -	$ 4,882,879
Construction in Progress	973,871	(617,782)	-	356,089
	5,851,600	(612,632)	-	5,238,968
Assets Being Depreciated				
Buildings	53,744,210	25,526	(1,079,769)	52,689,967
Transit Stations, Bus Stops, Street Pads & Other Improvements	24,409,826	1,733,467	(1,030,616)	25,112,677
Improvements other than Buildings	5,525,123	-	-	5,525,123
Vehicles, Furniture and Equipment	62,819,282	9,488,354	(4,998,099)	67,309,537
Right-to-Use Leased Equipment	111,935	387,692	-	499,627
	146,610,376	11,635,039	(7,108,484)	151,136,931
Total Capital Assets	**152,461,976**	**11,022,407**	**(7,108,484)**	**156,375,899**
Less: Accumulated Depreciation:				
Buildings	16,855,368	1,308,271	(1,079,769)	17,083,870
Transit Stations, Bus Stops, Street Pads & Other Improvements	21,068,666	693,925	(1,030,616)	20,731,975
Improvements other than Buildings	3,967,612	221,981	-	4,189,593
Vehicles, Furniture and Equipment	44,378,113	4,182,041	(4,998,099)	43,562,055
Right-to-Use Leased Equipment	24,422	50,268	-	74,690
Total Accumulated Depreciation	86,294,181	6,456,486	(7,108,484)	85,642,183
Total Capital Assets, Net	$ **66,167,795**	**$ 4,565,921**	**$ -**	**$ 70,733,716**

(4) Long-Term Liabilities:

Change in Long-Term Liabilities

2022	12/31/2021	Additions	Retirements	12/31/2022	Due within One Year
Refunding Bonds	$ 18,580,000	$ -	$ 890,000	$ 17,690,000	$ 905,000
Net Pension Liability	-	11,027,475	-	11,027,475	-
Net OPEB Obligations	853,090	-	18,250	834,840	-
Compensated Absences	1,281,431	1,277,107	1,281,431	1,277,107	335,005
Sales Tax Audit Funds	821,234	-	328,488	492,746	328,488
Leases Payable	431,407	-	92,669	338,738	-
Total Long-Term Liabilities	$ 21,967,162	$ 12,304,582	$ 2,610,838	$ 31,660,906	$ 1,568,493

2021	12/31/2020	Additions	Retirements	12/31/2021	Due within One Year
Refunding Bonds	$ 19,450,000	$ -	$ 870,000	$ 18,580,000	$ 890,000
Net Pension Liability	733,591	-	733,591	-	-
Net OPEB Obligations	849,492	3,598	-	853,090	-
Compensated Absences	1,124,283	1,049,910	892,762	1,281,431	331,157
Sales Tax Audit Funds	1,149,722	-	328,488	821,234	328,488
Leases Payable	89,855	395,693	54,141	431,407	-
Total Long-Term Liabilities	$ 23,396,943	$ 1,449,201	$ 2,878,982	$ 21,967,162	$ 1,549,645

Long-Term Debt:

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

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

The bonds are first lien revenue bonds, and will be repaid from the pledged revenues of the Authority. Pledged revenues, as defined by the bond resolution include the net operating revenues, plus any additional revenues, income, receipts, or other revenues which are pledged by the Issuer.

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

These bonds are first lien revenue bonds, and will be repaid from the pledged revenues of the Authority. Pledged revenues, as defined by the bond resolution include the net operating revenues, plus any additional revenues, income, receipts, or other revenues which are pledged by the Issuer.

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

Years Ending December 31,	Principal	Interest	Total Requirements
2023	$ 905,000	$ 500,980	$ 1,405,980
2024	930,000	481,948	1,411,948
2025	950,000	461,460	1,411,460
2026	970,000	439,543	1,409,543
2027	990,000	416,195	1,406,195
2028-2032	5,370,000	1,676,625	7,046,625
2033-2037	6,210,000	835,866	7,045,866
2038	1,365,000	44,513	1,409,513
	$ 17,690,000	$ 4,857,130	$ 22,547,130

Compensated Absences:

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

(5) Leases

Right-To-Use Leases

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

Lease Description	Asset Cost Basis	Accumulated Depreciation 12/31/2022	Lease Term (months)	Interest Rate	Original Lease Liability	Liability Outstanding 12/31/2022	Monthly Principal & Interest Payments
Copiers	$ 111,935	$ 73,266	60	5.50%	$ 111,935	$ 41,889	$ 2,307

The future minimum lease payment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2023	$ 26,031	$ 1,654	$ 27,685
2024	15,858	292	16,150
	$ 41,889	**$ 1,946**	**$ 43,835**

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

Lease Description	Asset Cost Basis	Accumulated Depreciation 12/31/2022	Lease Term (months)	Interest Rate	Original Lease Liability	Liability Outstanding 12/31/2022	Monthly Principal & Interest Payments
Tires	$ 387,692	$ 105,972	60	5.50%	$ 387,692	$ 296,850	$ 7,200

The future minimum lease payment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2023	$ 71,865	$ 14,533	$ 86,398
2024	77,380	10,469	87,849
2025	85,965	5,995	91,960
2026	61,640	1,278	62,918
	$ 296,850	**$ 32,275**	**$ 329,125**

Lease Agreements – CCRTA as Lessor

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

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

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

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

In November 2016, the Authority (Lessor) entered into an office space lease agreement with the Texas Senate (Lessee) for 1,710 square feet at the Staples Street Center to be occupied by the Office of Senator Juan “Chuy” Hinojosa. The initial lease term was for 4 years and one month, or 49 months, and was renewed for an additional 2-year term upon completion in December 2020.

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

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

In November 2016, the Authority (Lessor) entered into an office space lease agreement with Nueces River Authority (NRA – Lessee) for 1,700 square feet at the Staples Street Center. The lease term was for 10 years, or 120 months, with renewal being upon written notice given by NRA to the Authority on or after the expiration of the existing term of this lease.

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

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

Inflows of resources at December 31, 2022 and 2021 were recorded as lease revenue of $444,236 and $426,610, and interest income of $72,509 and $69,632, respectively. With the implementation of GASB 87 on January 1, 2021, the present value of the lease receivable was recorded and will be amortized over the life of the leases. Also recorded on January 1, 2021, was the deferred inflow of resources associated with the lease. The deferred inflow of resources will be amortized over the life of the lease and recognized as lease revenue.

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

Year Ending December 31	**Principal**	**Interest**	**Total**
2023	$ 456,468	$ 74,494	$ 530,962
2024	430,645	70,280	500,925
2025	349,976	57,115	407,091
2026	229,141	37,395	266,536
2027	15,066	2,427	17,493
Total 12/31/2022	**$ 1,481,296**	**$ 241,711**	**$ 1,723,007**

(6) Retirement Plans

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

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

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

Defined Benefit Plan

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

The Authority Board may periodically amend the DB Plan document. The current plan provisions were established by a plan and trust agreement adopted by the Board of Directors in July 1986, and amended in July 1994, February 2002, November 2010, December 2011, December 2012, December 2014 and July 2016.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The DB Plan assets are maintained under a trust agreement with Principal Financial Services (Trustee). The trustee carries out an investment policy established by the Authority Board consistent with 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, 2022 and 2021, there were 639 and 616 participants respectively in this plan as follows:

	December 31, 2022	December 31, 2021
Retirees or beneficiaries currently receiving payments	226	217
Inactive employees entitled to but not yet receiving benefits	195	189
Active employees	218	210
Total Participants	**639**	**616**

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 2022 and 2021 respectively, was 11.0% and 11.8%.

