Report on Agreed-Upon Procedures Applied to Measure M2 Status Report

Year Ended June 30, 2015

Report on Agreed-Upon Procedures Applied to Measure M2 Status Report

Year Ended June 30, 2015

Table of Contents

<u></u>	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures to the Measure M2 Status Report	1
Measure M2 Status Report (Unaudited):	
Schedule 1 - Schedule of Revenues, Expenditures and Changes in Fund Balance	4
Schedule 2 - Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)	5
Schedule 3 - Schedule of Revenues and Expenditures Summary	6
Notes to Measure M2 Status Report	9



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE MEASURE M2 STATUS REPORT

Board of Directors Orange County Local Transportation Authority and the Taxpayers Oversight Committee of the Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee (Committee) of the Orange County Local Transportation Authority (OCLTA), solely to assist you with your review of the Measure M2 Status Report, and to ascertain that the amounts have been derived from the audited financial statements or other published documents, Board of Director approved documents or internal documents, for the year ended June 30, 2015. The Measure M2 Status Report consists of the following three schedules (Schedules): Schedule of Revenues, Expenditures and Changes in Fund Balance (Schedule 1); Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service) (Schedule 2); and Schedule of Revenues and Expenditures Summary (Schedule 3). Management of the OCLTA is responsible for the Measure M2 Status Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The following summary of procedures related to the Measure M2 Status Report is separated into three sections: Section A describes our procedures applied to Schedule 1; Section B describes our procedures applied to Schedule 2; and Section C describes our procedures applied to Schedule 3. All amounts are reported in thousands.

A. We obtained Schedule 1 and performed the following procedures:

- 1. Compared year to date June 30, 2015 amounts (Column A) to the audited trial balances of the OCLTA special revenue fund 17 and the OCLTA debt service fund 72 and additional detailed information from the underlying accounting records.
- 2. Compared period from inception through June 30, 2015 amounts (Column B) by adding the prior year's period from inception through June 30, 2014 amounts with year to date June 30, 2015 amounts (Column A).
- 3. Re-computed totals and subtotals.
- B. We obtained Schedule 2 and performed the following procedures:
 - 1. Compared year ended June 30, 2015 (Columns C.1 and C.2) to Schedule 1, Column A. For professional services, non-project related amounts, we compared the sum of this caption allocated to revenues and to bond revenues at June 30, 2015 (C.1 and C.2) to Schedule 1, Column A. For environmental cleanup, we agreed this amount to the project job ledger.

- 2. Compared period from inception through June 30, 2015 amounts (Columns D.1 and D.2) to Schedule 1, Column B. For professional services, non-project related amounts, we compared the total of the amounts allocated to revenues and to bond revenues at June 30, 2015 (D.1 and D.2) to Schedule 1, Column B. For environmental cleanup, we agreed this amount to the project job ledger.
- 3. Compared forecast amounts (Column E.1 and E.2) to Measure M2 Forecast Model Schedule.
- 4. Re-computed totals and subtotals.
- C. We obtained Schedule 3 and performed the following procedures:
 - 1. Compared net revenues through June 30, 2015 (Column H) and total net revenues (Column I) amounts to Schedule 2, Column D.1 and Column F.1, net revenues (Totals), respectively.
 - 2. Recalculated net revenues through June 30, 2015 (Column H) and total net revenues (Column I) amounts, by mode and project description, based on the Measure M2 Transportation Investment Plan (Investment Plan).
 - 3. Reconciled expenditures through June 30, 2015 (Column J) to Schedule 1, Column B. Agreed environmental cleanup to Schedule 2, Column D.1. Agreed oversight and annual audits to the summary of Measure M2 administrative costs through June 30, 2015. Agreed Column J, by project description to the project job ledger by fiscal year.
 - 4. Selected a sample of expenditures from Column J and compared them to invoices and supporting documentation to determine whether the sampled expenditures were properly accrued and classified.
 - 5. Agreed reimbursements through June 30, 2015 (Column K) to Schedule 1, Column B. Agreed oversight and annual audits line item to summary of Measure M2 administrative costs through June 30, 2015.
 - 6. Agreed Column K to the supporting revenue summary by project and fiscal year. Selected a sample of reimbursements from Column K and agreed them to supporting invoices and remittance advices to determine whether the sampled reimbursements were properly calculated.
 - 7. Recalculated the net M2 cost (Column L) by subtracting Column K from Column J.
 - 8. Recalculated revenues through June 30, 2015 (Column H.1) and the total revenues (Column I.1) for environmental cleanup (2% of revenues) and oversight and annual audits (1% of revenues) by multiplying sales taxes and operating interest per Schedule 2, Column D.1 and Column F.1 by 2% and 1%, respectively.
 - 9. Recalculated revenues through June 30, 2015 (Column H.1) and total revenues (Column I.1) for collect sales taxes (1.5% of sales taxes) by multiplying sales taxes per Schedule 2, Column D.1 and Column F.1 by 1.5%.
 - 10. Re-computed total and subtotals.

Results: All of the above procedures were performed without exception.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Measure M2 Status Report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The Notes to the Measure M2 Status Report (Notes) have been provided by the OCLTA to describe the purpose, format, and content of the schedules. We were not engaged to and did not perform any procedures on the Notes.

This report is intended solely for the information and use of OCTLA's management, the Board of Directors, and the Taxpayers Oversight Committee and is not intended to be and should not be used by anyone other than these specified parties.

