

2024 Annual Comprehensive Financial Report

For fiscal year ended June 30, 2024



Orange County Transportation Authority
Orange County, California



2024 Annual Comprehensive Financial Report

For fiscal year ended June 30, 2024

Submitted by:
Darrell E. Johnson
Chief Executive Officer

Finance and Administration Division
Andrew Oftelie
Chief Financial Officer

Orange County Transportation Authority
Orange County, California

ORANGE COUNTY TRANSPORTATION AUTHORITY
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

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FREEWAYS



Orange County Transportation Authority
Orange County, California

STREETS AND ROADS





*AFFILIATED
AGENCIES*

November 25, 2024

*Orange County
Transit District*

Members of the Board of Directors
Orange County Transportation Authority
550 South Main Street
Orange, CA 92863

*Local
Transportation
Authority*

*Service Authority
for
Freeway
Emergencies*

We are pleased to present the Annual Comprehensive Financial Report of the Orange County Transportation Authority (OCTA) for the fiscal year (FY) ended June 30, 2024. The financial statements are presented in conformity with generally accepted accounting principles and were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

*Consolidated
Transportation
Service Agency*

*Congestion
Management
Agency*

Responsibility for the complete and fair presentation of financial information, including all disclosures, rests with OCTA's management. A comprehensive framework of internal controls has been designed and implemented to ensure that the assets of OCTA are protected from loss, theft, or misuse, and to ensure that financial information is accurate and complete. Because the cost of internal controls should not outweigh the benefits, OCTA's system of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Crowe, LLP has audited OCTA's financial statements and issued an unmodified ("clean") opinion thereon for the FY ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of OCTA was also designed to meet the broader, federally mandated single audit of federal grantee agencies. A separately issued single audit report of OCTA provides the results of compliance with these federal requirements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of OCTA

OCTA was established by state law and began serving the public on June 20, 1991. An 18-member Board of Directors (Board) governs OCTA and consists of five members of the Orange County Board of Supervisors, ten city representatives selected by all of the cities within the County, two public members selected by these 15 Board Members, and a representative appointed by the Governor of California serving in a non-voting capacity. A Chief Executive Officer manages OCTA and acts in accordance with the directions, goals, and policies approved by the Board.

OCTA serves Orange County residents and commuters by providing countywide bus and paratransit service, Southern California Regional Rail Authority (Metrolink) commuter rail service, freeway improvements, streets and roads improvements, Express Lanes, and motorist aid services. In addition, OCTA is the managing agency for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.

Annually, OCTA develops a balanced budget for the upcoming FY. The budget details the expected sources and uses of funds. The Board adopts the budget before the beginning of each FY. On June 24, 2024, the Board approved the FY 2024-25 budget. During the FY, all major budget revisions are presented to the Board for consideration and adoption. On a quarterly basis, financial results are provided to the Board, including all significant variances between actual performance and budget in the areas of revenue, staffing, operating expenditures, and capital expenditures.

Orange County Economy

Unemployment Rates

The unemployment rate in Orange County increased from June 2023 and was less than the statewide rate as of June 2024. The unemployment rate in Orange County was 4 percent in June 2024, compared to 3.6 percent in June 2023. Statewide unemployment was 5.2 percent, and national unemployment was 4.1 percent as of June 2024.

Between June 2023 and June 2024, total nonfarm employment grew by 23,800 jobs, a 1.4 percent increase. The largest growth was seen in private education and health services, which added 14,600 jobs. This increase was mainly due to gains in health care and social assistance, which contributed 12,300 jobs, while private educational services added 2,300 jobs over the year. Five other sectors collectively added 14,500 jobs, accounting for 61 percent of the total annual gain. Notably, the leisure and hospitality sector grew by 5,700 jobs, with 68 percent of that increase coming from arts, entertainment, and recreation, which added 3,900

jobs. On the other hand, four industry sectors (manufacturing, information, financial activities, and professional and business services) experienced a decline, losing a total of 5,300 jobs. The mining and logging sector saw no changes in employment over the year.

Residential Sector

According to the Census Bureau, the number of building permits in Orange County decreased from 6,278 units in FY 2022-23 to 5,936 in FY 2023-24, a decrease of -5.4 percent. Permits for multi-family units decreased from 59 percent of total permits to 53 percent of the total. The median single family home price increased by 12.6 percent in FY 2023-24 compared to FY 2022-23. The median price reached a new high of \$1,450,000 in June 2024. Listings of homes for sales tracked higher in the last three months of FY 2023-24, but continue to be much lower than the three-year average due to high mortgage rates which hovered around seven percent. Sales of existing homes increased by seven percent in FY 2023-24 compared to the previous year but continue to be low due to higher prices and high mortgage rates. Listings and sales are expected to be higher in the FY 2024-25 due to expected decreases in mortgage rates.

Sales Tax

Based on the forecast provided by MuniServices, LLC., sales tax revenue is estimated to increase by 3.3 percent for M2 and 3.1 percent for Local Transportation Fund in FY 2024-25. Other major revenue sources are expected to increase as well, such as farebox, State Transit Assistance Funds (STAF), and Express Lanes revenues.

Long-Term Financial Planning

In an effort to ensure long-term sustainability of transportation programs and services, OCTA updates the Comprehensive Business Plan (CBP) annually and seeks Board approval every two years. The FY 2022-23 CBP was approved by the Board at the February 27, 2023, meeting. The CBP is a financially constrained business planning tool providing a 20-year cash flow for each of OCTA's transportation programs and serves as the baseline for developing the annual budget. The CBP details a comprehensive, multimodal approach ensuring the financial viability of each of OCTA's major programs and is developed consistent with the goals of OCTA's Strategic Plan, Long-Range Transportation Plan, and Next 10 Delivery Plan (Next 10 Plan).

Relevant Financial Policies

OCTA utilizes several financial policies in guiding day-to-day operations and ensuring long-term financial sustainability. While there are overriding agency-wide financial policies, some financial policies are program-specific.

A brief description of the major financial policies follows below:

Budget Policy

OCTA's Budget Policy articulates that an annual budget will be prepared in accordance with the CBP, will be subject to a public hearing, and expenses will be controlled at the "Major Object" level. The three Major Objects for expenses at OCTA are: 1) salaries and benefits; 2) services and supplies; and 3) capital expenditures.

Position Control Policy

OCTA's Position Control Policy includes the control, maintenance, and reporting of OCTA's annual allocation of full-time equivalent (FTE) positions as approved by the Board. The Position Control Policy ensures that OCTA does not actively employ more FTEs than approved by the Board.

Reserve Policy

OCTA has a Board-adopted Reserve Policy that formalizes OCTA's reserve policies and practices with the goal of keeping programs and projects funded in times of economic uncertainty. This policy was updated in March 2022 to add a long-term operating reserve for the bus program.

Bus Program

Short-Term Operating Reserve (STOR) Policy

OCTA maintains a 60-day STOR for bus operations. This reserve is in place to accommodate normal fluctuations in revenues and expenditures, and protects against significant changes in funding or major expense items.

Long-Term Operating Reserve (LTOR) Policy

The LTOR is to be funded after both the short-term operating reserve and Capital Replacement Fund are fully funded. There is no target for the LTOR, and the funds are to be drawn solely to support bus operations unless needed to fully fund the STOR or Capital Replacement Fund (CRF).

CRF Reserve Policy

OCTA also maintains a CRF for the Bus Program, which is used to fund the rehabilitation and replacement of its capital assets without the need for debt financing. The CRF allows OCTA to avoid debt service expenditures and instead maximize the amount of revenue available for service. Funding for the CRF is determined through OCTA's CBP and executed through the annual budget and ensures the Orange County Transit District's future capital expenditures are fully funded.

91 Express Lanes

The 91 EL has five reserve accounts which include two reserve accounts internal to OCTA and three reserve accounts required as part of the 91 EL outstanding debt. The two reserve accounts internal to OCTA include a 91 EL CRF and a 91 EL Excess Revenue Fund (ERF). The 91 EL CRF is fully funded and used to fund the rehabilitation and replacement of the 91 EL capital assets without the need for additional debt financing. Similar to the Bus Program, funding for the 91 EL CRF is determined through OCTA's CBP on an annual basis. The 91 EL ERF is to be used to fund future State Route 91 (SR-91) corridor improvements. The 91 EL excess revenues are to be allocated 80 percent for freeway projects and 20 percent for transit projects.

Three reserve accounts are required as part of the 91 EL outstanding debt to protect bondholders. The three reserve accounts are held in trust for the benefit of the repayment of the bonds and include a debt service reserve fund, an operating reserve, and a capital reserve. Each of the reserve accounts is fully funded and will remain so until the debt is retired.

Major Initiatives

Orange County voters originally endorsed Measure M (M1), a one-half cent sales tax for transportation improvements, in 1990 with a sunset in 2011. On November 7, 2006, by a margin of 69.7 percent, voters approved the renewal of M2. With the approval of M2, local tax dollars will continue to be invested in Orange County's transportation infrastructure for another 30 years until 2041.

The OCTA Board has continued to advance implementation of M2 through the adoption of a series of delivery plans. These delivery plans are designed to ensure the delivery of projects and programs through 2041 as promised to the voters, bring transportation improvements earlier to residents and commuters of Orange County, and, as appropriate, address slower growth in sales tax revenue projections through strategic financing, and by successfully capturing and augmenting the program with external revenues. To date, there have been three delivery plans. The most recent is the Next 10 Plan with the 2023 update covering the timeframe of FY 2022-23 through FY 2031-32.

In FY 2023-24, OCTA continued to move Orange County forward with M2 projects and other notable accomplishments, including:

- In November 2023, the Board approved the 2023 Next 10 Plan, which incorporated the 2023 M2 sales tax revenue forecast of \$14.8 billion, updated programmed external revenues, revised bonding assumptions, and refined project schedules and costs. The 2023 update confirmed that the Next 10 Plan and the overall 30-year M2 Program remains deliverable.

- The Measure M2 Taxpayer Oversight Committee determined that OCTA is delivering Measure M2 projects and programs as promised to Orange County voters for the 33rd consecutive year.
- Completed the construction on the Interstate 405 (I-405) Improvement Project. The project improvements include adding a general-purpose lane in each direction of the I-405 Freeway from Euclid Street to the Interstate 605 (I-605) Interchange with an additional lane in each direction that will combine with the existing high-occupancy vehicle (HOV) lane to provide dual tolled express lanes in both direction on the I-405 from State Route 73 (SR-73) to I-605.
- Design efforts for both segments of the Interstate 5 (I-5) between I-405 and State Route 55 (SR-55) Improvement Project continued and are anticipated to be complete by 2024.
- Construction on all three segments of the I-5 (SR-73 to El Toro Road) South County Improvement Project continued and is anticipated to be complete by early 2025.
- Preparation of the environmental document and project report for the I-5 El Toro Road Interchange Project continued and is anticipated to be completed in 2026.
- Construction on the SR-55 (I-405 to I-5) Improvement Project continued and is anticipated to be complete in 2027.
- Design for SR-55 (I-5 to SR-91) Improvement Project began in August 2022 and is anticipated to be complete in 2025.
- Design for State Route 57 (SR-57) Northbound from Orangewood Avenue to Katella Avenue Improvement Project is underway and is anticipated to be complete in August 2024.
- Design for two of the three segments of the SR-91 (SR-57 to SR-55) Improvement Project continued and is anticipated to be complete by early 2025. The California Transportation Commission approved the allocation of \$42.6 million in Trade Corridor Enhancement Program funds for the construction phase of SR-91, SR-55, and Lakeview Avenue.
- The 2024 Regional Capacity Program approved funding for six projects totaling \$18.72 million via a competitive grant program. Since 2011, OCTA has awarded 186 projects totaling more than \$406 million, including \$24 million in leveraged external funding.

- The 2024 Regional Traffic Signal Synchronization Program approved funding for five projects totaling \$12.9 million. To date, OCTA has funded 137 projects totaling nearly \$185 million.
- Through the Local Fair Share Program, 18 percent of M2 net revenues are allocated by formula to eligible local jurisdictions. Nearly \$76 million was distributed in FY 2023-24 to local jurisdictions to help improve the streets and roads network in addition to local transportation priorities.
- Construction on the San Juan Creek Bridge Replacement Project began in March 2024 to replace a railroad bridge over San Juan Creek. Construction is anticipated to be complete in 2025 and OC Streetcar construction continued in the cities of Garden Grove and Santa Ana. All eight vehicles have been completed and are in storage.
- Allocated approximately \$14.6 million in M2 funds to expand mobility choices for seniors and persons with disabilities under Project U.
- Allocated \$3.3 million through the Environmental Cleanup Program to fund ten projects focused on removing visible pollutants, such as litter and debris, from roads before they reach waterways and the ocean. Since 2011, OCTA has awarded 222 projects totaling more than \$36.5 million.
- Continued evaluation of Battery Electric Bus and Fuel Cell Electric Bus programs.
- Continuing the strong recovery from pandemic ridership levels, OCTA achieved an average weekday boarding amount of more than 110,000 for fixed-route bus ridership.
- Refinanced the 91 Express Lanes bonds to save money and allow for even more efficient investments in transportation improvements. OCTA reduced the principal on the bonds from \$71 million to \$48 million which yielded a net present-value savings of \$5.5 million.
- Completed emergency work along 700 feet of rail line in south San Clemente in August 2023, with hydroseeding of the reformed slope covering the newly built grade-beam wall. OCTA led the emergency work at that location beginning in October 2022, after continued movement in the hillside on the inland side of the track – and erosion of the beach on the coastal side – caused movement of the track of up to 28 inches.

In FY 2023-24, OCTA also successfully inaugurated the 405 Express Lanes on December 1, 2023, representing a pivotal advancement in our ongoing commitment to enhancing regional transportation infrastructure.

Awards and Acknowledgments

For the 14th consecutive year, the National Procurement Institute awarded OCTA the Achievement of Excellence in Procurement® award based on outstanding innovation, professionalism, productivity, e-procurement, and leadership attributes.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to OCTA for its Annual Comprehensive Financial Report for the FY ended June 30, 2023. This was the 41st consecutive year OCTA or its predecessor agency received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe the Annual Comprehensive Financial Report for the FY ended June 30, 2024, continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA, expecting it to be eligible for another certificate.

Respectfully submitted,



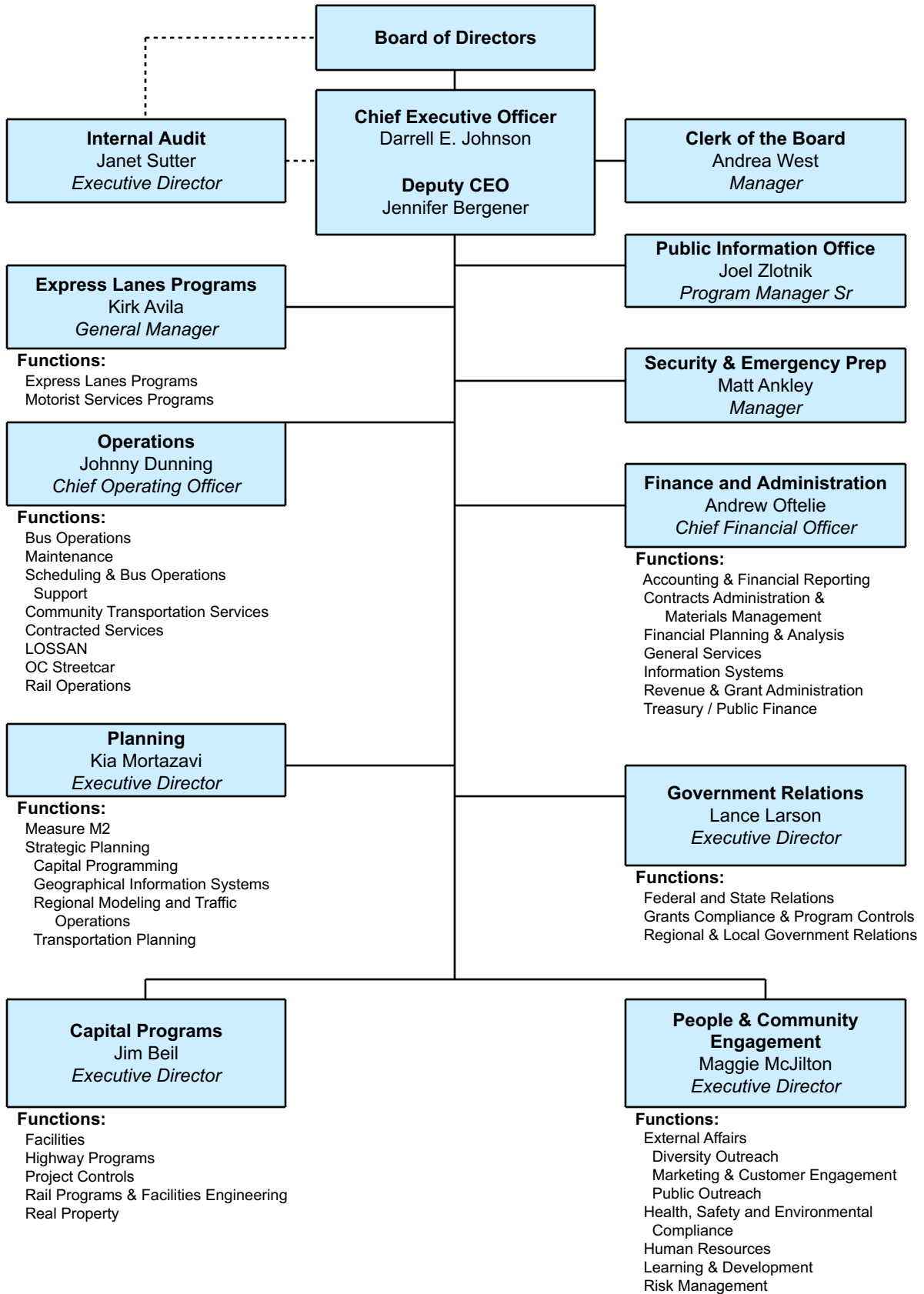
Darrell E. Johnson
Chief Executive Officer



Andrew Oftelie
Chief Financial Officer

ORANGE COUNTY TRANSPORTATION AUTHORITY

ORGANIZATION CHART





2024 BOARD OF DIRECTORS

Tam T. Nguyen
Chair
Public Member



Doug Chaffee
Vice Chair
Supervisor, 4th District



Valerie Amezcua
Director
City Member, 2nd District



Jon Dumitru
Director
City Member, 2nd District



Jamey Federico
Director
City Member, 5th District



Katrina Foley
Director
Supervisor, 5th District



Patrick Harper
Director
City Member, 1st District



Michael Hennessey
Director
Public Member



Stephanie Klopfenstein
Director
City Member, 1st District



Fred Jung
Director
City Member, 4th District



Farrah N. Khan
Director
City Member, 3rd District



Vicente Sarmiento
Director
Supervisor, 2nd District



John Stephens
Director
City Member, 5th District



Mark Tetterer
Director
City Member, 3rd District



Donald P. Wagner
Director
Supervisor, 3rd District



Vacant
Supervisor, 1st District



Vacant
City Member, 4th District



Lan Zhou
Governor's Ex-Officio Member
Caltrans District 12
District Director

ORANGE COUNTY TRANSPORTATION AUTHORITY

MANAGEMENT STAFF

Darrell E. Johnson	Chief Executive Officer
Jennifer Bergener	Deputy Chief Executive Officer
Andrea West	Clerk of the Board
Janet Sutter	Executive Director, Internal Audit
James Donich	General Counsel

Matt Ankley	Manager Security & Emergency Preparedness
Kirk Avila	General Manager Express Lanes Programs
Jim Beil	Executive Director Capital Programs
Johnny Dunning	Chief Operating Officer Operations
Lance Larson	Executive Director Government Relations
Maggie McJilton	Executive Director People & Community Engagement
Kia Mortazavi	Executive Director Planning
Andrew Oftelie	Chief Financial Officer Finance and Administration
Joel Zlotnik	Program Manager Sr Public Information Office

Sara Belovsky	Section Manager General Services
Lydia Bilynsky	Manager Contracts Administration and Material Management
Robert Davis	Manager Treasury and Public Finance
Josh Duke	Manager Information Systems Technical Services
Sam Kaur	Manager Revenue Administration
Georgia Martinez	Manager Contracts Administration and Material Management
Sean Murdock	Director Finance and Administration
Barry Reynolds	Manager Cyber Security
Lloyd Sullivan	Director Information Systems Administration
Rima Tan	Manager Accounting and Financial Reporting
Pia Veesapen	Director Contracts Administration and Materials Management
Victor Velasquez	Manager Financial Planning and Analysis
Eden Wang	Manager, Enterprise Business Solutions



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Orange County Transportation Authority
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

BUS



FINANCIAL SECTION



Orange County Transportation Authority
Orange County, California

RAIL



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Orange County Transportation Authority
Orange, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Transportation Authority (OCTA), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise OCTA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of OCTA, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OCTA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 OCTA'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 OCTA'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, budgetary comparison information for the General Fund, Local Transportation Authority Special Revenue Fund, and Local Transportation Special Revenue Fund, and supplemental pension plan trend data and other postemployment benefit data, as listed in the table of contents 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 OCTA's basic financial statements. The combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules 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 section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of OCTA'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 OCTA'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 OCTA's internal control over financial reporting and compliance.



Crowe LLP

Costa Mesa, California
October 31, 2024

**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)
For the Fiscal Year Ended June 30, 2024**

As management of the Orange County Transportation Authority (OCTA), we offer readers of OCTA's financial statements this narrative overview and analysis of OCTA's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information on financial performance presented here in conjunction with the transmittal letter on pages iii-x and OCTA's financial statements that begin on page 16. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- As of June 30, 2024, OCTA's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2,714,153 (net position). Of this amount, \$1,051,734 or 39% represents net investment in capital assets; \$787,232 or 29% is restricted for specific purposes; and the remaining portion represents unrestricted net position of \$875,187 or 32%.
- OCTA's total net position increased \$379,858 during fiscal year 2023-24. The increase in net position from governmental activities of \$91,404 was primarily due to increased investment earnings resulting from favorable investment performance and decrease in Measure M program expenses related to I-405 Improvement Project. The net position from business-type activities increased by \$288,454 primarily due to increased charges for services from 405 Express Lanes, investment earnings, and interfund transfer from the Local Transportation Authority (LTA) fund to 405 Express Lanes fund for TIFIA loan allocation between general purpose lanes and express lanes related construction expenses.
- OCTA's governmental funds reported combined ending fund balances of \$1,377,079, decrease of \$65,453 or 5% compared to fiscal year 2022-23. Approximately 61% of the governmental fund balances represent Local Transportation Authority (LTA) amounts available for the Measure M program, including debt service. The decrease of governmental fund balances was primarily attributable to the interfund transfer from the LTA fund to 405 Express Lanes fund, offset by increased investment earnings and decrease in Measure M program expenses related to I-405 Improvement Project.
- Long-term debt decreased by \$32,629, compared to the prior fiscal year. The decrease is primarily attributable to refinancing of 2013 Toll Road Revenue Bonds for 91 Express Lanes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to OCTA's basic financial statements. The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains required supplementary information and other supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of OCTA's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of OCTA's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether OCTA's financial position is improving or deteriorating.

ORANGE COUNTY TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of activities presents information showing how OCTA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements distinguish functions of OCTA that are principally supported by taxes and intergovernmental revenues, or governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, or business-type activities. The governmental activities of OCTA include general government, the Measure M program, motorist services and commuter rail. The business-type activities of OCTA include fixed route transit services, paratransit services, toll road operations and the fixed guideway.

The government-wide financial statements include only OCTA and its blended component units and can be found on pages 16-17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of OCTA's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. As a result, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and related statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

OCTA maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the related statement of revenues, expenditures and changes in fund balances for OCTA's major governmental funds comprised of the General fund; LTA and LTF, which are special revenue funds; LTA Debt Service fund; and General Capital Project fund. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the other supplementary information section of this report.

OCTA adopts an annual budget for all funds. Budgetary comparison schedules have been provided for the General fund and the LTA and LTF special revenue funds as required supplementary information to demonstrate compliance with the annual appropriated budgets. The governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds consist of enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. OCTA uses enterprise funds to account for its transit, toll road, and streetcar operations. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally to the departments benefiting from OCTA's risk management activities, which include general liability and workers' compensation. Since these risk management activities predominantly benefit business-type

ORANGE COUNTY TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

rather than governmental functions, they have been included within business-type activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Orange County Transit District (OCTD), the 91 Express Lanes, and the 405 Express Lanes which are considered as major enterprise funds of OCTA. Data from the other nonmajor enterprise funds such as OC Streetcar are presented separate. Additionally, data from the General Liability and Workers' Compensation internal service funds are combined into a single, aggregated presentation.

The proprietary fund financial statements can be found on pages 22-28 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-70 of this report.

Other information is in addition to the basic financial statements and accompanying notes. This report also presents certain required supplementary information concerning OCTA's budgetary results for the General fund and major special revenue funds with appropriated budgets. Additionally, trend data for OCTA's pension plans and other postemployment benefits are included. Required supplementary information can be found on pages 71-76 of this report.

The combining statements of nonmajor governmental funds, nonmajor enterprise fund and internal service funds are presented immediately following the required supplementary information. In addition, budgetary results for the LTA Debt Service Fund and nonmajor governmental funds are located in this section. This other supplementary information can be found on pages 77-92 of this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2024, OCTA's assets and deferred outflows exceeded liabilities and deferred inflows by \$2,714,153.

Our analysis on the following pages focuses on net position (Table 1) and changes in net position (Table 2) of OCTA's governmental and business-type activities.

OCTA's net investment in capital assets was \$1,051,734, compared to \$884,584 in fiscal year 2022-23. OCTA's net position reflects its investment in capital assets (i.e., construction in progress; land; buildings and improvements; infrastructure, machinery, equipment and furniture; transit vehicles; intangible assets; and transponders), less any outstanding debt used to acquire these assets. OCTA uses these capital assets to provide transit services to the residents and business community of Orange County. The increase of \$167,150 was primarily due to completion of I-405 Express Lanes construction project.

Restricted net position, representing resources subjected to external restrictions on how they may be used, were 29% and 34% of the total net position at June 30, 2024 and 2023, respectively. In fiscal year 2023-24, the restricted net position decreased by \$15,109 primarily due to the combination of the decrease in the restricted net position from governmental activities of \$18,359 and the increase of \$3,250 for business-type activities. The decrease for governmental activities was contributed by the increased in funds restricted to Transportation program. The increase for business-type activities was primarily related to the funds restricted for the State of Good Repair program.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Unrestricted net position represents the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. At the end of fiscal year 2023-24, OCTA's unrestricted net position was \$875,187, a increase of \$227,817 from the prior fiscal year. This increase was mainly due to business-type activities related to interfund transfer from the LTA fund to 405 EL fund, increase in charges for services resulting from toll road revenues, and increase in investment earnings.

