



2016 ORANGE COUNTY TRANSPORTATION AUTHORITY

Statement of Net Position | June 30, 2016

(amounts expressed in thousands)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	\$904,258	\$411,474	\$1,315,732
Receivables:			
Interest	1,788	1,285	3,073
Operating grants	18,183	63,460	81,643
Capital grants	929	18,749	19,678
Other	2,243	12,074	14,317
Internal balances	(12,290)	12,290	-
Due from other governments	153,746	11,959	165,705
Condemnation deposits	714	-	714
Note receivable	25,182	-	25,182
Inventory	-	3,658	3,658
Restricted cash and investments:			
Cash equivalents	-	23,874	23,874
Prepaid retirement	5,265	13,369	18,634
Other assets	13,751	6,930	20,681
Assets held for resale	2,503	-	2,503
Capital assets, net:			
Nondepreciable	180,997	68,276	249,273
Depreciable	4,212	207,667	211,879
Intangible asset - tollroad franchise, net	-	128,041	128,041
Total Assets	1,301,481	983,106	2,284,587
Deferred Outflows of Resources			
Deferred charge on refunding	-	9,681	9,681
Deferred outflows - pensions	21,036	47,228	68,264
Total Deferred Outflows of Resources	21,036	56,909	77,945
Liabilities			
Accounts payable	43,054	38,670	81,724
Accrued payroll and related items	2,160	7,774	9,934
Accrued interest payable	7,965	2,107	10,072
Due to other governments	23,553	7,543	31,096
Unearned revenue	29,462	15,015	44,477
Other liabilities	82	273	355
Noncurrent liabilities:			
Due within one year	7,476	16,194	23,670
Due in more than one year	330,068	135,113	465,181
Net pension liability	73,108	180,348	253,456
Total Liabilities	516,928	403,037	919,965
Deferred Inflows of Resources			
Deferred inflows - pensions	7,643	17,477	25,120
Total Deferred Inflows of Resources	7,643	17,477	25,120
Net Position			
Net investment in capital assets	185,209	300,737	485,946
Restricted for:			
Measure M program	530,439	-	530,439
Debt service	11,994	36	12,030
Motorist services	2,787	-	2,787
Capital	-	10,030	10,030
Operating reserve	-	3,009	3,009
Unrestricted	67,517	305,689	373,206
Total Net Position	\$797,946	\$619,501	\$1,417,447



2016 ORANGE COUNTY TRANSPORTATION AUTHORITY

Statement of Activities | June 30, 2016

	Expenses	Indirect Expenses Allocation	Charges for Service	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<i>(amounts expressed in thousands)</i>								
Functions/Programs								
Primary government								
Governmental activities:								
General government	\$95,155	\$(56,820)	\$1,180	\$4,250	\$3,533	\$(29,372)	\$-	\$(29,372)
Measure M program	272,627	15,670	204	110,846	-	(177,247)	-	(177,247)
Motorist services	6,355	903	-	5,648	-	(1,610)	-	(1,610)
Commuter rail	34,004	2,499	883	4,476	364	(30,780)	-	(30,780)
Total governmental activities	408,141	(37,748)	2,267	125,220	3,897	(239,009)	-	(239,009)
Business-type activities:								
Fixed route	208,851	33,927	50,197	44,806	28,501	-	(119,274)	(119,274)
Paratransit	63,071	870	8,132	19,948	-	-	(35,861)	(35,861)
Tollroad	25,120	2,709	52,240	472	7,347	-	32,230	32,230
Taxicab administration	567	242	518	-	-	-	(291)	(291)
Total business-type activities	297,609	37,748	111,087	65,226	35,848	-	(123,196)	(123,196)
Total primary government	\$705,750	\$-	\$113,354	\$190,446	\$39,745	(239,009)	(123,196)	(362,205)
General Revenues:								
Property taxes						-	14,098	14,098
Sales taxes						476,368	-	476,368
Unrestricted investment earnings						19,447	7,672	27,119
Other miscellaneous revenue						918	791	1,709
Transfers						(152,899)	152,899	-
Total general revenues and transfers						343,834	175,460	519,294
Change in net position						104,825	52,264	157,089
Net position - beginning						693,121	567,237	1,260,358
Net position - ending						\$797,946	\$619,501	\$1,417,447