Vavinch Trie, Dry; Co, US Laguna Hills, California

December 18, 2015

Measure M2 Schedule of Revenues, Expenditures and Changes in Fund Balance as of June 30, 2015 (Unaudited)

Revenues: Sales taxes	(\$ in thousands)		Year to Date June 30, 2015		Period from Inception to June 30, 2015
Sales taxes			(A)		(B)
Sales taxes	Revenues:				
Project related 105,540 382,953 101erest:		\$	291,557	\$	1,149,372
Non-project related Interest: 231 365 Operating: 2 1 Project related 5,222 1,031 Bond proceeds 4,919 26,566 Debt service 6 44 Commercial paper 3,933 Right-of-way leases 122 704 Miscellaneous: - 78 7 Project related - 7 7 Total revenues 407,599 1,571,635 Expenditures: Supplies and services: 3,387 12,317 Total revenues 3,387 12,217 Total revenues 407,599 1,571,635 Expenditures: 3,387 12,317 Supplies and services: 3,387 12,317 Project related 4,0617 22,2263 Non-project related 1,065 12,928 Administration costs: 1,065 12,928 Project related 8,658 36,013 Non-project related 1,652 1,675 Other:					
Interest:					·
Operating:			231		365
Project related 5,222 11,031 Bond proceeds 4,919 26,566 Debt service 6 6 44 Commercial paper - 2 393 Right-Oi-way leases 122 704 Miscellaneous: 122 770 Miscellaneous: 122 770 Total revenues 407,599 1,571,635 Expenditures: 3,887 12,317 Total revenues 3,387 12,317 Total revenues 5,1237 1,571,635 Expenditures: 3,387 12,317 Total revenues 1,605 12,928 Supplies and services: 1,605 12,928 State Board of Equalization (SBOE) fees 3,601 1,605 12,928 Project related 1,605 12,928 Administration costs: 1,605 12,928 Administration costs: 1,605 12,928 Administration costs: 1,605 12,928 Project related 1,605 12,928 Administration costs: 1,605 1,605 Project related 1,605 1,605 Salaries and Benefits 3,086 15,075 Other: 1,605 1,605 Project related 1,605 1,605 Other: 1,605 1,605 Project related 1					
Bond proceeds			2		2
Debt service 6 44 Commercial paper 393 Right-fo-way leases 122 704 Miscellaneous: - 198 Project related - 7 Total revenues - 7 Expenditures: - 7 Expenditures: - 1,571,635 Supplies and services: - 1,2317 Professional services: - 1,2317 Project related 40,617 222,833 Non-project related 40,617 222,833 Non-project related 8,658 36,013 Non-project related: 8,658 36,013 Non-project related: 3,086 15,075 Other 4,452 21,959 Other 116 3,682 Payments to local agencies: - 31 Project related 114,276 50,2518 Capital outley: - 3 Project related 1,03,391 457,253 Non-project rel					
Commercial paper . 3933 Right-of-way leases . 198 Miscellaneous: . . 198 Non-project related . . . 7 Total revenues .					
Right-of-way leases 122 704			6		
Miscellaneous: Project related			-		
Project related . 198 Non-project related . 7 Total revenues 407,599 1,571,635 Expenditures: Supplies and services: 3,387 12,317 State Board of Equalization (SBOE) fees 3,387 12,317 Project related of the sign of the			122		704
Non-project related . 7 Total revenues 407,599 1,571,635 Expenditures: Supplies and services: Supplies and services: State Board of Equalization (SBOE) fees 3,387 12,317 Project related 40,617 222,633 Non-project related 40,617 222,633 Non-project related 8,658 36,013 Non-project related 8,658 36,013 Non-project related 4,452 21,959 Other 4,452 21,959 Other 4,452 21,959 Other: 116 3,686 15,075 Other: 4,452 21,959 Other: 4,452 21,959 Other: 116 3,686 15,075 Other: 116 3,686 15,075 Project related 114,276 50,2,518 Capital outlay: 1 14,7253 Non-project related 1,033,91 457,253 Non-project related 6,865 1			_		198
Total revenues 407,599 1,571,635 Expenditures: Supplies and services: 3,387 12,317 State Board of Equalization (SBOE) fees 3,387 12,317 Professional services: 40,617 222,633 Non-project related 1,605 12,928 Administration costs: - - Project related 8,658 36,013 Non-project related: 3,086 15,075 Other: - 3,086 15,075 Other: - 116 3,686 Project related: 116 3,686 15,075 Other: - - 16 3,686 15,075 Other: - - 16 3,686 15,075 0,016 - 21,959 0,016 - 1,007 0,016 - 1,007 0,016 - 1,007 0,016 - 2,055 0,016 - 2,055 0,016 - 2,055 0,016 - 2,055 1,002			-		
Expenditures: Supplies and services: Supplies and services: State Board of Equalization (SBOE) fees 3,387 12,317 Professional services: 222,633 Non-project related 40,617 222,633 Non-project related 1,605 12,928 Administration costs: 7 project related 8,658 36,013 Non-project related 8,658 36,013 Non-project related 3,086 15,075 Other 4,452 21,959 Other 7,006 116 3,682 Project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: 7 project related 114,276 502,518 Capital outlay: 7 project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 5,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 17 ransfers out: Project related 6,566 51,804 Non-project related 6,526 51,804 Non-project related 6,526			407 500		1 571 635
Supplies and services: 3,387 12,317 Professional services: 40,617 222,633 Project related 1,605 12,928 Administration costs: **** Project related 8,658 36,013 Non-project related: 3,086 15,075 Other 4,452 21,959 Other: 116 3,682 Project related 189 1,403 Non-project related 189 1,403 Non-project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: *** *** Project related 114,276 502,518 Capital outlay: *** *** Project related 103,391 457,253 Non-project related 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues cover (under) expenditures 99,004 172,024 </td <td></td> <td></td> <td>407,339</td> <td></td> <td>1,57 1,000</td>			407,339		1,57 1,000
State Board of Equalization (SBOE) fees 3,387 12,317 Professional services: 40,617 222,633 Non-project related 40,617 222,633 Non-project related 8,658 36,013 Non-project related: 3,086 15,075 Other 4,452 21,959 Other: 189 1,403 Project related 116 3,682 Payments to local agencies: 114,276 502,518 Project related 114,276 502,518 Capital outlay: 103,391 457,253 Non-project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 5 31 Debt service: 19,875 11 Principal payments on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 17,024 Trans					
Professional services: 40,617 222,633 Project related 1,605 12,928 Administration costs: 36,658 36,013 Project related 8,658 36,013 Non-project related: 3,086 15,075 Other 4,452 21,959 Other 4,452 21,959 Other 189 1,403 Non-project related 116 3,682 Payments to local agencies: 116 3,682 Payments to local agencies: 2 2,518 Capital outlay: 103,391 457,253 Non-project related 103,391 457,253 Non-project related 6,865 19,875 Interest on long-term debt 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 7 358,593 Total other fi			2 227		12 217
Project related 40,617 222,633 Non-project related 1,605 12,928 Administration costs: 12,928 Project related 8,658 36,013 Non-project related: 3,086 15,075 Other: 4,452 21,959 Project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: 114,276 502,518 Capital outlay: 103,391 457,253 Project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 6,865 19,875 Interest on long-term debt 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 170,024 170,024 Other financing sources (uses): 22,283 29,677			5,507		12,517
