



# **Orange County Transportation Authority**

## **Finance and Administration Committee Agenda**

### **Wednesday, July 10, 2024 at 10:30 a.m.**

Board Room, 550 South Main Street, Orange, California

#### **Committee Members**

Michael Hennessey, Chair  
Patrick Harper, Vice Chair  
Andrew Do  
Jamey Federico  
Stephanie Klopfenstein  
Tam T. Nguyen  
Vicente Sarmiento

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (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.

#### **Agenda Descriptions**

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

#### **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

#### **Meeting Access and Public Comments on Agenda Items**

Members of the public can either attend in-person or listen to audio live streaming of the Board and Committee meetings by clicking this link: <https://octa.legistar.com/Calendar.aspx>

#### **In-Person Comment**

Members of the public may attend in-person and address the Board regarding any item within the subject matter jurisdiction of the Orange County Transportation Authority. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

# FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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## Written Comment

Written public comments may also be submitted by emailing them to ClerkOffice@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda item, please identify the item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

## Call to Order

## Pledge of Allegiance

Director Nguyen

## Closed Session

There are no Closed Session items scheduled.

## Special Calendar

### 1. Taxable Sales Forecast - California State University, Fullerton

Sam Kaur/Andrew Oftelie

#### **Overview**

Orange County Transportation Authority contracts with several economic specialists to provide an annual 30-year taxable sales forecast for Measure M2. The latest forecasts were received in Spring 2024. Anil Puri, Provost Emeritus and Director of the Woods Center for Economic Analysis from California State University Fullerton will provide an update on the annual forecast and economic outlook for Orange County to the Finance and Administration Committee.

#### **Attachments:**

[Presentation](#)

## Consent Calendar (Items 2 through 5)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

### 2. Approval of Minutes

Clerk of the Board

#### **Recommendation(s)**

Approve the minutes of the June 26, 2024 Finance and Administration Committee meeting.

#### **Attachments:**

[Minutes](#)

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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### 3. Fiscal Year 2023-24 Internal Audit Plan, Fourth Quarter Update

Janet Sutter

#### **Overview**

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2023-24 Internal Audit Plan on July 24, 2023. This update is for the fourth quarter of the fiscal year.

#### **Recommendation(s)**

Receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2023-24 Internal Audit Plan as an information item.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

### 4. Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan

Janet Sutter

#### **Overview**

At the direction of the Orange County Transportation Authority Board of Directors, the Internal Audit Department develops and implements an annual risk-based internal audit plan. Implementation of an annual internal audit plan assists management in evaluating the effectiveness and efficiency of projects, programs, and operations, while ensuring that adequate controls and safeguards are in place to protect the Orange County Transportation Authority's assets and resources.

#### **Recommendation(s)**

A. Approve the proposed Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan.

B. Direct the Executive Director of the Internal Audit Department to provide quarterly updates on the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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### 5. **Approval to Sell Surplus Land for the Interstate 405 Improvement Project Between State Route 73 and Interstate 605**

Joe Gallardo/James G. Beil

#### **Overview**

The Orange County Transportation Authority has substantially completed the freeway improvements for the Interstate 405 Improvement Project between State Route 73 and Interstate 605 for public use. The project required acquisition of property rights from public and private parties adjacent to the existing freeway and city streets to construct the freeway improvements. Now an approximately 44,540 square-foot improved commercial property located at 14980 Goldenwest Avenue, in the City of Westminster, Assessor Parcel Numbers 096-522-02 and 096-522-04, is recommended to be sold as surplus land by the Orange County Transportation Authority. Staff is seeking approval to sell the vacant land as surplus land under the Surplus Land Act (Government Code Section 54220 et seq.).

#### **Recommendation(s)**

- A. Direct staff to sell the surplus land located within the Interstate 405 Improvement Project between State Route 73 and Interstate 605 for public use.
- B. Authorize the Chief Executive Officer to negotiate and execute the necessary documents to complete the sale of the surplus land for the offer price of \$4,500,000.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

### **Regular Calendar**

### 6. **Orange County Transportation Authority Investment and Debt Programs Report - May 2024**

Robert Davis/Andrew Oftelie

#### **Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending May 31, 2024. During the month of May, one investment manager purchased a security that did not comply with the Investment Policy. As a result of this compliance violation, the investment manager has been placed on probation for one year, in accordance with the requirements of the Investment Policy.



## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

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***Recommendation(s)***

Receive and file as an information item.

***Attachments:***

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

### **Discussion Items**

**7. Public Comments**

**8. Chief Executive Officer's Report**

**9. Committee Members' Reports**

**10. Adjournment**

The next regularly scheduled meeting of this Committee will be held:

**10:30 a.m. on Wednesday, July 24, 2024**

OCTA Headquarters

Board Room

550 South Main Street

Orange, California

# Economic Outlook

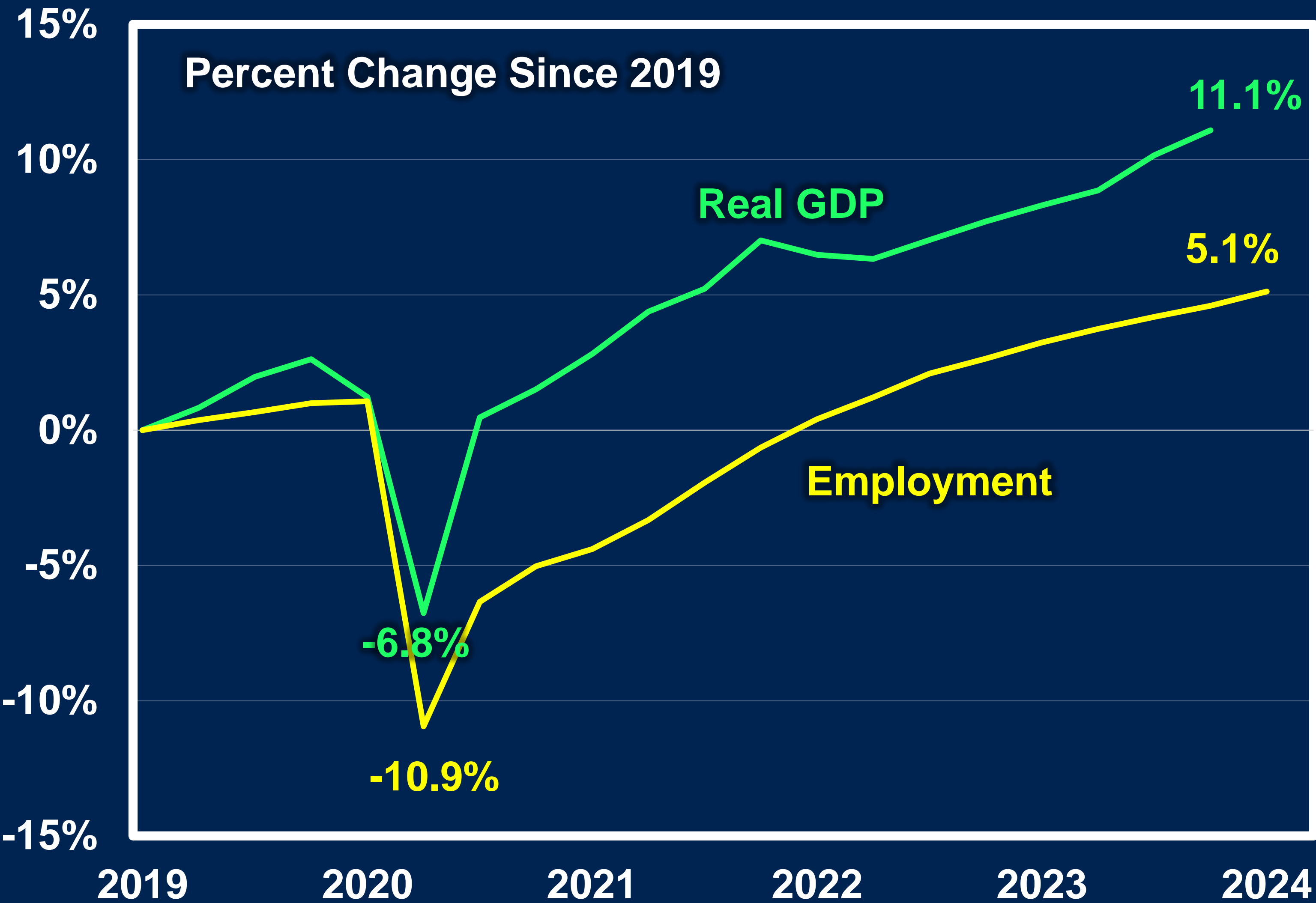
Orange County Transportation Authority

July 2024

Anil Puri, Ph.D.

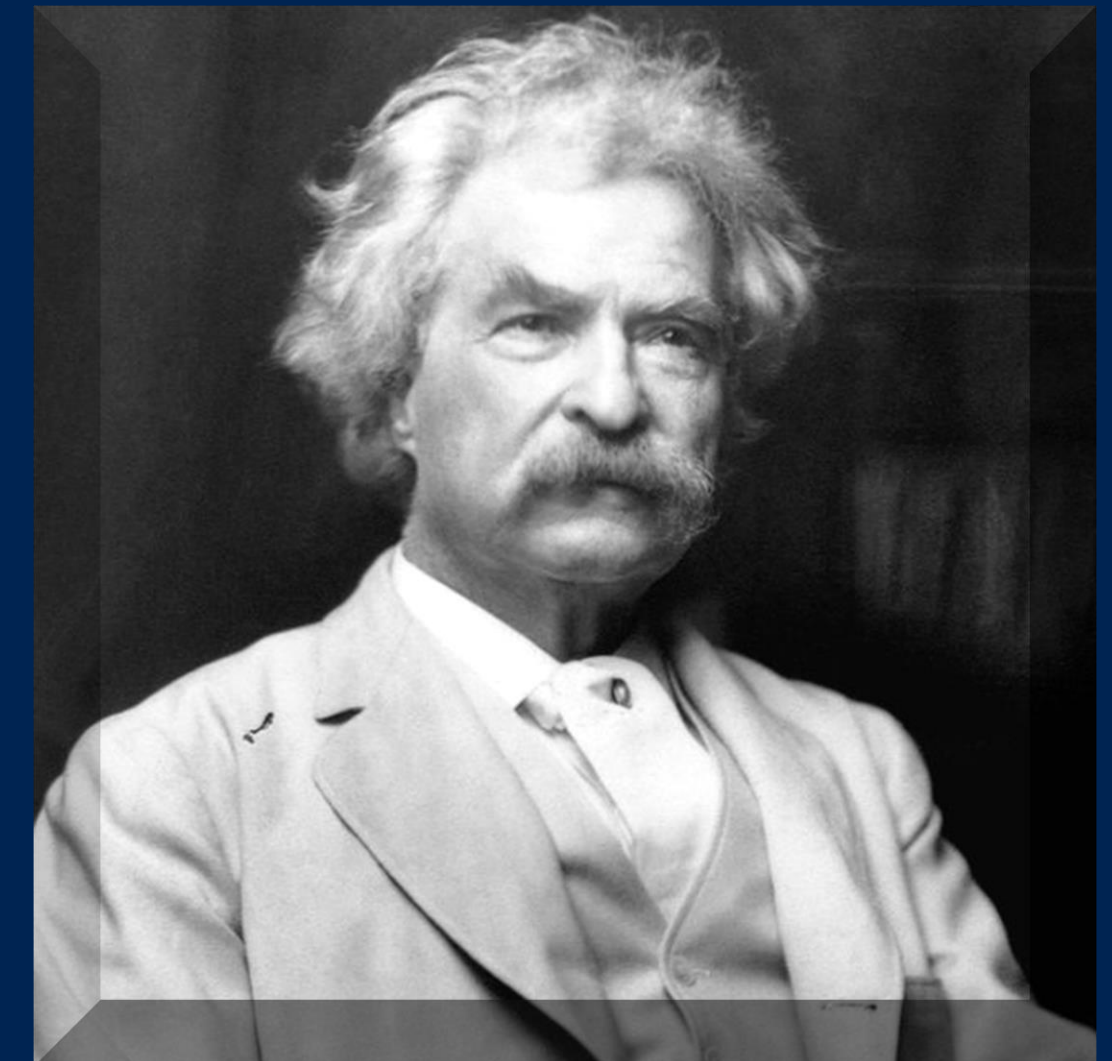
California State University, Fullerton

# The Recession that Never Was A Strong and Resilient Economy



Reports of my  
death have been  
greatly exaggerated

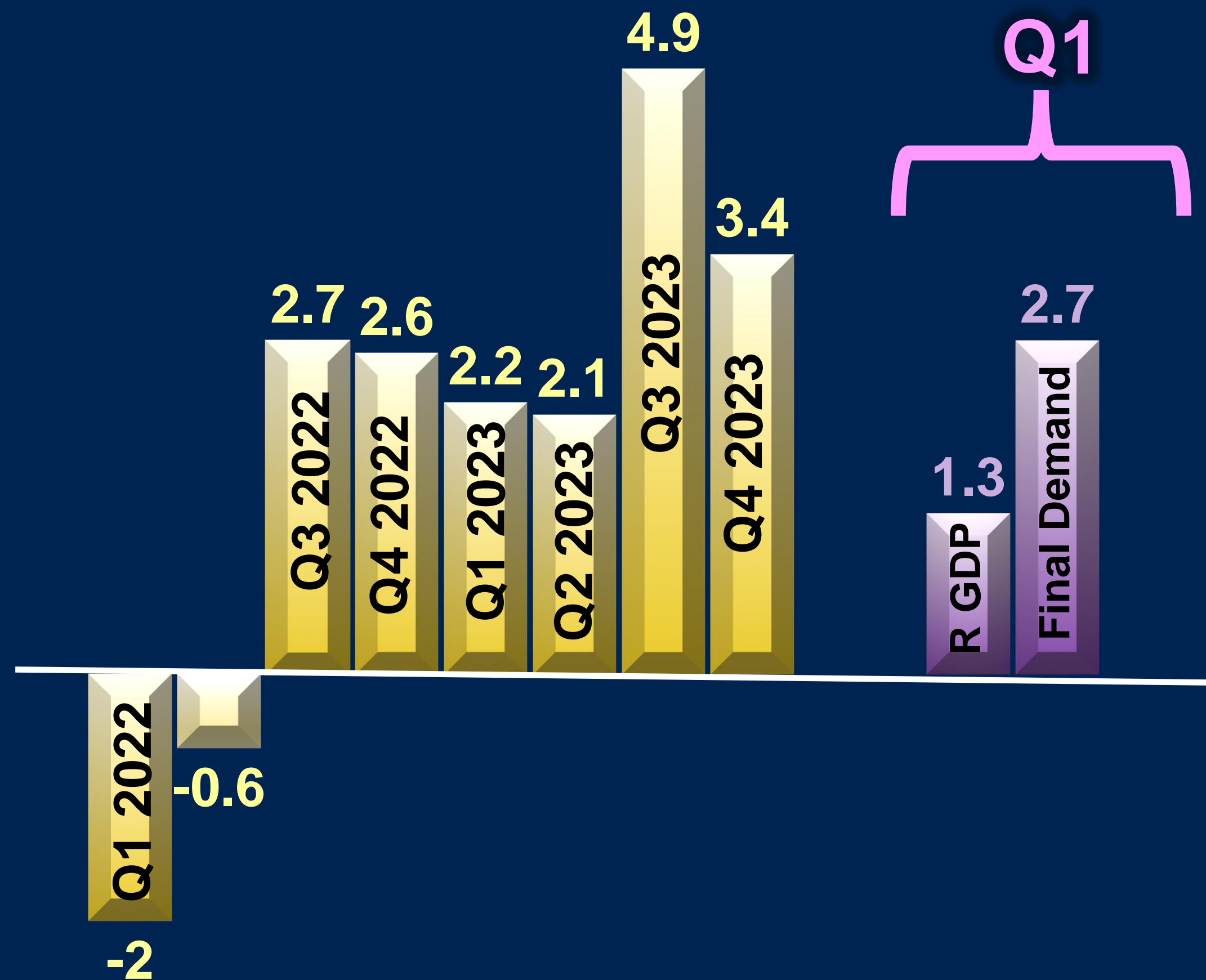
*Mark Twain*



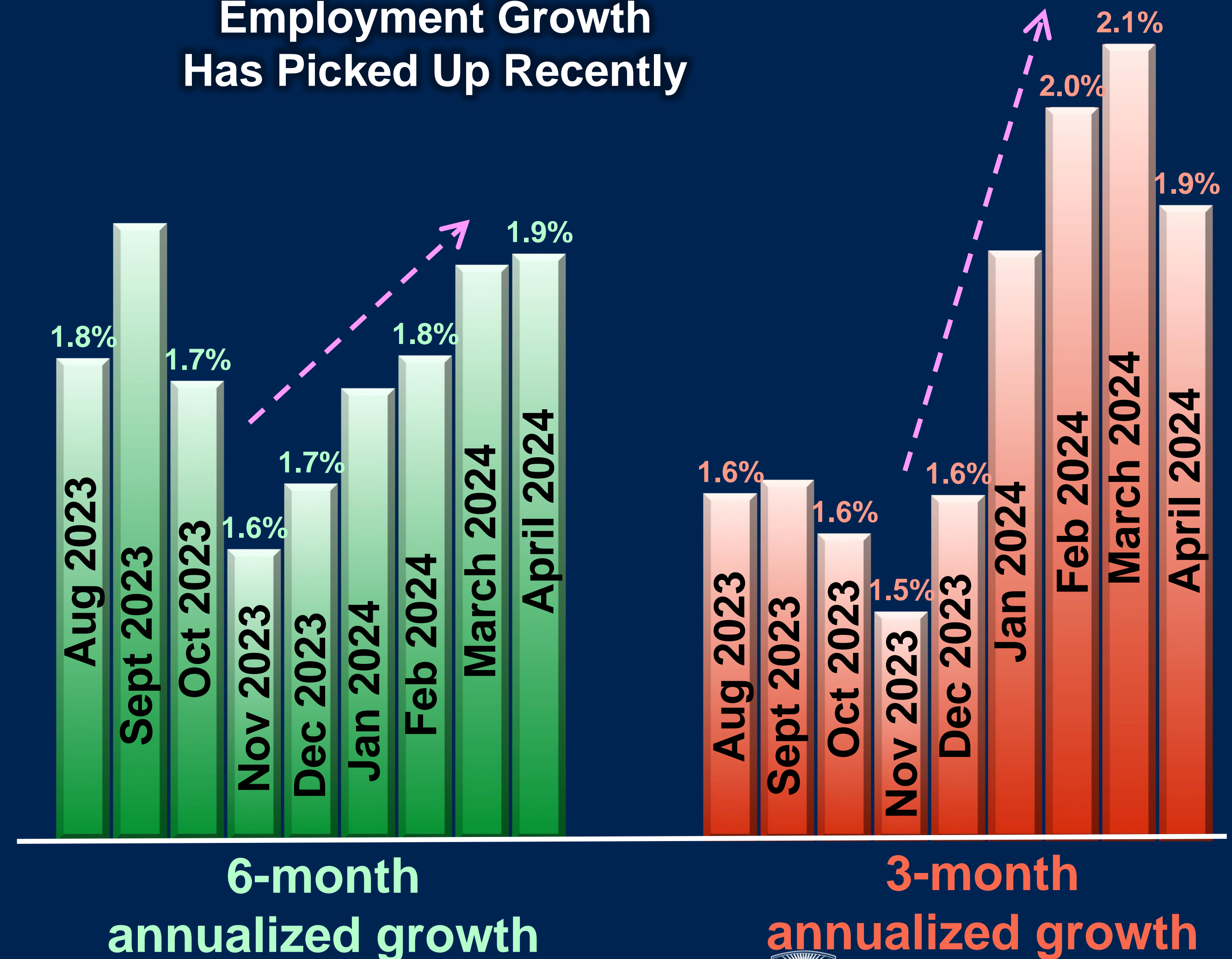
# Economy is Steaming Full Speed Ahead

## Fueled by the Fed Pivot and Strong Fundamentals

Real GDP Growth  
(quarterly annualized rate)



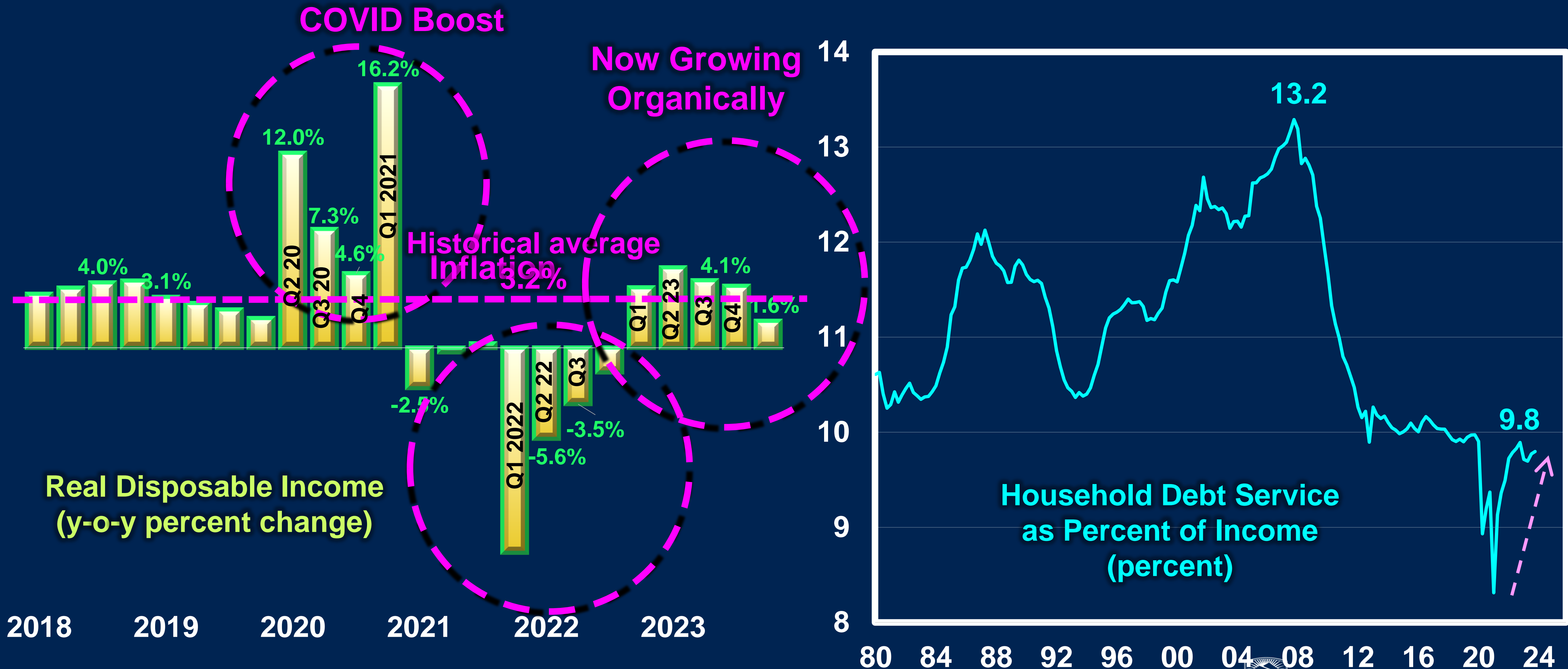
Employment Growth  
Has Picked Up Recently





# In Aggregate, Consumers are in Decent Shape

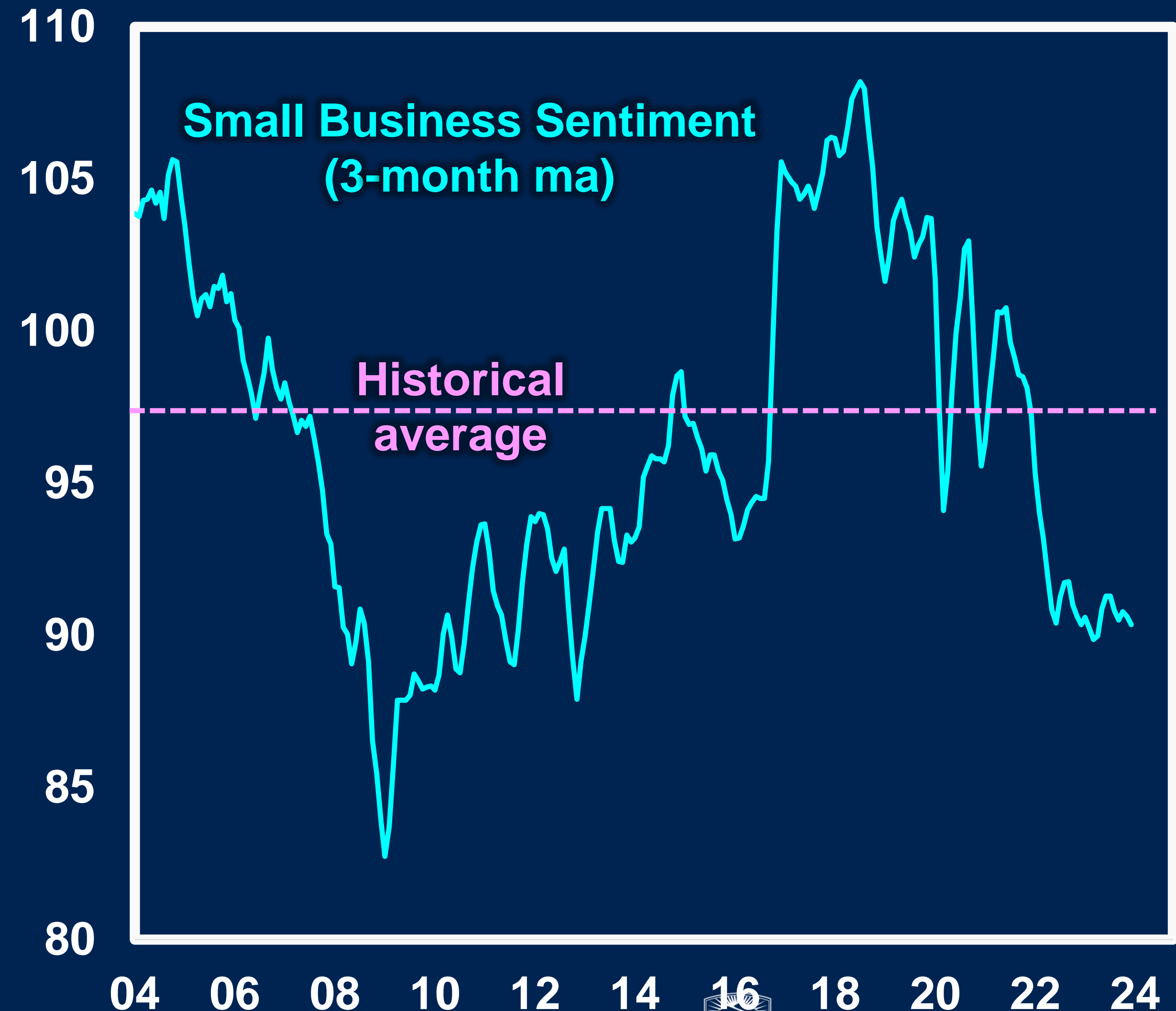
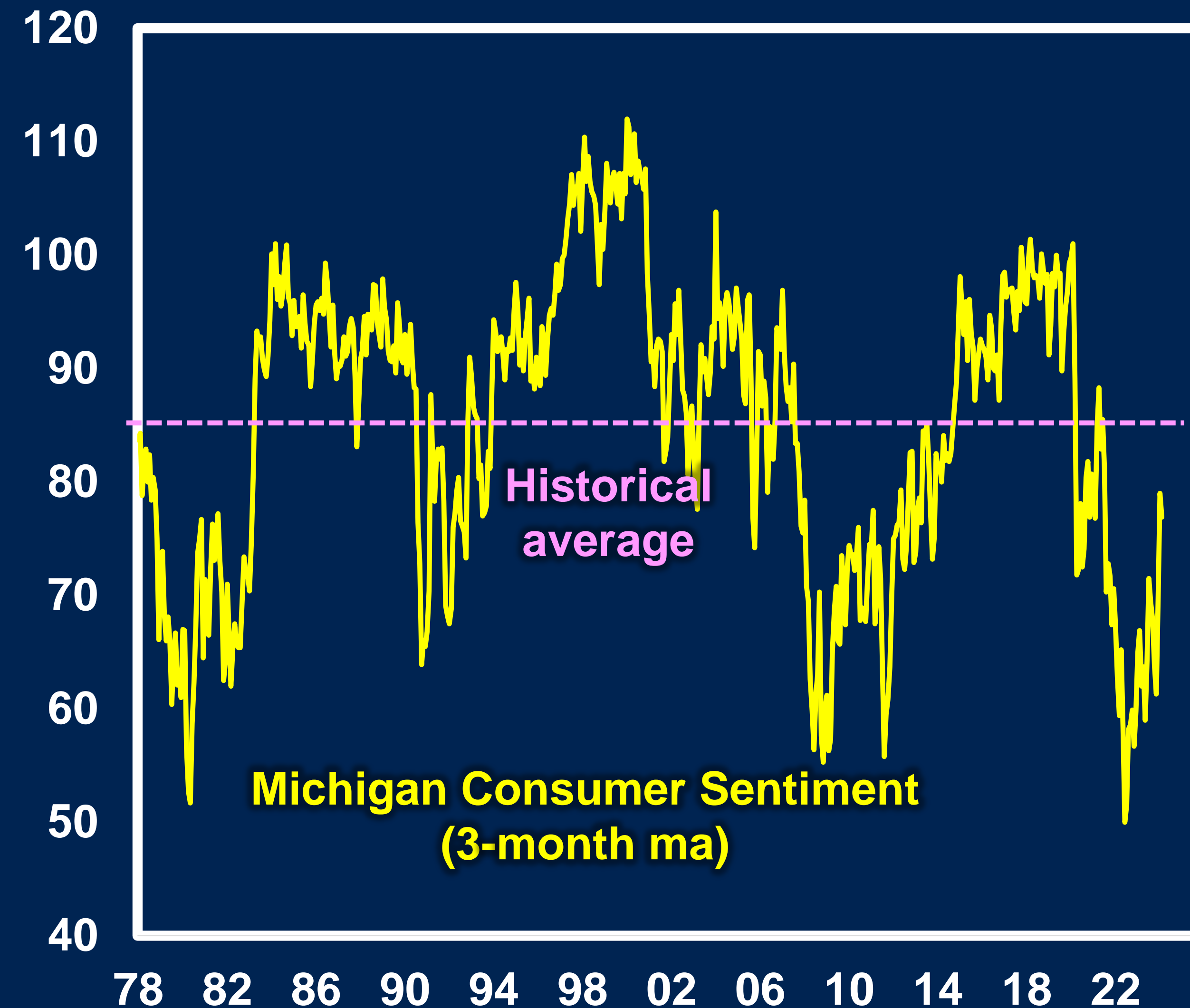
Real Disposable Income Growing; Debt Levels Still Low



# Vibecession

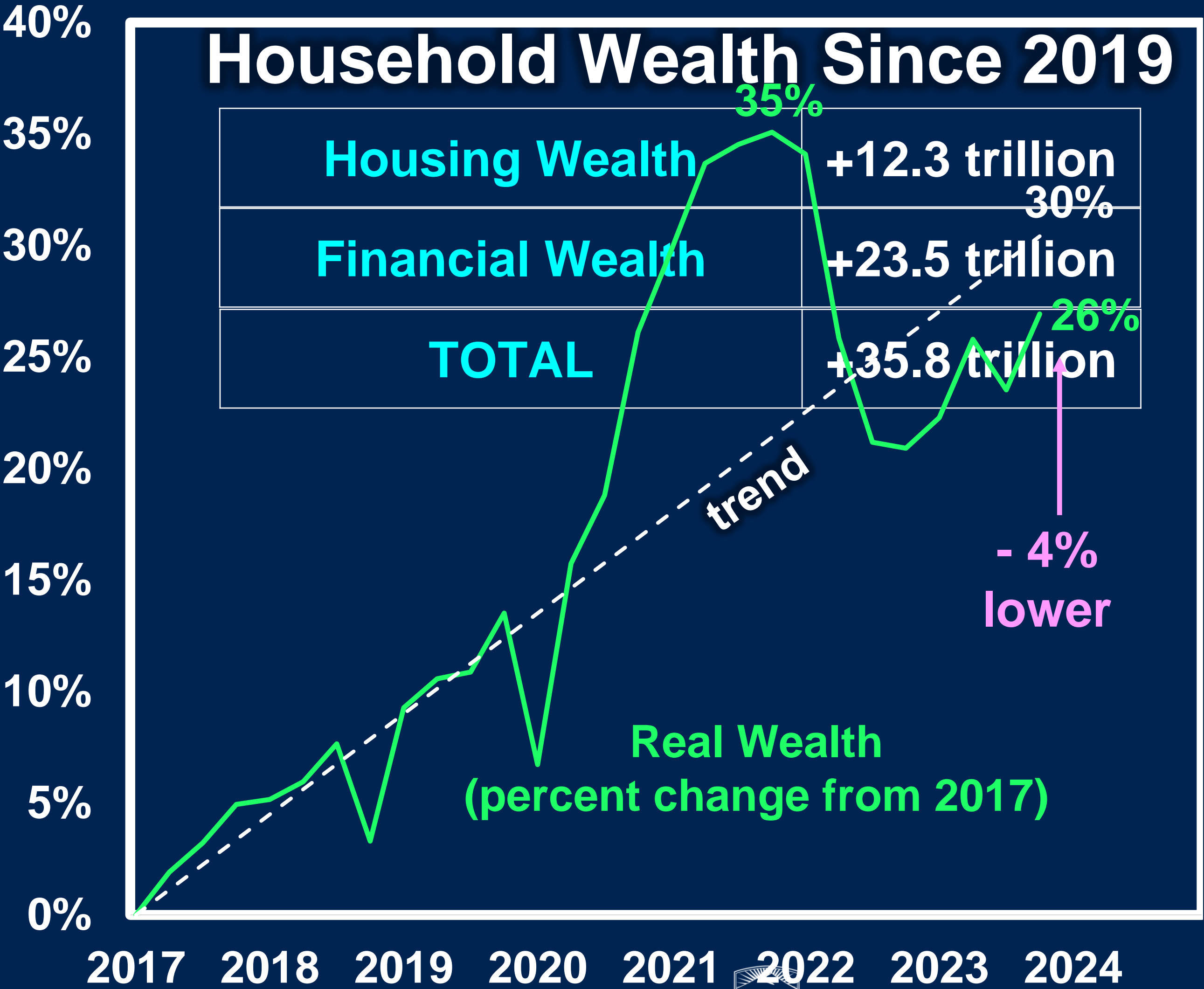
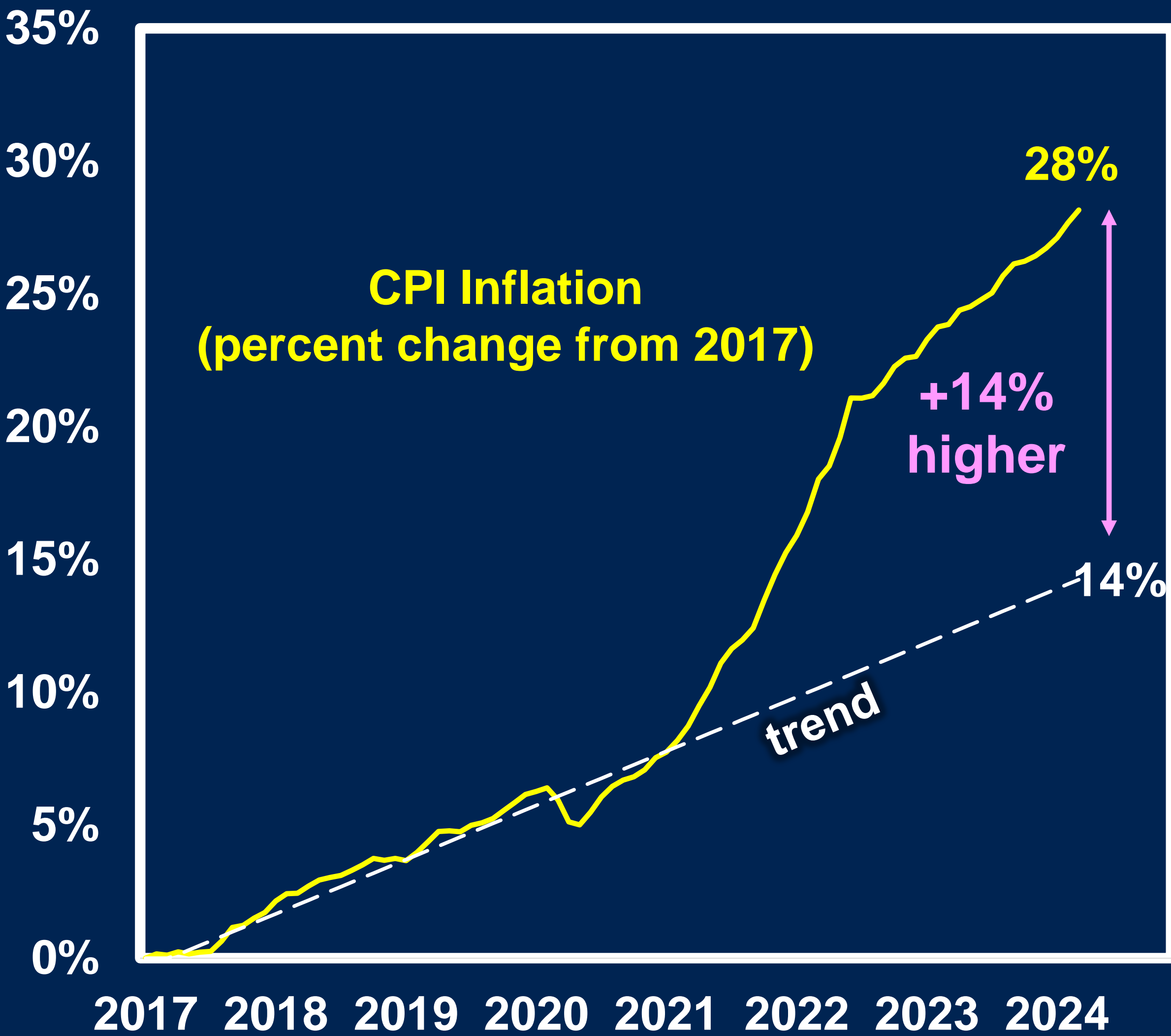
Everything is Great...