**Table 1
Orange County Transportation Authority
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 1,026,450	\$ 1,069,453	\$ 1,268,769	\$ 1,071,954	\$ 2,295,219	\$ 2,141,407
Restricted assets	549,037	542,357	37,135	39,230	586,172	581,587
Prepaid retirement	14,145	12,097	24,589	21,449	38,734	33,546
Assets held for resale	20,615	15,965	—	—	20,615	15,965
Capital assets, net	702,868	607,668	894,267	863,279	1,597,135	1,470,947
Total assets	2,313,115	2,247,540	2,224,760	1,995,912	4,537,875	4,243,452
Deferred outflows of resources	29,372	27,115	153,951	49,214	183,323	76,329
Current liabilities	162,682	157,431	111,905	132,352	274,587	289,783
Long-term liabilities	714,322	742,599	983,877	886,928	1,698,199	1,629,527
Total liabilities	877,004	900,030	1,095,782	1,019,280	1,972,786	1,919,310
Deferred inflows of resources	12,160	12,706	22,099	53,470	34,259	66,176
Net position:						
Net investment in capital assets	681,639	582,156	370,095	302,428	1,051,734	884,584
Restricted	755,550	773,909	31,682	28,432	787,232	802,341
Unrestricted	16,134	5,854	859,053	641,516	875,187	647,370
Total net position	\$ 1,453,323	\$ 1,361,919	\$ 1,260,830	\$ 972,376	\$ 2,714,153	\$ 2,334,295

OCTA's total revenues increased by 4%, while the total costs of all programs decreased by 8%. Major contributing factors for the increase of \$45,999 in total revenues are increase of \$82,220 in unrestricted investment income resulting from favorable investment performance, increase of \$34,209 in charges for services resulting from toll road revenues, and offset by decrease of \$55,704 in grants and contributions, and decrease of \$16,462 in sales tax revenue.

During fiscal year 2023-24, OCTA's total expenses decreased \$73,526, which resulted mainly from costs related to freeway projects including the I-405 Express Lanes Improvement project under Measure M program, and offset by increase of paratransit and toll road expenses. Approximately 42% of the costs of OCTA's programs were paid by those who directly benefited from the programs or by other governments that subsidized certain programs with grants and contributions. Sales tax and investment earnings financed a significant portion of the programs' net costs. The analysis in Table 2 separately considers the operations of governmental and business-type activities.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

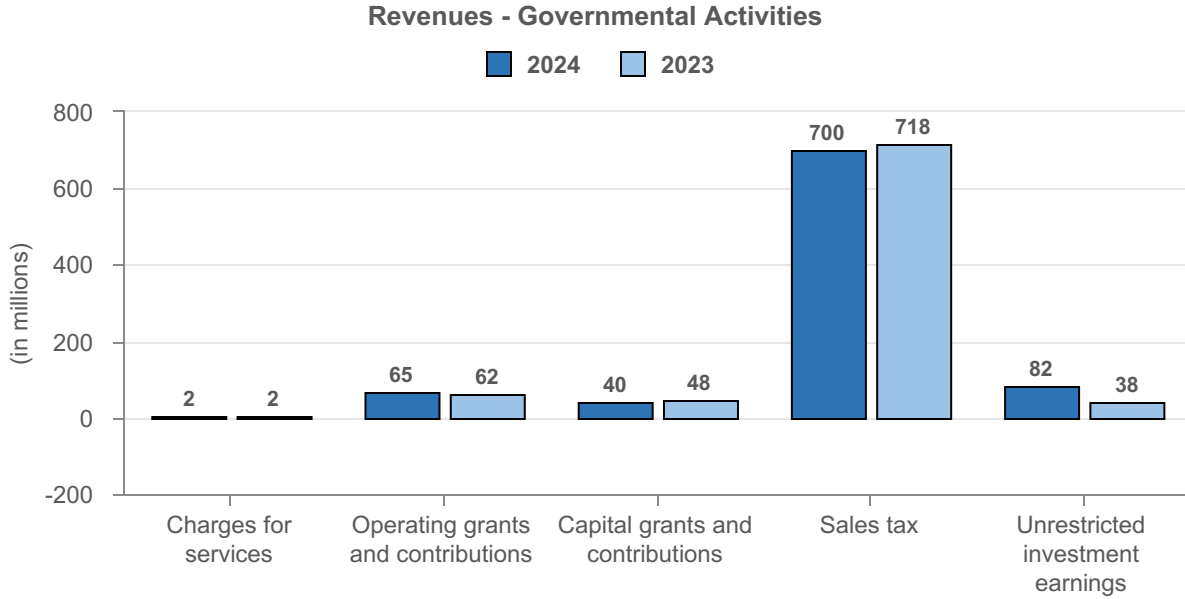
**Table 2
Orange County Transportation Authority
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,740	\$ 2,193	\$ 140,801	\$ 106,139	\$ 142,541	\$ 108,332
Operating grants and contributions	65,287	61,774	62,937	77,750	128,224	139,524
Capital grants and contributions	40,085	47,923	48,357	84,923	88,442	132,846
General revenues:						
Sales tax	700,434	718,022	22,281	21,155	722,715	739,177
Unrestricted investment earnings	81,699	38,383	53,490	14,586	135,189	52,969
Other miscellaneous revenue	1,064	826	9,790	8,292	10,854	9,118
Total revenues	890,309	869,121	337,656	312,845	1,227,965	1,181,966
Expenses:						
General government	111,528	104,701	—	—	111,528	104,701
Measure M program	371,900	482,865	—	—	371,900	482,865
Motorist services	9,772	8,206	—	—	9,772	8,206
Commuter rail	—	15	—	—	—	15
Fixed route	—	—	209,916	210,789	209,916	210,789
Paratransit	—	—	115,153	99,541	115,153	99,541
Toll road	—	—	29,764	15,409	29,764	15,409
Fixed guideway	—	—	74	107	74	107
Total expenses	493,200	595,787	354,907	325,846	848,107	921,633
Indirect expense allocation	(61,325)	(55,455)	61,325	55,455	—	—
Increase (decrease) in net position before transfers	458,434	328,789	(78,576)	(68,456)	379,858	260,333
Transfers	(367,030)	(221,821)	367,030	221,821	—	—
Change in net position	91,404	106,968	288,454	153,365	379,858	260,333
Net position—beginning of year	1,361,919	1,254,951	972,376	819,011	2,334,295	2,073,962
Net position—end of year	\$ 1,453,323	\$ 1,361,919	\$ 1,260,830	\$ 972,376	\$ 2,714,153	\$ 2,334,295

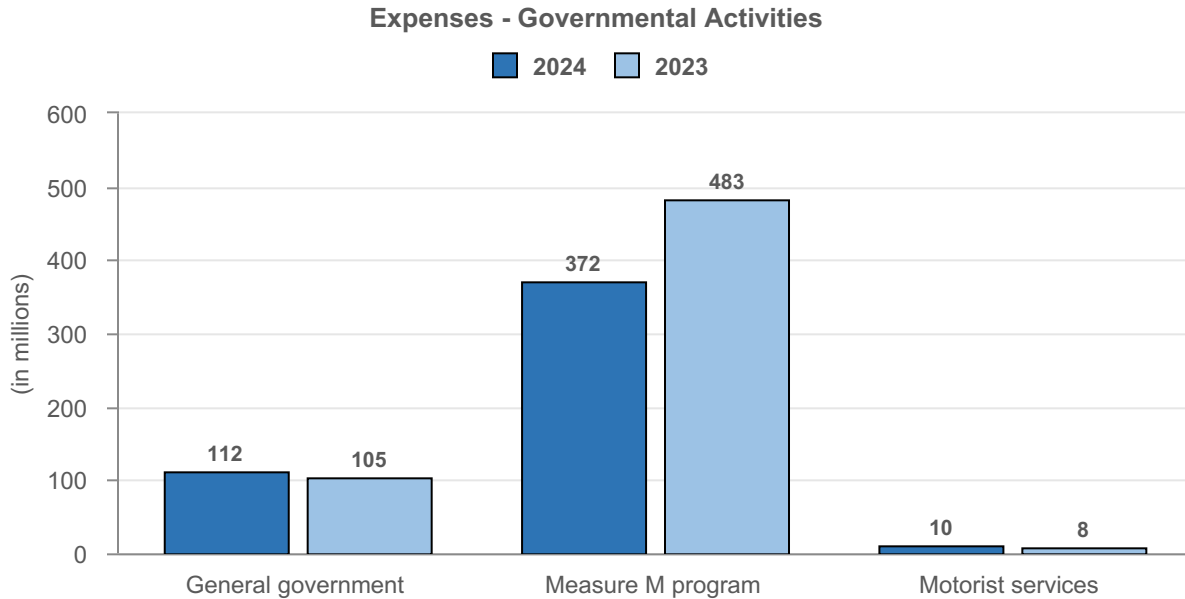
**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Activities

Total revenues for OCTA's governmental activities increased \$21,188 primarily due to an increase of \$43,316 in unrestricted investment earnings due to favorable investment performance and offset by a decrease in sales tax revenue of \$17,588 resulting from the slowdown in economic recovery since COVID-19 pandemic.



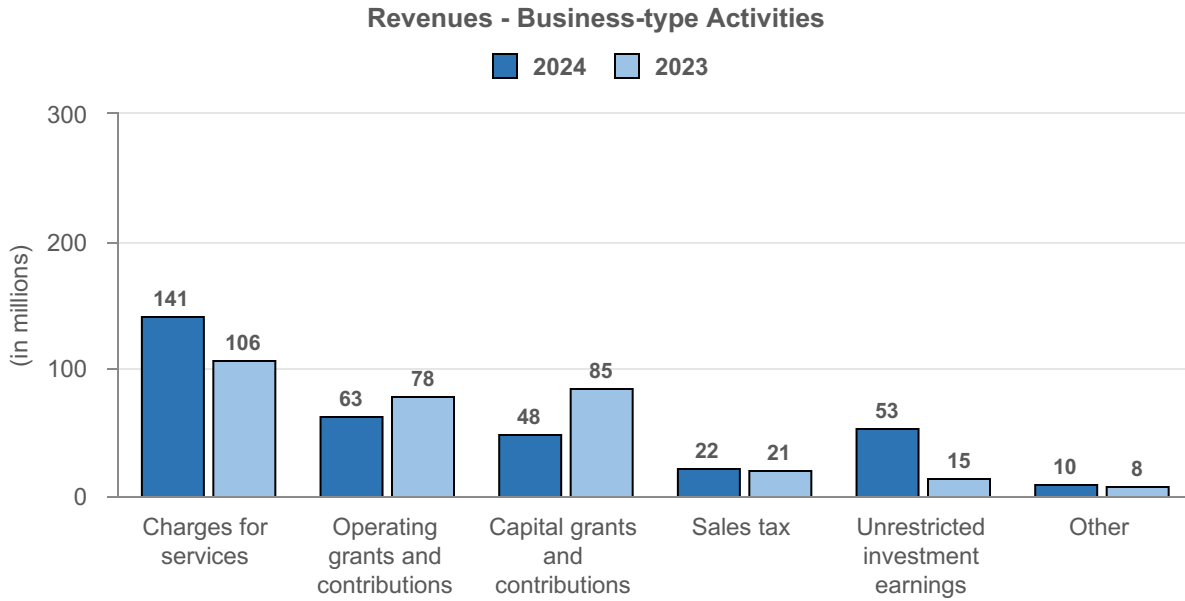
Total expenses for OCTA's governmental activities decreased \$102,587 primarily due to a decrease of \$110,965 in Measure M program costs related to freeway projects including the I-405 Express Lanes Improvement project.



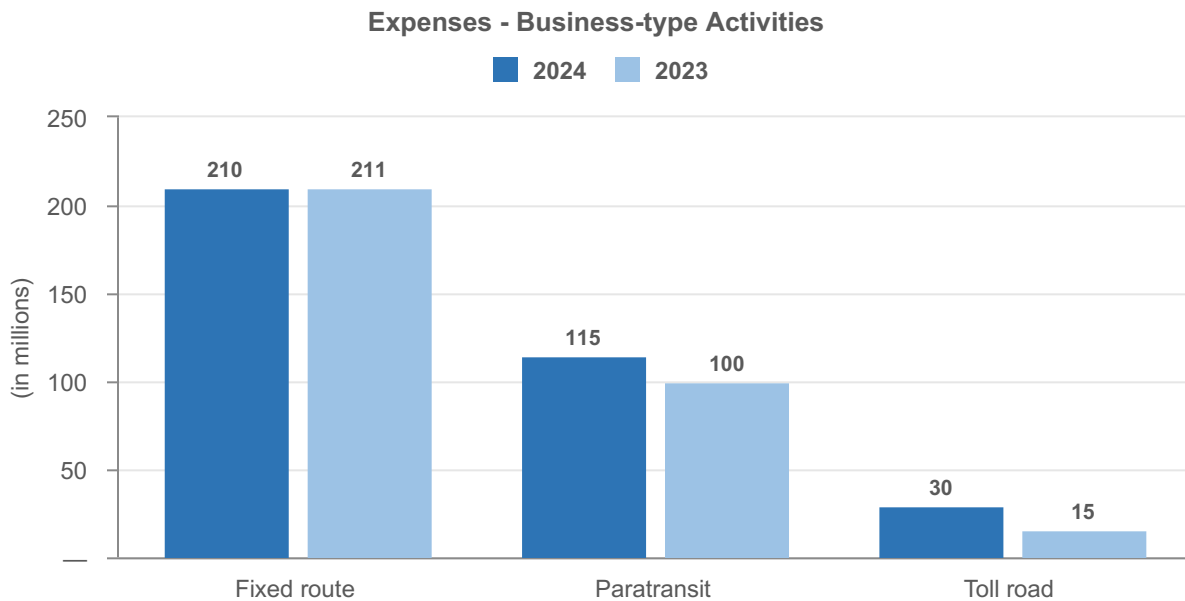
**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Business-type Activities

Revenues of OCTA's business-type activities increased \$24,811 primarily due to increase of \$38,904 in investment earnings due to the favorable investment performance, increase of \$34,662 in charges for services (toll road), and offset by a decrease of \$14,813 in operating grants and contributions relating to transit operations, and a decrease of \$36,566 in capital grants and contributions.



Total expenses related to business-type activities increased \$29,061 or 9%, which resulted from an increase in operating expenses related to toll road and bus programs including paratransit services.



ORANGE COUNTY TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of OCTA's Funds

As noted earlier, OCTA uses fund accounting to ensure and demonstrate compliance with financial and legal requirements.

Governmental funds

The focus of OCTA's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing OCTA's financing requirements.

As of June 30, 2024, OCTA's governmental funds reported combined ending fund balances of \$1,377,079, a decrease of \$65,453 compared to the prior fiscal year. Approximately 98% or \$1,344,285 of this amount is restricted, the majority of which relates to the Measure M program. \$36,177 represents the portion of fund balance that is not in a spendable form, such as note receivable, prepaid retirement and advances for projects. The remainder of fund balance of \$(3,383) is unassigned.

Significant changes in the fund balances of OCTA's major governmental funds are as follows:

- The General fund decreased by \$17,451, primarily due to transfer of assets after the closure of the Common Urban Rail Endowment (CURE) fund previously reported under the General fund to LTA fund.
- The LTA fund decreased by \$83,319. The decrease is a result of interfund transfer from LTA Fund to 405 EL Fund for TIFIA loan allocation, offset by transfer of assets of the CURE fund to LTA fund.
- The LTF fund increased by \$37,785, primarily resulting from increase in investment earnings due to favorable investment performance.
- The LTA Debt Service fund decreased by \$7,803, which is mainly due to the transfer out of excess fund from LTA Debt Service fund to LTA fund.

Proprietary funds

OCTA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the enterprise funds totaled \$1,224,069 at June 30, 2024 compared to \$938,944 at June 30, 2023. Following are the significant changes in net position of OCTA's major proprietary funds:

- The OCTD fund net position at June 30, 2024 was \$950,507. During fiscal year 2023-24, the total net position increased by \$98,514 or 12%, primarily resulting from an increase in Transportation Development Act (TDA) transfers to be used in operating or capital activities related to transit operations, along with an increase in user fees and charge for services resulting from economic recovery, and favorable investment earnings.
- The 91 Express Lanes fund net position for fiscal year 2023-24 increased \$51,782 or 16%. The increase is primarily due to operating revenues in excess of operating expenses and favorable investment earnings.
- The 405 Express Lanes fund net position for fiscal year 2023-24 increased \$134,829. The increase is primarily due to interfund transfer from the LTA fund for TIFIA loan allocation.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

Revenues

The primary sources of revenues for the general fund are from federal, state, and local sources. Actual revenues were \$381 less than the final budget of \$18,704. This is primarily due to \$3,818 higher than the final budget in allocated interest and investment earnings, and offset by \$2,049 less in contributions from other agencies resulting from lower than anticipated State operating assistance. In addition, capital assistance grants were \$3,016 less than the final budget. Most of the grant revenues are associated with active transportation projects such as bikeway and pedestrian facilities projects.

Expenditures

Actual expenditures were \$1,021 less than the final budget of \$37,326. This is primarily due to a lower than anticipated salaries and benefits, capital outlay, and offset by lower than anticipated general fund cost allocation. Salaries and benefits expenses were \$7,361 less than the final budget, primarily due to vacancies. Capital outlays were less by \$2,704, which resulted mainly from capital project costs related to Enterprise Asset Management System Replacement project. Primarily due to timing, the majority of this budget has been carried over in fiscal year 2024-25.

Capital Assets

As of June 30, 2024, OCTA had \$1,597,135, net of accumulated depreciation, invested in a broad range of capital assets including: land, infrastructure, buildings, transit vehicles, toll facility franchise, construction in progress, and machinery, equipment and furniture (Table 3). During fiscal year 2023-24, OCTA's capital assets increased by \$126,188. Capital assets related to governmental activities increased by \$95,200. This increase is due primarily to the on-going construction activities on the OC Streetcar project. Capital assets related to business-type activities increased by \$30,988, which resulted mainly from the I-405 Express Lanes Improvement project.

**Table 3
Orange County Transportation Authority
Capital Assets, net of depreciation**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 172,236	\$ 172,236	\$ 84,544	\$ 57,106	\$ 256,780	\$ 229,342
Right-of-way improvements	7,300	7,300	—	—	7,300	7,300
Buildings and improvements	538	616	52,782	55,777	53,320	56,393
Infrastructure	—	—	401,682	—	401,682	—
Transit vehicles	—	—	182,117	130,273	182,117	130,273
Machinery, equipment and furniture	2,321	2,647	40,975	20,406	43,296	23,053
Intangible right-to-use (building)	19,343	23,564	7,989	8,742	27,332	32,306
Intangible right-to-use (equipment)	209	20	—	—	209	20
Intangible right-to-use (Subscription Based IT Arrangements - SBITA)	954	1,347	341	568	1,295	1,915
Toll Facility Franchise	—	—	107,348	109,934	107,348	109,934
Construction in progress	499,967	399,938	16,489	480,473	516,456	880,411
Total	\$ 702,868	\$ 607,668	\$ 894,267	\$ 863,279	\$ 1,597,135	\$ 1,470,947

**ORANGE COUNTY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Major capital asset additions during the fiscal year included:

- \$42,379 for the fixed route revenue vehicles
- \$99,193 for the OC Streetcar Project

Major capital asset deletions during the fiscal year included:

- \$26,854 for revenue vehicles retirement
- \$1,653 for hardware/software and support equipment

OCTA has outstanding capital expenditure commitments, the most significant of which are: \$22,151 for the I-405 Express Lanes Improvement project, \$58,102 for the OC Streetcar project, \$137,596 for the I-5 freeway widening construction project, \$12,364 for SR91 and I-405 express lane toll collection project, \$10,462 for SR-55 Widening project, and \$43,867 for SR-91 Improvement between SR-55 and Lakeview.

More detailed information about OCTA's capital assets is presented in note 7 to the financial statements.

Long-term Debt Administration

As of June 30, 2024, OCTA had \$1,249,215 in long-term debt outstanding compared to \$1,281,844 on June 30, 2023, as presented in Table 4. The decrease of \$32,629 is primarily attributable to the refinancing of 2013 Toll Road Revenue Refunding Bonds.

**Table 4
Orange County Transportation Authority
Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Sales tax revenue bonds	\$ 569,315	\$ 590,235	\$ —	\$ —	\$ 569,315	\$ 590,235
Toll road revenue refunding bonds	—	—	47,545	71,420	47,545	71,420
TIFIA loan	—	—	632,355	620,189	632,355	620,189
Total	\$ 569,315	\$ 590,235	\$ 679,900	\$ 691,609	\$ 1,249,215	\$ 1,281,844

OCTA's long-term debt is rated by Standard & Poor's, Moody's, and Fitch. As of June 30, 2024, the ratings are as follows:

	Standard & Poor's	Moody's	Fitch
Sales tax revenue bonds	AA+	Aa2	AA+
Toll road revenue refunding bonds	AA-	Aa3	AA-
TIFIA loan	n/a	Baa2	n/a

Additional information on OCTA's long-term debt can be found in note 11 to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic and Other Factors

The Board of Directors (Board) adopted the fiscal year 2024-25 budget on June 10, 2024. The \$1.76 billion budget was developed in accordance with the goals of the Board and the Chief Executive Officer. This balanced budget is a result of OCTA's ongoing effort to furnish innovative, equitable, and sustainable transportation solutions for the residents and visitors of Orange County.

For the FY 2024-25 budget, despite recent declines, an increase is projected in both local and state sales taxes. Looking specifically at our Measure M2 (M2) Program half-cent Local Transportation Authority (LTA) sales tax revenue, the FY 2024-25 projections are cautiously optimistic. The growth rate for the M2 half-cent LTA sales tax revenue is forecasted to be 3.3 percent over FY 2023-24 estimates. Similarly, the growth rate for the quarter-cent Local Transportation Fund sales tax revenue, primarily supporting the bus program, is anticipated to be 3.1 percent over FY 2023-24 estimates.

The M2 Program delineates a clear roadmap for the enhancement of transportation infrastructure across our cities and County. The M2 Program will persist in advancing enhancements across freeways, transit, streets, roads, and environmental initiatives. The FY 2024-25 budget for the M2 Program includes \$405 million for freeway improvement projects and \$158 million for the enhancement of streets and roads. Moreover, the budget earmarks \$146 million for M2 Transit Programs, which comprises \$64 million for the construction of the OC Streetcar Project and \$46 million to bolster regional rail services.

In fiscal year 2024-25 budget outlines an ambitious plan for transit services, with a clear focus on enhancements, sustainability, and resilient operations. For the OC Bus Program, the budget allocates \$657 million to the Bus Program, supporting up to 1.52 million service hours. Sustainability and resiliency focus is also a cornerstone of the proposed budget, with ongoing investments in zero-emission buses and related infrastructure. A capital budget of \$209 million is included in the Bus Program. This capital expenditure includes the procurement of 66 zero-emission vehicles, underscoring OCTA's commitment to exploring zero-emission technologies.

Additionally, the budget ensures continued support for the Metrolink rail service. The express lanes demonstrate solid performance with the 91 Express Lanes continuously meeting commitments, reflecting the effectiveness of existing traffic management strategies. The proposed budget expects a 0.6 million trip increase in traffic volumes, reaching 20.1 million trips as a result of stabilized traffic patterns and inflation. The 405 Express Lanes, having opened in December 2023, are forecasted to see 109 million trips in their first full FY, aligning closely with projections.

The FY 2024-25 budget is a testament to the Board's Strategic Initiatives and OCTA's dedication to delivering a balanced and sustainable multimodal transportation network, ensuring the safe and efficient movement of Orange County's populace.

Contacting OCTA's Management

This financial report is designed to provide a general overview of OCTA's finances for all those with an interest in the government's finances and to demonstrate OCTA's accountability for the money it receives. Questions related to any of the information provided in this report or requests for additional information should be addressed to the Finance and Administration Division at the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
June 30, 2024

<i>(amounts expressed in thousands)</i>	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 793,668	\$ 1,203,105	\$ 1,996,773
Receivables:			
Interest	10,309	10,883	21,192
Operating grants	28,178	7,171	35,349
Capital grants	6,382	2,838	9,220
Other	2,154	27,434	29,588
Internal balances	(4,479)	4,479	—
Due from other governments	157,970	5,893	163,863
Condemnation deposits	8,619	203	8,822
Lease receivables	3,354	13	3,367
Note receivables	3,848	—	3,848
Inventory	—	5,642	5,642
Restricted cash and investments	549,037	37,135	586,172
Prepaid retirement	14,145	24,589	38,734
Other assets	16,447	1,108	17,555
Assets held for resale	20,615	—	20,615
Capital assets, net:			
Nondepreciable	679,503	101,033	780,536
Depreciable and amortizable	23,365	793,234	816,599
Total assets	2,313,115	2,224,760	4,537,875
Deferred Outflows of Resources			
Deferred charge on refunding	1,153	165	1,318
Deferred outflows - pensions	28,040	46,976	75,016
Deferred outflows - OPEB	179	—	179
Deferred outflows - PPP	—	106,810	106,810
Total deferred outflows of resources	29,372	153,951	183,323
Liabilities			
Accounts payable	110,355	67,663	178,018
Accrued payroll and related items	2,924	7,856	10,780
Accrued interest payable	12,304	928	13,232
Due to other governments	36,085	4,102	40,187
Unearned revenue	894	31,215	32,109
Other liabilities	120	141	261
Noncurrent liabilities:			
Due within one year	26,515	35,419	61,934
Due in more than one year	629,278	796,371	1,425,649
Total OPEB liability	887	1,904	2,791
Net pension liability	57,642	150,183	207,825
Total liabilities	877,004	1,095,782	1,972,786
Deferred Inflows of Resources			
Deferred inflows on refunding	—	7,110	7,110
Deferred inflows - pensions	8,845	14,858	23,703
Deferred inflows - OPEB	39	120	159
Deferred inflows - leases	3,276	11	3,287
Total deferred inflows of resources	12,160	22,099	34,259
Net Position			
Net investment in capital assets	681,639	370,095	1,051,734
Restricted for:			
Measure M program	217,680	—	217,680
Measure M - Environmental Mitigation Program	28,425	—	28,425
Debt service	23,500	—	23,500
Transportation program	465,333	—	465,333
Pension benefits	20,612	—	20,612
Capital	—	5,000	5,000
Operating reserve	—	3,000	3,000
State of Good Repair Program	—	23,682	23,682
Unrestricted	16,134	859,053	875,187
Total net position	\$ 1,453,323	\$ 1,260,830	\$ 2,714,153

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Activities
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Program Revenues					Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs								
Primary government								
Governmental activities:								
General government	\$ 111,528	\$ (92,546)	\$ 694	\$ 8,386	\$ 40,085	\$ 30,183	\$ —	\$ 30,183
Measure M program	371,900	30,096	1,046	50,466	—	(350,484)	—	(350,484)
Motorist services	9,772	1,125	—	6,435	—	(4,462)	—	(4,462)
Total governmental activities	493,200	(61,325)	1,740	65,287	40,085	(324,763)	—	(324,763)
Business-type activities:								
Fixed route	209,916	53,410	39,939	61,097	48,280	—	(114,010)	(114,010)
Paratransit	115,153	—	7,527	—	—	—	(107,626)	(107,626)
Tollroad	29,764	7,039	93,335	1,840	77	—	58,449	58,449
Fixed guideway	74	876	—	—	—	—	(950)	(950)
Total business-type activities	354,907	61,325	140,801	62,937	48,357	—	(164,137)	(164,137)
Total primary government	\$ 848,107	\$ —	\$ 142,541	\$ 128,224	\$ 88,442	\$ (324,763)	\$ (164,137)	\$ (488,900)

	Governmental Activities	Business-type Activities	Total
General Revenues			
Property taxes	\$ —	\$ 22,281	\$ 22,281
Sales taxes	700,434	—	700,434
Unrestricted investment earnings	81,699	53,490	135,189
Other miscellaneous revenues	1,064	9,790	10,854
Transfers	(367,030)	367,030	—
Total general revenues and transfers	416,167	452,591	868,758
Change in net position	91,404	288,454	379,858
Net position - beginning	1,361,919	972,376	2,334,295
Net position - ending	\$ 1,453,323	\$ 1,260,830	\$ 2,714,153

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Balance Sheet - Governmental Funds
June 30, 2024

