

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

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

Year Ended June 30, 2024

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**

**Report on Agreed-Upon Procedures  
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Year Ended June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

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

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

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

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

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

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



Crowe LLP

Costa Mesa, California  
December 13, 2024

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

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The procedures and associated findings are as follows:

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

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

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

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

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

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

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

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(Continued)

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

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

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

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

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

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

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

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

Project	Description	Total Net Revenues	Net Revenues	Expenditures	Reimbursements	(J) - (K) = (L)
		Inception to March 31, 2041 (actual) + (forecast) (H)	Inception to June 30, 2024 (actual) (I)	Inception to June 30, 2024 (actual) (J)	Inception to June 30, 2024 (actual) (K)	Net M2 Cost Inception to June 30, 2024 (actual) (L)
(G)						
<i>(\$ in thousands)</i>						
<b>Freeways (43% of Net Revenues)</b>						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 570,917	\$ 166,820	\$ 10,908	\$ 8,786	\$ 2,122
B	I-5 Santa Ana/SR-55 to El Toro	364,658	106,552	35,832	21,390	14,442
C	I-5 San Diego/South of El Toro	761,627	222,545	415,158	53,041	362,117
D	I-5 Santa Ana/San Diego Interchange Upgrades	313,397	91,573	3,156	527	2,629
E	SR-22 Garden Grove Freeway Access Improvements	145,766	42,592	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	444,586	129,907	127,791	49,260	78,531
G	SR-57 Orange Freeway Improvements	314,247	91,822	58,752	15,069	43,683
H	SR-91 Improvements from I-5 to SR-57	170,060	49,691	34,961	824	34,137
I	SR-91 Improvements from SR-57 to SR-55	505,929	147,831	71,891	69,390	2,501
J	SR-91 Improvements from SR-55 to County Line	427,823	125,008	18,578	17,087	1,491
K	I-405 Improvements between I-605 to SR-55	1,303,148	380,776	1,687,473	303,291	1,384,182
L	I-405 Improvements between SR-55 to I-5	388,345	113,473	9,249	6,954	2,295
M	I-605 Freeway Access Improvements	24,294	7,099	8,398	16	8,382
N	All Freeway Service Patrol	182,207	53,240	11,923	-	11,923
	Freeway Mitigation	311,421	90,996	62,405	7,950	54,455
	Subtotal Projects	6,228,425	1,819,925	2,556,480	553,585	2,002,895
	Net financing expenditures	-	-	175,662	-	175,662
	<b>Total Freeways</b>	<b>\$ 6,228,425</b>	<b>\$ 1,819,925</b>	<b>\$ 2,732,142</b>	<b>\$ 553,585</b>	<b>\$ 2,178,557</b>
	<b>%</b>					<b>51.4%</b>
<b>Street and Roads Projects (32% of Net Revenues)</b>						
O	Regional Capacity Program	\$ 1,448,489	\$ 423,244	\$ 818,954	\$ 507,884	\$ 311,070
P	Regional Traffic Signal Synchronization Program	579,370	169,290	119,600	23,175	96,425
Q	Local Fair Share Program	2,607,248	761,829	742,345	77	742,268
	Subtotal Projects	4,635,107	1,354,363	1,680,899	531,136	1,149,763
	Net financing expenditures	-	-	51,470	-	51,470
	<b>Total Street and Roads Projects</b>	<b>\$ 4,635,107</b>	<b>\$ 1,354,363</b>	<b>\$ 1,732,369</b>	<b>\$ 531,136</b>	<b>\$ 1,201,233</b>
	<b>%</b>					<b>28.3%</b>



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

Project Description (G) (\$ in thousands)	Total Net Revenues Inception to March 31, 2041 (actual) + (forecast) (H)	Net Revenues Inception to June 30, 2024 (actual) (I)	Expenditures Inception to June 30, 2024 (actual) (J)	Reimbursements Inception to June 30, 2024 (actual) (K)	(J) - (K) = (L) Net M2 Cost Inception to June 30, 2024 (actual) (L)
	<b>Transit Projects (25% of Net Revenues)</b>				
R High Frequency Metrolink Service	\$ 1,444,635	\$ 409,529	\$ 463,505	\$ 99,529	\$ 363,976
S Transit Extensions to Metrolink	1,278,664	373,621	272,006	2,133	269,873
T Metrolink Gateways	74,035	39,988	98,220	60,956	37,264
U Expand Mobility Choices for Seniors and Persons with Disabilities	502,259	140,992	137,414	88	137,326
V Community Based Transit/Circulators	289,617	84,625	20,496	1,697	18,799
W Safe Transit Stops	31,967	9,341	1,537	26	1,511
Subtotal Projects	3,621,177	1,058,096	993,178	164,429	828,749
Net financing expenditures	-	-	28,785	-	28,785
<b>Total Transit Projects</b>	<b>\$ 3,621,177</b>	<b>\$ 1,058,096</b>	<b>\$ 1,021,963</b>	<b>\$ 164,429</b>	<b>\$ 857,534</b>
<b>%</b>					<b>20.2%</b>
<b>Measure M2 Program</b>	<b>\$ 14,484,709</b>	<b>\$ 4,232,384</b>	<b>\$ 5,486,474</b>	<b>\$ 1,249,150</b>	<b>\$ 4,237,324</b>

Project Description (G) (\$ in thousands)	Total Net Revenues Inception to March 31, 2041 (actual) + (forecast) (H.1)	Net Revenues Inception to June 30, 2024 (actual) (I.1)	Expenditures Inception to June 30, 2024 (actual) (J)	Reimbursements Inception to June 30, 2024 (actual) (K)	Net M2 Cost Inception to June 30, 2024 (actual) (L)
	<b>Environmental Cleanup (2% of Revenues)</b>				
X Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 308,086	\$ 89,715	\$ 52,069	\$ 311	\$ 51,758
Net financing expenditures	-	-	-	-	-
<b>Total Environmental Cleanup</b>	<b>\$ 308,086</b>	<b>\$ 89,715</b>	<b>\$ 52,069</b>	<b>\$ 311</b>	<b>\$ 51,758</b>
<b>%</b>					<b>1.2%</b>
<b>Taxpayer Safeguards and Audits</b>					
Collect Sales Taxes (1.5% of Sales Taxes)	\$ 221,192	\$ 65,587	\$ 42,232	\$ -	\$ 42,232
<b>%</b>					<b>1.0%</b>
Oversight and Annual Audits (1% of Revenues)	\$ 154,043	\$ 44,857	\$ 44,857	\$ (0)	\$ 44,857
<b>%</b>					<b>1.0%</b>

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

Year Ended June 30, 2024

**Measure M2 Summary**

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

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

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

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

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

Year to Date June 30, 2024 (Column A)

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

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

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

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

Year Ended June 30, 2024

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

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

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

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

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

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

Calculation of Net Revenues

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

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

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

Year Ended June 30, 2024

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

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

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

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

Total (Column F.1)

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

Calculation of Net Financing Expenditures

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

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

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

Year Ended June 30, 2024

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

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

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

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

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

Total (Column F.2)

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

**Schedule 3—Schedule of Revenues and Expenditures Summary**

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

Project Description (Column G)

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

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

Year Ended June 30, 2024

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

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

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

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

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

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

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

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

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

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Year Ended June 30, 2024

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

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

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

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

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

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