

SPECIAL MEETING AGENDA

1. Welcome

2. Approval of Minutes for May 14, 2024

3. Public Comments*

4. Action Item

A. Receive and file External Auditor Communications/OCLTA Annual Audit, Compliance Audit, and Agreed-Upon Procedures Reports, Year Ended June 30, 2024 - Crowe LLP

Jennifer Richards, Crowe LLP, Partner and Joseph Widjaja, Crowe LLP

- 1) OCLTA (Annual Financial and Compliance Report Year Ended June 30, 2024
- 2) OCLTA Agreed-Upon Procedures (AUP) Related to Article XIII-B
- 3) Measure M2 Status Report AUP, Year Ended June 30, 2024
- 4) Independent Auditor's Report on Compliance with the Measure M2 Ordinance and Report on Internal Control over Compliance, June 30, 2024
- 5) Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Buena Park
- 6) Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Orange
- 7) OCLTA Measure M2 Local Fair Share AUP Reports, Year Ended June 30, 2024
- 8) OCLTA Measure M2 Senior Mobility Program AUP Reports, Year Ended June 30, 2024

B. Approve Selections for Fiscal Year 2024-25 Measure M2 Agreed-Upon Procedures

Janet Sutter, Executive Director, Internal Audit

- Measure M Jurisdictions - Suggested Selection for Fiscal Year 2025

C. Re-Adoption of Taxpayer Oversight Committee, Audit Subcommittee Charter

Janet Sutter, Executive Director, Internal Audit

- Audit Charter, May 2025

5. Presentation Item

A. Quarterly M2 Revenue and Expenditure Report

Sean Murdock, Director, Finance and Administration

- Quarterly M2 Revenue and Expenditure Report as of March 31, 2025

B. M2 Ordinance Compliance Matrix

Francesca Ching, Program Manager, Planning

- Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024

6. Adjournment

The next TOC Audit Subcommittee meeting is scheduled for June 10, 2025, as needed.

*Public Comments: At this time, members of the public may address the Taxpayer Oversight Committee (TOC) regarding any items within the subject matter jurisdiction of the TOC, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per person, unless different time limits are set by the Chairman, subject to the approval of the TOC.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

**Measure M Taxpayer Oversight Committee
Audit Subcommittee
Orange County Transportation Authority
550 S. Main Street, Orange, CA
May 14, 2024 @ 4:00 p.m.**

SPECIAL MEETING MINUTES

Committee Members Present:

Andrew Hamilton, Auditor-Controller, County of Orange
Mark W. Eisenberg, Fifth District Representative
Mark Kizzar, Second District Representative
Monica Shin, Second District Representative
Kirk Watilo, Third District Representative

Orange County Transportation Authority Staff Present:

Christopher Boucly, Section Manager, Public Outreach
Francesca Ching, Section Manager, M2 Program Management Office
Marissa Espino, Section Manager, Public Outreach
Kia Mortazavi, Executive Director, Planning
Sean Murdock, Director, Finance and Administration
Andrew Oftelie, Chief Financial Officer, Finance and Administration
Alice Rogan, Director, External Affairs
Janet Sutter, Executive Director, Internal Audit

Guests:

Jennifer Richards, Partner, Crowe LLP
Liam Darwin, Senior Associate, Crowe LLP
Joseph Widjaja, Senior Manager, Crowe LLP
Helen Chu, BCA Watson Rice LLP

Recorder:

Teri Lepe, Executive Assistant, Internal Audit

1. Welcome

Mr. Andrew Hamilton, TOC Audit Subcommittee Chairman, called the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) Audit Subcommittee (AS) special meeting to order at 4:03 p.m.

2. Approval of the Minutes for March 12, 2024

A motion was made by Mr. Mark Eisenberg, seconded by Ms. Monica Shin, and carried unanimously, to approve the March 12, 2024, TOC AS minutes.

3. Public Comments

No public comments were submitted prior to the meeting, nor were there any members of the public present for comments.

4. Action Items

- A. External Auditor Communication/Orange County Local Transportation Authority (OCLTA) Compliance Audit and Measure Agreed-Upon Procedures Reports, Year Ended June 30, 2023 - Crowe LLP

Ms. Janet Sutter, Executive Director, Internal Audit, introduced Ms. Jennifer Richards, Partner, Crowe LLP (Crowe), who presented a brief overview of the results of the Independent Auditor's Report on Compliance with the M2 Ordinance and Report on Internal Control Over Compliance for fiscal year (FY) 2023.

Ms. Richards next addressed the OCLTA Local Fair Share (LFS) Agreed-Upon Procedures (AUP) Report.

Lastly, Ms. Richards gave a summary of the results of the OCLTA M2 Local Fair Share and Senior Mobility Program AUP Reports.

Committee Member Comments:

Mr. Eisenberg asked about the compliance audit and whether Crowe had any recommendations. Ms. Richards responded that there were no recommendations related to a significant deficiency or material weakness. Ms. Richards related that one verbal recommendation was made related to documenting review of the cost allocation, but auditors were comfortable the reviews are taking place and only recommended that the review include a sign-off.

Mr. Kizzar asked about the scope of this limited compliance audit. Ms. Richards responded that the scope was anything relevant in the Ordinance that OCTA-OCLTA are responsible for; it did not reach down to the jurisdiction-level. Mr. Kizzar asked if the scope included the compliance matrix developed by staff. Ms. Richards responded yes. Mr. Kizzar asked if it was a compliance audit over the matrix. Ms. Richards responded no, not only over the matrix because there is more they did, such as sampling the expenditures that were dispersed and actual detailed testing of those and some of the revenues coming in.

Mr. Kizzar asked if there was a broader compliance audit coming in the next fiscal year or is this the audit that will take place. Ms. Sutter responded next year Crowe will conduct a full compliance audit that will reach down to the jurisdiction level for FY 2023-24.

Ms. Shin asked about the difference in the compliance audit conducted by Crowe and audits conducted by OCTA's Internal Audit Department (Internal Audit). Ms. Sutter explained that Internal Audit conducts an agency-wide risk assessment each year resulting in an audit plan that includes some Measure M projects or programs; however, the compliance audit conducted by Crowe was the result of a request by the TOC to obtain an independent auditors' opinion on overall OCLTA compliance with Measure M.

Mr. Hamilton commented that the limited compliance audit looked at expenditures from OCLTA to the local jurisdictions but did not go into the jurisdiction's books as to expenditures, but that will be included in the audit next year. Ms. Richards confirmed they did look at expenditures and disbursements from OCLTA to a variety of jurisdictions; what is the invoice, the supporting document that OCLTA has for that disbursement, what project does it relate to, does it show support for the project. The scope they are engaged to do for FY 2023-24 is much more involved.

Mr. Hamilton asked if there was anything that was off limit and were there any of the attachments or any of the sections to the Measure M Ordinance that were not reviewed. Ms. Richards responded that Section C was looked at, at a very high level and was the one that the least amount was done; however, nothing was off-limits.

Mr. Eisenberg asked if the audit becomes a public record. Ms. Sutter responded yes; the report is publicly available.

Ms. Richards then provided a summary of the results of the AUP's applied to selected cities compliance with Local Fair Share and Senior Mobility Program requirements.

Mr. Hamilton asked about the action being considered against the City of Orange. Ms. Sutter responded they had used General Fund dollars that they were counting toward their MOE but had indirect charges that were not supported, when those charges were removed, they fell below the MOE for them to remain eligible for funds. To become eligible again they must meet their minimum MOE, plus the shortfall, plus pay for an AUP review and they will not receive any funds until eligibility is reestablished.

Mr. Hamilton asked what dictates the penalty. Ms. Sutter responded it is an eligibility issue. Kia Mortazavi responded prior to receiving any money, jurisdictions must meet thirteen eligibility requirements. One of them is maintaining a MOE which is a minimum amount of local money that an agency needs to spend to be eligible for the funds.

Mr. Hamilton asked what puts them on the sideline. Mr. Kia Mortazavi, Executive Director, Planning, responded that prior to the allocation of net revenues for any street and roads projects, OCTA shall determine the entity to be responsible for MOE. Section III, Page B7 of the Ordinance. Ms. Alice Rogan, Director, External Affairs, suggested looking at Page 3 of the Ordinance for further explanation on MOE. Mr. Hamilton commented that he had read the information but said he did not see a reference to the timeframe of a year. Ms. Rogan commented because of the cycle of when eligibility is determined, and Ms. Sutter commented that the MOE requirement is on a fiscal year basis.

Mr. Kizzar commented there were a lot of issues with indirect cost allocation and asked if a best practice had been shared with the cities. Ms. Sutter responded that each year all of the city finance directors are invited to a meeting where multiple topics are covered, including eligibility requirements, how to fill out expenditure reports, and common audit findings.

Mr. Kizzar commented that of the eight cities reviewed, six had deficiencies and two were clean, which seems out of the norm from what has been seen in the past. Ms. Sutter responded you need to look at the nature of the issues; Ms. Rogan responded it was about normal.

Mr. Hamilton asked if based on the compliance audit opinion, and now based on findings found with the Local Fair Share and Senior Mobility Program AUP Reports, is there a material impact on compliance. Ms. Richard responded that the dollars identified here based on the whole amount of dollars going through OCTA, there would be no material non-compliance. Ms. Richards explained that OCLTA has complied with what is within its control.

A motion on Item 4A to receive and file was made by Mr. Kizzar and seconded by Ms. Shin. Motion passed unanimously.

B. City of Cypress Maintenance of Effort (MOE) AUP Review – BCA Watson Rice, LLP

Ms. Helen Chu, Partner, BCA Watson Rice LLP, presented the results of the City of Cypress MOE AUP Review.

Committee Member Comments:

Mr. Eisenberg asked if the AUP of the City of Cypress (Cypress) was done at the city's expense. Ms. Sutter responded OCTA paid for the audit but would withhold the cost of the audit from their funds before release.

Mr. Eisenberg asked what relationship BCA Watson Rice LLP has with Cypress and if it was an independent review or by the city's regular auditors. Ms. Sutter responded that BCA was selected from a bench of external auditors, selected from a competitive bid and it was independent.

Ms. Shin asked if Cypress would be eligible for the following year after meeting the shortfall and eligible requirements. Ms. Sutter responded that a recommendation would go the OCTA Board of Directors (Board) on May 28, 2024 to find them eligible again.

Mr. Eisenberg asked if the eligibility date would be July 1. Mr. Andrew Oftelie, Chief Financial Officer, Finance and Administration, responded no, it starts right away. They need to amend the settlement agreement and ten days after that the funds will start to flow with the first payment in July 2024.

Mr. Hamilton asked for clarification on how the penalty was determined. Mr. Oftelie responded it was determined by the Board.

A motion on Item 4B to receive and file was made by Ms. Shin and seconded by Mr. Eisenberg. Motion passed unanimously.

C. Approve Selections for FY 2023-24 M2 AUP

Ms. Sutter went over the suggested cities for the FY 2023-24 LFS and SMP AUP.

Discussion ensued among the committee members on the selections. Concerns were raised about cities potentially being selected for multiple audits, budget constraints, and who decides which cities receive an audit and which type of audit.

The TOC AS selected the cities of Garden Grove, Huntington Beach, La Habra, Laguna Hills, Mission Viejo, San Clemente, Seal Beach, Westminster, and the County of Orange for LFS, and the cities of Buena Park, Laguna Niguel, Laguna Woods, Mission Viejo, and San Juan Capistrano for SMP.

A motion on Item 4C to approve the selected cities for AUP was made by Ms. Shin and seconded by Mr. Kizzar. Motion passed unanimously.

5. Presentation Items

A. Quarterly M2 Revenue and Expenditure Report

Mr. Sean Murdock, Director, Finance and Administration gave a brief summary of the Quarterly M2 Revenue and Expenditure Report as of March 31, 2024.

Committee Member Comments:

Mr. Eisenberg asked about the final payments on the Interstate 405 (I-405) Project and commented on issues with the 405 south of Beach Blvd in the general-purpose lanes. Mr. Christopher Boucly, Section Manager, Public Outreach, commented that what was being described is not included in the project. Mr. Eisenberg responded that the conditions are a result of the project and Mr. Boucly commented that the contractor is responsible for maintenance and is being notified about the conditions by the construction management team. It is not a formal punch-list item on the project.

B. M2 Ordinance Compliance Matrix

Ms. Francesca Ching, Section Manager, M2 Program Management Office, relayed that OCTA completed updates of the matrix, which was expedited to aid in the limited compliance audit.

Committee Member Comments:

There were no comments.

6. Adjournment

The Measure M TOC AS meeting adjourned at 5:19 p.m. The next regularly scheduled meeting will be at **4 p.m. on Tuesday, June 11, 2024**, in Conference Room 09 of the 550 Building, OCTA Headquarters.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)

**ANNUAL FINANCIAL
AND
COMPLIANCE REPORT**

Year Ended June 30, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)

Audited Financial Statements
Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Orange County Local Transportation Authority
Orange, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Orange County Local Transportation Authority (OCLTA), a component unit 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 OCLTA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of OCLTA as of June 30, 2024, and the respective changes in financial position 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 OCLTA, 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 OCLTA'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 the OCLTA'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 OCLTA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the Local Transportation Authority Special Revenue Fund, 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 OCLTA's basic financial statements. The budgetary comparison schedule for the Local Transportation Authority Debt Service Fund is presented for purposes of additional analysis and is 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 budgetary comparison schedule for the Local Transportation Authority Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Crowe LLP

Costa Mesa, California
October 31, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Management's Discussion and Analysis
(unaudited)
For the Fiscal Year Ended June 30, 2024

As management of the Orange County Local Transportation Authority (OCLTA), we offer readers of the OCLTA's financial statements this narrative overview and analysis of the OCLTA's Measure M financial activities for the fiscal year (FY) ended June 30, 2024. We encourage readers to consider the information on financial performance presented in conjunction with the financial statements that begin on page 10. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Total net position of the OCLTA was \$479,680 as of June 30, 2024. The net position of the OCLTA is restricted for transportation projects, debt service, and Environmental Mitigation Program.
- Net position increased by \$127,905 during FY 2023-24. This increase is primarily due to the transfer of assets after the closure of the Common Urban Rail Endowment (CURE) Fund previously reported under the Orange County Transportation Authority (OCTA)'s General Fund. The non-depreciable capital assets increased by \$167,913 as a result of transfer of land to LTA Fund. In FY 2023-24, Measure M program expenses increased by \$52,972 mainly related to payments made to SCRRA for operating costs related to the railroad. Sales tax revenue decreased by \$7,711 compared to FY 2022-23 due to declines in consumer spending. In FY 2023-24, unrestricted investment earnings increased by \$25,294 or 103.0 percent resulting from favorable investment performance.
- OCLTA's governmental funds reported combined ending fund balances of \$869,631 reflecting a decrease of \$91,122 from the prior year. The decrease is primarily due to interfund transfer from LTA Fund to 405EL Fund for TIFIA loan allocation between general purpose lanes and express lanes related construction expenses, which was offset by favorable investment performance and the lower capital expenditures related to the I-405 Improvement project in the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the OCLTA's basic financial statements, which are comprised of three components including government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements. Because the OCLTA is a governmental activity of the Orange County Transportation Authority (OCTA), governmental funds are used to account for its Measure M program activities. The basic financial statements include only the activities of the OCLTA.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the OCLTA's finances using the accrual basis of accounting, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the OCLTA'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 can be found on pages 10-11 of this report.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

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 Measure M finance-related legal requirements. The OCLTA uses governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental funds 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 the OCLTA'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 OCLTA'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.

The OCLTA maintains two individual governmental funds which are considered to be major 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 the OCLTA's major governmental funds.

The governmental funds financial statements and related reconciliations to governmental activities can be found on pages 12-15 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 16-28 of this report.

The OCLTA adopts an annual budget for its two funds. A budgetary comparison schedule has been provided for the LTA special revenue fund as required supplementary information on page 29 and the LTA debt service fund as other supplementary information on page 31 to demonstrate compliance with the annual appropriated budget.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the OCLTA's financial position. At June 30, 2024, the OCLTA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$479,680, a \$127,905 increase from June 30, 2023. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the OCLTA's governmental activities.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Management's Discussion and Analysis

Table 1
Orange County Local Transportation Authority
Net Position

	Governmental Activities	
	2024	2023
Current and other assets	\$ 1,046,520	\$ 1,103,465
Assets held for resale	20,615	15,965
Capital Assets, net	175,213	7,300
Total assets	1,242,348	1,126,730
Deferred outflows of resources		
Deferred charge on refunding	1,153	1,222
Current liabilities	138,718	130,023
Long-term liabilities	621,827	645,899
Total liabilities	760,545	775,922
Deferred inflows of resources		
Deferred inflows - leases	3,276	255
Total net position	\$ 479,680	\$ 351,775

Total assets increased by \$115,618, or 10.3 percent, from June 30, 2023. This increase is primarily due to the transfer of land resulted from the closure of the CURE Fund previously reported under the OCTA's General Fund.

Total liabilities decreased by \$15,377, or 2.0 percent, from June 30, 2023. This decrease is primarily due to decreased long-term liabilities resulting from principal payments of M2 Sales Tax Revenue Bonds.

Total net position from governmental activities increased by \$127,905 or 36.4 percent. This increase results from transfer of assets after the closure of the CURE Fund previously reported under the OCTA's General Fund.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Management's Discussion and Analysis

Table 2
Orange County Local Transportation Authority
Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues		
Charges for services	\$ 1,046	\$ 1,257
Operating grants and contributions	70,113	60,105
General revenues		
Sales tax	431,412	439,123
Unrestricted investment earnings	49,858	24,564
Other miscellaneous expenses	—	(12)
Transfers	192,911	—
Total revenues and transfers	745,340	525,037
Expenses:		
Measure M program expenses	617,435	564,463
Change in net position	127,905	(39,426)
Net position – beginning	351,775	391,201
Net position – end of year	\$ 479,680	\$ 351,775

OCLTA expenses shown on the statement of activities consist of:

	Governmental Activities	
	2024	2023
Supplies and services	\$ 114,749	\$ 93,273
Contributions to other local agencies	100,935	102,306
Capital outlay	156,102	281,263
Interest expense	30,483	31,495
Contributions to other OCTA funds	215,166	56,126
Total expenses	\$ 617,435	\$ 564,463

Total revenues increased by \$220,303, or 42.0 percent, from FY 2022-23. In FY 2023-24, the unrestricted investment earnings increased by \$25,294 or 103.0 percent resulting from favorable investment performance and sales tax revenues decreased by \$7,711. In addition, grants and contributions which ultimately finance a significant portion of the OCLTA's net costs, also increased by \$10,008 or 16.7 percent from the prior year.

Program expenses increased by \$52,972 primarily due to the payment made to SCRRA for operating costs related to the railroad during FY 2023-24.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

Financial Analysis of the OCLTA's Funds

As of June 30, 2024, the OCLTA's governmental funds reported combined ending fund balances of \$869,631, a decrease of \$91,122 compared to FY 2022-23. The majority of fund balances, 92.9 percent, are restricted for transportation projects funded by the Measure M Program. The remaining fund balances are restricted for the Environmental Mitigation Program and for debt service on M2 sales tax revenue bonds issued to accelerate funding for transportation projects.

OCLTA's major governmental funds include the following significant changes:

- The LTA fund balance decreased by \$83,319 primarily due to increase in investment earnings, transfer of assets after the closure of the CURE Fund previously reported under the OCTA's General Fund, and offset by interfund transfer from LTA Fund to 405EL Fund for TIFIA loan allocation.
- The LTA Debt Service fund balance decreased by \$7,803, due to the transfer out of excess fund from LTA Debt Service fund to LTA fund.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2024, the OCLTA has \$175,213 net of accumulated depreciation invested in capital assets, including land, right-of-way improvements, and machinery. A summary of the OCLTA's capital assets, net of depreciation is as follows:

	Governmental Activities	
	2024	2023
Land	\$ 167,913	\$ —
Right-of-way improvements	7,300	7,300
Machinery and equipment	15	21
Total capital assets	175,228	7,321
Less accumulated depreciation	(15)	(21)
Total capital assets, net	\$ 175,213	\$ 7,300

More detailed information about the OCLTA's capital assets is presented in note 5 to the financial statements.

OCLTA has outstanding capital expenditure commitments; the most significant of which are \$162,909 for the I-5 Freeway Widening Construction Project, \$108,079 for the Regional Capacity Program, and \$94,185 for the Regional Traffic Signal Synchronization Project.

Debt Administration

As of June 30, 2024, the OCLTA has \$569,315 in sales tax revenue bonds compared to \$590,235 as of the prior fiscal year.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

The OCLTA maintains an "AA+" rating from Standard & Poor's Corporation (S&P), an "AA+" rating from Fitch Ratings (Fitch) and an "Aa2" rating from Moody's Investors Services (Moody's) for its 2010 M2 Sales Tax Revenue Bonds. The 2019 M2 Sales Tax Revenue Bonds have an "AA+" rating from S&P and an "AA+" from Fitch.

Additional information on the OCLTA's long-term debt can be found in note 6 to the financial statements.

Economic and Other Factors

The OCLTA is responsible for administering Measure M, the half-cent transportation sales tax, which originally passed in 1990 and was delivered as promised to the residents of Orange County, with over \$4 billion invested in improvements to freeways, streets and roads and transit services. Measure M1 (M1) ended in March 2011, and collection of sales tax under Measure M2 (M2) began in April 2011. M2 was overwhelmingly approved by the voters of Orange County in 2006 because of the tangible results that were realized through M1. The passage of M2 has allowed for the continuation of transportation improvements through March 31, 2041. Allocation of M2 funds remains the same as the original M1 with 43 percent slated for freeway improvements, 32 percent for streets and roads, and 25 percent for transit projects and programs.

Although revenue collection for M2 projects did not begin until April 2011, OCTA began delivering projects early based on the five-year M2 Early Action Plan (EAP) adopted in 2007 and subsequent M2020 Plan adopted in 2012. Both delivery plans were developed to accelerate M2 freeway, streets and roads, transit, and environmental projects. In response to lower actual sales tax revenue, a new forecasting methodology was adopted in March 2016. This prompted the need to revisit the assumptions built into the M2020 plan. A new program/project delivery framework covering FY 2016-17 through FY 2025-26, called the Next 10 Plan, was adopted by the Board of Directors on November 14, 2016. The updated version of the Next 10 Plan was adopted by the Board of Directors in November 2022 and covers FY 2023 - FY 2032.

The OCLTA adopted its FY 2024-25 annual budget on June 10, 2024. 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.

Contacting the OCLTA's Management

This financial report is designed to provide a general overview of the OCLTA's finances for all those with an interest in the OCLTA's finances and to demonstrate OCLTA 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 of the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Statement of Net Position
June 30, 2024

<i>(amounts expressed in thousands)</i>	Governmental Activities
Assets	
Cash and investments	\$ 360,102
Receivables:	
Interest	5,298
Operating grants	26,193
Capital grants	1,960
Other	716
Due from other OCTA funds	9,181
Due from other governments	98,745
Condemnation deposits	8,619
Lease receivable	3,354
Note receivable	3,133
Restricted investments	528,425
Other assets	794
Assets held for resale	20,615
Capital assets:	
Nondepreciable	175,213
Total Assets	1,242,348
Deferred Outflows of Resources	
Deferred charge on refunding	1,153
Total Deferred Outflows of Resources	1,153
Liabilities	
Accounts payable	48,347
Accrued interest payable	12,272
Due to other OCTA funds	42,298
Due to other governments	35,456
Unearned revenue	274
Other liabilities	71
Noncurrent liabilities:	
Due within one year	21,950
Due in more than one year	599,877
Total Liabilities	760,545
Deferred Inflows of Resources	
Deferred inflows - leases	3,276
Total Deferred Inflows of Resources	3,276
Net Position	
Investment in capital assets	175,213
Restricted for:	
Transportation projects	252,542
Debt service	23,500
Environmental Mitigation Program	28,425
Total Net Position	\$ 479,680

See accompanying notes to the financial statements.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Statement of Activities
Year Ended June 30, 2024

		Program Revenues		Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<i>(amounts expressed in thousands)</i>				
Program revenues				
<u>Governmental activities</u>				
Measure M program	\$ 617,435	\$ 1,046	\$ 70,113	\$ (546,276)
General revenues				
Sales tax				431,412
Unrestricted investment earnings				49,858
Other miscellaneous expenses				—
Transfers				192,911
Total general revenues and transfers				674,181
Change in net position				127,905
Net position - beginning				351,775
Net position - ending				\$ 479,680

See accompanying notes to the financial statements.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Balance Sheet - Governmental Funds
June 30, 2024

<i>(amounts expressed in thousands)</i>	LTA	LTA Debt Service	Total OCLTA
Assets			
Cash and investments	\$ 338,797	\$ 21,305	\$ 360,102
Receivables:			
Interest	5,229	69	5,298
Operating grants	26,193	—	26,193
Capital grants	1,960	—	1,960
Other	716	—	716
Due from other OCTA funds	16,848	—	16,848
Due from other governments	96,619	2,126	98,745
Condemnation deposits	8,619	—	8,619
Lease receivables	3,354	—	3,354
Note receivable	3,133	—	3,133
Restricted investments	528,425	—	528,425
Other assets	794	—	794
Total Assets	1,030,687	23,500	1,054,187
Liabilities			
Accounts payable	48,347	—	48,347
Due to other OCTA funds	49,963	—	49,963
Due to other governments	35,456	—	35,456
Unearned revenue	274	—	274
Other liabilities	71	—	71
Total Liabilities	134,111	—	134,111
Deferred Inflows of Resources			
Deferred inflows - leases	3,276	—	3,276
Unavailable revenue - grant reimbursements	43,062	—	43,062
Unavailable revenue - reimbursements from others	2,852	—	2,852
Unavailable revenue - ARTIC	1,255	—	1,255
Total Deferred Inflows of Resources	50,445	—	50,445
Fund Balances			
Nonspendable:			
Condemnation deposits	8,619	—	8,619
Other assets - prepaids	794	—	794
Restricted for:			
Transportation projects	808,293	—	808,293
Debt service	—	23,500	23,500
Environmental Mitigation Program	28,425	—	28,425
Total Fund Balances	846,131	23,500	869,631
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,030,687	\$ 23,500	\$ 1,054,187

See accompanying notes to the financial statements.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the 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 10) are different because:

Total fund balances (page 12)		\$ 869,631
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		175,213
Assets held for resale are not financial resources and, therefore, are not reported in the funds.		20,615
Earned but unavailable revenue is not available to liquidate current liabilities and, therefore, is reported as a deferred inflow of resources in the funds.		47,167
Interest payable on bonds outstanding is not due and payable in the current period and, therefore, is not reported in the funds.		(12,272)
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
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$ (569,315)	
Unamortized bond issuance premium	<u>(52,512)</u>	<u>(621,827)</u>
Net position of governmental activities (page 10)		<u><u>\$ 479,680</u></u>

See accompanying notes to the financial statements.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	LTA	LTA Debt Service	Total OCLTA
Revenues			
Sales tax	\$ 431,412	\$ —	\$ 431,412
Contributions from other agencies	29,100	—	29,100
Contributions from other OCTA funds	19,647	—	19,647
Investment earnings	44,725	7,012	51,737
Miscellaneous	1,013	—	1,013
Total revenues	525,897	7,012	532,909
Expenditures			
Current:			
General government:			
Supplies and services	114,749	—	114,749
Transportation:			
Contributions to other local agencies	100,935	—	100,935
Contributions to other OCTA funds	215,166	—	215,166
Capital outlay	160,479	—	160,479
Debt service:			
Principal payments on long-term debt	—	20,920	20,920
Interest	4	33,952	33,956
Total expenditures	591,333	54,872	646,205
Excess (deficiency) of revenues over (under) expenditures	(65,436)	(47,860)	(113,296)
Other financing sources (uses)			
Transfers in	33,514	51,397	84,911
Transfers out	(51,397)	(11,340)	(62,737)
Total other financing sources (uses)	(17,883)	40,057	22,174
Net change in fund balances	(83,319)	(7,803)	(91,122)
Fund balances - beginning	929,450	31,303	960,753
Fund balances - ending	\$ 846,131	\$ 23,500	\$ 869,631

See accompanying notes to the financial statements.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

(amounts expressed in thousands)

Amounts reported for governmental activities in the Statement of Activities (page 11) are different because:

Net change in fund balances - total governmental funds (page 14) \$ (91,122)

The transfer of capital assets (land) from the OCTA's General Fund is an increase to net position. 167,913

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. 2,548

The net effect of various miscellaneous transactions involving assets held for resale is to increase net position. 4,650

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 19,522

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes 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. This amount is the net effect of these differences in the treatment in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments	\$ 20,920	
Change in accrued interest	390	
Amortization of premium and deferred charge on refunding	3,084	24,394

Change in net position of governmental activities (page 11) \$ 127,905

See accompanying notes to the financial statements.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Notes to The Financial Statements
Year Ended June 30, 2024
(in thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In November 1990, Orange County voters approved the Revised Traffic Improvement and Growth Management Ordinance, known as Measure M. This implemented a one-half of one percent retail transaction and use tax to fund a specific program of transportation improvements in Orange County. The Orange County Local Transportation Authority (OCLTA) is responsible for administering the proceeds of the Measure M sales tax program. The original Measure M Program (M1) commenced on April 1, 1991 for a period of 20 years.

On November 7, 2006, Orange County voters approved the renewal of Measure M for a period of 30 more years from April 1, 2011 to March 31, 2041. Renewed Measure M (M2) allocates funds to freeway, street and road, transit, and environmental improvements.

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 several agencies and funds, including the OCLTA, a component unit of the OCTA. Accordingly, the OCLTA's financial activities are included with the financial activities of the OCTA for financial reporting purposes.

The OCTA governing board (Board) consists of 17 voting members and one non-voting member and also serves as the OCLTA governing board. Measure M requires that an 11-member Taxpayer's Oversight Committee (TOC) monitor the use of Measure M funds and ensure that all revenues collected from Measure M are spent on voter-approved transportation projects.

These financial statements include only the activities of the OCLTA, a component unit of the OCTA. These financial statements are not intended to present the activities of the OCTA.

Basis of Presentation

The OCLTA'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 of the OCLTA. The effect of significant interfund activity has been removed from these statements. The OCLTA provides only governmental activities which are supported principally by sales tax.

The statement of activities demonstrates the degree to which the OCLTA Measure M program expenses are offset by program revenues. Program expenses include direct and indirect expenses, which are identifiable with Measure M. Interest expense related to the sales tax revenue bonds is reported as a direct expense of the Measure M program. The borrowings are considered essential to the creation or continuing existence of the Measure M program. For the fiscal year ended June 30, 2024, interest expense of \$30,483 was included in Measure M program costs. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by Measure M; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of the Measure M program. Taxes, investment earnings, and other items are not reported as program revenues and instead are reported as general revenues.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

Fund Financial Statements: The fund financial statements provide information about the OCLTA's governmental funds. The OCLTA considers all of its Measure M funds as major governmental funds, comprised of the following:

- *Local Transportation Authority (LTA) Fund* - This special revenue fund accounts for revenues received and expenditures made for the implementation of the Orange County Traffic Improvement and Growth Management Plan. Financing is provided by a one-half percent sales and use tax assessed for 20 years pursuant to Measure M, which became effective April 1, 1991, and was renewed for an additional 30 years from April 1, 2011 to March 31, 2041. The Measure M ordinance requires that sales tax revenues only be expended on projects included in the ordinance. A decision to use the revenues for any other purpose must be put to the voters in another election.
- *LTA Debt Service Fund* - This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the OCLTA.

Measurement Focus and Basis of Accounting

The government-wide 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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, the OCLTA considers revenues to be available if they are collected within 90 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt of governmental funds are recorded only when payment is due.

Those revenues susceptible to accrual are sales tax collected and held by the state at year-end on behalf of the OCLTA, intergovernmental revenues and interest revenue. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the OCLTA; therefore, revenues are recognized based upon the expenditures incurred and availability criteria met. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

Cash and Investments

The OCLTA maintains cash and investments in a pool with other OCTA cash and investments and in accordance with the Investment Policy (Policy) originally adopted by the Board on May 8, 1995, and most recently amended July 1, 2022. The Policy complies with, or is more restrictive than, the California Government Code (Code). Separate investment manager accounts are maintained for the proceeds of bond issues, with the earnings for each bond issue accounted for separately. Pooled cash and investment earnings are allocated based on average daily dollar 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

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

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.

OCLTA participates in the OCTA comingled investment pool which invests in U.S. government and U.S. agency securities, medium term notes, repurchase agreements, variable and floating rate securities, mortgage and asset-backed securities, and corporate notes which are carried at fair value based on quoted prices of similar assets. In addition, OCLTA invests in money market and mutual funds 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 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 and mutual funds, mortgage or asset-backed securities, supranationals, Local Agency Investment Fund (LAIF), Orange County Investment Pool (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.

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 and real assets. The target asset allocation is approximately 50% equities, 22% fixed income, 14% hedge funds and 14% real assets.

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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

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 the CCF for the entire CCF portfolio (in relation to the amortized cost of that portfolio).

Due To/From Other OCTA Funds

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

Contributions To/From Other OCTA Funds

Transfers between OCLTA and other OCTA funds are reported as program expenses and revenues in the statement of activities and as revenues and expenditures in the statement of revenues, expenditures and changes in fund balances.

Administrative Services Costs

OCTA allocates indirect costs related to administrative services from certain funds to benefiting funds. For fiscal year 2023-24, \$30,096 of administrative services were charged to the OCLTA and are reported as general government expenditures in the statement of revenues, expenditures and changes in fund balances and as program expenses in the statement of activities.

Leases

OCLTA adopted GASB Statement No. 87, Leases, for the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. OCLTA is a lessor for a noncancellable lease of land. OCLTA 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, OCLTA 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 OCLTA determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. OCLTA 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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

OCLTA 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.

For the year ended June 30, 2024, the lease receivable and deferred inflow of resources associated with these leases were \$3,354 and \$3,276, respectively. OCLTA recognized lease revenue of \$255 during the fiscal year. Remaining receivables associated with these leases are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 469	\$ 95	\$ 564
2026	504	75	579
2027	498	62	560
2028	492	49	541
2029	331	35	366
2030-2034	1,054	44	1,098
2035-2039	5	—	5
2040-after	1	—	1
Total	\$ 3,354	\$ 360	\$ 3,714

Assets Held for Resale

OCLTA holds title to property in connection with the purchase of rights-of-way for infrastructure not held by OCLTA. 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 OCLTA 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 including land, right-of-way improvements, and machinery and equipment, are reported in the government-wide financial statements. Capital assets are defined by the OCLTA as assets with an initial, individual cost of more than \$5 and a useful life exceeding one year. OCLTA also capitalizes assets whose individual acquisition costs are less than the threshold for an individual asset, but are significant in aggregate. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the acquisition date. 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.

Freeway construction and certain purchases of right-of-way property, for which title vests with the California Department of Transportation (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 the OCLTA does not intend to maintain or operate the property when complete. Right-of-way improvements, which consists of a parcel where the OCLTA is the ground lease holder, is not being depreciated.

Machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

Asset Type	Useful Life
Machinery and equipment	3-10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element; deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

OCLTA has one item reported as deferred outflow of resources. This item is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This item is reported in the government-wide statement of net position. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. OCLTA has one type of deferred inflow, unavailable revenue which occurs only under a modified accrual basis of accounting. Accordingly, the item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for grant reimbursements and reimbursements from others. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the 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.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

Contributions to Other Local Agencies

Contributions to other local agencies primarily represent sales tax revenues received by the OCLTA and disbursed to cities for competitive projects, the local fair share program, and the senior mobility program, and to other agencies for projects which are in accordance with the Measure M ordinance.

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 the OCLTA that is invested in capital assets, net of related debt. This net position is generally not accessible for other purposes.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

- *Restricted net position* - This balance represents net position that is not accessible for general use because use is subject to restrictions enforceable by third parties. The OCLTA government-wide statement of net position reports net position restricted for transportation projects funded by the Measure M Program, debt service, and Environmental Mitigation Program.
- *Unrestricted net position* – This balance represents the net position that is available for general use.

Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the OCLTA 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. As of June 30, 2024, OCLTA reported nonspendable balance for condemnation deposits and other assets - prepaids.
- *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. As of June 30, 2024, OCLTA reported restricted fund balance for transportation projects, debt service, and Environmental Mitigation Program.
- *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 do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This classification also includes residual amounts assigned for specific projects. The Board establishes and modifies assignments of fund balance through the adoption of the budget and subsequent budget amendments. The Board retains the authority to assign fund balance.

When both restricted and unrestricted resources are available for use, it is the OCLTA's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, the OCLTA applies the default established by GASB 54, whereby the committed amounts would be reduced first followed by the assigned amounts.