and Everyone is Depressed



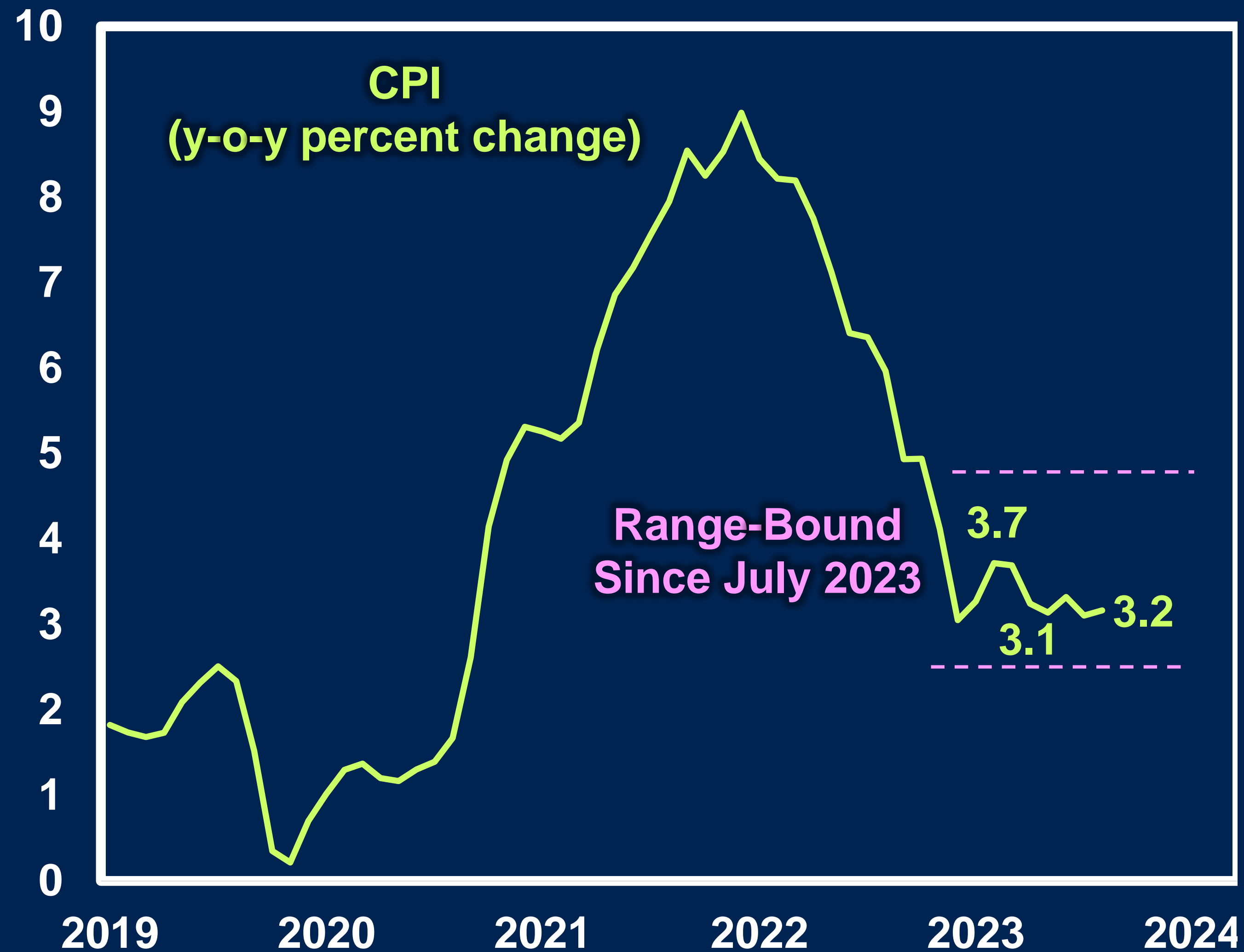
# The Root Causes of Discontent

## Still...Very Unhappy About Inflation



# Stubbornly Stuck

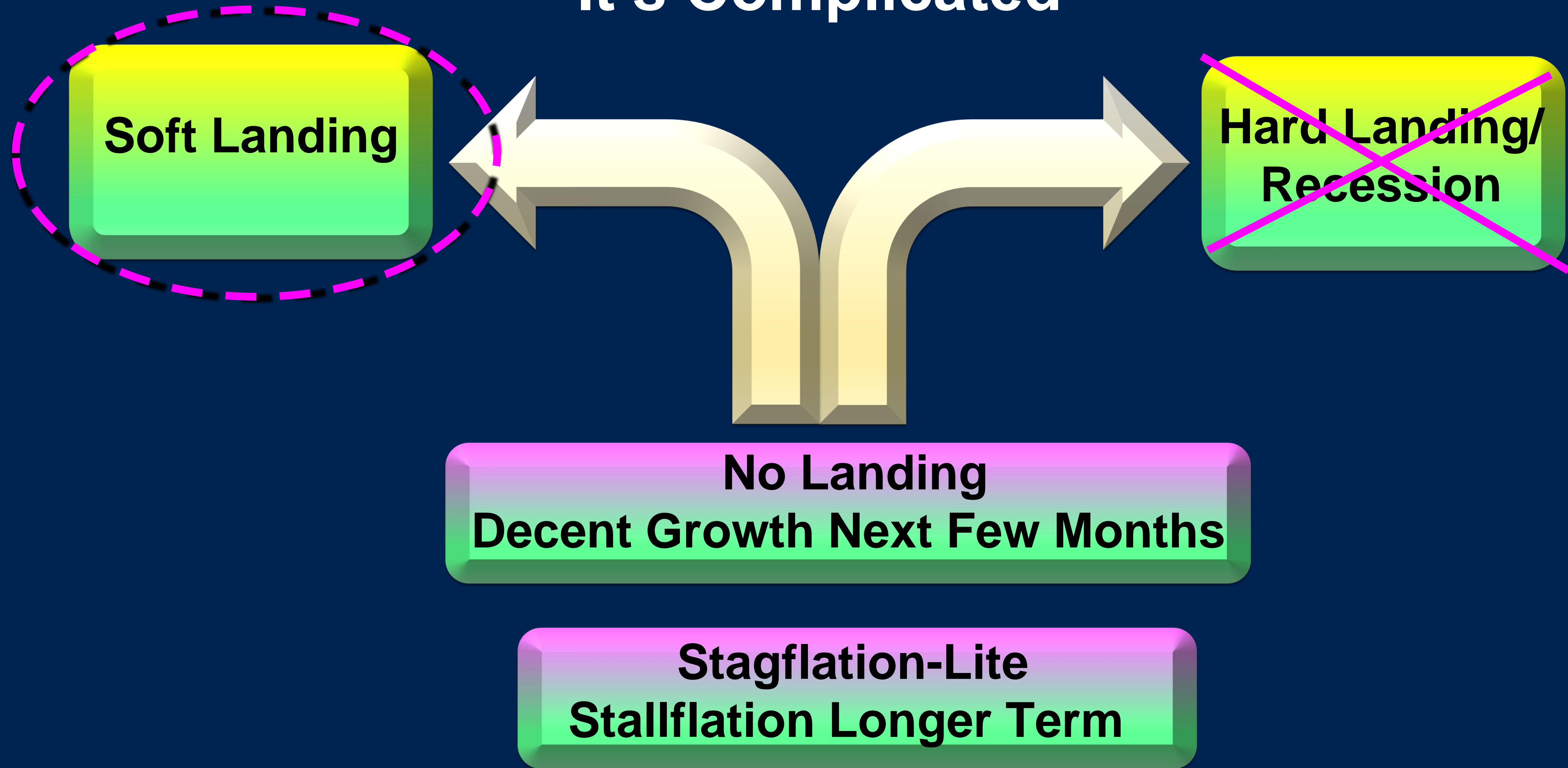
## Inflation is Proving Hard to Dislodge





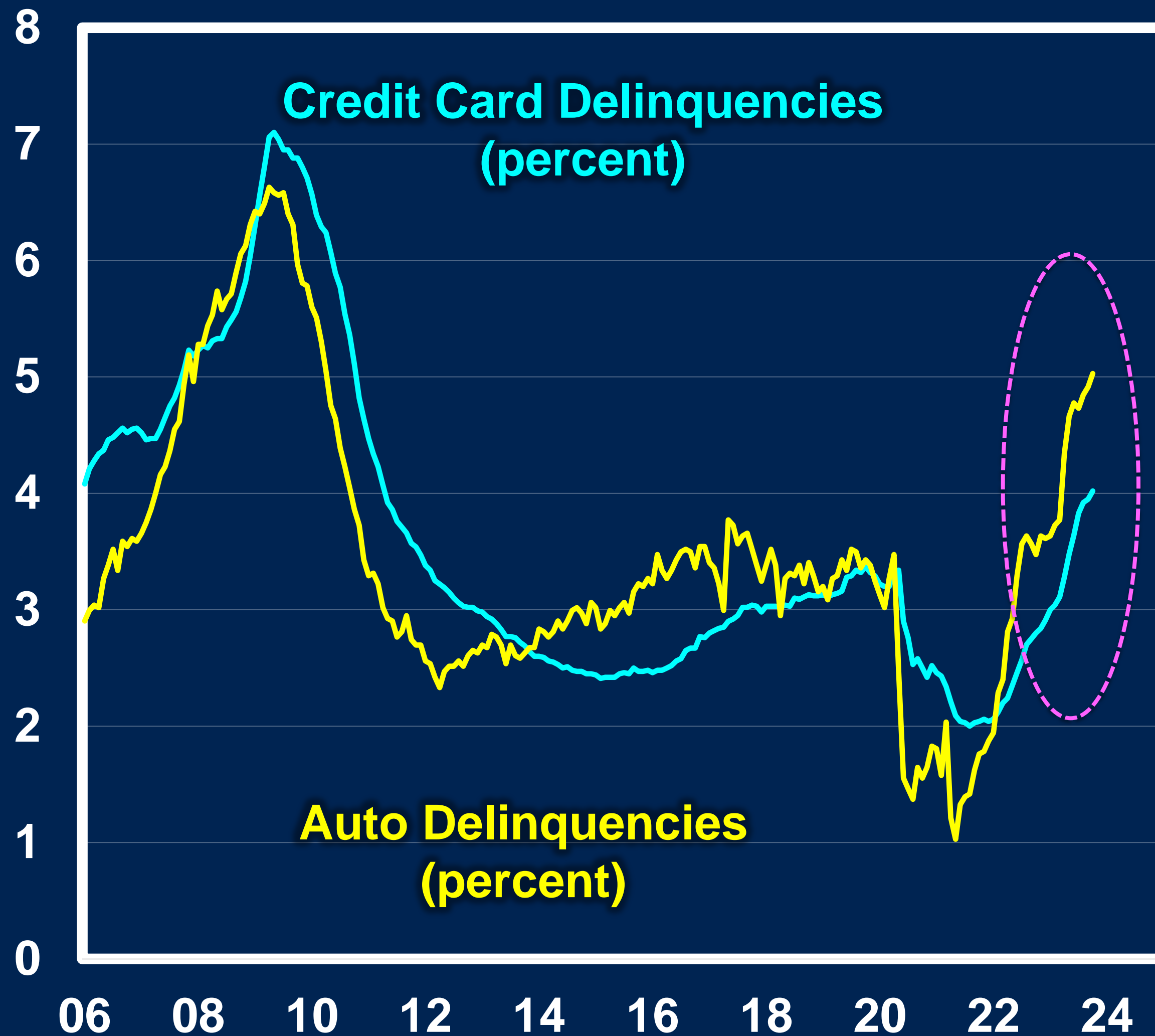
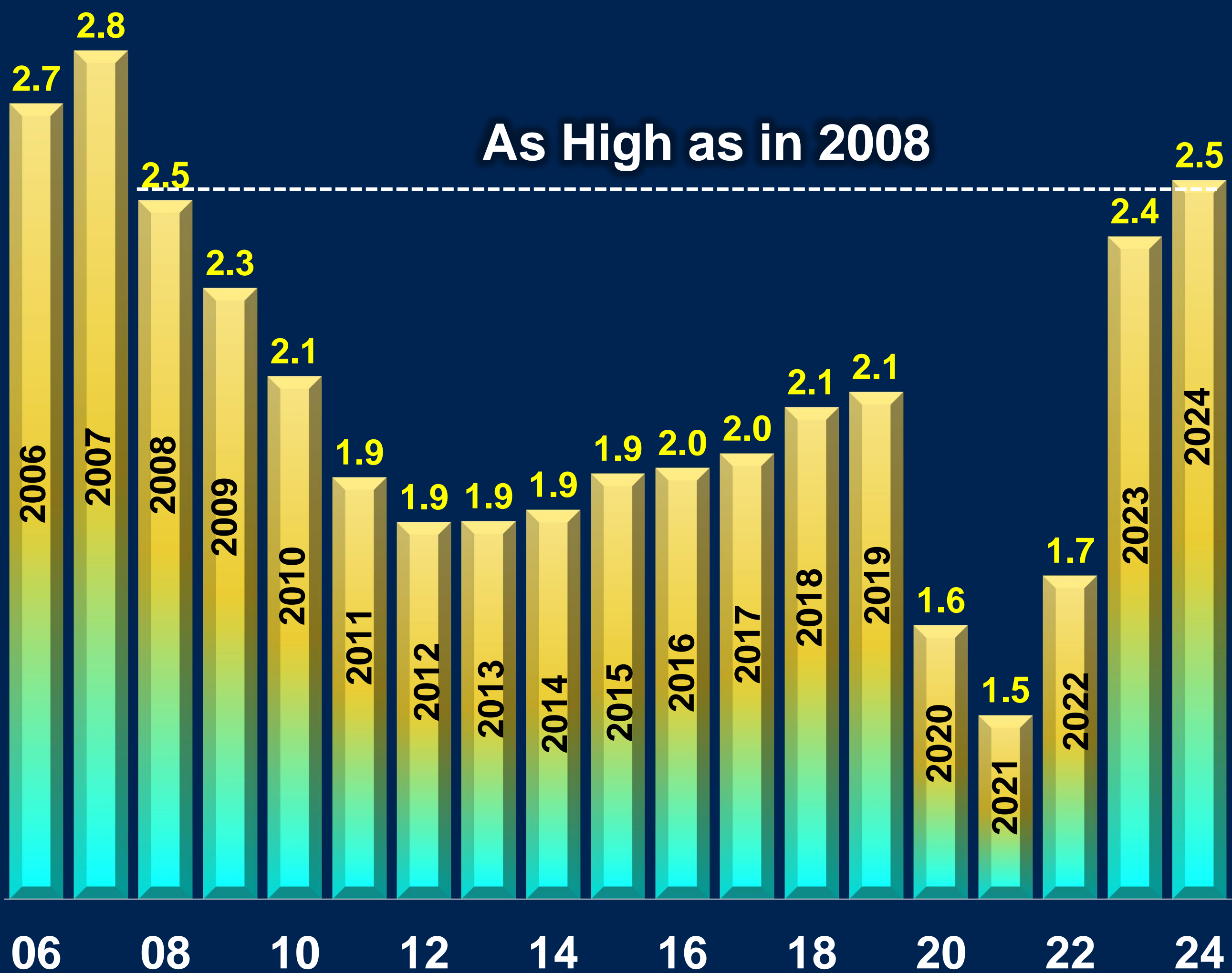
# Outlook?

## It's Complicated



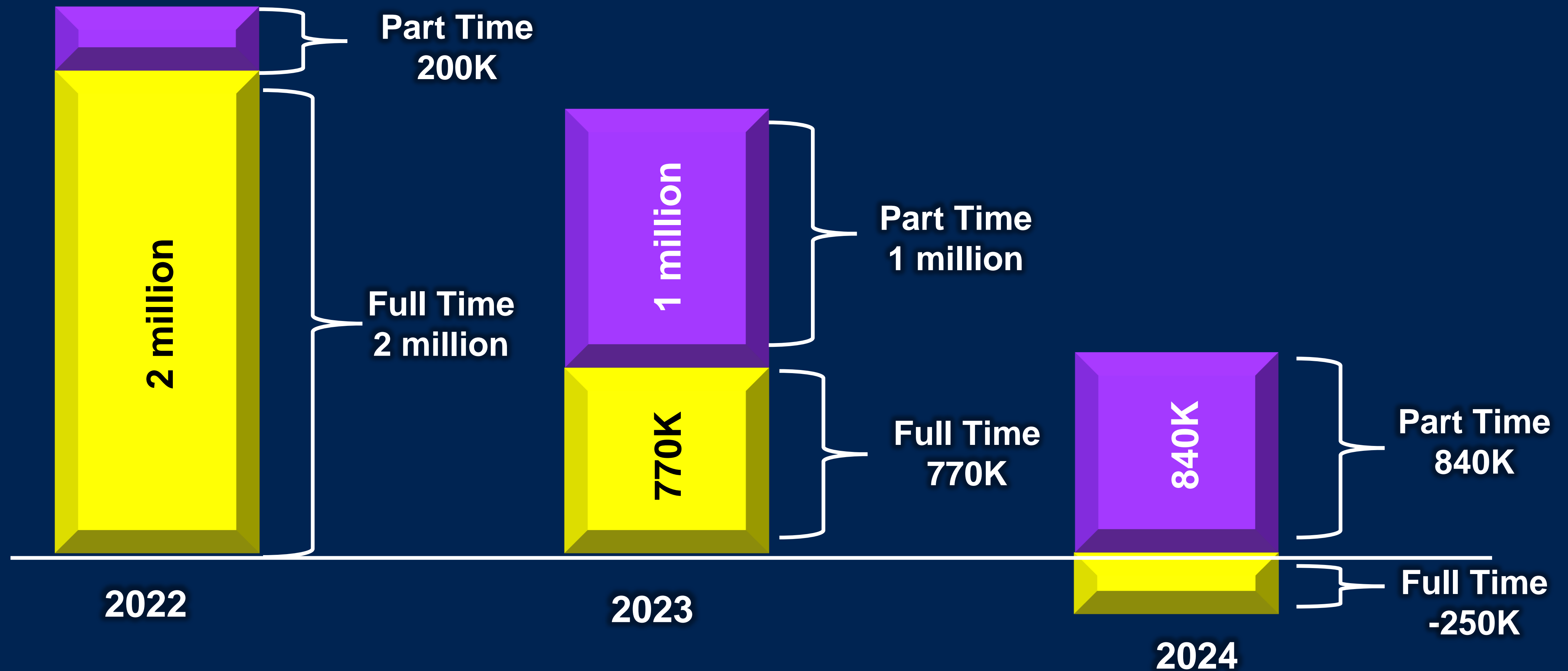
# Some Cracks Are Beginning to Appear

## Delinquencies and Bankruptcies on an Upswing



# That Legendary Labor Market

## Some Warning Signs Are Popping Up: Most Recent Jobs are Part Time

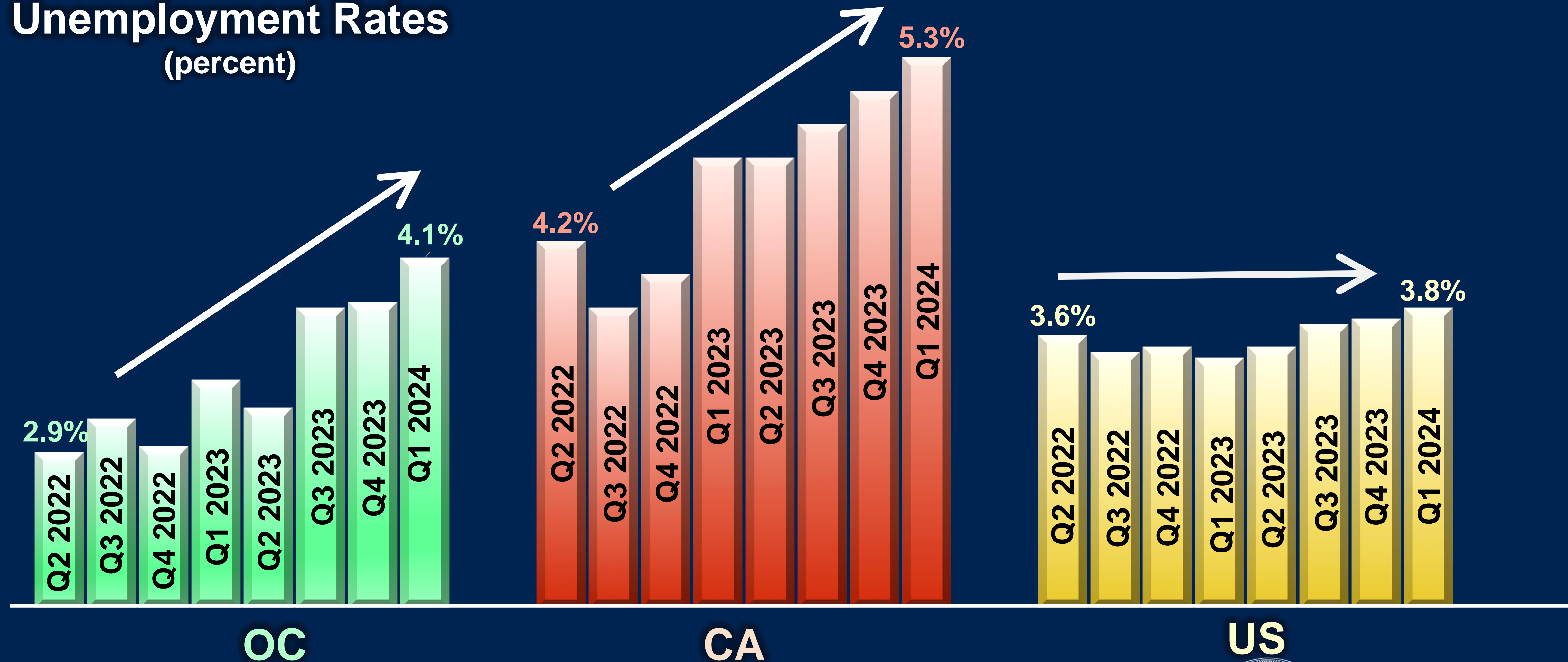




# That Legendary Job Market...

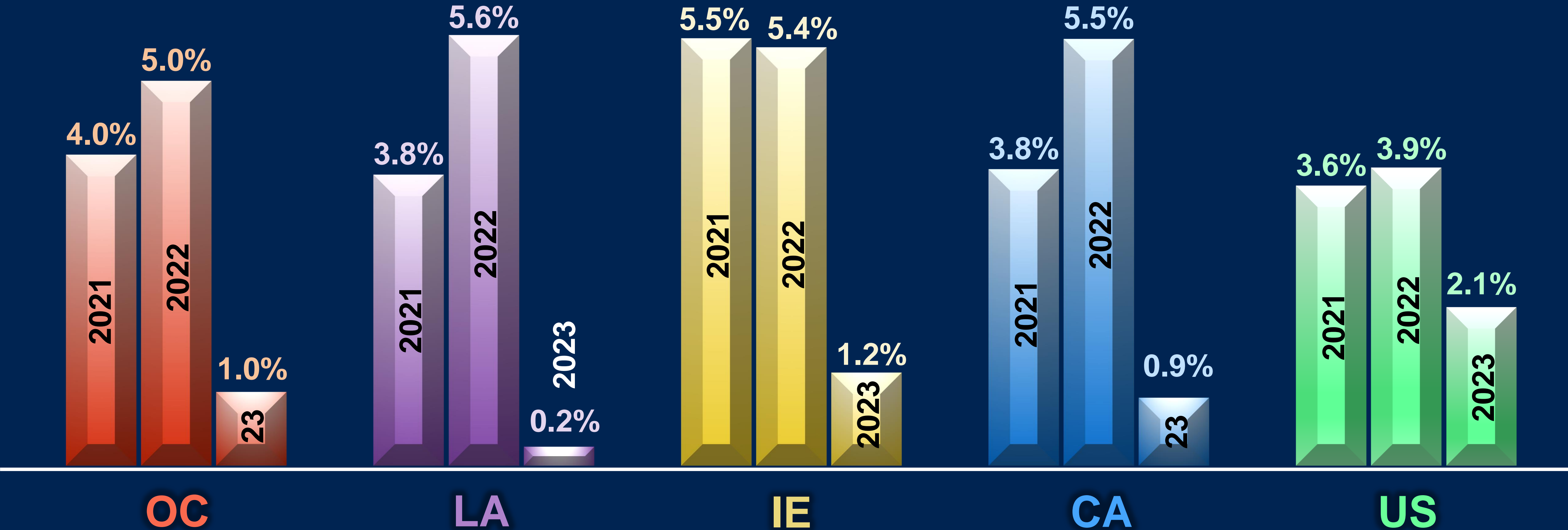
## Not So Legendary in CA or OC

Unemployment Rates  
(percent)



# The Downshift Has Already Come for SoCal

**Employment Growth**  
(y-o-y percent change, annual average)

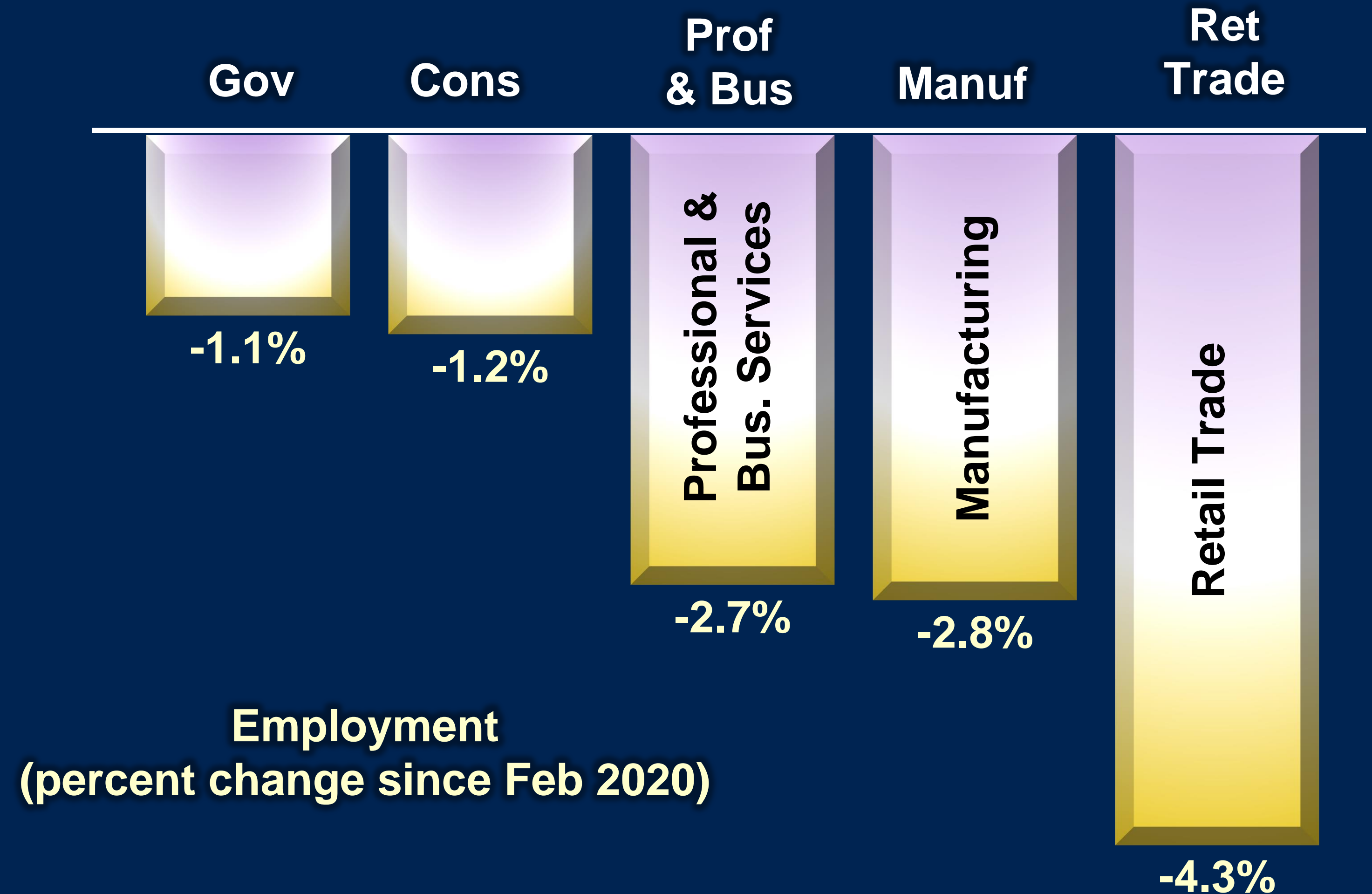


# OC: Labor Market Has Recovered...

## ...But Many Sectors are Still Below Pre-Pandemic Levels

**Fully Recovered**  
(percent change since Feb-2020)

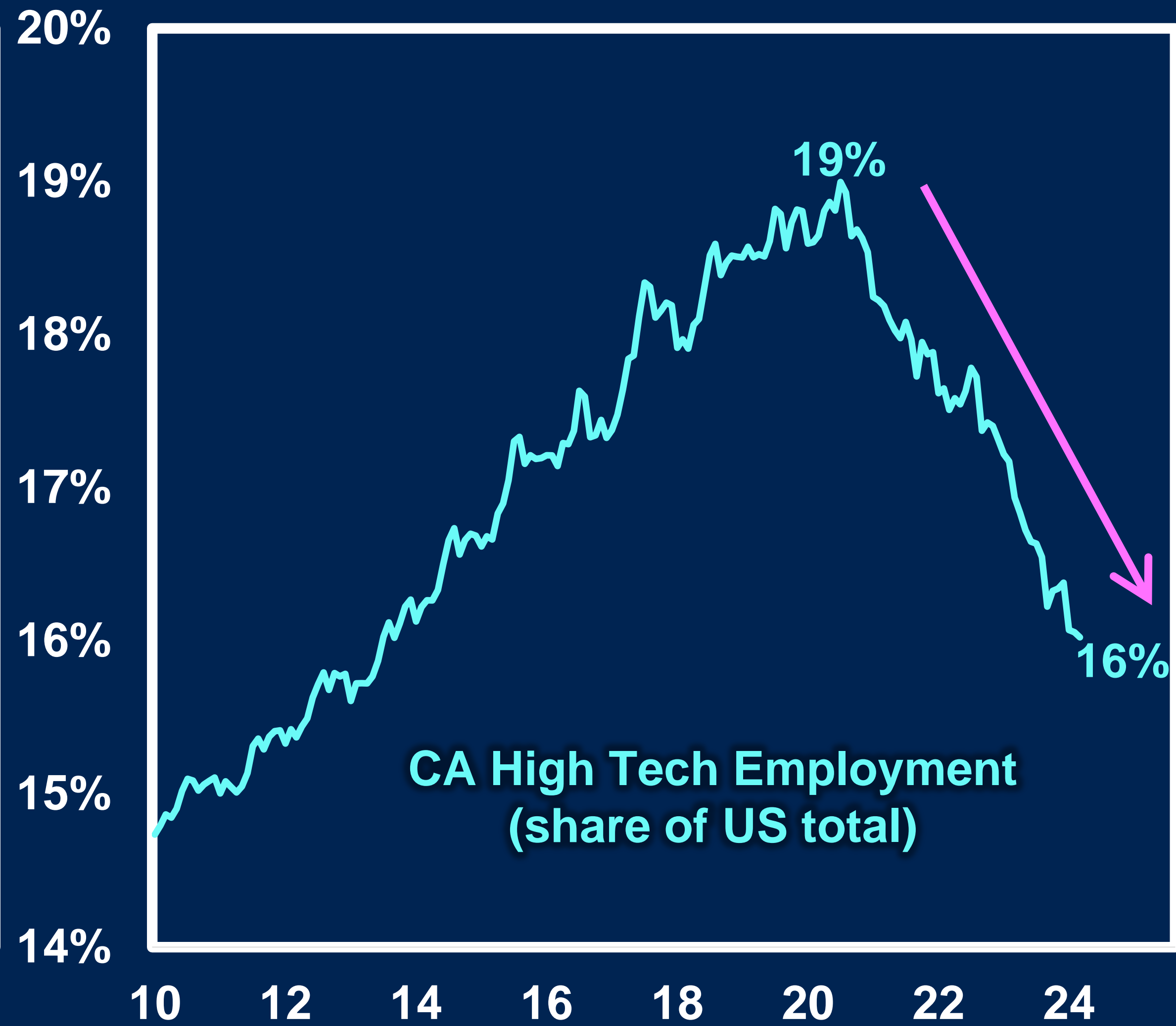
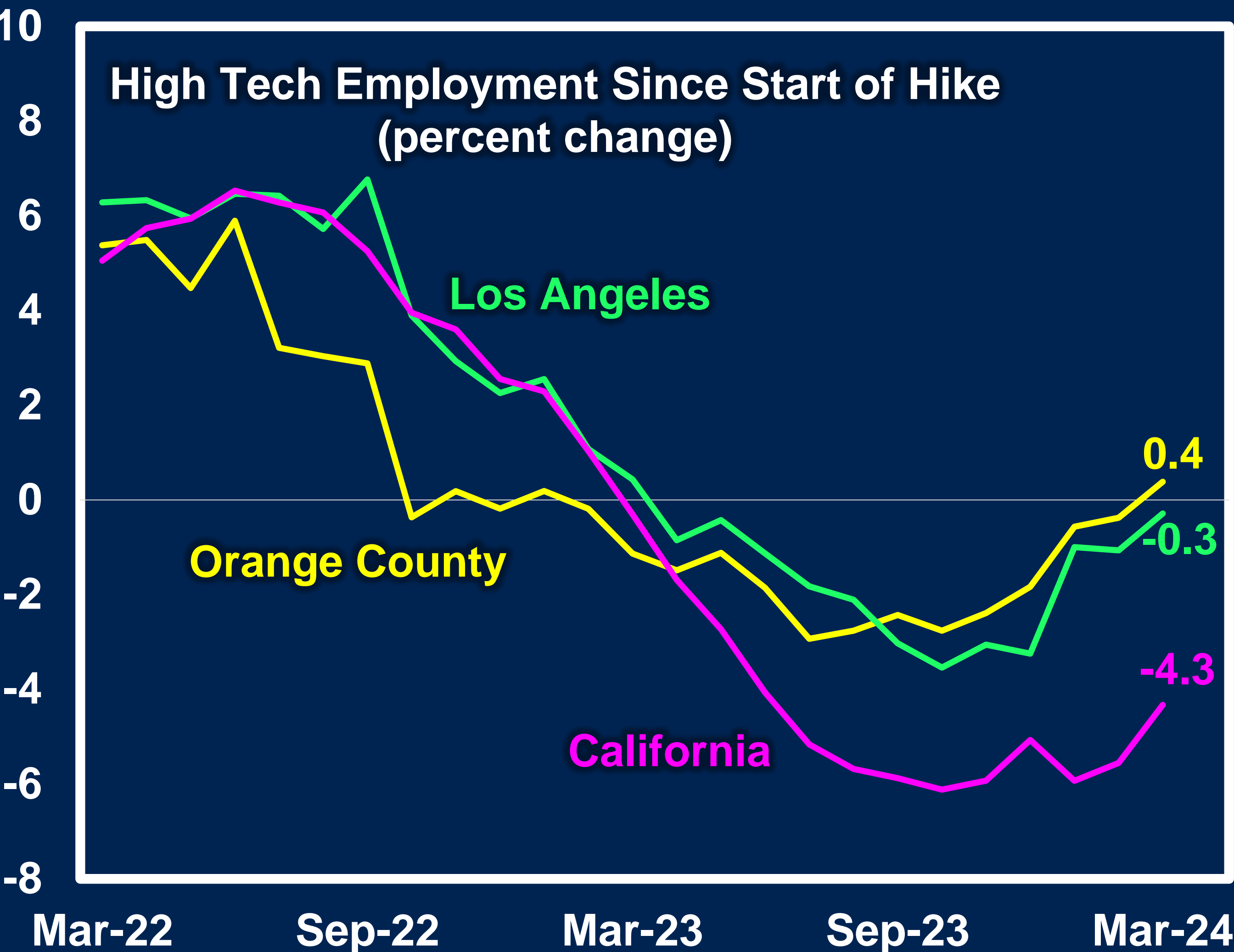
<b>Private Education</b>	<b>25.0%</b>
<b>Transportation</b>	<b>13.5%</b>
<b>Health Care</b>	<b>13.3%</b>
<b>Other Services</b>	<b>4.8%</b>
<b>Leisure and Hospitality</b>	<b>1.9%</b>





# Tech-session: High Tech Sector Has Underperformed

## But Issues in CA Go Back to COVID





# That \$20 Minimum Wage

Fast Food Chains with 60  
or more locations

\$20 min wage  
≈ 80% of fast-food  
workforce

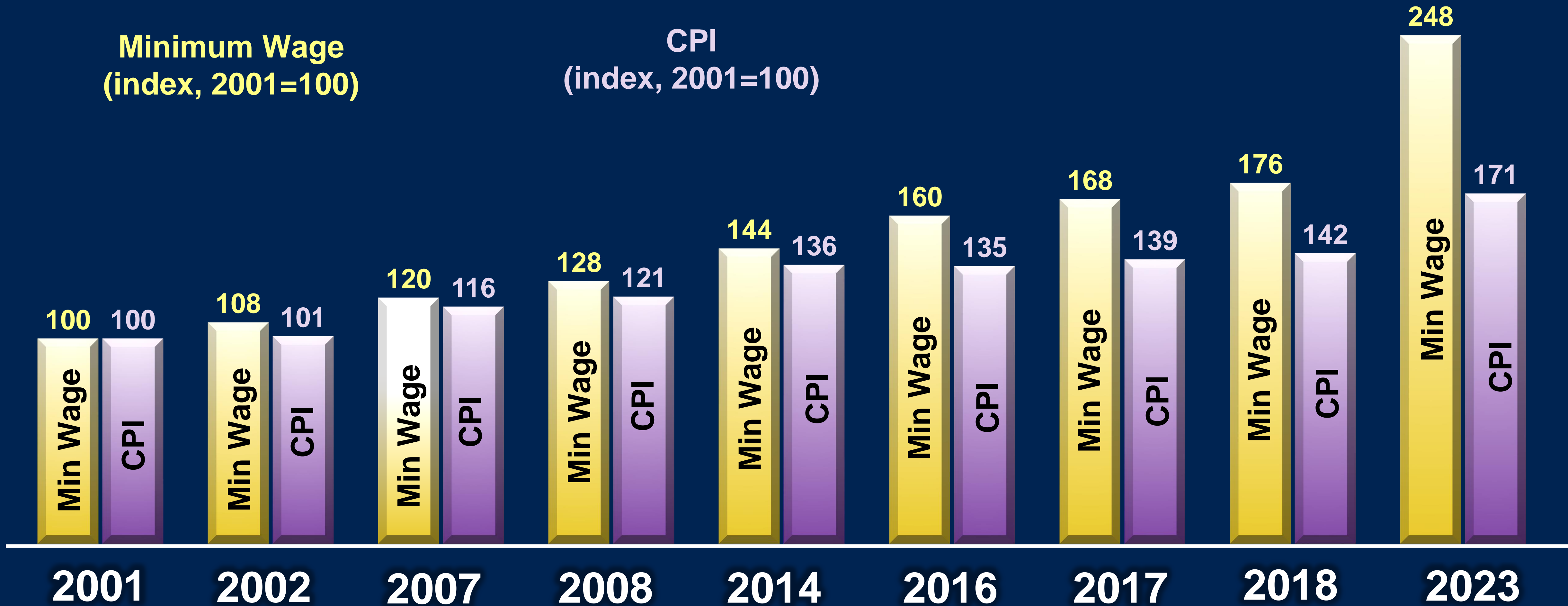
California Fast Food Workforce  
(thousands of workers)