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

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

Prior Year Actuarial Assumptions: The actuarial assumptions that determined the total net pension liability as of December 31, 2021 are as follows:

Valuation Date	*December 31, 2021*
Actuarial Cost Method	*Entry-Age Normal Cost Actuarial Method*
Amortization Method	*Level dollar*
Asset Valuation Method	*Fair Value Market Value based on quoted market prices*
Actuarial Assumptions:	
Investment rate of return	*7.1%*
Projected Salary Increase	*3.5%*
Mortality Rate	*RP-2014 Blue Collar Generational Mortality Table adjusted to 2006 and projected using scale MP-2021*
Normal Retirement	*First of month after attaining age 62*

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

1. The Normal Cost represents the annual cost of benefit payments arising from future service increases for active employees.
2. The Unfunded Actuarial Accrued Liability represents the accumulated deficiency of the total cost of benefit payments which have already been earned over the current assets held by the plan's trust.
3. 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.
4. A review of actual contributions over the past five years shows the RTA has made sufficient contributions to meet its funding policy.

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

Prior Year Discount Rate: The discount rate used to determine the total pension liability was 7.1% for December 31, 2021. 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.

1. The Normal Cost represents the annual cost of benefit payments arising from future service increases for active employees.
2. The Unfunded Actuarial Accrued Liability represents the accumulated deficiency of the total cost of benefit payments which have already been earned over the current assets held by the plan's trust.
3. 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 amortization payment is calculated as a level dollar amount over a period of 15 years from January 1, 2009.
4. A review of actual contributions over the past five years shows the RTA has made sufficient contributions to meet its funding policy.

On the basis of the above, the projected cash flows will be sufficient to provide the benefit payments to the plan participants. Thus, the Discount Rate is equal to the long-term expected rate of return of 7.1%.

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

	1% Decrease	**Current Discount Rate**	**1% Increase**
December 31, 2022	(6.0%)	(7.0%)	(8.0%)
Net Pension Liability (Asset)	$17,259,921	$11,027,475	$5,806,448

Prior Year Discount Rate Sensitivity Analysis: The following represents the net pension liability (asset), calculated using a discount rate of 7.1%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.1%) or one percentage point higher (8.1%) than the current rate:

	1% Decrease	**Current Discount Rate**	**1% Increase**
December 31, 2021	(6.1%)	(7.1%)	(8.1%)
Net Pension Liability (Asset)	$4,861,389	($941,538)	($5,808,416)

Net Pension Liability (Asset): The net change in pension liability for the measurement date of December 31, 2022 based on the actuarial date of December 31, 2022 is reflected below:

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

The net change in pension liability for the measurement date of December 31, 2021 based on the actuarial date of December 31, 2021 is presented below:

	Increase/Decrease		
Change in Net Pension Liability (Asset)	**Total Pension Liability**	**Fiduciary Net Position**	**Net Pension Liability (Asset)**
Balances as of December 31, 2020	$ 47,287,748	$ 46,554,157	$ 733,591
Changes for the Year:			
Service Cost	990,244	-	990,244
Interest on total pension liability	3,404,718	-	3,404,718
Benefit changes	-	-	-
Differences between expected and actual experience	162,958	-	162,958
Changes of assumptions	601,314	-	601,314
Benefit payments	(2,292,357)	(2,292,357)	-
Contributions – Employer	-	1,382,108	(1,382,108)
Net investment income	-	5,597,624	(5,597,624)
Administrative expenses	-	(145,369)	145,369
Net Changes	2,866,877	4,542,006	(1,675,129)
Balances as of December 31, 2021	$ 50,154,625	$ 51,096,163	$ (941,538)

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

Service Cost	$ 988,099
Interest on total pension liability	3,546,868
Effect of plan change (Changes of benefit terms)	-
Experience losses	444,758
Administrative	125,177
Changes of assumptions	582,589
Current expense of asset loss	1,459,300
Expected investment returns net of investment expenses (7.0% per Plan)	(3,637,324)
Pension Expense	**$ 3,509,467**

For the year ended December 31, 2021, the Authority recognized pension expenses:

Service Cost	$ 990,244
Interest on total pension liability	3,404,718
Effect of plan change (Changes of benefit terms)	-
Experience losses	249,557
Administrative	145,369
Changes of assumptions	481,187
Current expense of asset loss	(1,137,803)
Expected investment returns net of investment expenses (7.0% per Plan)	(3,313,897)
Pension Expense	**$ 819,375**

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

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

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

Year Ended December 31,	
2023	$ 1,141,422
2024	1,278,264
2025	1,761,087
2026	2,207,576
2027	-
Thereafter	-

For the year ended December 31, 2021, the Authority recorded deferred outflows of resources related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ 81,479	$ -
Net difference between projected and actual earnings on pension plan investments	963,087	4,798,527
Changes of assumptions	300,657	-
Deferred Outflows and Inflows of Resources	**$ 1,345,223**	**$ 4,798,527**

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

Defined Contribution Plan

Plan Description: The *RTA Employees' Defined Contribution Plan* (DC Plan) covers all employees. This defined contribution plan has a plan document in compliance with the Internal Revenue Code and adopted by the Board, who may amend it. Benefits depend on amounts contributed to the plan plus investment earnings. Employees are fully vested in their contributions. Employees direct their investments.

Funding Policy: Employees are required to contribute 7.51% of gross remuneration and may make additional contributions of up to 10%.

The Authority may make contributions, but has made none to date. Total covered payrolls were $12,603,883 in 2022 and $11,696,475 in 2021. Employee contributions were $1,239,794 in 2022 and $1,085,849 in 2021. 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.

(7) 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 as a whole. 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 2022, $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 2021. The Authority's contributions are on a pay-as-you-go basis. No assets have been segregated and restricted to provide for postretirement 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 according with the *Funding Policy*.

Employees Covered by Benefit Terms: At December 31, 2022 and 2021, the following employees were covered by the benefit terms:

	December 31, 2022	December 31, 2021
Inactive employees or beneficiaries currently receiving benefit payments	7	10
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	212	208
	219	218

Net OPEB Liability

The Authority's Net OPEB liability of $853,090 was measured as of January 1, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The Net OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Plan participation	25% of future eligible retirees are assumed to elect the medical and vision benefit at retirement.
Marital status	Actual spouse participation and dates of birth were used for retirees. For actives, it was assumed that 30% will cover a spouse, and males were assumed to be 2 years older than female spouses.
Salary increases	3.50% per annum
Discount rate	2.25% S&P Municipal Bond 20 yr.