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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

2. CASH AND INVESTMENTS

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

Investments:

With OCTA Commingled Investment Pool	\$	457,760
With Trustee		402,342
With CA Community Foundation		28,425
Total Cash and Investments	\$	888,527

Total deposits and investments are reported in the financial statements as:

Unrestricted Cash and Investments	\$	360,102
Restricted Cash and Investments		528,425
Total Cash and Investments	\$	888,527

As of June 30, 2024, OCLTA had the following investments:

Investment	Fair Value	Interest Rate	Maturity Range	Weighted Average Maturity (Years)
OCTA Commingled Investment Pool	\$ 457,760	*	*	*
Money Market Funds **	353,328	5.17% - 5.24%	07/01/2024 - 09/10/2024	0.003
Commercial Paper	49,014	5.31% - 5.37%	12/27/2024	0.344
CA Community Foundation Investment Fund	28,425	NA	NA	NA
Total Investments	\$ 888,527			

* Refer to the OCTA Annual Comprehensive Financial Report for information related to the OCTA Commingled Investment Pool.

** Money market funds and commercial paper are measured at amortized cost which approximates fair value.

The Portfolio Weighted Average Maturity is 1.888 years.

As of June 30, 2024, OCLTA had \$457,760 invested in the OCTA's Commingled Investment Pool (CIP). Refer to the OCTA's Annual Comprehensive Financial Report for details on valuation techniques and fair value hierarchy, interest rate risk, variable rate notes and custodial credit risk. Deposits and withdrawals in OCTA's CIP are made on the basis of \$1.00 (absolute dollars) and not fair value. Accordingly, the OCLTA's investment in OCTA's CIP at June 30, 2024 is uncategorized, not defined as Level 1, Level 2, or Level 3 input.

As of June 30, 2024, OCLTA had \$28,425 invested in the CA Community Foundation (CCF) investment fund. The amount invested is valued 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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

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):

Investment	S&P	Moody's	% of Portfolio
OCTA Commingled Investment Pool	NR	NR	51.52 %
Money Market Funds	AAA	Aaa	39.76 %
Commercial Paper	A-1	P-1	5.52 %
CA Community Foundation Investment Fund	NR	NR	3.20 %
			100.00 %

3. DUE FROM/TO OTHER GOVERNMENTS

Amounts due from other governments as of June 30, 2024 in the fund financial statements are \$98,745 which comprised of \$96,619 of sales taxes and project reimbursements, and \$2,126 representing the interest receivable on Build America Bonds.

Amounts due to other governments as of June 30, 2024 are \$35,456 for transportation projects.

4. RELATED PARTY AND INTERFUND TRANSFERS

Related party transactions

As of June 30, 2024, OCLTA has \$16,848 receivable from other OCTA funds which is related to OC Streetcar and SR-91 Improvement Project

As of June 30, 2024, OCLTA owes \$49,963 to other OCTA funds as follows:

	Amount	Description
General Capital Project	\$ 49,875	OC Streetcar project
OC Streetcar	10	OC Streetcar project
OCUTT	78	Placentia loan
Total	\$ 49,963	

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

Contributions from Other OCTA Funds

During fiscal year 2023-24, OCLTA received \$19,647 which is comprised of \$4,402 from OCTD and \$15,245 from the 91 Express Lanes Fund for freeway improvements.

Contributions to Other OCTA Funds

During fiscal year 2023-24, OCLTA made contributions to the following funds:

- \$73,664 to the General Capital Projects Fund for the OC Streetcar Project
- \$950 to OC Streetcar Fund for OC Streetcar Project
- \$9,920 to the OCTD Fund for La Habra service, iShuttle, Commuter Rail, Fare Stabilization and Senior Mobility Program
- \$5,410 to the SAFE Fund for motorist emergency aid system
- \$125,222 to 405 Express Lanes Fund for construction related expenses

Interfund Transfers

During fiscal year 2023-24, the LTA Fund transferred \$51,397 to the LTA Debt Service Fund for debt service payments. Additionally, the LTA Debt Service Fund transferred \$11,340 in excess interest earnings to the LTA Fund.

5. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ —	\$ 167,913	\$ —	\$ 167,913
Right-of-way improvements	7,300	—	—	7,300
Total capital assets, not being depreciated	7,300	167,913	—	175,213
Capital assets, being depreciated:				
Machinery and equipment	21	—	(6)	15
Total capital assets, being depreciated	21	—	(6)	15
Less accumulated depreciation for:				
Machinery and equipment	(21)	—	6	(15)
Total accumulated depreciation	(21)	—	6	(15)
Total capital assets, being depreciated, net	—	—	—	—
Total governmental activities capital assets, net	\$ 7,300	\$ 167,913	\$ —	\$ 175,213

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

6. LONG-TERM DEBT

Sales Tax Revenue Bonds

On December 9, 2010, OCLTA 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. Pursuant to the bond indenture for the 2010 Series Bonds, a reserve fund is not required. The transaction closed on December 23, 2010. A total of \$75,000 was used to refund outstanding TECP.

On February 12, 2019, OCLTA 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. Pursuant to the bond indenture for the Series 2019 Bonds, a reserve fund is not required. The transaction closed on February 26, 2019.

The OCLTA'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 OCLTA to cure the event of default, which may result in finance related consequences.

A summary of the bonds outstanding is as follows:

	2010 Series A (Taxable Build America Bonds)	2019 Series B (Tax-Exempt Bonds)	Total
Issuance date	12/9/10	2/12/19	
Original issue amount	\$ 293,540	\$ 376,690	\$ 670,230
Original issue premium	—	69,342	69,342
Net Bond Proceeds	\$ 293,540	\$ 446,032	\$ 739,572
Issuance costs	\$ 1,905	\$ 970	\$ 2,875
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	\$ 569,315
Plus unamortized premium	—	52,512	52,512
Total	\$ 250,000	\$ 371,827	\$ 621,827

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

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

Changes in 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
Measure M program activities:					
Sales tax revenue bonds	\$ 590,235	\$ —	\$ (20,920)	\$ 569,315	\$ 21,950
Unamortized premium	55,664	—	(3,152)	52,512	—
Total Measure M program activities long-term liabilities	\$ 645,899	\$ —	\$ (24,072)	\$ 621,827	\$ 21,950

Pledged Revenue

OCLTA has debt issuances outstanding that are repaid and secured by the pledging of certain revenues. For the year ended June 30, 2024, debt service payments in relation to the pledged gross revenue net of the local fair share program and other expenses as required by the debt agreement, are indicated in the following table:

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

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to The Financial Statements

Year Ended June 30, 2024

(in thousands)

7. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The OCLTA has various long-term outstanding contracts that extend over several years and rely on future years' revenues. Total commitments at June 30, 2024 were \$795,391, the majority of which relate to the expansion of Orange County's freeways and road systems.

Federal Grants

The OCLTA receives federal grants for transportation 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 management's opinion that these audits would not have a material effect on the OCLTA's financial position or changes in financial position.

8. 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 extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, 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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Required Supplementary Information
Budgetary Comparison Schedule - LTA Fund (Budgetary Basis)
Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Sales tax	\$ 461,560	\$ 461,560	\$ 431,412	\$ (30,148)
Contributions from other agencies	96,082	96,082	56,878	(39,204)
Contributions from other OCTA funds	31,305	31,305	19,647	(11,658)
Investment earnings	38,229	38,229	44,725	6,496
Miscellaneous	76	76	1,013	937
Total revenues	627,252	627,252	553,675	(73,577)
Expenditures:				
Current:				
General government - supplies and services	244,464	238,239	163,684	74,555
Transportation:				
Contributions to other local agencies	197,384	227,153	100,944	126,209
Contributions to other OCTA funds	112,909	112,909	215,166	(102,257)
Capital outlay	410,065	410,065	207,364	202,701
Debt service:				
Interest	—	—	4	(4)
Total expenditures	964,822	988,366	687,162	301,204
Excess (deficiency) of revenues over (under) expenditures	(337,570)	(361,114)	(133,487)	227,627
Other financing sources (uses):				
Transfers in	51,051	51,051	33,514	(17,537)
Transfers out	(54,872)	(54,872)	(51,397)	3,475
Proceeds from sale of capital assets	1,883	1,883	—	(1,883)
Total other financing sources (uses)	(1,938)	(1,938)	(17,883)	(15,945)
Net change in fund balance	\$ (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)	

See accompanying notes to the required supplementary information.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Notes to Required Supplementary Information
Year Ended June 30, 2024
(in thousands)

1. Budgetary Data

The OCLTA establishes accounting control through formal adoption of an annual operating budget for the LTA and the debt service governmental funds. The budget is prepared in conformity 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.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
(A Component Unit of the Orange County Transportation Authority)
Other Supplementary Information
Budgetary Comparison Schedule - LTA Debt Service Fund (Budgetary Basis)
Year Ended June 30, 2024

<i>(amounts expressed in thousands)</i>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
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:				
Transfers in	54,872	54,872	51,397	(3,475)
Transfers out	(6,212)	(6,212)	(11,340)	(5,128)
Total other financing sources	48,660	48,660	40,057	(8,603)
Net change in fund balance	\$ —	\$ —	\$ (7,803)	\$ (7,803)

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

Board of Directors
Orange County Local Transportation Authority
Orange, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Orange County Local Transportation Authority (OCLTA), a component unit of the Orange County Transportation Authority (OCTA), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise OCLTA's basic financial statements, and have issued our report thereon dated October 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OCLTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Crowe LLP". The signature is stylized, with the "C" being large and the "LLP" being more compact.

Crowe LLP

Costa Mesa, California
October 31, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES RELATED TO
ARTICLE XIII-B APPROPRIATIONS LIMIT CALCULATION

For the fiscal year ended June 30, 2024

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below on the Appropriations Limit Calculations Worksheet (Worksheet) of the Orange County Local Transportation Authority ("OCLTA" or "Authority") as of June 30, 2024. OCLTA's management is responsible for the preparation of the Worksheet.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures performed and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish OCLTA's appropriations limit and compared the 2023-2024 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCLTA's Board of Directors. We compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCLTA's Board of Directors.

Finding: No exceptions were noted as a result of this procedure.

2. We added last year's limit to the annual adjustment amount and compared the resulting amount to the 2023-2024 appropriations limit.

Finding: No exceptions were noted as a result of this procedure.

3. We compared the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.

Finding: No exceptions were noted as a result of this procedure.

4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by OCLTA's Board of Directors.

Finding: No exceptions were noted as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
October 31, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPROPRIATIONS LIMIT CALCULATIONS WORKSHEET
Year ended June 30, 2024

	<u>Amount</u>	<u>Source</u>
A. Last year's limit	\$ 2,126,550,391	
B. Adjustment factors:		
1. Population change	.9954	State Finance
2. Per capita change	1.0444	State Finance
Total adjustments [(B.1 × B.2) – 1.0]	0.03960	
C. Annual adjustment	<u>84,211,395</u>	A × B
D. This year's limit	<u>\$ 2,210,761,786</u>	A + C

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

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

Year Ended June 30, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

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

Year Ended June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Attachment A on the Measure M2 Status Report of the Authority. The Orange County Local Transportation Authority ("OCLTA" or "Authority") and the Taxpayers' Oversight Committee of the Authority ("TOC") (the specified parties) are responsible for the Measure M2 Status Report.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Authority. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and the associated findings are contained in Attachment A.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Measure M2 Status Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and the TOC and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
December 13, 2024

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS
Year ended June 30, 2024

The procedures and associated findings are as follows:

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

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

1. Compared Year to Date June 30, 2024 amounts (Column A) to the audited trial balances of the OCLTA Special Revenue Fund (Fund 17) and the OCLTA Debt Service Fund (Fund 72) and additional detailed information from the underlying accounting records.
2. Compared Period from Inception to June 30, 2024 amounts (Column B) by adding the prior year's Period from Inception through June 30, 2023 amounts with the Year to Date June 30, 2024 amounts (Column A).
3. Re-computed totals and subtotals.

B. We obtained Schedule 2 and performed the following procedures:

1. Compared Year Ended June 30, 2024 (Columns C.1 and C.2) to Schedule 1, Column A. For professional services, non-project related amounts, we compared the sum of this caption allocated to Revenues and to Bond Revenues at June 30, 2024 (C.1 and C.2) to Schedule 1, Column A. For Environmental Cleanup, we agreed this amount to the project job ledger.
2. Compared Period from Inception through June 30, 2024 amounts (Columns D.1 and D.2) to Schedule 1, Column B. For professional services, non-project related, and other non-project related amounts, we compared the total of the amounts allocated to Revenues and to Bond Revenues at June 30, 2024 (D.1 and D.2) to Schedule 1, Column B. For Environmental Cleanup, we agreed this amount to the project job ledger.
3. Compared forecast amounts (Column E.1 and E.2) to Measure M2 Forecast Model Schedule.
4. Re-computed totals and subtotals.

C. We obtained Schedule 3 and performed the following procedures:

1. Compared Net Revenues through June 30, 2024 (Column I) and Total Net Revenues (Column H) amounts to Schedule 2, Column D.1 and Column F.1, Net Revenues (Totals), respectively.
2. Recalculated Net Revenues through June 30, 2024 (Column I) and Total Net Revenues (Column H) amounts, by mode and project description, based on the Measure M2 Transportation Investment Plan (Investment Plan).
3. Reconciled Expenditures through June 30, 2024 (Column J) to Schedule 1, Column B. Agreed Environmental Cleanup to Schedule 2, Column D.1. Agreed Oversight and Annual Audits to the summary of Measure M2 administrative costs through June 30, 2024. Agreed Column J, by project description, to the project job ledger by fiscal year.

(Continued)

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS
Year ended June 30, 2024

4. Selected a sample of 40 expenditures from Column J and compared them to invoices and supporting documentation to determine whether the sampled expenditures were properly accrued and classified.
5. Agreed Reimbursements through June 30, 2024 (Column K) to Schedule 1, Column B. Agreed Oversight and Annual Audits line item to summary of Measure M2 administrative costs through June 30, 2024.
6. Agreed Column K to the supporting revenue summary by project and fiscal year. Selected a sample of 40 reimbursements from Column K and agreed them to supporting invoices and remittance advices to determine whether the sampled reimbursements were properly calculated.
7. Recalculated the net M2 cost (Column L) by subtracting Column K from Column J.
8. Recalculated Revenues through June 30, 2024 (Column I.1) and the Total Revenues (Column H.1) for Environmental Cleanup (2% of revenues) and Oversight and Annual Audits (1% of revenues) by multiplying sales taxes and operating interest per Schedule 2, Column D.1 and Column F.1 by 2% and 1%, respectively.
9. Recalculated Revenues through June 30, 2024 (Column I.1) and the Total Revenues (Column H.1) for Collect Sales Taxes (1.5% of sales taxes) by multiplying Sales Taxes per Schedule 2, Column F.1 and Column D.1 by 1.5%.
10. Re-computed total and subtotals.

Results: Procedure C.4. Identified an expenditure in the amount of \$24 with a service period that fell during fiscal year 2023 and the invoice was received by management outside of the prior period's year-end cut-off procedure. Thus, was reported in the fiscal year 2024 expenditures. The expenditure identified above is within management's threshold of passed adjustments for fiscal year 2024. No other exceptions were found as a result of these procedures.

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2024
(Unaudited)

(\$ in thousands)	Quarter Ended June 30, 2024	Year to Date June 30, 2024	Period from Inception to June 30, 2024
	(A)	(B)	
Revenues:			
Sales taxes	\$ 99,393	\$ 431,412	\$ 4,372,470
Other agencies' share of Measure M2 costs:			
Project related	5,746	22,338	860,424
Non-project related	-	-	454
Interest:			
Operating:			
Project related	336	2,005	7,102
Non-project related	12,979	29,952	113,268
Bond proceeds	2,126	5,700	100,946
Debt service	178	1,311	3,069
Commercial paper	-	-	393
Right-of-way leases			
Project related	(4)	52	1,717
Non-project related	-	-	17
Proceeds on sale of assets held for resale	-	-	13,428
Donated assets held for resale			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	331
Non-project related	-	-	129
Total revenues	120,754	492,770	5,475,819
Expenditures:			
Supplies and services:			
Sales tax administration fees	687	3,333	42,232
Professional services:			
Project related	19,270	40,735	579,576
Non-project related	907	1,934	39,864
Administration costs:			
Project related	4,424	13,397	130,611
Salaries and Benefits	1,123	4,507	44,857
Other	3,707	8,783	76,237
Other:			
Project related	207	480	6,788
Non-project related	27	85	5,459
Payments to local agencies:			
Project related	34,872	100,136	1,428,350
Capital outlay:			
Project related	96,123	159,505	2,401,396
Non-project related	-	(100)	31
Debt service:			
Principal payments on long-term debt	-	20,920	116,405
Interest on long-term debt and commercial paper	2	33,954	353,530
Total expenditures	161,349	387,669	5,225,336
Excess (deficiency) of revenues over (under) expenditures	(40,595)	105,101	250,483
Other financing sources (uses):			
Transfers out:			
Project related	(213,679)	(238,493)	(735,905)
Transfers in:			
Project related	12,284	15,705	364,388
Non-project related	-	(453)	-
Bond proceeds	-	-	804,625
Payment to refunded bond escrow agent	-	-	(45,062)
Total other financing sources (uses)	(201,395)	(223,241)	388,046
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	(241,990)	(118,140)	638,529

Measure M2
Schedule of Calculations of Net Revenues and Net Financing Expenditures
as of June 30, 2024
(Unaudited)

(\$ in thousands)	Quarter Ended June 30, 2024 (actual)	Year to Date June 30, 2024 (actual)	Period from Inception through June 30, 2024 (actual)	Period from July 1, 2024 through March 31, 2041 (forecast)	Total
	(C.1)	(D.1)	(D.1)	(E.1)	(F.1)
Revenues:					
Sales taxes	\$ 99,393	\$ 431,412	\$ 4,372,470	\$ 10,373,687	\$ 14,746,157
Operating interest	12,979	29,952	113,268	544,885	658,153
Subtotal	<u>112,372</u>	<u>461,364</u>	<u>4,485,738</u>	<u>10,918,572</u>	<u>15,404,310</u>
Other agencies share of M2 costs	-	-	454	-	454
Right-of-way leases	-	-	17	-	17
Miscellaneous	-	-	129	-	129
Total revenues	<u>112,372</u>	<u>461,364</u>	<u>4,486,338</u>	<u>10,918,572</u>	<u>15,404,910</u>
Administrative expenditures:					
Sales tax administration fees	687	3,333	42,232	85,288	127,520
Professional services	907	1,934	36,089	85,411	121,500
Administration costs:					
Salaries and Benefits	1,123	4,507	44,857	106,172	151,029
Other	3,707	8,783	76,237	176,080	252,317
Other	27	85	2,439	5,856	8,295
Capital outlay	-	(100)	31	-	31
Environmental cleanup	954	2,763	52,069	207,440	259,509
Total expenditures	<u>7,405</u>	<u>21,305</u>	<u>253,954</u>	<u>666,247</u>	<u>920,201</u>
Net revenues	<u>\$ 104,967</u>	<u>\$ 440,059</u>	<u>\$ 4,232,384</u>	<u>\$ 10,252,325</u>	<u>\$ 14,484,709</u>
	(C.2)	(D.2)	(D.2)	(E.2)	(F.2)
Financing expenditures:					
Debt interest expense	2	33,954	353,530	332,151	685,681
Professional services	-	-	3,775	-	3,775
Other	-	-	3,020	-	3,020
Total financing expenditures	<u>2</u>	<u>33,954</u>	<u>360,325</u>	<u>332,151</u>	<u>692,476</u>
Interest revenue:					
Interest revenue from bond proceeds	2,126	5,700	100,946	57,910	158,856
Interest revenue from debt service funds	178	1,311	3,069	4,757	7,826
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>2,304</u>	<u>7,011</u>	<u>104,408</u>	<u>62,667</u>	<u>167,075</u>
Net financing expenditures	<u>\$ (2,302)</u>	<u>\$ 26,943</u>	<u>\$ 255,917</u>	<u>\$ 269,484</u>	<u>\$ 525,401</u>

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Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2024
(Unaudited)

		Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to June 30, 2024 (actual)	Expenditures Inception to June 30, 2024 (actual)	Reimbursements Inception to June 30, 2024 (actual)	(J) - (K) = (L) Net M2 Cost Inception to June 30, 2024 (actual)
Project	Description					
(G)	(H)	(I)	(J)	(K)	(L)	
(\$ in thousands)						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 1,444,635	\$ 409,529	\$ 463,505	\$ 99,529	\$ 363,976
S	Transit Extensions to Metrolink	1,278,664	373,621	272,006	2,133	269,873
T	Metrolink Gateways	74,035	39,988	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	502,259	140,992	137,414	88	137,326
V	Community Based Transit/Circulators	289,617	84,625	20,496	1,697	18,799
W	Safe Transit Stops	31,967	9,341	1,537	26	1,511
Subtotal Projects		3,621,177	1,058,096	993,178	164,429	828,749
Net financing expenditures		-	-	28,785	-	28,785
Total Transit Projects		\$ 3,621,177	\$ 1,058,096	\$ 1,021,963	\$ 164,429	\$ 857,534
%						20.2%

Measure M2 Program	\$ 14,484,709	\$ 4,232,384	\$ 5,486,474	\$ 1,249,150	\$ 4,237,324
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		Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to June 30, 2024 (actual)	Expenditures Inception to June 30, 2024 (actual)	Reimbursements Inception to June 30, 2024 (actual)	Net M2 Cost Inception to June 30, 2024 (actual)
Project	Description					
	(G)	(H.1)	(I.1)	(J)	(K)	(L)
	(\$ in thousands)					
	Environmental Cleanup (2% of Revenues)					
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 308,086	\$ 89,715	\$ 52,069	\$ 311	\$ 51,758
	Net financing expenditures	-	-	-	-	-
	Total Environmental Cleanup	\$ 308,086	\$ 89,715	\$ 52,069	\$ 311	\$ 51,758
	%					1.2%

Taxpayer Safeguards and Audits

Collect Sales Taxes (1.5% of Sales Taxes)	\$ 221,192	\$ 65,587	\$ 42,232	\$ -	\$ 42,232
%					1.0%
Oversight and Annual Audits (1% of Revenues)	\$ 154,043	\$ 44,857	\$ 44,857	\$ (0)	\$ 44,857
%					1.0%

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2024

Measure M2 Summary

In November 1990, Orange County voters approved the Revised Traffic Improvement and Growth Management Ordinance, known as Measure M (M1). This implemented a one-half of one percent retail transaction and use tax to fund a specific program of transportation improvements in Orange County for 20 years. On November 7, 2006, Orange County voters approved the renewal of Measure M, known as Renewed Measure M (M2) for a period of 30 more years from April 1, 2011 to March 31, 2041. In August 2007, the Orange County Local Transportation Authority Board of Directors approved the M2 Early Action Plan to advance the completion of projects prior to the start of sales tax collection in April 2011. A Plan of Finance was adopted in November 2007 identifying a tax-exempt commercial paper program as the preferred method of funding Early Action Plan projects.

The Orange County Local Transportation Authority (OCLTA) is responsible for administering the M2 sales tax program, which commenced on April 1, 2011 for a period of 30 years. The M1 sales tax program was completed and closed out in June 2015.

Demonstrating accountability for the receipt and expenditure of M2 funds is accomplished through the issuance of annual reports on M2 activities. The reports for M2 activities through June 30, 2024 are included as Schedules 1-3. The following is a summary of the purpose, format and content of each schedule. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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

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

Year to Date June 30, 2024 (Column A)

This column presents the revenues, expenditures, and other financing sources (uses) of the combined M2 special revenue and debt service funds for the fiscal year ended June 30, 2024. Amounts for individual revenue sources, expenditures by major object, and other financing sources (uses) are derived from the trial balance, while detailed amounts for certain revenue sources and expenditures by major object are obtained from the general ledger.

The net change in fund balance of (\$118,140) agrees with the combined change in fund balances of (\$110,337) in the M2 special revenue fund and \$(7,803) in the M2 debt service fund in the trial balance for the year ended June 30, 2024.

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

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2024

Period from Inception through June 30, 2024 (Column B)

This column presents the revenues, expenditures, and other financing sources (uses) of the combined M2 special revenue and debt service funds for the period from inception through June 30, 2024. Amounts for individual revenue sources, expenditures by major object, and other financing sources (uses) are summarized from the trial balance, while detailed amounts for certain revenue sources and expenditures by major object are obtained and summarized from the general ledger.

The net fund balance of \$638,529 agrees with the combined ending fund balances of \$615,029 in the M2 special revenue fund and \$23,500 in the M2 debt service fund, as presented in the trial balance for the year ended June 30, 2024.

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

Schedule 2—Schedule of Calculations of Net Revenues and Net Financing Expenditures

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

Calculation of Net Revenues

Year to Date June 30, 2024 (actual) (Column C.1)

This column presents net revenues, consisting of total revenues less total administrative expenditures, capital outlay, and environmental cleanup, for year ended June 30, 2024. Revenues, administrative expenditures, and capital outlay for the year ended June 30, 2024 were obtained from Column A in Schedule 1. Environmental cleanup expenditures were obtained from project amounts accumulated in the project job ledger. Revenues, administrative expenditures, and capital outlay utilized in the calculation of net revenues are non-project and non-financing related. Revenues consist of sales taxes, operating interest, and other agencies' share of M2 costs. Administrative expenditures include sales tax administration fees, professional services, administration costs, and other expenditures. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2024

Period from Inception through June 30, 2024 (actual) (Column D.1)

This column presents net revenues, consisting of total cumulative revenues less total cumulative administrative expenditures, capital outlay, and environmental cleanup, for the period from inception through June 30, 2024. Revenues, administrative expenditures, and capital outlay for the period from inception through June 30, 2024 were obtained from Column B in Schedule 1. Environmental cleanup expenditures were obtained from project amounts accumulated in the project job ledger. Total net revenues for the period from inception through June 30, 2024 are presented in Schedule 3 as "Net Revenues through June 30, 2024" (Column I). Revenues, administrative expenditures, and capital outlay utilized in the calculation of net revenues are non-project and non-financing related. Revenues consist of sales taxes, operating interest, other agencies' share of M2 costs, and miscellaneous revenue. Administrative expenditures include sales tax administration fees, professional services, administration costs, and other expenditures. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Period from July 1, 2024 through March 31, 2041 (forecast) (Column E.1)

This column presents net revenues, consisting of total projected revenues less total projected administrative expenditures and environmental cleanup expenditures, for subsequent years from July 1, 2024 through March 31, 2041. Revenues and administrative expenditures for subsequent years from July 1, 2024 through March 31, 2041 were obtained from the Orange County Transportation Authority Forecast Model, which is updated quarterly. Revenues and administrative expenditures utilized in the calculation of net revenues for subsequent years from July 1, 2024 through March 31, 2041 are non-project and non-financing related. Revenues consist of projected sales taxes and operating interest. Administrative expenditures consist of projected sales tax administration fees, professional services, administration costs, and other expenditures.

Total (Column F.1)

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

Calculation of Net Financing Expenditures

Year to Date June 30, 2024 (actual) (Column C.2)

This column presents Net financing expenditures, consisting of financing expenditures less bond revenues, for year ended June 30, 2024. Bond revenues and financing expenditures for the year ended June 30, 2024 were obtained from Column A in Schedule 1. Bond revenues and financing expenditures utilized in the calculation of net financing expenditures are non-project and non-operating related. Bond revenues consist of interest revenue from bond proceeds and debt service funds.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2024

Financing expenditures consist of debt interest expense. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Period from Inception through June 30, 2024 (actual) (Column D.2)

This column presents Net financing expenditures, consisting of financing expenditures less bond revenues, for the period from inception through June 30, 2024. Bond revenues and financing expenditures for the period from inception through June 30, 2024 were obtained from Column B in Schedule 1. Bond revenues and financing expenditures utilized in the calculation of net financing expenditures are non-project and non-operating related. Bond revenues consist of interest revenues from bond proceeds, debt service funds, and commercial paper. Financing expenditures consist of debt interest expense, professional services, and other interest expense. Non-project related professional services are distributed between administrative expenditures and financing expenditures and uses based on the job ledger code.

Period from July 1, 2024 through March 31, 2041 (forecast) (Column E.2)

This column presents Net financing expenditures, consisting of projected financing expenditures less projected bond revenues, for subsequent years from July 1, 2024 through March 31, 2041. Bond revenues and financing expenditures for subsequent years from July 1, 2024 through March 31, 2041 were obtained from the Orange County Transportation Authority Forecast Model. Bond revenues and financing expenditures utilized in the calculation of net financing expenditures are non-project and non-operating related. Bond revenues consist of interest revenues from bond proceeds and debt service funds. Financing expenditures consist of debt interest expense.

Total (Column F.2)

This column presents total net financing expenditures, calculated as the sum of columns D.2 and E.2.

Schedule 3—Schedule of Revenues and Expenditures Summary

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

Project Description (Column G)

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

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2024

Total Net Revenues Inception to March 31, 2041 (actual) + (forecast) (Column H)

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

Net Revenues Inception to June 30, 2024 (actual) (Column I)

This column presents total M2 program net revenues for the period from inception through June 30, 2024, which agrees with net revenues in Column D.1 in Schedule 2. Such net revenues are allocated to each of the three modes based on the allocation percentages specified in M2.

The net revenues for each mode are allocated to each project based on the proportionate share of each project's estimated cost to the total estimated cost per mode as presented in the Investment Plan.

Expenditures Inception to June 30, 2024 (actual) (Column J)

This column presents total expenditures plus net financing expenditures. Total expenditures, excluding oversight and annual audit expenditures, agree with the sum of project related expenditures including transfers out from Column B in Schedule 1. Oversight and annual audit expenditures agree with the administrative costs for salaries and benefits derived from the annual cost allocation plan. Total net financing expenditures agrees with the total net financing expenditures from Column D.2 in Schedule 2. Project related expenditures are comprised of professional services, administration costs, other expenditures, payments to local agencies, capital outlay, and transfers out. Such expenditures are distributed to the projects based on project amounts accumulated in the project job ledger.

Reimbursements Inception to June 30, 2024 (actual) (Column K)

This column presents total reimbursements for the period from inception through June 30, 2024, which agrees with the sum of project related revenues from Column B in Schedule 1. Project related revenues consist of other agencies' share of Measure M2 costs, operating interest, right-of-way leases, proceeds on sale of assets held for resale, donated assets held for resale, transfers in and miscellaneous revenue. Such revenues are distributed to the related projects based on project amounts accumulated in the project job ledger. Reimbursements for oversight and annual audits agree with the principal balance of the amount advanced from the Orange County Unified Transportation Trust (OCUTT) to cover administrative costs for salaries and benefits exceeding more than one percent of revenues.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to Measure M2 Status Report (Unaudited)

Year Ended June 30, 2024

Net M2 Cost Inception to June 30, 2024 (actual) (Column L)

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

Total Net Revenues Inception to March 31, 2041 (actual) + (forecast) (Column H.1)

The total environmental cleanup actual and projected revenues during the life of M2 represent 2% of revenues (sales taxes and operating interest) found in Column F.1 in Schedule 2.

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

Net Revenues Inception to June 30, 2024 (actual) (Column I.1)

The total environmental cleanup revenue for the period from inception through June 30, 2024, represents two percent (2%) of revenues (sales taxes and operating interest) in Column D.1 in Schedule 2. The total oversight and annual audits revenues for the period from inception through June 30, 2024, represent one percent (1%) of the revenues (sales taxes and operating interest) in Column D.1 in Schedule 2. The total collect sales taxes revenue for the period from inception through June 30, 2024, represents one and one-half percent (1.5%) of the sales tax revenues in Column D.1 in Schedule 2.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE MEASURE M2 ORDINANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Orange County Local Transportation Authority
Orange, California

Report on Compliance with the Measure M2 Ordinance

We have audited Orange County Local Transportation Authority's ("OCLTA") compliance with the types of requirements described in the Orange County Local Transportation Authority, Ordinance No. 3 (the "Ordinance" or "M2 Ordinance"), that could have a direct and material effect on OCLTA's compliance with the Ordinance for the year ended June 30, 2024.

In our opinion, OCLTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Ordinance for the year ended June 30, 2024.

Basis for Opinion on the Ordinance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Ordinance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on OCLTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Continued)

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about OCLTA's compliance with the requirements of the Ordinance.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding OCLTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of OCLTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance, but not for the purpose of expressing an opinion on the effectiveness of OCLTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.


Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Los Angeles, California
April 11, 2025

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE
CITY OF BUENA PARK FY24**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE
CITY OF BUENA PARK FY24**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

The city of Buena Park was selected at the direction of the Orange County Local Transportation Authority Board of Directors to perform agreed-upon procedures for the fiscal year ended June 30, 2024.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF BUENA PARK

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Buena Park's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain the Settlement Agreement between OCTA and the City. Identify whether misspent Local Fair Share funds were repaid to OCTA.

Findings: We obtained the Settlement Agreement between the City of Buena Park and Orange County Transportation Authority (OCTA) dated July 10, 2024. Within the settlement agreement the OCTA Board found Buena Park ineligible to receive or apply for Net Revenues for five years and directed staff to seek reimbursement of \$387,576. We obtained documentation of the payment remittance from the City to OCTA and found no exceptions.

2. Obtain a copy of the City's FY24 Annual Comprehensive Financial Report and determine whether it reflects an unmodified opinion per Independent Auditor's report.

Findings: Crowe obtained the City of Buena Park's FY24 Annual Comprehensive Financial Report (ACFR) and found that the independent auditor issued an unmodified opinion on the City's ACFR.

(Continued)

3. Describe which funds the City used to track all street and road expenditures and inquire how the City identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund and activity number. The City recorded its MOE expenditures in its General Fund (11) and is identified by various 6-digit activity number. No exceptions were found as a result of this procedure.

4. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the City met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$4,995,502 (see Schedule A) which exceeded the MOE benchmark requirement of \$4,778,989. We agreed the total expenditures of \$4,995,502 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

5. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$1,928,383, which represented approximately 39% of direct MOE expenditures of \$4,995,502 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified one expenditure related to a water collection software application for \$21,450, that was not properly classified as a local street and road expenditure and is not allowable per the Ordinance. As a result, this amount would be considered disallowed and removed from the total MOE expenditures. After removing the transaction from the total MOE expenditures, the City continued to meet the MOE benchmark. We also identified \$31,152 of direct charges that should have been reported as indirect costs. These charges represented various allocations for service abatements as well as vehicle and building maintenance. Upon further inspection, we identified a total of \$607,426 of these costs that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

6. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the City's Expenditure Report, we found that no indirect costs were reported on Schedule 3, Line 1. After further inspection of the direct expenditure detail from the City's general ledger in Procedure #3 and discussion with City personnel, we found that \$607,426 of indirect costs were included in total direct costs on Schedule 3, line 15 of the City's M2 Expenditure Report for the fiscal year ended June 30, 2024. These expenditures consisted of allocations for Fleet Vehicle Maintenance, Building Maintenance, and Service Abatements. We obtained the City's allocation plans for each type of expenditure, recomputed the indirect costs using the allocation methodology with no exceptions, and determined that the allocations were developed using a reasonable and appropriate methodology. As such, these costs should have been reported as indirect costs. No other exceptions were found as a result of this procedure.

(Continued)

7. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Fund (25). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024 was \$878,509 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

8. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven Year CIP, without exception. We selected five Measure M2 Local Fair Share direct expenditures for inspection totaling \$868,634 representing approximately 99% of total Measure M2 direct Local Fair Share expenditures of \$878,509 for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined the that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

9. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
April 9, 2025

CITY OF BUENA PARK, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Construction & Right-of-Way	
Street Reconstruction	\$ 1,164,111
Total Construction	<u>\$ 1,164,111</u>
Maintenance	
Street Lights & Traffic Signals	\$ 1,379,113
Other Street Purpose Maintenance	<u>2,452,278</u>
Total Maintenance	<u>\$ 3,831,390</u>
Total MOE Expenditures	<u><u>\$ 4,995,502</u></u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Orangethorpe Avenue Rehabilitation, Western to Stanton	\$ 180,211
Los Coyotes Pavement Rehabilitation, Beach to Country Club Dr.	30,553
Caballero Pavement Rehabilitation, Valley View to Regio	667,745
Total Measure M2 Local Fair Share Expenditures	<u>\$ 878,509</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 5,874,010</u></u>

Note: The above amounts were taken directly from the financial records of the City of Buena Park and were not audited.



Exhibit 1

April 9, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Buena Park as of and for the fiscal year ended June 30, 2024.

Procedure #5

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$1,928,383, which represented approximately 39% of direct MOE expenditures of \$4,995,502 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified one expenditure related to a water collection software application for \$21,450 that was not properly classified as a local street and road expenditure and is not allowable per the Ordinance. As a result, this amount would be considered disallowed and removed from the total MOE expenditures. After removing the transaction from the total MOE expenditures, the City continued to meet the MOE benchmark. We also identified \$31,152 of direct charges that should have been reported as indirect costs. These charges represented various allocations for service abatements as well as vehicle and building maintenance. Upon further inspection, we identified a total of \$607,426 of these costs that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the findings and will implement the necessary adjustments to the Measure M2 report to ensure proper classification of expenditures.