<i>(amounts expressed in thousands)</i>	General	LTA	Local Transportation	LTA Debt Service	General Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 34,540	\$ 338,797	\$ 336,634	\$ 21,305	\$ 273	\$ 62,119	\$ 793,668
Receivables:							
Interest	(613)	5,230	5,063	69	2	560	10,311
Operating grants	1,985	26,193	—	—	—	—	28,178
Capital grants	125	1,960	—	—	4,297	—	6,382
Other	1,350	716	—	—	83	4	2,153
Due from other funds	374	16,846	—	—	49,933	78	67,231
Due from other governments	4,704	96,620	37,826	2,126	—	16,694	157,970
Condemnation deposits	—	8,619	—	—	—	—	8,619
Lease receivables	—	3,354	—	—	—	—	3,354
Note receivables	—	3,133	—	—	—	715	3,848
Restricted cash and investments:							
Investments	20,612	528,425	—	—	—	—	549,037
Prepaid retirement	14,145	—	—	—	—	—	14,145
Other assets	189	794	—	—	10,552	—	11,535
Total Assets	77,411	1,030,687	379,523	23,500	65,140	80,170	1,656,431
Liabilities and Fund Balances							
Liabilities							
Accounts payable	4,997	48,347	79	—	56,063	883	110,369
Accrued payroll and related items	2,924	—	—	—	—	—	2,924
Compensated absences	34	—	—	—	—	—	34
Due to other funds	—	49,963	374	—	7,665	15,310	73,312
Due to other governments	152	35,456	235	—	195	46	36,084
Unearned revenue - other	620	274	—	—	—	—	894
Other liabilities	48	71	—	—	—	—	119
Total Liabilities	8,775	134,111	688	—	63,923	16,239	223,736
Deferred Inflows of Resources							
Deferred inflows - leases	—	3,276	—	—	—	—	3,276
Unavailable revenue - grants	3,072	43,062	—	—	1,217	—	47,351
Unavailable revenue - others	1	2,852	—	—	—	881	3,734
Unavailable revenue - ARTIC	—	1,255	—	—	—	—	1,255
Total Deferred Inflows of Resources	3,073	50,445	—	—	1,217	881	55,616
Fund Balances							
Nonspendable:							
Note receivable	—	1,878	—	—	—	—	1,878
Prepaid retirement	14,145	—	—	—	—	—	14,145
Other assets - deposits, prepaid	189	9,413	—	—	10,552	—	20,154
Restricted for:							
Transportation programs	23,448	834,840	378,835	—	—	59,677	1,296,800
Motorist services	—	—	—	—	—	3,373	3,373
Debt service	—	—	—	23,500	—	—	23,500
Pension benefits	20,612	—	—	—	—	—	20,612
Unassigned	7,169	—	—	—	(10,552)	—	(3,383)
Total Fund Balances	65,563	846,131	378,835	23,500	—	63,050	1,377,079
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 77,411	\$ 1,030,687	\$ 379,523	\$ 23,500	\$ 65,140	\$ 80,170	\$ 1,656,431

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

(amounts expressed in thousands)

Amounts reported for governmental activities in the Statement of Net Position (page 16) are different because:

Total fund balances (page 18)	\$ 1,377,079
Prepaid SBITA assets are not current financial resources and and, therefore, are not reported in the funds.	4,911
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	681,639
Assets held for resale are not current financial resources and, therefore, are not reported in the funds, unless a sales contract is executed prior to the issuance of the financial statements.	20,615
Revenue that was earned but not collected within the availability period has not been recognized in the governmental funds.	52,340
Deferred outflows of resources related to deferred charge on refunding are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,153
Deferred outflows of resources related to pensions are not available to pay for current period expenditures and, therefore, are not reported in the funds.	28,040
Deferred outflows of resources related to OPEB are not available to pay for current period expenditures and, therefore, are not reported in the funds.	179
The effect of the elimination entries between the Governmental and the Business-type activities and the Governmental activities share of the allocation of the profit and loss of the Workers Compensation Internal Service Fund.	1,615
Interest payable on bonds outstanding is not due and payable in the current period and, therefore, is not reported in the funds.	(12,305)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(887)
Long-term liabilities related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	(57,642)
Deferred inflows of resources related to pensions and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.	(8,884)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(634,530)
Net position of governmental activities (page 16)	\$ 1,453,323

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	General	LTA	Local Transportation	LTA Debt Service	General Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Sales tax revenue	\$ —	\$ 431,412	\$ 219,233	\$ —	\$ —	\$ 49,788	\$ 700,433
Transportation improvement fee	—	—	—	—	—	7,115	7,115
Vehicle registration fees	—	—	—	—	—	3,013	3,013
Fines	145	—	—	—	—	—	145
Contributions from other agencies	7,333	29,100	—	—	—	4,258	40,691
Interest and investment earnings	6,266	44,725	23,075	7,012	—	2,500	83,578
Capital assistance grants	1,273	—	—	—	30,675	—	31,948
Miscellaneous	1,050	1,013	—	—	—	11	2,074
Total revenues	16,067	506,250	242,308	7,012	30,675	66,685	868,997
Expenditures							
Current:							
General government	13,176	114,748	2,134	—	3,894	10,880	144,832
Transportation:							
Contributions to other local agencies	1,164	100,935	3,095	—	195	—	105,389
Capital outlay	2,080	160,479	—	—	99,727	36	262,322
Debt service:							
Principal	—	—	—	20,920	—	—	20,920
Interest	—	4	—	33,952	—	—	33,956
Total expenditures	16,420	376,166	5,229	54,872	103,816	10,916	567,419
Excess (deficiency) of revenues over (under) expenditures	(353)	130,084	237,079	(47,860)	(73,141)	55,769	301,578
Other financing sources (uses)							
Transfers in	5,076	53,160	—	51,397	74,201	5,410	189,244
Transfers out	(22,174)	(266,563)	(199,294)	(11,340)	—	(56,904)	(556,275)
Total other financing sources (uses)	(17,098)	(213,403)	(199,294)	40,057	74,201	(51,494)	(367,031)
Net change in fund balances	(17,451)	(83,319)	37,785	(7,803)	1,060	4,275	(65,453)
Fund balances - beginning	83,014	929,450	341,050	31,303	(1,060)	58,775	1,442,532
Fund balances - ending	\$ 65,563	\$ 846,131	\$ 378,835	\$ 23,500	\$ —	\$ 63,050	\$ 1,377,079

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

(amounts expressed in thousands)

Amounts reported for governmental activities in the Statement of Activities (page 17) are different because:

Net change in fund balances - total governmental funds (page 20)	\$	(65,453)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation in the current period.		95,200
The net effect of various miscellaneous transactions involving capital assets (i.e., sales trade-ins, and donations) is to increase net position.		4,650
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds, but are reported as deferred inflows of resources.		20,728
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has an effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		24,022
The rent holiday related to the administrative headquarters building does not require the use of current financial resources, and therefore, is not reported as an expenditure in governmental funds.		4,783
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		6,808
The effect of the elimination entries between the Governmental and the Business-type activities and the Governmental activities share of the allocation of the profit and loss of the Workers Compensation Internal Service Fund.		666
		666
Change in net position of governmental activities (page 17)	\$	<u>91,404</u>

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Net Position
Proprietary Funds
June 30, 2024

<i>(amounts expressed in thousands)</i>	OCTD	91 Express Lanes	405 Express Lanes	Nonmajor- OC Streetcar	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 750,493	\$ 303,865	\$ 89,707	\$ —	\$ 1,144,065	\$ 59,040
Receivables:						
Interest	6,536	2,841	849	—	10,226	657
Operating grants	7,171	—	—	—	7,171	—
Capital grants	2,838	—	—	—	2,838	—
Violations, net	—	6,021	552	—	6,573	—
Farebox	215	—	—	—	215	—
Other	2,451	1,737	11,210	—	15,398	465
Due from other funds	15,310	—	—	10	15,320	—
Due from other governments	5,809	83	—	—	5,892	—
Condemnation deposits	—	—	203	—	203	—
Lease receivables	13	—	—	—	13	—
Inventory	5,642	—	—	—	5,642	—
Prepaid retirement	24,589	—	—	—	24,589	—
Other assets	226	11	33	—	270	838
Total current assets	821,293	314,558	102,554	10	1,238,415	61,000
Noncurrent assets:						
Restricted cash and investments:						
Cash equivalents	23,682	13,453	—	—	37,135	—
Long-term violation receivables, net	—	4,738	45	—	4,783	—
Capital assets, net:						
Nondepreciable	69,108	4,327	27,598	—	101,033	—
Depreciable and amortizable	243,121	115,225	434,888	—	793,234	—
Total noncurrent assets	335,911	137,743	462,531	—	936,185	—
Total assets	1,157,204	452,301	565,085	10	2,174,600	61,000
Deferred outflows of resources						
Deferred charge on refunding	—	165	—	—	165	—
Deferred outflows - pensions	46,976	—	—	—	46,976	—
Deferred outflows - PPP	—	—	106,810	—	106,810	—
Total deferred outflows of resources	46,976	165	106,810	—	153,951	—

ORANGE COUNTY TRANSPORTATION AUTHORITY

**Statement of Net Position
Proprietary Funds, Continued
June 30, 2024**

<i>(amounts expressed in thousands)</i>	OCTD	91 Express Lanes	405 Express Lanes	Nonmajor- OC Streetcar	Total Enterprise Funds	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable	\$ 46,566	\$ 5,419	\$ 14,702	\$ 10	\$ 66,697	\$ 961
Accrued payroll and related items	7,856	—	—	—	7,856	—
Accrued interest	1	897	30	—	928	—
Due to other funds	58	9,181	—	—	9,239	—
Claims payable	—	—	—	—	—	4,181
Due to other governments	2,321	1,294	487	—	4,102	—
Unearned revenue	20,467	10,296	452	—	31,215	—
Total OPEB liability	125	—	—	—	125	—
Other liabilities	2	120	19	—	141	—
Current portion of long-term liabilities	7,926	5,820	—	—	13,746	—
Lease liabilities	—	390	56	—	446	—
Subscription liabilities	55	—	—	—	55	—
Total current liabilities	85,377	33,417	15,746	10	134,550	5,142
Noncurrent liabilities:						
Claims payable	—	—	—	—	—	17,492
Total OPEB liability	1,779	—	—	—	1,779	—
Net pension liability	150,183	—	—	—	150,183	—
Other long-term liabilities	1,146	45,734	740,746	—	787,626	—
Lease liabilities	—	2,285	5,761	—	8,046	—
Subscription liabilities	199	—	—	—	199	—
Total noncurrent liabilities	153,307	48,019	746,507	—	947,833	17,492
Total liabilities	238,684	81,436	762,253	10	1,082,383	22,634
Deferred inflows of resources						
Deferred inflows - pensions	14,858	—	—	—	14,858	—
Deferred inflows - OPEB	120	—	—	—	120	—
Deferred inflows on refunding	—	—	7,110	—	7,110	—
Deferred inflows - leases	11	—	—	—	11	—
Total deferred inflows of resources	14,989	—	7,110	—	22,099	—
Net position						
Net investment in capital assets	311,462	70,704	(12,071)	—	370,095	—
Restricted for:						
Debt service	—	—	—	—	—	—
Capital	—	5,000	—	—	5,000	—
Operating reserves	—	3,000	—	—	3,000	—
State of Good Repair Program	23,682	—	—	—	23,682	—
Unrestricted	615,363	292,326	(85,397)	—	822,292	38,366
Total net position	\$ 950,507	\$ 371,030	\$ (97,468)	\$ —	\$ 1,224,069	\$ 38,366

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Reconciliation of the Statement of Net Position of Proprietary Funds
to the Statement of Net Position
June 30, 2024

(amounts expressed in thousands)

Amounts reported for business-type activities in the Statement of Net Position (page 16) are different because:

Total net position (page 23)	\$ 1,224,069
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Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the general liability and workers' compensation internal service funds are included in Business-type activities. Additionally, the effect of the elimination entries between the Governmental and the Business-type activities and the Governmental activities share of the allocation of the profit and loss of the Workers Compensation Internal Service Fund is included in this difference.

36,761

Net position of business-type activities (page 16)	<u>\$ 1,260,830</u>
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See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	OCTD	91 Express Lanes	405 Express Lanes	Nonmajor- OC Streetcar	Total Enterprise Funds	Internal Service Funds
Operating revenues:						
User fees and charges	\$ 33,415	\$ 73,668	\$ 17,180	\$ —	\$ 124,263	\$ —
Charges for services	3,057	—	—	—	3,057	11,031
Total operating revenues	36,472	73,668	17,180	—	127,320	11,031
Operating expenses:						
Wages, salaries and benefits	119,960	—	—	—	119,960	—
Maintenance, parts and fuel	22,528	—	—	—	22,528	—
Purchased services	103,786	5,875	4,052	—	113,713	—
Administrative services	53,120	3,685	3,353	876	61,034	291
Other	6,510	19	233	—	6,762	523
Insurance claims and premiums	—	598	63	—	661	8,616
Professional services	25,497	4,375	7,978	74	37,924	1,445
General and administrative	4,516	333	331	—	5,180	—
Depreciation and amortization	32,431	5,078	8,314	—	45,823	—
Total operating expenses	368,348	19,963	24,324	950	413,585	10,875
Operating income (loss)	(331,876)	53,705	(7,144)	(950)	(286,265)	156
Nonoperating revenues (expenses):						
State transit assistance	6,708	—	—	—	6,708	—
Federal operating assistance grants	54,336	—	—	—	54,336	—
Property taxes allocated by the County of Orange	22,281	—	—	—	22,281	—
Investment earnings	32,433	14,770	3,411	—	50,614	2,876
Interest income (expense)	(11)	(1,875)	11,848	—	9,962	—
Other	10,208	425	1,492	—	12,125	361
Total nonoperating revenues	125,955	13,320	16,751	—	156,026	3,237
Income (loss) before contributions and transfers	(205,921)	67,025	9,607	(950)	(130,239)	3,393
Capital contributions	48,333	—	—	—	48,333	—
Transfers in	261,042	—	125,222	950	387,214	—
Transfers out	(4,940)	(15,243)	—	—	(20,183)	—
Change in net position	98,514	51,782	134,829	—	285,125	3,393
Total net position - beginning	851,993	319,248	(232,297)	—	938,944	34,973
Total net position - ending	\$ 950,507	\$ 371,030	\$ (97,468)	\$ —	\$ 1,224,069	\$ 38,366

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Reconciliation of the Statement of Revenues, Expenses and
Changes in Net Position of Proprietary Funds to the Statement of Activities
For the Year Ended June 30, 2024

(amounts expressed in thousands)

Amounts reported for business-type activities in the Statement of Activities (page 17) are different because:

Net change in fund net position - total enterprise funds (page 25) **\$ 285,125**

Internal service funds are used by management to charge the costs of risk management to individual funds. The net revenue of the general liability and workers' compensation internal service funds are included in business-type activities in the Statement of Net Position. Additionally, the effect of allocating the workers' compensation Internal Service Fund loss to the governmental activities is included in this difference. 3,329

Change in net position of business-type activities (page 17) **\$ 288,454**

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	OCTD	91 Express Lanes	405 Express Lanes	Nonmajor -OC Streetcar	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 33,152	\$ 70,342	\$ 5,844	\$ —	\$ 109,338	\$ —
Receipts from interfund services provided	—	—	—	—	—	11,549
Payments to suppliers	(177,608)	(16,511)	(12,328)	(74)	(206,521)	(1,287)
Payments to claimants	—	—	—	—	—	(8,234)
Payments to employees	(131,047)	—	—	—	(131,047)	—
Payments for interfund services used	(56,105)	(3,685)	(3,353)	(876)	(64,019)	(291)
Advertising revenue received	6,570	—	—	—	6,570	—
Miscellaneous revenue received	5,548	425	1,492	—	7,465	361
Net cash provided by (used for) operating activities	(319,490)	50,571	(8,345)	(950)	(278,214)	2,098
Cash flows from noncapital financing activities:						
Operating assistance grants received	51,120	—	—	—	51,120	—
Property taxes received	23,290	—	—	—	23,290	—
Reimbursement from other governments	—	254	—	—	254	—
State transit assistance funds received	8,416	—	—	—	8,416	—
Transfers from other funds	255,568	—	125,222	950	381,740	—
Transfers to other funds	(5,056)	(9,953)	—	—	(15,009)	—
Advance to/from other funds	—	—	(4,812)	—	(4,812)	—
Net cash provided by (used for) noncapital financing activities	333,338	(9,699)	120,410	950	444,999	—
Cash flows from capital and related financing activities:						
Capital grants for acquisition and construction of capital assets	85,826	—	—	—	85,826	—
Principal payment on long-term debt	—	(19,273)	—	—	(19,273)	—
Interest paid on long-term debt	—	(2,872)	(420)	—	(3,292)	—
Acquisition and construction of capital assets	(49,501)	(1,501)	(24,381)	—	(75,383)	—
Net cash provided by (used for) capital and related financing activities	36,325	(23,646)	(24,801)	—	(12,122)	—
Cash flows from investing activities:						
Investment earnings	30,408	13,804	2,393	—	46,605	2,681
Net cash provided by investing activities	30,408	13,804	2,393	—	46,605	2,681
Net increase in cash and cash equivalents	80,581	31,030	89,657	—	201,268	4,779
Cash and cash equivalents at beginning of year	693,594	286,288	50	—	979,932	54,261
Cash and cash equivalents at end of year	\$774,175	\$317,318	\$ 89,707	\$ —	\$1,181,200	\$ 59,040

See accompanying notes to the financial statements.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Statement of Cash Flows
Proprietary Funds, Continued
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	OCTD	91 Express Lanes	405 Express Lanes	Nonmajor -OC Streetcar	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$(331,876)	\$ 53,705	\$ (7,144)	\$ (950)	\$(286,265)	\$ 156
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	32,431	2,491	8,314	—	43,236	—
Amortization of franchise agreement	—	2,587	—	—	2,587	—
Advertising revenue	3,054	—	—	—	3,054	—
Miscellaneous	7,154	425	1,492	—	9,071	—
Insurance recoveries	—	—	—	—	—	361
Change in assets and liabilities:						
Receivables	266	(3,474)	(11,807)	—	(15,015)	59
Due from other governments	(1,735)	—	—	—	(1,735)	—
Inventory	(425)	—	—	—	(425)	—
Prepaid retirement	(3,140)	—	—	—	(3,140)	—
Other assets	(115)	457	(33)	—	309	518
Deferred outflows of resources - pensions	(2,716)	—	—	—	(2,716)	—
Deferred outflows of resources - OPEB	(40)	—	—	—	(40)	—
Accounts payable	(17,858)	(6,007)	456	—	(23,409)	158
Accrued payroll and related items	818	—	—	—	818	—
Compensated absences	223	—	—	—	223	—
Claims payable	—	—	—	—	—	846
Due to other governments	690	237	(94)	—	833	—
Unearned revenue	—	49	452	—	501	—
Other liabilities	—	101	19	—	120	—
Total OPEB liability	182	—	—	—	182	—
Net pension liability	285	—	—	—	285	—
Deferred inflows of resources - pensions	(6,577)	—	—	—	(6,577)	—
Deferred inflows of resources - OPEB	(111)	—	—	—	(111)	—
Total adjustments	12,386	(3,134)	(1,201)	—	8,051	1,942
Net cash provided by (used for) operating activities	(319,490)	50,571	(8,345)	(950)	(278,214)	2,098
Reconciliation of cash and cash equivalents to statement of net position:						
Cash and investments	750,493	303,865	89,707	—	1,144,065	59,040
Restricted cash and cash equivalents	23,682	13,453	—	—	37,135	—
Total cash and cash equivalents	\$ 774,175	\$ 317,318	\$ 89,707	\$ —	\$ 1,181,200	\$ 59,040
Noncash capital, financing and investing activities:						
Proceeds from issuance of long term debt	\$ —	\$ 47,545	\$ —	\$ —	\$ 47,545	\$ —
Principal payment on long-term debt	—	(52,147)	—	—	(52,147)	—
Unrealized investment earnings	1,971	944	—	—	2,915	(192)
Amortization of bond premium	—	(794)	—	—	(794)	—
Amortization of deferred amount on refunding	—	695	—	—	695	—
Interest accretion on TIFIA loan	—	—	12,167	—	12,167	—
Capital assets accrued in accounts payable	(21,739)	—	3,478	—	(18,261)	—
Amortization of deferred outflows - PPP	—	—	(1,581)	—	(1,581)	—

ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024
(amounts expressed in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

On June 20, 1991, under the authority of Senate Bill 838, the Orange County Transportation Authority (OCTA) was formed as a special district by merging the following agencies and funds:

- Orange County Transportation Commission (OCTC)
- Orange County Transit District (OCTD)
- Orange County Local Transportation Fund (LTF)
- Orange County Unified Transportation Trust (OCUTT)
- Transit Development Reserve
- Orange County Local Transportation Authority (LTA)
- State Transit Assistance Fund (STAF)
- Orange County Service Authority for Freeway Emergencies (SAFE)
- Orange County Consolidated Transportation Services Agency (CTSA)
- Orange County Congestion Management Agency

On January 3, 2003, OCTA purchased from the California Private Transportation Company (CPTC) its interest in a franchise agreement for a toll facility (see note 7).

The OCTA Board of Directors (Board) consists of 18 members. Five members are the Orange County Board of Supervisors, 10 members are city representatives (one per supervisorial district selected by population-weighted voting, and one per supervisorial district selected on a one-city, one-vote method), two public members (neither of whom can be an elected official or have been an elected official during the previous four years), and one is a non-voting ex-officio member appointed by the governor (Caltrans District Director).

The accompanying financial statements present the government and its component units, entities for which OCTA is considered accountable. Blended component units are, in substance, part of the government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The Orange County Local Transportation Authority (LTA), a blended component unit of OCTA, was created pursuant to the provisions of the Local Transportation Authority and Improvement Act commencing with Section 180000 of the California Public Utilities Code and pursuant to Ordinance No. 2, adopted by the Board of Directors of the LTA on August 2, 1989. The Board also serves as the Board of Directors for the LTA. Management of OCTA is responsible for the operations of LTA. Separate financial statements for the LTA are prepared and available from the OCTA Finance and Administration Division.

The Orange County Service Authority for Freeway Emergencies (SAFE), a blended component unit of OCTA, was created by Senate Bill 1199 which authorized the County Board of Supervisors, upon approval from a majority of the cities with a majority of the population, to establish SAFE. In 1986, SAFE began the implementation and operation of a freeway system of call boxes to help with motorist emergencies. SAFE is funded by a \$1.00 (absolute dollars) fee paid at the time of vehicle registration. The Board also serves as the Board of Directors for SAFE. Management of OCTA is responsible for the operations of SAFE. Separate financial statements are not issued for SAFE.

ORANGE COUNTY TRANSPORTATION AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

The Orange County Transit District (OCTD), a blended component unit of OCTA, was created by an act of the California State Legislature in 1965 and approved by the voters of Orange County in November 1970. OCTD commenced operating a public transportation system in Orange County in August 1972. OCTD is primarily funded by the Local Transportation Fund (LTF), which is derived from a one-quarter cent of the general sales tax collected statewide. The Board also serves as the Board of Directors for OCTD. Management of OCTA is responsible for the operations of OCTD. Separate financial statements are not issued for OCTD.

There are many other governmental agencies, including the County of Orange (County), providing service within the area served by OCTA. These other governmental agencies have independently elected governing boards and are, therefore, not under the direction of OCTA. Financial information for these agencies is not included in the accompanying financial statements.

OCTA is funded primarily by sales tax, farebox collections, tolls, property taxes, gasoline sales tax and various federal and state grant programs. OCTA oversees most Orange County bus and rail transit and the 91/405 Express Lanes operations, administers the Measure M program (one-half percent sales tax revenues), coordinates freeway and regional road projects, and serves as the local advocate and facilitator of state and federal transportation funding programs.

Basis of Presentation

OCTA's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements that provide a more detailed level of financial information.

Government-wide Statements: The statement of net position and the statement of activities report information for all of the nonfiduciary activities of OCTA. The effect of interfund activity, except for internal service fund activity provided and used, has been eliminated from these statements. Internal service fund activity predominately serves the OCTD Enterprise Fund and, therefore, the net balances are included in the business-type activities. Indirect costs have been allocated to the functions/programs on the statement of activities in a separate column entitled "Indirect Expense Allocation." Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges and fees for support.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Interest expense related to the sales tax revenue bonds and commercial paper, the taxable bonds, and advances from OCTA funds is reported as a direct expense of the Measure M program, fixed route, and toll road functions, respectively, as it would be misleading to exclude the interest from direct expenses and the borrowings are considered essential to the creation or continuing existence of these programs. For the year ended June 30, 2024, interest expense (income) of \$30,854 and \$(9,962), was included in Measure M and toll road program costs, respectively. Program revenues include: charges to customers or applicants who purchase, use, directly benefit from services or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Sales tax and other revenues are not reported as program revenues and instead, are reported as general revenues.

Fund Financial Statements: The fund financial statements provide information about OCTA's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

OCTA reports the following major governmental funds:

- **General Fund** – This fund is the general operating fund of OCTA. It is used to account for the financial resources of the general government as well as the transit operations of OCTA, except for those required to be accounted for in another fund. Due to the implementation of GASB Statement No. 84, the Additional Retiree Benefit Account (ARBA) fund and the Scholarship fund are reported as part of the General fund effective in fiscal year 2020-21. These two funds were previously reported as fiduciary funds.
- **Local Transportation Authority (LTA) Fund** – This special revenue fund accounts for revenues received and expenditures made and is restricted for the implementation of the Orange County Traffic Improvement and Growth Management Plan (Measure M). Funding is provided by a one-half percent sales and use tax assessed for twenty years pursuant to Measure M, which became effective April 1, 1991, and more recently was renewed for an additional 30 years from April 1, 2011 to March 31, 2041. The Measure M ordinance, as approved in an election by the voters of Orange County, requires that sales tax revenues only be expended on projects included in the ordinance. Effective in fiscal year 2023-24, the Common Urban Rail Endowment (CURE) fund previously reported under the General fund is transferred to LTA fund.
- **Local Transportation Fund (LTF)** – This special revenue fund accounts for revenues received and expenditures made and is restricted for use on certain transit projects within Orange County. Funding is generated from a one-quarter percent state sales and use tax pursuant to the California Transportation Development Act (TDA). Expenditures of these monies must be made in accordance with TDA provisions.
- **LTA Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the LTA.
- **General Capital Project Fund** – This fund is used to account for transportation capital projects.

OCTA reports the following major enterprise funds:

- **Orange County Transit District (OCTD) Fund** – This fund accounts for the transit operations of OCTA. The primary sources of funding for transit operations are the TDA one-quarter percent sales tax, farebox collections and federal/state grants.
- **91 Express Lanes Fund** – This fund accounts for the operations of the 91 Express Lanes. The primary source of funding for the operations is toll revenues and related fees.
- **405 Express Lanes Fund** – Prior to December 1, 2023, this fund accounts for the construction of the 405 Express Lanes. The primary sources of funding during the construction phase are the TIFIA Loan and BAN 2021 Series (refunded). Effective December 1, 2023, following the substantial completion of the construction of the 405 Express Lanes, this fund accounts for the operations of the 405 Express Lanes. The primary source of funding for the operations is toll revenues and related fees.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

Additionally, OCTA reports the following fund types:

- **Internal Service Funds** – These funds account for the risk management activities of OCTA, which are managed through a combination of purchased insurance and self-insurance. OCTA's internal services funds are the General Liability fund and the Worker's Compensation fund.

Measurement Focus and Basis of Accounting

The government-wide and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Tolls are collected from customers on a prepaid basis, and unearned tolls are reported as unearned revenue. Toll revenues are recognized when customers utilize the toll road facility. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, OCTA considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt and compensated absences of governmental funds are recorded only when payment is due.