Non-project related 1,605 12,928 Administration costs: 8,658 36,013 Non-project related: 3,086 15,075 Other 4,452 21,959 Other: 189 1,403 Project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: 114,276 502,518 Project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 103,391 457,253 Non-project related 6,865 19,875 Interest on long-term debt 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 177 177 Transfers out: 179,000 170,000 170,000 Project related 6,526 51,804			40,617		222,633
Project related : 8,658 36,013 Non-project related : 3,086 15,075 Other 4,452 21,959 Other:			1,605		12,928
Non-project related :					
Śalaries and Benefits Other 3,086 (15,075 Other Other) 15,075 Other (21,959 Other) Other: Project related 189 (1,403 A,682 Payments to local agencies: Payments to local agencies: 116 (3,682 Payments to local agencies: Project related 114,276 (502,518 Payments of local agencies: Project related 103,391 (457,253 Non-project related) - 31 Debt service: - 31 Principal payments on long-term debt end commercial paper 6,865 (19,875 Interest on long-term debt and commercial paper 21,953 (39,394 Payments) Total expenditures 308,595 (1,399,611 Payments) 1,399,611 Payments Excess (deficiency) of revenues over (under) expenditures 99,004 (12,041 Payments) Other financing sources (uses): 172,024 Payments Transfers out: (3,361) (12,041 Payments) Project related 6,526 (51,804 Non-project related) Non-project related 6,526 (51,804 Non-project related) Non-project related 22,283 (29,677 Payments) Bond proceeds 25,448 (428,033 Payments) Excess (deficiency) of revenues over (under) expenditures	•		8,658		36,013
Other 4,452 21,959 Other: Project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: 116 502,518 Capital outlay: 114,276 502,518 Capital outlay: 103,391 457,253 Non-project related 103,391 457,253 Non-project related 6,865 19,875 Interest on long-term debt and commercial paper 21,953 33,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: 3361 (12,041) Project related (3,361) (12,041) (12,041) Transfers in: 22,283 29,677 Bond proceeds 22,283 29,677 Bond proceeds 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 25,448 428,033			2.006		15.075
Other: Project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: 114,276 502,518 Project related 103,391 457,253 Capital outlay: 103,391 457,253 Non-project related - 31 Debt service: 19,875 11,953 93,924 Principal payments on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 172,024 Transfers out: (3,361) (12,041) Transfers in: (3,361) (12,041) Transfers in: 170,000 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 20,418 428,033					
Project related 189 1,403 Non-project related 116 3,682 Payments to local agencies: ************************************			7,702		21,333
Payments to local agencies: 114,276 502,518 Project related 103,391 457,253 Non-project related - 31 Debt service: - 31 Principal payments on long-term debt and commercial paper 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: (3,361) (12,041) Project related (3,361) (12,041) Transfers in: 6,526 51,804 Non-project related 6,526 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures - 25,448 428,033			189		1,403
Project related 114,276 502,518 Capital outlay: 103,391 457,253 Project related - 31 Debt service: - 31 Principal payments on long-term debt 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out:			116		3,682
Capital outlay: 103,391 457,253 Project related - 31 Debt service: Principal payments on long-term debt 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out:					
Project rélated Non-project related 103,391 457,253 Non-project related - 31 Debt service: - 19,875 Principal payments on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): 172,024 Transfers out: (3,361) (12,041) Transfers in: 6,526 51,804 Non-project related 6,526 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 0ver (under) expenditures			114,276		502,518
Non-project related Debt service: - 31 Debt service: Principal payments on long-term debt Interest on long-term debt and commercial paper 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out:			103 301		457 252
Debt service: Principal payments on long-term debt 6,865 19,875 Interest on long-term debt and commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: (3,361) (12,041) Project related 6,526 51,804 Non-project related 6,526 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures			-		·
Interest on long-term debt and commercial paper 21,953 93,924					0.
commercial paper 21,953 93,924 Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out:	Principal payments on long-term debt		6,865		19,875
Total expenditures 308,595 1,399,611 Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: 308,595 1,399,611 Other financing sources (uses): 39,004 172,024 Other financing sources (uses): 308,595 1,399,611 Project related (3,361): (12,041) Project related (3,361): 6,526 51,804 Non-project related (3,361): 22,283 29,677 Bond proceeds (35,262): 358,593 Total other financing sources (uses): 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 308,595 428,033					
Excess (deficiency) of revenues over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: Project related (3,361) (12,041) Transfers in: (5,26) 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures	commercial paper	_	21,953	_	93,924
over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: Project related (3,361) (12,041) Transfers in: (5,26) 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 0ver (under) expenditures	Total expenditures		308,595		1,399,611
over (under) expenditures 99,004 172,024 Other financing sources (uses): Transfers out: Project related (3,361) (12,041) Transfers in: (5,26) 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 0ver (under) expenditures	Excess (deficiency) of revenues				
Transfers out: (3,361) (12,041) Project related (5,526) 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures		_	99,004		172,024
Project related (3,361) (12,041) Transfers in: 6,526 51,804 Project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 428,033	Other financing sources (uses):				
Transfers in: 6,526 51,804 Project related 6,526 51,804 Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures 428,033					
Project related Non-project related Non-project related Bond proceeds 6,526 29,677 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures - 35,448 428,033			(3,361)		(12,041)
Non-project related 22,283 29,677 Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures			6 526		E4 904
Bond proceeds - 358,593 Total other financing sources (uses) 25,448 428,033 Excess (deficiency) of revenues over (under) expenditures					
Total other financing sources (uses) Excess (deficiency) of revenues over (under) expenditures			•		
Excess (deficiency) of revenues over (under) expenditures	20114 \$1.000040	_		_	300,000
Excess (deficiency) of revenues over (under) expenditures	Total other financing sources (uses)		25 110		438 U33
over (under) expenditures		_	20,440	_	420,033
and other sources (uses) <u>\$ 124,452</u> <u>\$ 600,057</u>		_		_	
	and other sources (uses)	\$	124,452	\$	600,057