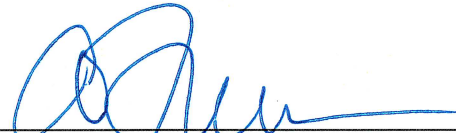
Procedure #6

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the City's Expenditure Report, we found that no indirect costs were reported on Schedule 3, Line 1. After further inspection of the direct expenditure detail from the City's general ledger in Procedure #3 and discussion with City personnel, we found that \$607,426 of indirect costs were included in total direct costs on Schedule 3, line 15 of the City's M2 Expenditure Report for the fiscal year ended June 30, 2024. These expenditures consisted of allocations for Fleet Vehicle Maintenance, Building Maintenance, and Service Abatements. We obtained the City's allocation plans for each type of expenditure, recomputed the indirect costs using the allocation methodology with no exceptions, and determined that the allocations were developed using a reasonable and appropriate methodology. As such, these costs should have been reported as indirect costs. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the findings and will implement the necessary adjustments to the Measure M2 report to ensure proper classification of expenditures.



Aaron France, City Manager



Sung Hyun, Director of Finance

Signed by:



Mina Mikhael, Director of Public Works

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE
CITY OF ORANGE FY24**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE
CITY OF ORANGE FY24**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2024

The city of Orange was selected at the direction of the Orange County Local Transportation Authority Board of Directors to perform agreed-upon procedures for the fiscal year ended June 30, 2024.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF ORANGE

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Orange's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain the Settlement Agreement between OCTA and the City and identify the required minimum amount to be spent on MOE expenditures for FY24.

Findings: We obtained the Settlement Agreement between the City of Orange and Orange County Transportation Authority (OCTA) dated July 10, 2024. Per the Settlement Agreement, the City was required to spend a minimum of \$4,624,214 in MOE expenditures, which was calculated by the sum of the fiscal year 2023-2024 required MOE of \$3,507,565 and the short fall identified in the Settlement Agreement of \$1,116,649. We obtained documentation of minimum MOE expenditures from the City to OCTA and found no exceptions.

2. Describe which funds the City used to track all street and road expenditures and inquire how the City identifies MOE expenditures in the general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, departments and object codes. The City recorded its MOE expenditures in its General Fund (100), followed by various department codes and object codes. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain the details of MOE expenditures for the Fiscal Year ended June 30, 2024, and agree the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$5,538,276 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,624,214. We agreed the total expenditures of \$5,538,276 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

4. Select a sample of MOE expenditures from the City's general ledger expenditure detail, ensuring adequate coverage. Describe the number and percentage of total expenditures selected for testing. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 27 direct MOE expenditures totaling \$2,231,399, which represented approximately 48% of direct MOE expenditures of \$4,626,214 for the fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. We identified \$376,650 of direct charges that should have been reported as indirect costs. These represented allocation charges for labor related to street and road projects. No other exceptions were found as a result of this procedure.

5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, Line 1). Explain any differences. If applicable, obtain details of the indirect costs charged and select a sample of charges for inspection, ensuring adequate coverage. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: During testing of direct costs at Procedure #4, we identified an additional \$376,650 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits. We determined that these indirect MOE costs were based upon a reasonable and appropriate methodology. Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$912,031 of indirect costs (excluding the additional \$376,650 noted in the previous paragraph) per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$235,589 representing 26% of the total reported MOE indirect costs. Upon inspection, we found these charges were for labor charges, membership dues for public works associations and charges for public works conferences that were directly identifiable as street and road project costs and did not meet the definition of Indirect Costs (Overhead) based on the Guidelines Relating to Gas Tax Expenditures. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

6. Aggregate any expenditures that were not properly classified per procedures (4) and (5) above and report the remaining total MOE expenditures after the removal of such items by comparing to the dollar amount required to be spent per procedure (1) above.

Findings: Total reported expenditures on the M2 report totaled \$5,161,626, which exceeded the total dollar amount required to be spent per procedure (1) of \$4,624,214. The \$376,650 of MOE direct charges should have been reported as indirect costs and the \$235,589 of MOE indirect charges should have been reported as direct costs, but they were both for local street and road projects and were allowable per the Ordinance. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 7, 2025

CITY OF ORANGE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

SCHEDULE A	
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 912,031
Construction & Right-of-Way	
Street Reconstruction	\$ 320,153
Signals, Safety Devices, & Street Lights	195,753
Storm Drains	56,498
Total Construction	<u>\$ 572,404</u>
Maintenance	
Overlay & Sealing	\$ 1,290,131
Street Lights & Traffic Signals	1,862,108
Other Street Purpose Maintenance	901,602
Total Maintenance	<u>\$ 4,053,841</u>
Total MOE Expenditures	<u>\$ 5,538,276</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
13115 - Pavement Management Program Survey	\$ 63,147
13120 - Pavement Management Program	3,465,005
14040 - 292 N. Main Street	3,261
16302 - Minor Traffic Control Devices - Various	21,872
16304 - Biennial Traffic Signal Coordination	6,000
20329 - Chapman Batavia Left Turn Mod	159,004
20374 - Streetlight Pole Replacement Program	19,503
20443 - Orange Community Shuttle Feasibility Study	6,489
30167 - Katella Ave Street Rehabilitation	63,950
30168 - Walnut Ave Infrastructure Improvement	162.97
00000 - Other Street Purpose Maintenance	601,620
Total Measure M2 Local Fair Share Expenditures	<u>\$ 4,410,013</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 9,948,289</u>

Note: The above amounts were taken directly from the financial records of the City of Orange and were not audited.



City of Orange

Finance Department
300 E. Chapman Ave.
Orange, CA 92866

April 7, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Orange as of and for the fiscal year ended June 30, 2024.

Procedure #4

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 27 direct MOE expenditures totaling \$2,231,399, which represented approximately 48% of direct MOE expenditures of \$4,626,214 for the fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. We identified \$376,650 of direct charges that should have been reported as indirect costs. These represented allocation charges for labor related to street and road projects. No other exceptions were found as a result of this procedure.

City's Response: The City acknowledges the finding that costs were incorrectly categorized as indirect costs and should have been reported as direct costs. Staff will implement procedures to ensure proper reporting of direct and indirect costs.

Procedure #5

Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, Line 1). Explain any differences. If applicable, obtain details of the indirect costs charged and select a sample of charges for inspection, ensuring adequate coverage. Inspect supporting documentation for reasonableness and appropriate methodology.



(714) 744-2230



www.cityoforange.org



City of Orange

Finance Department
300 E. Chapman Ave.
Orange, CA 92866

Findings: During testing of direct costs at Procedure #4, we identified an additional \$376,650 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits. We determined that these indirect MOE costs were based upon a reasonable and appropriate methodology.

Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$912,031 of indirect costs (excluding the additional \$376,650 noted in the previous paragraph) per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$235,589 representing 26% of the total reported MOE indirect costs. Upon inspection, we found these charges were for labor charges, membership dues for public works associations and charges for public works conferences that were directly identifiable as street and road project costs and did not meet the definition of Indirect Costs (Overhead) based on the Guidelines Relating to Gas Tax Expenditures. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response: The City acknowledges the finding that costs were incorrectly categorized as indirect costs and should have been reported as direct costs. Staff will implement procedures to ensure proper reporting of direct and indirect costs.

Tom Kisela, City Manager

Trang Nguyen, Finance Director

Christopher Cash, Public Works Director



(714) 744-2230



www.cityoforange.org

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2024

City	Result	City Management Response
City of Garden Grove (Garden Grove)	Garden Grove reported maintenance of effort (MOE) expenditures of \$18,362,299; however, actual MOE expenditures, per the general ledger, were \$18,338,943, a variance of \$23,356.	Management acknowledges the \$23,356 variance in MOE expenditures, which resulted from an Excel formula error. This clerical error did not impact compliance with the MOE benchmark. To prevent similar issues, management will enhance its review procedures.
	Testing identified \$11,233 in MOE expenditures that were reported as direct expenditures, rather than indirect expenditures.	Management acknowledges the charges were classified as direct MOE expenditures instead of indirect costs. Going forward, management will ensure that such charges are properly reported.
City of Huntington Beach (Huntington Beach)	Testing identified \$4,456,129 in MOE expenditures that were reported as direct expenditures, rather than indirect expenditures.	Management will evaluate its reporting methods and adopt measures to ensure MOE expenditures are properly classified in future reports.
	Testing identified \$78,490 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	
	Testing identified \$10,229,622 in indirect MOE expenditures that were not supported by a documented methodology representing a fair and reasonable allocation of costs. After these allocated charges were removed from the MOE expenditures, Huntington Beach continued to meet its MOE benchmark.	Management will review its financial reporting processes methodology used to allocate MOE costs and implement procedures to ensure that expenditures are correctly classified in future reports.
	Huntington Beach uses generic project titles on their expenditure report, making it difficult to trace these projects to projects as listed in their Capital Improvement Program (CIP) report.	
	Testing identified \$29,249 in Local Fair Share (LFS) expenditures that were not properly classified or allowable per the Measure M2 (M2) Ordinance.	Management will undertake a comprehensive review of its financial reporting protocols and establish enhanced internal controls to ensure the accurate classification of LFS expenditures in all subsequent financial reports. A journal entry in the amount of \$29,249 has been completed to refund the erroneously charged LFS funds.
	Testing identified \$1,466 in LFS expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will review its financial reporting processes and implement procedures to ensure LFS expenditures are correctly classified in future reports.
City of La Habra	None	
City of Laguna Hills	None	
City of Mission Viejo	Testing identified \$368,250 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Going forward, directly identifiable payroll and contracted services expenditures associated with Measure M2 projects will be reported as direct costs.
	Testing identified \$31,591 in LFS expenditures that were reported as indirect expenditures, rather than direct expenditures.	Going forward, labor costs directly identifiable as street and road project inspection costs will be reported as direct costs.
City of San Clemente (San Clemente)	Testing identified \$1,313,908 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will allocate payroll charges to the appropriate direct cost line items in future expenditure reports.
	San Clemente uses generic project titles on their expenditure report, making it difficult to trace these projects to projects as listed in their CIP report.	Public Works is updating the CIP and, going forward, will include a listing of street projects that are funded by LFS that will also be included on the expenditure report.
	Testing identified \$20,718 in LFS expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management concurs and will allocate payroll charges to the appropriate projects as direct cost line items in future expenditure reports.

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2024

City	Result	City Management Response
City of Seal Beach (Seal Beach)	Testing identified \$124,658 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Seal Beach met the MOE benchmark and included both direct and indirect costs. However, the indirect costs were allocated without a formal cost allocation plan. Seal Beach will exclude these costs until a written cost allocation plan is in place. Management will also implement procedures to properly report noted expenses going forward.
	Testing identified \$315 in indirect MOE expenditures for employee meals that were deemed unallowable. Testing also identified \$561,449 in indirect MOE expenditures that were not supported by a documented methodology representing a fair and reasonable allocation of costs. As such, these expenditures were removed from the MOE. After these expenditures were removed from the MOE expenditures, Seal Beach continued to meet its MOE benchmark.	
City of Westminster (Westminster)	Testing identified \$63,951 in MOE expenditures that were reported as indirect expenditures, rather than direct expenditures.	Management will verify expenditures are properly classified as indirect or direct on the expenditure report in the current and future years.
	Testing identified five LFS expenditures totaling \$126,791 related to City Street Sweeping, which was not listed as a project in Westminster's CIP.	Management will update the CIP to include the Citywide Street Sweeping Project as a part of the reporting process that will be presented to the Westminster City Council in June 2025.
	Westminster reported \$81,395 in interest on its expenditure report, which did not agree to actual interest earned of \$81,401, a variance of \$6. We recomputed interest based on the interest allocation methodology without exception.	The variance of \$6 will be allocated to the M2 LFS fund in the current year.
County of Orange	None	

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2024. Please refer to the individual divider tab for our report on each Agency.

Garden Grove

Huntington Beach

La Habra

Laguna Hills

Mission Viejo

Orange County

San Clemente

Seal Beach

Westminster

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF GARDEN GROVE

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Garden Grove's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, organization key, and account code. The City records its MOE expenditures in its General Fund (111) and is identified by a 7-digit organization number, and 5-digit account number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

(Continued)

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$18,362,299 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,497,736. Actual MOE expenditures per the general ledger expenditure detail totaled \$18,338,943, a variance of \$23,356. The variance was due to an error from including two object codes twice. No other exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$9,944,830, which represented approximately 63% of direct MOE expenditures of \$15,810,822 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Expenditures were properly classified as local street and road expenditures and were allowable per the Ordinance, except for fleet maintenance charges, totaling \$11,233, which were found to be indirect cost allocations that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$2,551,477 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$582,329 representing 23% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, IT Charges, and Administrative Charges for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$10,274,936 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$4,688,816 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund number and organization key code. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (246) followed by 7-digit organization key code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$2,290,266, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected four direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,055,627 representing approximately 90% of total direct Measure M2 Local Fair Share expenditures of \$2,290,266 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$75,256 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

(Continued)

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 28, 2025

CITY OF GARDEN GROVE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 2,551,477
Construction & Right-of-Way	
Street Reconstruction	\$ 11,572,961
Total Construction	<u>\$ 11,572,961</u>
Maintenance	
Street Lights & Traffic Signals	\$ 404,406
Other Street Purpose Maintenance	3,833,455
Total Maintenance	<u>\$ 4,237,861</u>
Total MOE Expenditures	<u><u>\$ 18,362,299</u></u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
CIP-22-STREET REHAB	\$ 950
CIP-ACACIA STREET IMPROVEMENT	1,276,731
CIP-CHAP REHAB SPRINDAL WESTRN	514,900
CIP-HAZARD REHABILITATION	199,820
CIP-SLURRY SEAL PROJECTS	287,865
CIP-CHAPMAN REHAB LANDSCP MAINT	10,000
Total Measure M2 Local Fair Share Expenditures	<u>\$ 2,290,266</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 20,652,565</u></u>

Note: The above amounts were taken directly from the financial records of the City of Garden Grove and were not audited.



CITY OF GARDEN GROVE

March 28, 2025

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

Stephanie Klopfenstein
Mayor

Joe DoVinh
Mayor Pro Tem - District 4

George S. Brietigam
Council Member - District 1

Phillip Nguyen
Council Member - District 2

Cindy Ngoc Tran
Council Member - District 3

Yesenia Muñeton
Council Member - District 5

Ariana Arestegui
Council Member - District 6

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Garden Grove as of and for the fiscal year ended June 30, 2024.

Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$18,362,299 (see Schedule A), which exceeded the MOE benchmark requirement of \$4,497,736. Actual MOE expenditures per the general ledger expenditure detail totaled \$18,338,943, a variance of \$23,356. The variance was due to an error from including two object codes twice. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the \$23,356 variance in MOE expenditures, which resulted from an Excel formula error. This clerical error did not impact compliance with the MOE benchmark. To prevent similar issues, the City will enhance its review procedures.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

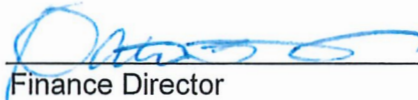
Findings: We selected 25 direct MOE expenditures totaling \$9,944,830, which represented approximately 63% of direct MOE expenditures of \$15,810,822 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Expenditures were properly classified as local street and road expenditures and were allowable per the Ordinance, except for fleet maintenance charges, totaling \$11,233, which were found to be indirect cost allocations that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges that the fleet maintenance charges totaling \$11,233 were classified as direct MOE expenditures instead of indirect costs. Going forward, the City will ensure that such charges are properly reported as indirect costs to align with the Ordinance.



City Manager



Finance Director



Public Works Director

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF HUNTINGTON BEACH

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Huntington Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, object, and business unit number. The City recorded its MOE expenditures in its General Fund (100) and Capital Projects Fund (314). Expenditures are identified by a 5-digit object number and a 5-digit business unit number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

(Continued)

Findings: The City's MOE expenditures per the general ledger for the fiscal year ended June 30, 2024, were \$22,360,255 (see Schedule A), which exceeded the MOE benchmark requirement of \$6,494,379. We agreed the total expenditures of \$22,360,255 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$5,188,886, which represented approximately 31% of direct MOE expenditures of \$16,508,272 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance, except for \$4,456,129 reported as direct charges that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed total indirect expenditures of \$5,851,983 per the general ledger to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 35 charges for inspection with a total amount of \$1,629,278 representing 28% of the total MOE indirect costs of \$5,851,983. During testing of direct costs at Procedure #3, we identified an additional \$4,456,129 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits, insurance costs, contracted services, information technology software, monthly print shop/mail/phone, equipment rentals, and various other charges. For indirect costs, the methodology used to allocate costs should be documented and represent a fair and reasonable allocation of costs. The City was unable to provide a documented methodology representing a fair and reasonable allocation of costs. As such, these expenditures were deemed unallowable and removed from the MOE benchmark calculation. Also, we identified six charges totaling \$78,490 that should have been identified as direct costs as they were charged 100% to MOE projects. After removing unsupported indirect cost allocations, totaling \$10,229,622, the City still met the MOE benchmark. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$13,436,734 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$5,115,802 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (213). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$3,506,656 (see Schedule A), which agreed to the amount reported in the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had included only generic project titles such as "General Street Maintenance", "Residential Pavement", "Pedestrian Improvement" and "Arterial Rehabilitation" on their Schedule 4, rather than specific projects that could be traced to their Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,047,698 representing approximately 58% of total direct Measure M2 Local Fair Share expenditures of \$3,505,190 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that expenditures were properly classified and allowable per the Ordinance, except for payroll charges of \$29,249 for one employee. Discussion with the City indicated that the payroll system was erroneously set up to charge this employee's holiday, general, and administrative leave time to a General Street Maintenance Project funded by Local Fair Share. The employee in question does not perform street maintenance work. As such, these charges are deemed unallowable per the Ordinance. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,466 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 10 Local Fair Share indirect costs for inspection totaling \$1,466 representing 100% of the total Local Fair Share indirect costs. Upon inspection, we found these charges were for membership dues for public works associations and charges for public works conferences that were charged directly to Local Fair Share projects. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$112,603 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 9, 2025

CITY OF HUNTINGTON BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 5,851,983
Construction & Right-of-Way	
Street Reconstruction	\$ 1,465,541
Total Construction	<u>\$ 1,465,541</u>
Maintenance	
Patching	\$ 443,143
Overlay & Sealing	6,687,899
Street Lights & Traffic Signals	1,368,750
Other Street Purpose Maintenance	6,542,940
Total Maintenance	<u>\$ 15,042,732</u>
Total MOE Expenditures	<u>\$ 22,360,255</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
General Street Maintenance	\$ 1,747,757
Residential Pavement	259,695
Pedestrian Improvement	191,593
Arterial Rehabilitation	1,307,611
Total Measure M2 Local Fair Share Expenditures	<u>\$ 3,506,656</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 25,866,912</u>

Note: The above amounts were taken directly from the financial records of the City of Huntington Beach and were not audited.



CITY OF HUNTINGTON BEACH

Exhibit 1

Robert Torrez | *Interim Chief Financial Officer*

April 9, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Huntington Beach as of and for the fiscal year ended June 30, 2024.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$5,188,886, which represented approximately 31% of direct MOE expenditures of \$16,508,272 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance, except for \$4,456,129 reported as direct charges that should have been reported as indirect costs. See Procedure #4 for indirect cost testing. No other exceptions were found as a result of this procedure.

City's Response: The City will evaluate its financial reporting methods and adopt measures to ensure that Maintenance of Effort expenditures are properly categorized in future reports.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed total indirect expenditures of \$5,851,983 per the general ledger to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 35

charges for inspection with a total amount of \$1,629,278 representing 28% of the total MOE indirect costs of \$5,851,983. During testing of direct costs at Procedure #3, we identified an additional \$4,456,129 in indirect costs that were reported as direct costs. These expenditures included allocations of payroll and benefits, insurance costs, contracted services, information technology software, monthly print shop/mail/phone, equipment rentals, and various other charges. For indirect costs, the methodology used to allocate costs should be documented and represent a fair and reasonable allocation of costs. The City was unable to provide a documented methodology representing a fair and reasonable allocation of costs. As such, these expenditures were deemed unallowable and removed from the MOE benchmark calculation. Also, we identified six charges totaling \$78,490 that should have been identified as direct costs as they were charged 100% to MOE projects. After removing unsupported indirect cost allocations, totaling \$10,229,622, the City still met the MOE benchmark. No other exceptions were found as a result of this procedure.

City's Response: The City will review its financial reporting processes methodology used to allocate Maintenance of Effort costs and implement procedures to ensure that expenditures are correctly classified in future reports.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had included only generic project titles such as "General Street Maintenance", "Residential Pavement", "Pedestrian Improvement" and "Arterial Rehabilitation" on their Schedule 4, rather than specific projects that could be traced to their Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,047,698 representing approximately 58% of total direct Measure M2 Local Fair Share expenditures of \$3,505,190 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that expenditures were properly classified and allowable per the Ordinance, except for payroll charges of \$29,249 for one employee. Discussion with the City indicated that the payroll system was erroneously set up to charge this employee's holiday, general, and administrative leave time to a General Street Maintenance Project funded by Local Fair Share. The employee in question does not perform street maintenance work. As such, these charges are deemed unallowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response: The City will undertake a comprehensive review of its financial reporting protocols and establish enhanced internal controls to ensure the accurate classification of Local Fair Share

expenditures in all subsequent financial reports. A journal entry in the amount of \$29,249 has been completed to refund the erroneously charged Local Fair Share funds.

Procedure #8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$1,466 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 10 Local Fair Share indirect costs for inspection totaling \$1,466 representing 100% of the total Local Fair Share indirect costs. Upon inspection, we found these charges were for membership dues for public works associations and charges for public works conferences that were charged directly to Local Fair Share projects. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response: The City will review its financial reporting processes and implement procedures to ensure that Local Fair Share expenditures are correctly classified in future reports.



Travis Hopkins, City Manager

Robert Torrez, Chief Financial Officer

Chau Vu, Director of Public Works

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF LA HABRA

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of La Habra's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, organization, and account number. The City recorded its MOE expenditures in its General Fund (113) and identified MOE expenditures by a 6-digit organization and 4-digit account number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$1,993,026 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,983,997. We agreed the total expenditures of \$1,993,026 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$592,069, which represented approximately 30% of direct MOE expenditures of \$1,993,026 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$3,512,283 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$3,599,717 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (138). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$70,371 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected four direct Measure M2 Local Fair Share expenditures for inspection totaling \$59,848 representing approximately 85% of total direct Measure M2 Local Fair Share expenditures of \$70,371 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$111,764 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
March 24, 2025

CITY OF LA HABRA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Construction & Right-of-Way	
Signals, Safety Devices, & Street Lights	\$ 130,781
Total Construction	<u>\$ 130,781</u>
Maintenance	
Street Lights & Traffic Signals	\$ 1,138,065
Storm Damage	79,913
Other Street Purpose Maintenance	644,267
Total Maintenance	<u>\$ 1,862,245</u>
Total MOE Expenditures	<u>\$ 1,993,026</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Residential Rehabilitation Slurry Seal	\$ 62,871
Alley Area 6 Improvement Project	7,500
Total Measure M2 Local Fair Share Expenditures	<u>\$ 70,371</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 2,063,397</u>

Note: The above amounts were taken directly from the financial records of the City of La Habra and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF LAGUNA HILLS

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Hills' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, and account code. The City recorded its MOE expenditures in its General Fund (100) and identified MOE expenditures by a 3-digit department and a 6-digit expenditure number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$1,112,912 (see Schedule A), which exceeded the MOE benchmark requirement of \$355,486. We agreed the total expenditures of \$1,112,912 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$521,317, which represented approximately 47% of direct MOE expenditures of \$1,112,912 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$2,296,143 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$238,667 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Fund (212). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$708,079 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 16 direct Measure M2 Local Fair Share expenditures for inspection totaling \$532,195 representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of \$708,079 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 4), the City reported \$0 in interest for the Measure M2 Local Fair Share Fund. Per discussion with the City's accounting personnel and through inspection of the general ledger, no interest was identified for the fiscal year ended June 30, 2024. The City's interest allocation methodology is to calculate the average monthly cash balance to determine if interest should be allocated to the fund. The City had a monthly negative cash balance for the entire fiscal year, thus no interest was allocated to the Measure M2 Local Fair Share Fund. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
March 24, 2025

CITY OF LAGUNA HILLS, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Maintenance	
Street Lights & Traffic Signals	\$ 859,219
Other Street Purpose Maintenance	253,693
Total Maintenance	<u>\$ 1,112,912</u>
Total MOE Expenditures	<u>\$ 1,112,912</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
General Street Maintenance FY 23-24 (CP-11714)	\$ 708,079
Total Measure M2 Local Fair Share Expenditures	<u>\$ 708,079</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 1,820,991</u>

Note: The above amounts were taken directly from the financial records of the City of Laguna Hills and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF MISSION VIEJO

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Mission Viejo's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, account, and project code. The City recorded its MOE expenditures in its General Fund (101) followed by a 3-digit department code, 4-digit account code and 5-digit project code. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$5,218,027 (see Schedule A), which exceeded the MOE benchmark requirement of \$3,150,525. We agreed the total expenditures of \$5,218,027 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 26 direct MOE expenditures totaling \$1,318,117, which represented approximately 31% of direct MOE expenditures of \$4,230,992 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$987,035 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$368,250 of indirect costs that should have been reported as direct costs. These charges included payroll and contracted professional services that were being charged 100% to MOE and were deemed allowable costs. We selected 25 charges for inspection with a total amount of \$161,583 representing 26% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$6,169,211 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$2,003,203 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The City tracks its LFS expenditures in its Measure M2 Sales Tax Apportion Fund (267). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$3,633,194, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. The City reported LFS expenditures for a Bus Operations Project in the amount of \$32,503 to fund operations of a local shuttle service. The local shuttle service is also funded under the Measure M Project V grant program and the City uses LFS to provide the local match. Ordinance language states that LFS funding may be used for "...other transportation purposes" and the Transportation Investment Plan, incorporated into the Ordinance, includes examples of "...other transportation needs such as residential street projects, traffic and pedestrian safety near schools, signal priority for emergency vehicles, etc." The City provided Measure M Comprehensive Transportation Funding Program Guidelines, issued in 2016 (at the time of their Project V award) that require cities to provide funding matches using "non-OCTA resources" and define LFS revenues as "non-OCTA resources". We selected 10 direct Measure M2 Local Fair Share expenditures for inspection totaling \$2,682,292 representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of \$3,591,328 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$41,866 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$31,591, representing 75% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. After further inspection, we determined that these LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$121,939 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 11, 2025

CITY OF MISSION VIEJO, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 987,036
Construction & Right-of-Way	
Street Reconstruction	\$ 393,925
Total Construction	<u>\$ 393,925</u>
Maintenance	
Patching	\$ 1,707,654
Street Lights & Traffic Signals	\$ 1,502,679
Other Street Purpose Maintenance	626,733
Total Maintenance	<u>\$ 3,837,066</u>
Total MOE Expenditures	<u>\$ 5,218,027</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
La Paz Bridge Widening (01756) Street Reconstruction	\$ 1,595,371
Los Alisos Traffic Signal Synchronization Project (19240) Administration	246
North Oso Creek Bike/Ped Open Space (22333) Pedestrian Ways & Bikepaths	3,250
Olympiad Road Pedestrian Crossing (24259) Pedestrian Ways & Bikepaths	43,945
Arterial highway Resurfacing & Slurry (24837) Administration	2,036
Arterial highway Resurfacing & Slurry (24837) Maintenance - Overlay & Sealing	50,313
Residential Resurfacing (24838) Administration	39,585
Residential Resurfacing (24838) Maintenance - Overlay & Sealing	1,865,946
525267-7650 Bus Operations Other Street Purposes- Other	32,503
Total Measure M2 Local Fair Share Expenditures	<u>\$ 3,633,194</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 8,851,221</u>

Note: The above amounts were taken directly from the financial records of the City of Mission Viejo and were not audited.



City of Mission Viejo

Administrative Services Department

Bob Ruesch

Mayor

Wendy Bucknum

Mayor Pro Tem

Brian Goodell

Council Member

Trish Kelley

Council Member

Cynthia Vasquez

Council Member

April 11, 2025

Board of Directors

Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Mission Viejo as of and for the fiscal year ended June 30, 2024.

Procedure # 4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$987,035 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$368,250 of indirect costs that should have been reported as direct costs. These charges included payroll and contracted professional services that were being charged 100% to MOE and were deemed allowable costs. We selected 25 charges for inspection with a total amount of \$161,583 representing 26% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. Going forward directly identifiable payroll and contracted services expenditures associated with Measure M2 projects will be reported as direct costs.



City of Mission Viejo

Administrative Services Department

Bob Ruesch
Mayor

Wendy Bucknum
Mayor Pro Tem

Brian Goodell
Council Member

Trish Kelley
Council Member

Cynthia Vasquez
Council Member

Procedure # 8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$41,866 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$31,591, representing 75% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. After further inspection, we determined that these LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. Going forward labor costs directly identifiable as street and road project inspections costs will be reported as direct costs.

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4/11/2025

Elaine Lister, City Manager

Signed by:

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4/11/2025

Ellis Chang, Director of Administrative Services

Signed by:

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4/11/2025

Mark Chagnon, Director of Public Works

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
COUNTY OF ORANGE

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the County of Orange's (County) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The County's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the County's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: The County did not have an MOE requirement for the fiscal year ended June 30, 2024. As a result, this procedure was not applicable.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The County received \$17,187,598 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$0 from the general ledger detail to the County's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The County tracks its LFS expenditures in its Measure M2 Fair Share Fund (115) by using a 4-digit object code and various job codes specific to Local Fair Share projects. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$5,665,401 (see Schedule A), which agreed to the County's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the County's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,657,015 representing approximately 29% of total direct Measure M2 Local Fair Share expenditures of \$5,665,401 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the County's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the County's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$0 listed on the County's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY23) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
March 28, 2025

COUNTY OF ORANGE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Construction & Right-of-Way	
	\$ -
Total Construction	<u>\$ -</u>
Maintenance	
	\$ -
Total Maintenance	<u>\$ -</u>
Total MOE Expenditures	<u><u>\$ -</u></u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Mitigation - Long Term Maintenance Of Road Project Mitigation	\$ 569,542
Midway City-Map Page 828	114,061
St.Sweeping Dist. 1-Unincorp.	7,421
Rossmoor-Map Page 796	308,758
Stanton-Map Page 797	24,885
St. Sweeping Dist. 2-Unincorp.	110,533
General Maintenance Dist 3	1,161,794
Brea-Map Pages 709, 739	1,459
Yorba Linda-Map Pages 739, 740	30,891
Orange Pk Acres-Map Pg 770,800	64,944
Cowan Hts/Lemon Hts-Map Pg 800	351,221
Lemon Hts/Red Hill-Map Pg 830	197,982
North Tustin-Map Page 800	942,209
St.Sweeping Dist. 3-Unincorp	347,977
El Modena Tbmp 800	17,370
Orange-Olive Tbmp 769	10,998
Anaheim-Map Pages 768,769,798	79,641
Placentia-Map Page 739	1,047
St.Sweeping Dist. 4-Unincorp.	66,259
La Habra Tbmp 708, 738	1,441
General Maintenance District 5	757,144
Costa Mesa-Ma Pages 859, 889	3,740
Rancho Mission Viejo - County Area	125,435
Avenida La Pata Water Quality Basin 2	16,645
Avenida La Pata Water Quality Basin 3	16,645
Avenida La Pata Water Quality Basin 4	16,645
Avenida La Pata Water Quality Basin 5	16,645
Avenida La Pata Water Quality Basin 6	16,645
St. Sweeping Dist. 5-Unincorp.	236,521
Alton Parkway Wildlife Corridor Maint./Transfer	48,903
Total Measure M2 Local Fair Share Expenditures	<u>\$ 5,665,401</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 5,665,401</u></u>

Note: The above amounts were taken directly from the financial records of the County of Orange and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF SAN CLEMENTE

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, project, and account number. The City recorded its MOE expenditures in its General Fund (001) and is identified by a 3-digit program and a 5-digit expenditure number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$4,927,490 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,471,176. We agreed the total expenditures of \$4,927,490 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$1,135,038 which represented approximately 30% of direct MOE expenditures of \$3,786,293 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$1,141,197 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$312,148 representing 27% of the total MOE indirect costs. Through our testing, we identified 16 payroll related charges totaling \$204,810 that should have been identified as direct costs as they were charged 100% to MOE projects and allowable per the Ordinance. After further inspection, the total payroll charges included as indirect costs that should have been reported as direct was \$1,313,908. The remaining indirect expenditures included Public Works Admin of \$206,924 and offsetting Chargeback recovery costs totaling (\$372,134). These expenditures utilized various percentage-based allocations that were backed by appropriate documentation. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$3,987,063 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$643,953 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, project, and expenditure account number. The City recorded its LFS expenditures in its Street Improvement Fund (042) which is identified by a 3-digit project and a 5-digit account number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$1,569,823, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had reported generic projects such as "Street Improvement Projects" and "As Needed Repairs" which included various other projects. As such we were unable to trace the exact projects back to the City's Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,280,703 representing approximately 82% of total direct Measure M2 Local Fair Share expenditures of \$1,549,105 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were properly classified as Measure M2 Local Fair Share projects. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), the City reported \$20,718 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$20,592 representing 99% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$10,738 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
April 9, 2025

CITY OF SAN CLEMENTE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,141,197
Construction & Right-of-Way	
Street Reconstruction	\$ 500,000
Total Construction	<u>\$ 500,000</u>
Maintenance	
Patching	\$ 317,669
Overlay & Sealing	628,444
Street Lights & Traffic Signals	2,340,180
Total Maintenance	<u>\$ 3,286,293</u>
Total MOE Expenditures	<u><u>\$ 4,927,490</u></u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Del Mar Street Rehabilitation	\$ 103,159
FY 2022 Street Improvement Projects - Various Streets	222,039
FY 2023 Street Improvement Projects - Various Streets	137
As Needed Repairs FY 2023	438,546
As Needed Repairs FY 2024	210,545
FY 2024 Street Improvement Projects - Various Streets	595,397
Total Measure M2 Local Fair Share Expenditures	<u>\$ 1,569,823</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 6,497,313</u></u>

Note: The above amounts were taken directly from the financial records of the City of San Clemente and were not audited.



April 9, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of San Clemente as of and for the fiscal year ended June 30, 2024.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. We agreed \$1,141,197 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$312,148 representing 27% of the total MOE indirect costs. Through our testing, we identified 16 payroll related charges totaling \$204,810 that should have been identified as direct costs as they were charged 100% to MOE projects and allowable per the Ordinance. After further inspection, the total payroll charges included as indirect costs that should have been reported as direct was \$1,313,908. The remaining indirect expenditures included Public Works Admin of \$206,924 and offsetting Chargeback recovery costs totaling (\$372,134). These expenditures utilized various percentage-based allocations that were backed by appropriate documentation. No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with this finding and will allocate payroll charges to the appropriate direct cost line items on future expenditure reports for Measure M2.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: Eligible Jurisdictions should identify specific projects by their actual titles as well as a brief description for all projects that utilized any portion of Measure M2 Local Fair Share Funding in the City's Expenditure Report (Schedule 4). When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we found that the City had reported generic projects such as "Street Improvement Projects" and "As Needed Repairs" which included various other projects. As such we were unable to trace the exact projects back to the City's Seven-Year CIP. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling \$1,280,703 representing approximately 82% of total direct Measure M2 Local Fair Share expenditures of \$1,549,105 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were properly classified as Measure M2 Local Fair Share projects. No other exceptions were found as a result of this procedure.

City's Response:

The City Public Works department is working on updating the City's Seven-Year CIP and going forward will include a listing of street projects that are funded by Measure M2 Local Fair Share funding that will also be included on the Measure M2 Expenditure Reporting.

Procedure #8

Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), the City reported \$20,718 in indirect costs for LFS for the fiscal year ended June 30, 2024. We selected 25 Local Fair Share indirect costs for inspection totaling \$20,592 representing 99% of the total Local Fair Share indirect costs. Upon inspection, we determined these charges were labor costs directly identifiable as street and road project inspection costs. As such, these costs should have been reported as direct costs. No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with this finding and will allocate payroll charges to the appropriate projects as a direct cost line item on future expenditure reporting for Measure M2.