Revenues susceptible to accrual are sales and gas taxes collected and held by the state at year-end on behalf of OCTA, intergovernmental revenues, interest revenue, charges for services, and fines and fees. In applying the susceptible to accrual concept to intergovernmental revenues, there are two types of revenues. For one, monies must be expended for the specific purpose or project before any amounts will be paid to OCTA; therefore, revenues are recognized when the relevant expenditures incurred and availability criteria met. In the other, monies are unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of OCTA's proprietary funds are charges to customers for services. Operating revenues relating to the 91 and 405 Express Lanes are presented net of discounts and allowances. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Investments

OCTA maintains cash and investments in accordance with the Investment Policy (Policy) originally adopted by the Board on May 8, 1995, and most recently amended on July 1, 2023. The Policy complies with, or is more restrictive than, the California Government Code (Code). The majority of OCTA's investments are managed by four private sector investment managers. At June 30, 2024, the investment portfolios were held by U.S. Bank as custodial bank. Separate investment manager accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue

ORANGE COUNTY TRANSPORTATION AUTHORITY
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accounted for separately. Cash from other OCTA revenue sources is commingled for investment purposes, with investment earnings allocated to the different accounts based on average daily account balances.

OCTA holds investments that are measured at fair value on a recurring basis. OCTA categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs other than quoted prices included in Level 1 - that are observable including quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active; Level 3 inputs are unobservable inputs. Most of OCTA's leveled investments are measured using Level 2 inputs.

Investments in U.S. government and U.S. agency securities, medium-term notes, variable and floating rate securities, mortgage and asset-backed securities and corporate notes are carried at fair value based on quoted prices of similar assets, except for money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at purchase date, which are carried at amortized cost which approximates fair value. The Orange County Investment Pool (OCIP) is carried at fair value based on the value of each participating dollar as provided by the OCIP. The state managed Local Agency Investment Fund (LAIF) is carried at amortized cost.

The Policy requires that assets in the portfolio consist of the following investments, with maximum permissible concentrations based on book value, and may be more restrictive than applicable state statutes for the following investment types: OCTA notes and bonds, U.S. treasuries, federal agencies, municipal debt, banker's acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, medium-term notes, money market mutual funds, mortgage or asset-backed securities, supranationals, LAIF, OCIP, investment pools, variable and floating rate securities, bank deposits and derivatives.

Investment of debt proceeds held by trustees are governed by provisions of the indentures for each obligation, rather than the general provisions of the California Government Code or OCTA's investment policy. The investment of these debt proceeds is in accordance with the Permitted Investments section and applicable account restrictions outlined in the indenture of each debt obligation. Under certain indentures, guaranteed investment contracts are allowed.

LAIF is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. Investments in OCIP are limited to those funds legally required to be deposited in the County Treasury. Oversight of the OCIP is conducted by the County Treasury Oversight Committee.

All investments are subject to a maximum maturity of five years, unless specific direction to exceed the limit is given by the Board as permitted by the Code. OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of the Policy. Outside portfolio managers must review, on an ongoing basis, the portfolio they manage (including bond proceeds portfolios) to ensure compliance with OCTA's diversification guidelines.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, OCTA considers all short-term investments with an initial maturity of three months or less to be cash equivalents. All deposits, certificates of deposit, commercial paper, money market funds, and the proprietary funds' share of OCTA's commingled investment pool represent cash and cash equivalents for cash flow purposes.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
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Receivables

Receivables include an estimate for outstanding unpaid violations of the 91 and 405 Express Lanes that OCTA anticipates to collect. For violations less than 90 days old, the receivable is based on a 12-month average of violations collected during that time and is recorded net of an allowance for uncollectible accounts. For those violations in excess of 90 days, the receivable is estimated using a three-year average of violations collected and is recorded net, as the majority is not considered probable of collection. Additionally, the 91 and 405 Express Lanes records a receivable for amounts owed from customers net of an allowance.

Since the 405 Express Lanes has only been in operation for less than a year, there is no sufficient collection history to determine the collection percentage. Due to the similarities between the 91 and 405 Express Lanes, OCTA used the collection percentage from the 91 Express Lanes to estimate the outstanding unpaid violations for the 405 Express Lanes for fiscal year 2023-24.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered. There are also numerous transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances, including internal financing balances, are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

As a centralized transportation planning and administration agency, OCTA allocates costs related to administrative services from certain funds to benefiting funds. For the 2023-24 fiscal year, \$94,974 of administrative services were charged to other OCTA funds from the general fund. These charges for services are reported as general government expenditures in governmental fund types and as administrative services expenses in the proprietary fund types.

Internal service funds are utilized by OCTA to account for risk management activities in the areas of general liability and workers' compensation. Charges for risk management services are reported as general government expenditures in the governmental funds receiving the services and as wages, salaries and benefits or other operating expenses in the proprietary funds. The risk management internal service funds charged \$11,031 to OCTA's operating funds.

Inventory

All inventory is valued at cost using the average cost method, which approximates market.

Prepaid Retirement

Orange County Employee Retirement System (OCERS) provides a 7.00% discount to employers for early payment of employer contributions. OCTA elected to prepay employer contributions for fiscal year 2024-25 in order to benefit from this discount. Since OCERS records the prepaid retirement as a liability (unearned contributions) and recognizes them over the periods of the related payroll, the prepaid retirement is reported by OCTA as a prepaid asset in the governmental fund financial statements (modified accrual).

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

Restricted Cash and Investments

Certain proceeds of OCTA's long-term debt, as well as certain resources set aside for their repayment or capital maintenance, are classified as restricted investments, because they are maintained in separate investment accounts and their use is limited by applicable debt covenants.

In addition, OCTA has restricted investments held by the California Community foundation (CCF). The amount invested in the CCF investment pool is a restricted asset as approved for funding by the OCTA Board of Directors in October of 2014. The CCF is headquartered in Los Angeles, California. CCF is a community foundation and holds a 501(c)3 status, which meets California State Government Code requirements for community foundations. Legislation providing for OCTA to use a qualified organization to hold and manage the endowment is provided in Government Code §§65965-65968. An investment committee is responsible for oversight of the foundation's investment pools. The Endowment Pool is a diversified pool invested for long-term growth and appreciation while providing a relatively predictable stream of distributions that keeps the pace with inflation over time. The pool includes a mix of asset classes including equities, fixed income, hedge funds, real assets and venture capital. The target asset allocation is approximately 50% public equity, 20% fixed income, 15% hedge funds, 10% real assets and 5% private equity & venture capital.

The purpose of the agreement between CCF and OCTA is to provide for the establishment of a fund within the CCF to receive and hold M2 Environmental Mitigation Program contributions made by OCTA during the endowment funding period for use in establishing the permanent endowment pursuant to the conservation plan. OCTA is the beneficiary of the fund and, therefore, has reported a restricted asset in the financial statements.

The CCF shall hold, administer, invest, and reinvest the fund in accordance with the CCF's proposal and the objectives set forth in the Scope of Work of the Request for Proposal, each of which is incorporated into the agreement by reference, and in compliance with all applicable state and federal laws, including, but not limited to, Sections 65965, 65966, 69667, and 65968 of the California Government Code and the Uniform Prudent Management of Institutional Funds Act, California Probate Code Section 18501 et seq. The agreement shall remain in place in full force and effect through December 31, 2029.

In addition, with the implementation of GASB Statement No. 84, Fiduciary Activities, the assets related to Additional Retiree Benefit Account (ARBA) supplemental pension plan through OCERS, previously reported in fiduciary fund, are reported in General Fund starting fiscal year 2020-21. The assets are held in a revocable trust and are classified as restricted investments.

Assets Held for Resale

OCTA holds title to property in connection with the purchase of rights-of-way for infrastructure not held by OCTA. These assets are reported as assets held for resale in the governmental activities column in the government-wide financial statements except in cases in which OCTA has entered into a sales contract prior to the issuance of the financial statements. In these cases, the assets held for resale are reported in the governmental funds financial statements. Proceeds received will be reimbursed to the fund in which the initial expenditure was recorded.

Capital Assets

Capital assets include land, construction in progress, buildings and improvements, infrastructure, machinery, equipment and furniture, transit vehicles, toll facility franchise, transponders, intangible right-to-use lease assets, and intangible right-to-use subscription-based information technology

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arrangements (SBITA) assets, and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by OCTA as assets with an initial, individual cost of more than \$5 and a useful life exceeding one year. OCTA also capitalizes non-sticker transponder purchases, as they are considered a significant class of assets even though individually their cost is less than \$5. OCTA also capitalizes assets whose individual acquisition costs are less than the threshold for an individual asset, but are significant in aggregate.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the donation date. OCTA also records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, Leases. The right-to-use intangible asset is amortized each year over the shorter of lease term or useful life of the asset. In addition, OCTA records the value of intangible right-to-use SBITA assets in accordance with GASB Statement No. 96, SBITAs. The subscription asset is amortized year over the shorter of the subscription term or the useful life of the underlying IT assets.

Freeway construction and certain purchases of right-of-way property, for which title vests with Caltrans, are included in capital outlay. Infrastructure consisting primarily of freeway construction and right-of-way acquisition is not recorded as a capital asset in those instances where OCTA does not intend to maintain or operate the property when complete.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

Buildings, machinery, equipment and furniture, vehicles, transponders, and intangible right-to-use assets are depreciated using the straight line method over the following estimated useful lives:

Asset Type	Useful Life
Buildings and improvements	10-30 years
Infrastructure	50 years
Machinery, equipment and furniture	3-10 years
Transit vehicles	3-18 years
Transponders	5-7 years
Intangible right-to-use (building)	30 years
Intangible right-to-use (equipment)	3 years
Intangible right-to-use (SBITA)	3 years

The toll facility franchise is amortized over the remaining life of the franchise agreement through December 2065.

Leases

Lessee: OCTA is a lessee for a noncancellable lease of buildings and equipment. OCTA recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. OCTA recognizes lease liabilities with an initial, individual value of \$5 or more.

ORANGE COUNTY TRANSPORTATION AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

At the commencement of a lease, OCTA initially measures the lease liabilities at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reduced by the principal portion of the lease payments made. The lease assets are initially measured as the initial amount of the lease liabilities, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets are amortized on a straight-line basis over the shorter of its useful life or the lease term.

Key estimates and judgements related to lease include how OCTA determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. OCTA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, OCTA generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liabilities are composed of fixed payments and purchase option price that OCTA is reasonably certain to exercise.

OCTA monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: OCTA is a lessor for a noncancellable lease of land. OCTA recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, OCTA initially measures the lease receivables at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivables, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how OCTA determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. OCTA uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivables is composed of fixed payments from the lessee.

OCTA monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivables.

Subscription-Based Information Technology Arrangements (SBITAs)

OCTA recognizes a subscription asset (intangible asset) and a corresponding subscription liability. A subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges OCTA, when available, or estimated incremental borrowing rate as the discount rate for SBITAs. OCTA recognizes amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods.

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The subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. OCTA recognizes amortization of the subscription asset as an outflow of resources over the subscription term.

Compensated Absences

Vacation hours accumulated and not taken are accrued at fiscal year-end, and a liability is reported in the government-wide and proprietary fund financial statements.

Sick leave is recorded as an expenditure or expense when taken by the employee. Annually, all administrative, maintenance, and Transportation Communication International Union employees may elect to be paid for sick leave accumulated in excess of 120 hours. Coach operators, on the other hand, may elect to be paid for sick leave accumulated in excess of 80 hours each year in December.

Upon termination, an employee with over 10 years of service is paid any earned but unused sick leave up to a ceiling determined by the employee's applicable union agreement or the personnel and salary resolution. Sick leave is accrued at year-end using the vesting method, and a liability is reported in the government-wide and proprietary fund financial statements.

A liability for vacation and sick leave is reported in the governmental funds as a result of employee terminations.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements include 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. OCTA has four items that qualify for reporting in this category, which are reported in the government-wide statement of net position. The first item is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred outflow related to pensions, which represents OCTA's pension contributions made subsequent to the measurement date, change of assumptions, difference between expected and actual experience, and the net difference between projected and actual earnings on plan investments. The third item is the deferred outflow related to other postemployment benefits (OPEB), which represents the change of assumptions and difference between expected and actual experience. The fourth item is the deferred outflow related to Public-Public Partnerships (PPP) which is measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. This amount is deferred and amortized over the shorter of the PPP term or the useful life of the underlying PPP asset. Refer to note 12 for information related to amortization of deferred outflows of resources related to PPP.

In addition to liabilities, the financial statements include 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 and will not be recognized as an inflow of resources (revenue) until that time. On the modified accrual basis of accounting, OCTA has one type of deferred inflow, unavailable revenue. The governmental funds report unavailable revenue from multiple sources for grant reimbursements and a note receivable with the City of Anaheim for ARTIC. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, OCTA has four deferred inflow of resources reported in the

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government-wide statement of net position. These items are the deferred inflows related to leases, which represent value of the lease receivables plus any payments received at or before the commencement of the lease term that relate to future periods; deferred inflows related to refunding; and pensions and OPEB, which represent the change of assumptions, difference between expected and actual experience, or the net difference between projected and actual earnings on plan investments. Refer to note 8 for information related to amortization of deferred inflows of resources related to leases, note 14 for information related to amortization of the deferred outflows/inflows of resources related to pensions and note 15 for the amortization of the deferred outflows/inflows related to OPEB.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the OCTA's Orange County Employees Retirement System (OCERS) pension plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as it is reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

OPEB expense, deferred outflows/inflows of resources related to OPEB, and an implied subsidy payment were used to measure the total OPEB liability. OCTA does not provide any cash subsidy towards the benefit, and there are no assets accumulated in a trust for the plan.

Long-Term Debt

In the government-wide financial statements and proprietary fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Risk Management

OCTA accounts for its risk management activities in internal service funds. Separate internal service funds are used for general liability and workers' compensation. Charges by internal service funds to the general fund, certain special revenue funds, and OCTD enterprise fund are based on historical cost information and are adjusted over time, so that internal service fund revenues and expenses are approximately equal. Expenses for the actual or estimated loss from claims are recorded when it is probable that a loss will be incurred and the amount can reasonably be determined. OCTA's risk management activities are a combination of purchased insurance coverage and self-insured risk retention. OCTA's real and personal property, including revenue and non-revenue vehicles, are covered under a commercial property insurance policy. The 91 and 405 Express Lanes enterprise

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funds have purchased commercial property insurance, including business interruption, earthquake and flood coverage related to the toll facility.

Property Taxes

Property taxes are allocated to OCTA from the County based upon a percentage of real property taxes levied by the County. Following is the property tax calendar:

Lien Date	January 1
Levy Date	4th Monday in September
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

Contributions to Other Agencies

Contributions to other agencies primarily represent sales tax revenues received by LTA and disbursed to cities for competitive projects, the local fair share, the senior mobility program, and to other outside agencies for projects which are in accordance with the Measure M ordinance. Additionally, contributions are made to Southern California Regional Rail Authority (SCRRA) by LTA.

Net Position

In the government-wide financial statements, net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into three categories.

- ***Net investment in capital assets*** – This balance reflects the net position of OCTA that is invested in capital assets, net of related debt. This net position is generally not accessible for other purposes.
- ***Restricted Net Position*** – This balance represents net position that is not accessible for general use because their use is subject to restrictions enforceable by third parties. The government-wide statement of net position reports \$787,232 of net position restricted by enabling legislation for Measure M program, debt service, transportation programs, pension benefits, capital, operating reserve, and State of Good Repair Program.
- ***Unrestricted Net Position*** – This balance represents net position that is available for general use.

Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which OCTA is bound to honor constraints on the specific purposes for which amounts can be spent.

The classifications used in the governmental fund financial statements are as follows:

- ***Nonspendable*** – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

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- **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed** – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board, as the highest level of decision making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Board removes or modifies the use through the adoption of a subsequent resolution.
- **Assigned** – amounts that are constrained by OCTA's intent to be used for specific purposes and that do not meet the criteria to be classified as restricted or committed. This classification also includes residual amounts in governmental funds, other than the General Fund. The Board establishes and modifies assignments of fund balances through the adoption of the budget and subsequent budget amendments. The Board retains the authority to assign fund balances.
- **Unassigned** – this classification includes the residual fund balances for the General Fund. It also includes the negative residual fund balances of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for use, it is OCTA's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, OCTA's Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures during the reporting period. As such, actual results could differ from those estimates.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.” The details of this \$681,639 difference are as follows:

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Capital assets	\$ 726,086
Less accumulated depreciation	(23,218)
Less lease and subscription liabilities	<u>(21,229)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u><u>\$ 681,639</u></u>

Another element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.” The details of this \$(634,530) difference are as follows:

Bonds payable	\$ (569,315)
Plus unamortized bond issuance premium (to be amortized to interest expense)	(52,512)
Administrative headquarters’ rent holiday	(3,839)
Compensated absences	<u>(8,864)</u>
Net adjustment to decrease fund balance – total governmental funds to arrive at net position – governmental activities	<u><u>\$ (634,530)</u></u>

Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position - governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense, or allocated to the appropriate functional expense when the cost does not meet the capitalization criteria based on the ownership of the assets.” The details of this \$95,200 difference are as follows:

Capital outlay	\$ 101,201
Depreciation expense	<u>(6,001)</u>
Net adjustment to increase net change in fund balance – total governmental funds to arrive at change in net position – governmental activities	<u><u>\$ 95,200</u></u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.” The details of this \$24,022 difference are as follows:

Principal repayments	\$ 20,920
Change in accrued interest	395
Amortization of premium/deferred charge on refunding	<u>2,707</u>
Net adjustment to increase net change in fund balance – total governmental funds to arrive at change in net position – governmental activities	<u><u>\$ 24,022</u></u>

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3. CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2024:

Cash:	
Deposits	\$ 17,978
Petty Cash	7
Total Cash	17,985
 Investments:	
Orange County Treasurer	17,293
LAIF	6,929
Trustee	495,821
Custodian	2,016,492
CA Community Foundation (CCF)	28,425
Total Investments	2,564,960
Total Cash and Investments	\$ 2,582,945

Total cash and investments are reported in the following funds:

Unrestricted Cash and Investments:	
Governmental Funds	\$ 793,668
Proprietary Funds:	
Enterprise Funds	1,144,065
Internal Service Funds	59,040
Restricted Cash and Investments:	
Governmental Funds	549,037
Proprietary Funds:	
Enterprise Funds	37,135
Total Cash and Investments	\$ 2,582,945

Restricted investments represent reserves for debt service, capital and operations.

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As of June 30, 2024, OCTA had the following investments along with weighted average maturity (WAM) information:

Investment	Fair Value	Interest Rate Range (Rounded)	Maturity Range	WAM (Years)
Orange County Investment Pool*	\$ 17,293	2.615% - 4.310%	1 day - 5 years	1.115
Local Agency Investment Fund*	6,929	3.167% - 4.480%	217 - 260 Days	0.595
U. S. Treasuries	890,268	0.250% - 4.625%	07/15/24 - 05/31/29	2.074
U. S. Agency Notes	264,310	0.375% - 5.625%	09/25/24 - 04/30/29	2.082
Medium Term Notes	356,122	0.625% - 5.882%	07/15/24 - 11/15/28	1.954
Variable Rate Notes	144,974	0.768% - 6.615%	09/01/24 - 08/25/28	2.437
Mortgage & Asset Backed Securities	282,812	0.300% - 6.510%	07/21/25 - 06/20/29	3.510
Money Market Funds *	428,423	4.930% - 5.240%	07/01/2024	0.003
Municipal Debt	26,359	0.873% - 5.540%	07/01/24 - 07/01/28	1.852
Commercial Paper *	49,014	5.310% - 5.370%	09/10/24 - 12/27/24	0.344
Negotiable CD*	53,349	4.760% - 5.900%	07/02/24 - 02/01/27	0.757
CCF Investment Fund	28,425	NA	NA	NA
Supranational	16,682	0.500% - 4.500%	09/23/24 - 01/15/27	1.413
Total Investments	<u>\$ 2,564,960</u>			

Portfolio Weighted 1.767

* Money market funds, commercial paper, negotiable CD, OCIP, and LAIF are measured at amortized cost which approximates fair value.

OCTA holds investments that are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs - other than quoted prices included in Level 1 - that are observable including quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

As of June 30, 2024, most of OCTA's investments, categorized within the fair value hierarchy, are classified as Level 2. These investments are valued using the market valuation approach based on quoted prices for similar assets with exception of the investment in the CA Community Foundation Investment Fund (CCF) which is valued by the CCF using significant unobservable inputs and, therefore, classified as Level 3. Unobservable inputs used by CCF include the foundations own assumptions, market comparable rates, capitalization and occupancy rates.

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Investments by Fair Value Level	Total	Fair Value Measurement using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 890,268	\$ —	\$ 890,268	\$ —
U.S. Agency Notes	264,310	—	264,310	—
Medium Term Notes	356,122	—	356,122	—
Mortgage & Asset Backed Securities	282,812	—	282,812	—
Variable Rate Notes	144,974	—	144,974	—
Municipal Debt	26,359	—	26,359	—
CCF Investment Fund	28,425	—	—	28,425
Supranationals	16,682	—	16,682	—
Total Leveled Investments	\$ 2,009,952	\$ —	\$ 1,981,527	\$ 28,425

Investments Not Subject to the Fair Value Hierarchy

Money Market Funds	\$ 428,423
Orange County Investment Pool	17,293
Local Agency Investment Fund	6,929
Commercial Paper	49,014
Negotiable Certificate of Deposit	53,349
Total Investments Not Subject to the Fair Value Hierarchy	555,008
Total Investments	\$ 2,564,960

Interest Rate Risk

OCTA manages exposure to declines in fair value from increasing interest rates by having an investment policy that limits maturities to five years while also staggering maturities across the portfolio. OCTA maintains a low duration strategy, targeting an estimated average portfolio duration of two to three years or less, with the intent of reducing interest rate risk. Portfolios with low duration are less volatile, therefore, less sensitive to interest rate changes. In accordance with the Policy, amounts restricted for debt service reserves are invested in accordance with the maturity provision of their specific indenture, which may extend beyond five years.

As of June 30, 2024, mortgage and asset-backed securities totaled \$282,812. The underlying assets are consumer receivables that include credit cards, auto and home loans. The securities have a fixed interest rate and are rated AA or higher by a nationally recognized statistical rating organizations (NRSROs).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk in terms of

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investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Policy requires that a third-party bank custody department hold all securities owned by OCTA. All trades are settled on a delivery versus payment basis through OCTA's safekeeping agent. At June 30, 2024, OCTA did not have any deposits or securities exposed to custodial credit risk and there was no securities lending.

Credit Risk

The Policy sets minimum acceptable credit ratings for investments from any of the three NRSROs: Standard & Poor's (S&P), Moody's Investor Service (Moody's), and Fitch Rating's (Fitch).

For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F1 (Fitch), while an issuer of long-term debt shall be rated no less than an "A" by an NSRSO.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2024 (NR means Not Rated, US means obligation of the United States (U.S.) government or obligations explicitly guaranteed by the U.S. government):

Investments	S&P	Moody's	% of Portfolio
CA Community Foundation Fund	NR	NR	1.11%
Orange County Investment Pool	NR	NR	0.67%
Local Agency Investment Fund	NR	NR	0.27%
U.S. Treasuries	NR	NR	34.71%
U.S. Agency Notes	NR	NR	10.30%
Medium Term Notes			
Corporate Notes	AA	Aaa	1.18%
Corporate Notes	AA	Aa	1.87%
Corporate Notes	AA	A	0.58%
Corporate Notes	A	Aa	1.68%
Corporate Notes	A	A	7.50%
Corporate Notes	A	Baa	0.17%
F&G Global Funding	A	NR	0.08%
Corporate Notes	BBB	A	0.48%
Corporate Notes	BBB	Baa	0.35%
Mortgage and Asset-Backed Securities			
Securities	AAA	Aaa	2.37%
Securities	AAA	NR	5.27%
Securities	AA	NR	0.06%
Securities	NR	Aaa	3.31%
Ford	NR	Aa	0.02%

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Investments	S&P	Moody's	% of Portfolio
Variable Rate Notes			
Notes	AA	Aaa	1.56%
Morgan Stanley	A	Aa	0.08%
Notes	A	A	3.04%
Notes	A	Baa	0.25%
Notes	BBB	A	0.70%
Nextera Energy	BBB	Baa	0.02%
Money Market Funds	AAA	Aaa	16.7%
Municipal Bonds			
Alabama Federal Aid Hwy	AAA	Aa	0.05%
Los Angeles CA Community College	AA	Aaa	0.08%
Various Agencies	AA	Aa	0.06%
New Jersey St Turnpike Authority	AA	A	0.03%
Various Agencies	AA	NR	0.18%
Various Agencies	A	Aa	0.25%
Various Agencies	A	A	0.09%
Various Agencies	NR	Aa	0.29%
Commercial Paper			
Barclays & Natixis	A-1	P-1	1.91%
Certificate of Deposit			
Various	AA	Aa	0.37%
Various	A	Aa	1.26%
Various	A	A	0.45%
Supranational			
Various	AAA	Aaa	0.65%
Total			100%

Concentration of Credit Risk

At June 30, 2024, OCTA did not exceed the Policy maximum concentrations. Issuer/Counter-Party Diversification Guidelines for All Securities Except U.S. Treasuries and U.S.

Government Agency Securities:

- Any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed 5% of the portfolio.

Issuer/Counter-Party Diversification Guidelines for OCTA's Debt:

- OCTA can purchase all or a portion of the OCTA's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25% of the Maximum Portfolio and when authorized by the Internal Revenue Service.

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The following is a summary of the concentration of credit risk by issuer as a percentage of the OCTA's investment portfolio at June 30, 2024:

Issuer	Amount	% of OCTA's Portfolio
Federal Home Loan Mortgage Corporation	\$ 133,817	5.22 %

Investment in State Investment Pool

OCTA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code. The Investment Advisory Board provides oversight for LAIF, consisting of five members as designated by statute, which includes the Treasurer of the State of California. The value of OCTA's investment in this pool is reported on an amortized cost basis in the accompanying financial statements, based upon OCTA's pro-rata share of the entire LAIF portfolio.

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Deposits and withdrawals are made on the basis of \$1.00 (absolute dollars) and not fair value.

Investment in Orange County Investment Pool

The TDA guidelines require the California Department of Tax and Fee Administration (CDTFA) to deposit State Transit Assistance and Local Transportation funds with the OCIP until claimed by OCTA. OCIP is monitored by the Treasury Oversight Committee (TOC) established by the County of Orange Board of Supervisors on December 19, 1995 by Resolution No. 95-946. The TOC reviews and monitors the annual investment policy prepared by the Treasurer in accordance with Government Code §27133. The value of OCTA's investment in this pool is reported on an amortized cost basis in the accompanying financial statements, based upon OCTA's pro-rata share of the entire OCIP portfolio, which is adjusted by the application of a fair value factor provided by OCIP. Deposits and withdrawals are made on the basis of \$1.00 (absolute dollars) and not fair value.

Investment in CA Community Foundation Investment Pool

The fair value of OCTA's investment in this pool is reported in the accompanying financial statements at amounts based upon OCTA's pro-rata share of the fair value provided by CCF for the entire CCF portfolio (in relation to the amortized cost of that portfolio).

4. GRANTS AND STATE ASSISTANCE

Operating Assistance Grants

Under provisions of the Federal Transit Administration (FTA), funds are available to OCTA for Americans with Disabilities Act (ADA) paratransit operating assistance, preventive maintenance, capital cost of contracting, demonstration projects, transportation planning, and related services. The appropriations for fiscal year 2023-24 total \$74,846. A receivable of \$35,349 is outstanding as of June 30, 2024.

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Capital Grants

Under the provisions of FTA, appropriations are available for the development and capital investments for a public transportation system including the acquisition and construction of facilities, transit vehicles and related support equipment. The appropriations for fiscal year 2023-24 related to capital investments total \$—. A receivable of \$9,220 is outstanding as of June 30, 2024.