See Notes to Measure M2 Status Report (Unaudited)

Measure M2 Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service) as of June 30, 2015 (Unaudited)

Net bond revenues Net					Period from		Period from		
Sin thousands June 30, 2015 June 30, 2015 March 31, 2041 (creast) (fert) (fert)									
Sin thousands Cactual Cactual Control Control									
Revenues:		Ju	•	J		l	•		
Revenues: Sales taxes \$ 291,557 \$ 1,149,372 \$ 14,572,357 \$ 15,721,729 Operating interest 5,222 11,031 294,504 305,535 Subtotal 296,779 1,160,403 14,866,861 16,027,264 Other agencies share of M2 costs 231 365 - 365 Miscellaneous - 7 - 7 Total revenues 297,010 1,160,775 14,866,861 16,027,636 Administrative expenditures: SBOE fees 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: 3,086 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,222 8,562 291,447 300,099<	(\$ in thousands)								
Sales taxes \$ 291,557 b. \$ 1,149,372 b. \$ 14,572,357 b. \$ 15,721,729 b. Operating interest Operating interest 5,222 b. 11,031 b. 294,504 b. 305,535 b. Other agencies share of M2 costs 231 b. 365 b. - 365 b. Miscellaneous - 7 b. - 7 b. Total revenues - 99,010 b. 1,160,775 b. 14,866,861 b. 16,027,636 b. Administrative expenditures: - 3,387 b. 12,317 b. 218,673 b. 230,990 b. Professional services 1,391 b. 9,152 b. 99,449 b. 108,601 b. Administrative expenditures: 3,387 b. 12,317 b. 218,673 b. 230,990 b. Professional services 1,391 b. 9,152 b. 99,449 b. 108,601 b. 108,601 b. Administrative expenditures: 1,391 b. 9,152 b. 99,449 b. 108,601 b. Administration costs: 3 3,086 b. 15,075 b. 145,700 b. 160,775 b. Other 1,160 b. 1,452 b. 21,959 b. <t< th=""><th>_</th><th></th><th>(C.1)</th><th></th><th>(D.1)</th><th></th><th>(E.1)</th><th></th><th>(F.1)</th></t<>	_		(C.1)		(D.1)		(E.1)		(F.1)
Operating interest Subtotal 5,222 11,031 294,504 305,535 Other agencies share of M2 costs 231 365 - 365 Miscellaneous - - 7 - - 7 Total revenues 297,010 1,160,775 14,866,861 16,027,636 Administrative expenditures: SBOE fees 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: 3 3,387 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 311 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures \$ 28,358 1,089,997 \$ 13,878,843 \$ 14,968,840 Net revenues \$ 28,2358 \$ 1,089,997 \$ 1,865,00 <td< th=""><th></th><th></th><th></th><th>_</th><th></th><th></th><th></th><th>_</th><th></th></td<>				_				_	
Subtotal 296,779 1,160,403 14,866,861 16,027,264 Other agencies share of M2 costs Miscellaneous 231 365 - 365 Miscellaneous 297,010 1,160,775 14,866,861 16,027,636 Administrative expenditures: 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: 30,866 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Net revenues \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Bond revenues: \$2,20 (C.2) (C.2) (C.2) (C.2) (E.2) (F.2)		\$		\$		\$		\$	
Other agencies share of M2 costs 231 365 - 365 Miscellaneous 297,010 1,160,775 14,866,861 16,027,636 Administrative expenditures: 3,387 12,317 218,673 230,990 SBOE fees 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: 30,86 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$ 282,358 1,089,997 \$ 13,878,843 \$ 14,968,840 Proceeds from issuance of bonds Interest revenue from bond proceeds \$ - \$ 358,593 \$ 1,450,000 \$ 1,808,593 Interest revenue	, •			_				_	
Miscellaneous Total revenues 297,010 1,160,775 14,866,861 16,027,636 Administrative expenditures: 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: 3,086 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 30,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$282,358 1,089,997 \$13,878,843 \$14,968,840 Proceeds from issuance of bonds - \$358,593 \$1,450,000 \$1,808,936 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue f	Subtotal		296,779	_	1,160,403		14,866,861		16,027,264
Miscellaneous - 7 - 7 Total revenues 297,010 1,160,775 14,866,861 16,027,636 Administrative expenditures: 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: 30,86 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 30,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$282,358 1,089,997 \$13,878,843 \$14,968,840 Proceeds from issuance of bonds - \$358,593 \$1,450,000 \$1,808,593 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 <td>Other agencies share of M2 costs</td> <td></td> <td>231</td> <td></td> <td>365</td> <td></td> <td>-</td> <td></td> <td>365</td>	Other agencies share of M2 costs		231		365		-		365
Administrative expenditures: SBOE fees 3,387 12,317 218,673 230,990 Professional services 1,391 9,152 99,449 108,601 Administration costs: Salaries and Benefits 3,086 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 1116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Capital outlay	•		-		7		-		
SBOE fees Professional services Professional services 3,387 12,317 9,152 99,449 108,601 230,990 230,990 230,890 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,840 230,890 230,890 230,800 230,890 230,800 230,890 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230	Total revenues		297,010		1,160,775		14,866,861		16,027,636