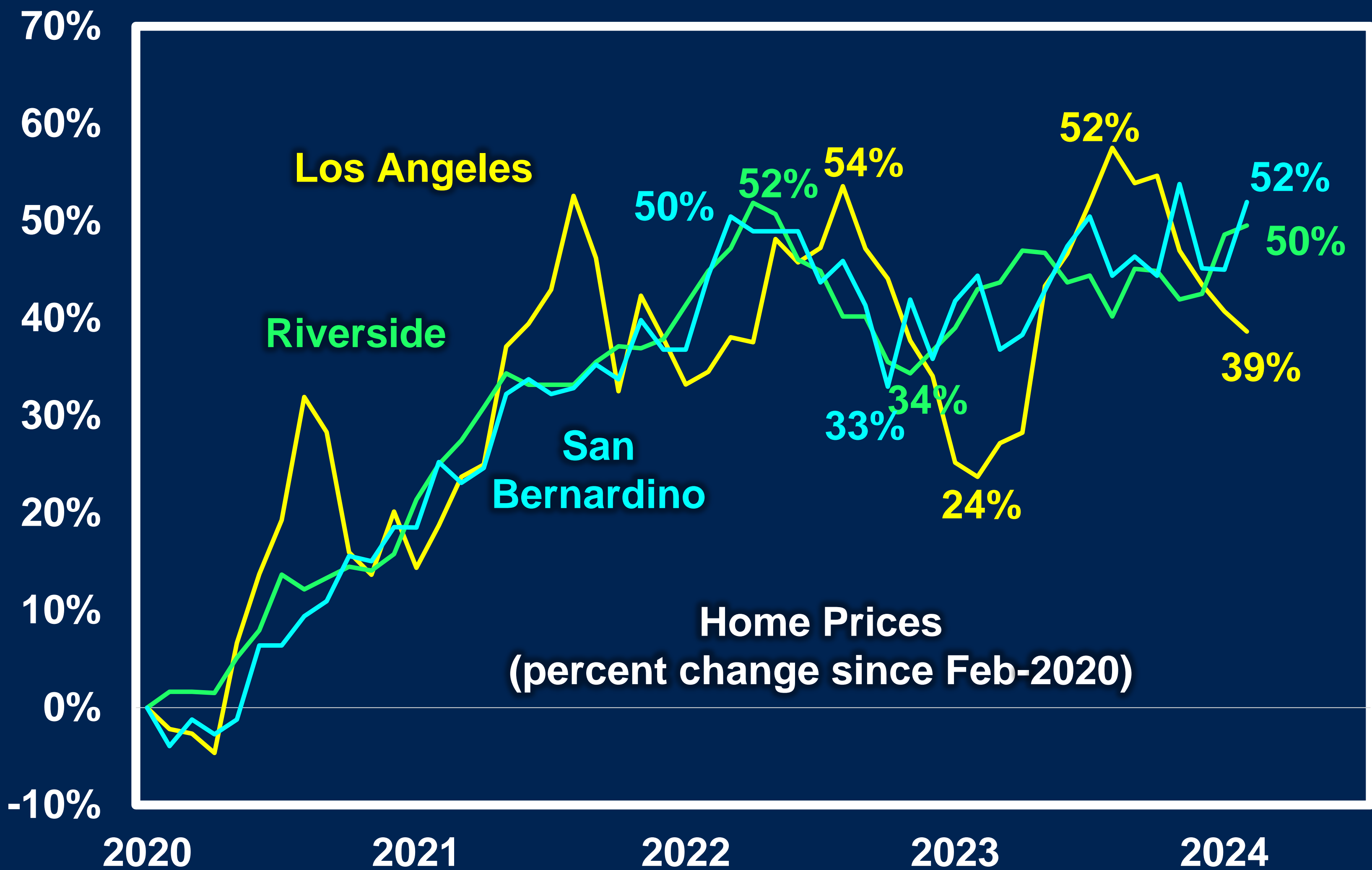
# California Exceptionalism

## Minimum Wage Hikes Have Surpassed Rate of Inflation Last 20 Years



# Home Values Have Held Up Everywhere

## Less in LA, but All are Above Pre-Pandemic Levels

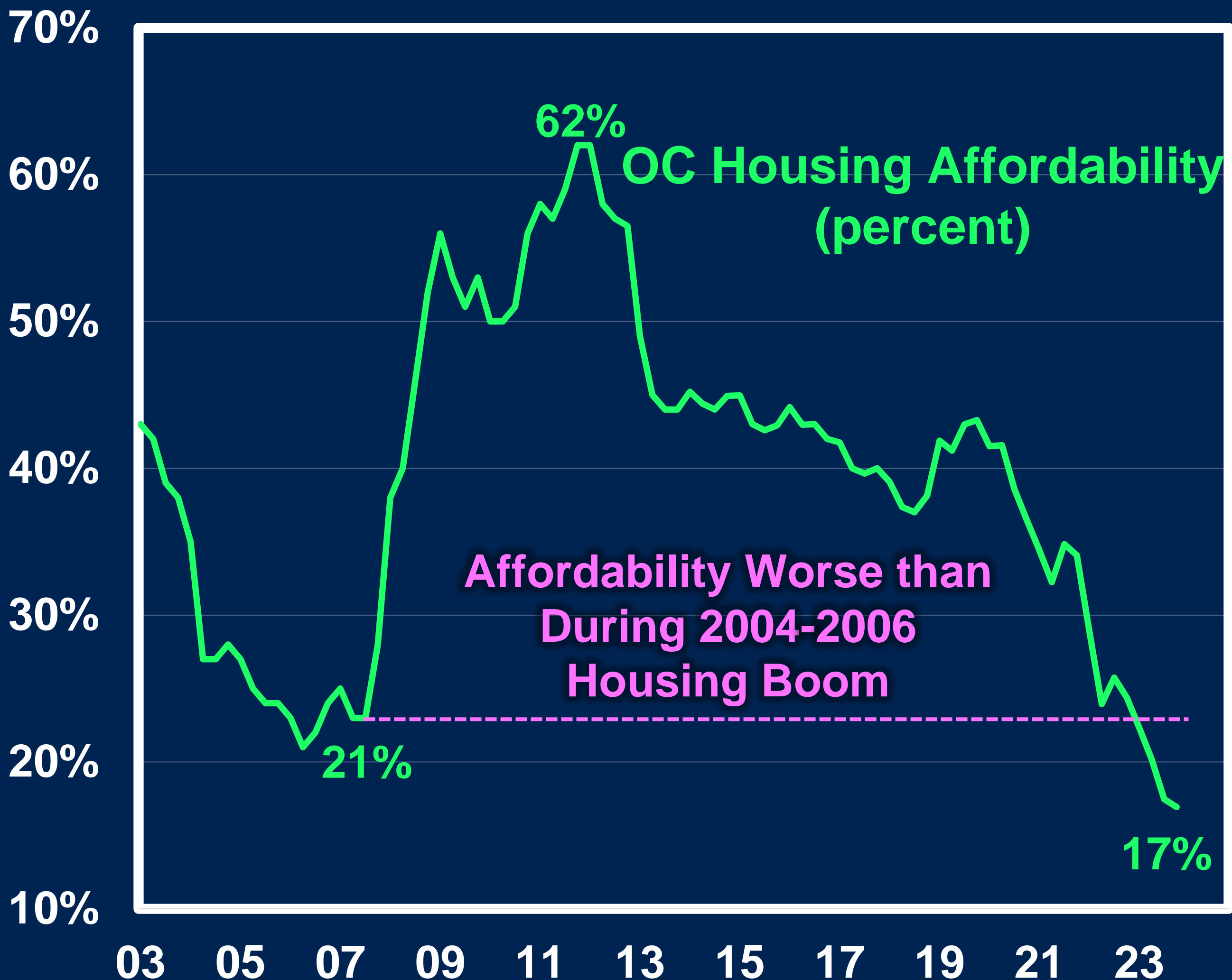


### Homeowners Equity Compared to Pre-Pandemic

OC	+ \$520,000
LA	+ \$224,410
RV	+ \$212,000
SB	+ \$170,900

# Worse Affordability in History

Orange County is Ranked Last in CA Based on Housing Affordability

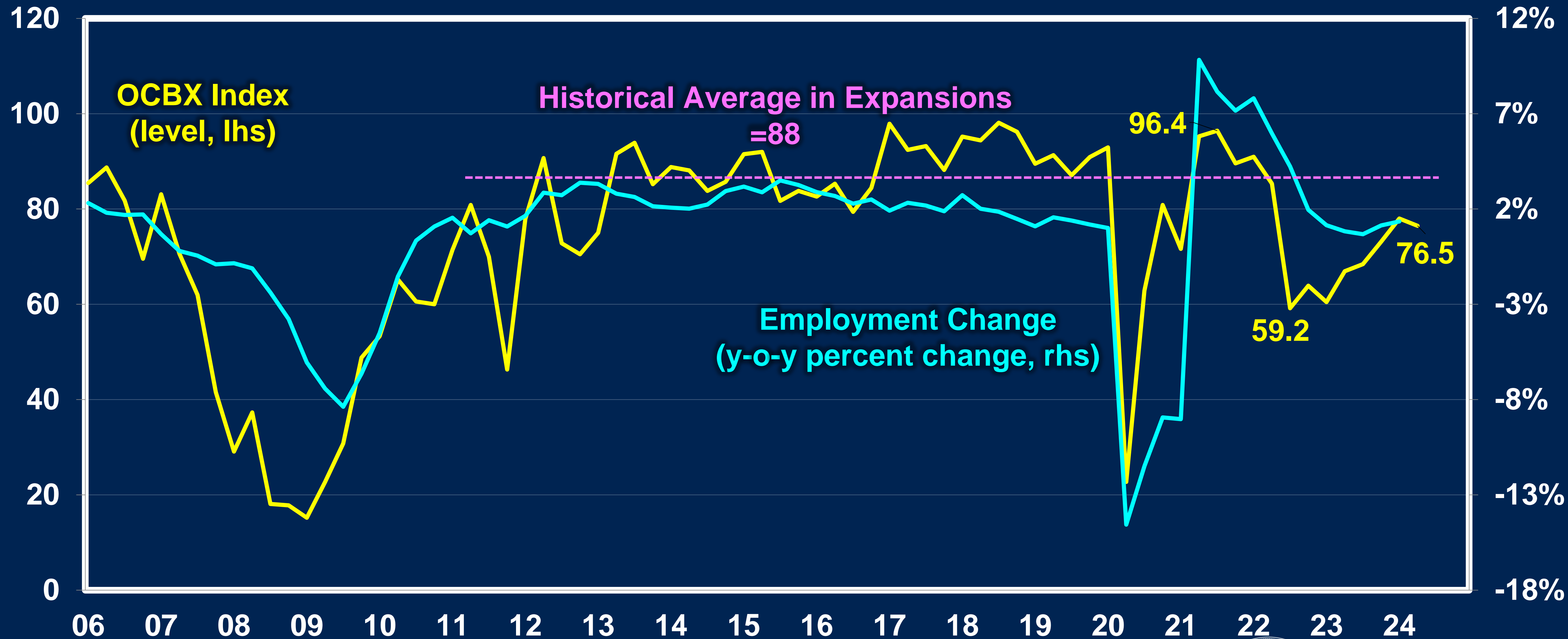


	Qualifying Income	Monthly Payment
OC	\$229,200	\$7,640
LA	\$156,000	\$5,200
IE	\$97,650	\$3,255

# OC Business Sentiment: Hanging Tight

Sentiment Edged Back a Bit in Q2 2024 But Has Improved since 2022

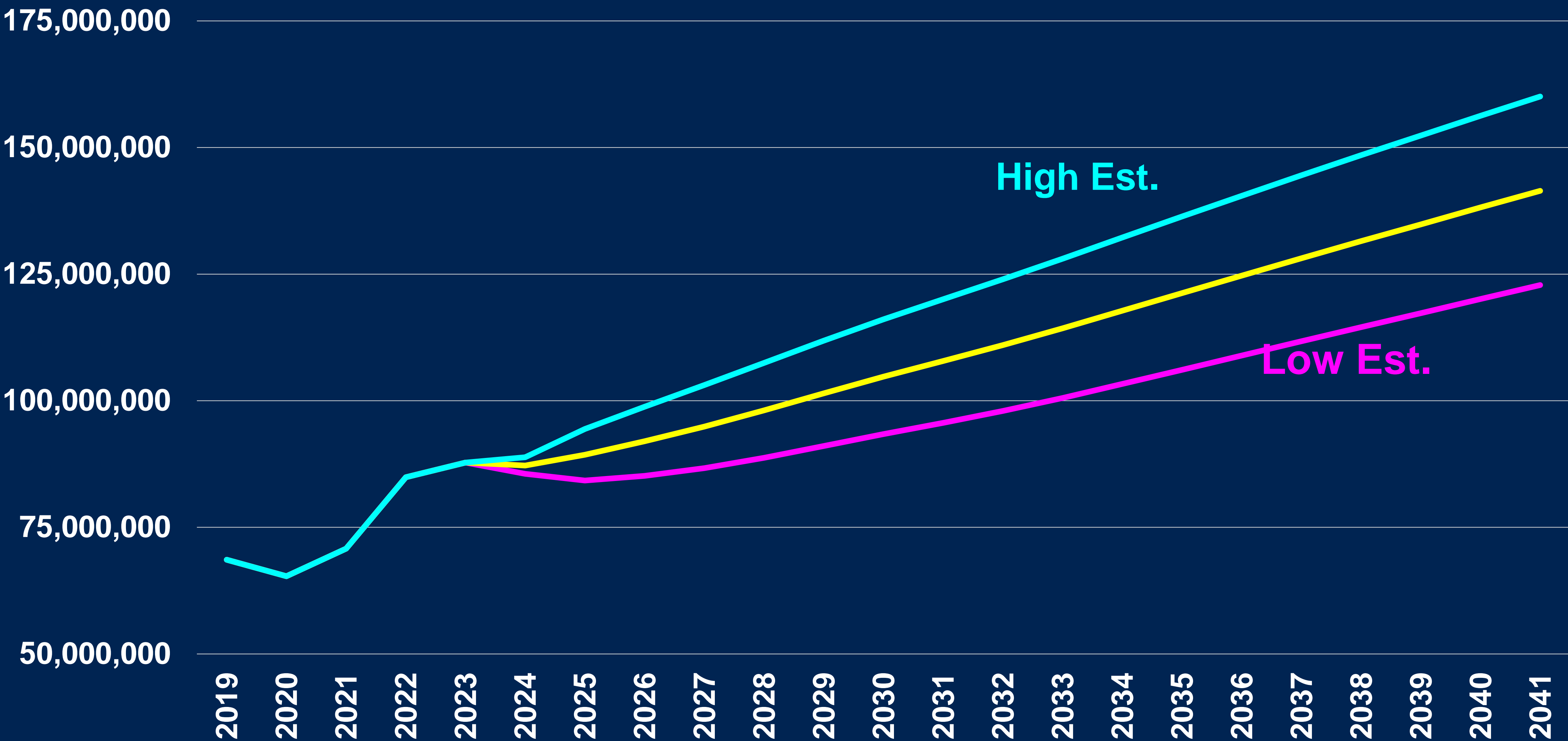
(Woods Center OCBX Index, level)





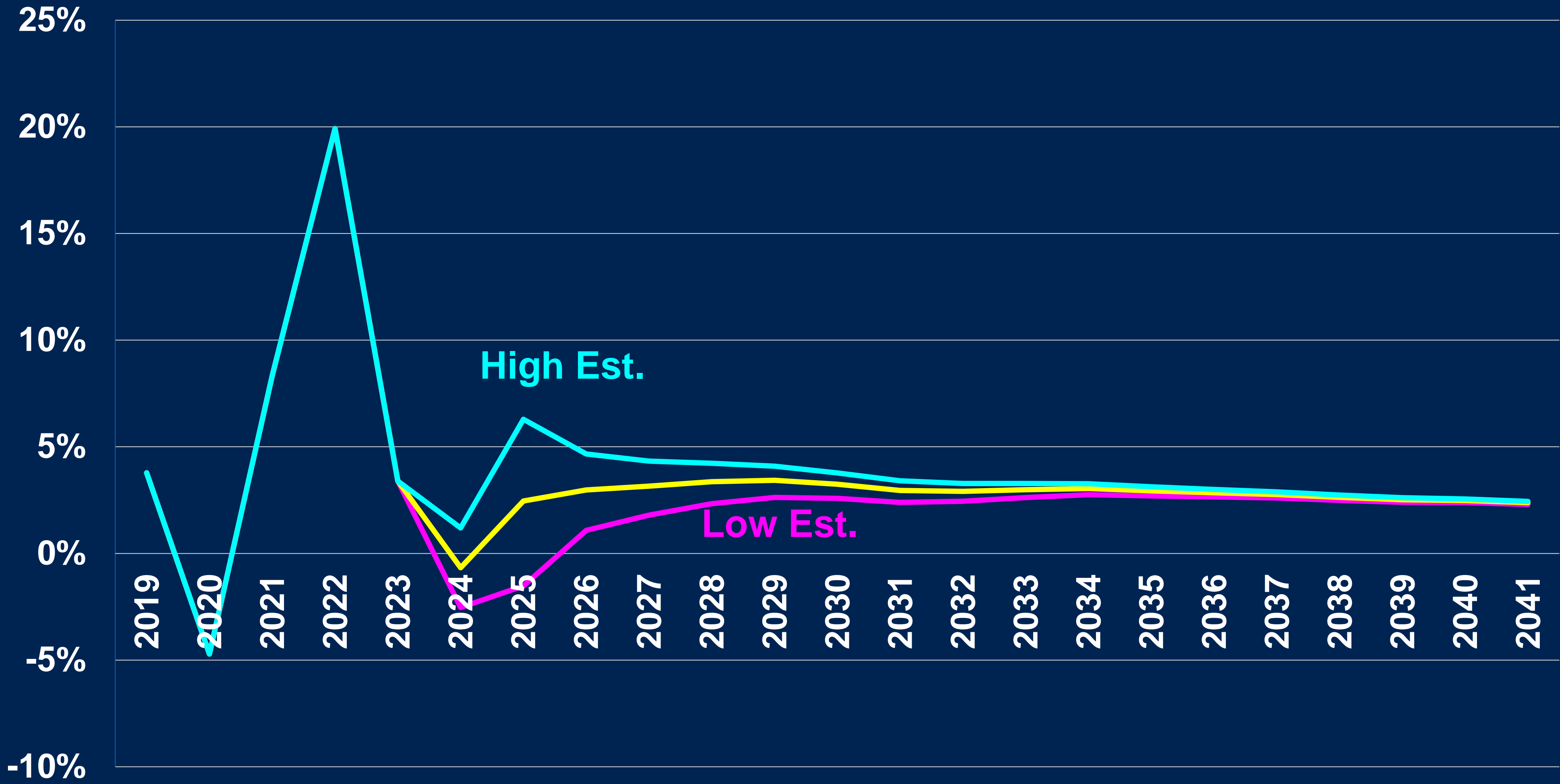
# OC Taxable Sales

Fiscal Years (000 dollars)



# OC Taxable Sales

Fiscal Years (percent change)



**Committee Members Present**

Michael Hennessey, Chair  
Patrick Harper, Vice Chair  
Jamey Federico  
Stephanie Klopfenstein  
Vicente Sarmiento

**Staff Present**

Jennifer L. Bergener, Deputy Chief Executive Officer  
Sahara Meisenheimer, Clerk of the Board Specialist  
Gina Ramirez, Assistant Clerk of the Board  
James Donich, General Counsel  
OCTA Staff

**Committee Members Absent**

Andrew Do  
Tam T. Nguyen

**Call to Order**

The June 26, 2024, regular meeting of the Finance and Administration Committee was called to order by Committee Chair Hennessey at 10:30 a.m.

**Special Calendar****1. Taxable Sales Forecast – Chapman University**

Andy Oftelie, Chief Financial Officer, provided opening comments and introduced Raymond Sfeir, PhD, from Chapman University, who provided a PowerPoint presentation.

Following a discussion, no action was taken on this item.

**Consent Calendar (Items 2 through 4)****2. Approval of Minutes**

A motion was made by Director Sarmiento, seconded by Director Klopfenstein, and declared passed by those present to approve the minutes of the June 12, 2024 Finance and Administration Committee meeting.

**3. Orange County Employees Retirement System: Orange County Transportation Authority Employer Audit**

A motion was made by Director Sarmiento, seconded by Director Klopfenstein, and declared passed by those present to receive and file an audit completed by the Internal Audit Department of the Orange County Employees Retirement System, Orange County Transportation Authority Employer Audit, Report Date: June 6, 2024, as an information item.



**4. Fiscal Year 2023-24 Third Quarter Budget Status Report**

A motion was made by Director Sarmiento, seconded by Director Klopfenstein, and declared passed by those present to receive and file as an information item.

**Regular Calendar**

**5. Agreement to Provide Assistance Administering the Orange County Transportation Authority's Disadvantaged Business Enterprise Program**

Pia Veasapen, Director of Contracts Administration and Materials Management, provided a report on this item.

A discussion ensued regarding the requirements for the Disadvantaged Business Enterprise program compliance and the challenge to administer the program in-house.

A motion was made by Director Harper, seconded by Director Sarmiento, and declared passed by those present, to:

- A. Approve the selection of Padilla & Associates, Inc. as the firm to provide assistance in administering the federal Disadvantaged Business Enterprise program for the Orange County Transportation Authority.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C- 4-2046 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$990,000, for a four-year initial term with two, three-year option terms, to provide assistance in administering the federal Disadvantaged Business Enterprise program.

**Discussion Items**

**6. 405 Express Lanes Operational Update**

Kirk Avila, General Manager of Express Lanes, provided a PowerPoint presentation.

Following a discussion, no action was taken on this item.

**7. Public Comments**

There were no public comments received.





**8. Chief Executive Officer's Report**

Jennifer L. Bergener, Deputy Chief Executive Officer, provided an update on the State Budget.

**9. Committee Members' Reports**

There were no Committee Members' Reports.

**10. Adjournment**

The meeting adjourned at 11:51 a.m.

The next regularly scheduled meeting of this Committee will be held:

**10:30 a.m. on Wednesday, July 10, 2024**

OCTA Headquarters  
Board Room  
550 South Main Street  
Orange, California

ATTEST:

\_\_\_\_\_  
Sahara Meisenheimer  
Clerk of the Board Specialist



**July 10, 2024**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit

**Subject:** Fiscal Year 2023-24 Internal Audit Plan, Fourth Quarter Update

### **Overview**

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2023-24 Internal Audit Plan on July 24, 2023. This update is for the fourth quarter of the fiscal year.

### **Recommendation**

Receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2023-24 Internal Audit Plan as an information item.

### **Background**

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management in the discharge of its duties and responsibilities.

Internal Audit performs a wide range of auditing services that include overseeing the annual financial and compliance audits, conducting operational and contract compliance audits, investigations, and agreed-upon procedures reviews. Audits initiated by entities outside of OCTA are coordinated through Internal Audit.

### **Discussion**

The OCTA Internal Audit Fiscal Year (FY) 2023-24 Internal Audit Plan (Plan), Attachment A, reflects the status of each audit project as of year-end. Staff

hours, as reflected in Attachment A, represent total hours available annually for audit activities and are budgeted by project as a preliminary estimate of the effort required to meet the audit objective. Actual hours available for audit activities exceeded budgeted hours by approximately 375 hours due primarily to a decrease in the number of hours consumed for Internal Audit administrative and training activities.

For the Plan year, Internal Audit completed 35 projects, including 15 audits, 16 price reviews, and four Buy America reviews. As of June 30, 2024, three internal audits are in process. These audit projects, along with the one contingency audit, will be carried over to the OCTA Internal Audit FY 2024-25 Plan.

During the fourth quarter, Internal Audit issued results of an audit of the design-build contract for the Interstate 405 Improvement Project. Based on the audit, oversight and invoice review controls were in place and invoices complied with contract provisions. One recommendation was made to improve documentation maintained in payment and project files. Management agreed to ensure complete files going forward.

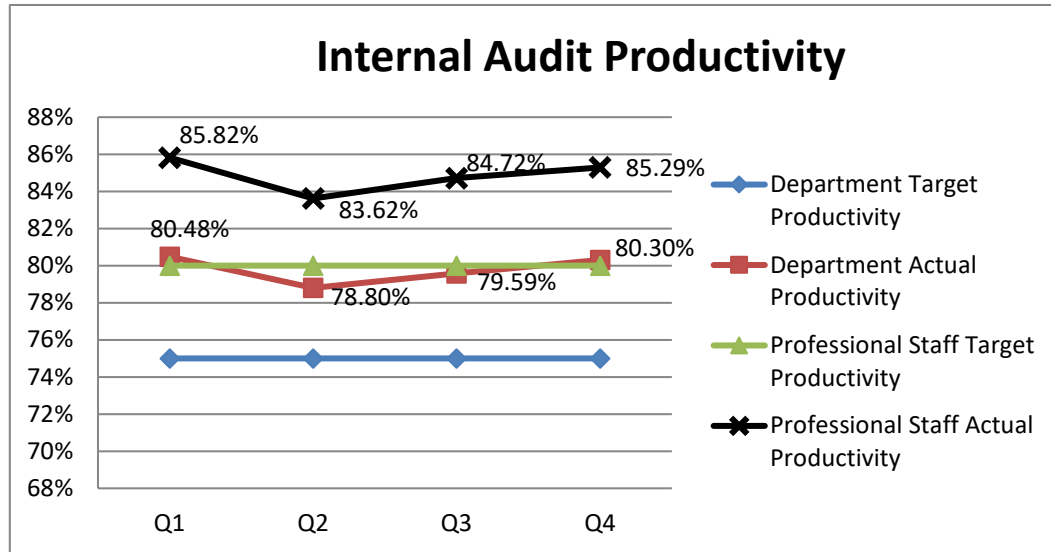
An audit of the flexible spending account program concluded that controls over employee enrollment, deductions, payments, and invoice processing are adequate and operating, and OCTA is complying with applicable Internal Revenue Service regulations. One recommendation was offered to implement controls to monitor the balance and activity of the custodial account held by WEX Health, Inc. Management agreed and indicated that a process for monitoring account transactions and balance will be implemented.

Also, during the quarter, Internal Audit provided results of an audit of liability claims management and found controls related to administration and management of general liability claims, and identification and management of subrogation claims, are adequate and functioning.

#### Internal Audit Productivity

Internal Audit measures the productivity of the department by calculating a productivity ratio. The ratio, used broadly throughout the audit industry, measures the amount of time auditors spend on audit projects versus time spent on administrative duties. Productivity goals are established for both the professional staff and for the department. Because the executive director regularly participates in non-audit management activities such as planning and committee meetings, the department-wide target is set at 75 percent. The target for Internal Audit professional staff, not including the executive director, is 80 percent.

By the quarter ended June 30, 2024, Internal Audit had achieved cumulative productivity of 80 percent, and the professional staff achieved cumulative productivity of 85 percent.



### Price Reviews

At the request of the Contracts Administration and Materials Management (CAMM) Department, and consistent with OCTA's procurement policy, Internal Audit conducts agreed-upon procedure reviews of single-bid procurements exceeding \$50,000, to ensure that CAMM handled the procurement in a fair and competitive manner. Internal Audit also performs agreed-upon procedure reviews of sole source contractor proposals exceeding \$50,000, and prices proposed by architectural and engineering firms exceeding \$150,000, to ensure that the prices are fair and reasonable. Internal Audit makes recommendations to adjust proposed rates where they exceed the rates per review. During the fourth quarter, Internal Audit completed three price reviews. For the year ended June 30, 2024, a total of 16 price reviews were issued.

### Fraud Hotline

Internal Audit is responsible for administering the OCTA Fraud Hotline. The fraud hotline system allows reporters to file complaints anonymously through the internet or by calling a toll-free phone number. Complaints may also be received in person, by phone, or by mail directly to Internal Audit. To ensure proper recordkeeping, all complaints are recorded in the Ethicspoint system, regardless of how the complaint is received.

During the quarter ended June 30, 2024, no reports were received. A total of eight reports were received during the FY.

#### **Outstanding Audit Recommendations Tracking**

At the request of the Finance and Administration Committee, a listing of outstanding audit recommendations is included with the quarterly updates to the Plan as Attachment B.

For the quarter ended June 30, 2024, Internal Audit performed follow-up and closed out three outstanding recommendations, as reflected in Attachment C. Follow-up review of another nine outstanding recommendations is underway as of quarter-end. Two recommendations were added to the listing as a result of the audit of the design-build contract for the Interstate 405 Improvement Project and the audit of the flexible spending account program, summarized above.

#### **Summary**

The Orange County Transportation Authority Internal Audit Department Fiscal Year 2023-24 Internal Audit Plan is being closed out. Three projects that are in process, and one contingency project, have been carried forward to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan. The Internal Audit Department will continue to perform follow-up of all outstanding findings and recommendations.

#### **Attachments**

- A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2023-24 Internal Audit Plan, Fourth Quarter Update
- B. Outstanding Audit Recommendations, Audit Reports Issued Through June 30, 2024
- C. Audit Recommendations Closed During Fourth Quarter, Fiscal Year 2023-24

#### **Approved by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-5591

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2023-24 Internal Audit Plan  
Fourth Quarter Update**

**ATTACHMENT A**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Mandatory External Independent Audits</b>							
Annual Financial Audits and Agreed-Upon Procedures (AUP) Reviews	FY24-001 through FY24-004	Develop and issue a request for proposals and scope of work for an independent audit firm to conduct audits of the Orange County Transportation Authority (OCTA) and related entities. Coordinate and report on annual financial and AUP reviews for fiscal year (FY) 2022-23.	Financial	470	446	25	Complete
External Regulatory Audits	FY24-005	Coordinate and report on external audits by regulatory or funding agencies.	Compliance	40	44	(4)	2 Reports Issued
<b>Internal Audit Department Projects</b>							
Risk Assessment and Annual Audit Plan	FY24-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year, including monitoring the audit results of related entities.	Audit Plan and Updates	180	175	5	Complete
Quality Assurance and Self-Assessment	FY24-101	Update of Internal Audit Policies & Procedures. Annual self-assessment of the Internal Audit Department's (Internal Audit) compliance with Generally Accepted Government Auditing Standards.	Quality Assurance	180	81	99	Complete
Fraud Hotline Activities	FY24-102	Administrative duties related to maintenance of the OCTA Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	120	166	(46)	8 Reports Received
Automated Workpaper Solution	FY24-103	System updates/training related to automated workpaper solution.	Workpaper System	40	23	18	
<b>Internal Audits</b>							
<b>Express Lanes Program</b>							
Operations and Management	FY24-508	Assess and test selected oversight, contract compliance, and/or invoice review controls related to the provision of services by Cofiroute USA, LLP.	Operational/ Compliance	340	294	46	In Process
<b>Security and Emergency Preparedness</b>							
Transit Police Services	FY24-503	Assess and test selected oversight, contract compliance, performance reporting, and/or invoice review controls related to the agreement for provision of Transit Police Services.	Operational/ Compliance	280	297	(17)	Complete 12-5-23

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2023-24 Internal Audit Plan  
Fourth Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>People and Community Engagement</b>							
Life Insurance Benefits	FY23-505	Assess and test policies, procedures, and controls over administration of employee life insurance benefits.	Operational	26	12	14	Complete 8-7-23
Bus Advertising Revenue	FY23-516	Assess and test oversight and contract compliance controls related to the agreement for bus advertising.	Operational/ Compliance	120	149	(29)	Complete 8-31-23
Liability Claims Management	FY24-510	Assess and test controls related to administration and management of liability claims.	Operational	320	253	67	Complete 5-23-24
Flexible Spending Accounts	FY24-511	Assess and test controls over the administration of employee flexible spending accounts.	Internal Control/ Compliance	200	333	(133)	Complete 5-29-24
College Pass Program	FY24-506	Assess and test oversight, compliance, and performance of the College Pass Program.	Operational	220	367	(147)	Complete 3-11-24
<b>Capital Programs</b>							
Anaheim Canyon Station Improvements	FY23-515	Assess and test oversight controls, contract compliance, and invoice review controls related to the Anaheim Canyon Station Improvements Project.	Internal Control/ Compliance	80	93	(13)	Complete 8-31-23
OC 405 Partners	FY24-507	Assess and test oversight controls, contract compliance, and invoice review controls related to the OC 405 design-build project.	Internal Control/ Compliance	360	464	(104)	Complete 4-9-24
<b>Operations</b>							
OC ACCESS Service	FY24-512	Assess adequacy of oversight controls and test oversight, contract compliance, and invoice review controls related to the agreement with First Transit/TransDev for OC ACCESS transportation services.	Operational/ Compliance	320	294	26	In Process
Regional Center of Orange County	FY24-502	Assess and test controls related to administration and operation of the agreements with Regional Center of Orange County and My Day Counts relating to transportation services.	Internal Control/ Operational	280	274	6	Complete 11-14-23
OC Vanpool Program	FY24-505	Assess and test controls and compliance related to the administration of the OC Vanpool Program.	Operational/ Compliance	180	236	(56)	Complete 1-18-24

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2023-24 Internal Audit Plan  
Fourth Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Finance and Administration</b>							
Treasury	FY24-501, FY24-509	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	250	446	(196)	2 Reports Issued
Accounts Payable	FY23-504	Assess and test controls over accounts payable operations.	Operational	320	513	(193)	Complete 1-15-24
Revenue Agreements	FY24-513	Assess and test controls over identification, tracking, and reporting of external revenue agreements.	Operational	280	102	178	In Process
Cybersecurity	FY23-509	Design a scope of work and procure an audit consultant to evaluate OCTA's Cybersecurity program.	Internal Control/Operational	8		8	Complete 5-31-23
OCTA Store Operations	FY24-504	Assess and test OCTA Store operations to ensure adequate controls are in place to safeguard assets.	Internal Control/Operational	280	164	116	Complete 10-26-23
Price Reviews	PR24-XXX	As requested by the Contracts Administration and Materials Management (CAMM) Department, apply AUP to sole source, single bid, and architectural and engineering firm proposals.	Price Review	800	696	105	16 Reports Issued
Buy America	FY24-5XX	As requested by the CAMM Department, apply AUP to determine compliance with Buy America requirements.	Buy America	300	391	(91)	4 Reports Issued
<b>Unscheduled Reviews and Special Requests</b>							
Unscheduled Reviews and Special Requests	FY24-800	Time allowed for unplanned audits and requests from the Board of Directors (Board) or management.	Varies	200	39	161	



**Orange County Transportation Authority  
Internal Audit Department  
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<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Monitoring Activities</b>							
Measure M2 Taxpayer Oversight Committee (TOC)	FY24-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	60	77	(17)	
Metrolink Audit Activities	FY24-602	Review/monitor audit results of Metrolink activities. Participate in selection of independent auditing firm.	Non-Audit Service	10	26	(16)	
Bus Base Inspections	FY24-603	At the request of the Operations Division, participate in annual base inspections.	Non-Audit Service	80	43	37	Complete
Capital Asset Inventory Observation	FY24-604	At the request of the Finance and Administration Department, observe and apply limited procedures related to the bi-annual capital asset inventory counts.	Non-Audit Service	60	88	(28)	
<b>Follow-Up Reviews</b>							
Follow-Up Reviews and Reporting	FY24-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	280	471	(191)	
<b>Total Audit Project Planned Hours (A)</b>				<b>6,684</b>	<b>7053</b>	<b>(369)</b>	

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2023-24 Internal Audit Plan  
Fourth Quarter Update**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>	<b>Staff Hours To Date</b>	<b>Under (Over)</b>	<b>Status (Date Issued)</b>
<b>Internal Audit Administration</b>							
Board and Committee Meetings				180	135		
Executive Steering and Agenda Setting Meetings				170	118		
Internal Audit Staff Meetings				150	91		
Other Administration				1,500	1393		
<b>Total Hours (B)</b>				<b>8,684</b>	<b>8789</b>		
<b>Department Target Efficiency (A/B)</b>				75%	80%		
<b>Target Efficiency - Professional Staff</b>				80%	85%		

**Contingency: Internal Audit**

Project Controls	FY24-5XX	Assess the adequacy and effectiveness of internal controls over payment processing and project oversight exercised by the Project Controls section of Capital Programs.
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**Outstanding Audit Recommendations  
Audit Reports Issued Through  
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**ATTACHMENT B**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response</b>	<b>Internal Audit Status</b>
1/26/22	21-511	Executive Office	Physical Access Security	The Internal Audit Department (Internal Audit) recommends the Security and Emergency Preparedness (SEP) Department management develop, maintain, and test a comprehensive, appropriate, and up-to-date set of physical security plans, policies, and procedures. A written Access Control Policy and related procedures should be developed and published, and management should address requirements included in the Physical Security Policy for implementing gate controls at all facilities. Finally, management should implement a regular training program to inform employees as to security policies, procedures, and protocols.	Jul-24	Management will work to document all processes and review assigned policies. SEP will make updates to the Physical Security Policy to address gate controls and create a Physical Access Control Policy. These updates will be completed by June 30, 2022. A "Record of Changes" section has been added to security plans to document reviews and updates. Management has hired a consultant to review the Orange County Transportation Authority's (OCTA) policies, procedures, and security plans. The consultant will provide recommendations on program improvements, conduct a new Threat and Vulnerability Assessment, provide a new written security plan, and create a security training program to include curriculums for all employees. Management will implement a training program within 12 months.	<u>Update August 2022</u> : Updates to security plans, policies, and procedures have not yet been prepared and are expected to be completed between August and December 2022. <u>Update March 2023</u> : Certain policy updates are in process. Development of an updated Master Security Plan (MSP) has been delayed and is now expected to be complete by the end of 2023. <u>Update September 2023</u> : Significant progress has been made; however, development of a MSP and a physical security training program are not yet complete. The contractor has experienced delays in producing these deliverables. <u>Update March 2024</u> : A final draft of the MSP was delivered in November 2023 but has not been finalized, and signed/accepted by the Chief Executive Officer. A training program has been implemented starting in the first quarter of 2024.
1/26/22	21-511	Executive Office	Physical Access Security	Internal Audit recommends management develop and implement written policies, procedures, and protocols that address the timely issuance, termination, and use of badges. These procedures should be referenced in contracts with Contracted Transportation Services (CTS) providers and be communicated to OCTA staff. Management should also ensure secondary controls are operating as intended.	Jul-24	Management is reviewing the issuance and termination of access badges in order to document processes. Management will work with other departments, including CTS, to advise of procedures for issuing and terminating access badges and encourage those departments to include procedures in their contracts, as appropriate. Additionally, management is currently reviewing and documenting procedures to ensure secondary controls are being utilized. Review and updating of procedures will conclude with the creation of a new Physical Access Policy to be completed by June 30, 2022.	<u>Update August 2022</u> : Management has not yet developed policies, procedures, and protocols to address timely issuance, termination, and use of access badges coordinated through OCTA. An Access Control Policy was originally expected to be completed by June 30, 2022, but has taken longer than expected due to the need to update the Physical Security Policy first. <u>Update March 2023</u> : Management expects an updated Access Control Policy (Policy) to be completed soon, and updates to agreements with CTS providers are in process. <u>September 2023</u> : Significant progress has been made; however, monitoring controls outlined in the newly-developed Policy have not yet been implemented. <u>Update March 2024</u> : Monitoring controls related to access control have been implemented; however, improvement is needed.