Local Transportation Fund

In fiscal year 2023-24, LTF received revenues from a one-quarter percent state sales and use tax through provisions of the TDA, as amended. Under TDA, revenues are to be made available to OCTD for planning, paratransit, and for operating expenses. In fiscal year 2023-24, OCTA became entitled to \$199,294 in LTF revenues. The remaining revenues received by LTF were contributed to other claimants for administration, planning, and operations.

State Transit Assistance Program

State Transit Assistance (STA) revenue is generated by the state sales tax on diesel fuel as specified under the gas tax swap enacted in March 2010. The Road Repair and Accountability Act of 2017, signed into law April 2017, provided additional funding under the State of Good Repair (SGR) Program. This program is funded from a portion of new Transportation Improvement Fee on vehicle registrations and provides transit operators in California funding for eligible transit maintenance, rehabilitation, and capital projects. OCTA received \$49,788 and \$7,115 in STA and SGR respectively, in fiscal year 2023-24.

5. DUE FROM/TO OTHER GOVERNMENTS

Amounts due from other governments as of June 30, 2024 in the fund financial statements are as follows:

Receivables:	Governmental Funds					Enterprise Funds			Total
	General	LTA	LTF	LTA Debt Service	Nonmajor Funds	OCTD	91 EL		
Sales taxes	\$ —	\$ 71,011	\$ 37,826	\$ —	\$ 15,310	\$ —	\$ —	\$ 124,147	
Projects	25	25,280	—	2,126	—	12	—	27,443	
Other	4,679	329	—	—	1,384	5,797	83	12,272	
Total	\$ 4,704	\$ 96,620	\$ 37,826	\$ 2,126	\$ 16,694	\$ 5,809	\$ 83	\$ 163,862	

Amounts due to other governments as of June 30, 2024 are as follows:

Payables:	Governmental Funds					Enterprise Funds				Total
	General	LTA	LTF	General Capital Project	Nonmajor Funds	OCTD	91 EL	405 EL		
Projects	\$ —	\$ 35,183	\$ 235	\$ 195	\$ —	\$ 824	\$ 17	\$ 487	\$ 36,941	
Use taxes	—	—	—	—	—	6	—	—	6	
Other	152	274	—	—	46	1,491	1,277	—	3,240	
Total	\$ 152	\$ 35,457	\$ 235	\$ 195	\$ 46	\$ 2,321	\$ 1,294	\$ 487	\$ 40,187	

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6. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The composition of interfund balances at June 30, 2024 is as follows:

Due to/from other funds:

Payable Funds	Receivable Funds							Total
	General	LTA	General Capital Project	Nonmajor Governmental	OCTD	Nonmajor Enterprise		
LTA	\$ —	\$ —	\$ 49,875	\$ 78	\$ —	\$ 10	\$ 49,963	
LTF	374	—	—	—	—	—	374	
General Capital Project	—	7,665	—	—	—	—	7,665	
Nonmajor Governmental	—	—	—	—	15,310	—	15,310	
OCTD	—	—	58	—	—	—	58	
91 EL	—	9,181	—	—	—	—	9,181	
Total	\$ 374	\$ 16,846	\$ 49,933	\$ 78	\$ 15,310	\$ 10	\$ 82,551	

The due to/from other funds arise due to short-term funding for certain projects, operations, and temporary cash deficit. These projects include ARTIC, Placentia Station, OC Streetcar project, OCTD capital and operating cost, OCTD & CTSA operations, SR-91 Improvement Project, and I-405 Improvement Project.

Interfund transfers:

Transfers Out	Transfers In								Total
	General	LTA	LTA Debt Service	General Capital Project	Nonmajor Governmental	OCTD	405 Express Lanes	Nonmajor Enterprise	
General	\$ —	\$ 22,174	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 22,174
LTA	—	—	51,397	73,664	5,410	9,920	125,222	950	266,563
LTF	5,076	—	—	—	—	194,218	—	—	199,294
LTA Debt Service	—	11,340	—	—	—	—	—	—	11,340
Nonmajor Governmental	—	—	—	—	—	56,904	—	—	56,904
OCTD	—	4,403	—	537	—	—	—	—	4,940
91 EL	—	15,243	—	—	—	—	—	—	15,243
Total	\$ 5,076	\$ 53,160	\$ 51,397	\$ 74,201	\$ 5,410	\$ 261,042	\$ 125,222	\$ 950	\$ 576,458

Interfund transfers reflect a flow of assets between funds and blended component units of the primary governments without an equivalent flow of assets in return. The purpose of these transfers were primarily to: 1) relay cash from LTA fund to LTA Debt Service fund for the retirement of long-term obligations, 2) provide resources to fund various project costs such as SR-91 improvement project, Transportation Security Operations Center (TSOC) construction project, OC Streetcar project, OCTD capital and operating costs 3) contribute resources to finance operating costs for OCTA's bus program, 4) transfer Measure M sales tax revenues to support various services/programs such as fare stabilization program, stationlink services rail feeder, and i-shuttle Project V services. In fiscal year 2023-24, the Common Urban Rail Endowment (CURE) Fund's balances previously reported under the General fund was transferred to LTA fund.

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7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Transfer	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 172,236	\$ —	\$ —	\$ —	\$ 172,236
Right-of-way improvements	7,300	—	—	—	7,300
Construction in progress	399,938	100,071	—	(42)	499,967
Total capital assets, not being depreciated	579,474	100,071	—	(42)	679,503
Capital assets, being depreciated:					
Building and improvements	2,003	—	—	—	2,003
Machinery, equipment and furniture	10,538	484	(794)	42	10,270
Intangible right-to-use (building)	32,006	—	—	—	32,006
Intangible right-to-use (equipment)	186	244	(186)	—	244
Intangible right-to-use (SBITA)	1,772	402	(114)	—	2,060
Total capital assets, being depreciated	46,505	1,130	(1,094)	42	46,583
Less accumulated depreciation for:					
Buildings and improvements	(1,387)	(78)	—	—	(1,465)
Machinery, equipment and furniture	(7,891)	(852)	794	—	(7,949)
Intangible right-to-use (building)	(8,442)	(4,221)	—	—	(12,663)
Intangible right-to-use (equipment)	(166)	(55)	186	—	(35)
Intangible right-to-use (SBITA)	(425)	(795)	114	—	(1,106)
Total accumulated depreciation	(18,311)	(6,001)	1,094	—	(23,218)
Total capital assets, being depreciated, net	28,194	(4,871)	—	42	23,365
Governmental activities capital assets, net	607,668	95,200	—	—	702,868
Business-type activities:					
Capital assets, not being depreciated:					
Land	57,106	3,279	—	24,159	84,544
Construction in progress	480,473	31,645	—	(495,629)	16,489
Total capital assets, not being depreciated	537,579	34,924	—	(471,470)	101,033
Capital assets, being depreciated and amortized:					
Building and improvements	160,889	272	—	2,242	163,403
Infrastructure	—	—	(2,732)	409,019	406,287
Transit vehicles	367,581	27,839	(26,845)	46,438	415,013
Machinery, equipment and furniture	88,651	15,233	(859)	13,771	116,796
Intangible right-to-use (building)	9,646	—	(45)	—	9,601
Intangible right-to-use (SBITA)	680	—	—	—	680
Toll facility franchise	205,264	—	—	—	205,264
Total capital assets, being depreciated and amortized	832,711	43,344	(30,481)	471,470	1,317,044
Less accumulated depreciation and amortization for:					
Buildings and improvements	(105,112)	(5,509)	—	—	(110,621)
Infrastructure	—	(4,605)	—	—	(4,605)
Transit vehicles	(237,308)	(22,232)	26,644	—	(232,896)
Machinery, equipment and furniture	(68,245)	(8,384)	808	—	(75,821)
Intangible right-to-use (building)	(904)	(708)	—	—	(1,612)
Intangible right-to-use (SBITA)	(112)	(227)	—	—	(339)
Toll facility franchise	(95,330)	(2,586)	—	—	(97,916)
Total accumulated depreciation and amortization	(507,011)	(44,251)	27,452	—	(523,810)
Total capital assets, being depreciated and amortized, net	325,700	(907)	(3,029)	471,470	793,234
Business-type activities capital assets, net	\$ 863,279	\$ 34,017	\$ (3,029)	\$ —	\$ 894,267

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Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities:	
General Government	\$ 5,949
Motorist services	52
Total	\$ 6,001
Business-type activities:	
Fixed route	\$ 28,671
Paratransit	3,768
Toll road	11,812
Total	\$ 44,251

Toll Facility Franchise

On January 3, 2003, OCTA purchased from the California Private Transportation Company (CPTC) its interest in a franchise agreement for a toll facility on a 10-mile segment of the Riverside Freeway/State Route (SR) 91 between the Orange/Riverside County line and the Costa Mesa Freeway/SR-55. The purchase was enabled by State Assembly Bill (AB) 1010 (Correa), passed by the California legislature and signed by the governor in September 2002. The legislation provided the authority for OCTA to collect tolls and pay related financing costs until 2030, and eliminated noncompete provisions in the franchise agreement for needed improvements on SR-91. The franchise agreement with the State of California's Department of Transportation (Caltrans) had granted CPTC the right to develop and construct the toll facility and to operate it for 35 years under a lease arrangement. Caltrans retains legal title to the real property components of the toll facility. There are no franchise fees or installment payments payable to Caltrans.

In September 2008, the Governor of California approved Senate Bill (SB) 1316 (Correa) as an update to the provisions of AB 1010. SB 1316 authorized OCTA to assign its franchise rights, interests and obligations in the Riverside County portion to the Riverside County Transportation Commission (RCTC), thereby allowing RCTC to add two toll lanes and a regular lane in each direction on the SR-91 from the Orange County line to Interstate 15. In addition, the bill authorized the terms of the franchise to expire no later than December 31, 2065. SB 1316 also required OCTA and RCTC to enter into an agreement providing for the coordination of their respective tolling facilities if RCTC was to construct and operate the toll facilities on the Riverside County portion of the SR-91 franchise.

In December 2011, the Board approved the assignment of OCTA's franchise rights, interests and obligations in the Riverside County portion of the SR-91 franchise to RCTC. The Board also approved the extension of the expiration date to 2065 and a cooperative agreement between OCTA and RCTC that details the joint operation for the 91 Express Lanes extension.

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8. LEASES

OCTA adopted GASB Statement No. 87, Leases, for the fiscal year ended June 30, 2022. Under this Statement, OCTA, as a lessee, is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor, OCTA is required to recognize a lease receivable and a deferred inflow of resources.

Lease receivables

In fiscal year 2023-24, OCTA has lease receivables comprised of six agreements, which OCTA is the lessor related to land. OCTA has recognized \$316 in lease revenue and \$24 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, OCTA has lease receivable in the amount of \$3,367. Also, OCTA has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2024, the balance of the deferred inflow of resources is \$3,287. The following is a schedule of future minimum lease receivable as of June 30, 2024:

Year ending June 30,	Principal	Interest	Total
2025	\$ 482	\$ 96	\$ 578
2026	504	77	581
2027	498	62	560
2028	492	49	541
2029	331	35	366
2030-2034	1,053	44	1,097
2035-2039	5	—	5
2040	2	—	2
Total	\$ 3,367	\$ 363	\$ 3,730

Lease payables

In fiscal year 2023-24, OCTA has a lease payable comprised of five agreements, which OCTA is a lessee for the use of buildings and equipment. As of June 30, 2024, OCTA has a lease liability in the amount of \$29,363. The value of the right-to-use assets as of the end of the current fiscal year is \$41,851 and has accumulated amortization of \$14,310. The following is a schedule of future minimum lease liabilities as of June 30, 2024:

Year ending June 30,	Principal	Interest	Total
2025	\$ 4,686	\$ 719	\$ 5,405
2026	4,942	635	5,577
2027	5,087	548	5,635
2028	5,331	459	5,790
2029	3,477	370	3,847
2030-2034	1,611	1,528	3,139
2035-2039	1,965	1,054	3,019
2039-2043	2,264	289	2,553
Total	\$ 29,363	\$ 5,602	\$ 34,965

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9. SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAs)

OCTA adopted GASB Statement No. 96, SBITAs, for the fiscal year ended June 30, 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

In fiscal year 2023-24, OCTA recorded subscription payable comprised of five agreements, which OCTA is a lessee for the use of IT arrangements. As of June 30, 2024, OCTA has a subscription liability in the amount of \$610. The value of the right-to-use assets as of the end of the current fiscal year is \$1,295 with accumulated amortization of \$1,022.

The following is a schedule of future minimum subscription liabilities as of June 30, 2024:

Year ending June 30,	Principal	Interest	Total
2025	\$ 322	\$ 24	\$ 346
2026	156	11	167
2027	82	4	86
2028	50	1	51
Total	\$ 610	\$ 40	\$ 650

10. RISK MANAGEMENT – CLAIMS LIABILITY

OCTA is self-insured for workers' compensation and general liability claims. Workers' compensation claims are self-insured with a maximum amount of \$750,000 per claim with statutory limits. For fiscal year 2022-23 and fiscal year 2023-24, general liability claims are fully self-insured with an adequate funding reserve as required by the OCTA Board of Directors. Actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards. The process used in computing claims liability may not result in an exact amount but are actuarially determined on a yearly basis. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. There are no claims or settlements exceeded insurance coverage for each of the past three fiscal years. Management is of the opinion that the recorded liabilities for OCTA's self-insured claims are adequate.

OCTA's liability for claims where it has retained the risk of loss, as recorded in the appropriate internal service funds, is as follows:

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	2024	2023
General Liability		
Unpaid claims as of July 1	\$ 6,102	\$ 3,030
Incurred claims (including claims incurred but not reported)	143	773
Payments	(469)	(794)
Increase in provision for prior years' events	574	3,093
Unpaid claims at June 30	6,350	6,102
Workers' Compensation		
Unpaid claims as of July 1	14,725	16,327
Incurred claims (including claims incurred but not reported)	1,165	582
Payments	(5,534)	(4,836)
Increase in provision for prior years' events	4,967	2,652
Unpaid claims at June 30	15,323	14,725
Total unpaid claims at June 30	21,673	20,827
Less current portion of unpaid claims	(4,181)	(3,870)
Total long-term portion of unpaid claims	\$ 17,492	\$ 16,957

11. LONG-TERM DEBT

Sales Tax Revenue Bonds

On December 9, 2010, LTA issued \$293,540 in M2 Sales Tax Revenue Bonds, 2010 Series A (Taxable Build America Bonds) and \$59,030 in 2010 Series B (Tax-Exempt Bonds), to finance and refinance the costs of certain transportation projects located in Orange County, to restructure the Tax Exempt Commercial Paper (TECP) Program, and to fund capitalized interest and costs of issuance related to the 2010 Series Bonds. A reserve fund is not required in connection with the 2010 Series Bonds per the bond indenture. The transaction closed on December 23, 2010. A total of \$75,000 was used to refund outstanding TECP.

On February 12, 2019, LTA issued \$376,690 in M2 Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2019 (the "Series 2019 Bonds"), i) to finance the costs of certain transportation projects located in Orange County, consisting of the general purpose lanes of I-405 Improvement Project; ii) to refund and defease \$43,540 of the 2010 Series A Bonds, which resulted in gross cumulative cash flow savings of approximately \$2,867 and net present value cumulative savings of approximately \$2,584; and iii) to fund costs of issuance related to the Series 2019 Bonds. A reserve fund is not required in connection with the Series 2019 Bonds per the bond indenture. The transaction closed on February 26, 2019.

The OCTA's outstanding debt obligations related to M2 Sales Tax Revenue Bonds contain a provision that in an event of default, bondholders have the right to sue in order to force the Authority to cure the event of default, which may result in finance related consequences.

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A summary of the bonds outstanding is as follows:

	2010 Series A (Taxable Build America Bonds)	2019 Series (Tax-Exempt Bonds)
Issuance date	12/09/10	2/12/19
Original issue amount	\$ 293,540	\$ 376,690
Original issue premium	—	69,342
Net Bond Proceeds	\$ 293,540	\$ 446,032
Issuance costs	\$ 1,905	\$ 970
Interest rates	5.56%-6.91%	3.00%-5.00%
Maturity range	2021-2041	2021-2041
Final maturity	2041	2041
Bonds outstanding	\$ 250,000	\$ 319,315
Plus unamortized premium	—	52,512
Total	\$ 250,000	\$ 371,827

Annual debt service requirements on the sales tax revenue bonds as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest
2025	\$ 21,950	\$ 32,906
2026	23,630	31,722
2027	24,755	30,334
2028	25,935	28,881
2029	27,170	27,359
2030-2034	156,585	111,323
2035-2039	197,110	61,479
2040-2041	92,180	8,146
Total	\$ 569,315	\$ 332,150

Toll Road Revenue Refunding Bonds

On July 30, 2013, OCTA issued \$124,415 in Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes) Series 2013 to refund the outstanding Toll Road Revenue Refunding Bonds (91 Express Lanes) Series 2003-A, Series 2003 B-1 and Series 2003 B-2. OCTA refunded the outstanding Series 2003-A Bonds to reduce its total debt service payments over the life of the bonds and refunded the Series 2003 B-1 and Series 2003 B-2 Bonds to address the mandatory tender date of August 15, 2013 for the existing private placement with the OCIP. The Series 2013 Bonds were issued as fixed rate bonds. The transaction closed on August 8, 2013.

The OCTA's outstanding debt obligations related to Toll Road Revenue Refunding Bonds contain a provision that in an event of default, bondholders have the right to sue in order to force the Authority to cure the event of default, which may result in finance related consequences.

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On July 6, 2023, OCTA issued \$47,545 in Senior Lien Toll Road Revenue Refunding Bonds, Series 2023 ("91EL 2023 Bonds"). The All-In True Interest Cost (TIC) is 2.80%. With the 91EL 2023 Bonds proceeds of \$47,545 and cash reserve of \$26,296, OCTA refunded and defeased the outstanding Series 2013 Bonds, which resulted in net present value cumulative savings of \$5,521.

A summary of the terms of the Toll Road Revenue Refunding Bonds is as follows:

	2023 Series (Toll Road Revenue Bonds)	
Issuance date		7/6/23
Closing date		7/6/23
Original issue amount	\$	47,545
Cash reserve requirements	\$	13,215
Cash reserve balance	\$	13,453
Interest rate range		5 %
Maturity		August 2030
Principal payment date		August 15
Current balance	\$	47,545
Unamortized premium	\$	4,009
Deferred amount on refunding	\$	4,159

*Pursuant to the 2023 Toll Road Revenue Refunding Bonds Master Indenture of Trust and Supplemental Indentures, the following three reserve funds are required to be maintained: Senior Lien Reserve Fund \$5,215,000, Major Maintenance Reserve Fund \$5,000,000 and Operating Reserve Fund \$3,000,000. At June 30, 2024, all reserve requirements have been satisfied.

Annual debt service requirements on the tax-exempt bonds as of June 30, 2024, are as follows:

Year ending June 30,	Principal		Interest	
2025	\$	5,820	\$	2,232
2026		6,115		1,933
2027		6,430		1,620
2028		6,760		1,290
2029		7,105		943
2030-2031		15,315		775
Total	\$	47,545	\$	8,793

TIFIA Loan

On September 9, 2021, OCTA and the Department of Transportation Build America Bureau Credit Programs Office (Bureau) executed a TIFIA loan for \$628,930 as a direct borrowing with an interest rate of 1.95%. TIFIA loan was issued for the purpose of financing the I-405 Improvement Project, which includes the addition of one general-purpose lane and establishment of the 405 Express Lanes.

During the construction of the I-405 Improvement project, and for a period of up to five years following the substantial completion, interest on the TIFIA loan is capitalized and added to the initial TIFIA loan. The loan requires mandatory debt service payments at a minimum and scheduled debt service

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payments to the extent that additional funds are available. Annual debt service payment will commence on June 1, 2028 through June 1, 2058. In fiscal year 2022-23, the entire TIFIA loan of \$628,930 was drawn and unused balance under the loan agreement is \$0. In addition, OCTA prepaid \$15,219 of principal on the TIFIA Loan Agreement. As of June 30, 2024, the outstanding balance is \$632,355, including interest accretion of \$18,644.

The TIFIA loan is secured solely by toll revenues of the I-405 Express Lanes, which commenced operations in December 2023. The loan is non-recourse debt and is issued on a senior lien basis. The credit rating on the TIFIA loan is Baa2 (Moody's). The legal documents for the TIFIA loan contain provisions with finance-related consequences, that if an event of default occurs and continues, the trust estate shall be under the control of the trustee. Also, under the TIFIA Loan Agreement interest increases to the Default Rate, and the US Department of Transportation has the option of holding up loan disbursements. The OCTA's legal documents also contain acceleration clauses, whereas the OCTA's obligations shall automatically become due and payable.

In accordance with the projected TIFIA loan maturity schedule, the annual debt service requirements to maturity for the TIFIA loan payable throughout the term of the loan are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ —	\$ —	\$ —
2026	—	—	—
2027	—	—	—
2028	—	6,589	6,589
2029	—	13,159	13,159
2030-2058	675,753	261,964	937,717
Total	\$ 675,753	\$ 281,712	\$ 957,465

Changes in Long-Term Debt

Long-term debt activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Sales tax revenue bonds	\$ 590,235	\$ —	\$ (20,920)	\$ 569,315	\$ 21,950
Unamortized premium	55,664	—	(3,152)	52,512	—
Total governmental activities	645,899	—	(24,072)	621,827	21,950
Business-type activities:					
Tax-exempt bonds	71,420	47,545	(71,420)	47,545	5,820
Unamortized premium	4,803	4,602	(5,395)	4,010	—
Subtotal for Tax-exempt bonds	76,223	52,147	(76,815)	51,555	5,820
TIFIA loan	613,711	—	—	613,711	—
Accreted interest	6,478	12,166	—	18,644	—
Subtotal for TIFIA loan	620,189	12,166	—	632,355	—
Total business-type activities	\$ 696,412	\$ 64,313	\$ (76,815)	\$ 683,910	\$ 5,820

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Arbitrage Rebate

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. In general, arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Failure to follow the arbitrage regulations could result in the interest paid to bondholders being retroactively rendered taxable.

In accordance with the arbitrage regulations, if excess earnings were calculated, 90% of the amount calculated would be due to the Internal Revenue Service (IRS) at the end of each five-year period. The remaining 10% would be recorded as a liability and paid after all bonds had been redeemed. During the current year, no excess earnings were calculated, therefore, no payments were made.

Pledged Revenue

OCTA has a number of debt issuances outstanding that are repaid and secured by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the summary of bonds outstanding tables. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions.

Debt service payments as a ratio of the pledged gross revenue, less certain expenditures/expenses as required by the debt agreement, for the year ended June 30, 2024, are indicated in the following table and OCTA is in compliance with the ratio per the debt agreement:

Description of Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage
Measure M2 Net Sales Tax Revenue	\$ 340,337	\$ 54,872	6.20
91 EL Net Toll Road Revenue	73,485	10,272	7.15
405 EL Net Toll Road Revenue	4,576	—	—

12. PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (PPP)

In fiscal year 2023, OCTA assessed GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements and determined that 91 Express Lanes agreement was not applicable to this standard, wherein exchange or exchange-like transactions does not exist between OCTA and Caltrans pertaining to this arrangement.

In March 2017, OCTA entered into an agreement with the State of California, Department of Transportation (Caltrans), under which OCTA will design and build the I-405 Improvement Project, and be responsible for the operation of I-405 Toll Facility for 40 years commencing as of the first day on which the Toll Facility opens for public use and toll operations. OCTA will set, collect, and retain tolls during this period. At the end of the term of this agreement, all property owned by OCTA and which is related to the Toll Facility, shall automatically become the property of Caltrans.

With the implementation of GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, OCTA has identified this arrangement as a PPP. On December 1, 2023, the I-405 Improvement Project reached substantial completion and the 405 Express Lanes opened to public use. The value of the Toll Facility associated with the PPP arrangement recognized on December 1, 2023 was \$431,959. As of June 30, 2024, OCTA has recognized a liability measured based on the estimated carrying value of the Toll Facility at the end of

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the 40-year term for \$108,391 and deferred outflows of resources related to the I-405 Improvement Projects in the amount of \$106,810.

13. LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Compensated absences	\$ 9,104	\$ 7,666	\$ (7,872)	\$ 8,898	\$ 34
Rent holiday	4,311	4,311	(4,783)	3,839	—
Lease liabilities	24,634	244	(4,006)	20,872	4,240
Subscription liabilities	623	237	(503)	357	291
Total governmental activities	38,672	12,458	(17,164)	33,966	4,565
Business-type activities:					
Claims payable	20,827	6,849	(6,003)	21,673	4,181
Compensated absences	8,849	11,152	(10,929)	9,072	7,926
Lease liabilities	8,914	—	(422)	8,492	446
Subscription liabilities	276	—	(23)	253	55
Liabilities - PPP asset due to transferor	—	108,391	—	108,391	—
Total business-type activities	\$ 38,866	\$ 126,392	\$ (17,377)	\$ 147,881	\$ 12,608

Compensated absences will be paid from the general fund for governmental activities and from the OCTD enterprise fund for business-type activities.

14. PENSION PLAN

OCTA participates in the Orange County Employees Retirement System (OCERS) and also contributes to 401(a) plan which are subject to GASB Statement No. 68.

A summary of pension amounts for OCTA's plan at June 30, 2024 is presented below:

	OCERS
Deferred outflows of resources – pension	\$ 75,016
Net pension liability	207,825
Deferred inflows of resources – pension	23,703
Pension expense	16,467

Orange County Employees Retirement System

Plan Description: OCTA participates in OCERS Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by OCERS. The County Employees Retirement Law of 1937 and other applicable statutes grant the authority to establish and amend the benefit terms to the

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OCERS. OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans administered by OCERS. This report is issued for each year ending December 31 and can be obtained online at www.ocers.org, or from its executive office: 2223 Wellington Avenue, Santa Ana, CA 92701.

Benefits Provided: OCERS provides for service retirement, death, disability, survivor benefits and annual cost-of-living benefits to plan members, who must be public employees and beneficiaries. Service retirement benefits are based on Plan Type, years of service, age at retirement and final average salary. The benefit formulas are an annual annuity equal to 2% of the employee's one-year final average salary for each year of service rendered at age 57 for Plan A members who were hired prior to September 21, 1979 and 1.67% of the employee's three year final average salary for each year of service rendered at age 57.5 for Plan B members who were hired after September 21, 1979.

Contributions: Per Government Code sections 31453.5 and 31454, participating employers are required to contribute a percentage of covered salary to the Plan. The contribution requirements of participating active members and employers are established and may be amended by the OCERS' Board of Retirement. Employee contributions are established by the OCERS' Board of Retirement and guided by state statute (Government Code sections 31621, 31621.5, 31621.8, 31639.25 and 31639.5) and vary based upon employee age at the time of entering OCERS membership. Participating employers may pay a portion of the participating active employees' contributions through negotiations and bargaining agreements.

Funding contributions for the OCERS plan are determined annually on an actuarial basis by OCERS. The contribution requirement for the year ended June 30, 2024 was 33.41% of total covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. OCTA's contributions to OCERS were \$33,081 for the year ended June 30, 2024.

Net pension liabilities will be paid from the general fund for governmental activities and from the OCTD enterprise fund for business-type activities.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, OCTA reported a liability of \$207,825 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2024, and determined by rolling forward the total pension liability (TPL) as of December 31, 2023 actuarial valuation date. OCTA's proportionate share of the TPL has been determined by OCERS' actuary based upon employer contributions within each rate group. While OCERS is comprised of many rate groups, and certain rate groups may have multiple employer participants, OCTA is the only employer within its own individual rate group. Legally required employer contributions for each year less any amounts of those legally required contributions that are paid by the employees are used as the basis for determining each participating employer's proportion of total contributions. Contributions made by the employer on behalf of employees under Government Code Section 31581.2 are considered employee contributions and are not included in the proportionate share calculation.