Healthcare cost trend rates	*Medical*: 6.00% graded uniformly to 5.50% over 2 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

The discount rate was based on the S&P Municipal Bond 20 Year high Grade Rate Index as of December 31, 2022, compared to the 2021 rate of 2.25%. The mortality table was updated to 2010 Pub. G headcount projected using scale MP-2021.

Prior Year Net OPEB Liability

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

Prior Year Actuarial Assumption: The Net OPEB liability in the December 31, 2021 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	1.93% S&P Municipal Bond
Healthcare cost trend rates	*Medical*: 6.25% graded uniformly to 5.75% over 3 years and following the 2020 Getzen model thereafter to an ultimate rate of 4.04% in the year 2075 *Vision*: 5.0% per annum *Administrative expenses*: 2.5% per annum
Retirees' share of benefit-related costs	*Single Coverage*: $293.55 *Family Coverage*: $763.63

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. The Mortality table was updated from table RP-2014 adjusted to 2006 and projected using scale MP-2019 to table RP-2014 Headcount Weighted adjusted to 2006 and projected using scale MP-2020. The plan participant rate was changed to 25%.

All actuarial assumptions are set by the Authority, who is the plan sponsor. Statement No. 75 mandates the use of the Entry Age Normal actuarial funding method for the purposes of the reporting statements.

Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with results reported by the actuarial valuation report, the actuarial assumptions reasonably reflect the expected future experience of the plan.

Changes in the Net OPEB Liability

For the plan year 2022, the Authority recognized changes in Net OPEB liability as follows:

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

For the plan year 2021, the Authority recognized change in Net OPEB liability as follows:

		Net OPEB Liability (a)
Balance at 12/31/2020	$	849,492
Changes for the year:		
Service cost		43,344
Interest		23,079
Experiences losses (gains)		72,887
Changes of assumptions		12,648
Benefits paid		(148,360)
Net changes		3,598
Balance at 12/31/2021	$	853,090

Sensitivity of the Net OPEB liability to changes in the discount rate. The following presents the Net OPEB liability of the Authority for plan year 2022, as well as what the Authority's Net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (1.25%) or 1-percentage point higher (3.25%) than the current discount rate (2.25%):

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

For the plan year 2021, the sensitivity analysis related to changes in the discount rate is as follows:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Net OPEB Liability	$894,284	$853,090	$815,043

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates. The following presents the Net OPEB liability of the Authority for plan year 2021, as well as what the Authority's Net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current discount rate (6.00%):

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

For the plan year 2021, the sensitivity analysis related to changes in healthcare cost trend rates is as follows:

	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	$806,539	$853,090	$903,681

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

For the year ended December 31, 2022, the Authority recognized OPEB expense of $120,518. For the year ended December 31, 2021, the Authority recognized OPEB expense of $83,203.

(8) <u>Risk Management and Insurance</u>

The Authority is exposed to various risks of loss related to third party liability claims; theft of, damage to, and destruction of assets; errors and omissions and injuries to employees. The Authority has an inter-local agreement with the Texas Municipal League for the purpose of providing all-risk property coverage with various limits on property and equipment of the Authority.

As a governmental unit, the Authority's general and automobile liability is limited by the Texas Tort Claims Act to $100,000 for each person and $300,000 for each occurrence for bodily injury or death and $100,000 for each occurrence for injury to or destruction of property.

The Authority operated a self-insurance program for workers' compensation claims until 2004, at which point the Authority became fully insured through the Texas Municipal League. There are no outstanding claims from self-insurance.

The Authority is self-funded for employee dental and healthcare benefits, which include medical, drug and vision. These benefits are provided through a contract with a third-party administrator, Entrust, Inc. The coverage in force during 2022 and 2021 includes specific deductibles for up to $65,000 per individual claim and an annual aggregate estimated at $1,600,000. Claims are normally paid within ninety days and considered current liabilities. Claims or settlements have not exceeded coverage for each of the last three years.

Changes in liabilities for self-funded health insurance liabilities for the years ended December 31, 2019, 2020, 2021, and 2022 are as follows:

		Health and Dental Benefits
Balance at 12/31/19	$	290,793
Incurred Claims		2,490,760
Claims Paid		(2,425,504)
Balance at 12/31/20		356,049
Incurred Claims		2,983,873
Claims Paid		(3,165,910)
Balance at 12/31/21		174,012
Incurred Claims		3,625,417
Claims Paid		(3,088,501)
Balance at 12/31/22	$	710,928

(9) 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, 2022, the Authority has commitments totaling $6,244,267 in ADA Bus Stop improvements.

(10) Concentrations

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

During 2021, the Authority received $37,149,496 from the Texas State Comptroller's Office for revenue generated by the ½ cent sales and use tax levied upon purchases in the service area.

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

During 2022, the Authority received $625,777 for capital assistance and $11,540,721 for other projects from the Federal Transportation Administration.

During 2021, the Authority received $8,289,417 for capital assistance and $8,358,878 for other projects from the Federal Transportation Administration.

Changes in the Authority's relationship with the FTA could ultimately affect the operating results of the Authority. The Single Audit Section provides further details on FTA and another federal grant funding received.

(11) Purchased Transportation Services

The Authority had a contract with MV Transportation, Inc. through 2022 to provide paratransit services for elderly and persons with disability and certain fixed route services. Expenses under the contract amounted to $7,536,686 in 2022 and $6,450,064 in 2021. All passenger fares related to these transit services are recorded by the Authority as operating revenue.

(12) Significant Effects of Subsequent Events

Management has evaluated the events or transactions that occurred subsequent to the balance sheet date of December 31, 2022, but prior to the issuance of the date of the most recent statement of net position, to determine if they have a material effect that would require an adjustment or disclosure to the financial statements. As of September 19, 2023, 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, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES TO NET PENSION (ASSET) LIABILITY AND RELATED RATIOS

	2014	2015	2016
TOTAL PENSION LIABILITY			
Service Cost	$ 695,517	$ 876,806	$ 941,470
Interest on Total Pension Liability	2,254,995	2,396,547	2,521,413
Effect of Plan Changes	391,915	115,478	-
Difference between expected and actual experience	784,295	(260,046)	(465,534)
Change of Assumptions	-	-	-
Benefit Payments	(1,248,266)	(1,493,324)	(1,561,905)
Net Change in Total Pension Liability	2,878,456	1,635,461	1,435,444
Total Pension Liability, Beginning	29,016,953	31,895,409	33,530,870
Total Pension Liability, Ending	$ 31,895,409	$ 33,530,870	$ 34,966,314
FIDUCIARY NET POSITION			
Employer Contributions	$ 1,178,498	$ 985,175	$ 1,503,736
Employee Contributions	-	-	-
Investment Income Net of Investment Expenses	1,706,547	(348,950)	2,523,595
Benefit Payments/Contribution Refunds	(1,248,266)	(1,493,324)	(1,561,905)
Administrative Expenses	(91,465)	(94,874)	(92,810)
Net Change in Fiduciary Net Position	$ 1,545,314	$ (951,973)	$ 2,372,616
Fiduciary Net Position, Beginning	29,617,120	31,162,434	30,210,461
Fiduciary Net Position, Ending	$ 31,162,434	$ 30,210,461	$ 32,583,077
Net Pension Liability (Asset)	$ 732,975	$ 3,320,409	$ 2,383,237
Fiduciary Net Position as a Percentage of Total Pension Liability	97.7%	90.1%	93.2%
Annual Covered Payroll	$ 7,274,172	$ 8,818,232	$ 9,178,411
Net Pension Liability (Asset) as a Percentage of Covered Payroll	10.1%	37.7%	26.0%

*This schedule is required to present information for ten years; however, prior years' information is not available. Therefore, we have shown only the year in which GASB 68, as amended by GASB Statement 71, was implemented, as well as the subsequent years.