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<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response</b>	<b>Internal Audit Status</b>
2/9/22	21-507	Operations Division (Operations)	Facilities Maintenance (FM) Operations	Internal Audit recommends management implement a perpetual inventory system to track purchasing activity and maintain inventory of all parts and supplies. Purchasing, storage, issuance, and disposal activities should be centralized and include controls to ensure proper authorization for purchases, physical security of inventory items, and proper assignment of costs to work orders.	Aug-24	FM contracts for parts and supplies will be transferred to the Contracts Administration and Materials Management (CAMM) Department by July 2022. By February 2023, FM parts and supplies stored outside of CAMM's control will be brought into the inventory system for proper storage and issuance. The current Enterprise Asset Management (EAM) system is not capable of assigning all costs to FM work orders; however, a new EAM system is being implemented and should be capable of properly assigning costs to work orders. The new EAM system is estimated to be fully implemented in mid-2023.	<u>Update September 2022:</u> Management has completed transferring contracts to CAMM and a process to bring FM parts inventory into CAMM for proper storage and issuance has been established and is on track to be completed by February 2023. As stated in the original response, the current asset management system is not capable of assigning all costs to work orders. A new system will be implemented in mid-2023. <u>Update March 2023:</u> Management is still in the process of implementing a centralized inventory system and expects that physical transfer of all inventory may take up to two years. <u>Updated August 2023:</u> Management is still in the process of transferring parts inventory to centralized CAMM control. <u>Update March 2024:</u> FM inventory for three bases has been transferred to centralized inventory. Transfer of inventory from the remaining two bases is expected to take six months to a year.
2/9/22	21-507	Operations and Finance and Administration (F&A) Division	FM Operations	Management should enhance its invoice review process to ensure compliance with OCTA's Vendor Payment Policy and contract payment terms. Vendor mark-ups should be discontinued from time-and-expense contracts. For contracts related to the purchase of parts and materials only, any items not listed on the price summary sheet should include supporting cost documentation. If mark-ups are to be allowed on parts-and-materials contracts, the proposed mark-ups should be incorporated into the evaluation of costs during the vendor selection process.	Aug-24	Management will immediately begin working on enhancing the current invoice cover page to include a checklist that will require acknowledgement of review for sufficient detail as to quantity and rates of costs and justification. To address the issue of providing sufficient detail and complying with contract terms, the checklist being developed will improve oversight. In terms of discontinuing vendor mark-ups in time-and-expense contracts, management will work with CAMM to develop a solution that will address the issue of vendor mark-ups as well as incorporating an evaluation of cost, if mark-ups are allowed, during the vendor selection process.	<u>Update September 2022:</u> Management has enhanced the invoice checklist to include review for sufficient detail as to quantity and rates. CAMM has implemented an evaluation methodology to assign a percentage of the cost score for items not listed on the price summary sheet. Management and CAMM continue to explore options including discounts from price sheets and using fair market values to justify and validate price mark-ups. <u>Update March 2023:</u> FM has enhanced its invoice review; however, CAMM staff needs to enhance its review of invoices for contracts that have been transferred to their control. <u>Update August 2023:</u> CAMM staff has implemented an invoice review checklist; however, Internal Audit identified some payments that do not comply with contract terms and some vendors that do not have published list prices, required in order to validate discounts. <u>Update March 2024:</u> CAMM has hired a contract analyst to manage and review invoices and implement enhancements to invoice review.

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5/8/23	23-508	Planning Division (Planning)	Measure M2 Comprehensive Transportation Funding Programs (CTFP) Project Audits	Management should enforce timely use of funds requirements or obtain Board of Directors' (Board) approval for exceptions to CTFP guidelines.	May-24	Management will consider either clarifying guidelines or seeking Board action on a case-by-case basis.	<u>Update February 2024</u> : Management's response indicated that staff is currently conducting an off-cycle review to update timely use of funds requirements and contract award verbiage, and that presentation of the revisions to the Board has been delayed to spring 2024. <u>Update June 2024</u> : Follow-up in process.
5/8/23	23-508	Planning	Measure M2 CTFP Project Audits	Management should perform follow-up with the County of Orange (County) and the cities of Costa Mesa, Laguna Beach, and San Clemente on actions taken to address recommendations, including repayment of overcharges and duplicate charges by the City of Laguna Beach.	May-24	Direction to management provided in staff report. Management written response not required.	<u>Update February 2024</u> : Management response indicated staff was in communication with the City of Laguna Beach to recover amounts due related to overcharges and indirect cost charges and to recalculate indirect costs; however, no evidence of communication was provided and city staff indicated no communication have occurred. Follow-up with the County and other cities has been performed. <u>Update June 2024</u> : Follow-up in process.
5/31/23	22-513	F&A	OCTA's Cybersecurity Program	Management should adopt and implement a policy that governs asset management and associated activities.	Jul-24	Management agreed to develop and implement a policy.	<u>Update February 2024</u> : Management has drafted requirements of an asset management system and plans to utilize a module of the FreshService system which is currently being implemented. Once implemented, an Asset Management Policy should be developed and implemented by October 2025.
5/31/23	23-509	F&A	OCTA's Cybersecurity Program	Management should implement a comprehensive vulnerability management program that includes identifying, assessing, prioritizing, remediating, and/or documenting vulnerabilities as "accepted risks" in a timely manner.	Jul-24	Management agreed and indicated that the current Vulnerability Policy will be enhanced and all issues will be remediated or documented as "accepted risks" in a timely manner going forward.	<u>Update February 2024</u> : Management is working to build dashboards to identify vulnerabilities and a reporting system to monitor remediation efforts. Management estimates full implementation of this recommendation by June 2024.
5/31/23	23-509	F&A	OCTA's Cybersecurity Program	Management should update OCTA's Business Impact Analysis with direct input from the Cybersecurity Office and use results to inform the development, implementation, and maintenance of an updated Continuity of Operations Plan (COOP) and Disaster Recovery Plan (DRP), and test the DRP annually.	Jul-24	Management responded they are currently working with the SEP Department to review and update the COOP. Management plans to create playbooks to further improve the business continuity and disaster recovery processes to ensure business requirements are met.	<u>Update February 2024</u> : Management indicated that an initial portion of the disaster recovery runbook of core infrastructure applications has been completed and that a tabletop exercise of the incident response plan is planned for June 2024. Management will obtain an updated COOP and update its disaster systems recovery plans accordingly and implement annual testing of data and critical systems recovery by July 2024.

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<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response</b>	<b>Internal Audit Status</b>
5/31/23	23-509	F&A	OCTA's Cybersecurity Program	Management should strengthen the data protection and privacy program by adopting a comprehensive policy, designating an individual to define and communicate data and privacy requirements, and perform user access reviews at least every 90 days for all internal employees and third party contractors that have OCTA user accounts and/or access to internal resources.	Jul-24	Management committed to implementing a comprehensive data protection and privacy program for all protected data and to designate the cybersecurity manager as the individual responsible to define and communicate data and privacy requirements. In addition, management agreed to implement user access reviews at least every 90 days.	<u>Update February 2024</u> : Management indicated they have begun, and will continue, to meet with departments that handle protected data to identify where the data is stored and who has access. Once completed, management plans to develop policies and processes to properly secure such data. In addition, management is working with Microsoft to implement a governance platform to control user access during the entire employment life cycle. Management estimates five percent progress to-date, with full implementation by April 30, 2025.
5/31/23	23-509	F&A	OCTA's Cybersecurity Program	Management should strengthen third-party security management by requiring third-party consultants working with OCTA data to be subject to the same training as OCTA employees and be required to acknowledge OCTA information technology and cybersecurity policies. In addition access reviews of these third-party consultants should be conducted.	Jul-24	Management agreed and proposed additional security queries of vendors on a periodic basis, as well as development and implementation of a process to ensure all consultants working with OCTA data receive cybersecurity training and follow the same policy requirements as OCTA employees.	<u>Update February 2024</u> : Management has compiled a list of third-party vendors, along with contact information for each, and has developed a questionnaire for distribution to vendors. The Information Systems (IS) cybersecurity team will review responses and follow-up accordingly. This process will be repeated annually. In addition, IS has implemented a process to ensure all consultants/vendors receive and acknowledge cybersecurity training prior to being granted credentials in OCTA. Management estimates 75 percent progress to-date and full completion by March 2024.
8/7/23	23-505	People and Community Engagement (PACE)	Life Insurance Benefits	Management should develop procedures to ensure that benefit entries into the payroll system are reviewed for accuracy and the monthly invoice process be enhanced to include reconciliation of premiums collected versus premiums paid.	Aug-24	Management agreed to enhance procedures to include the review of benefit entries and reconciliation of premiums collected versus premiums paid and investigate variances.	<u>Update February 2024</u> : Management responded that enhanced procedures have been implemented; however, since VOYA has not provided invoices for January and February 2024, Internal Audit was unable to confirm new procedures are being performed. As such, Internal Audit will follow up again in August 2024.

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<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response</b>	<b>Internal Audit Status</b>
8/7/23	23-505	PACE	Life Insurance Benefits	Management should implement controls to properly coordinate the timing of annual premium updates and calculation and processing of invoices to ensure accuracy. Additionally, management should reconcile the employee payroll deductions for supplemental life insurance with the payroll system data detailing premiums paid to VOYA and investigate any variances	Aug-24	Management indicated they would implement controls for timely annual premium updates and reconcile payroll deductions to premiums paid.	<u>Update February 2024:</u> Management responded that controls to ensure timely system updates have been implemented and will reconcile premiums to payroll deductions; however, since VOYA has not provided invoices for January and February 2024, Internal Audit was unable to confirm new control procedures are being performed. As such, Internal Audit will follow up again in August 2024.
8/31/23	23-516	PACE	Bus Advertising Revenue Program	Management should implement controls to verify accurate and complete reporting of revenues, enforce reporting requirements, monitor free advertisements, and require the contractor to certify statements and the project manager to document reviews.	Aug-24	Management agreed to implement oversight procedures effective December 1, 2023.	<u>Update March 2024:</u> The project manager now verifies that remittances include required certification language and details as to bonuses. Also, management has documented procedures for a semi-annual verification of a sample of underlying advertising contracts. However, since these procedures have not yet been implemented, Internal Audit will follow-up again in six months to confirm procedures.
11/14/23	24-502	Operations and F&A	Cooperative Agreements with Regional Center of Orange County (RCOC) and My Day Counts (MDC)	Management should implement procedures to investigate and take action to address RCOC disputed trips and ensure timely submission and receipt of payments and related credit memos. Accounts Receivable (AR) staff should communicate with RCOC to obtain sufficient information to ensure payments are accurately recorded, remaining errors are corrected, and input a due date on invoices. AR staff should also establish a process to monitor and collect overdue balances.	May-24	RCOC billing procedures have been improved and disputed trips are now investigated and reconciled. The new process includes a tracking log to ensure timely submission of invoice requests. The new process should eliminate the need for credit memos. AR staff will communicate directly with RCOC to correct remaining errors and ensure due dates are included on all future invoices. Staff has also established a process for monitoring overdue balances and notifying project managers accordingly.	Follow-up in process.

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<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response</b>	<b>Internal Audit Status</b>
11/14/23	24-502	Operations	Cooperative Agreements with RCOC and MDC	Management should reconsider the current arrangement with MDC and, if continued, should amend contracts with RCOC and MDC to obligate RCOC to pay OCTA for pass-through amounts and to ensure disputed amounts are charged to MDC. Evaluation of per-trip subsidy amounts should include consideration of the pass-through payments going forward. Also, pass-through payment arrangements should be approved by the Board going forward. Management should also consider recovering from MDC amounts paid by OCTA for which RCOC reimbursement was not obtained.	May-24	The agreement with MDC will expire in June 2024 and staff will reconsider the pass-through arrangement at that time, as well as, ensure pass-through payments, if continued, are considered when evaluating the subsidy amount provided by OCTA. The new agreement will be subject to Board approval. Management has also revised billing procedures for pass-through trips to ensure disputed trips are deducted from payments to MDC; however, management has determined there is no contractual support to recover from MDC amounts for pass-through trips paid for by OCTA and disputed by RCOC.	Follow-up in process.
11/14/23	24-502	Operations and F&A	Cooperative Agreements with RCOC and MDC	Accounts Payable (AP) staff should ensure that invoices are properly authorized and verify that invoices are applied to the current agreement, and AR staff should ensure invoices are created against the current agreement. Operations should review invoices from MDC and reconcile trips before submitting invoices for payment.	May-24	AP staff will be provided refresher training to ensure invoices processed include the required signature authority and are applied to active agreements and a system control has been implemented to warn staff if an invoice is posted to an expired agreement. Going forward, AR staff will ensure invoices are created against the correct agreement. Operations staff have improved billing procedures for MDC to ensure full reconciliation prior to invoicing.	Follow-up in process.
12/5/23	24-503	Executive Office	Transit Police Services (TPS)	Management should ensure annual work plans are developed and documented as required by the contract.	Jun-24	Management has begun compiling the annual work plan in conjunction with TPS and expects the plan to be published in March 2024.	Follow-up in process.



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12/5/23	24-503	Executive Office	TPS	Management should implement a process to evaluate, estimate, and document the methodology of assigning TPS costs on an annual basis. Management should also consider implementing a process to accumulate and report all costs of providing transit security.	Jun-24	Management will collaborate with the Orange County Sheriff's-Coroner Department to estimate and document contract costs on an annual basis. In addition, management will work with the Financial Planning and Analysis Department to ensure the ability for each department responsible for an aspect of providing or supporting TPS, to accumulate and consolidate transit security costs for a better understanding of the overall cost of transit security. Management will work with Financial Planning and Analysis to consolidate TPS associated costs and reporting by July 2024.	Follow-up in process.
12/5/23	24-503	Executive Office	TPS	Management should implement procedures to document agreements for enhanced services, including the type, time, and place of services, and obtain a cost estimate for services. Management should reconcile invoices for special services to these documents and obtain support, or include in the contract, the rates to be charged prior to authorizing payment.	Jun-24	Management will establish procedures to better document the estimates, agreed cost, and occurrence of special services performed. Management will also seek rates for services to be documented in annual contract amendments moving forward with the 2024-2025 TPS contract amendment. Work should conclude by May 2024.	Follow-up in process.
12/5/23	24-503	Executive Office	TPS	Management should strengthen controls over canine-related expense tracking and ensure all eligible costs are identified and submitted for grant reimbursement. Management should also review fiscal year (FY) 2022-23 eligible expenses that were not submitted and request reimbursement.	Jun-24	Management has begun improvements to canine-related expense tracking and to establish an enhanced invoice review process. Once established, the process will improve oversight to ensure eligible costs are identified and submitted for grant reimbursement. Starting immediately, and to be completed by the end of February 2024, management will work with the grants team to review eligible expenses and attempt to recover expenses of \$13,129.29 for FY 2022-23.	Follow-up in process.

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1/15/24	23-504	F&A	Accounts Payable Operations (A/P)	Management should separate the ability to create or edit vendors from the ability to process payments, require a Computer Access Request form for all user access requests, enhance the annual accounting system access review, and restrict the number of users granted administrative rights in the accounting system.	Jul-24	Management will separate the ability to create or edit vendors from the ability to process payments and will collaborate with the IS Department and create a new policy to strengthen controls over accounting system access.	
1/15/24	23-504	F&A	A/P	Management should review and update the Payment Request (PR) Policy, as necessary, and consider updating the PR form to include a checklist and details as to the types of allowable payments. Project managers should also be reminded of the proper use of PR's and staff should not process exceptions without approval.	Jul-24	Management will update the PR policy to enhance clarity and will update the PR form to ensure it is used in accordance with the PR policy. A/P staff have been reminded not to process exceptions without appropriate approval.	
3/11/24	24-506	PACE	College Pass Program	Agreements should be amended to accurately reflect all responsibilities and requirements for program operation, and management should enforce agreement requirements. Management should also develop, document, and implement procedures for administration of the program, including procedures for verifying the reasonableness of enrollment data provided by colleges for invoicing purposes and timely preparation of invoices. Management should implement procedures developed in December 2023, to monitor and collect outstanding receivables.	Sep-24	Management agrees that the agreements need to be more specific to each college, and procedures need to be formalized to administer the program beyond the pilot phase. Management will review and enhance agreement language by August 31, 2024. In addition, management will ensure the documentation and implementation of specific procedures for each aspect of program administration and will outline specific responsibility area(s) for program implementation and oversight by September 30, 2024.	
3/11/24	24-506	PACE	College Pass Program	Internal Audit recommends management update agreements to include requirements for security, inventory, distribution, and reporting of paper passes and implement monitoring controls to ensure colleges are complying with the requirements. Management should also strengthen controls to ensure all college bus passes are properly coded in the system.	Sep-24	Management will develop improved controls and a formal procedure for paper pass distribution to ensure proper security, accurate coding, reporting, and reconciliation, and amend agreements to include the procedures.	

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**Audit Reports Issued Through**  
**June 30, 2024**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Initiate Next Update</b>	<b>Management Response</b>	<b>Internal Audit Status</b>
3/13/24	24-509	F&A	Investments: Compliance, Controls, and Reporting: July through December 31, 2023	Internal Audit recommends Treasury utilize month-end bank statements when preparing monthly reports.	Sep-24	Management will ensure that month-end bank statements are used for monthly reports.	
3/13/24	24-509	F&A	Investments: Compliance, Controls, and Reporting: July through December 31, 2023	Internal Audit recommends OCTA discontinue paying fees associated with accounts whose portfolio values are not automatically updated in the Clearwater system.	Sep-24	Management is actively addressing the issues pertaining to the subject accounts. The accounts have been removed from the Clearwater system until such time that a resolution is achieved.	
4/9/24	24-507	Capital Programs	Interstate 405 Improvement Project: Design-Build Contract	Internal Audit recommends that management file stop payment and release notices, daily extra work reports, and supporting tickets, and other supporting documentation with the invoice payment records. Also, management should ensure meeting minutes with sign-in sheets are consistently filed in the project files.	Oct-24	Management agrees and will work with F&A to include relevant supporting documents with invoice records going forward. Management will also ensure minutes and sign-in sheets are consistently filed with the project files.	
5/29/24	24-511	PACE	Flexible Spending Account Program	Management should implement a process for regular tracking of custodial account contributions, distributions, and running account balance and ensure the balance is updated for purposes of financial reporting.	Nov-24	Management will create a process to ensure the balance is updated and reported to accounting at the end of each fiscal year. In addition, a process will be established to regularly track account balance and activities.	

**Audit Recommendations Closed During  
Fourth Quarter, Fiscal Year 2023-24**

**ATTACHMENT C**

<b>Audit Issue Date</b>	<b>Report Number</b>	<b>Division/ Department/ Agency</b>	<b>Audit Name</b>	<b>Recommendation</b>	<b>Internal Audit Status Comments</b>
11/20/23	Not Applicable	Planning	Investigation and Limited Scope Review of Comprehensive Transportation Funding Programs (CTFP) Scope Change for Project No. 20-HBCH-CBT-3960	Management should revise CTFP guidelines, with Board of Directors' (Board) approval, to add guidance as to acceptable scope and/or programming changes to Project V projects, and include criteria to be used in evaluating changes. Staff should conduct and document evaluation of scope changes prior to seeking Board approval, and ensure that defined requirements are met. Reprogrammed projects should be evaluated against projects as originally scored when funding was approved.	Internal Audit confirmed that revisions to CTFP guidelines addressing scope changes were presented to and approved by the Board on May 13, 2024.
11/20/23	Not Applicable	Planning	Investigation and Limited Scope Review of CTFP Scope Change for Project No. 20-HBCH-CBT-3960	Management should return to the Board with a clear description of the scope change action and its impact on future funding decisions, and request consideration of approval. Going forward, management should ensure accurate and complete communications with the Board.	Internal Audit confirmed that an updated description and explanation of the scope change action was included in the CTFP semi-annual review report approved by the Board on December 11, 2023.
6/5/23	23-513	F&A	Lost and Found Operations	Management should enhance controls to ensure found cash and checks/money orders received are properly recorded and reconciled to deposits and general ledger entries.	Internal Audit confirmed that management has implemented enhanced tracking features for auctioned items and reconciliation of check deposits.



**July 10, 2024**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Orange County Transportation Authority Internal Audit Department  
Fiscal Year 2024-25 Internal Audit Plan

### **Overview**

At the direction of the Orange County Transportation Authority Board of Directors, the Internal Audit Department develops and implements an annual risk-based internal audit plan. Implementation of an annual internal audit plan assists management in evaluating the effectiveness and efficiency of projects, programs, and operations, while ensuring that adequate controls and safeguards are in place to protect the Orange County Transportation Authority's assets and resources.

### **Recommendations**

- A. Approve the proposed Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan.
- B. Direct the Executive Director of the Internal Audit Department to provide quarterly updates on the Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan.

### **Background**

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management and the Board of Directors (Board) in the discharge of their duties and responsibilities.

***Discussion***

Internal Audit is presenting the proposed Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan (Audit Plan) for Board approval. The Audit Plan was developed from an enterprise-wide risk assessment. The Audit Plan will be implemented using Internal Audit staff, on-call consultants, an independent financial audit firm, and other firms, as needed.

**Fiscal Impact**

The Audit Plan has been developed within the resources available in the adopted OCTA Fiscal Year 2024-25 Budget.

***Summary***

The Audit Plan has been developed to support the Board and OCTA management in the discharge of their duties and responsibilities to safeguard assets of OCTA, while ensuring those assets are used in an efficient and effective manner.

***Attachment***

- A.      Orange County Transportation Authority Internal Audit Department Fiscal Year 2024-25 Internal Audit Plan

**Authorized by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-5591

# **ORANGE COUNTY TRANSPORTATION AUTHORITY**

## **Internal Audit Department**



## **Fiscal Year 2024-25**

### **Internal Audit Plan**



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**INTERNAL AUDIT DEPARTMENT**  
Fiscal Year 2024-25  
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## **Mission of the Internal Audit Department**

The mission of the Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) is to assist management and the Board of Directors (Board) in the effective discharge of their duties and responsibilities to safeguard the assets of OCTA, while ensuring those assets are used in an efficient and effective manner. To this end, Internal Audit serves as an independent appraisal function to examine and evaluate OCTA's operations, activities, internal controls, compliance, opportunities, and risks.

## **Internal Audit Department Activities**

Internal Audit is responsible for examining and evaluating the financial, administrative, and operational activities of OCTA, and supplying management with information to assist in its control of assets and operations for which it is responsible.

Internal Audit provides a wide range of auditing services, including annual financial and compliance audit oversight, operational reviews, compliance reviews, internal control assessments, investigations, pre-award and post-delivery Buy America reviews, and price reviews. In addition, all audits initiated by entities outside of OCTA are coordinated through Internal Audit.

Internal Audit measures the efficiency of the department by calculating a productivity ratio. The ratio, used broadly throughout the audit industry, measures the amount of time auditors spend on audit projects versus time spent on administrative duties. Productivity goals are established for the professional audit staff and for the department. The department-wide target includes all professional staff and the executive director. For fiscal year (FY) 2024-25, Internal Audit set a department-wide target productivity ratio of 75 percent and a professional audit staff productivity ratio of 80 percent. Because the executive director is required to regularly participate in non-audit management activities such as executive planning and committee meetings, the department ratio is set lower than that of the professional staff.

The Government Accountability Office (GAO) broadly defines audits as financial, attestation, or performance audits. Financial audits, including financial statement audits, are assessments of, and assurance about, an entity's financial condition, operating results, or other defined financial criteria. Attestation engagements are both financial and non-financial, and result in varying degrees of assurances about specific subject matter. Agreed-upon procedures engagements, performed by Internal Audit, are an example of attestation engagements, whereby Internal Audit applies procedures at the direction of the Contracts Administration and Materials Management (CAMM) Department related to contractor price proposals and procurements of federally funded revenue vehicles.

Internal Audit's efforts, however, are focused primarily on the third category of audits, performance audits, as defined by the GAO. Performance audit objectives vary widely and include review of internal controls, assessment of compliance with laws, regulations, contracts, policies and procedures, and assessment of program effectiveness, economy, and efficiency. To define the objectives of these performance audits more accurately, Internal Audit categorizes audit projects in a more descriptive manner as indicated below. It is

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important to note, however, that most audit projects include objectives consistent with one or more of these audit types.

**Compliance** – Compliance audits are performed to ensure that the terms and conditions of contracts, grants, memorandums of understanding, or other agreements are being followed and that there is compliance with Board-adopted policies and procedures, management policies and procedures, and applicable regulatory requirements.

**Price Review** – Price reviews refer to the agreed-upon procedures reviews performed for architectural and engineering price proposals, or sole source proposals, to determine if proposed pricing is fair and reasonable. Agreed-upon procedure reviews are also performed on single-bid procurements for the purpose of determining whether the CAMM complied with policies and procedures to ensure a fair and competitive process. Procedures are performed based on a written agreement with CAMM.

**Buy America Review** – Buy America reviews refer to the pre-award and post-delivery agreed-upon procedures reviews of vehicle purchases in accordance with federal Buy America laws. The procedures are performed based on a written agreement with CAMM.

**Financial** - Financial audits focus on verification of financial transactions and balances. Financial audits include the financial statement audits of OCTA and related legal entities, as well as other attestation engagements performed by an independent certified public accounting firm, to ensure compliance with the Measure M2 (M2) Ordinance or other legally mandated requirements.

**Internal Control** – Internal control reviews are performed to assess whether controls in place are adequate to protect the assets and resources of OCTA and to ensure compliance with laws, regulations, and policies.

**Operational** - An operational audit is performed to evaluate current operating procedures to determine if they provide for an adequate control environment and to assess whether processes are efficient and effective ways to accomplish the goals of the project, program, or activity. Operational audits generally include elements of both an internal control review and a compliance review.

Internal Audit also performs other activities outlined in the OCTA FY 2024-25 Internal Audit Plan (Audit Plan) as follows:

**Monitoring** – These activities include providing information to the Audit Subcommittee of the Taxpayer Oversight Committee (TOC) to assist in their duty to exercise oversight of the expenditure of M2 funds, participation in annual Operations Division bus base inspections, and observation of biennial capital asset inventory counts. Internal Audit also monitors results of audits issued related to Metrolink activities.

**Follow-Up Activities** – These activities are undertaken to determine whether audit recommendations have been implemented or otherwise satisfactorily addressed.

**Investigations** – Investigative activities are performed in response to a complaint or allegation received through OCTA's Fraud Hotline.

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**Fiscal Year 2023-24 Accomplishments**

- Conducted the annual risk assessment of OCTA and obtained Board approval to execute the FY 2023-24 Audit Plan on July 24, 2023. Implemented the FY 2023-24 Audit Plan and provided timely quarterly updates of progress and activities.
- Exceeded the department-wide productivity goal of 75 percent and exceeded the professional audit staff productivity goal of 80 percent.
- Completed 36 projects, including 15 audits, 16 price reviews, four Buy America reviews, and one investigation and limited scope review.
- Coordinated and issued all required annual, independent financial, and agreed-upon procedures reviews using the services of Crowe LLP. All reports were presented to the Board and, as applicable, submitted to the State Controller's Office and the California Department of Transportation.
- Provided administration of OCTA's Fraud Hotline and reviewed complaints received during the FY. Referred complaints to management, as appropriate, or conducted investigations and provided reports of any substantiated claims or internal control weaknesses identified during investigations. An initial response was provided within two business days.
- Assisted the Audit Subcommittee of the TOC during the year, by coordinating meetings, providing communication of M2-related audit and agreed-upon procedures results, and providing information for consideration in selecting local agencies for review.

**Fiscal Year 2024-25 Goals**

- Conduct the annual risk assessment of OCTA and obtain Board approval to execute the FY 2024-25 Audit Plan by August 2024. Implement the Audit Plan and provide timely quarterly updates of progress and activities.
- Achieve a department-wide productivity ratio of at least 75 percent and professional staff productivity ratio of at least 80 percent.
- Conduct agreed-upon procedures reviews, as requested by CAMM, of selected price proposals, single-bid proposals, and sole source proposals, and to determine compliance with Buy America laws.
- Provide administration of the OCTA Fraud Hotline, providing initial response to all reports within two business days, and conducting investigations and/or referring matters, as appropriate.

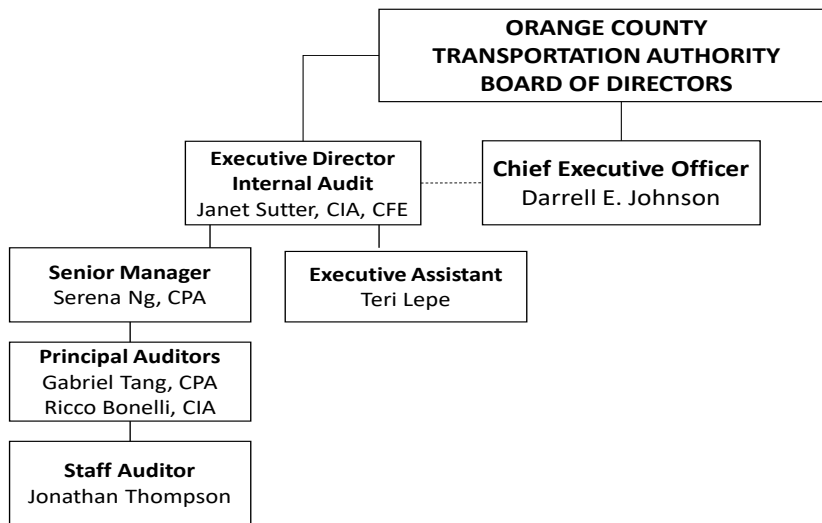
# ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT

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- Obtain required Triennial External Quality Assurance Review of the Internal Audit and provide results to the Finance and Administration (F&A) Committee and the Board.
- Procure a firm to conduct the required State Triennial Reviews of OCTA, the Orange County Transit District, and the Laguna Beach Municipal Transit Lines.

## Internal Audit Organization

Standards provide a framework for government auditors in the areas of transparency, independence, accountability, and quality. These standards require that auditors be independent in both mind and appearance with respect to the entities for which they perform audit services. Internal Audit has established policies and procedures to comply with the standards, and OCTA has established an internal audit function that is organizationally independent. As indicated below, Internal Audit reports functionally to the Board, and administratively to the Chief Executive Officer:



## Risk Assessment Process

It is the responsibility of OCTA management to identify, assess, and manage risk. It is Internal Audit's responsibility to facilitate the identification and assessment of risk, and to monitor and report on how well risks are being managed by OCTA. All organizations face risks, which are defined as those events, actions, or inactions that could cause key business objectives not to be achieved. To mitigate and manage these risks, an organization typically implements internal controls, anticipates, and plans for disruptions, develops risk management programs, and engages in other risk mitigation activities.

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The key business objective of OCTA is imbedded in its mission statement to “*Develop and deliver transportation solutions to enhance quality of life and keep Orange County moving.*” Developing and delivering these “*transportation solutions*” are several core business units of OCTA, including the Chief Executive Office, Operations, F&A, Planning, People and Community Engagement, Government Relations, and Capital Programs Divisions. These business units are supported by administrative functions, and all these services are delivered through a variety of projects, programs, and activities. With a budget exceeding \$1.75 billion, OCTA delivers transportation solutions through numerous channels with a variety of stakeholders, with the assistance of the private sector, and for the benefit of diverse customers.

Recognizing both the number and size of OCTA’s projects, programs, and activities, as well as the constraints of Internal Audit resources, Internal Audit maximizes its effectiveness by engaging in an annual risk assessment process to establish the priorities of the department for the upcoming FY.

**Risk Assessment Methodology**

Internal Audit established the architecture of the risk assessment by first identifying all OCTA projects, programs, contracts, and functions (auditable entities). Internal Audit then identified six categories of risks and assigned weightings as follows:

***Financial and Compliance Risks (20 percent)*** – The magnitude of financial exposure to OCTA and the degree of regulatory oversight and/or the volume of regulation with substantial fines, penalties, or other sanctions for noncompliance.

***Security and Safety Risks (15 percent)*** – The impact of a security breach to OCTA customers, contractors, employees, or the public, and the degree of severity (catastrophic, significant, moderate, or minimal) resulting from incidents or accidents.

***Operational and Strategic Risks (15 percent)*** – The impact severity of a disruption in the operation of this OCTA project or program on Orange County travelers, and the significance of this project or program to OCTA’s strategic success.

***Image and Reputation Risks (15 percent)*** – The intensity of public interest and awareness, and the visibility of the project, program, or function to the media.

***Complexity of Operations (15 percent)*** – The number of individuals, departments, contractors, information systems, and manual processes involved in the delivery of this project or program, and the degree to which transactions require professional judgment or technical expertise.

***Time Since Last Audit (20 percent)*** – The length of time since the last audit or review was conducted and the results of that review.

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Internal Audit then developed the following assigned ratings for each risk:

<b>Risk Rating</b>	<b>Description</b>
4.0 – 5.0	High Risk
3.0 – 3.9	Moderate to High Risk
2.1 – 2.9	Moderate Risk
1.6 – 2.0	Low to Moderate Risk
1.0 – 1.5	Low Risk

Following are examples of the risk assessment results for four different auditable entity types:

Auditable Entity	Audit History	Audit Requirement	Time Since & Results of Last Audit	Financial & Compliance Risk	Security & Safety Risk	Operational & Strategic Risk	Image & Reputation Risk	Complexity of Operations	Weighted Average Risk
			20%	20%	15%	15%	15%		
Project Controls		No	3	5	1	4	3	4	3.4
Purchasing Cards	2018	No	1	1	1	2	4	1	1.6
ACCESS Eligibility	2023	No	1	4	3	4	5	3	3.3
Buy America Compliance	2022	Yes	As Needed						N/A

Following the risk assessment of each of approximately 270 auditable entities within OCTA, Internal Audit summarized the results on the heat chart in Appendix A. The heat chart translates the numerical risk ratings of each auditable entity into a more visually appealing format. Auditable entities that require an audit, either by regulation or at the direction of the Audit Subcommittee of the TOC, are not risk rated, and are reflected as “Required”.

## Internal Audit Plan Development

The Audit Plan, Appendix B, calls for approximately 8,700 Internal Audit hours, exclusive of vacation, sick, holiday, and continuing professional education hours. Of the 8,700 hours, approximately 2,000 relate to administrative activities, including Board and committee meeting attendance, Internal Audit staff meetings, and other administrative tasks. The purpose of including these hours is to monitor and measure Internal Audit’s productivity.

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The Audit Plan includes 685 hours for mandatory audit activities, including hours needed to coordinate, review, and report on the results of the required annual audits and agreed-upon procedures reviews, as well as any audits by external regulatory bodies. Additionally, in the coming year, Internal Audit will procure an independent firm to conduct the required State Triennial Reviews of OCTA, the Orange County Transit District, and the Laguna Beach Municipal Transit Lines. Approximately 660 hours are anticipated for internal audit projects and non-audit activities, such as the annual risk assessment and audit planning process, required quality assurance and self-assessment activities, administration and investigation of complaints received through OCTA's Fraud Hotline, and updates to audit policies, procedures, and workpaper templates. In the upcoming year, Internal Audit will also undergo a required triennial quality assurance review and report results of this to the F&A Committee and the Board.

The Audit Plan also includes 700 hours for price review services and 320 hours for Buy America review services. While requests for price reviews are unpredictable, this budget is based on both the extent of current procedures and the volume of requests in prior years. Hours for Buy America services assume four requests for review will be received during the year.

The risk assessment developed by Internal Audit is the primary, but not absolute, means by which Internal Audit prioritizes and selects audit projects. There remain other factors that are not considered in the risk assessment. For example, some high-risk auditable entities are not selected because the projects and/or contracts are in their infancy, and it would be more suitable to perform an audit after the project and/or contract is better underway. Other high-risk auditable entities are not selected because of Internal Audit's knowledge of a recent or upcoming related review activity, such as audits by the California Department of Transportation and/or the Federal Triennial Review. Other subjective factors that affect the selection of audit projects include knowledge about external or regulatory auditor interest, project or program failures or successes, consideration of the impact to individual departments and/or divisions, and staffing resources.