At December 31, 2023, OCTA's proportion was 4.38%, which was an increase of 0.18% from its proportion measured as of December 31, 2023. For the year ended June 30, 2024, OCTA recognized pension expense of \$16,467.

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At June 30, 2024, OCTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 15,685	\$ —
Net difference between projected and actual earnings on plan investments	19,061	—
Difference between expected and actual experience	32,212	23,703
Changes of assumptions	8,058	—
Total	\$ 75,016	\$ 23,703

Deferred outflows of resources related to contributions subsequent to the measurement date but before reporting period of \$15,685 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows/outflows of resources related to changes of assumptions and difference between expected and actual experience will be recognized as pension expense over the average of the expected remaining service lives of all employees that are provided with pensions through OCERS which is 5.41 years determined as of December 31, 2023. In addition, the net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis beginning with the year in which they occur.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:	Increase (Decrease) in Pension Expense
2025	\$ (899)
2026	7,968
2027	27,255
2028	(1,767)
2029	3,071
Total	\$ 35,628

Actuarial Assumptions

Following are the key methods and assumptions used for the TPL as of December 31, 2023:

Actuarial Experience Study	Three year period ending December 31, 2022
Actuarial Cost Method	Entry age normal cost
Actuarial Assumptions:	
Investment Rate of Return	7.00% net of plan investment expenses, including inflation
Discount Rate	7.00%
Inflation Rate	2.50%
Cost of Living Adjustment	2.75% of retirement income
Projected Salary Increases	3.90% to 8.00%; vary by service, including inflation

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Mortality Assumptions: The underlying mortality assumptions used in the TPL at December 31, 2023 were based on the results of the actuarial experience study for the period January 1, 2020 through December 31, 2022 using the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021, with age adjustments, and adjusted separately for healthy and disabled.

Long-term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of inflation, beginning with December 31, 2023, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return by weighting the expected arithmetic real rate of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses (beginning with December 31, 2023, including only investment consulting fees, custodian fees, and other miscellaneous investment expenses).

For the prior year (table for December 31, 2022), these rates are before deducting investment management expenses while beginning December 31, 2023, they are after deducting applicable investment management expenses. The target allocation and projected arithmetic real rate of return for each major asset class, after deducting inflation, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table as of December 31, 2023:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity	45.00%	7.05%
Investment Grade Bonds	9.00%	1.97%
High Yield Bond	0.50%	4.63%
TIPS	2.00%	1.77%
Emerging Market Debt	0.50%	4.72%
Long-Term Government Bonds	3.30%	2.82%
Real Estate	3.00%	3.86%
Private Equity	15.00%	9.84%
Private Credit	3.50%	6.47%
Value Added Real Estate	3.00%	7.38%
Opportunistic Real Estate	1.00%	9.74%
Energy	2.00%	10.89%
Infrastructure (Core Private)	1.00%	5.98%
Infrastructure (Non-Core Private)	3.00%	8.88%
Global Macro	1.70%	3.17%
CTA (Trend Following)	3.30%	3.15%
Alternative Risk Premia	1.70%	3.24%
Special Situations Lending	1.50%	8.96%
Total	100.00%	

Discount Rate: The discount rate used to measure the TPL was 7.00% as of December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are

**ORANGE COUNTY TRANSPORTATION AUTHORITY
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intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of December 31, 2023.

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate: The following table represents the net pension liability of calculated using the discount rate of 7.00%, as well as what the NPL would be if it was calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease	Current Rate	1% Increase
OCTA's Proportionate Share of the NPL	\$ 373,417	\$ 207,825	\$ 72,459

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial report.

OCTA 401(a) Defined Contribution Plan

OCTA contributes to the 401(a) Plan, a defined contribution pension plan, 1) for its full-time administrative employees, 2) for employees represented by the Transportation Communications International Union/International Association of Machinists and Aerospace Workers (TCU/IAM-AW), and 3) for coach operators represented by Teamsters Local 952. The 401(a) Plan is administered by Nationwide Retirement Solutions.

Per provision of Personnel and Salary Resolution adopted by the Board, OCTA provides 401(a) matching contributions to Administrative employees who meet the following criteria:

- 1% of base pay for employees from 0 but less than 3 years of service
- 2% of base pay for employees with 3 but less than 5 years of service
- 3% of base pay for employees with 5 or more years of service

In addition, certain administrative employees are eligible, upon hire or promotion, to receive an additional matching contribution of up to 2% of base salary to their 401(a) account, provided employees are making contributions of at least that amount to the OCTA 457(b) plan.

According to provision of Agreement with TCU/IAM-AW, OCTA provides employer-paid contributions to represented employees who meet the following criteria:

- 1% of base pay for employees with 5 to 14 years service
- 2% of base pay for employees with 15 to 19 years service
- 3% of base pay for employees with 20 years or more of service

Per provision of Coach Operator Agreement, OCTA provides employer-paid contributions to coach operators who meet the following criteria:

- 1% of base pay for employees with 5 years to 9 years of service
- 2% of base pay for employees with 10 years or more of service
- 2% plus matching up to 1% of base pay for employees with 15 to 19 years or more of service
- 2% plus matching up to 3% of base pay for employees with 20 years or more of service

**ORANGE COUNTY TRANSPORTATION AUTHORITY
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The 401(a) Plan is entirely funded by employer contributions. For the year ended June 30, 2024, OCTA contributed \$2,481 to the 401(a) Plan.

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description: OCTA sponsors and administers a single-employer defined-benefit postemployment healthcare plan (Plan) to provide medical insurance benefits to eligible retired employees. Benefit provisions are established and may be amended by the Board of Directors of OCTA. OCTA reports the financial activity of the Plan in its basic financial statements. No separate benefit plan report is issued.

Effective July 1, 2018, Coach Operators became eligible to participate in the Other Postemployment Benefits (OPEB) plan sponsored and administered by OCTA. Previously, only Unrepresented Administrative Employees and Transportation Communications International Union Employees were eligible to continue participating in the group healthcare insurance program after retirement until age 65 for retirees who retire directly from OCTA. Unrepresented Administrative Employees and Transportation Communications International Union Employees in OCERS Plan A and B must be at a minimum of age 50 with at least ten years of OCTA service and OCERS Plan U members must be at a minimum of age 52 with at least five years of OCTA service to meet eligibility requirements. Coach Operators in OCERS Plan A and B must be at a minimum of age 55 with at least ten years of OCTA service and OCERS Plan U members must be at a minimum of age 55 with at least five years of OCTA service for eligibility. The retiree pays the full premium for retiree, spouse and dependents. OCTA does not provide any cash subsidy towards retiree medical benefits.

Funding Policy: Because of the nature of the implied subsidy, OCTA funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

OCTA allows retirees to participate in the same medical plan as active employees at the same premium rates. Because the rate is a “blended rate”, payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were in a stand-alone health plan.

For fiscal year ended June 30, 2024, the implied subsidy was determined as part of the June 30, 2024 actuarial valuation. The estimated implied subsidy at June 30, 2024 was \$186.

GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit.

Employees covered by benefit terms: As of January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	24
Active employees	1,008
Total participants covered by OPEB Plan	1,032

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

Total OPEB liability

OCTA's total OPEB liability (TOL) of \$2,791 was measured as of June 30, 2024 and was determined by an actuarial valuation as of January 1, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions and other inputs: The TOL of \$2,791 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.97 %
Healthcare Cost Trend Rates:	
2023 – 2024 Current Year Trend	7.50 %
2029 Trend	5.40 %
Decrement	0.10 %
Ultimate Trend	4.00 %
Year Ultimate Trend is Reached	2029
Salary Increases	3.25 %
Inflation Rate	2.50 %

Actuarial assumptions used in the January 1, 2024 valuation were based on a review of plan experience during the period January 1, 2022 to December 31, 2023.

The discount rate was based on the index provided by Fidelity General Obligation AA 20 Years Municipal Index based on the 20 year AA municipal bond rate as of June 30, 2024, an increase from the discount rate used for fiscal year ended June 30, 2023 of 3.86%.

Mortality rates were based on the PUB-2010 Mortality Tables, projected generationally with the two-dimensional mortality MP-2021 improvement scale.

Changes in the total OPEB liability:

	Total OPEB Liability
Balance at 6/30/2023	\$ 2,516
Changes for the current year:	
Service cost	213
Interest	102
Changes in assumptions	85
Differences between expected and actual experience	62
Benefit payments	(187)
Net changes	275
Balance at 6/30/2024	\$ 2,791

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the TOL of OCTA, calculated using the discount rate of 3.97%, as well as what OCTA's TOL would be if it was calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 2,939	\$ 2,791	\$ 2,643

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the TOL of OCTA, calculated using an initial trend rate of 7.50%, as well as what OCTA's TOL would be if it was calculated using a trend rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 2,510	\$ 2,791	\$ 3,117

Total OPEB liability will be paid from the general fund for governmental activities and from the OCTD enterprise fund for business-type activities.

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

For the year ended June 30, 2024, OCTA recognized OPEB expense of \$250. At June 30, 2024, OCTA reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 52	\$ 144
Changes of assumptions	127	15
Total	\$ 179	\$ 159

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Increase (Decrease) in OPEB Expense
2025	\$ (61)
2026	19
2027	14
2028	18
2029	23
2030	7
Total	\$ 20

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

16. PURCHASE COMMITMENTS

OCTA has various long-term outstanding contracts that extend over several years and rely on future years' revenues.

Total commitments at June 30, 2024 are as follows:

	Total Purchase Commitments	Reserve for Encumbrances	Unencumbered Purchase Commitments
Governmental Funds:			
General	\$ 279,803	\$ 20,708	\$ 259,095
LTA	795,391	94,630	700,761
LTF	96	—	96
Nonmajor governmental funds	141,464	44,901	96,563
Total Governmental Funds	1,216,754	160,239	1,056,515
Proprietary Funds:			
OCTD	697,580	84,793	612,787
91 Express Lanes	71,072	938	70,134
405 Express Lanes	160,653	3,140	157,513
Nonmajor-OC Streetcar	47,351	473	46,878
Internal Service Funds	1,076	681	395
Total Proprietary Funds	977,732	90,025	887,707
Total	\$ 2,194,486	\$ 250,264	\$ 1,944,222

The majority of the contracts relate to the expansion of Orange County's freeways and road systems, grade separation projects, OC Streetcar project, paratransit bus services, and services for the operation of the contracted fixed route, stationlink and express buses.

17. OTHER COMMITMENTS AND CONTINGENCIES

Litigation

In March 2022, Walsh Construction Company (plaintiff) filed a case arising out of the construction of the OC Streetcar Project. The plaintiff has alleged that due to unforeseen soil conditions, unforeseen utility conflicts, inadequate design and other actions taken by OCTA and its consultants, the plaintiff has suffered construction delays and other damages. In September 2024, OCTA Board of Directors approved a partial settlement which was accrued in fiscal year 2024. The remaining exposure is estimated at \$25,000, and trial has been set for February 2025.

Federal Grants

OCTA receives federal grants for capital projects and other reimbursable activities which are subject to audit by the grantor agency. Although the outcome of any such audits cannot be predicted, it is

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

management's opinion that these audits would not have a material effect on OCTA's financial position or results of operations.

18. JOINT VENTURE

OCTA is one of five members of the Southern California Regional Rail Authority (SCRRA), a joint powers authority (JPA) created in 1992. The SCRRA's board consists of one member from the Ventura County Transit Commission (VCTC); two each from OCTA, the San Bernardino County Transportation Authority (SBCTA) and the Riverside County Transportation Commission (RCTC); and four members from the Los Angeles County Metropolitan Transportation Authority (LACMTA). SCRRA is responsible for maintaining and operating a regional commuter rail system (Metrolink) in five southern California counties. As a member of the agency, OCTA makes annual capital and operating contributions for its pro rata share of rail lines serving Orange County. OCTA made \$44,553 contributions during fiscal year 2023-24 for its share of Metrolink capital and operating costs since SCRRA received awards directly from the FTA for OCTA's share. Separate financial statements are prepared by, and available from, SCRRA, which is located at 900 Wilshire Blvd., Ste. 1500, Los Angeles, CA 90017.

OCTA is one of 11 members of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency, a JPA created in 1989 and amended in 2013. The purpose of the JPA is to oversee passenger rail service and improvements in the rail corridor between San Diego, Los Angeles and San Luis Obispo. The LOSSAN's board consists of two members appointed by the LACMTA; two members appointed by OCTA; one member appointed by RCTC; one member appointed by VCTC; one member appointed by the Santa Barbara County Association of Governments; one member appointed by the San Luis Obispo Council of Governments and the following three agencies receive one member appointment but only two votes – the San Diego Metropolitan Transit System, the North County Transit District, and the San Diego Association of Governments. OCTA was selected as the managing agency for LOSSAN and is responsible for the ongoing coordination and service integration efforts. Administrative support is funded by the member agencies. OCTA charged \$4,670 to LOSSAN for administrative support during fiscal year 2023-24. Separate financial statements are prepared by, and available from, LOSSAN at the Orange County Transportation Authority located at 550 South Main Street, Orange, CA 92868.

19. FUND DEFICIT

The 405 Express Lanes fund, an enterprise fund, has a net position deficit of \$(97,468) as of June 30, 2024. The deficit is mainly due to the interfund transfers to the LTA fund for the I-405 improvement project pertaining to general purpose lanes which were funded by the TIFIA debt held by 405 EL fund. In addition, interest on the 2021 TIFIA loan is capitalized/ accreted to principal, which also attributed to the fund deficit.

The net investment in capital assets of \$(12,071) is a portion of net position related to I-405 Express Lanes' capital assets, offset by liabilities and deferred resource flows arising from construction, acquisition, or improvements. The unrestricted net position of \$(85,397) is the remaining of net position not classified as net investment in capital assets, which pertaining to non-capital related assets and liabilities.

The construction of I-405 Express Lanes and two new general purpose lanes were completed and the 405 Express Lanes were opened for public use in December 2023. The primary source of funding for the deficit is toll revenues and related fees.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

20. EFFECT OF NEW PRONOUNCEMENTS

GASB Statement No. 99

In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and the requirements related to financial guarantees and the classification and reporting of derivative instruments are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 100

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The implementation of this Statement did not have a material effect on the financial statements.

21. SUBSEQUENT EVENT

In July 2024, California State Transportation Agency (CalSTA) authorized disbursement of the Transit and Intercity Rail Capital Program (TIRCP) for \$160,109 and the Zero Emission Transit Capital Program (ZETCP) for \$22,474 to OCTA as part of Budget Act of 2023 SB 125 funding. The TIRCP was created to fund transformative capital improvements that modernize California's intercity rail, bus, ferry, and rail transit systems. The ZETCP was created to fund zero emission transit equipment, including, but not limited to, zero-emission vehicles and refueling infrastructure and, transit operating expenditures that prevent service reduction or elimination in order to maintain or increase ridership.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines	\$ 177	\$ 177	\$ 145	\$ (32)
Contributions from other agencies	10,252	10,252	8,203	(2,049)
Interest and investment earnings	2,448	2,448	6,266	3,818
Capital assistance grants	5,675	5,675	2,659	(3,016)
Miscellaneous	152	152	1,050	898
Total revenues	18,704	18,704	18,323	(381)
Expenditures				
Current:				
General government:				
Salaries and benefits	78,798	78,814	71,453	7,361
Supplies and services	56,406	56,406	48,922	7,484
Interfund reimbursements	(111,823)	(111,823)	(94,974)	(16,849)
Transportation:				
Contributions to other local agencies	439	1,539	1,218	321
Capital outlay	12,390	12,390	9,686	2,704
Total expenditures	36,210	37,326	36,305	1,021
Deficiency of revenues under expenditures	(17,506)	(18,622)	(17,982)	640
Other financing sources (uses)				
Transfers in	5,302	5,302	5,076	(226)
Transfers out	—	—	(22,174)	(22,174)
Total other financing sources (uses)	5,302	5,302	(17,098)	(22,400)
Net change in fund balances	\$ (12,204)	\$ (13,320)	\$ (35,080)	\$ (21,760)
Reconciliation to GAAP:				
Net change in fund balance (budgetary basis)			\$ (35,080)	
Less: Estimated revenues for encumbrances outstanding at June 30			2,256	
Add: Current year encumbrances outstanding at June 30			19,885	
Net change in fund balance (GAAP basis)			\$ (17,451)	

ORANGE COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information
Budgetary Comparison Schedule
Local Transportation Authority Special Revenue Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax revenue	\$ 461,560	\$ 461,560	\$ 431,412	\$ (30,148)
Contributions from other agencies	96,082	96,082	56,878	(39,204)
Interest and investment earnings	38,229	38,229	44,725	6,496
Miscellaneous	75	1,958	1,013	(945)
Total revenues	595,946	597,829	534,028	(63,801)
Expenditures				
Current:				
General government:				
Supplies and services	244,464	238,239	163,683	74,556
Transportation:				
Contributions to other local agencies	197,384	227,153	100,944	126,209
Capital outlay	410,065	410,065	207,364	202,701
Debt service:				
Interest	—	—	4	(4)
Total expenditures	851,913	875,457	471,995	403,462
Excess (deficiency) of revenues over (under) expenditures	(255,967)	(277,628)	62,033	339,661
Other financing sources (uses)				
Transfers in	37,518	37,518	53,160	15,642
Transfers out	(122,942)	(122,942)	(266,563)	(143,621)
Proceeds from sale of capital assets	1,883	—	—	—
Total other financing sources (uses)	(83,541)	(85,424)	(213,403)	(127,979)
Net change in fund balances	\$ (339,508)	\$ (363,052)	\$ (151,370)	\$ 211,682
Reconciliation to GAAP:				
Net change in fund balance (budgetary basis)			\$	(151,370)
Less: Estimated revenues for encumbrances outstanding at June 30				27,778
Add: Current year encumbrances outstanding at June 30				95,829
Net change in fund balance (GAAP basis)			\$	(83,319)

ORANGE COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information
Budgetary Comparison Schedule
Local Transportation Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax revenue	\$ 230,731	\$ 230,731	\$ 219,233	\$ (11,498)
Interest and investment earnings	350	350	23,075	22,725
Total revenues	231,081	231,081	242,308	11,227
Expenditures				
Current:				
General government:				
Supplies and services	2,284	2,284	2,134	150
Transportation:				
Contributions to other local agencies	3,237	3,237	3,095	142
Total expenditures	5,521	5,521	5,229	292
Excess of revenues over expenditures	225,560	225,560	237,079	11,519
Other financing uses				
Transfers out	(225,321)	(225,321)	(199,294)	26,027
Total other financing uses	(225,321)	(225,321)	(199,294)	26,027
Net change in fund balances	\$ 239	\$ 239	\$ 37,785	\$ 37,546

ORANGE COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information
Supplemental Pension Plan and OPEB Plan Trend Data
June 30, 2024

(amounts expressed in thousands)

Schedule of OCTA's Proportionate Share of the Net Pension Liability
Orange County Employees Retirement System Pension Plan
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
OCTA's Proportion of the NPL	4.288 %	3.842 %	3.581 %	4.415 %	4.419 %	4.353 %	4.283 %	4.436 %	4.377 %	4.006 %
OCTA's proportionate share of the NPL	\$207,825	\$207,133	\$73,424	\$186,024	\$224,285	\$230,261	\$230,261	\$230,261	\$250,193	\$203,592
OCTA's covered payroll	\$111,089	\$105,542	\$97,538	\$102,500	\$101,980	\$97,230	\$94,528	\$94,507	\$93,110	\$95,061
OCTA's proportionate share of the NPL as a percentage of its covered payroll	187.08 %	196.26 %	75.28 %	181.49 %	219.93 %	277.48 %	224.40 %	243.64 %	268.71 %	214.17 %
Plan fiduciary net position as a percentage of the total pension liability	82.82 %	81.45 %	91.45 %	81.69 %	76.67 %	70.03 %	74.93 %	71.16 %	67.10 %	69.42 %

Note: The amounts presented for each fiscal year were determined as of December 31.

Schedule of OCTA's Contributions
Orange County Employees Retirement System Pension Plan
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 32,883	\$ 33,932	\$ 31,794	\$ 29,175	\$ 27,801	\$ 24,690	\$ 24,811	\$ 23,900	\$ 26,347	\$ 24,722
Contributions in relation to the actuarially determined contributions	32,883	33,932	31,794	29,175	27,801	24,690	24,811	23,900	26,347	24,722
Contribution excess (deficiency)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$111,089	\$ 98,906	\$ 95,163	\$ 92,887	\$ 92,496	\$ 87,887	\$ 86,117	\$ 86,925	\$ 97,616	\$ 92,878
Contributions as a percentage of covered payroll	29.60%	34.31%	33.41%	31.41%	30.06%	28.09%	28.81%	27.50%	26.99%	26.62%

* OCTA will be presenting information for those years for which information is available until a full 10-year trend is compiled.

Changes of assumptions

For fiscal year 2023-24, the inflation rate remained unchanged at 2.50% (retiree cost-of-living assumption maintained at 2.75%). Projected salary increases changed to 3.90% - 8.00%. Mortality assumptions were based on the Pub-2010 General Health Employee Amount-Weighted Above-Median Mortality Table.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Required Supplementary Information
Supplemental Pension Plan and OPEB Plan Trend Data
June 30, 2024

(amounts expressed in thousands)

Schedule of the Changes in OCTA's Total OPEB Liability and Related Ratios
Other Post Employment Benefit Plan
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 2,516	\$ 2,508	\$ 2,414	\$ 2,301	\$ 2,927	\$ 1,432	\$ 745
Changes for the year:							
Service cost	213	189	192	185	152	112	40
Interest	102	94	48	58	104	48	28
Changes in assumption	85	(94)	35	60	172	(4)	40
Difference between actual and expected experience	62	—	62	—	(869)	12	651
Plan change				—	—	1,419	—
Benefit payments	(187)	(181)	(187)	(190)	(185)	(92)	(72)
Total OPEB liability - ending	\$ 2,791	\$ 2,516	\$ 2,564	\$ 2,414	\$ 2,301	\$ 2,927	\$ 1,432
Covered employee payroll	\$ 86,100	\$ 94,180	\$ 85,148	\$ 82,937	\$ 82,050	\$ 70,204	\$ 42,366
Total OPEB liability as a percentage of covered employee payroll	3.24 %	2.67 %	3.01 %	2.91 %	2.80 %	4.17 %	3.38 %

* OCTA will be presenting information for those years for which information is available until a full 10-year trend is compiled.

Notes to the schedule for OPEB Plan

Funding policy: OCTA funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

The amounts presented for fiscal year 2018 were measured as of December 31, 2017, and the amounts for fiscal year 2019 and thereafter were measured as of June 30 of the preceding year.

Plan Change: Effective July 1, 2018 for fiscal year ended June 30, 2019, Coach Operators became eligible to participate in the OPEB plan. Previously, only Unrepresented Administrative and Transportation Communications International Union employees were eligible for OPEB benefits.

Change of assumptions: For fiscal year 2023-24, the discount rate used to measure the TOL was 3.97%, an increase from the discount rate of 3.86% for fiscal year 2022-23.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2024

(amounts expressed in thousands)

1. BUDGETARY DATA

OCTA establishes accounting control through formal adoption of an annual budget for all governmental funds. The budget is prepared in a basis consistent with accounting principles generally accepted in the United States (GAAP) except for multi-year contracts, for which the entire amount of the contract is budgeted and encumbered in the year of execution. The adopted budget can be amended by the Board to increase both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Division heads are authorized to approve appropriation transfers within major objects subject to approval by the Finance and Administration Division. Major objects are defined as Salaries and Benefits, Supplies and Services, and Capital Outlay. Supplies and Services includes Contributions to Other Local Agencies, Debt Service and Transfers. Appropriation transfers between major objects require approval of the Board. Accordingly, the legal level of budgetary control, that is the level that expenditures cannot exceed appropriations, for budgeted funds, is at the major object level for the budgeted governmental funds. A Fourth Quarter Budget Status Report, June 2024 is available from the OCTA Finance and Administration Division. With the exception of accounts which have been encumbered, appropriations lapse at year end.

EXCESS EXPENDITURES OVER APPROPRIATIONS

There were no excess of expenditures over appropriations for fiscal year 2023-24 for the General fund and the major special revenue funds. In the Local Transportation fund, sales tax revenue fell short of budget by \$11,498 due to economic slowdown in consumer spending.

In fiscal year 2014-15, the CURE fund was consolidated with the General fund as it no longer met the definition of a special revenue fund. Beginning fiscal year 2023-24, the CURE fund was closed out and the remaining balances were transferred to the LTA fund.

Beginning fiscal year 2020-21, the Additional Retiree Benefit Account (ARBA) fund and the Scholarship fund were consolidated with the General fund, as they no longer met the definition of a fiduciary fund upon implementation of GASB Statement No. 84, Fiduciary Activities. A reconciliation is included on the General fund budgetary schedule for the consolidation.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
OTHER SUPPLEMENTARY INFORMATION**

**June 30, 2024
(amounts expressed in thousands)**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Orange County Unified Transportation Trust (OCUTT) – This fund is used to account for the revenues received and expenditures made for disbursements to OCTA, California Department of Transportation and cities within Orange County for various transportation projects. The source of revenue is the interest earned by the general capital project fund. Expenditures of monies in this fund must be made in accordance with provisions of the California Transportation Development Act (TDA).

Service Authority for Freeway Emergencies (SAFE) – This fund is used to account for revenues received and expenditures made for the implementation and maintenance of the motorist emergency aid system. Funding is provided from a one dollar per vehicle registration fee on vehicles registered in Orange County. Expenditure of monies in this fund must be made in accordance with the provisions of Chapter 14 of the California Streets and Highways Code.