<u>Andy Hall</u> <small>Andy Hall (Apr 9, 2025 13:16 PDT)</small>	04/09/2025
Andy Hall, City Manager	Date

<u>Brian Brower</u>	04/09/2025
Brian Brower, Financial Services Director	Date

<u>Dave Rebensdorf</u> <small>Dave Rebensdorf (Apr 9, 2025 12:09 PDT)</small>	04/09/2025
Dave Rebensdorf, Public Works Director	Date

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF SEAL BEACH

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Seal Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, object, and account number. The City records its MOE expenditures in its General Fund (101) and is identified by a 3-digit department number followed by various 4-digit object number and 5-digit account number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$1,709,456 (see Schedule A), which exceeded the MOE benchmark requirement of \$733,847. We agreed the total expenditures of \$1,709,456 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$444,598, which represented approximately 48% of direct MOE expenditures of \$919,999 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and is allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We agreed the total indirect expenditures of \$789,457 to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 27 indirect MOE charges for inspection totaling \$269,322, which represented 34% of the total indirect MOE costs of \$789,457. Out of our testing selections, we identified \$124,658 in street sweeping and utility expenditures that should have been classified as direct MOE costs and were allowable per the Ordinance. We also identified two expenditures totaling \$315 for meals provided to employees that are not allowable. Finally, we requested the City to provide a documented methodology used to allocate payroll and benefits charges of \$144,664 and the City was unable to provide such documentation. As such, we lacked the information necessary to confirm these costs as fair and reasonable and the entirety of these allocated costs were removed from the MOE totaling \$561,449. After removing unsupported indirect cost allocations and the meals, the City still met the MOE benchmark requirement. No other exceptions were noted as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$1,630,791 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$1,397,637 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund 211. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$961,055 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without exception. We selected 10 direct Measure M2 Local Fair Share expenditures for inspection totaling \$822,565 representing approximately 86% of total direct Measure M2 Local Fair Share expenditures of \$961,055 for the Fiscal Year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$33,207 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were noted as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California
April 7, 2025

CITY OF SEAL BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 789,457
Construction & Right-of-Way	
Signals, Safety Devices, & Street Lights	\$ 217
Pedestrian Ways & Bikepaths	142,624
Total Construction	<u>\$ 142,841</u>
Maintenance	
Street Lights & Traffic Signals	\$ 111,793
Storm Damage	17,600
Other Street Purpose Maintenance	647,765
Total Maintenance	<u>\$ 777,158</u>
Total MOE Expenditures	<u>\$ 1,709,456</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
O-ST-6 CitywideTraffic Signal Improvement Project	\$ 200,742
O-ST-4 Annual ADA Improvements Project	56,748
ST1811 Lampson Bike Trail Project	452,835
STO1 Annual Slurry Seal Project	250,730
Total Measure M2 Local Fair Share Expenditures	<u>\$ 961,055</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u>\$ 2,670,511</u>

Note: The above amounts were taken directly from the financial records of the City of Seal Beach and were not audited.

April 7, 2025

Exhibit 1

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Seal Beach as of and for the fiscal year ended June 30, 2024.


Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.


Findings: We agreed the total indirect expenditures of \$789,457 to the amount reported on the City's Expenditure Report (Schedule 3, line 1) with no differences. We selected 27 indirect MOE charges for inspection totaling \$269,322, which represented 34% of the total indirect MOE costs of \$789,457. Out of our testing selections, we identified \$124,658 in street sweeping and utility expenditures that should have been classified as direct MOE costs and were allowable per the Ordinance. We also identified two expenditures totaling \$315 for meals provided to employees that are not allowable. Finally, we requested the City to provide a documented methodology used to allocate payroll and benefits charges of \$144,664 and the City was unable to provide such documentation. As such, we lacked the information necessary to confirm these costs as fair and reasonable and the entirety of these allocated costs were removed from the MOE totaling \$561,449. After removing unsupported indirect cost allocations and the meals, the City still met the MOE benchmark requirement. No other exceptions were noted as a result of this procedure.

City's Response:

The City met the MOE benchmark and included both direct and indirect costs. However, the indirect costs were allocated without a formal cost allocation plan. The City will exclude these costs until a written cost allocation plan is in place. Seal Beach will also implement procedures to properly report noted expenses going forward.

 Patrick Smith, Interim City Manager
Name and Title of Responsible Party

 B. Director of Finance
Name and Title of Responsible Party

 J. Director
Name and Title of Responsible Party

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF WESTMINSTER

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Westminster's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, organization, and object numbers. The City records its MOE expenditures in its General Fund (100) and is identified by a 5-digit organization number, and a 5-digit object number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2024 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2023/2024. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2024, were \$2,440,055 (see Schedule A), which exceeded the MOE benchmark requirement of \$1,894,018. We agreed the total expenditures of \$2,440,055 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
 - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$704,575, which represented approximately 35% of direct MOE expenditures of \$2,011,108 for fiscal year ended June 30, 2024. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as a local street and road expenditure and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$428,947 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$63,951 of indirect costs that should have been reported as direct costs. We selected 12 charges for inspection with a total amount of \$337,504, representing 92% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, and Public Works Administrative Charges. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2024 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

Findings: The City received \$5,736,365 for the past three fiscal years ended June 30, 2022, 2023, and 2024. We agreed the fund balance of \$3,642,550 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, organization, and object number. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (211) and Fund (405) with a 5-digit organization number following by a 5-digit object number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2024, were \$1,271,853 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We selected 17 direct Measure M2 Local Fair Share expenditures for inspection totaling \$971,341 representing approximately 76% of total direct Measure M2 Local Fair Share expenditures of \$1,271,853 for the Fiscal Year ended June 30, 2024. When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we traced five expenditures in the amount of \$126,791 related to the Citywide Street Sweeping project, which was not listed on the City's Seven-Year CIP. We confirmed that the project was shown in prior year's Seven-Year CIPs' but not rolled forward to the current year. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. We recomputed the total interest for the fiscal year, which amounted to \$81,401. This amount did not agree to the amount of interest totaling \$81,395 listed on the City's Expenditure Report (Schedule 2, line 4). The difference between these two amounts, a variance of \$6, is attributed to a correcting entry posted to the wrong account. No other exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY24) by inspecting the OCLTA Board agenda and action items.

Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 26, 2025

CITY OF WESTMINSTER, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2024
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 428,947
Construction & Right-of-Way	
Street Reconstruction	\$ 49,651
Signals, Safety Devices, & Street Lights	215,693
Total Construction	<u>\$ 265,345</u>
Maintenance	
Other Street Purpose Maintenance	\$ 1,745,764
Total Maintenance	<u>\$ 1,745,764</u>
Total MOE Expenditures	<u><u>\$ 2,440,055</u></u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Citywide Storm Drain Improvements	\$ 265,416
Citywide Residential Overlay/Seal	35,800
Garden Grove Boulevard Improvements - Construction	536,830
Utilities - Electricity (traffic Signals)	123,964
Citywide Street Sweeping	<u>309,843</u>
Total Measure M2 Local Fair Share Expenditures	<u>\$ 1,271,853</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 3,711,909</u></u>

Note: The above amounts were taken directly from the financial records of the City of Westminster and were not audited.

Exhibit 1

March 26, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Westminster as of and for the fiscal year ended June 30, 2024.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2024. The City reported \$428,947 in MOE indirect expenditures. Through inspection of the City's general ledger detail, we identified \$63,951 of indirect costs that should have been reported as direct costs. We selected 12 charges for inspection with a total amount of \$337,504, representing 92% of the total MOE indirect costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included Benefits Overhead, Insurance Charges, and Public Works Administrative Charges. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No other exceptions were found as a result of this procedure.

City's Response:

We will verify expenditures are properly classified as indirect or direct on the Expenditure report in the current and future years.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We selected 17 direct Measure M2 Local Fair Share expenditures for inspection totaling \$971,341 representing approximately 76% of total direct Measure M2 Local Fair Share expenditures of \$1,271,853 for the Fiscal Year ended June 30, 2024. When comparing the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, we traced five expenditures in the amount of \$126,791 related to the Citywide Street Sweeping project, which was not listed on the City's Seven-Year CIP. We confirmed that the project was shown in prior year's Seven-Year CIPs' but not rolled forward to the current year. No other exceptions were found as a result of this procedure.

City's Response:

The City will update the Seven-Year Capital Improvement Program (CIP) to include the Citywide Street Steet Sweeping project as a part of the reporting process that will be presented to the Westminster City Council in June 2025.

Procedure #9

Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. We recomputed the total interest for the fiscal year, which amounted to \$81,401. This amount did not agree to the amount of interest totaling \$81,395 listed on the City's Expenditure Report (Schedule 2, line 4). The difference between these two amounts, a variance of \$6, is attributed to a correcting entry posted to the wrong account. No other exceptions were found as a result of this procedure.

City's Response:

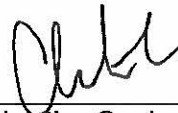
The variance of \$6 will be allocated to the Measure M2 Fair Share Fund in the current year.



Erin Backs, Finance Director



Jake Ngo, Director of Public Works



Christine Cordon, City Manager

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Senior Mobility Program for the Year Ended June 30, 2024

City	Result	City Management Response
City of Buena Park (Buena Park)	One of four monthly reports tested was not submitted within 30 days of month end, as required.	Buena Park acknowledges the finding and has implemented procedures to ensure timely submissions moving forward.
City of Laguna Niguel	None	
City of Laguna Woods (Laguna Woods)	Laguna Woods misreported program expenditures on its expenditure report by including both the Measure M2 (M2) funded portion and the match portion of expenditures.	Management concurs and will report only the M2 funding portion in the expenditure report for fiscal year 2025.
City of San Juan Capistrano (San Juan Capistrano)	San Juan Capistrano misreported program expenditures on its expenditure report by including both the M2 funded portion and the match portion of expenditures.	Management concurs with the finding.
City of Mission Viejo (Mission Viejo)	Mission Viejo charged a total of \$22,114, or approximately 11 percent of total expenditures, in administrative costs, which exceeded the ten percent threshold set in the M2 Project U Senior/Disabled Program Funding Policy guidelines.	Exception noted. The number reported in the M2 report was understated because agency contributions were included as contribution credits. Mission Viejo initially reported \$196,252; the correct amount should have been \$221,140. To address this issue, Mission Viejo has changed the way Cabco Yellow, Inc. (Cabco) invoices are processed. Cabco invoices will be processed using the full invoice amount, excluding contribution credits.
	One of four monthly reports tested was not submitted within 30 days of month end, as required.	Staff have been notified that monthly reports need to be submitted within 30 days of month end.

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2024

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2024. Please refer to the individual divider tab for our report on each Agency.

Buena Park

Laguna Niguel

Laguna Woods

Mission Viejo

San Juan Capistrano

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF BUENA PARK

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Buena Park's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, activity code, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (11), activity code (275325), and various account numbers. The City reported \$109,785 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$292,211 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$39,099 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$39,099; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$88,621 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,174, which is calculated by taking the fund's ending cash balance and applying the proportionate rate of the SMP to the total fund against the total interest revenue. The City reported \$1,174 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$36,321 which was approximately 25% of the total expenditures of \$146,106 (M2 funded portion of \$109,785 and City's matching portion of \$36,321) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$45,788 representing approximately 42% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Buena Park and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on our inspection of the general ledger expenditure detail and through discussion with City personnel, the City did not contract with a third-party service provider for senior transportation services. No exceptions were noted as a result of our procedures.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	September 13, 2023	-
December 2023	January 31, 2024	January 4, 2024	-
March 2024	April 30, 2024	May 6, 2024	6
May 2024	June 30, 2024	June 27, 2024	-

Through inspection, we determined that one out of the four reports was not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 24, 2025

CITY OF BUENA PARK, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2024
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1

\$ -

Other Senior Mobility Project U

109,785

Total Measure M2 Senior Mobility Program Expenditures

\$ 109,785

Note: The above amounts were taken directly from the financial records of the City of Buena Park and were not audited.



Exhibit 1

April 14, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Buena Park as of and for the fiscal year ended June 30, 2024.

Procedure # 11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	September 13, 2023	-
December 2023	January 31, 2024	January 4, 2024	-
March 2024	April 30, 2024	May 6, 2024	6
May 2024	June 30, 2024	June 27, 2024	-

Through inspection, we determined that one out of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges the finding and has implemented procedures to ensure timely submissions moving forward.

DocuSigned by:



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Aaron France, City Manager

Signed by:



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Sung Hyun, Director of Finance

DocuSigned by:



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James Box, Director of Community Services

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF LAGUNA NIGUEL

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Niguel's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department code, and object code. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Fund (253) using a 2-digit object code, and 4-digit account code. The City reported \$77,730 in program expenditures on the Expenditure Report

(Continued)

(Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$314,823 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$476,799 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$476,799; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$107,401 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$18,750, which was calculated by taking the monthly unspent cash balance and dividing it by the total adjusted monthly cash balance for all funds. This percentage of allocation is then multiplied by the total amount of interest to be allocated for all funds leaving the final interest allocated to the Senior Mobility Program. The City reported \$18,750 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$20,215 which was approximately 21% of the total expenditures of \$97,945 (M2 funded portion of \$77,730 and City's matching portion of \$20,215) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We selected 14 Measure M2 Senior Mobility Program expenditures for inspection totaling \$59,438 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application. The City then verifies that the applicant is a resident of the City of Laguna Niguel and is 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City provides a unique SMP ID for each approved participant to access the SMP services. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs totaling \$7,066, or 9% of the City's total Measure M2 Senior Mobility Program expenditures, were identified as Measure for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiry of City personnel, the City contracted with Cabco Yellow Inc., dba California Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Cabco Yellow Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	September 20, 2023	-
December 2023	January 31, 2024	January 26, 2024	-
March 2024	April 30, 2024	April 10, 2024	-
May 2024	June 30, 2024	June 28, 2024	-

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 24, 2025

CITY OF LAGUNA NIGUEL, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2024
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1

\$ -

Other Senior Mobility Project U

77,730

Total Measure M2 Senior Mobility Program Expenditures

\$ 77,730

Note: The above amounts were taken directly from the financial records of the City of Laguna Niguel and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF LAGUNA WOODS

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Woods' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

(Continued)

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, unit, and object code. The City recorded its Senior Mobility Program expenditures in its Senior Mobility Fund (410) and is identified by a 4-digit department, unit, and object code. The City reported \$377,600 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2024. However, after further inspection of the balances, we noted that the amount reported included the M2 funded portion of \$258,330 and the City's matching portion of \$119,270. The City should have only reported the M2 funded portion. No other exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$365,848 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of (\$20,688). The deficit was due to the City including the City's matching portion when reporting the expenditures in the Expenditure Report. Refer to Procedure #2 for the reporting finding. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$124,808 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$13,680, which is calculated by allocating quarterly interest earned to the SMP fund based on the total percentage of cash held in the SMP fund as compared to the total City pool. The City reported \$13,680 of interest income for the year ending June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$119,270 which was approximately 32% of the total expenditures of \$377,600 (M2 funded portion of \$258,330 and City's matching portion of \$119,270) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

- a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
- b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We selected 13 Measure M2 Senior Mobility Program expenditures for inspection totaling \$258,330 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Laguna Woods and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiry of City personnel, the City contracted with Cabco Yellow Inc., dba California Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Cabco Yellow Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	September 30, 2023	-
December 2023	January 31, 2024	January 30, 2024	-
March 2024	April 30, 2024	April 29, 2024	-
May 2024	June 30, 2024	June 28, 2024	-

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 27, 2025

CITY OF LAGUNA WOODS, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2024
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1

\$ -

Other Senior Mobility Project U

258,330

Total Measure M2 Senior Mobility Program Expenditures

\$ 258,330

Note: The above amounts were taken directly from the financial records of the City of Laguna Woods and were not audited.



City of Laguna Woods

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March 27, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Laguna Woods as of and for the fiscal year ended June 30, 2024.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, unit, and object code. The City recorded its Senior Mobility Program expenditures in its Senior Mobility Fund (410) and is identified by a 4-digit department, unit, and object code. The City reported \$377,600 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2024. However, after further inspection of the balances, we noted that the amount reported included the M2 funded portion and the City's matching portion. The actual SMP expenditures per the general ledger detail was \$377,600 (M2 funded portion of \$258,330 and the City's matching portion of \$119,270). No other exceptions were found as a result of this procedure.

City's Response: Management acknowledges the finding. The City will report only the M2 funding portion (net of the City's matching portion) on the next Expenditure Report for fiscal year 2025. The City will also make corrections to the beginning fund balance on the Expenditure Report for fiscal year 2025 by excluding the City's matching portion of \$119,270.

Christopher Macon
City Manager

Elizabeth Torres (Mar 27, 2025 19:00 PDT)

Elizabeth Torres
Administrative Services Director/City Treasurer

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF MISSION VIEJO

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Mission Viejo's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, program, and account codes. The City recorded its Senior Mobility Program expenditures in its Senior Mobility Grant Fund (278), program code, and account code. The City reported \$196,252 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$475,022 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$600,246 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$600,246; no difference was identified. We obtained Board reports for the extensions of SMP funds received in fiscal years 2021 and 2022 to five years. With these extensions, the City is compliant with timely use of funds requirements. We agreed payments received from OCLTA totaling \$149,820 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$16,704, which is calculated by taking the average daily cash balance of the fund and applying the percentage allocation interest rates relative to total cash pool. The City reported \$16,704 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired with City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services to City facilities. However, they charged \$20 for trips to/from John Wayne Airport and \$5 for all other one-way trips. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$50,070 which was approximately 20% of the total expenditures of \$246,322 (M2 funded portion of \$196,252 and City's matching portion of \$50,070) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected 12 Measure M2 Senior Mobility Program expenditures for inspection totaling \$150,001 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Mission Viejo and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Based on the Measure M2 Project U Senior Mobility Program Funding and Policy Guidelines, administrative cost up to 10 percent are allowed and considered eligible program expenses. However, through inspection of the City's general ledger expenditure detail, the City charged a total of \$22,114 or approximately 11% of the total expenditure population, in indirect and administrative overhead costs to the Measure M2 Senior Mobility Program. Therefore, the City exceeded the 10% threshold allowed by the Guidelines.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiries with City personnel, the City contracted with CABCO Yellow, Inc., and Age Well Senior Services, Inc., to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that both service providers were selected using a competitive procurement process. In addition, per inspection of the contracts, we found that both included language requiring that wheelchair accessible vehicles be made available and used as needed. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

(Continued)

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	November 3, 2023	34
December 2023	January 31, 2024	January 29, 2024	-
March 2024	April 30, 2024	April 29, 2024	-
May 2024	June 30, 2024	June 24, 2024	-

Through inspection, we determined that one out of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
April 8, 2025

CITY OF MISSION VIEJO, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2024
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1

\$ -

Other Senior Mobility Project U

196,252

Total Measure M2 Senior Mobility Program Expenditures

\$ 196,252

Note: The above amounts were taken directly from the financial records of the City of Mission Viejo and were not audited.



City of Mission Viejo

Administrative Services Department

Bob Ruesch

Mayor

Wendy Bucknum

Mayor Pro Tem

Brian Goodell

Council Member

Trish Kelley

Council Member

Cynthia Vasquez

Council Member

April 8, 2025

Board of Directors

Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Mission Viejo as of and for the fiscal year ended June 30, 2024.

Procedure #8

Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Per discussion with the City's accounting personnel and through inspection of the general ledger expenditure detail, administrative costs totaling \$22,114, or approximately 11% of the City's total Measure M2 Senior Mobility Program expenditures, were identified for the fiscal year ended June 30, 2024. We found that the administrative costs exceeded the 10 percent threshold dictated in the Measure M2 SMP Guidelines. No other exceptions were found as a result of this procedure.

City's Response:

Exception noted. The number reported in the Measure M2 Report was understated because agency contributions were included as contribution credits. The City initially reported \$196,252, the correct amount should have been \$221,140. To address this issue the City has changed the way the CABCO invoices are processed. CABCO invoices will be processed using the full invoice amount, excluding contribution credits.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.



City of Mission Viejo

Administrative Services Department

Bob Ruesch
Mayor

Wendy Bucknum
Mayor Pro Tem

Brian Goodell
Council Member

Trish Kelley
Council Member

Cynthia Vasquez
Council Member

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	November 3, 2023	34
December 2023	January 31, 2024	January 29, 2024	-
March 2024	April 30, 2024	April 29, 2024	-
May 2024	June 30, 2024	June 24, 2024	-


Through inspection, we determined that one out of the four reports were not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.


City’s Response:

Exception noted. City staff have been notified that monthly reports need to be submitted within 30 days of month end.

DocuSigned by:

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4/8/2025
Elaine Lister, City Manager

Signed by:

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4/8/2025
Ellis Chang, Director of Administrative Services

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Mark Nix, Director of Recreation & Community Services

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF SAN JUAN CAPISTRANO

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of San Juan Capistrano's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2024. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (001), department code (73000), a 5-digit account number, and a cost center code specific to the Senior Mobility Program (0632). The City reported \$98,726 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year

(Continued)

2024. However, after further inspection, we noted that this amount included the M2 funded portion and the City's portion. The actual total SMP expenditures per the general ledger detail was \$98,700 (M2 funded portion of \$78,981 and the City's matching portion of \$19,745). No other exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2024, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2024, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$196,139 for the past three years fiscal years ended June 30, 2022, 2023, and 2024. We compared the fund balance of \$79,210 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$79,210; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$66,912 during the fiscal year ended June 30, 2024, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$5,841 which is calculated by taking the fund's average quarterly balance and applying the proportionate rate of the SMP to the total fund against the total interest revenue. The City reported \$5,841 of interest income for the year ended June 30, 2024, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2024.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$19,745 which was approximately 20% of the total expenditures of \$98,726 (M2 funded portion of \$78,981 and City's matching portion of \$19,745) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

- b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We selected 22 Measure M2 Senior Mobility Program expenditures for inspection totaling \$74,955 representing approximately 95% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2024. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of San Juan Capistrano and are 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

Findings: Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs totaling \$8,975, or approximately 9% of the City's total Measure M2 Senior Mobility Program expenditures, were identified for the fiscal year ended June 30, 2024. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. Determine whether Contractor was selected using a competitive procurement process.
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inquiry of City personnel, the City contracted with Age Well Senior Services, Inc. to provide senior transportation services under the Senior Mobility Program. From inspecting the Age Well Senior Service, Inc. procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (August 2023, December 2023, March 2024, and May 2024). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates. No exceptions were found as a result of this procedure.

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
August 2023	September 30, 2023	September 20, 2023	-
December 2023	January 31, 2024	January 29, 2024	-
March 2024	April 30, 2024	April 24, 2024	-
May 2024	June 30, 2024	June 20, 2024	-

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 25, 2025

CITY OF SAN JUAN CAPISTRANO, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2024
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1

\$ -

Other Senior Mobility Project U

78,981

Total Measure M2 Senior Mobility Program Expenditures

\$ 78,981

Note: The above amounts were taken directly from the financial records of the City of San Juan Capistrano and were not audited.

32400 PASEO ADELANTO
SAN JUAN CAPISTRANO, CA 92675
(949) 493-1171
(949) 493-1053 FAX
www.sanjuancapistrano.org



MEMBERS OF THE CITY COUNCIL

TROY BOURNE
JOHN CAMPBELL
SERGIO FARIAS
HOWARD HART
JOHN TAYLOR

March 25, 2025

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of San Juan Capistrano as of and for the fiscal year ended June 30, 2024.

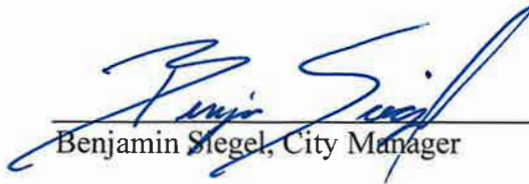
Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2024. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (001), department code (73000), a 5-digit account number, and a cost center code specific to the Senior Mobility Program (0632). The City reported \$98,726 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2024. However, after further inspection, we noted that this amount included the M2 funded portion and the City's portion. The actual total SMP expenditures per the general ledger detail was \$98,700 (M2 funded portion of \$78,981 and the City's matching portion of \$19,745). No other exceptions were found as a result of this procedure.

City's Response:

The City concurs with the auditor's finding.


Benjamin Siegel, City Manager


Ken Al-Imam, Chief Financial Officer

Measure M Jurisdictions - Selection for FY2025

Agency	Local Fair Share						Senior Mobility Program & Senior Non-Emergency Medical Transport					
	Last AUP Review	No. of Findings Last AUP	Annual Allocation FY 6/30/24	Allocations FY 6/30/25 as of 4/3/25	Allocations Since Inception as of 4/3/25	% of Total	Last AUP Review	No. of Findings Last AUP	Allocations FY 6/30/24	Allocations FY 6/30/25 as of 4/3/25	Allocations Since Inception as of 4/3/25	% of Total
Aliso Viejo	2023	1	939,244.33	643,669.74	9,792,709.59	1.25%	n/a	0	36,223.92	35,434.40	342,642.82	0.40%
Anaheim	2023	3	8,031,927.09	5,539,950.77	82,490,044.51	10.51%	2023	0	392,336.00	263,240.10	4,042,614.44	4.75%
Brea	2020	1	1,372,884.06	934,332.76	14,095,968.01	1.80%	2020	2	61,585.90	45,229.34	638,490.62	0.75%
Buena Park	2024*	2	1,779,237.53	-	20,145,665.65	2.57%	2024	1	88,621.37	-	998,686.71	1.17%
Costa Mesa	2023	0	3,489,746.41	2,370,915.10	36,035,794.64	4.59%	2020	0	126,418.22	83,797.45	1,301,587.42	1.53%
Cypress	2022	2	1,198,085.27	809,453.74	12,847,954.80	1.64%	2020	0	75,102.43	48,849.04	769,562.07	0.90%
Dana Point	2019	1	811,904.56	548,039.34	8,279,737.69	1.06%	2019	2	71,690.67	45,903.85	653,896.80	0.77%
Fountain Valley	2021	0	1,479,796.05	1,000,839.54	15,287,597.84	1.95%	2019	0	115,660.71	68,560.41	1,013,615.72	1.19%
Fullerton	2021	1	3,155,984.37	2,118,378.79	32,253,737.38	4.11%	2023	1	189,109.47	120,342.06	1,935,127.45	2.27%
Garden Grove	2024	2	3,533,554.10	2,395,866.45	36,715,471.44	4.68%	2022	1	226,421.34	152,747.48	2,333,867.92	2.74%
Huntington Beach	2024	4	4,581,547.05	3,073,972.77	47,954,002.13	6.11%	2022	2	335,119.24	217,813.88	3,446,015.17	4.05%
Irvine	2022	1	7,241,487.69	5,120,622.34	69,841,029.94	8.90%	2021	1	244,106.83	198,437.67	2,549,923.94	2.99%
Laguna Beach	2022	2	599,851.97	398,798.77	6,223,194.92	0.79%	2023	3	54,684.04	34,190.14	235,568.29	0.28%
Laguna Hills	2024	0	785,454.66	526,618.14	8,318,570.15	1.06%	2020	3	51,037.28	35,187.22	526,832.87	0.62%
Laguna Niguel	2021	1	1,567,472.55	1,052,464.55	16,360,763.24	2.09%	2024	0	107,401.09	79,964.09	1,114,554.63	1.31%
Laguna Woods	2021	0	314,268.41	210,455.46	3,163,885.99	0.40%	2024	1	124,808.07	67,257.48	1,269,538.08	1.49%
La Habra	2024	0	1,265,808.95	848,643.70	13,079,414.50	1.67%	2019	2	79,410.66	53,331.75	818,296.71	0.96%
Lake Forest	2020	0	1,951,606.34	1,306,343.22	19,808,425.36	2.52%	2018	0	97,252.81	75,795.60	1,012,629.98	1.19%
La Palma	2020	1	327,328.87	223,977.43	3,791,118.78	0.48%	n/a					
Los Alamitos	2022	3	308,013.81	205,984.16	3,192,938.57	0.41%	n/a					
Mission Viejo	2024	2	2,105,810.83	1,422,257.56	22,663,775.90	2.89%	2024	2	149,820.45	114,258.96	1,571,807.92	1.85%
Newport Beach	2021	2	2,565,014.13	1,697,249.83	26,953,217.85	3.44%	2023	0	191,633.48	112,444.93	1,958,445.33	2.30%
Orange	2024*	2	3,360,061.42	-	37,594,603.14	4.79%	2022	1	153,016.73	-	1,724,359.64	2.02%
Placentia	2020	3	1,137,339.42	766,000.99	11,485,299.24	1.46%	2020	1	78,366.24	48,132.64	803,034.36	0.94%
Rancho Santa Margarita	2022	0	983,669.86	662,262.96	10,391,896.02	1.32%	2021	0	38,608.69	37,072.47	408,988.55	0.48%
San Clemente	2024	3	1,352,737.65	910,517.00	14,009,296.53	1.79%	2019	0	104,868.38	71,451.13	1,081,652.87	1.27%
San Juan Capistrano	2022	0	907,512.82	613,759.14	9,403,218.02	1.20%	2024	1	66,912.44	42,204.56	609,676.41	0.72%
Santa Ana	2023	3	6,173,856.31	4,268,458.95	67,659,897.61	8.62%	2022	2	279,164.48	195,102.86	2,884,289.95	3.39%
Seal Beach	2024	1	558,612.07	377,916.56	6,027,606.03	0.77%	2021	2	97,191.89	54,219.92	990,474.16	1.16%
Stanton	2023	0	708,167.40	489,588.32	7,385,663.19	0.94%	2020	0	46,694.23	31,550.78	479,650.75	0.56%
Tustin	2020	2	2,192,623.78	1,495,503.08	22,362,680.29	2.85%	2019	2	81,429.86	56,595.33	841,012.07	0.99%
Villa Park	2022	2	124,567.14	83,739.31	1,287,210.17	0.16%	n/a	0	16,005.72	9,028.28	129,762.92	0.15%
Westminster	2024	3	1,944,468.56	1,308,439.97	20,842,619.54	2.66%	2021	1	152,354.61	96,277.84	1,563,910.06	1.84%
Yorba Linda	2021	3	1,439,003.36	965,059.74	14,900,063.34	1.90%	2023	0	103,388.77	78,460.08	1,074,407.45	1.26%
County Unincorporated	2024	0	5,665,401.26	3,859,249.15	51,938,462.35	6.62%	n/a					
County - SNEMT							2020	0	4,273,779.92	2,888,934.14	44,058,288.54	51.72%
Total			75,954,050.08	48,249,329.34	784,583,534.36	100%			8,310,225.94	5,461,815.88	85,183,212.62	100%

10 Total	Selected for AUP Review on May XX, 2025
6 LFS	Five or more years since last AUP - Local Fair Share
3 SMP	Seven or more years since last AUP or never been audited - Senior Mobility Program
1 SNEMT	Five years since last AUP - SNEMT

* An AUP review of FY 2023-24 expenditures to determine compliance with MOE/LFS requirements per settlement agreements dated July 10, 2024.

TAXPAYER OVERSIGHT COMMITTEE AUDIT SUBCOMMITTEE

AUDIT CHARTER May 2025

The Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee (TOC), is established to assist the TOC in fulfilling its oversight responsibilities regarding the Measure M2 ordinance approved by the voters of Orange County. Specifically, the Subcommittee will have responsibilities in matters related to internal and independent outside audits of the Measure M2 programs, projects, and financial records.

In providing assistance to the TOC, the Subcommittee will assume the role of an audit committee as provided herein, and recommend action on all audit-related matters to the full TOC. Recognizing that the Finance and Administration Committee (Committee) of the Board of Directors (Board) of the Orange County Transportation Authority (OCTA) serves as OCTA's audit committee with audit oversight of Measure M2 projects, programs, and financial records, the role of the Subcommittee is to augment the Committee's audit oversight as it relates specifically to Measure M2 projects, programs, and financial records.

All members of the Subcommittee will participate in fulfilling these responsibilities. At least one member of the Subcommittee will have financial experience sufficient to provide guidance and assistance to other Subcommittee members on matters related to government accounting, auditing, budgeting, and finance.

In fulfilling its audit responsibilities, the Subcommittee will have prompt and unrestricted access to all relevant OCTA documents, records, and staff. Requests by the Subcommittee for financial or other resources sufficient to fulfill these responsibilities, and beyond that already existing in OCTA's adopted budget, will be directed, through the full TOC, to OCTA's Chair of the Board.

Members of the Subcommittee will be independent of OCTA, its contractors, consultants, and agents, in both fact and appearance, and will consult with the Chairman of the TOC concerning any circumstances which may compromise their ability to meet this standard. Members of the Subcommittee will comply with all applicable state and federal laws in the performance of their duties under this audit charter.

Responsibilities of the Subcommittee will include, but may not be limited to, the following:

Independent Financial Statements Audits

1. Review with management and the independent financial statement auditors:
 - a. The annual financial statements of the Orange County Local Transportation Authority and related footnotes, schedules, and unadjusted differences, including

the accounting principles used, and significant estimates or judgments made, by management.

- b. The management letter issued by the independent auditors in relation to their audit of OCTA and all its legal entities.
 - c. Any other independent audit reports the Subcommittee believes may be relevant to the exercise of its duties.
2. Discuss with the independent financial statement auditors any difficulties encountered during the course of their work, disagreements with management, or restrictions or limitations placed upon them.
3. Assist OCTA in the selection, retention, or discharge of its independent auditor. This assistance may be provided through:
 - a. Participation on the independent auditor procurement selection panel.
 - b. In coordination with the full TOC, provide performance feedback regarding the independent auditor to OCTA's Board and Internal Audit Department (Internal Audit).
4. Inquire of the auditors as to their independence, their compliance with Government Auditing Standards, and applicable accounting and auditing guidance issued by the Government Accounting Standards Board, the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and other standard-setting bodies.

Independent Outside Compliance Audit

1. Review with management and the independent outside compliance auditors results of the annual compliance audit of the OCLTA, Measure M2 Ordinance No. 3, including any identified instances of non-compliance, or any significant deficiencies or material weaknesses in internal controls identified through the audit.
2. Discuss with the independent outside compliance auditors any difficulties encountered during the course of their work, disagreements with management, or restrictions or limitations placed upon them.
3. Assist OCTA in the selection, retention, or discharge of its independent outside compliance auditor. This assistance may be provided through:
 - Participation on the independent outside compliance auditor procurement selection panel.
 - In coordination with the full TOC, provide performance feedback regarding the independent outside compliance auditor to OCTA's Board and Internal Audit.

4. Inquire of the auditors as to their independence, their compliance with Government Auditing Standards, and applicable accounting and auditing guidance issued by the Government Accounting Standards Board, the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and other standard-setting bodies.

Agreed-Upon Procedures

1. Review with the independent auditors the results of agreed-upon procedures performed at the direction of the Subcommittee and/or the Board of OCTA.
2. Design procedures to provide assurance that Measure M2 funds are used in compliance with the ordinance, and expenditures are reported accurately.
3. Periodically evaluate the sufficiency and applicability of the procedures.
4. In coordination with the full TOC, provide management and OCTA's Board with recommendations based on the results of the procedures.
5. Review relevant city/county data and select a sample of jurisdictions for annual audit, to determine the level of compliance with the Measure M2 ordinance.

Triennial Performance Assessment

1. Participate in the development of a scope of work for the triennial performance assessment required by Measure M2.
2. Participate in the selection of the independent consultant.
3. Review the results of the triennial performance assessment, including management responses. Monitor the implementation of all recommendations.
4. In coordination with the full TOC, provide feedback to OCTA's Board on the performance of the independent consultant, the adequacy of management's responses, and/or the sufficiency of corrective action planned in response to audit recommendations.

Internal Audit and Internal Controls

1. Receive and review the annual Internal Audit plan and quarterly updates of audit activity.
2. Review internal audit reports that have Measure M2 implications, including management responses and planned corrective action.
3. Consider the effectiveness of OCTA's system of internal controls, including controls over financial reporting.

4. Inquire of Internal Audit as to restrictions or limitations placed upon it by management or the Board.
5. Review the results of Internal Audit's triennial quality assurance (or "peer") review and confirm that Internal Audit has been found independent as defined by Government Auditing Standards.
6. In coordination with the full TOC, provide OCTA's Board feedback or recommendations related to audit findings, internal controls, or the performance of the internal audit function.

Other

1. Review this Audit Charter at least annually to assess its adequacy and recommend changes.
2. Provide updates to the TOC on actions taken, communications by, or recommendations made by the Subcommittee.
3. Inquire annually of the Chairman of the Committee as to any concerns the Committee has regarding OCTA's internal controls, its internal audit function, its independent financial statement auditors and independent outside compliance auditors, Measure M2 projects, programs, financial records, or other matters, and report to the full TOC.