SBOE fees Professional services Professional services 3,387 12,317 9,152 99,449 108,601 230,990 230,990 230,890 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,840 230,890 230,890 230,800 230,890 230,800 230,890 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230,800 230,890 230									
Professional services 1,391 9,152 99,449 100,601 Administration costs: 3,086 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Proceeds from issuance of bonds Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: 214 3,776 12,340 16,116 Bond debt prin									
Administration costs : Salaries and Benefits 3,086 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 1116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Proceeds from issuance of bonds - \$358,593 \$1,450,000 \$1,808,593 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: 214 3,776 12,340			,		,		•		,
Salaries and Benefits 3,086 15,075 145,700 160,775 Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues \$282,358 1,089,997 \$13,878,843 \$14,968,840 Proceeds from issuance of bonds - \$358,593 \$1,450,000 \$1,808,593 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: Professional services 214 3,776 12,340 16,1			1,391		9,152		99,449		108,601
Other 4,452 21,959 207,640 229,599 Other 116 3,682 25,109 28,791 Capital outlay - 31 - 31 Environmental cleanup 2,220 8,562 291,447 300,009 Total expenditures 14,652 70,778 988,018 1,058,796 Net revenues (C.2) (D.2) (E.2) (F.2) Bond revenues: - \$358,593 \$1,450,000 \$1,808,593 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953									
Other Capital outlay 116 3,682 25,109 28,791 Environmental cleanup Total expenditures 2,220 8,562 291,447 300,009 Net revenues \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Net revenues \$282,358 \$1,089,997 \$13,878,843 \$14,968,840 Proceeds from issuance of bonds Interest revenue from bond proceeds A,919 \$26,566 25,760 \$2,326 Interest revenue from debt service funds Interest revenue from commercial paper A,925 \$35,596 \$1,475,814 \$1,861,410 Financing expenditures and uses: Professional services \$214 \$3,776 \$12,340 \$16,116 Bond debt principal G,865 \$19,875 \$1,788,652 \$1,808,527 Bond debt and other interest expense A,903 \$21,953 93,924 \$1,417,105 \$1,511,029 Total financing expenditures and uses \$29,032 \$117,575 \$3,218,097 \$3,335,672					•		•		,
Capital outlay Capi			,		•				
Environmental cleanup Total expenditures			116				25,109		
Total expenditures			-				<u>.</u>		_
Sabara S				_				_	_
CC.2)	lotal expenditures		14,652	_	70,778		988,018	_	1,058,796
Bond revenues: Proceeds from issuance of bonds \$ - \$ 358,593 \$ 1,450,000 \$ 1,808,593 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	Net revenues	\$	282,358	\$	1,089,997	\$	13,878,843	\$	14,968,840
Bond revenues: Proceeds from issuance of bonds \$ - \$ 358,593 \$ 1,450,000 \$ 1,808,593 Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672			(C.2)		(D 2)		(F 2)		(F.2)
Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	Bond revenues:		(0.2)		(2.2)		(2.2)		(7.2)
Interest revenue from bond proceeds 4,919 26,566 25,760 52,326 Interest revenue from debt service funds 6 44 54 98 Interest revenue from commercial paper - 393 - 393 Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	Proceeds from issuance of bonds	\$	-	\$	358,593	\$	1,450,000	\$	1,808,593
Interest revenue from commercial paper - 393 - 393 1,475,814 1,861,410	Interest revenue from bond proceeds		4,919		26,566		25,760		
Total bond revenues 4,925 385,596 1,475,814 1,861,410 Financing expenditures and uses: Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	Interest revenue from debt service funds		6		44		54		98
Financing expenditures and uses: Professional services Bond debt principal Bond debt and other interest expense Total financing expenditures and uses 214 3,776 12,340 16,116 1,788,652 1,808,527 1,788,652 1,417,105 1,511,029 1,511,029 3,335,672	Interest revenue from commercial paper		-		393		-		393
Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	Total bond revenues		4,925		385,596		1,475,814		1,861,410
Professional services 214 3,776 12,340 16,116 Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	Financing expenditures and uses:								
Bond debt principal 6,865 19,875 1,788,652 1,808,527 Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672	•		214		3.776		12.340		16.116
Bond debt and other interest expense 21,953 93,924 1,417,105 1,511,029 Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672									
Total financing expenditures and uses 29,032 117,575 3,218,097 3,335,672			- ,						
Net bond revenues (debt service) \$ (24,107) \$ 268,021 \$ (1,742,283) \$ (1,474,262)									
	Net bond revenues (debt service)	\$	(24,107)	\$	268,021	\$	(1,742,283)	\$	(1,474,262)

Measure M2 Schedule of Revenues and Expenditures Summary as of June 30, 2015 (Unaudited)