State Transit Assistance Fund (STAF) – This fund is used to account for revenues received and expenditures made for OCTD transit operations and fare assistance for seniors and disabled persons. Funding is provided by sales taxes on gasoline and use taxes on diesel fuel. Expenditure of these funds is governed by the provisions of the TDA.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

<i>(amounts expressed in thousands)</i>	Special Revenue			Total Nonmajor Governmental Funds
	OCUTT	SAFE	STAF	
Assets				
Cash and investments	\$ 14,293	\$ 3,726	\$ 44,100	\$ 62,119
Receivables:				
Interest	65	61	434	560
Other	—	4	—	4
Due from other funds	78	—	—	78
Due from other governments	—	1,384	15,310	16,694
Note receivable	715	—	—	715
Total assets	15,151	5,175	59,844	80,170
 Liabilities and Fund Balances				
Liabilities				
Accounts payable	1	875	7	883
Due to other funds	—	—	15,310	15,310
Due to other governments	—	46	—	46
Total liabilities	1	921	15,317	16,239
 Fund Balances				
Restricted for:				
Transportation programs	15,150	—	44,527	59,677
Motorist services	—	3,373	—	3,373
Total fund balances	15,150	3,373	44,527	63,050
 Total liabilities, deferred inflows of resources, and fund balances	\$ 15,151	\$ 5,175	\$ 59,844	\$ 80,170

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Special Revenue			Total Nonmajor Governmental Funds
	OCUTT	SAFE	STAF	
Revenues				
Sales tax revenue	\$ —	\$ —	\$ 49,788	\$ 49,788
Transportation improvement fee	—	—	7,115	7,115
Vehicle registration fees	—	3,013	—	3,013
Contributions from other agencies	—	4,258	—	4,258
Interest and investment earnings	187	187	2,126	2,500
Miscellaneous	—	11	—	11
Total revenues	187	7,469	59,029	66,685
Expenditures				
Current:				
General government:				
Supplies and services	3	10,845	32	10,880
Capital outlay	—	36	—	36
Total expenditures	3	10,881	32	10,916
Excess (deficiency) of revenues over (under) expenditures	184	(3,412)	58,997	55,769
Other financing sources (uses)				
Transfers in	—	5,410	—	5,410
Transfers out	—	—	(56,904)	(56,904)
Total other financing sources (uses)	—	5,410	(56,904)	(51,494)
Net change in fund balances	184	1,998	2,093	4,275
Fund balances - beginning	14,966	1,375	42,434	58,775
Fund balances - ending	\$ 15,150	\$ 3,373	\$ 44,527	\$ 63,050

ORANGE COUNTY TRANSPORTATION AUTHORITY
Budgetary Comparison Schedule
Local Transportation Authority Debt Service Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Interest and investment earnings	\$ 6,212	\$ 6,212	\$ 7,012	\$ 800
Total revenues	6,212	6,212	7,012	800
Expenditures				
Debt service:				
Principal payments on long-term debt	20,920	20,920	20,920	—
Interest on long-term debt	33,952	33,952	33,952	—
Total expenditures	54,872	54,872	54,872	—
Deficiency of revenues under expenditures	(48,660)	(48,660)	(47,860)	800
Other financing sources (uses)				
Transfers in	54,872	54,872	51,397	(3,475)
Transfers out	(6,212)	(6,212)	(11,340)	(5,128)
Total other financing sources (uses)	48,660	48,660	40,057	(8,603)
Net change in fund balances	\$ —	\$ —	\$ (7,803)	\$ (7,803)

ORANGE COUNTY TRANSPORTATION AUTHORITY
Budgetary Comparison Schedule
Orange County Unified Transportation Trust Special Revenue Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Interest and investment earnings	\$ 283	\$ 283	\$ 187	\$ (96)
Total revenues	283	283	187	(96)
Expenditures				
Current:				
General government:				
Supplies and services	933	933	3	930
Total expenditures	933	933	3	930
Excess (deficiency) of revenues over (under) expenditures	(650)	(650)	184	834
Net change in fund balances	\$ (650)	\$ (650)	\$ 184	\$ 834

ORANGE COUNTY TRANSPORTATION AUTHORITY
Budgetary Comparison Schedule
Service Authority for Freeway Emergencies Special Revenue Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Vehicle registration fees	\$ 2,900	\$ 2,900	\$ 3,013	\$ 113
Contributions from other agencies	10,554	10,554	4,258	(6,296)
Interest and investment earnings	81	81	187	106
Miscellaneous	5	5	11	6
Total revenues	13,540	13,540	7,469	(6,071)
Expenditures				
Current:				
General government:				
Supplies and services	12,226	12,226	10,885	1,341
Capital outlay	698	698	62	636
Total expenditures	12,924	12,924	10,947	1,977
Excess (deficiency) of revenues over (under) expenditures	616	616	(3,478)	(4,094)
Other financing sources				
Transfers in	5,731	5,731	5,410	(321)
Total other financing sources	5,731	5,731	5,410	(321)
Net change in fund balances	\$ 6,347	\$ 6,347	\$ 1,932	\$ (4,415)
Reconciliation to GAAP:				
Net change in fund balance (budgetary basis)			\$ 1,932	
Less: Estimated revenues for encumbrances outstanding at June 30			—	
Add: Current year encumbrances outstanding at June 30			66	
Net change in fund balance (GAAP basis)			\$ 1,998	

ORANGE COUNTY TRANSPORTATION AUTHORITY
Budgetary Comparison Schedule
State Transit Assistance Special Revenue Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax revenue	\$ 51,259	\$ 51,259	\$ 49,788	\$ (1,471)
Transportation improvement fee	6,886	6,886	7,115	229
Interest and investment earnings	120	120	2,126	2,006
Total revenues	58,265	58,265	59,029	764
Expenditures				
Current:				
General government:				
Supplies and services	—	—	32	(32)
Total expenditures	—	—	32	(32)
Excess of revenues over expenditures	58,265	58,265	58,997	732
Other financing uses				
Transfers out	(58,265)	(58,265)	(56,904)	1,361
Total other financing uses	(58,265)	(58,265)	(56,904)	1,361
Net change in fund balances	\$ —	\$ —	\$ 2,093	\$ 2,093

ORANGE COUNTY TRANSPORTATION AUTHORITY
Budgetary Comparison Schedule
General Capital Project Fund (Budgetary Basis)
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Capital assistance grants	\$ 35,104	\$ 35,104	\$ 30,694	\$ (4,410)
Total revenues	35,104	35,104	30,694	(4,410)
Expenditures				
Current:				
General government:				
Supplies and services	35,792	35,792	7,401	28,391
Transportation:				
Contributions to other local agencies	1,998	1,998	195	1,803
Capital outlay	130,920	130,920	147,146	(16,226)
Total expenditures	168,710	168,710	154,742	13,968
Deficiency of revenues under expenditures	(133,606)	(133,606)	(124,048)	9,558
Other financing sources				
Transfers in	48,728	48,728	74,201	25,473
Total other financing sources	48,728	48,728	74,201	25,473
Net change in fund balances	\$ (84,878)	\$ (84,878)	\$ (49,847)	\$ 35,031

Reconciliation to GAAP:

Net change in fund balance (budgetary basis)	\$ (49,847)
Less: Estimated revenues for encumbrances outstanding at June 30	19
Add: Current year encumbrances outstanding at June 30	50,926
Net change in fund balance (GAAP basis)	\$ 1,060

**ORANGE COUNTY TRANSPORTATION AUTHORITY
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024
(amounts expressed in thousands)**

NONMAJOR ENTERPRISE FUND

OC Streetcar Fund – This fund is established to account for the operations of the OC Streetcar which is planned to be operative in fiscal year 2025-26. The funding sources for the operation will be Measure M program, Congestion Mitigation and Air Quality (CMAQ) program, fare collections, and local city match.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Net Position
Nonmajor Enterprise Fund
June 30, 2024

<i>(amounts expressed in thousands)</i>	OC Streetcar	Total Nonmajor Enterprise Fund
Assets		
Current assets:		
Due from other funds	\$ 10	\$ 10
Total current assets	10	10
Total assets	10	10
Liabilities		
Current liabilities:		
Accounts payable	10	10
Total current liabilities	10	10
Total liabilities	10	10
Net Position		
Unrestricted	—	—
Total net position	\$ —	\$ —

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenses and Charges in Net Position
Nonmajor Enterprise Fund
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	OC Streetcar	Total Nonmajor Enterprise Fund
Operating revenues:		
Permit fees	\$ —	\$ —
Total operating revenues	<u>—</u>	<u>—</u>
Operating expenses:		
Administrative services	876	876
Professional services	74	74
Total operating expenses	<u>950</u>	<u>950</u>
Operating loss	<u>(950)</u>	<u>(950)</u>
Loss before contributions and transfers	(950)	(950)
Transfers in	950	950
Change in net position	<u>—</u>	<u>—</u>
Total net position - beginning	<u>—</u>	<u>—</u>
Total net position - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Cash Flows
Nonmajor Enterprise Fund
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	OC Streetcar	Total Nonmajor Enterprise Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ —	\$ —
Payments to suppliers	(74)	(74)
Payments to employees	—	—
Payments for interfund services used	(876)	(876)
Net cash used for operating activities	(950)	(950)
Cash flows from noncapital financing activities:		
Transfers from other funds	950	950
Net cash provided by noncapital financing activities	950	950
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of year	—	—
Cash and cash equivalents at end of year	\$ —	\$ —
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (950)	\$ (950)
Change in assets and liabilities:		
Prepaid retirement	—	—
Deferred outflows of resources related to pensions	—	—
Deferred outflows of resources related to OPEB	—	—
Accounts payable	—	—
Accrued payroll and related items	—	—
Compensated absences	—	—
Unearned revenue	—	—
Total OPEB liability	—	—
Net pension liability	—	—
Deferred inflows of resources related to pensions	—	—
Deferred inflows of resources related to OPEB	—	—
Total adjustments	—	—
Net cash used for operating activities	\$ (950)	\$ (950)

**ORANGE COUNTY TRANSPORTATION AUTHORITY
OTHER SUPPLEMENTARY INFORMATION
June 30, 2024
(amounts expressed in thousands)**

INTERNAL SERVICE FUNDS

General liability - This fund is used to account for OCTA's risk management activities related to public liability, property damage and automobile liability.

Workers' compensation - This fund is used to account for OCTA's risk management activities related to workers' compensation.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

<i>(amounts expressed in thousands)</i>	General Liability	Workers' Compensation	Total Internal Service Funds
Assets			
Current assets:			
Cash and investments	\$ 21,351	\$ 37,689	\$ 59,040
Receivables:			
Interest	252	405	657
Other	74	391	465
Other assets	13	825	838
Total current assets	21,690	39,310	61,000
Total assets	21,690	39,310	61,000
Liabilities			
Current liabilities:			
Accounts payable	236	725	961
Claims payable	1,270	2,911	4,181
Total current liabilities	1,506	3,636	5,142
Noncurrent liabilities:			
Claims payable	5,080	12,412	17,492
Total liabilities	6,586	16,048	22,634
Net Position			
Unrestricted	15,104	23,262	38,366
Total net position	\$ 15,104	\$ 23,262	\$ 38,366

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	General Liability	Workers' Compensation	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,985	\$ 8,046	\$ 11,031
Total operating revenues	2,985	8,046	11,031
Operating expenses:			
Administrative services	205	86	291
Other	229	294	523
Insurance claims and premiums	1,932	6,684	8,616
Professional services	919	526	1,445
Total operating expenses	3,285	7,590	10,875
Operating income (loss)	(300)	456	156
Nonoperating revenues (expenses):			
Investment earnings	1,054	1,822	2,876
Other	284	77	361
Total nonoperating revenues	1,338	1,899	3,237
Change in net position	1,038	2,355	3,393
Total net position - beginning	14,066	20,907	34,973
Total net position - ending	\$ 15,104	\$ 23,262	\$ 38,366

ORANGE COUNTY TRANSPORTATION AUTHORITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	General Liability	Workers' Compensation	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 3,364	\$ 8,185	\$ 11,549
Payments to suppliers	(995)	(292)	(1,287)
Payments to claimants	(1,776)	(6,458)	(8,234)
Payments for interfund services used	(205)	(86)	(291)
Miscellaneous revenue received	284	77	361
Net cash provided by operating activities	672	1,426	2,098
Cash flows from investing activities:			
Investment earnings	970	1,711	2,681
Net cash provided by investing activities	970	1,711	2,681
Net increase in cash and cash equivalents	1,642	3,137	4,779
Cash and cash equivalents at beginning of year	19,709	34,552	54,261
Cash and cash equivalents at end of year	\$ 21,351	\$ 37,689	\$ 59,040
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (300)	\$ 456	\$ 156
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Insurance recoveries	284	77	361
Change in assets and liabilities:			
Other receivables	137	(78)	59
Other assets	379	139	518
Accounts payable	(76)	234	158
Claims payable	248	598	846
Total adjustments	972	970	1,942
Net cash provided by operating activities	\$ 672	\$ 1,426	\$ 2,098
Noncash capital, financing and investing activities:			
Investment earnings	\$ (83)	\$ (109)	\$ (192)

91 & 405 EXPRESS LANES



Orange County Transportation Authority
Orange County, California

VANPOOL



Orange County Transportation Authority
Orange County, California



**ORANGE COUNTY TRANSPORTATION AUTHORITY
STATISTICAL SECTION
(Unaudited)
June 30, 2024**

This part of OCTA'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 OCTA's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	96
These schedules contain trend information to help the reader understand how OCTA's financial performance and well-being have changed over time.	
Revenue Capacity	101
These schedules contain information to help the reader assess OCTA's most significant local revenue source, the sales tax.	
Debt Capacity	106
These schedules present information to help the reader assess the affordability of OCTA's current levels of outstanding debt and OCTA's ability to issue additional debt in the future.	
Demographic and Economic Information	109
These schedules offer demographic and economic indicators to help the reader understand the environment within which OCTA's financial activities take place.	
Operating Information	112
These schedules contain service and infrastructure data to help the reader understand how the information in OCTA's financial report relates to the services OCTA provides and the activities it performs.	

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 1
Net Position by Component, Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting - thousands)

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 177,195	\$ 185,209	\$ 202,587	\$ 211,433	\$ 262,985	\$ 340,129	\$ 433,782	\$ 501,053	\$ 582,156	\$ 681,639
Restricted	421,285	545,220	621,580	565,653	677,934	626,302	545,091	735,780	773,909	755,550
Unrestricted	94,641	67,517	29,578	37,947	(14,857)	(49,044)	(23,655)	18,118	5,854	16,134
Total governmental activities net position	\$ 693,121	\$ 797,946	\$ 853,745	\$ 815,033	\$ 926,062	\$ 917,387	\$ 955,218	\$ 1,254,951	\$ 1,361,919	\$ 1,453,323
Business-type activities:										
Net investment in capital assets	\$ 279,153	\$ 300,737	\$ 389,791	\$ 339,677	\$ 320,212	\$ 303,484	\$ 287,575	\$ 306,992	\$ 302,428	\$ 370,095
Restricted	13,032	13,075	13,199	16,776	18,229	25,156	31,268	29,252	28,432	31,682
Unrestricted	275,052	305,689	323,682	439,737	487,407	547,164	583,939	482,767	641,516	859,053
Total business-type activities net position	\$ 567,237	\$ 619,501	\$ 726,672	\$ 796,190	\$ 825,848	\$ 875,804	\$ 902,782	\$ 819,011	\$ 972,376	\$ 1,260,830
Primary government:										
Net investment in capital assets	\$ 456,348	\$ 485,946	\$ 592,378	\$ 551,110	\$ 583,197	\$ 643,613	\$ 721,357	\$ 808,045	\$ 884,584	\$ 1,051,734
Restricted	434,317	558,295	634,779	582,429	696,163	651,458	576,359	765,032	802,341	787,232
Unrestricted	369,693	373,206	353,260	477,684	472,550	498,120	560,284	500,885	647,370	875,187
Total primary government net position	\$ 1,260,358	\$ 1,417,447	\$ 1,580,417	\$ 1,611,223	\$ 1,751,910	\$ 1,793,191	\$ 1,858,000	\$ 2,073,962	\$ 2,334,295	\$ 2,714,153

Source: Accounting and Financial Reporting Department

Notes:

In fiscal year 2014-15, OCTA implemented GASB 68.

In fiscal year 2016-17, the increase in the business-type activities net position is mainly due to a major revenue vehicle purchase.

In fiscal year 2018-19, the increase in the government-type activities net position is mainly due to the Measure M program and the construction of the OC Streetcar project.

In fiscal year 2019-20, the increase in the business-type activities net position is mainly due to a reduction in net pension liabilities.

In fiscal year 2020-21, the increase in the governmental-type activities net position is mainly due to capital grants and contributions and taxes. The increase in business-type activities net position is mainly due to operating grants and contributions.

In fiscal year 2021-22, the increase in the governmental-type activities net position is mainly due to sales tax revenues. The decrease in business-type activities net position is mainly due to the construction of I-405 improvement project.

In fiscal year 2022-23, the increase in the business-type activities net position is mainly due to reclassification of the I-405 improvement project (long-term debt TIFIA loan and construction in progress) from unrestricted to net investment in capital assets.

In fiscal year 2023-24, the increase in government-type activities net position is mainly due to favorable investment performance and decrease in Measure M program expenses related to I-405 Improvement Project. The increase in business-type activities net position is mainly due to increased charges for services from 405 Express Lanes, investment earnings, and interfund transfer from the LTA fund to 405 Express Lanes fund for TIFIA loan allocation.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 2
Changes in Net Position, Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting - thousands)

For the Year Ended June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 74,852	\$ 95,155	\$ 94,929	\$ 80,877	\$ 88,394	\$ 89,868	\$ 87,346	\$ 89,924	\$ 104,701	\$ 111,528
Measure M program	301,329	272,627	280,154	439,279	390,253	453,965	534,584	543,991	482,865	371,900
Motorist services	5,281	6,355	5,826	5,725	6,359	7,724	7,092	8,284	8,206	9,772
Commuter rail	29,347	34,004	39,736	414	117	454	47	194	15	—
Total governmental activities expenses	410,809	408,141	420,645	526,295	485,123	552,011	629,069	642,393	595,787	493,200
Business-type activities:										
Fixed route	201,630	208,851	204,969	208,167	230,256	201,819	174,441	179,877	210,789	209,916
Paratransit	51,392	63,071	64,594	67,883	71,104	88,086	75,431	88,131	99,541	115,153
Tollroad	22,980	25,120	38,455	25,672	26,491	29,239	30,137	30,162	15,409	29,764
Taxicab administration	584	567	524	385	348	160	86	—	—	—
Fixed guideway	—	—	—	—	6	7	28	51	107	74
Total business-type activities expenses	276,586	297,609	308,542	302,107	328,205	319,311	280,123	298,221	325,846	354,907
Total primary government expenses	\$ 687,395	\$ 705,750	\$ 729,187	\$ 828,402	\$ 813,328	\$ 871,322	\$ 909,192	\$ 940,614	\$ 921,633	\$ 848,107
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 181	\$ 1,180	\$ 730	\$ 842	\$ 855	\$ 872	\$ 1,113	\$ 1,094	\$ 935	\$ 694
Other activities	1,644	1,087	1,104	1,544	968	1,197	1,149	1,373	1,257	1,046
Operating grants and contributions	122,282	125,220	92,486	98,233	83,458	78,703	74,365	63,978	61,774	65,287
Capital grants and contributions	586	3,897	17,602	7,679	19,994	37,921	65,919	65,949	47,923	40,085
Total governmental activities program revenues	124,693	131,384	111,922	108,298	105,275	118,693	142,546	132,394	111,889	107,112
Business-type activities:										
Charges for services:										
Fixed route	51,265	50,197	42,753	40,821	41,067	39,747	22,380	37,647	38,580	39,939
Tollroad	46,132	52,240	56,005	57,615	57,417	43,944	45,353	64,848	61,376	93,335
Other activities	8,695	8,650	8,656	8,280	8,727	7,654	2,193	4,824	6,183	7,527
Operating grants and contributions	67,356	65,226	74,966	74,236	87,667	64,917	164,819	258,866	77,750	62,937
Capital grants and contributions	14,139	35,848	89,740	17,849	11,172	4,747	7,154	10,568	84,923	48,357
Total business-type activities program revenues	187,587	212,161	272,120	198,801	206,050	161,009	241,899	376,753	268,812	252,095
Total primary government program revenues	\$ 312,280	\$ 343,545	\$ 384,042	\$ 307,099	\$ 311,325	\$ 279,702	\$ 384,445	\$ 509,147	\$ 380,701	\$ 359,207

(Continued)

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 2
Changes in Net Position, Last Ten Fiscal Years, *continued*

(accrual basis of accounting - thousands)

	For the Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Indirect expenses allocation:										
Governmental activities	\$ (35,996)	\$ (37,748)	\$ (41,045)	\$ (43,163)	\$ (44,411)	\$ (46,890)	\$ (48,485)	\$ (52,347)	\$ (55,455)	\$ (61,325)
Business-type activities	35,996	37,748	41,045	43,163	44,411	46,890	48,485	52,347	55,455	61,325
Net (expense) revenue										
Governmental activities	(250,120)	(239,009)	(267,678)	(374,834)	(335,437)	(386,428)	(438,038)	(457,652)	(428,442)	(324,763)
Business-type activities	(124,995)	(123,196)	(77,467)	(146,469)	(166,566)	(205,192)	(86,709)	26,185	(112,489)	(164,137)
Total primary government net expense	\$ (375,115)	\$ (362,205)	\$ (345,145)	\$ (521,303)	\$ (502,003)	\$ (591,620)	\$ (524,747)	\$ (431,467)	\$ (540,931)	\$ (488,900)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales taxes	\$ 466,127	\$ 476,368	\$ 475,863	\$ 515,475	\$ 546,912	\$ 518,933	\$ 554,785	\$ 679,399	\$ 718,022	\$ 700,434
Unrestricted investment earnings	13,301	19,447	9,807	12,609	48,527	55,593	21,334	(27,383)	38,383	81,699
Other miscellaneous revenue	168	918	99	133	233	159	2,028	1,360	826	1,064
Transfers	(169,199)	(152,899)	(162,292)	(191,734)	(149,206)	(196,930)	(117,292)	104,009	(221,821)	(367,030)
Total governmental activities	310,397	343,834	323,477	336,483	446,466	377,755	460,855	757,385	535,410	416,167
Business-type activities:										
Taxes:										
Property taxes	13,293	14,098	14,943	15,995	16,971	17,829	18,648	19,646	21,155	22,281
Unrestricted investment earnings	4,531	7,672	2,332	2,892	24,654	29,285	4,859	(32,167)	14,586	53,490
Other miscellaneous revenue	1,218	791	5,071	5,604	5,393	11,104	7,685	6,574	8,292	9,790
Transfers	169,199	152,899	162,292	191,734	149,206	196,930	117,292	(104,009)	221,821	367,030
Total business-type activities	188,241	175,460	184,638	216,225	196,224	255,148	148,484	(109,956)	265,854	452,591
Total primary government	\$ 498,638	\$ 519,294	\$ 508,115	\$ 552,708	\$ 642,690	\$ 632,903	\$ 609,339	\$ 647,429	\$ 801,264	\$ 868,758
Change in Net Position										
Governmental activities	\$ 60,277	\$ 104,825	\$ 55,799	\$ (38,351)	\$ 111,029	\$ (8,673)	\$ 22,817	\$ 299,733	\$ 106,968	\$ 91,404
Business-type activities	63,246	52,264	107,171	69,756	29,658	49,956	61,775	(83,771)	153,365	288,454
Total primary government	\$ 123,523	\$ 157,089	\$ 162,970	\$ 31,405	\$ 140,687	\$ 41,283	\$ 84,592	\$ 215,962	\$ 260,333	\$ 379,858

Source: Accounting and Financial Reporting Department

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 3

Fund Balances, Governmental Funds, Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting - thousands)

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Reserved	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved	—	—	—	—	—	—	—	—	—	—
Nonspendable	11,038	11,862	20,672	11,699	13,717	12,746	13,763	13,282	12,802	14,334
Restricted	24,732	23,548	22,992	23,189	23,101	23,517	44,642	40,881	41,994	44,060
Assigned	25,173	14,453	—	2,413	8,740	11,562	14,735	25,759	28,218	—
Unassigned	22,115	—	(17,135)	—	(2,217)	—	—	(2)	—	7,169
Total general fund	\$ 83,058	\$ 49,863	\$ 26,529	\$ 37,301	\$ 43,341	\$ 47,825	\$ 73,140	\$ 79,920	\$ 83,014	\$ 65,563
All Other Governmental Funds										
Reserved	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	—
Capital projects funds	—	—	—	—	—	—	—	—	—	—
Nonspendable	20,575	12,519	7,177	12,144	15,772	12,230	17,507	39,222	25,887	21,843
Restricted	753,071	862,565	953,569	892,703	1,337,025	1,252,083	1,155,000	1,314,797	1,343,802	1,300,225
Committed										
Assigned, reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	—
Transportation capital projects	9,469	8,682	1,158	—	2,521	—	—	—	—	—
Unassigned	—	—	—	(6,917)	(883)	(2,024)	(3,562)	(7,658)	(10,171)	(10,552)
Total all other governmental funds	\$ 783,115	\$ 883,766	\$ 961,904	\$ 897,930	\$ 1,354,435	\$ 1,262,289	\$ 1,168,945	\$ 1,346,361	\$ 1,359,518	\$ 1,311,516

Source: Accounting and Financial Reporting Department

Notes:

In fiscal year 2014-15, the increase in restricted fund balance of General Fund is due to transfers from LTA as a result of finalizing Measure M1 projects. Additionally, the CURE Fund was consolidated with the General Fund as it no longer met the definition of a special revenue fund, which resulted in an increase of assigned and unassigned fund balance for the General Fund.

In fiscal year 2018-19, the increase in restricted fund balance of All Other Governmental Funds is due to the issuance of sales tax revenue bonds for the Measure M2 program.

In fiscal year 2019-23, the changes in restricted fund balance of All Other Governmental funds is due to the fluctuations of sales tax revenue for Measure M2 program.

In fiscal year 2023-24, the decrease in assigned fund balance of General Fund is due to interfund transfer of CURE fund from General Fund to LTA Fund.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 4

Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting - thousands)

For the Year Ended June 30,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Sales taxes	\$466,127	\$465,830	\$486,401	\$507,584	\$554,804	\$518,933	\$554,785	\$679,399	\$718,022	\$700,433
Gasoline taxes	—	—	—	—	—	—	—	—	—	—
Transportation improvement fee	—	—	—	5,673	5,603	5,823	6,230	7,581	6,619	7,115
Vehicle registration fees	2,351	3,401	2,960	2,941	2,978	2,773	3,099	2,896	2,952	3,013
Fines	197	220	205	201	200	245	125	182	163	145
Contributions from other agencies	121,341	103,532	87,870	92,239	67,550	96,817	84,483	51,603	77,858	40,691
Interest and investment income	12,732	18,917	11,894	12,253	48,528	53,209	23,840	(29,596)	41,529	83,578
Capital assistance grants	768	3,220	14,552	7,541	14,171	29,102	45,999	46,975	42,384	31,948
Miscellaneous	4,221	5,090	8,060	6,361	3,649	1,425	3,250	2,365	2,555	2,074
Total revenues	607,737	600,210	611,942	634,793	697,483	708,327	721,811	761,405	892,082	868,997
Expenditures										
Current:										
General government	105,995	126,370	116,183	110,973	110,537	106,911	114,120	101,883	122,642	144,832
Transportation:										
Contributions to other local agencies	133,286	124,230	146,199	109,767	114,543	97,116	103,286	104,090	105,526	105,389
Capital outlay	129,312	103,441	106,921	250,292	235,559	354,492	430,188	435,542	372,308	262,322
Debt service:										
Principal payments on long-term debt	6,865	7,210	7,475	7,775	8,165	8,530	8,065	8,455	19,935	20,920
Interest	21,961	21,614	21,343	21,059	20,677	35,615	35,777	35,808	34,949	33,956
Bond issuance costs	—	—	—	—	826	—	—	—	—	—
Total expenditures	397,419	382,865	398,121	499,866	490,307	602,664	691,436	685,778	655,360	567,419
Excess of revenues over expenditures	210,318	217,345	213,821	134,927	207,176	105,663	30,375	75,627	236,722	301,578
Other financing sources (uses):										
Transfers in	65,411	56,722	74,074	46,148	155,033	137,216	99,830	217,996	122,116	189,244
Transfers out	(234,610)	(209,621)	(236,366)	(237,882)	(304,239)	(334,146)	(217,122)	(113,987)	(343,936)	(556,275)
Proceeds from sale of capital assets	2,667	3,010	3,275	3,605	3,605	3,605	3,866	4,560	1,349	—
Bond issuance	—	—	—	—	376,690	—	—	—	—	—
Bond premium	—	—	—	—	69,342	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—	(45,062)	—	—	—	—	—
Total other financing sources (uses)	(166,532)	(149,889)	(159,017)	(188,129)	255,369	(193,325)	(113,426)	108,569	(220,471)	(367,031)
Net changes in fund balances	\$ 43,786	\$ 67,456	\$ 54,804	\$ (53,202)	\$462,545	\$ (87,662)	\$ (83,051)	\$184,196	\$ 16,251	\$ (65,453)
Debt service as a percentage of noncapital expenditures	7.6 %	7.7 %	7.6 %	5.9 %	6.6 %	8.4 %	7.3 %	6.8 %	9.6 %	11.8 %

Source: Accounting and Financial Reporting Department

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 5

Program Revenues by Function/Program, Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting - thousands)

Program Revenues	For the Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
Governmental activities:										
General government	\$ 4,101	\$ 8,963	\$ 22,323	\$ 18,830	\$ 27,932	\$ 46,179	\$ 76,165	\$ 77,831	\$ 54,580	\$ 49,165
Measure M program	112,056	111,050	76,881	81,902	67,979	63,996	59,115	48,550	48,894	51,512
Motorist services	5,521	5,648	5,575	5,492	8,755	8,516	7,251	5,968	8,222	6,435
Commuter rail	3,015	5,723	7,143	2,074	609	2	15	45	194	—
Total governmental activities	124,693	131,384	111,922	108,298	105,275	118,693	142,546	132,394	111,890	107,112
Business-type activities:										
Fixed route	112,721	123,504	173,107	105,539	108,244	107,503	193,353	306,103	200,782	149,316
Paratransit	28,059	28,080	40,777	33,882	38,859	7,496	2,192	4,824	6,183	7,527
Tollroad	46,132	60,059	57,816	59,069	58,576	45,835	46,342	65,826	61,847	95,252
Taxicab administration	675	518	420	311	371	175	12	—	—	—
Total business-type activities	187,587	212,161	272,120	198,801	206,050	161,009	241,899	376,753	268,812	252,095
Total primary government	\$ 312,280	\$ 343,545	\$ 384,042	\$ 307,099	\$ 311,325	\$ 279,702	\$ 384,445	\$ 509,147	\$ 380,702	\$ 359,207

Source: Accounting and Financial Reporting Department

Notes:

In fiscal year 2014-15, the decrease in Measure M program is primarily due to finalizing Measure M1 projects.

