

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

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

Year Ended June 30, 2025

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

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

Year Ended June 30, 2025

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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 12, 2025

(Continued)

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS
Year ended June 30, 2025

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, 2025 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, 2025 amounts (Column B) by adding the prior year's Period from Inception through June 30, 2024 amounts with the Year to Date June 30, 2025 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, 2025 (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, 2025 (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, 2025 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, 2025 (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, 2025 (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, 2025 (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, 2025 (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, 2025. Agreed Column J, by project description, to the project job ledger by fiscal year.

(Continued)

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY
APPENDIX A – SCHEDULE OF PROCEDURES AND FINDINGS
Year ended June 30, 2025

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, 2025 (Column K) to Schedule 1, Column B. Agreed Oversight and Annual Audits line item to summary of Measure M2 administrative costs through June 30, 2025.
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, 2025 (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, 2025 (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: No exceptions were found as a result of these procedures.

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of June 30, 2025
(Unaudited)

(\$ in thousands)	Quarter Ended Apr 1, 2025 - June 30, 2025	Year to Date Jul 1, 2024 - June 30, 2025 (A)	Period from Inception to June 30, 2025 (B)
Revenues:			
Sales taxes	\$ 106,109	\$ 431,843	\$ 4,804,313
Other agencies' share of Measure M2 costs:			
Project related	(794)	35,644	896,068
Non-project related	-	-	454
Interest:			
Operating:			
Project related	856	2,957	10,059
Non-project related	14,215	39,738	153,006
Bond proceeds	-	3,624	104,570
Debt service	145	1,097	4,166
Commercial paper	-	-	393
Right-of-way leases:			
Project related	45	377	2,094
Non-project related	-	-	17
Proceeds on sale of assets held for resale	4,169	4,169	17,597
Donated assets held for resale:			
Project related	-	-	2,071
Miscellaneous:			
Project related	-	-	331
Non-project related	(4)	(4)	125
Total revenues	<u>124,741</u>	<u>519,445</u>	<u>5,995,264</u>
Expenditures:			
Supplies and services:			
Sales tax administration fees	762	3,072	45,304
Professional services:			
Project related	23,874	43,132	622,708
Non-project related	1,207	2,289	42,153
Administration costs:			
Project related	2,777	12,825	143,436
Non-project related:			
Salaries and Benefits	1,203	4,716	49,573
Other	2,621	9,208	85,445
Other:			
Project related	733	1,127	7,915
Non-project related	31	924	6,383
Payments to local agencies:			
Project related	41,996	119,363	1,547,713
Capital outlay:			
Project related	83,272	129,950	2,531,346
Non-project related	-	-	31
Debt service:			
Principal payments on long-term debt	-	21,950	138,355
Interest on long-term debt and commercial paper	-	32,906	386,436
Total expenditures	<u>158,476</u>	<u>381,462</u>	<u>5,606,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,735)</u>	<u>137,983</u>	<u>388,466</u>
Other financing sources (uses):			
Transfers out:			
Project related	(140,665)	(97,204)	(833,109)
Transfers in:			
Project related	76,526	230,130	594,518
Bond proceeds	-	263,978	1,068,603
Payment to refunded bond escrow agent	-	(267,767)	(312,829)
Total other financing sources (uses)	<u>(64,139)</u>	<u>129,137</u>	<u>517,183</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (97,874)</u>	<u>\$ 267,120</u>	<u>\$ 905,649</u>

Measure M2
Schedule of Calculations of Net Revenues and Net Financing Expenditures
as of June 30, 2025
(Unaudited)