2017	2018	2019	2020	2021	2022
$ 980,740	$ 1,066,449	$ 879,904	$ 926,286	$ 990,244	$ 988,099
2,620,680	2,780,193	2,987,293	3,257,661	3,404,718	3,546,868
-	313,503	-	-	-	-
335,013	(241,238)	1,943,344	336,157	162,958	726,557
-	1,189,575	373,385	361,060	601,314	563,863
(1,833,510)	(1,808,898)	(1,927,249)	(2,218,914)	(2,292,357)	(2,415,094)
2,102,923	3,299,584	4,256,677	2,662,250	2,866,877	3,410,293
34,966,314	37,069,237	40,368,821	44,625,498	47,287,748	50,154,625
$ 37,069,237	$ 40,368,821	$ 44,625,498	$ 47,287,748	50,154,625	53,564,918
$ 1,383,969	$ 1,425,533	$ 3,691,087	$ 1,227,724	$ 1,382,108	$ 1,382,108
-	-	-	-	-	-
4,409,016	(2,046,180)	6,617,918	5,498,173	5,597,624	(7,400,557)
(1,833,510)	(1,808,898)	(1,927,249)	(2,218,914)	(2,292,357)	(2,415,094)
(102,228)	(110,600)	(111,886)	(122,875)	(145,369)	(125,177)
$ 3,857,247	$ (2,540,145)	$ 8,269,870	$ 4,384,108	$ 4,542,006	$ (8,558,720)
32,583,077	36,440,324	33,900,179	42,170,049	46,554,157	51,096,163
$ 36,440,324	$ 33,900,179	$ 42,170,049	$ 46,554,157	$ 51,096,163	$ 42,537,443
$ 628,913	$ 6,468,642	$ 2,455,449	$ 733,591	$ (941,538)	$ 11,027,475
98.3%	84.0%	94.5%	98.4%	101.9%	79.4%
$ 9,773,977	$ 10,677,430	$ 10,668,048	$ 10,975,562	$ 11,696,475	$ 12,603,883
6.4%	60.6%	23.0%	6.7%	-8.0%	87.5%

DEFINED BENEFITS PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2013	2014	2015	2016
Actuarially determined contribution	$ 988,534	$ 695,517	$ 983,696	$ 1,468,804
Contributions in relation to the actuarially determined contribution	1,280,330	1,178,498	985,175	1,503,736
Contribution deficiency (excess)	$ (291,796)	$ (482,981)	$ (1,479)	$ (34,932)
Annual Covered Payroll	$ 7,474,445	$ 7,274,172	$ 8,818,232	$ 9,178,411
Contributions as a percentage of Annual Covered Payroll	17.1%	16.2%	11.2%	16.4%

Notes to Schedule

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method - Entry Age Normal

Amortization Method - Closed-Level dollar amount over 15 years from January 1, 2009

Remaining Amortization Period - 5 Years

Asset Valuation Method – Fair Value

Inflation Rate -- NA

Salary Increases - 3.50% Annually

Investment Rate of Return - 7.00% Annually

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

Mortality Rates – RP-2014 using MP-2021

The following changes were made to the actuarial assumptions and methods effective December 31, 2022:

- The rate of investment return and discount rate was changed from 7.1% to 7.0%
  - Rationale: To better reflect the Plan's expected long-term rate of return

	2017	2018	2019	2020	2021	2022
	$ 1,399,307	$ 1,191,087	$ 1,227,724	$ 1,306,947	$ 1,382,108	$ 1,330,108
	1,383,969	1,425,533	3,691,087	1,227,724	1,382,108	1,382,108
	$ 15,338	$ (234,446)	$ (2,463,363)	$ 79,223	$ -	$ (52,000)
	$ 9,773,977	$ 10,677,430	$ 10,668,048	$ 10,975,562	$ 11,696,475	$ 12,603,883
	14.2%	13.4%	34.6%	11.2%	11.8%	11.0%

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS

	2018	2019	2020	2021	2022
TOTAL OPEB LIABILITY					
Service Cost	$ 36,236	$ 38,048	$ 39,950	$ 43,344	$ 44,891
Interest	38,682	34,073	31,661	23,079	14,410
Effect of Plan Changes	-	-	-	-	-
Difference between expected and actual experience	-	-	(78,803)	72,887	(9,136)
Changes of assumptions	-	-	26,826	12,648	82,936
Benefit Payments	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)
Net Change in Total OPEB Liability	(114,249)	(131,233)	(120,642)	3,598	(18,250)
Total OPEB Liability, Beginning	1,215,616	1,101,367	970,134	849,492	853,090
Total OPEB Liability, Ending (a)	$ 1,101,367	$ 970,134	$ 849,492	$ 853,090	$ 834,840
PLAN FIDUCIARY NET POSITION					
Employer Contributions	$ 189,167	$ 203,354	$ 140,276	$ 148,360	$ 151,351
Employee Contributions	-	-	-	-	-
Investment Income Net of Investment Expenses	-	-	-	-	-
Benefit Payments/Contributions Refunds	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)
Administrative Expenses	-	-	-	-	
Net Change in Plan Fiduciary Net Position	$ -	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position, Beginning	-	-	-	-	-
Plan Fiduciary Net Position, Ending (b)	$ -	$ -	$ -	-	-
Net OPEB Liability, ending (a) - (b)	$ 1,101,367	$ 970,134	$ 849,492	$ 853,090	$ 834,840
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%
Annual Covered Payroll	$ 11,667,509	$ 12,134,143	$ 13,257,370	$ 13,269,291	$ 11,697,254
Net OPEB Liability as a Percentage of Annual Covered Payroll	9.4%	8.0%	6.4%	6.4%	7.1%

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

NET OPEB LIABILITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS
LAST 10 FISCAL YEARS

	2018	2019	2020	2021	2022
Actuarially determined contribution	$ 202,742	$ 206,160	$ 207,944	$ 211,800	224,227
Contributions in relation to the actuarially determined contribution	(189,167)	(203,354)	(140,276)	(148,360)	(151,351)
Contribution deficiency (excess)	13,575	2,806	67,668	63,440	72,876
Annual covered payroll	$ 11,667,509	$ 12,134,143	$ 13,257,370	$ 13,269,291	11,697,254
Contributions as a percentage of annual covered payroll	-1.62%	-1.68%	-1.06%	-1.12%	-1.29%

Notes to the Schedule

Valuation Date:
Actuarial determined contribution rates calculated as of January 1, 2022.