In fiscal year 2016-17, the decrease in Measure M program is primarily due to decreased funding of RSTP and Proposition 1B as well as closing phase of the grade separation projects.

In fiscal year 2017-18, the decrease in Fixed route is primarily due to capital grants received in the prior year related to the CNG bus purchase project.

In fiscal year 2019-20, the decrease in General government, fixed route, paratransit, and tollroad revenues is primarily due to the COVID-19 pandemic.

In fiscal year 2020-22, the increase in Fixed route is primarily due to increased operating grants and contributions.

In fiscal year 2022-23, the decrease in Fixed route is primarily due to decreased operating grants and contributions relating to transit operations.

In fiscal year 2023-24, the decrease in Fixed route is primarily due to decreased operating grants and contributions relating to transit operations. The increase in Tollroad is due to increase in 91 EL user revenues and opening of 405 EL for public use.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 6

Tax Revenues by Source, Governmental Activities, Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting - thousands)

For the Year Ended June 30,	Sales & Use Tax		Total	
2015	\$	466,127	\$	466,127
2016		476,368		476,368
2017		475,863		475,863
2018		515,475		515,475
2019		546,912		546,912
2020		518,933		518,933
2021		554,785		554,785
2022		679,399		679,399
2023		718,022		718,022
2024		700,434		700,434
Change				
2015 - 2024		50.3 %		50.3 %

Source: Accounting and Financial Reporting Department

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 7

Taxable Sales by Category, Last Ten Calendar Years (Unaudited)

<i>(amounts expressed in thousands)</i>	Calendar Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Clothing and Clothing Accessories Stores	\$3,942,629	\$4,062,185	\$4,173,147	\$4,179,348	\$4,420,905	\$4,501,642	\$3,445,233	\$5,265,145	\$5,645,156	\$5,510,685
General Merchandise Stores	5,206,936	5,331,919	5,266,498	5,314,636	5,424,321	5,561,761	5,214,858	6,114,659	6,661,626	6,433,829
Specialty Stores	—	—	—	—	—	—	—	—	—	—
Food and Beverage Stores	2,249,980	2,315,300	2,399,937	2,460,590	2,483,191	2,630,703	2,705,682	2,843,138	2,851,552	575,234
Food Services and Drink Places	7,174,652	7,561,709	7,953,351	8,195,164	8,559,216	6,232,835	8,795,493	10,252,167	10,807,335	2,612,840
Home Furnishings and Appliance Stores	2,995,975	3,082,463	3,074,257	3,037,974	2,907,710	2,578,348	3,104,704	3,116,190	2,946,553	667,046
Building Material & Garden Equipment & Supplies Dealers	2,870,940	2,961,129	3,106,396	3,184,381	3,174,208	3,539,541	3,817,836	4,006,427	3,930,919	892,944
Motor Vehicle and Parts Dealers	8,352,815	8,648,763	8,927,827	9,408,045	9,646,527	9,482,960	11,324,257	11,775,654	11,056,748	2,515,914
Gasoline Stations	3,979,166	3,489,276	3,745,819	4,203,824	4,142,023	2,670,300	4,110,466	5,137,709	4,536,118	1,028,009
Other Retail Group	5,130,425	5,318,826	5,562,771	5,742,982	6,158,835	8,462,565	8,412,348	8,661,056	9,248,654	2,076,020
Business and Personal Services	—	—	—	—	—	—	—	—	—	—
All other outlets	19,768,161	20,241,650	20,883,715	21,390,429	22,553,862	19,576,172	24,603,345	29,927,949	29,976,022	6,924,027
Total	\$61,671,679	\$63,013,220	\$65,093,718	\$67,117,373	\$69,470,798	\$65,236,827	\$75,534,222	\$87,100,094	\$87,660,683	\$29,236,548

Measure M Ordinance direct sales tax rate	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %	0.50 %
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Sources: California State Board of Equalization for data prior to 2015; California Department of Tax and Fee Administration for data starting 2015

Note:

Starting 2015, the category was modified by BOE. Data for Gasoline Stations was reported within Automotive category in prior years. Specialty Stores and Business and Personal Services are recategorized in the Other Retail Group category.

(a) Taxable Sales reported for year 2024 includes first quarter data.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 8
Direct and Overlapping Sales Tax Rates, Last Ten Calendar Years
(Unaudited)

<u>Calendar Year</u>	<u>Measure M Direct rate</u>	<u>County of Orange</u>
2015	0.50%	7.50%
2016	0.50%	7.50%
2017	0.50%	7.25%
2018	0.50%	7.25%
2019	0.50%	7.25%
2020	0.50%	7.25%
2021	0.50%	7.25%
2022	0.50%	7.25%
2023	0.50%	7.25%
2024	0.50%	7.25%

(a)

Sources: County of Orange information provided by the California Department of Tax and Fee Administration

Notes: Measure M information provided by the Measure M Ordinance

(a) Effective January 1, 2017 the state sales and use tax rate decreased by .25%.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 9

Principal Taxable Sales Generation by City, Current Year and Nine Years Ago

(amounts express in thousands)

City	Calendar Year 2023			Calendar Year 2014		
	Taxable Sales	Rank	Percentage of Total	Taxable Sales	Rank	Percentage of Total
Aliso Viejo	\$ 652,818	24	0.90 %	\$ 429,394	28	0.81 %
Anaheim	9,041,035	1	12.43 %	6,163,023	1	11.64 %
Brea	2,279,816	12	3.13 %	1,716,397	12	3.24 %
Buena Park	3,156,850	8	4.34 %	2,264,394	8	4.28 %
Costa Mesa	6,663,120	3	9.16 %	4,538,729	3	8.57 %
Cypress	1,135,633	19	1.56 %	1,022,902	16	1.93 %
Dana Point	585,575	26	0.80 %	478,526	26	0.90 %
Fountain Valley	1,345,211	16	1.85 %	992,753	18	1.88 %
Fullerton	2,480,656	11	3.41 %	1,767,550	10	3.34 %
Garden Grove	2,539,606	10	3.49 %	1,729,278	11	3.27 %
Huntington Beach	4,094,798	6	5.63 %	3,111,543	6	5.88 %
Irvine	8,126,299	2	11.17 %	5,173,640	2	9.77 %
La Habra	1,194,157	18	1.64 %	1,014,076	17	1.92 %
La Palma	208,417	32	0.29 %	1,213,860	15	2.29 %
Laguna Beach	544,327	28	0.75 %	863,229	19	1.63 %
Laguna Hills	546,817	27	0.75 %	343,730	31	0.65 %
Laguna Niguel	1,219,335	17	1.68 %	433,293	27	0.82 %
Laguna Woods	94,862	33	0.13 %	495,401	25	0.94 %
Lake Forest	1,527,440	15	2.10 %	82,028	33	0.15 %
Los Alamitos	309,964	31	0.43 %	258,885	32	0.49 %
Mission Viejo	1,708,442	13	2.35 %	1,532,627	13	2.90 %
Newport Beach	3,718,122	7	5.11 %	2,943,344	7	5.56 %
Orange	4,974,290	5	6.84 %	3,501,414	5	6.61 %
Placentia	648,684	25	0.89 %	518,539	24	0.98 %
Rancho Santa Margarita	718,591	22	0.99 %	544,759	23	1.03 %
San Clemente	1,033,227	20	1.42 %	667,415	21	1.26 %
San Juan Capistrano	992,597	21	1.36 %	689,069	20	1.30 %
Santa Ana	5,072,727	4	6.97 %	3,816,866	4	7.21 %
Seal Beach	411,834	30	0.57 %	381,814	29	0.72 %
Stanton	442,723	29	0.61 %	353,691	30	0.67 %
Tustin	3,009,766	9	4.14 %	1,978,508	9	3.74 %
Villa Park	27,438	34	0.04 %	17,046	34	0.03 %
Westminster	1,544,152	14	2.12 %	1,349,549	14	2.55 %
Yorba Linda	711,941	23	0.98 %	549,187	22	1.04 %
Total	72,761,270		100 %	52,936,459		100 %
Unincorporated Cities	14,537,147			7,160,669		
Total Orange County	\$ 87,298,417			\$ 60,097,128		

Source: California Department of Tax and Fee Administration, www.cdtfa.ca.gov

Note: The most current data available is for 2023.

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 10
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years (Unaudited)
(amounts expressed in thousands except per capita)

As of June 30,	Governmental Activities			Business-Type Activities					Government	Percentage of Personal Income	Per Capita
	Sales Tax Revenue Bonds	Lease Liabilities	Subscription Liabilities	Toll Road Revenue Bonds	TIFIA Loan	Lease Liabilities	Subscription Liabilities	PPP Liabilities			
2015	\$ 335,707	\$ —	\$ —	\$ 129,444	\$ —	\$ —	\$ —	\$ —	\$ 465,151	0.25 %	147.08
2016	327,894	—	—	123,725	—	—	—	—	451,619	0.23 %	142.06
2017	319,817	—	—	117,796	—	—	—	—	437,613	0.22 %	136.72
2018	311,440	—	—	111,627	165,988	—	—	—	589,055	0.28 %	182.87
2019	704,094	—	—	105,173	294,762	—	—	—	1,104,029	0.50 %	342.60
2020	691,810	—	—	98,420	303,422	—	—	—	1,093,652	0.45 %	342.37
2021	680,592	—	—	91,356	312,329	—	—	—	1,084,277	0.42 %	343.80
2022	668,985	28,483	—	83,962	—	3,394	—	—	784,824	0.30 %	248.19
2023	645,899	24,634	623	76,223	620,189	8,914	276	—	1,376,758	n/a	438.31
2024	621,827,000	20,871,852	357,000	51,555,000	632,355,000	8,491,499	253,000	108,391,000	1,444,101,000	n/a	458.32

Source: Accounting and Financial Reporting Department

Notes:

- In fiscal year 2013-14, OCTA issued Senior Lien Toll Road Revenue Refunding Bonds (Series 2013) to refund the outstanding Series 2003 Bonds.
- In fiscal year 2017-18, OCTA and DOT Bureau executed the TIFIA loan.
- In fiscal year 2018-19, the increase in sales tax revenue bonds of governmental activities is due to issuance of sales tax revenue bonds.
- In fiscal year 2021-22, OCTA prepaid the TIFIA loan and secured bridge loan (BAN 2021).
- In fiscal year 2022-23, OCTA and DOT Bureau executed the TIFIA loan, and paid off the BAN 2021.
- In fiscal year 2023-24, OCTA issued 2023 Toll Road Revenue Bonds and refunded 2013 Toll Road Revenue Bonds for 91 Express Lanes.

See schedule 13 for personal income and population data.
n/a - data not available

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 11

Legal Debt Margin Information, Last Ten Fiscal Years (Unaudited)

(amounts expressed in thousands)

Measure M Ordinance No. 3 (Measure M2)		Toll Road Revenue Bonds 91 EL		TIFIA Loan 405 EL	
Legal Debt Margin Calculation for Fiscal Year 2024		Legal Debt Margin Calculation for Fiscal Year 2024		Legal Debt Margin Calculation for Fiscal Year 2024	
Debt service	\$ 54,872	Debt service	\$ 10,272	Debt service	\$ —
Debt coverage (130 % of debt service)	71,334	Debt coverage (130 % of debt service)	13,354	Debt coverage (135 % of debt service)	—
Sales tax revenue	433,919	Toll revenues	88,794	Toll revenues	22,651
Less: local fair share & other expenses	(93,583)	Less: operating expenses	(15,309)	Less: operating expenses	(18,074)
Net sales tax revenues	340,336	Net toll revenues	73,485	Net toll revenues	4,577
Legal debt margin	\$ 269,002	Legal debt margin	\$ 60,131	Legal debt margin	\$ 4,577

	Measure M Ordinance No. 3 (Measure M2)				Toll Road Revenue Bonds 91 EL				TIFIA Loan 405 EL				
	For Year Ended June 30,	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to limit as a percentage of debt limit	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to limit as a percentage of debt limit	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to limit as a percentage of debt limit
2015	\$ 227,936	\$ 29,039	\$ 198,897	12.7 %	\$ 30,825	\$ 14,035	\$ 16,790	45.5 %	\$ —	\$ —	\$ —	—	n/a
2016	237,151	29,021	208,130	12.2 %	35,576	14,035	21,541	39.5 %	—	—	—	—	n/a
2017	239,727	29,244	210,483	12.2 %	25,002	14,039	10,963	56.2 %	—	—	—	—	n/a
2018	249,427	29,080	220,347	11.7 %	42,211	14,034	28,177	33.2 %	—	—	—	—	n/a
2019	258,085	37,434	220,651	14.5 %	49,624	14,035	35,589	28.3 %	—	—	—	—	n/a
2020	252,570	57,360	195,210	22.7 %	37,268	14,037	23,231	37.7 %	—	—	—	—	n/a
2021	262,280	56,992	205,288	21.7 %	31,735	14,034	17,701	44.2 %	—	—	—	—	n/a
2022	330,050	56,974	273,076	17.3 %	37,145	14,122	23,023	38.0 %	—	—	—	—	n/a
2023	349,480	71,349	278,131	20.4 %	51,439	14,034	37,406	27.3 %	—	—	—	—	n/a
2024	340,336	71,334	269,002	21.0 %	73,485	13,354	60,131	18.2 %	4,577	—	4,577	—	%

Source: Treasury and Accounting and Financial Reporting Departments

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 12
Pledged-Revenue Coverage, Last Ten Fiscal Years (Unaudited)
(amounts expressed in thousands)

For the Year Ended June 30,	Measure M2 Sales Tax Revenue Bonds					Toll Road Revenue Bonds 91EL					TIFIA Loan 405EL				
	Sales Tax Revenue	Less: Fair Share & Other Expenses	Debt Service		Coverage	Toll Road Revenue	Less: Operating Expenses	Debt Service		Coverage	Toll Road Revenue	Less: Operating Expenses	Debt Service		Coverage
			Principal	Interest				Principal	Interest				Principal	Interest	
2015	\$ 289,359	\$ (61,423)	\$ 6,865	\$ 15,473	10.20	\$ 47,351	\$ (16,526)	\$ 4,925	\$ 5,871	2.86	—	—	—	—	n/a
2016	300,602	(63,451)	7,210	15,114	10.62	54,267	(18,691)	5,075	5,721	3.30	—	—	—	—	n/a
2017	305,057	(65,330)	7,475	15,020	10.66	56,835	(31,833)	5,285	5,514	2.32	—	—	—	—	n/a
2018	316,093	(66,666)	7,775	14,594	11.15	58,613	(16,403)	5,525	5,270	3.91	—	—	—	—	n/a
2019	328,892	(70,807)	8,165	20,629	8.96	64,932	(15,308)	5,810	4,986	4.60	—	—	—	—	n/a
2020	322,448	(69,878)	8,530	35,592	5.72	52,313	(15,045)	6,110	4,688	3.45	—	—	—	—	n/a
2021	332,888	(70,608)	8,065	35,774	5.98	46,463	(14,729)	6,420	4,375	2.94	—	—	—	—	n/a
2022	419,531	(89,481)	8,455	35,371	7.53	57,626	(20,481)	6,750	4,046	3.44	—	—	—	—	n/a
2023	442,081	(92,601)	19,935	34,949	6.37	64,827	(13,388)	7,095	3,700	4.77	—	—	—	—	n/a
2024	433,919	(93,583)	20,920	33,952	6.20	88,794	(15,309)	7,460	3,336	6.81	22,651	(18,074)	—	—	n/a

Source: Accounting and Financial Reporting Department

Notes:

In fiscal year 2013-14, OCTA issued Senior Lien Toll Road Revenue Refunding Bonds (Series 2013) to refund the outstanding Series 2003 Bonds.

In fiscal year 2018-19, Measure M2 sales tax revenue bonds were issued.

In fiscal year 2019-20, Measure M2 sales tax revenue decreased due to COVID-19 pandemic and state order to refrain from non-essential travel.

In fiscal year 2019-20, decrease in toll road revenue is primarily due to a decrease in trips due to COVID-19 pandemic and state orders to refrain from non-essential travel.

In fiscal year 2022-23, increase in toll road revenue and sales tax revenues were primarily due to an increase in average trips cost and economic recovery from COVID-19 pandemic.

In fiscal year 2023-24, the TIFIA loan is secured by toll revenues of the 405 Express Lanes which is opened to public in December 2023.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 13

Demographic and Economic Statistics, Last Ten Calendar Years (Unaudited)

Calendar Year	Population (a)	Personal Income (millions) (b)	Per Capita Personal Income (c)	Median Age (d)	School Enrollment (e)	Unemployment Rate (f)
2015	3,162,622	\$ 187,043	\$ 60,228	37.10	497,116	4.3 %
2016	3,179,122	194,224	62,135	37.30	493,030	4.4 %
2017	3,200,748	202,337	64,321	37.50	490,430	3.8 %
2018	3,221,103	210,649	66,735	37.80	485,835	3.2 %
2019	3,222,498	221,692	70,539	38.10	478,823	3.0 %
2020	3,194,332	240,734	75,572	38.30	473,612	13.6 %
2021	3,153,764	257,834	81,567	38.50	456,572	6.5 %
2022	3,162,245	263,290	83,553	38.70	448,729	2.9 %
2023	3,141,065	n/a	n/a	n/a	441,249	3.7 %
2024	3,150,835	n/a	n/a	n/a	437,276	4.0 %

Notes:

n/a - data not available

Estimates for personal income and per capita personal income for 2013-2019 were revised for new estimates.

Sources:

- (a) July 1 estimates for 2015-2017 and January 1 estimate for 2018-2024 from California Department of Finance, <http://www.dof.ca.gov/>
- (b) U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/>
- (c) U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/>
- (d) U.S. Census Bureau, <https://data.census.gov/table>
- (e) California Department of Education, <http://www.cde.ca.gov/>
- (f) CA Employment Development Department, <http://www.labormarketinfo.edd.ca.gov/>

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 14
Principal Employers, Current Year and Nine Years Ago (Unaudited)

Employer	Calendar Year 2024				Calendar Year 2015			
	Employees	(a)	Rank	Percentage of Total County Employment (b)	Employees	(a)	Rank	Percentage of Total County Employment (b)
Walt Disney Co.	34,000		1	2.23 %	27,000		1	1.76 %
University of California, Irvine	26,072		2	1.71 %	22,385		2	1.46 %
Providence	23,632		3	1.55 %	n/a		n/a	n/a
County of Orange	18,000		4	1.18 %	18,135		3	1.18 %
Kaiser Permanente	10,293		5	0.67 %	7,000		5	0.46 %
Hoag Memorial Hospital Presbyterian	8,081		6	0.53 %	n/a		n/a	n/a
Albertsons Southern CA Division	7,222		7	0.47 %	n/a		n/a	n/a
Allied Universal	6,145		8	0.40 %	n/a		n/a	n/a
Memorial Care Health System	5,800		9	0.38 %	5,650		8	0.37 %
CHOC Hospital	5,462		10	0.36 %	n/a		n/a	n/a
St. Joseph Health System					12,227		4	0.80 %
Boeing Co.					6,890		6	0.45 %
Bank of America Corp.					5,500		9	0.36 %
Walmart Inc.					6,000		7	0.39 %
Target Corp.					5,400		10	0.35 %
Total County Employment	1,526,200				1,530,800			

Sources: (a) Orange County Business Journal Book of Lists - County of Orange
(b) Total County Employment information obtained from California Employment Development Department
<http://www.labormarketinfo.edd.ca.gov>

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 15

Full-Time Equivalent Government Employees by Function/Program for Ten Years (Unaudited)

	Full-Time Equivalent Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	224.0	238.0	239.0	240.5	247.5	243.0	246.0	250.5	260.5	264.0
Measure M program	40.0	39.5	39.0	39.0	40.5	41.5	39.5	38.0	38.0	38.0
Motorist services	3.0	4.0	4.0	5.0	5.0	5.0	5.0	3.0	3.0	2.0
Commuter rail	9.0	10.5	11.0	8.0	7.0	6.0	7.0	6.0	6.0	6.0
Fixed route	1,078.0	1,020.0	981.0	906.5	964.0	990.5	972.5	886.0	888.0	887.0
Paratransit	12.0	5.0	7.5	7.5	6.5	8.5	7.5	7.5	8.0	9.0
Tollroad	3.0	3.0	3.0	3.5	3.5	3.5	3.5	3.5	6.0	6.5
Taxicab	4.0	4.0	3.0	2.0	2.0	1.0	—	—	—	—
LOSSAN	—	6.0	7.0	8.0	11.0	14.0	14.0	15.0	15.0	16.0
Total	1,373.0	1,330.0	1,294.5	1,220.0	1,287.0	1,313.0	1,295.0	1,209.5	1,224.5	1,228.5

Source: Financial Planning & Analysis Department

Notes:

- In fiscal year 2013-14, the number of full-time equivalent positions for General government and Fixed route reported for fiscal year 2012-13 were restated.
- In fiscal year 2015-16, the LOSSAN Division was created. The number of full-time equivalent positions for General government were increased due to new hires. There were decreases in the full-time equivalent positions in Fixed Route and Paratransit due to service reductions.
- In fiscal year 2016-18, the decrease of full-time equivalent positions in Fixed Route is due to service reductions.
- In fiscal year 2018-19, the increase of full-time equivalent positions is primarily due to new hires in Fixed Route.
- In fiscal year 2020-22, the decrease of full-time equivalent positions in Fixed Route is due to service reductions.
- In fiscal year 2022-23, the increase of full-time equivalent positions in Tollroad is due to hiring 405 Express Lanes staff and the increase in General government is due to new hires.
- In fiscal year 2023-24, no significant changes noted.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Schedule 16

Operating Indicators by Function/Program (Unaudited)

For the Year Ended June 30,

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Measure M1 program (thousands)										
Freeways	\$ 30,434	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Regional streets and roads	25,371	—	—	—	—	—	—	—	—	—
Local streets and roads	14,796	—	—	—	—	—	—	—	—	—
Transit	128,110	—	—	—	—	—	—	—	—	—
Total program expenses	198,711	—	—	—	—	—	—	—	—	—
Measure M2 program (thousands)										
Freeways	\$ 58,775	\$ 68,486	\$ 100,729	\$ 251,130	\$ 204,726	\$ 295,020	\$ 355,936	\$ 399,043	\$ 310,105	\$ 325,154
Streets and roads	161,622	163,699	138,273	106,691	110,412	105,555	92,472	60,180	94,112	97,982
Transit	47,876	22,464	16,516	20,419	173,782	74,815	68,617	143,009	68,792	76,589
Environmental cleanup	2,220	9,578	10,189	6,409	7,117	2,656	1,499	1,938	1,347	2,763
Total program expenses	\$ 270,493	\$ 264,227	\$ 265,707	\$ 384,649	\$ 496,037	\$ 478,046	\$ 518,524	\$ 604,170	\$ 474,356	\$ 502,488
Motorist services										
Calls made from call boxes	2,011	1,717	1,363	1,246	1,049	1,067	922	960	1,297	1,510
Vehicles removed	—	—	—	—	—	—	—	—	—	—
Vehicles assisted by FSP	69,045	68,678	62,527	54,136	52,673	56,374	60,062	67,224	59,129	55,375
511 Motorist Assistance Calls	2,886	4,023	4,120	3,888	4,298	4,718	3,774	4,815	5,281	4,360
Commuter rail										
Weekday trips	54	54	54	54	54	54	41	45	45	45
Annual boardings	4,579,000	4,198,189	4,477,735	5,069,929	5,073,474	3,874,618	797,715	1,592,803	1,983,306	2,407,622
Fixed route										
Annual boardings	47,021,445	43,202,265	39,903,682	39,272,747	37,846,066	30,800,075	19,880,122	26,680,576	31,191,444	34,978,231
Vehicle revenue hours	1,613,276	1,618,070	1,629,802	1,602,192	1,626,394	1,443,821	1,210,496	1,378,707	1,534,698	1,450,826
Miles of fixed route	2,047	2,045	1,820	1,801	1,762	1,792	1,562	1,587	1,546	1,544
Paratransit										
Annual boardings	1,714,550	1,779,530	1,864,312	1,647,378	1,667,292	1,268,429	485,746	837,644	1,031,899	1,137,743
Vehicle revenue hours	741,291	754,004	780,798	744,746	756,391	603,477	312,776	461,261	559,776	631,095
Eligible riders	31,602	32,173	32,871	32,735	32,744	31,812	28,851	28,248	27,710	27,512
Tollroad										
Annual drivers trips	13,106,882	13,772,971	14,384,133	16,719,371	17,546,304	14,990,602	15,359,785	19,810,256	19,736,624	29,823,225
Taxicab										
Permits Issued	2,513	1,855	1,521	1,214	971	437	—	—	—	—

Source: Various departments within OCTA

ORANGE COUNTY TRANSPORTATION AUTHORITY
Schedule 17
Capital Asset Statistics by Function/Program (Unaudited)

	For the Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fixed route										
Bus bases	5	5	5	5	5	5	5	5	5	5
Large revenue vehicles	537	537	517	492	498	505	495	508	416	428
Small revenue vehicles	19	18	11	35	43	24	38	36	19	14
Paratransit										
Paratransit vehicles	248	248	248	248	248	248	245	245	254	247
Tollroad										
Transponders in use	176,790	182,522	196,997	213,993	225,621	208,656	163,235	145,393	128,715	127,904

Source: Various departments within the Orange County Transportation Authority

Note:

- In fiscal year 2017-18, the decreases in Fixed route large vehicles is due to the change in service levels.
- In fiscal year 2017-18, the increase in Fixed route small vehicles resulted from operations of Irvine I-Shuttle.
- In fiscal year 2018-19, the increase in Fixed route small vehicles was a result of increase in I-Shuttle service.
- In fiscal year 2019-20, the decrease in Fixed route small revenue vehicles is related to a decrease in service levels due to COVID-19 pandemic.
- In fiscal year 2019-20, the balance was adjusted to reflect only transponders that are considered capital asset, the newly assigned 6C transponders are considered to be inventory.
- In fiscal year 2020-22, the decrease in tollroad transponders is due to the newly assigned 6C transponders.
- In fiscal year 2022-23, the decrease in Fixed route large & small revenue vehicles is related to a decrease in service levels due to COVID-19 pandemic impact.
- In fiscal year 2023-24, the decrease in Fixed route small revenue vehicles resulted from a decline in I-Shuttle service.



2024 Annual Comprehensive Financial Report



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