(\$ in thousands)	Quarter Ended Apr 1, 2025 - June 30, 2025 (actual)	Year to Date Jul 1, 2024 - June 30, 2025 (actual) (C.1)	Period from Inception through June 30, 2025 (actual) (D.1)	Period from July 1, 2025 through March 31, 2041 (forecast) (E.1)	Total (F.1)
Revenues:					
Sales taxes	\$ 106,109	\$ 431,843	\$ 4,804,313	\$ 9,138,395	\$ 13,942,708
Operating interest	14,215	39,738	153,006	640,149	793,155
Subtotal	<u>120,324</u>	<u>471,581</u>	<u>4,957,319</u>	<u>9,778,544</u>	<u>14,735,863</u>
Other agencies share of M2 costs	-	-	454	-	454
Right-of-way leases	-	-	17	-	17
Miscellaneous	(4)	(4)	125	-	125
Total revenues	<u>120,320</u>	<u>471,577</u>	<u>4,957,915</u>	<u>9,778,544</u>	<u>14,736,459</u>
Administrative expenditures:					
Sales tax administration fees	762	3,072	45,304	70,633	115,937
Professional services	1,207	2,289	38,378	72,301	110,679
Administration costs:					
Salaries and Benefits	1,203	4,716	49,573	94,084	143,657
Other	2,621	9,208	85,445	161,100	246,545
Other	31	108	2,547	4,894	7,441
Capital outlay	-	-	31	-	31
Environmental cleanup	2,011	3,440	55,509	182,739	238,248
Total expenditures	<u>7,835</u>	<u>22,833</u>	<u>276,787</u>	<u>585,751</u>	<u>862,538</u>
Net revenues	<u>\$ 112,485</u>	<u>\$ 448,744</u>	<u>\$ 4,681,128</u>	<u>\$ 9,192,793</u>	<u>\$ 13,873,921</u>
<hr/>					
(C.2) (D.2) (E.2) (F.2)					
Financing expenditures:					
Debt interest expenditure	-	32,906	386,436	299,245	685,681
Professional services	-	-	3,775	-	3,775
Other	-	816	3,836	-	3,836
Total financing expenditures	<u>-</u>	<u>33,722</u>	<u>394,047</u>	<u>299,245</u>	<u>693,292</u>
Interest revenue:					
Interest revenue from bond proceeds	-	3,624	104,570	52,263	156,833
Interest revenue from debt service funds	145	1,097	4,166	12,697	16,863
Interest revenue from commercial paper	-	-	393	-	393
Total bond revenues	<u>145</u>	<u>4,721</u>	<u>109,129</u>	<u>64,960</u>	<u>174,089</u>
Net financing expenditures:	<u>\$ (145)</u>	<u>\$ 29,001</u>	<u>\$ 284,918</u>	<u>\$ 234,285</u>	<u>\$ 519,203</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2025
(Unaudited)

Project	Description	Total Net Revenues	Net Revenues	Expenditures	Reimbursements	(J) - (K) = (L)
		Inception to March 31, 2041 (actual) + (forecast)	Inception to June 30, 2025 (actual)	Inception to June 30, 2025 (actual)	Inception to June 30, 2025 (actual)	Net M2 Cost Inception to June 30, 2025 (actual)
(G)		(H)	(I)	(J)	(K)	(L)
	(\$ in thousands)					
Freeways (43% of Net Revenues)						
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 546,842	\$ 184,507	\$ 10,908	\$ 8,786	\$ 2,122
B	I-5 Santa Ana/SR-55 to El Toro	349,281	117,849	63,986	24,014	39,972
C	I-5 San Diego/South of El Toro	729,511	246,140	459,053	53,044	406,009
D	I-5 Santa Ana/San Diego Interchange Upgrades	300,182	101,283	3,249	527	2,722
E	SR-22 Garden Grove Freeway Access Improvements	139,619	47,108	5	-	5
F	SR-55 Costa Mesa Freeway Improvements	425,839	143,680	182,618	75,416	107,202
G	SR-57 Orange Freeway Improvements	300,996	101,557	61,024	15,078	45,946
H	SR-91 Improvements from I-5 to SR-57	162,889	54,960	34,961	824	34,137
I	SR-91 Improvements from SR-57 to SR-55	484,595	163,505	80,202	77,413	2,789
J	SR-91 Improvements from SR-55 to County Line	409,783	138,263	18,666	17,181	1,485
K	I-405 Improvements between I-605 to SR-55	1,248,197	421,149	1,711,194	380,111	1,331,083
L	I-405 Improvements between SR-55 to I-5	371,969	125,504	9,249	6,954	2,295
M	I-605 Freeway Access Improvements	23,270	7,851	9,769	16	9,753
N	All Freeway Service Patrol	174,524	58,885	16,984	-	16,984
	Freeway Mitigation	298,289	100,644	64,005	10,907	53,098
	Subtotal Projects	5,965,786	2,012,885	2,725,873	670,271	2,055,602
	Net Finance Expenditures	-	-	195,569	-	195,569
	Total Freeways	\$ 5,965,786	\$ 2,012,885	\$ 2,921,442	\$ 670,271	\$ 2,251,171
	%					51.2%
Street and Roads Projects (32% of Net Revenues)						
O	Regional Capacity Program	\$ 1,387,409	\$ 468,119	\$ 841,360	\$ 507,884	\$ 333,476
P	Regional Traffic Signal Synchronization Program	554,939	187,239	140,170	29,393	110,777
Q	Local Fair Share Program	2,497,306	842,603	819,281	77	819,204
	Subtotal Projects	4,439,654	1,497,961	1,800,811	537,354	1,263,457
	Net Finance Expenditures	-	-	57,302	-	57,302
	Total Street and Roads Projects	\$ 4,439,654	\$ 1,497,961	\$ 1,858,113	\$ 537,354	\$ 1,320,759
	%					30.1%