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of March 31, 2025
(Unaudited) Quarterly Report

	Quarter Ended		Year to Date		Period from
(\$ in thousands)	Jan 1, 2025 - Mar 31, 2025		Jul 1, 2024 - Mar 31, 2025		Inception to
			(A)		(B)
Revenues:					
Sales taxes	\$	114,990	\$	325,734	\$ 4,698,204
Other agencies' share of Measure M2 costs:					
Project related		14,706		36,438	896,862
Non-project related		-		-	454
Interest:					
Operating:					
Project related		112		2,101	9,203
Non-project related		9,451		25,523	138,791
Bond proceeds		2,870		3,624	104,570
Debt service		417		952	4,021
Commercial paper		-		-	393
Right-of-way leases					
Project related		99		332	2,049
Non-project related		-		-	17
Proceeds on sale of assets held for resale		-		-	13,428
Donated assets held for resale					
Project related		-		-	2,071
Miscellaneous:					
Project related		-		-	331
Non-project related		-		-	129
Total revenues		142,645		394,704	5,870,523
Expenditures:					
Supplies and services:					
Sales tax administration fees		770		2,310	44,542
Professional services:					
Project related		7,990		19,258	598,834
Non-project related		615		1,082	40,946
Administration costs:					
Project related		3,350		10,048	140,659
Non-project related:					
Salaries and Benefits		1,244		3,513	48,370
Other		2,196		6,587	82,824
Other:					
Project related		187		394	7,182
Non-project related		854		893	6,352
Payments to local agencies:					
Project related		38,752		77,367	1,505,717
Capital outlay:					
Project related		26,328		46,678	2,448,074
Non-project related		-		-	31
Debt service:					
Principal payments on long-term debt		21,950		21,950	138,355
Interest on long-term debt and commercial paper		16,453		32,906	386,436
Total expenditures		120,689		222,986	5,448,322
Excess (deficiency) of revenues over (under) expenditures		21,956		171,718	422,201
Other financing sources (uses):					
Transfers out:					
Project related		(4,463)		43,461	(692,444)
Transfers in:					
Project related		150,727		153,604	517,992
Bond proceeds		263,978		263,978	1,068,603
Payment to refunded bond escrow agent		(267,767)		(267,767)	(312,829)
Total other financing sources (uses)		142,475		193,276	581,322
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$	164,431	\$	364,994	\$ 1,003,523

Measure M2
Schedule of Calculations of Net Revenues and Net Financing Expenditures
as of March 31, 2025
(Unaudited) Quarterly Report

(\$ in thousands)	Quarter Ended Jan 1, 2025 - Mar 31, 2025 (actual)	Year to Date Jul 1, 2024 - Mar 31, 2025 (actual)	Period from Inception through Mar 31, 2025 (actual)	Period from April 1, 2025 through March 31, 2041 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
Revenues:					
Sales taxes	\$ 114,990	\$ 325,734	\$ 4,698,204	\$ 9,249,331	\$ 13,947,535
Operating interest	9,451	25,523	138,791	648,133	786,924
Subtotal	<u>124,441</u>	<u>351,257</u>	<u>4,836,995</u>	<u>9,897,464</u>	<u>14,734,459</u>
Other agencies share of M2 costs	-	-	454	-	454
Right-of-way leases	-	-	17	-	17
Miscellaneous	-	-	129	-	129
Total revenues	<u>124,441</u>	<u>351,257</u>	<u>4,837,595</u>	<u>9,897,464</u>	<u>14,735,059</u>
Administrative expenditures:					
Sales tax administration fees	770	2,310	44,542	71,491	116,033
Professional services	615	1,082	37,171	73,773	110,944
Administration costs:					
Salaries and Benefits	1,244	3,513	48,370	95,104	143,474
Other	2,196	6,587	82,824	162,714	245,538
Other	38	77	2,516	5,005	7,521
Payments to local agencies:					
Capital outlay	-	-	31	-	31
Environmental cleanup	78	1,425	53,494	184,957	238,451
Total expenditures	<u>4,941</u>	<u>14,994</u>	<u>268,948</u>	<u>593,044</u>	<u>861,992</u>
Net revenues	<u>\$ 119,500</u>	<u>\$ 336,263</u>	<u>\$ 4,568,647</u>	<u>\$ 9,304,420</u>	<u>\$ 13,873,067</u>
		(C.2)	(D.2)	(E.2)	(F.2)
Financing expenditures:					
Debt interest expense	16,453	32,906	386,436	307,471	693,907
Professional services	-	-	3,775	-	3,775
Other	816	816	3,836	-	3,836
Total financing expenditures	<u>17,269</u>	<u>33,722</u>	<u>394,047</u>	<u>307,471</u>	<u>701,518</u>
Interest revenue:					
Interest revenue from bond proceeds	2,870	3,624	104,570	53,675	158,245
Interest revenue from debt service funds	417	952	4,021	12,868	16,889
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>3,287</u>	<u>4,576</u>	<u>108,984</u>	<u>66,543</u>	<u>175,527</u>
Net financing expenditures:	<u>\$ 13,982</u>	<u>\$ 29,146</u>	<u>\$ 285,063</u>	<u>\$ 240,928</u>	<u>\$ 525,991</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of March 31, 2025
(Unaudited) Quarterly Report

Project	Description						(J) - (K) = (L)
		Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to Mar 31, 2025 (actual)	Expenditures Inception to Mar 31, 2025 (actual)	Reimbursements Inception to Mar 31, 2025 (actual)	Net M2 Cost Inception to Mar 31, 2025 (actual)	
(G)	(H)	(I)	(J)	(K)	(L)		
(\$ in thousands)							
Freeways (43% of Net Revenues)							
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 546,809	\$ 180,074	\$ 10,908	\$ 8,786	\$ 2,122	
B	I-5 Santa Ana/SR-55 to El Toro	349,259	115,017	39,786	23,955	15,831	
C	I-5 San Diego/South of El Toro	729,466	240,226	439,495	53,042	386,453	
D	I-5 Santa Ana/San Diego Interchange Upgrades	300,163	98,849	3,250	527	2,723	
E	SR-22 Garden Grove Freeway Access Improvements	139,611	45,976	5	-	5	
F	SR-55 Costa Mesa Freeway Improvements	425,813	140,228	158,240	75,416	82,824	
G	SR-57 Orange Freeway Improvements	300,977	99,117	60,038	15,073	44,965	
H	SR-91 Improvements from I-5 to SR-57	162,879	53,639	34,961	824	34,137	
I	SR-91 Improvements from SR-57 to SR-55	484,566	159,576	76,072	73,082	2,990	
J	SR-91 Improvements from SR-55 to County Line	409,757	134,940	18,646	17,158	1,488	
K	I-405 Improvements between I-605 to SR-55	1,248,121	411,028	1,686,661	308,649	1,378,012	
L	I-405 Improvements between SR-55 to I-5	371,946	122,488	9,250	6,954	2,296	
M	I-605 Freeway Access Improvements	23,268	7,663	9,155	16	9,139	
N	All Freeway Service Patrol	174,513	57,470	16,945	-	16,945	
	Freeway Mitigation	298,271	98,226	63,374	10,051	53,323	
	Subtotal Projects	5,965,419	1,964,517	2,626,786	593,533	2,033,253	
	Net Finance Expenditures	-	-	195,669	-	195,669	
	Total Freeways	\$ 5,965,419	\$ 1,964,517	\$ 2,822,455	\$ 593,533	\$ 2,228,922	
	%					53.3%	
Street and Roads Projects (32% of Net Revenues)							
O	Regional Capacity Program	\$ 1,387,324	\$ 456,871	\$ 834,212	\$ 507,884	\$ 326,328	
P	Regional Traffic Signal Synchronization Program	554,905	182,740	127,975	25,244	102,731	
Q	Local Fair Share Program	2,497,152	822,356	794,420	77	794,343	
	Subtotal Projects	4,439,381	1,461,967	1,756,607	533,205	1,223,402	
	Net Finance Expenditures	-	-	57,331	-	57,331	
	Total Street and Roads Projects	\$ 4,439,381	\$ 1,461,967	\$ 1,813,938	\$ 533,205	\$ 1,280,733	
	%					30.6%	

Measure M2
Schedule of Revenues and Expenditures Summary
as of March 31, 2025
(Unaudited) Quarterly Report

		Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to Mar 31, 2025 (actual)	Expenditures Inception to Mar 31, 2025 (actual)	Reimbursements Inception to Mar 31, 2025 (actual)	(J) - (K) = (L) Net M2 Cost Inception to Mar 31, 2025 (actual)
Project	Description	(H)	(I)	(J)	(K)	(L)
(G) (\$ in thousands)						
Transit Projects (25% of Net Revenues)						
R	High Frequency Metrolink Service	\$ 1,383,633	\$ 443,066	\$ 465,300	\$ 99,845	\$ 365,455
S	Transit Extensions to Metrolink	1,224,670	403,306	220,998	151,974	69,024
T	Metrolink Gateways	70,908	41,707	98,220	60,956	37,264
U	Expand Mobility Choices for Seniors and Persons with Disabilities	481,051	152,652	147,405	88	147,317
V	Community Based Transit/Circulators	277,388	91,349	22,557	1,998	20,559
W	Safe Transit Stops	30,617	10,083	1,543	26	1,517
Subtotal Projects		3,468,267	1,142,163	956,023	314,887	641,136
Net Finance Expenditures		-	-	32,063	-	32,063
Total Transit Projects		\$ 3,468,267	\$ 1,142,163	\$ 988,086	\$ 314,887	\$ 673,199
%						16.1%

Measure M2 Program	\$ 13,873,067	\$ 4,568,647	\$ 5,624,479	\$ 1,441,625	\$ 4,182,854
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		Total Revenues Inception to March 31, 2041 (actual) + (forecast)	Revenues Inception to Mar 31, 2025 (actual)	Expenditures Inception to Mar 31, 2025 (actual)	Reimbursements Inception to Mar 31, 2025 (actual)	Net M2 Cost Inception to Mar 31, 2025 (actual)
Project	Description	(H.1)	(I.1)	(J)	(K)	(L)
(G) (\$ in thousands)						
Environmental Cleanup (2% of Revenues)						
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 294,689	\$ 96,740	\$ 53,494	\$ 311	\$ 53,183
Net Finance Expenditures		-	-	-	-	-
Total Environmental Cleanup		\$ 294,689	\$ 96,740	\$ 53,494	\$ 311	\$ 53,183
%						1.1%

Taxpayer Safeguards and Audits

Collect Sales Taxes (1.5% of Sales Taxes)	\$ 209,213	\$ 70,473	\$ 44,542	\$ -	\$ 44,542
%					0.9%
Oversight and Annual Audits (1% of Revenues)	\$ 147,345	\$ 48,370	\$ 48,370	\$ 0	\$ 48,370
%					1.0%

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
1.00	Administrative and General Requirements						
2.00	Has a transportation special revenue fund ("Local Transportation Authority [LTA] Special Revenue Fund") been established to maintain all Revenues?	Sec. 10.1	F & A	One-time, start-up	Completed	Sean Murdock	Yes. The LTA Fund (Fund 17) was established for this purpose. A discussion of the fund and its purpose can be found in the Orange County Local Transportation (OCLTA) audited financial statements. Please reference: "Fiscal Year 2023-24 Audited Financial Statements and Independent Auditor's Reports on Internal Control Over Financial Reporting," dated November 25, 2024.
3.00	Have the imposition, administration and collection of the tax been done in accordance with all applicable statutes, laws, rules, and regulations prescribed and adopted by California Department of Tax and Fee Administration (formerly State Board of Equalization)?	Sec. 3	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's report on financial statements. Please reference: "Fiscal Year 2023-24 Audited Financial Statements and Independent Auditor's Reports on Internal Control Over Financial Reporting," dated November 25, 2024.
4.00	Have Net Revenues been allocated solely for the transportation purposes described in the Ordinance?	Sec. 4	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's report on financial statements. Please reference: "Fiscal Year 2023-24 Audited Financial Statements and Independent Auditor's Reports on Internal Control Over Financial Reporting," dated November 25, 2024.
5.00	"Pay as you go" financing is the preferred method of financing transportation improvements and operations under the Ordinance. Before issuing bonds, has the Authority determined the scope of expenditures made "pay-as-you-go" financing unfeasible?	Sec. 5	F & A, Planning	Recurring	Completed to date	Sean Murdock	Yes. Please reference: "Plan of Finance for Early Action Plan," Attachment D, dated November 9, 2007. "Renewed Measure M Early Action Plan Review," dated December 14, 2009. "Paying for Measure M2 Projects – Bond Financing," legal memo, dated March 5, 2012.
6.00	Have maintenance of effort (MOE) levels been established for each jurisdiction for fiscal year (FY) 2010-2011 pursuant to Ordinance No. 2?	Sec. 6	Planning	One-time, start-up	Completed	Adriann Cardoso/ Charvalen Alacar	Yes. The MOE benchmark for each jurisdiction was originally established under Ordinance No. 2. MOE for FY 2010-11 was established and adopted by the Orange County Transportation Authority (OCTA) Board of Directors (Board) as part of the M2 Eligibility Guidelines. Please reference: "Measure M2 Local Agency Eligibility Guidelines and Requirements," dated January 25, 2010.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
7.00	Have city MOE levels been adjusted by July 1, 2014, and every three years thereafter using the Caltrans Construction Cost Index (CCI)?	Sec. 6	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>No. There have been four MOE benchmark adjustments that occurred by July 1 of 2014, 2017, 2020, and 2023. However, the 2020 MOE benchmark adjustment did not use the Caltrans CCI due to the coronavirus (COVID-19) pandemic. See Item 7.01.</p> <p>The most recent adjustment was approved by the Board on April 10, 2023. At the time, several cities had not adopted their final FY 2021-22 Annual Comprehensive Financial Report (ACFR). Draft ACFR or general fund revenue (GFR) trial balance figures were provided and used to calculate an estimated benchmark. OCTA later received final FY 2021-22 ACFRs from all jurisdictions, and revisions to four of the cities' MOE benchmarks were required due to changes in GFR. Separately, based on revised information provided by the City of San Clemente, their MOE benchmark also required adjustment. These adjustments were approved by the Board on July 10, 2023. The next MOE adjustment is anticipated in 2026.</p> <p>Please reference: "Fiscal Year 2023-24 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility, Countywide Pavement Management Plan, and Local Signal Synchronization Plan Guidelines," dated April 10, 2023. "Measure M2 Eligibility Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments," dated July 10, 2023.</p> <p>Please also reference the following: "Fiscal Year 2014-15 Measure M2 Eligibility Guidelines Update," dated April 14, 2014. "Fiscal Year 2014-15 Maintenance of Effort Benchmark Adjustments," dated August 11, 2014, to see adjustments made for the cities of La Habra, Laguna Woods, Los Alamitos, and Yorba Linda. "Fiscal Year 2017-18 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility and Local Signal Synchronization Plan Guidelines," dated April 10, 2017.</p>

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano’s Maintenance of Effort Benchmark,” dated May 8, 2017.</p> <p>“Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia’s Maintenance of Effort Benchmark,” dated April 9, 2018.</p>
7.01	Were MOE benchmarks adjusted to address COVID-19 impacts for FY 2019-20, FY 2020-21, and FY 2021-22?	Sec. 6	Planning	FY 2019-20 FY 2020-21 FY 2021-22	Completed	Francesca Ching & Adriann Cardoso/Charvalen Alacar	<p>Yes. The Board approved two amendments to Ordinance No. 3 to assist local jurisdictions meet the MOE requirement for FY 2019-20, FY 2020-21, and FY 2021-22.</p> <p>Please reference:</p> <p>“Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines,” dated April 13, 2020.</p> <p>“Proposed Amendment to the Orange County Local Transportation Authority M2 Ordinance No. 3,” dated May 11, 2020.</p> <p>“Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3,” dated June 22, 2020.</p> <p>“Measure M2 Annual Eligibility Review,” dated December 14, 2020, to see adjustments made for the cities of Buena Park and Villa Park.</p> <p>“Proposed Amendment to the Orange County Local Transportation Authority M2 Ordinance No. 3,” dated April 12, 2021.</p> <p>“Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3,” dated May 24, 2021.</p>
8.00	Have MOE requirements been met annually by each jurisdiction?	Sec. 6	Planning	Recurring	Completed to date	Adriann Cardoso/Charvalen Alacar	<p>No. Four cities have been found ineligible to receive net M2 revenues based upon failing to meet and/or substantiate MOE expenditures to meet requirements. The Board suspended all disbursements of M2 funding and required the cities to sign separate settlement agreements that identified steps to regain compliance.</p> <p>On May 13, 2019, the Board found the cities of Stanton and Santa Ana ineligible based on Agreed-Upon Procedures (AUP) findings for FY 2017-18.</p> <p>Please reference:</p> <p>“Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated May 13, 2019.</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>“Settlement Agreement and Release of Claims,” dated July 22, 2019, for the City of Stanton.</p> <p>“Settlement Agreement and Release of Claims,” dated October 22, 2019, for the City of Santa Ana.</p> <p>On April 13, 2020, the Board determined the cities of Santa Ana and Stanton eligible to receive M2 net revenues again based on second AUP findings that each city fulfilled the settlement agreement terms and their respective MOE requirements. Payments were reinitiated and suspended funds that were held in reserve were disbursed.</p> <p>Please reference: “Measure M2 Eligibility for the City of Santa Ana,” and “Measure M2 Eligibility for the City of Stanton,” dated April 13, 2020.</p> <p>On May 22, 2023, the Board found the City of Cypress ineligible based on the AUP findings for FY 2021-22.</p> <p>Please reference: “Measure M2 Eligibility for the City of Cypress,” dated May 22, 2023. “Settlement Agreement and Release of Claims,” dated August 14, 2023.</p> <p>On May 28, 2024, the Board determined the City of Cypress eligible to receive M2 net revenues again based on second AUP findings that the city fulfilled the settlement agreement terms and their respective MOE requirements. Payments were reinitiated and suspended funds that were held in reserve were disbursed.</p> <p>Please reference: “Measure M2 Eligibility for the City of Cypress,”, date May 28, 2024.</p> <p>On May 28, 2024, the Board found the City of Orange ineligible based on the AUP findings for FY 2022-23. Once it is determined via application of AUP that the city has fulfilled the settlement agreement terms and MOE requirement, OCTA staff will take a recommendation to the next regularly scheduled Board meeting to re-establish eligibility for the City of Orange.</p> <p>Please reference:</p>

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>“Measure M2 Eligibility for the City of Orange”, dated May 28, 2024</p> <p>“Settlement Agreement and Release of Claims,” dated July 10, 2024</p> <p>For the remaining 31 jurisdictions, MOE requirements have been met annually.</p> <p>Please reference:</p> <p>”Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2011-12 Expenditure Reports,” dated March 11, 2013.</p> <p>“Measure M2 Eligibility Findings for Fiscal Year 2012-13 Expenditure Reports,” dated March 10, 2014.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2013-14 Expenditure Reports,” dated May 11, 2015.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2014-15 Expenditure Reports,” dated May 9, 2016.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano’s Maintenance of Effort Benchmark,” dated May 8, 2017.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2016-17 Expenditure Reports,” dated June 11, 2018.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2017-18 Expenditure Reports,” dated July 8, 2019.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,” dated June 8, 2020.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2019-20 Expenditure Reports,” dated June 14, 2021.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2020-21 Expenditure Reports,” dated June 13, 2022.</p> <p>“Measure M2 Eligibility Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments,” dated July 10, 2023.</p> <p>“Measure M2 Eligibility Review Recommendations for Fiscal Year 2022-23 Expenditure Reports,” dated July 8, 2024.</p>

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
9.00	Have Revenues expended for salaries and benefits of Authority administrative staff remained within the one percent per year limit?	Sec 7	F & A	Recurring	Action plan in place	Sean Murdock/ Rima Tan	Yes. These are tracked on a FY basis. Expenditures were 0.9% for the FY period between July 1, 2023, and June 30, 2024. Since inception, we encountered periods when expenditures needed to be covered by borrowings to meet the one percent of net revenue requirement. OCTA has Board approval to borrow from the Orange County Unified Transportation Trust (OCUTT), and to repay those funds with interest in future periods when administrative expenditures underrun revenue in any given year of the program. Please reference: "Orange County Transportation Authority Summary of Measure M2 Administrative Costs from Inception through June 30, 2024"
10.00	Has the Authority, to the extent possible, used existing state, regional and local planning and programming data and expertise to carry out the purposes of the Ordinance?	Sec. 7	Planning	Recurring	Completed to date	Francesca Ching	Yes. OCTA, as appropriate, looks to other existing resources to ensure that work is not duplicative and that expenses are kept to a minimum. In cases where OCTA does not have the expertise available, OCTA contracts with other external agencies. For example, OCTA regularly has cooperative agreements with Caltrans, local universities, Army Corp of Engineers, and contracts with private sector experts as needed to meet the requirements of the Ordinance. For an example, please reference: "Memorandum of Agreement Between Orange County Transportation Authority and U.S. Army Corps of Engineers, Los Angeles District," dated June 28, 2023.
11.00	Have expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses, been identified in an annual report pursuant to Ordinance No. 3, Sec. 10.8?	Sec. 7 and Sec. 10.8	People and Community Engagement	Recurring	Completed to date	Maggie McJilton & Jennifer Beaver	Yes. Annual reports, which are published on the OCTA website, identify expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses. Measure M1 (M1) Annual reports from the years 2008 - 2011 included minor updates on M2 Early Action Plan progress and funding. Please reference: "Measure M Annual Report 2008." "Measure M Annual Report 2009." "Measure M Annual Report 2010." "Measure M Annual Report 2011." "Measure M Annual Report 2012."

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							"Measure M Annual Report 2013." "Measure M Annual Report 2014." "Measure M Annual Report 2015." "Measure M Annual Report 2016." "Measure M Annual Report 2017." "Measure M Annual Report 2018." "Measure M Annual Report 2019." "Measure M Annual Report 2020." "Measure M Annual Report 2021." "Measure M Annual Report 2022." "Measure M Annual Report 2023." "Measure M Annual Report 2024."
12.00	Has the 2006-2007 Authority appropriations limit been set at \$1,123 million?	Sec. 8	F & A	One-time, start-up	Completed	Sean Murdock	Yes. Please reference: "Resolution of the Orange County Local Transportation Authority Measure M Establishing Appropriations Limit for Fiscal Year 2006-07," dated June 12, 2006.
13.00	Has the Authority's appropriations limit been adjusted annually?	Sec. 8	F & A	Recurring	Completed to date	Sean Murdock	Yes. Please reference: "Resolution of the Orange County Local Transportation Authority/Renewed Measure M Establishing Appropriations Limit for Fiscal Year 2011-12," dated June 13, 2011. "Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limitation for Fiscal Year 2012-13," dated June 11, 2012. "Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2013-14," dated May 24, 2013. "Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2014-15," dated June 9, 2014.

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							“Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2015-16,” dated June 22, 2015. “Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2016-17,” dated June 13, 2016. “Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2017-18,” dated June 12, 2017. “Resolution of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2018-19,” dated June 11, 2018. “Resolution No. 2019-027 of the Orange County Local Transportation Authority - Measure M2 Establishing Appropriations Limit for Fiscal Year 2019-20,” dated June 10, 2019. “Resolution No. 2020-022 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2020-21,” dated June 22, 2020. “Resolution No. 2021-043 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2021-22,” dated June 28, 2021. “Resolution No. 2022-029 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2022-23,” dated June 13, 2022. “Resolution No. 2023-025 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2023-24,” dated June 12, 2023. “Resolution No. 2024-026 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2024-25,” dated June 24, 2024.
14.00	Has the County of Orange Auditor-Controller, in the capacity as Chair of the Taxpayer Oversight Committee (TOC), annually	Sec. 10.2	People and Community Engagement	Recurring	Completed to date	Chris Boucly/	Yes. Each year since 2007, the County Auditor-Controller has annually certified that revenues were spent in compliance with the Ordinance.

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	certified that the Revenues were spent in compliance with the Ordinance?					Marissa Espino	<p>For this reporting period, County Auditor-Controller Andrew Hamilton certified on June 11, 2024.</p> <p>Please reference:</p> <p>“Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated March 10, 2008.</p> <p>“Measure M Taxpayers' Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated March 23, 2009.</p> <p>“Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated March 8, 2010.</p> <p>“Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated March 14, 2011.</p> <p>“Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated February 13, 2012.</p> <p>“Measure M Taxpayers Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated March 11, 2013.</p> <p>“Measure M Taxpayer Oversight Committee Annual Public Hearing Results and Compliance Findings,” dated March 10, 2014.</p> <p>“Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings,” dated February 23, 2015.</p> <p>“Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings,” dated April 25, 2016.</p> <p>“Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings,” dated April 24, 2017.</p> <p>“Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding,” dated April 23, 2018.</p> <p>“Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding,” dated June 24, 2019.</p> <p>“Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings,” dated June 22, 2020.</p> <p>“Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Finding,” dated June 28, 2021.</p> <p>“Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Finding,” dated June 27, 2022.</p>

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							“TOC M2 Annual Public Hearing Compliance Memo,” dated June 23, 2023. “TOC M2 Annual Public Hearing Compliance Memo,” dated June 11, 2024.
15.00	Have receipt, maintenance, and expenditure of Net Revenues been distinguishable in each jurisdiction's accounting records from other funding sources, and distinguishable by program or project?	Sec. 10.3	F & A, Internal Audit	Recurring	Action plan in place	Sean Murdock	<p>Yes. Local jurisdictions submit expenditure reports annually that distinguish funding sources and tie to accounting records that are subject to AUP. Starting with the 2011 version of the annual expenditure report, local jurisdictions' finance directors are also required to attest to this requirement and each year hereafter. Jurisdictions are also subject to AUP that cover this requirement. Internal Audit, through an external auditing firm, applies AUP to 8 to 10 jurisdictions per year covering this matter. Expenditure reports for each jurisdiction are reviewed by staff and the TOC. The jurisdictions subject to AUP are selected by the TOC Audit Subcommittee.</p> <p>The cities of Orange and Buena Park were found ineligible to receive M2 funds by the OCTA Board on May 28, 2024. The OCTA Board approved eligibility for the remaining 33 jurisdictions on July 1, 2024. The eligibility for the City of Cypress, which was found ineligible in 2023, was reinstated by the OCTA Board on May 28, 2024.</p> <p>Please reference: “Measure M2 Eligibility for the City of Orange,” dated May 28, 2024. “Measure M2 Eligibility for the City of Buena Park,” dated May 28, 2024. “Measure M2 Eligibility for the City of Cypress,” dated May 28, 2024. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2022-23 Expenditure Reports,” date July 1, 2024.</p>
16.00	Has interest earned on Net Revenues allocated pursuant to the Ordinance been expended only for those purposes for which Net Revenues were allocated?	Sec. 10.3	F & A	Recurring	Completed to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying AUP to the M2 Status Report.</p> <p>Please reference: “Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports,” dated January 27, 2025.</p>
17.00	Have jurisdictions used Net Revenues only for transportation purposes authorized by the Ordinance?	Sec. 10.4	F & A, Internal Audit	Recurring	Action plan in place	Sean Murdock	Yes. See notes in Item 15.00.

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18.00	If any jurisdiction used Net Revenues for other than transportation purposes, have they fully reimbursed the Authority the Net Revenues misspent and been deemed ineligible to receive Net Revenues for a period of five years?	Sec. 10.4	F & A	Recurring	Action plan in place	Sean Murdock	<p>Yes. The FY 2022-23 AUP reported that the City of Buena could not provide sufficient support for its use of M2 Local Fair Share (LFS) funds related to indirect labor charges. As a result, the auditors disallowed a total of \$387,576. On May 28, 2024, the Board found the City of Buena Park ineligible to receive M2 Net Revenues for a period of five years and sought reimbursement of the \$387,576 in disallowed funds. The Board also required Buena Park to sign a settlement agreement to formalize the required actions to reestablish eligibility and other terms.</p> <p>Please reference: “Measure M2 Eligibility for the City of Buena Park,” dated May 28, 2024. “Settlement Agreement and Release of Claims,” dated July 10, 2024.</p> <p>On July 26, 2024, Buena Park reimbursed OCTA for the \$387,567 in disallowed Net Revenues. Once it is determined via application of AUP that Buena Park has fulfilled the settlement agreement terms, OCTA staff will return to the Board to consider reestablishing eligibility for the Buena Park.</p> <p>Please reference: “City of Buena Park Reimbursement of Unsupported Local Fair Share Expenditures,” dated July 26, 2024.</p> <p>For the remaining 34 jurisdictions, there have been no other occurrences to date.</p>
19.00	Has a TOC been established to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required?	Sec. 10.5	People and Community Engagement	One-time, start-up	Completed	Chris Boucly/ Marissa Espino	<p>Yes. The Citizens Oversight Committee (COC) established under M1 was transitioned into the TOC in August 2007. The transition was mentioned in the OCTA staff update portion of the June 12, 2007, COC meeting minutes, included in the August 28, 2007, TOC meeting agenda packet. The TOC has since met regularly to provide an enhanced level of accountability for expenditures of revenues and to help ensure that all voter mandates are carried out as required.</p> <p>Please reference: “Taxpayers Oversight Committee Agenda Packet,” dated August 28, 2007, for the June 12, 2007, meeting minutes.</p>

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20.00	Have performance assessments to evaluate efficiency, effectiveness, economy, and program results been conducted every three years?	Sec. 10.6	PMO	Recurring	Completed to date	Francesca Ching	Yes. To date, five Triennial M2 Performance Assessments have been conducted. The sixth performance assessment covering FY 2021-22 to FY 2023-24 is anticipated to be presented to the Board in March 2025. Please reference: “Measure M2 Triennial Performance Assessment Status Report,” for FY 2006-07 to FY 2008-09, dated November 22, 2010. “Measure M2 Performance Assessment Report,” for FY 2009-10 to FY 2011-12, dated April 8, 2013. “Measure M2 Performance Assessment Report,” for FY 2012-13 to FY 2014-15, dated August 8, 2016. “Measure M2 Performance Assessment Report,” for FY 2015-16 to FY 2017-18, dated March 11, 2019. “Measure M2 Performance Assessment Report,” for FY 2018-19 to FY 2020-21, dated April 25, 2022. “Measure M2 Performance Assessment Report,” for FY 2021-22 to FY 2023-24, dated March 10, 2025.
21.00	Have the performance assessments been provided to the TOC?	Sec. 10.6	PMO, People and Community Engagement	Recurring	Completed to date	Francesca Ching & Chris Boucly	Yes. To date, five performance assessments have been provided to the TOC. Please reference: “Taxpayers Oversight Committee Agenda Packet,” dated December 14, 2010. “Taxpayers Oversight Committee Agenda Packet,” dated April 9, 2013. “Taxpayers Oversight Committee Agenda Packet,” dated June 14, 2016. “Taxpayers Oversight Committee Agenda Packet,” dated April 9, 2019. “Taxpayers Oversight Committee Agenda Packet,” dated April 12, 2022. “Taxpayer Oversight Committee Agenda Packet,” dated March 11, 2025.
22.00	Have quarterly status reports regarding the major projects detailed in the Plan been brought before the Authority in public meetings?	Sec. 10.7	PMO	Recurring	Completed to Date	Francesca Ching	Yes. Quarterly reports have consistently been brought before the Board. The reports are posted on the OCTA website and saved in the M2 Document Center. The latest report was presented to the Board on March 10, 2025. Please reference the following reports for calendar year 2024:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“Measure M2 Quarterly Progress Report for the Period of January 2024 through March 2024,” dated June 10, 2024. “Measure M2 Quarterly Progress Report for the Period of April 2024 through June 2024,” dated September 9, 2024. “Measure M2 Quarterly Progress Report for the Period of July 2024 through September 2024,” dated December 9, 2024. “M2 Quarterly Progress Report for the Period of October 2024 to December 2024,” dated March 10, 2024.
23.00	Has the Authority published an annual report on how revenues have been spent and on progress toward implementation and publicly reported on the findings?	Sec. 10.8	People and Community Engagement	Recurring	Completed to date	Maggie McJilton & Jennifer Beaver	Yes. See Item 11.00. These annual reports were prepared and made public since FY 2010-11. The FY 2023-24 information can be found on the 2024 infographic and M2 website .
24.00	Has the Authority, every ten years, conducted a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program?	Sec. 11	PMO	Recurring	Completed to date	Francesca Ching	<p>Yes. The first comprehensive Ten-Year Review was conducted for the period covering November 8, 2006, through June 30, 2015. The final report was presented to the Board on October 12, 2015. The second comprehensive Ten-Year Review is underway and is anticipated to be completed in early 2026. The framework and draft schedule for this effort was presented to the Board on October 14, 2024.</p> <p>Please reference: “Measure M2 Ten-Year Review Report,” dated October 12, 2015. “Measure M2 Ten-Year Review Framework,” dated October 14, 2024.</p>
25.00	If the Authority has amended the Ordinance, including the Plan, has the Authority followed the process and notification requirements in Ordinance No. 3, Sec. 12, including approval by not less than two-thirds vote of the TOC?	Sec. 12	PMO, People and Community Engagement	Recurring	Completed to Date	Francesca Ching & Chris Boucly	<p>Yes. There have been five amendments to Ordinance No. 3.</p> <p>For Amendment #1 (November 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on October 9, 2012). Please reference: “Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program,” for Amendment #1, dated November 9, 2012.</p> <p>For Amendment #2 (November 25, 2013) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference:</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>“Public Hearing on Proposal to Amend Orange County Local Transportation Authority Ordinance No. 3 to Modify Taxpayer Oversight Committee Membership Eligibility,” for Amendment #2, dated November 25, 2013.</p> <p>For Amendment #3 (December 14, 2015, corrected on March 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on November 10, 2015). Please reference: “Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program,” for Amendment #3, dated December 14, 2015. “Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” for corrections to the Amendment, dated March 14, 2016.</p> <p>For Amendments #4 (June 22, 2020) and #5 (May 24, 2021) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval). Please reference: “Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3,” for Amendment #4, dated June 22, 2020. “Public Hearing to Amend the M2 Orange County Local Transportation Authority Ordinance No. 3,” for Amendment #5, dated May 24, 2021.</p>
26.00	General Requirements – Allocation of Net Revenues						
27.00	Have at least five percent of the Net Revenues allocated for Freeway Projects been used to fund Programmatic Mitigation of Freeway Projects, and have these funds derived by pooling funds from the mitigation budgets of individual Freeway Projects?	Att. B, Sec. II.A.5	F & A	30-year	Completed to date	Sean Murdock	<p>Yes. See independent auditor’s findings related to applying AUP to the M2 Status Report. Please reference: “Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports,” dated January 27, 2025.</p>
28.00	Has the Authority used Revenues as follows:	Att. B, Sec. IV.A.1-4	F & A	Recurring	Completed to date	Sean Murdock	<p>Yes. See independent auditor’s findings related to applying AUP to the M2 Status Report. Please reference:</p>

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	<ul style="list-style-type: none"> - First, paid the California Department of Tax and Fee Administration (formerly State Board of Equalization) for services and functions? - Second, paid the administrative costs of the Authority? - Third, satisfied the annual allocation of two percent of Revenues for Environmental Cleanup? - Fourth, satisfied the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations? 						"Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports," dated January 27, 2025.
29.00	<p>After providing for the use of Revenues as described above, has the Authority allocated Net Revenues as follows:</p> <ul style="list-style-type: none"> - Freeway Projects – 43%? - Streets and Roads Projects – 32%? - Transit Projects – 25%? 	Att. B, Sec. IV.B.1-3	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor’s findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports," dated January 27, 2025.
30.00	<p>Has the allocation of the 32 percent for Streets and Roads Projects been made as follows:</p> <ul style="list-style-type: none"> - Regional Capacity Program projects – 10% of Net Revenues? - Regional Traffic Signal Synchronization Program projects – 4% of Net Revenues? - Local Fair Share (LFS) Program projects – 18% of Net Revenues? 	Att. B, Sec. IV.C.1-3	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor’s findings related to applying AUP to the M2 Status Report. Please reference: "Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports," dated January 27, 2025.
31.00	If the percentage basis of the allocation of Net Revenues in any given year is different than required by Sections B and C (except for LFS Program projects), have the percentage allocations set forth in Sections B and C been achieved during the duration of the Ordinance?	Att. B, Sec. IV.D	F & A	30-year	Underway	Sean Murdock	The percentage basis allocation is not an annual requirement but must be achieved during the duration of the Ordinance.
32.00	Have Net Revenues allocated for the LFS Program pursuant to Att. B, Sec. IV.C been paid to Eligible Jurisdictions within 60 days of receipt by the Authority?	Att. B, Sec. IV.E	F & A	Recurring	Completed to date	Sean Murdock	Yes. See General Accounting payments for LFS funds for FY 2023-24. Also note AUP to the M2 Status Report. Please reference: "Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports," dated January 27, 2025. "Fiscal Year 2023-24 Project Q Local Fair Share Payments"

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33.00	If the Authority exchanged Net Revenues from a Plan funding category for federal, state or other local funds, has the Authority and the exchanging public agency used the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange, have such federal, state or local funds received by the Authority been allocated to the same Plan funding category that was the source of the exchanged Net Revenues?	Att. B, Sec. IV.F	Planning, F & A	Recurring	None to date	Sean Murdock	Not applicable to date because there have been no exchanges.
34.00	Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?	Att. B, Sec. IV.F	Planning, F & A	Recurring	None to date	Sean Murdock	Not applicable to date because there have been no exchanges.
35.00	Has the Authority, upon review and acceptance of any Project Final Report, allocated the balance of Net Revenues, less the interest earned on the Net Revenues allocated for the project?	Att. B, Sec. IV.H	Planning	Recurring	Completed to Date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. As projects are completed, any unused funds from each project are made available for other projects within the same category, as needed. Examples below:</p> <p>“Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program,” dated November 9, 2012.</p> <p>“Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” dated March 14, 2016.</p> <p>There have been no reallocations across categories (43% Freeway, 32% Streets and Roads, and 25% Transit), in accordance with overall requirements in Att. B, Sec IV.B.</p>
36.00	Requirements Related to All Freeway Projects						
37.00	Have Freeway Projects been planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities?	Att. A, p. 5 Freeway Projects Overview	Capital Programs – Highways	Recurring	Completed to Date	Jeff Mills	<p>Yes. Freeway Projects are developed with input from cities, the public, other stakeholders, and various interest groups. For example, landscaping and aesthetics are prepared with input from city representatives and the public to ensure that each city is given an opportunity to include its own “theme” while preserving the overall uniformity on the freeways throughout Orange County.</p> <p>For an example, please reference:</p> <p>“FI103 Project Report Final,” dated June 24, 2020.</p>