The proposed Audit Plan includes audits to assess and test oversight, contract compliance, and invoice review controls related to contracts with Kapsch Trafficom USA, Incorporated for the toll integrator system, Keolis Transit Services, LLC for contracted fixed-route service, Woodruff and Smart for legal services, Siemens Mobility, for the manufacture and delivery of OC Streetcar Vehicles, and four firms for investment management services. An audit of oversight controls and contract compliance related to the Interstate 5 Improvement Project: Oso Parkway to Alicia Parkway is also part of the Audit Plan. In addition, operational audits of project controls, real estate administration, field supervision, budget development and monitoring, purchasing cards, and compensation are included. Finally, an audit of the agreement for public outreach related to the OC Streetcar is planned.

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The Audit Plan also reflects audits of warranty administration and right-of-way maintenance as contingency audits that will be initiated should there be available hours and/or resources prior to the preparation of the OCTA FY 2025-26 Audit Plan.

Each of the planned projects, along with projects carried over from the OCTA FY 2023-24 Audit Plan, is reflected at Appendix B, along with a brief description and the estimated staff hours required to perform the audit.

## **Conclusion**

The OCTA FY 2024-25 Audit Plan seeks to align limited audit resources with risk throughout the organization while considering prior audit effort and other factors, as identified in Appendix A. Internal Audit will continue to refine the risk assessment to include emerging OCTA projects, programs, contracts, and functions. Internal Audit will also continue to assess the risk ratings and weightings to best reflect the risk profile of the organization and to allow the greatest coverage of that risk in the annual audit planning process.



**Orange County Transportation Authority**  
**Internal Audit Department**  
**Risk Assessment by Program/Project/Contract/Function**  
**Fiscal Year 2024-25**

Division			
Department/Functional Area		RISK	7 Year
Project/Program/Contract/Function		ASSESSMENT	Audit History
<b>Executive</b>			
Clerk of the Board			
Public Records Requests		Low to Moderate	2022
Form 700 Disclosures		Moderate	2021
Brown Act Compliance		Low to Moderate	2018
Services of Legal Process		Low to Moderate	
Board of Directors' Compensation and Ethics Compliance		Moderate	2019
Legal Services			
Woodruff & Smart		High	
Security and Emergency Preparedness			
Continuity of Operations/Emergency Response		Moderate to High	
Emergency Operation Plans		Moderate to High	
Physical Access Security		Moderate to High	2021
Security Grants		Low to Moderate	
Transit Police Services		Moderate	2023
Express Lanes and Motorist Services Programs			
91 Express Lanes			
Master Custodial Agreement		Moderate	2019
Operations and Management		High	in process
California Highway Patrol Services		Moderate	
Collections		Moderate	
Building Lease		Low to Moderate	
405 Express Lanes			
Operations and Management		High	
California Highway Patrol Services		Moderate	
Collections		Moderate	
Building Lease		Low to Moderate	
Toll Lanes Integrator Services		Moderate to High	
Motorist Services			
Freeway Service Patrol		Moderate	2022
Call Box Program		Low	
511 Motorist Aid		Low to Moderate	
Public Information Office			
Crisis Communications Plan		Moderate	
<b>Capital Programs</b>			
<b>Highway Projects</b>			
<b>Interstate 5 (I-5) Improvements</b>			
I-5 (between Interstate 405 (I-405) and State Route 55 (SR-55) - Measure M2 (M2) Project B			
I-405 to Yale Avenue		Low to Moderate	
Yale Avenue to SR-55		Low to Moderate	

**Orange County Transportation Authority  
Internal Audit Department  
Risk Assessment by Program/Project/Contract/Function  
Fiscal Year 2024-25**

Division			
Department/Functional Area			
Project/Program/Contract/Function	RISK ASSESSMENT	7 Year Audit History	
I-5 (South of El Toro Road) - M2 Project C			
State Route 73 (SR-73) to El Toro Road Landscape	Low to Moderate		
SR-73 to Oso Parkway	Moderate to High		
Oso Parkway to Alicia Parkway	Moderate to High		
Alicia Parkway to El Toro Road	Moderate to High		
I-5 Interchange Projects - M2 Project D			
El Toro Road Interchange	Low to Moderate		
<b>State Route 57 (SR-57) Improvements - M2 Project G</b>			
Orangewood Avenue to Katella Avenue	Moderate		
Lambert Road to Tonner Canyon Road	Low to Moderate		
<b>SR-55 Improvements - M2 Project F</b>			
I-405 to I-5	Moderate to High		
I-5 to State Route 91 (SR-91)	Moderate		
<b>SR-91 Improvements</b>			
Improvements from SR-57 to SR-55 - M2 Project I			
SR-55 to Lakeview Avenue	Moderate		
La Palma Avenue to SR-55	Moderate		
Acacia Street to La Palma Avenue	Moderate		
91 Express Lanes to State Route 241 Toll Connector	Low		
<b>Interstate 605 (I-605)</b>			
Katella Ave Interchange	Moderate		
<b>I-405 Improvements</b>			
Improvements from I-605 and SR-55 - M2 Project K			
Design-Build Contract Management	Moderate to High	2024	
Right-of-Way (ROW) Activities and Reporting	Moderate	2022	
Program Management Activities	High	2018	
Cooperative Agreements	Moderate		
I-405 Improvements between SR-55 and I-5 - M2 Project L	Low to Moderate		
<b>Highway Project Management</b>			
Highway Project Management Support	Moderate to High	2018	
Project Controls	Moderate to High		
Real Estate Administration	Moderate		
<b>Right of Way Operations</b>			
On-Call ROW Services	Moderate to High	2022	
On-Call Real Property Appraisals	Moderate to High	2022	
Excess Land Sales	Moderate		
Utility Agreements	Moderate		

**Orange County Transportation Authority  
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Risk Assessment by Program/Project/Contract/Function  
Fiscal Year 2024-25**

Division			
Department/Functional Area		RISK	7 Year
Project/Program/Contract/Function		ASSESSMENT	Audit History
<b>Facilities Engineering</b>			
Facilities Project Management		Moderate	
Transit Security Operations Center		Moderate to High	
<b>Transit Project Delivery</b>			
<b>Program Management Support: Rail Programs</b>		Moderate to High	
<b>Local Initiatives</b>			
<b>Project S: Go Local Fixed Guideway Projects</b>			
OC Streetcar Project Construction			
Design and Construction Management		High	2022
Construction		High	
Cooperative Agreements		Moderate to High	
OC Streetcar Project Management		High	2021
<b>Rail Project Delivery</b>			
Placentia Metrolink Station Project		Moderate	
Anaheim Canyon Station Improvements		Moderate	2023
Orange County Maintenance Facility		Moderate	
Irvine Station Expansion		Low	
San Juan Creek Bridge Replacement		Low	
Serra Siding Project		Low to Moderate	
Control Point - Avery to San Onofre		Low	
Slope Stabilization Projects		Low to Moderate	
Track Protection - MP204.6		Moderate	
<b>Planning</b>			
<b>M2 Program Management Office</b>		Low to Moderate	
<b>Strategic Planning</b>			
<b>Transportation Planning</b>			
M2 Environmental Mitigation Program			
Program Administration		Moderate	
Land Security		Moderate	
Property Management		Moderate	
Mitigation Monitoring and Reporting		Moderate	
Transit and Non-Motorized Planning			
Bus Facilities Asset Management / Capital Plan		Moderate	
Fleet Outlook / Rollout Plan		Moderate	
Bikeway Master Plans		Low	
Transit Master Plan		Moderate	
Fullerton Park and Ride - Development Study		Low to Moderate	
<b>Strategic Initiatives</b>			
Strategic Plan - Development and Monitoring		Low to Moderate	
Board and Chief Executive Officer Initiatives		Low to Moderate	

**Orange County Transportation Authority  
Internal Audit Department  
Risk Assessment by Program/Project/Contract/Function  
Fiscal Year 2024-25**

Division			
Department/Functional Area		RISK	7 Year
Project/Program/Contract/Function		ASSESSMENT	Audit History
<b>Southern California Association of Governments Agreement / Workplan</b>		Low to Moderate	
<b>Geographic Information System Services</b>		Low to Moderate	
<b>Modeling and Traffic Operations</b>		Low to Moderate	
<b>State/Federal Programs</b>			
State/Federal Improvement Program Funding Administration		Moderate	
Annual 5307 Program of Projects		Moderate	
Calls for Projects		Low to Moderate	
<b>Local Programs</b>			
Measure M Eligibility		Moderate to High	
Comprehensive Transportation Funding Programs - Agency Audits (CTFP)		Moderate to High	2023
M2 CTFP Program Eligibility / Call for Projects		Moderate	2021
Oversight and Reporting: CTFP		Moderate	2021
<b>M2 Local Projects</b>			
Project Q - Local Fair Share		Required	
<b>Operations</b>			
<b>Passenger Rail Operations &amp; Metrolink</b>			
ROW Maintenance - Joshua Grading & Excavating		Moderate	2019
Joint Powers Agreement Allocation Southern California Regional Rail Authority		Moderate to High	
<b>Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency Managing Agency Contract</b>		Moderate	
<b>Transit Project Delivery</b>			
<b>OC Streetcar Operations</b>			
OC Streetcar Vehicles		High	
Operations and Maintenance Contract		Moderate to High	
<b>Service Planning and Scheduling</b>			
Coach Operator Scheduling		Moderate	
Stops and Zones		Low to Moderate	
Service Change Implementation		Moderate	
<b>Bus Operations</b>			
Operator Bidding Process		Moderate to High	2019
Overtime: Scheduled and Unscheduled		Moderate to High	
Operations Training		Moderate	
Field Supervision		Moderate	
Central Communications		Moderate to High	
Timekeeping System		Moderate	
Uniform Allowance		Low	

**Orange County Transportation Authority**  
**Internal Audit Department**  
**Risk Assessment by Program/Project/Contract/Function**  
**Fiscal Year 2024-25**

Division			
Department/Functional Area		RISK	7 Year
Project/Program/Contract/Function		ASSESSMENT	Audit History
<b>Contracted Services</b>			
Travel Training		Low to Moderate	
OC ACCESS Eligibility		Moderate to High	2023
Regional Center Day Programs		Moderate to High	2023
Adult Day Health Care Program Agreements		Moderate	
Senior Mobility Program			
Locally-Funded		Low to Moderate	
M2-Funded		Required	Annual
Senior Non-Emergency Medical Transportation (M2 - Project U)		Required	2020
Contracted Fixed Route Operations		High	
OC ACCESS Service		High	2024
Same-Day Taxi Service - Yellow Cab of North Orange County		Moderate to High	2020
Vanpool Operations		Moderate	2024
OC Flex Operations		Moderate	
<b>Maintenance</b>			
Rolling Stock and Inventory Contracts			
Bridgestone/Firestone Tire Lease		Moderate	2021
Trillium USA - Operate and Maintain Compressed Natural Gas Stations		Moderate	
Cummins Cal Pacific		Moderate	
Revenue Vehicle Maintenance		Moderate to High	2020
Specialty Shop Maintenance		Moderate	
Fuel Management		Moderate	2018
Transit Technical Services		Moderate to High	
Revenue Vehicle Purchase / Acceptance		Moderate to High	2022
Non-Revenue Vehicle Purchase		Low to Moderate	2022
Maintenance Resource Management		Moderate to High	
Timekeeping		Low to Moderate	
Equipment Assignments and Tracking		Low	
Uniform Rental and Cleaning		Low to Moderate	
Facilities Maintenance		Moderate	2021
Maintenance Training		Low to Moderate	
Electric Vehicle Charging Stations		Moderate	
<b>Finance and Administration</b>			
<b>Project U - Fare Stabilization</b>		Low to Moderate	
<b>Financial Planning and Analysis</b>			
Budget Development and Monitoring		Moderate to High	
Comprehensive Business Plan		Moderate	
Transit Performance Metrics		Moderate	
<b>Treasury and Public Finance</b>			
<b>Investments</b>			
Investments - Compliance, Controls, and Reporting		Required	Semi-Annual
Investment Management Service Contracts		Moderate to High	
Endowment Funds		Low	
Transportation Infrastructure Finance and Innovation Act Loan		Moderate	

**Orange County Transportation Authority**  
**Internal Audit Department**  
**Risk Assessment by Program/Project/Contract/Function**  
**Fiscal Year 2024-25**

Division			
Department/Functional Area		RISK	7 Year
Project/Program/Contract/Function		ASSESSMENT	Audit History
<b>Accounting and Financial Reporting</b>			
General Accounting		Moderate	
Financial Reporting		Required	Annual
Cost Allocation Plan		Low to Moderate	
M2 Accounting and Reporting		Required	Annual
Accounts Payable		Moderate to High	2024
Purchasing Cards		Low to Moderate	2018
Corporate Credit Cards		Low to Moderate	2019
Capital Assets		Moderate	
Pass Sales Program		Low to Moderate	
Payroll Operations		Moderate to High	
Administrative Employee Overtime		Moderate	
Payroll Garnishments		Low	
Petty Cash Funds Administration		Low	
Banking Services		Moderate	2020
National Transit Database		Required	
<b>General Services</b>			
Printing and Reprographics		Low to Moderate	
Records Management		Moderate	
Lease Management		Low to Moderate	
Asset Management and Inventory		Moderate	
Orange County Transportation Authority (OCTA) Policies		Low	
OCTA Store		Moderate	2023
Parking Garage - ABM Parking Services		Low	
Lost and Found		Low to Moderate	2023
<b>Revenue Administration</b>			
Farebox Revenue Collections and Armored Car Services		Moderate	
Mobile Ticketing Operations		Moderate	2019
Revenue and Revenue Sharing Contracts		Moderate to High	2020
Grant Administration and Accounting		Moderate to High	
Transportation Development Act		Required	Annual
Federal Stimulus Funding		Moderate to High	
<b>Contracts Administration and Materials Management</b>			
Contract Amendments		Moderate to High	
Independent Cost Estimates		Moderate	2022
Proposal Evaluations		Low to Moderate	
Protests		Low to Moderate	
Small Purchases		Low to Moderate	
Buy America Compliance		As Required	
Purchase Order and Blanket Purchase Orders		Moderate	
Maintenance Inventory Management		Moderate	
Warranty Administration		Moderate	2018
Disadvantaged Business Enterprise Program		Moderate	
Inventory Contracts			
Unleaded Fuel		Moderate	
Renewable Natural Gas Credits Contract		Low to Moderate	2019

**Orange County Transportation Authority**  
**Internal Audit Department**  
**Risk Assessment by Program/Project/Contract/Function**  
**Fiscal Year 2024-25**

Division			
Department/Functional Area		RISK	7 Year
Project/Program/Contract/Function		ASSESSMENT	Audit History
<b>Information Systems</b>			
Applications			
Integrated Transportation Management Systems Radio		Moderate to High	
OCTA.net Website		Moderate	
Application Infrastructure		Moderate to High	
Database Systems		Moderate	
Vendor Management		Moderate to High	
Information Technology (IT) Systems and Security (Cybersecurity)		Moderate to High	2023
System Development and Acquisition		Moderate	
Patch Management		Moderate to High	2020
IT Operations (User Management, Authentication, Access Controls)		Moderate to High	
Technology Project Management		Moderate	
Business Continuity/Disaster Recovery		Moderate to High	
Change Management		Moderate	
Payment Card Industry Compliance		Moderate	
Incident Response Program		Moderate	
Asset Management		Moderate	
Operating Systems		Moderate	
IT Contract Services		Moderate	
Switch Data Center		Moderate to High	
Enterprise Asset Management System - Implementation		Moderate	
Telecommunications		Low to Moderate	
<b>People and Community Engagement</b>			
<b>Risk Management</b>			
Insurance Program Administration		Moderate	
Liability Claims Management and Subrogation		Moderate to High	2024
Worker's Compensation and Subrogation		Moderate to High	2023
<b>Health, Safety and Environmental Compliance</b>			
Drug and Alcohol Program		Moderate	
Construction Safety / Safety Specifications		Moderate to High	2019
Employee Safety		Moderate to High	
Motor Vehicle and Traffic Safety			
Pull Notice Program		Moderate	2021
National Transit Database Accident Reporting		Low to Moderate	
Environmental Compliance Program			
Storm Water Pollution Prevention Program		Moderate	
Spill Prevention Countermeasure and Control Plan		Moderate	
Hazardous Waste Removal		Moderate	
Air Quality Management District Permitting and Compliance		Moderate	
Underground Storage Tank Removal Program		Moderate	
Safety Management Plan		Moderate	
<b>Internal Communications</b>		Low	
<b>Employment &amp; Compensation</b>			
Separations		Low to Moderate	2020
Extra Help and Interns		Low to Moderate	
Temporary Staffing		Low to Moderate	2022
Recruitment and Employment		Moderate	2019

**Orange County Transportation Authority  
Internal Audit Department  
Risk Assessment by Program/Project/Contract/Function  
Fiscal Year 2024-25**

Division			
	Department/Functional Area	RISK	7 Year
	Project/Program/Contract/Function	ASSESSMENT	Audit History
	Compensation	Moderate	
	Performance Reviews	Low to Moderate	



**Orange County Transportation Authority**  
**Internal Audit Department**  
**Risk Assessment by Program/Project/Contract/Function**  
**Fiscal Year 2024-25**

Division	Department/Functional Area	RISK ASSESSMENT	7 Year Audit History
Project/Program/Contract/Function			
Benefits			
	Healthcare Plans	Moderate to High	2024
	Coach Operator Healthcare	Moderate	
	Maintenance Employee Healthcare	Moderate	
	Protected Leave	Moderate to High	
	Flexible Benefits	Low to Moderate	
	Health Savings Account	Moderate	
	Orange County Employees Retirement System	Moderate to High	
	Teamsters Pension Fund Trust	Low to Moderate	
	Employee Assistance Program	Low	
	Deferred Compensation Plans	Moderate	
	Wellness Program	Low	2023
	Life Insurance Benefit	Low to Moderate	
	Alternative/Remote Work Program	Low	2021
	Benefit Program Incentives	Low to Moderate	
	Commuter Club Program	Low to Moderate	
Employee and Labor Relations			
	Labor Contracts	Moderate	2020
	Unemployment Claims	Low	
	Employee Grievances and Complaints	Low to Moderate	
	Equal Employment Opportunity	Moderate	
	Title VI Compliance	Moderate	
	Medical Exams	Moderate	
	Americans with Disabilities Act	Moderate	
Training & Development			
	Training (Learning Management System)	Low to Moderate	2023
	Educational Reimbursements	Low to Moderate	2023
External Affairs			
	Marketing and Customer Engagement		
	Digital and Creative Services	Low to Moderate	2019
	OCTA Bus Marketing and Promotional Items	Moderate	
	Bus Advertising Revenue Contracts	Low to Moderate	2023
	Rideshare Program	Moderate	
	Customer Engagement and Data Analytics		
	Data Analytics / Performance Management	Low to Moderate	2023
	In-House Customer Relations	Moderate	
	Customer Information Center	Moderate	
	Reduced Fare Programs	Low to Moderate	2024
	College Pass Program	Moderate	
	Diversity Outreach and Economic Opportunity Programs	Low to Moderate	
	Public Outreach		
	Project Outreach Contract Management		
	SR-91	Moderate	2018
	I-5	Moderate	
	SR-55	Moderate	
	OC Streetcar Project	Moderate to High	
	I-405 Improvement Project	Moderate to High	
	I-5 - El Toro Road	Moderate	
	I-5 Central (between SR-55 and SR-57)	Moderate	

**Orange County Transportation Authority  
Internal Audit Department  
Risk Assessment by Program/Project/Contract/Function  
Fiscal Year 2024-25**

Division			
	Department/Functional Area		7 Year Audit History
	Project/Program/Contract/Function	RISK ASSESSMENT	
	Commuter Rail	Moderate	
	Planning Studies Outreach	Low to Moderate	

**Orange County Transportation Authority  
Internal Audit Department  
Risk Assessment by Program/Project/Contract/Function  
Fiscal Year 2024-25**

Division			7 Year
Department/Functional Area		RISK	Audit
Project/Program/Contract/Function		ASSESSMENT	History
<hr/>			
<b>Government Relations</b>			
<b>State and Federal Relations</b>			
Lobbying Contracts		Low to Moderate	2023
<b>Subrecipient Monitoring</b>		Moderate	

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2024-25 Internal Audit Plan**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>
<b>Mandatory External Independent Audits</b>				
Annual Financial Audits and Agreed-UpOn Procedures (AUP) Reviews	FY25-001 through FY25-005	Coordinate and report on annual financial and compliance audits and AUP reviews for FY 2023-24.	Financial	425
External Regulatory Audits	FY25-006	Coordinate and report on audits by regulatory or funding agencies.	Compliance	40
State Triennial Review	FY25-007	Procure independent audit firm and coordinate and report on results of the required State Triennial Performance audits of the Orange County Transportation Authority (OCTA), Orange County Transit District, and Laguna Beach Municipal Transit Lines.	Compliance	220
<b>Internal Audit Department Projects</b>				
Risk Assessment and Annual Audit Plan	FY25-100	Preparation of the annual audit plan, quarterly updates to the audit plan, and periodic assessment of risk throughout the year, including monitoring the audit results of related entities.	Audit Plan and Updates	180
Quality Assurance and Self-Assessment	FY25-101	Update of Internal Audit Policies & Procedures to reflect Generally Accepted Government Auditing Standards (GAGAS). Annual self assessment of the Internal Audit Department's (Internal Audit) compliance with GAGAS.	Quality Assurance	160
Fraud Hotline Activities	FY25-102	Administrative duties related to maintenance of the OCTA Fraud Hotline and work related to investigations of reports of fraud, waste, or abuse.	Fraud Hotline	120
Peer Review	FY25-103	Participate in peer reviews of other internal audit agencies in exchange for reciprocal credit towards required peer review of OCTA's Internal Audit Department for calendar years 2022, 2023, and 2024. Report results of peer review to the Finance and Administration Committee and the Board of Directors (Board).	Peer Review	160
Automated Workpaper Solution	FY25-104	System updates/training related to automated workpaper solution.	Workpaper System	40
<b>Internal Audits</b>				
<b>Organization-Wide</b>				

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2024-25 Internal Audit Plan**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>
Legal Services	FY25-5XX	Assess and test contract compliance and invoice review controls related to the contract with Woodruff and Smart for legal services.	Compliance	200
<b>Express Lanes Program</b>				
Operations and Management	FY24-508	Assess and test selected oversight, contract compliance, and/or invoice review controls related to the provision of services by Cofiroute USA, LLP.	Operational/ Compliance	200
Toll Integrator System	FY25-5XX	Assess and test oversight, contract compliance and invoice review controls related to the contract with Kapsch Trafficom USA, Inc. for the design, implementation, installation, operation and maintainance of a toll collection system for the existing 91 Express Lanes and 405 Express Lanes.	Internal Control/ Compliance	220
<b>People and Community Engagement</b>				
Compensation	FY25-5XX	Assess and test policies, procedures, and controls over employee compensation actions.	Operational	320
Public Outreach - OC Streetcar	FY25-5XX	Assess and test oversight controls, contract compliance, and invoice review controls related to the agreement for public outreach for the OC Streetcar project.	Internal Control/ Compliance	180
<b>Capital Programs</b>				
Interstate 5 (I-5) Improvement Project: Oso Parkway to Alicia Parkway	FY25-5XX	Assess and test oversight controls, contract compliance, and invoice review controls related to the I-5 Improvement Project: Segment 2 - Oso Parkway to Alicia Parkway	Internal Control / Compliance	320
Project Controls	FY25-5XX	Assess and test operating controls of the project controls function within the Capital Programs Division.	Operational	240
Real Estate Administration	FY25-5XX	Assess and test real estate administration and controls, including management of contracts.	Operational	240

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2024-25 Internal Audit Plan**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>
<b>Operations</b>				
OC ACCESS Service	FY24-512	Assess adequacy of oversight controls and test oversight, contract compliance and invoice review controls related to the agreement with First Transit/TransDev for OC ACCESS transportation services.	Operational / Compliance	24
OC Streetcar Vehicles	FY25-5XX	Assess and test procurement, oversight, contract, and/or invoice review controls related to the contract with Siemens for OC Streetcar vehicles.	Operational / Compliance	280
Contracted Fixed Route	FY25-5XX	Assess adequacy of oversight controls and compliance with key provisions of the agreement with Keolis, performance standards measurement and reporting, and invoice review controls.	Operational / Compliance	320
Field Supervision	FY25-5XX	Evaluate and test field supervision activities for compliance with policies and procedures.	Operational	240
<b>Finance and Administration</b>				
Treasury	FY25-5XX	Semi-annual review of investments: compliance, controls, and reporting.	Compliance	250
Budget Development and Monitoring	FY25-5XX	Assess and test controls over budget development, monitoring and reporting.	Operational	240
Revenue Agreements	FY24-513	Assess and test controls over identification, tracking, and reporting of external revenue agreements.	Operational	60
Investment Management Contracts	FY25-5XX	Assess and test oversight, contract compliance and invoice review controls related to short-term investment management services provided by Chandler Asset Management, MetLife, Payden & Rygel, and PFM Asset Management, LLC.	Operational / Compliance	180
Purchasing Cards	FY25-5XX	Assess and test controls over purchasing card activities.	Operational / Compliance	240
Price Reviews	PR25-5XX	As requested by the Contracts Administration and Materials Management (CAMM) Department, apply AUP to sole source, single bid, and architectural and engineering firm proposals.	Price Review	700
Buy America	FY25-5XX	As requested by the CAMM Department, apply AUP to determine compliance with Buy America requirements.	Buy America	320

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2024-25 Internal Audit Plan**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>
<b>Unscheduled Reviews and Special Requests</b>				
Unscheduled Reviews and Special Requests	FY25-800	Time allowed for unplanned audits and requests from the Board or management.	Varies	180
<b>Monitoring Activities</b>				
Measure M Taxpayer Oversight Committee (TOC)	FY25-601	Coordination of audit activities on behalf of the Audit Subcommittee of the TOC.	Administrative Support	50
Metrolink Audit Activities	FY25-602	Review/monitor audit results of Metrolink activities.	Non-Audit Service	8
Capital Asset Inventory Observation	FY24-604	At the request of the Finance and Administration Division, observe and apply limited procedures related to the bi-annual capital asset inventory counts.	Non-Audit Service	20
<b>Follow-Up Reviews</b>				
Follow-Up Reviews and Reporting	FY25-700	Follow-up on the status of management's implementation of audit recommendations.	Follow-Up	320
<b>Total Audit Project Planned Hours (A)</b>				<b>6,697</b>

**Orange County Transportation Authority  
Internal Audit Department  
Fiscal Year 2024-25 Internal Audit Plan**

<b>Audit Activity</b>	<b>Project Number</b>	<b>Description</b>	<b>Primary Audit Type</b>	<b>Planned Staff Hours</b>
<b>Internal Audit Administration</b>				
Board and Committee Meetings				180
Executive Steering and Agenda Setting Meetings				170
Internal Audit Staff Meetings				150
Other Administration				1,500
			<b>Total Hours (B)</b>	<b>8,697</b>
			<b>Department Target Efficiency (A/B)</b>	75%
			<b>Target Efficiency - Professional Staff</b>	80%

**Contingency Audits: Internal**


Warranty Administration	FY25-5XX	Assess the adequacy and effectiveness of internal controls in place for identifying, tracking and recording of warranty repairs and credits.
Right-of-Way Maintenance	FY25-5XX	Assess and test the adequacy and effectiveness of controls related to maintenance of the railroad Right of Way and the contract with Joshua Grading and Excavating Incorporated.





**July 10, 2024**

**To:** Finance & Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Approval to Sell Surplus Land for the Interstate 405 Improvement Project Between State Route 73 and Interstate 605

### **Overview**

The Orange County Transportation Authority has substantially completed the freeway improvements for the Interstate 405 Improvement Project between State Route 73 and Interstate 605 for public use. The project required acquisition of property rights from public and private parties adjacent to the existing freeway and city streets to construct the freeway improvements. Now an approximately 44,540 square-foot improved commercial property located at 14980 Goldenwest Avenue, in the City of Westminster, Assessor Parcel Numbers 096-522-02 and 096-522-04, is recommended to be sold as surplus land by the Orange County Transportation Authority. Staff is seeking approval to sell the vacant land as surplus land under the Surplus Land Act (Government Code Section 54220 et seq.).

### **Recommendations**

- A. Direct staff to sell the surplus land located within the Interstate 405 Improvement Project between State Route 73 and Interstate 605 for public use.
- B. Authorize the Chief Executive Officer to negotiate and execute the necessary documents to complete the sale of the surplus land for the offer price of \$4,500,000.

### **Background**

The acquisition of public and private properties is often required to implement transportation projects even though extensive efforts are made during the planning and design process to avoid or minimize the impacts to public and private properties. Design-build (DB) Cooperative Agreement No. C-4-1847 between the Orange County Transportation Authority (OCTA) and the California

Department of Transportation (Caltrans) was approved by the Board of Directors (Board) on June 30, 2015, and defined the roles and responsibilities of OCTA and Caltrans for final design, construction, and right-of-way (ROW) acquisition for the Interstate 405 Improvement Project between State Route 73 and Interstate 605 (Project). Pursuant to the DB cooperative agreement, OCTA is the lead implementing agency for final design, construction, and ROW acquisition for the Project. This also includes the responsibility for OCTA to be the lead agency in the need to dispose of any surplus land.

The approved design for the Project required the acquisition of an improved commercial property located adjacent to the Project to accommodate bridge improvements and construction of the Bolsa Avenue off-ramp. Construction of the freeway and bridge improvements are now complete and therefore the property, as acquired, is no longer needed by the Project, resulting in the creation of surplus land (Attachment A). OCTA staff recommends the Board authorize the Chief Executive Officer to execute the necessary documents to complete the sale of the surplus land located at 14980 Goldenwest Avenue, in the City of Westminster, Assessor Parcel Numbers 096-522-02 and 096-522-04 (Attachment B).

### ***Discussion***

The Project required the replacement of the Goldenwest bridge and the Bolsa Avenue bridge with limited access to the property during construction. As a result, businesses could not operate; therefore, on February 26, 2018, the Board authorized the acquisition of the property. The subject property is a 44,540 square-foot parcel improved with an existing retail building containing 15,190 square feet of gross leasable area in two separate buildings. The property is no longer needed by the Project and is not planned to be used by OCTA. Staff has analyzed the potential uses for the subject property and determined that it is not necessary for any highway-related purposes or other OCTA uses.

The Surplus Land Act (SLA) defines “surplus land” as “land owned in fee simple by a local agency for which the governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use.” Under the SLA, an “agency’s use” includes, but is not limited to, land that is being used or is planned to be used pursuant to a written plan adopted by the local agency’s governing board (Government Code Section 54221). The SLA requires OCTA to send notices of availability of surplus land to local public entities and housing sponsors and engage in good-faith negotiations with any parties that, within 60 days, express interest to purchase or lease the land for purposes specified in the SLA. On October 9, 2023, the Board formally declared the property as surplus land pursuant to Government Code Section 54221 and directed staff to seek and negotiate with potential buyers interested in the purchase of the surplus land. Per the SLA, OCTA staff mailed

notices of availability on November 6, 7, and 8, 2023, respectively. OCTA received one written letter expressing interest in purchasing the surplus land. OCTA attempted to make contact and open good-faith negotiations; however, OCTA has not received any response. Thereafter, as further required by the SLA, OCTA provided information regarding the proposed sale to the California Department of Housing and Community Development (HCD), including the mandatory affordable housing restrictions to be recorded on the property. On April 2, 2024, HCD determined that OCTA met all the requirements under the SLA (Attachment C); therefore, OCTA can proceed with the proposed disposition of the land.

Sale of the subject property is being conducted in accordance with the SLA, OCTA's Real Property Policies and Procedures, and Caltrans guidelines. The property was appraised by a qualified appraiser on December 11, 2023, with a value of \$4,650,000. OCTA used the services of its consultant, CBRE, Inc., for commercial brokerage services, to facilitate the sale of the surplus land. CBRE, Inc., was in contact with a number of potential buyers and conducted negotiations to recommend a qualified buyer to acquire the surplus land. On June 14, 2024, CBRE, Inc., received a Letter of Intent (Attachment D) from a potential buyer to purchase the surplus land for the value of \$4,500,000. The Letter of Intent outlines the general terms and conditions upon negotiating a definitive Purchase and Sale Agreement. The potential buyer shall have 30 days from the execution of the Purchase and Sale Agreement to conduct due diligence followed by 15 days to close escrow. The potential buyer has agreed to pay the closing costs for this transaction, less CBRE, Inc., commission, which shall be paid by OCTA through an escrow. Per Agreement No. C-0-2160 between OCTA and CBRE, Inc., the commission rate by OCTA is agreed at four percent for the first \$3,000,000 of the purchase price, or \$120,000, and three percent for the remainder of the purchase price, or \$45,000, for a total commission value of \$165,000.

#### **Fiscal Impact**

Proceeds from the surplus land sale will be returned to the local Measure M2 fund.

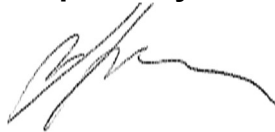
#### **Summary**

Staff recommends the Board of Directors direct staff to sell the surplus land located within the Interstate 405 Improvement Project between State Route 73 and Interstate 605 and authorize the Chief Executive Officer to negotiate and execute a purchase and sale agreement with the potential buyer for the sale price of \$4,500,000.

***Attachments***

- A. Photo Aerial Exhibit
- B. Assessor Parcel Numbers 096-522-02 and 096-522-04
- C. Letter from Laura Nunn, Senior Manager, Department of Housing and Community Development, to Cassie Trapesonian, Woodruff & Smart, APC, dated April 2, 2024, re: Written Comments Regarding the Orange County Transportation Authority's Surplus Land Disposition Documentation for 14980 Goldenwest Street, Westminster (APNs 096-522-02 and 096-522-04) Declared Surplus by the Minutes of the Board of Directors Meeting Dated October 9, 2023
- D. Letter from Peter N. Andrich, Senior Vice President, CBRE, Inc., to John Pedicini, JP Development, dated June 13, 2024, re: Letter of Intent – Counter Proposal, OCTA Surplus Land – 14970-14990 Goldenwest Street, Westminster, CA 92683

**Prepared by:**



Joe Gallardo  
Manager, Real Property  
(714) 560-5546

**Approved by:**



James G. Beil, P.E.  
Executive Director, Capital Programs  
(714) 560-5646

Photo Aerial Exhibit



Not to Scale,  
For Presentation Purposes Only





# PSOMAS

## EXHIBIT 'A1'

### LEGAL DESCRIPTION

#### Caltrans Parcel No. 103161-10

##### Excess Lands

APN 096-522-02 & 04

In the City of Westminster, County of Orange, State of California, being a portion of  
Parcels 1 and 2 as described in the Grant Deed recorded December 30, 1978, in Book  
12015, Page 1203 of Official Records of the County of Orange:

Excepting therefrom the following described parcel:

#### Caltrans Parcel No. 103161-7

**Beginning** at the centerline intersection of Goldenwest Street and Bolsa Avenue, said  
intersection also being the southwest corner of Section 11, Township 5 South,  
Range 11 West, Rancho Las Bolsa, as shown on Sheet 24 of Record of Survey  
No. 2015-1144, filed in Book 311, Pages 1 through 30 of Records of Survey, records of  
the County of Orange; thence South 89°32'39" East 358.84 feet along the centerline of  
said Bolsa Avenue; thence leaving said centerline North 00°27'21" East 56.00 feet to the  
southerly line of Parcel 1 as described in the Grant Deed recorded December 30, 1978, in  
Book 12015, Page 1203 of Official Records of the County of Orange and the **True Point  
of Beginning**; thence leaving said southerly line of said Parcel 1 North 05°33'45" West  
7.59 feet; thence North 05°53'26" West 49.62 feet to the easterly line of said Parcel 1;  
thence along said easterly line South 44°02'42" East 18.38 feet to the southeasterly  
corner of the land described in Director's Deed recorded March 25, 1970, in Book 9246,  
Page 905, of Official Records of said County; thence continuing along said easterly line  
South 44°43'05" East 62.06 feet to the southeasterly corner of said Parcel 1; thence along  
the southerly line of said Parcel 1 North 89°32'39" West  
50.62 feet to the **True Point of Beginning**.

# PSOMAS

Also excepting therefrom the following described parcel:

**Caltrans Parcel No. 103161-8**

**Beginning** at the centerline intersection of Goldenwest Street and Bolsa Avenue, said intersection also being the southwest corner of Section 11, Township 5 South, Range 11 West, Rancho Las Bolsas, as shown on Sheet 24 of Record of Survey No. 2015-1144, filed in Book 311, Pages 1 through 30 of Records of Survey, records of County of Orange; thence South 89°32'39" East 97.45 feet along the centerline of said Bolsa Avenue; thence leaving said centerline North 0°27'21" East 41.60 feet to the southerly line of Parcel 2 as described in the Grant Deed recorded December 30, 1978 in Book 12015, Page 1203 of Official Records of said County, and the **True Point of Beginning**; thence leaving said southerly line of said Parcel 2 North 00°27'30" West 10.31 feet; thence North 43°52'11" West 6.83 feet; thence North 89°01'33" East 23.40 feet; thence South 86°12'52" East 94.53 feet to said southerly line; thence along said southerly line South 85°14'48" West 113.30 feet to the **True Point of Beginning**.

The above-described parcel exception is made for the purpose of a freeway and the GRANTOR hereby releases and relinquishes to the GRANTEE any and all abutter's rights including access rights, appurtenant to GRANTOR's remaining property, in and to the freeway.

Containing 44,540 square feet (1.022 acres, more or less).

The distances shown herein are grid distances. Ground distances may be obtained by dividing grid distances by the combination factor of 0.99997837.

See Exhibit 'A2' attached hereto and made apart hereof.