Methods and assumptions used to determine contribution rates:

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

SUPPLEMENTARY INFORMATION

Corpus Christi Regional Transportation Authority Schedule of Revenues and Expenses - Actual and Budget by Function Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Final Budget Versus Actual
Operating Revenues				
Passenger Service	$ 1,243,979	$ 1,243,979	$ 991,329	$ 252,650
Bus Advertising	145,371	145,371	176,907	(31,536)
Other Operating Revenues	393,098	393,098	491,329	(98,231)
Total Operating Revenues	1,782,448	1,782,448	1,659,565	122,883
Operating Expenses				
Transportation	9,995,330	9,995,330	11,033,438	1,038,108
Customer Programs	541,368	541,368	573,659	32,291
Purchased Transportation	8,843,472	8,843,472	8,421,578	(421,894)
Program & Service Development	1,216,369	1,216,369	1,244,310	27,941
MIS	1,593,626	1,593,626	1,449,143	(144,483)
Vehicle Maintenance	5,948,949	5,948,949	6,355,542	406,593
Facilities Maintenance (net of lease revenue)	3,726,212	3,726,212	3,691,884	(34,328)
Materials Management	252,362	252,362	321,619	69,257
Administrative & General	6,586,840	6,586,840	5,865,405	(721,435)
Marketing & Communications	734,725	734,725	718,115	(16,610)
Depreciation	1,554,305	1,554,305	6,984,511	5,430,206
Total Operating Expenses	40,993,558	40,993,558	46,659,204	5,665,646
Operating Loss	**(39,211,110)**	**(39,211,110)**	**(44,999,639)**	**5,788,529**
Non-Operating Revenues (Expenses):				
Sales and Use Tax Revenue	37,509,003	37,509,003	38,482,167	(973,164)
Federal and Other Grant Assistance	7,102,211	11,561,230	11,540,721	20,509
Investment Income	45,094	45,094	839,842	(794,748)
Lease-Related Interest Income	-	-	72,509	(72,509)
Subrecipient Programs	(696,845)	(696,845)	(302,809)	(394,036)
Interest Expense and Fiscal Charges	(1,600,408)	(1,600,408)	(714,205)	(886,203)
Distributions to Regional Entities	(3,147,945)	(3,147,945)	(3,129,527)	(18,418)
Net Income/(Loss) Before Capital Grant Contributions	**$ (0)**	**$ 4,459,019**	**$ 1,789,059**	**$ 2,669,960**

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, 2022, with Comparative Total for December 31, 2021

	2022			2021
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	
ASSETS				
Investments (Note 2)				
Money Market Funds	$ 855,918	$ 924,684	$ 1,780,602	$ 2,273,587
Mutual Funds	8,497,997	391,646	8,889,643	10,828,586
Collective Investments Funds	33,189,215	11,370,937	44,560,152	52,870,177
	42,543,130	12,687,267	55,230,397	65,972,350
Receivables				
Accrued Interest Receivable	9,844	-	9,844	-
TOTAL ASSETS	42,552,974	12,687,267	55,240,241	65,972,350
LIABILITIES				
Due to Broker for Securities Purchased	15,531	-	15,531	-
TOTAL LIABILITIES	15,531	-	15,531	-
NET POSITION				
Restricted for Pension Benefits	$ 42,537,443	$ 12,687,267	$ 55,224,710	$ 65,972,350

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority
Fiduciary Funds – Combined Statements of Changes in Net Position
December 31, 2022, with Comparative Total for December 31, 2021

	2022			2021
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Total	
Additions:				
Investment Income (Loss)	$ (7,400,557)	$ (2,067,906)	$ (9,468,463)	$ 7,445,639
Employee Contributions	-	1,239,794	1,239,794	1,085,850
Employer Contributions	1,382,108	-	1,382,108	1,382,108
Total Additions	(6,018,449)	(828,112)	(6,846,561)	9,913,597
Deductions				
Benefits Paid	2,415,094	1,357,658	3,772,752	3,173,640
Administrative Expenses	125,177	3,150	128,327	145,385
Total Deductions	2,540,271	1,360,808	3,901,079	3,319,025
Increase (Decrease) in Net Position	(8,558,720)	(2,188,920)	(10,747,640)	6,594,572
Net Position, January 1	51,096,163	14,876,187	65,972,350	59,377,778
Net Position, December 31	$ 42,537,443	$ 12,687,267	$ 55,224,710	$ 65,972,350

See Notes to the Financial Statements

Corpus Christi Regional Transportation Authority
Schedule of Long-Term Debt Amortization
Year Ended December 31, 2022

$20,265,000 System Revenue Refunding Bonds Taxable Series 2019			
Years Ending December 31,	Principal	Interest	Total Requirements
2023	$ 905,000	$ 500,980	$ 1,405,980
2024	930,000	481,948	1,411,948
2025	950,000	461,460	1,411,460
2026	970,000	439,543	1,409,543
2027	990,000	416,195	1,406,195
2028-2032	5,370,000	1,676,625	7,046,625
2033-2037	6,210,000	835,866	7,045,866
2038	1,365,000	44,513	1,409,513
	$ 17,690,000	$ 4,857,130	$ 22,547,130

Corpus Christi Regional Transportation Authority
Schedule of Pension Plan Investment Expenses
Year Ended December 31, 2022

Direct and Indirect Fees and Commissions						
Description	**Cash**	**Public Equity**	**Fixed Income**	**Real Assets**	**Alternative/ Other**	**Total**
Management Fees Paid From Trust	$ 2,376	$ 68,821	$ 47,751	$ 6,229	$ -	$ 125,177
Management Fees Netted From Returns	1,315	73,409	39,318	11,406	-	125,448
Total Investment Management Fees (Netted from Returns + Management Fees Paid From Trust	*3,691*	*142,230*	*87,069*	*17,635*	-	*250,625*
Brokerage Fees/Commission	-		-	-	-	-
Profit Share/Carried Interest	-	-	-	-	-	-
Total Direct and Indirect Fees and Commissions(Management Fees + Brokerage Fees/Commissions + Profit Share)	*$ 3,691*	*$ 142,230*	*$ 87,069*	*$ 17,635*	*$ -*	*$ 250,625*

Total Investment Expenses Summary		
Total Direct and Indirect Fees & Commissions		**$ 250,625**
Investment Services		
Custodial	$ -	
Research	-	
Investment Consulting	-	
Legal	-	
Total Investment Services		**-**
Total Investment Expenses*		**$ 250,625**

Total Direct and Indirect Fees and Commissions + Investment Services

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

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

List of Alternative/Other Investments*
NA

2022
Statistical Section

Annual Comprehensive Financial Report

ABOUT THE AUTHORITY'S STATISTICAL TABLES

This section of the Authority's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial situation.