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38.00	Has a Master Agreement for environmental and programmatic mitigation of freeway projects between OCLTA and state and federal resource agencies been executed?	Att. A, p.5 Freeway Projects Overview	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, served as the Master Agreement. Please reference: “Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010. “Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.
39.00	Has the OCLTA made every effort to maximize Orange County’s share of state and federal freeway dollars?	Att. B, Sec. II.A.1	Planning	Recurring	Completed to date	Adriann Cardoso	Yes. Since 2006, OCTA has received and programmed \$1.759 billion for freeway projects included in the M2 Plan: federal - \$695 million and state - \$1.064 billion. Please reference: “Cooperative Agreement with the California Department of Transportation for the Interstate 5 Improvement Project Between Yale Avenue and State Route 55,” dated December 9, 2024.
40.00	Have all major approval actions for Freeway Projects, including project concept, location, and any change in scope, been agreed upon by California Department of Transportation (Caltrans), the Authority, project sponsors, and where appropriate, the Federal Highway Administration (FHWA) and/or the California Transportation Commission (CTC)?	Att. B, Sec. II.A.2	Capital Programs - Highways	Recurring	Completed to Date	Jeff Mills	Yes. Coordination with the agencies listed is constant, and the required approval actions are obtained from the appropriate agencies. Project concept, location, and scope are determined when the preferred alternative is selected and identified in the final approved environmental document (ED). The Final ED is approved by Caltrans, which includes delegated National Environmental Policy Act (NEPA) authority from FHWA. The environmental documents are also provided to the CTC. Scope changes will often require changes to the Cooperative Agreement between OCTA and Caltrans. Design modifications and exceptions to design requirements are coordinated with Caltrans District 12 and Headquarters (Sacramento), which has the delegated authority

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							from FHWA to approve design exceptions. Project Change Requests are required to be approved by both OCTA and Caltrans when a change in scope is large enough to warrant a change in project funding. Approval by the CTC may also be required if state funds are requested, or a baseline agreement amendment is required.
41.00	Has the Authority, prior to allocation of Net Revenues for any Freeway Project, obtained written assurances from the appropriate state agency that after the project is constructed to at least minimum acceptable state standards, the State shall be responsible for maintenance and operation?	Att. B, Sec. II.A.3	Capital Programs - Highways	Recurring	Completed to Date	Jeff Mills	Yes. Construction Cooperative Agreements between OCTA and Caltrans include language that assigns maintenance and operations to Caltrans. For an example, please reference Attachment A, article 34 of the agreement (C-3-2384), which was executed on April 10, 2024. Please reference: "Cooperative Agreement with the California Department of Transportation for the Interstate 605/Katella Avenue Interchange Project," dated April 10, 2024.
42.00	Have Freeway Projects been built largely within existing rights of way using the latest highway design and safety requirements?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Completed to Date	Jeff Mills	Yes. Keeping generally within existing right-of-way (ROW) is one of the largest project parameters. For example, elimination of braided ramps on the I-405 Improvement Project was approved in the final environmental impact report (EIR)/environmental impact statement (EIS) to reduce the full ROW acquisitions while still ensuring that the design meets Caltrans design and safety standards. Keeping the ROW impacts to some partial acquisitions and primarily temporary construction easements while adding four lanes to the Interstate 405 (I-405) is a major accomplishment for a \$2.16 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints. Please reference: "San Diego Freeway (I-405) Improvement Project Final Environmental Impact Report/Environmental Impact Statement," dated March 26, 2015.
43.00	To the greatest extent possible within the available budget, have Freeway Projects been implemented using Context Sensitive Design? ("Context Sensitive Design features" are further described in the referenced provision.)	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Completed to Date	Jeff Mills	Yes. Freeway projects include many context sensitive design features, from the Planning stages, through Environmental, Design, and Construction. The project team, including Public Outreach, coordinates with local cities and other agencies on landscaping, aesthetics, and soft/hardscape features. For example, the construction of soundwalls requires public input, in the form of a soundwall survey, to determine if

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							soundwalls will be built. Aesthetics of soundwalls, retaining walls and bridges take into account City and community preferences. Please reference: "San Diego Freeway (I-405) Improvement Project Final Environmental Impact Report/Environmental Impact Statement," dated March 26, 2015.
44.00	Have Freeway Projects, to the greatest extent possible within the available budget, been planned, designed, and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance, and performance goals?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Completed to Date	Jeff Mills	Yes. Community Outreach is a constant on all the Freeway Projects. Open Houses, City Council presentations, local agency meetings, and other forms of Outreach are deployed in order to obtain community feedback so that modifications are made, where possible, to retain these values. All design features and proposed changes are reviewed and approved by Caltrans to ensure safety, mobility, maintenance, and performance goals. Please reference: "San Diego Freeway (I-405) Improvement Project Final Environmental Impact Report/Environmental Impact Statement," dated March 26, 2015.
45.00	Have the Net Revenues allocated to Freeway Projects for use in funding Programmatic Mitigation for Freeway Projects been subject to the following:	Att. B, Sec. II.A.5	Planning		Completed	Dan Phu	See notes in Items 45.01 to 45.09.
45.01	Has a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resources been developed?	Att. B, Sec. II.A.5.a	Planning	One-time, start-up	Completed	Dan Phu	Yes. See notes in Item 38.00. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. Please reference: "Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program," C-9-0278, dated January 21, 2010. "Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California

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							Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.
45.02	Does the Master Agreement include commitments by the Authority to provide programmatic environmental mitigation of Freeway Projects?	Att. B, Sec. II.A.5.a.(i)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See notes in Item 1.00 within the Agreement which refers to commitments by OCTA to provide programmatic environmental mitigation of Freeway Projects.</p> <p>Please reference:</p> <p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010.</p> <p>“Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.</p>
45.03	Does the Master Agreement include commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects?	Att. B, Sec. II.A.5.a.(ii)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Items 6 and 8 within the Agreement as it relates to commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects.</p> <p>Please reference:</p> <p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement</p>

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							Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program ,” C-9-0278, dated January 21, 2010. “Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.
45.04	Does the Master Agreement include an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting?	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. Development of the Natural Community Conservation Plan (NCCP)/Habitat Conservation Plan (HCP) set forth the process to meet this provision (Sections 5 and 6). The Final NCCP/HCP was approved by the Board and the Final EIR/EIS was certified by the Board on November 28, 2016.</p> <p>Please reference: “Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated Environmental Impact Report/Environmental Impact Statement for the Measure M2 Environmental Mitigation Program,” dated November 28, 2016.</p> <p>The corresponding state and federal wildlife agency permits were received in June 2017.</p> <p>Please reference: “Implementing Agreement for the Orange County Transportation Authority Natural Community Conservation Plan (NCCP)/Habitat Conservation Plan (HCP) by and among the California Department of Fish and Wildlife, the United States Fish and Wildlife Service, the Orange County Transportation Authority, and the California Department of Transportation,” dated June 19, 2017.</p> <p>An accounting process is folded into the NCCP/HCP for mitigation obligations and credits. An annual report is required and will document freeway project level impacts as well as mitigation performed for those freeway projects. The first annual report was completed in 2019 and included activities related to the NCCP/HCP from 2011 through 2018.</p>

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							The future annual reports will only include one year's activities in relation to the NCCP/HCP. Actual impacts will be compared against assumptions made within the NCCP/HCP. Net environmental benefits from the NCCP/HCP are summarized in Table ES-1 of the NCCP/HCP. Biological permits from the wildlife regulatory agencies were issued in advance, therefore streamlining the delivery of the transportation projects.
45.05	Does the Master Agreement include a description of the specific mitigation actions and expenditures to be undertaken and a phasing, implementation, and maintenance plan?	Att. B, Sec. II.A.5.a.(iv)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, included this provision.</p> <p>Please reference:</p> <p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010.</p> <p>“Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.</p>
45.06	Does the Master Agreement include appointment by the Authority of a Mitigation and Resource Protection Oversight Committee to make recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and to monitor implementation of the Master Agreement?	Att. B, Sec. II.A.5.a.(v)	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Environmental Oversight Committee (EOC) makes recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and also monitors the implementation of the Environmental Mitigation Program which is based on the Master Agreement.</p> <p>Please reference:</p> <p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement</p>

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							Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program ," C-9-0278, dated January 21, 2010. "Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP)," C-9-0279, dated January 21, 2010.
45.07	Was an EOC appointed and does it consist of no more than 12 members and is comprised of representatives of the Authority, Caltrans, state and federal resource agencies, non-governmental environmental organizations, the public and the TOC?	Att. B, Sec. II.A.5.a.(v)	Planning, People and Community Engagement	One-time, start-up	Completed	Dan Phu & Marissa Espino	Yes. Creation of the EOC occurred in 2007 with applicant scoring and selection for membership by the Transportation 2020 Committee on October 15, 2007. The first EOC meeting took place on November 13, 2007. Please reference: "Renewed Measure M Environmental Committees Selection Process," dated October 22, 2007. "Environmental Oversight Committee Agenda," dated November 13, 2007. "Environmental Oversight Committee Agenda Packet," dated January 16, 2008, for the November 13, 2007, meeting minutes. "Status Report on Renewed Measure M Environmental Programs," dated August 25, 2008. "Environmental Oversight Committee 2024 Roster," dated August 2, 2024.
45.08	Was the Master Agreement developed as soon as practicable following the approval of the ballot proposition by the electors?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008. Please reference: "Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program," C-9-0278, dated January 21, 2010.

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							“Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP),” C-9-0279, dated January 21, 2010.
45.09	Have the Authority and state and federal resource agencies developed the Master Agreement prior to the implementation of Freeway Projects?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Completed	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008 and was fully executed by OCTA and state and federal resources agencies in January 2010. During this timeframe, the Early Action Plan also authorized the project development processes for various M2 freeway projects, which included preliminary engineering, environmental studies, and final design work. The initiation of this work also maximized OCTA’s ability to compete for state and federal funds (i.e., CMIA and federal stimulus). With the exception of the eastbound State Route 91 (SR-91) lane addition between SR-241 and SR-71 and the SR-22 access improvements, the rest of the M2 freeway projects did not begin construction until after January 2010. The Eastbound SR-91 lane addition project began construction in late 2009 and utilized primarily American Recover and Reinvestment Act (ARRA) federal stimulus funds and the SR-22 improvements were amended into M1 and completed early in 2007 as a “bonus project” as part of the SR-22 design-build project.</p> <p>Please reference:</p> <p>“Memorandum of Agreement (MOA) Among the Orange County Transportation Authority ("OCTA"), the United States Fish and Wildlife Service ("USFWS"), the California Department of Fish and Game ("CDFG"), and the California Department of Transportation ("CALTRANS") Regarding the Mitigation for Freeway Improvement Projects Under the Renewed Measure M Ordinance Environmental Mitigation Program,” C-9-0278, dated January 21, 2010.</p> <p>“Planning Agreement by and among Orange County Transportation Authority, California Department of Transportation, California Department of Fish and Game, and United States Fish and Wildlife Service for the Orange County Transportation Authority/California</p>

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							Department of Transportation Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) ,” C-9-0279, dated January 21, 2010.
46.00	Requirements Related to Specific Freeway Projects						
47.00	Project A						
48.00	Have Santa Ana Freeway (I-5) improvements between the Costa Mesa freeway (SR-55) and “Orange Crush” (SR-57) described in Project A been built:	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Modified; Completed	Jeff Mills	See notes in Items 48.01 to 48.03.
48.01	At the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Jeff Mills	See notes in Item 48.02.
48.02	On SR-55 between Fourth Street and Edinger Avenue?	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Jeff Mills	No. Project A improvement limits do not include SR-55 between Fourth Street and Edinger Avenue (agreed to by cities and Caltrans) due to lack of support/consensus between Caltrans and local jurisdictions which is a requirement of M2. There are some improvements included in Project F on SR-55 between I-405 and I-5.
48.03	On I-5 between SR-55 and SR-57?	Att. A, p. 7	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. Construction on this project began in December 2018 and was completed in January 2021. Please reference: “FA101 Project Plans, pgs. 001-567,” dated October 9, 2017. “FA101 Information Handout,” dated August 27, 2018. “FA101 Notice to Bidders and Special Provisions,” dated August 27, 2018. “FA101 Project Plans, Addendum 01,” dated September 25, 2018. “FA101 Project Plans, Addendum 02,” dated October 5, 2018. “FA101 Final Project Schedule Status Sheet,” Project Controls schedule dated February 1, 2021.

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49.00	Have the Project A improvements, as built, increased capacity and reduced congestion?	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. The project added capacity with a second carpool lane and reduced congestion upon construction completion as identified during the environmental phase.
50.00	Project B						
51.00	Have new lanes been built and interchanges improved on the Santa Ana Freeway (I-5) between the Costa Mesa freeway (SR-55) to El Toro "Y"?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Underway	Jeff Mills	The environmental phase for the project was completed in January 2020. The project was split into two segments for design and construction. Final Design for Segment 1 (I-405 to Yale Avenue) began in October 2021 and was completed in November 2024. Final design for Segment 2 (Yale Avenue to SR-55) began in May 2021 and was completed in August 2024. Both segments are anticipated to begin construction in late 2025. Please reference: "FB101 Final Environmental Schedule Status Sheet," Project Controls schedule dated February 1, 2020.
52.00	Have the Project B improvements as built increased capacity and reduced congestion?	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Underway	Jeff Mills	See notes in Item 51.00. The project will add capacity with one additional general-purpose lane in each direction and relieve congestion upon construction completion as identified during the environmental phase.
53.00	Project C						
54.00	Have Santa Ana Freeway (I-5) improvements south of the El Toro "Y" been built with:	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Jeff Mills	See notes in Items 54.01 to 54.02.
54.01	New lanes from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Jeff Mills	The I-5, SR-73 to El Toro Road project (including interchange improvements at Avery Parkway and La Paz Road) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. One segment has been completed and the remaining two segments are nearing completion. This project will add a general-purpose lane in each direction, extend the second HOV lane in both directions from El Toro Road to Alicia Parkway,

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							<p>reconstruct the La Paz Road and Avery Parkway interchanges, and add auxiliary lanes where needed.</p> <p>Segment 1, I-5 between SR-73 and Oso Parkway (including improvements to Avery Parkway Interchange): Construction began in February 2020 and is anticipated to be complete in spring 2025. Please reference: “FC102 Project Plans, pgs. 0001-1351,” dated May 13, 2019. “FC102 Information Handout,” dated August 26, 2019. “FC102 Notice to Bidders and Special Provisions,” dated August 26, 2019. “FC102 Project Plans, Addendum 01,” dated September 25, 2019. “FC102 Project Plans, Addendum 02,” dated October 8, 2019. “FC102 Project Plans, Addendum 03,” dated October 10, 2019.</p> <p>Segment 2, I-5 between Oso Parkway and Alicia Parkway (including improvements to La Paz Interchange): Construction began in April 2019 and was completed in December 2024. Please reference: “FC105 Project Plans, pgs. 0001-1494,” dated June 4, 2018. “FC105 Information Handout,” dated November 5, 2018. “FC105 Notice to Bidders and Special Provisions,” dated November 5, 2018. “FC105 Project Plans, Addendum 01,” dated December 20, 2018. “FC105 Project Plans, Addendum 02,” dated January 4, 2019. “FC105 Project Plans, Addendum 03,” dated January 10, 2019. “FC105 Project Plans, Addendum 04,” dated January 14, 2019. “FC105 Final Project Schedule Status Sheet,” Project Controls schedule dated January 1, 2025.</p> <p>Segment 3, I-5 between Alicia Parkway and El Toro Road: Construction began in January 2021 and is anticipated to be complete in mid-2025. Please reference: “FC106 Project Plans, pgs. 0001-1119,” dated March 30, 2020. “FC106 Information Handout,” dated May 11, 2020.</p>

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							“FC106 Notice to Bidders and Special Provisions,” dated May 11, 2020. “FC106 Project Plans, Addendum 01,” dated June 23, 2020. “FC106 Project Plans, Addendum 02,” dated June 25, 2020.
54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Completed	Jeff Mills	<p>Yes. The I-5, Avenida Pico to San Juan Creek Road (including interchange improvements at Avenida Pico) was divided into three segments for design and construction. This project added a new HOV lane in both directions of I-5 between PCH and Avenida Pico, reconstructed the Avenida Pico Interchange, and reconstructed on- and off-ramps along the project area. Construction on all three segments is complete.</p> <p>Segment 1, I-5, Avenida Pico to Avenida Vista Hermosa project (including interchange improvements at Avenida Pico): Construction began in December 2014 and was completed in August 2018. Please reference: “FC101 Project Plans, pgs. 001-635,” dated March 10, 2014. “FC101 Information Handout,” dated September 2, 2014. “FC101 Notice to Bidders and Special Provisions,” dated September 2, 2014. “FC101 Project Plans, Addendum 01,” dated October 13, 2014. “FC101 Final Project Schedule Status Sheet,” Project Controls schedule dated October 1, 2018.</p> <p>Segment 2, I-5, Avenida Vista Hermosa to PCH: Construction began in July 2014 and was completed in July 2017. Please reference: “FC103 Project Plans, pgs. 001-780,” dated August 26, 2013. “FC103 Information Handout,” dated February 3, 2014. “FC103 Notice to Bidders and Special Provisions,” dated February 3, 2014. “FC103 Project Plans, Addendum 01,” dated March 14, 2014. “FC103 Project Plans, Addendum 02,” dated March 17, 2014. “FC103 Project Plans, Addendum 03,” dated April 7, 2014. “FC103 Final Project Schedule Status Sheet,” Project Controls schedule dated August 1, 2017.</p>

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							<p>Segment 3, I-5, PCH to San Juan Creek Road: Construction began in December 2013 and was completed in July 2018.</p> <p>Please reference:</p> <p>“FC104 Project Plans, pgs. 001-595,” dated April 29, 2013.</p> <p>“FC104 Information Handout,” dated August 19, 2013.</p> <p>“FC104 Notice to Bidders and Special Provisions,” dated August 19, 2013.</p> <p>“FC104 Project Plans, Addendum 01,” dated September 27, 2013.</p> <p>“FC104 Project Plans, Addendum 02,” dated October 18, 2013.</p> <p>“FC104 Final Project Schedule Status Sheet,” Project Controls schedule dated September 1, 2018.</p>
54.03	Major improvements at local interchanges as determined in Project D?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Jeff Mills	Avenida Pico, Avery Parkway and La Paz Road are incorporated into project C. (See notes in Items 54.01 and 54.02 for main the latest status which includes these interchanges and notes in Item 56.00 for remaining interchanges.)
55.00	Have the Project C improvements as built increased capacity and reduced congestion?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Underway	Jeff Mills	See notes in Items 54.01 and 54.02. The I-5 HOV Improvement projects (between San Juan Creek Road and Avenida Pico) increased capacity and reduced congestion as identified during the environmental phase. The additional general-purpose lane to be added in each direction from SR-73 to El Toro Road will also relieve congestion once constructed.
56.00	Project D						
57.00	Have key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others been updated and improved to relieve street congestion around older interchanges and on ramps?	Att. A, p. 8, Project D	Capital Programs - Highways	30-year	Underway	Jeff Mills	<p>See notes in Items 54.01 and 54.02 for status of Avenida Pico, Avery Parkway and La Paz Road interchanges.</p> <p>I-5, Ortega Highway Interchange: Construction began in September 2012 and was completed in January 2016.</p> <p>Please reference:</p> <p>“FD101 Project Plans, pgs. 001-515,” dated April 9, 2012.</p> <p>“FD101 Information Handout,” dated June 4, 2012.</p> <p>“FD101 Notice to Bidders and Special Provisions,” dated June 4, 2012.</p> <p>“FD101 Project Plans, Addendum 01,” dated July 2, 2012.</p> <p>“FD101 Project Plans, Addendum 02,” dated July 19, 2012.</p> <p>“FD101 Project Plans, Addendum 03,” dated July 20, 2012.</p>

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							<p>“FD101 Final Project Schedule Status Sheet,” Project Controls schedule dated February 1, 2016.</p> <p>I-5, El Toro Road Interchange: The environmental phase began in April 2017. In December 2019, the completion of the environmental phase had been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, in conjunction with Caltrans and the cities, completed an Alternatives Assessment, which identified two new Alternatives that were agreed to by Caltrans and staff from all cities. In May 2022, the Board received a presentation on the results of the Alternatives Assessment Study and approved in August 2022 to move forward with two new alternatives. Environmental work restarted in January 2023 and is anticipated to be completed in early 2027.</p> <p>Please reference: “Amendment to Cooperative Agreement with the California Department of Transportation for Preparation of the Project Report and Environmental Document for the Interstate 5/El Toro Road Interchange Project,” dated August 8, 2022. “Update on Interstate 5/El Toro Road Interchange Project,” dated June 12, 2023.</p>
58.00	Project E						
59.00	Have interchange improvements on the Garden Grove Freeway (SR-22) been constructed at the following interchanges:	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Jeff Mills	<p>Yes. This project was completed in 2007. Improvements were made to the three interchanges listed below to reduce freeway and street congestion in the area. The project was completed early as a "bonus project" provided by the original Measure M.</p> <p>Please reference: “F7100 EA 0J9601 SR-22 As Built Plans Approved,” dated November 30, 2006.</p>
59.01	Euclid Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. See notes in Item 59.00.

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59.02	Brookhurst Street?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. See notes in Item 59.00.
59.03	Harbor Boulevard?	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. See notes in Item 59.00.
60.00	Project F						
61.00	Have new lanes, including merging lanes to smooth traffic, been added to the Costa Mesa Freeway (SR-55) between SR-22 and I-405 generally constructed within existing ROW?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Underway	Jeff Mills	<p>There are two segments for Project F.</p> <p>SR-55, I-405 and I-5: Construction began in June 2022 and is anticipated to be complete in early 2027. The project will generally be constructed within the existing ROW; however, ROW is required at 33 properties. Please reference: “FF101 Project Plans, pgs. 0001-2208,” dated August 23, 2021. “FF101 Information Handout,” dated December 6, 2021. “FF101 Notice to Bidders and Special Provisions,” dated December 6, 2021. “FF101 Project Plans, Addendum 01,” dated December 22, 2021. “FF101 Project Plans, Addendum 02,” dated January 28, 2022. “FF101 Project Plans, Addendum 03,” dated February 9, 2022. “FF101 Project Plans, Addendum 04,” dated February 25, 2022.</p> <p>SR-55, I-5 and SR-91: The environmental phase began in December 2016 and was completed in March 2020. Final design began in August 2022 and is anticipated to be complete in late 2025. Construction is anticipated to begin in 2027. Please reference: “FF102 SR-55, I-5 to SR-91 Project Report,” dated March 30, 2020.</p>

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
62.00	Have operational improvements been made to the SR-55 between SR-91 and SR-22?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Underway	Jeff Mills	See notes in Item 61.00. Operations will improve upon construction completion as identified during the environmental phase.
63.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Underway	Jeff Mills	See notes in Item 61.00. These improvements will increase capacity and reduce congestion upon construction completion as identified during the environmental phase.
64.00	Project G						
65.00	Have the following improvements been made to the Orange Freeway (SR-57):	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Jeff Mills	<p>There are a total of five project segments for Project G: Orangewood Avenue to Katella Avenue, Katella Avenue to Lincoln Avenue, Orangethorpe Avenue to Yorba Linda Boulevard, Yorba Linda Boulevard to Lambert Road, and Lambert Road to the Orange/Los Angeles County line. Operational improvements will also be made to the Lambert Road interchange.</p> <p>See notes in Items 65.01 to 65.03.</p>
65.01	A new northbound lane between Orangewood Avenue and Lambert Road?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Jeff Mills	<p>See notes in Item 65.00.</p> <p>SR-57 northbound, Katella Avenue to Lincoln Avenue: Construction began in November 2011 and was completed in April 2015. Please reference: "FG101 Project Plans, pgs. 001-527," dated April 18, 2011. "FG101 Information Handout," dated July 18, 2011. "FG101 Notice to Bidders and Special Provisions," dated July 18, 2011. "FG101 Project Plans, Addendum 01," dated August 22, 2011. "FG101 Project Plans, Addendum 02," dated August 26, 2011. "FG101 Project Plans, Addendum 03," dated August 30, 2011. "FG101 Final Project Schedule Status Sheet," Project Controls schedule dated May 1, 2015.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>SR-57 northbound, Orangethorpe Avenue to Yorba Linda Boulevard: Construction began in October 2010 and was completed in November 2014.</p> <p>Please reference:</p> <p>“FG102 Project Plans, pgs. 001-100,” dated December 14, 2009. The Project Plans were split into several files. Pages 101 to 960 can be found in the Document Center.</p> <p>“FG102 Information Handout,” dated May 10, 2010.</p> <p>“FG102 Notice to Bidders and Special Provisions,” dated May 10, 2010.</p> <p>“FG102 Project Plans, Addendum 01,” dated June 14, 2010.</p> <p>“FG102 Project Plans, Addendum 01 – Plans,” dated June 14, 2010.</p> <p>“FG102 Project Plans, Addendum 02,” dated August 2, 2013.</p> <p>“FG102 Final Project Schedule Status Sheet,” Project Control schedule dated December 15, 2014.</p> <p>SR-57 northbound, Yorba Linda Boulevard to Lambert Road: Construction began in November 2010 and was completed in May 2014.</p> <p>Please reference:</p> <p>“FG103 Project Plans, pgs. 001-100,” dated January 25, 2010. The Project Plans were split into several documents. Pages 101 to 856 can be found in the Document Center.</p> <p>“FG103 Information Handout,” dated May 24, 2010.</p> <p>“FG103 Notice to Bidders and Special Provisions,” dated May 24, 2010.</p> <p>“FG103 Project Plans, Addendum 01,” dated May 28, 2010.</p> <p>“FG103 Project Plans, Addendum 02,” dated June 30, 2010.</p> <p>“FG103 Project Plans, Addendum 02 – Plans,” dated June 20, 2010.</p> <p>“FG103 Project Plans, Addendum 03,” dated July 9, 2010.</p> <p>“FG103 Final Project Schedule Status Sheet,” Project Controls schedule dated June 1, 2014.</p> <p>SR-57 northbound, Oranewood Avenue to Katella Avenue: The environmental phase was completed in March 2019. Final Design began in March 2022 and was completed in August 2024. Construction is anticipated to begin in late 2025.</p> <p>Please reference:</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“FG104 Project Study Report,” dated March 29, 2019.
65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Jeff Mills	See notes in Item 65.00. The lead agency for the Lambert Road interchange project was the City of Brea. Construction began in mid-2019, the project opened to traffic in December 2023, and construction was fully completed in early 2024. “Plans Sheets” can be found on Caltrans’ website using Contract No. 12-OC1104, Invitation for Bids dated February 13, 2019.
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Planning/ Capital Programs - Highways	30-year	Underway	Kristin Tso, Jeff Mills	See notes in Item 65.00. The fifth project on SR-57 includes improvements to the Lambert Road interchange (see above – 65.02) and a northbound truck climbing lane between Lambert Road and Orange/Los Angeles County line. Development of the Project Initiation Document (PID) is currently underway and anticipated to be completed in mid-2025. The environmental phase for this project is anticipated to begin after approval of the PID and once completed, the design and construction schedules will be determined.
66.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Underway	Jeff Mills	The three completed segments of northbound lanes on SR-57 from Katella Avenue to Lincoln Avenue and Orangethorpe Avenue to Lambert Road have increased capacity with the addition of a general-purpose lane and reduced congestion as identified during the environmental phase. The remaining projects will increase capacity and relieve congestion upon construction completion as identified during the environmental phase. See notes in Items 65.01 to 65.03.
67.00	Project H						
68.00	Have improvements been made on the Riverside Freeway (SR-91) from the I-5 to the SR-57?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. This project provided an additional general-purpose lane in the westbound direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a fourth continuous westbound general-purpose lane. Westbound auxiliary lanes were added and exit ramps were modified to two-lane exit ramps. Construction began in February 2013, and was completed in June 2016. Please reference:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“FH101 Project Plans, pgs. 001-885,” dated August 13, 2012. “FH101 Information Handout,” dated October 1, 2012. “FH101 Notice to Bidders and Special Provisions,” Invitation for Bids dated October 1, 2012. “FH101 Project Plans, Addendum 01,” dated November 7, 2012. “FH101 Project Plans, Addendum 02,” dated November 26, 2012. “FH101 Final Project Schedule Status Sheet,” Project Controls schedule dated July 1, 2016.
68.01	Has capacity been added in the westbound direction?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. Capacity was provided in the westbound direction as identified during the environmental phase. See notes in Item 68.00.
68.02	Have operational improvements been provided at on and off ramps?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. Operational improvements were provided at on- and off-ramps with the addition of auxiliary lanes. See notes in Item 68.00.
69.00	Project I						
70.00	On the Riverside Freeway (SR-91) from the SR-57 to the SR-55, has the interchange complex been improved, including nearby local interchanges such as Tustin Avenue and Lakeview Avenue?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Underway	Jeff Mills	There are two projects for Project I: the portion between SR-55 and Tustin Avenue, which was completed in July 2016, and the portion from west of State College Boulevard to east of Lakeview Avenue, which provides SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges, connectors, ramps, and intersections. The project was split into three segments for the design and construction phases. The design phase for all three segments was initiated in 2020. See notes in Item 71.00.
71.00	On the SR-91, has capacity been added between the SR-55 and the SR-57?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Underway	Jeff Mills	SR-91, SR-55 to Tustin Avenue: This project added a westbound auxiliary lane from the westbound SR-55/westbound SR-91 connector to Tustin Avenue off-ramp and an exit bypass lane on westbound SR-91 to Tustin Avenue off-ramp. Construction began in November 2013 and was completed in July 2016. Please reference:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>“FI102 Project Plans, pgs. 001-357,” dated April 15, 2013. “FI102 Information Handout,” dated June 17, 2013. “FI102 Notice to Bidders and Special Provisions,” dated June 17, 2013. “FI102 Project Plans, Addendum 01,” dated July 26, 2013. “FI102 Project Plans, Addendum 02,” dated August 2, 2013. “FI102 Final Project Schedule Status Sheet,” Project Controls schedule dated August 1, 2016.</p> <p>The environmental phase of the SR-91, SR-55 to SR-57 project began in January 2015 and completed in June 2020. This project was broken into three segments for the design and construction phases. These phases will be funded using net excess 91 Express Lanes revenue as directed by the Board on November 14, 2016. The 91 Express Lanes revenue accelerates project completion, reducing risk and further escalation cost, and preserves M2 funding. Please reference: “FI103 Final Project Report,” dated June 24, 2020.</p> <p>Segment 1, SR-91, SR-55 to Lakeview Avenue: This project will provide westbound operational improvements including the realignment of the existing westbound SR-91 on- and off-ramps and the addition of a new on-ramp from Lakeview Avenue overcrossing bridge to connect direction to southbound SR-55. Design began in March 2020 and completed in March 2023. Construction is anticipated to begin in early 2025. Please reference: “FI106 Project Plans, pgs. 001-817,” dated May 6, 2024. “FI106 Information Handout,” dated June 24, 2024. “FI106 Notice to Bidders and Special Provisions,” dated June 24, 2024. “FI106 Project Plans, Addendum 01,” dated August 9, 2024. “FI106 Project Plans, Addendum 02,” dated September 13, 2024. “FI106 Project Plans, Addendum 03,” dated October 4, 2024. “FI106 Project Plans, Addendum 04,” dated October 8, 2024. “FI106 Project Plans, Addendum 05,” dated October 11, 2024.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>Segment 2, SR-91, La Palma Avenue to SR-55: This project will provide an additional eastbound general-purpose lane, replace the eastbound shoulder, and restore auxiliary lanes as needed throughout the project limits. Design began in June 2020 and is anticipated to begin construction in summer 2026.</p> <p>Segment 3: SR-91 Acacia Street to La Palma Avenue: This project will provide westbound operational improvements by adding a fourth general-purpose lane along westbound SR-91 from the northbound SR-57 to westbound SR-91 connector, extend the southbound SR-57 to westbound SR-91 connector auxiliary lane through the State College Boulevard interchange. Design began in November 2020 and is anticipated to begin construction in early 2026.</p> <p>Please reference: “Measure M2 Delivery Plan – Next 10,” dated November 14, 2016. “Measure M2 Updated Next 10 Delivery Plan,” dated November 13, 2017. “Measure M2 2018 Update: Next 10 Delivery Plan,” dated September 10, 2018. “Measure M2 2019 Update: Next 10 Delivery Plan,” dated November 11, 2019.</p>
72.00	Project J						
73.00	Have up to four new lanes on SR-91 between SR- 241 (SR-241) and the Riverside County Line been added?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Underway	Jeff Mills	<p>There are three project segments for Project J.</p> <p>SR-91 eastbound, SR-241 to SR-71: This project added one eastbound lane. Construction began in September 2009 and was completed in January 2011.</p> <p>Please reference: “FJ100 Project Plans, pgs. 001-717,” dated March 9, 2009. “FJ100 Notice to Bidders and Special Provisions,” dated June 8, 2009. “FJ100 Project Plans, Addendum 01,” dated June 19, 2009. “FJ100 Project Plans, Addendum 02,” dated July 14, 2009. “FJ100 Project Plans, Addendum 03,” dated July 27, 2009.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>“FJ100 Final Project Schedule Status Sheet,” Project Controls schedule dated February 1, 2011.</p> <p>SR-91, SR-55 to SR-241: This project added one new lane in both directions and improved key interchanges. Construction began in May 2011 and was completed in March 2013.</p> <p>Please reference:</p> <p>“FJ101 Project Plans, pgs. 001-100,” dated October 25, 2010. The Project Plans were split into several files. Pages 101 to 949 can be found in the Document Center.</p> <p>“FJ101 Information Handout,” dated February 22, 2011.</p> <p>“FJ101 Notice to Bidders and Special Provisions,” dated February 22, 2011.</p> <p>“FJ101 Project Plans, Addendum 01,” dated March 25, 2011.</p> <p>“FJ101 Project Plans, Addendum 01 – Plans,” dated March 25, 2011.</p> <p>“FJ101 Project Plans, Addendum 02,” dated April 7, 2011.</p> <p>“FJ101 Final Project Schedule Status Sheet,” Project Controls schedule dated April 1, 2013.</p> <p>SR-91, SR-241 to SR-71: This project will add a sixth lane to match up with an additional lane to be added by Riverside County Transportation Commission (RCTC) from the County line to SR-71. OCTA and RCTC are working together ensuring synchronization between the two counties. Construction on the sixth lane in the westbound direction as part of the SR-91 Corridor Operations Project (COP) between Green River Road and SR-241 was completed in January 2022. An alternatives analysis study of the eastbound direction began in May 2020 to better understand possible improvements given the difficult topography and other constraints. The alternatives analysis report was completed in April 2022. RCTC is leading the effort to proceed with the environmental phase of the eastbound SR-91 COP project, which began in June 2023 and anticipated to be complete in mid-2025.</p> <p>Please reference:</p> <p>“Draft 2024 State Route 91 Implementation Plan,” dated July 8, 2024.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
74.00	Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Underway	Jeff Mills	When a project goes through the environmental phase, all viable alternatives are considered, and the best alternative is determined at that time. This is true for this project. OCTA is also working with the Transportation Corridor Agencies, who is the named lead on the design and construction of the SR-91/SR-241 Direct Connector Project. Please reference: “Framework for Implementation of the State Route 241/91 Express Lanes Connector,” dated October 28, 2019.
75.00	Were the projects constructed with similar coordinated improvements in Riverside County extending to I-15 with the funding for those in Riverside County paid for from other sources?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Underway	Jeff Mills	Yes. The SR-91 Implementation Plan, required by the state legislature to be updated annually, requires coordination between the two counties. Orange County and Riverside County are working cooperatively on all SR-91 projects. Project improvements within Riverside County limits are not paid for by Measure M. Please reference: “Draft 2024 State Route 91 Implementation Plan,” dated July 8, 2024.
76.00	Also, was one new lane added in each direction on SR-91 between SR-241 and SR-55 and were the interchanges improved?	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Completed	Jeff Mills	Yes. This project was completed in March 2013. Improvements to the Lakeview Avenue Interchange, Imperial Highway, and Weir Canyon were included in this project. See notes in Item 73.00.
77.00	Project K						
78.00	Have new lanes been added to the San Diego Freeway (I-405) between the I-605 and the SR-55?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Modified; Completed	Jeff Mills	On October 22, 2012, the Board recommended Alternative 1 from the EIR/EIS, which adds a general-purpose lane in each direction on I-405 between Euclid Street and I-605, as the preferred alternative. On December 9, 2013, the Board reaffirmed the recommendation of Alternative 1 and directed that the alternative be built in a manner that does not preclude additional freeway capacity in the future. On July 25, 2014, Caltrans recommended that OCTA select the alternative that would add an additional lane of capacity to be combined with the HOV lanes on I-405 from SR-73 to I-605 in addition to the general-purpose lanes previously recommended by OCTA. On September 22, 2014, the Board reasserted its position and directed staff to proceed with the M2 commitment to add one general-purpose lane in each direction.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							<p>The environmental phase was completed in May 2015. OCTA implemented the preferred alternative using the design-build delivery method and acquired all necessary ROW. The addition of one general-purpose lane in each direction on I-405 from Euclid Street to I-605 is M2 Project K. The addition of a second lane in the median, which when combined with the existing HOV lane, becomes the two-lane express facility in each direction, is funded with non-M2 funding sources. The Board awarded the design-build construction contract in November 2016. Construction began in January 2017. Substantial completion and opening of the 405 Express Lanes was accomplished on December 1, 2023. Miscellaneous construction activities remaining include landscaping, installation of remaining bridge lighting, and punch-list items.</p> <p>Please reference the following staff reports: "Selection of Locally Preferred Alternative for the Interstate 405 Improvement Project Between State Route 55 and Interstate 605," dated October 22, 2012. "Update on the Interstate 405 Improvement Project," dated December 9, 2013. "Update on the Interstate 405 Improvement Project Between State Route 55 and Interstate 605," dated September 22, 2014. "Interstate 405 Improvement Project Update," dated November 27, 2023.</p>
79.00	Has the project made best use of available freeway property, updated interchanges and widened all local overcrossings according to city and regional master plans?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Underway	Jeff Mills	Yes. The majority of the ROW needed are temporary construction easements and some partial fee acquisitions. Local interchanges and overcrossings were improved and widened according to city and regional master plans.
80.00	Have the improvements been coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Underway	Jeff Mills	Yes. The I-405 improvements have been coordinated with the West County Connector improvements at the I-405/SR-22/I-605 interchange that have been completed. A new direct connector linking the I-405 Express Lanes with SR-73 to the south has been completed.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
81.00	Have the improvements adhered to recommendations of the I-405 Major Investment Study adopted by the Board on October 14, 2005?	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Underway	Jeff Mills	Yes. The improvements added one general-purpose lane in each direction as recommended in the I-405 Major Investment Study. Please reference: “Final Recommendation for the San Diego Freeway (I-405) Major Investment Study,” dated October 14, 2005.
82.00	Project L						
83.00	Have new lanes been added to the San Diego Freeway (I-405) between the SR-55 and the I-5?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Underway	Jeff Mills	A project study report was completed in 2013. The environmental phase began in December 2014 and was completed in August 2018. Project B (I-5, I-405 to SR-55) is a parallel project designated for construction. As a result, Project L will follow to avoid excessive inconvenience to the public. Additionally, a significant Caltrans safety project is currently under construction within the Project L project limits, requiring additional ongoing coordination. Please reference: “Measure M2 2024 Update: Next 10 Delivery Plan,” dated November 12, 2024. “FL101 Final Project Report,” dated September 5, 2018.
84.00	Have chokepoints at interchanges been improved and merging lanes added near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I405/I-5 El Toro "Y" area?	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Underway	Jeff Mills	The project includes on- and off-ramp realignment at various locations, as well as auxiliary lanes between on- and off-ramps where required. See notes in Item 83.00.
85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs – Highways	30-year	Underway	Jeff Mills	The project study report was approved in May 2015. The environmental phase began in August 2016 and was completed in October 2018. Final design began in December 2020 and was completed in January 2023. Construction is anticipated to begin in mid-2025. Please reference: “FM003 Project Plans, pgs. 001-338,” dated September 25, 2024. “FM003 Information Handout,” dated November 18, 2024. “FM003 Notice to Bidders and Special Provisions,” dated November 18, 2024. “FM003 Project Plans, Addendum 01,” dated December 30, 2024.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“FM003 Project Plans, Addendum 02,” dated January 8, 2025. “FM003 Project Plans, Addendum 03,” dated January 14, 2025. “FM003 Project Plans, Addendum 04,” dated January 17, 2025.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and I-405?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Underway	Jeff Mills	The project takes into consideration the I-405 Design-Build construction project and other projects as identified during the environmental phase.
88.00	Project N						
89.00	Are basic freeway service patrols available Monday through Friday during peak commute hours?	Att. A, p. 15, Project N	Executive Office	30-year	Completed to date	Patrick Sampson	<p>Yes. Freeway Service Patrol (FSP) operates service on all Orange County Freeways during weekday peak commute hours. Limited midday and weekend service was added in June 2012. Weekday midday service was expanded to all Orange County Freeways, and weekend service was added to State Route 57 in December of 2023.</p> <p>A statewide benefit/cost analysis is performed annually and is incorporated into future service planning. Recent modifications include reallocating service hours from peak hour to midday service to address changes in commute traffic patterns. Four contracted tow companies provide FSP service; current FSP agreements provide FSP services through October 2, 2027, and December 1, 2029, respectively. Please reference: “Agreements for Freeway Service Patrol Services,” dated March 13, 2023.</p> <p>M2 funds supplement Caltrans State Highway Account, Caltrans Road Repair and Recovery Act of 2017 (SB1), and Orange County Service Authority for Freeway Emergencies funds as the last dollars in, to ensure that appropriate service levels are maintained.</p>