Measure M2
Schedule of Revenues and Expenditures Summary
as of June 30, 2025
(Unaudited)

Project Description	Total Net Revenues Inception to March 31, 2041 (actual) + (forecast)	Net Revenues Inception to June 30, 2025 (actual)	Expenditures Inception to June 30, 2025 (actual)	Reimbursements Inception to June 30, 2025 (actual)	(J) - (K) = (L) Net M2 Cost Inception to June 30, 2025 (actual)
(G)	(H)	(I)	(J)	(K)	(L)
<i>(\$ in thousands)</i>					
Transit Projects (25% of Net Revenues)					
R High Frequency Metrolink Service	\$ 1,383,718	\$ 454,285	\$ 523,872	\$ 100,061	\$ 423,811
S Transit Extensions to Metrolink	1,224,746	413,235	303,205	151,974	151,231
T Metrolink Gateways	70,913	42,281	98,220	60,956	37,264
U Expand Mobility Choices for Seniors and Persons with Disabilities	481,080	156,552	152,154	88	152,066
V Community Based Transit/Circulators	277,405	93,598	24,455	1,697	22,758
W Safe Transit Stops	30,619	10,331	2,128	26	2,102
Subtotal Projects	3,468,481	1,170,282	1,104,034	314,802	789,232
Net Finance Expenditures	-	-	32,047	-	32,047
Total Transit Projects	\$ 3,468,481	\$ 1,170,282	\$ 1,136,081	\$ 314,802	\$ 821,279
%					18.7%
Measure M2 Program					
	\$ 13,873,921	\$ 4,681,128	\$ 5,915,636	\$ 1,522,427	\$ 4,393,209
<i>(\$ in thousands)</i>					
Environmental Cleanup (2% of Revenues)					
X Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 294,717	\$ 99,146	\$ 55,509	\$ 311	\$ 55,198
Net Finance Expenditures	-	-	-	-	-
Total Environmental Cleanup	\$ 294,717	\$ 99,146	\$ 55,509	\$ 311	\$ 55,198
%					1.1%
Taxpayer Safeguards and Audits					
Collect Sales Taxes (1.5% of Sales Taxes)	\$ 209,141	\$ 72,065	\$ 45,304	\$ -	\$ 45,304
%					0.9%
Oversight and Annual Audits (1% of Revenues)	\$ 147,359	\$ 49,573	\$ 49,573	\$ (0)	\$ 49,573
%					1.0%

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

Year Ended June 30, 2025

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, 2025 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, 2025 (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, 2025. 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 \$267,120 agrees with the combined change in fund balances of \$272,314 in the M2 special revenue fund and \$(5,194) in the M2 debt service fund in the trial balance for the year ended June 30, 2025.

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, 2025

Period from Inception through June 30, 2025 (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, 2025. 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 \$905,649 agrees with the combined ending fund balances of \$887,343 in the M2 special revenue fund and \$18,306 in the M2 debt service fund, as presented in the trial balance for the year ended June 30, 2025.

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, 2025 (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, 2025. Revenues, administrative expenditures, and capital outlay for the year ended June 30, 2025 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, 2025

Period from Inception through June 30, 2025 (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, 2025. Revenues, administrative expenditures, and capital outlay for the period from inception through June 30, 2025 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, 2025 are presented in Schedule 3 as “Net Revenues through June 30, 2025” (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, 2025 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, 2025 through March 31, 2041. Revenues and administrative expenditures for subsequent years from July 1, 2025 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, 2025 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, 2025 (actual) (Column C.2)

This column presents Net financing expenditures, consisting of financing expenditures less bond revenues, for year ended June 30, 2025. Bond revenues and financing expenditures for the year ended June 30, 2025 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, 2025

Financing expenditures consist of debt interest expenditure. 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, 2025 (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, 2025. Bond revenues and financing expenditures for the period from inception through June 30, 2025 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 expenditure, professional services, and other interest expenditure. 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, 2025 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, 2025 through March 31, 2041. Bond revenues and financing expenditures for subsequent years from July 1, 2025 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 expenditure.

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, 2025

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, 2025 (actual) (Column I)

This column presents total M2 program net revenues for the period from inception through June 30, 2025, 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, 2025 (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, 2025 (actual) (Column K)

This column presents total reimbursements for the period from inception through June 30, 2025, 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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Net M2 Cost Inception to June 30, 2025 (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 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

Revenues Inception to June 30, 2025 (actual) (Column I.1)

The total environmental cleanup revenue for the period from inception through June 30, 2025, 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, 2025, 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, 2025, represents one and one-half percent (1.5%) of the sales tax revenues in Column D.1 in Schedule 2.