Contents **Page**

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

Table 1

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Net Position
Last Ten Fiscal Years
(Unaudited)

	2013	2014	2015	2016
Net Investment in Capital Assets	$ 48,003,491	$ 49,217,398	$ 66,725,519	$ 59,298,433
Restricted	1,611,302	1,611,302	1,611,302	1,611,302
Unrestricted	27,852,253	32,585,594	23,480,692	25,611,884
Total	$ 77,467,046	$ 83,414,294	$ 91,817,513	$ 86,521,619

2017	2018	2019	2020	2021	2022
$ 66,264,480	$ 59,125,576	$ 55,071,970	$ 49,934,572	$ 55,274,436	$ 53,895,426
1,611,302	1,611,302	-	473,544	1,721,161	575,308
27,299,129	23,702,732	26,039,817	38,699,820	44,691,073	49,630,772
$ 95,174,911	$ 84,439,610	$ 81,111,787	$ 89,107,936	$101,686,670	$ 104,101,506

.

Table 2

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Changes in Net Position
Last Ten Years
(Unaudited)

	2013	2014	2015	2016
Operating Revenues:				
Passenger Service	$ 1,750,624	$ 1,844,604	$ 1,853,246	$ 1,853,246
Other Operating	124,796	335,192	430,401	430,401
Total Operating Revenues	1,875,420	2,179,796	2,283,647	2,283,647
Operating Expenses:				
Transportation	13,146,112	12,430,929	12,848,302	12,848,302
Vehicle/Facilities Maintenance (net of SSC leases)	6,302,512	7,545,219	7,320,683	7,320,683
Program Development	764,359	893,233	1,146,698	1,146,698
Administrative & General	4,627,406	6,683,788	7,797,745	7,797,745
Depreciation	5,772,221	5,273,812	6,592,946	6,592,946
Total Operating Expenses	30,612,610	32,826,981	35,706,374	35,706,374
Operating Loss	(28,737,190)	(30,647,185)	(33,422,727)	(33,422,727)
Non-Operating Revenues (Expenses):				
Sales and Use Tax	32,064,316	35,188,390	34,127,803	34,127,803
Grant Assistance	1,416,988	125,900	2,512,070	2,512,070
Investment Income	62,160	110,052	125,143	125,143
Lease-Related Interest Income	-	-	-	-
Other Non-Operating Items	(619,579)	(422,184)	(488,015)	(488,015)
Distributions to Region Entities	(2,593,634)	(2,900,327)	(3,301,592)	(3,301,592)
Net Gain (Loss) before Capital Contributions	1,593,061	1,454,646	(447,318)	(447,318)
Capital Contributions	2,590,424	4,492,602	9,763,523	9,763,523
Change in Accounting Principle	-	-	870,603	870,603
Total Change in Net Position	$ 4,183,485	$ 5,947,248	$ 10,186,808	$ 10,186,808

2017	2018	2019	2020	2021	2022
$ 1,696,742	$ 1,688,643	$ 1,857,989	$ 1,140,636	$ 986,544	$ 991,329
805,680	757,262	1,359,941	851,672	639,307	668,236
2,502,422	2,445,905	3,217,930	1,992,308	1,625,851	1,659,565
12,679,008	13,376,140	14,015,589	16,285,756	16,001,292	19,455,016
7,062,134	6,651,633	6,736,871	8,288,664	8,843,644	10,369,045
1,347,294	1,153,232	1,225,660	1,547,750	1,598,532	2,536,084
9,748,303	13,557,215	9,049,745	7,441,239	6,158,586	7,314,548
8,271,963	8,931,866	7,987,570	7,489,474	6,456,486	6,984,511
39,108,702	43,670,086	39,015,435	41,052,883	39,058,540	46,659,204
(36,606,280)	(41,224,181)	(35,797,505)	(39,060,575)	(37,432,689)	(44,999,639)
32,570,355	33,934,640	33,878,046	33,912,489	37,149,496	38,482,167
4,618,731	58,410	954,573	15,985,553	8,358,878	11,540,721
85,535	409,036	552,566	181,431	35,305	839,842
-	-	-	68,263	69,632	72,509
(1,415,867)	(1,075,296)	(645,494)	(1,417,204)	(807,653)	(1,017,014)
(3,003,298)	(2,807,222)	(3,013,317)	(3,369,273)	(3,083,652)	(3,129,527)
(3,750,824)	(10,704,613)	(4,071,131)	6,300,684	4,289,317	1,789,059
12,404,116	1,184,926	948,307	1,695,465	8,289,417	625,777
-	(1,215,616)	-	-	-	-
$ 8,653,292	$ (10,735,303)	$ (3,122,824)	$ 7,996,149	$ 12,578,734	$ 2,414,836

Table 3

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Revenues by Source
Last Ten Years
(Unaudited)

Year	Operating Revenues (1)	Sales And Use Tax	Federal Operating Grants and Reimbursements	Investment Income	Other (2)	Total
2013	$ 1,875,420	$ 32,064,316	$ 1,416,988	$ 62,160	$ 225	$ 35,419,109
2014	2,179,796	35,188,390	125,900	110,052	46,519	37,650,657
2015	2,283,647	34,127,803	2,512,070	125,143	-	39,048,663
2016	2,400,444	31,387,198	1,185,650	69,049	32,007	35,074,348
2017	2,502,422	32,570,355	4,618,731	85,535	(269,101)	39,507,942
2018	2,445,905	33,934,640	58,410	409,036	-	36,847,991
2019	3,217,930	33,878,046	954,573	552,566	-	38,603,115
2020	1,992,308	33,912,489	15,985,553	181,431	68,263	52,140,044
2021	1,625,851	37,149,496	8,358,878	35,305	69,632	47,239,162
2022	1,659,565	38,482,167	11,540,721	839,842	72,509	52,594,804

(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.

Table 4

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Revenues and Operating Assistance - Comparison to Industry Trend Data
Last Ten Years
(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)		
2013	5.5%	90.5%	4.0%	36.3%	6.5%	57.3%
2014	6.2%	93.5%	0.3%	35.9%	6.9%	57.2%
2015	6.2%	87.4%	6.4%	37.4%	6.7%	55.9%
2016	7.1%	89.5%	3.4%	36.3%	6.8%	56.9%
2017	5.9%	82.4%	11.7%	36.3%	6.9%	56.8%
2018	7.7%	92.1%	0.2%	36.0%	6.1%	57.9%
2019	9.8%	87.8%	2.5%	34.0%	8.2%	57.8%
2020	4.3%	65.0%	30.7%	20.7%	6.1%	73.2%
2021	3.7%	78.6%	17.7%	*	*	*
2022	4.9%	73.2%	21.9%	*	*	*

(1) Source: The American Public Transportation Association, 2022 Public Transportation Fact Book, Appendix A: Historical Tables, Table 87, *Operating Funding Sources*.
APTA Fact Book Appendix A

* Not Available

Table 5

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Passenger Fee Capacity
Last Ten Years
(Unaudited)

Year	Total Unlinked Trips	Passenger Revenues
2013	6,016,379	$ 1,750,624
2014	5,927,292	1,844,604
2015	5,764,797	1,853,246
2016	5,456,925	1,735,001
2017	5,373,324	1,696,742
2018	5,366,985	1,688,643
2019	5,249,776	1,857,989
2020	2,984,594	1,140,636
2021	2,382,393	986,544
2022	2,814,240	991,329

Table 6

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
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.