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
90.00	Requirements for Eligible Jurisdictions						
91.00	In order to be eligible to receive Net Revenues, has each jurisdiction satisfied the following requirements:	Att. B, Sec. III.A	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	See notes in Items 91.01 to 91.19.
91.01	Complied with the conditions and requirements of the Orange County Congestion Management Program (CMP)?	Att. B, Sec. III.A.1	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Required in odd years only. This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next CMP submittal is due in 2025. Please reference: “ Measure M2 Annual Eligibility Review ,” dated February 12, 2024.
91.02	Assessed traffic impacts of new development and required new development to pay a fair share of improvements attributable to it?	Att. B, pp B-7 to 10, Sec. III.A.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially except when there is an updated mitigation fee program (MFP). This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next submittal is due in 2025 unless there is an updated MFP. Please reference: “ Measure M2 Annual Eligibility Review ,” dated February 12, 2024.
91.03	Adopted and maintained a Circulation Element of its General Plan consistent with the MPAH?	Att. B, Sec. III.A.3	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next submittal is due in 2025. Please reference: “ Measure M2 Annual Eligibility Review ,” dated February 12, 2024.
91.04	Adopted and updated biennially a six-year Capital Improvement Program that includes all capital transportation projects?	Att. B, Sec. III.A.4	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA requires an annual seven-year CIP. This requirement was submitted to OCTA and was presented to the Board on February 10, 2025, as part of the Annual Eligibility Review. Please reference: “ Measure M2 Annual Eligibility Review ,” dated February 10, 2025.
91.05	Participated in Traffic Forums as described in Attachment B?	Att. B, Sec. III.A.5	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is an annual requirement. Local jurisdictions must attend at least one traffic forum on an annual basis to remain eligible for M2 net revenues. This requirement was presented to the Board on February 10, 2025, as part of the Annual Eligibility Review. Please reference: “ Measure M2 Annual Eligibility Review ,” dated February 10, 2025.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
91.06	Adopted and maintained a Local Traffic Signal Synchronization Plan (LSSP) that identifies signalization street routes and signals; a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and included information on how the street routes and signals may be synchronized with signals and routes in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?	Att. B, Sec. III.A.6	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required every three years. This requirement was adopted by local jurisdictions’ governing bodies and was presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. The next submittal is due in 2026. Please reference: “Measure M2 Annual Eligibility Review,” dated February 12, 2024.
91.07	Adopted and updated biennially a Pavement Management Plan (PMP) and issued, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the PMP?	Att. B, Sec. III.A.7	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. 14 jurisdictions update PMPs on odd-year cycle, while 21 jurisdictions update on an even-year cycle as part of the M2 Annual Eligibility Review. Odd-year cycle reports were presented to the Board on February 12, 2024, as part of the Annual Eligibility Review. Even-year cycle reports were last presented to the Board on November 14, 2022. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrices. Please reference: “Measure M2 Annual Eligibility Review,” dated February 12, 2024 (for odd-year agencies). “Measure M2 Annual Eligibility Review,” dated November 14, 2022 (for even-year agencies). Updated PMPs for all 21 even-year cycle agencies were received by OCTA by the June 28, 2024, deadline and are currently undergoing technical review by OCTA. The 21 even-year cycle reports will be presented to the Annual Eligibility Review (AER) Subcommittee and TOC in May/June of 2025, and are anticipated to be approved by the Board in July of 2025.
91.08	Has the Authority, in consultation with the Eligible Jurisdictions, defined a countywide management method to inventory, analyze and evaluate road pavement conditions and a common method to measure improvement of road pavement conditions?	Att. B, Sec. III.A.7.a	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Countywide PMP Guidelines which implement Att. B, Sec. III. A.7.a. b. and c. were developed by OCTA staff in consultation with the Technical Advisory Committee (TAC) and approved by the Board on May 24, 2010.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							The PMP guidelines were last revised and approved by the Board on March 11, 2024. Please reference: “Countywide Pavement Management Program Guidelines,” dated May 24, 2010. “Revisions to the Measure M2 Eligibility Guidelines,” dated March 11, 2024.
91.09	Included in its PMP: -Current status of pavement on roads -Six-year plan for road maintenance and rehabilitation, including projects and funding -Projected road conditions resulting from the maintenance and rehabilitation plan -Alternative strategies and costs necessary to improve road pavement conditions	Att. B, Sec. III.A.7.b-c	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. All local jurisdictions have adopted PMPs fully compliant with Att. B, Sec. III. A. 7, inclusive. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrices. Please reference: “Measure M2 Annual Eligibility Review,” dated February 12, 2024 (for odd-year agencies). “Measure M2 Annual Eligibility Review,” dated November 14, 2022 (for even-year agencies). Updated PMPs for the 21 even-year cycle agencies were submitted to OCTA by the June 28, 2024, deadline and are currently undergoing technical review by OCTA. The 21 even-year cycle reports will be presented to the AER Subcommittee and TOC in May/June of 2025, and are anticipated to be approved by the Board in July of 2025.
91.10	Adopted an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the MOE requirements?	Att. B, Sec. III.A.8	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board was presented with annual Expenditure Reports for FY 2022-23 on July 8, 2024, for all local jurisdictions, excluding the cities of Orange and Buena Park, which are currently ineligible. See notes in Item 8.00 and 18.00. Please reference: “Measure M2 Eligibility Review Recommendations for Fiscal Year 2021-22 Expenditure Reports and Maintenance of Effort Benchmark Adjustments,” dated July 10, 2023. “Measure M2 Eligibility Review Recommendations for Fiscal Year 2022-23 Expenditure Reports,” dated July 8, 2024.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
91.11	Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's FY and included all Net Revenue fund balances and interest earned, and expenditures identified by type and program and project?	Att. B, Sec. III.A.8	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. All local agencies have submitted the Expenditure Reports by the end of six months following the end of the jurisdiction's FY. Please reference: “Measure M2 Eligibility Review Recommendations for Fiscal Year 2022-23 Expenditure Reports,” dated July 8, 2024.</p> <p>Expenditure Reports for FY 2023-24 were submitted to OCTA by December 31, 2024, will be presented to the AER Subcommittee and TOC in May/June of 2025, and are anticipated to be approved by the Board in July of 2025.</p>
91.12	Provided the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues?	Att. B, Sec. III.A.9	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. An ongoing monitoring report is tracked frequently and uploaded annually to the M2 Document Center. Please reference: “M2 Eligibility Compliance Final Report 180-Day Tracking Report,” dated December 31, 2024.</p>
91.13	Agreed that Net Revenues for Regional Capacity Program projects and Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the FY for which the Net Revenues are programmed, subject to extensions?	Att. B, Sec. III.A.10.a	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Net revenues are being expended and encumbered as required. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review (SAR) Process.
91.14	Any requests for extensions of the encumbrance deadline for no more than 24 months were submitted to the Authority no less than 90 days prior to the deadline?	Att. B, Sec. III.A.10.a	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. These requests are monitored through the M2 Master Tracker Database and the SAR Process.
91.15	Agreed that Net Revenues for any program or project other than Regional Capacity Program projects or Traffic Signal Synchronization Program projects shall be expended or encumbered within three years of receipt, subject to extension?	Att. B, Sec. III.A.10.b	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Net revenues are being expended and encumbered consistent with these requirements. They are monitored through the M2 Master Tracker Database and the SAR Process.
91.16	Agreed that if the above time limits were not satisfied, to return to the Authority any retained Net Revenues and interest earned on them to be available for allocation to any project within the same source?	Att. B, Sec. III.A.10.c	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Local agencies that did not meet the three-year expenditure deadline were not paid for expenditures incurred beyond the expenditure deadline. This is continuously monitored via Local Program’s payment processes and also documented in the M2 Master

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							Tracker Database. To date, no agencies have run into this issue. As a result, no SMP and LFS funds have been returned with interest.
91.17	Annually certified MOE requirements of Ordinance No. 3, Sec. 6?	Att. B, Sec. III.A.11	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Local jurisdictions must annually submit an MOE Certification Form certifying that they have budgeted sufficient funds to meet the MOE benchmark. This requirement was submitted to OCTA and was presented to the Board on February 10, 2025, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 10, 2025.
91.18	Agreed that Net Revenues were not used to supplant developer funding which has or will be committed for any transportation project?	Att. B, Sec. III.A.12	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required annually. This was presented to the Board for approval on February 10, 2025, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 10, 2025.
91.19	Considered as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	Att. B, Sec. III.A.13	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. This is required annually. This was presented to the Board for approval on February 10, 2025, as part of the Annual Eligibility Review. Please reference: "Measure M2 Annual Eligibility Review," dated February 10, 2025.
92.00	Requirements Related to Specific Streets and Roads Projects						
93.00	Project O - Regional Capacity Program						
94.00	Prior to the allocation of Net Revenues for any Street and Road Project, has the Authority, in cooperation with affected agencies, determined the entity(ies) to be responsible for the maintenance and operation thereof, utilizing maintenance and operating agreements with each agency receiving streets and roads funding?	Att. B, Sec. II.C	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA relies on California Streets and Highways Code Sections 900-909 and 1800-1813 for Counties and Cities, respectively, which establishes the authority and obligations of local agencies to construct, maintain, and operate local streets and roads. For road projects implemented by OCTA on behalf of local agencies (e.g., select grade separations), OCTA enters cooperative agreements for construction and maintenance prior to implementation. Please reference: C-9-0413 Anaheim; C-9-0412 Placentia; C-9-0576 Fullerton

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
95.00	Has each eligible jurisdiction contributed local matching funds equal to 50 percent of Project O project or program costs?	Att. A, p. 18, Project O and Att. B, p. B-12, Sec. V.A.1	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes, except when a match reduction has been approved (see notes in Item 96.00). Funding recommendations for the 2024 call were approved by the Board on May 13, 2024. Additional information on each fund source and percentage is available online on OCFundtracker. Please reference: “Comprehensive Transportation Funding Programs - 2024 Call for Projects Programming Recommendations,” dated May 13, 2024.
96.00	Alternatively, have jurisdictions who qualified for a ten- and/or five-percent reductions as provided in Attachment B met those reduced match level requirements?	Att. A, p. 18, Project O and Att. B, Sec. V.A.1.a-c	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Funding recommendations for the 2024 call were approved by the Board on May 13, 2024. Additional information on each fund source and percentage is available online on OCFundtracker. Please reference: “Comprehensive Transportation Funding Programs - 2024 Call for Projects Programming Recommendations,” dated May 13, 2024.
97.00	Has a countywide competitive procedure for Project O been adopted by the Authority?	Att. B, Sec. V.A.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved the revised Comprehensive Transportation Funding Program (CTFP) Guidelines and issued the 2025 CTFP annual call on August 12, 2024. Please reference: “Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs,” dated August 12, 2024.
98.00	Have eligible Jurisdictions been consulted by the Authority in establishing criteria for determining priority for Project O allocations?	Att. B, Sec. V.A.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The TAC recommended approval of modifications to the 2025 CTFP Guidelines on June 26, 2024, prior to the Board approval on August 12, 2024. Please reference: “Technical Advisory Committee Agenda Packet,” dated June 26, 2024. “Technical Advisory Committee Agenda Packet,” dated October 23, 2024, for the June 26, 2024, meeting minutes.
99.00	Has funding under Project O been provided for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe Railroad in northern Orange County?	Att. A, p. 18, Project O	Capital Programs, Planning	30-year	Completed	Jeff Mills & Adriann Cardoso	Yes. The Board authorized use of \$152.6 million in M2 funds as match for Trade Corridor Improvements Fund funding for seven grade separation projects. Please reference: “Capital Programming Update,” dated June 13, 2022. All seven grade separations have been completed and are open to traffic. Please reference:

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							"OC Bridges Railroad Grade Separation Completion," staff presentation dated December 11, 2017.
100.00	Project P - Regional Traffic Signal Synchronization Program						
101.00	Have the Cities, the County of Orange and Caltrans, as required, worked together to prepare a common Traffic Signal Synchronization Master Plan and the necessary governance and legal arrangements before receiving funds, and has the Authority adopted and maintained the Master Plan which was a part of the MPAH?	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Completed	Anup Kulkarni	Yes. Please reference: "Guidelines for the Preparation of the Local Signal Synchronization Plans," dated July 26, 2010.
102.00	Does the Master Plan include synchronization of street routes and traffic signals within and across jurisdictional boundaries and the means of implementing, operating, and maintaining the programs and projects including necessary governance and legal arrangements?	Att. A, p. 19, Project P and Att. B,V.B.1	Planning	One-time, start-up	Completed	Anup Kulkarni	Yes. Please reference: "Guidelines for the Preparation of the Local Signal Synchronization Plans," dated July 26, 2010.
103.00	Has a countywide, competitive procedure been adopted by the Authority in consultation with eligible jurisdictions in establishing criteria for determining priority for allocations?	Att. B, Sec. V.B.2.a	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Procedures are developed by staff in consultation with the local jurisdictions and then approved by the Board for each call with the priority for allocation updated as well. Please reference: "Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs," dated August 12, 2024, see "CTFP Guidelines – 2025 Call," chapter 8 in Attachment B.
104.00	Has the Authority given priority to programs and projects which include two or more jurisdictions?	Att. B, Sec. V.B.2.b	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Please reference: "Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs," dated August 12, 2024, see "CTFP Guidelines – 2025 Call," chapter 8, page 8-18 in Attachment B.
105.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?	Att. B, Sec. V.B.2.c	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P allows state participation and allows for match to be fulfilled with both in-kind and cash. Match beyond 20 percent (including State discretionary funds) is provided additional priority in the evaluation. Please reference:

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs,” dated August 12, 2024, see “CTFP Guidelines – 2025 Call,” chapter 8, page 8-5 and 8-18 in Attachment B.
106.00	Has each local jurisdiction contributed matching local funds equal to 20 percent of the program or project cost? (May be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction including salaries and benefits)	Att. A, p. 19, Project P and Att. B,V.B.3	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P requires a minimum 20 percent match. Please reference: “Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs,” dated August 12, 2024, see “CTFP Guidelines – 2025 Call,” chapter 8, page 8-4, and 8-17 through 8-20 in Attachment B.
107.00	Has the project provided funding for ongoing maintenance and operation of the synchronization plan?	Att. A, p. 19, Project P	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P requires ongoing maintenance and monitoring of the synchronization and provides funding for this task. Please reference: “Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs,” dated August 12, 2024, see “CTFP Guidelines – 2025 Call,” chapter 8, page 8-2 in Attachment B.
108.00	Have local jurisdictions publicly reported on the status and performance of their signal synchronization efforts at least every three years?	Att. A, p. 19, Project P and Att. B, Sec. V.B.4	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Status and performance of their signal synchronization efforts were reported in the LSSP Updates that were completed June 30, 2023. The next submittal is due June 2026. Please reference: “Measure M2 Annual Eligibility Review,” dated February 12, 2024.
109.00	Has signal equipment to give emergency vehicles priority at intersections been an eligible expense for projects implemented as part of this program?	Att. A, p. 19, Project P	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. Project P includes signal equipment to give emergency vehicles priority at intersections as an eligible expense. Please reference: “Release 2025 Annual Call for Projects for Measure M2 Comprehensive Transportation Funding Programs,” dated August 12, 2024, see “CTFP Guidelines – 2025 Call,” chapter 8, page 8-15 in Attachment B.
110.00	Have eligible jurisdictions and Caltrans, with the County of Orange and the Orange County Division of League of Cities, established boundaries for Traffic Forums?	Att. B, Sec. III.A.5	Planning	Recurring	Completed to date	Anup Kulkarni	Yes. See the guidelines for the preparation of the original LSSP that were presented to the Board on July 26, 2010, and the latest M2 Eligibility Guidelines presented on March 11, 2024. Please reference: “Guidelines for the Preparation of the Local Signal Synchronization Plans,” dated July 26, 2010.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“Revisions to the Measure M2 Eligibility Guidelines,” dated March 11, 2024.
111.00	Project Q - LFS Program						
112.00	<p>Are LFS funds distributed by a formula that accounts for the following factors and weightings:</p> <ul style="list-style-type: none"> - Population - 50%? - Street mileage - 25%? - Amount of sales tax collection in each jurisdiction - 25%? 	Att. A, p. 20, Project Q Att. B, Sec. 5.C.1-3	Planning, F & A	Recurring	Completed to date	Sean Murdock	<p>Yes. See General Accounting payments for LFS funds for FY 2023-24. Also see the AUP to the M2 Status Report for FY 2023-24 related LFS disbursements.</p> <p>Please reference: “Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports,” dated January 27, 2025. “Fiscal Year 2023-24 Project Q Local Fair Share Payments”</p>
113.00	General Requirements Related to Transit Projects						
114.00	Have Metrolink extensions been evaluated against well-defined and well-known criteria detailed in the Renewed Measure M Transportation Investment Plan?	Att. A, p.23, Project S	Operations/ Planning	Recurring	Completed to date	Johnny Dunning & Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved Project S funding guidelines for fixed guideway projects on September 13, 2010. Project S guidelines for Bus and Station Van Extension projects were approved by the Board on December 12, 2011.</p> <p>Please reference: “Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010. “Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011.</p>
115.00	Has the Authority made every effort to maximize state and federal transit dollars?	Att. B, Sec. II.B.1	Planning	Recurring	Completed to date	Adriann Cardoso	<p>Yes. Consistent with Board approved programming policies, OCTA has maximized state and federal transit dollars for rail capital projects, as well as rail rehab projects. To date, OCTA has programmed \$1.132 billion in state and \$1.044 billion in federal. A regular review of project funding and status occurs monthly, and all programming actions are made in accordance with the Board policies to maximize state and federal funding.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							Please reference: “State and Federal Grant Acceptance for the Coastal Rail Infrastructure Resiliency Project,” dated December 9, 2024.
116.00	Prior to the allocation of Net Revenues for a Transit Project, has the Authority obtained a written agreement from the appropriate jurisdiction that the project will be constructed, operated, and maintained to minimum standards acceptable to the Authority?	Att. B, Sec. II.B.2	Operations, Capital Programs & Planning	Recurring	Completed to date	Johnny Dunning, Jeff Mills & Adriann Cardoso/Charvalen Alacar	Yes. As transit projects are approved for development and/or funding by the Board to be implemented or in any way augmented by OCTA or Board-approved funding, necessary agreements are entered into with each jurisdiction to define roles and responsibilities during project phases as well as post-completion. At any given time, there are multiple agreements in place for projects. To date, there are active agreements in place for all funded capital projects. See example such as the Anaheim Canyon Station Project contract C-4-1714 . Agreements for all transit projects can be found in the M2 Document Center.
117.00	Requirements Related to Specific Transit Projects						
118.00	Has a series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, been developed?	Att. A, p. 21 - General Transit, Att. A, p. 23, Project S	Capital Programs & Operations (for Project S)	30-year	Underway	Jeff Mills & Adriann Cardoso/Charvalen Alacar	Yes. The Board approved the Project S funding guidelines on September 13, 2010, and December 12, 2011 (See notes in Item 114.00). On November 22, 2010, the Board evaluated and awarded Project S funds to the City of Anaheim and the City of Santa Ana for preliminary engineering of fixed-guideway projects. However, on June 27, 2016, the Board approved an amendment to Agreement C-1-3115 with City of Anaheim to conclude all planning efforts on their fixed-guideway project. The Santa Ana-Garden Grove OC Streetcar project has an executed Full Funding Grant Agreement with Federal Transit Administration (FTA) and is in the construction phase. On July 23, 2012, four rubber-tire projects were approved for the first call. Three projects were cancelled and one (City of Anaheim) was implemented and completed (as of June 30, 2020). The City of Anaheim project has continued (as of July 1, 2020) under a Project V grant. No other rubber-tire project calls are anticipated at this time. Please reference: “Measure M2 Project S Programming Recommendations,” dated November 22, 2010. “Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations,” dated July 23, 2012.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015,” dated December 14, 2015. “Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,” dated June 27, 2016.
119.00	Project R - High Frequency Metrolink Service						
120.00	Has Project R increased rail services within the county and provided frequent Metrolink service north of Fullerton to Los Angeles?	Att. A, p. 23, Project R	Operations	30-year	Completed to date	Kelly Hart/ Megan Taylor	<p>Yes. Through the completion of the Metrolink Service Expansion Program (MSEP) capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>Effective October 14, 2019, two of the existing MSEP trains serving Laguna Niguel to Fullerton were extended to serve Los Angeles. A new round trip on the 91 Line was also implemented, providing additional service between Los Angeles and Riverside via Fullerton.</p> <p>In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Numerous trains were suspended during the pandemic; however, as ridership recovered and demand for mid-day services increased, trains were restored in Orange County. On October 21, 2024, Metrolink implemented an optimized service schedule aimed at addressing service gaps and making the most efficient use of equipment and crews as Metrolink adjusts the focus from commuter rail to regional rail. As of December 31, 2024, the three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) are operating 58 weekday trains, up from 54 daily trains being run prior to the pandemic. As ridership continues to recover and as funding becomes available, Metrolink and OCTA will continue to reassess the service needs in Orange County.</p> <p>Please reference:</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							“Metrolink Service Expansion Program Update,” dated November 26, 2012. “Metrolink Fiscal Year 2021-22 Performance Report,” dated October 24, 2022. “Metrolink Mid-Year Report,” dated January 11, 2024. “Metrolink Proposed FY25 Budget,” dated May 13, 2024. “Approval of the Orange County Transportation Authority’s Proposed Fiscal Year 2024-25 Budget and Personnel and Salary Resolution,” dated June 24, 2024.
121.00	Has Project R provided for track improvements, more trains, and other related needs to accommodate the expanded service?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Completed to date	Jim Beil/ Jeff Mills	Yes. Project R has made numerous improvements to passenger rail infrastructure. This is an ongoing program of improvements as needed, based on available Project R and state and federal funding. Current projects include track, signal, and rail crossing improvements to enhance rail operations and safety. Construction of the Laguna Niguel to San Juan Capistrano passing siding was completed in November 2020, construction for the replacement of the San Juan Creek railroad bridge began in 2024, and work to finalize a south County rail corridor climate change assessment was completed in January 2021. There have also been various safety and security improvements completed. Project development began on the Coastal Rail Stabilization Priority projects to mitigate against coastal erosion and inland landslide threats. For 2024 status of Project R improvements, please reference: “Second Quarter Fiscal Year 2024-25 Capital Action Plan Performance Metrics Report,” dated February 10, 2025.
122.00	Has the service included upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means to move arriving passengers to nearby destinations?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Completed to date	Jim Beil/ Jeff Mills	Yes. Construction has been completed on the Orange Metrolink Station parking structure (February 2019), pedestrian access improvements to the undercrossing at Laguna Niguel/Mission Viejo (LN/MV) Station (September 2017), a new second elevator at the Fullerton Station (May 2019), lighting enhancements at San Clemente Pier (March 2017), new and rehabilitated detectable tiles on train platforms at all stations (June 2021), and an additional passenger platform and station track at Anaheim Canyon Station (January 2023). Final design is complete on the Placentia Metrolink Station Project, which is ready for

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							advertisement once a shared-use agreement between Metrolink and BNSF is in place. Please reference: “Second Quarter Fiscal Year 2024-25 Capital Action Plan Performance Metrics Report,” dated February 10, 2025.
123.00	Has Project R included funding for improving grade crossings and constructing over or underpasses at high volume streets that cross Metrolink tracks?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Completed to date	Jim Beil/Jason Lee	Yes. Project R funded 50 at-grade rail-highway crossings, as well as the Sand Canyon grade separation project. Additionally, grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College Boulevard project in Anaheim. There are also five other grade separations with PSR or PSR equivalents completed and awaiting funding to proceed further. Please reference: “Rail-Highway Grade Crossing Enhancement Program Implementation Options,” dated August 27, 2007. “Los Angeles - San Diego - San Luis Obispo Rail Corridor Grade Separation Program Development,” dated July 22, 2013. “Local, State, and Federal Funding Changes and Amendments to Cooperative Agreements for the Anaheim Regional Transportation Intermodal Center in the City of Anaheim and the Sand Canyon Avenue Grade Separation in the City of Irvine,” dated January 13, 2014. “Capital Programming Update,” dated June 13, 2016.
124.00	Project S - Transit Extensions to Metrolink						
125.00	Has a competitive program been established for local jurisdictions to broaden the reach of the rail system to other activity centers and communities?	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/Charvalen Alacar	Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects and are included in OCTA's CTFP Guidelines which specifies the criteria for projects to be evaluated when competing for funding. The CTFP Guidelines are updated annually, with the latest revision to the Project S guidelines in August 2017. Please reference: “Measure M2 Comprehensive Transportation Funding Programs – 2018 Annual Call for Projects,” dated August 14, 2017.

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126.00	<p>Have proposals for extensions been developed and supported by local jurisdictions and evaluated against well-defined and well-known criteria as follows:</p> <ul style="list-style-type: none">- Traffic congestion relief?- Project readiness with priority to projects that can be implemented within the first five years of the Plan?- Local funding commitments and the availability of right of way?- Proven ability to attract other financial partners, both public and private?- Cost-effectiveness?- Proximity to jobs and population centers?- Regional as well as local benefits?- Ease and simplicity of connections?- Compatible, approved land uses?- Safe and modern technology?- A sound, long-term operating plan?	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Following the criteria identified in the Ordinance as well as the guidelines specified for Project S in the CTFP Guidelines adopted by the Board, the first round of applications for fixed guideway funding were evaluated on November 22, 2010. The same process was followed for the Rubber Tire call under Project S. The Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor on December 12, 2011. All projects recommended to move forward and those not recommended to move forward are presented to the Board as part of the call programming recommendations staff reports. On June 27, 2016, the Board approved an amendment to Agreement C-1-3115 with City of Anaheim to conclude all planning efforts on their fixed-guideway project.</p> <p>Please reference:</p> <p>“Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010.</p> <p>“Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011.</p> <p>“Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,” dated July 23, 2012.</p> <p>“Fixed-Guideway Policy Decisions Overview,” dated May 12, 2014.</p> <p>“Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans,” dated August 11, 2014.</p> <p>“Memorandum of Understanding with the City of Santa Ana for the Santa Ana/Garden Grove Streetcar Project,” dated July 13, 2015.</p> <p>“Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,” dated June 27, 2016.</p>
126.01	<p>Has Project S, as required, not been used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor?</p>	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Any Project S funds that have been approved by the Board have been consistent with the program guidelines and as such have only been made available for guideway projects and rubber tire projects that directly connect to an existing Metrolink station. On August 11, 2014, the Board approved the use of Project S funds for operations of fixed-guideway projects. The most recent OC Streetcar Project funding plan (revised) was approved by the Board on April 24, 2023.</p>

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							<p>Please reference the following for documentation of compliance:</p> <p>“Measure M2 Project S Programming Recommendations,” dated November 22, 2010.</p> <p>“Measure M2 Project S Cooperative Agreements with Cities of Anaheim and Santa Ana for Funding the Preliminary Engineering Phase of Proposed Fixed Guideway Systems,” dated March 14, 2011.</p> <p>“Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,” dated July 23, 2012.</p> <p>“Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans,” dated August 11, 2014.</p> <p>“OC Streetcar Project Revised Funding Plan,” dated July 9, 2018.</p> <p>“OC Streetcar Cost and Schedule Update,” dated December 13, 2021.</p> <p>“OC Streetcar Revised Funding Plan and Amendments to Supporting Agreements,” dated April 24, 2023.</p>
126.02	Has the emphasis been on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor?	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Planning activities completed to date have been done with an emphasis on expanding access to the core rail system and establishing connections to communities and major activity centers. The OC Streetcar alignment fits this criterion. A key aspect of that evaluation includes detailed study on passengers making connections at the existing stations.</p> <p>Please reference:</p> <p>“Completion of Milestones for the Santa Ana/Garden Grove Fixed-Guideway Project,” dated September 22, 2014.</p>
126.03	Have multiple transit projects been funded with no single project being awarded all the funding under this project?	Att. A, p. 23, Project S	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. There have been two fixed-guideway projects and four rubber tire projects awarded funding by the Board. Currently one fixed guideway project concept is advancing through the program (OC Streetcar). The rubber tire services have either been completed, cancelled, or extended through Project V.</p> <p>Please reference the following for documentation of compliance:</p> <p>“Measure M2 Project S Programming Recommendations,” dated November 22, 2010.</p> <p>“Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,” dated July 23, 2012.</p>

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127.00	Have Eligible Jurisdictions, in order to be eligible to receive Net Revenues for Transit Extensions, executed written agreements between the Authority and eligible jurisdictions regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Transit Extensions to Metrolink?	Att. B, Sec. VI.A.2	Planning & Capital Programs - Rail	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Upon each award of funding from the Board, a cooperative agreement has been executed with each agency to define roles, responsibilities, and terms of funding.</p> <p>On March 14, 2011, and May 20, 2011, respectively, agreements were executed with the cities of Anaheim (C-1-2448) and Santa Ana (C-1-2447) to define roles and responsibilities related to funding the preliminary engineering phase of their respective proposed fixed-guideway projects (Anaheim Rapid Connection [ARC] and OC Streetcar).</p> <p>On August 11, 2014, the Board authorized the CEO to negotiate and execute a cooperative agreement with the cities of Santa Ana and Garden Grove to define roles and responsibilities for project development through construction of the OC Streetcar (Santa Ana/Garden Grove Fixed-Guideway Project). On August 1, 2015 and May 9, 2016, respectively, agreements were executed with the cities of Santa Ana (C-5-3583) and Garden Grove (C-5-3807) to define roles for the design phase of the OC Streetcar project. On March 17, 2017, an agreement was executed with the City of Santa Ana (C-6-1433) for use of public ROW for the construction, operations and maintenance of the OC Streetcar Project. On April 18, 2017, and May 8, 2017, respectively, agreements were executed with the cities of Santa Ana (C-6-1516) and Garden Grove (C-7-1556) to define roles for the construction phase of the OC Streetcar Project. On June 1, 2017, an amended and restated agreement was executed with the City of Santa Ana (C-94-859) for the Santa Ana Regional Transportation Center and the OC Streetcar. On August 12, 2024, an agreement with the City of Santa Ana (C-3-2323) was executed to identify roles and responsibilities, including financial obligations, for the operations and maintenance of the OC Streetcar system.</p> <p>On December 14, 2016, an amendment was executed with the City of Anaheim (C-1-3115) to conclude all planning efforts on the ARC fixed-</p>

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							<p>guideway project, and to determine OCTA would serve as the lead agency for any future phases of the project.</p> <p>For the Rubber Tire Program, Cooperative Agreements were established on September 18, 2012, and October 4, 2012, respectively, with the cities of Anaheim (C-2-1668) and Lake Forest (C-2-1667). As of 2020, all agreements have either been cancelled or completed.</p> <p>Note: The Anaheim Rubber Tire project was extended under the Project V program.</p>
128.00	Has a countywide competitive procedure for Project S been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?	Att. B, Sec. VI.B.3	Planning	One-time	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects in consultation with local jurisdictions.</p> <p>On September 13, 2010, the Board approved Project S funding guidelines for fixed-guideway projects, and on November 22, 2010, the Board evaluated and awarded funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>The same process was followed for the rubber tire projects under Project S. On December 12, 2011, the Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor, and on July 23, 2012, funds were awarded to Anaheim and Lake Forest based on Board-approved criteria.</p> <p>Please reference: “Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),” dated September 13, 2010. “Measure M2 Project S Programming Recommendations,” dated November 22, 2010. “Project S 2012 Guidelines for Bus and Station Van Extension Projects,” dated December 12, 2011. “Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,” dated July 23, 2012.</p>

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129.00	Project T - Convert Metrolink Stations to Regional Gateways						
130.00	Has the program provided local improvements necessary to connect planned future high speed rail systems to stations on the Orange County Metrolink route?	Att. A, p. 24, Project T	Planning & Capital Programs - Rail	30-year	Completed	Jim Beil & Adriann Cardoso/Charvalen Alacar	<p>Yes. The Anaheim Regional Transportation Intermodal Center (ARTIC), designed to accommodate future High-Speed rail service and serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014.</p> <p>Upon completion, the Board moved the remainder of Project T funding to Project R and Project U. Please reference: “Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” dated March 14, 2016.</p>
131.00	Have eligible Jurisdictions, in order to be eligible to receive Net Revenues, executed written agreements with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the facilities?	Att. B, Sec. VI.B.2	Capital Programs – Rail	Recurring	Completed	Jim Beil/George Olivo	<p>Yes. As part of each project’s development process, OCTA enters into cooperative agreements with host cities. These agreements define roles and responsibilities for the representative phase as well as ongoing maintenance of improvements. All train stations have an operations agreement with the respective cities.</p> <p>The operations and maintenance agreement with the City of Anaheim (C-3-2137) was executed on December 31, 2014.</p>
132.00	Has a countywide competitive procedure for Project T been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?	Att. B, Sec. VI.B.3	Planning	One-time	Completed	Adriann Cardoso/Charvalen Alacar	<p>Yes. A call was issued in consultation with local jurisdictions and funds were awarded based on Board-approved criteria on January 26, 2009. Please reference: “Renewed Measure M Project T Funding Guidelines,” dated January 26, 2009.</p> <p>These guidelines were modified on February 14, 2011. Please reference: “Measure M2 Project T Program Guideline Modifications,” dated February 14, 2011.</p> <p>On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T.</p>

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							Please reference: “Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program,” dated December 14, 2015.
133.00	Project U - Expand Mobility Choices for Seniors and Persons with Disabilities						
134.00	Has one percent of Net Revenues been allocated to the County to augment existing senior non-emergency medical transportation (SNEMT) services funded with Tobacco Settlement funds?	Att. B, Sec. VI.C.3.a	F & A	Recurring	Completed to date	Sean Murdock & Martin Browne	Yes. See General Accounting payments for SNEMT funds for FY 2023-24. Also see the AUP to the M2 Status Report for FY 2023-24 related to SNEMT. Please reference: “Fiscal Year 2023-24 Measure M2 Project U Senior Non-Emergency Medical Transportation Payments” “Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports,” dated January 27, 2025.
135.00	Has the County continued to fund these services in an amount equal to the same percentage of the total annual Tobacco Settlement funds received by the County?	Att. B, Sec. VI.C.3.a	F & A	Recurring	Completed to Date	Sean Murdock & Martin Browne	Yes. The County is required to allocate at least 5.27% of Tobacco Settlement Revenue (TSR) funds to meet their MOE obligation under M2. The County allocation for FY 2023-24 was 6.95%. See supporting documentation from the County showing Measure H Tobacco Settlement Revenues allocated to SNEMT. Please reference: “Fiscal Year 2023-24 Senior Non-Emergency Medical Transportation Maintenance of Effort Verification,” correspondence dated January 29, 2025.
136.00	Have Net Revenues been annually allocated to the County in an amount no less than the Tobacco Settlement funds annually expended by the County for these services and no greater than one percent of Net Revenues plus any accrued interest?	Att. B, Sec. VI.C.3a	F & A	Recurring	Completed to date	Sean Murdock & Martin Browne	Yes. The M2 SNEMT funding allocation to the County for FY 2023-24 of \$4,261,242 exceeded TSR funding of \$1,926,177. Therefore, the M2 funding is no less than the TSR funding, and no more than 1% of net revenue as required under the Ordinance. Please reference: “Fiscal Year 2023-24 Measure M2 Project U Senior Non-Emergency Medical Transportation Payments” “Fiscal Year 2023-24 Senior Non-Emergency Medical Transportation Maintenance of Effort Verification,” correspondence dated January 29, 2025.