# PSOMAS



1 Prepared under the direction of

2  
3 *Peter Fitzpatrick*

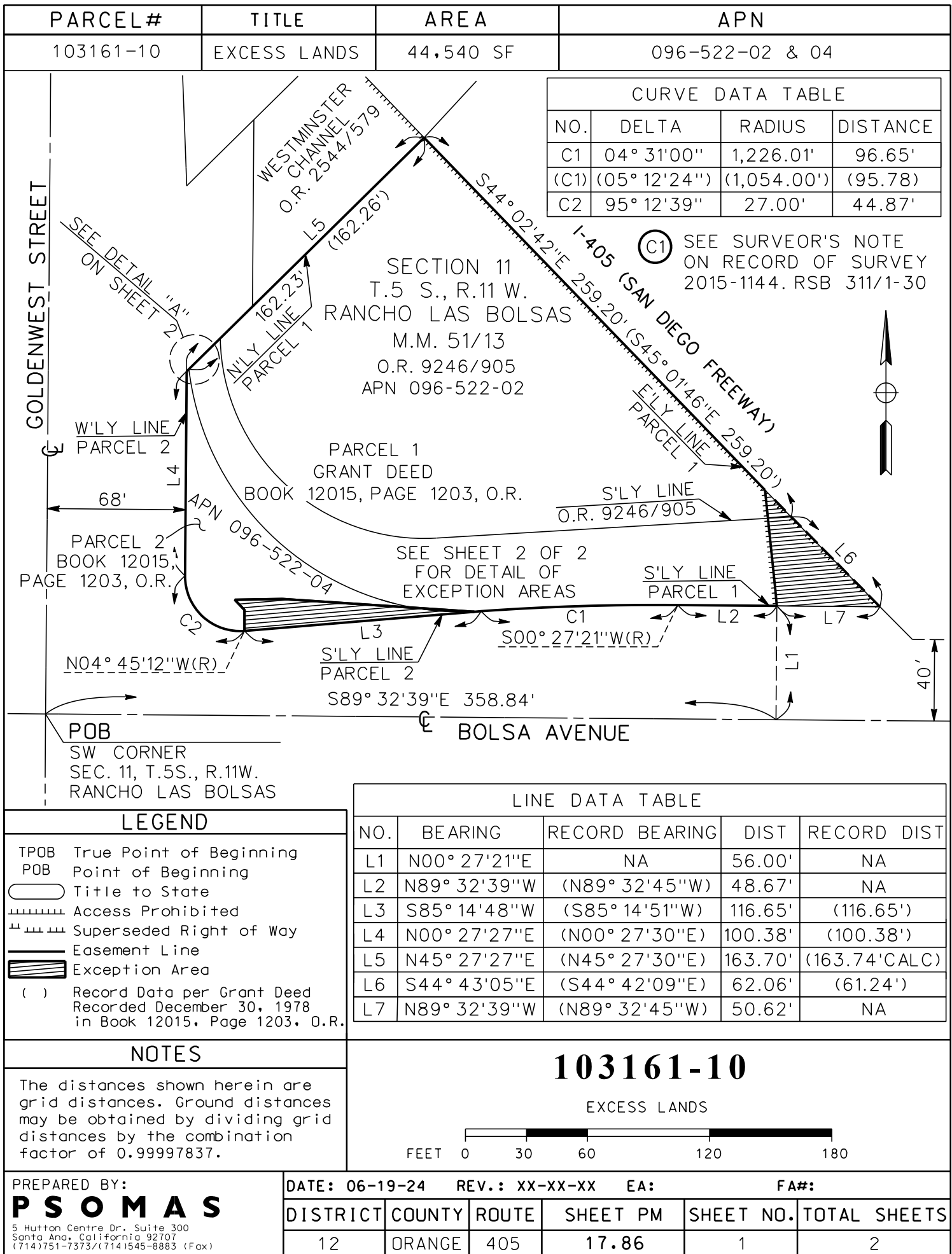
June 20, 2024

4  
5 Peter J. Fitzpatrick, PLS 6777

Date

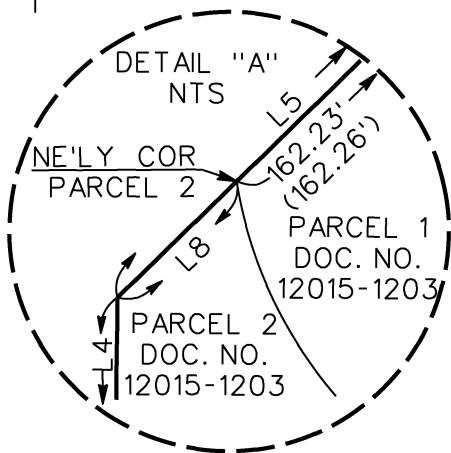
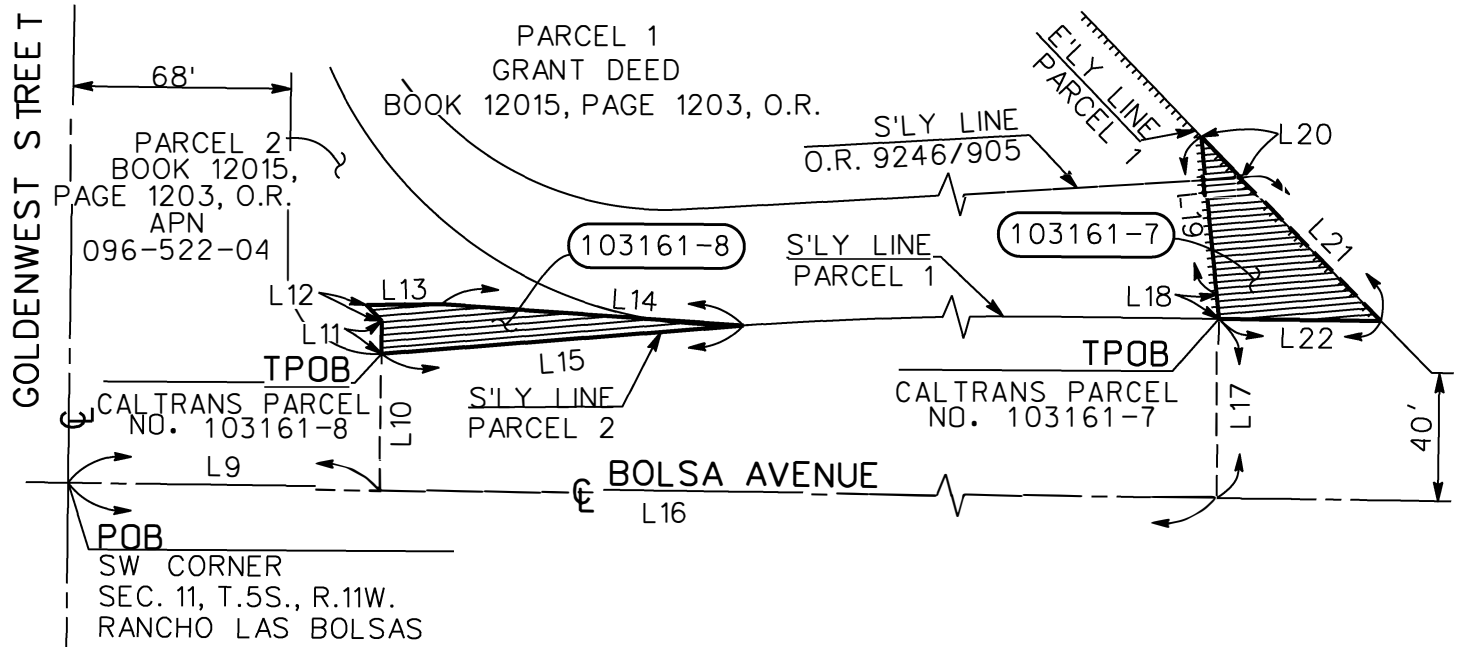


# EXHIBIT A2



# EXHIBIT A2

PARCEL#	TITLE	AREA	APN
103161-10	EXCESS LANDS	44,540 SF	096-522-02 & 04



LINE DATA TABLE		
NO.	BEARING	DISTANCE
L8	N45° 27' 27"E	1.47'
(L8)	(N45° 27' 30"E)	(1.48')
L9	S89° 32' 39"E	97.45'
L10	N00° 27' 21"E	41.60'
L11	N00° 27' 30"W	10.31'
L12	N43° 52' 11"W	6.83'
L13	N89° 01' 33"E	23.40'
L14	S86° 12' 52"E	94.53'
L15	S85° 14' 48"W	113.30'
L16	S89° 32' 39"E	358.84'
L17	N00° 27' 21"E	56.00'
L18	N05° 33' 45"W	7.59'
L19	N05° 53' 26"W	49.62'
L20	S44° 02' 42"E	18.38'
L21	S44° 43' 05"E	62.06'
L22	N89° 32' 39"W	50.62'

## LEGEND

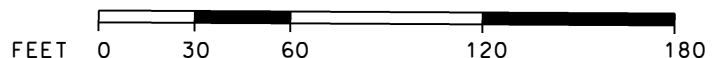
TPOB	True Point of Beginning
POB	Point of Beginning
( )	Title to State
	Access Prohibited
	Superseded Right of Way
	Easement Line
	Exception Area
( )	Record Data per Grant Deed Recorded December 30, 1978 in Book 12015, Page 1203, O.R.

## NOTES

The distances shown herein are grid distances. Ground distances may be obtained by dividing grid distances by the combination factor of 0.99997837.

# 103161-10

EXCESS LANDS



PREPARED BY:

## PSOMAS

5 Hutton Centre Dr., Suite 300  
Santa Ana, California 92707  
(714) 751-7373 / (714) 545-8883 (Fax)

DATE: 06-19-24

REV.: XX-XX-XX

EA:

FA#:

DISTRICT

COUNTY

ROUTE

SHEET PM

SHEET NO.

TOTAL SHEETS

12

ORANGE

405

17.86

2

2

April 2, 2024 - Department of Housing and Community Development Letter

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

GAVIN NEWSOM, Governor

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)

April 2, 2024

Cassie Trapesonian  
Woodruff & Smart, APC  
555 Anton Boulevard, Suite 1200  
Costa Mesa, CA 92626

Dear Cassie Trapesonian:

**RE: Written Comments Regarding the Orange County Transportation  
Authority's Surplus Land Disposition Documentation for 14980 Goldenwest  
Street, Westminster (APNs 096-522-02 and 096-522-04) Declared Surplus by  
the Minutes of the Board of Directors Meeting Dated October 9, 2023**

Thank you for submitting your surplus land documentation, on behalf of the Orange County Transit Authority (OCTA), for review by the California Department of Housing and Community Development (HCD). We received your completed documentation on March 4, 2024. This letter constitutes HCD's written comments pursuant to Government Code section 54230.5 of the Surplus Land Act (SLA), for the properties located at 14980 Goldenwest Street, Westminster (APNs 096-522-02 and 096-522-04) (Property).

According to your letter and included documents, Minutes of the Board of Directors Meeting Dated October 9, 2023 (Minutes), identifying the property as Surplus Land (CA Government Code, section 54221 (b)(2)) and that the Notices of Availability (NOA) was sent to all the required entities on November 6, 2023. During the required 60-day period, the OCTA received one interest from the Olson Company on November 6, 2023. OCTA has stated that attempts were made to contact Olson Company via telephone and email to determine interest and to enter good faith negotiations. OCTA states that they have not received any response from the Olson Company.

If the submitted documentation is complete and accurate, HCD determines that OCTA has met all the requirements under the SLA for the purposes of disposing of the surplus land for the Property.

If you have any questions or need additional technical assistance, please contact Helen Morales, Housing Policy Specialist, at [Helen.Morales@hcd.ca.gov](mailto:Helen.Morales@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Laura Nunn".

Laura Nunn  
Senior Manager, Housing Accountability Unit  
Housing Policy Division

## June 10, 2024 Letter of Intent



Peter N. Andrich  
Senior Vice President  
California Broker Lic. 00574352  
Idaho Broker Lic. 43922

3501 Jamboree Road, Suite 100  
Newport Beach, CA 92660-2940

CBRE, Inc.  
Investment Properties  
Broker Lic. 00409987

949.725.8622 Tel  
949.725.8545 Fax

peter.andrich@cbre.com  
www.cbre.com

June 13, 2024

Mr. John Pedicini  
JP Development  
20051 SW Cypress Street  
Newport Beach, CA 92660

Re: Letter of Intent – Counter Proposal  
OCTA Surplus Land – 14970-14990 Goldenwest Street  
Westminster, CA 92683

Dear John:

Thank you for your interest in the Orange County Transportation Authority (OCTA) Surplus Land at 14970-14990 Goldenwest Street, Westminster, CA 92683 (the "Property"). OCTA ("Seller") has authorized CBRE to issue this Letter of Intent – Counter Proposal ("Letter") for your review and approval. Thus, the purpose of this Letter is to respond to your interest in the purchasing the Property by outlining the general terms and conditions that would be acceptable to OCTA upon entering a definitive Purchase and Sale Agreement ("PSA").

1. Seller: Orange County Transportation Authority
2. Buyer: T&G Trust or approved assignee ("Buyer")
3. Property: OCTA Surplus Land - (± 15,190SF Improvements, ± 44,540SF Land)  
14970-14990 Goldenwest Street  
Westminster, CA 92683  
APNs 096-522-02 and -04
4. Purchase Price: FOUR MILLION FIVE HUNDRED DOLLARS (\$4,500,000),  
all cash at close of escrow.
5. Interest Purchased: Fee simple interest in all land and improvements. Buyer is acquiring the Property "AS IS" without any representation or warranty of Seller, expressed, implied or statutory, as to the nature or condition of or title to Property or its fitness for Buyer's intended use.
6. Due Diligence Period: Buyer shall have Thirty (30) days from the execution of the PSA to conduct due diligence ("Due Diligence Period"). During the Due Diligence Period, Seller shall grant Buyer full access to the Property to conduct due diligence, which shall be solely at Buyer's expense. Due diligence items may include, but not limited to, environmental, permits,

1839804.1



zoning, geotechnical and title. Buyer shall further have the Due Diligence Period to satisfy themselves regarding "Paragraph 7 Contingencies" as outlined in Buyer's May 9, 2024, proposed Letter of Intent. During the Due Diligence Period, Buyer will have the unilateral right to approve or disapprove said items. Delivery of documents is subject to Seller's possession of, or ability to deliver said materials. Seller shall provide Buyer any surveys, environmental assessments, leases, permits, legal actions, or other property in Seller's possession regarding the Property.

7. Earnest Money Deposit: Within five days of opening escrow Buyer shall deposit ONE HUNDRED THOUSAND DOLLARS \$100,000 ("Deposit") into escrow. The Deposit shall be placed into an interest-bearing escrow account, with interest accruing for the benefit of the Buyer. The Deposit will be credited to the Purchase Price should escrow close on the Property. Upon expiration of the Due Diligence Period, Buyer's deposit shall be non-refundable.
8. Opening and Closing of Escrow: Escrow shall be opened at a title/escrow company ("Escrow Holder") selected by OCTA within three (3) days upon execution of the PSA. Buyer shall have fifteen (15) days following the end of the Due Diligence Period to close the transaction.
9. Closing Costs and Expenses: The cost of the CLTA portion of the Title Policy shall be paid by Seller. The cost of the ALTA Survey, any premium, any additional costs for the ALTA extended coverage additional to the premium for CLTA coverage, and the cost of any endorsements to the Title Policy shall be paid by Buyer. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to buyers and sellers for document and miscellaneous charges. Buyer shall pay all other escrow fees. If, as a result of no fault of Seller or Buyer, escrow fails to close, Seller and Buyer shall share equally all of Escrow Holder's fee and charges. Each party will be responsible for its own attorney fees.
10. Dual Agency Brokerage: Peter N. Andrich, CBRE, represents both Buyer and Seller. Buyer and Seller hereby consent to said Dual Agency.
11. Sales Commission: At the close of escrow, Seller shall be responsible for the payment of the brokerage commission to CBRE as per separate agreement. Each party hereby agrees to indemnify each other against any real estate commission claimed to be due and payable in connection with the sale of the Property other than as stated herein. Seller and Buyer each represent to each other that they have dealt with no broker other than Peter N. Andrich, CBRE.
12. Purchase and Sale Agreement: Seller to provide Buyer with a draft of the PSA incorporating the terms and conditions contained herein within five business (5) days of OCTA's Board of Directors approving this Letter. This Letter shall terminate and expire upon OCTA's Board of Directors rejecting this Letter.
13. Contingency: The sale of the Property is contingent upon OCTA reserving fee title and/or an easement in favor of the California State Department of Transportation (Caltrans) and the City of Westminster as depicted on Attachment A. The area being reserved is in conjunction with the freeway improvements recently constructed as part of the I-405 Improvement Project. In addition, OCTA is required, when selling property it declares as Surplus Land under Government Code section 54221, to place restrictions on the future residential development of such property and record a Declaration of Covenants and Restrictions Deed against the Property (Attachment B).

14. Non-Binding. *This Letter is not a commitment to sell the Property nor is it a commitment to exclusively negotiate with Buyer until OCTA's Board of Directors approve this Letter. The comments contained in this Letter do not address all of the Seller's terms and conditions that may be set forth in a PSA as the intent of this letter is general in nature is only an expression of the basic conditions to be incorporated into the PSA. It should be expressly understood that OCTA's Board of Directors is the only party authorized to approve any of the terms or conditions of any proposed sale of the Property. No agreement to sell the Property will exist until the execution of a binding PSA by both parties and if necessary, further approved by OCTA's Board of Directors. This Letter does not require either party to negotiate in good faith or to proceed to the completion of a binding PSA. The parties shall not be contractually bound unless and until they enter into a formal, written PSA, which must be in form and content satisfactory to each party and to each party's legal counsel, in their sole discretion. Neither party may rely on this Letter as creating any legal obligation of any kind. Notwithstanding the foregoing, Seller and Buyer agree to use reasonable efforts to negotiate and execute a mutually acceptable PSA within fifteen (15) business days thereafter.*

Unless this Letter is executed by Buyer and delivered to OCTA, or its agent, the time for acceptance of this Letter by Buyer shall expire at 5:00 PM, five (5) days from delivery to Buyer.

Thank you again for your interest and consideration in the Property. If you have any questions regarding this Letter or require any additional information, please do not hesitate to contact me.

Sincerely,

Peter N. Andrich  
Senior Vice President

**AGREED AND ACCEPTED:**  
John Pedicini, Trustee of T&G Trust:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: 6-14-24

**AGREED AND ACCEPTED:**  
Orange County Transportation Authority

By: \_\_\_\_\_  
James G. Beil, Executive Director, Capital Programs

Date: \_\_\_\_\_

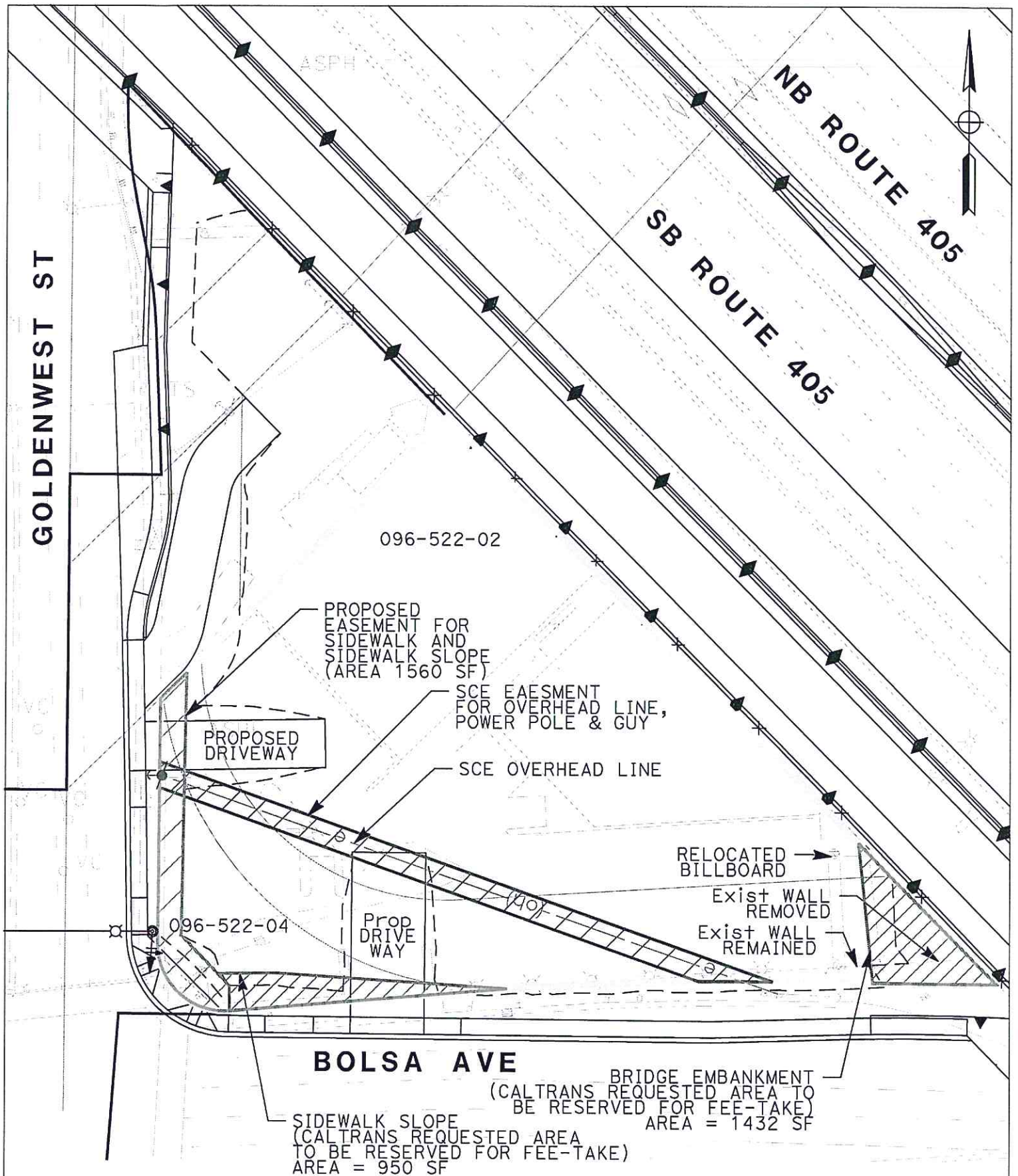
Approved as to Form: \_\_\_\_\_

By: \_\_\_\_\_  
James M. Denich, General Counsel

Date: 6/18/24

# **ATTACHMENT “A”**





- Exist PARCEL BOUNDARY
- Exist CALTRANS R/W
- PROPOSED CITY EASEMENT AFTER PROJECT IMPROVMENT
- AREA CALTRANS REQUESTED FOR FEE-TAKE
- UTILITY EASEMENT

# **I-405 IMPROVEMENT PROJECT SURPLUS LAND EXHIBIT**

NO SCALE

05/22/2024



# **ATTACHMENT “B”**

<p><b>RECORDING REQUESTED BY</b></p> <p><b>AND WHEN RECORDED MAIL TO</b></p> <p>Orange County Transportation Authority  P.O. Box 14184  Orange, CA 92863-1584  Attention: Real Property Department</p> <p>No Fee for Recording Pursuant to Government Code Section 27383</p>	
---	--

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**DECLARATION OF COVENANTS AND RESTRICTIONS**

This Declaration of Covenants, Conditions and Restrictions ("Covenant") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_ ("Declarant"), an individual, and the Orange County Transportation Authority, a public entity of the State of California ("Authority") with reference to the following facts:

A. Declarant is the owner of that certain real property (with all improvements thereon) described in Exhibit "A" attached hereto and incorporated herein ("Property").

B. The Authority is the previous owner of the Property, which was conveyed to Declarant pursuant to a Grant Deed dated \_\_\_\_\_, and recorded in the Official Records of Orange County as Instrument No. \_\_\_\_\_ (the "Grant Deed"). The Grant Deed is attached as Exhibit "B" and incorporated in this Covenant by reference.

C. Government Code section 54233 requires the Authority, when selling property it declares as Surplus Land under Government Code section 54221, to place restrictions on the future residential development of such property.

D. The Authority has determined that the Property constitutes Surplus Land pursuant to Government Code section 54221.

E. Therefore, as a condition of conveyance of the Property to Declarant, Declarant and Authority agree to the following covenants and restrictions recorded against the Property pursuant to Government Code section 54233.

**NOW, THEREFORE**, the Authority and Declarant hereby declare that the following express covenants are to be taken and construed as running with the Property, including as set forth in California Civil Code section 1460, and, except as set forth below, shall pass to and be binding upon Declarant and its successors, assigns, heirs, grantees or lessees to the Property or any part thereof, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise. Each and every contract, deed, lease or other instrument covering or conveying the

-1-

Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted this Covenant and be subject to the covenants and restrictions contained herein regardless of whether such covenants and restrictions are set forth in such contract, deed, lease or other instruments. These covenants and restrictions shall be enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

**Section 1.** Declarant hereby declares that the recitals above are true and are hereby incorporated by reference.

**Section 2.** Declarant declares that if ten (10) or more residential units are developed on the Property, not less than fifteen percent (15%) of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, Lower Income Households for a period of at least fifty-five (55) years for rental housing and forty-five (45) years for ownership housing. The initial occupants of all ownership units shall be Lower Income Households, and the units shall be subject to an equity sharing agreement consistent with the provisions of Government Code section 65915(c)(2).

**Section 3.** Declarant agrees to: (a) incorporate by express reference the terms of this Covenant in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property; and (b) describe the Covenant in, and append it to, any contract for the transfer of any property interest in the Property.

**Section 4.** In the event that any one or more of the provisions contained in this Covenant shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Covenant shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**Section 5.** This Covenant may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

**Section 6.** Declarant and Authority shall cause this Covenant, and all amendments and supplements to it, to be recorded in the Official Records of the County of Orange, California.

IN WITNESS WHEREOF, Declarant and Authority have executed this Covenant as of the date first above written.

AUTHORITY:

DECLARANT:

Orange County Transportation Authority

By: \_\_\_\_\_

James G. Beil, P.E.,  
Executive Director, Capital Programs

By: \_\_\_\_\_

Name:

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
James M. Donich,  
General Counsel

Dated: \_\_\_\_\_

**EXHIBIT "A"**  
**LEGAL DESCRIPTION OF PROPERTY**

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**EXHIBIT "B"**  
**GRANT DEED**

## ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF ORANGE )

On \_\_\_\_\_, 2024, before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) whose name is subscribed to the within instrument and  
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and  
that by his/her/their signature on the instrument the person, or the entity upon behalf of which the  
person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)



**July 10, 2024**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Orange County Transportation Authority Investment and Debt Programs Report – May 2024

### **Overview**

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending May 31, 2024. During the month of May, one investment manager purchased a security that did not comply with the Investment Policy. As a result of this compliance violation, the investment manager has been placed on probation for one year, in accordance with the requirements of the Investment Policy.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

As of May 31, 2024, the Orange County Transportation Authority's (OCTA) outstanding investments totaled \$2.5 billion. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, the short-term portfolio for future budgeted expenditures, and the bond proceeds portfolio to meet Measure M2 (M2) transportation program needs. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

Portfolio Compliance and Liquidity Requirements for the Next Six Months: The portfolio is in full compliance with OCTA's Investment Policy and the State of California Government Code. Additionally, OCTA has reviewed the liquidity



requirements for the next six months and anticipates that OCTA's liquidity will be sufficient to meet projected expenditures during the next six months.

The weighted average book yield for the OCTA portfolio is 4.1 percent. The book yield measures the exact income, or interest, on a bond without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

OCTA's month-end balance in the Local Agency Investment Fund (LAIF), a pooled investment fund for California local agencies, was \$6,955,075, with an average monthly effective yield of 4.33 percent. LAIF offers local agencies an opportunity to invest funds in a diversified portfolio of high-quality, short-term securities managed by the State Treasurer's Office. OCTA's month-end balance in the Orange County Investment Pool (OCIP), a collective investment fund for local government entities in Orange County was \$749,259. For the month of April, the monthly gross yield for the OCIP was 4.48 percent. The yield for the month of May will be received in June 2024. OCIP allows local government entities to invest funds in a diversified portfolio managed by the Orange County Treasurer-Tax Collector's Office, aiming for competitive returns while prioritizing safety and liquidity. Mandated by the Transportation Development Act (TDA), OCTA is obliged to participate in the OCIP. It serves as a temporary holding account for TDA funds until claimed by OCTA and then processed by the County of Orange. This framework ensures effective fund management and adherence to regulatory compliance.

During the month of May, one security held within OCTA's investment portfolio was downgraded by Moody's. As of May 31, 2024, the security still meets the minimum ratings requirements set forth by OCTA's Investment Policy (Policy). Please refer to A-8 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details.

On May 28, 2024, one of OCTA's investment managers, Payden & Rygel, purchased an asset-backed security issued by the American Tower Corporation. Pursuant to OCTA's Policy and the California Government Code, the maximum allowable term for public fund investments is five years. At the time of purchase, the security in question was listed with a final maturity date of March 15, 2028, in Bloomberg, which rendered it eligible for purchase. However, according to the Preliminary Official Statement for the security, the legal final maturity date is March 15, 2053, which exceeds the maximum allowable term of five years. OCTA's treasury management system immediately flagged the item as non-compliant, and staff notified the portfolio manager of the violation. The

portfolio manager sold the security on May 31, 2024, generating investment gains for OCTA's portfolio.

In accordance with OCTA's Policy, the Treasurer was informed of this violation, and Payden & Rygel were placed on a one-year probation effective May 28, 2024. Pursuant to OCTA's Policy, if a second violation occurs while the portfolio manager is on probation, the Finance and Administration (F&A) Committee shall review the error and may request that the portfolio manager meet with the Chair of the F&A Committee and the Treasurer as soon as practical. If OCTA's Treasurer finds that the portfolio manager has made a third non-compliant investment while on probation, the Treasurer will notify the Board of the compliance violations. OCTA may terminate services for its convenience at any time by providing at least 30 days' written notice.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and 2021 Transportation Infrastructure Finance and Innovation Act Loan. The debt program currently has an outstanding principal balance of \$1.2 billion as of May 31, 2024. Approximately 46 percent of the outstanding balance is comprised of M2 debt, four percent is associated with the 91 Express Lanes Program, and 50 percent is associated with the 405 Express Lanes.

### ***Summary***

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending May 31, 2024.

***Attachments***

- A. Orange County Transportation Authority Investment and Debt Programs  
– For the Period Ending May 31, 2024
- B. Orange County Transportation Authority Portfolio Listing as of  
May 31, 2024

**Prepared by:**



Robert Davis  
Department Manager  
Treasury/Public Finance  
(714) 560-5675

**Approved by:**



Andrew Oftelie  
Chief Financial Officer  
Finance and Administration  
(714) 560-5649

**Treasury/Public Finance Department's  
Report On**

**Orange County Transportation Authority  
Investment and Debt Programs**



**Presented to the  
Finance and Administration Committee**

**For The Period Ending  
May 31, 2024**

# INVESTMENT PROGRAM

# OCTA Investment Dashboard

5/31/2024

## Safety of Principal

**Securities that fell below OCTA's minimum credit quality requirements during the month of May 2024:**

N/A

**Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:**

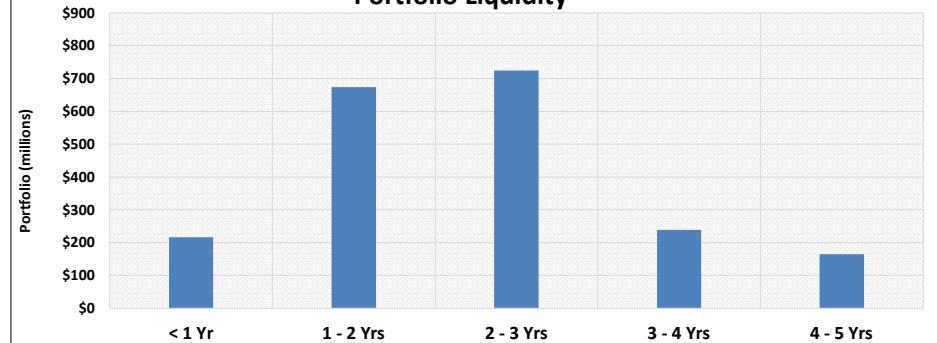
Three Keybank securities held within OCTA's investment portfolio were downgraded below minimum credit quality requirements for the month of October 2023.

**Securities downgraded or placed on Negative Credit Watch during the month of May 2024, but remain in compliance with OCTA's Investment Policy:**

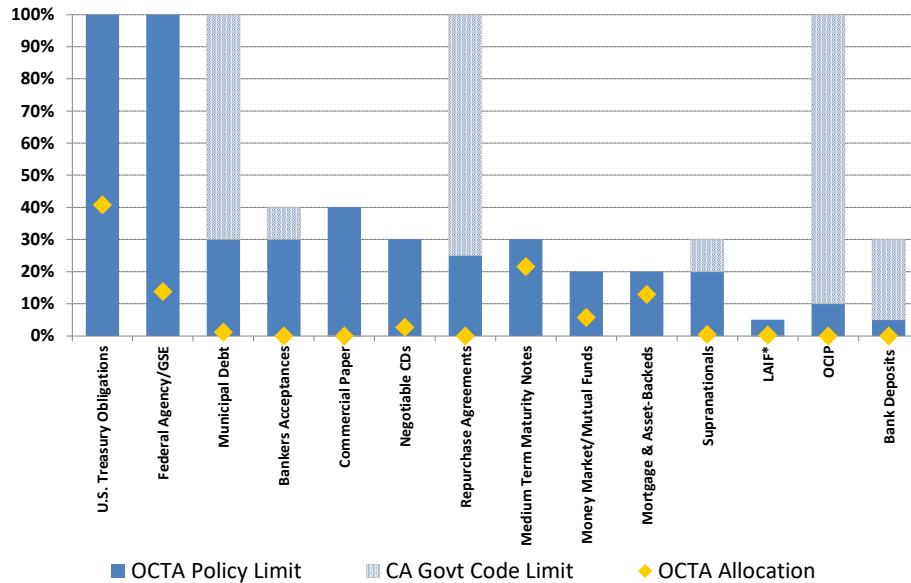
One security held within OCTA's investment portfolio was downgraded during the month.

For further details please refer to A-8 of this report.

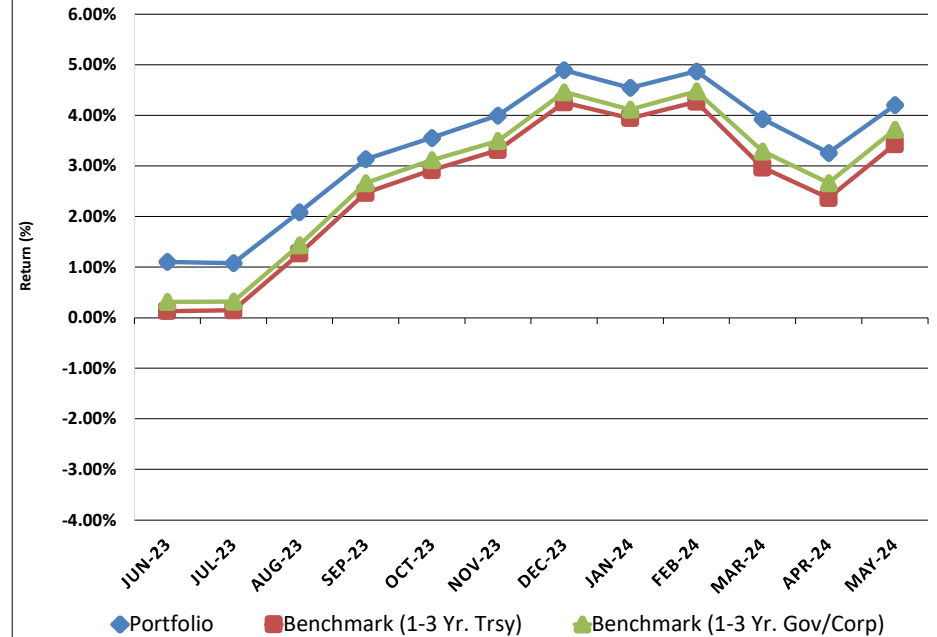
## Portfolio Liquidity



## Portfolio Diversification



## Portfolio Return - 12 Month



\* Per CA Government Code LAIF limit is \$75 million

\*\* Per OCTA's Investment Policy the limit is 30% for variable and floating rate securities. As of May 31, 2024, 6.9% of the portfolio was invested in variable & floating rate securities.