Project	Description (G) (\$\\$\\$ in thousands) Freeways (43% of Net Revenues)	 et Revenues through une 30, 2015 (H)	Total Net Revenues (I)		Expenditures through June 30, 2015 (J)		Reimbursements through June 30, 2015 (K)			Net M2 Cost (L)
A B C	I-5 Santa Ana Freeway Interchange Improvements I-5 Santa Ana/SR-55 to El Toro I-5 San Diego/South of El Toro	\$ 42,962 27,441 57,314	\$	589,999 376,846 787,083	\$	2,321 3,757 54,989	\$	2 1,439 14,150	\$	2,319 2,318 40,839
D E F	I-5 Santa Ana/San Diego Interchange Upgrades SR-22 Garden Grove Freeway Access Improvements SR-55 Costa Mesa Freeway Improvements	23,584 10,969 33,456		323,872 150,638 459,446		1,672 4 6,684		466 - 23		1,206 4 6,661
G H	SR-57 Orange Freeway Improvements SR-91 Improvements from I-5 to SR 57	23,648 12,797		324,750 175,744		44,301 25,629		9,822 503		34,479 25,126
J K	SR-91 Improvements from SR-57 to SR-55 SR-91 Improvements from SR-55 to County Line I-405 Improvements between I-605 to SR-55 I-405 Improvements between SR-55 to I-5	38,072 32,194 98,064 29,224		522,839 442,122 1,346,703 401,325		12,025 6,910 36,533 2,613		894 5,294 3,192 44		11,131 1,616 33,341 2,569
M N	I-605 Freeway Access Improvements All Freeway Service Patrol Freeway Mitigation	1,828 13,711 23,435		25,106 188,297 321,830		606 103 43,613		16 - 1,688		590 103 41,925
	Subtotal Projects Net (Bond Revenue)/Debt Service	468,699 -		6,436,600 -		241,760 24,873		37,533 -		204,227 24,873
	Total Freeways %	\$ 468,699	\$	6,436,600	\$	266,633	\$	37,533	\$	229,100 26.7%
	Street and Roads Projects (32% of Net Revenues)									
O P Q	Regional Capacity Program Regional Traffic Signal Synchronization Program Local Fair Share Program	\$ 109,001 43,599 196,199	\$	1,496,903 598,735 2,694,391	\$	488,170 16,496 185,991	\$	247,193 1,257 77	\$	240,977 15,239 185,914
	Subtotal Projects Net (Bond Revenue)/Debt Service	 348,799 -		4,790,029 -		690,657 28,952		248,527		442,130 28,952
	Total Street and Roads Projects %	\$ 348,799	\$	4,790,029	\$	719,609	\$	248,527	\$	471,082 54.9%

See Notes to Measure M2 Status Report (Unaudited)

Measure M2 Schedule of Revenues and Expenditures Summary as of June 30, 2015 (Unaudited)

Project	Description	Net Revenues through Total June 30, 2015 Net Revenue:			Total Net Revenues		Expenditures through une 30, 2015	through			Net M2 Cost
	(G)		(H)		(1)		(J)		(K)		(L)
	(\$ in thousands) Transit Projects (25% of Net Revenues)										
R	High Frequency Metrolink Service	\$	97,578	\$	1,340,034	\$	156,706	\$	86,776	\$	69,930
S	Transit Extensions to Metrolink	·	96,221	·	1,321,402	·	4,004	·	1,443	·	2,561
T	Metrolink Gateways		21,804		299,430		98,208		60,956		37,252
U	Expand Mobility Choices for Seniors and Persons										
	with Disabilities		32,696		449,012		30,874		17		30,857
V	Community Based Transit/Circulators		21,794		299,298		1,049		91		958
W	Safe Transit Stops	_	2,406		33,035	_	41		26		15
	Subtotal Projects		272,499		3,742,211		290,882		149,309		141,573
	Net (Bond Revenue)/Debt Service	_	-		-	_	16,844	_	-	_	16,844
	Total Transit Projects	\$	272,499	\$	3,742,211	\$	307,726	\$	149,309	\$	158,417
	%										18.5%
	Measure M2 Program	\$	1,089,997	\$	14,968,840	\$	1,293,968	\$	435,369	\$	858,599

Measure M2 Schedule of Revenues and Expenditures Summary as of June 30, 2015 (Unaudited)

Project		Revenues through Total June 30, 2015 Revenues			xpenditures through ine 30, 2015	through June 30, 2015			Net M2 Cost	
	(G) (\$ in thousands) Environmental Cleanup (2% of Revenues)		(H.1)		(l.1)	(J)		(K)		(L)
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$	23,208	\$	320,545	\$ 8,562	\$	292	\$	8,270
	Net (Bond Revenue)/Debt Service					 28				28
	Total Environmental Cleanup %	\$	23,208	\$	320,545	\$ 8,590	\$	292	\$	8,298 0.7%
	Taxpayer Safeguards and Audits									
	Collect Sales Taxes (1.5% of Sales Taxes) **Taxes** *	\$	17,241	\$	235,826	\$ 12,317	\$	-	\$	12,317 1.1%
	Oversight and Annual Audits (1% of Revenues) %	\$	11,604	\$	160,273	\$ 15,075	\$	3,471	\$	11,604 1.0%

Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2015

Measure M2 Summary

In November 1990, Orange County voters approved the Revised Traffic Improvement and Growth Management Ordinance, known as Measure M (M1). This implemented a one-half of one percent retail transaction and use tax to fund a specific program of transportation improvements in Orange County. On November 7, 2006 (inception), Orange County voters approved the renewal of Measure M, known as Renewed Measure M (M2) for a period of 30 more years from April 1, 2011 to March 31, 2041. In August 2007, the Orange County Local Transportation Authority Board of Directors approved the M2 Early Action Plan to advance the completion of projects prior to the start of sales tax collection in April 2011. A Plan of Finance was adopted in November 2007 identifying a tax-exempt commercial paper program as the preferred method of funding Early Action Plan projects.

The Orange County Local Transportation Authority (OCLTA) is responsible for administering the proceeds of the M1 sales tax program, which commenced on April 1, 1991 for a period of 20 years, and the M2 sales tax program, which commenced on April 1, 2011 for a period of 30 years. This report includes only the activities of M2 and is not intended to present the activities of M1. Under M2, funds are required to be distributed to freeways, streets and roads projects, transit projects and environmental cleanup.