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137.00	Has one percent of Net Revenues been allocated to continue and expand the Senior Mobility Program (SMP) provided by the Authority in 2006 with allocations determined pursuant to criteria and requirements as adopted by the Authority?	Att. B, Sec. VI.C.3.b	F & A, Transit	Recurring	Completed to date	Sean Murdock & Martin Browne	Yes. See General Accounting payments for SMP funds for FY 2023-24. Also see the AUP applied to the FY 2023 M2 Status Report. Please reference: “Fiscal Year 2023-24 Project U Senior Mobility Program Payments” “Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports,” dated January 27, 2025.
138.00	Has one and forty-seven hundreds percent (Ordinance amendment on 12/14/15 to increase allocation from 1% to 1.47%) of Net Revenues been allocated to partially fund bus and ACCESS fares for seniors and persons with disabilities in an amount equal to the percentage of funding as of the effective date of the Ordinance and to partially fund train and other transit fares for seniors and persons with disabilities as determined by the Authority?	Att. B, Sec. VI.C.3.c	F & A, Transit	Recurring	Completed to date	Sean Murdock & Martin Browne	Yes. See General Accounting Fare Stabilization Revenue Allocation chart. In addition to the 1%, the Board approved an amendment to the M2 Ordinance No. 3 on December 14, 2015 (updated on March 14, 2016), which increased the Fare Stabilization allocation from 1% to 1.47% of Net Revenues. Please reference: “Measure M2 Fare Stabilization Update,” dated June 23, 2014. “Measure M2 Fare Stabilization Update,” dated September 28, 2015. “Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,” dated March 14, 2016. “Fiscal Year 2023-24 Measure M2 Fare Stabilization Payments”
139.00	In the event any Net Revenues to be allocated for seniors and persons with disabilities pursuant to the requirements of subsections a., b., and c. remain after the requirements are satisfied, have the remaining Net Revenues been allocated for other transit programs or projects for seniors and persons with disabilities as determined by the Authority?	Att. B, Sec. VI.C.3.d	F & A, Transit	Recurring	Underway	Sean Murdock	The requirements of each of the programs have not been satisfied, however, excess revenues for the programs will remain within each individual program to be used to pay for future program expenditures should the need arise.
140.00	Project V - Community Based Transit/Circulators						
141.00	Have all such projects [within Project V], in order to be considered for funding, met performance criteria for ridership, connection to bus and rail services, and financial viability?	Att. A, p. 25, Project V	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Per the Project V Guidelines adopted by the Board on November 13, 2023, performance criteria for ridership, connections to bus and rail services and financial viability were specifically required to be defined as part of the application process prior to competing and receiving funding. Please reference:

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							<p>“2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,” dated November 13, 2023.</p> <p>“Measure M2 Community-Based Transit Circulators Program Project V Ridership Report,” dated August 12, 2024.</p>
142.00	Have all such projects been competitively bid?	Att. A, p. 25, Project V	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. Per Project V Guidelines adopted by the Board, projects are required to follow competitive procedures including procurement. Local agencies followed the procedures, where applicable, based on the nature of their projects and the procurement policies.</p> <p>2024 Project V Guidelines include administrative priority to engage in competitive procurements and re-procurements for all continuing existing services by June 30, 2026.</p> <p>Please reference: “2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,” dated November 13, 2023.</p>
143.00	As a condition of being funded, have such projects been determined not to duplicate or compete with existing transit services?	Att. A, p. 25, Project V	Planning, Transit	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. OCTA staff evaluated all project applications before preparing final recommendations for the Board to ensure that proposed services would continue funding existing successful services and new services.</p> <p>The Project V requirement to ensure that services funded with Project V do not duplicate existing transit services is included in the 2024 Project V Guidelines as a measure of evaluation for the 2024 call. The Board approved project allocations on September 23, 2024, which excluded two project applications from the cities of Costa Mesa and Garden Grove due to the proposed service areas having significant levels of OC Bus Services (at least five OC Bus routes, including a high quality transit route operating with a service frequency of every 15 minutes or less).</p> <p>Please reference: “2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,” dated November 13, 2023. “2024 Measure M2 Community Based Transit Circulators (Project V) Call for Projects Programming Recommendations,” dated September 23, 2024.</p>

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144.00	For any of its projects to be eligible for funding, has the Eligible Jurisdiction executed a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation, and maintenance of the project?	Att. B, Sec. VI.D.2	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. OCTA executed Cooperative Funding Agreements with each local agency and identified roles and responsibilities pertaining to operation, construction, maintenance, and uses of the facilities and vehicles. All M2 funding agreements and letter agreements are available in the M2 Document Center. A list of the corresponding contract numbers can be found in the Document Center. Please reference: “Project V Cooperative Agreements,” dated January 30, 2025.
145.00	Have any allocations of Net Revenues to such projects been determined pursuant to a countywide competitive procedure adopted by the Authority?	Att. B, Sec. VI.D.3	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The Board approved updated Project V Guidelines on November 13, 2023, and also issued a call on that date. Allocations were made on September 23, 2024, through a countywide competitive procedure. Please reference: “2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,” dated November 13, 2023. “2024 Measure M2 Community Based Transit Circulators (Project V) Call for Projects Programming Recommendations,” dated September 23, 2024.
146.00	Does the competitive procedure include an evaluation process and methodology applied equally to all candidate Community Based Transit/Circulator projects?	Att. B, Sec. VI.D.3	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. See 2024 Project V Guidelines adopted by the Board on November 13, 2023. Please reference: “2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,” dated November 13, 2023.
147.00	Have Eligible Jurisdictions been consulted by the Authority in the development of the evaluation process and methodology?	Att. B, Sec. VI.D.3	Planning	One-time	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. Typically, OCTA has requested letters of interest prior to Project V calls and holds workshops with interested parties to discuss potential changes to the guidelines prior to taking those guidelines to the Board. In the most recent cycle, two workshops were conducted in the fall of 2023 (October 11, 2023, and October 30, 2023). The first workshop was focused on providing guidance to local agencies to help them understand CTFP Guidelines revisions and provide feedback regarding application development, evaluation process and methodology. The second workshop was to allow potential Project V vendors to share

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							presentations with the agencies, showcasing their capabilities and experience, with time allowed for questions and answers. Please reference: “Local Jurisdictions’ Interest in Project V Call for Projects,” dated August 14, 2023. “2024 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,” dated November 13, 2023.
148.00	Project W - Safe Transit Stops						
149.00	Have amenities been provided at the 100 busiest transit stops across the County? Were they designed to ease transfer between bus lines and provide amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines?	Att. A, p. 25, Project W	Planning	30-year	Completed to date	Adriann Cardoso/ Charvalen Alacar	<p>Yes. The Board approved Project W CTFP Guidelines revisions and also approved the issuance of 2019 Project W call, in order to allocate funds for the Top 100 Busiest Stops in Orange County. Please reference: “2019 Project W Safe Stops Call for Projects,” dated October 22, 2018.</p> <p>On June 24, 2019, the Board approved Project W funds for 36 stops. Please reference: “Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations,” dated June 24, 2019.</p> <p>Project W funding is eligible for projects that install new transit shelters at locations where there are no shelters present, and replace aging shelters, shade, and amenities that have become run down over time. The Board directed staff to issue another Project W call in 2020 to again consider the needs at the 100 busiest bus stops in order to ensure that all eligible entities have another opportunity to apply for funding and improve bus stops. On September 14, 2020, the Board approved a third allocation of Project W funds for 35 stops. Please reference: “Measure M2 Project W Safe Transit Stops – 2020 Programming Recommendations,” dated September 14, 2020.</p> <p>Please also reference: “Measure M2 Project W Safe Transit Stops,” dated March 10, 2014.</p>

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							“Measure M2 Project W Safe Transit Stops – 2014 Programming Recommendations,” dated July 14, 2014. “Comprehensive Transportation Funding Programs Semi-Annual Review – March 2015,” dated June 8, 2015.
150.00	Requirements Related to Project X						
151.00	Have Environmental Cleanup funds been used on a countywide, competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution as called for in Attachment A?	Att. A, p. 27, Project X	Planning	30-year	Completed to date	Dan Phu	<p>Yes. The Board has authorized several countywide competitive calls for both a Tier 1 and Tier 2 Environmental Cleanup Program (ECP {Project X}) providing funding to improve water quality. To date, 14 rounds of funding under the Tier 1 grant program have been awarded by the Board. A total of 233 projects in the amount of approximately \$40 million have been awarded since 2011. There have been three rounds of funding under the Tier 2 grant program. A total of 26 projects in the amount of \$35 million have been awarded by the Board since 2013. To date, all Orange County cities and the County of Orange have received funding under this program. The next Tier 1 call is anticipated to be released in early 2025 and the next Tier 2 call is anticipated in the next two years.</p> <p>For the most recent Tier 1 and Tier 2 guidelines, please reference: “Measure M2 Environmental Cleanup Program (Project X) – 2024 Tier 1 and Tier 2 Grant Program Call for Projects,” dated February 12, 2024.</p> <p>For the most recent Tier 1 and Tier 2 programming recommendations, please reference: “Comprehensive Transportation Funding Programs - Project X Tier 1 and Tier 2 2024 Call for Projects Programming Recommendations,” dated October 14, 2024.</p>
152.00	Does the program augment, not replace existing transportation related water quality expenditures and emphasize high impact capital improvements over local operations and maintenance costs?	Att. A, p. 27, Project X	Planning	30-year	Completed to date	Dan Phu	<p>Yes. This requirement is specified in Chapter 11 of the CTFP guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process.</p> <p>Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.</p>

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153.00	Has a comprehensive countywide capital improvement program for transportation related water quality improvements been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Board approved a two-tiered funding program for water quality improvement projects. These guidelines are incorporated into Chapter 11 of the CTFP guidelines. To date, 14 rounds of funding under the Tier 1 program and two rounds under the Tier 3 have been allocated for these purposes. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call. “Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach,” dated May 24, 2010.
154.00	Has a competitive grant process to award funds to the highest priority, most cost-effective projects been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the Board and integrated as Chapter 11 of the CTFP guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
155.00	Has a matching requirement to leverage federal, state, and local funds for water quality improvement been established?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the Board. These matching requirements are specified in Chapter 11 of the CTFP guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
156.00	Has an MOE requirement been established to ensure that funds augment, not replace existing water quality programs?	Att. A, p. 27, Project X	Planning	One-time, start-up	Completed	Dan Phu	Yes. These are specified in Chapter 11 of the CTFP guidelines. Also, this becomes part of the evaluation process for candidate projects. Please reference: See notes in Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call.
157.00	Has there been annual reporting on actual expenditures and assessment of water quality benefits provided?	Att. A, p. 27, Project X	Planning, People and	Recurring	Completed to date	Dan Phu & Marissa Espino	Yes. The M2 Annual Report includes reporting on ECP actual expenditures. The Environmental Cleanup Allocation Committee (ECAC) has developed a database to estimate the trash removed by the funded

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
			Community Engagement				Tier 1 and Tier 2 projects to report on benefits of the program. The benefits are reported in the M2 Quarterly Reports and as standalone updates to the ECAC and Board. Please reference: “Measure M Annual Report 2024.” “M2 Quarterly Progress Report for the Period of October 2024 to December 2024,” dated March 10, 2024.
158.00	If there has been any misuse of these funds, have penalties been imposed?	Att. A, p. 27, Project X	Planning	Recurring	None to date	Dan Phu	There has been no finding of misuse of funds to date. Assessment of appropriate use occurs through the initial and final payment processes and SAR process.
159.00	Has an ECAC, including the following 12 voting members, but not including any elected public officer, been established: <ul style="list-style-type: none">- One representative of the County of Orange?- Five representatives of cities (one per supervisorial district)?- One representative of the Caltrans?- Two representatives of water or wastewater public entities?- One representative of the development industry? One representative of private or non-profit organizations involved in water quality protection/enforcement matters?	Att. B, Sec. VII.B.1.i-vii	Planning, People and Community Engagement	Recurring	Completed to date	Dan Phu & Marissa Espino	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008, as Attachment B to the Staff Report. Please reference: “Status Report on Renewed Measure M Environmental Programs,” dated August 25, 2008. “Environmental Cleanup Allocation Committee 2024 Roster,” dated September 17, 2024.
160.00	Does the ECAC also include one representative of the Santa Ana Regional Water Quality Control Board and one representative of the San Diego Regional Water Quality Control Board as non-voting members?	Att. B, Sec. VII.B.1.i-vii	Planning, People and Community Engagement	Recurring	Completed	Dan Phu	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008, as Attachment B to the Staff Report. Member rosters for each year are saved in the M2 Document Center. Please reference: “Status Report on Renewed Measure M Environmental Programs,” dated August 25, 2008. “Environmental Cleanup Allocation Committee 2024 Roster,” dated September 17, 2024.
161.00	Has the ECAC recommended to the Authority for the Authority’s adoption the following:	Att. B, Sec. VII.B.2.	Planning	One-time, start-up	Completed	Dan Phu	See notes in Items 161.01 to 161.04.
161.01	A competitive grant process for the allocation of Environmental Cleanup Revenues as set forth in Attachment B.	Att. B, Sec. VII.B.2.a	Planning	One-time, start-up	Completed	Dan Phu	Yes. The ECAC created guidelines that were approved by the Board on February 14, 2011. This is also included in Chapter 11 of the CTFP.

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							Please reference: “ Measure M2 Environmental Cleanup Allocation Program – Incorporation into the Comprehensive Transportation Funding Program and Tier 1 Grant Program 2011 Call for Projects ,” dated February 14, 2011. “ Measure M2 Environmental Cleanup Program (Project X) – 2024 Tier 1 and Tier 2 Grant Program Call for Projects ,” dated February 12, 2024, see attached Guidelines Chapter 11.
161.02	A process requiring that allocated Environmental Cleanup Revenues supplement and not supplant other applicable funding sources.	Att. B, Sec. VII.B.2.b	Planning	One-time, start-up	Completed	Dan Phu	Yes. The ECAC ensures that as part of the application process, projects meet the criteria specified in the Ordinance. This is part of the guidelines which are included in Chapter 11 of the CTFP. Please reference: “ Measure M2 Environmental Cleanup Program (Project X) – 2024 Tier 1 and Tier 2 Grant Program Call for Projects ,” dated February 12, 2024, see attached Guidelines Chapter 11.
161.03	Allocation of Environmental Cleanup Revenues for proposed projects and programs.	Att. B, Sec. VII.B.2.c	Planning	Recurring	Completed to date	Dan Phu	Yes. The ECAC reviews applications and makes recommendations on funding allocation, which is then approved by the Board. Please reference: “ Comprehensive Transportation Funding Programs – Project X Tier 1 and Tier 2 2024 Call for Projects Programming Recommendations ,” dated October 14, 2024.
161.04	An annual reporting procedure and method to assess water quality benefits provided by the projects and programs.	Att. B, Sec. VII.B.2.d	Planning, People and Community Engagement	Recurring	Completed to date	Dan Phu	Yes. The ECAC has developed a database to estimate the trash removed by the funded Tier 1 and Tier 2 projects to report on benefits of the program. This is an ongoing process and the latest water quality benefits are reported in the M2 Quarterly Reports and as standalone updates to the ECAC and Board. Please reference: “ Environmental Cleanup Allocation Committee Agenda ,” dated December 11, 2014. “ OCTA Measure M2 Tier 1 and Tier 2 – Potential Water Resources Benefits of Funded Projects ,” memo from Geosyntec Consultants, dated April 22, 2015. “ Measure M2 Environmental Cleanup Program Updates and Next Steps ,” dated December 11, 2017.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							"M2 Quarterly Progress Report for the Period of October 2024 to December 2024," dated March 10, 2024.
162.00	Safeguards and Audits						
163.00	Have the following taxpayer safeguard and audit requirements listed in Attachment A pages 28-30 been met:	Att. A, p.28-30					See notes in Items 163.01 to 163.32.
163.01	Prior to allocation of funds for freeway, street and transit projects, has one percent of gross revenues from the Renewed Measure M Transportation Investment Plans been set aside for audits, safeguards, and taxpayer protection?	Att. A, p. 28	F & A	Recurring	Completed to date	Sean Murdock	Yes. Please reference: "Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports," dated January 27, 2025. See Attachment D, Schedule 3 in the "Schedule of Revenues and Expenditures Summary as of June 30, 2024".
163.02	Has one and one half percent of the gross sales taxes generated by Measure M been paid to the California Department of Tax and Fee Administration (formerly State Board of Equalization) for collecting the countywide one-half percent sales tax that funds the Transportation Investment Program?	Att. A, p. 28	F & A	Recurring	Completed to date	Sean Murdock	Yes. See notes in Item 28.00.
163.03	To guarantee transportation dollars are used for transportation purposes, have all funds been kept in a special trust fund?	Att. A, p. 28	F & A	One-time, start-up	Completed	Sean Murdock	Yes. See notes in Item 2.00.
163.04	Has an independent, outside audit of this fund protected against cheaters who try to use the transportation funds for purposes other than specified transportation uses?	Att. A, p. 28	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's report on financial statements. Please reference: "Fiscal Year 2023-24 Audited Financial Statements and Independent Auditor's Reports on Internal Control Over Financial Reporting," dated November 25, 2024.
163.05	Has a severe punishment disqualified any agency that has cheated from receiving Measure M funds for a five-year period?	Att. A, p. 28	PMO	Recurring	Completed to date	Francesca Ching	See notes in Item 18.00.
163.06	Have the annual audits, and annual reports detailing project progress, been sent to Orange County taxpayers every year?	Att. A, p. 28	People and Community Engagement	Recurring	Completed to date	Maggie McJilton & Jennifer Beaver	Yes. See notes in Item 23.00. Results of annual audits can be found on OCTA's Internal Audit webpage .

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
163.07	Have the annual audits, and annual reports detailing project progress, been reviewed in public session by a special Taxpayer Oversight Committee?	Att. A, p. 28	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. Please reference: "Taxpayer Oversight Committee Audit Subcommittee Agenda Packet," dated May 14, 2024. "Taxpayer Oversight Committee Agenda Packet," dated June 11, 2024. "Taxpayer Oversight Committee Agenda Packet," dated September 10, 2024, for June 11, 2024, meeting minutes. "Fiscal Year 2023-24 Audited Financial Statements and Independent Auditor's Reports on Internal Control Over Financial Reporting," dated November 25, 2024.
163.08	Have the annual audits, and annual reports detailing project progress, been independently certified by a special Taxpayer Oversight Committee, on an annual basis, that transportation dollars have been spent strictly according to the Renewed Measure M Investment Plan?	Att. A, p. 28	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated June 11, 2024. "Taxpayer Oversight Committee Agenda Packet," dated September 10, 2024, for June 11, 2024, meeting minutes.
163.09	Have minor adjustments been made by a 2/3 vote of the Taxpayer Oversight Committee and a 2/3 vote of the Orange County Local Transportation Authority Board of Directors?	Att. A, p. 28	PMO, People and Community Engagement	Recurring	Completed to Date	Francesca Ching & Chris Boucly/ Marissa Espino	Yes. See notes in Items 25.00 and 167.02.
163.10	Have major changes been taken back to voters for authorization?	Att. A, p. 28	PMO, People and Community Engagement	Recurring	None to date	Francesca Ching & Chris Boucly/ Marissa Espino	There have been no major changes to date.
163.11	Every ten years, and more frequently if necessary, has the Orange County Local Transportation Authority conducted a thorough examination of the Renewed Measure M Investment Plan and determined if major changes should be submitted to the voters?	Att. A, p. 28	PMO	Recurring	Completed to date	Francesca Ching	Yes. See notes in Item 24.00.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
163.12	Have administrative costs been restricted to one percent (1%) of total tax revenues and state collection of the tax as prescribed in state law [currently one-and-one half percent]?	Att. A, p. 29	F & A	Recurring	Action plan in place	Sean Murdock/ Rima Tan	Yes. See notes in Item 9.00.
163.13	Has all spending been subject to an annual independent audit?	Att. A, p. 29	F & A	Recurring	Completed to date	Sean Murdock	Yes. See independent auditor's report on financial statements. Please reference: “Fiscal Year 2023-24 Audited Financial Statements and Independent Auditor’s Reports on Internal Control Over Financial Reporting,” dated November 25, 2024.
163.14	Have spending decisions been annually reviewed and certified by an independent Taxpayer Oversight Committee?	Att. A, p. 29	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. See notes in Items 163.08 and 167.09.
163.15	Has an annual report on spending and progress in implementing the Plan been submitted to taxpayers?	Att. A, p. 29	People and Community Engagement	Recurring	Completed to date	Maggie McJilton & Jennifer Beaver	Yes. See notes in Items 11.00 and 23.00.
163.16	If changes to the Plan were made, have they been reviewed and approved by 2/3 vote of the Taxpayer Oversight Committee?	Att. A, p. 29	PMO, People and Community Engagement	Recurring	Completed to Date	Francesca Ching & Chris Boucly/ Marissa Espino	Yes. See notes in Item 25.00 and 167.02.
163.17	Have major changes to the Plan, such as deleting a project or shifting projects among major spending categories (Freeways, Streets and Roads, Transit, Environmental Cleanup), been ratified by a majority of voters?	Att. A, p. 29	PMO, People and Community Engagement	Recurring	None to date	Francesca Ching & Chris Boucly/ Marissa Espino	There have been no major changes to date.
163.18	Has the Plan been subject at least every ten years to public review and assessment of progress in delivery, public support and changed circumstances?	Att. A, p. 29	PMO	Recurring	Completed to date	Francesca Ching	Yes. See notes in Item 24.00.
163.19	Have all tax revenues and interest earned been deposited and maintained in a separate trust fund?	Att. A, p. 29	F & A	One-time, start-up	Completed	Sean Murdock	Yes. See notes in Item 2.00.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
163.20	Have local jurisdictions that receive allocations maintained all tax revenues and interest earned in a separate fund?	Att. A, p. 29	F & A	Recurring	Action plan in place	Sean Murdock	Yes. See notes in Item 15.00.
163.21	Have all entities receiving tax funds reported annually on expenditures and progress in implementing projects?	Att. A, p. 29	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. See notes in Items 91.10 to 91.12.
163.22	Has the elected Auditor/Controller annually certified that spending is in accordance with the Plan?	Att. A, p. 29	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. See Items 14.00 and 167.10.
163.23	Have local jurisdictions receiving funds abided to specific eligibility and spending requirements detailed in the Streets and Roads and Environmental Cleanup component of the Plan?	Att. A, p. 29	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	See notes in Items 90.00 to 112.00, and 150.00 to 161.04.
163.24	Have M2 funds been used only for transportation purposes described in the Plan?	Att. A, p. 29	F & A, Internal Audit	Recurring	Action plan in place	Sean Murdock	Yes. See notes in Item 17. Additionally, please reference: “Fiscal Year 2023-24 Single Audit and Agreed-Upon Procedures Reports,” dated January 27, 2025.
163.25	Have local jurisdictions agreed that funds are not used to replace private developer funding committed to any project or improvement?	Att. A, p. 29	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. See notes in 91.18.
163.26	Have local jurisdictions agreed that funds shall augment, not replace existing funds?	Att. A, p. 29	Planning	Recurring	Completed to date	Adriann Cardoso/ Charvalen Alacar	Yes. The MOE requirement ensures that Net Revenues allocated to a jurisdiction are used to supplement existing local discretionary funds being used for transportation improvements. See notes in Item 91.17.
163.27	Has every effort been made to maximize matching state and federal transportation dollars?	Att. A, p. 30	Planning	Recurring	Completed to date	Adriann Cardoso	Yes. See notes in Item 39.00 and 115.00.
163.28	Does the committee consist of eleven members: two members from each of the five Board of Supervisor’s districts, are not elected or appointed officials, along with the elected Auditor/Controller of Orange County?	Att. A, p. 30	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. See notes in Item 166.00.

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
163.29	Are members recruited and screened for expertise and experience by the Orange County Grand Jurors Association?	Att. A, p. 30	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. See notes in Item 166.00.
163.30	Are members selected from the qualified pool by lottery?	Att. A, p. 30	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. See notes in Item 166.00.
163.31	Is the committee provided with sufficient resources to conduct independent reviews and audits of spending and implementation of the Plan?	Att. A, p. 30	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino Boucly	Yes. The Committee has been provided sufficient resources.
163.32	Has the State Board of Equalization paid one-and-one-half (1.5) percent of gross revenues each fiscal year for its services in collecting sales tax revenue as prescribed in Section 7273 of the State’s Revenue and Taxation Code?	Att. A, p. 30	F & A	Recurring	Completed to date	Sean Murdock	Yes. See notes in Item 28.00.
164.00	Requirements Related to the Taxpayers Oversight Committee (TOC)						
165.00	Was a Taxpayers Oversight Committee established for the purpose of overseeing compliance with the Ordinance as specified in Attachment B, Section IV and organized and convened before any Revenues were collected or spent pursuant to the Ordinance?	Att. C, Sec. I	People and Community Engagement	One-time, start-up	Completed	Chris Boucly/ Marissa Espino	Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2008. Please reference: “Taxpayers Oversight Committee Agenda Packet,” dated August 12, 2008. “Taxpayers Oversight Committee Agenda Packet,” dated October 14, 2008, for August 12, 2008, meeting minutes.
166.00	Has the TOC been governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies) consistent with Attachment C of the Ordinance been followed?	Att. C, Secs. II, and III	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. The TOC is governed by 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies), are consistent with Attachment C of the Ordinance. Please reference: “Taxpayer Oversight Committee Term History (1997-2024),” dated December 5, 2024.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
167.00	Has the Committee carried out the following duties and responsibilities:	Att. C, Sec. IV	People and Community Engagement	Recurring		Chris Boucly/ Marissa Espino	See notes in Items 167.01 to 167.11.
167.01	Did the initial Members of the TOC adopt procedural rules and regulations as are necessary to govern the conduct of Committee meetings as described in Attachment C?	Att. C, Sec. IV.A	People and Community Engagement	One-time, start-up	Completed	Chris Boucly/ Marissa Espino	<p>Yes. The TOC updated the former procedures from the M1 COC to accommodate additional responsibilities under M2 in August 2008. Please reference: “Taxpayer Oversight Committee Agenda Packet,” dated August 12, 2008. “Taxpayer Oversight Committee Agenda Packet,” dated October 14, 2008, for the August 12, 2008, meeting minutes.</p> <p>On June 14, 2016, the TOC updated the committee’s Mission Statement and Policies and Procedures to remove responsibilities due to the close-out of M1. Please reference: “Taxpayer Oversight Committee Agenda Packet,” dated June 14, 2016. “Taxpayer Oversight Committee Agenda Packet,” dated August 9, 2016, for the June 14, 2016, meeting minutes.</p>
167.02	Did the Committee approve by a vote of not less than 2/3 of all Committee members, any amendments to the Plan which changed the funding category, programs or projects identified on page 31 of the Plan?	Att. C, Sec. IV.B	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	<p>Yes. The TOC approved the first amendment to the M2 Transportation Investment Plan on October 9, 2012, and the third amendment on November 10, 2015 (Ordinance amendments do not require TOC approval). Please reference: “Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program,” dated November 9, 2012, for Amendment #1. “Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program,” dated December 14, 2015, for Amendment #3.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
167.03	Did the TOC receive and review, as a condition of eligibility for M2 funds, from each jurisdiction the following documents as defined in Att. B, Sec. I?	Att. C, Sec. IV.C and Att. B, Sec. III	Planning, People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino & Adriann Cardoso/ Charvalen Alacar	The AER Subcommittee reviewed applicable eligibility requirements on May 28, 2024. The full TOC affirmed receipt and review of them on June 11, 2024. Review of the remaining eligibility requirements was deferred to spring 2025. See notes in Item 167.08. Please reference: "Taxpayer Oversight Committee Annual Eligibility Review Subcommittee Packet," dated May 28, 2024. "Taxpayer Oversight Committee Agenda Packet," dated June 11, 2024.
167.04	CMP?	Att. C, Sec. IV.C.1 and Att. B, Sec. III.A.1	Planning, People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino & Adriann Cardoso/ Charvalen Alacar	This is required on odd numbered years. The TOC reviewed the CMP on December 12, 2023. Eligibility determination was presented to the Board on February 12, 2024, as part of the M2 Annual Eligibility Review. The next submittal is due in 2025. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023. "Measure M2 Annual Eligibility Review," dated February 12, 2024.
167.05	MFP?	Att. C, Sec. IV.C.2 and Att. B, Sec. III.A.2	Planning, People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino & Adriann Cardoso/ Charvalen Alacar	This is required on a biennial basis. The TOC reviewed the MFP on December 12, 2023. Eligibility determination was presented to the Board on February 12, 2024, as part of the M2 Annual Eligibility Review. The next submittal is due in 2025. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023. "Measure M2 Annual Eligibility Review," dated February 12, 2024.
167.06	Expenditure Report?	Att. C, Sec. IV.C.3 and Att. B, Sec. III.8	Finance and Administration, People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino & Sean Murdock	Yes. This is required on an annual basis. The TOC reviewed the FY 2022-23 Expenditure Reports on June 11, 2024, for the 33 eligible local agencies, and eligibility determination was presented to the Board on July 8, 2024. The cities of Orange and Buena Park were found ineligible to receive funds by the OCTA Board on May 28, 2024. FY 2023-24 Expenditure Reports are due December 31, 2025. Please reference:

<p style="text-align: center;">ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY Ordinance No. 3 Tracking Matrix For Period Ending December 31, 2024</p>							
Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							"Taxpayer Oversight Committee Agenda Packet," dated June 11, 2024. "Measure M2 Eligibility Recommendations for Fiscal Year 2022-23 Expenditure Reports," dated July 8, 2024.
167.07	LSSP?	Att. C, Sec. IV.C.4 and Att. B, Sec. III.A.6	Planning, People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino & Adriann Cardoso/ Charvalen Alacar	<p>Yes. This is required every three years. The TOC reviewed the LSSP on December 12, 2023. Eligibility determination was presented to the Board on February 12, 2023, as part of the Annual M2 Eligibility Review. The next submittal is due in 2026.</p> <p>Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023. "Measure M2 Annual Eligibility Review," dated February 12, 2024.</p>
167.08	PMP?	Att. C, Sec. IV.C.5 and Att. B, Sec. III.7	Planning, People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino & Adriann Cardoso/ Charvalen Alacar	<p>Yes. 14 agencies update PMPs on an odd-year cycle, while 21 agencies update on an even-year cycle as part of the Annual Eligibility Review. The TOC last reviewed the PMPs for odd-year agencies on December 12, 2023, and an eligibility determination was presented to the Board on February 12, 2024, as part of the M2 Annual Eligibility Review. The TOC last reviewed the PMPs for even-year agencies on October 11, 2022, and an eligibility determination was presented to the Board on November 14, 2022, as part of the M2 Annual Eligibility Review.</p> <p>Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 12, 2023 (for odd-year PMPs). "Measure M2 Annual Eligibility Review," dated February 12, 2024 (for odd-year PMPs). "Taxpayer Oversight Committee Agenda Packet," dated October 11, 2022 (for even-year PMPs). "Measure M2 Annual Eligibility Review," dated November 14, 2022 (for even-year PMPs).</p> <p>Updated PMPs for all 21 even-year cycle agencies were received by OCTA by the June 28, 2024 deadline and are currently undergoing</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2024 Response
							technical review by OCTA. The 21 even-year cycle reports are anticipated to be presented to the AER Subcommittee and TOC in mid-2025.
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. The last Annual Hearing and Compliance Review was completed on June 11, 2024. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated June 11, 2024. "Taxpayer Oversight Committee Agenda Packet," dated September 10, 2024, for June 11, 2024, meeting minutes.
167.10	Has the Chair annually certified whether the Revenues have been spent in compliance with the Plan?	Att. C, Sec. IV.D	People and Community Engagement	Recurring	Completed to date	Chris Boucly/ Marissa Espino	Yes. See notes in Item 14.00. A memo from the TOC Chairman was sent to the Board on June 11, 2024. Please reference: "Taxpayer Oversight Committee Measure M2 Annual Public Hearing Compliance Memo," dated June 11, 2024.
167.11	Has the Committee received and reviewed the performance assessment conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance?	Att. C, Sec. IV.E	People and Community Engagement	Recurring	Completed to date	Francesca Ching & Chris Boucly	Yes. The TOC has received and reviewed the performance assessments conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance. Please reference: "Taxpayer Oversight Committee Agenda Packet," dated December 14, 2010. "Taxpayer Oversight Committee Agenda Packet," dated April 9, 2013. "Taxpayer Oversight Committee Agenda Packet," dated June 14, 2016. "Taxpayer Oversight Committee Agenda Packet," dated April 9, 2019. "Taxpayer Oversight Committee Agenda Packet," dated April 12, 2022. "Taxpayer Oversight Committee Agenda Packet," dated March 11, 2025.