# Investment Compliance

5/31/2024

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio <sup>1</sup>	Invested	Portfolio	Max. Percentages
U.S. Treasury Obligations	\$ 887,433,906	40.8%	100%
Federal Agency/GSE	302,028,485	13.9%	100%
Municipal Debt	\$ 26,276,693	1.2%	30%
Commercial Paper	-	0.0%	40%
Negotiable Certificates of Deposit	\$ 60,250,000	2.8%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	\$ 469,711,914	21.6%	30%
Money Market/Mutual Funds	125,986,883	5.8%	20%
Mortgage & Asset-Backed	\$ 281,242,695	12.9%	20%
Supranationals	11,703,837	0.5%	20%
Local Agency Investment Fund	\$ 6,955,075	0.3%	\$ 75 Million
Orange County Investment Pool	749,259	0.0%	10%
Bank Deposits	\$ 250,000	0.0%	5%
<b>Total Short-Term/Liquid Portfolio<sup>2</sup></b>	<b>\$ 2,172,588,747</b>		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$147,438,863 (6.9% of total Short-Term/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

Portfolio Subject to Indenture					
Portfolio	Dollar Amount Invested	OCTA		Indenture Requirements	
		Credit Quality	Term	Min. Credit Quality	Max. Term
<u>Liquid Portfolio*</u>					
Government Obligations MMKT Fund	301,299,751	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	14,792,770	"AAAm"/"Aammf"	N/A	AAA Category	N/A
<b>Total Liquid Portfolio</b>	<b>\$ 316,092,522</b>				
<u>Bond Proceeds Portfolio</u>					
<b>2021 Bond Anticipation Notes (BANs):</b>					
Government Obligations MMKT Fund	54,959	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	"AAAm" or "AAAm-G"	N/A
<b>91 Express Lanes 2023 Bonds:</b>					
Government Obligations MMKT Fund	2,594	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
<b>Total Bond Proceeds Portfolio</b>	<b>\$ 57,553</b>				
<u>Reserve Funds Portfolio</u>					
Bank Deposit	\$ -	N/A	N/A	N/A	N/A
Government Obligations MMKT Fund	5,428,836	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Negotiable Certificates of Deposit	5,000,000	"A-1"/"P-1"/"F1+"	267 days	"A-1"/"P-1"/"F1"	270 days
Negotiable Certificates of Deposit	3,000,000	"A-1"/"P-1"/"F1+"	270 days	"A-1"/"P-1"/"F1"	270 days
Government Obligations MMKT Fund**	1,133	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
<b>Total Reserve Funds Portfolio</b>	<b>\$ 13,429,969</b>				
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 13,487,522</b>				
<b>Portfolio Total</b>	<b>\$ 2,502,168,791</b>				

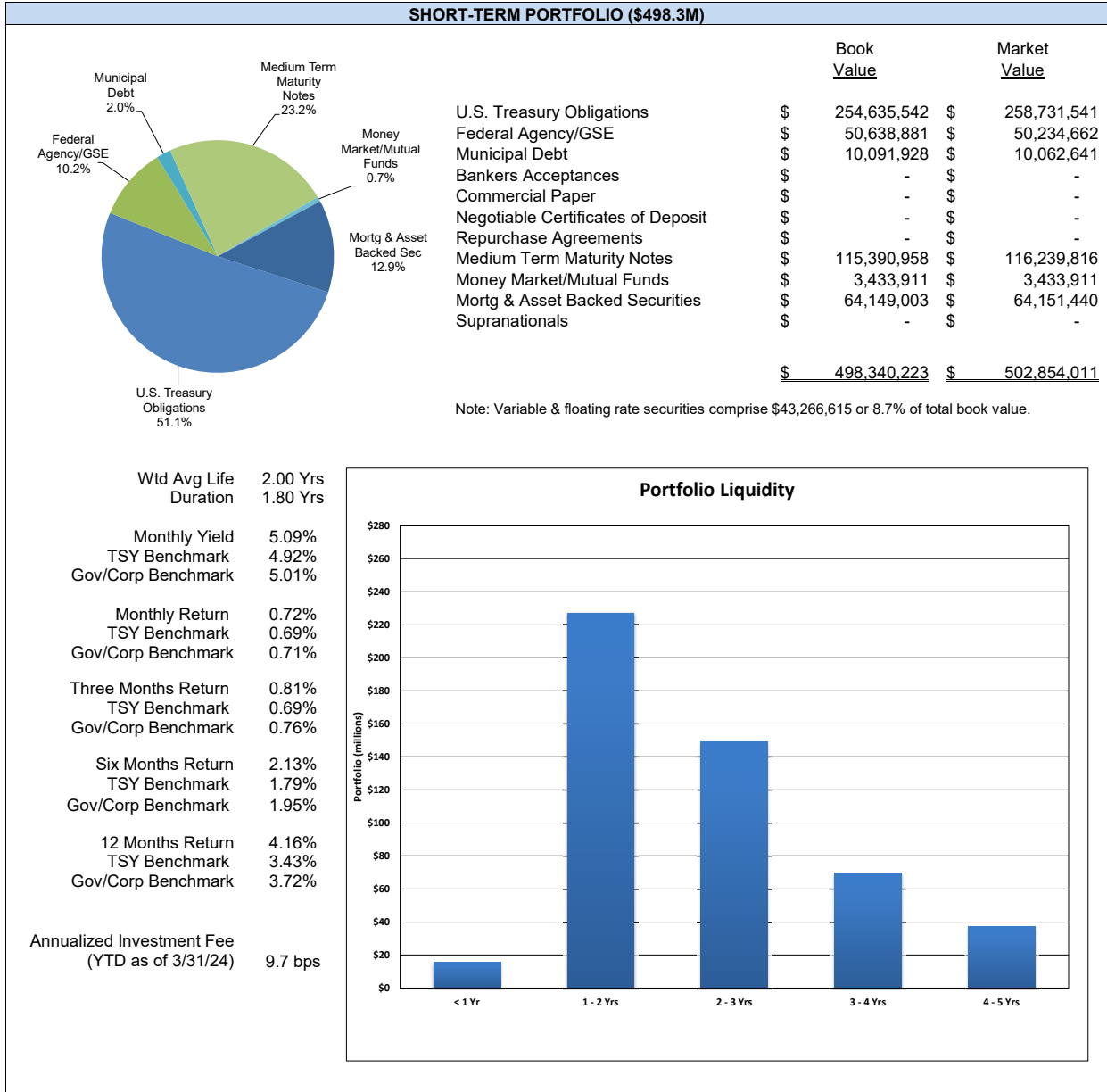
\*Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)

\*\*91 EL Debt Service Fund



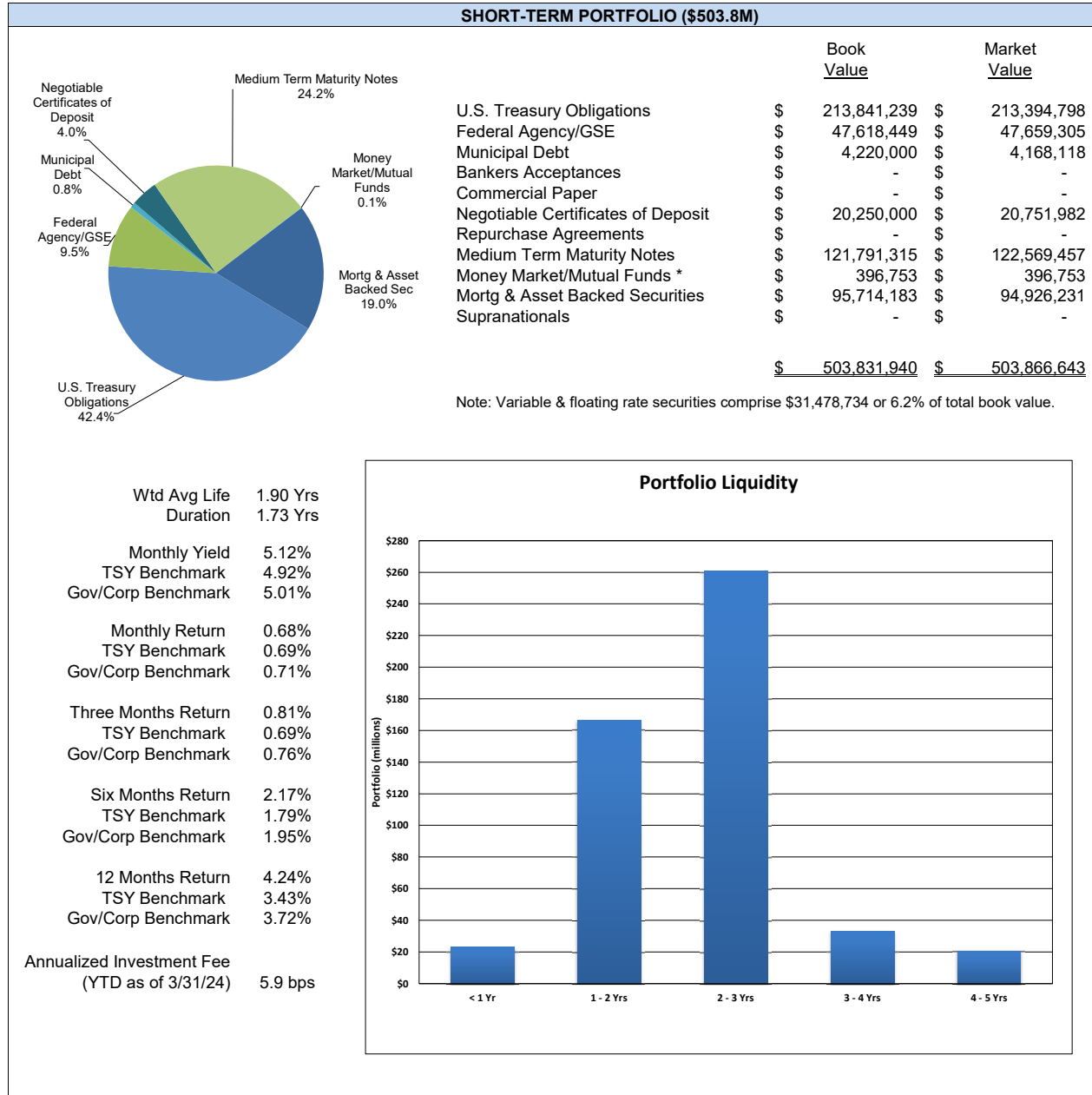
## Investment Manager Diversification and Maturity Schedules

**MetLife Investment Management**  
5/31/2024



## Investment Manager Diversification and Maturity Schedules

**PFM**  
5/31/2024

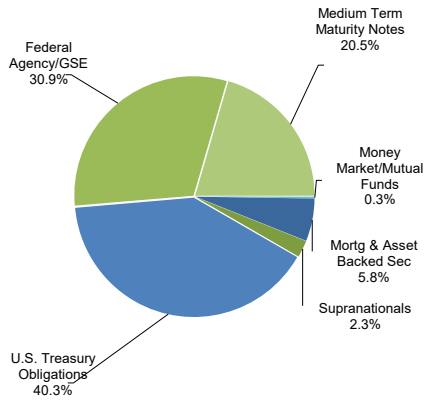


## Investment Manager Diversification and Maturity Schedules

### Chandler Asset Management

5/31/2024

#### SHORT-TERM PORTFOLIO (\$506.0M)

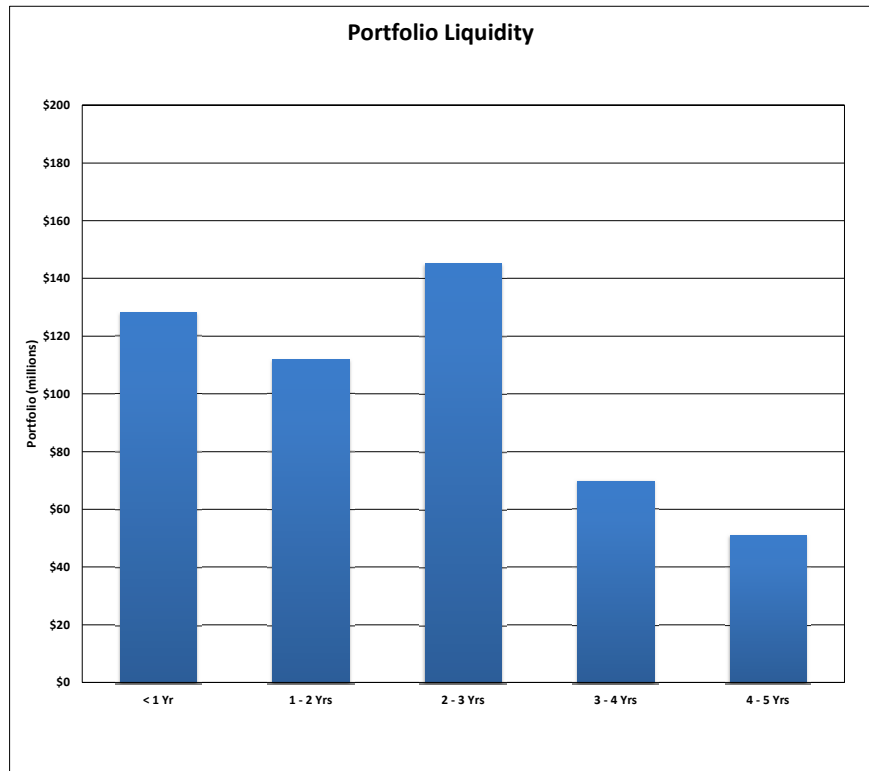


	Book Value	Market Value
U.S. Treasury Obligations	\$ 203,947,813	\$ 201,492,689
Federal Agency/GSE	\$ 156,170,353	\$ 156,172,753
Municipal Debt	\$ -	\$ -
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 103,714,752	\$ 103,293,376
Money Market/Mutual Funds	\$ 1,280,883	\$ 1,280,883
Mortg & Asset Backed Sec	\$ 29,149,280	\$ 28,980,285
Supranationals	\$ 11,703,837	\$ 11,659,896
	<u>\$ 505,966,918</u>	<u>\$ 502,879,883</u>

Note: Variable & floating rate securities comprise \$18,439,513 or 3.6% of total book value.

Wtd Avg Life	1.97 Yrs
Duration	1.81 Yrs
Monthly Yield	4.99%
TSY Benchmark	4.92%
Gov/Corp Benchmark	5.01%
Monthly Return	0.76%
TSY Benchmark	0.69%
Gov/Corp Benchmark	0.71%
Three Months Return	0.86%
TSY Benchmark	0.69%
Gov/Corp Benchmark	0.76%
Six Months Return	2.15%
TSY Benchmark	1.79%
Gov/Corp Benchmark	1.95%
12 Months Return	4.11%
TSY Benchmark	3.43%
Gov/Corp Benchmark	3.72%

Annualized Investment Fee  
(YTD as of 3/31/24) 5.1 bps

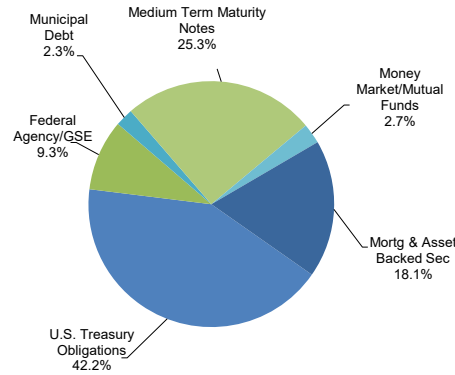


## Investment Manager Diversification and Maturity Schedules

**Payden & Rygel**

5/31/2024

### SHORT-TERM PORTFOLIO (\$509.3M)



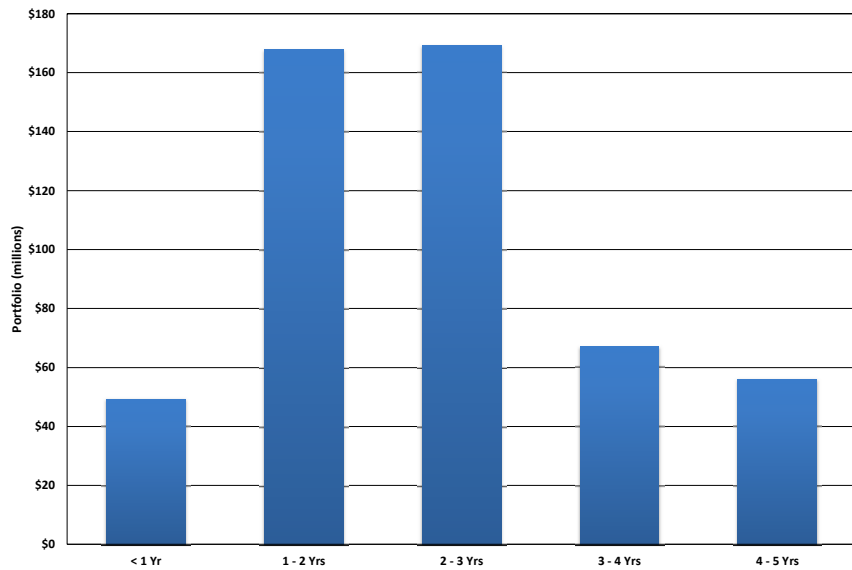
	Book Value	Market Value
U.S. Treasury Obligations	\$ 215,009,312	\$ 214,993,990
Federal Agency/GSE	\$ 47,600,803	\$ 47,987,789
Municipal Debt	\$ 11,964,764	\$ 11,679,810
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 128,814,889	\$ 128,922,721
Money Market/Mutual Funds	\$ 13,638,839	\$ 13,638,839
Mortg & Asset Backed Sec	\$ 92,230,229	\$ 92,199,406
Supranationals	\$ -	\$ -
	<b>\$ 509,258,835</b>	<b>\$ 509,422,556</b>

Note: Variable & floating rate securities comprise \$54,254,001 or 10.7% of total book value.

Wtd Avg Life	2.04 Yrs
Duration	1.79 Yrs
Monthly Yield	5.15%
TSY Benchmark	4.92%
Gov/Corp Benchmark	5.01%
Monthly Return	0.73%
TSY Benchmark	0.69%
Gov/Corp Benchmark	0.71%
Three Months Return	0.85%
TSY Benchmark	0.69%
Gov/Corp Benchmark	0.76%
Six Months Return	2.24%
TSY Benchmark	1.79%
Gov/Corp Benchmark	1.95%
12 Months Return	4.31%
TSY Benchmark	3.43%
Gov/Corp Benchmark	3.72%

Annualized Investment Fee  
(YTD as of 3/31/24) 9.9 bps

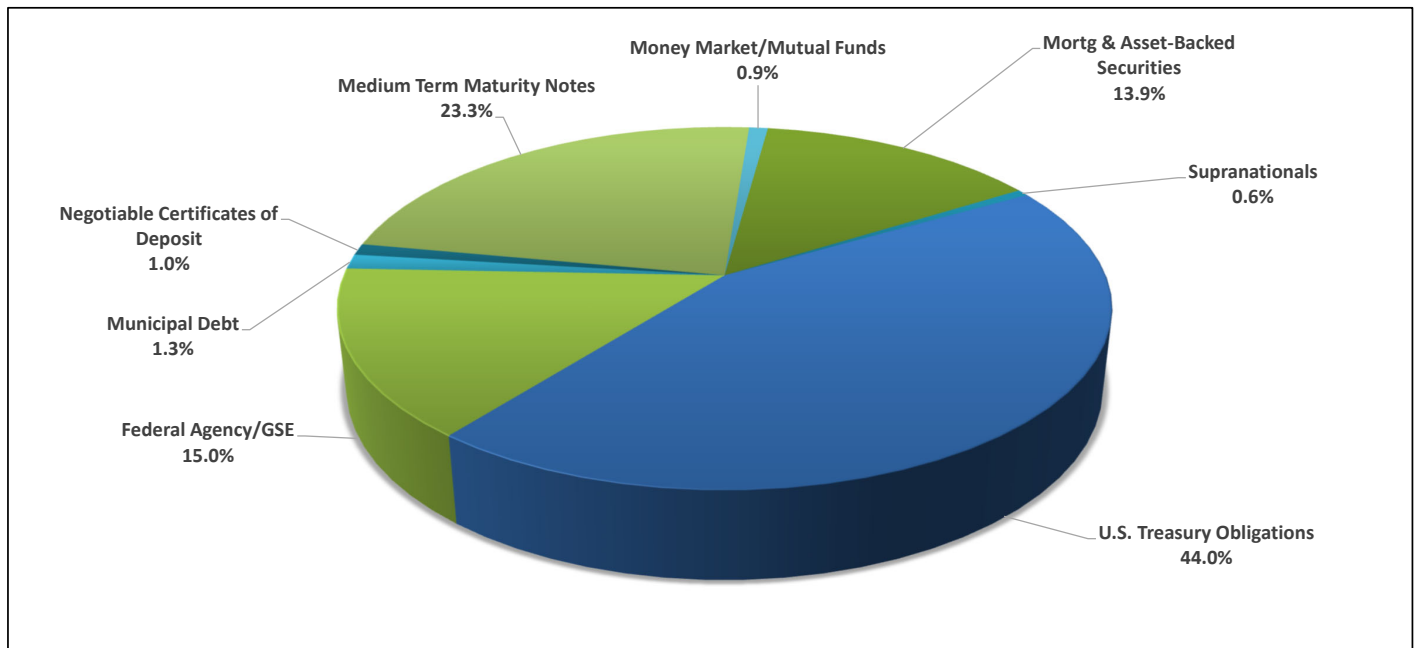
#### Portfolio Liquidity



# Short-Term Portfolio

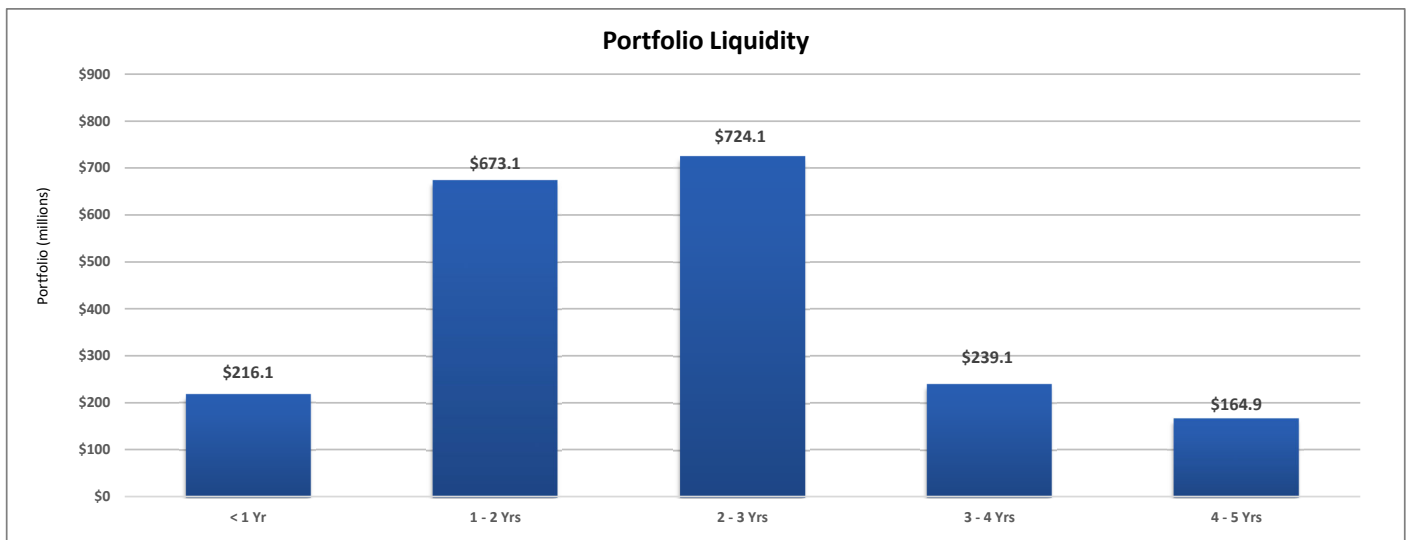
## 5/31/2024

### Portfolio Composition



Note: Variable & floating rate securities comprise 7.3% of total book value.

### Portfolio Liquidity



## Rating Downgrades & Negative Credit Watch

5/31/2024

### Investment Manager / Security

### Par Amount

### Maturity

### S&P

### Moody's

### Fitch Ratings

### **Rating Downgrades:**

#### **PFM, Payden & Rygel**

TRUIST FINANCIAL CORP

\$	6,315,000	08/01/2024 - 10/28/2026	A-	Baa1	A-
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On May 8, 2024, Moody's downgraded Truist Financial Corp (TFC) by one notch to Baa1 from A3 with stable outlook. The ratings action followed TFC's announcement that it had closed on the sale of its Truist Insurance Holdings LLC subsidiary (TIH). The downgrade reflects Moody's view that sale of TIH removes a stable source of revenue and will likely increase earnings volatility over the longer-term. The security complies with the requirements of the Investment Policy, and the investment managers maintain a recommendation to hold the position until maturity, given Truist's dominant competitive position in an attractive region and its conservative underwriting standards and relatively low exposures to commercial real estate.

#### **- Rating below minimum requirements:**

KEYBANK NATIONAL ASSOCIATION

\$	3,720,000	06/14/2024 - 01/26/2026	BBB+	Baa1	BBB+
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During October 2023, Moody's and Fitch downgraded Keybank by one notch. The downgrade reflects the agencies' view that a higher-for-longer rate environment is likely to constrain profitability at Keybank more than for other banks of similar size. In addition, Keybank has a lower-than-average capital ratio on a proforma basis when adjusted for unrealized losses on available-for-sale securities. Due to the downgrade by both agencies, the three Keybank securities held within the portfolio fell below the minimum credit quality requirements of the Investment Policy. The Treasurer reviewed the position and recommended the securities be held for the short-term. The Treasurer presented his recommendation to the Chief Executive Officer who concurred.

### **Negative Credit Watch:**

N/A

# **DEBT PROGRAM**

(M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, 2021 TIFIA Loan)



# Outstanding Debt<sup>1</sup>

## As of 5/31/2024

### Orange County Local Transportation Authority (OCLTA-M2)

#### 2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$	293,540,000
Outstanding:		250,000,000
Debt Service FY 2024:		17,270,000
All in True Interest Cost:		4.33%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ Moody's/ S&P):	AA+/Aa2/AA+	
Final Maturity:		2041

#### 2019 M2 Sales Tax Revenue Bonds

Issued:	\$	376,690,000
Outstanding:		319,315,000
Debt Service FY 2024:		37,601,900
All in True Interest Cost:		3.14%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ S&P):	AA+/AA+	
Final Maturity:		2041

<b>Sub-total M2 Outstanding Debt</b>	<b>\$</b>	<b>569,315,000</b>
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### 91 Express Lanes

#### 2023 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	47,545,000
Outstanding:		47,545,000
Debt Service FY 2024:		1,446,160
All in True Interest Cost:		2.80%
Pledged Revenue Source:	91 Toll Road Revenues	
Ratings (Fitch/ Moody's/ S&P):	AA-/Aa3/AA-	
Final Maturity:		2030

<b>Sub-total 91 Express Lanes Outstanding Debt</b>	<b>\$</b>	<b>47,545,000</b>
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### 405 Express Lanes

#### 2021 TIFIA Loan

Amount Available	\$	628,930,000
Outstanding:		613,711,295
Accrued Interest:		-
Interest Rate:		1.95%
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's):	Baa2	
Final Maturity:		2058

<b>Sub-total 405 Express Lanes Outstanding Debt</b>	<b>\$</b>	<b>613,711,295</b>
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<b>TOTAL OUTSTANDING DEBT:</b>	<b>\$</b>	<b>1,230,571,295</b>
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1. Comprises OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and 2021 TIFIA Loan) currently outstanding and irrespective of OCTA's investment program.

Orange County Transportation Authority  
Portfolio Listing  
As of May 31, 2024

**ATTACHMENT B**

LIQUID PORTFOLIO					
NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	<b><u>CASH EQUIVALENTS</u></b>				
	BANK DEPOSITS	N/A	250,000	250,000	0.00
	FEDERATED MONEY MARKET GOVERNMENT PORTFOLIO	N/A	56,728,626	56,728,626	5.17
	BMO HARRIS BANK NCD	6/6/2024	15,000,000	15,000,000	5.62
	BMO HARRIS BANK NCD	7/29/2024	25,000,000	25,000,000	5.90
	MONEY MARKET DEMAND ACCOUNT	N/A	507,870	507,870	3.71
	FIDELITY TREASURY OBLIGATIONS FUND	N/A	301,299,751	301,299,751	5.21
	INVESCO MONEY MARKET GOVERNMENT PORTFOLIO	N/A	50,000,000	50,000,000	5.22
	FEDERATED TREASURY OBLIGATIONS FUND	N/A	14,792,770	14,792,770	5.19
	<b>SUB-TOTAL</b>		<b>463,579,018</b>	<b>463,579,018</b>	
	<b><u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u></b>	N/A	<b>6,955,075</b>	<b>6,955,075</b>	4.33
	<b><u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u></b>	N/A	<b>749,259</b>	<b>749,259</b>	4.48
	<b>LIQUID PORTFOLIO - TOTAL</b>		<b>\$ 471,283,352</b>	<b>\$ 471,283,352</b>	

SHORT-TERM PORTFOLIO					
NOTE	DESCRIPTION	MATURITY DATE	BOOK VALUE	MARKET VALUE	YIELD
	<b><u>Money Market Funds</u></b>				
	FIRST AMER-GVT OBLG Z	5/31/2024	18,750,387	18,750,387	5.20
	<b>SUB-TOTAL</b>		<b>18,750,387</b>	<b>18,750,387</b>	
	<b><u>NEGOTIABLE CERTIFICATES OF DEPOSIT</u></b>				
	COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH	7/17/2026	3,450,000	3,474,323	4.73
	Credit Agricole Corporate And Investment Bank, New	2/1/2027	3,750,000	3,698,588	5.27
	Natixis, New York Branch	9/18/2026	3,575,000	3,620,224	4.81
	Nordea ABP - New York Branch	11/3/2025	4,750,000	4,768,573	5.24
	Toronto-Dominion Bank - New York Branch	10/27/2025	4,725,000	4,747,538	5.19
	<b>SUB-TOTAL</b>		<b>20,250,000</b>	<b>20,309,245</b>	
	<b><u>U.S. TREASURY OBLIGATIONS</u></b>				
	UNITED STATES TREASURY	2/28/2029	936,753	924,593	4.51
	UNITED STATES TREASURY	11/30/2028	8,522,848	8,440,887	4.53
	UNITED STATES TREASURY	11/15/2028	4,757,617	4,716,800	4.54
	UNITED STATES TREASURY	9/30/2028	18,529,175	18,665,261	4.55
	UNITED STATES TREASURY	8/31/2028	1,555,425	1,544,131	4.56
	UNITED STATES TREASURY	8/15/2028	9,283,594	9,362,500	4.56
	UNITED STATES TREASURY	4/15/2028	2,650,518	2,615,723	2.27
	UNITED STATES TREASURY	4/15/2028	7,428,559	7,331,905	2.26
	UNITED STATES TREASURY	11/15/2027	3,778,750	3,700,480	4.62
	UNITED STATES TREASURY	9/30/2027	6,517,012	6,399,185	4.63
	UNITED STATES TREASURY	8/31/2027	7,737,813	7,636,880	4.64
	UNITED STATES TREASURY	7/31/2027	3,865,469	3,778,120	4.65
	UNITED STATES TREASURY	6/30/2027	5,401,750	5,377,750	4.65
	UNITED STATES TREASURY	6/30/2027	23,939,852	23,429,612	4.65
	UNITED STATES TREASURY	5/15/2027	1,739,609	1,741,793	4.67
	UNITED STATES TREASURY	4/30/2027	8,049,434	8,057,405	4.68
	UNITED STATES TREASURY	4/15/2027	14,881,161	14,892,569	4.68
	UNITED STATES TREASURY	3/31/2027	6,686,992	6,834,575	4.68
	UNITED STATES TREASURY	3/15/2027	15,087,814	15,004,519	4.69
	UNITED STATES TREASURY	2/15/2027	8,006,270	7,975,720	4.70
	UNITED STATES TREASURY	2/15/2027	38,804,304	38,532,345	4.71
	UNITED STATES TREASURY	1/15/2027	19,033,681	18,705,047	4.73
	UNITED STATES TREASURY	12/31/2026	20,757,205	20,971,808	4.72
	UNITED STATES TREASURY	12/31/2026	10,403,754	10,398,402	4.72
	UNITED STATES TREASURY	12/15/2026	33,785,150	33,197,899	4.75
	UNITED STATES TREASURY	11/15/2026	24,377,150	24,222,240	4.76
	UNITED STATES TREASURY	11/15/2026	3,715,469	3,747,200	4.76
	UNITED STATES TREASURY	10/15/2026	18,944,607	18,976,628	4.78
	UNITED STATES TREASURY	9/15/2026	6,219,274	6,240,504	4.80
	UNITED STATES TREASURY	8/31/2026	13,152,289	13,167,000	4.81
	UNITED STATES TREASURY	8/31/2026	33,552,012	33,566,187	4.80
	UNITED STATES TREASURY	8/15/2026	30,310,746	30,262,525	4.83
	UNITED STATES TREASURY	7/15/2026	14,357,900	14,286,175	4.84
	UNITED STATES TREASURY	6/15/2026	12,402,597	12,337,537	4.86
	UNITED STATES TREASURY	5/15/2026	45,018,283	44,484,712	4.89
	UNITED STATES TREASURY	4/15/2026	37,459,945	36,770,822	4.91
	UNITED STATES TREASURY	3/15/2026	8,514,673	8,335,837	4.93
	UNITED STATES TREASURY	2/28/2026	14,271,250	14,822,500	4.94
	UNITED STATES TREASURY	2/28/2026	31,820,822	33,061,439	4.94
	UNITED STATES TREASURY	2/28/2026	15,705,664	15,634,363	4.95
	UNITED STATES TREASURY	2/15/2026	55,102,804	54,731,273	4.96
	UNITED STATES TREASURY	1/31/2026	1,316,563	1,309,789	4.97
	UNITED STATES TREASURY	1/15/2026	6,244,424	6,166,443	5.00
	UNITED STATES TREASURY	12/15/2025	42,820,944	42,355,000	5.02

**Portfolio Listing  
As of May 31, 2024**

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
	UNITED STATES TREASURY	11/15/2025	14,569,102	14,417,550	5.05
	UNITED STATES TREASURY	10/31/2025	8,032,813	7,778,720	5.05
	UNITED STATES TREASURY	9/30/2025	32,554,458	33,686,130	5.07
	UNITED STATES TREASURY	9/30/2025	9,515,918	9,249,105	5.07
	UNITED STATES TREASURY	9/30/2025	12,142,489	12,673,665	5.06
	UNITED STATES TREASURY	7/31/2025	14,709,063	14,660,830	5.08
	UNITED STATES TREASURY	6/30/2025	6,811,055	6,645,800	5.12
	UNITED STATES TREASURY	5/31/2025	7,357,324	7,144,050	5.18
	UNITED STATES TREASURY	5/15/2025	8,094,270	8,065,266	5.19
	UNITED STATES TREASURY	4/30/2025	7,440,527	7,181,400	5.18
	UNITED STATES TREASURY	3/31/2025	9,852,188	9,623,800	5.17
	UNITED STATES TREASURY	1/31/2025	8,313,750	7,799,200	5.25
	UNITED STATES TREASURY	12/15/2024	8,000,000	7,820,720	5.26
	UNITED STATES TREASURY	11/15/2024	8,004,375	7,838,640	5.27
	UNITED STATES TREASURY	10/31/2024	7,758,691	7,384,950	5.26
	UNITED STATES TREASURY	9/15/2024	7,484,473	7,395,300	5.25
	UNITED STATES TREASURY	8/15/2024	7,914,375	7,920,720	5.17
	UNITED STATES TREASURY	8/15/2024	3,929,063	3,975,800	5.27
	UNITED STATES TREASURY	7/15/2024	7,502,051	7,456,650	5.07
	<b>SUB-TOTAL</b>		<b>887,433,906</b>	<b>883,432,377</b>	
	<b>FEDERAL AGENCY/GSE</b>				
	FEDERAL FARM CREDIT BANKS FUNDING CORP	4/30/2029	2,396,400	2,405,064	5.38
	FEDERAL FARM CREDIT BANKS FUNDING CORP	4/10/2029	4,942,000	4,970,700	4.51
	FEDERAL FARM CREDIT BANKS FUNDING CORP	11/15/2027	4,973,700	4,976,500	4.77
	FEDERAL FARM CREDIT BANKS FUNDING CORP	10/4/2027	4,012,000	3,977,360	4.68
	FEDERAL FARM CREDIT BANKS FUNDING CORP	12/7/2026	7,968,800	7,922,240	4.79
	FEDERAL FARM CREDIT BANKS FUNDING CORP	9/1/2026	3,994,800	3,994,040	4.82
	FEDERAL FARM CREDIT BANKS FUNDING CORP	8/14/2026	14,828,188	14,780,098	4.81
	FEDERAL FARM CREDIT BANKS FUNDING CORP	7/30/2026	3,995,640	4,010,240	4.87
	FEDERAL FARM CREDIT BANKS FUNDING CORP	7/17/2026	4,003,400	3,977,320	4.91
	FEDERAL FARM CREDIT BANKS FUNDING CORP	6/23/2026	3,995,240	3,959,040	4.90
	FEDERAL FARM CREDIT BANKS FUNDING CORP	5/8/2026	7,957,920	7,972,800	4.94
	FEDERAL FARM CREDIT BANKS FUNDING CORP	2/25/2025	4,956,270	4,878,050	5.18
	FEDERAL HOME LOAN BANKS	9/8/2028	3,979,600	3,976,760	4.53
	FEDERAL HOME LOAN BANKS	6/30/2028	3,965,360	3,919,440	4.55
	FEDERAL HOME LOAN BANKS	6/9/2028	1,996,120	1,963,120	4.51
	FEDERAL HOME LOAN BANKS	3/10/2028	5,108,250	4,998,500	4.51
	FEDERAL HOME LOAN BANKS	12/10/2027	5,105,600	4,929,550	4.69
	FEDERAL HOME LOAN BANKS	4/9/2027	3,989,640	4,005,400	4.70
	FEDERAL HOME LOAN BANKS	3/25/2027	4,830,700	4,867,847	4.85
	FEDERAL HOME LOAN BANKS	11/17/2026	5,056,950	4,991,050	4.70
	FEDERAL HOME LOAN BANKS	9/11/2026	10,908,280	10,961,830	4.78
	FEDERAL HOME LOAN BANKS	8/26/2026	1,783,600	1,830,728	4.94
	FEDERAL HOME LOAN BANKS	6/12/2026	3,992,680	3,992,680	4.85
	FEDERAL HOME LOAN BANKS	12/20/2024	7,643,648	7,476,345	5.22
	FEDERAL HOME LOAN MORTGAGE CORP	5/1/2026	2,800,000	2,794,176	5.61
	FEDERAL HOME LOAN MORTGAGE CORP	2/24/2026	2,268,865	2,266,277	5.50
	FEDERAL HOME LOAN MORTGAGE CORP	1/27/2026	2,380,000	2,375,264	5.42
	FEDERAL HOME LOAN MORTGAGE CORP	10/20/2025	3,149,742	3,253,094	5.23
	FEDERAL HOME LOAN MORTGAGE CORP	9/30/2025	3,260,000	3,241,744	5.19
	FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	2,940,000	2,961,297	5.28
	FEDERAL HOME LOAN MORTGAGE CORP	8/28/2025	3,060,000	3,022,331	5.23
	FEDERAL HOME LOAN MORTGAGE CORP	8/12/2025	4,095,490	3,881,023	5.26
	FEDERAL HOME LOAN MORTGAGE CORP	7/21/2025	4,785,000	4,720,077	5.29
	FEDERAL HOME LOAN MORTGAGE CORP	2/28/2025	3,030,000	2,998,730	5.42
	FEDERAL HOME LOAN MORTGAGE CORP	1/27/2025	3,550,000	3,544,427	5.36
	FEDERAL HOME LOAN MORTGAGE CORP	1/24/2025	3,920,000	3,913,650	5.40
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/24/2026	5,226,860	5,233,273	5.12
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2/17/2026	2,610,000	2,605,198	5.31
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	8/25/2025	7,771,280	7,554,240	5.09
	FEDERAL NATIONAL MORTGAGE ASSOCIATION	7/30/2025	3,614,768	3,725,363	5.25
	FHMS K-040 A2	9/25/2024	1,264,091	1,248,877	5.67
	FHMS K-045 A2	1/25/2025	4,508,012	4,484,701	5.53
	FHMS K-046 A2	3/25/2025	2,671,075	2,641,017	5.48
	FHMS K-047 A2	5/25/2025	3,588,234	3,494,763	5.40
	FHMS K-049 A2	7/25/2025	4,696,603	4,641,970	5.40
	FHMS K-051 A2	9/25/2025	6,041,381	5,874,014	5.36
	FHMS K-053 A2	12/25/2025	3,360,820	3,289,738	5.28
	FHMS K-054 A2	1/25/2026	11,003,391	11,088,203	5.25
	FHMS K-057 A2	7/25/2026	4,025,143	4,068,304	5.13
	FHMS K-058 A2	8/25/2026	2,290,781	2,275,584	5.12
	FHMS K-059 A2	9/25/2026	3,078,232	3,110,673	5.11
(1)	FHMS K-061 A2	11/25/2026	1,648,248	1,627,843	5.24
	FHMS K-062 A2	12/25/2026	2,396,755	2,391,759	5.06
(1)	FHMS K-063 A2	1/25/2027	10,336,469	10,121,984	5.07
	FHMS K-065 A2	4/25/2027	3,879,088	3,856,977	5.03