2016 ORANGE COUNTY TRANSPORTATION AUTHORITY

Statement of Cash Flows Proprietary Funds | June 30, 2016

(amounts expressed in thousands)

	OCTD	91 EXPRESS LANES	NON MAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Cash flows from operating activities:					
Receipts from customers and users	\$47,127	\$50,032	\$518	\$97,677	\$-
Receipts from interfund services provided	-	-	-	-	14,414
Payments to suppliers	(129,881)	(13,183)	(303)	(143,367)	(2,549)
Payments to claimants	-	-	-	-	(6,622)
Payments to employees	(109,231)	-	(468)	(109,699)	-
Payments for interfund services used	(35,305)	(2,323)	(627)	(38,255)	(157)
Advertising revenue received	4,317	-	-	4,317	-
Miscellaneous revenue received	3,928	500	16	4,444	1,029
Net cash provided by (used for) operating activities	(219,045)	35,026	(864)	(184,883)	6,115
Cash flows from noncapital financing activities:					
Federal operating assistance grants received	16,170	-	-	16,170	-
Property taxes received	14,109	-	-	14,109	-
State transit assistance funds received	-	-	259	259	-
Transfers from other funds	168,774	-	-	168,774	-
Transfers to other funds	(10,800)	-	(253)	(11,053)	-
Repayment of advances from other funds	-	-	389	389	-
Net cash provided by noncapital financing activities	188,253	-	395	188,648	-
Cash flows from capital and related financing activities:					
Federal capital grants for acquisition and construction of capital assets	19,556	-	-	19,556	-
Proceeds from sale of capital assets	2,747	-	-	2,747	-
Principal payment on long-term debt	-	(5,074)	-	(5,074)	-
Interest paid on long-term debt	-	(5,721)	(1)	(5,722)	-
Acquisition and construction of capital assets	(38,567)	(1,360)	1,232	(38,695)	-
Net cash provided by (used for) capital and related financing activities	(16,264)	(12,155)	1,231	(27,188)	-
Cash flows from investing activities:					
Investment earnings	5,277	1,618	28	6,923	509
Net cash provided by investing activities	5,277	1,618	28	6,923	509
Net increase (decrease) in cash and cash equivalents	(41,779)	24,489	790	(16,500)	6,624
Cash and cash equivalents at beginning of year	294,642	116,533	700	411,875	33,349
Cash and cash equivalents at end of year	\$252,863	\$141,022	\$1,490	\$395,375	\$39,973

Statement of Net Position: The statement of net position presents information on all of OCTA's assets and liabilities, with the difference between them reported as net position. Information presented in the statement of net position can be used to assess OCTA's ability to cover its costs and to continue financing services in the future. Increases or decreases in net position are a useful indicator of whether the financial position of OCTA is improving or deteriorating over time.

Statement of Activities: The statement of activities presents information identifying how OCTA's net assets changed during the fiscal year. It includes information on the costs of providing public services (expenses) and the resources obtained to finance those services (revenues). All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received. Both statements distinguish functions of OCTA as either governmental activities (supported by taxes and intergovernmental revenues) or as

business-type activities (where a significant portion of costs are recovered through user fees and charges).

Statement of Cash Flows - Proprietary Funds: The statement of cash flows categorizes OCTA's sources and uses of cash as either operating, noncapital financing, capital and related financing, and lastly, investing for all its proprietary funds. The purpose of this statement is to identify where cash comes from and how it is used. This statement is required to be presented for all proprietary funds.

Proprietary funds: Proprietary funds report the finances of activities that OCTA operates like a business and are classified as either enterprise funds or internal service funds. OCTA uses enterprise funds to account for its transit, tollroad and taxicab administration operations. Internal service funds are used to accumulate and allocate costs internally to the departments benefiting from OCTA's risk management activities, which include general liability and workers' compensation. All proprietary funds are reported as business-type activities on the statement of net position and statement of activities.