Demonstrating accountability for the receipt and expenditure of M2 funds is accomplished through the issuance of annual reports on M2 activities. The reports for M2 activities through June 30, 2015 are included as Schedules 1-3. The following is a summary of the purpose, format and content of each schedule. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Schedule 1—Schedule of Revenues, Expenditures and Changes in Fund Balance

This schedule presents a summary of revenues, expenditures and changes in fund balance of the combined M2 special revenue and debt service funds. Such financial information is derived from the trial balance with additional detailed information from the underlying accounting records. The schedule is presented for the latest fiscal year and for the period from inception through the latest fiscal year.

Year to Date June 30, 2015 (Column A)

This column presents the revenues, expenditures, and other financing sources (uses) of the combined M2 special revenue and debt service funds for the fiscal year ended June 30, 2015. Amounts for individual revenue sources, expenditures by major object, and other financing sources (uses) are derived from the trial balance, while detailed amounts for certain revenue sources and expenditures by major object are obtained from the general ledger.

The net change in fund balance of \$124,452 agrees with the combined change in fund balances of \$124,449 in the M2 special revenue fund and \$3 in the M2 debt service fund in the trial balance for the year ended June 30, 2015.

Non-project related revenues, expenditures, and other financing sources (uses) are included in the net revenues and net bond revenues (debt service) calculations in Schedule 2.

Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2015

Period from Inception through June 30, 2015 (Column B)

This column presents the revenues, expenditures, and other financing sources (uses) of the combined M2 special revenue and debt service funds for the period from inception through June 30, 2015. Amounts for individual revenue sources, expenditures by major object, and other financing sources (uses) are summarized from the trial balance, while detailed amounts for certain revenue sources and expenditures by major object are obtained and summarized from the general ledger.

The net fund balance of \$600,057 agrees with the combined ending fund balances of \$588,051 in the M2 special revenue fund and \$12,006 in the M2 debt service fund, as presented in the trial balance for the year ended June 30, 2015.

Non-project related revenues, expenditures, and other financing sources (uses) are included in the net revenues and net bond revenues (debt service) calculations in Schedule 2. Project related revenues and other financing sources are presented as "Reimbursements" (Column K) in Schedule 3. Project related expenditures and other financing uses are included as "Expenditures" (Column J) in Schedule 3.

Schedule 2—Schedule of Calculations of Net Revenues and Net Bond Revenues (Debt Service)

This schedule presents calculations of net revenues and of net bond revenues (debt service), which are allocated in Schedule 3 to transportation projects specified in the Orange County Transportation Investment Plan (Investment Plan). Actual revenues, expenditures, and other financing sources (uses) in this schedule were obtained from non-project related amounts on Schedule 1. Environmental cleanup expenditures were obtained from the project job ledger. Forecast amounts were obtained from the Orange County Transportation Authority Forecast Model. The schedule is presented for the latest fiscal year, for the period from inception through the latest fiscal year, for subsequent years going forward, and for the combined total of actual and forecast amounts for the period from inception going forward.

Calculation of Net Revenues

Year Ended June 30, 2015 (actual) (Column C.1)

This column presents net revenues, consisting of total revenues less total administrative expenditures, capital outlay, and environmental cleanup, for year ended June 30, 2015. Revenues, administrative expenditures, and capital outlay for the year ended June 30, 2015 were obtained from Column A in Schedule 1. Environmental cleanup expenditures were obtained from project amounts accumulated in the project job ledger. Revenues, administrative expenditures, and capital outlay utilized in the calculation of net revenues are non-project and non-financing related. Revenues consist of sales taxes, operating interest, and other agencies' share of M2 costs. Administrative expenditures include State Board of Equalization (SBOE) fees, professional services, administration costs, and other expenditures. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2015

Period from Inception through June 30, 2015 (actual) (Column D.1)

This column presents net revenues, consisting of total cumulative revenues less total cumulative administrative expenditures, capital outlay, and environmental cleanup, for the period from inception through June 30, 2015. Revenues, administrative expenditures, and capital outlay for the period from inception through June 30, 2015 were obtained from Column B in Schedule 1. Environmental cleanup expenditures were obtained from project amounts accumulated in the project job ledger. Total net revenues for the period from inception through June 30, 2015 are presented in Schedule 3 as "Net Revenues through June 30, 2015" (Column H). Revenues, administrative expenditures, and capital outlay utilized in the calculation of net revenues are non-project and non-financing related. Revenues consist of sales taxes, operating interest, other agencies' share of M2 costs, and miscellaneous revenue. Administrative expenditures include SBOE fees, professional services, administration costs, and other expenditures. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Period from July 1, 2015 through March 31, 2041 (forecast) (Column E.1)

This column presents net revenues, consisting of total projected revenues less total projected administrative expenditures and environmental cleanup expenditures, for subsequent years from July 1, 2015 through March 31, 2041. Revenues and administrative expenditures for subsequent years from July 1, 2015 through March 31, 2041 were obtained from the Orange County Transportation Authority Forecast Model, which is updated quarterly. Revenues and administrative expenditures utilized in the calculation of net revenues for subsequent years from July 1, 2015 through March 31, 2041 are non-project and non-financing related. Revenues consist of projected sales taxes and operating interest. Administrative expenditures consist of projected SBOE fees, professional services, administration costs, and other expenditures.

Total (Column F.1)

This column presents total net revenues, calculated as the sum of columns D.1 and E.1. Total net revenues are presented in Schedule 3 as "Total Net Revenues" (Column I).