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	FHMS K-066 A2	6/25/2027	521,186	497,632	5.00
	FHMS K-067 A2	7/25/2027	3,858,125	3,790,800	4.99
	FHMS K-068 A2	8/25/2027	2,912,461	2,844,810	4.99
(1)	FHMS K-069 A2	9/25/2027	3,812,813	3,786,240	4.98
	FHMS K-073 A2	1/25/2028	6,511,410	6,413,825	4.98
(1)	FHMS K-081 A2	8/25/2028	4,803,447	4,758,187	4.93
(1)	FHMS K-733 A2	8/25/2025	1,736,895	1,757,761	5.37
	FHMS K-734 A2	2/25/2026	1,933,125	1,939,200	5.25
	FHMS K-736 A2	7/25/2026	2,458,807	2,509,948	5.14
	FHMS K-IR1 A2	3/25/2026	634,528	632,194	5.22
	FHMS K-S07 A2	9/25/2025	489,922	483,130	5.30
	FHMS K-S08 A2	3/25/2027	1,350,764	1,330,350	5.16
	FHR 3778 L	12/15/2025	111,120	108,426	5.79
	FHR 3806 L	2/15/2026	525,410	507,692	6.21
	FN AM8730	7/1/2025	1,613,644	1,463,264	6.19
	FN AN0429	1/1/2025	922,247	837,353	6.07
	FN AN0439	12/1/2025	869,027	865,971	6.12
	FN AN0571	1/1/2026	582,703	578,958	5.94
	FN AN0992	2/1/2026	922,699	897,131	5.79
	FN AN1793	6/1/2026	349,889	348,693	5.99
	FN AN6001	7/1/2027	508,802	507,904	6.41
	FN BL5365	2/1/2027	293,342	296,927	5.01
	FN BS9129	7/1/2028	975,938	979,540	4.92
(1)	FNA 2012-M14 AL	9/25/2027	3,611,291	3,583,086	6.83
(1)	FNA 2015-M15 A2	10/25/2025	1,285,050	1,288,618	6.29
	FNA 2016-M03 A2	2/25/2026	3,123,380	3,119,816	5.99
(1)	FNA 2017-M2 A2	2/25/2027	1,291,082	1,284,449	6.09
(1)	FNA 2018-M1 A2	12/25/2027	673,417	666,927	5.85
(1)	FNGT 2017-T1 A	6/25/2027	3,584,472	3,570,458	5.21
	FNR 2011-74 UY	3/25/2026	126,381	123,594	6.30
		<b>SUB-TOTAL</b>	<b>302,028,485</b>	<b>299,816,153</b>	
<b><u>MEDIUM TERM NOTES</u></b>					
	ADOBE INC	4/4/2027	1,544,228	1,543,331	4.89
	AIR PRODUCTS AND CHEMICALS INC	5/15/2027	1,829,260	1,834,400	4.89
(1)	AMERICAN EXPRESS CO	7/28/2027	2,445,000	2,442,359	5.44
(1)	AMERICAN EXPRESS CO	4/23/2027	595,000	597,071	5.66
(1)	AMERICAN EXPRESS CO	11/4/2026	860,000	861,178	5.91
(1)	AMERICAN EXPRESS CO	10/30/2026	1,065,000	1,076,385	5.54
	AMERICAN EXPRESS CO	8/1/2025	7,278,816	7,275,532	5.45
	AMERICAN EXPRESS CO	3/4/2025	1,087,483	1,063,535	5.56
	AMERICAN HONDA FINANCE CORP	7/7/2026	1,243,469	1,246,133	5.20
	AMERICAN HONDA FINANCE CORP	10/3/2025	1,348,745	1,357,776	5.34
	APPLE INC	2/23/2026	3,855,100	3,884,080	5.02
	ASTRAZENECA FINANCE LLC	2/26/2027	1,712,119	1,705,499	5.02
	ATHENE GLOBAL FUNDING	3/25/2027	2,555,000	2,549,481	5.60
	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	1/18/2027	2,350,000	2,334,796	5.01
	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	3/18/2026	1,750,000	1,743,000	5.23
	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y	12/8/2025	2,025,000	2,020,343	5.25
(1)	BANK OF AMERICA CORP	1/20/2027	1,425,000	1,414,769	5.54
(1)	BANK OF AMERICA CORP	10/24/2026	7,233,077	7,519,298	5.69
(1)	BANK OF AMERICA CORP	7/22/2026	195,000	193,071	5.73
(1)	BANK OF AMERICA CORP	4/2/2026	550,000	539,220	5.81
(1)	BANK OF AMERICA CORP	12/6/2025	2,930,000	2,866,917	5.84
(1)	BANK OF AMERICA CORP	10/22/2025	2,185,494	2,048,150	5.82
(1)	BANK OF NEW YORK MELLON	5/22/2026	4,845,000	4,829,012	5.50
	BANK OF NEW YORK MELLON CORP	1/26/2027	3,695,080	3,709,000	5.01
(1)	BANK OF NEW YORK MELLON CORP	7/24/2026	3,510,000	3,468,582	5.48
	BANK OF NEW YORK MELLON CORP	4/25/2025	1,229,828	1,206,519	5.55
	BMW US CAPITAL LLC	4/2/2027	2,447,085	2,437,946	5.09
	BMW US CAPITAL LLC	4/1/2025	1,068,994	1,050,772	5.48
	BP CAPITAL MARKETS AMERICA INC	11/17/2027	2,700,000	2,694,492	5.08
	BRIGHTHOUSE FINANCIAL GLOBAL FUNDING	1/13/2025	2,172,216	2,119,277	6.04
	BRISTOL-MYERS SQUIBB CO	2/22/2027	1,178,726	1,176,141	5.03
	BRISTOL-MYERS SQUIBB CO	2/20/2026	3,478,190	3,465,871	5.20
	BURLINGTON NORTHERN SANTA FE LLC	4/1/2025	753,641	686,511	5.39
	CAMDEN PROPERTY TRUST	11/3/2026	2,449,927	2,478,322	5.32
	CATERPILLAR FINANCIAL SERVICES CORP	5/14/2027	7,576,829	7,574,078	4.96
	CATERPILLAR FINANCIAL SERVICES CORP	5/15/2026	1,369,356	1,351,080	5.10
	CATERPILLAR FINANCIAL SERVICES CORP	2/27/2026	1,374,684	1,372,195	5.17
	CATERPILLAR FINANCIAL SERVICES CORP	1/6/2026	3,559,110	3,541,559	5.14
	CHUBB INA HOLDINGS LLC	5/3/2026	3,858,936	3,863,160	5.24
	CINTAS NO 2 CORP	5/1/2025	1,184,739	1,163,765	5.48
	CISCO SYSTEMS INC	2/26/2027	9,776,576	9,755,254	4.92
	CISCO SYSTEMS INC	2/26/2026	4,518,282	4,507,480	5.06
	CITIBANK NA	12/4/2026	1,440,000	1,448,006	5.24
	CITIBANK NA	4/30/2026	1,370,000	1,372,809	5.32
	CITIBANK NA	9/29/2025	8,805,128	8,863,905	5.30
(1)	CITIGROUP INC	1/25/2026	1,435,000	1,400,173	5.87
(1)	CITIGROUP INC	11/3/2025	420,221	412,020	5.89

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(1)	CITIGROUP INC	10/30/2024	2,500,000	2,501,575	5.81
(1)	CITIZENS BANK NA	10/24/2025	1,855,000	1,855,557	5.95
	CNO GLOBAL FUNDING	1/6/2025	694,555	676,610	6.23
	COMCAST CORP	11/7/2025	1,239,665	1,239,888	5.25
	COMCAST CORP	10/15/2025	4,042,257	3,549,966	5.32
	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	3/13/2026	2,350,000	2,356,369	5.15
	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/9/2026	2,399,088	2,386,560	5.22
	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)	1/10/2025	274,159	268,100	5.63
	DTE ELECTRIC CO	12/1/2026	4,659,254	4,643,410	5.00
	DUKE ENERGY CAROLINAS LLC	11/15/2028	3,653,676	3,639,541	5.08
	ELEVANCE HEALTH INC	2/8/2026	254,732	252,651	5.47
	ELI LILLY AND CO	2/9/2027	2,468,691	2,444,584	4.91
	ENTERPRISE PRODUCTS OPERATING LLC	1/11/2027	2,562,358	2,536,631	5.06
	EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	8/12/2024	2,504,775	2,480,125	5.88
	EXXON MOBIL CORP	3/1/2026	3,559,696	3,573,275	5.11
	F&G GLOBAL FUNDING	9/20/2024	1,974,663	1,949,924	6.00
(1)	FIFTH THIRD BANK NA	10/27/2025	950,000	948,984	6.09
	FLORIDA POWER & LIGHT CO	5/15/2028	3,935,680	3,909,520	5.04
	GA GLOBAL FUNDING TRUST	9/13/2024	1,551,563	1,532,421	6.00
(1)	GOLDMAN SACHS BANK USA	5/21/2027	1,265,000	1,261,180	5.58
(1)	GOLDMAN SACHS BANK USA	3/18/2027	2,220,000	2,210,942	5.52
	GOLDMAN SACHS GROUP INC	11/16/2026	1,937,324	1,985,526	5.40
(1)	GOLDMAN SACHS GROUP INC	8/10/2026	2,775,000	2,776,887	5.73
(1)	GOLDMAN SACHS GROUP INC	2/12/2026	6,058,338	6,378,108	5.84
	HOME DEPOT INC	9/30/2026	1,017,766	1,017,654	5.05
	HOME DEPOT INC	9/15/2025	2,204,206	2,170,955	5.25
	HORMEL FOODS CORP	3/30/2027	2,282,784	2,274,261	4.98
(1)	HUNTINGTON NATIONAL BANK	11/18/2025	2,415,000	2,409,808	6.16
	HYUNDAI CAPITAL AMERICA	3/30/2026	4,817,909	4,802,411	5.62
	INTERCONTINENTAL EXCHANGE INC	5/23/2025	3,351,310	3,288,964	5.75
	INTERNATIONAL BUSINESS MACHINES CORP	7/27/2025	2,600,000	2,561,000	5.35
	JACKSON NATIONAL LIFE GLOBAL FUNDING	4/10/2026	4,276,833	4,259,156	5.88
	JACKSON NATIONAL LIFE GLOBAL FUNDING	1/9/2026	1,601,549	1,594,889	5.91
	JACKSON NATIONAL LIFE GLOBAL FUNDING	1/12/2025	669,886	653,062	6.00
	JOHN DEERE CAPITAL CORP	3/5/2027	1,348,745	1,344,614	5.00
	JOHN DEERE CAPITAL CORP	1/8/2027	7,503,944	7,425,513	4.96
	JOHN DEERE CAPITAL CORP	6/8/2026	1,948,869	1,937,969	5.08
	JOHN DEERE CAPITAL CORP	1/9/2026	1,714,194	1,706,065	5.14
	JOHN DEERE CAPITAL CORP	1/10/2025	774,636	755,842	5.43
(1)	JPMORGAN CHASE & CO	4/22/2028	240,000	241,502	5.33
(1)	JPMORGAN CHASE & CO	1/23/2028	3,090,000	3,063,735	5.39
(1)	JPMORGAN CHASE & CO	10/22/2027	1,205,000	1,224,822	5.33
(1)	JPMORGAN CHASE & CO	11/19/2026	2,211,269	2,303,126	5.64
(1)	JPMORGAN CHASE & CO	4/26/2026	1,000,000	985,410	5.76
(1)	JPMORGAN CHASE & CO	2/24/2026	2,570,000	2,512,098	5.78
(1)	JPMORGAN CHASE & CO	8/9/2025	1,100,000	1,089,539	5.84
(1)	JPMORGAN CHASE & CO	6/1/2025	5,745,597	5,740,000	0.82
	JPMORGAN CHASE BANK NA	12/8/2026	3,595,000	3,587,774	5.20
	KEYBANK NA	1/26/2026	354,705	347,158	6.12
	KEYBANK NA	8/8/2025	1,319,630	1,291,501	6.06
(1)	KEYBANK NA	6/14/2024	2,045,000	2,045,000	4.70
	LINDE INC	12/5/2025	3,516,198	3,498,317	5.13
	LOCKHEED MARTIN CORP	10/15/2025	782,763	782,794	5.16
	MANUFACTURERS AND TRADERS TRUST CO	1/27/2026	2,430,763	2,382,087	6.04
	MASSMUTUAL GLOBAL FUNDING II	4/9/2027	3,488,953	3,483,893	5.16
	MASSMUTUAL GLOBAL FUNDING II	8/26/2025	1,208,754	1,192,745	5.35
	MERCEDES-BENZ FINANCE NORTH AMERICA LLC	1/11/2027	1,698,266	1,688,372	5.08
	MERCEDES-BENZ FINANCE NORTH AMERICA LLC	8/3/2026	1,340,348	1,349,190	5.23
	MET TOWER GLOBAL FUNDING	6/13/2025	1,973,065	1,941,208	5.42
	METROPOLITAN LIFE GLOBAL FUNDING I	1/6/2026	2,380,000	2,371,075	5.24
	METROPOLITAN LIFE GLOBAL FUNDING I	3/21/2025	579,484	567,518	5.56
	METROPOLITAN LIFE GLOBAL FUNDING I	9/27/2024	3,608,104	3,573,844	5.58
(1)	MORGAN STANLEY	4/13/2028	1,530,000	1,540,389	5.39
(1)	MORGAN STANLEY	7/20/2027	6,033,826	6,043,345	5.51
(1)	MORGAN STANLEY	1/28/2027	754,985	749,685	5.50
(1)	MORGAN STANLEY	10/16/2026	1,165,000	1,173,132	5.60
(1)	MORGAN STANLEY	2/18/2026	2,970,000	2,904,987	5.80
(1)	MORGAN STANLEY	10/21/2025	615,000	603,174	5.92
(1)	MORGAN STANLEY	1/22/2025	1,312,519	1,325,928	5.70
(1)	MORGAN STANLEY BANK NA	5/26/2028	680,000	683,033	5.34
(1)	MORGAN STANLEY BANK NA	1/14/2028	1,250,000	1,237,863	5.35
	MORGAN STANLEY BANK NA	10/30/2026	2,340,000	2,368,618	5.32
	MORGAN STANLEY BANK NA	4/21/2026	3,720,000	3,681,535	5.33
	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	1/12/2026	2,960,000	2,946,680	5.26
	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	6/9/2025	2,280,000	2,236,520	5.44
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	5/6/2027	2,828,245	2,826,491	5.15
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/5/2027	3,803,859	3,780,762	5.06
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	11/13/2026	1,734,393	1,748,637	5.24
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	3/13/2026	2,488,648	2,462,365	5.22

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	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	10/30/2025	758,982	759,506	5.50
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	6/15/2025	3,164,145	3,098,060	5.57
	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2/7/2025	2,254,932	2,200,790	5.50
	NESTLE HOLDINGS INC	3/13/2026	819,729	822,288	5.08
	NESTLE HOLDINGS INC	9/12/2025	224,926	221,708	5.19
	NEW YORK LIFE GLOBAL FUNDING	9/18/2026	6,872,649	6,809,019	5.28
	NEW YORK LIFE GLOBAL FUNDING	1/14/2025	5,948,569	5,805,589	5.63
	NEW YORK LIFE GLOBAL FUNDING	10/29/2024	1,213,421	1,192,280	5.55
	NEWMONT CORPORATION	3/15/2026	929,842	926,810	5.50
	NEXTERA ENERGY CAPITAL HOLDINGS INC	1/29/2026	2,608,826	2,593,139	5.36
(1)	NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2025	1,149,770	1,150,746	5.69
(1)	NEXTERA ENERGY CAPITAL HOLDINGS INC	9/1/2024	300,762	298,779	5.85
	NIKE INC	3/27/2025	44,939	43,951	5.33
	NORTHERN TRUST CORP	5/10/2027	3,930,215	3,891,800	5.00
	NORTHWESTERN MUTUAL GLOBAL FUNDING	3/25/2027	1,634,820	1,635,000	5.07
	NORTHWESTERN MUTUAL GLOBAL FUNDING	4/6/2026	6,038,862	5,969,158	5.32
	NORTHWESTERN MUTUAL GLOBAL FUNDING	7/1/2025	5,003,298	4,933,228	5.38
	PACCAR FINANCIAL CORP	5/13/2027	2,368,175	2,377,229	4.89
	PACCAR FINANCIAL CORP	8/10/2026	3,593,203	3,587,594	5.15
	PACCAR FINANCIAL CORP	4/7/2025	1,889,509	1,849,781	5.44
	PACCAR FINANCIAL CORP	11/8/2024	644,961	632,306	5.52
	PACCAR FINANCIAL CORP	8/9/2024	364,803	361,620	5.44
	PACIFIC LIFE GLOBAL FUNDING II	8/28/2026	794,722	799,062	5.25
	PEPSICO INC	2/13/2026	1,579,084	1,567,771	5.03
(1)	PNC FINANCIAL SERVICES GROUP INC	1/21/2028	490,000	488,594	5.87
(1)	PNC FINANCIAL SERVICES GROUP INC	10/20/2027	5,097,355	5,064,273	4.79
(1)	PNC FINANCIAL SERVICES GROUP INC	1/26/2027	1,630,000	1,609,544	5.56
(1)	PNC FINANCIAL SERVICES GROUP INC	10/28/2025	1,570,000	1,569,702	5.69
	PRICOA GLOBAL FUNDING I	8/28/2026	809,182	814,423	5.28
	PRICOA GLOBAL FUNDING I	8/28/2025	504,692	497,496	5.45
	PRICOA GLOBAL FUNDING I	12/6/2024	4,565,293	4,467,861	5.62
	PRINCIPAL LIFE GLOBAL FUNDING II	1/16/2027	474,815	472,511	5.21
	PRINCIPAL LIFE GLOBAL FUNDING II	1/10/2025	922,003	902,051	5.58
	PRINCIPAL LIFE GLOBAL FUNDING II	8/23/2024	299,814	296,727	5.59
	PUBLIC SERVICE ELECTRIC AND GAS CO	9/1/2028	2,539,642	2,501,534	5.03
	PUBLIC SERVICE ELECTRIC AND GAS CO	5/1/2028	1,929,762	1,932,602	5.05
	ROCHE HOLDINGS INC	11/13/2026	2,775,000	2,788,015	5.05
	ROYAL BANK OF CANADA	4/14/2025	2,524,066	2,478,540	5.57
	ROYAL BANK OF CANADA	11/1/2024	4,205,160	3,945,640	5.58
	SALESFORCE INC	7/15/2024	914,533	909,720	5.36
	SOUTHERN CALIFORNIA EDISON CO	3/1/2026	4,730,000	4,728,676	5.36
	STATE STREET CORP	3/18/2027	5,775,000	5,764,085	5.06
(1)	STATE STREET CORP	11/4/2026	685,000	687,445	5.48
	STATE STREET CORP	8/3/2026	4,335,000	4,334,653	5.27
(1)	STATE STREET CORP	5/18/2026	1,225,000	1,218,887	5.64
(1)	STATE STREET CORP	3/30/2026	2,045,440	1,952,920	5.83
(1)	STATE STREET CORP	2/6/2026	3,765,000	3,660,107	5.86
(1)	STATE STREET CORP	1/26/2026	345,000	343,037	5.75
	TEXAS INSTRUMENTS INC	2/8/2027	2,198,592	2,186,514	4.84
	THERMO FISHER SCIENTIFIC INC	12/5/2026	1,873,706	1,872,019	5.07
	TORONTO-DOMINION BANK	4/5/2027	4,942,150	4,961,550	5.27
	TOYOTA MOTOR CREDIT CORP	3/19/2027	724,123	723,688	5.07
	TOYOTA MOTOR CREDIT CORP	5/18/2026	2,053,808	2,026,333	5.21
	TOYOTA MOTOR CREDIT CORP	5/15/2026	3,822,514	3,823,126	5.23
	TOYOTA MOTOR CREDIT CORP	6/18/2024	3,086,323	3,083,480	4.97
(1)	TRUIST FINANCIAL CORP	10/28/2026	1,650,000	1,654,010	5.71
(1)	TRUIST FINANCIAL CORP	7/28/2026	3,065,000	3,014,244	5.75
	TRUIST FINANCIAL CORP	8/1/2024	1,659,632	1,591,488	5.68
	UNITEDHEALTH GROUP INC	4/15/2027	2,085,363	2,076,753	5.01
	US BANCORP	7/30/2024	2,662,075	2,486,875	5.54
	VERIZON COMMUNICATIONS INC	8/15/2026	3,737,599	3,748,219	5.22
	WALMART INC	4/15/2026	2,628,842.80	2,586,552.40	4.93
	WALMART INC	9/9/2025	1,523,932.50	1,502,933.25	5.08
(1)	WELLS FARGO & CO	4/22/2028	995,000.00	1,001,815.75	5.45
(1)	WELLS FARGO & CO	8/15/2026	1,360,000.00	1,343,788.80	5.57
(1)	WELLS FARGO & CO	4/25/2026	1,850,000.00	1,819,956.00	5.78
	WELLS FARGO & CO	4/22/2026	2,046,240.00	2,081,997.00	5.41
(1)	WELLS FARGO & CO	10/30/2025	2,182,028.50	2,046,593.25	5.76
	WELLS FARGO BANK NA	12/11/2026	4,100,000.00	4,102,009.00	5.23
	WELLS FARGO BANK NA	8/7/2026	534,957.20	536,893.90	5.27
	WELLS FARGO BANK NA	8/1/2025	3,512,469.20	3,521,889.40	5.36
	WISCONSIN PUBLIC SERVICE CORP	11/10/2025	684,849.30	684,938.35	5.35
		<b>SUB-TOTAL</b>	<b>469,711,914</b>	<b>466,634,520</b>	
<b><u>MORTGAGE AND ASSET-BACK SECURITIES</u></b>					
	AESOP 212 A	2/20/2028	1,612,535	1,613,582	5.61
	AESOP 221 A	8/21/2028	4,957,063	4,953,052	5.61
	ALLYA 2022-1 A3	11/16/2026	1,796,000	1,773,516	5.38
	ALLYA 2022-2 A3	5/17/2027	1,124,986	1,117,980	5.55
	ALLYA 2023-1 A3	5/15/2028	1,619,724	1,621,717	5.45

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<b>NOTE</b>	<b>DESCRIPTION</b>	<b>MATURITY DATE</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>	<b>YIELD</b>
	AMCAR 2021-3 A3	8/18/2026	310,012	305,182	6.74
	AMCAR 2023-2 A3	5/18/2028	4,599,241	4,616,652	5.64
	AMCAR 2024-1 A3	1/18/2029	1,199,889	1,200,000	5.80
	AMETOW 231 A	3/17/2053	1,396,500	1,402,926	5.64
	AMXCA 2022-2 A	5/17/2027	11,233,105	11,039,867	5.54
	AMXCA 2023-1 A	5/15/2028	1,339,881	1,332,362	5.23
	AMXCA 2024-1 A	4/16/2029	5,218,930	5,244,795	5.10
	BAAT 231 A3	2/15/2028	1,079,959	1,081,436	5.50
	BAAT 232 A3	6/15/2028	1,299,976	1,307,800	5.49
	BAAT 241 A3	11/15/2028	549,910	548,306	5.29
	BACCT 2023-1 A	5/15/2028	914,793	907,936	5.26
	BACCT 2023-2 A	11/15/2028	3,348,649	3,323,027	5.19
	BMWOT 2022-A A3	8/25/2026	2,071,504	2,039,626	5.75
	BMWOT 2023-A A3	2/25/2028	779,862	780,538	5.48
	CARMX 2021-1 A3	12/15/2025	70,898	70,339	5.59
	CARMX 2021-2 A3	2/17/2026	270,095	266,846	5.46
	CARMX 2021-3 A3	6/15/2026	975,883	953,487	5.48
	CARMX 2022-2 A3	2/16/2027	1,408,825	1,388,721	5.59
	CARMX 2022-3 A3	4/15/2027	2,464,738	2,433,468	5.56
	CARMX 2022-4 A3	8/16/2027	2,954,307	2,949,060	5.58
	CARMX 2023-3 A3	5/15/2028	3,199,963	3,193,312	5.45
	CARMX 2023-4 A3	7/17/2028	599,882	606,174	5.54
	CARMX 2024-1 A3	10/16/2028	8,234,370	8,171,014	5.32
	CARMX 2024-2 A3	1/16/2029	2,367,596	2,373,159	5.42
	CARMX 2032-2 A3	1/18/2028	6,029,359	5,988,634	5.54
	CCCIT 2023-A1 A1	12/8/2027	584,927	583,690	5.37
	CHAIT 2023-1 A	9/15/2028	11,146,566	11,146,689	5.29
	CHAIT 241 A	1/16/2029	3,259,504	3,218,435	5.17
	CITZN 2023-1 A3	1/18/2028	2,299,620	2,307,636	5.69
	COMET 2022-1 A	3/15/2027	7,399,825	7,298,678	5.57
	COMET 2022-2 A	5/17/2027	5,254,160	5,156,994	5.54
	COMET 2023-1 A	5/15/2028	3,470,195	3,447,080	5.28
	COPAR 2021-1 A3	9/15/2026	613,936	597,672	5.44
	COPAR 2022-1 A3	4/15/2027	1,300,035	1,276,575	5.38
	COPAR 2022-2 A3	5/17/2027	1,459,895	1,435,355	5.41
	CRVNA 23P2 A3	4/10/2028	2,181,939	2,192,058	5.80
	DCENT 2022-2 A	5/17/2027	2,674,783	2,620,564	5.56
	DCENT 2022-3 A	7/15/2027	3,029,624	2,967,734	5.50
	FCAT 2023-3 A3	4/17/2028	799,951	796,792	5.76
	FCAT 231 A3	8/16/2027	1,599,884	1,587,312	5.85
	FITAT 2023-1 A3	8/15/2028	2,649,836	2,654,505	5.49
	FORDF 231 B	5/15/2028	568,621	569,118	5.93
	FORDF 241 A1	4/16/2029	2,599,488	2,599,688	5.45
	FORDO 2021-A A3	8/15/2025	121,334	120,876	5.04
	FORDO 2022-A A3	6/15/2026	384,094	376,091	5.57
	FORDO 2022-B A3	9/15/2026	646,797	640,195	5.52
	FORDO 2023-B A3	5/15/2028	1,434,981	1,432,345	5.39
	GALC 221 A3	9/15/2026	3,699,362	3,678,318	5.78
	GALC 241 A3	1/18/2028	2,799,516	2,773,652	5.53
	GFORT 231 A1	6/15/2028	3,275,385	3,294,357	5.48
	GMALT 2024-1 A3	3/22/2027	1,714,786	1,706,202	5.49
	GMCAR 2021-1 A3	10/16/2025	15,442	15,393	5.00
	GMCAR 2021-4 A3	9/16/2026	1,031,299	1,005,295	5.33
	GMCAR 2022-1 A3	11/16/2026	1,249,245	1,222,306	5.14
	GMCAR 2022-2 A3	2/16/2027	971,109	956,519	5.28
	GMCAR 2022-3 A3	4/16/2027	1,549,989	1,528,502	5.53
	GMCAR 2022-4 A3	8/16/2027	1,899,689	1,887,992	5.51
	GMCAR 2023-2 A3	2/16/2028	664,982	656,801	5.35
	GMCAR 2023-4 A3	8/16/2028	939,807	947,999	5.41
	GMCAR 2024-1 A3	12/18/2028	2,964,404	2,938,107	5.31
	GMCAR 2024-2 A3	3/16/2029	1,269,754	1,265,199	5.31
	GTE 2023-1 A3	3/15/2028	2,199,815	2,181,344	6.71
	HALST 24A A3	3/15/2027	1,794,660	1,784,194	5.56
	HALST 24B A3	5/17/2027	1,964,945	1,965,000	5.74
	HAROT 2021-4 A3	1/21/2026	1,260,840	1,233,778	5.53
	HAROT 2022-1 A3	5/15/2026	733,455	718,146	5.65
	HAROT 2022-2 A3	7/20/2026	1,549,785	1,530,752	5.62
	HAROT 2023-4 A3	6/21/2028	599,894	604,608	5.33
	HART 2021-A A3	9/15/2025	192,205	191,462	5.00
	HART 2021-B A3	1/15/2026	811,632	803,044	5.39
	HART 2021-C A3	5/15/2026	408,449	400,855	5.59
	HART 2022-A A3	10/15/2026	1,849,992	1,814,431	5.59
	HART 2022-B A3	11/16/2026	1,440,751	1,422,871	5.63
	HART 2022-C A3	6/15/2027	6,804,967	6,796,017	5.57
	HDMOT 2022-A A3	2/16/2027	1,533,690	1,511,825	5.64
	HDMOT 2023-A A3	12/15/2027	1,639,835	1,630,767	5.55
	HUNT 241 A3	1/16/2029	4,224,843	4,211,353	5.45
	JDOT 2021 A3	9/15/2025	294,170	291,837	4.73
	JDOT 2022 A3	9/15/2026	1,182,524	1,160,419	5.57

**Orange County Transportation Authority**  
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<u>NOTE</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
	JDOT 2022-C A3	6/15/2027	3,899,697	3,883,815	5.54
	JDOT 2024 A3	11/15/2028	1,254,930	1,246,792	5.30
	KCOT 2021-1 A3	8/15/2025	194,302	192,554	5.77
	KCOT 2022-1 A3	10/15/2026	2,237,023	2,189,665	5.69
	KCOT 2023-1 A3	6/15/2027	6,743,944	6,696,908	5.55
	KCOT 212 A3	11/17/2025	585,315	574,953	6.07
	KCOT 222 A3	12/15/2026	2,374,565	2,342,130	5.76
	KCOT 232 A3	1/18/2028	3,029,235	3,023,395	5.41
	KCOT 241 A3	7/17/2028	4,039,842	4,024,123	5.50
	MBALT 2024-A A3	1/18/2028	1,319,846	1,319,683	5.38
	MBART 2022-1 A3	8/16/2027	3,894,230	3,884,873	5.51
	MBART 2023-1 A3	11/15/2027	729,912	722,189	5.43
	NAROT 2022-B A3	5/17/2027	1,504,689	1,490,296	5.40
	NAROT 2023-A A3	11/15/2027	3,299,417	3,278,055	5.41
	NAROT 2023-B A3	3/15/2028	2,799,432	2,822,260	5.54
	NART-24A-A3	12/15/2028	2,629,754	2,630,789	5.32
	NAVMT 231 A	8/25/2028	2,784,604	2,801,153	5.75
	NAVMT 241 A	4/25/2029	2,514,663	2,515,000	5.59
	NMOTR 24B A	2/15/2029	1,699,887	1,688,355	5.38
	ODART 2021-1 B	7/14/2028	798,188	836,271	5.09
	PFSFC 24B A	2/15/2029	616,797	617,988	5.28
	SBALT 23A A3	4/20/2027	3,309,545	3,345,880	5.68
	SBAT 24A A3	12/15/2028	4,199,391	4,183,956	5.73
	SDART 2023-3 A3	10/15/2027	1,399,842	1,398,544	5.78
	TAOT 2021-A A3	5/15/2025	29,721	29,712	1.26
	TAOT 2021-D A3	4/15/2026	584,679	572,045	5.59
	TAOT 2022-B A3	9/15/2026	1,056,749	1,039,084	5.58
	TAOT 2022-C A3	4/15/2027	3,025,132	3,042,352	5.52
	TAOT 2022-D A3	9/15/2027	4,799,526	4,792,752	5.47
	TAOT 2023-A A3	9/15/2027	775,000	767,413	5.46
	TAOT 2023-B A3	2/15/2028	1,894,894	1,872,127	5.51
	TAOT 2023-D A3	8/15/2028	2,385,301	2,394,447	5.31
	TEVT 2023-1 A3	6/20/2028	1,005,625	998,540	5.50
	TLOT 2024-A A3	4/20/2027	999,958	997,810	5.45
	VALET 2021-1 A3	6/22/2026	576,903	564,227	6.42
	VWALT 2022-A A3	7/21/2025	318,636	317,651	5.43
	VWALT 2024-A A3	6/21/2027	4,799,598	4,787,520	5.41
	WFCIT 2024-1 A	2/15/2029	4,490,859	4,481,505	5.15
	WFLOOR 241 A1	2/15/2028	999,872	997,410	5.50
	WLAKE 2023-1 A3	1/18/2028	1,599,921	1,594,032	5.75
	WLAKE 2023-2 A3	2/16/2027	3,799,858	3,803,230	5.74
	WLAKE 223 A3	7/15/2026	3,701,503	3,697,290	5.88
	WOART 2021-D A3	10/15/2026	700,332	684,590	5.51
	WOLS 2024-A A3	10/15/2027	799,932	798,944	5.38
	<b>SUB-TOTAL</b>		<b>281,242,695</b>	<b>279,702,252</b>	
<b><u>Municipal Debt</u></b>					
	ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV	9/1/2027	1,349,172	1,355,433	4.89
	BURBANK GLENDALE PASADENA ARPT AUTH CALIF ARPT REV	7/1/2028	1,500,000	1,496,910	5.18
	CALIFORNIA ST PUB WKS BRD LEASE REV	4/1/2027	1,510,000	1,500,925	5.15
	CALIFORNIA ST PUB WKS BRD LEASE REV	11/1/2026	1,600,000	1,611,792	5.21
	CALIFORNIA ST PUB WKS BRD LEASE REV	4/1/2026	1,135,000	1,128,758	5.31
	CONNECTICUT ST	6/15/2024	1,668,696	1,629,087	5.58
	FLORIDA ST BRD ADMIN FIN CORP REV	7/1/2025	1,025,000	979,193	5.57
	GOLDEN ST TOB SECURITIZATION CORP CALIF TOB SETTLE	6/1/2025	2,120,000	2,037,765	5.44
	HAWAII ST ARPTS SYS CUSTOMER FAC CHARGE REV	7/1/2024	715,000	712,962	5.40
	LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/1/2025	1,600,000	1,510,416	5.09
	MASSACHUSETTS (COMMONWEALTH OF)	7/15/2027	764,544	766,189	4.95
	MASSACHUSETTS (COMMONWEALTH OF)	11/1/2026	431,068	441,423	4.98
	MASSACHUSETTS (COMMONWEALTH OF)	1/15/2025	2,345,000	2,319,533	5.45
	NEW JERSEY ST TPK AUTH TPK REV	1/1/2025	850,000	828,419	5.38
	REDONDO BEACH CALIF CMNTY FING AUTH LEASE REV	5/1/2026	1,495,000	1,385,880	5.38
	RIVERSIDE CNTY CALIF INFRASTRUCTURE FING AUTH LEAS	11/1/2024	1,810,000	1,776,587	5.40
	WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	5/1/2027	2,276,950	2,227,727	4.86
	WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	5/1/2027	841,263	821,314	4.94
	WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	5/1/2026	1,240,000	1,223,558	5.10
	<b>SUB-TOTAL</b>		<b>26,276,693</b>	<b>25,753,871</b>	
<b><u>Supranationals</u></b>					
	INTER-AMERICAN DEVELOPMENT BANK	9/23/2024	6,764,990	6,668,585	5.39
	INTERNATIONAL FINANCE CORP	1/15/2027	4,938,847	4,903,022	4.80
	<b>SUB-TOTAL</b>		<b>11,703,837</b>	<b>11,571,607</b>	
	<b>SHORT-TERM PORTFOLIO - TOTAL</b>		<b>\$ 2,017,397,916</b>	<b>\$ 2,005,970,411</b>	

**BOND PROCEEDS PORTFOLIO**

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
<b><u>2021 Bond Anticipation Notes (BANs) - US Bank</u></b>					
	FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	54,959	54,959	4.93



Orange County Transportation Authority  
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<u>NOTE</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
	<b><u>91 EXPRESS LANES 2023 BONDS (US Bank COI)</u></b>				
	FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	2,594	2,594	4.93
	<b>BOND PROCEEDS PORTFOLIO-TOTAL</b>		<b>\$ 57,553</b>	<b>\$ 57,553</b>	
<b>DEBT SERVICE RESERVE FUNDS</b>					
<u>NOTE</u>	<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
	<b><u>91 EXPRESS LANES 2023 BONDS (US Bank DSF/DSRF)</u></b>				
	FIRST AMERICAN GOVERNMENT OBLIGATIONS FUND	N/A	5,429,969	5,429,969	4.93
	<b><u>91 EXPRESS LANES 2023 BONDS - OPERATING &amp; MAINTENANCE RESERVES</u></b>				
	BMO HARRIS BANK NCD	7/5/2024	5,000,000	5,001,800	5.84
	BMO HARRIS BANK NCD	10/8/2024	3,000,000	3,000,000	5.16
	<b>DEBT SERVICE RESERVE FUNDS - TOTAL</b>		<b>\$ 13,429,969</b>	<b>\$ 13,431,769</b>	
<b>TOTAL PORTFOLIO</b>			<b><u>Book Value</u></b> <b>\$ 2,502,168,791</b>	<b><u>Market Value</u></b> <b>\$ 2,490,743,086</b>	

NOTE: 1. Variable or floating rate securities.