2016 ORANGE COUNTY TRANSPORTATION AUTHORITY

Statement of Cash Flows Proprietary Funds, *continued* | June 30, 2016

(amounts expressed in thousands)

	OCTD	91 EXPRESS LANES	NON MAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$(257,937)	\$30,731	\$(941)	\$(228,147)	\$1,493
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	26,386	546	-	26,932	-
Amortization of franchise agreement	-	2,587	-	2,587	-
Amortization of prepaid retirement	20,010	-	95	20,105	-
Amortization of prepaid expense	-	313	-	313	-
Amortization of prepaid insurance	-	334	-	334	-
Pension expense	23,186	-	106	23,292	-
Advertising revenue	4,650	-	-	4,650	-
Miscellaneous	3,812	500	16	4,328	-
Insurance recoveries	-	-	-	-	1,029
Change in assets and liabilities:					
Receivables	356	(2,338)	-	(1,982)	(156)
Due from other governments	(4,025)	-	-	(4,025)	1
Inventory	687	-	-	687	-
Prepaid retirement	(18,985)	-	(80)	(19,065)	-
Other assets	(212)	(4,345)	-	(4,557)	(9)
Deferred outflows of resources related to pensions	(6,208)	-	(36)	(6,244)	-
Accounts payable	(2,647)	736	(4)	(1,915)	(374)
Accrued payroll and related items	569	-	-	569	-
Compensated absences	(267)	-	(6)	(273)	-
Claims payable	-	-	-	-	4,234
Due to other governments	711	5,832	28	6,571	-
Unearned revenue	-	131	-	131	-
Other liabilities	-	(1)	-	(1)	(103)
Net pension liability	(9,131)	-	(42)	(9,173)	-
Total adjustments	38,892	4,295	77	43,264	4,622
Net cash provided by (used for) operating activities	\$(219,045)	\$35,026	\$(864)	\$(184,883)	\$6,115
Reconciliation of cash and cash equivalents to statement of net position:					
Cash and investments	\$252,863	\$117,148	\$1,490	\$371,501	\$39,973
Restricted cash and cash equivalents	-	23,874	-	23,874	-
Total cash and cash equivalents	\$252,863	\$141,022	\$1,490	\$395,375	\$39,973
Noncash capital, financing and investing activities:					
Capital contributions *	\$15,453	\$-	\$-	\$15,453	\$-
Investment earnings - accrued interest	(584)	64	(2)	(522)	(1)
Amortization of bond premium	-	(644)	-	(644)	-
Amortization of deferred amount on refunding	-	670	-	670	-

*Cash portion related to this amount includes \$19,556 for federal capital grants from acquisition and construction of capital assets and \$(7,479) from change in unearned revenues relating to federal capital grants.

<p>DEFINITIONS:</p> <p>Condemnation deposits: These are deposits paid to the State of California that are held for condemnation of property.</p> <p>Capital assets: Tangible and intangible property with an initial unit cost of more than \$5,000 and a useful life exceeding one year.</p>	<p>Nondepreciable: Capital assets that generally do not decrease in value over time. Examples include land and construction in progress.</p> <p>Depreciable and amortizable: Capital assets that decrease in value over time due to age, obsolescence or wear and tear. Examples include buildings and improvements, machinery, equipment, furniture, transit vehicles and the toll facility franchise.</p>	<p>Unearned revenue: A liability to offset assets recognized in connection with a transaction before the earning process is complete.</p> <p>General government: General government is a function reported as a governmental activity on the statement of net assets and statement of activities that comprises all the activity reported in OCTA's General Fund, Local Transportation Authority (LTA),</p>	<p>Local Transportation Fund (LTF), Orange County Unified Transportation Trust (OCUTT), Service Authority for Freeway Emergencies (SAFE), Service Authority for Abandoned Vehicles (SAAV), State Transit Assistance Fund (STAF), and Capital Project Funds.</p>
--	---	---	---