2013	………………	6.93%
2014	………………	6.70%
2015	………………	6.37%
2016	………………	5.75%
2017	………………	5.50%
2018	………………	4.86%
2019	………………	5.99%
2020	………………	3.40%
2021	………………	3.03%
2022	………………	2.50%

Table 7

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY

Ratio of Outstanding Debt

Last Ten Years

(Unaudited)

Year		Revenue Bonds	Per Capita Income*	Percent of Personal Income
2013	$	22,025,000	42,360	0.19%
2014		21,450,000	43,959	0.20%
2015		20,915,000	42,963	0.21%
2016		20,375,000	40,762	0.20%
2017		19,820,000	42,766	0.22%
2018		19,245,000	43,618	0.23%
2019		20,265,000	47,023	0.23%
2020		19,450,000	48,875	0.25%
2021		18,580,000	52,612	0.28%
2022		17,690,000	**	**

*Source: Bureau of Economic Analysis
CAINC1 Personal Income Summary: Personal Income, Population, Per Capital Personal Income
Metropolitan Statistical Area = Corpus Christi, TX
https://apps.bea.gov/itable/index.cfm

**Not available

Table 8

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Revenue Bond Coverage
Last Ten Years
(Unaudited)

	Pledged	Debt Service Requirements			
Year	**Revenues (1)**	**Principal**	**Interest**	**Total**	**Coverage**
2013	$ -	-	-	-	-
2014	2,179,796	575,000	1,033,678	1,608,678	1.36
2015	2,283,647	535,000	1,073,365	1,608,365	1.42
2016	2,400,445	540,000	1,064,246	1,604,246	1.50
2017	2,842,367	555,000	1,048,026	1,603,026	1.77
2018	3,314,459	575,000	1,029,908	1,604,908	2.07
2019	4,266,972	595,000	1,009,770	1,604,770	2.65
2020	2,661,425	815,000	589,915	1,404,915	1.89
2021	2,157,398	870,000	537,631	1,407,631	1.53
2022	3,016,153	890,000	519,483	1,409,483	2.14

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

Table 9

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Demographic Statistics
Last 10 Ten Years
(Unaudited)

Year	Population (1)	Personal Income (in thousands) (1)	Mean Per Capita Income (1)	Public School Enrollment (2)	Unemployment Rate (3)
2013	416,542	$17,753,991	$42,360	61,620	6.10%
2014	419,964	$18,611,167	$43,959	61,954	5.10%
2015	423,451	$18,375,779	$42,963	61,563	4.90%
2016	423,993	$17,490,070	$40,762	61,485	5.60%
2017	422,659	$18,327,228	$42,766	61,350	5.40%
2018	422,025	$18,701,345	$43,618	61,075	4.60%
2019	421,457	$19,878,240	$46,336	60,516	3.90%
2020	421,862	$20,676,103	$48,060	60,143	8.96%
2021	422,778	$22,243,036	$52,612	57,333	5.80%
2022	Not Available	Not Available	Not Available	Not Available	4.70%

(1) Metropolitan Statistical Area = Corpus Christi, TX
Source: US Dept. of Commerce Bureau of Economic Analysis
https://apps.bea.gov/itable/
(2) Nueces County - Source: Nueces County/Texas Education Agency/PEIMS
2021 Nueces County Annual Comprehensive Financial Report
(3) Source: Texas Labor Market Information/Nueces County
Local Area Unemployment Statistics

Table 10

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Top Ten Employers
By Size of Employment
(Unaudited)

	2022			2013		
Business	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Corpus Christi ISD	5,134	1	2.10%	5,178	2	2.13%
Naval Air Station Corpus Christi	5,000	2	2.05%	2,822	6	1.16%
City of Corpus Christi	4,100	3	1.68%	3,171	5	1.30%
H.E.B. Stores & Bakery	3,847	4	1.58%	5,000	4	2.05%
CHRISTUS Spohn Hospital	3,000	5	1.23%	5,144	3	2.11%
Driscoll Children's Hospital	3,000	6	1.23%	1,800	8	0.74%
Corpus Christi Army Depot	2,900	7	1.19%	5,800	1	2.38%
Kiewit Offshore Services	2,184	8	0.90%	N/A	N/A	N/A
Corpus Christi Medical Center	2,000	9	0.82%	1,300	10	0.53%
Bay Ltd.	1,700	10	0.70%	2,100	7	0.86%
Del Mar College	1,336	11	0.55%	1,542	9	0.63%
Total	34,201		14.03%	33,857		13.91%
Total Employed in the Service Area [1]	243,747			243,432		

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

Table 11

CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Full-Time Equivalent Positions
(Unaudited)

	2013	2014	2015	2016
Transportation				
Transportation - Directly Operated	131.00	160.00	169.00	154.50
Purchased Transportation*	3.00	3.00	3.00	2.00
	134.00	163.00	172.00	156.50
Maintenance				
Vehicle Maintenance	36.00	38.00	41.00	36.00
Facilities Maintenance	15.00	15.00	15.00	12.50
Materials Management	4.00	3.00	3.00	4.00
	55.00	56.00	59.00	52.50
Program Development				
Customer Programs	4.00	4.80	4.80	5.50
Service Development	4.00	3.00	3.00	4.00
Program Management	2.00	2.00	2.00	3.00
Marketing & Communications	3.00	3.00	3.00	2.50
	13.00	12.80	12.80	15.00
General Administrative:				
MIS	2.00	3.00	3.00	6.00
Contracts and Grants	3.00	5.00	5.00	1.00
CEO's Office	1.00	1.00	1.00	2.00
Finance and Accounting	5.55	5.55	5.55	6.55
Human Resources	3.00	3.00	3.00	3.00
General Administration	8.00	5.00	5.00	5.00
Safety and Security	1.00	1.00	2.00	2.50
Staples Street Center	-	-	-	3.50
TCN - Regional Coordinator	-	-	-	0.00
	23.55	23.55	24.55	29.55
Totals	225.55	225.55	268.35	253.55

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

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

2017	2018	2019	2020	2021	2022
145.00	132.50	125.25	118.50	114.50	120.00
0.00	0.00	0.00	0.00	0.00	0.00
145.00	132.50	125.25	118.50	114.50	120.00
37.00	33.00	32.00	36.00	35.00	35.00
14.50	14.50	16.00	20.00	17.00	19.00
3.00	3.00	3.00	3.00	3.00	3.00
54.50	50.50	51.00	59.00	55.00	57.00
6.00	6.50	6.00	6.00	6.00	6.00
4.00	4.00	3.00	4.00	4.00	4.00
3.00	1.00	1.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	2.00	3.00
16.00	14.50	13.00	15.00	14.00	15.00
6.00	6.00	6.00	5.00	5.00	7.00
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	3.00	3.00	3.00	3.00
5.50	6.00	6.00	6.00	6.00	5.00
3.00	3.00	3.00	3.00	4.00	4.00
6.00	6.00	3.00	3.00	3.00	3.00
2.50	2.00	3.00	3.00	3.00	3.00
4.00	4.00	3.00	4.00	4.00	4.00
-	-	-	-	-	-
31.00	31.00	30.00	30.00	31.00	32.00
246.50	228.50	219.25	222.50	214.50	224.00