Calculation of Net Bond Revenues (Debt Service)

Year Ended June 30, 2015 (actual) (Column C.2)

This column presents net bond revenues (debt service), consisting of total bond revenues less total financing expenditures and uses, for year ended June 30, 2015. Bond revenues and financing expenditures and uses for the year ended June 30, 2015 were obtained from Column A in Schedule 1. Bond revenues and financing expenditures and uses utilized in the calculation of net bond revenues (debt service) are non-project and non-operating related. Bond revenues consist of interest revenue from bond proceeds and debt service funds. Financing expenditures and uses consist of professional services and bond debt and other interest expense. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2015

Period from Inception through June 30, 2015 (actual) (Column D.2)

This column presents net bond revenues (debt service), consisting of total cumulative bond revenues less total cumulative financing expenditures and uses, for the period from inception through June 30, 2015. Bond revenues and financing expenditures and uses for the period from inception through June 30, 2015 were obtained from Column B in Schedule 1. Bond revenues and financing expenditures and uses utilized in the calculation of net bond revenues (debt service) are non-project and non-operating related. Bond revenues consist of proceeds from issuance of bonds and interest revenue from bond proceeds, debt service funds, and commercial paper. Financing expenditures and uses consist of professional services and bond debt and other interest expense. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Period from July 1, 2015 through March 31, 2041 (forecast) (Column E.2)

This column presents bond revenues (debt service), consisting of total projected bond revenues less total projected financing expenditures and uses, for subsequent years from July 1, 2015 through March 31, 2041. Bond revenues and financing expenditures and uses for subsequent years from July 1, 2015 through March 31, 2041 were obtained from the Orange County Transportation Authority Forecast Model. Bond revenues and financing expenditures and uses utilized in the calculation of net bond revenues (debt service) are non-project and non-operating related. Bond revenues consist of proceeds from issuance of bonds and interest revenue from bond proceeds and debt service funds. Financing expenditures and uses consist of bond debt principal and bond debt and other interest expense.

Total (Column F.2)

This column presents total net bond revenues (debt service), calculated as the sum of columns D.2 and E.2.

Schedule 3—Schedule of Revenues and Expenditures Summary

This schedule presents a summary of actual and projected revenues and expenditures, by mode and project description, as specified in the Investment Plan. Total M2 program amounts agree with amounts on Schedules 1 and 2. Amounts by mode and project description are based on proportionate calculations or are obtained from other documents.

Project Description (Column G)

This column presents project descriptions by mode in accordance with the Investment Plan.

Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2015

Net Revenues through June 30, 2015 (Column H)

This column presents total M2 program net revenues for the period from inception through June 30, 2015, which agrees with net revenues in Column D.1 in Schedule 2. Such net revenues are allocated to each of the three modes based on the allocation percentages specified in M2. The net revenues for each mode are allocated to each project based on the proportionate share of each project's estimated cost to the total estimated cost per mode as presented in the Investment Plan.

Total Net Revenues (Column I)

This column presents total actual and projected net revenues (total net revenues) during the life of M2, which agree with total net revenues in Column F.1 in Schedule 2. Such total net revenues are allocated to each of the three modes based on the allocations specified in M2. The net revenues for each mode are allocated to each project based on the proportionate share of each project's estimated cost to the total estimated cost per mode as presented in the Investment Plan.

Expenditures through June 30, 2015 (Column J)

This column presents total expenditures plus net (bond revenue)/debt service. Total expenditures, excluding oversight and annual audit expenditures, agree with the sum of project related expenditures, SBOE fees and transfers out from Column B in Schedule 1. Oversight and annual audit expenditures agree with the administrative costs for salaries and benefits derived from the annual cost allocation plan. Total net (bond revenue)/debt service expenditures through June 30, 2015 agrees with the interest revenue, professional services expenditures, bond debt and other interest expense from Column D.2 in Schedule 2. Project related expenditures are comprised of professional services, administration costs, other expenditures, payments to local agencies, capital outlay and transfers out. Such expenditures are distributed to the projects based on project amounts accumulated in the project job ledger.

Reimbursements through June 30, 2015 (Column K)

This column presents total reimbursements for the period from inception through June 30, 2015, which agrees with the sum of project related revenues from Column B in Schedule 1. Project related revenues consist of other agencies' share of Measure M2 costs, right-of-way leases, transfers in and miscellaneous revenue. Such revenues are distributed to the related projects based on project amounts accumulated in the project job ledger. Reimbursements for oversight and annual audits agree with the principal balance of the amount advanced from the Orange County Unified Transportation Trust (OCUTT) to cover administrative costs for salaries and benefits exceeding more than one percent of revenues.

Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2015

Net M2 Cost (Column L)

Net M2 cost is a calculation of Column J minus Column K. For each mode, a percentage is calculated as the net project cost per mode divided by the total M2 Program net project cost. Such percentage can be compared to the required percentage included in M2 as an indication of the progress to date for each mode.

Revenues Through June 30, 2015 (Column H.1)

The total environmental cleanup revenue for the period from inception through June 30, 2015, represents two percent (2%) of revenues (sales taxes and operating interest) in Column D.1 in Schedule 2. The total oversight and annual audits revenues for the period from inception through June 30, 2015, represent one percent (1%) of the revenues (sales taxes and operating interest) in Column D.1 in Schedule 2. The total collect sales taxes revenue for the period from inception through June 30, 2015, represents one and one-half percent (1.5%) of the sales tax revenues in Column D.1 in Schedule 2.

Total Revenues (Column I.1)

The total environmental cleanup actual and projected revenues during the life of M2 represent 2% of revenues (sales taxes and operating interest) found in Column F.1 in Schedule 2. The total collect sales taxes actual and projected revenues during the 30-year life of M2 represent 1.5% of sales tax revenues found in Column F.1 in Schedule 2. The total oversight and annual audits actual and projected revenues during the 30-year life of M2 represent 1% of revenues (sales taxes and operating interest) found in Column F.1 in Schedule 2.