Table 12
CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Operating Statistics and Assets Utilized
Last Ten Years
(Unaudited)

			2013	2014	2015	2016
System Ridership						
Motor Bus	a		5,728,793	5,650,677	5,472,836	5,252,466
Demand Response / Para-transit	b		194,394	192,580	198,652	204,459
Ferry Boat	b		93,192	84,035	76,870	-
Vanpool	c/e		-	-	16,439	-
System Hours						
Motor Bus	a		225,151	243,732	259,377	269,711
Demand Response / Para-transit	b		70,328	74,236	78,850	81,258
Ferry Boat	b		1,185	750	805	-
Vanpool	c/e		-	-	7,686	9,027
System Miles						
Motor Bus	a		3,021,215	3,053,596	3,414,445	3,546,503
Demand Response / Para-transit	b		1,225,323	1,252,615	1,349,727	1,401,147
Ferry Boat	b		2,625	1,756	1,886	-
Vanpool	c/e		-	-	181,220	184,532
Vehicles in Service						
Motor Bus	a		60	75	66	67
Demand Response / Para-transit	b		26	38	28	28
Ferry Boat	b		2	1	1	-
Vanpool	c/e		6	3	5	6
Uses of Capital Funds	d					
Vehicles		$	4,864,974	651,166	17,996,141	139,358
Communications & Information		$	439,364	406,426	196,394	906,221
Facilities and Stations		$	7,228,414	1,142,874	1,273,498	8,680,069
Other		$	1,061,601	-	1,159,287	276,415
Operating Expenses by Mode	d					
Motor Bus	a	$	18,984,978	21,324,898	20,495,063	24,357,254
Demand Response / Para-transit	b	$	5,585,657	5,556,262	5,278,853	5,353,867
Ferry Boat	b	$	617,831	626,005	766,082	-
Vanpool	c/e	$	-	-	152,825	163,054

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

2017	2018	2019	2020	2021	2022
5,168,421	5,153,005	4,975,242	2,810,165	2,181,460	2,563,876
195,101	197,978	211,013	129,088	136,086	161,260
-	-	-	-	-	-
9,802	16,002	63,521	45,341	64,847	89,104
267,036	275,532	272,402	209,207	197,310	202,353
77,501	78,319	81,658	76,954	61,862	67,657
-	-	-	-	-	-
3,457	1,935	8,856	8,680	15,037	17,325
3,864,934	3,721,249	4,223,566	2,905,938	2,772,308	2,864,529
1,332,822	1,350,787	1,572,140	1,060,115	952,949	1,091,848
-	-	-	-	-	-
75,406	82,942	401,872	487,589	889,049	1,006,399
92	88	89	89	100	87
41	36	36	36	54	34
-	-	-	-	-	-
5	10	24	22	22	34
8,119,989	244.460	658,196	651,166	9,097,765	274,050
477,613	59.904	269,015	406,426	149,349	340,339
5,718,703	118,531	292,985	1,142,874	1,348,451	909,248
827,638	795,066	245,905	-	-	3,451,887
25,939,360	25,928,435	26,196,995	25,799,965	27,558,408	33,464,780
4,954,285	4,934,149	5,138,058	5,480,345	5,261,121	6,431,421
-	-	-	-	-	-
102,522	92,839	238,653	220,016	318,483	433,951

Source: National Transit Database

Table 13
CORPUS CHRISTI REGIONAL TRANSPORTATION AUTHORITY
Miscellaneous Statistics
(Unaudited)

Date Authority Created	August 10, 1985
Date Authority Began Operations	January 1, 1986
Form of Government	Board of Directors, CEO
Board of Directors	11
Service Area Square Miles[1]	846
Population in Service Area[1]	338,138
Type of Tax Support	Sales and Use Tax
Sales Tax Rate	.50%
Base Fare	$0.75
Number of Routes [2]	34
Number of Transfer Stations [2]	4
Number of Bus Stops [2]	1,375

[1] Source: 2021 NTD Report
[2] Historical trend information is not available. See Table 12 for utilization and level of capital investment trends.

2022
Single Audit Section
Annual Comprehensive Financial Report

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Corpus Christi Regional Transportation Authority (the "Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 19, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Corpus Christi, Texas
September 19, 2023

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Corpus Christi Regional Transportation Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing *Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

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

Corpus Christi, Texas
September 19, 2023

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Federal Awards:

1. Type of auditors' report issued on compliance for major programs — Unmodified

2. Internal control over major programs:
   a. Material weaknesses identified? — No
   b. Significant deficiencies identified not considered to be material weaknesses? — None noted

3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR Section 200.516(a)? — No

4. Identification of major programs (clusters):

Assistance Listing Number	Federal Program
	Federal Transit Cluster
20.507	Formula Grants (Urbanized Area Formula Program)
20.526	Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)

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

B. FINANCIAL STATEMENT FINDINGS

None noted.

C. FEDERAL AWARD FINDINGS

None noted.

D. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

None noted.

E. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

None noted.

Corpus Christi Regional Transportation Authority
Schedule of Expenditures of Federal Financial Awards
Year Ended December 31, 2022

GRANTOR	Assistance Listing Number	Grant Number	Passed through to Subrecipients	Expenditures, Indirect Costs, And Refunds
DEPARTMENT OF TRANSPORTATION				
Federal Transportation Administration (FTA):				
Federal Transit Cluster				
Federal Transit - Formula Funds (Urbanized Area Formula Program)	20.507	TX18-0074	$ -	$ 317,738
Federal Transit - Formula Funds (Urbanized Area Formula Program)	20.507	TX21-0066	-	1,008,080
Federal Transit - Formula Funds (Urbanized Area Formula Program)	20.507	TX90-Y059	-	373,527
COVID-19 Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507	TX22-0032	-	10,064,385
			-	11,763,730
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)	20.526	TX21-0038	-	29,237
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)	20.526	TX21-0066	-	70,722
			-	99,959
Total Federal Transit Cluster			-	11,863,689
Transit Services Program Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX16-0083	3,879	3,879
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX18-0090	172	172
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TX21-0123	298,758	298,758
Total Federal Transit Services Program Cluster			302,809	302,809
Total Department of Transportation			**$ 302,809**	**$ 12,166,498**

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, 2022

(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	$	11,540,721
Less: State & Local Grants		-
Capital Grants & Donations		625,777
Total Federal Grants	$	12,166,498

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Financial Awards may not agree with amounts reported in the related Federal financial reports filed with the grantor agency because of accruals which would be included in the next reports filed with the agencies.

(5) Indirect Costs

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

(6) Noncash Assistance

The Authority has not received any noncash assistance for the fiscal year ended December 31, 2022.

(7) Loan and Loan Guarantees

The Authority has not received any loan or loan guarantees for the fiscal year ended December 31, 2022.

(8) Federally Funded Insurance

The Authority has not received any federally funded insurance for the fiscal year ended December 31, 2022.

(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, 2022, the Authority expended $302,809 to sub recipients.

(11) Federal Pass-Through Funds

The Authority was not the sub recipient of any federal funds for the year ended December 31, 2022.

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